

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



ADOPTED BUDGET

For the Fiscal Year
July 1, 2015 to June 30, 2016

CSAC EXCESS INSURANCE AUTHORITY

ADOPTED BUDGET

FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016

EXECUTIVE COMMITTEE

Name	Entity
Jim Sessions	Riverside County
Kristin McMenomey	Mendocino County
Barbara Lubben	Alameda County
James Brown	Merced County
Kimberly Greer	City of Richmond
Lance Sposito	Santa Clary County
Maryellen Peters	Placer County
Peter W. Huebner	Sierra County
Scott Schimke	Glenn County
Teri Enos-Guerrero	City of Chula Vista
Roberta Allen	Plumas County
Stephan Underwood	EIA General Counsel

SENIOR MANAGEMENT

Michael Fleming	Chief Executive Officer
Gina Dean	Chief Operating Officer
Michael Pott	Chief Claims Officer
Marianne Stuart	Chief Financial Officer
George Reynolds	Chief Information Officer

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Report Prepared By The
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Vicki Walter, CPA, Controller
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Donna McClanahan, Accounting Technician
Mercy Penales, Accounting Technician

CSAC Excess Insurance Authority
Adopted Budget
For the Fiscal Year 2015/16

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June 5, 2015

Members, Board of Directors
Folsom, California

Re: 2015/16 Proposed Budget

We respectfully submit the authority's proposed budget for fiscal year 2015/16.

This budget includes **several new initiatives**:

- Funding for a risk assessment tool and the elimination of fee for service funding of our Target Solutions Platform. These services will be offered at no cost to all members.
- Funding for a Chief Member Services Officer and staff to market and develop existing services and roll out new services based on a needs assessment by member driven focus groups.
- Funding for a new Data Analytics Manager to develop benchmarking capabilities.

These new initiatives complement our existing priorities to:

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

A **major challenge** faced by our broker, Alliant Insurance Services, was the non-renewal by both carriers, Ironshore and CV Starr, in the General Liability I program, and Ironshore in the General Liability II program. Both Ironshore and other carriers have found the California public entity liability market non-profitable and difficult to underwrite.

75 Iron Point Circle, Suite 200 • Folsom, CA 95630 • 916.850.7300 • FAX 916.850.7800 • www.csac-eia.org

EXECUTIVE COMMITTEE:

Jim Sessions President Riverside County	Kristin McMenomey Vice President Mendocino County	Barbara Lubben Alameda County	Teri Enos-Guerrero City of Chula Vista	Scott Schimke Glenn County	James Brown Merced County	Maryellen Peters Placer County	Kimberly Greer City of Richmond	Lance Sposito Santa Clara County	Peter W. Huebner Sierra County	Van Maddox Sierra County
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Ultimately we restructured the Excess General Liability programs, and were able to present renewal proposals with new carrier placements and within the early budget numbers presented to the members. In contrast, we were able to renew our other major programs including our primary and excess workers compensation programs, our property program, our health program and the majority of our miscellaneous programs under our multiyear agreements with the existing carriers.

With much hard work by committees and staff, **our accomplishments** for the past year include the following:

- Staff completed the long awaited conversion of the largest Third Party Administrator (TPA) responsible for 75% of the claims in the Primary Workers Compensation program into our Claims System. This has been a multi-year project and now that we have done the largest conversion we expect to be able to bring on the other three TPAs within the upcoming year. We also brought nine member entities onto our claims platform.
- A new software development contract was executed and most of our web portal services have migrated to a new web platform. This will enable us to custom develop the balance of our pool management platform including renewal applications and consolidating our membership and policy data in one place.
- An organization study and needs analysis for member services was completed. The Executive Committee established priorities for the new Member Services Department, which includes the consolidation of the Loss Prevention Department within Member Services.
- At the direction of the Claims Review, Underwriting and Primary Workers Compensation Committees, a pilot program is underway to evaluate the member audits in the workers compensation area to focus on claims outcomes and not just on claims handling processes.
- A new Educational Tower was added January 1, 2015, to the Excess Workers' Compensation program with the addition of a new member, the California State University Risk Management Association. This brings a new carrier and alternate structure options to the program.

Our Major program renewal details follow.

In the **Primary Workers' Compensation (PWC)** program the structure remains the same with the purchase of insurance for the \$115k limits in excess of \$10k deductibles. The \$10k deductible is pooled by the EIA. The program includes a multi-year rate stabilization plan with AmTrust. Because net position exceeds the low end of the target equity range, a dividend is budgeted for \$3M.

As noted above the **Excess Workers' Compensation (EWC) Program** added a new tower for the California State University program, which provides dollar one primary coverage up to statutory limits. The structure remains the same for the already existing

program. The layer up to \$5M has single combined pool limit of \$ 26.4M. Additionally the confidence level was raised to 82.5% in determining premium needed to cover the \$125k to \$5M layer. Since the short-term goal is to get within the target equity range within seven years, this will allow the program to add a potential \$9.6M to equity. Additional excess insurance expands coverage to statutory, per occurrence limits. Although program losses for the current year exceeded the multi-year rate stabilization plan with AmTrust, we continue with a plan in place for next year.

The **Primary General Liability (PGL) Program** had lower losses and the program was renewed at a 3% rate decrease. The program has net position in excess of target equity and has budgeted another \$250K dividend.

In the **General Liability Program I** both the insurance carriers and the structure changed. The addition of a corridor deductible above our pool is well within the risk tolerance of the Board and the renewal came in at or below budgeted numbers for most members.

The **General Liability II** program for members with large, one to three million self-insured retentions (large counties, cities and a Joint Powers Authority of cities), faced the loss of one of their primary carriers and a challenging loss history. The Corridor has been increased to \$9M and the program rates overall increased 12%.

The **Property Program**, one of our oldest and largest programs, was renewed at a 9.3% rate decrease which was partially used to purchase higher flood and earthquake limits.

The **Medical Malpractice** Program renews October 1, 2015. Premiums are estimated at this point. The Medical Malpractice Committee will be approving final terms for the 2015/16 renewal, and setting goals over the summer.

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

The **EIAHealth Program**, a fully insured program is operated with our partner, Self-Insured Schools of California (SISC). Plan renewals are expected to increase up to 9% in part because of new per member, per month fees assessed as part of healthcare reform and the new California Insurance Exchange funding. The program continues to attract new members, with the County of Del Norte and Orange County Sanitation District coming on July 1, 2015.

The **Dental Program** is continuing to add new members. The program is using \$1M of surplus to partially offset premium based on each member's benefit level and claims experience.

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

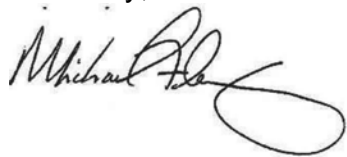
The **General Administration** budget is used to pay the day-to-day operation of the EIA, and support for its member driven governance structure. The adopted budget includes six new positions, and the elimination of two positions. See schedule 1 for details. Overall transfers to fund overhead increased 15.4%, excluding the onetime payment of our unfunded pension liability which largely came from equity. It also includes \$2M for loss prevention and risk management subsidies to members.

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

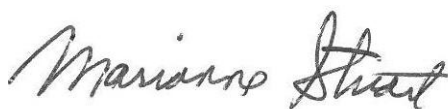
The **Capital Outlay** budget includes the capital costs of the new claims system, another phase of our pool management system, a new data analytics platform, maintaining the EIA computer systems, building costs, and furniture and equipment. The impact of the capital budget is less than 1% of total expenses.

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

Sincerely,



Michael Fleming
Chief Executive Officer



Marianne I. Stuart, CPA
Chief Financial Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**CSAC Excess Insurance Authority
California**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

CSAC Excess Insurance Authority
2015/16 Budget

Organization and Reporting Entity

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

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

The budget includes all programs operated by the Authority and conforms to generally accepted governmental accounting standards including the unique requirements for state and local governments set forth by the Governmental Accounting Standards Board (GASB). The accounting records and the budget are prepared and maintained using the accrual basis of accounting. Revenues (insurance and pooled premium) are recognized when earned, and expenses for claims are recognized when known or estimated, rather than when paid. The cost of acquiring capital assets is recognized through depreciation expense over the life of the asset. By approving the Capital Outlay Budget, the authority is authorized to make the capital asset purchase.

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

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

Membership

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

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

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

Organization

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

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

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

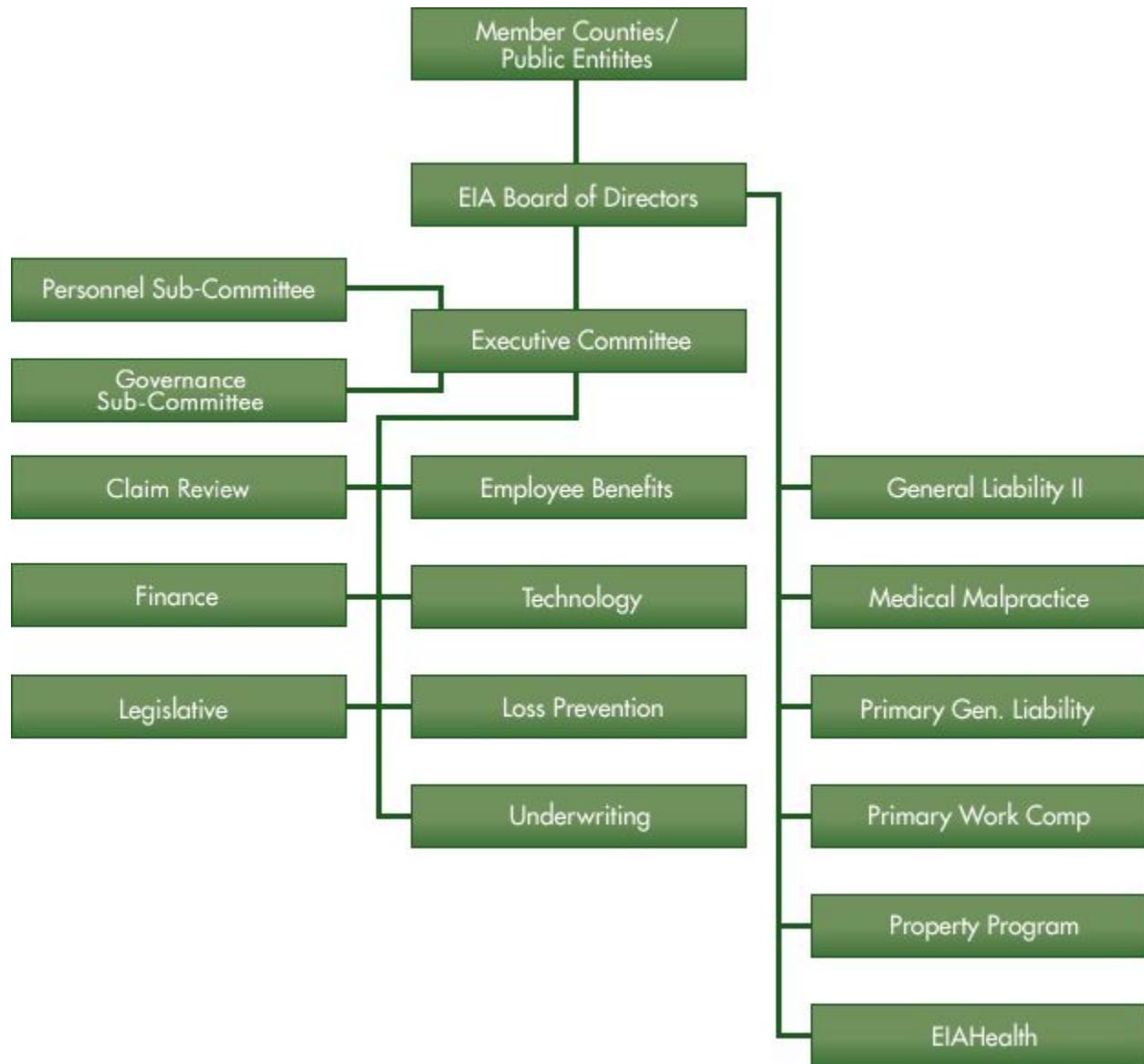
Legislative – Reviews and provides input on legislative issues that could impact the Authority's operations.

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

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



CSAC Excess Insurance Authority Organization Chart



Mission Statement

The Board of Directors has adopted the following Mission Statement:

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

Competitive

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

Available

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

Responsive

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

Equitable

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

Stable

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

Budget Process

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

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

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

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

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

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

CSAC Excess Insurance Authority 2015/16 Budget Calendar

January 2015

- Major budget items were presented to Executive Committee for discussion and direction. Administrative and Information Technology Staff changes were proposed and estimates to redevelop the Website/Pool Management system. Also discussed were potential increased retirement contributions and the GASB 68 pension liability entries.
- Governing committees throughout the spring developed short and long-term goals, and reviewed/revised program budget policies.
- Starting in January and throughout the spring, committees reviewed actuarial results, insurance proposals, and provided direction regarding insurance purchase, pool funding, and other program services.

April 2015

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

May 2015

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

June 2015

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

Guiding Long-Term Fiscal Policies

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

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

Volume Discounts

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

Pooling

Larger retained risk pools results in:

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

Insurance Purchase

Volume purchasing can result in:

- Lower insurance rates
- Better coverage agreements

Blending Self-Insurance with the Purchase of Insurance

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

Pooling

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

Insurance

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

Dividends to Members

Retaining risk through the many EIA risk pools has allowed the EIA to return \$75.3M in dividends to members during the past ten years.

