



CSAC Excess Insurance Authority

Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2019 and 2018

- California -

CSAC EXCESS INSURANCE AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

EXECUTIVE COMMITTEE

Name	Office	Entity
Kerry John Whitney	President	Napa County
Janell Crane	Vice President	Sonoma County
Karen Caoile	Risk Manager	Alameda County
Matt Gutierrez	Risk Manager	Kern County
John Viegas	Supervisor	Glenn County
Scott Schimke	Public Entity Rep.	GSRMA
Richard Egan	CAO	Lassen County
James Brown	Risk Manager	Merced County
Kimberly Greer	Public Entity Rep.	City of Richmond
Lance Sposito	At-Large	Santa Clara County
Nathan Black	Finance	Sutter County
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Ven Barrameda, Accounting Technician

CSAC EXCESS INSURANCE AUTHORITY
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December 11, 2019

Members, Board of Directors
CSAC Excess Insurance Authority

Ladies and Gentlemen:

Fiscal year 2018/19 was a successful year for the CSAC Excess Insurance Authority (the EIA or the Authority). All programs of the EIA are fully funded and continue to maintain a surplus (net position), membership has grown in most programs, and program structures have improved in spite of some challenging reinsurance renewals this year. Demand for the EIA's services is strong and the Member Services Department is responding to meet this demand.

The EIA continues to be a leader in our industry. We are recognized as one of the largest and most successful pools in the nation. For 2018/19, our annual revenue was \$1.03B, and for 2019/20 we estimate the revenue to be around \$1.14B.

Membership is growing at a steady and healthy pace. Year-over-year, our number of members as well as the number of member units (each member in each major program) increased. There are now 2,019 entities, including members of members, who are covered in one or more of our major programs.

A captive insurance company, the Excess Insurance Organization (EIO or the Captive), domiciled in and subject to the Utah Insurance Department's regulations, was formed to insure only the Authority's risks, celebrated its third year of operations. The EIO investment program continues to perform very well with the total rate of return on the equity portfolio returning 10.23%, 11.13% and 5.12% in the 2016/17, 2017/18 and 2018/19 years, respectively. The surplus position of the EIO, including the initial capital contribution of \$5M by the EIA, grew from \$13.7M to \$24.2M during the 2018/19 fiscal year. The EIO took on the risk transferred from the EIA within fixed corridors in the workers' compensation, liability and property programs. In 2018/19, the EIO covered an earthquake quota share risk in the Authority's property program from March 31, 2019 to March 31, 2020. The EIO took on an aggregated risk of \$10M for a premium of \$168k. This layer is not fully funded to the aggregate but the actuarially calculated expected loss in this layer is \$0. Over \$313M in premiums has been collected by the EIO in the first three years of operations from six EIA programs. The EIO covered \$157M of corridor risk in program year 2018/19 as compared to \$104.9M in program year 2017/18. In total, the EIO covered fixed risks of \$349M across all participating programs in its three years of existence.

Development of a proprietary Claims Management Information System (CMIS) and National Expansion was the focus of the Executive retreats of 2019 and 2018, respectively. EIA requirements for a CMIS are unique due to the fact that we operate excess programs and require a high degree of customization to replicate our primary data base from third party claims administrators. Therefore, EIA staff was directed to develop a detailed business plan to create our own proprietary CMIS for our own internal use as well as making it available to our members. Staff is diligently working on the business plan and a decision will be made later this year on

whether to take this initiative on, or not. National Expansion will enable EIA to reach outside of the State of California to spread and diversify risk, leverage reinsurance markets, and to identify and implement industry-wide best practices. Actual implementation will be on a program-by-program basis, as directed and approved by the Authority's Board. Staff, along with the EIA brokers are working on this initiative and it is anticipated necessary documents will be finalized and a marketing campaign will commence in the near future.

The EIA increased staffing levels with 6 new positions designed to meet the growing needs and complexities of our membership during 2018/19, and 4 new positions were approved for the 2019/20 year in the Information Technology, Liability Claims and Employee Benefits departments.

All these strategic initiatives influence our Comprehensive Annual Financial Report. The EIA is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures.

Based upon our comprehensive framework of internal control, we believe our report is accurate in all material respects, that it fairly sets forth the financial position and results of operations of the EIA, as measured by the financial activity of its various programs and policy periods, and that all necessary disclosures for understanding the report have been included. Because the cost of control should not exceed the benefits to be derived, our objective is to provide reasonable, rather than absolute assurance, that our financial statements are free of any material misstatements.

Gilbert CPAs, independent auditors, has issued an unmodified opinion that the Authority's financial statements, for the fiscal years ended June 30, 2019 and 2018, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

WHO WE ARE

CSAC Excess Insurance Authority is a Joint Powers Authority (JPA) established under Article 1, Chapter 5, Division 7, Title I of the California Government Code (§ 6500 et seq.) in October 1979. The EIA provides two classes of membership – county members (county entities maintaining their membership in the California State Association of Counties) and public entity members (any other public entity in California). The 62 member Board of Directors is comprised of representatives from each of the 55 county members appointed by their respective Boards of Supervisors, and seven public entity representatives (plus three alternates) elected by the public entity membership.

The EIA has over 350 members, consisting of 55 counties and 295 public entities. The 55 member counties represent more than a 95% market share of the 58 California counties. Public entity membership consists of individual cities, schools, or special districts, and 28 joint powers authorities consisting of pools of cities, schools, or special districts. The members collectively represent approximately 2,000 public agencies. Over 130 public agency members from 90 entities actively participate in the Authority's policy making and governance by their service on the Board of Directors and committees.

WHAT WE DO

The EIA operates programs for excess and primary workers' compensation, two excess liability programs (including an option for primary liability coverage), a property program, a medical malpractice program, a master rolling owner controlled insurance program, an employee health benefit program, a dental program and miscellaneous programs for other coverages. The EIA also provides support services for selected programs such as claims administration, risk management, claims audits, loss prevention and training, and subsidies for actuarial studies and risk management services. The EIA's reporting entity includes financial activities relating to all programs and insurance pools of the Authority and the newly formed captive.

THE RENEWAL CYCLE

The EIA operates in an environment that is affected by the evolving exposures of our membership as well as the overall insurance market. The EIA's programs typically feature layers of member self-insurance, layers of pooled risk, and layers of risk transfer to the commercial insurance market. Based on the loss trends of our membership and the state of the insurance market, the structure of the EIA's programs evolve to provide the most stable and least costly solution for our members.

The least stable environment is the liability market where the industry, public entities in particular, are seeing significant increases in plaintiff demands and high dollar liability claims. Increasing jury verdicts and settlements are impacting the industry's surplus. As the industry is affected, the EIA's liability programs have also experienced higher claim costs. Due to adverse loss development and the hardening liability insurance market, GL1 and GL2 members worked through a difficult renewal for 2018/19, with the GL2 Program in particular seeing modest premium increases, some coverage limitations, and additional aggregate limits.

The General Liability 1 (GL1) Program faced its own challenges due to a sudden increase in loss development from the first 3 quarters of 2018/19. This resulted in a drop in net position of nearly \$21M since June 30, 2018. In response to the adverse loss development and the deterioration of the Program's surplus, the EIA Board approved a Loss Portfolio Transfer (LPT) deal. This deal transfers the Program's liabilities to a reinsurer, MultiStrat Re, going back to July 1, 2007, thereby stabilizing the program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024). As a result of the LPT, the GL1 Program's net position is \$22.1M at 6/30/19 or otherwise equivalent to approximately the 70% confidence level.

We have successfully used multi-year reinsurance agreements to stabilize rates in the GL1, Property and Medical Malpractice Programs. We have also used Rate stabilization plans (RSP) to help stabilize expected reinsurance costs for our members in our EWC and PWC programs. RSPs are a predetermined agreement with the carrier that outlines what the potential premium decrease or increase would be for the renewal if loss development for the new year falls within a certain range. The other tool typically used to respond to changing market conditions is to expand and contract pooled risk layers. This can be done with a traditional un-aggregated pooled layer that is funded based upon actuarial recommendations, or on an aggregated corridor basis.

Our EIAHealth program continues to produce stable and equitable renewals, issuing a below trend renewal increase for the 2019 plan year. Employee Benefits, which includes Dental, Vision, Life/Disability and Employee Assistance, continue to offer flat rate renewals that include multi-year rate guarantees. EIAHealth Program renewed flat in 2018 and with a 3.9% rate increase in 2019. Of note, is the PPO Dental segment that continues to use accumulated program equity to

lower renewals for all program segment members. All other lines of coverage are in multiyear rate guarantees and will not renew until 2021.

PRIMARY WORKERS' COMPENSATION

The Primary Workers' Compensation (PWC) Program provides first dollar coverage to its members up to the \$125K limit, at which point coverage then feeds in to Excess Workers' Compensation (EWC) Program. The Program provides members with claims administration services and several cost containment programs including a Medical Provider Network (MPN), a 24/7 Nurse Triage Service, and a Return-to-Work Program. The Program pays for claims with a blending of pooling (both un-aggregated pooling and corridor pooling) and excess insurance. In 2018/19, the structure of the PWC Program provided that the first \$10k of each claim is paid out of the Program's pool and the Program's excess insurer pays for the balance of the claim, up to the program limit of \$125k, per occurrence. This layer is also subject to a corridor retention of \$14.3M that was transferred to the EIO.

The PWC program continues to build equity. The Program ended the 2018/19 year with surplus of \$32.7M. For 2018/19, rates on average decreased for all members.

The PWC Committee has declared dividends since 2007/08 every year except fiscal year 2017/18. In fiscal year 2018/19, PWC Committee declared a \$2M dividend for the program. In 2018/19, the corridor was increased from \$12M to \$17M and was subsequently adjusted to \$14.3M based on membership changes. The corridor risk was again transferred to the EIO.

EXCESS WORKERS' COMPENSATION

The Excess Workers' Compensation (EWC) Program provides members with statutory coverage for workers' compensation subject to the members' self-insured retentions ranging from \$125k to \$5M. Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third party of their choice or with their own claims staff. There are two towers in this program - the Educational Tower for our school members and the Core Tower for all of our other members.

In our Educational Tower, the Program funds a pool between \$125k and \$2.5M subject to member self-insured retentions and purchases reinsurance above the pooled layer to secure statutory limits.

In the Core Tower, the Program funds a \$5M pool, subject to member self-insured retentions and purchases reinsurance to secure statutory limits. Pooled layers for both of these towers are also subject to a large corridor retention that was transferred to the EIO. The Pool layer (both towers) continues to be reinsured with Great American and the EIA maintained a \$48.3M Corridor Retention for 2018/19, which was shared between the Educational Tower and the Core Tower. The Educational Tower maintained a \$7M corridor in its primary layer. Both corridors were transferred to the EIO.

GENERAL LIABILITY 1

The GL1 Program provides members with coverage for third party liabilities (including general, automobile, employment practices, and errors and omissions), up to a limit of \$25M, subject to each member's self-insured retention, which can range from \$100k to \$1M (retentions as low as \$25k can be provided on an exception basis). The Program also offers a \$10k deductible through the Deductible Buy Down (DBD) option, previously known as the Primary General Liability (PGL) Program, for those who want to transfer more risk. Members in the DBD option who have a deductible, are required to utilize one of the Program's contracted third party claim administrators. All other members who maintain a self-insured retention are able to manage their own claims, either through a third party of their choice or with their own claims staff. The Program funds a \$5M pool and purchases \$20M in reinsurance from various reinsurers to achieve the \$25M limit. Within the first reinsurance layer of \$5M to \$10M, there is a single \$7.5M corridor for the combined 2015/16, 2016/17, and 2017/18 years that is transferred to the EIO. The corridor in this layer increased to \$10.5M for the next 3 years of 2018/19, 2019/20, and for 2020/21.

Net position in this Program had been stable in the range of \$30M to \$40M until 2017/18 fiscal year. At June 30, 2018, the net position had deteriorated to \$8.8M due to adverse development in claims. As explained earlier, the EIA entered into a Loss Portfolio Transfer deal with MultiStrat Re to transfer their claims from July 1, 2007 to June 30, 2024. As of June 30, 2019, net position for this program has increased to \$22.1M as a result of the program's liabilities transferred to Multi Strat Re. Recent adverse loss development is an industrywide phenomenon being felt by most entities in the General Liability insurance market.

GENERAL LIABILITY 2

The GL2 Program provides members with coverage for third party liabilities (general, automobile, employment practices and errors and omissions), up to a limit of \$25M, subject to the member's self-insured retention, which range from \$1M to \$5M. Some members also have Individual Member Corridor Deductibles (IMCD) sitting on top of their member self-insured retention. The GL2 Program was specifically designed with the objective of offering larger members the advantages of the joint purchase of excess coverage, while maintaining their ability to handle and fund their primary losses, and manage their own claims. Each member of the Program (with a few exceptions) has a representative on the GL2 Committee, which was established to administer and govern the Program. Within the first reinsurance layer between a member's self-insured retention to \$10M, there is a large group corridor deductible (\$24.5M for 2018/19) that sits on top of the members' self-insured retentions and IMCDs, if applicable. The corridor is transferred to the EIO. Due to market conditions and the loss experience of the GL2 membership, the reinsurance purchased on first \$10M layer is subject to an annual aggregate limit, which is well in excess of expected claim payments.

PROPERTY

The Property Program provides coverage for physical damage to members' real and personal property as a result of "all risk" perils, limits up to \$ 800M in All Risk, in 2018/19 and \$600M in Flood. Members also have the opportunity to purchase additional earthquake coverage. The members who purchase earthquake coverage have access to \$540M in earthquake coverage in one or more of six towers. The unique structure of the Program into Towers spreads risk both geographically and categorically. This spread of risk allows the Program to access higher limits at reduced costs. The Program renews on March 31 of each year. The pool exposure is comprised of an aggregate all-risk corridor of \$10M and an aggregate auto physical damage corridor, both

of which are covered by the EIO. This Program has a pool that is designed to buy-down member deductibles for the Catastrophic Flood and Earthquake losses of up to \$5M for flood and \$30M for earthquake. The members continue to add monies to this pool, which is currently funded at \$19.5M. The structure of the Program evolved to allow the public entity tower to share earthquake limits within the Tower and with the earthquake rooftop layer. During the 2019/20 renewal, Lexington, the Program's long-time reinsurer on the primary layer, has elected not to extend to a third-year (2021/22) after many years of having a rolling 3-year agreement. Starting in 2021/22, the EIA placement may become a 1-year placement versus the usual 3-year pre-paid placement. As a sign of the hard market, coverage was reduced during the 2019/20 renewal. EQ limits dropped from \$540M to \$465M, flood limits dropped from \$600M to \$300M, and all-risk limits were reduced from \$800M to \$600M. The EIA retained the aggregate EQ risk of \$25M excess of \$440M, with 40% of that risk being transferred to the EIO for a premium of \$168k.

MEDICAL MALPRACTICE

The Medical Malpractice Program provides members with coverage for medical professional services and limited general liability exposures at established healthcare facilities. The Program offers limits of \$21.5M, in addition to each member's deductible or self-insured retention, which range from \$5k to \$1.1M. For members who maintain a \$5k or \$10k deductibles, claims administration is provided by the Program's third party administrator, Risk Management Services. Members who maintain a self-insured retention above those deductible limits are able to manage their own claims. The Program funds a \$1.5M pool on a claims-made basis and purchases \$20M of reinsurance on an occurrence basis. This Program has an annual renewal date of October 1 each year. The EIA has entered into a multi-year reinsurance deal with Medical Protective Company (Med Pro) for the 2018-2020 period. This year's renewal for 2018/19 with Med Pro renewed at a flat premium with a not-to-exceed premium amount of 10% for the 2019/20 renewal as specified in the multi-year agreement.

MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

The Master Rolling Owner Controlled Insurance Program (MR OCIP) enables members to purchase workers' compensation and general liability coverage for all eligible parties (owner, general contractor, and sub-contractors) working on their construction projects. These policies (also known as "wrap-ups") are widely used on public sector construction projects and capital improvement programs. The MR OCIP had historically included projects as small as \$10M; thereby enabling members to receive the benefits of a "wrap-up" on projects that otherwise would not qualify because of their size. This Program continues to see growth with two new members added.

EIAHEALTH

The EIAHealth Program, in partnership with Self Insured Schools of California (SISC), provides members with an alternative to group health insurance plans using the concept of pooling to reduce insurance premiums through consolidating the fixed costs over a larger population. Members are able to create and maintain their own plan designs within the context of the pooling arrangement that provides much greater stability than a standalone program. In addition, small group programs are available with predefined benefit options for public employers with less than 200 employees/retirees. HMO options are also available to members on an insured basis. The Program experienced a 10% growth in membership in 2019, adding 4 new members representing additional 3000 employee/retiree lives. Membership now covers 42 entities, providing coverage for 35,000 employees/retirees.

DENTAL

Since 2010, the EIA Dental Program has offered two segments of participation: pooled (fixed-rate) and standalone self-funded. In 2019, another pooled segment was added; the Dental Health Maintenance Organization (DHMO). The DHMO is a fee for service, fully insured product that offers members a cost-effective alternative to traditional PPO dental coverage. The Program partners with Delta Dental to provide administrative services and access to the Delta Dental network of providers. The administrative fees in the Program are some of the lowest offered by Delta Dental of California. In light of the Program's strong net position (\$17.1M as of June 30, 2019), the Employee Benefits Committee has approved a rate structure in each of the last three years to subsidize rates by as much as \$2M per year.

AWARDS & ACKNOWLEDGMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to CSAC Excess Insurance Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 25th consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Authority is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation's first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance. In March 2019, CAJPA renewed the Authority's "Accreditation with Excellence," the highest form of accreditation, for a three-year period ending in March 2022.

The Authority is a member of the Association of Governmental Risk Pools (AGRIP). AGRIP, a national organization comprised of over 200 pools across the nation, has established Advisory Standards, which are an industry specific method for pools to conduct a comprehensive review and evaluation of internal operational procedures. The Advisory Standards prescribe best practices for pools in categories such as governance, staffing, claims management, finance, business continuity, and data security. Pools that meet the Advisory Standards are granted Recognition for three years. In 2016, the EIA renewed Recognition with AGRIP by demonstrating compliance with the Advisory Standards. Staff are currently completing the evaluation for the 2019 Recognition.

The preparation of this report would not have been possible without the best efforts of the Finance and Administrative Departments and we thank them for their contribution. We commend the members of the Authority's Finance Committee and Executive Committee for their support in maintaining the highest standards of professionalism in the management of the Authority's finances, and each Board of Director member and alternate, and all committee members, for their commitment to the Authority.

Respectfully Submitted,



Michael Fleming
Chief Executive Officer



Puneet Behl, CPA
Chief Financial Officer



Board of Directors and Alternates With Programs

As of 6/30/2019

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Alameda County		✓		✓	✓	✓				Vacant	Karen Caoile, Senior Risk and Insurance Analyst
Alpine County		✓	✓		✓	✓		✓	✓	Nichole Williamson, CAO/HHS Director	Sarah Simis, Deputy CAO to Personnel and Risk Management
Amador County	✓	✓	✓		✓	✓		✓	✓	Richard Forster, Supervisor	Lisa Hopkins, Risk Manager
Butte County		✓	✓		✓	✓				Julia Ogonowski, Risk Manager	Sang Kim, Deputy Administrative Officer
Calaveras County	✓	✓	✓		✓	✓		✓	✓	Judy Hawkins, Deputy CAO/Risk & Human Resources Director	Deborah Schoeman, Human Resource Analyst
Colusa County		✓	✓		✓	✓			✓	Wendy G. Tyler, CAO	Todd Manouse, Safety Officer
Contra Costa County		✓		✓	✓	✓				Timothy Ewell, Chief Assistant County Administrator	Denise Rojas, Assistant Risk Manager
Del Norte County		✓	✓		✓	✓		✓		Neal Lopez, Assistant County Administrative Officer	Cathy Hafterson, Human Resources/Risk Manager
El Dorado County	✓	✓		✓	✓	✓		✓	✓	Robert Schroeder, Risk Manager	Tameka Usher, Director of Human Resources
Fresno County		✓	✓			✓				Mark Wilsdon, Risk Manager	Jason Blanks, Principal Human Resources Analyst



Board of Directors and Alternates With Programs

As of 6/30/2019

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Glenn County		✓	✓		✓	✓				John Viegas, Supervisor	Scott Schimke, Risk Manager
Humboldt County	✓	✓	✓		✓	✓			✓	Kelly Barns, Assistant HR Director	Kacy Green, Risk Manager
Imperial County		✓	✓		✓	✓		✓		Rodolfo Aguayo, Director of HR & RM	Brenda Olivas-Neujahr, Human Resources Manager
Inyo County	✓	✓	✓		✓	✓			✓	Aaron Holmberg, Risk Manager	Clint Quilter, County Administrator
Kern County						✓	✓			Matt Gutierrez, Risk Manager	Brad Aragon, Loss Prevention Specialist
Kings County		✓	✓		✓	✓	✓			Sande Huddleston, Risk Manger	Francesca Lizaola, Risk Assistant
Lake County	✓	✓	✓			✓		✓	✓	Anita Grant, County Counsel	Vacant
Lassen County		✓	✓		✓	✓			✓	Richard Egan, County Administrative Officer	Tony Shaw, Deputy County Administrative Officer
Madera County		✓	✓		✓	✓				Darin McCandless, Deputy CAO	Joel Bugay, Deputy CAO
Marin County					✓					Maria Boehne, Risk Manager	Daniel Eilerman, Assistant County Administrator



Board of Directors and Alternates With Programs

As of 6/30/2019

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Mariposa County		✓	✓		✓	✓			✓	Dallin Kimble, Interim CAO	Kim Williams, HR Director
Mendocino County	✓	✓	✓		✓	✓				Carmel Angelo, Chief Executive Officer	Heather Correll, Risk Analyst
Merced County		✓	✓		✓	✓	✓	✓	✓	James Brown, County Executive Officer	Vacant
Modoc County		✓	✓		✓	✓		✓	✓	Chester Robertson, County Administrative Officer	Pamela Randall, CFO/Assistant CAO
Mono County		✓	✓		✓	✓			✓	Vacant	Jay Sloane, Risk Manager
Monterey County		✓				✓				Charles McKee, County Counsel	Satinder Kaur, Senior Risk and Benefits Analyst
Napa County		✓	✓		✓	✓			✓	Kerry John Whitney, Risk Manager	Helene Franchi, Deputy CEO
Nevada County	✓	✓	✓		✓	✓			✓	Alison Lehman, County Executive Officer	Nick Poole, Risk Manager
Orange County						✓				Michael Alio, Director of Risk Management	Michelle Aguirre, Chief Financial Officer
Placer County		✓	✓		✓	✓	✓		✓	Jim Kotey, Risk Manager	Joseph Morgan, Risk Management Administrator



Board of Directors and Alternates With Programs

As of 6/30/2019

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Plumas County		✓	✓		✓	✓			✓	Roberta Allen, Auditor/Controller/Risk Manager	Vacant
Riverside County		✓		✓	✓	✓	✓			Brenda Diederichs, Assistant County Executive Officer/Human Resources Director of the HR Dept.	Mike Bowers, Assistant Human Resources Director
Sacramento County	✓	✓	✓	✓		✓				Paul Hight, Risk and Loss Control Division Manager	Vacant
San Benito County		✓	✓		✓	✓		✓	✓	Edgar Nolasco, Deputy County Administrative Officer	Stewart Patri, Budget Officer
San Bernardino County		✓	✓	✓		✓				LeAnna Williams, Director of Risk Management	Rafael Viteri, Deputy Director
San Diego County		✓				✓	✓			Janice Mazone, Deputy Director, Human Resources	Debra Howell, Senior Risk & Insurance Analyst
San Joaquin County		✓		✓	✓	✓			✓	Tanya Moreno, County Safety and Risk Manager	Ted Cwiek, Director of Human Resources
San Luis Obispo County		✓	✓		✓	✓		✓	✓	Pamela Mitchell, Liability Analyst	Tami Douglas-Schatz, Human Resources Director
Santa Barbara County	✓	✓	✓		✓	✓	✓	✓	✓	Ray Aromatorio, Risk Manager	Jeff Frapwell, Assistant County Executive Officer
Santa Clara County		✓		✓	✓	✓				Lance Sposito, Director of Risk Management	Vacant



Board of Directors and Alternates With Programs

As of 6/30/2019

Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Santa Cruz County		✓		✓	✓	✓			✓	Enrique Sahagun, Risk Manager	Vacant
Shasta County		✓	✓		✓	✓			✓	Angela Davis, Director of Support Services	Jim Johnson, Risk Management Analyst III
Sierra County		✓	✓		✓	✓		✓	✓	Van Maddox, Auditor/Treasurer/Tax Collector	Caleb Nelson, Chief Deputy Auditor
Siskiyou County	✓	✓	✓		✓	✓			✓	Terry Barber, County Administrator	Michael Kobseff, Supervisor
Solano County		✓	✓		✓	✓	✓		✓	Sherri Adams, Risk Manager	Marc Fox, Director of Human Resources
Sonoma County		✓	✓		✓	✓				Janel Crane, Risk Manager	Marcia Chadbourne, Human Resources Deputy Director
Stanislaus County		✓	✓		✓	✓			✓	Kevin Watson, Liability and Insurance Manager	Cari Griffin, Benefits Manager
Sutter County		✓	✓		✓	✓		✓	✓	Nathan Black, Auditor-Controller	Gina Rowland, HR Director
Tehama County	✓	✓	✓		✓	✓		✓	✓	Julie Sisneros, Risk Manager	Missi Bullington, Personnel Director
Trinity County		✓	✓		✓	✓			✓	Shelly Nelson, HR Director/Risk Manager	Rebecca Cooper, Loss Prevention Specialist



Board of Directors and Alternates With Programs

As of 6/30/2019

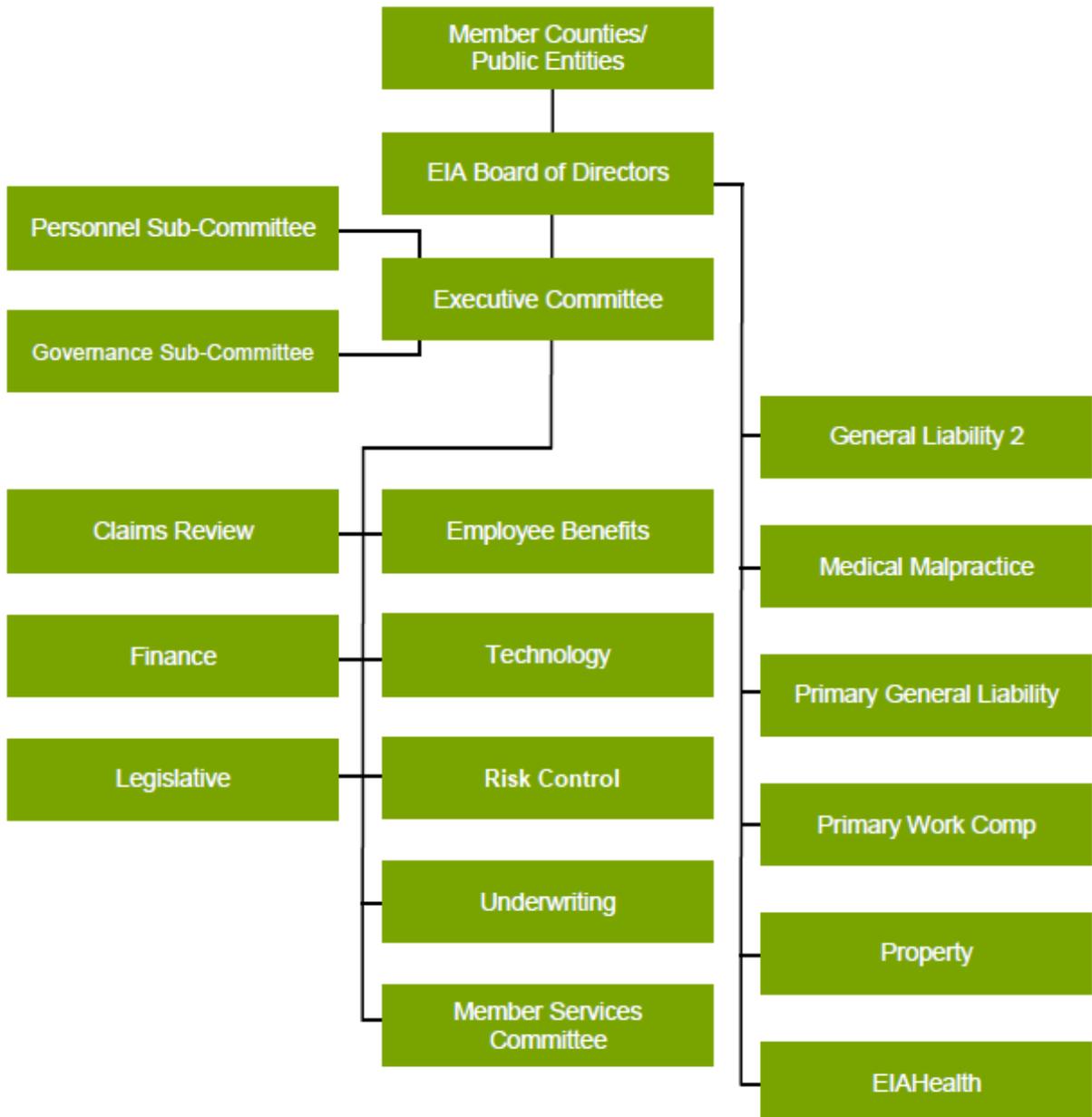
Entity	PWC	EWC	GL1	GL2	MEDMAL	Property	MROCIP	Health	Dental	Board Primary	Board Alternate
Tulare County		✓	✓	✓	✓	✓	✓			Susan Cox, Risk Manager	Robert Anderson, Supervising Analyst
Tuolumne County		✓	✓		✓	✓	✓		✓	Ann Fremd, Human Resources Manager	Kimberly Phipps, HR Analyst
Ventura County						✓				Chuck Pode, Senior Deputy Executive Officer	Theresa Bucci, Risk Analyst
Yolo County		✓			✓	✓			✓	Armond Sarkis, CEO/Risk Manager	Mindi Nunes, Assistant County Administrator
Yuba County	✓	✓	✓		✓	✓			✓	Jill Abel, Director, Human Resources & Risk Management	Karen Fassler, Assistant Human Resources Director



Board Member	Public Entity	Designated Board Position/Representative
Andrew Lathrop, Risk Manager	City of Oakland	Alternate
Barbara Esquivel, WC Claims Manager	Municipal Pooling Authority (MPA)	At-Large
C. Paul Frydendal, Chief Operating Officer	Special District Risk Management Authority (SDRMA)	Alternate
Craig Schweikhard, Executive Director	San Mateo County Schools Insurance Group (SMCSIG)	Schools
David Nunley, Risk Manager	ACCEL	At-Large
Greg Borboa, Human Resources Division Manager	City of Santa Clara	City
Janice Galleher, Senior Risk Mgt Specialist	City of Chula Vista	At-Large
Kimberly Greer, Risk Manager	City of Richmond	At-Large
Rhonda Haynes, Risk Management Analyst	Orange County Fire Authority	Alternate
Scott Schimke, Risk Manager	GSRMA	Special District



CSAC Excess Insurance Authority Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**CSAC Excess Insurance Authority
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



CAJPA

**California Association of
Joint Powers Authorities**

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

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

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

CSAC Excess Insurance Authority

this

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

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



Accreditation Period: March 28, 2019 – March 28, 2022

*Karla Rhay, Ed. D.
President*

*Kimberly Dennis
Chairman, Accreditation Committee*

*James P. Marta
Accreditation Program Manager*

INDEPENDENT AUDITOR'S REPORT

**Board of Directors and Members
CSAC Excess Insurance Authority
Folsom, California**

Report on the Financial Statements

We have audited the accompanying financial statements of CSAC Excess Insurance Authority (the Authority) as of June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Supplemental Information Section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplemental Information Section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information Section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and the Statistical Section, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Gilbert CPAs

**GILBERT CPAs
Sacramento, California**

December 4, 2019

Management's Discussion & Analysis

As management of the EIA, we offer readers of the EIA's financial statements this narrative overview and analysis of the financial activities for the fiscal years ended June 30, 2019, 2018, and 2017. All references to years are to the fiscal year ending at June 30th.

Overview of the Financial Statements

The EIA reports as a government enterprise fund because its activities, the development and operation of public entity risk pools (Retained Risk), and group purchase of insurance (Transferred Risk) are paid for by its member users.

The EIA's basic financial statements are comprised of three components: 1) Authority-wide financial statements including the EIO, a component unit; 2) notes to the financial statements; and 3) fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Authority-wide Financial Statements* are designed to provide readers with a broad overview of the EIA's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the EIA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets plus deferred outflows of resources minus liabilities and deferred inflows of resources is reported as net position. Net position includes the amount invested in capital assets, net of related debt.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing total revenues and total expenses and how the EIA's net position changed during the most recent fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., claims incurred but not paid, unrealized market gains on investments, earned but unused vacation leave, and net pension liability).

The *Statement of Cash Flows* presents information on the sources and uses of cash during the most recent fiscal year. The Statement of Cash Flows is subdivided into three major sections to show cash provided or used by Operating, Capital and Related Financing, and Investing Activities.

The Authority-wide financial statements can be found on pages 40 through 44 of this report.

Notes to the Financial Statements

The notes provide additional information that are essential to a full understanding of the data provided in the financial statements and can be found beginning on page 45 of this report.

Captive

On June 30, 2019, the Authority's captive insurance company, the EIO, a blended component unit of the Authority, completed its third year of operations. The EIO is domiciled in, and subject to, the Utah Department of Insurance regulations to insure only the Authority's risks. The EIO allows the Authority to better link their long term claim liabilities with an appropriate type and term of investment. See Footnote 3 for the Investment Policy of the EIO and Footnote 4 for a schedule of the liabilities insured through the EIO. The governing board is made up of current EIA Board, committee, and staff members along with EIA General Counsel and Utah Counsel.

Management's Discussion & Analysis

Fund Financial Statements

The EIA operates one enterprise, proprietary fund to account for its 10 risk management programs, general administration and operation of the EIA's building, and the EIO. Each program has established its own set of accounts so that each program can be independently evaluated.

The following table shows the net position in each fund:

	Net Position
Primary Workers' Compensation	\$ 32,733,155
Excess Workers' Compensation	57,780,895
General Liability 1	22,049,996
General Liability 2	1,303,715
Property	22,749,650
Medical Malpractice	13,793,361
Master Rolling Owner Controlled Ins. Program	375,430
EIAHealth	1,864,226
Dental Program	17,095,340
Miscellaneous Programs	1,987,023
Administration and Building	9,141,700
EIO net of Elimination	19,157,362
Total Net Position	\$ 200,031,853

Financial Highlights

Authority-Wide Financial Analysis

The EIA's assets and deferred outflows exceeded liabilities and deferred inflows by \$200M as of June 30, 2019, by \$122.6M at June 30, 2018, and by \$140.5M at June 30, 2017. Following is a condensed Statement of Net Position:

	June 30, 2019	June 30, 2018	June 30, 2017
Other Assets	\$ 665,521,210	\$ 824,109,709	\$ 781,525,113
Capital Assets	10,072,121	10,205,042	9,838,240
Total Assets	675,593,331	834,314,751	791,363,353
Deferred Outflows	1,227,362	1,718,920	1,537,233
Current Liabilities	321,909,836	183,323,834	153,724,595
Noncurrent Liabilities	444,459,373	528,994,951	497,188,376
Total Liabilities	766,369,209	712,318,785	650,912,971
Deferred Inflows	595,345	1,144,292	1,466,353
Invested in Capital Assets	10,072,121	10,205,042	9,838,240
Unrestricted Net Position	189,959,732	112,365,552	130,683,022
Total Net Position	\$ 200,031,853	\$ 122,570,594	\$ 140,521,262

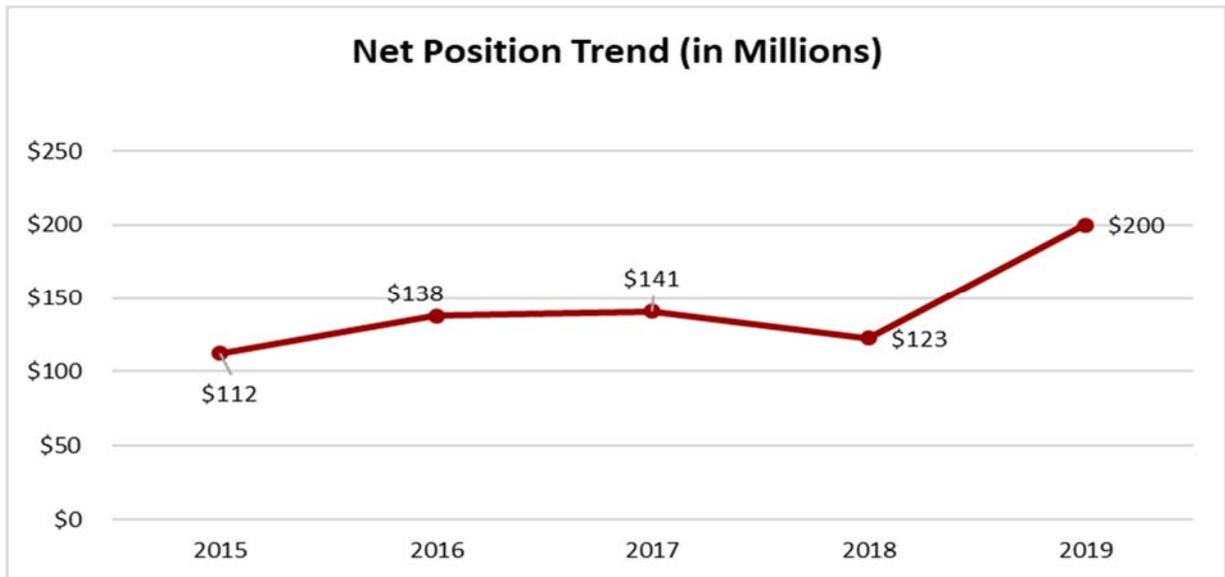
Management's Discussion & Analysis

Net Position

Net position is defined as the difference between Total Assets plus Deferred Outflows and Total Liabilities plus Deferred Inflows. The EIA started fiscal year 2018/19 with a net position of \$122.6M. Our ending balance in net position at June 30, 2019 was \$200M, increased by \$77.4M from fiscal year 2017/2018. The increase in net position was largely driven by positive development in prior year claims expense; especially in the Workers' Compensation and Medical Malpractice Programs.

The EIA started fiscal year 2017/18 with a net position of \$140.5M. The beginning net position was adjusted down by \$6.2M as a net result of GASB 75 OPEB accounting, the SANDPIPA merger, and reclassification of certain member deposits as Liabilities on the books. Additionally, we had a net loss of \$11.8M in fiscal year 2017/18 after declaring dividends of \$1.1M. Our ending balance in net position at June 30, 2018 was \$122.6M, down \$18M from fiscal year 2016/17. The decrease in net position was largely driven by adverse development in prior year claims expense, especially in the GL1 Program. The adjustment to beginning net position also contributed to this decrease.

