

CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE COMMITTEE

MEETING SUMMARY

CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, California 95630
916-850-7300

Wednesday, June 26, 2019
10:00 a.m.
Fourth Meeting – 2019

Members Present

Jim Kotey, Placer County
Lari Camarra, Riverside Co.
Lance Sposito, Santa Clara County
Kevin Watson, Stanislaus County
Robert Anderson, Tulare County
Ann Fremd, Tuolumne County

Members Absent

Maria Boehne, Marin County
Tanya Moreno, San Joaquin County

General Business

- The Committee received a claim summary report as of March 31, 2019. Noted was the projected net position at March 31, 2019 was \$9.7M.
- The Committee received an update as to the status of the 2019/20 renewal terms with Med Pro, which includes a not-to-exceed 10% increase for 2019/20. Alliant shared that the loss activity to date has been as expected, if not better than expected, and that Med Pro has been a good partner on the Program, especially on the claims side.
- The Committee reviewed and approved the Target Funding Guidelines for 2019/20 with one change to reflect setting the bottom of the target funding range at no less than the 80% confidence level – which is a similar modification that was made to both the EWC and GL1 target funding guidelines.
- Staff provided the Committee with a summary of the actuarial results and 2019/20 pool funding. The discussion included a review of funding of outstanding claims, funding for future claims, confidence level for 2019/20 program rates, and the long-term investment assumptions. The Program overall is in a strong funding position, upwards of the 86% confidence level with projected net equity in the Program at September 30, 2019 of \$10M, which puts the funding well into the Program's target funding rate. ***The Committee approved the 2019/20 funding for the pool at a 75% confidence level, discounted at 1.75%. This is an increase to the 70% confidence level the Program has been funding at for the past several years.***
- The Committee received an informational report on the Program's budget and approved the Program Budget Policies with one minor modification to the revenue section which now states that any carryover from the previous years' administrative expenses will flow to the Program's net position.
- The 2019/20 estimated premium allocation was approved.

- CSURMA was approved for membership in the Program, with 1) SIR options of \$500k, \$1M, and \$5M, 2) along with their non-profit network of auxiliary organizations known as the Auxiliary Organizations Risk Alliance (AORMA) – which includes delegation to staff the ability to review approve future AORMA members, and 3) with nose coverage for their prior claims made liabilities, effective July 1, 2019, subject to carrier approval.
- An informational report was given on the purchase of CFMG by Wellpath and the ensuing challenges some members have had trying to negotiate contacts with them. An effort is underway to create a working group to try and sort through and address some of the issues. This meeting is expected to happen this summer with proposed plans to perhaps have a small working group meet in the morning with members, then in the afternoon, have a meeting with those members and representatives from CFMG.
- The Committee received an informational report regarding the Spring Retreat.
- The Committee was apprised of the new services being offered by Member Services.

Next Meeting

The next meeting will be held at the call of the Chair.