Structure programs that are responsive to members needs

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

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

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

Long-term Relationships

Many EIA programs have benefited from long-term relationships with various underwriters. Multi-year agreements have stabilized costs, improved coverage and saved premium resources. Long-term programs have proven to be effective in both hard and soft insurance markets. In addition, the Authority seeks to maintain or increase member participation in its programs. The Authority has consistently increased member participation and currently has 55 county members and 1900 public entity members (counties, cities, school districts, fire departments, etc.) participating in its programs. See member table in the overview chart section of the budget for trend information on member participation in Authority programs.

Maintain Financial Strength

Target Equity Funding

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

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

Capitalization and Debt Policy

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

Investment Policy

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

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

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



AUTHORITY-WIDE ADOPTED BUDGET

For the Fiscal Year
July 1, 2015 to June 30, 2016

Authority-Wide Budget

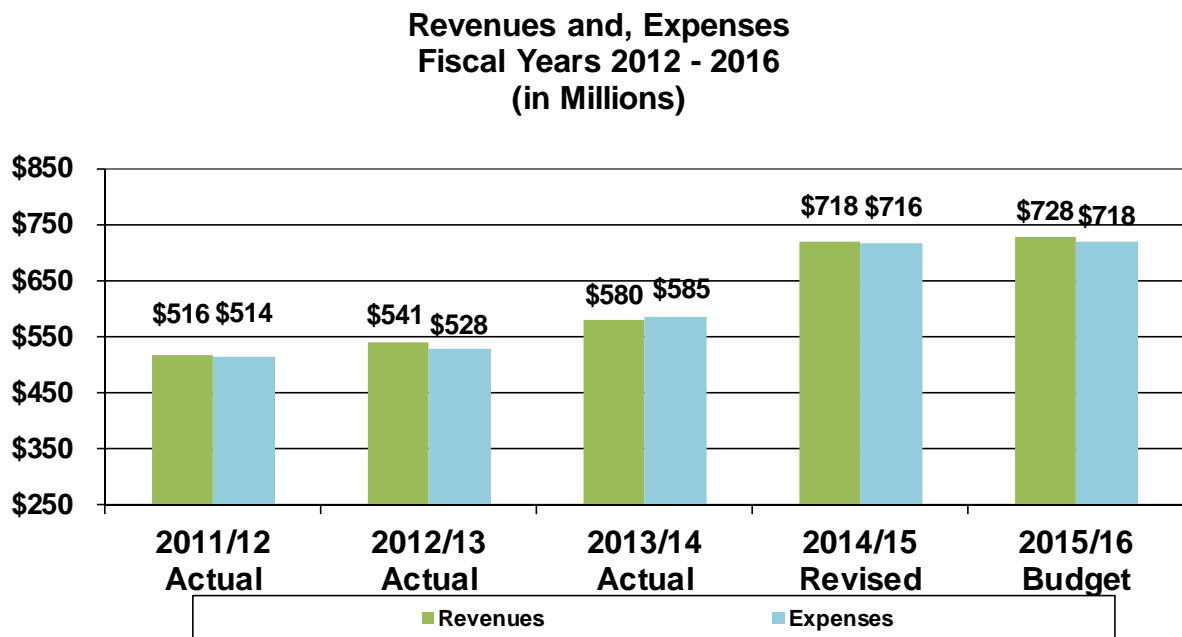
The Budget has \$13.7M in income before dividends, and a dividend expense of \$3.4M, producing a \$10.3M increase to net position. This is a balanced budget, meaning that budgeted revenue exceeds expenditures and provides a budgeted increase to net position. We are pleased to report that your organization continues to be financially strong and that this budget strengthens our financial position. The budget includes an Authority-wide budget and budgets for each program operated by the Authority. Highlights of the 2015/16 proposed budgets are as follows:

Total revenues are \$728.6M, an increase of \$10.1M.

Total expenses are \$718.2M, an increase of \$1.9M. Expenses include returning dividends of \$3.4M to members.

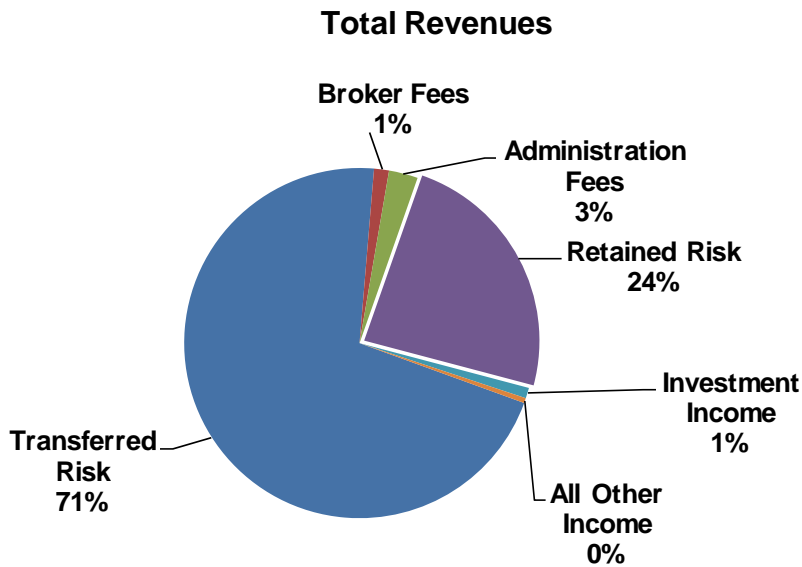
Net position will increase from \$114.5M to \$124.9M.

Revenues and expenses for the 2015/16 budget and the past four years are as follows:

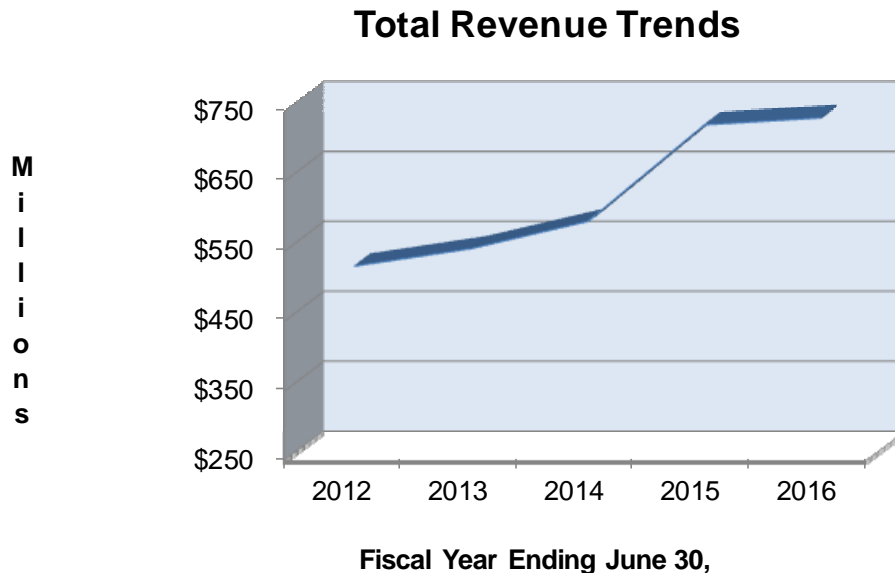


Revenues

Sources of revenues are illustrated in the following chart:

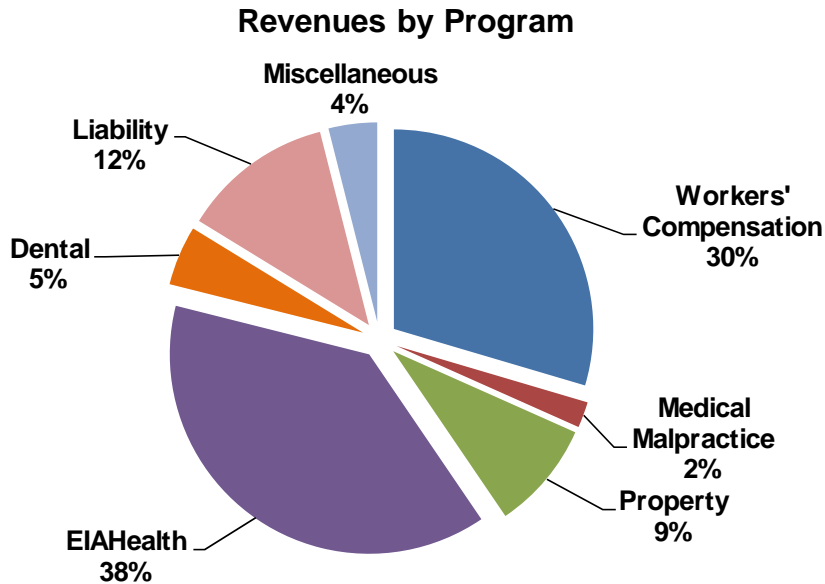


The \$728.6M in revenues represents a \$10.1M increase or 1.4% over the 14/15 budget, and a 56% increase over the last five years. Increased insurance costs and additional pool funding accounts for much of the increase in revenues and expenses year over year. The following chart illustrates the growth of Authority revenues:

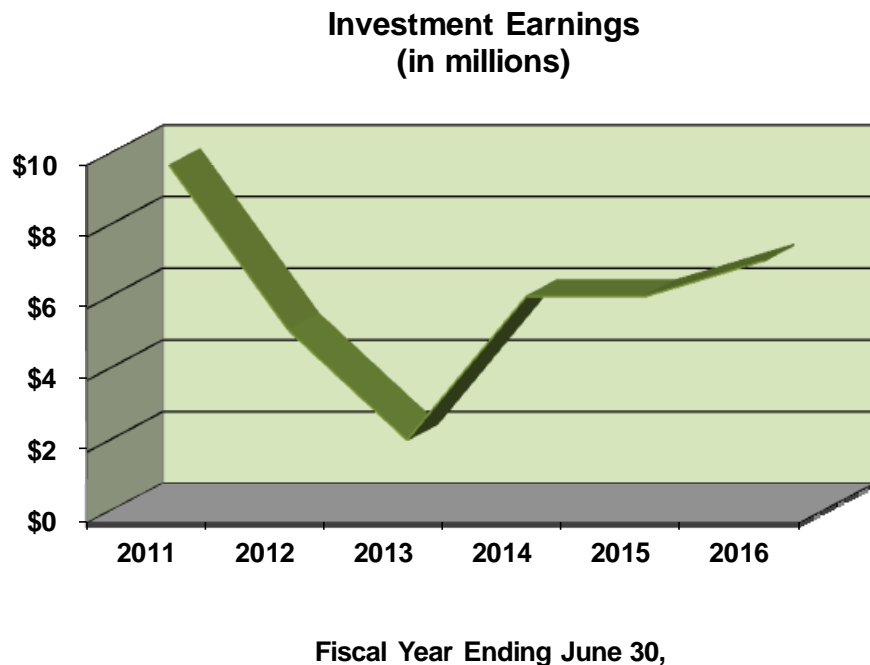


Revenues

The following chart shows revenues by program.

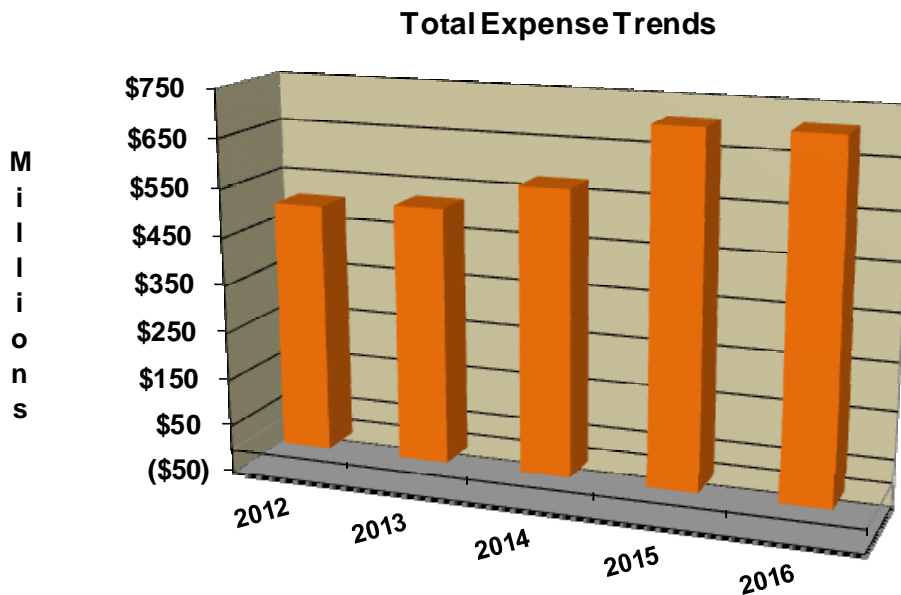


Estimated investment income has started to increase a little from the low in fiscal year 2012/13. The following chart shows investment income trends over the past six years. As a result of interest rates that have remained extremely low over the past few years, the governing committees of the pooled programs have lowered their discount rates to reflect a lowered interest earnings forecast. This is the rate at which they can discount claim liabilities to present values, given that assets to pay those liabilities will grow as a result of investment earnings.