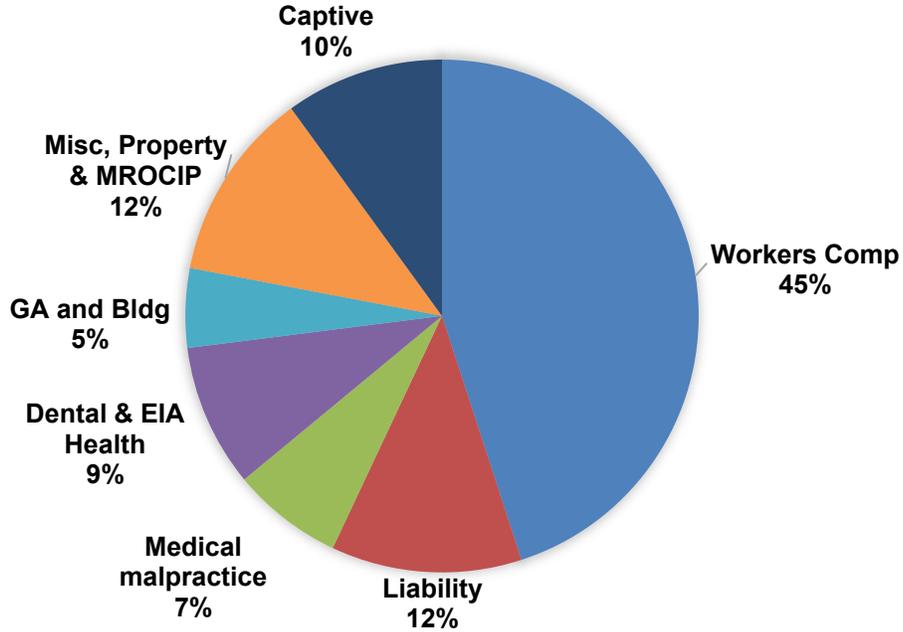
Our net position balances over the past 5 years are illustrated as follows:



Management's Discussion & Analysis

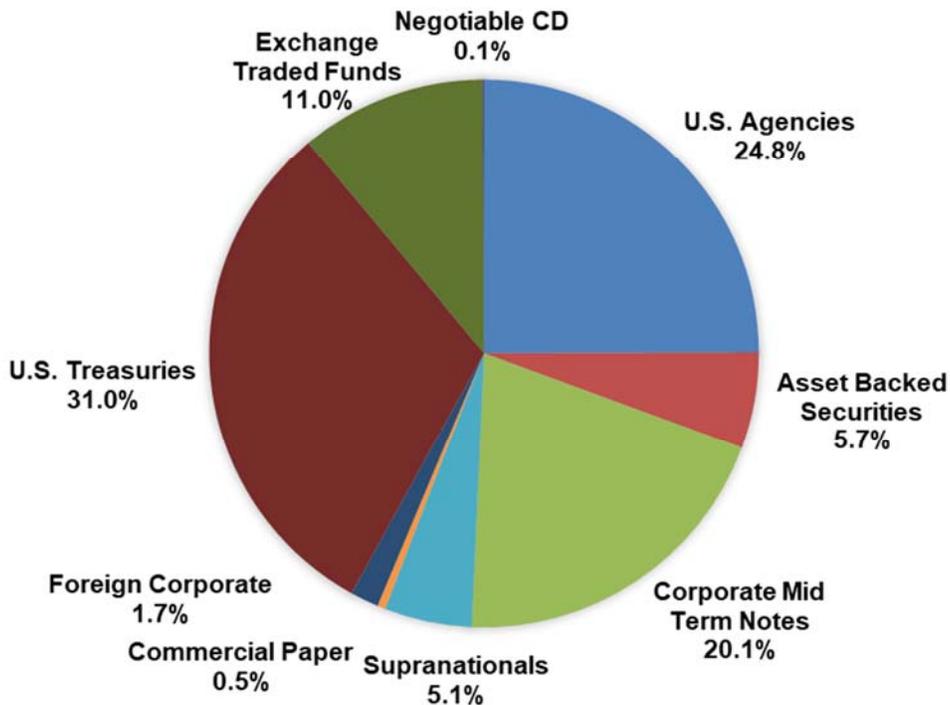
Our large pooled risk programs; workers' compensation and liability programs, account for 57% of net position as of June 30, 2019 as show below:

NET POSITION BY PROGRAM



Approximately 74% of our Treasury assets consist of funds held for the payment of claims. Of these funds, 11% is in cash and 89% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2019:

INVESTMENT ALLOCATION



Management's Discussion & Analysis

During the 2018/19 fiscal year interest rates were volatile but lower on a year over year basis. The decrease in interest rates drove the fair market value of the EIA's current fixed income investments higher, leading to unrealized gains on those investments. During fiscal year 2018/19, there was a net increase in fair value of \$21.1M, compared to a net decrease in fair value in fiscal year 2017/18 of \$7.2M. The increases and decreases in fair market value are primarily being driven by fluctuations in the market interest rate. The potential direction of interest rates, up or down, and the interest earned are both considered at the time the investment is made.

Claims Liabilities

As another year is added on to our programs, some with a long payout pattern, claim liabilities will naturally increase. Claim payments will cause a decrease in outstanding claim liabilities. Claim liabilities decreased from \$664.5M as of June 30, 2018 to \$538.4M at June 30, 2019. A decrease of \$144M in claim liabilities for the GL1 Program and \$53M in the EWC program, respectively, contributed to the overall reduction in claim liabilities in 2018/19. GL1 Program claim liabilities decreased as a result of a GL1 Loss Portfolio Transfer to MultiStrat Re during fiscal year 2018/19. PWC and Medical Malpractice Programs had an increase in claims liabilities despite positive claims development in prior years while EIO claim liabilities increased by \$82.2M in fiscal year 2018/19.

Claim liabilities increased from \$610.7M as of June 30, 2017 to \$664.5M at June 30, 2018. An increase of \$30.8M and \$72.2M in claim liabilities for the GL1 Program and the EIO, respectively, contributed to the overall increase in claims liabilities. The decrease of \$56.1M in claim liabilities for the EWC Program provided some offset to the overall increase. On July 1, 2017, the Authority merged with SANDPIPA (a JPA of Cities in San Diego County) and assumed all outstanding claim liabilities in their GL1 Program.

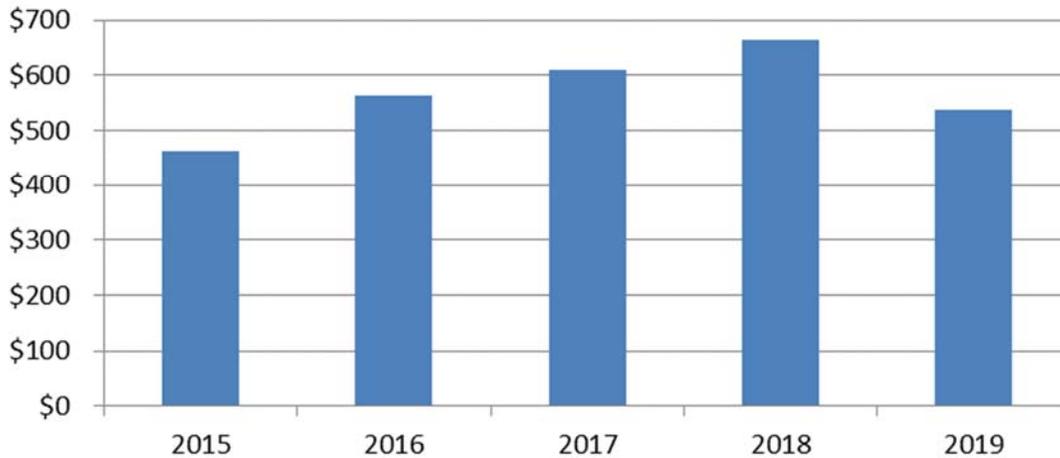
In August 2016, the California Insurance Commissioner placed Castlepoint Insurance Companies (Castlepoint) in conservatorship. Castlepoint has been in liquidation since March 1, 2017. California Insurance Guarantee Association (CIGA) is administering the liquidation and paying claims. Our Primary and Excess Workers' Compensation Programs had coverage through Castlepoint. Although CIGA has paid on some claims, it has issued denials if other insurance is available to cover the exposure. The total exposure to the Authority that is considered unrecoverable is approximately \$4.8M, discounted, and this amount is included in claim liabilities.

Our PGL Program has operated successfully since 1998 providing low deductible coverage for members that do not want the risks associated with self-insured programs. However, the PGL Program faced unique challenges that impacted its ability to self-insure the pooled risk, and spread EIA administrative charges to its members. As a result, effective July 1, 2018, the GL1 Program assumed the current claims liabilities and all future risks of the PGL Program. The claim liabilities as of June 30, 2019 are included in the EIA's total claims liabilities.

Our claim liabilities are discounted, meaning they are stated at the present value of the future stream of claim payments. The discount rate is based on what the EIA expects to earn on the funds set aside to pay claims. The rate of return on invested funds has been less than anticipated since the recent recession started in 2008. In fiscal year 2011, the EIA made significant adjustments to the discount rates. In 2012, 2013, and again in 2016, the EIA adjusted our discount rates lower to reflect the continued low interest rate environment. The claim liability trend over the past five years is as follows:

Management's Discussion & Analysis

CLAIM LIABILITIES (in millions)



Pension Liability

The pension liability was \$1.4M, \$1.6M, and \$1.1M at the end of fiscal years 2018/19, 2017/18, and 2016/17 respectively. The Authority merged with SANDPIPA (a JPA of Cities in San Diego County) as of July 1, 2017, and became the successor in interest to SANDPIPA's California Public Employers' Retirement (PERS) contract. Adjustments have been made to the PERS calculations to provide a conservative transfer of this risk. Because of this merger during the fiscal 2017/18, the Authority's beginning net pension liability, deferred inflow of resources, and deferred outflow of resources were adjusted to reflect net pension liability, deferred inflow of resources, and deferred outflow of resources of SANDPIPA.

Other Post Employment Benefit (OPEB)

For the year ended June 30, 2018, the Authority implemented GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. In 2017/18 OPEB liability calculations were based on blended discount rate. OPEB liability consists of explicit and implicit liability. The EIA's current policy is to prefund only the explicit liability, creating an unfunded liability for the implicit portion. Since fiduciary net position is not sufficient to pay all future obligations, in FY 2018/19, the EIA Finance Committee approved use of a split rate to discount future obligations. The Authority will use long term rate of return when future projected benefits that can be covered by trust assets, while future projected benefits not covered by the available trust assets shall be discounted by the 20-year municipal bond rate. These two components are then simply added together to calculate the total OPEB liability.

This approach is more logical and straightforward since EIA has a clear line drawn around what will and will not be prefunded. EIA reported Net OPEB liability of \$601k for 2018/19 and \$823k for 2017/18.

Target Equity

Each of the pooled programs have established Target Funding Guidelines, which determine the range of net position to retain in the program in order to provide for the uncertainty of actuarial estimates, inconsistent or inaccurate reserving, and the possibility of catastrophic claims. The purpose of the guidelines is to assist members in making funding decisions. A range is

Management's Discussion & Analysis

determined by looking at various ratios; for instance Gross Premium to Equity, Equity to Pool retention, Outstanding Case Reserves to Equity, and Outstanding Ultimate Reserves to Equity. The following table shows the Target Equity Range for the pooled programs and program net position at June 30, 2019:

Program	Target Equity Range in millions of \$		Program Net Position in millions of \$
	Low	High	2019
Primary Workers' Compensation	18.8	42.2	32.7
Excess Workers' Compensation	34.1	83.4	57.8
General Liability 1	26.6	36.1	22.0
Medical Malpractice	5.1	14.4	13.8

The EWC, PWC, and MedMal Program's net position is well within the target equity range for 2018/19. The GL1 Program's net position is below their Target Equity Range as a result of adverse development in claims. In response to that, the EIA Board approved a Loss Portfolio Transfer (LPT) deal. This deal transfers the Program's liabilities to a reinsurer, MultiStrat Re, going back to July 1, 2007, thereby stabilizing the program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024). As a result of the LPT, the GL1 Program's net position is \$22.1M at 6/30/19 or otherwise equivalent to approximately the 70% confidence level. Recent adverse loss development is an industrywide phenomenon being felt by most entities in the General Liability insurance market.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Position.

CSAC Excess Insurance Authority Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2019	June 30, 2018	June 30, 2017
Operating Revenues:			
Premiums for Transferred Risk	\$ 826,382,527	\$ 639,585,449	\$ 535,583,984
Broker Fees	11,435,218	10,678,116	9,996,927
Contributions for Retained Risk	125,476,876	212,774,426	196,118,073
All Other Sources	25,808,470	25,326,989	24,873,174
Total Operating Revenues	<u>989,103,091</u>	<u>888,364,980</u>	<u>766,572,158</u>
Operating Expenses:			
Member Dividends & Stabilization Funds Distributed	2,187,466	1,129,707	2,970,796
Insurance Expense & Broker Fee	736,199,745	649,265,135	547,191,461
GL1 LPT Premium Expense & Broker Fee	85,395,000	-	-
Provisions for Claims	263,033,230	225,522,031	189,195,053
GL1 LPT Claims Transferred	(167,221,942)	-	-
Program Services & Loss Prevention Expenses	15,798,608	16,016,871	15,759,360
General Administrative Services	14,588,275	14,335,463	13,350,142
Total Operating Expenses	<u>949,980,382</u>	<u>906,269,207</u>	<u>768,530,918</u>
Operating Income (Loss)	<u>39,122,709</u>	<u>(17,904,227)</u>	<u>(1,958,760)</u>
NonOperating Revenues (Expenses):			
Investment Income, Financing Fees, net of Investment Expense	38,142,841	6,283,097	4,602,220
Lease Income, net of Building Maintenance and Depreciation	195,709	(134,170)	205,185
Total NonOperating Revenues (Expenses)	<u>38,338,550</u>	<u>6,148,927</u>	<u>4,807,405</u>
Changes in Net Position	<u>77,461,259</u>	<u>(11,755,300)</u>	<u>2,848,645</u>
Adjustment to Beginning Net Position	-	(6,195,368)	-
Net Position			
Beginning Balance, July 1, as previously reported	122,570,594	140,521,262	137,672,617
Ending Balance, June 30	<u>\$ 200,031,853</u>	<u>\$ 122,570,594</u>	<u>\$ 140,521,262</u>

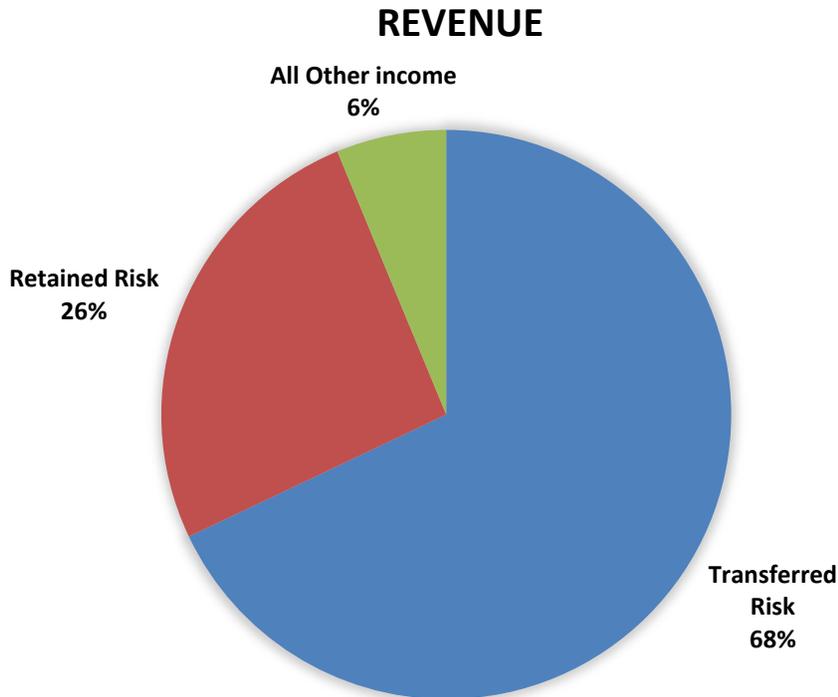
Management's Discussion & Analysis

Revenues

Total revenues were \$1.03B during 2019, an increase from \$895M in 2018. All programs have reported higher total revenue compared to 2018 except PWC program due to overall rate reduction. An increase of \$31.8M in investment income also contributed to an increase in total revenue compared to fiscal year 2017/18. Additionally, both premium and pool revenue are up partly due to rising payrolls, which is the exposure base for many programs. For the 2018/19 renewal, the GL1, GL2, Property, EWC Excess layer and Health had rate increases whereas the Dental, EWC pool, PWC, and DBD Programs had rate decreases.

In fiscal year 2017/18, total revenues experienced an increase from the \$772M in fiscal year 2016/17 to \$895M. All programs reported higher total revenue compared to 2017 except the PWC, PGL, and Miscellaneous Programs. Increase in investment income also contributed to an increase in total revenue compared to fiscal year 2016/17. Additionally, both premium and pool revenue is up partly due to rising payrolls which is the exposure base for many programs. For the 2017/18 renewal, the GL1, GL2, EWC (excess layers) and Medical Malpractice Programs experienced rate increases, whereas the Dental, EWC (pool layer), PWC, and PGL Programs had rate decreases. The rates were flat for the Property and EIAHealth Program renewals.

The total revenue allocation as of June 30, 2019 is shown in the following chart:



Membership The Authority represents over 2,000 public agencies statewide. Our membership includes 95% of the counties in California and nearly 70% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and 28 other Joint Powers Authorities. There was some movement in membership in most of our programs with a net increase of 19 members for a total of 740 in 2018/19 up from 721 in 2017/18. Our employee benefits programs continue to add new members and our new MR OCIP (wrap-up program for major construction contracts) added several new projects to our pooled program. In addition to cities, counties, and special districts we insure directly, we cover an additional 1,627 members who are part of other Joint Powers Authorities that participate in our programs.

Management's Discussion & Analysis

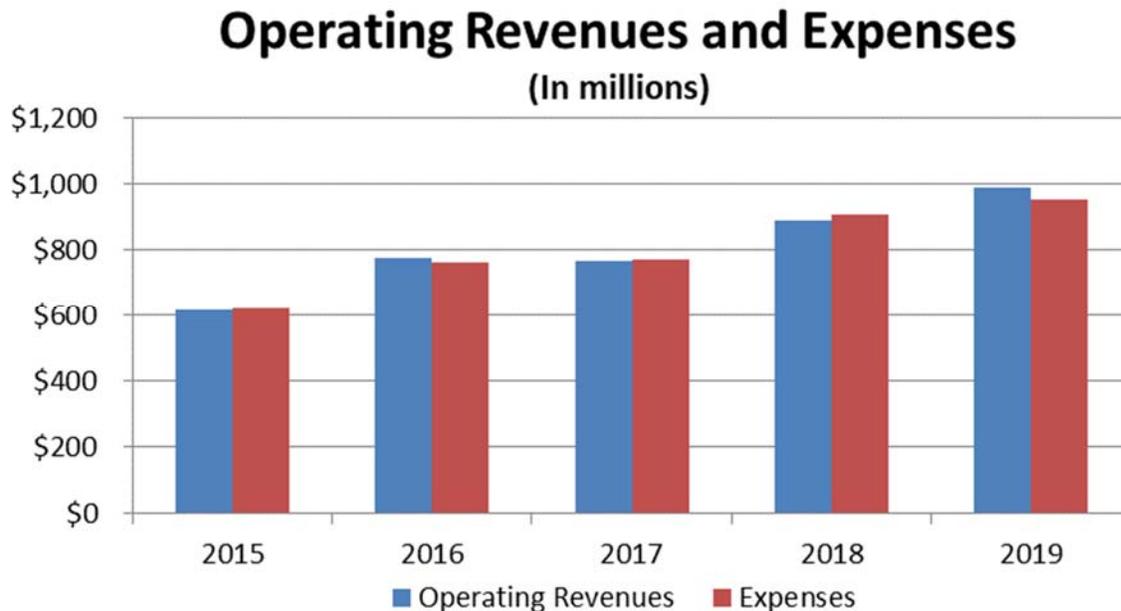
Premiums for Transferred Risk Premiums for transferred risk increased from \$545.6M in 2017 and \$650.3M in 2018 to \$698.1M in 2019, up 7% from 2018. Much of this increase is in our Liability, Property and EIAHealth programs. Due to economic recovery, payrolls across members are increasing, which is the exposure base for workers' compensation and general liability programs.

Contributions for Retained Risk The EIA's contributions for retained risk revenues were \$265.1M in 2019, compared to \$212.8M last year and \$196.1M in 2017. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims. We have also experienced increase contribution for retained risk as we have expanded our corridors and transferred those to our newly established captive.

Expenses

Total operating expenses increased by \$43.7M in fiscal year 2018/19 compared to \$137.7M increase in 2017/18 when compared to fiscal year 2016/17. The significant increase in both years 2017/18 and 2018/19 was due to increase in insurance expense, primarily in the EIAHealth program, with a corresponding increase in revenue. The increase in fiscal year 2018/19 expenses was offset by a decrease of \$134.8M in claims expense primarily from the GL1 program due to the Loss Portfolio Transfer explained above.

Operating expense compared to revenue is shown in the following chart:



Significant expense items in fiscal year 2018/19 included:

- Member dividends included \$2.2M to members of the PWC Program, EIAHealth and Miscellaneous Program members.
- Insurance expense increased by \$172.3M, mirroring the revenue increase in premiums for transferred risk for all programs except for the GL1 LPT Layer, for which the premiums of \$124M were paid to transfer claims to another reinsurer and a corresponding reduction of claims expense of \$167.2M was recorded in the expense section itself.

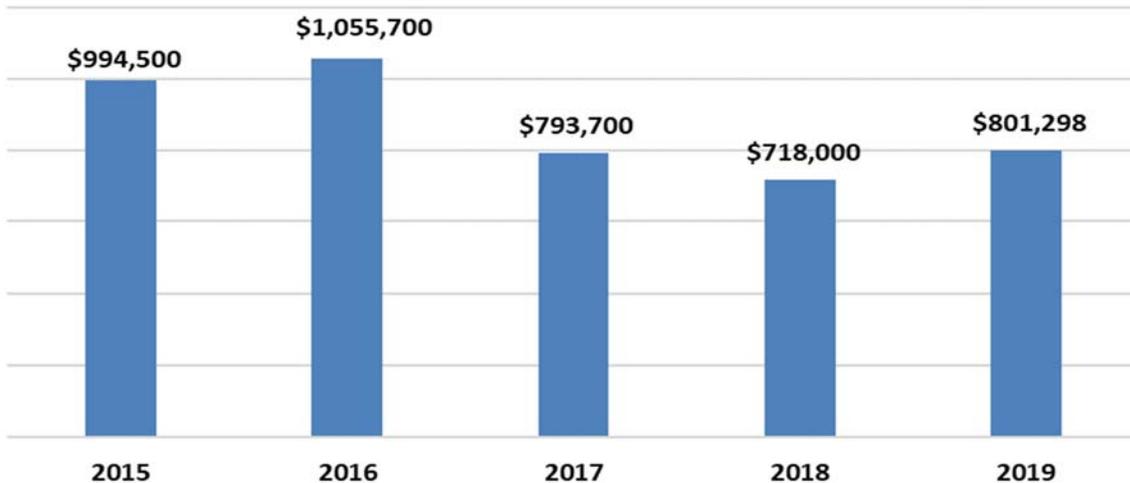
Management’s Discussion & Analysis

- The provision for claims is a management estimate of the cost of pooled, or shared, claims. This estimate is based on a variety of actuarial and statistical techniques considering claims history, claim payment history and frequency, changes in the law, inflation, and other socio-economic factors. Because our claims are discounted to the present value, the effect of changes in the discount rate is included in the provision for claims. The provision for claims expense decreased by \$134.8M from \$231.2M in 2018 to \$96.4M in 2019 mainly due to prior year claim cost in GL1 program reduced \$167.2M as a result of Loss Portfolio transfer to MultiStrat Re. A corresponding insurance expense of \$124M was recorded as a price of this Loss Portfolio Transfer.
- Unallocated Loss Adjustment Expense (ULAE) expense decreased by \$5.1M from 2018 to negative \$574k in 2019 as the ULAE liability decreased from \$50.1M at June 30, 2018 to \$49.5M at June 30, 2019.
- General Administrative expense was 3% higher in 2019 at \$13.3M compared to 2018. General Administrative services include salaries and benefits of the EIA staff, meetings and conferences, office expenses, and other expenses necessary for the operation of the EIA.
- Other program and member services expense was slightly lower by 1% at \$15.8M in 2018/19 fiscal year as compared to \$16M in 2017/18 fiscal year.

The actuarial subsidy is \$2k, available in many programs. All members of the property and casualty programs are eligible for a risk management subsidy of \$1k per program. In 2018, a total of \$8.9M reclassified from the net position to the Authority’s liabilities on the Statement of Net Position because these are being held by the EIA on behalf of their members. Therefore, Risk Management subsidy is no longer considered an expense but reduction of liability.

The following chart shows the total dollars that were distributed through member subsidies for the last five years:

Risk Management Subsidies



Management's Discussion & Analysis

The EIA offers a variety of Risk Control, Claims, and Risk Management services for our members. The services offered include:

- Expanded TargetSolutions offerings to include Special Education, a new Driver Training Program and 25 courses for Law Enforcement.
- Created a POST Certified Course on De-Escalation that will be held in 10 member locations.
- Created a Fire Apparatus Inspection Application Program.
- Created a Physical Abilities Testing Program.
- Added CrewSense (Workforce Management Software) for public safety.
- Implemented the QuickStart Guides to assist service implementation.
- Created a Strategic Planning Facilitation service.
- Expanded the Enterprise Risk Consultants Program to offer 18 consultants for special project assignments.
- Added 2 new locations to the Risk Management Practitioners Program.
- Created the Claims Learning Advantage electronic newsletter and many more.

Capital Assets

In January 2010, the new office facility at 75 Iron Point Circle, in Folsom, California was purchased at a cost of \$9.2M. We have invested in tenant improvements, both for the space occupied by the Authority and for the 43% of the building that is leased out. Other investments include scheduled replacements of office equipment and computers, and investments in new technology. Capital assets include scheduled replacements of office equipment and computers, and investments in new technology, including a new phone system. Implementation of the last viable workers' compensation third party administrator into our claims system was completed and opportunities to automate claims management processes were implemented. We are also in the process of evaluating potential development of a proprietary claims system.

Economic Factors

The most significant economic factors that will affect the future of the EIA includes legislation that affects changes in or expands coverage, the insurance market, the investment market, and the financial health of our members. While the property market is beginning to show signs of hardening, sufficient capacity remains for our earthquake and flood risks. There are fewer markets for our workers' compensation program, however, we are still able to reinsure the risk at a competitive cost. The least stable environment is the liability market where we are seeing growing trends toward higher settlements and larger adverse verdicts.

Each EIA program committee is carefully monitoring changes to the insurance market, investment market, and their target equity as they make funding decisions at each renewal. We have successfully used multi-year reinsurance agreements to stabilize rates in the GL1, Property and Medical Malpractice Programs. We have also used Rate Stabilization Plans (RSP) to help stabilize expected reinsurance costs for our members in our EWC and PWC programs. RSPs are a predetermined agreement with the carrier that outlines what the potential rate decrease or increase would be for the renewal if loss development for the new year falls within a certain range. The other tool typically used to respond to changing market conditions is to expand and contract pooled risk layers. This can be done with a traditional un-aggregated pooled layer that is funded based upon actuarial recommendations, or on an aggregated corridor basis.

Management's Discussion & Analysis

Other Information

Annually, as a subcontracted part of the financial audit, the Authority's actuarial data produced by its in-house actuarial staff and used in the production of the year-end financial statements, is peer reviewed by AON Consulting. The AON peer reviewers assess the propriety of the methodologies used and assumptions made in determining the actuarial results and the ultimate loss estimates, which underlie the estimates of IBNR liabilities within self-insured programs. In addition to the AON peer review, Bickmore Actuarial Consulting also performed limited scope peer review in 2018/19.

In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain *Required Supplementary Information* reconciling EIA claim liabilities and claim development schedules. In addition, supplemental information on the proportionate share of the net pension liability, on pension plan contributions, a schedule of changes in the net OPEB liability and related ratios, and a schedule of the Authority's OPEB contributions is provided. Required supplementary information can be found beginning on page 89 of this report. The combining and individual program statements for all EIA programs are presented immediately following the required supplementary information beginning on page 106 of this report.

Conclusion

This financial report is designed to provide a general overview of the EIA's finances for all those with an interest in the EIA's finances. Questions concerning any of the information should be addressed to the Chief Financial Officer, 75 Iron Point Circle, Suite 200, Folsom, California 95630.

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	3,602,631	6,255,801
Cash in the EIA Treasury	78,110,588	28,514,286
TOTAL CASH & CASH EQUIVALENTS	81,713,519	34,770,387
Investments	80,977,510	55,304,622
Accounts Receivable:		
Due from Members	27,663,368	19,784,488
Investment Income Receivable	3,228,947	3,316,364
Reinsurance Claims and Deposit with Carrier	13,999,798	9,444,083
Other Receivables	-	2,722
GL1 LPT Prepaid Expense	30,290,620	-
Prepaid Insurance and Expenses	52,301,952	54,047,088
TOTAL CURRENT ASSETS	290,175,714	176,669,754
Noncurrent Assets:		
Investments	553,620,916	588,350,162
Investments-Restricted	7,762,613	7,974,043
Prepaid Insurance and Expenses	26,791,681	51,115,750
GL1 LPT Rate Credit Receivable	16,653,000	-
GL1 LPT Prepaid Expense	60,693,000	-
Land and Buildings, Net	6,585,393	6,858,675
Furniture and Equipment, Net	3,486,728	3,346,367
TOTAL NONCURRENT ASSETS	675,593,331	657,644,997
TOTAL ASSETS	965,769,045	834,314,751
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources on Pensions	1,193,779	1,568,755
Deferred Outflows of Resources on OPEB	33,583	150,165
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,227,362	\$ 1,718,920

**CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 6,865,065	\$ 7,549,273
GL1 LPT Payable	179,531,620	-
Deposits from Insurance Companies	3,386,163	6,105,542
Due to Members	9,357,049	8,465,337
Unearned Income	8,471,609	16,828,693
Claim Liabilities	114,186,587	144,273,052
Compensated Absences	111,743	101,937
TOTAL CURRENT LIABILITIES	321,909,836	183,323,834
Noncurrent Liabilities:		
Due to Members	5,762,613	5,974,043
GL1 LPT Payable	12,000,000	-
Claim Liabilities		
Claims Reported	188,344,856	260,832,333
Claims Incurred But Not Reported	186,340,179	209,246,269
Unallocated Loss Adjustment Expense Payable	49,534,000	50,108,000
Compensated Absences	446,973	407,748
Net OPEB Liability	601,102	823,272
Net Pension Liability	1,429,650	1,603,286
TOTAL NONCURRENT LIABILITIES	444,459,373	528,994,951
TOTAL LIABILITIES	766,369,209	712,318,785
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources on Pensions	185,786	970,896
Deferred Inflows of Resources on OPEB	409,559	173,396
TOTAL DEFERRED INFLOWS OF RESOURCES	595,345	1,144,292
NET POSITION:		
Net Investment in Capital Assets	10,072,121	10,205,042
Unrestricted	189,959,732	112,365,552
TOTAL NET POSITION	\$ 200,031,853	\$ 122,570,594

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 826,382,527	\$ 639,585,449
Broker Fees	11,435,218	10,678,116
Contributions for Retained Risk	125,476,876	212,774,426
Member Services & Dividend Income	851,670	731,450
Administration Fees	22,542,735	22,797,612
Public Entity Fees	106,979	138,545
Other Income	<u>2,307,086</u>	<u>1,659,382</u>
TOTAL OPERATING REVENUES	<u>989,103,091</u>	<u>888,364,980</u>
OPERATING EXPENSES:		
Member Dividends & Stabilization Funds Distributed	2,187,466	1,129,707
Insurance and Provision for Losses:		
Insurance Expense	724,802,072	638,628,836
GL1 LPT Premium Expense	83,895,000	-
Broker Fees	11,397,673	10,636,299
GL1 LPT Broker Fees	1,500,000	-
Provision for Claims		
Current Year Claims	186,815,070	174,581,092
Prior Years' Claims	76,792,160	56,643,455
GL1 LPT Claims Transferred	(167,221,942)	-
Unallocated Loss Adjustment Expenses	(574,000)	(5,702,516)
Program Services	13,393,090	13,382,182
Loss Prevention Expenses	2,405,518	2,634,689
General Administrative Services	<u>14,588,275</u>	<u>14,335,463</u>
TOTAL OPERATING EXPENSES	<u>949,980,382</u>	<u>906,269,207</u>
OPERATING INCOME (LOSS)	<u>39,122,709</u>	<u>(17,904,227)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income & Financing Fees, net of Investment Expense	38,142,841	6,283,097
Lease Income, net of Building Expense	<u>195,709</u>	<u>(134,170)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>38,338,550</u>	<u>6,148,927</u>
CHANGES IN NET POSITION	77,461,259	(11,755,300)
NET POSITION:		
Beginning of Year, as Previously Reported	122,570,594	140,521,262
Adjustment to Beginning Net Position	<u>-</u>	<u>(6,195,368)</u>
Beginning of Year, as Restated	<u>122,570,594</u>	<u>134,325,894</u>
NET POSITION, END OF YEAR	<u>\$ 200,031,853</u>	<u>\$ 122,570,594</u>

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 979,069,715	\$ 882,716,883
Receipts from Others	1,303,171	2,498,120
Payments to Others	(33,013,401)	(5,340,866)
Dividends Paid	(163,030)	(2,908,282)
Stabilization Funds Distributed	-	(47,210)
Claims Paid	(193,466,763)	(171,763,595)
Insurance Purchased	(704,941,855)	(637,433,855)
Payments to Suppliers	(36,962,187)	(29,755,986)
Other Program Expenses	(29,704)	(70,934)
Payments to Employees	(10,657,188)	(9,350,413)
	NET CASH PROVIDED (USED)	BY OPERATING ACTIVITIES
	1,138,758	28,543,862
 CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets	(987,319)	(1,302,670)
	NET CASH PROVIDED (USED) BY CAPITAL	AND RELATED FINANCING ACTIVITIES
	(987,319)	(1,302,670)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease Receipts	488,076	446,444
Operating Lease Disbursements	(172,392)	(459,919)
Purchase of Securities	(658,523,102)	(405,059,781)
Sales of Securities	688,937,451	363,190,281
Cash from Investment Earnings	15,376,893	11,975,049
Cash from Finance Fees	1,192,038	981,074
Investment Expenses	(507,271)	(435,403)
	NET CASH PROVIDED (USED)	BY INVESTING ACTIVITIES
	46,791,693	(29,362,255)
	INCREASE (DECREASE) IN CASH AND	CASH EQUIVALENTS
	46,943,132	(2,121,063)
	CASH & EQUIVALENTS:	BEGINNING OF YEAR
	34,770,387	36,891,450
	END OF YEAR	END OF YEAR
	\$ 81,713,519	\$ 34,770,387

**CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ 39,122,709	\$ (17,904,227)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation, net of leased portion	1,000,266	815,174
Changes in Assets and Liabilities		
Deposits, Accounts and Other Receivables, Net	(4,333,691)	5,676,931
Due To/From Other Funds	(584,442)	-
GL1 LPT Receivable	(107,636,620)	-
Prepaid Insurance and Expenses	26,069,205	(10,068,371)
Deferred Outflows of Resources	491,558	(181,687)
Accounts and Other Payables	(9,498,897)	(1,412,203)
GL1 LPT Payable	191,531,620	-
Unearned Income	(8,373,727)	(2,381,336)
Claim Liabilities	(125,464,811)	59,571,293
Unallocated Loss Adjustment Expense Payable	(526,000)	(5,812,857)
Deferred Inflows of Resources	(533,807)	(320,668)
Net Pension Liability	(173,636)	511,260
Other Liabilities	49,031	50,553
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,138,758</u>	<u>\$ 28,543,862</u>
NONCASH INVESTING, CAPITAL & FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 21,146,561</u>	<u>\$ (7,236,536)</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies

The accounting policies of the CSAC Excess Insurance Authority (the EIA or the Authority) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

A. Organization and Reporting Entity

The Authority is a Joint Powers Authority (JPA) organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the entity is to develop and fund insurance programs for member counties and other public entities. The Authority operates public entity risk pools for workers' compensation, employee benefits, comprehensive liability, property, medical malpractice, and pool purchases of excess insurance and services for members.

The Authority is under the control and direction of the Board of Directors (the Board), consisting of representatives of the member counties and other public entities. For purposes of control and daily management, the Authority annually elects an Executive Committee, which consists of a President, Vice President, and nine Directors. The immediate Past President and legal advisor are non-voting (advisory) members of the Executive Committee. The Executive Committee has appointed a Chief Executive Officer.

At the June 2016 Board meeting, the Authority gave staff the go-ahead to establish a captive insurance company, domiciled in and subject to the Utah Insurance Department regulations to insure only the Authority's risks. This allows the Authority to better link their long-term claim liabilities with an appropriate type and term of investment. The Captive, Excess Insurance Organization, Inc. (the EIO or the Captive), is reported as a blended component unit of the EIA. See Footnote 3 for the Investment Policy of the Captive and Footnote 4 for a schedule of the liabilities insured through the Captive. The governing board is made up of current EIA Board, committee, and staff members along with EIA General Counsel and Utah Counsel.

B. 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 counties members of the Authority. Each county member is entitled to appoint two representatives to the Board, one voting and one alternate. 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.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

The following number of members participated in Authority programs, as of June 30, 2019 and 2018:

	2019	2018
Primary Workers' Compensation	41	39
Excess Workers' Compensation	174	175
General Liability 1	128	125
General Liability 2	18	18
Property	104	105
Medical Malpractice	52	52
Master Rolling Owner Controlled Insurance	17	16
EIAHealth	43	37
Dental	163	154

Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments, if it is determined that contributions are insufficient. The pool considers anticipated investment income in determining if a premium deficiency exists.

If a program has sufficient net position available, a dividend may be declared. Each member shall be eligible for a portion of the dividend, as determined by the Board or governing committee.

Members may withdraw from the Authority only at the end of a policy period and only if a 60 day written notice is given. The Authority may cancel a membership at any time, upon two-thirds vote of the Board and with 60 days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods in which they have participated. Withdrawn or cancelled members are generally not eligible for future dividends, based on the conditions set forth in the Joint Powers Agreement.

C. Significant Accounting Policies

Basis of Presentation and Accounting

The accounts of the Authority are organized on the basis of governmental fund accounting. The Authority operates a single enterprise fund, which is considered a separate accounting entity. An enterprise fund is used to account for governmental activities where the intent is that the cost of providing goods or services is financed primarily through user charges. The Authority's operations consist of ten insurance programs, a miscellaneous program, a general administration program, a building program for the office facility it owns and the newly formed Captive. Each program has established its own chart of accounts for its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses.

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

accounting and financial reporting principles. As a governmental entity, the Authority follows the accounting standard hierarchy established by the GASB. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The accounting records are maintained using the economic resources measurement focus and the accrual basis of accounting. Net operating income includes the cost of providing risk financing and related services, and the expenses related to providing those services. Net non-operating income includes investment income, rental income, and the related expenses. Major revenue accrual entries include member premium receivable and investment income receivable in the EIA and EIO Treasury. Expenses are recognized when goods or services are received, or in the case of claims, when the insured event occurs. Expense accrual entries include liabilities for reported claims and liabilities for claims incurred but not reported. The financial statements are presented on a consolidated basis including the EIO but net of elimination of intercompany transactions between the EIA and the EIO.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers cash in banks and deposits in the State of California Local Agency Investment Fund to be cash equivalents.

Investments

Investments are recorded in the Treasury (note 3) at fair value. Investment income is recorded as earned.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Interest on investments is recorded in the year the interest is earned and is considered 100% collectible. The June 30, 2019 and June 30, 2018 balances in the other receivable accounts are considered 100% collectible.

Due from Members

Due from members balance includes Catastrophic Pool revenue receivable for the Property Program for the entire program year renewed annually as of March 31 of each year, as the receivable and corresponding revenue does not relate to a specific period.

Prepaid Expenses

Payments for insurance and other services that extend to future accounting periods have been recorded as prepaid expenses.

Capital Assets

Capital assets include building, furniture, equipment, software, and tenant improvements with an individual cost of \$5k or more. Capital assets are recorded at cost. Expenses for maintenance and repairs are reflected in current earnings as incurred. Upon sale or retirement of an asset, its cost and related accumulated depreciation are removed from the account balances and charged to current earnings.

Depreciation for office furniture, equipment, and software is computed using the straight-line method and an estimated useful life of three to seven years. Depreciation for the office building and tenant improvements is computed using the straight-line method, either over the lease term

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

or the useful life of the component units, as appropriate, with the period ranging from three to sixty years.

Unearned Income

Unearned income includes payments from members or others for future services received, but not earned until a subsequent accounting period.

Unallocated Loss Adjustment Expenses Payable

ULAE includes costs that cannot be specifically associated with particular claims, but are related to claims paid or the process of claim settlement and claims administration services. These costs include the cost of third party administrators in the PWC Program and Medical Malpractice Program to pay claim benefits and manage the claim until it is closed. Costs also include the cost of Authority staff to pay claims and seek recovery from reinsurance carriers. Since the workers' compensation programs have claims that may stay open for benefits until the death of the claimant, the associated ULAE is a significant liability. The discounted outstanding ULAE is as follows:

	June 30, 2019	June 30, 2018
Primary Workers' Compensation	\$ 40,241,000	\$ 41,256,000
Excess Workers' Compensation	6,220,000	5,615,000
Primary General Liability	1,000	48,000
General Liability 1	1,235,000	955,000
General Liability 2	1,043,000	1,073,000
Property	6,000	10,000
Medical Malpractice	788,000	1,151,000
Totals	<u>\$ 49,534,000</u>	<u>\$ 50,108,000</u>

Compensated Absences

The Authority's vacation policy provides for a limited accumulation of earned vacation leave, with such leave being fully vested when earned. A liability of \$558.7k for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2019, the current portion of the liability is \$111.7k and the balance of \$447.0k is considered long term.

	Fiscal Year Ended	
	June 30, 2019	June 30, 2018
Beginning Balance	\$ 509,686	\$ 459,133
Increases	499,107	450,096
Decreases	(450,077)	(399,543)
Ending Balance	<u>\$ 558,716</u>	<u>\$ 509,686</u>
Current Portion	<u>\$ 111,743</u>	<u>\$ 101,937</u>
Long Term Portion	<u>\$ 446,973</u>	<u>\$ 407,749</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave, accumulated at the time of retirement, may be used in the determination of length of service for retirement benefit purposes. Since the Authority has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's portion of the CalPERS Miscellaneous plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Contributions made to the Authority's pension after the measurement date, but before the fiscal year-end are recorded as a deferred outflow of resources and will reduce the net pension liability in the next fiscal year.

Additional factors involved in the calculation of the Authority's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, difference between projected and actual investment earnings, changes in proportion, and differences between the Authority's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and are amortized over various periods. See Footnote 8 for further details related to these pension deferred outflows and inflows.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's portion and additions to/deductions from Authority's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the Authority recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Additional factors involved in the calculation of the Authority's OPEB expense, and net OPEB liability, include the differences between expected and actual experience, changes in assumptions, difference between projected and actual investment earnings, changes in proportion, and differences between the Authority's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

amortized over various periods. See Footnote 9 for further details related to these OPEB deferred outflows and inflows.

