

**CSAC EXCESS INSURANCE AUTHORITY**  
**MEDICAL MALPRACTICE COMMITTEE**

**MEETING SUMMARY**

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

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Thursday, September 20, 2018  
10:30 a.m.  
Seventh Meeting – 2018

**Members Present**

Karen Caoile, Alameda Co.  
Sharon Hymes-Offord, Contra Costa Co.  
Jim Kotey, Placer Co.  
Tanya Moreno, San Joaquin Co.  
Lance Sposito, Santa Clara Co.  
Kevin Watson, Stanislaus Co. – Alternate

**Members Absent**

Maria Boehne, Marin Co. – Alternate  
Lari Camarra, Riverside Co.  
Ann Fremd, Tuolumne Co.

**General Business**

- The Committee reviewed and discussed the Program’s risk tolerance level, which has remained the same at the “neutral” level.
- The Extended Participation Agreement, which lays out the parameters for a 2-year commitment with the Program’s reinsurance carrier (Med Pro), was approved as an addendum to the Program’s Memorandum of Understanding (MOU). In exchange for a 2-year commitment from 75% of the premium bearing members, the members benefit by having a flat premium for 2018/19 and a not-to-exceed premium increase of 10% for 2019/20. Staff will continue to collect the executed Extended Participation Agreements from the members up until the final deadline of December 21, 2018.
- The Target Funding Guidelines were reviewed and the Case Reserves to Equity Ratio was deleted for 2 reasons. First, the case reserves are included in the Outstanding Ultimate Reserves Ratio and as such, are duplicative. Second, because of the variability in the metric, it is not a reliable measure of the financial position of the Program.
- Staff presented the actuarial results for the 2018/19 pool funding. For the 2018/19 year, rates for Program 1 increased about 5% on average (70% confidence level) and Program 2 rates increased approximately 11%. Overall, the projected program equity at September 30, 2018 is approximately \$6.7M, which is in the middle of the target funding range. The Committee approved continuing to fund the pool layer for 2018/19 at the 70% confidence level, discounted at 1.75%. The Committee discussed the possibility of increasing the confidence level next year to 75% or 80% and requested the budget estimates for 2019/20 reflect a higher confidence level.

- Staff provided the Committee with an overview of the changes made to the Program's premium allocation and exposure rating over the past year. Staff reviewed how the various components of the premium allocation are allocated and reported. The current 2018/19 financial standing of the Program remains strong at \$6.7M, which falls in the middle of the target funding range. The Committee reviewed and approved the 2018/19 premium allocation.
- The Committee received an update on the Medical Malpractice MOC revisions. Staff shared the comments received by program members and corresponding responses and/or any changes made based on comments received.
- The Committee approved the completed RMS audit and authorized it for release to reinsurers and members.
- The Committee received a Member Services update on the following services: Labor Law/Employment Practices Services, Risk Management 101 Training Series, EIA's Inaugural Service Partner Trade Show, Emerging Insurance Professionals group, the Crisis Incident Management Service, and the Enterprise Risk Consultants Program.

### **Closed Session**

The Committee addressed 5 claims in closed session.

### **Next Meeting**

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