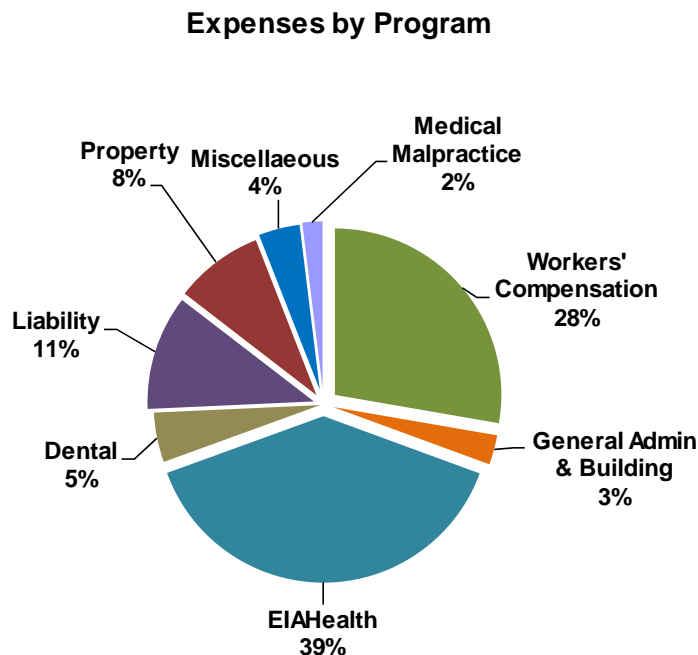
Expenses

Authority budgeted expenses for fiscal year 2015/16 have increased \$1.9M over last year's budget. The following chart illustrates the increase of Authority expenses:



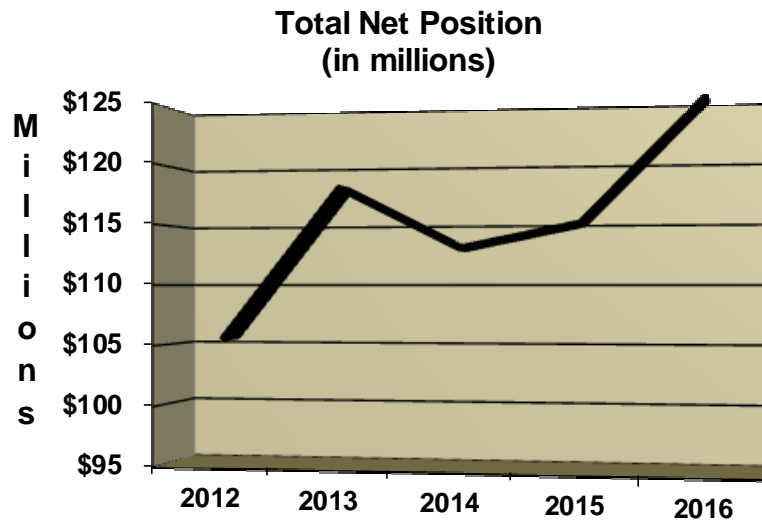
For the Fiscal Year Ending June 30,

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



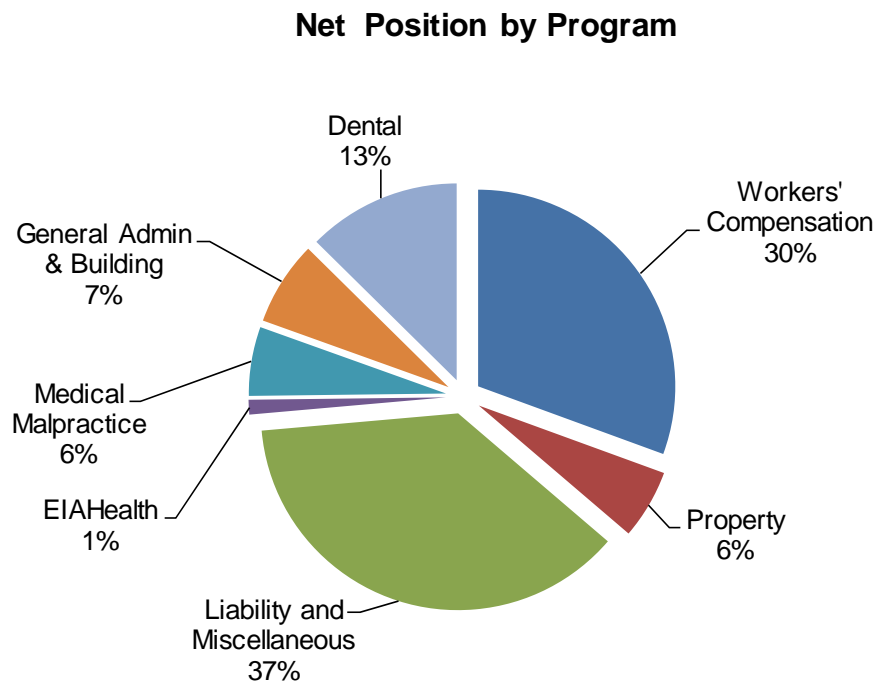
Net Position

The budget includes a return of net position in the form of dividends of \$3.4M. The past five year history of the net position balance is illustrated in the following chart:



At June 30,

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



Capital Budget

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

Member Participation

The Authority provides insurance programs and risk management services for its county and public entity members. Member participation is counted in terms of units. If a member participates in one program, it is considered one unit. If a member participates in three different programs, it is considered three units. The table indicates both the number of members participating as well as the number of units, i.e., total programs in which the members participate. Maintaining and increasing membership at both the program and entity wide level is an overall goal, and a measure of the strength and vitality of the EIA. Of note is that some of our public entity members are Joint Powers Authorities (JPA) that cover many members. Total public entities, including sub-members that participate through their JPA, include 1900 special districts, cities and other government agencies.

	Fiscal Year-End			
	2012	2013	2014	2015
Member Units				
Primary Workers' Comp	41	38	40	39
Excess Workers' Comp	166	161	167	168
Primary General Liability	29	23	23	23
General Liability I	103	100	104	105
General Liability II	11	11	11	11
Property	82	82	83	85
Medical Malpractice	50	50	49	49
EIAHealth	24	25	25	26
Dental	122	126	133	142
Total Member Units	628	616	635	648
Member Counties	54	54	55	55
Member Public Entities	247	245	255	262
Total Members	301	299	310	317

CSAC EXCESS INSURANCE AUTHORITY
REVENUE AND EXPENSE ADOPTED BUDGET
Line Item Summary for All Programs
July 1, 2015 to June 30, 2016

	CAFR Actual 2013/14	Revised Budget 2014/15	Estimated 2014/15	Percent of Total Revenue or Total Expense	Budget 2015/16	Percent of Total Revenue or Total Expense	Budget Increase (Decrease) Compared to 2014/15 Revised Budget
REVENUES:							
Premiums for Transferred Risk	423,229,776	498,759,494	440,593,982	69.42%	480,254,305	65.92%	(18,505,189)
Dividend Income	215,008	-	214,475	0.00%	95,000	0.01%	95,000
Broker Fees	8,342,982	9,808,419	8,869,364	1.37%	9,274,774	1.27%	(533,645)
Contributions for Retained Risk	124,089,007	137,088,063	144,975,635	19.08%	161,077,847	22.11%	23,989,784
Public Entity Participation Fees	552,493	604,429	604,372	0.08%	671,262	0.09%	66,833
Member Growth	0	50,000,000	0	6.96%	50,000,000	6.86%	0
Investment Income	5,919,696	4,228,825	6,325,258	0.59%	6,677,700	0.92%	2,448,875
Financing Charges	339,257	30,400	47,306	0.00%	32,000	0.00%	1,600
Administration Fees	14,400,637	15,548,651	16,105,162	2.16%	18,205,454	2.50%	2,656,803
Member Services	865,314	1,369,157	1,267,626	0.19%	878,891	0.12%	(490,266)
Tenant Income	414,094	422,800	408,280	0.06%	441,884	0.06%	19,084
Other Income	1,870,394	609,790	1,494,559	0.08%	940,959	0.13%	331,169
TOTAL REVENUES	580,238,658	718,470,028	620,907,418	100.00%	728,550,076	100.00%	10,080,048
Expenditures							
Member Dividends	6,179,489	4,325,000	4,689,475	0.60%	3,370,000	0.47%	(955,000)
Insurance Purchased	422,937,089	487,003,619	428,946,475	67.99%	470,280,381	65.48%	(16,723,238)
Broker Fees	8,079,636	9,808,419	10,094,930	1.37%	9,274,774	1.29%	(533,645)
Provision for Claims	122,157,339	120,944,353	136,943,993	16.88%	139,257,089	19.39%	18,312,736
Unallocated Loss Adjustment Expense	2,332,280	2,571,500	2,121,500	0.36%	1,972,300	0.27%	(599,200)
Member Growth Premium/Provision for Claims	0	50,000,000	0	6.98%	50,000,000	6.96%	0
Program Services	12,134,125	26,163,950	22,861,149	3.65%	24,598,750	3.43%	(1,565,200)
Member Services	1,128,833	2,001,307	1,737,522	0.28%	2,250,691	0.31%	249,384
Member Subsidies	1,229,993	2,000,000	1,600,000	0.28%	2,000,000	0.28%	0
General Administration Expense	8,443,323	10,317,655	9,900,713	1.44%	13,641,048	1.90%	3,323,393
Building Operation Expense	319,244	351,840	349,930	0.05%	332,888	0.05%	(18,952)
Depreciation	583,702	427,660	481,025	0.06%	655,203	0.09%	227,543
Delegated to Committees	0	410,000	0	0.06%	570,000	0.08%	160,000
TOTAL EXPENDITURES	585,525,053	716,325,303	619,726,712	100%	718,203,123	100.00%	1,877,820
Net Increase or (Decrease)	(5,286,395)	2,144,725	1,180,706		10,346,952		8,202,227
NET POSITION - JULY 1	118,615,396	116,047,568	113,329,001		114,509,707		
NET POSITION - JUNE 30	113,329,001	118,192,293	114,509,707		124,856,659		

CSAC EXCESS INSURANCE AUTHORITY
Summary of All Programs
July 1, 2015 to June 30, 2016

	PRIMARY WORKERS' COMP.	EXCESS WORKERS' COMP.	PRIMARY GENERAL LIABILITY	GENERAL LIABILITY I	GENERAL LIABILITY II	PROPERTY	MEDICAL MALPRACTICE	MR OCIP	EIAHEALTH	DENTAL	MISC. PROGRAMS	TOTAL ALL INSURANCE PROGRAMS
<u>2015/16 PROPOSED BUDGET</u>												
Estimated Revenues	69,665,772	130,636,622	2,392,055	42,608,109	32,758,130	59,695,907	14,268,963	5,559,820	260,246,400	32,813,057	26,700,507	677,345,342
Budgeted Expenditures	69,338,168	116,040,730	2,327,270	35,839,880	31,013,561	57,578,000	13,023,642	5,503,800	259,929,120	32,252,216	26,719,707	649,566,094
Transfers In (Out)	(4,173,157)	(4,956,919)	(500,803)	(2,491,705)	(1,549,177)	(694,213)	(635,169)	(30,637)	(592,580)	(231,743)	(16,000)	(15,872,103)
Net Increase or (Decrease)	(3,845,553)	9,638,973	(436,018)	4,276,524	195,392	1,423,694	610,152	25,383	(275,300)	329,098	(35,200)	11,907,145
Net Position:												
July 1, 2015	25,543,479	6,849,170	1,692,660	38,700,447	339,693	5,678,579	6,473,962	42,853	1,785,640	15,393,699	1,811,437	104,311,619
June 30, 2016	21,697,926	16,488,143	1,256,642	42,976,971	535,085	7,102,273	7,084,114	68,236	1,510,340	15,722,797	1,776,237	116,218,764
<u>2014/15 REVISED BUDGET</u>												
Estimated Revenues	71,764,875	92,899,378	2,164,676	37,013,164	28,538,623	60,786,705	13,793,840	6,143,000	296,095,800	32,452,000	25,286,431	666,938,491
Budgeted Expenditures	73,474,229	84,451,754	2,202,791	33,383,261	27,043,865	59,782,035	12,413,711	6,076,875	295,601,550	31,613,750	25,294,431	651,338,252
Transfers In (Out)	(3,184,493)	(4,068,640)	(418,012)	(2,024,887)	(1,224,486)	(527,333)	(579,936)	(18,300)	(413,640)	(173,970)	(33,000)	(12,666,697)
Net Increase or (Decrease)	(4,893,847)	4,378,984	(456,127)	1,605,016	270,272	477,337	800,192	47,825	80,610	664,280	(41,000)	2,933,543
Net Position:												
July 1, 2014	30,250,148	14,652,359	2,185,932	35,499,617	81,452	3,379,854	5,187,815	31,775	1,755,619	11,949,840	2,121,139	107,095,550
June 30, 2015	25,356,301	19,031,343	1,729,805	37,104,633	351,724	3,857,191	5,988,007	79,600	1,836,229	12,614,120	2,080,139	110,029,093
Net Increase or (Decrease)												
Proposed Budget 15/16 to Revised 14/15												
Estimated Revenues	(2,099,103)	37,737,244	227,379	5,594,945	4,219,507	(1,090,798)	475,123	(583,180)	(35,849,400)	361,057	1,414,076	10,406,851
Budgeted Expenditures	(4,136,061)	31,588,976	124,479	2,456,619	3,969,696	(2,204,035)	609,931	(573,075)	(35,672,430)	638,466	1,425,276	(1,772,158)
Transfers In (Out)	(988,664)	(888,279)	(82,791)	(466,818)	(324,691)	(166,880)	(55,233)	(12,337)	(178,940)	(57,773)	17,000	(3,205,406)
Net Increase or (Decrease)	1,048,294	5,259,989	20,109	2,671,508	(74,880)	946,357	(190,040)	(22,442)	(355,910)	(335,182)	5,800	8,973,603