Classification of Revenues

The Authority has classified its revenue as either operating or non-operating revenues. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement 34 including investment income. Revenues and expenses are classified according to the following criteria:

- Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as insurance premiums, assessments for insured events, administration fees, and public entity fees.
- Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources described in GASB Statement 34, such as investment income and finance charges.

Premiums for Transferred Risk and Contributions for Retained Risk

The EIA's programs blend the purchase of insurance with risk sharing pools. Premiums for transferred risk are resources collected to purchase commercial insurance. Contributions for retained risk are collected to fund our risk sharing pools and share in the cost of claims.

Both premiums for transferred risk and contributions for retained risk are collected in advance and recognized as revenues in the period for which insurance protection is provided. Workers' compensation program contributions are based on estimated payrolls and are adjusted in the subsequent fiscal year, based on actual payroll data.

Contributions for retained risk in FY 2018/19 includes Catastrophic Pool Revenue for the entire program year for Property Program, which was renewed March 31, 2019. The corresponding receivable was recognized as due from members in FY 2018/19.

Provision for Claims

The Authority's programs include both arrangements in which the members combine resources to purchase commercial insurance products and risk sharing pools, where members pool risks and funds and share in the cost of losses. Some programs include elements of both; losses up to a certain amount are pooled, and the Authority purchases excess or reinsurance for losses not covered in the pooled layer. The provision for claims expense represents the pool's expense for claim costs.

Excess Insurance and Reinsurance

The Authority uses excess insurance and reinsurance agreements to reduce its exposure to large losses on all types of insured events. Excess insurance covers claims in excess of each pool's retention layer. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Authority as direct insurer of the risk reinsured. The Authority does not report reinsured risk as a liability, unless it is probable that those risks will not be recovered from reinsurance.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Services

Services donated by many officers, directors, and committee members are important to the activities of the Authority. The financial statements do not recognize the value of these donated services, since there is no basis for measuring and valuing these services.

Income Taxes

The Authority is a government entity exempt under the Internal Revenue Code Section 115, and is not liable for federal or state income taxes. The Authority is liable for certain payroll taxes.

Management Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, and revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term are described elsewhere in this report.

Net Position

Net position represents the net investment in capital assets of \$10.1M, net of accumulated depreciation, and unrestricted net position of \$189.9M as of June 30, 2019, for a total of \$200.0M. The unrestricted net position balances are available for future operations or distribution. The net position as of June 30, 2018, was \$122.6M.

2. Cash

A. Cash and Cash Equivalents

Cash and cash equivalents, as of June 30, 2019 and 2018 are reported at fair value and consist of the following:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cash in Banks		
Primary Workers' Compensation	\$ 1,270,562	\$ 4,681,141
Primary General Liability	1,350,255	318,438
EIO Checking Account	333,707	830,787
Iron Point	648,107	425,435
Total Cash in Banks	<u>3,602,631</u>	<u>6,255,801</u>
Cash in EIA Treasury		
Cash in Bank, General Checking	9,570,965	8,493,897
Petty Cash	300	300
Treasury Money Market	21,179,632	10,948,645
State of California,		
Local Agency Investment Fund	47,359,991	9,071,744
Total Cash in EIA Treasury	<u>78,110,888</u>	<u>28,514,586</u>
Total Cash and Cash Equivalents	<u>\$ 81,713,519</u>	<u>\$ 34,770,387</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

2. Cash (continued)

B. Custodial Credit Risk

The carrying amount of the Authority's total cash in banks was \$13.2M at June 30, 2019, and \$14.8 at June 30, 2018. The bank balance was \$18.7M at June 30, 2019 and \$22.4M at June 30, 2018, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2019, \$17.9M is in excess of FDIC insured amounts. California law requires depository banks to hold collateral equal to 110% of government funds on deposit. Our investment policy does not address custodial credit risk.

C. Authority Treasury

The Authority pools cash resources of its various programs in order to facilitate the management of cash. Cash available to a particular program is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities, as part of the Authority's investments.

The Authority and EIO's treasury accounts were comprised of the following:

	June 30, 2019	June 30, 2018
Primary Workers' Compensation	\$ 70,722,947	\$ 69,977,884
Excess Workers' Compensation	281,394,079	320,475,617
Primary General Liability	-	1,278,523
General Liability 1	148,317,893	157,325,837
General Liability 2	(2,373,077)	(402,274)
Property	(89,111,331)	(98,290,835)
Medical Malpractice	39,888,385	41,374,699
Master Rolling Owner Controlled Ins Program	288,909	378,609
EIAHealth	6,381,265	7,552,185
Dental	19,707,903	18,277,435
Miscellaneous Programs	2,170,414	1,925,560
General Administration	14,686,912	13,599,520
Building Fund	(6,288,864)	(6,554,581)
EIO	237,915,140	156,541,298
Total Treasury Balances	\$ 723,700,575	\$ 683,459,477

3. Investments

The investments in the financial statements are governed by the EIA and EIO's investment policies.

The EIA's investment policy is designed to achieve an optimum rate of return on available assets not required for current operating needs. Section 53601 of the California Government Code provides the legal authority for investments. An appropriate level of risk shall be maintained by purchasing securities that are liquid, marketable, and high quality. Adequate diversification shall be applied to prevent an undue amount of investment risk with any one institution. The classes of investment that most adequately meet the above mentioned criteria shall be allowed for purchase. They are issues of the United States Government, federal agencies (GNMA, FNMA, FHLB, FFCB, and FHLMC), local government investment pools, municipal bonds including those issued by the State of California, bankers' assistance

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

Commercial paper, asset-backed and mortgage-backed securities, supranational, money market mutual funds, and medium-term corporate notes. While not as liquid or marketable as prior mentioned securities, repurchase agreements and time certificates of deposit are also allowable investments. The Authority may also deposit investment funds with the State of California Local Agency Investment Fund.

The EIA's investment policy places limits on the purchase of various categories of investments as follows:

Category	Standard
Treasury Notes	No limitations
U.S Agencies	25% Maximum issuer
U.S. Corporate (MTNs)	"A" or higher by at least 1 NRSRO; 30% maximum; 5% max issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by U.S.
Municipal Securities	"A" or higher by at least 1 NRSRO; 30% maximum; 10% maximum for CA State issued munis; 5% max issuer for all others
Banker's Acceptance	"A-1" or higher short term rating by at least 1 NRSRO; "A" or higher long term rating by at least 1 NRSRO; 40% maximum; 5% max issuer; 180 days max maturity.
Federally Insured Time deposits	20% maximum; 5% max issuer; FDIC insured; fully collateralized
Collateralized Time deposits	20% maximum; FDIC insured; fully collateralized
Certificate of Deposit Placement Serv.	30% maximum
Negotiable CDs	"A-1" or higher short term rating by at least 1 NRSRO; "A" or higher long term rating by at least 1 NRSRO; 30% maximum; 5% max issuer
Commercial Paper	"A-1" or higher short term rating by at least 1 NRSRO; "A" or higher long term rating by at least 1 NRSRO; 25% maximum; 5% max issuer; issuer assets to be > \$500M; 270 days max maturity
Asset Backed/Mortgage Backed/CMOs	"AA" or higher rating by NRSROs; 20% maximum; 5% max per asset backed/Comm. Mortgage issuer; no limit for US treasury or Agency issuer
Mutual/Money Market Fund	Highest rating by 2 NRSROs; 20% maximum; 10% per fund for Mutual Funds, and 20% for Money Market Mutual Funds
Supranationals	"AA" or higher rating by NRSROs; includes; IBRD, IFC, and IADB; 30% maximum; 10% per issuer
Repurchase Agreements	102% collateralization; not issued by investment advisor
LAIF	Authority may invest up to the maximum permitted by LAIF

Other Stipulations

Max Callable Securities	30% of the portfolio (does not include make whole securities)
Max Per Issuer	5% of the portfolio (except U.S Government, Agencies/GSEs, Supranationals, Money Market Fund LGIP)
Maximum Maturity	5 Years maximum maturity

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

3. Investments (continued)

The EIO's investment policy identifies procedures that will foster a prudent and systematic investment program designed to seek EIO objectives through a diversified investment portfolio. An appropriate level of risk shall be maintained by purchasing investments within the context of a well-diversified portfolio. Adequate diversification between Equities and Fixed Income securities shall be applied to prevent an undue amount of investment risk with any one area. The EIO strives to achieve returns and control risk by meeting certain asset allocation targets set forth in the EIO investment policy. The classes of investments that most adequately meet the above mentioned criteria shall be allowed for purchase. They are Equity and Fixed Income investments of U.S. and non-U.S. issuers, Real Estate Investment Trusts, and Commodities. The investment policy also lists out some prohibited transactions such as direct short sales of individual securities, direct margin purchases, direct investment in commodities future contracts, direct investment in real estate or direct real estate lending, and hedge funds.

A. Investment Credit Risk

The Authority's investments at June 30, 2019 and 2018 are summarized below. The credit quality rating used is Standard and Poor's, a nationally recognized rating agency.

Investments	Credit Quality Rating	June 30, 2019		June 30, 2018	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 198,834,658	31.0%	\$ 175,364,160	26.9%
U.S. Agencies	AA+ to A-1+	160,254,427	24.8%	155,036,488	23.8%
Asset Backed Securities	AAA	17,082,273	2.7%	11,478,105	1.8%
Asset Backed Securities	NR*	19,514,954	3.0%	11,850,872	1.8%
Corporate Notes	AAA to A+	40,743,075	6.4%	70,468,004	10.9%
Corporate Notes	A to BBB	88,205,321	13.7%	82,154,057	12.6%
Supranationals	AAA to A-1+	17,992,427	2.8%	30,401,273	4.7%
Supranationals	NR*	15,056,396	2.3%	13,078,301	2.0%
Calif. General Obligation	AA- to A+	-	0.0%	23,253,100	3.6%
Commercial Paper	A-1+ to A-1	3,067,937	0.5%	3,090,459	0.5%
Foreign Corporate Notes	AAA to A	10,676,765	1.7%	4,030,378	0.6%
Negotiable CDs	A-1+ to A-1	550,632	0.1%	10,204,238	1.6%
Mortgage Pass Thru	Aaa	7,169,416	1.1%	1,264,714	0.2%
International Equity	NR	9,443,478	1.5%	5,663,143	0.9%
International Real Estate	NR	1,258,906	0.2%	1,164,165	0.2%
Large Cap US Equity	NR	15,368,560	2.4%	20,233,278	3.1%
Mid Cap US Equity	NR	6,274,209	1.0%	6,132,259	0.9%
Real Estate	NR	5,748,735	0.9%	3,194,876	0.5%
Emerging Market Equity	NR	6,193,559	1.0%	5,245,376	0.8%
Small Cap US Equity	NR	18,925,311	2.9%	18,321,581	2.8%
Total Investments		\$ 642,361,039	100%	\$ 651,628,827	100%

NR - Not Rated

NR* - Not rated by Standard & Poor's. However, rated Aaa by Moody's.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

B. Investment Interest Rate Risk

The Authority's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are generally limited to five years maturity, or less. The Authority's Finance Committee must approve investments maturing over five years for the EIA. Maturities of investments held at June 30, 2019 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	Time to Maturity
U.S. Agencies	\$ 160,254,427	\$ 32,773,839	\$ 127,480,588	10.11
Asset Backed Securities	36,597,227	15,754	36,581,473	2.83
Corporate Mid Term Notes	128,948,396	11,898,833	117,049,564	12.17
Supranationals	33,048,823	2,988,474	30,060,349	2.01
Mortgage Pass Thru	7,169,416	-	7,169,416	5.60
Negotiable CDs	550,632	550,632	-	
Commercial Paper	3,067,937	3,067,937	-	0.01
Foreign Corporate	10,676,765	-	10,676,765	1.09
U.S. Treasuries	198,834,658	29,682,041	169,152,617	15.45
Totals	\$ 579,148,281	\$ 80,977,510	\$ 498,170,772	3.13

*Excludes Exchange Traded Funds (ETF) which has a maturity more than 5 years

Maturities of investments held at June 30, 2018 consist of the following:

	Fair Value	Less than 1 Year	One to Five Years	Time to Maturity
U.S. Agencies	\$ 155,036,488	\$ 13,704,383	\$ 141,332,105	2.51
Asset Backed Securities	23,328,977	164,752	23,164,225	2.39
Corporate Mid Term Notes	152,622,061	1,116,555	151,505,506	3.24
Municipal Bonds	23,253,100	23,253,100	-	0.84
Supranationals	43,479,574	-	43,479,574	3.03
Mortgage Pass Thru	1,264,714	-	1,264,714	28.85
Negotiable CDs	10,204,238	10,204,238	-	-
Commercial Paper	3,090,459	3,090,459	-	0.29
Foreign Corporate	4,030,378	-	4,030,378	2.24
U.S. Treasuries	175,364,160	3,771,135	171,593,025	3.39
Totals	\$ 591,674,149	\$ 55,304,622	\$ 536,369,527	2.67

*Excludes Exchange Traded Funds (ETF) which has a maturity more than 5 years

The Authority recognizes all investments at fair value in accordance with GASB Statement 31 and GASB Statement 72. Fair value equals estimated market values obtained from the Interactive Data Corporation (IDC) pricing system, a leading provider of financial information to global markets. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

B. Investment Interest Rate Risk (continued)

include unrealized amounts from prior periods. Investment income includes \$21.1M of unrealized gain for the year ended June 30, 2019. In the year ended June 30, 2018, \$7.2M of unrealized loss was recognized.

The calculation of unrealized gains and losses are shown in the following tables:

	June 30, 2019	June 30, 2018	June 30, 2017
Fair Value at June 30,	\$ 642,361,039	\$ 651,628,827	\$ 616,992,551
Add: Proceeds of Investments Disposed	688,937,451	363,190,281	333,320,929
Less: Cost of Investments Purchased	(658,523,102)	(405,059,782)	(384,804,828)
Less Fair Value at July 1	(651,628,827)	(616,992,551)	(571,598,427)
Change in Fair Value	\$ 21,146,561	\$ (7,233,225)	\$ (6,089,775)

	Beginning Fair Value At July 1, 2018	Purchases	Dispositions	Subtotal	Ending Fair Value At June 30, 2019	Change in Fair Value
U.S. Agencies	\$ 155,036,488	\$ 129,912,888	\$ 128,646,989	\$ 156,302,387	\$ 160,254,427	\$ 3,952,040
Asset Backed Securities	23,328,977	26,684,265	16,138,855	33,874,387	36,597,227	2,722,840
Corporate Notes	152,622,061	36,004,211	58,593,083	130,033,189	128,948,396	(1,084,793)
Municipal Bonds	23,253,100	23,411,961	46,696,961	(31,900)	0	31,900
Certificates of Deposit	10,204,238	3,552,704	12,455,000	1,301,942	550,632	(751,310)
Commercial Paper	3,090,459	11,568,613	11,344,171	3,314,901	3,067,937	(246,964)
Supranationals	43,479,574	4,703,178	16,328,507	31,854,245	33,048,823	1,194,578
U.S. Treasuries	175,364,160	407,558,077	391,080,695	191,841,542	198,834,658	6,993,116
Foreign Corporate Notes	4,030,378	978,045	-	5,008,423	10,676,765	5,668,342
International Equity	5,663,143	3,974,684	-	9,637,827	9,443,478	(194,349)
International Real Estate	1,164,165	70,002	-	1,234,167	1,258,906	24,739
Large Cap US Equity	20,233,278	-	6,418,386	13,814,892	15,368,560	1,553,668
Mid Cap US Equity	6,132,259	159,922	-	6,292,181	6,274,209	(17,972)
Real Estate	3,194,876	2,276,416	-	5,471,292	5,748,735	277,443
Emerging Market Equity	5,245,376	935,640	-	6,181,016	6,193,559	12,543
Small Cap US Equity	18,321,581	490,227	-	18,811,808	18,925,311	113,503
Mortgage Pass Thru	1,264,714	6,242,269	1,234,804	6,272,179	7,169,416	897,237
Totals	\$ 651,628,827	\$ 658,523,102	\$ 688,937,451	\$ 621,214,478	\$ 642,361,039	\$ 21,146,561

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

C. Concentration of Credit Risk

The EIA's investment policy places limits on the amount that may be invested in any one issuer. The limits are applied at the time the investment decision is made. These limits are summarized as follows:

	Limit per Institution	Limit per type of Investment
Treasury Notes and Bills	100%	100%
U.S. Agencies	25%	100%
Asset/Mort. Backed/CMOs	5%	20%
Commercial Paper	5%	25%
Bankers' Acceptances	5%	40%
Corporate Medium Term Notes	5%	30%
Federally Insured Time Deposits	5%	20%
Collateralized Time Deposit	5%	20%
Negotiable Certificates of Deposit	5%	30%
Supranationals	10%	30%
Mutual Fund	10%	20%
Mutual Money Market Fund	20%	20%
Municipal Bonds	varies by state	30%
Repurchase Agreements	100%	100% (A)

(A) Repurchase Agreements must be collateralized with securities authorized by California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. Maximum maturity may not exceed one year.

The EIO's investment policy places long-term asset allocation targets stated below:

	<u>EIO Target</u>
Equities	0% - 50%
Fixed Income	50% - 100%

1. The equity allocation limitation are specific to the surplus funds of the Captive.
2. The asset manager will be responsible for determining the asset allocation within the targets and rebalance as necessary.
3. The Fixed Income allocation includes the liquidity portion to meet short-term cash flow requirements. The liquidity portfolio will maintain cash and cash equivalents of \$250,000 as required by the Utah Insurance Department regulations.
4. It is further noted the maximum amount of equity exposure, at time of purchase, will be limited to 40% of the aggregated surplus of the CSAC EIA and the EIO.

The investments in the EIO portfolio as of June 30, 2019 conform to these guidelines.

Investments with one institution that represent 5% or more of the total investment portfolio are listed below. Investments issued or explicitly guaranteed by the U.S. government and investments with the State of California's Local Agency Investment Fund (LAIF) have been excluded.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

C. Concentration of Credit Risk (continued)

Issuer	Number of Securities	Fair Value	Percentage of Total Portfolio
Federal National Mortgage Assn	15	\$ 75,312,868	11.7%
Federal Home Loan Bank	14	\$ 64,319,308	10.0%

D. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 Inputs to the valuation methodology include inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

U.S. Agency Bonds, U.S. Treasury Notes, Asset Backed Securities, Corporate Mid-Term Notes, Municipal Bonds, Supranationals, Foreign Corporate Notes and Commercial Paper are valued using Level 2 inputs. International equity, International real estate, Negotiable CD's, Large-Cap equity, Mid-Cap equity, Real Estate, Emerging market equity, Small-Cap U.S. equity, and Mortgage Pass Thru are valued using Level 1 inputs.

Level 2 investments are evaluated on market-based measurements that are processed through a rules based pricing application and represent our good faith determination as to what the holder may receive in an orderly transaction (for an institutional round lot position typically \$1M or greater current value U.S. Dollar or local currency equivalent) under current market conditions.

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of June 30, 2019.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

D. Fair Value Measurements (continued)

Investment type	Assets at Fair Value as of June 30, 2019		
	Level 1	Level 2	Level 3
U.S. Agencies	\$ -	\$ 160,254,427	\$ -
Asset Backed Securities	-	36,597,227	-
Corporate Medium Term Notes	-	128,948,396	-
Foreign Corporate Notes	-	10,676,765	-
Supranationals	-	33,048,823	-
Commercial Paper	-	3,067,937	-
U.S. Treasuries	-	198,834,658	-
International Equity	9,443,478	-	-
International Real Estate	1,258,906	-	-
Negotiable Certificates of Deposit	550,632	-	-
Large Cap US Equity	15,368,560	-	-
Mid Cap US Equity	6,274,209	-	-
Real Estate	5,748,735	-	-
Emerging Market Equity	6,193,559	-	-
Small Cap US Equity	18,925,311	-	-
Mortgage Pass Thru	7,169,416	-	-
Total	\$ 70,932,806	\$ 571,428,233	\$ -

The following tables sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of June 30, 2018.

Investment type	Assets at Fair Value as of June 30, 2018		
	Level 1	Level 2	Level 3
U.S. Agencies	\$ -	\$ 155,036,488	\$ -
Asset Backed Securities	-	23,328,977	-
Corporate Medium Term Notes	-	152,622,061	-
Foreign Corporate Notes	-	4,030,378	-
Municipal Bonds	-	23,253,100	-
Commercial Paper	-	43,479,574	-
Supranationals	-	3,090,459	-
U.S. Treasuries	-	175,364,160	-
International Equity	5,663,143	-	-
International Real Estate	1,164,165	-	-
Negotiable CDs	10,204,238	-	-
Large Cap US Equity	20,233,278	-	-
Mid Cap US Equity	6,132,259	-	-
Real Estate	3,194,876	-	-
Emerging Market Equity	5,245,376	-	-
Small Cap US Equity	18,321,581	-	-
Mortgage Pass Thru	1,264,714	-	-
Total	\$ 71,423,630	\$ 580,205,197	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

3. Investments (continued)

E. California's Local Agency Investment Fund (LAIF)

The Authority may also invest in the State of California's LAIF, administered by the State Treasurer. California law restricts the Treasurer to investments in the following categories: U.S. Government securities, securities of federally sponsored agencies, domestic corporate bonds, interest bearing time deposits in California banks and savings and loan associations, prime-rated commercial paper, repurchase and reverse repurchase agreements, security loans, bankers acceptances, negotiable certificates of deposit, supranational debentures, and loans to various bond funds. State of California LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office at 915 Capitol Mall C-15, Sacramento, California 95814.

The total amortized cost of Pooled Money Investment Account at June 30, 2019, was \$105.6B. The fair value is estimated at \$105.8B or 1.001711790 of cost. The average maturity of LAIF investments is 173 days at June 30, 2019.

The Authority's balance in LAIF at June 30, 2019, was \$47.4M and was recognized at LAIF's cost. State of California LAIF's cost approximates the fair value of the Authority's shares. The Authority's balance in LAIF at June 30, 2018, was \$9.1M, and was also valued at LAIF's cost. State of California LAIF is not rated by the investment rating firms.

4. Claim Liabilities

The Authority establishes claim liabilities based on estimates of the ultimate cost of claims (including claims adjustment expenses) that have been reported but not settled, and of claims that were incurred but not reported. Because actual claim cost depends on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques. Claim liability estimates reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims cost is implicit in the calculation because reliance is placed both on actual historic data that reflects past inflation, and on other factors that are considered to be approximate modifiers of past experience. Adjustments to claim liabilities are charged, or credited, to expense in the period in which they are made.

The governing committees have elected to establish claim liabilities in some programs at a level which includes investment income on monies set aside to pay claims, that is, on a discounted basis. Total claim liabilities at June 30, 2019 of \$681.8M, have been presented at the net present value of \$538.4M. At June 30, 2018, claim liabilities of \$831.8M are presented at their present value of \$664.5M, discounted based on the estimated investment income yield.

Annually, the Board and committees evaluate the discount rate to be used for pool funding and for the actuarial valuation of claim liabilities. This is of particular importance for the EWC Program, the GL1 Program, and the Medical Malpractice Program, because claim liabilities are paid off over a longer period of time. The rates in each program will vary because of the claims payout pattern.

**CSAC EXCESS INSURANCE AUTHORITY
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4. Claim Liabilities (continued)

The EWC Program has an extremely long payout period due to the nature of the claims. This is an “excess” program, meaning coverage sits on top of a member’s self-insured retention, which can vary from \$125k up to \$5M. Much of the liability arises as a result of a future medical award, or disability award, that extends for the life of the injured worker, who may collect benefits for over 30 years. The total funds available to pay those claims earn interest for years, and because of the size of the program, a change in the discount rate results in a change in the liability of millions. The following chart shows the sensitivity of claim liabilities to the discount rate selected and the resulting effect on net position.

Discount Effect on Claim Liabilities in the EWC Program			
Discount Rate Selected	3.00%	2.00%	1.00%
Claim Liabilities	\$229,358,605	\$252,812,438	\$284,187,400
Net Position Balance	\$57,780,895	\$34,327,062	\$2,952,100

In the PWC Program, the Authority only retains the first \$10k of liability for the years 2009/10 to 2018/19. Since this is paid relatively quickly, the claims for these years are not discounted. Starting 2016/17 program year, corridors in \$10k-\$125k layer adding up to \$31.1M for 2016/17, 2017/18, and 2018/19 years was transferred to the Captive. Additionally, in fiscal year 2016/17, the Authority commuted or bought back the claim liabilities for the 1997-2004 years of \$9.8M, which was the balance of the aggregate stop loss coverage. The Authority transferred this risk to the Captive. Over and above the stop loss coverage, the Authority estimates a claim liability of \$8.2M, which is retained by the EIA and discounted at 1.5% to \$6.7M. The claims for the period 2004/05 to 2008/09 are fully insured.

The discount rate for each program is as follows:

<u>Program</u>	<u>Discount rate</u>
Primary Workers' Compensation	0% 2009/10 forward
Primary Workers' Compensation	1.5% 2003/04 and prior
Primary Workers' Compensation ULAE	1.50%
Excess Workers' Compensation	3.00%
General Liability 1	1.75%
General Liability 2	no discount
Property	no discount
Medical Malpractice	1.75%
Dental	no discount

A summary of the claim liabilities by program is as follows:

	June 30, 2019	June 30, 2018
Primary Workers' Compensation	\$ 59,558,873	\$ 63,276,229
Excess Workers' Compensation	229,358,605	282,695,641
Primary General Liability	-	63,221
General Liability 1	6,162,305	150,183,672
General Liability 2	1,394,812	1,569,647
Property	415,369	40,840
Medical Malpractice	24,563,581	31,956,007
Dental	1,919,406	1,826,677
EIO Captive	215,032,671	132,847,720
Total Claim Liabilities	<u>\$ 538,405,622</u>	<u>\$ 664,459,654</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

The following represents changes in those aggregate liabilities for the Authority for the past two years:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 664,459,654</u>	<u>\$ 610,701,218</u>
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	146,337,349	168,878,576
Increase in Provision for Retained Risk, prior fiscal years	<u>(50,526,061)</u>	<u>56,643,455</u>
Total incurred claims & claim adjustment expenses	<u>95,811,288</u>	<u>225,522,031</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	53,412,524	50,982,380
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	<u>168,452,796</u>	<u>120,781,215</u>
Total Payments	<u>221,865,320</u>	<u>171,763,595</u>
 Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	 <u>\$ 538,405,622</u>	 <u>\$ 664,459,654</u>
 Reported Claims	 \$ 302,531,443	 \$ 405,105,385
Incurred But Not Reported Claims	186,340,179	209,246,269
Unallocated Loss Adjustment Expenses	<u>49,534,000</u>	<u>50,108,000</u>
Total Claim Liabilities	<u>\$ 538,405,622</u>	<u>\$ 664,459,654</u>
 Current Claim Liabilities	 \$ 114,186,587	 \$ 144,273,052
Non-current Claim Liabilities	<u>424,219,035</u>	<u>520,186,602</u>
Total Claim Liabilities	<u>\$ 538,405,622</u>	<u>\$ 664,459,654</u>

A. Primary Workers' Compensation

The PWC Program was established on July 1, 1997. The PWC Program is a full service program including claims administration. The Program blends pooling of workers' compensation claims with purchasing of insurance. The Program covers workers' compensation claims up to \$125k, per occurrence. Claims in excess of \$125k are the responsibility of the Authority's EWC Program. In March 2010, the Authority completed a LPT with ACE Insurance Company for the claim liabilities for the July 2004 through June 2009 years. The Authority will continue to administer the claims and is responsible for the ULAE on a go forward basis for those claim years, but ACE is responsible for all claim payments. In August 2016, we commuted or bought back the claim liabilities for the 1997 to 2004 years of \$9.8M, which was the balance of the aggregate stop loss coverage. We transferred this risk to the Captive. The Authority has purchased insurance for claim liabilities in excess of \$10k (per claim) up to \$125k since 2009/10. For the 2010/11 and 2011/12 years, the coverage was with CastlePoint National Insurance Company, which has been placed in conservatorship. Any amounts not covered by CastlePoint are to be covered by the CIGA. Although CIGA has paid on some claims, it has issued denials if other insurance is

**CSAC EXCESS INSURANCE AUTHORITY
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4. Claim Liabilities (continued)

A. Primary Workers' Compensation (continued)

available to cover the exposure. The total exposure to the PWC Program that is considered unrecoverable as of June 30, 2019, is approximately \$900K, discounted, and this amount is included in claim liabilities in the PWC Program.

Starting in the 2016/17 policy year, the coverage for the \$115k XS of \$10k layer was purchased subject to a corridor retention. The insurance policies included a corridor retention of \$4.3M for 10 months from July 2016 to April 2017 from AmTrust Group and another corridor retention of \$12.6M for 14 months from May 2017 to June 2018 from ACE/Chubb. These corridor risks were transferred to the EIO. The pro-rated corridor of \$1.7M for two months, May and June 2017, was transferred to the EIO in fiscal year 2016/17. The pro-rated corridor transferred to EIO for 2017/18 was \$10.9M and in 2018/19 a corridor of \$14.3M was transferred to EIO. The Program has a liability for total claims and ULAE of \$59.6M out of which \$40.2M are ULAE liabilities.

Primary Workers' Compensation

Statutory — Excess Workers' Compensation Program



* The Corridor Retention will be adjusted at the end of the year.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

B. Excess Workers' Compensation

The EIA established the Excess Workers' Compensation Program in 1979. The Program covers losses excess of member self-insured retentions with pooled risk, reinsurance, and excess insurance. The EWC pool has retained responsibility for the payment of workers' compensation claims in excess of each members' SIR to the pool limit, which has varied by program year, as illustrated in the table below. Since 2008, the EWC program pool has provided coverage from the individual SIR to \$5M, in some years reinsuring all or parts of the pooled layer. The program reinsured 80% of the SIR to \$1M layer with Castle Point during the program years 2010/11-2011/12. In August 2016, the California Insurance Commissioner placed Castlepoint Insurance Companies (Castlepoint) into conservatorship/liquidation. CIGA has issued denials if other insurance is available to cover the exposure. The additional exposure to the EWC Program that is considered unrecoverable is of June 30, 2019, is approximately \$3.9M, discounted, and this amount is included in claim liabilities and considered unrecoverable.

Members' SIRs vary between \$125k and \$5M and are approved by the Underwriting Committee. The Authority's coverage responsibility has varied from 1979 to present, as follows:

Coverage Period	Pool Layer
November 1, 1979 to October 5, 1993	SIR to \$500k
October 6, 1993 to December 31, 1994	SIR to \$750k
January 1, 1995 to June 30, 2002	SIR to \$300k
July 1, 2002 to June 30, 2008	SIR to \$5M
July 1, 2008 to June 30, 2010	SIR to \$5M: Reinsured SIR to \$1M 30%-EIA; 70% - American Safety Casualty Insurance Company. 100% EIA pool \$1M - \$5M.
July 1, 2010 to June 30, 2011	SIR to \$5M: Reinsured SIR to \$1M - 20%-EIA; 80% - CastlePoint National Insurance Company. \$1M - \$5M Retained by EIA pool.
July 1, 2011 to June 30, 2012	Pool SIR to \$5M: Reinsured SIR to \$1M - 20%-EIA; 80% - CastlePoint National Insurance Company. \$1M - \$5M Layer: Reinsured by Wesco Insurance Company, \$3.5M Aggregate Corridor deductible retained by EIA.
July 1, 2012 to June 30, 2013	SIR to \$5M: \$23.8M aggregate deductible in the SIR to \$1M layer and \$4.1M aggregate deductible in the \$1M to \$5M layer, both layers reinsured with Wesco Insurance.
July 1, 2013 to June 30, 2014	SIR to \$5M Pool: Reinsured with Wesco Insurance Company, subject to a \$19.9M aggregate corridor deductible.
July 1, 2014 to June 30, 2015	Core Tower SIR to \$5M - Reinsured with Wesco Insurance Co. \$23.5M aggregate deductible in the SIR to \$5M layer. Educational Tower (SIR to \$2.5M) effective 1/1/15 - \$8.6M aggregate corridor deductible.
July 1, 2015 to June 30, 2016	Core Tower SIR to \$5M - \$24.9M aggregate deductible in the SIR to \$5M layer. Educational Tower \$6.1M aggregate corridor deductible.
July 1, 2016 to June 30, 2017	Core Tower SIR to \$5M - Reinsured with Wesco Insurance Co (AmTrust) subject to \$22.1M aggregate corridor deductible transferred to the EIO. Educational Tower SIR to \$2.5M: \$10.4M aggregate corridor transferred to the EIO. \$0-\$125k CSU primary layer subject to \$17.3M corridor deductible.
July 1, 2017 to June 30, 2018	SIR to \$5M: Core Tower & Educational Tower - Reinsured with Great American subject to a combined \$44.8M aggregate transferred to the EIO. Educational Tower- corridor for the primary layer of \$16.4M transferred to the EIO. \$0-\$125k CSU primary layer subject to \$16.8M corridor deductible.
July 1, 2018 to June 30, 2019	SIR to \$5M: Core Tower & Educational Tower - Reinsured with Great American, subject to a combined \$47.6M aggregate corridor deductible transferred to the EIO. Educational Tower CSU primary layer - corridor for the primary layer of \$7M transferred to the EIO.

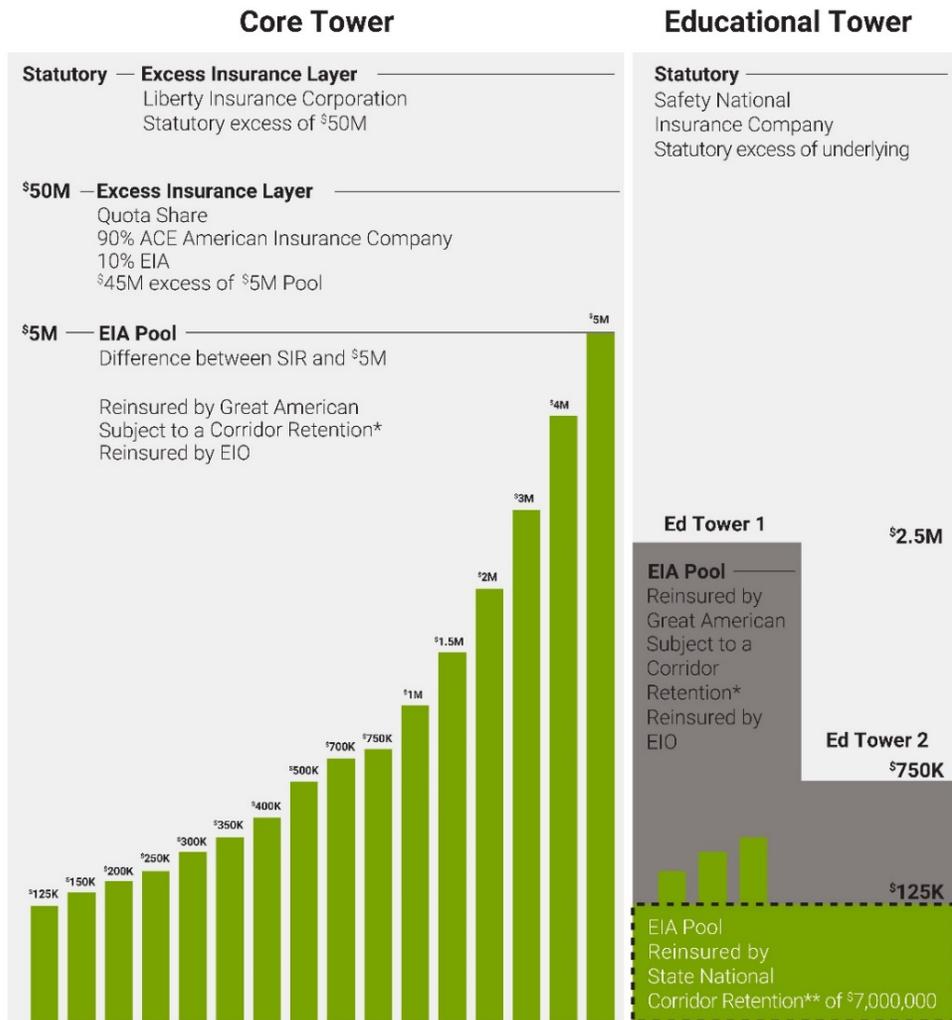
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

The Board has established a target equity (net position) range to ensure the financial stability of the program. That range was \$34M - \$83M for the 2018/19 fiscal year. To keep the program's net position within that range, the Underwriting Committee has recommended several strategies, which the EIA Board has adopted, to address the risk of adverse loss development. First, beginning in 2008/09, the EIA has purchased reinsurance to cover or reduce the EWC pool exposure in the SIR to \$5M layer. Second, the EWC program consistently funds future claims at a confidence level higher than the expected confidence level and has charged members at that rate, rather than the (lower) rate of actual insurance costs. As noted in the table above, the program retained an aggregate deductible (known as a corridor retention) as part of the reinsurance agreement in fiscal year 2012/13 forward. Since 2016/17, the corridor retentions have been transferred to the EIA's captive insurance company to allow the program to gain greater investment returns on the premiums to fund the corridor. The discount from the additional earnings was passed on to program members as premium savings.

Excess Workers' Compensation



* The Corridor Retention will be adjusted at the end of the year. The Core and Educational Towers are subject to a single, shared corridor retention of \$47,765,027 (does not include primary <\$125k layer).

** The Corridor Retention will be adjusted at the end of the year.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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4. Claim Liabilities (continued)

C. General Liability 1

The Authority's GL1 Program began pooling risk on July 1, 1985. The GL1 Program combines risk retention, risk pooling, and the purchase of excess reinsurance. Starting with the 2018/19 year the Primary General Liability (PGL) Program merged into the GL1 Program to create the Deductible Buy Down (DBD) Option. Members within this option have a \$10k deductible per claim, with claim costs above their deductible and below the \$100k limit being the responsibility of the GL1 Program and reinsured by Berkley Insurance Company. Claims are not discounted in this option. For 2017/18, when the Option was considered the PGL Program, a corridor of \$500k was transferred to the EIO. In 2018/19, the corridor increased to \$1.1M and was also transferred to the EIO.

For the rest of the GL1 Program, each member maintains a SIR between \$25k and \$1M. In the 2016/17 and 2017/18 fiscal years, the pool retained the responsibility for claims in excess of each member's SIR up to \$5M and purchased reinsurance from \$5M up to \$25M. With the first reinsurance layer (from \$5M to \$10M), the Program is responsible for the first \$7.5M in claims (should they occur) over the 3-year period encompassing the 2015/16 to 2017/18 fiscal years. This risk is transferred to the Captive. Claim liabilities are recognized based on the actuarial estimate of the expected ultimate claim cost, discounted at 1.75%. Reinsurance has been purchased for claims in excess of the pool limits. Additional coverage can be added by purchasing optional excess liability insurance, which is available as part of the Miscellaneous Programs. Effective April 1, 2019, EIA entered into a Loss Portfolio Transfer (LPT) transaction with MultiStrat Re (MS Re). This arrangement transfers the Program's liabilities to a reinsurer, MultiStrat Re, going back to July 1, 2007, thereby stabilizing the program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024). (See note 5 for MSRe LPT details)

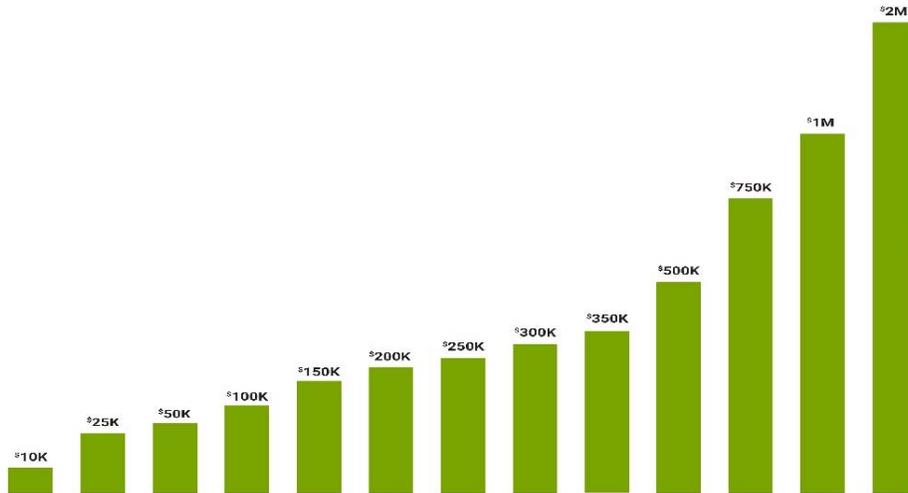
**CSAC EXCESS INSURANCE AUTHORITY
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4. Claim Liabilities (continued)

C. General Liability 1 (continued)

The chart below shows the current structure of the Program.

General Liability 1



*47 GLI Program members purchase additional limits through the Optional Excess Liability Program.

*21 GLI Program members participate in the Deductible Buy Down Option at a \$10K Deductible.