Proposed Budget

CSAC EXCESS INSURANCE AUTHORITY
Summary of All Programs
July 1, 2015 to June 30, 2016

	TOTAL ALL INSURANCE PROGRAMS	GENERAL ADMINISTRATION	IRON POINT BUILDING	AUTHORITY WIDE BUDGET	ELIMINATION OF INTERFUND TRANSACTIONS	TOTAL BUDGET
<u>2015/16 PROPOSED BUDGET</u>						
Estimated Revenues	677,345,342	1,304,850	441,884	50,000,000	(542,000)	728,550,076
Budgeted Expenses	649,566,094	18,436,411	742,618	50,000,000	(542,000)	718,203,123
Transfers In (Out)	(15,872,103)	15,390,446	481,657	0	(0)	(0)
Net Increase or (Decrease)	11,907,145	(1,741,115)	180,923	0		10,346,952
Net Assets:						0
July 1, 2015	104,311,619	9,639,502	558,586	0	0	114,509,707
June 30, 2016	116,218,764	7,898,387	739,509	0		124,856,659
<u>2014/15 REVISED BUDGET</u>						
Estimated Revenues	666,938,491	1,496,447	422,800	50,000,000	(387,710)	718,470,027
Budgeted Expenses	651,338,252	14,679,901	694,860	50,000,000	(387,710)	716,325,303
Transfers In (Out)	(12,666,697)	12,237,422	429,274	0	0	0
Net Increase or (Decrease)	2,933,543	(946,032)	157,214	0	0	2,144,725
Net Assets:	0					
July 1, 2014	107,095,550	8,500,889	451,129		0	116,047,568
June 30, 2015	110,029,093	7,554,857	608,343	0	0	118,192,293
<u>Net Increase or (Decrease)</u>						
Estimated Revenues	10,406,851	(191,597)	19,084	0	(154,290)	10,080,048
Budgeted Expenses	(1,772,158)	3,756,510	47,758	0	(154,290)	1,877,821
Transfers In (Out)	(3,205,406)	3,153,023	52,383	0	0	(0)
Net Increase or (Decrease)	8,973,603	(795,084)	23,708	0	0	8,202,227

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



PROGRAM BUDGETS

For the Fiscal Year
July 1, 2015 to June 30, 2016

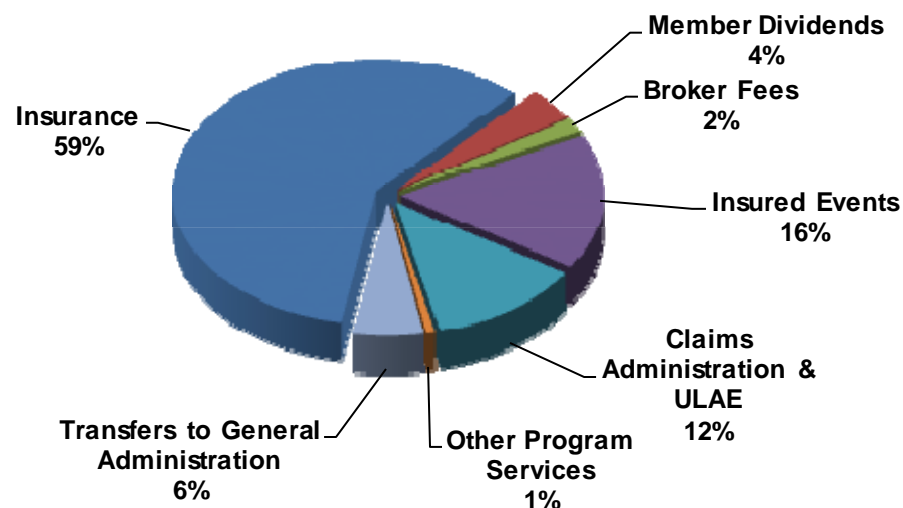
Primary Workers' Compensation

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

Number of Members	39
Covered Payroll	\$2.9 Billion
Pool Premium	\$12 Million
Insurance	\$42.2 Million
Public Entity Broker Fees	\$1.3 Million
ULAE Premiums	\$8.0 Million
Administration and Fees	\$5.3 Million

A summary of the PWC Program budget is as follows:

Primary Workers' Compensation Program - Expense Summary



At June 30, 2016, net position in the PWC Program is projected to be \$21.7M, which is within the target range of \$4.7 - \$38.8M. As a result, a \$3M member dividend has been budgeted for this program.

Adopted: June 27, 2010
Amended: April 27, 2011
Amended: February 22, 2012
Amended: April 25, 2013
Amended: April 24, 2014
Amended: April 23, 2015

Primary Workers' Compensation (PWC)

Program Goals

Short-term

- Increase service offerings.
- Conduct risk assessments for members and develop solutions for loss control.
- Development of marketing and educational materials for members.
- Have all Program TPAs using the EIA's claims system. Goal is to convert the remainder of the TPA's after the York conversion..
- Continue on project to revise Claims Audit Standards for quality claims outcomes.

Medium-term

- Preserve a structure that minimizes/eliminates assessment risk.
- Retain 80% of current members and show strategic growth regarding payroll and number of members.
- Develop a more robust loss prevention program.
- Evaluate the Labor Law Services pilot program.
- Continue work on Strategic Goals as updated.

Long-term

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

Revenues

- Premiums for retained risk are calculated based on each member's actuarially determined estimate of the discounted ultimate cost of claims. The actuarial confidence level and discount rate is determined annually by the PWC Committee.
- Premiums for transferred risk are calculated based on each member's estimated payroll and experience rate, as determined by the Program's actuary. A two-year smoothing technique is used to minimize rate changes.
- At the end of each year, members are required to update payroll estimates with actual payroll totals. Adjusting for actual payroll is commonly referred to as the payroll audit. Premium changes resulting from the prior year's payroll audit are

recognized in the current year as additional or return premiums due to or from each member.

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

Expenses

- The PWC Committee annually considers returning available net assets to members in the form of member dividends. The PWC Committee generally evaluates the amount of net assets available for dividends as the balance in excess of the 90% confidence level.
- PWC insurance premiums include the cost of insurance for claims transferred to an insurance company. Coverage limits are determined annually by the PWC Committee. Claim costs in excess of \$125,000 are covered by the EWC Program.
- The provision for claims current and the provision for claims prior years, is the actuarial adjustment to claim liabilities.
- The Provision for ULAE accrues the cost not directly associated with specific claims but related to claims administration and settlement for the remaining life of the claims, and is charged as part of the Admin Fee. The provision includes both

the actuarial amount related to the external TPA fees and Self Insurance Plans Fee and the internal (EIA) program administration costs.

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

Transfers

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

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CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	37,055,607	40,948,854	40,948,854	40,555,330	42,158,960	1,603,630	
Payroll Adjustment, Excess Insurance	(645,562)	858,027	858,027	0	0	0	
Contributions for Retained Risk	13,361,285	11,785,691	11,785,691	16,128,677	12,047,175	(4,081,502)	Billed at 90% confidence level undiscounted. SCSRM funding their own \$0 - \$10k layer
Payroll Adjustment, Pool Premiums	(287,818)	324,686	324,686	0	0	0	
ULAE Premium	7,646,199	8,634,172	8,634,172	8,861,000	8,024,604	(836,396)	Billed at 80% CL discounted at 4%; Sutter Co withdrawing
Public Entity Broker Fees	1,340,341	1,340,347	1,340,347	1,476,445	1,295,698	(180,747)	
Public Entity Participation Fees	162,586	158,491	158,491	180,427	163,017	(17,410)	
Administration Fees	3,609,079	4,025,964	4,025,964	3,980,496	5,186,318	1,205,822	Staff additions; GASB 68 pension funding; higher claims audits
Investment Income	879,111	671,355	725,000	562,500	770,000	207,500	Average balance of \$70 Million at 1.1%
Member Finance Charges	23,107	28,276	28,276	20,000	20,000	0	
Other Revenue	6,900	33,017	33,017	0	0	0	
TOTAL REVENUES	63,150,835	68,808,880	68,862,525	71,764,875	69,665,772	(2,099,103)	
EXPENDITURES:							
Member Dividends	5,500,000	(1,592)	4,000,000	4,000,000	3,000,000	(1,000,000)	
Retained and Transferred Risk							
Insurance Premium Expense	37,030,844	40,860,020	40,860,020	41,771,990	43,420,855	1,648,865	Broker Fee of \$1,216,660 paid through Admin charges
Primary W.C. Reinsurance Prem. PR Audit	(645,562)	876,015	876,015	0	0	0	
Broker Fees	1,340,341	2,566,296	2,566,296	1,476,445	1,295,698	(180,747)	
Provision for Claims, Current Year	13,055,000	13,325,000	13,325,000	13,857,000	9,994,415	(3,862,585)	Provision for claims at expected
Provision for Claims, Prior Years	895,897	(2,493,000)	(2,493,000)	650,000	200,000	(450,000)	Estimated change in discounted AMRE and SC Fire liabilities
Provision for ULAE	2,625,565	0	2,000,000	2,000,000	1,825,700	(174,300)	Actuarial adjustment to the liability for future claims administration
CA State W.C. Assessments	1,321,065	1,207,042	1,207,042	1,800,000	1,650,000	(150,000)	DIR fees based on indemnity payments included in ULAE
Total Retained and Transferred Risk	55,623,150	56,341,373	58,341,373	61,555,435	58,386,668	(3,168,767)	
Program Administration							
Claims Administration	6,190,484	3,824,247	6,500,000	7,460,744	7,310,000	(150,744)	TPA fees to administer claims for the life of the claim
EIA Actuarial and Consulting Serv.	83,713	0	79,050	79,050	82,000	2,950	Program actuarial fees
ISO Index Fees	45,382	25,034	50,000	50,000	65,000	15,000	Claims indexing service
Member Claims Audits	95,000	31,725	75,000	75,000	207,500	132,500	TPA's locations are audited on a biannual basis
Labor Law Services	0	18,750	37,500	37,500	75,000	37,500	New service effective 1/1/15 with Eyres Law Group
Legal Fees	751	210	1,000	10,000	10,000	0	
Banking Services and Fees	35,687	25,604	37,000	43,000	40,000	(3,000)	
Managed Care Program Monitoring	96,000	65,080	103,500	103,500	112,000	8,500	Bill review fee monitoring and negotiating
Total Program Administration	6,547,017	3,990,650	6,883,050	7,858,794	7,901,500	42,706	
Appropriations Delegated to PWC Committee	0	0	0	60,000	50,000	(10,000)	Available with two-thirds vote of PWC Committee
TOTAL EXPENDITURES	67,670,167	60,330,431	69,224,423	73,474,229	69,338,168	(4,136,061)	

CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
<u>TRANSFERS:</u>							
Transfers out to:							
General Administration	(1,748,082)	(2,321,330)	(2,321,330)	(2,321,330)	(2,990,154)	(668,824)	Additional staff; LP fees no longer direct billed
GASB 68 Pension Funding	0	0	0	0	(416,254)	(416,254)	
Loss Prevention Subsidies	(38,000)	(39,000)	(39,000)	(38,000)	(38,000)	0	
Claims System Costs	(331,743)	(616,703)	(616,703)	(616,703)	(540,317)	76,386	
Risk Management Subsidy Dividend	(154,038)	(162,586)	(162,586)	(162,460)	(158,491)	3,969	
Investment Fees	(47,904)	(30,426)	(46,000)	(46,000)	(29,941)	16,059	
TOTAL TRANSFERS	(2,319,767)	(3,170,045)	(3,185,619)	(3,184,493)	(4,173,157)	(988,664)	
Net Increase or (Decrease)	(6,839,099)	5,308,404	(3,547,517)	(4,893,847)	(3,845,553)	1,048,294	
NET POSITION - JULY 1	35,930,095	29,090,996	29,090,996	30,250,148	25,543,479		
NET POSITION - JUNE 30	29,090,996	34,399,400	25,543,479	25,356,301	21,697,926		
Net Position Designated for:							
Target Equity	13,000,000	14,000,000	14,000,000	14,000,000	14,000,000		
Risk Management Dividend	162,585	158,491	158,491	180,427	163,017		
Admin Carryover, GASB 68 funding & Labor Law funding	632,747	0	0	0	575,626		
PWC Conversion Project	676,330	758,700	758,700	776,957	568,380		
Unrestricted Net Position and Admin	14,619,334	19,482,209	10,626,288	10,398,917	6,390,903		
Total Net Position	29,090,996	34,399,400	25,543,479	25,356,301	21,697,926		
Target Equity							
Low Range	13,000,000	14,000,000		14,000,000	4,700,000		
High Range	35,000,000	44,000,000		44,000,000	38,800,000		

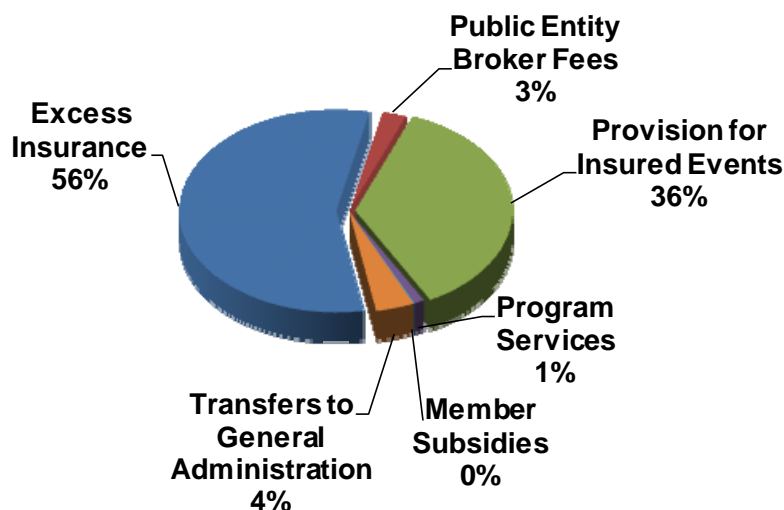
Excess Workers' Compensation

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

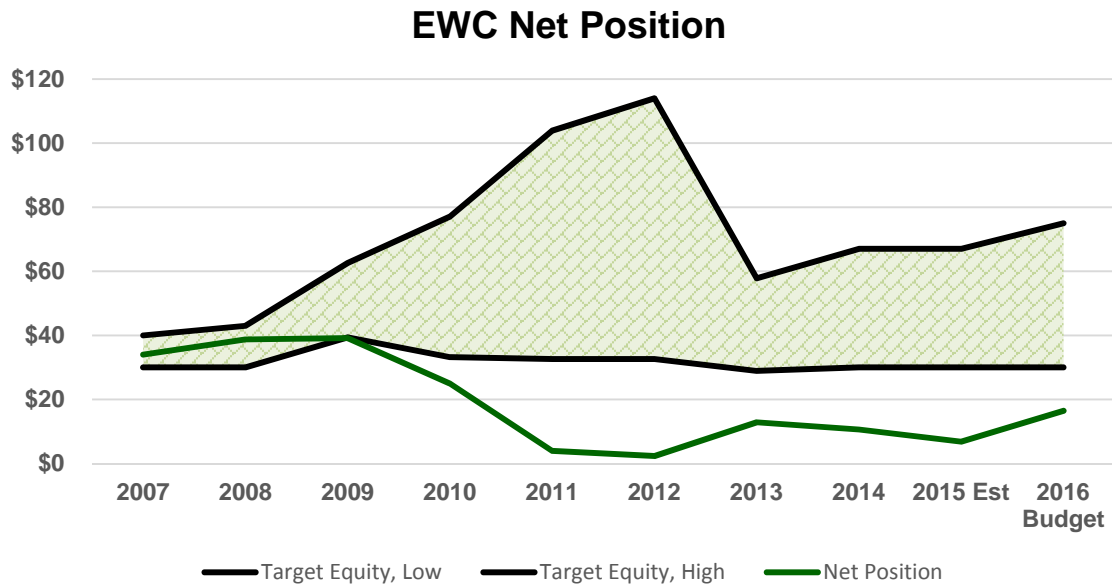
Number of Members	165
Covered Payroll	\$25.8 Billion
Pool Premium	\$50.3 Million
Insurance	\$67.2 Million
Broker Fees	\$3.0 Million
Administration and Fees	\$6.5 Million
Loss Prevention Subsidies	\$1,000 per member

A summary of the EWC Program budget is as follows:

Excess Workers' Compensation Program



The EWC Program proposed budget would result in an ending net position of \$16.5M. The target equity range developed by the Underwriting Committee and approved by the Board of Directors is from \$30 - \$75M. The following chart illustrates the EWC's net position in relation to the target equity range.



Adopted: June 2, 2011
Amended: February 2, 2012
Amended: March 1, 2013
Amended: March 7, 2014
Amended: March 5, 2015

Excess Workers' Compensation

Program Goals

Short-term

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

Long-term

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

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

Revenues

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

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

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

Expenses

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

- A claims audit for the EIA's Claims Department is scheduled every two years.
- Each member is entitled to a subsidy of \$2,000 towards the cost of member actuarial studies.
- Other program expenses include program actuarial and consulting costs, legal expenses, ISO fees and any other expenses approved by the various committees.
- The Risk Management Subsidy Program is a voluntary program that was created to offset the direct costs members incur from securing external risk management products and services. Most members choose to contribute at least \$1,000 each year to this program.
- There is a \$50,000 contingency budget line item for unforeseen expenses, which is available for use with a two-thirds vote of the Executive Committee.

Transfers

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

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CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	47,448,283	57,179,542	57,186,052	53,767,674	67,243,000	13,475,326	Addition of CSURMA; Increased rates; increased payroll
Payroll Audit, Excess Premiums	(241,560)	622,884	622,884	0	0	0	
Contribution for Retained Risk	29,020,040	38,168,956	38,162,446	28,675,263	50,308,033	21,632,770	Addition of CSURMA. Funded at 82.5% confidence level on an actuarial basis.
Payroll Adjustments, Retained Risk	(684,413)	459,864	459,864	0	0	0	
Administration Fees	5,058,504	5,960,556	5,960,556	5,585,142	6,185,739	600,597	Staff additions; GASB 68 pension funding
Public Entity Broker Fees	2,345,832	2,646,567	2,646,567	2,454,833	3,009,000	554,167	Addition of CSURMA
Public Entity Participation Fees	217,632	257,123	257,123	233,466	307,850	74,384	
Investment Income	3,097,131	3,015,336	3,250,000	2,175,000	3,575,000	1,400,000	Estimated on average balance of \$325M at 1.1%
Member Finance Fees	10,225	14,175	14,175	8,000	8,000	0	
Development Fees	1,750	1,049	1,049	0	0	0	
Other Income	87,066	2	2	0	0	0	
TOTAL REVENUES	86,360,490	108,326,054	108,560,718	92,899,378	130,636,622	37,737,244	
EXPENDITURES:							
Retained and Transferred Risk							
Excess Workers' Comp. Premiums	47,420,311	57,835,968	57,835,968	54,457,991	67,998,430	13,540,439	\$9.5M from CSURMA addition. Also includes ACE broker fee.
Payroll Adjustments	(281,626)	743,156	743,156	0	0	0	
Broker Fees	2,345,769	2,646,255	2,646,255	2,454,833	3,009,000	554,167	
Provision for Claims, Current Year	12,847,479	23,188,151	23,450,625	15,650,625	33,207,200	17,556,575	Provision for claims at expected
Provision for Claims, Prior Years	22,594,433	22,306,946	22,306,955	10,125,000	10,474,500	349,500	
Provision for ULAE	(779,826)	0	50,000	500,000	100,100	(399,900)	Cost to run off portfolio
Total Retained and Transferred Risk	84,146,540	106,720,476	107,032,959	83,188,449	114,789,230	31,600,781	
Program Administration							
Actuarial and Consulting	98,805	1,080	103,180	103,180	79,000	(24,180)	
Legal Fees	33,054	32,542	80,000	80,000	50,000	(30,000)	
ISO Index Fees	187,216	135,443	225,000	225,000	270,000	45,000	Claims indexing service
Member Claims Audits	445,157	246,307	695,125	695,125	650,000	(45,125)	
EIA Claims Audits	6,725	0	0	0	12,500	12,500	Due in FY15/16
Member Actuarial Studies	137,333	89,900	150,000	150,000	140,000	(10,000)	
Total Program Administration	908,290	505,272	1,253,305	1,253,305	1,201,500	(51,805)	
Contingency Delegated to Governing Committee	0	0	0	10,000	50,000	40,000	Available with a two-thirds vote of Executive Committee
TOTAL EXPENDITURES	85,054,830	107,225,748	108,286,264	84,451,754	116,040,730	31,588,976	

CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(2,913,825)	(3,284,430)	(3,284,430)	(3,284,430)	(3,655,954)	(371,524)	Additional staff; LP fees no longer direct billed
GASB 68 Pension Funding	0	0	0	0	(588,945)	(588,945)	
Loss Prevention Subsidies	(158,000)	(164,016)	(164,016)	(163,000)	(164,000)	(1,000)	
Claims System Costs	(99,028)	(184,090)	(184,090)	(184,090)	(161,289)	22,802	New claims system conversion
Risk Management Subsidy Dividend	(173,643)	(217,632)	(217,632)	(217,220)	(257,123)	(39,903)	Public entity fees distributed to counties as a risk management dividend
Investment Fees	(192,205)	(133,278)	(200,000)	(219,900)	(129,609)	90,291	External investment management fees
TOTAL TRANSFERS	(3,536,701)	(3,983,446)	(4,050,168)	(4,068,640)	(4,956,919)	(888,279)	
Net Increase or (Decrease)	(2,231,041)	(2,883,140)	(3,775,714)	4,378,984	9,638,973	5,259,989	
NET POSITION - JULY 1	12,855,925	10,624,884	10,624,884	14,652,359	6,849,170		
NET POSITION - JUNE 30	10,624,884	7,741,744	6,849,170	19,031,343	16,488,143		
Net Position Designated for:							
Target Equity	10,407,254	7,484,621	6,665,080	18,797,877	16,180,293		
Risk Management Dividend	217,630	257,123	184,090	233,466	307,850		
Total Net Position	10,624,884	7,741,744	6,849,170	19,031,343	16,488,143		
Target Equity							
Low Range	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000		
High Range	67,000,000	67,000,000	67,000,000	67,000,000	75,000,000		

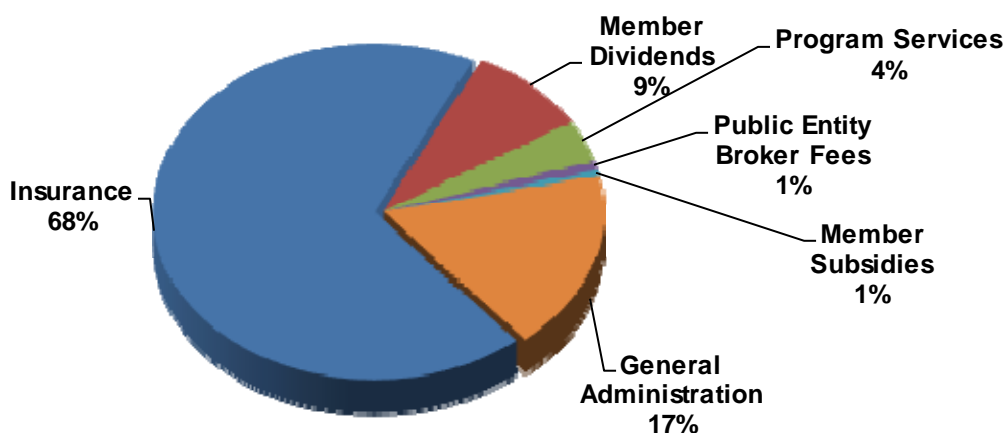
Primary General Liability

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

Number of Members	24
Insurance	\$1.9 Million
Public Entity Broker Fees	\$25 Thousand
Administration and Fees	\$434 Thousand
Loss Prevention Subsidy	\$1,000 per member

A summary of the PGL program budget is as follows:

Primary General Liability Program



Net position is budgeted to be \$1.3M at June 30, 2016, which is above the target equity range of \$35K to \$1.2M. As a result a dividend and a portion of the 2015/16 administration fees are budgeted to be paid from net position.

Adopted: May 27, 2010
Amended: April 18, 2012
Amended: May 30, 2013
Amended: January 22, 2014
Amended: March 7, 2015

Primary General Liability

Program Goals

Short-term:

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

Long Term:

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

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

Revenues

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

- Administration fees are based on the budget for program and general administration costs and subsidies. Program cost are defined below.
- The PGL Committee has established a development fee of \$250 per member. Program development fees are one time charges to new members joining the Program.