**CSAC EXCESS INSURANCE AUTHORITY
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4. Claim Liabilities (continued)

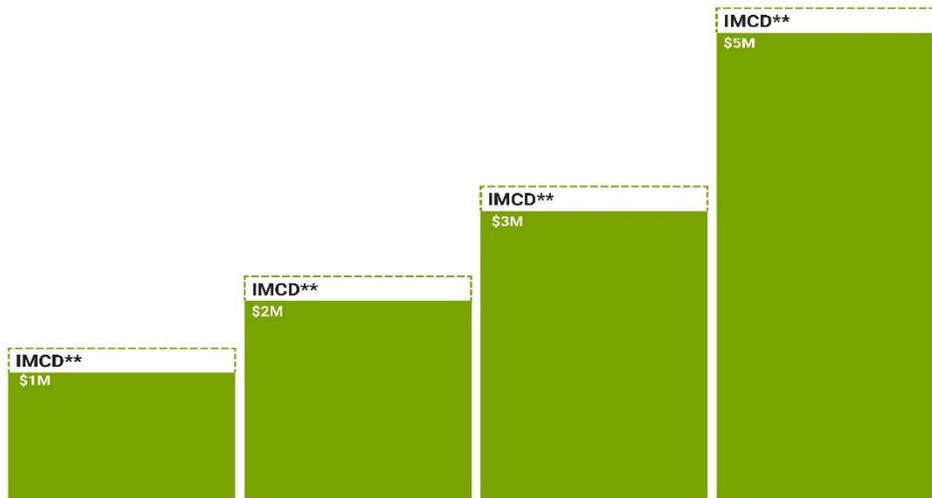
D. General Liability 2

The GL2 Program was designed to meet the liability insurance needs of the larger members and began on February 15, 1991. In this Program, members are responsible for their SIRs ranging from \$1M to \$5M and their Individual Member Corridor Deductibles (IMCD) ranging from \$250k to \$2.5M. Since 2014/15, the Program has utilized a pool funded corridor retention within the SIR to \$10M layer, which was \$18M for 2017/18, and \$24.5M in the 2018/19 year. Starting with the 2016/17 program year, these corridors have been transferred to the Captive.

The chart below shows the current structure of the Program.

General Liability 2

\$25M	Reinsurance Layer Quota Share Placement 67% AmTrust Syndicate 33% Hiscox Syndicate \$5M excess of \$20M
\$20M	Reinsurance Layer Quota Share Placement 35% Market Global Reinsurance Co. 30% Great American 20% Brit Insurance 15% HISCOX \$10M excess of \$10M
\$10M	Reinsurance Layer QBE and CHUBB Subject to a \$24,500,000 Corridor Retention Reinsured by EIO



* r2 CL2 Program members purchase additional limits through the Optional Excess Liability Program.

**Individual Member Corridor Deductible (IMCD) where applicable.

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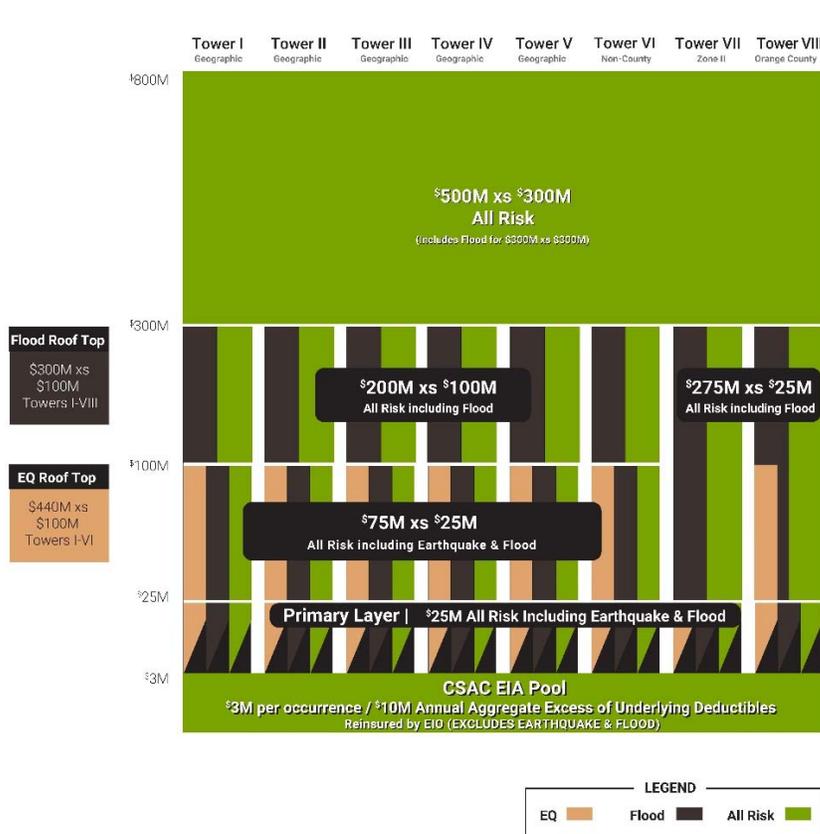
4. Claim Liabilities (continued)

E. Property

The Authority's Property Program was established to allow members to group purchase primary and excess property insurance. The coverage provides all risk, flood, boiler and machinery, and earthquake limits. The Program is separated into 8 Towers, as shown in the chart below. These Towers serve to diversify geographic risk within the Program. Members are responsible for all risk deductibles ranging from \$5k to \$100k. Deductibles may vary for specified exposures. In 2017/18, the earthquake deductible was bought down to 2% of the insured value, with a deductible cap of \$100M. The pool assumes the risk for the difference between the member's deductible and the insurance deductible. Optional coverage is available for contractor's equipment, auto physical damage, and fine arts.

The primary layer of the Program is reinsured with Lexington and has been pre-paid through 2020/21. Members are billed each July for the coverage period of April 1st to March 31st. The primary insurance policy has pool limits of \$3M per occurrence and \$10M annual aggregate. Additionally, the pool buys down member auto physical damage deductibles by paying the difference between the member deductible of \$10k and \$20k, up to an annual aggregate total of \$400k. The pool risk was transferred to the Captive in the 2016/17 through 2018/19 years. Beginning in 2014, the Authority began funding a catastrophic flood pool to fund the program earthquake and flood deductibles. In the 2018/19 year, members were charged \$2.5M (\$1M for flood risk and \$1.5M for earthquake risk) to fund the pool. As of June 30, 2019, the Authority has partially funded the \$30M goal for the catastrophic risk pool, with \$19.5M total funds in the pool.

Excess of the EIA deductible and the Lexington's \$25M all-risk primary layer, various layers of insurance provide coverage for flood, earthquake, and other exposures. The program maintains total all risk limits of \$800M, EQ limits of \$540M, and \$600M in flood limits.



**CSAC EXCESS INSURANCE AUTHORITY
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4. Claim Liabilities (continued)

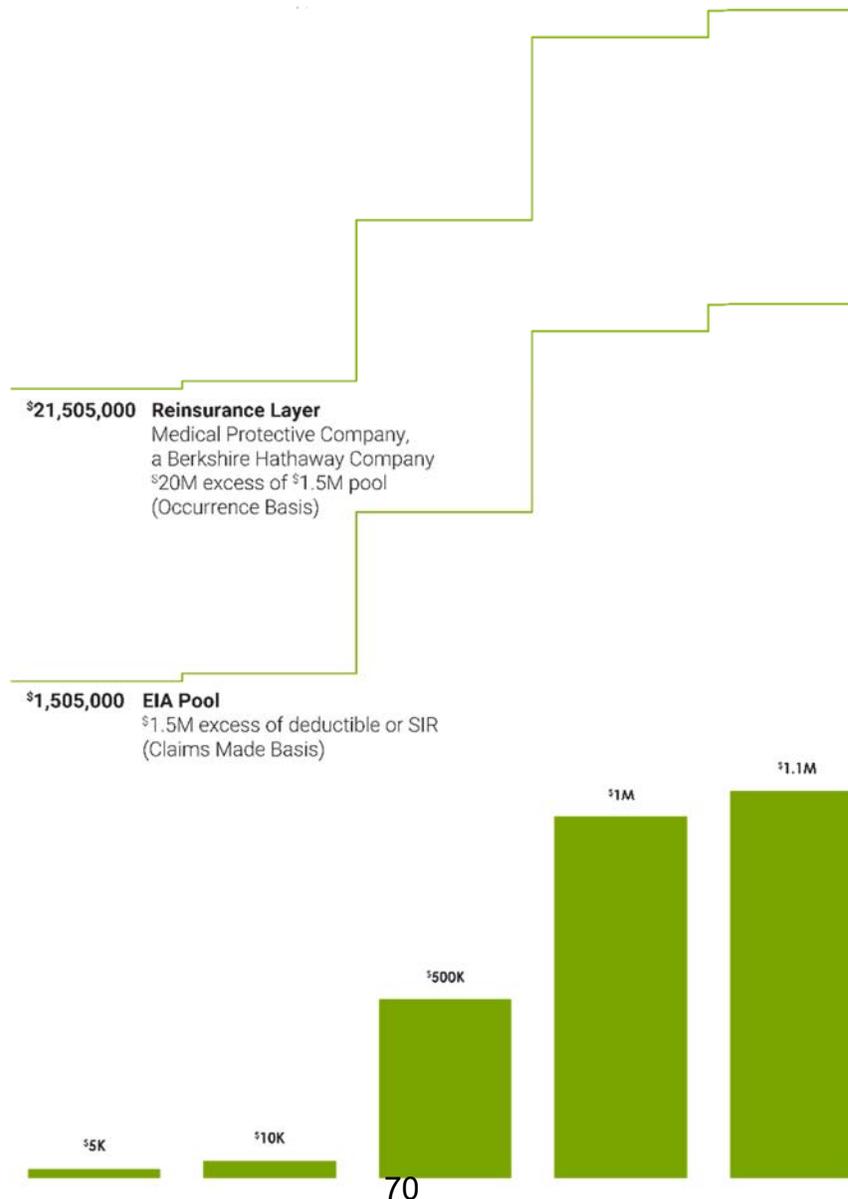
F. Medical Malpractice

The Medical Malpractice Program was established on June 1, 1988, to provide medical malpractice, general liability, and blanket contract health coverage to public health facilities. The Program provides coverage to members with exposures ranging from large acute care hospitals to small public and mental health clinics. The Medical Malpractice Program combines risk retention, risk pooling, and the purchase of reinsurance insurance. The pooled layer is \$1.5M in excess of each member's deductible or retention and \$20M of reinsurance is purchased in excess of the pooled layer.

The Program is divided into two groups for underwriting purposes – Program 1 for larger members with SIRs, and Program 2 for smaller members with deductibles. Medical Malpractice Program 1 members have a range of self-insured retentions from \$500k to \$1.1M. Medical Malpractice Program 2 members can elect deductibles from \$5k to \$10k.

The Program structure is illustrated in the following chart:

Medical Malpractice



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4. Claim Liabilities (continued)

G. Dental

In the pooled Dental plan, claim liabilities are very predictable based on capped benefits. The claim liabilities at June 30, 2019 and June 30, 2018 of \$1.9M and \$1.8M, respectively, are undiscounted and are considered short term.

H. EIO

Total claim liabilities of the EIO June 30, 2019 of \$247.3M have been presented at the net present value of \$215M using a 3.45% discount rate. On June 30, 2018 of \$148.6M have been presented at the net present value of \$132.8M using 3.75% Discount rate.

5. GL1 Los Portfolio Transfer (LPT)

The General Liability 1 (GL1) Program faced its own challenges due to a sudden increase in loss development from calendar year 2018. In response to the adverse loss development and the deterioration of the Program's net position, the EIA Board approved a Loss Portfolio Transfer (LPT) deal. The transaction, effective April 1, 2019, transfers the Program's liabilities to a reinsurer, MultiStrat Re (MS Re), going back to July 1, 2007, thereby stabilizing the program's funding position, and also providing coverage for liabilities over the next 5 years (through June 30, 2024).

A. Structure of the LPT

The program splits the estimated claim payments for the entire coverage period of July 1, 2007 to June 30, 2024 into various layers, with MS Re being responsible for some layers while EIA is responsible for others. Per actuarial calculations, although it is expected that ultimately the total payments will be \$488.2M for the entire period, much of the payment total will be made on claims incurred in future program years (2019-20 to 2023-24). Only \$170.6M (discounted) of the payments are associated with claims incurred in the 2007-08 to 2018-19 years (LPT years). The discounted value of claims of \$3.4M in EIA experience account are included in the EIA claims liabilities as of June 30, 2019. The corresponding premium expense for those claim payments is \$139M, out of which \$100.6M was payable to MS Re and \$38.5M was payable to the EIO for the corridor that was transferred as explained below. Additionally, a rate credit of \$16.7M is recorded as an offset to the premium expense.

Breakdown of the layers is as follows:

Layer	Layer Limit	Expected Payments as of June 30, 2019
MsRe Reinsurance 1	\$ 170,631,620	\$ 170,631,620
EIA Corridor 1 *	291,400,000	291,400,000
EIA Experience Account	15,000,000	15,000,000
MsRe Reinsurance 2	17,500,000	11,149,508
EIA Corridor 2	Unlimited	-
Total (excluding EIA Corridor 2)	\$ 494,531,620	\$ 488,181,128

* EIA Corridor 1 has been transferred to the EIO.

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5. GL1 Loss Portfolio Transfer (LPT) (continued)

A. Structure of the LPT (continued)

Per the deal, MS Re will cover first \$170.6M in the claim payments, after which EIA Corridor 1 will cover the next \$291.4M. This corridor is transferred to the EIO for a premium of \$38.5M for all claims from July 1, 2007 to June 30, 2019. More corridors will be transferred for this layer as we progress thru the years. Next is the EIA experience account that is funded by the Premium Rate Credit as explained below. The discounted value of claims of \$3.4M in EIA experience account are included in the EIA claims liabilities as of June 30, 2019. Once the EIA experience account is exhausted, MS Re will cover the next \$17.5M in claim payments after which the EIA corridor 2 kicks in with unlimited liability. Although it is expected that ultimately the total payments will be \$488.2 million, these numbers will be recalculated annually based on actual payments and recent claims developments.

The total cash premium of \$191.5M in exchange of the liabilities transferred is recorded as payable to MS Re as of June 30, 2019. Only \$100.6M of this amount is related to claims from July 1, 2007 to June 30, 2019. Therefore, a corresponding prepaid asset of \$90.9M is recognized at June 30, 2019. Additionally, \$38.5M is recorded payable to the EIO (and eliminated upon consolidation with EIA) for discounted value of EIA corridor 1 liabilities at June 30, 2019.

For the LPT experience account, MS Re has agreed to fund this layer thru Premium Rate Credits. They will pay the EIA a rate credit of .0165158% per month, compounded, on the monthly balance of premium paid less claim payments plus any rate credits not withdrawn by the EIA. Accordingly, the EIA has recorded a receivable of \$16.7M that is the present value of this rate credit as of June 30, 2019. Correspondingly, the same amount is recorded as a reduction to premium as of June 30, 2019.

As a result of the transfer of the Loss Portfolio, GL1 Program reduced its net claim liabilities and corresponding claim expense by \$167.2M for a net premium of \$122.4M and broker fees of \$1.5M, thereby increasing the GL1 Net Position by \$43.3M as a result of this transaction

6. Capital Assets

Capital assets include land, buildings, tenant improvements, furniture, equipment, and software assets with an initial, individual cost of more than \$5k and an estimated useful life in excess of one year. A capital asset summary of the land, buildings, and equipment is presented below:

	<u>June 30, 2017</u>	<u>Additions/ Deductions</u>	<u>June 30, 2018</u>	<u>Additions/ Deductions</u>	<u>June 30, 2019</u>
Land	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Depreciable Assets:					
Buildings and Tenant Improvements	8,100,091	17,500	8,117,591	(9,865)	8,107,726
Furniture and Equipment	1,381,529	156,890	1,538,419	(261,622)	1,276,797
Software	3,716,044	1,122,080	4,838,124	267,709	5,105,833
Total Depreciable Assets	13,197,664	1,296,470	14,494,134	(3,778)	14,490,356
Less Accumulated Depreciation	(4,359,424)	(929,668)	(5,289,092)	(129,143)	(5,418,235)
Net Depreciable Assets	8,838,240	366,802	9,205,042	(132,921)	9,072,121
Net Land, Buildings and Equipment	\$ 9,838,240	\$ 366,802	\$ 10,205,042	\$ (132,921)	\$ 10,072,121

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6. Capital Assets (continued)

Depreciation of furniture, equipment, and software is reported as an operating expense in the General Administration fund. Depreciation for the building and tenant improvements is reported in the Building fund. Total accumulated depreciation is reported as follows:

Accumulated Depreciation Detail	Balance at June 30, 2017	Additions/ Deductions	Balance at June 30, 2018	Additions/ Deductions	Balance at June 30, 2019
Buildings and Tenant Improvements	\$ (1,993,824)	\$ (265,092)	\$ (2,258,916)	\$ (263,417)	\$ (2,522,333)
Furniture and Equipment	(1,170,245)	(58,813)	(1,229,058)	498,807	(730,251)
Software	(1,195,355)	(605,763)	(1,801,118)	(364,533)	(2,165,651)
Total	\$ (4,359,424)	\$ (929,668)	\$ (5,289,092)	\$ (129,143)	\$ (5,418,235)

Depreciation is calculated using the straight-line method. The useful life for major classes of capital assets range from 60 years for the building, 10-25 years for tenant improvements of the EIA, over the lease terms of 5-10 years for leased tenant improvements, and 3-7 years for furniture, equipment, and software.

7. Operating Leases

The Authority has leased 84% of the first floor of its two story building at 75 Iron Point Circle. The Authority occupies the entire second floor. Leases with various commercial tenants have been executed for periods of 5 to 10 years, with one lease having additional options to extend, but none exceeding 10 years. The cost of tenant improvements for the space under lease is \$844k with accumulated depreciation of \$770k. The cost of the building and improvements under lease is \$3.3M with accumulated depreciation of \$1.2M. The following is the schedule of lease revenue receivable under these operating leases for the next five years:

2020	\$	438,144
2021		269,831
2022		139,730
2023		143,922
2024		148,239
Total	\$	<u>1,139,866</u>

8. Employee Retirement System

The Authority provides pension benefits to its employees through the 2% at age 55 Miscellaneous Plan, a cost-sharing, multiple-employer defined benefit pension plan (Classic) maintained by CalPERS, an agency of the State of California. Effective January 1, 2013, new employees not eligible to participate in the 2% at 55 plan, are covered under the new Public Employees' Pension Reform Act Plan (PEPRA), which has a different benefit structure of 2% at age 62 and other differences. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

Collectively, the Classic Plan and the PEPRA Plan are referred to as the Plans. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Plans. This report is available at the CalPERS' website: www.calpers.ca.gov under Forms and Publications

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8. Employee Retirement System (continued)

A. General Information about the Pension Plan

Benefits Provided

The benefits for the Plans are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 and a minimum of five years of CalPERS-credited services. Members joining after January 1, 2013 must be at least 52.

Employees covered by the benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Active members	79	
Inactive members receiving benefits	10	
Total	89	

Contribution Description

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1st following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plans' actuarially determined rate is based on the estimated amount necessary to pay the Plans' allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority's required contribution rate on covered payroll for the measurement period ended June 30, 2018 (the measurement date) was 10.411% and 7.383% of annual pay for the Classic and PEPRA plans respectively.

For the year ended June 30, 2019, the legally required contributions were \$656,865. The required contribution for the 2018 -19 is recognized as a Deferred Outflow of Resources Related to Pensions since the measurement date of the Authority's pension-related accounts was June 30, 2018.

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8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

Actuarial Assumptions

For the measurement period ended June 30, 2018 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2017 TPL. The June 30, 2018 and June 30, 2017 TPL were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Gross of Administrative Expenses
Mortality Rate Table (1)	Derived using CalPERS' Membership for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) can be found on the CalPERS website.

Changes in Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-

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8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Current Target Allocation¹	Real Return Years 1 - 10²	Real Return Years 11+³
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)

(1) Fixed income is included in Global Debt Securities; Liquidity is included in Short term investments, Inflation Assets, are included in both Global Equity securers and Global Debt Securities

(2) An expected inflation of 2.0% used for this period

(3) An expected inflation of 2.92% used for this period

Sensitivity of the Authority's Proportional Share of the Net Pension Liability to the Changes in the Discount Rate

The following presents the net pension liability of the plan as of the June 30, 2018 measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

6/30/2018 Measurement Date	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plan Net Pension Liability	\$ 2,296,415	\$ 1,429,650	\$ 714,150

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8. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

For the measurement date June 30, 2017, the following presents the net pension liability (asset) of the plan calculated using the discount rate 7.15 percent, as well as what the net pension liability (asset) would be if it were calculated using discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate.

6/30/2017 Measurement Date	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plan Net Pension Liability	\$ 2,499,288	\$ 1,603,286	\$ 861,201

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	<u>2018-2019 Fiscal Year</u>	<u>2017-2018 Fiscal Year</u>
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Measurement Period	June 30, 2017 to June 30, 2018	June 30, 2016 to June 30, 2017

At June 30, 2019 the Authority reported a net pension liability (NPL) of \$1,429,650 and \$1,603,286 at June 30, 2018 for its proportionate share of the Miscellaneous Pool's NPL.

The Authority's NPL for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2018. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. Using the Authority's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for the Authority by the actuary. The Authority's proportionate share of the NPL for PERF C as of June 30, 2018 was 0.037935% for the Classic Plan and PEPRA Plan combined. The Authority's proportionate share of the NPL for PERF C and PEPRA combined as of June 30, 2017 was 0.040671%.

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8. Employee Retirement System (continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2019, the Authority recognized pension expense of \$729,961. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 54,853	\$ (18,666)
Changes in Assumptions	162,984	(39,944)
Net Difference between Projected and Actual Earnings on Pension Plan investments	7,068	-
Change in Proportions	312,009	-
Change in Proportionate Share of Contributions	-	(127,176)
Contributions Subsequent to Measurement Date	656,865	-
Total	<u>\$ 1,193,779</u>	<u>\$ (185,786)</u>

The \$656,865 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2020.

At June 30, 2019, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/Inflows of Resources
2019	\$ (9,165)
2020	265,269
2021	107,883
2022	(12,859)
Total	<u>\$ 351,128</u>

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8. Employee Retirement System (continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2018, the Authority recognized pension expense of \$612,233. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 6,246	\$ (89,488)
Changes in Assumptions	775,002	(59,095)
Net Difference between Projected and Actual Earnings on Pension Plan investments	175,274	-
Change in Proportions	-	(771,024)
Change in Proportionate Share of Contributions	-	(51,289)
Contributions Subsequent to Measurement Date	612,233	-
Total	<u>\$ 1,568,755</u>	<u>\$ (970,896)</u>

The \$612,233 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the NPL in the year ending June 30, 2019.

At June 30, 2018, other amounts reported as deferred outflows/inflows of resources related to pensions was recognized ad pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/Inflows of Resources
2018	\$ (291,686)
2019	113,964
2020	267,410
2021	(104,062)
Total	<u>\$ (14,374)</u>

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9. Other Postemployment Benefits (OPEB)

A. Plan Description

The Authority's defined benefit Other Post Employment Benefit Plan (OPEB), provides OPEB for all permanent full-time employees of the Authority. This is an agent multiple-employer defined benefit OPEB plan administered by the California Employers' Retirement Benefit Trust (CERBT). The Authority's defined benefit postemployment healthcare plan, CSAC Excess Insurance Authority Postemployment Healthcare Plan (CSAC EIA OPEB), provides limited medical benefits for retired employees and their beneficiaries. Retired employees and their beneficiaries must continue their participation in a CalPERS health care program to access CSAC EIA OPEB benefits. The Public Employees' Medical and Hospital Care Act (PEMHCA) of the State of California assigns the authority to establish and amend benefit provisions to the CalPERS Board of Directors.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of CalPERS' annual financial report may be obtained from their executive office, 400 Q Street, Sacramento, California 95814.

The postemployment health care benefit rates per month, per retiree, have been established by the CalPERS Board of Directors, as shown below. Retirees, or their beneficiaries, are responsible for the remaining balance of their monthly health care cost.

Calendar Year 2016	\$125 per month
Calendar Year 2017	\$128 per month
Calendar Year 2018	\$133 per month
Calendar Year 2019	\$136 per month
Calendar Year 2020	\$139 per month
Thereafter	Adjusted per CalPERS Board to reflect changes on the medical care component of the CPI

Under PEMHCA, the Authority is required to contribute toward medical coverage for the retiree's lifetime or until coverage is otherwise discontinued. If a covered spouse survives the retiree and is entitled to survivor pension benefits, the Authority will continue the applicable contribution toward the spouse's coverage until his or her death. CSAC EIA OPEB provides employees who retire directly from the Authority, at a minimum age of 55, with a minimum of 5 years of coverage.

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

Active Employees	68
Inactive Employees or beneficiaries receiving benefits	6
Total Participants	74

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The Authority's OPEB Plan assets are invested as part of the CalPERS CERBT Strategy 1 portfolio with a 7.28% expected Long term rate of return. Each employer choosing CERBT Strategy 1 owns a percentage of this portfolio. The Authority does not have direct ownership of the securities in the portfolio. The target allocation and best estimates of real rates of return for each major class are summarized below:

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9. Other Postemployment Benefits (OPEB) (continued)

A. Plan Description (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	59%	4.80%
Fixed Income	25%	1.10%
Global Real Estate (REIT)	8%	3.20%
Treasury Inflation Protected Securities (TIPS)	5%	0.25%
Commodities	3%	1.50%

B. Net OPEB Liability

The Authority's net OPEB liability was \$601,102 as of June 30, 2019 and \$823,272 as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions: The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of Assets
Long Term Return on Assets	7.28% as of June 30, 2018, and June 30, 2017 net of plan investment expenses and including inflation
Municipal Bond Rate	Fidelity Municipal Bond AA 20 Year Maturity Yield
Discount Rates	4.69% to develop the Total OPEB Liability as of June 30, 2017 7.28% for explicit liabilities and 3.62% for implicit subsidy liabilities as of June 30, 2018
Inflation	2.75% per year
Salary Increases	3.25% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Participants Valued	Only current active employees and retired participants are covered

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9. Other Postemployment Benefits (OPEB) (continued)

B. Net OPEB Liability (continued)

Discount Rate is the Interest rate used to discount future potential benefit payments to the valuation date. The discount rate used to measure the total OPEB liability was 7.28% and 3.62% for the explicit and implicit portions respectively. The projection of explicit subsidy benefit cash flows used to determine the discount rate assumed that Authority contributions would be made at rates equal to actuarially determine contribution rates. Based on those assumptions, the OPEB plan's fiduciary net positions were projected to be available to make all projected explicit subsidy OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected explicit subsidy benefit payments to determine the total OPEB liability.

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008. Mortality improvement assumption is based on MacLeod Watt Scale 2017 applied generationally.

The Authority's OPEB Valuation is prepared for a closed group. There were no benefit changes in the Authority's OPEB Plan.

Mortality rates were based on Improvement Bickmore Scale 2017 applied generationally. Healthcare Trend Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels are assumed to be effective on the dates shown below:

<u>January 1</u>	<u>Increases</u>	<u>January 1</u>	<u>Increases</u>
2019	8.00%	2022	6.00%
2020	7.50%	2023	5.50%
2021	7.00%	2024	5.00%
2022	6.50%	2025 & Later	5.00%

CSAC EXCESS INSURANCE AUTHORITY
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9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability

Net OPEB Liability for Fiscal year June 30, 2019 is \$601,102, a decrease of \$222,170 compared to June 30, 2018.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary	Net OPEB Liability
Balance at fiscal year ending June 30, 2018 Measurement date 6/30/17	\$ 1,481,732	\$ 658,460	\$ 823,272
Changes during the period			
Service Cost	188,704	-	188,704
Interest	77,753	-	77,753
Employer Contributions	-	150,165	(150,165)
Investment Income	-	52,441	(52,441)
Investment Experience	-	511	(511)
Assumptions Changes	(286,746)	-	(286,746)
Benefit Payments	(25,165)	(25,165)	-
Administrative expenses	-	(365)	365
Other Expenses	-	(871)	871
Net Change in Fiscal Year	(45,454)	176,716	(222,170)
Balance at fiscal year ending June 30, 2019 Measurement date 6/30/18	<u>\$ 1,436,278</u>	<u>\$ 835,176</u>	<u>\$ 601,102</u>

Net OPEB Liability for Fiscal year June 30, 2018 is \$ 823,272, a decrease of \$3,179 compared to June 30, 2017.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary	Net OPEB Liability
Balance at fiscal year ending June 30, 2017 Measurement date 6/30/16	\$ 1,388,782	\$ 562,331	\$ 826,451
Changes during the period			
Service Cost	208,154	-	208,154
Interest	64,420	-	64,420
Investment Income	-	42,224	(42,224)
Employer Contributions	-	56,127	(56,127)
Changes in Benefit terms	-	-	-
Administrative Expenses	-	(307)	307
Benefit Payments	(20,480)	(20,480)	-
Assumptions Changes	(159,144)	-	(159,144)
Plan experience	-	-	-
Investment experience	-	-	-
Recognized Deferred inflows	-	-	-
Recognized Deferred outflows	-	-	-
Contributions subsequent to currnt	-	-	-
Plan experience	-	18,565	(18,565)
Net Change in Fiscal Year	92,950	96,129	(3,179)
Balance at fiscal year ending June 30, 2018 Measurement date 6/30/17	<u>\$ 1,481,732</u>	<u>\$ 658,460</u>	<u>\$ 823,272</u>

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9. Other Postemployment Benefits (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Sensitivity of the net OPEB Liability to changes in the discount rate: The following table presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be, if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as of June 30, 2019:

	1% Decrease 6.28%	Discount Rate 7.28%	1% increase 8.28%
Net OPEB Liability	\$ 801,447	\$ 601,102	\$ 433,073

The following table shows the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as of June 30 2018:

	1% Decrease 3.69%	Discount Rate 4.69%	1% increase 5.69%
Net OPEB Liability	\$ 1,087,396	\$ 823,272	\$ 612,713

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. Healthcare Cost Trend Rate was assumed to start at 8.00% effective January 2018.

	Medical Trend 7.00%	Current Medical Trend 8.00%	Medical Trend 9.00%
Net OPEB Liability	\$ 354,621	\$ 601,102	\$ 975,745

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates as of June 30, 2018 is shown below:

	Medical Trend 7.00%	Current Medical Trend 8.00%	Medical Trend 9.00%
Net OPEB Liability	\$ 533,985	\$ 823,272	\$ 1,320,406

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9. Other Postemployment Benefits (OPEB) (continued)

D. OPEB Expense and Deferred Outflow and Inflow of Resources Related to OPEB

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$164,158. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources		Deferred Inflow of Resources		Total	
	Explicit	Implicit	Explicit	Implicit	Deferred Outflow of Resources	Deferred Inflow of Resources
	Changes of assumptions	\$ -	\$ 74,610	\$ 427,887	\$ 33,527	\$ -
Net Difference between projected and actual earnings on investments	-	-	22,755	-	-	22,755
Contributions made subsequent to the measurement date	20,366	13,217	-	-	33,583	-
	<u>\$ 20,366</u>	<u>\$ 87,827</u>	<u>\$ 450,642</u>	<u>\$ 33,527</u>	<u>\$ 33,583</u>	<u>\$ 409,559</u>

The \$33,583 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources	Recognized Net Deferred Outflows (Inflows) of Resources (Implicit)	Total
2020	\$ (55,100)	\$ 4,006	\$ (51,094)
2021	(55,100)	4,006	(51,094)
2022	(55,100)	4,006	(51,094)
2023	(47,654)	4,006	(43,648)
2024	(47,550)	4,006	(43,544)
Thereafter	(190,137)	21,053	(169,084)

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$226,344. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources		Deferred Inflow of Resources		Total	
	Explicit	Implicit	Explicit	Implicit	Deferred Outflow of Resources	Deferred Inflow of Resources
	Changes of assumptions	\$ -	\$ -	\$ 106,006	\$ 37,597	\$ -
Net Difference between projected and actual earnings on investments	-	29,793	-	-	-	29,793
Contributions made subsequent to the measurement date	144,990	-	5,175	-	150,165	-
	<u>\$ 144,990</u>	<u>\$ 29,793</u>	<u>\$ 111,181</u>	<u>\$ 37,597</u>	<u>\$ 150,165</u>	<u>\$ 173,396</u>

The \$150,165 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

9. Other Postemployment Benefits (OPEB) (continued)

D. OPEB Expense and Deferred Outflow and Inflow of Resources Related to OPEB (continued)

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources (Explicit)	Recognized Net Deferred Outflows (Inflows) of Resources (Implicit)	Total
2019	\$ (18,920)	\$ (4,069)	\$ (22,989)
2020	(18,920)	(4,069)	(22,989)
2021	(18,920)	(4,069)	(22,989)
2022	(18,921)	(4,069)	(22,990)
2023	(11,472)	(4,069)	(15,541)
Thereafter	(48,646)	(17,252)	(65,898)

The Expected Average Remaining Service life was 10.24 years. This is the period used to recognize changes in the OPEB liability other than those arising from investments gains and losses or relating to improvements in plan benefits.

10. Reliance Bankruptcy

The Authority has purchased insurance, and reinsurance, policies with Reliance Insurance Company. On May 29, 2001, Reliance was taken over by the State of Pennsylvania Insurance Department and is in the process of being liquidated. The State of Pennsylvania Department of Insurance was appointed as the liquidator. The Authority had coverage with Reliance for three of its programs: EWC, PGL, and Medical Malpractice. Although the Authority paid PGL claims that would have been covered by Reliance, the Authority is no longer pursuing any claims in bankruptcy. The Authority has received \$1.4M in recovery of Medical Malpractice claims, to resolve all outstanding claims against Reliance in this program. The Authority estimates that the ultimate cost of the EWC claims for 1996/97, insured by Reliance Insurance Company, which are not covered by CIGA, is \$793k and is included in claims liabilities as of June 30, 2019.

11. Castlepoint Liquidation

August 2016, the California Insurance Commissioner placed Castlepoint Insurance Companies (Castlepoint) in conservatorship. Castlepoint has been in liquidation since March 1, 2017. CIGA is administering the liquidation and paying claims. The Authority has insured the 2010/11 and 2011/12 years in the PWC Program in the layer from \$10k to \$125k with Castlepoint. Although CIGA has paid on some claims, it has issued denials if "other insurance" is available to cover the exposure. The total exposure to the PWC Program that is considered unrecoverable is approximately \$900K, discounted, and this amount is included in claim liabilities in the PWC program.

The EWC Program also had coverage through Castlepoint on a quota-share basis in the 2010/11 and 2011/12 years on an 80% quota-share basis for the \$1M excess of SIR layer. Here, because CIGA's coverage is limited to \$500k per claim, the program does have exposure due to the liquidation. Additionally, CIGA has issued denials if "other insurance" is available to cover the exposure. The Authority estimates the ultimate cost of the EWC claims for this period, not covered by CIGA, to be \$3.9M, discounted, and this amount is included in claim liabilities in the EWC program.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

12. Litigation

In 2017, the EIA's building suffered significant water intrusion during several storms. Experts opined that this was due to defects in the original construction of the building. The EIA has since spent around \$1.1M to correct those defects and has litigation pending against the builder to recover the amounts expended. Trial on the matter is set for March 2020.

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**CSAC Excess Insurance Authority
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2019
10 Year Schedule***

	Measurement Date				
	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.037935%	0.040671%	0.031435%	0.073809%	0.032050%
Proportionate share of the net pension liability	\$1,429,650	\$1,603,286	\$1,092,027	\$2,024,929	\$1,994,562
Covered payroll	\$7,123,473	\$6,441,367	\$5,449,159	\$4,924,748	\$4,058,309
Proportionate Share of the net pension liability as percentage of covered-employee payroll	20.07%	24.89%	20.04%	41.12%	49.15%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	78.40%	78.40%	83.03%

* Fiscal year 2015 was the first year of implementation, therefore only 5 years are shown

Notes to Schedule

1. There were no changes to benefit terms during the measurement period ended June 30, 2018

**CSAC Excess Insurance Authority
Required Supplementary Information
Schedule of Pension Plan Contribution
As of June 30, 2019
10 Year Schedule***

	Fiscal Year				
	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined Contribution)	\$ 656,865	\$ 612,233	\$ 551,010	\$ 533,877	\$ 587,253
Contributions in Relation to the Contractually Required Contributions	656,865	612,233	551,010	533,877	587,253
Contributions Deficiency (Excess)	-	-	-	-	-
Covered Payroll	\$7,828,396	\$7,123,473	\$6,441,367	\$ 5,449,159	\$ 4,924,748
Contributions as a Percentage of Covered Payroll	8.39%	8.59%	8.55%	9.80%	11.92%

* Fiscal year 2015 was the first year of implementation, therefore only 5 years are shown

CSAC Excess Insurance Authority
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability & Related Ratios
As of June 30, 2019
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 188,704	\$ 208,154
Interest Cost	77,753	64,420
Changes in Assumptions	(286,746)	(159,144)
Benefit payments	(25,165)	(20,480)
	<hr/>	<hr/>
Net change in total OPEB Liability	(45,454)	92,950
Total OPEB Liability - Beginning	1,481,732	1,388,782
Total OPEB Liability - Ending (a)	<u>\$ 1,436,278</u>	<u>\$ 1,481,732</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 150,165	\$ 56,127
Net investment income	52,952	60,789
Benefit payments	(25,165)	(20,480)
Administrative Expenses	(365)	(307)
Other Expenses	(871)	-
	<hr/>	<hr/>
Net Change in plan fiduciary net position	176,716	96,129
Plan Fiduciary net position - Beginning	658,460	562,331
Plan Fiduciary net position - Ending (b)	<u>\$ 835,176</u>	<u>\$ 658,460</u>
Net OPEB Liability (a)-(b)	\$ 601,102	\$ 823,272
Plan fiduciary net position as a percentage of the total OPEB Liability	58%	44%
Covered payroll	\$ 7,828,396	\$ 7,123,473
Net OPEB Liability as a percentage of covered employee payroll	8%	12%

* Fiscal year 2018 was the 1st year of implementation.

Notes to Schedule:

Changes of Assumptions:

There were no benefit changes for the 2017 Valuation

The discount rate used to measure the total OPEB liability was 7.28% and 3.62% for the explicit and implicit portions, respectively.

Schedule of Contributions
Schedule of the Authority's OPEB Contributions
As of June 30, 2019
Last 10 Fiscal Years*

	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution (ADC)		
Explicit ADC	\$ 36,039	\$ 44,616
Implicit ADC	127,677	114,616
Total ADC	\$ 163,716	\$ 159,232
Explicit Contributions	20,366	144,990
Implicit Contributions	13,277	5,175
Total Contributions	33,643	150,165
Contribution deficiency (excess) relative to the total ADC	\$ 130,073	\$ 9,067
Covered Payroll	\$ 7,828,396	\$ 7,123,473
Contributions as % of Covered Payroll	0.43%	2%
Contributions deficiency (excess) relative to the Explicit ADC only	\$ 15,673	\$ (100,374)

* Fiscal year 2018 was the first year of implementation

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2018 and June 30, 2019 on the June 30, 2017 Valuation.