Expenses

- The PGL Committee annually considers returning available net assets to members in the form of member dividends.
- PGL insurance premiums include the cost of insurance for claims in excess of \$10k up to the Program limits of \$100k. Claim cost in excess of \$100k are covered by the General Liability I (GLI) Program.
- The provisions for claims current, and the provision for claims prior years, are the actuarial adjustments to claim liabilities.
- The provision for ULAE, (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled for each TPA every two years, or as determined by the PGL Committee.
- Banking services and fees are used to maintain separate claim bank accounts for each TPA.
- Other program expenses include program actuarial studies, legal expenses and any other expenses approved by the PGL Committee.
- An expense budget of \$50K has been delegated to the PGL Committee for any unforeseen budget expenses. The PGL Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

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

CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	1,742,957	1,756,708	1,756,708	1,756,708	1,917,598	160,890	Member payroll increasing; partially offset by 3% rate reduction
Public Entity Broker Fees	53,229	42,083	42,083	35,837	25,495	(10,342)	
General Administration Fees	316,257	331,432	331,432	354,828	431,754	76,926	\$100K from equity applied to Admin Fee per Committee
Public Entity Participation Fees	2,332	1,708	1,708	2,303	1,808	(495)	
Investment Income	28,762	8,355	10,000	15,000	15,400	400	Estimated on average balance of \$1.4M at 1.1%
Development Fees	0	0	0	0	0	0	
Other Income	3,000	503	503	0	0	0	
TOTAL REVENUES	2,146,537	2,140,789	2,142,434	2,164,676	2,392,055	227,379	
EXPENDITURES:							
Dividend Expense	450,000	450,000	450,000	300,000	250,000	(50,000)	Potential future dividend subject to Committee approval
Retained and Transferred Risk							
Premium for Transferred Risk	1,742,957	1,756,706	1,756,706	1,774,274	1,936,775	162,501	
Broker Fees	53,229	42,084	42,084	35,837	25,495	(10,342)	
Provisions for Member Deductible Pmts.	564,128	447,234	900,000	900,000	900,000	0	Members invoiced for \$0 - \$10K in claims expense
Less Member Deductible Billings	(564,128)	(447,234)	(900,000)	(900,000)	(900,000)	0	
Provision for Prior Year claims	(22,834)	0	0	0	0	0	
Provision for ULAE	(54,323)	0	10,000	10,000	1,000	(9,000)	
Total Retained and Transferred Risk	1,719,029	1,798,790	1,808,790	1,820,111	1,963,270	143,159	
Program Expenses							
EIA Actuarial and Consulting Services	23,053	250	22,680	22,680	21,000	(1,680)	
Claim Audits	3,958	4,250	10,000	10,000	13,000	3,000	
Legal Services	3,466	1,820	10,000	10,000	25,000	15,000	
ISO index Fees	0	0	0	1,000	1,000	0	
Bank Fees and Services	2,933	2,156	4,000	4,000	4,000	0	
Total Program Expenses	33,410	8,476	46,680	47,680	64,000	16,320	
Appropriation Delegated to PGL Committee	0	0	0	35,000	50,000	15,000	Available with two-thirds vote of PGL Committee
TOTAL EXPENDITURES	2,202,439	2,257,266	2,305,470	2,202,791	2,327,270	124,479	
TRANSFERS:							
Transfers out to:							
General Administration	(440,030)	(400,680)	(400,680)	(400,680)	(413,747)	(13,067)	
GASB 68 Pension Funding	0	0	0	0	(71,848)	(71,848)	
Loss Prevention Subsidies	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	0	
Risk Management Admin. Dividend	(2,505)	(2,332)	(2,332)	(2,332)	(1,708)	624	
Investment Fees	(1,698)	(250)	(500)	(2,000)	(500)	1,500	
TOTAL TRANSFERS	(457,233)	(416,262)	(416,512)	(418,012)	(500,803)	(82,791)	
Net Increase or (Decrease)	(513,135)	(532,739)	(579,548)	(456,127)	(436,018)	20,109	
NET POSITION - JULY 1	2,785,343	2,272,208	2,272,208	2,185,932	1,692,660		
NET POSITION - JUNE 30	2,272,208	1,739,469	1,692,660	1,729,805	1,256,642		
Net Position Designated for:							
Target Equity	410,000	410,000	410,000	73,000	73,000		
Risk Management Dividend	2,332	2,905	1,708	2,303	1,808		
Admin Carryover	59,098	0	28,170	0	28,170		
Unrestricted Net Position	1,800,778	1,326,564	1,252,782	1,654,502	1,153,664		
Total Net Position	2,272,208	1,739,469	1,692,660	1,729,805	1,256,642		
Target Equity							
Low Range	410,000				35,000		
High Range	1,900,000				1,240,000		

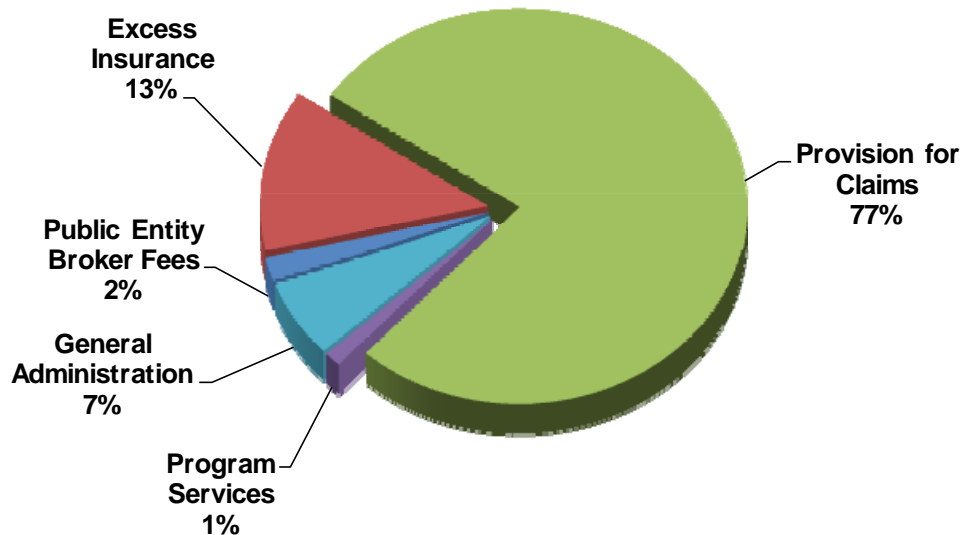
General Liability I

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

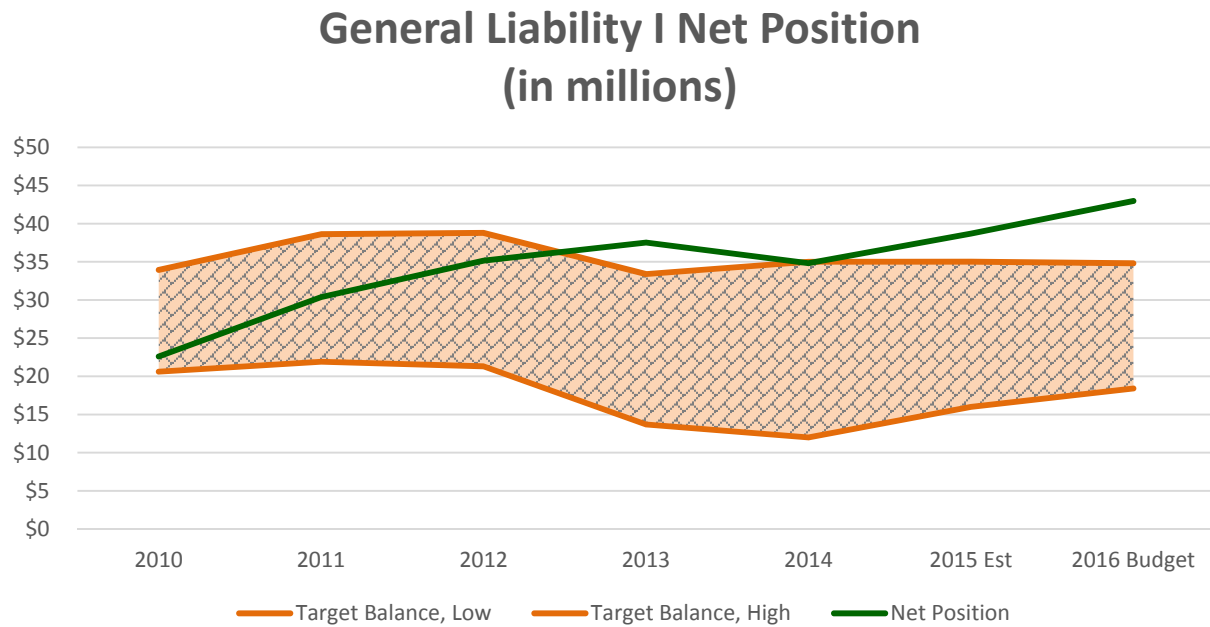
Number of Members	105
Covered Payroll	\$5.0 Billion
Pool Premium	\$32.7 Million
Insurance	\$5.0 Million
Public Entity Broker Fees	\$766 Thousand
Administration and Fees	\$2.5 Million
Loss Prevention Subsidy	\$1,000 per member

A summary of the GLI Program budget is as follows:

General Liability I Program



The GLI Program proposed budget would result in an ending net position of \$43M. The target equity range developed by the Underwriting Committee and approved by the Board of Directors is from \$18.4 - \$34.8M. The following chart illustrated the GLI's net position in relation to the target equity range.



Adopted: June 2, 2011
Amended: February 2, 2012
Amended: March 1, 2013
Amended: March 7, 2014
Amended: March 5, 2015

General Liability I

Program Goals

Short-term

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

Long-term

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

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

Revenues

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

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

Expenses

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

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

- The Risk Management Subsidy Program is a voluntary program that was created to offset the direct costs members incur from securing external risk management products and services. Most members choose to contribute at least \$1,000 each year to this program.
- There is a \$50,000 contingency budget line item for unforeseen expenses, which is available for use with a two-thirds vote of the Executive Committee.

Transfers

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

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CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	4,268,601	6,266,117	6,266,117	6,210,883	5,000,000	(1,210,883)	Program restructured w/ increased pool exposure.
Contributions for Retained Risk	25,312,100	28,653,413	28,653,413	26,932,066	32,714,750	5,782,684	New corridor deductible. Funded at the 65% confidence level
Public Entity Broker Fees	654,848	729,210	729,210	703,893	766,050	62,157	
Public Entity Participation Fees	50,000	57,659	57,659	55,265	61,500	6,235	
Investment Income	1,436,572	1,439,432	1,500,000	975,000	1,595,000	620,000	Estimated on average balance of \$145M at 1.1%
Administration Fees	1,800,096	2,282,221	2,282,221	2,136,057	2,470,809	334,752	Staff additions; GASB 68 pension funding
Program Development Fees	1,400	350	350	0	0	0	
Other Income	20	16	16	0	0	0	
TOTAL REVENUES	33,523,637	39,428,418	39,488,986	37,013,164	42,608,109	5,594,945	
EXPENDITURES:							
Pool Dividends	0	0	0	0	0	0	
Retained and Transferred Risk							
Premium for Transferred Risk	4,112,162	5,908,399	5,908,399	6,210,883	5,000,000	(1,210,883)	
Broker Fees	654,845	729,138	729,138	703,893	766,050	62,157	
Provision for Claims, Current Year	22,705,020	23,484,000	23,484,000	24,527,315	27,861,730	3,334,415	Provision for claims at expected
Provision for Claims, Prior Years	6,543,755	3,080,000	3,080,000	1,575,000	1,715,000	140,000	Estimated outstanding of \$98 million discounted at 1.75%
Provision for ULAE	298,972	0	30,000	30,000	23,100	(6,900)	
Total Retained and Transferred Risk	34,314,754	33,201,537	33,231,537	33,047,091	35,365,880	2,318,789	
Program Administration							
Actuarial fees	44,378	0	57,170	57,170	48,000	(9,170)	
ISO Fees	956	373	2,000	2,000	4,000	0	
Member Claims Audits	39,450	11,679	50,000	60,000	55,000	(5,000)	
EIA Claims Audit	2,500	0	0	0	7,000	7,000	
Labor Law Services	0	37,500	75,000	75,000	150,000	75,000	New service effective 1/1/15 with Eyres Law Group; full year in FY15/16
Legal Expenses	45,809	61,937	105,000	50,000	80,000	30,000	
Member Actuarial Studies	72,833	62,000	82,000	70,000	80,000	10,000	
Total Program Administration	205,926	173,489	371,170	316,170	424,000	107,830	
Contingency Delegated to Governing Committee	0	0	0	20,000	50,000	30,000	Available with two-thirds vote of the Executive Committee
TOTAL EXPENDITURES	34,520,680	33,375,026	33,602,707	33,383,261	35,839,880	2,456,619	
TRANSFERS:							
Transfers out to:							
General Administration	(1,456,337)	(1,730,660)	(1,730,660)	(1,730,660)	(1,923,686)	(193,026)	Additional staff; LP fees no longer direct billed
GASB 68 Pension Funding	0	0	0	0	(310,337)	(310,337)	
Loss Prevention Subsidies	(89,000)	(88,000)	(88,000)	(89,000)	(88,000)	1,000	
Claims System Costs	(29,708)	(55,227)	(55,227)	(55,227)	(48,387)	6,841	
Risk Management Subsidy Dividend	(43,668)	(50,000)	(50,000)	(50,000)	(57,659)	(7,659)	
Investment Fees	(86,536)	(64,897)	(85,000)	(100,000)	(63,637)	36,363	
TOTAL TRANSFERS	(1,705,249)	(1,988,784)	(2,008,887)	(2,024,887)	(2,491,705)	(466,818)	

CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

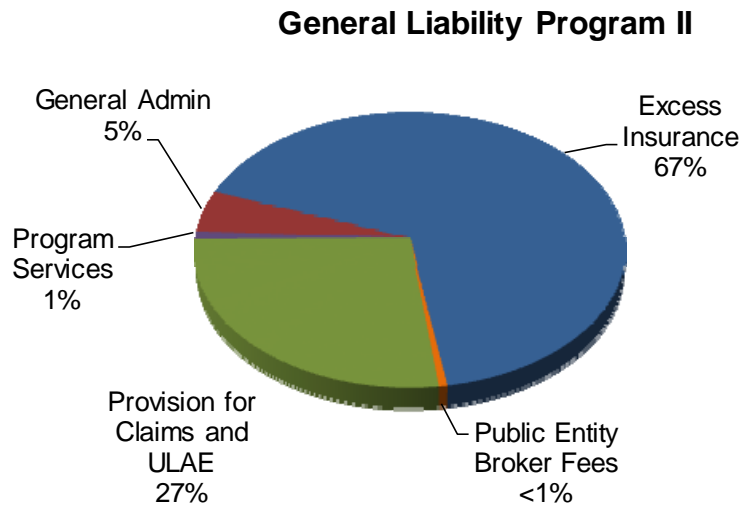
Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
Net Increase or (Decrease)	(2,702,292)	4,064,608	3,877,392	1,605,016	4,276,524	2,671,508	
NET POSITION - JULY 1	37,525,347	34,823,055	34,823,055	35,499,617	38,700,447		
NET POSITION - JUNE 30	34,823,055	38,887,663	38,700,447	37,104,633	42,976,971		
Net Position Designated for:							
Target Equity	34,773,055	35,000,000	34,800,000	35,000,000	34,800,000		
Risk Management Dividend	50,000	57,659	57,659	55,265	61,500		
Funding of 2-year Aggregate Corridor Deductible	0	0	0	0	2,350,000		
Unrestricted Net Position	0	3,830,004	3,842,788	2,049,368	5,765,471		
Total Net Position	34,823,055	38,887,663	38,700,447	37,104,633	42,976,971		
Target Equity							
Low Range	16,000,000	16,000,000	16,000,000	16,000,000	18,400,000		
High Range	35,000,000	35,000,000	35,000,000	35,000,000	34,800,000		

General Liability II

The objective of the General Liability II (GLII) Program is to provide members who can afford a high self-insured retention an affordable excess liability program with limited pool exposure, and insured coverage when available.

Number of Members	11
Self Insured Retentions	\$1 to \$3 Million
Insurance	\$21.8 Million
Aggregate Pool Funding	\$8.7 Million
Public Entity Broker Fees	\$430 Thousand
Administration and Fees	\$1.8 Million

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



Adopted: June 3, 2010
Amended: May 6, 2013
Amended: May 2, 2014
Amended: May 1, 2015

General Liability II

Program Goals

Short-term

- Use multi-year underwriting matrices, where ever possible, to help ensure renewal pricing from underwriters at a “not-to-exceed” amount of 10% for the upcoming year. Explore providing crisis management service.

Long Term

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

Budget Policies for the GLII Program include the following:

Revenues

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

- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The GLII Committee has established a development fee of \$500, per member. Program development fees are one time charges to new members joining the Program.

Expenses

- GLII premiums for tranferred risk include the cost of insurance for claims in excess of each member's SIRs and the GLII Pool or Mega Fund. Policy limits are determined annually by the GLII Committee. Members can obtain optional excess insurance through the Miscellaneous Programs that, extending coverage limits.
- The provision for claims provides for claims costs within any corridor deductible or mega Fund layer..
- The provision for Unallocated Loss Adjustment Expenses (ULAE) accrues the costs not directly associated with specific claims, but related to claims administration and settlement processes for the remaining life of the claims. ULAE includes salaries and other internal costs of the Authority's claims department.
- The legal services line item provides for coverage opinions and other services provided to the GLII Committee.
- Claims audits will be done every two years and paid for through the premium allocation.
- An expense budget of \$50,000has been delegated to the GLII Committee for any unforeseen budget expenses. The GLII Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	22,699,999	19,484,455	19,484,455	19,484,451	21,773,987	2,289,536	Continued increase in losses
Contributions for Retained Risk		7,000,000	7,000,000	7,000,000	8,730,000	1,730,000	Corridor retention
Public Entity Broker Fees	311,355	367,136	367,136	426,232	430,000	3,768	
Public Entity Participation Fees	40,622	49,335	49,335	49,176	59,300	10,124	
Investment Income and Finance Fees	31,479	35,870	40,000	52,500	52,500	0	
General Administration Fees	1,296,714	1,506,263	1,506,263	1,526,264	1,712,343	186,079	Staff additions; GASB 68 pension funding
Other Income, Legal Expense Reimbursement	138,165	80,064	80,064	0	0	0	
TOTAL REVENUES	24,518,334	28,523,123	28,527,253	28,538,623	32,758,130	4,219,507	
EXPENDITURES:							
Retained and Transferred Risk							
Premium for Transferred Risk	22,700,000	19,484,451	19,484,451	19,484,451	21,773,987	2,289,536	
Provision for Claims, Current Year	0	7,000,000	7,000,000	7,000,000	8,730,000	1,730,000	Assume we will have claims equal to Corridor Layer
Provision for Claims - Prior Year	0	0	0	0	0	0	all liability fully accrued in prior years
GLII Commission Rebate	(263,280)	(214,818)	(214,818)	(214,818)	(240,326)	(25,508)	Commission rebate applied to the FY15/16 discounted pool
Broker Fees	311,355	367,136	367,136	426,232	430,000	3,768	
Provision for ULAE	64,022	0	20,000	20,000	4,900	(15,100)	
Total Retained and Transferred Risk	22,812,097	26,636,769	26,656,769	26,715,865	30,698,561	3,982,696	
Program Administration							
ISO Fees	4,977	1,497	5,000	8,000	8,000	0	
Actuarial Studies	13,646	12,000	22,000	22,000	22,000	0	
Loss Data Collection	0	0	3,000	3,000	0	(3,000)	
Legal Services	321,284	42,476	250,000	250,000	200,000	(50,000)	Final resolution of large claim
Member Claims Audit	2,000	0	35,000	35,000	35,000	0	EIA pays the full cost of claims audits
EIA Claims Audit	0	16,200	0	0	0	0	
Financing Expense	1,916	0	0	0	0	0	
Total Program Administration	343,823	72,173	315,000	318,000	265,000	(53,000)	
Appropriation Delegated to GLII Committee	0	0	0	10,000	50,000	40,000	Available with two-thirds vote of GLII Committee
TOTAL EXPENDITURES	23,155,920	26,708,942	26,971,769	27,043,865	31,013,561	3,969,696	
TRANSFERS:							
Transfers out to:							
General Administration	(990,247)	(1,140,650)	(1,140,650)	(1,140,650)	(1,259,075)	(118,425)	Additional staff; LP fees no longer direct billed
GASB 68 Pension Funding	0	0	0	0	(204,538)	(204,538)	
Loss Prevention Subsidies	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	0	
Claims System Costs	(14,854)	(27,614)	(27,614)	(27,614)	(24,193)	3,420	
Risk Management Subsidy Dividend	(34,189)	(40,622)	(40,622)	(40,622)	(49,335)	(8,713)	
Investment Fees	(2,056)	(2,006)	(3,000)	(5,600)	(2,036)	3,564	
TOTAL TRANSFERS	(1,051,346)	(1,220,892)	(1,221,886)	(1,224,486)	(1,549,177)	(324,691)	
Net Increase or (Decrease)	311,068	593,289	333,598	270,272	195,392	(74,880)	
NET POSITION - JULY 1	(304,973)	6,095	6,095	81,452	339,693		
NET POSITION - JUNE 30	6,095	599,384	339,693	351,724	535,085		

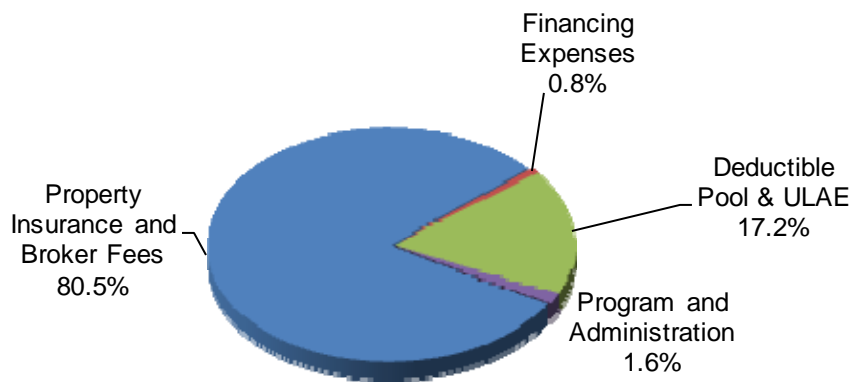
Property

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

Number of Members	86
Member deductibles	\$5,000 to \$150,000
Insured Values	\$62 Billion
Pool	\$11.0 Million
Insurance	\$46.9 Million
Administration and Fees	\$.9 Million

A summary of the Property Program budget is as follows:

Property Program



Adopted: May 20, 2010
Amended: March 1, 2012
Amended: January 16, 2013
Amended: March 5, 2015

Property

Program Goals

Short-term

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

Long-term

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

Budget Policies for the Property Program include the following:

Revenues

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

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

Expenses

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

- An expense budget of \$25,000 has been delegated to the Property Committee. The Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

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

CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
Adopted Budget
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Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
No Claim Dividends	115,265	0	100,000	0	0	0	
Premiums for Transferred Risk	46,060,305	45,146,352	45,146,352	48,226,000	46,863,000	(1,363,000)	Soft mkt; prem reduction even w/ addtl \$150M in EQ & \$75M flood
Retained Risk, Agg. Deductible Pool	11,749,958	11,021,070	11,021,070	11,000,000	11,000,000	0	Includes \$1M flood pool funding
Broker Fees	11,821	28,968	28,968	15,000	30,000	15,000	
Public Entity Participation Fees	79,073	79,803	79,803	83,509	77,500	(6,009)	
Investment Income	300,068	334,160	454,200	329,535	459,000	129,465	This is financed through prepaid balance account
Member Finance Charges	6,130	4,565	4,565	2,400	4,000	1,600	
Administration Fees	646,445	642,960	642,960	630,261	762,407	132,146	Staff additions; GASB 68 pension funding
Other Income	693,611	500,000	500,000	500,000	500,000	0	Ceding commission from insurance placement
TOTAL REVENUES	59,662,676	57,757,878	57,977,918	60,786,705	59,695,907	(1,090,798)	
EXPENDITURES:							
Dividends	115,265	0	100,000	0	0	0	
Retained and Transferred Risk							
Premium for Transferred Risk	45,864,266	45,146,352	45,146,352	48,226,000	46,863,000	(1,363,000)	
Broker Fees	11,821	28,968	28,968	15,000	30,000	15,000	
Provision for claims, Aggregate Pool	11,749,958	10,000,000	10,000,000	11,000,000	10,000,000	(1,000,000)	
Provision for ULAE	27,473	0	1,500	1,500	1,000	(500)	
Total Retained and Transferred Risk	57,653,518	55,175,320	55,176,820	59,242,500	56,894,000	(2,348,500)	
Program Administration							
Financing Expenses	236,562	185,541	305,500	329,535	459,000	129,465	Interest on interfund borrowing at 1.1%
Appraisal and Other Services	21,496	27,980	200,000	200,000	200,000	0	
Total Program Administration	258,058	213,521	505,500	529,535	659,000	129,465	
Appropriation for Property Committee	0	0	0	10,000	25,000	15,000	Available with two-thirds vote of Property Committee
TOTAL EXPENDITURES	58,026,841	55,388,841	55,782,320	59,782,035	57,578,000	(2,204,035)	
TRANSFERS:							
Transfers out to:							
Transfers out to Administration	(315,229)	(355,260)	(355,260)	(355,260)	(452,982)	(97,722)	Additional staff; LP fees no longer direct billed
GASB 68 Pension Funding	0	0	0	0	(63,704)	(63,704)	
Loss Prevention Subsidies	(77,000)	(80,000)	(80,000)	(78,000)	(84,000)	(6,000)	
Risk Management Subsidy Dividend	(72,115)	(79,073)	(79,073)	(79,073)	(79,803)	(730)	
Investment Fees	(21,267)	(14,027)	(19,000)	(15,000)	(13,724)	1,276	
TOTAL TRANSFERS	(485,611)	(528,360)	(533,333)	(527,333)	(694,213)	(166,880)	
Net Increase or (Decrease)	1,150,224	1,840,677	1,662,265	477,337	1,423,694	946,357	
NET POSITION - JULY 1	2,866,090	4,016,314	4,016,314	3,379,854	5,678,579		
NET POSITION - JUNE 30	4,016,314	5,856,991	5,678,579	3,857,191	7,102,273		
Net Position Designated for:							
Admin Carryover	27,099	14,299	14,299	0	0		
Risk Management Dividend	79,078	79,803	79,803	83,509	77,500		
Flood Pool Funding	0	1,000,000	1,000,000	0	1,850,000		
Program Stabilization Fund	3,910,137	4,762,889	4,584,477	3,773,682	5,174,773		
Total Net Position	4,016,314	5,856,991	5,678,579	3,857,191	7,102,273		

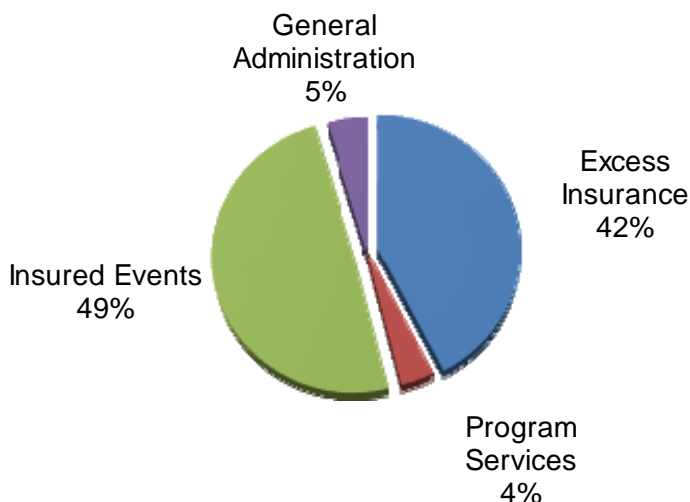
Medical Malpractice

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

Number of Members	50
Pool Premium	\$7.1 Million
Insurance	\$5.8 Million
Administration and Fees	\$1.07 Million
Loss Prevention Subsidy	\$1,000 per member

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

Medical Malpractice Program



In 2014/15 the equitable allocation of premium between the large SIR members and the \$10k deductible members was adjusted with some members moving into the deductible program. This was a 2014/15 program goal.