Methods and assumptions used:

Discount Rate	7.28%
Actuarial Cost method	Entry age
Amortization method	Level dollar payment
Amortization period	19 Year closed
Asset Valuation method	Market value of assets
Inflation	2.75%
Healthcare cost trend rates	8.0% in 2018 to 5% in steps of .5%
Salary increases	3.25% per year
Retirement age	Age 50 (age 52 if a miscellaneous employee hired after 1/1/2013)
Mortality	CalPERS 2014 Experience Study
Mortality Improvement	MacLeod Watts Scale 2017 generationally

**CSAC EXCESS INSURANCE AUTHORITY
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability 1	General Liability 2	Property	Medical Malpractice	Dental	EIO Captive	Total June 30, 2019	Total June 30, 2018
Unpaid Claims and Claim Adjustment Expenses at the											
A. Beginning of the Fiscal Year	\$ 63,276,229	\$ 282,695,641	\$ 63,221	\$ 150,183,672	\$ 1,569,647	\$ 40,840	\$ 31,956,007	\$ 1,826,677	\$ 132,847,720	\$ 664,459,654	\$ 610,701,218
Incurred Claims and Claim Adjustment Expenses:											
Provision for Claims											
Current Fiscal Year	7,903,000	1,417,820	-	-	(30,000)	499,529	5,593,717	33,073,327	97,879,956	146,337,349	168,878,576
Prior Fiscal Years	(3,436,290)	(7,754,444)	-	(82,774,101)	-	-	(554,011)	-	43,992,785	(50,526,061)	56,643,455
B. Total Incurred	4,466,710	(6,336,624)	-	(82,774,101)	(30,000)	499,529	5,039,706	33,073,327	141,872,741	95,811,288	225,522,031
Payments:											
Attributable to insured events of the											
Current Fiscal Year	4,394,251	-	-	-	-	-	245,810	32,980,598	15,791,865	53,412,524	50,982,380
Prior Fiscal Years	3,789,815	47,000,412	63,221	61,247,266	144,835	125,000	12,186,322	-	43,895,925	168,452,796	120,781,215
C. Total Payments	8,184,066	47,000,412	63,221	61,247,266	144,835	125,000	12,432,132	32,980,598	59,687,790	221,865,320	171,763,595
Total Unpaid Claims and Claim Adjustment Expenses at											
D. End of the Fiscal Year (A+B-C)	\$ 59,558,873	\$ 229,358,605	\$ -	\$ 6,162,305	\$ 1,394,812	\$ 415,369	\$ 24,563,581	\$ 1,919,406	\$ 215,032,671	\$ 538,405,622	\$ 664,459,654
Claims Reported	\$ 11,751,728	\$ 172,002,392	\$ -	\$ 1,274,311	\$ 351,812	\$ 409,369	\$ 12,022,935	\$ 1,919,406	\$ 102,799,490	\$ 302,531,443	\$ 405,105,385
Claims Incurred But Not Reported	7,566,145	51,136,213	-	3,651,994	-	-	11,752,646	-	112,233,181	186,340,179	209,246,269
Unallocated Loss Adjustment Expenses	40,241,000	6,220,000	-	1,236,000	1,043,000	6,000	788,000	-	-	49,534,000	50,108,000
Total Claim Liabilities	\$ 59,558,873	\$ 229,358,605	\$ -	\$ 6,162,305	\$ 1,394,812	\$ 415,369	\$ 24,563,581	\$ 1,919,406	\$ 215,032,671	\$ 538,405,622	\$ 664,459,654
Current Claim Liabilities	\$ 4,200,000	\$ 36,073,000	\$ -	\$ 386,000	\$ 351,812	\$ 409,369	\$ 8,847,000	\$ 1,919,406	\$ 62,000,000	\$ 114,186,587	\$ 144,273,052
Noncurrent Claim Liabilities	55,358,873	193,285,605	-	5,776,305	1,043,000	6,000	15,716,581	-	153,032,671	424,219,035	520,186,602
Total Claim Liabilities	\$ 59,558,873	\$ 229,358,605	\$ -	\$ 6,162,305	\$ 1,394,812	\$ 415,369	\$ 24,563,581	\$ 1,919,406	\$ 215,032,671	\$ 538,405,622	\$ 664,459,654

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
ALL PROGRAMS
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
ALL PROGRAMS
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 215,046,182	\$ 233,998,408	\$ 244,018,347	\$ 259,834,782	\$ 287,067,855	\$ 321,073,735	\$ 352,477,492	\$ 471,599,972	\$ 443,313,184	\$ 567,512,090
Less Ceded	(120,799,827)	(125,920,763)	(142,320,607)	(135,546,767)	(166,661,324)	(181,299,342)	(197,606,128)	(282,151,364)	(297,116,068)	(310,256,385)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(17,134,823)	(31,973,798)	(20,909,819)	(25,663,071)	(44,186,195)	(36,150,976)	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)
Dividends Declared	(3,000,000)	-	-	-	-	-	-	-	-	(2,000,000)
Investment Earnings	10,368,423	3,195,048	3,478,364	4,362,865	2,846,717	3,802,630	3,643,250	9,659,377	9,061,123	8,372,355
1. Total Revenues Available For Payment of Claims	84,479,955	79,298,895	84,266,285	102,987,810	79,067,053	107,426,046	113,697,458	163,856,222	126,004,448	237,789,944
2. Unallocated Loss Adjustment Expense	1,108,918	1,831,056	2,048,864	2,414,276	3,515,848	3,744,874	6,812,863	6,341,435	11,043,022	6,499,150
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	185,493,656	208,871,354	211,341,640	219,923,065	251,673,925	285,579,344	323,242,191	439,434,310	463,439,417	492,420,666
	(115,345,387)	(120,114,977)	(136,415,348)	(129,254,121)	(161,343,396)	(175,932,569)	(192,018,905)	(276,063,521)	(290,970,446)	(303,879,611)
	70,148,269	88,756,377	74,926,292	90,668,944	90,330,529	109,646,775	131,223,286	163,370,789	172,468,971	188,541,055
4. Cumulative Paid Claims as of:										
End of the Policy Year	20,742,041	31,556,350	30,092,932	37,166,285	35,078,443	41,819,464	46,845,645	52,254,041	50,859,036	53,505,254
One Year Later	24,775,301	40,386,985	43,112,132	47,650,221	48,129,843	55,107,212	62,990,323	70,987,228	77,406,457	-
Two Years Later	28,490,072	49,629,509	48,937,969	56,141,733	55,838,278	64,984,162	88,685,970	106,880,592	-	-
Three Years Later	44,598,044	70,179,385	56,857,493	66,795,768	69,238,862	91,256,950	121,100,075	-	-	-
Four Years Later	49,414,887	77,730,591	66,851,630	76,730,519	78,729,022	111,768,089	-	-	-	-
Five Years Later	53,121,168	84,953,804	70,003,396	83,902,984	100,731,441	-	-	-	-	-
Six Years Later	58,281,241	89,875,536	72,850,346	87,848,920	-	-	-	-	-	-
Seven Years Later	61,684,842	92,042,876	74,924,799	-	-	-	-	-	-	-
Eight Years Later	64,529,714	98,928,637	-	-	-	-	-	-	-	-
Nine Years Later	67,126,615	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	93,539,749	57,035,408	103,121,047	107,727,277	135,609,133	168,101,948	170,251,126	168,003,496	117,644,388	48,799,434
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	70,148,269	88,756,377	74,926,292	90,668,944	90,330,529	109,646,775	131,223,286	163,370,789	172,468,971	188,541,055
One Year Later	72,027,708	94,312,433	80,331,706	92,306,009	92,687,394	115,831,832	133,962,994	171,585,114	146,440,138	-
Two Years Later	77,969,647	93,948,024	81,126,796	93,008,024	97,238,564	113,158,272	152,739,976	151,894,547	-	-
Three Years Later	78,690,541	101,981,676	80,533,113	98,342,503	100,362,092	126,906,754	142,475,106	-	-	-
Four Years Later	77,918,295	105,384,425	84,551,699	105,222,229	110,051,193	116,585,582	-	-	-	-
Five Years Later	80,024,512	109,966,547	83,762,949	109,914,153	108,190,734	-	-	-	-	-
Six Years Later	83,359,047	113,138,538	87,344,432	98,922,791	-	-	-	-	-	-
Seven Years Later	82,646,086	120,127,371	84,045,654	-	-	-	-	-	-	-
Eight Years Later	84,179,849	118,890,883	-	-	-	-	-	-	-	-
Nine Years Later	80,983,442	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 10,835,173	\$ 30,134,506	\$ 9,119,362	\$ 8,253,847	\$ 17,860,205	\$ 6,938,807	\$ 11,251,820	\$ (11,476,242)	\$ (26,028,833)	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 38,458,173	\$ 44,423,492	\$ 45,874,402	\$ 46,505,776	\$ 52,184,744	\$ 52,591,920	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 47,864,963
Less Ceded	(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,380,293)	(40,948,454)	(42,158,960)	(54,689,379)	(42,939,979)	(34,887,603)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	(2,000,000)
Investment Earnings	726,610	582,469	225,476	151,332	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	14,233,455	16,105,138	14,775,625	13,996,305	14,804,451	11,643,466	12,133,262	12,209,072	12,333,828	10,977,360
2. Less Unallocated Loss Adjustment Expense	751,806	1,233,440	1,890,797	1,884,592	3,297,606	3,400,134	5,777,228	5,669,102	10,364,311	5,971,984
3. Estimated Incurred Claims Less Ceded Claims	36,219,693	41,200,715	44,186,253	45,065,803	50,435,293	54,185,020	51,254,960	63,656,379	52,515,979	43,805,603
Net Incurred Claims and Expenses, End of Policy Year	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,301,114	6,304,731	5,988,250	5,631,790	5,999,562	3,951,291	4,228,855	4,245,304	5,298,047	4,394,251
One Year Later	8,672,943	10,080,439	9,699,440	9,572,554	9,632,916	6,607,142	6,868,677	5,660,241	8,082,907	-
Two Years Later	9,127,073	10,752,137	10,403,922	10,324,845	10,595,000	7,164,498	7,437,056	6,046,567	-	-
Three Years Later	9,310,650	11,004,419	10,648,791	10,647,115	10,903,553	7,424,915	7,672,566	-	-	-
Four Years Later	9,423,077	11,094,997	10,772,427	10,782,525	11,043,935	7,571,974	-	-	-	-
Five Years Later	9,500,091	11,151,713	10,845,816	10,838,835	11,160,798	-	-	-	-	-
Six Years Later	9,551,614	11,192,247	10,930,202	10,870,050	-	-	-	-	-	-
Seven Years Later	9,546,187	11,207,350	10,947,443	-	-	-	-	-	-	-
Eight Years Later	9,611,740	11,260,253	-	-	-	-	-	-	-	-
Nine Years Later	9,622,062	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	27,308,346	33,183,198	34,796,503	32,897,560	33,654,130	33,393,781	35,262,847	21,776,016	21,588,761	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000
One Year Later	10,203,556	12,700,000	11,441,000	12,595,000	12,382,000	8,222,000	8,226,000	8,563,000	7,782,000	-
Two Years Later	11,868,000	11,815,000	11,397,000	11,445,000	11,735,000	7,792,000	8,526,000	8,328,000	-	-
Three Years Later	11,004,000	11,789,000	11,048,000	11,384,000	11,718,000	8,206,000	8,585,000	-	-	-
Four Years Later	10,934,000	11,500,000	11,022,000	11,233,000	12,094,000	8,253,000	-	-	-	-
Five Years Later	10,902,000	11,450,000	11,220,000	11,903,000	11,816,000	-	-	-	-	-
Six Years Later	10,915,000	11,480,000	12,496,500	11,643,000	-	-	-	-	-	-
Seven Years Later	10,894,000	12,484,500	12,220,500	-	-	-	-	-	-	-
Eight Years Later	10,439,000	12,046,500	-	-	-	-	-	-	-	-
Nine Years Later	10,080,211	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (1,188,154)	\$ (253,392)	\$ (641,500)	\$ (762,000)	\$ (1,239,000)	\$ (5,072,000)	\$ (511,000)	\$ (639,000)	\$ (1,794,000)	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,872,261	\$ 97,699,836	\$ 119,149,647	\$ 127,468,312	\$ 136,582,963	\$ 136,305,091
Less Ceded	(29,508,521)	(33,932,092)	(38,700,636)	(26,470,050)	(47,448,283)	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	2,392,165	1,786,299	1,506,482	2,747,219	1,990,601	2,411,303	2,183,281	720,438	432,217	334,392
1. Total Revenues Available For Payment of Claims	21,030,470	20,594,670	19,407,628	40,336,599	32,414,579	42,913,080	53,074,082	25,315,518	11,331,982	9,444,777
2. Unallocated Loss Adjustment Expense	351,301	500,492	201,448	264,603	114,566	87,317	426,633	131,336	-	21,423
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	45,844,808 (29,508,521)	51,347,831 (33,932,092)	47,772,920 (38,700,636)	43,142,223 (26,470,050)	60,295,762 (47,448,283)	80,522,151 (57,198,059)	106,542,005 (68,258,846)	117,788,870 (102,873,232)	125,683,198 (125,683,198)	128,007,526 (127,194,706)
	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	43,862	23,688	38,785	-	950,641	3,293,817	3,623,460	-	-
One Year Later	106,437	230,188	329,202	281,003	2,361,141	5,161,301	9,034,334	8,426,745	-	-
Two Years Later	515,533	627,868	785,063	2,103,809	6,162,084	10,430,178	17,164,800	11,266,723	-	-
Three Years Later	1,281,938	1,344,807	1,544,493	4,326,042	10,372,243	21,652,538	25,264,694	-	-	-
Four Years Later	2,117,003	2,074,489	2,305,965	9,927,320	12,944,505	29,973,034	-	-	-	-
Five Years Later	3,129,849	5,609,885	4,081,614	13,746,251	15,745,328	-	-	-	-	-
Six Years Later	4,339,481	6,421,341	5,650,357	16,948,677	-	-	-	-	-	-
Seven Years Later	7,743,152	7,748,121	6,450,365	-	-	-	-	-	-	-
Eight Years Later	10,522,116	12,169,466	-	-	-	-	-	-	-	-
Nine Years Later	12,564,232	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	-	3,150,842	24,849,709	36,320,936	32,857,153	54,214,341	45,803,716	52,528,160	41,696,866
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820
One Year Later	16,902,842	18,075,962	9,517,002	18,675,566	14,275,787	30,278,418	39,483,699	16,869,019	-	-
Two Years Later	18,604,330	17,868,492	10,336,945	19,544,588	19,231,418	31,534,751	42,063,111	16,249,725	-	-
Three Years Later	20,268,964	18,601,508	10,932,012	25,311,173	19,670,868	33,388,255	41,451,544	-	-	-
Four Years Later	20,649,905	19,813,588	12,982,166	25,835,519	20,038,856	33,285,931	-	-	-	-
Five Years Later	23,837,950	24,576,756	12,874,083	26,777,117	20,092,065	-	-	-	-	-
Six Years Later	26,569,135	25,385,881	15,469,230	26,987,941	-	-	-	-	-	-
Seven Years Later	26,372,989	30,955,824	14,093,494	-	-	-	-	-	-	-
Eight Years Later	28,343,710	31,158,571	-	-	-	-	-	-	-	-
Nine Years Later	25,892,887	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 9,556,600	\$ 13,742,832	\$ 5,021,210	\$ 10,315,768	\$ 7,244,586	\$ 9,961,839	\$ 3,168,385	\$ 1,334,087	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
SCHEDULE OF EARNED PREMIUM CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	Fully Insured Years									Trans to GL1
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Insurance Premiums	\$ 2,127,964	\$ 1,888,464	\$ 2,035,654	\$ 1,868,680	\$ 1,742,957	\$ 1,756,708	\$ 1,917,598	\$ 1,933,487	\$ 1,839,995	\$ -
Less Ceded	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)	(1,917,598)	(1,933,487)	(1,839,995)	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims	2,127,964	1,888,464	2,035,654	1,868,680	1,742,957	1,756,708	1,917,598	1,933,487	1,839,995	-
Less Ceded Claims	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)	(1,917,598)	(1,933,487)	(1,839,995)	-
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,255,670	1,308,793	883,805	1,442,123	1,931,360	979,041	1,059,431	928,378	258,238	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019 *
Earned Premiums	\$ 34,900,929	\$ 33,847,460	\$ 31,633,150	\$ 30,744,704	\$ 31,414,089	\$ 37,003,868	\$ 41,767,814	\$ 43,610,999	\$ 55,950,440	\$ 58,394,177
Less Ceded	(4,509,392)	(4,631,423)	(5,781,484)	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(17,134,823)	(31,973,798)	(20,909,819)	(25,663,071)	(44,186,195)	(36,150,976)	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)
Dividends Declared	(3,000,000)	-	-	-	-	-	-	-	-	-
Investment Earnings	4,507,120	1,022,507	1,447,637	994,208	197,588	1,157,808	922,604	1,447,626	1,688,492	1,739,878
1. Total Revenues Available* For Payment of Claims	14,763,834	(1,735,254)	6,389,484	504,625	(18,586,076)	(6,013,258)	(9,283,972)	(2,042,087)	18,355,965	22,049,243
2. Unallocated Loss Adjustment Expense	3,491	12,312	14,004	59,274	59,114	115,693	105,158	277,934	258,874	279,074
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	19,778,099	21,482,208	22,372,152	26,257,387	28,716,578	31,508,347	36,742,274	40,370,659	42,071,896	15,666,695
	(4,509,392)	(4,631,423)	(5,781,484)	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)
	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	653,593	-	241,064	-	-	-	-	-	-	-
One Year Later	348,252	104,565	666,287	1,668,017	2,443,124	110,653	760,444	732,315	2,113,472	-
Two Years Later	2,389,423	2,483,193	2,473,149	3,879,513	4,412,160	1,489,584	14,004,016	6,113,260	-	-
Three Years Later	10,758,833	18,803,527	7,001,701	11,698,043	12,165,139	14,487,153	33,792,442	-	-	-
Four Years Later	11,549,612	22,031,298	15,817,812	15,857,724	18,903,963	24,021,768	-	-	-	-
Five Years Later	13,166,381	24,752,158	17,071,287	18,738,930	37,988,696	-	-	-	-	-
Six Years Later	16,218,635	27,460,094	18,226,891	19,448,787	-	-	-	-	-	-
Seven Years Later	16,223,992	28,276,310	19,441,681	-	-	-	-	-	-	-
Eight Years Later	16,224,347	30,683,008	-	-	-	-	-	-	-	-
Nine Years Later*	16,768,810	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,430,741	5,671,893	12,328,772	8,373,706	16,917,759	23,438,144	39,393,667	41,780,661	19,815,329	4,600,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000
One Year Later	17,577,212	21,106,865	20,336,498	20,279,342	24,596,512	24,657,164	30,362,640	28,180,080	2,113,472	-
Two Years Later	18,211,819	19,593,744	19,869,339	19,432,855	23,564,995	19,501,022	42,210,919	6,113,260	-	-
Three Years Later	17,650,135	26,300,275	19,100,002	18,999,743	27,721,257	33,763,193	33,792,442	-	-	-
Four Years Later	16,847,051	28,275,182	22,130,738	25,606,114	39,512,839	24,021,768	-	-	-	-
Five Years Later	15,642,639	28,444,064	21,331,569	28,990,997	37,988,696	-	-	-	-	-
Six Years Later	17,447,449	30,924,485	21,018,903	19,448,787	-	-	-	-	-	-
Seven Years Later	17,064,448	31,533,501	19,441,681	-	-	-	-	-	-	-
Eight Years Later	17,114,762	30,683,008	-	-	-	-	-	-	-	-
Nine Years Later*	16,768,810	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,500,103	\$ 13,832,223	\$ 2,851,013	\$ (1,237,383)	\$ 15,283,676	\$ 537,378	\$ 4,207,402	\$ (22,408,450)	\$ (29,929,248)	\$ -

*Claims transferred to reinsurer via an Loss Portfolio Transfer

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012*	June 30, 2013*	June 30, 2014*	June 30, 2015**	June 30, 2016***	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 21,085,943	\$ 19,925,721	\$ 18,075,370	\$ 19,467,217	\$ 22,700,000	\$ 26,484,451	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508
Less Ceded	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)	(19,484,451)	(22,998,092)	(46,724,983)	(48,889,112)	(62,346,508)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	1,806,116	-	-	-	-	-	282,750	-	-	-
1. Total Revenues Available For Payment of Claims	8,705,570	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	135,420	8,558	90,834	384,694	83,143	297,261	41,390
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	21,085,943 (14,186,489) 6,899,454	19,925,721 (11,346,921) 8,578,800	18,075,370 (18,075,370) -	19,467,217 (19,467,217) -	22,700,000 (22,700,000) -	26,484,451 (19,484,451) 7,000,000	32,423,092 (22,998,092) 9,425,000	46,724,983 (46,724,983) -	48,889,112 (48,889,112) -	62,346,508 (62,346,508) -
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	5,600,000	6,192,816	-	-	-
Two Years Later	-	5,250,000	-	-	-	7,000,000	8,928,354	-	-	-
Three Years Later	4,657,656	5,955,652	-	-	-	7,000,000	9,073,189	-	-	-
Four Years Later	7,657,656	8,578,800	-	-	-	7,000,000	-	-	-	-
Five Years Later	7,858,906	8,578,800	-	-	-	-	-	-	-	-
Six Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Seven Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Eight Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Nine Years Later	8,705,570	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	3,723,890	12,386,395	44,700,634	32,903,688	32,025,939	22,676,265	23,259,701	50,432,673	23,453,900	2,502,568
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	6,899,454	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
One Year Later	7,834,960	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Two Years Later	8,072,213	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Three Years Later	8,705,570	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Four Years Later	8,705,570	8,578,800	-	-	-	7,000,000	-	-	-	-
Five Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Six Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Seven Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Eight Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Nine Years Later	8,705,570	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Fully Insured.

**Fully Insured above Corridor Deductible of \$7,000,000.

***Fully Insured above Corridor Deductible of \$9,425,000.

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 50,550,830	\$ 48,970,337	\$ 50,320,424	\$ 53,788,778	\$ 57,810,264	\$ 61,349,158	\$ 59,095,613	\$ 60,499,245	\$ 64,312,676	\$ 74,800,771
Less Ceded	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)	(48,609,374)	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	10,489,137	9,555,083	9,822,473	10,572,624	11,749,959	12,739,784	9,567,438	2,505,754	2,723,690	7,596,672
2. Unallocated Loss Adjustment Expense	-	78,618	(64,168)	61,715	27,474	23,601	(10,902)	4,003	(110,341)	(4,000)
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	50,061,693 (40,061,693) 10,000,000	48,415,254 (39,415,254) 9,000,000	50,497,951 (40,497,951) 10,000,000	53,216,154 (43,216,154) 10,000,000	56,060,305 (46,060,305) 10,000,000	58,677,313 (48,609,374) 10,067,939	59,095,613 (49,528,175) 9,567,438	58,118,491 (57,993,491) 125,000	61,588,986 (61,588,986) -	67,329,099 (67,204,099) 125,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	10,000,000	9,000,000	2,600,227	5,800,207	4,795,812	10,000,000	9,567,438	-	-	-
One Year Later	10,000,000	9,000,000	8,782,088	10,000,000	9,409,593	10,206,664	10,152,576	-	-	-
Two Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	-
Three Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-
Four Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	-	-	-	-
Five Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-	-
Six Years Later	10,000,000	9,000,000	10,000,000	10,000,000	-	-	-	-	-	-
Seven Years Later	10,000,000	9,000,000	10,000,000	-	-	-	-	-	-	-
Eight Years Later	10,000,000	9,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	53,200,043	2,600,000	7,260,491	7,260,491	11,764,009	54,564,009	9,521,139	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,067,939	9,567,438	125,000	-	125,000
One Year Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,206,664	10,152,576	30,840	-	-
Two Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	-
Three Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-
Four Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	-	-	-	-
Five Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-	-
Six Years Later	10,000,000	9,000,000	10,000,000	10,000,000	-	-	-	-	-	-
Seven Years Later	10,000,000	9,000,000	10,000,000	-	-	-	-	-	-	-
Eight Years Later	10,000,000	9,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,725	\$ 585,138	\$ 159,369	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$ 12,133,259	\$ 12,159,000	\$ 12,377,511	\$ 13,376,499	\$ 14,099,920	\$ 12,877,635
Less Ceded	(5,454,440)	(5,805,786)	(5,905,259)	(6,292,646)	(5,317,928)	(5,278,339)	(5,587,223)	(6,087,843)	(6,145,622)	(6,376,774)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	936,412	(196,227)	298,769	470,106	658,528	233,519	254,615	146,427	453,150	328,278
1. Total Revenues Available For Payment of Claims	8,014,706	5,844,340	6,029,652	7,151,522	7,473,859	7,114,180	7,044,903	7,435,083	8,407,448	6,829,139
2. Unallocated Loss Adjustment Expense	2,320	6,194	6,783	8,672	8,530	27,296	130,052	175,917	232,918	189,278
3. Estimated Incurred Claims Less Ceded Claims	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
Net Incurred Claims and Expenses, End of Policy Year	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
4. Cumulative Paid Claims as of:										
End of the Policy Year	23,848	51,305	26,698	3,528	-	-	17,502	37,635	15,523	245,810
One Year Later	96,315	1,282,361	181,822	436,672	-	503,920	243,443	1,894,067	1,752,099	
Two Years Later	906,689	1,826,879	1,822,542	4,141,591	385,965	1,772,706	1,261,135	5,071,771	-	
Three Years Later	3,037,613	4,381,548	4,209,215	4,432,593	1,514,858	3,565,148	5,406,575	-	-	
Four Years Later	3,116,185	5,261,575	4,502,133	4,470,975	1,553,550	6,074,117	-	-	-	
Five Years Later	3,914,587	6,171,816	4,551,386	4,886,993	1,553,550	-	-	-	-	
Six Years Later	3,914,587	7,533,622	4,589,603	4,889,431	-	-	-	-	-	
Seven Years Later	3,914,587	7,542,863	4,632,017	-	-	-	-	-	-	
Eight Years Later	3,914,587	7,547,678	-	-	-	-	-	-	-	
Nine Years Later	3,914,587	-	-	-	-	-	-	-	-	
5. Reestimated Ceded Claims and Expenses	5,621,059	1,885,129	-	-	2,995,000	193,555	7,540,000	7,282,052	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
One Year Later	3,957,784	5,161,374	5,583,913	5,064,126	4,950,026	8,550,054	6,575,046	9,989,538	8,779,726	
Two Years Later	5,661,931	7,402,556	6,070,219	6,893,606	6,224,082	10,203,303	10,624,337	10,379,536	-	
Three Years Later	5,510,518	8,022,661	5,999,806	6,955,612	4,768,898	7,422,110	9,330,511	-	-	
Four Years Later	5,230,415	8,527,423	4,963,502	6,855,621	1,922,429	6,897,687	-	-	-	
Five Years Later	5,384,999	8,227,495	4,884,004	6,551,064	1,810,904	-	-	-	-	
Six Years Later	4,170,539	8,079,940	4,906,506	5,151,088	-	-	-	-	-	
Seven Years Later	4,057,725	7,885,314	4,836,686	-	-	-	-	-	-	
Eight Years Later	4,025,453	7,734,572	-	-	-	-	-	-	-	
Nine Years Later	3,984,610	-	-	-	-	-	-	-	-	
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (839,492)	\$ 2,812,843	\$ (351,649)	\$ (62,538)	\$ (3,429,057)	\$ 1,369,865	\$ 3,801,895	\$ 4,527,471.00	\$ 2,643,884	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281	\$ 32,028,794	\$ 31,736,745	\$ 32,978,281	\$ 33,604,042	\$ 35,255,976
Less Ceded	-	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,242,783	20,356,118	27,841,423	30,426,135	31,210,281	32,028,794	31,736,745	32,978,281	33,604,042	35,255,976
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
Net Incurred Claims and Expenses, End of Policy Year	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,763,486	16,156,452	21,213,005	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
One Year Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	-
Two Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	-	-
Three Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	-	-	-
Four Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	-	-	-	-
Five Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	-	-	-	-	-
Six Years Later	5,551,354	19,689,432	23,453,293	25,691,975	-	-	-	-	-	-
Seven Years Later	5,551,354	19,689,432	23,453,293	-	-	-	-	-	-	-
Eight Years Later	5,551,354	19,689,432	-	-	-	-	-	-	-	-
Nine Years Later	5,551,354	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
One Year Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	-
Two Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	-	-
Three Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	-	-	-
Four Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	-	-	-	-
Five Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	-	-	-	-	-
Six Years Later	5,551,354	19,689,432	23,453,293	25,691,975	-	-	-	-	-	-
Seven Years Later	5,551,354	19,689,432	23,453,293	-	-	-	-	-	-	-
Eight Years Later	5,551,354	19,689,432	-	-	-	-	-	-	-	-
Nine Years Later	5,551,354	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ 2,240,288	\$ -						

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS INSURANCE ORGANIZATION, INC.
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017*	June 30, 2018	June 30, 2019
Earned Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,109,714	\$ 97,072,905	\$ 139,666,969
Less Ceded	-	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	7,344,886	6,487,264	5,969,807
Total Revenues Available For Payment of Claims	-	-	-	-	-	-	-	85,454,600	103,560,169	145,636,776
Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
Estimated Incurred Claims Less Ceded Claims	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	15,161,362	14,402,517	15,791,866
One Year Later	-	-	-	-	-	-	-	25,087,580	34,315,031	-
Two Years Later	-	-	-	-	-	-	-	49,070,991	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
One Year Later	-	-	-	-	-	-	-	78,766,357	96,621,991	-
Two Years Later	-	-	-	-	-	-	-	81,353,377	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,550,281	\$ 3,050,531	\$ -

*Excess Insurance Organization, Inc.
established July 1, 2016

SUPPLEMENTAL INFORMATION

COMBINING SCHEDULE OF PROGRAMS

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS:	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
Current Assets:															
Petty Cash Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	1,270,562	-	-	1,350,255	-	-	-	-	-	-	-	648,107	333,707	-	3,602,631
Cash, EIA Treasury	8,825,430	35,114,822	-	18,508,408	-	-	4,977,623	36,053	796,310	2,459,325	270,843	1,832,762	5,289,012	-	78,110,588
Total Cash & Equivalents	10,095,992	35,114,822	-	19,858,663	-	-	4,977,623	36,053	796,310	2,459,325	270,843	2,481,169	5,622,719	-	81,713,519
Investments	6,401,679	25,471,146	-	13,425,395	-	-	3,610,605	26,151	577,618	1,783,914	196,461	1,329,425	28,155,116	-	80,977,510
Accounts Receivable															
Due From Members	320,943	343,541	-	120,499	-	24,368,482	5,000	96,417	-	493,722	92,888	77,146	1,744,730	-	27,663,368
Investment Income	263,187	1,047,176	-	551,948	-	-	148,440	1,075	23,747	73,341	8,077	54,656	1,057,300	-	3,228,947
Re-Ins Claims & Deposits with Carriers	13,994,715	18,028,992	-	2,026,966	5,006,352	10,067,997	462,032	-	-	245,000	-	150	2,500,000	(38,332,406)	13,999,798
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	38,516,000	(38,516,000)	-
Due From Other Funds	14,097,453	4,948,753	-	2,608,401	-	-	701,499	5,081	112,224	346,594	38,170	258,292	-	(23,116,467)	-
GL1 LPT Prepaid Expense	-	-	-	30,290,620	-	-	-	-	-	-	-	-	-	-	30,290,620
Prepaid Insurance and Expenses	-	-	-	-	-	54,911,598	1,615,908	3,358,313	-	-	-	101,183	6,950	(7,692,000)	52,301,952
Total Current Assets	45,173,969	84,954,430	-	68,882,492	5,006,352	89,348,077	11,521,107	3,523,090	1,509,899	5,401,896	606,439	4,302,021	77,602,815	(107,656,873)	290,175,714
Noncurrent Assets:															
Investments	43,383,263	172,614,316	-	90,981,984	-	-	24,468,554	177,224	3,914,431	12,089,331	1,331,388	1,246,713	203,413,712	-	553,620,916
Investments-Restricted	-	-	-	-	-	-	-	-	-	-	-	7,762,613	-	-	7,762,613
Accounts Receivable															
Due From Other Funds	10,605,615	42,197,866	-	22,241,757	-	-	5,981,664	43,325	956,935	2,955,398	325,475	2,202,450	-	(87,510,485)	-
Investment in Captive	514,969	2,841,641	-	1,035,807	65,294	66,714	253,487	654	77,472	129,055	14,907	-	-	(5,000,000)	-
Prepaid Insurance and Expenses	-	-	-	-	-	26,791,681	-	-	-	-	-	-	-	-	26,791,681
GL1 LPT Rate Credit Receivable	-	-	-	16,653,000	-	-	-	-	-	-	-	-	-	-	16,653,000
GL1 LPT Prepaid Expense	-	-	-	60,693,000	-	-	-	-	-	-	-	-	-	-	60,693,000
Capital and Intangible Assets															
Land and Buildings (Net)	-	-	-	-	-	-	-	-	-	-	-	6,585,393	-	-	6,585,393
Office Furniture and Equipment (Net)	-	-	-	-	-	-	-	-	-	-	-	3,486,728	-	-	3,486,728
Total Noncurrent Assets	54,503,847	217,653,823	-	191,605,548	65,294	26,858,395	30,703,705	221,203	4,948,838	15,173,784	1,671,770	21,283,897	203,413,712	(92,510,485)	675,593,331
Total Assets	99,677,816	302,608,253	-	260,488,040	5,071,646	116,206,472	42,224,812	3,744,293	6,458,737	20,575,680	2,278,209	25,585,918	281,016,527	(200,167,358)	965,769,045
Deferred Outflows of Resources:															
Deferred Outflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	-	1,193,779	-	-	1,193,779
Deferred Outflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	-	33,583	-	-	33,583
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,227,362	\$ -	\$ -	\$ 1,227,362

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

LIABILITIES:	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
Current Liabilities:															
Accounts Payable	\$ 570,789	\$ 2,615,073	\$ -	\$ 1,555,905	\$ 42	\$ 110,697	\$ 10,085	\$ -	\$ 2,425,800	\$ 750,125	\$ 140,021	\$ 384,440	\$ 34,134,494	\$ (35,832,406)	\$ 6,865,065
GL1 LPT Payable	-	-	-	218,047,620	-	-	-	-	-	-	-	-	-	(38,516,000)	179,531,620
Deposits from Insurance Companies	2,962,791	-	-	423,372	-	2,500,000	-	-	-	-	-	-	-	(2,500,000)	3,386,163
Due to Other Funds	-	12,853,680	-	-	2,373,077	7,408,053	-	-	-	-	-	481,657	-	(23,116,467)	-
Due To Members	3,852,208	-	-	248,842	-	-	134,350	-	2,159,675	810,809	151,165	2,000,000	-	-	9,357,049
Unearned Income	-	-	-	-	-	1,319,425	3,723,435	3,368,863	9,036	-	-	50,850	7,692,000	(7,692,000)	8,471,609
Claim Liabilities	4,200,000	36,073,000	-	386,000	351,812	409,369	8,847,000	-	-	1,919,406	-	-	62,000,000	-	114,186,587
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	111,743	-	-	111,743
Total Current Liabilities	11,585,788	51,541,753	-	220,661,739	2,724,931	11,747,544	12,714,870	3,368,863	4,594,511	3,480,340	291,186	3,028,690	103,826,494	(107,656,873)	321,909,836
Noncurrent Liabilities:															
Due to Other Funds	-	-	-	-	-	81,703,278	-	-	-	-	-	5,807,207	-	(87,510,485)	-
Due To Members	-	-	-	-	-	-	-	-	-	-	-	5,762,613	-	-	5,762,613
GL1 LPT Payable	-	-	-	12,000,000	-	-	-	-	-	-	-	-	-	-	12,000,000
Claim Liabilities:															
Claims Reported	7,551,728	135,929,392	-	888,311	-	-	3,175,935	-	-	-	-	-	40,799,490	-	188,344,856
Claims Incurred But Not Reported	7,566,145	51,136,213	-	3,651,994	-	-	11,752,646	-	-	-	-	-	112,233,181	-	186,340,179
Unallocated Loss Adjustment Expense Payable	40,241,000	6,220,000	-	1,236,000	1,043,000	6,000	788,000	-	-	-	-	-	-	-	49,534,000
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	446,973	-	-	446,973
Net OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	601,102	-	-	601,102
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	1,429,650	-	-	1,429,650
Total Noncurrent Liabilities	55,358,873	193,285,605	-	17,776,305	1,043,000	81,709,278	15,716,581	-	-	-	-	14,047,545	153,032,671	(87,510,485)	444,459,373
Total Liabilities	66,944,661	244,827,358	-	238,438,044	3,767,931	93,456,822	28,431,451	3,368,863	4,594,511	3,480,340	291,186	17,076,235	256,859,165	(195,167,358)	766,369,209
Deferred Inflows of Resources:															
Deferred Inflows of Resources on Pensions	-	-	-	-	-	-	-	-	-	-	-	185,786	-	-	185,786
Deferred Inflows of Resources on OPEB	-	-	-	-	-	-	-	-	-	-	-	409,559	-	-	409,559
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	595,345	-	-	595,345
NET POSITION:															
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	-	10,072,121	-	-	10,072,121
Capital Stock Unrestricted	32,733,155	57,780,895	-	22,049,996	1,303,715	22,749,650	13,793,361	375,430	1,864,226	17,095,340	1,987,023	(930,421)	5,000,000	(5,000,000)	189,959,732
Total Net Position	\$ 32,733,155	\$ 57,780,895	\$ -	\$ 22,049,996	\$ 1,303,715	\$ 22,749,650	\$ 13,793,361	\$ 375,430	\$ 1,864,226	\$ 17,095,340	\$ 1,987,023	\$ 9,141,700	\$ 24,157,362	\$ (5,000,000)	\$ 200,031,853

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
OPERATING REVENUES:															
Premiums for Transferred Risk	\$ 35,019,496	\$ 130,018,909	\$ -	\$ 11,468,632	\$ 62,346,508	\$ 66,925,771	\$ 6,376,774	\$ 12,453,676	\$ 464,808,430	\$ -	\$ 36,964,331	\$ -	\$ -	\$ -	\$ 826,382,527
Broker Fees	989,389	2,982,606	-	1,301,743	516,792	11,443	7,991	-	3,594,460	2,030,794	-	-	-	-	11,435,218
Contributions for Retained Risk	19,256,166	7,874,135	-	46,370,512	-	7,875,000	8,444,851	-	-	35,656,212	-	-	139,666,969	(139,666,969)	125,476,876
Member Services & Dividend Income	-	-	-	-	-	-	-	-	-	-	173,634	678,036	-	-	851,670
Administration Fees	5,051,339	7,904,763	-	4,495,580	2,169,060	935,916	1,264,330	123,371	598,376	-	-	-	-	-	22,542,735
Schools Loss Control Fee	53,218	42,808	-	10,953	-	-	-	-	-	-	-	-	-	-	106,979
Other Income	-	757,699	-	-	-	12,254	1,336,705	5,322	(72,208)	-	-	267,314	-	-	2,307,086
Total Operating Revenues	60,369,608	149,580,920	-	63,647,420	65,032,360	75,760,384	17,430,651	12,582,369	468,929,058	37,687,006	37,137,965	945,350	139,666,969	(139,666,969)	989,103,091
OPERATING EXPENSES:															
Member Dividends	2,000,000	-	-	-	-	-	-	-	13,832	-	173,634	-	-	-	2,187,466
Transferred Risk & Insurance Exp	35,027,453	130,018,908	-	10,944,952	62,153,309	67,204,099	6,376,774	12,454,633	464,808,430	-	36,964,483	-	-	(101,150,969)	724,802,072
GL1 LPT Premium Expense	-	-	-	122,411,000	-	-	-	-	-	-	-	-	-	(38,516,000)	83,895,000
Broker Fees	989,389	2,982,816	-	1,301,743	490,480	-	7,991	-	3,594,460	2,030,794	-	-	-	-	11,397,673
GL1 LPT Broker Fees	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	1,500,000
Provision for Claims:															
Current Year Claims	8,918,000	812,820	-	39,670,721	-	503,529	5,956,717	-	-	33,073,327	-	-	97,879,956	-	186,815,070
Prior Year Claims	(3,436,290)	(7,754,444)	-	44,544,120	-	-	(554,011)	-	-	-	-	-	43,992,785	-	76,792,160
GL1 LPT Claims Transferred	-	-	-	(167,221,942)	-	-	-	-	-	-	-	-	-	-	(167,221,942)
Unallocated Loss Adjustment Expenses	(1,015,000)	605,000	-	233,000	(30,000)	(4,000)	(363,000)	-	-	-	-	-	-	-	(574,000)
Program Services	8,266,539	1,125,096	-	298,904	100,208	165,351	475,227	-	77,704	2,787,080	-	-	96,981	-	13,393,090
Loss Prevention Expenses	-	-	-	-	-	-	-	-	-	-	-	2,405,518	-	-	2,405,518
General Administrative Services	-	-	-	-	-	-	-	-	-	-	-	14,588,275	-	-	14,588,275
Total Operating Expenses	\$ 50,750,091	\$ 127,790,196	\$ -	\$ 53,682,498	\$ 62,713,997	\$ 67,868,979	\$ 11,899,698	\$ 12,454,633	\$ 468,494,426	\$ 37,891,201	\$ 37,138,117	\$ 16,993,793	\$ 141,969,722	\$ (139,666,969)	\$ 949,980,382

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
TRANSFERS IN (OUT):															
Administration															
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,723,601	\$ -	\$ (17,723,601)	\$ -
Transfer Out	(4,990,497)	(5,359,928)	-	(3,455,899)	(1,663,144)	(590,627)	(719,763)	(100,534)	(511,427)	(217,667)	(14,115)	-	(100,000)	17,723,601	-
Total Transfers	(4,990,497)	(5,359,928)	-	(3,455,899)	(1,663,144)	(590,627)	(719,763)	(100,534)	(511,427)	(217,667)	(14,115)	17,723,601	(100,000)	-	-
Operating Income (Loss)	4,629,020	16,430,796	-	6,509,023	655,219	7,300,778	4,811,190	27,202	(76,795)	(421,862)	(14,267)	1,675,158	(2,402,753)	-	39,122,709
NONOPERATING REVENUES (EXPENSES):															
Investment Income & Financing Fees, net of Investment Expense	3,212,419	11,979,271	-	6,423,745	18,465	302,450	1,677,462	15,304	311,709	771,385	86,981	442,742	12,900,908	-	38,142,841
Lease Income, net of Building Expense	-	-	-	-	-	-	-	-	-	-	-	195,709	-	-	195,709
Total Nonoperating Revenues (Expenses)	3,212,419	11,979,271	-	6,423,745	18,465	302,450	1,677,462	15,304	311,709	771,385	86,981	638,451	12,900,908	-	38,338,550
Changes in Net Position	7,841,439	28,410,067	-	12,932,768	673,684	7,603,228	6,488,652	42,506	234,914	349,523	72,714	2,313,609	10,498,155	-	77,461,259
Net Position:															
Beginning of Year, as Previously Reported	24,891,716	29,370,828	296,372	8,820,856	630,031	15,146,422	7,304,709	332,924	1,629,312	16,745,817	1,914,309	6,828,091	8,659,207	-	122,570,594
Adjustment to Beginning Net Position	-	-	(296,372)	296,372	-	-	-	-	-	-	-	-	-	-	-
Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Beginning of Year	24,891,716	29,370,828	-	9,117,228	630,031	15,146,422	7,304,709	332,924	1,629,312	16,745,817	1,914,309	6,828,091	13,659,207	(5,000,000)	122,570,594
Net Position, End of Year	\$ 32,733,155	\$ 57,780,895	\$ -	\$ 22,049,996	\$ 1,303,715	\$ 22,749,650	\$ 13,793,361	\$ 375,430	\$ 1,864,226	\$ 17,095,340	\$ 1,987,023	\$ 9,141,700	\$ 24,157,362	\$ (5,000,000)	\$ 200,031,853

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:															
Receipts from Members	\$ 60,465,057	\$ 148,223,124	\$ -	\$ 64,186,466	\$ 64,977,680	\$ 68,698,602	\$ 16,437,275	\$ 11,666,296	\$ 468,973,390	\$ 37,925,097	\$ 36,954,389	\$ 562,339	\$ 99,532,239	\$ (99,532,239)	\$ 979,069,715
Receipts from Others	-	-	-	-	-	12,254	927,973	-	-	-	173,634	189,310	-	-	1,303,171
Payments to Others	(9,355,525)	(9,791,714)	-	(2,026,967)	(2,415,014)	(9,405,447)	-	-	-	-	-	-	(18,734)	-	(33,013,401)
Dividends Paid	-	-	-	-	-	(124,165)	-	-	-	-	(38,865)	-	-	-	(163,030)
Claims Paid	(8,184,066)	(47,000,412)	-	(61,247,266)	(144,835)	(125,000)	(12,432,132)	-	-	(32,980,598)	-	-	(31,352,454)	-	(193,466,763)
Insurance Purchased	(35,027,453)	(130,018,908)	-	(10,944,952)	(62,153,309)	(49,477,601)	(6,463,632)	(11,670,767)	(461,800,303)	-	(36,917,169)	-	-	99,532,239	(704,941,855)
Payments to Suppliers	(13,013,843)	(2,884,579)	-	(1,167,741)	(590,646)	(110,962)	(913,496)	-	(8,114,585)	(4,067,748)	-	(6,013,390)	(85,197)	-	(36,962,187)
Other Program Expense	-	-	-	-	-	-	-	-	(29,704)	-	-	-	-	-	(29,704)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	-	(10,657,188)	-	-	(10,657,188)
Internal Activities	(961,052)	(3,379,767)	(371,586)	(1,528,834)	307,659	(9,770,131)	(514,558)	(85,906)	(323,242)	(476,695)	(57,180)	17,261,292	(100,000)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,076,882)	(44,852,256)	(371,586)	(12,729,294)	(18,465)	(302,450)	(2,958,570)	(90,377)	(1,294,444)	400,056	114,809	1,342,363	67,975,854	-	1,138,758
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:															
Purchases of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	(987,319)	-	-	(987,319)
NET CASH (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	(987,319)	-	-	(987,319)
CASH FLOWS FROM INVESTING ACTIVITIES:															
Lease Receipts	-	-	-	-	-	-	-	-	-	-	-	488,076	-	-	488,076
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	-	(172,392)	-	-	(172,392)
Purchase of Securities	(58,787,372)	(224,252,702)	-	(120,103,131)	-	-	(20,484,845)	(395,989)	(2,175,910)	(14,808,446)	(2,959,009)	(2,823,093)	(211,732,605)	-	(658,523,102)
Sale of Securities	65,692,977	285,424,358	-	144,069,770	-	-	25,609,540	502,838	3,721,958	15,707,636	3,019,925	3,275,901	141,912,548	-	688,937,451
Cash from Investment Earnings	1,600,152	5,445,100	-	2,079,723	18,465	-	1,091,551	3,842	230,762	400,286	14,802	711,542	4,667,923	(887,255)	15,376,893
Cash from Finance Fees	76,995	28,148	-	1,559	-	1,085,066	-	-	-	-	270	-	-	-	1,192,038
Finance Fees Paid	-	-	-	-	-	(782,616)	-	-	-	-	-	(104,639)	-	887,255	-
Investment Expenses	-	-	-	-	-	-	-	-	-	-	-	(240,337)	(266,934)	-	(507,271)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	8,582,752	66,644,904	-	26,047,921	18,465	302,450	6,216,246	110,691	1,776,810	1,299,476	75,988	1,135,058	(65,419,068)	-	46,791,693
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,505,870	21,792,648	(371,586)	13,318,627	-	-	3,257,676	20,314	482,366	1,699,532	190,797	1,490,102	2,556,786	-	46,943,132
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,590,122	13,322,174	371,586	6,540,036	-	-	1,719,947	15,739	313,944	759,793	80,046	991,067	3,065,933	-	34,770,387
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 10,095,992	\$ 35,114,822	\$ -	\$ 19,858,663	\$ -	\$ -	\$ 4,977,623	\$ 36,053	\$ 796,310	\$ 2,459,325	\$ 270,843	\$ 2,481,169	\$ 5,622,719	\$ -	\$ 81,713,519

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration & Building	EIO	Elimination Inter-Fund Trans	Totals June 30, 2019
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:															
Operating Income (Loss)	\$ 4,629,020	\$ 16,430,796	\$ -	\$ 6,509,023	\$ 655,219	\$ 7,300,778	\$ 4,811,190	\$ 27,202	\$ (76,795)	\$ (421,862)	\$ (14,267)	\$ 1,675,158	\$ (2,402,753)	\$ -	\$ 39,122,709
Adjustments to reconcile operating income to net cash provided (used) by operating activities															
Depreciation	-	-	-	-	-	-	-	-	-	-	-	1,000,266	-	-	1,000,266
Deposits, Acct & Other Receivables, ne	(9,729,686)	(10,431,012)	-	(1,085,122)	(2,415,014)	(17,045,744)	(450,148)	(96,417)	18,061	303,918	7,207	2,590	(40,260,730)	76,848,406	(4,333,691)
GL1 LPT Receivable	-	-	-	(107,636,620)	-	-	-	-	-	-	-	-	-	-	(107,636,620)
Due From or To Other Funds	4,029,445	1,980,161	(371,586)	1,342,621	1,970,803	(9,179,504)	205,205	14,629	188,185	(259,028)	(43,064)	(462,309)	-	-	(584,442)
Prepaid Insurance and Exps	-	-	-	-	-	17,726,498	(86,858)	783,866	-	-	-	(39,351)	(6,950)	7,692,000	26,069,205
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	491,558	-	-	491,558
Accounts and Other Payables	(1,288,305)	628,823	-	2,140,097	(54,638)	592,774	(295,929)	-	(1,423,895)	684,299	182,084	(667,137)	28,335,336	(38,332,406)	(9,498,897)
GL1 LPT Payable	-	-	-	230,047,620	-	-	-	-	-	-	-	-	-	(38,516,000)	191,531,620
Unearned Income	-	(123,988)	-	(25,546)	-	(71,781)	250,396	(819,657)	-	-	(17,151)	-	126,000	(7,692,000)	(8,373,727)
Claim Liabilities	(2,702,356)	(53,942,036)	-	(144,302,367)	(144,835)	378,529	(7,029,426)	-	-	92,729	-	-	82,184,951	-	(125,464,811)
Unallocated Loss Adjustment Payable	(1,015,000)	605,000	-	281,000	(30,000)	(4,000)	(363,000)	-	-	-	-	-	-	-	(526,000)
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	(533,807)	-	-	(533,807)
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	(173,636)	-	-	(173,636)
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	49,031	-	-	49,031
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (6,076,882)	\$ (44,852,256)	\$ (371,586)	\$ (12,729,294)	\$ (18,465)	\$ (302,450)	\$ (2,958,570)	\$ (90,377)	\$ (1,294,444)	\$ 400,056	\$ 114,809	\$ 1,342,363	\$ 67,975,854	\$ -	\$ 1,138,758
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES															
Changes in unrealized gains (loss) on investments	\$ 1,562,204	\$ 6,787,500	\$ -	\$ 3,426,033	\$ -	\$ -	\$ 609,005	\$ 11,958	\$ 88,510	\$ 373,534	\$ 71,815	\$ 77,902	\$ 8,138,100	\$ -	\$ 21,146,561

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Primary Workers' Compensation

County Members: 12
Public Entity Members: 29

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 1,270,562	\$ 4,681,141
Cash, EIA Treasury	8,825,430	2,908,981
TOTAL CASH AND CASH EQUIVALENTS	<u>10,095,992</u>	<u>7,590,122</u>
Investments	6,401,679	4,874,553
Accounts Receivable		
Due from Members	320,943	-
Investment Income Receivable	263,187	290,120
Reinsurance Claims	13,994,715	4,585,972
Due from Other Funds	14,097,453	22,401,986
TOTAL CURRENT ASSETS	<u>45,173,969</u>	<u>39,742,753</u>
Noncurrent Assets:		
Investments	43,383,263	50,253,790
Investment in Captive	514,969	514,969
Due from Other Funds	10,605,615	6,330,526
TOTAL NONCURRENT ASSETS	<u>54,503,847</u>	<u>57,099,285</u>
TOTAL ASSETS	<u>99,677,816</u>	<u>96,842,038</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	570,789	1,001,455
Dividends Payable to Members	2,000,000	-
Other Due to Members	882,335	292,082
Deposits from Members	969,873	1,090,516
Deposits from Insurance Companies	2,962,791	6,290,040
Workers' Compensation Claims	4,200,000	4,600,000
TOTAL CURRENT LIABILITIES	<u>11,585,788</u>	<u>13,274,093</u>
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	7,551,728	7,619,954
Claims Incurred But Not Reported	7,566,145	9,800,275
Unallocated Loss Adjustment Expense Payable	40,241,000	41,256,000
TOTAL NONCURRENT LIABILITIES	<u>55,358,873</u>	<u>58,676,229</u>
TOTAL LIABILITIES	<u>66,944,661</u>	<u>71,950,322</u>
NET POSITION:		
Unrestricted	32,733,155	24,891,716
TOTAL NET POSITION	<u>\$ 32,733,155</u>	<u>\$ 24,891,716</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 35,019,496	\$ 43,947,849
Broker Fees	989,389	1,361,738
Contributions for Retained Risk	19,256,166	21,643,354
Administration Fees	5,051,339	6,689,562
Schools Loss Control Fee	53,218	90,718
Other Income	-	41,793
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	60,369,608	73,775,014
	<hr/>	<hr/>
OPERATING EXPENSES:		
Pool Dividends to Members	2,000,000	-
Insurance Expense	35,027,453	43,920,165
Broker Fees	989,389	1,361,738
Provision for Claims		
Current Year Claims	8,918,000	9,576,000
Prior Years' Claims	(3,436,290)	3,264,870
Provision for Unallocated Loss Adjustment Expenses	(1,015,000)	3,181,863
Program Services		
Claims Administration Services	6,008,034	6,168,687
Actuarial and Consulting Services	45,718	104,954
Claims Audits	68,040	116,100
Managed Care Program Review	108,000	108,000
Bank Fees and Services	53,417	40,994
Dept. of Industrial Relations Assessment	1,983,330	1,839,134
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	50,750,091	69,682,505
	<hr/>	<hr/>
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(4,990,497)	(4,834,159)
Transfer Out for Loss Prevention	-	(207,697)
	<hr/>	<hr/>
TOTAL TRANSFERS	(4,990,497)	(5,041,856)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	4,629,020	(949,347)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	3,135,423	235,254
Member Financing Fees	76,996	65,092
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	3,212,419	300,346
	<hr/>	<hr/>
CHANGES IN NET POSITION	7,841,439	(649,001)
	<hr/>	<hr/>
Net Position, Beginning of Year	24,891,716	25,540,717
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 32,733,155	\$ 24,891,716
	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 60,465,057	\$ 74,331,577
Payments to Others	(9,355,525)	(1,538,262)
Dividends Paid	-	(2,500,000)
Claims Paid	(8,184,066)	(7,964,793)
Insurance Purchased	(35,027,453)	(43,920,165)
Payments to Suppliers	(13,013,843)	(8,618,569)
Internal Activities	<u>(961,052)</u>	<u>(12,835,231)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,076,882)</u>	<u>(3,045,443)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(58,787,372)	(35,876,449)
Sales of Securities	65,692,977	34,887,446
Cash from Investment Earnings	1,600,152	1,210,925
Finance Fees from Members	<u>76,995</u>	<u>65,091</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>8,582,752</u>	<u>287,013</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,505,870	(2,758,430)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>7,590,122</u>	<u>10,348,552</u>
END OF YEAR	<u>\$ 10,095,992</u>	<u>\$ 7,590,122</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 4,629,020	\$ (949,347)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(9,729,686)	(1,567,710)
Due From or To Other Funds	4,029,445	(7,793,375)
Accounts and Other Payables	(1,288,305)	(792,951)
Claim Liabilities	(2,702,356)	4,876,077
Unallocated Loss Adjustment Expense Payable	<u>(1,015,000)</u>	<u>3,181,863</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (6,076,882)</u>	<u>\$ (3,045,443)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 1,562,204</u>	<u>\$ (1,051,142)</u>

The notes to the financial statements
are an integral part of this statement.

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 63,276,229</u>	<u>\$ 55,218,289</u>
Incurred claims and claim adjustment expenses:		
Provision for claims		
current fiscal year	7,903,000	12,757,863
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(3,436,290)</u>	<u>3,264,870</u>
B. Total incurred claims and claim adjustment expenses	<u>4,466,710</u>	<u>16,022,733</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	4,394,251	5,298,047
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>3,789,815</u>	<u>2,666,746</u>
C. Total Payments	<u>8,184,066</u>	<u>7,964,793</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 59,558,873</u>	<u>\$ 63,276,229</u>
Current Claim Liabilities	\$ 4,200,000	\$ 4,600,000
Noncurrent Claim Liabilities	<u>55,358,873</u>	<u>58,676,229</u>
Total Claim Liabilities	<u>\$ 59,558,873</u>	<u>\$ 63,276,229</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
PRIMARY WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 38,458,173	\$ 44,423,492	\$ 45,874,402	\$ 46,505,776	\$ 52,184,744	\$ 52,591,920	\$ 54,292,222	\$ 66,898,451	\$ 55,273,807	\$ 47,864,963
Less Ceded	(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,380,293)	(40,948,454)	(42,158,960)	(54,689,379)	(42,939,979)	(34,887,603)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	(2,000,000)
Investment Earnings	726,610	582,469	225,476	151,332	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	14,233,455	16,105,138	14,775,625	13,996,305	14,804,451	11,643,466	12,133,262	12,209,072	12,333,828	10,977,360
2. Less Unallocated Loss Adjustment Expense	751,806	1,233,440	1,890,797	1,884,592	3,297,606	3,400,134	5,777,228	5,669,102	10,364,311	5,971,984
3. Estimated Incurred Claims Less Ceded Claims	36,219,693	41,200,715	44,186,253	45,065,803	50,435,293	54,185,020	51,254,960	63,656,379	52,515,979	43,805,603
Net Incurred Claims and Expenses, End of Policy Year	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,301,114	6,304,731	5,988,250	5,631,790	5,999,562	3,951,291	4,228,855	4,245,304	5,298,047	4,394,251
One Year Later	8,672,943	10,080,439	9,699,440	9,572,554	9,632,916	6,607,142	6,868,677	5,660,241	8,082,907	-
Two Years Later	9,127,073	10,752,137	10,403,922	10,324,845	10,595,000	7,164,498	7,437,056	6,046,567	-	-
Three Years Later	9,310,650	11,004,419	10,648,791	10,647,115	10,903,553	7,424,915	7,672,566	-	-	-
Four Years Later	9,423,077	11,094,997	10,772,427	10,782,525	11,043,935	7,571,974	-	-	-	-
Five Years Later	9,500,091	11,151,713	10,845,816	10,838,835	11,160,798	-	-	-	-	-
Six Years Later	9,551,614	11,192,247	10,930,202	10,870,050	-	-	-	-	-	-
Seven Years Later	9,546,187	11,207,350	10,947,443	-	-	-	-	-	-	-
Eight Years Later	9,611,740	11,260,253	-	-	-	-	-	-	-	-
Nine Years Later	9,622,062	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	27,308,346	33,183,198	34,796,503	32,897,560	33,654,130	33,393,781	35,262,847	21,776,016	21,588,761	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000	9,096,000	8,967,000	9,576,000	8,918,000
One Year Later	10,203,556	12,700,000	11,441,000	12,595,000	12,382,000	8,222,000	8,226,000	8,563,000	7,782,000	-
Two Years Later	11,868,000	11,815,000	11,397,000	11,445,000	11,735,000	7,792,000	8,526,000	8,328,000	-	-
Three Years Later	11,004,000	11,789,000	11,048,000	11,384,000	11,718,000	8,206,000	8,585,000	-	-	-
Four Years Later	10,934,000	11,500,000	11,022,000	11,233,000	12,094,000	8,253,000	-	-	-	-
Five Years Later	10,902,000	11,450,000	11,220,000	11,903,000	11,816,000	-	-	-	-	-
Six Years Later	10,915,000	11,480,000	12,496,500	11,643,000	-	-	-	-	-	-
Seven Years Later	10,894,000	12,484,500	12,220,500	-	-	-	-	-	-	-
Eight Years Later	10,439,000	12,046,500	-	-	-	-	-	-	-	-
Nine Years Later	10,080,211	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (1,188,154)	\$ (253,392)	\$ (641,500)	\$ (762,000)	\$ (1,239,000)	\$ (5,072,000)	\$ (511,000)	\$ (639,000)	\$ (1,794,000)	\$ -

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Excess Workers' Compensation

County Members: 49
Public Entity Members: 125

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 35,114,822	\$ 13,322,174
TOTAL CASH & CASH EQUIVALENTS	35,114,822	13,322,174
Investments	25,471,146	22,323,846
Accounts Receivable		
Due from Members	343,541	504,750
Investment Income Receivable	1,047,176	1,328,653
Reinsurance Claims	18,028,992	7,436,771
Due from Other Funds	4,948,753	24,363,452
TOTAL CURRENT ASSETS	<u>84,954,430</u>	<u>69,279,646</u>
Noncurrent Assets:		
Investments	172,614,316	230,145,772
Investment in Captive	2,841,641	2,841,641
Due from Other Funds	42,197,866	28,991,720
TOTAL NONCURRENT ASSETS	<u>217,653,823</u>	<u>261,979,133</u>
TOTAL ASSETS	<u>302,608,253</u>	<u>331,258,779</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,615,073	1,391,740
Due to Members	-	594,510
Due to Other Funds	12,853,680	17,082,072
Workers' Compensation Claims	36,073,000	45,000,000
Unearned Income	-	123,988
TOTAL CURRENT LIABILITIES	<u>51,541,753</u>	<u>64,192,310</u>
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	135,929,392	173,173,881
Claims Incurred But Not Reported	51,136,213	58,906,760
Unallocated Loss Adjustment Expense Payable	6,220,000	5,615,000
TOTAL NONCURRENT LIABILITIES	<u>193,285,605</u>	<u>237,695,641</u>
TOTAL LIABILITIES	<u>244,827,358</u>	<u>301,887,951</u>
NET POSITION:		
Unrestricted	57,780,895	29,370,828
TOTAL NET POSITION	<u>\$ 57,780,895</u>	<u>\$ 29,370,828</u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 130,018,909	\$ 129,926,002
Broker Fees	2,982,606	2,879,358
Contributions for Retained Risk	7,874,135	9,717,343
Administration Fees	7,904,763	7,653,420
Schools Loss Control Fee	42,808	37,712
Other Income	757,699	641,551
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	149,580,920	150,855,386
OPERATING EXPENSES:		
Insurance Expense	130,018,908	129,631,683
Broker Fees	2,982,816	2,879,358
Provision for Claims		
Current Year Claims	812,820	-
Prior Years' Claims	(7,754,444)	13,005,551
Provision for Unallocated Loss Adjustment Expenses	605,000	(6,791,656)
Program Services		
Actuarial, Legal & Managed Care Services	553,070	468,809
Claims Audits	572,026	521,921
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	127,790,196	139,715,666
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(5,359,928)	(4,676,654)
Transfer Out for Loss Prevention	-	(498,936)
	<hr/>	<hr/>
TOTAL TRANSFERS	(5,359,928)	(5,175,590)
OPERATING INCOME (LOSS)	16,430,796	5,964,130
NONOPERATING REVENUES (EXPENSES):		
Investment Income	11,951,123	1,022,137
Member Financing Fees	28,148	26,654
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	11,979,271	1,048,791
CHANGES IN NET POSITION	28,410,067	7,012,921
Net Position, Beginning of Year	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 57,780,895	\$ 29,370,828
	<hr/> <hr/>	<hr/> <hr/>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 148,223,124	\$ 150,694,114
Payments to Others	(9,791,714)	(1,824,092)
Claims Paid	(47,000,412)	(62,317,312)
Insurance Purchased	(130,018,908)	(129,631,683)
Payments to Suppliers	(2,884,579)	(3,685,496)
Internal Activities	(3,379,767)	(3,469,141)
	<u>(44,852,256)</u>	<u>(50,233,610)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(224,252,702)	(108,220,935)
Sales of Securities	285,424,358	151,579,775
Cash from Investment Earnings	5,445,100	5,428,818
Investment in Captive	-	-
Finance Fees from Members	28,148	26,654
	<u>66,644,904</u>	<u>48,814,312</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	21,792,648	(1,419,298)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR		
	<u>13,322,174</u>	<u>14,741,472</u>
END OF YEAR		
	<u>\$ 35,114,822</u>	<u>\$ 13,322,174</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 16,430,796	\$ 5,964,130
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(10,431,012)	(2,703,862)
Due From or To Other Funds	1,980,161	1,706,449
Accounts and Other Payables	628,823	779,102
Unearned Income	(123,988)	123,988
Claim Liabilities	(53,942,036)	(49,311,761)
Unallocated Loss Adjustment Expense Payable	605,000	(6,791,656)
	<u>(44,852,256)</u>	<u>(50,233,610)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 6,787,500</u>	<u>\$ (4,567,024)</u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 282,695,641</u>	<u>\$ 338,799,058</u>
Incurred claims and claim adjustment expenses:		
Provision for claims		
Current fiscal year	1,417,820	(6,791,656)
Increase (Decrease) in the provision for Prior fiscal years	<u>(7,754,444)</u>	<u>13,005,551</u>
B. Total incurred claims and claim adjustment expenses	<u>(6,336,624)</u>	<u>6,213,895</u>
Payments attributable to insured events of the		
Current fiscal year	-	-
Prior fiscal years:	<u>47,000,412</u>	<u>62,317,312</u>
C. Total Payments	<u>47,000,412</u>	<u>62,317,312</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 229,358,605</u>	<u>\$ 282,695,641</u>
Current Claim Liabilities	\$ 36,073,000	\$ 45,000,000
Noncurrent Claim Liabilities	<u>193,285,605</u>	<u>237,695,641</u>
Total Claim Liabilities	<u>\$ 229,358,605</u>	<u>\$ 282,695,641</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
EXCESS WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

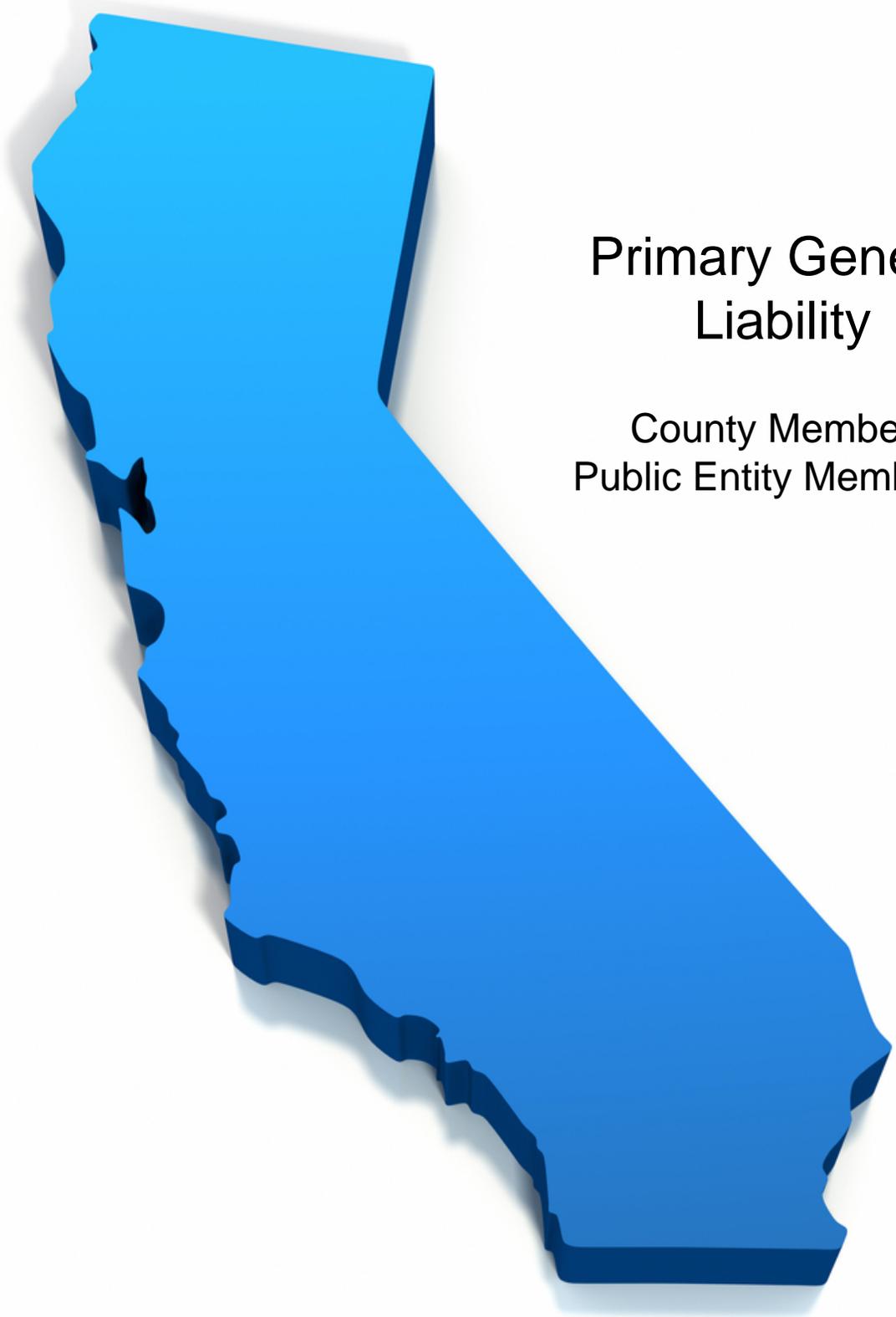
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,872,261	\$ 97,699,836	\$ 119,149,647	\$ 127,468,312	\$ 136,582,963	\$ 136,305,091
Less Ceded	(29,508,521)	(33,932,092)	(38,700,636)	(26,470,050)	(47,448,283)	(57,198,059)	(68,258,846)	(102,873,232)	(125,683,198)	(127,194,706)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	2,392,165	1,786,299	1,506,482	2,747,219	1,990,601	2,411,303	2,183,281	720,438	432,217	334,392
1. Total Revenues Available For Payment of Claims	21,030,470	20,594,670	19,407,628	40,336,599	32,414,579	42,913,080	53,074,082	25,315,518	11,331,982	9,444,777
2. Unallocated Loss Adjustment Expense	351,301	500,492	201,448	264,603	114,566	87,317	426,633	131,336	-	21,423
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	45,844,808 (29,508,521)	51,347,831 (33,932,092)	47,772,920 (38,700,636)	43,142,223 (26,470,050)	60,295,762 (47,448,283)	80,522,151 (57,198,059)	106,542,005 (68,258,846)	117,788,870 (102,873,232)	125,683,198 (125,683,198)	128,007,526 (127,194,706)
	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	43,862	23,688	38,785	-	950,641	3,293,817	3,623,460	-	-
One Year Later	106,437	230,188	329,202	281,003	2,361,141	5,161,301	9,034,334	8,426,745	-	-
Two Years Later	515,533	627,868	785,063	2,103,809	6,162,084	10,430,178	17,164,800	11,266,723	-	-
Three Years Later	1,281,938	1,344,807	1,544,493	4,326,042	10,372,243	21,652,538	25,264,694	-	-	-
Four Years Later	2,117,003	2,074,489	2,305,965	9,927,320	12,944,505	29,973,034	-	-	-	-
Five Years Later	3,129,849	5,609,885	4,081,614	13,746,251	15,745,328	-	-	-	-	-
Six Years Later	4,339,481	6,421,341	5,650,357	16,948,677	-	-	-	-	-	-
Seven Years Later	7,743,152	7,748,121	6,450,365	-	-	-	-	-	-	-
Eight Years Later	10,522,116	12,169,466	-	-	-	-	-	-	-	-
Nine Years Later	12,564,232	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	-	3,150,842	24,849,709	36,320,936	32,857,153	54,214,341	45,803,716	52,528,160	41,696,866
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092	38,283,159	14,915,638	-	812,820
One Year Later	16,902,842	18,075,962	9,517,002	18,675,566	14,275,787	30,278,418	39,483,699	16,869,019	-	-
Two Years Later	18,604,330	17,868,492	10,336,945	19,544,588	19,231,418	31,534,751	42,063,111	16,249,725	-	-
Three Years Later	20,268,964	18,601,508	10,932,012	25,311,173	19,670,868	33,388,255	41,451,544	-	-	-
Four Years Later	20,649,905	19,813,588	12,982,166	25,835,519	20,038,856	33,285,931	-	-	-	-
Five Years Later	23,837,950	24,576,756	12,874,083	26,777,117	20,092,065	-	-	-	-	-
Six Years Later	26,569,135	25,385,881	15,469,230	26,987,941	-	-	-	-	-	-
Seven Years Later	26,372,989	30,955,824	14,093,494	-	-	-	-	-	-	-
Eight Years Later	28,343,710	31,158,571	-	-	-	-	-	-	-	-
Nine Years Later	25,892,887	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 9,556,600	\$ 13,742,832	\$ 5,021,210	\$ 10,315,768	\$ 7,244,586	\$ 9,961,839	\$ 3,168,385	\$ 1,334,087	\$ -	\$ -

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Primary General Liability

County Members: 5*
Public Entity Members: 17*

*Member count applicable to 2017-18
PGL program merged with GL1 2018-19

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ -	\$ 318,438
Cash, EIA Treasury	-	53,148
	<hr/>	<hr/>
TOTAL CASH & CASH EQUIVALENTS	-	371,586
Investments	-	89,060
Accounts Receivable		
Due From Members	-	122,287
Investment Income Receivable	-	5,301
Reinsurance Claims	-	346,976
Due from Other Funds	-	97,197
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	-	1,032,407
Noncurrent Assets:		
Investments	-	918,156
Investment in Captive	-	9,520
Due from Other Funds	-	115,661
	<hr/>	<hr/>
TOTAL NONCURRENT ASSETS	-	1,043,337
TOTAL ASSETS	<hr/>	<hr/>
	-	2,075,744
LIABILITIES:		
Current Liabilities:		
Accounts Payable	-	36,491
Due to Members	-	275,869
Dividends Payable to Members	-	980,419
Deposits from Insurance Companies	-	423,372
Claim Liabilities	-	15,221
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	-	1,731,372
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	-	48,000
	<hr/>	<hr/>
TOTAL NONCURRENT LIABILITIES	-	48,000
TOTAL LIABILITIES	<hr/>	<hr/>
	-	1,779,372
NET POSITION:		
Unrestricted	-	296,372
	<hr/>	<hr/>
TOTAL NET POSITION	<hr/>	<hr/>
	\$ -	\$ 296,372

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums For Transferred Risk	\$ -	\$ 1,839,995
Broker Fees	-	41,980
Administration Fees	-	484,737
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	-	2,366,712
OPERATING EXPENSES:		
Dividends to Members	-	980,419
Insurance Expense	-	1,847,350
Broker Fees	-	41,980
Provision for Claims		
Prior Years' Claims	-	(24,749)
Provision for Unallocated Loss Adjustment Expenses	-	(192,291)
Program Services		
Claims Audits	-	13,000
Legal Expense	-	17,854
Bank Services and Fees	-	3,355
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	-	2,686,918
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	-	(677,831)
Transfer Out for Loss Prevention	-	(12,000)
	<hr/>	<hr/>
TOTAL TRANSFERS	-	(689,831)
OPERATING INCOME (LOSS)	-	(1,010,037)
NONOPERATING REVENUE (EXPENSES):		
Investment Income	-	(2,211)
Financing Fees	-	61
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	-	(2,150)
CHANGES IN NET POSITION	-	(1,012,187)
Net Position, Beginning of Year	296,372	1,308,559
Adjustment to Beginning Net Position	(296,372)	-
	<hr/>	<hr/>
Beginning of Year, as Restated	-	1,308,559
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ -	\$ 296,372

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ -	\$ 2,439,468
Payment to Others	-	(113,678)
Dividends Paid	-	(266,000)
Claims Paid	-	7,021
Insurance Purchased	-	(1,847,350)
Payments to Suppliers	-	(84,141)
Internal Activities	<u>(371,586)</u>	<u>(682,299)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(371,586)</u>	<u>(546,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	-	322,884
Cash from Investment Earnings	-	(2,278)
Investment in Captive	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>320,606</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(371,586)	(226,373)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>371,586</u>	<u>597,959</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 371,586</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ -	\$ (1,010,037)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	-	(82,228)
Due From or To Other Funds	(371,586)	7,532
Accounts and Other Payables	-	747,773
Claim Liabilities	-	(17,728)
Unallocated Loss Adjustment Expense Payable	<u>-</u>	<u>(192,291)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (371,586)</u>	<u>\$ (546,979)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ -</u>	<u>\$ -</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 63,221</u>	<u>\$ 273,240</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	-	(192,291)
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>(24,749)</u>
B. Total incurred claims and claim adjustment expenses	<u>-</u>	<u>(217,040)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>63,221</u>	<u>(7,021)</u>
C. Total Payments	<u>63,221</u>	<u>(7,021)</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ -</u>	<u>\$ 63,221</u>
Current Claim Liabilities	\$ -	\$ 15,221
Noncurrent Claim Liabilities	<u>-</u>	<u>48,000</u>
Total Claim Liabilities	<u>\$ -</u>	<u>\$ 63,221</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
SCHEDULE OF EARNED PREMIUM CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	Fully Insured Years										Trans to GL1
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2019
Insurance Premiums	\$ 2,127,964	\$ 1,888,464	\$ 2,035,654	\$ 1,868,680	\$ 1,742,957	\$ 1,756,708	\$ 1,917,598	\$ 1,933,487	\$ 1,839,995	\$	-
Less Ceded	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)	(1,917,598)	(1,933,487)	(1,839,995)		-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	-	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims	2,127,964	1,888,464	2,035,654	1,868,680	1,742,957	1,756,708	1,917,598	1,933,487	1,839,995		-
Less Ceded Claims	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)	(1,917,598)	(1,933,487)	(1,839,995)		-
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:											
End of the Policy Year	-	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,255,670	1,308,793	883,805	1,442,123	1,931,360	979,041	1,059,431	928,378	258,238		-
6. Reestimated Incurred Claims and Expenses											
End of the Policy Year	-	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



General Liability 1

County Members: 38
Public Entity Members: 90

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 1,350,255	\$ -
Cash, EIA Treasury	18,508,408	6,540,036
TOTAL CASH & CASH EQUIVALENTS	19,858,663	6,540,036
Investments	13,425,395	10,959,079
Accounts Receivable		
Due from Members	120,499	765,972
Reinsurance Claims	2,026,966	-
Investment Income Receivable	551,948	652,254
GL1 LPT Prepaid Expense	30,290,620	-
Due From Other Funds	2,608,401	11,960,350
TOTAL CURRENT ASSETS	68,882,492	30,877,691
Noncurrent Assets:		
Investments	90,981,984	112,981,689
Investment in Captive	1,035,807	1,026,287
GL1 LPT Rate Credit Receivable	16,653,000	-
GL1 LPT Prepaid Expense	60,693,000	-
Due From Other Funds	22,241,757	14,232,429
TOTAL NONCURRENT ASSETS	191,605,548	128,240,405
TOTAL ASSETS	260,488,040	159,118,096
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,555,905	46,371
GL1 LPT Payable	218,047,620	-
Due to Members	248,842	41,651
Deposits from Insurance Companies	423,372	-
Unearned Income	-	25,546
Claims Liabilities	386,000	40,200,000
TOTAL CURRENT LIABILITIES	220,661,739	40,313,568
Noncurrent Liabilities:		
GL1 LPT Payable	12,000,000	-
Claims Liabilities		
Claims Reported	888,311	41,831,585
Claims Incurred But Not Reported	3,651,994	67,197,087
Unallocated Loss Adjustment Expense Payable	1,236,000	955,000
TOTAL NONCURRENT LIABILITIES	17,776,305	109,983,672
TOTAL LIABILITIES	238,438,044	150,297,240
NET POSITION:		
Unrestricted	22,049,996	8,820,856
TOTAL NET POSITION	\$ 22,049,996	\$ 8,820,856

The notes to the financial statements are an integral part of this statement.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 11,468,632	\$ 8,571,994
Broker Fees	1,301,743	1,087,081
Contributions for Retained Risk	46,370,512	40,152,650
Administration Fees	4,495,580	3,255,947
Schools Loss Control Fee	10,953	10,115
TOTAL OPERATING REVENUES	63,647,420	53,077,787
OPERATING EXPENSES:		
Insurance Expense	10,944,952	8,189,181
GL1 LPT Premium Expense	122,411,000	-
Broker Fees	1,301,743	1,087,404
GL1 LPT Broker Fees	1,500,000	-
Provision for Claims		
Current Year Claims	39,670,721	32,290,862
Prior Years' Claims	44,544,120	37,518,659
GL1 LPT Claims Transferred	(167,221,942)	-
Provision for Unallocated Loss Adjustment Expenses	233,000	(1,590,810)
Program Services		
Actuarial and Consulting Services	146,276	90,335
Legal Expenses & Labor Law Services	107,309	295,175
Claims Audits	41,843	94,522
Bank Services and Fees	3,026	
Crisis Incident Management	450	23,795
TOTAL OPERATING EXPENSES	53,682,498	77,999,123
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(3,455,899)	(2,484,728)
Transfer Out for Loss Prevention	-	(100,000)
TOTAL TRANSFERS	(3,455,899)	(2,584,728)
OPERATING INCOME (LOSS)	6,509,023	(27,506,064)
NONOPERATING REVENUES (EXPENSES):		
Investment Income	6,422,186	515,930
Member Finance Fees	1,559	11,599
TOTAL NONOPERATING REVENUES (EXPENSES)	6,423,745	527,529
CHANGES IN NET POSITION	12,932,768	(26,978,535)
Beginning of Year, as Previously Reported	8,820,856	33,067,181
Adjustment to Beginning Net Position	296,372	2,732,210
Beginning of Year, as Restated	9,117,228	35,799,391
NET POSITION, END OF YEAR	\$ 22,049,996	\$ 8,820,856

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 64,186,466	\$ 50,737,633
Receipts from Others	-	55,538
Payments to Others	(2,026,967)	-
Claims Paid	(61,247,266)	(37,431,445)
Insurance Purchased	(10,944,952)	(8,189,181)
Payments to Suppliers	(1,167,741)	(1,573,940)
Internal Activities	<u>(1,528,834)</u>	<u>(7,596,293)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(12,729,294)</u>	<u>(3,997,688)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(120,103,131)	(74,924,030)
Sales of Securities	144,069,770	76,510,860
Cash from Investment Earnings	2,079,723	2,666,083
Investment in Captive	-	-
Finance Fees from Members	<u>1,559</u>	<u>11,601</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>26,047,921</u>	<u>4,264,514</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,318,627	266,826
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>6,540,036</u>	<u>6,273,210</u>
END OF YEAR	<u><u>\$ 19,858,663</u></u>	<u><u>\$ 6,540,036</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 6,509,023	\$ (27,506,064)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(1,085,122)	2,779,089
GL1 LPT Receivable	(107,636,620)	-
Due From or To Other Funds	1,342,621	(5,011,566)
Accounts and Other Payables	2,140,097	58,943
GL1 LPT Payable	230,047,620	-
Unearned Income	(25,546)	(5,105,356)
Claim Liabilities	(144,302,367)	32,378,076
Unallocated Loss Adjustment Expense Payable	<u>281,000</u>	<u>(1,590,810)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (12,729,294)</u></u>	<u><u>\$ (3,997,688)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ 3,426,033</u></u>	<u><u>\$ (2,305,234)</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 150,183,672</u>	<u>\$ 119,396,406</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	-	30,700,052
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(82,774,101)</u>	<u>37,518,659</u>
B. Total incurred claims and claim adjustment expenses	<u>(82,774,101)</u>	<u>68,218,711</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>61,247,266</u>	<u>37,431,445</u>
C. Total Payments	<u>61,247,266</u>	<u>37,431,445</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 6,162,305</u>	<u>\$ 150,183,672</u>
Current Claim Liabilities	\$ 386,000	\$ 40,200,000
Noncurrent Claim Liabilities	<u>5,776,305</u>	<u>109,983,672</u>
Total Claim Liabilities	<u>\$ 6,162,305</u>	<u>\$ 150,183,672</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
NOTES TO EARNED P REQUIRED SUPPLEMENTAL INFORMATION
PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 1 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019 *
Earned Premiums	\$ 34,900,929	\$ 33,847,460	\$ 31,633,150	\$ 30,744,704	\$ 31,414,089	\$ 37,003,868	\$ 41,767,814	\$ 43,610,999	\$ 55,950,440	\$ 58,394,177
Less Ceded	(4,509,392)	(4,631,423)	(5,781,484)	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Loss Portfolio Transfer	(17,134,823)	(31,973,798)	(20,909,819)	(25,663,071)	(44,186,195)	(36,150,976)	(44,817,156)	(35,251,762)	(29,253,790)	(25,838,117)
Dividends Declared	(3,000,000)	-	-	-	-	-	-	-	-	-
Investment Earnings	4,507,120	1,022,507	1,447,637	994,208	197,588	1,157,808	922,604	1,447,626	1,688,492	1,739,878
1. Total Revenues Available* For Payment of Claims	14,763,834	(1,735,254)	6,389,484	504,625	(18,586,076)	(6,013,258)	(9,283,972)	(2,042,087)	18,355,965	22,049,243
2. Unallocated Loss Adjustment Expense	3,491	12,312	14,004	59,274	59,114	115,693	105,158	277,934	258,874	279,074
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	19,778,099	21,482,208	22,372,152	26,257,387	28,716,578	31,508,347	36,742,274	40,370,659	42,071,896	15,666,695
	(4,509,392)	(4,631,423)	(5,781,484)	(5,571,217)	(6,011,558)	(8,023,957)	(7,157,234)	(11,848,949)	(10,029,176)	(12,246,695)
	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	653,593	-	241,064	-	-	-	-	-	-	-
One Year Later	348,252	104,565	666,287	1,668,017	2,443,124	110,653	760,444	732,315	2,113,472	-
Two Years Later	2,389,423	2,483,193	2,473,149	3,879,513	4,412,160	1,489,584	14,004,016	6,113,260	-	-
Three Years Later	10,758,833	18,803,527	7,001,701	11,698,043	12,165,139	14,487,153	33,792,442	-	-	-
Four Years Later	11,549,612	22,031,298	15,817,812	15,857,724	18,903,963	24,021,768	-	-	-	-
Five Years Later	13,166,381	24,752,158	17,071,287	18,738,930	37,988,696	-	-	-	-	-
Six Years Later	16,218,635	27,460,094	18,226,891	19,448,787	-	-	-	-	-	-
Seven Years Later	16,223,992	28,276,310	19,441,681	-	-	-	-	-	-	-
Eight Years Later	16,224,347	30,683,008	-	-	-	-	-	-	-	-
Nine Years Later*	16,768,810	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,430,741	5,671,893	12,328,772	8,373,706	16,917,759	23,438,144	39,393,667	41,780,661	19,815,329	4,600,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390	29,585,040	28,521,710	32,042,720	3,420,000
One Year Later	17,577,212	21,106,865	20,336,498	20,279,342	24,596,512	24,657,164	30,362,640	28,180,080	2,113,472	-
Two Years Later	18,211,819	19,593,744	19,869,339	19,432,855	23,564,995	19,501,022	42,210,919	6,113,260	-	-
Three Years Later	17,650,135	26,300,275	19,100,002	18,999,743	27,721,257	33,763,193	33,792,442	-	-	-
Four Years Later	16,847,051	28,275,182	22,130,738	25,606,114	39,512,839	24,021,768	-	-	-	-
Five Years Later	15,642,639	28,444,064	21,331,569	28,990,997	37,988,696	-	-	-	-	-
Six Years Later	17,447,449	30,924,485	21,018,903	19,448,787	-	-	-	-	-	-
Seven Years Later	17,064,448	31,533,501	19,441,681	-	-	-	-	-	-	-
Eight Years Later	17,114,762	30,683,008	-	-	-	-	-	-	-	-
Nine Years Later*	16,768,810	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,500,103	\$ 13,832,223	\$ 2,851,013	\$ (1,237,383)	\$ 15,283,676	\$ 537,378	\$ 4,207,402	\$ (22,408,450)	\$ (29,929,248)	\$ -

*Claims transferred to reinsurer via an Loss Portfolio Transfer

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General Liability 2

County Members: 10
Public Entity Members: 8

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	-	-
Accounts Receivable		
Reinsurance Claims	5,006,352	2,591,338
TOTAL CURRENT ASSETS	<u>5,006,352</u>	<u>2,591,338</u>
Noncurrent Assets:		
Investment in Captive	65,294	65,294
TOTAL NONCURRENT ASSETS	<u>65,294</u>	<u>65,294</u>
TOTAL ASSETS	<u>5,071,646</u>	<u>2,656,632</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	42	-
Due to Other Funds	2,373,077	402,274
Due to Members	-	54,680
Claim Liabilities	351,812	496,647
TOTAL CURRENT LIABILITIES	<u>2,724,931</u>	<u>953,601</u>
Noncurrent Liabilities:		
Claim Liabilities		
Unallocated Loss Adjustment Expense Payable	1,043,000	1,073,000
TOTAL NONCURRENT LIABILITIES	<u>1,043,000</u>	<u>1,073,000</u>
TOTAL LIABILITIES	<u>3,767,931</u>	<u>2,026,601</u>
NET POSITION:		
Unrestricted	1,303,715	630,031
TOTAL NET POSITION	<u>\$ 1,303,715</u>	<u>\$ 630,031</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 62,346,508	\$ 48,889,111
Broker Fees	516,792	511,551
Administration Fees	2,169,060	1,839,244
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	65,032,360	51,239,906
OPERATING EXPENSES:		
Insurance Expense	62,153,309	48,896,912
Broker Fees	490,480	483,081
Provision for Unallocated Loss Adjustment Expenses	(30,000)	380,172
Program Services		
Consulting and Legal Services	29,743	47,319
Actuarial Studies	24,000	22,000
Claims Audits	46,465	41,675
Crisis Incident Management	-	8,552
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	62,713,997	49,879,711
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(1,663,144)	(1,504,286)
Transfer Out for Loss Prevention	-	(14,000)
	<hr/>	<hr/>
TOTAL TRANSFERS	(1,663,144)	(1,518,286)
OPERATING INCOME (LOSS)	655,219	(158,091)
NONOPERATING REVENUES (EXPENSES):		
Investment Income(Expense)	18,465	(11,915)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	18,465	(11,915)
CHANGES IN NET POSITION	673,684	(170,006)
Net Position, Beginning of Year	630,031	800,037
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 1,303,715	\$ 630,031

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 64,977,680	\$ 53,490,594
Payments to Others	(2,415,014)	(659,187)
Claims Paid	(144,835)	(2,735,537)
Insurance Purchased	(62,153,309)	(48,896,912)
Payments to Suppliers	(590,646)	(605,122)
Internal Activities	307,659	(1,043,394)
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(18,465) (449,558)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	-	438,261
Cash from Investment Earnings	18,465	(10,210)
	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	18,465 428,051
	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	- (21,507)
	CASH AND CASH EQUIVALENTS:	
	BEGINNING OF YEAR	- 21,507
	END OF YEAR	\$ - \$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 655,219	\$ (158,091)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(2,415,014)	2,090,701
Due From or To Other Funds	1,970,803	474,892
Accounts and Other Payables	(54,638)	(501,695)
Claim Liabilities	(144,835)	(2,735,537)
Unallocated Loss Adjustment Expense Payable	(30,000)	380,172
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (18,465) \$ (449,558)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 1,569,647</u>	<u>\$ 3,925,012</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	(30,000)	380,172
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>-</u>
B. Total incurred claims and claim adjustment expenses	<u>(30,000)</u>	<u>380,172</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>144,835</u>	<u>2,735,537</u>
C. Total Payments	<u>144,835</u>	<u>2,735,537</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 1,394,812</u>	<u>\$ 1,569,647</u>
Current Claim Liabilities	\$ 351,812	\$ 496,647
Noncurrent Claim Liabilities	<u>1,043,000</u>	<u>1,073,000</u>
Total Claim Liabilities	<u>\$ 1,394,812</u>	<u>\$ 1,569,647</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
GENERAL LIABILITY 2 PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY 2 PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012*	June 30, 2013*	June 30, 2014*	June 30, 2015**	June 30, 2016***	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 21,085,943	\$ 19,925,721	\$ 18,075,370	\$ 19,467,217	\$ 22,700,000	\$ 26,484,451	\$ 32,140,342	\$ 46,724,983	\$ 48,889,112	\$ 62,346,508
Less Ceded	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)	(19,484,451)	(22,998,092)	(46,724,983)	(48,889,112)	(62,346,508)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	1,806,116	-	-	-	-	-	282,750	-	-	-
1. Total Revenues Available For Payment of Claims	8,705,570	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	135,420	8,558	90,834	384,694	83,143	297,261	41,390
3. Estimated Incurred Claims Less Ceded Claims	21,085,943	19,925,721	18,075,370	19,467,217	22,700,000	26,484,451	32,423,092	46,724,983	48,889,112	62,346,508
Net Incurred Claims and Expenses, End of Policy Year	6,899,454	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	5,600,000	6,192,816	-	-	-
Two Years Later	-	5,250,000	-	-	-	7,000,000	8,928,354	-	-	-
Three Years Later	4,657,656	5,955,652	-	-	-	7,000,000	9,073,189	-	-	-
Four Years Later	7,657,656	8,578,800	-	-	-	7,000,000	-	-	-	-
Five Years Later	7,858,906	8,578,800	-	-	-	-	-	-	-	-
Six Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Seven Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Eight Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Nine Years Later	8,705,570	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	3,723,890	12,386,395	44,700,634	32,903,688	32,025,939	22,676,265	23,259,701	50,432,673	23,453,900	2,502,568
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	6,899,454	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
One Year Later	7,834,960	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Two Years Later	8,072,213	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Three Years Later	8,705,570	8,578,800	-	-	-	7,000,000	9,425,000	-	-	-
Four Years Later	8,705,570	8,578,800	-	-	-	7,000,000	-	-	-	-
Five Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Six Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Seven Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Eight Years Later	8,705,570	8,578,800	-	-	-	-	-	-	-	-
Nine Years Later	8,705,570	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -	\$ -				

*Fully Insured.

**Fully Insured above Corridor Deductible of \$7,000,000.

***Fully Insured above Corridor Deductible of \$9,425,000.

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Property

County Members: 52
Public Entity Members: 52

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	-	-
Accounts Receivable:		
Due from Members	24,368,482	17,390,735
Due from Carriers	10,067,997	-
Prepaid Insurance	54,911,598	48,314,027
TOTAL CURRENT ASSETS	<u>89,348,077</u>	<u>65,704,762</u>
Noncurrent Assets:		
Investment in Captive	66,714	66,714
Prepaid Insurance	26,791,681	51,115,750
TOTAL NON-CURRENT ASSETS	<u>26,858,395</u>	<u>51,182,464</u>
TOTAL ASSETS	<u>116,206,472</u>	<u>116,887,226</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	110,697	56,308
Due to Other Funds	7,408,053	47,175,085
Due to Members	-	124,165
Unearned Fronting Fees	1,319,425	1,391,206
Due to Carriers	2,500,000	1,837,450
Claim Liabilities	409,369	30,840
TOTAL CURRENT LIABILITIES	<u>11,747,544</u>	<u>50,615,054</u>
Noncurrent Liabilities:		
Due to Other Funds	81,703,278	51,115,750
Unallocated Loss Adjustment Expense Payable	6,000	10,000
TOTAL NONCURRENT LIABILITIES	<u>81,709,278</u>	<u>51,125,750</u>
TOTAL LIABILITIES	<u>93,456,822</u>	<u>101,740,804</u>
NET POSITION:		
Unrestricted	<u>22,749,650</u>	<u>15,146,422</u>
TOTAL NET POSITION	<u>\$ 22,749,650</u>	<u>\$ 15,146,422</u>

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 66,925,771	\$ 61,814,119
Broker Fees	11,443	13,670
Reinsurance Dividends	-	73,665
Contributions for Retained Risk	7,875,000	2,498,558
Administration Fees	935,916	1,014,598
Other Income	12,254	702,507
	<u>75,760,384</u>	<u>66,117,117</u>
OPERATING EXPENSES:		
Dividends to Members	-	73,665
Insurance Expense	67,204,099	61,639,485
Provision for Claims	503,529	(204,501)
Provision for Unallocated Loss Adjustment Expenses	(4,000)	-
Program Services		
Property Appraisals and Consulting	165,351	51,524
	<u>67,868,979</u>	<u>61,560,173</u>
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(590,627)	(633,364)
Transfer Out for Loss Prevention	-	(94,000)
	<u>(590,627)</u>	<u>(727,364)</u>
	<u>7,300,778</u>	<u>3,829,580</u>
NONOPERATING REVENUES (EXPENSES):		
Member Financing Fees	1,085,066	877,372
Program Financing Expense	(782,616)	(671,489)
	<u>302,450</u>	<u>205,883</u>
	<u>7,603,228</u>	<u>4,035,463</u>
CHANGES IN NET POSITION		
Net Position, Beginning of Year	<u>15,146,422</u>	<u>11,110,959</u>
	<u>\$ 22,749,650</u>	<u>\$ 15,146,422</u>

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 68,698,602	\$ 63,141,610
Receipts from Others	12,254	2,192,352
Deposits from/(to) Carriers	(9,405,447)	1,837,550
Dividends Paid	(124,165)	(46,923)
Claims Paid	(125,000)	-
Insurance Purchased	(49,477,601)	(76,816,116)
Payments to Suppliers	(110,962)	(3,469,977)
Internal Activities	<u>(9,770,131)</u>	<u>12,955,721</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(302,450)</u>	<u>(205,783)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Member Financing Fees	1,085,066	877,372
Program Financing Expenses	<u>(782,616)</u>	<u>(671,489)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>302,450</u>	<u>205,883</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 7,300,778	\$ 3,829,580
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(17,045,744)	(843,062)
Due From or To Other Funds	(9,179,504)	13,683,085
Prepaid Insurance	17,726,498	(15,176,631)
Accounts and Other Payables	592,774	(1,554,261)
Deferred Premium Inflows from Members	(71,781)	59,907
Claim Liabilities	378,529	(94,160)
Unallocated Loss Adjustment Expense Payable	<u>(4,000)</u>	<u>(110,341)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (302,450)</u>	<u>\$ (205,883)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ -</u>	<u>\$ -</u>

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 40,840	\$ 245,341
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>499,529</u>	<u>(204,501)</u>
B. Total incurred claims and claim adjustment expenses	<u>499,529</u>	<u>(204,501)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>125,000</u>	<u>-</u>
C. Total Payments	<u>125,000</u>	<u>-</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 415,369</u>	<u>\$ 40,840</u>
Current Claim Liabilities	\$ 409,369	\$ 30,840
Noncurrent Claim Liabilities	6,000	10,000
Total Claim Liabilities	<u>\$ 415,369</u>	<u>\$ 40,840</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
PROPERTY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

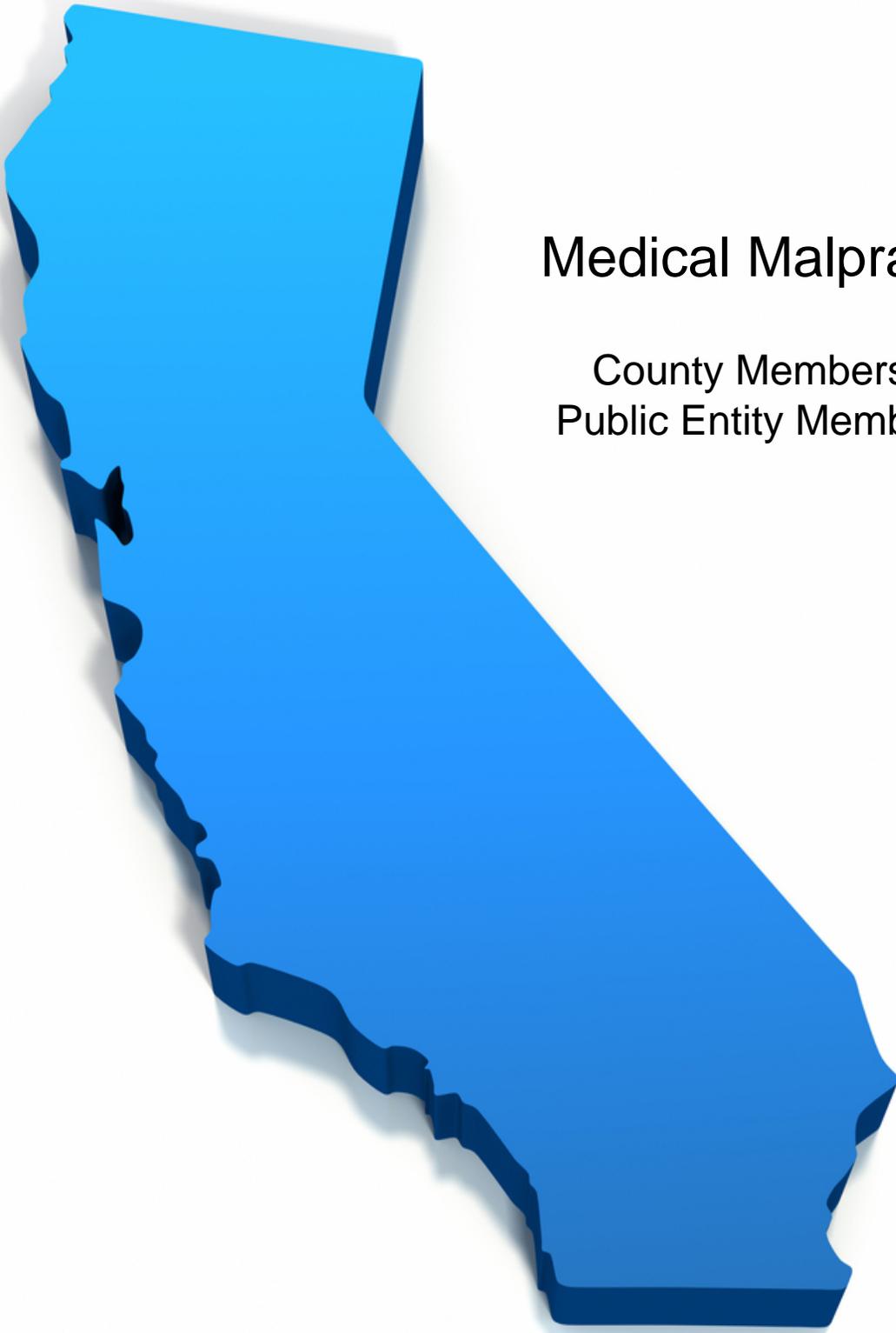
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 50,550,830	\$ 48,970,337	\$ 50,320,424	\$ 53,788,778	\$ 57,810,264	\$ 61,349,158	\$ 59,095,613	\$ 60,499,245	\$ 64,312,676	\$ 74,800,771
Less Ceded	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)	(48,609,374)	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	10,489,137	9,555,083	9,822,473	10,572,624	11,749,959	12,739,784	9,567,438	2,505,754	2,723,690	7,596,672
2. Unallocated Loss Adjustment Expense	-	78,618	(64,168)	61,715	27,474	23,601	(10,902)	4,003	(110,341)	(4,000)
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	50,061,693	48,415,254	50,497,951	53,216,154	56,060,305	58,677,313	59,095,613	58,118,491	61,588,986	67,329,099
	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)	(48,609,374)	(49,528,175)	(57,993,491)	(61,588,986)	(67,204,099)
	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,067,939	9,567,438	125,000	-	125,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	10,000,000	9,000,000	2,600,227	5,800,207	4,795,812	10,000,000	9,567,438	-	-	-
One Year Later	10,000,000	9,000,000	8,782,088	10,000,000	9,409,593	10,206,664	10,152,576	-	-	-
Two Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	125,000	-	-
Three Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-
Four Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	-	-	-	-
Five Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-	-
Six Years Later	10,000,000	9,000,000	10,000,000	10,000,000	-	-	-	-	-	-
Seven Years Later	10,000,000	9,000,000	10,000,000	-	-	-	-	-	-	-
Eight Years Later	10,000,000	9,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	53,200,043	2,600,000	7,260,491	7,260,491	11,764,009	54,564,009	9,521,139	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,067,939	9,567,438	125,000	-	125,000
One Year Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,206,664	10,152,576	30,840	-	-
Two Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	284,369	-	-
Three Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	10,152,576	-	-	-
Four Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,209,664	-	-	-	-
Five Years Later	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-	-
Six Years Later	10,000,000	9,000,000	10,000,000	10,000,000	-	-	-	-	-	-
Seven Years Later	10,000,000	9,000,000	10,000,000	-	-	-	-	-	-	-
Eight Years Later	10,000,000	9,000,000	-	-	-	-	-	-	-	-
Nine Years Later	10,000,000	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ 141,725	\$ 585,138	\$ 159,369	\$ -					

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Medical Malpractice

County Members: 46
Public Entity Members: 6

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 4,977,623	\$ 1,719,947
TOTAL CASH & CASH EQUIVALENTS	4,977,623	1,719,947
Investments	3,610,605	2,882,099
Accounts Receivable		
Due from Members	5,000	7,783
Investment Income Receivable	148,440	171,534
Reinsurance Receivable	462,032	9,100
Due from Other Funds	701,499	3,145,420
Prepaid Insurance	1,615,908	1,529,050
TOTAL CURRENT ASSETS	11,521,107	9,464,933
Noncurrent Assets:		
Investments	24,468,554	29,712,751
Investment in Captive	253,487	253,487
Due from Other Funds	5,981,664	3,742,948
TOTAL NONCURRENT ASSETS	30,703,705	33,709,186
TOTAL ASSETS	42,224,812	43,174,119
LIABILITIES:		
Current Liabilities:		
Accounts Payable	10,085	440,364
Due to Members	134,350	-
Unearned Income	3,723,435	3,473,039
Claim Liabilities	8,847,000	9,603,667
TOTAL CURRENT LIABILITIES	12,714,870	13,517,070
Noncurrent Liabilities:		
Claims Liabilities		
Claims Reported	3,175,935	9,603,666
Claims Incurred But Not Reported	11,752,646	11,597,674
Unallocated Loss Adjustment Expense Payables	788,000	1,151,000
TOTAL NONCURRENT LIABILITIES	15,716,581	22,352,340
TOTAL LIABILITIES	28,431,451	35,869,410
NET POSITION:		
Unrestricted	13,793,361	7,304,709
TOTAL NET POSITION	\$ 13,793,361	\$ 7,304,709

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 6,376,774	\$ 6,145,622
Broker Fees	7,991	6,191
Contributions for Retained Risk	8,444,851	7,793,776
Administration Fees	1,264,330	1,183,812
Program Development Fee	(44,200)	-
Other Income	1,380,905	6,041
	TOTAL OPERATING REVENUES	15,135,442
	17,430,651	15,135,442
OPERATING EXPENSES:		
Insurance Expense	6,376,774	6,144,774
Broker Fees	7,991	6,191
Provision for Claims		
Current Year Claims	5,956,717	6,135,841
Prior Years' Claims	(554,011)	1,984,345
Provision for Unallocated Loss Adjustment Expenses	(363,000)	(689,794)
Program Services:		
Actuarial and Consulting Services	11,100	22,029
Claims Audit	8,207	-
Claim Administration Services	439,936	410,000
Loss Prevention Training	15,984	11,999
Crisis Incident Management	-	3,900
	TOTAL OPERATING EXPENSES	14,029,285
	11,899,698	14,029,285
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(719,763)	(555,024)
Transfer Out for Loss Prevention	-	(50,000)
	TOTAL TRANSFERS	(605,024)
	(719,763)	(605,024)
	OPERATING INCOME (LOSS)	501,133
	4,811,190	501,133
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,677,462	91,711
	TOTAL NONOPERATING REVENUE (EXPENSE)	91,711
	1,677,462	91,711
	CHANGES IN NET POSITION	592,844
	6,488,652	592,844
Net Position, Beginning of Year	7,304,709	6,711,865
	NET POSITION, END OF YEAR	7,304,709
	\$ 13,793,361	\$ 7,304,709

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 16,437,275	\$ 15,264,813
Receipts from Others	927,973	21,175
Claims Paid	(12,432,132)	(5,748,614)
Insurance Purchased	(6,463,632)	(6,116,470)
Payments to Suppliers	(913,496)	(13,754)
Internal Activities	(514,558)	(2,261,345)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,958,570)	1,145,805
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(20,484,845)	(15,028,595)
Sales of Securities	25,609,540	13,600,410
Cash from Investment Earnings	1,091,551	452,759
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	6,216,246	(975,426)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,257,676	170,379
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	1,719,947	1,549,568
END OF YEAR	\$ 4,977,623	\$ 1,719,947
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 4,811,190	\$ 501,133
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(450,148)	7,350
Due From or To Other Funds	205,205	(1,656,321)
Prepaid Insurance	(86,858)	28,304
Accounts and Other Payables	(295,929)	440,364
Unearned Income	250,396	143,197
Claim Liabilities	(7,029,426)	2,371,572
Unallocated Loss Adjustment Expense Payable	(363,000)	(689,794)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (2,958,570)	\$ 1,145,805
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 609,005	\$ (409,774)

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 31,956,007	\$ 30,274,229
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	5,593,717	5,446,047
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(554,011)</u>	<u>1,984,345</u>
B. Total incurred claims and claim adjustment expenses	<u>5,039,706</u>	<u>7,430,392</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	245,810	37,635
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>12,186,322</u>	<u>5,710,979</u>
C. Total Payments	<u>12,432,132</u>	<u>5,748,614</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 24,563,581</u>	<u>\$ 31,956,007</u>
Current Claim Liabilities	\$ 8,847,000	\$ 9,603,667
Noncurrent Claim Liabilities	<u>15,716,581</u>	<u>22,352,340</u>
Total Claim Liabilities	<u>\$ 24,563,581</u>	<u>\$ 31,956,007</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
MEDICAL MALPRACTICE PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$12,133,259	\$ 12,159,000	\$ 12,377,511	\$ 13,376,499	\$ 14,099,920	\$ 12,877,635
Less Ceded	(5,454,440)	(5,805,786)	(5,905,259)	(6,292,646)	(5,317,928)	(5,278,339)	(5,587,223)	(6,087,843)	(6,145,622)	(6,376,774)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	936,412	(196,227)	298,769	470,106	658,528	233,519	254,615	146,427	453,150	328,278
1. Total Revenues Available For Payment of Claims	8,014,706	5,844,340	6,029,652	7,151,522	7,473,859	7,114,180	7,044,903	7,435,083	8,407,448	6,829,139
2. Unallocated Loss Adjustment Expense	2,320	6,194	6,783	8,672	8,530	27,296	130,052	175,917	232,918	189,278
3. Estimated Incurred Claims Less Ceded Claims	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
Net Incurred Claims and Expenses, End of Policy Year	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
4. Cumulative Paid Claims as of:										
End of the Policy Year	23,848	51,305	26,698	3,528	-	-	17,502	37,635	15,523	245,810
One Year Later	96,315	1,282,361	181,822	436,672	-	503,920	243,443	1,894,067	1,752,099	
Two Years Later	906,689	1,826,879	1,822,542	4,141,591	385,965	1,772,706	1,261,135	5,071,771	-	
Three Years Later	3,037,613	4,381,548	4,209,215	4,432,593	1,514,858	3,565,148	5,406,575	-	-	
Four Years Later	3,116,185	5,261,575	4,502,133	4,470,975	1,553,550	6,074,117	-	-	-	
Five Years Later	3,914,587	6,171,816	4,551,386	4,886,993	1,553,550	-	-	-	-	
Six Years Later	3,914,587	7,533,622	4,589,603	4,889,431	-	-	-	-	-	
Seven Years Later	3,914,587	7,542,863	4,632,017	-	-	-	-	-	-	
Eight Years Later	3,914,587	7,547,678	-	-	-	-	-	-	-	
Nine Years Later	3,914,587	-	-	-	-	-	-	-	-	
5. Reestimated Ceded Claims and Expenses	5,621,059	1,885,129	-	-	2,995,000	193,555	7,540,000	7,282,052	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	4,824,102	4,921,729	5,188,335	5,213,626	5,239,961	5,527,822	5,528,616	5,852,065	6,135,842	5,956,717
One Year Later	3,957,784	5,161,374	5,583,913	5,064,126	4,950,026	8,550,054	6,575,046	9,989,538	8,779,726	
Two Years Later	5,661,931	7,402,556	6,070,219	6,893,606	6,224,082	10,203,303	10,624,337	10,379,536	-	
Three Years Later	5,510,518	8,022,661	5,999,806	6,955,612	4,768,898	7,422,110	9,330,511	-	-	
Four Years Later	5,230,415	8,527,423	4,963,502	6,855,621	1,922,429	6,897,687	-	-	-	
Five Years Later	5,384,999	8,227,495	4,884,004	6,551,064	1,810,904	-	-	-	-	
Six Years Later	4,170,539	8,079,940	4,906,506	5,151,088	-	-	-	-	-	
Seven Years Later	4,057,725	7,885,314	4,836,686	-	-	-	-	-	-	
Eight Years Later	4,025,453	7,734,572	-	-	-	-	-	-	-	
Nine Years Later	3,984,610	-	-	-	-	-	-	-	-	
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (839,492)	\$ 2,812,843	\$ (351,649)	\$ (62,538)	\$ (3,429,057)	\$ 1,369,865	\$ 3,801,895	\$ 4,527,471.00	\$ 2,643,884	\$ -

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MROCIP

County Members: 10
Public Entity Members: 7

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 36,053	\$ 15,739
TOTAL CASH & CASH EQUIVALENTS	36,053	15,739
Investments	26,151	26,373
Accounts Receivable:		
Due from Members	96,417	-
Investment Income Receivable	1,075	1,570
Due from Other Funds	5,081	28,783
Prepaid Insurance	3,358,313	4,142,179
TOTAL CURRENT ASSETS	3,523,090	4,214,644
Noncurrent Assets:		
Investments	177,224	271,893
Investment in Captive	654	654
Due From Other Funds	43,325	34,251
TOTAL NONCURRENT ASSETS	221,203	306,798
TOTAL ASSETS	3,744,293	4,521,442
LIABILITIES:		
Current Liabilities:		
Unearned Income	3,368,863	4,188,519
TOTAL CURRENT LIABILITIES	3,368,863	4,188,519
TOTAL LIABILITIES	3,368,863	4,188,519
NET POSITION:		
Unrestricted	375,430	332,924
TOTAL NET POSITION	<u>\$ 375,430</u>	<u>\$ 332,924</u>

CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premium for Transferred Risk	\$ 12,453,676	\$ 12,266,159
Administration Fees	123,371	172,001
Other Income	5,322	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	12,582,369	12,438,160
OPERATING EXPENSES:		
Insurance Expense	12,454,633	12,266,158
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	12,454,633	12,266,158
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(100,534)	(100,320)
	<hr/>	<hr/>
TOTAL TRANSFERS	(100,534)	(100,320)
OPERATING INCOME (LOSS)	27,202	71,682
NONOPERATING REVENUES (EXPENSES):		
Investment Income	15,304	1,801
Member Financing Fees	-	315
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	15,304	2,116
CHANGES IN NET POSITION	42,506	73,798
Net Position, Beginning of Year	332,924	259,126
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 375,430	\$ 332,924
	<hr/> <hr/>	<hr/> <hr/>

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 11,666,296	\$ 9,832,147
Insurance Purchased	(11,670,767)	(9,671,444)
Internal Activities	(85,906)	(120,374)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(90,377)	40,329
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(395,989)	(313,961)
Sales of Securities	502,838	267,041
Cash from Investment Earnings	3,842	9,286
Finance Fees from Members	-	315
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	110,691	(37,319)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	20,314	3,010
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	15,739	12,729
END OF YEAR	\$ 36,053	\$ 15,739
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 27,202	\$ 71,682
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(96,417)	2,360,060
Due From or To Other Funds	14,629	(20,053)
Prepaid Insurance	783,866	4,917,191
Accounts and Other Payables	-	(2,322,477)
Unearned Income	(819,657)	(4,966,074)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (90,377)	\$ 40,329
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 11,958	\$ (8,046)



EIAHealth

County Members: 15
Public Entity Members: 28

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 796,310	\$ 313,944
TOTAL CASH & CASH EQUIVALENTS	796,310	313,944
Investments	577,618	526,074
Accounts Receivable		
Due from Members	-	18,061
Investment Income Receivable	23,747	31,310
Due from Other Funds	112,224	574,138
TOTAL CURRENT ASSETS	<u>1,509,899</u>	<u>1,463,527</u>
Noncurrent Assets:		
Investments	3,914,431	5,423,513
Investment in Captive	77,472	77,472
Due from Other Funds	956,935	683,206
TOTAL NONCURRENT ASSETS	<u>4,948,838</u>	<u>6,184,191</u>
TOTAL ASSETS	<u>6,458,737</u>	<u>7,647,718</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,425,800	3,837,778
Due to Members	24,770	-
Dividends Payable to Members	2,134,905	2,173,093
Unearned Income	9,036	7,535
TOTAL CURRENT LIABILITIES	<u>4,594,511</u>	<u>6,018,406</u>
TOTAL LIABILITIES	<u>4,594,511</u>	<u>6,018,406</u>
NET POSITION:		
Unrestricted	<u>1,864,226</u>	<u>1,629,312</u>
TOTAL NET POSITION	<u>\$ 1,864,226</u>	<u>\$ 1,629,312</u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 440,848,581	\$ 370,928,324
Broker Fees	3,594,460	3,114,826
Health Reform Fees and Taxes	69,392	116,672
Administration Fees	598,376	504,291
TPA Claims Administration Fees	20,899,702	19,352,948
Eligibility Administration Fees	2,990,755	2,601,955
Other Income	<u>(72,208)</u>	<u>53,093</u>
TOTAL OPERATING REVENUES	<u>468,929,058</u>	<u>396,672,109</u>
OPERATING EXPENSES:		
Interest on Dividends to Members	13,832	8,174
Insurance Premiums and TPA Fees	461,748,283	390,318,545
Eligibility Administration	2,990,755	2,601,955
Health Reform Fees and Taxes	69,392	116,674
Broker Fees	3,594,460	3,114,826
Program Services		
Actuarial Consulting Services	48,000	48,000
EIAHealth Seminar	<u>29,704</u>	<u>70,934</u>
TOTAL OPERATING EXPENSES	<u>468,494,426</u>	<u>396,279,108</u>
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	<u>(511,427)</u>	<u>(412,105)</u>
TOTAL TRANSFERS	<u>(511,427)</u>	<u>(412,105)</u>
OPERATING INCOME (LOSS)	<u>(76,795)</u>	<u>(19,104)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	<u>311,709</u>	<u>13,329</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>311,709</u>	<u>13,329</u>
CHANGES IN NET POSITION	234,914	(5,775)
Net Position, Beginning of Year	<u>1,629,312</u>	<u>1,635,087</u>
NET POSITION, END OF YEAR	<u>\$ 1,864,226</u>	<u>\$ 1,629,312</u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 468,973,390	\$ 396,656,678
Dividends Paid	(52,020)	(28,408)
Insurance Purchased	(461,748,283)	(390,318,545)
Payments to Suppliers	(8,114,585)	(3,207,931)
Other Program Expense	(29,704)	(70,934)
Internal Activities	<u>(323,242)</u>	<u>(1,000,488)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,294,444)</u>	<u>2,030,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,175,910)	(3,948,441)
Sales of Securities	3,721,958	1,976,613
Cash from Investment Earnings	<u>230,762</u>	<u>57,275</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,776,810</u>	<u>(1,914,553)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	482,366	115,819
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>313,944</u>	<u>198,125</u>
END OF YEAR	<u>\$ 796,310</u>	<u>\$ 313,944</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (76,795)	\$ (19,104)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	18,061	(18,061)
Due From or To Other Funds	188,185	(588,383)
Accounts and Other Payables	<u>(1,423,895)</u>	<u>2,655,920</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,294,444)</u>	<u>\$ 2,030,372</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 88,510</u>	<u>\$ (59,554)</u>



Dental

County Members: 33
Public Entity Members: 130

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 2,459,325	\$ 759,793
TOTAL CASH & CASH EQUIVALENTS	2,459,325	759,793
Investments	1,783,914	1,273,178
Accounts Receivable		
Due from Members	493,722	797,640
Investment Income Receivable	73,341	75,776
Deposits With Carrier	245,000	245,000
Due from Other Funds	346,594	1,389,502
TOTAL CURRENT ASSETS	<u>5,401,896</u>	<u>4,540,889</u>
Noncurrent Assets:		
Investments	12,089,331	13,125,724
Investment in Captive	129,055	129,055
Due from Other Funds	2,955,398	1,653,462
TOTAL NONCURRENT ASSETS	<u>15,173,784</u>	<u>14,908,241</u>
TOTAL ASSETS	<u>20,575,680</u>	<u>19,449,130</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	750,125	-
Legacy Stabilization Fund	810,809	876,636
Dental Claim Liabilities	1,919,406	1,826,677
TOTAL CURRENT LIABILITIES	<u>3,480,340</u>	<u>2,703,313</u>
TOTAL LIABILITIES	<u>3,480,340</u>	<u>2,703,313</u>
NET POSITION:		
Unrestricted	17,095,340	16,745,817
TOTAL NET POSITION	<u>\$ 17,095,340</u>	<u>\$ 16,745,817</u>

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Contribution for Retained Risk	\$ 35,255,976	\$ 33,604,042
Eligibility Admin Fee Revenue	400,236	382,080
Broker Fees	2,030,794	1,661,721
	<u>37,687,006</u>	<u>35,647,843</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Provision for Claims, Current Year	33,073,327	31,142,949
Broker Fees	2,030,794	1,661,721
Stabilization Funds Distributed	-	47,210
Claims Administration and Eligibility Fees	2,774,839	2,639,728
Other Program Services	12,241	22,533
	<u>37,891,201</u>	<u>35,514,141</u>
TOTAL OPERATING EXPENSES		
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(217,667)	(220,738)
	<u>(217,667)</u>	<u>(220,738)</u>
TOTAL TRANSFERS		
OPERATING INCOME (LOSS)	<u>(421,862)</u>	<u>(87,036)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	771,385	56,251
	<u>771,385</u>	<u>56,251</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
CHANGES IN NET POSITION	<u>349,523</u>	<u>(30,785)</u>
Beginning of Year, as Previously Reported	16,745,817	17,653,238
Adjustment to Beginning Net Position		
Reclassification of Legacy Stabilization Funds	-	(876,636)
	<u>16,745,817</u>	<u>16,776,602</u>
Beginning of Year, as Restated		
NET POSITION, END OF YEAR	<u>\$ 17,095,340</u>	<u>\$ 16,745,817</u>

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 37,925,097	\$ 35,852,362
Stabilization Funds Distributed	-	(47,210)
Claims Paid	(32,980,598)	(31,244,181)
Payments to Suppliers	(4,067,748)	(4,323,982)
Internal Activities	(476,695)	(788,470)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>400,056</u>	<u>(551,481)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(14,808,446)	(8,053,545)
Sales of Securities	15,707,636	8,341,824
Cash from Investment Earnings	400,286	289,909
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,299,476</u>	<u>578,188</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,699,532	26,707
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>759,793</u>	<u>733,086</u>
END OF YEAR	<u>\$ 2,459,325</u>	<u>\$ 759,793</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (421,862)	\$ (87,036)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	303,918	204,519
Due From or To Other Funds	(259,028)	(567,732)
Accounts and Other Payables	684,299	-
Claim Liabilities	92,729	(101,232)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 400,056</u>	<u>\$ (551,481)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 373,534</u>	<u>\$ (254,649)</u>

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 1,826,677</u>	<u>\$ 1,927,909</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>33,073,327</u>	<u>31,142,949</u>
B. Total incurred claims and claim adjustment expenses	<u>33,073,327</u>	<u>31,142,949</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	32,980,598	31,244,181
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>-</u>	<u>-</u>
C. Total Payments	<u>32,980,598</u>	<u>31,244,181</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 1,919,406</u>	<u>\$ 1,826,677</u>
Current Claim Liabilities	<u>\$ 1,919,406</u>	<u>\$ 1,826,677</u>
Total Claim Liabilities	<u>\$ 1,919,406</u>	<u>\$ 1,826,677</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
DENTAL PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Earned Premiums	\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281	\$ 32,028,794	\$ 31,736,745	\$ 32,978,281	\$ 33,604,042	\$ 35,255,976
Less Ceded	-	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,242,783	20,356,118	27,841,423	30,426,135	31,210,281	32,028,794	31,736,745	32,978,281	33,604,042	35,255,976
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
Net Incurred Claims and Expenses, End of Policy Year	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,763,486	16,156,452	21,213,005	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
One Year Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	31,142,949	-
Two Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	29,186,280	-	-
Three Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	29,738,033	-	-	-
Four Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	26,917,532	-	-	-	-
Five Years Later	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	-	-	-	-	-
Six Years Later	5,551,354	19,689,432	23,453,293	25,691,975	-	-	-	-	-	-
Seven Years Later	5,551,354	19,689,432	23,453,293	-	-	-	-	-	-	-
Eight Years Later	5,551,354	19,689,432	-	-	-	-	-	-	-	-
Nine Years Later	5,551,354	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	33,073,327
One Year Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	31,142,949	-
Two Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	29,186,280	-	-
Three Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	29,738,033	-	-	-
Four Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	26,917,532	-	-	-	-
Five Years Later	5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	-	-	-	-	-
Six Years Later	5,551,354	19,689,432	23,453,293	25,691,975	-	-	-	-	-	-
Seven Years Later	5,551,354	19,689,432	23,453,293	-	-	-	-	-	-	-
Eight Years Later	5,551,354	19,689,432	-	-	-	-	-	-	-	-
Nine Years Later	5,551,354	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ 2,240,288	\$ -						

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Miscellaneous Programs

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 270,843	\$ 80,046
TOTAL CASH & CASH EQUIVALENTS	270,843	80,046
Investments	196,461	134,132
Accounts Receivable		
Due From Members	92,888	100,096
Investment Income Receivable	8,077	7,983
Due from Other Funds	38,170	146,386
TOTAL CURRENT ASSETS	<u>606,439</u>	<u>468,643</u>
Noncurrent Assets:		
Investments	1,331,388	1,382,818
Investment in Captive	14,907	14,907
Due from Other Funds	325,475	174,195
TOTAL NONCURRENT ASSETS	<u>1,671,770</u>	<u>1,571,920</u>
TOTAL ASSETS	<u>2,278,209</u>	<u>2,040,563</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	140,021	92,707
Due to Members	151,165	16,396
Unearned Income	-	17,151
TOTAL CURRENT LIABILITIES	<u>291,186</u>	<u>126,254</u>
TOTAL LIABILITIES	<u>291,186</u>	<u>126,254</u>
NET POSITION:		
Unrestricted	<u>1,987,023</u>	<u>1,914,309</u>
TOTAL NET POSITION	<u>\$ 1,987,023</u>	<u>\$ 1,914,309</u>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Dividends	\$ 173,634	\$ 20,239
Premiums For Transferred Risk:		
Optional Excess Liability Insurance	5,549,028	4,326,148
Watercraft Insurance	264,440	258,158
Aviation Insurance	1,628,866	1,402,986
Course of Construction Insurance	99,989	104,634
Crime and Honesty Bonds	1,599,982	1,431,295
SPIP/SLIP	52,190	63,809
Cyber Liability	1,368,282	1,357,183
Pollution Liability	491,043	621,115
Inmate Medical Insurance	632,312	465,520
Employee Assistance Program	1,686,008	1,706,792
Life, Long-Term Disability and ADD Insurance	19,292,032	18,297,787
Vision Insurance	4,001,613	-
Other Miscellaneous Programs	296,372	131,895
Other Income	<u>2,174</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>37,137,965</u>	<u>30,187,561</u>
 OPERATING EXPENSES:		
Member Dividends	173,634	20,239
Insurance Premiums:		
Optional Excess Liability Insurance	5,549,026	4,326,150
Watercraft Insurance	264,436	258,157
Aviation Insurance	1,628,865	1,402,987
Course of Construction Insurance	99,989	104,635
Crime and Honesty Bonds	1,599,982	1,431,295
SPIP/SLIP	52,190	63,809
Cyber Liability	1,368,282	1,357,183
Pollution Liability	491,048	621,114
Inmate Medical Insurance	632,312	465,519
Employee Assistance Program	1,688,336	1,703,687
Life, Long-Term Disability and ADD Insurance	19,292,032	18,172,148
Vision Insurance	4,001,613	-
Other Miscellaneous Programs	<u>296,372</u>	<u>131,893</u>
TOTAL OPERATING EXPENSES	<u>37,138,117</u>	<u>30,058,816</u>
 TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	<u>(14,115)</u>	<u>(13,712)</u>
TOTAL TRANSFERS	<u>(14,115)</u>	<u>(13,712)</u>
OPERATING INCOME (LOSS)	<u>\$ (14,267)</u>	<u>\$ 115,033</u>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	\$ 86,711	\$ 10,815
Member Finance Fees	<u>270</u>	<u>41</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>86,981</u>	<u>10,856</u>
CHANGES IN NET POSITION	72,714	125,889
Net Position, Beginning of Year	<u>1,914,309</u>	<u>1,788,420</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,987,023</u></u>	<u><u>\$ 1,914,309</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 36,954,389	\$ 29,891,229
Insurance Purchased	(36,917,169)	(29,790,994)
Receipts from Others	173,634	20,239
Dividends Paid	(38,865)	(95,359)
Internal Activities	<u>(57,180)</u>	<u>(75,511)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>114,809</u>	<u>(50,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,959,009)	(1,607,255)
Sales of Securities	3,019,925	1,603,786
Financing Fees	270	41
Cash from Investment Earnings	14,802	57,227
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>75,988</u>	<u>53,799</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	190,797	3,403
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>80,046</u>	<u>76,643</u>
END OF YEAR	<u><u>\$ 270,843</u></u>	<u><u>\$ 80,046</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (14,267)	\$ 115,033
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	7,207	(61,458)
Due From or To Other Funds	(43,064)	(61,799)
Prepaid Insurance	-	151,879
Accounts and Other Payables	182,084	8,947
Unearned Income	<u>(17,151)</u>	<u>(202,998)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 114,809</u></u>	<u><u>\$ (50,396)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u><u>\$ 71,815</u></u>	<u><u>\$ (48,321)</u></u>

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General
Administration
and
Building

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Petty Cash Fund	\$ 300	\$ 300
Cash in Bank	648,107	425,435
Cash, EIA Treasury	<u>1,832,762</u>	<u>565,332</u>
TOTAL CASH & CASH EQUIVALENTS	2,481,169	991,067
Investments	1,329,425	947,322
Accounts Receivable		
Due from Members	77,146	77,164
Investment Income Receivable	54,656	56,382
Other Receivables	150	2,722
Due from Other Funds	258,292	1,033,874
Prepaid Expense	<u>101,183</u>	<u>61,832</u>
TOTAL CURRENT ASSETS	<u>4,302,021</u>	<u>3,170,363</u>
Noncurrent Assets:		
Investments	1,246,713	1,792,291
Investments-Restricted	7,762,613	7,974,043
Due from Other Funds	2,202,450	1,230,276
Capital Assets:		
Land	1,000,000	1,000,000
Building	5,745,390	5,755,255
Less Accumulated Depreciation, Building	(1,068,660)	(956,513)
Tenant Improvements	2,362,336	2,362,336
Less Accumulated Depreciation, Tenant Improvements	(1,453,673)	(1,302,403)
Office Furniture and Equipment	1,276,797	1,538,419
Computer Software	5,105,833	4,838,124
Less Accumulated Depreciation	<u>(2,895,902)</u>	<u>(3,030,176)</u>
TOTAL NONCURRENT ASSETS	<u>21,283,897</u>	<u>21,201,652</u>
TOTAL ASSETS	<u>25,585,918</u>	<u>24,372,015</u>
Deferred Outflows of Resources:		
Deferred Outflows of Resources on Pensions	1,193,779	1,568,755
Deferred Outflows of Resources on OPEB	<u>33,583</u>	<u>150,165</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,227,362</u>	<u>\$ 1,718,920</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 384,440	\$ 617,975
Risk Mgmt. Subsidy deposits	2,000,000	2,000,000
Compensated Absences	111,743	101,937
Unearned Income	22,377	7,237
Due to Other Funds	481,657	481,657
Security Deposits	28,473	28,473
TOTAL CURRENT LIABILITIES	3,028,690	3,237,279
Noncurrent Liabilities:		
Risk Mgmt. Subsidy deposits	5,762,613	5,974,043
Compensated Absences	446,973	407,748
Net OPEB Liability	601,102	823,272
Net Pension Liability	1,429,650	1,603,286
Due to Other Funds	5,807,207	6,072,924
TOTAL NONCURRENT LIABILITIES	14,047,545	14,881,273
TOTAL LIABILITIES	17,076,235	18,118,552
Deferred Inflows of Resources:		
Deferred Inflow of Resources on Pensions	185,786	173,396
Deferred Inflows of Resources on OPEB	409,559	970,896
TOTAL INFLOWS OF RESOURCES	595,345	1,144,292
NET POSITION:		
Net Investment in Capital Assets	10,072,121	10,205,042
Unrestricted	(930,421)	(3,376,951)
TOTAL NET POSITION	\$ 9,141,700	\$ 6,828,091

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Member Services		
Claims Information Systems	\$ 327,255	\$ 398,308
EIA Drug and Alcohol Monitoring Consortium	600	600
Loss Prevention Seminars and Crisis Incident Carrier Contr.	104,459	-
Insurance Certificate Tracking Service	245,722	238,638
Other Income		
Personal Lines Insurance Program Income	77,616	79,969
Shared Cost Agreements	67,935	60,943
Other Income	121,763	73,485
	TOTAL REVENUES	851,943
EXPENSES:		
Salaries and Benefits	10,253,024	10,024,166
Staff Support	1,167,269	1,086,898
Services and Supplies	1,939,198	1,799,567
Loss Prevention Expenses	2,379,556	1,915,752
Subsidies	25,962	718,937
Building Maintenance and Operating Expense	228,518	609,658
Depreciation and Amortization	1,000,266	815,174
	TOTAL EXPENSES	16,970,152
TRANSFERS IN OR (OUT):		
Transfers In from		
Excess Workers' Compensation	5,359,928	5,175,590
Primary Workers' Compensation	4,990,497	5,041,856
Dental	217,667	220,738
EIAHealth	511,427	412,105
General Liability I	3,455,899	2,584,728
Primary General Liability	-	689,831
General Liability II	1,663,144	1,518,286
Miscellaneous Programs	14,115	13,712
Property	590,627	727,364
Medical Malpractice	719,763	605,024
Master Rolling Owner Controlled Ins. Program	100,534	100,320
Excess Insurance Authority	100,000	75,000
	TOTAL TRANSFERS	17,164,554
	OPERATING INCOME (LOSS)	\$ 1,046,345

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	\$ 787,718	\$ 11,731
Lease Income	488,076	446,444
Investment Expenses	(240,337)	(252,960)
Building Maintenance and Operating Expense	(172,392)	(459,919)
Depreciation and Amoritization	(119,975)	(120,695)
Building Program Financing Expense	<u>(104,639)</u>	<u>(84,254)</u>
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>638,451</u>	<u>(459,653)</u>
CHANGES IN NET POSITION	2,313,609	586,692
Beginning of Year, as Previously Reported	6,828,091	14,292,341
Adjustment to Beginning Net Position	<u>-</u>	<u>(8,050,942)</u>
Beginning of Year, as Restated	<u>6,828,091</u>	<u>6,241,399</u>
NET POSITION, END OF YEAR	<u>\$ 9,141,700</u>	<u>\$ 6,828,091</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION AND BUILDING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 773,769	\$ 384,658
Receipts from Others	189,310	208,816
Payments to Suppliers	(6,013,390)	(5,950,020)
Payments to Employees	(10,657,188)	(9,350,413)
Subsidy Payments to Members	(211,430)	-
Internal Activities	17,261,292	16,991,825
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,342,363</u>	<u>2,284,866</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets	(987,319)	(1,302,670)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(987,319)</u>	<u>(1,302,670)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,823,093)	(2,212,015)
Sales of Securities	3,275,901	1,739,727
Cash from Investment Earnings	711,542	47,801
Investment Expenses	(240,337)	(252,960)
Lease Receipts	488,076	446,444
Operating Lease Disbursements	(172,392)	(459,919)
Building Program Financing Expenses	(104,639)	(84,254)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,135,058</u>	<u>(775,176)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	1,490,102	207,020
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>991,067</u>	<u>784,047</u>
END OF YEAR	<u>\$ 2,481,169</u>	<u>\$ 991,067</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,675,158	\$ 1,046,345
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	1,000,266	815,174
Changes in Assets and Liabilities		
Accounts Receivable, Net	2,590	266,803
Due From or To Other Funds	(462,309)	(172,729)
Prepaid Expense	(39,351)	10,886
Deferred Outflows of Resources	491,558	(181,687)
Accounts and Other Payables	(455,707)	258,929
Subsidy Funds Payable	(211,430)	-
Compensated Absences	49,031	50,553
Deferred Inflows of Resources	(533,807)	(320,668)
Post Employment Benefits	(173,636)	511,260
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,342,363</u>	<u>\$ 2,284,866</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	<u>\$ 77,902</u>	<u>\$ (52,417)</u>



Excess Insurance Organization

EXCESS INSURANCE ORGANIZATION INC
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 333,707	\$ 830,787
Cash, Treasury	5,289,012	2,235,146
TOTAL CASH & CASH EQUIVALENTS	5,622,719	3,065,933
Investments	28,155,116	11,268,906
Accounts Receivable		
Due from Members	1,744,730	-
Investment Income Receivable	1,057,300	695,481
Prepaid Expense	6,950	-
Prefunded Deposit	2,500,000	2,500,000
Due from EIA	38,516,000	-
TOTAL CURRENT ASSETS	77,602,815	17,530,320
Noncurrent Assets:		
Investments	203,413,712	142,341,765
TOTAL NONCURRENT ASSETS	203,413,712	142,341,765
TOTAL ASSETS	281,016,527	159,872,085
 LIABILITIES:		
Current Liabilities:		
Unearned Revenue	7,692,000	7,566,000
Accounts Payable	34,134,494	5,799,158
Claims Liabilities	62,000,000	42,500,000
TOTAL CURRENT LIABILITIES	103,826,494	55,865,158
Noncurrent Liabilities:		
Claims Reported	40,799,490	28,603,247
Claims Incurred But Not Reported	112,233,181	61,744,473
TOTAL NONCURRENT LIABILITIES	153,032,671	90,347,720
TOTAL LIABILITIES	256,859,165	146,212,878
 NET POSITION:		
Capital Stock	5,000,000	5,000,000
Unrestricted	19,157,362	8,659,207
TOTAL NET POSITION	\$ 24,157,362	\$ 13,659,207

EXCESS INSURANCE ORGANIZATION INC
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPERATING REVENUES:		
Contributions for Retained Risk	\$ 139,666,969	\$ 96,982,623
TOTAL OPERATING REVENUES	139,666,969	96,982,623
OPERATING EXPENSES:		
Provision for Claims, Current Year	97,879,956	95,639,941
Provision for Claims, Prior Years	43,992,785	894,779
Program Expense		
Actuarial/Audit	17,500	17,000
Licensing Fees	5,250	5,250
Captive Meetings and Travel	9,835	13,095
Legal Counsel	14,997	2,200
Office Supplies, Website Hosting & Misc. Expenses	657	208
Bank Fees	48,742	37,601
TOTAL OPERATING EXPENSES	141,969,722	96,610,074
TRANSFERS IN OR (OUT):		
Transfer Out for General Administration	(100,000)	(75,000)
TOTAL TRANSFERS	(100,000)	(75,000)
OPERATING INCOME(LOSS)	(2,402,753)	297,549
NONOPERATING REVENUES (EXPENSES):		
Investment Income	13,167,842	4,548,276
Investment Expenses	(266,934)	(182,443)
TOTAL NONOPERATING REVENUE (EXPENSES)	12,900,908	4,365,833
CHANGES IN NET POSITION	10,498,155	4,663,382
Net Position, Beginning of Year	8,659,207	3,995,825
Capital Stock	5,000,000	5,000,000
NET POSITION, END OF YEAR	\$ 24,157,362	\$ 13,659,207

EXCESS INSURANCE ORGANIZATION INC
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts for Transferred Risk	\$ 99,532,239	\$ 107,793,413
Claims Paid	(31,352,454)	(24,328,734)
Payments for General Administration	(100,000)	(75,000)
Payments to Others	(18,734)	(1,205,647)
Payments to Suppliers	(85,197)	(60,504)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	67,975,854	82,123,528
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Securities	(211,732,605)	(155,635,700)
Sales of Securities	141,912,548	72,682,799
Investment Earnings	4,667,923	2,523,197
Investment Expense	(266,934)	(182,443)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(65,419,068)	(80,612,147)
INCREASE IN CASH AND CASH EQUIVALENTS	2,556,786	1,511,381
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	3,065,933	1,554,552
END OF YEAR	\$ 5,622,719	\$ 3,065,933
RECONCILIATION OF INCOME (LOSS) TO NET		
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (2,402,753)	\$ 297,549
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(1,744,730)	3,244,790
Prepaid Expenses	(6,950)	-
Due from EIA	(38,516,000)	-
Unearned Income	126,000	7,566,000
Claims Liabilities	82,184,951	72,205,986
Accounts Payable	28,335,336	(1,190,797)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 67,975,854	\$ 82,123,528
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized gain/(loss) on investments	\$ 8,138,100	\$ 1,519,625

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS INSURANCE ORGANIZATION INC
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 132,847,720</u>	<u>\$ 60,641,734</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	97,879,956	95,639,941
Increase (Decrease) in the provision for claims of prior fiscal years	<u>43,992,785</u>	<u>894,779</u>
B. Total incurred claims and claim adjustment expenses	<u>141,872,741</u>	<u>96,534,720</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	15,791,865	14,402,517
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>43,895,925</u>	<u>9,926,217</u>
C. Total Payments	<u>59,687,790</u>	<u>24,328,734</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 215,032,671</u>	<u>\$ 132,847,720</u>
Current Claim Liabilities	\$ 62,000,000	\$ 42,500,000
Noncurrent Claim Liabilities	<u>153,032,671</u>	<u>90,347,720</u>
Total Claim Liabilities	<u>\$ 215,032,671</u>	<u>\$ 132,847,720</u>

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
EXCESS INSURANCE ORGANIZATION
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2019**

The following schedule illustrates how the Fund's earned premiums (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last 10 years. The rows of the schedule are defined as follows:

1. This line shows the total of each fiscal year's earned premium, revenues ceded to reinsurers and stop-loss policies, and investment revenues. The total revenues are net of dividends returned to members.
2. This line shows the amount of reported unallocated claim adjustment expenses and reported other costs not allocated to individual claims.
3. This line shows the Fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event occurred that triggered coverage under the contract (called policy year).
4. This section of rows shows the cumulative amounts paid as of the end of each successive year for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year.
6. This section of rows shows how each policy year's incurred claims increased or decreased as of the end of each successive year. These annual reestimations result from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the schedule show data for successive policy years.

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS INSURANCE ORGANIZATION, INC.
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2019**

POLICY YEAR	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017*	June 30, 2018	June 30, 2019
Earned Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,109,714	\$ 97,072,905	\$ 139,666,969
Less Ceded	-	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	7,344,886	6,487,264	5,969,807
Total Revenues Available For Payment of Claims	-	-	-	-	-	-	-	85,454,600	103,560,169	145,636,776
Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
Estimated Incurred Claims	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
Less Ceded Claims	-	-	-	-	-	-	-	-	-	-
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	15,161,362	14,402,517	15,791,866
One Year Later	-	-	-	-	-	-	-	25,087,580	34,315,031	-
Two Years Later	-	-	-	-	-	-	-	49,070,991	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	-	-	-	-	-	-	75,803,096	93,571,460	136,235,191
One Year Later	-	-	-	-	-	-	-	78,766,357	96,621,991	-
Two Years Later	-	-	-	-	-	-	-	81,353,377	-	-
Three Years Later	-	-	-	-	-	-	-	-	-	-
Four Years Later	-	-	-	-	-	-	-	-	-	-
Five Years Later	-	-	-	-	-	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,550,281	\$ 3,050,531	\$ -

*Excess Insurance Organization, Inc.
established July 1, 2016

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STATISTICAL SECTION

This part of the CSAC Excess Insurance Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. They show how revenues and expenses have developed over years. They show how our Net Position has increased, then fallen and increased again.

	<u>Page</u>
Schedule of Net Position.....	204
Schedule of Revenues, Expenses and Changes in Net Position	205
History of Dividends Returned to Members	206

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, General Liability I, Property, and Medical Malpractice claims is an indicator of the Provision for Claims. Payrolls for Workers' Compensation and General Liability I, together with claims experience are an indicator for premium revenues. Property values are indicators for Property premiums.

	<u>Page</u>
Economic Statistics	207
Number of Claims	208
Property Values.....	209

Operating Information

These schedules contain information regarding Authority employees by department, member participation by program, and the growth of office space.

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Economic Indicators and Information.....	210

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.

**CSAC EXCESS INSURANCE AUTHORITY
SCHEDULE OF NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019**

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Assets										
Current Assets	\$ 315,472,521	\$ 312,575,944	\$ 343,635,991	\$ 326,533,622	\$ 309,440,001	\$ 207,777,344	\$ 227,525,217	\$ 237,651,931	\$ 176,669,754	\$ 290,175,714
Noncurrent Assets	231,292,296	251,262,932	230,227,831	261,618,903	283,144,273	434,584,578	511,133,020	553,711,422	657,644,997	675,593,331
Deferred Outflows - Pension	-	-	-	-	-	587,253	3,329,112	1,537,233	1,718,920	1,227,362
Total Assets and Deferred Outflows	546,764,817	563,838,876	573,863,822	588,152,525	592,584,274	642,949,175	741,987,349	792,900,586	836,033,671	966,996,407
Liabilities										
Current Liabilities	104,210,436	97,435,058	108,329,137	117,831,208	124,485,595	148,795,667	144,506,871	153,724,595	183,323,834	321,909,836
Noncurrent Liabilities	324,196,776	362,089,179	359,982,865	351,705,921	354,769,678	380,901,782	458,363,786	497,188,376	528,994,951	444,459,373
Deferred Inflows - Pension	-	-	-	-	-	845,081	1,444,075	1,466,353	1,144,292	595,345
Total Liabilities and Deferred Inflows	428,407,212	459,524,237	468,312,002	469,537,129	479,255,273	530,542,530	604,314,732	652,379,324	713,463,077	766,964,554
Net Position										
Invested in Capital Assets	10,706,672	9,181,260	8,848,705	8,677,508	8,414,447	9,043,933	9,578,879	9,838,240	10,205,042	10,072,121
Unrestricted	107,650,933	95,133,379	96,703,115	109,937,888	104,914,554	103,362,712	128,093,738	130,683,022	112,365,552	189,959,732
Total Net Position	\$ 118,357,605	\$ 104,314,639	\$ 105,551,820	\$ 118,615,396	\$ 113,329,001	\$ 112,406,645	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853

CSAC EXCESS INSURANCE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
REVENUES:										
Premiums for Transferred Risk	\$ 281,136,570	\$ 316,271,011	\$ 374,220,717	\$ 384,507,793	\$ 423,229,776	\$ 443,008,816	\$ 493,749,250	\$ 535,583,984	\$ 639,585,449	\$ 826,382,527
Broker Fees	5,616,485	6,459,876	7,085,654	7,382,605	8,342,982	8,775,741	9,385,697	9,996,927	10,678,116	11,435,218
Contributions for Retained Risk	102,214,702	119,707,240	108,763,785	129,253,959	124,089,007	143,354,781	163,031,197	196,118,073	212,774,426	125,476,876
Dividend Income	201,158	41,971	75,314	213,606	215,008	241,593	232,389	192,828	93,904	173,634
Member Services	263,004	530,052	613,490	640,078	865,314	1,111,493	747,513	935,244	637,546	678,036
Administrative Fees	9,963,197	10,155,392	11,487,622	12,617,685	14,400,637	16,107,839	18,830,010	21,294,667	22,797,612	22,542,735
Public Entity Fees	398,951	408,475	456,577	480,351	552,493	604,556	655,463	738,862	138,545	106,979
Program Development Fees	4,200	7,550	3,550	-	-	-	-	2,400	-	-
Other Income	617,281	2,313,897	7,673,338	1,991,075	2,284,488	1,878,251	86,854,558	2,172,511	2,105,826	2,502,795
Investment Income	15,758,005	9,726,704	5,103,554	1,782,998	6,227,796	6,159,321	13,786,527	4,602,220	6,283,097	38,142,841
Total Revenues	416,173,553	465,622,168	515,483,601	538,870,150	580,207,501	621,242,391	787,272,604	771,637,716	895,094,521	1,027,441,641
EXPENSES:										
Dividends	11,488,482	11,062,736	10,291,841	10,281,301	6,179,489	4,703,871	5,554,624	2,970,796	1,082,497	2,187,466
Stabilization Funds	-	-	-	-	-	-	477,716	64,106	47,210	-
Insurance Expense	271,385,012	303,821,702	372,467,736	383,759,144	422,937,089	444,479,808	496,527,761	537,135,168	638,628,836	808,697,072
Broker Fees	5,616,545	6,459,283	7,053,183	7,384,093	8,079,636	8,559,724	9,125,742	10,056,293	10,636,299	12,897,673
Provision for Insured Claims	117,204,060	124,443,282	101,501,141	99,860,765	122,157,339	135,224,386	213,524,014	185,159,424	231,224,547	96,385,288
Unallocated Loss Expenses	9,376,859	1,127,804	(424,706)	18,714	2,332,280	2,119,213	9,400,117	4,035,629	(5,702,516)	(574,000)
Program Services	19,004,605	22,809,139	13,426,729	13,831,864	12,134,125	12,005,843	13,744,756	13,006,216	13,382,182	13,393,090
Member Services and Subsidies	2,210,316	2,027,109	2,056,405	2,192,839	2,358,826	2,852,087	2,963,429	2,753,144	2,634,689	2,405,518
General Administration	6,781,774	7,150,235	7,118,673	7,702,622	8,412,166	8,870,057	9,574,758	12,500,483	12,910,631	13,067,124
Building Depreciation & Maintenance	541,668	763,844	755,418	775,232	902,946	888,371	1,113,715	1,107,812	2,005,446	1,521,151
Total Expenses	443,609,321	479,665,134	514,246,420	525,806,574	585,493,896	619,703,360	762,006,632	768,789,071	906,849,821	949,980,382
Changes in Net Position	(27,435,768)	(14,042,966)	1,237,181	13,063,576	(5,286,395)	1,539,031	25,265,972	2,848,645	(11,755,300)	77,461,259
NET POSITION:										
Beginning Net Position	145,793,373	118,357,605	104,314,639	105,551,820	118,615,396	113,329,001	112,406,645	137,672,617	140,521,262	122,570,594
Adjustment to Beginning Net Position	-	-	-	-	-	(2,461,387)	-	-	(6,195,368)	-
Ending Net Position	\$ 118,357,605	\$ 104,314,639	\$ 105,551,820	\$ 118,615,396	\$ 113,329,001	\$ 112,406,645	\$ 137,672,617	\$ 140,521,262	\$ 122,570,594	\$ 200,031,853

**CSAC EXCESS INSURANCE AUTHORITY
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019**

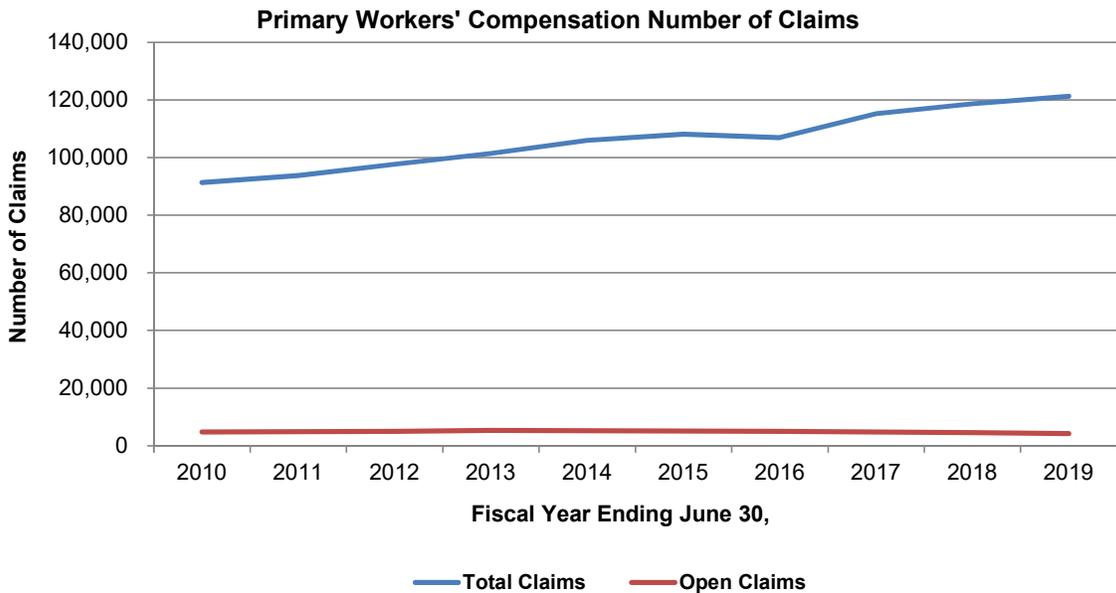
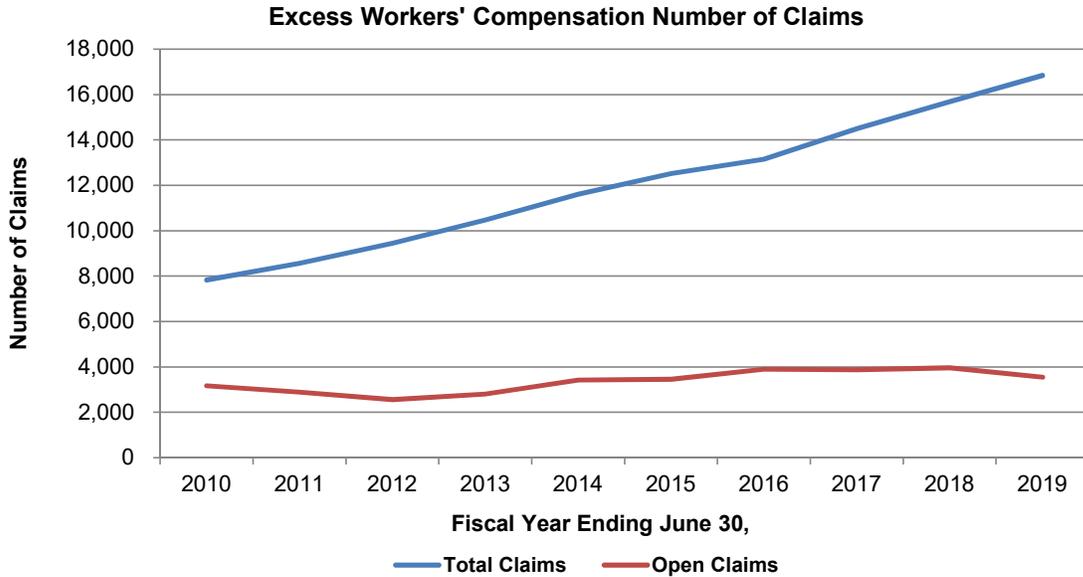
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Excess Workers' Compensation Pool Dividends Reinsurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Workers' Compensation	8,000,000	7,500,000	7,000,000	6,500,000	5,500,000	3,998,408	2,300,000	2,500,000	-	2,000,000
Employee Benefits EIAHealth Program	1,287,324	1,202,694	29,472	17,695	14,481	13,870	22,235	15,857	8,174	13,833
General Liability 1 Program Pool Dividend	-	-	-	3,000,000	-	-	3,000,000	-	-	-
Primary General Liability	-	-	1,187,055	550,000	450,000	450,000	-	266,000	980,419	-
General Liability 2 Program Mega Fund Reinsurance	-	-	-	-	-	-	-	-	-	-
Miscellaneous Programs	102,066	-	11,173	100,827	99,743	114,475	116,728	91,516	20,239	173,634
Property	99,092	41,971	64,141	112,779	115,265	127,118	115,661	97,423	73,665	-
Medical Malpractice Mega Fund Reinsurance Pool 2	2,000,000	-	2,000,000	-	-	-	-	-	-	-
Building Fund	-	2,318,071	-	-	-	-	-	-	-	-
Total	\$ 11,488,482	\$ 11,062,736	\$ 10,291,841	\$ 10,281,301	\$ 6,179,489	\$ 4,703,871	\$ 5,554,624	\$ 2,970,796	\$ 1,082,497	\$ 2,187,466

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019**

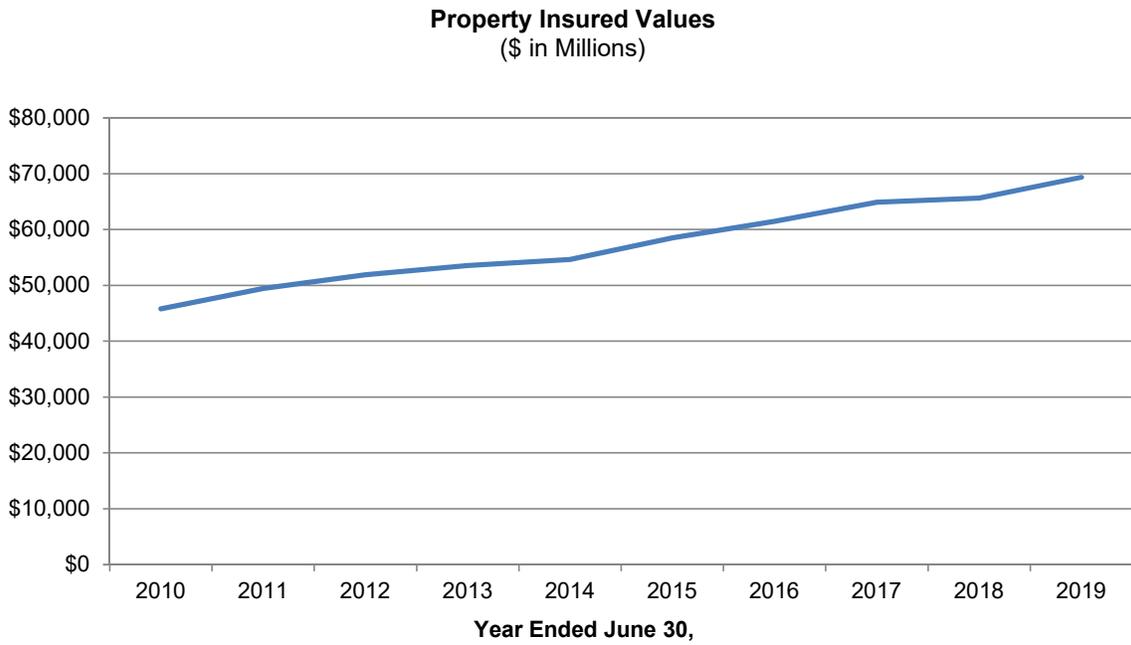
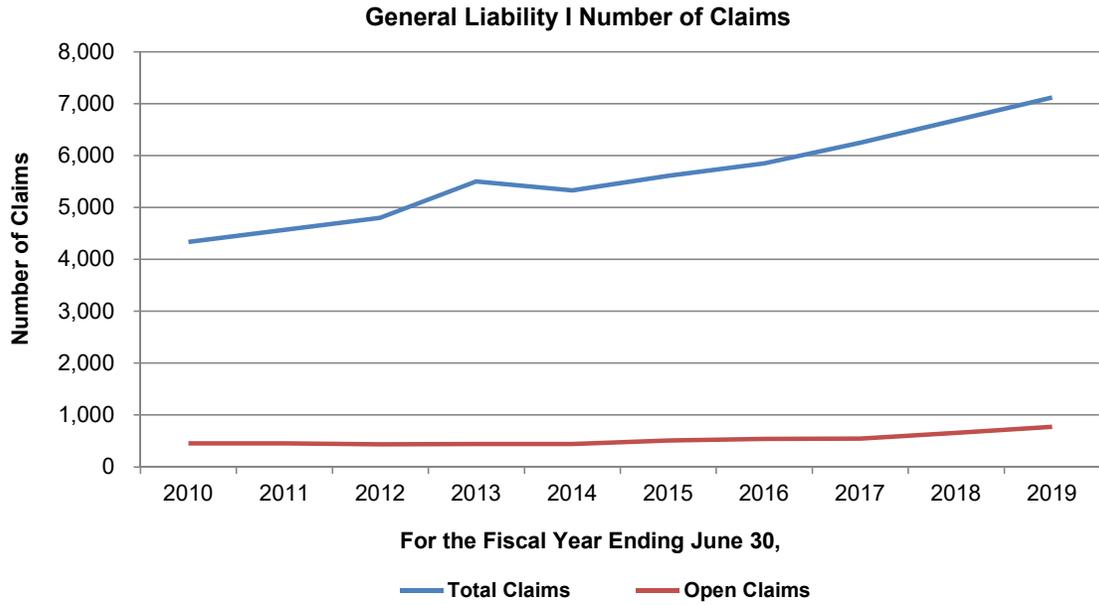
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Excess Workers' Compensation										
Total Number of Claims	7,829	8,569	9,453	10,472	11,602	12,525	13,145	14,496	15,686	16,840
Open Claims	3,165	2,884	2,561	2,800	3,424	3,465	3,904	3,884	3,964	3,543
Covered Payroll	\$ 21,271,835,420	\$ 21,247,944,019	\$ 20,727,171,214	\$ 20,360,673,861	\$ 21,071,214,181	\$ 23,245,479,774	\$ 26,384,416,150	\$ 28,017,837,370	\$ 29,451,565,009	\$ 31,071,536,016
Primary Workers' Compensation										
Total Number of Claims	91,403	93,795	98,618	102,474	106,031	108,204	107,009	115,224	118,732	121,315
Open Claims	4,787	4,907	5,212	5,304	5,235	5,198	5,078	4,787	4,630	4,211
Covered Payroll	\$ 2,714,848,814	\$ 2,923,194,417	\$ 2,919,336,198	\$ 2,713,847,270	\$ 2,738,537,582	\$ 2,834,695,200	\$ 2,916,995,600	\$ 3,151,778,300	\$ 3,503,927,308	\$ 2,525,228,074
General Liability 1										
Total Number of Claims	4,336	4,575	4,803	5,058	5,330	5,612	5,944	6,255	6,688	7,123
Open Claims	457	458	437	446	447	511	556	547	661	775
Covered Payroll	\$ 4,297,349,507	\$ 4,059,376,736	\$ 5,281,330,317	\$ 6,773,455,082	\$ 4,247,637,803	\$ 4,699,750,004	\$ 4,959,948,402	\$ 5,709,976,288	\$ 6,252,866,616	\$ 6,682,822,103
Property										
Total Number of EIA Claims	1,133	1,039	1,740	2,154	2,375	2,593	2,799	3,083	3,459	3,669
Open EIA Claims	130	24	95	28	118	164	28	13	105	75
Total Number of Excess Claims	1,001	1,113	1,135	1,208	1,146	1,283	1,364	1,473	1,655	1,833
Open Excess Claims	73	127	80	100	58	128	141	165	191	211
Total Property Values	\$ 45,817,222,183	\$ 49,489,556,840	\$ 51,904,952,869	\$ 53,581,274,859	\$ 54,664,987,390	\$ 58,530,759,169	\$ 61,522,521,668	\$ 65,055,750,921	\$ 65,631,724,325	\$ 69,370,324,423

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019**

The best economic indicator of the financial stability for the CSAC Excess Insurance Authority is the estimation of incurred claims expense (line 6) and claims paid (line 3) reported in the Schedule of Claim Development and Earned Assessments in the Required Supplemental Information section of the CAFR's Financial Section. Other relevant economic and demographic information would include trends for the number of claims, covered payrolls, property values, and EIAHealth employees and lives covered as shown on the following charts.



**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2019**



**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2019**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Full-time Equivalent Employees as of June 30	48	51	53	54	54	59	62	68	74	79
Number of Retirees	3	4	4	4	4	6	6	6	9	10
Square footage of Office Space	24,448	25,000	25,000	25,000	25,000	25,000	29,000	29,000	29,000	29,000
Member Units*										
Primary Workers' Compensation	40	42	41	38	39	38	38	39	39	41
Excess Workers' Compensation	161	164	166	161	166	166	167	171	175	174
Primary General Liability	30	29	29	23	23	23	23	22	-	-
General Liability 1	97	101	103	100	104	104	117	114	125	128
General Liability 2	12	11	11	11	11	11	12	15	18	18
Property	78	81	82	82	84	85	96	98	105	104
Medical Malpractice	49	48	50	50	49	49	49	51	52	52
Master Owner Controlled Ins	-	-	-	-	2	4	8	15	16	17
EIAHealth	15	18	24	25	25	25	28	32	37	43
Dental	-	119	122	126	133	142	145	153	154	163
Total Member Units	482	613	628	616	636	647	683	710	721	740
Member Counties	54	54	54	54	55	55	55	55	55	55
Member Public Entities	196	289	247	245	255	262	260	273	288	295
Total Members	250	343	301	299	310	317	315	328	343	350

* 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
BUDGET HIGHLIGHTS
FOR THE YEAR ENDED 30, 2019**

	Final Budget	Actual Results	Variance
Revenues:			
Premiums for Transferred Risk	\$ 633,661,200	\$ 826,382,527	\$ 192,721,328
Broker Fees	11,212,412	11,435,218	222,806
Contributions for Retained Risk	217,272,989	125,476,876	(91,796,113)
Dividend Income	100,000	-	(100,000)
Public Entity Fees	-	106,979	106,979
Investment Income	21,021,000	38,142,841	17,121,841
Financing Fees	105,000	-	(105,000)
Administration Fees	24,114,464	22,542,735	(1,571,729)
Member Services	1,326,891	851,670	(475,221)
Tenant Income	481,935	195,709	(286,226)
Other Income	836,515	2,307,086	1,470,571
Total Revenues	910,132,405	1,027,441,641	117,309,236
Expenses:			
Member Dividends and return of Stabilization Funds	110,000	2,187,466	(2,077,466)
Insurance Expense	611,601,182	808,697,072	(197,095,891)
Broker Fees	11,200,969	12,897,673	(1,696,704)
Provision for Claims	199,587,731	96,385,288	103,202,443
Unallocated Loss Adjustment Expenses	1,958,000	(574,000)	2,532,000
Program Services	39,359,036	13,393,090	25,965,946
Member Services and Subsidies	5,239,791	2,405,518	2,834,273
General Administrative Expense	16,688,142	14,588,275	2,099,867
Building Operation Expense	539,057	-	539,057
Depreciation	848,270	-	848,270
Delegated to Committees	545,000	-	545,000
Total Expenses	887,677,178	949,980,382	(62,303,204)
Total Income (Loss)	\$ 22,455,227	\$ 77,461,259	\$ 55,006,032
Change in Net Position	\$ 22,455,227	\$ 77,461,259	
Beginning Net Position Balance July 1, 2017	160,838,436	122,570,594	
Adjustment to beginning Net Position	-	-	
Ending Net Position Balance, June 30, 2018	\$ 183,293,663	\$ 200,031,853	

For purposes of Actual to Budget comparison the above budgets do not include the \$50 million budgeted for both revenue and expense in the Member Growth category. New member revenue and expense is included in the appropriate revenue and expense category.