Adopted: June 9, 2010
Amended: March 14, 2012
Amended: June 26, 2013
Amended: June 4, 2014
Amended: June 12, 2015

Medical Malpractice

Budget Policies for the Medical Malpractice Program include the following:

Short Term Goals

- Monitor the activity of jail/civil rights claims covered by the program.
- Expand training opportunities to include the addition of web and recorded training sessions.

Long Term Goals

- Evaluate occurrence v. claims made policy as market dictates.
- Maintain stable pricing year over year, not to exceed a 10% variance overall, or 15% variance by member.
- Maintain multi-year relationships with carriers, brokers and underwriters where possible.
- Maintain an equitable distribution of costs among the members and Pool I and Pool II, through a premium allocation process with appropriate consideration for exposure and loss experience within the pool and excess layers.
- Monitor the claims discount assumption, compared to the projected investment earnings rate.

Revenues

- Premiums for retained risk and transferred risk are actuarially determined based on each member's exposure, claims experience and SIR or deductible. Each year the Medical Malpractice Committee determines the appropriate funding level and discount rate.
- Broker fees are charged to all public entity members. The amount charged is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k - \$1M, and plus 3% of premiums excess of \$1M.
- Public entity participation fees equal 0.5% of the premiums for retained risk and transferred risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.

- Claims administration fees are based on negotiated fee contracts approved by the Committee. Claims administration fees are allocated to Program I members based on the individual member rates. Program II fees are allocated to members based on retained and transferred risk premiums.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The Medical Malpractice Committee has established a development fee of \$850 per member. Program development fees are one-time charges to new members joining the Program.

Expenses

- The Medical Malpractice Committee annually considers returning available net assets to members in the form of member dividends.
- Medical Malpractice premiums for transferred risk include the cost of reinsurance and or excess insurance.
- The Provision for Claims (current), and the Provision for Claims (prior years), are the actuarial adjustments to claim liabilities.
- The Provision for ULAE (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for the administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled every two (2) years, or as determined by the Medical Malpractice Committee.
- Each Program I member is entitled to a subsidy of \$2k towards the cost of member actuarial studies.
- The Medical Malpractice Committee provides a loss prevention seminar. The Committee will reimburse the travel expenses for up to three (3) representatives from each member.
- Other program expenses include program actuarial studies, legal expenses and any other expenses approved by the Medical Malpractice Committee.
- An expense budget of \$ 25K has been delegated to the Medical Malpractice Committee for any unforeseen budget expenses. The Medical Malpractice Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

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

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CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	5,318,123	5,851,104	5,851,104	5,296,017	5,792,453	496,436	
Contribution for Retained Risk	6,448,172	6,554,293	6,554,293	7,466,557	7,077,228	(389,329)	
Public Entity Broker Fees	4,981	5,053	5,053	5,379	5,731	352	
Public Entity Participation Fees	248	253	253	283	287	4	
Investment Income	330,770	293,932	315,000	225,000	330,000	105,000	Based on average balance of \$30 million at 1.10%
Finance Charges for Members	1,537	-	-	-	-	-	
Claims Administration Fees	352,846	330,951	330,951	323,999	376,784	52,785	
Administration Fees	535,880	666,351	666,351	476,604	686,480	209,876	
Program Development Fees	-	-	-	-	-	-	
TOTAL REVENUES	12,992,557	13,701,937	13,723,005	13,793,840	14,268,963	475,123	
EXPENDITURES:							
Member Dividends	-	-	-	-	-	-	
Retained and Transferred Risk							
Premium for Transferred Risk	5,317,928	5,278,339	5,278,339	5,296,017	5,792,453	496,436	
Broker Fees	4,981	5,053	5,053	5,379	5,731	352	
Provision for Claims - Current Year	5,544,400	4,800,000	6,241,913	6,241,913	6,328,708	86,795	Estimated at expected discounted at 1.75%
Provision for Claims - Prior Year	(238,838)	330,000	367,500	367,500	383,250	15,750	Estimated pending actuarial
Provision for ULAE	150,397	0	10,000	10,000	16,500	6,500	
Total Retained and Transferred Risk	10,778,868	10,413,392	11,902,805	11,920,809	12,526,642	605,833	
Program Administration							
Actuarial and Consulting Services	31,140	0	28,806	28,806	30,000	1,194	
ISO Index Fees	0	0	500	1,000	1,000	0	
Legal Expenses	2,002	140	28,000	28,000	28,000	0	
Claims & Loss Prevention Administration	351,846	266,159	352,846	352,846	381,000	28,154	
Member Actuarial Studies	12,000	10,000	16,000	16,000	8,000	(8,000)	
Claim Audits	0	0	8,000	8,000	8,000	0	
Loss Prevention Annual Seminar	17,865	20	38,250	38,250	16,000	(22,250)	Risk management seminar expense
Total Program Administration	414,853	276,319	472,402	472,902	472,000	(902)	
Appropriation Delegated to Med Mal Committee	-	-	-	20,000	25,000	5,000	Available with two-thirds vote of Med Mal Committee
TOTAL EXPENDITURES	11,193,721	10,689,711	12,375,207	12,413,711	13,023,642	609,931	

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(364,270)	(474,870)	(474,870)	(474,870)	(456,548)	18,322	
GASB 68 Pension Funding	0	0	0	0	(85,152)	(85,152)	
Loss Prevention Subsidies	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	0	
Claims System Costs	(19,806)	(36,818)	(36,818)	(36,818)	(32,258)	4,560	
Risk Management Subsidy Dividend	(193)	(248)	(248)	(248)	(253)	(5)	
Investment Fees	(20,262)	(13,218)	(20,000)	(20,000)	(12,958)	7,042	
TOTAL TRANSFERS	(452,531)	(573,154)	(579,936)	(579,936)	(635,169)	(55,233)	
Net Increase or (Decrease)	1,346,305	2,439,072	767,862	800,192	610,152	(190,040)	
NET POSITION - JULY 1	4,359,795	5,706,100	5,706,100	5,187,815	6,473,962		
NET POSITION - JUNE 30	5,706,100	8,145,172	6,473,962	5,988,007	7,084,114		
Net Position Designated for:							
Target Equity	5,705,852	7,904,430	6,211,722	5,987,724	7,083,827		
Risk Management Dividend	248	253	253	283	287		
Admin Carryover	0	240,489	261,987	0	0		
Total Net Position	5,706,100	8,145,172	6,473,962	5,988,007	7,084,114		
Target Equity							
Low Range	6,000,000	5,000,000	5,000,000	5,000,000	3,200,000		
High Range	10,000,000	10,000,000	10,000,000	10,000,000	10,500,000		

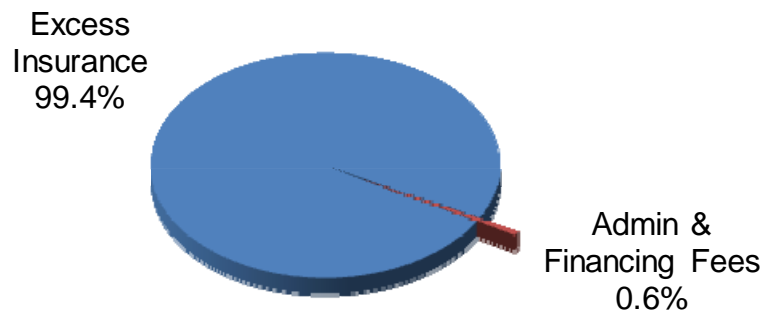
Master Rolling Owner Controlled Insurance Program

The Master Rolling Owner Controlled Insurance Program (MROCIP) enables members to purchase workers compensation and general liability coverage for all eligible parties working on their construction projects. The program inceptioned in January 2013, and currently has over ten projects either approved or in progress.

Insurance	\$5.5 Million
EIA Administration Fees	\$60 Thousand

A summary of the MROCIP Program budget is as follows:

Master Rolling Owner Controlled Insurance Program



MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM (MR OCIP)

Program Goals

Short-term

- Communicate information about the program to members.
- Extend the Tower II underwriting commitment
- Expand member participation in the program
- Repay \$500k loan based on Tower II participation

Long-term

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

Revenues and Expenses

- Premiums for Retained and Transferred Risk, and other program charges are calculated based on each project's construction values, payrolls, exposures, and coverage elections.
- Program finance fees are based on the internal borrowing rate. Two loans totalling \$500k from the Property Program will be paid back to the Property Program as Tower II projects are billed.
- Administration fees are .03% of the Estimated Project Value.
- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Investment fees are charged on the average daily balance of program funds invested.

CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OCIP PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	2,661,990	3,203,583	3,203,583	5,125,000	5,500,000	375,000	
Broker Fees	0	0	0	950,000	0	(950,000)	No broker fee; Alliant admin fee included in premium
Investment Income	86	1,112	1,250	0	0	0	
Administration Fees	33,464	33,464	33,464	68,000	59,820	(8,180)	
Member Finance Charges	0	237	237	0	0	0	
TOTAL REVENUES	2,695,540	3,238,396	3,238,534	6,143,000	5,559,820	(583,180)	
EXPENDITURES:							
Retained and Transferred Risk							
Insurance Purchased	2,661,994	3,205,497	3,205,497	5,125,000	5,500,000	375,000	
Broker Fees	0	0	0	950,000	0	(950,000)	
Financing Expenses	2,522	0	2,345	1,875	3,800	1,925	Interest on interfund loan from Property Program
Total Retained and Transferred Risk	2,664,516	3,205,497	3,207,842	6,076,875	5,503,800	(573,075)	
TOTAL EXPENDITURES	2,664,516	3,205,497	3,207,842	6,076,875	5,503,800	(573,075)	
TRANSFERS:							
Transfers out to:							
General Administration	0	(17,800)	(17,800)	(17,800)	(27,345)	(9,545)	
GASB 68 Pension Funding	0		0	0	(3,192)	(3,192)	
Investment Fees	(81)	(54)	(100)	(500)	(100)	400	
TOTAL TRANSFERS	(81)	(17,854)	(17,900)	(18,300)	(30,637)	(12,337)	
Net Increase or (Decrease)	30,943	15,045	12,792	47,825	25,383	(22,442)	
NET POSITION - JULY 1	(882)	30,061	30,061	31,775	42,853		
NET POSITION - JUNE 30	30,061	45,106	42,853	79,600	68,236		

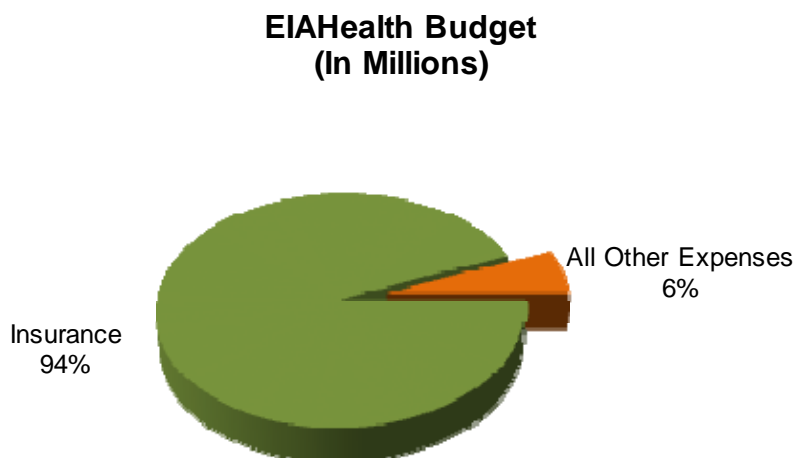
EIAHealth

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

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

Number of Members	27
Insurance	\$244 Million
Eligibility Fees	\$1.8 Million
Claims Admin Fees	\$10.2 Million
Broker Fees	\$2.3 Million
Healthcare Reform Fees	\$1.5 Million
EIA Admin & Fees	\$.33 Million

A summary of the EIAHealth Program budget is as follows:



Adopted: April 20, 2011
Amended: May 2, 2012
Amended: March 27, 2013
Amended: March 27, 2014
Amended: March 25, 2015

EIAHealth

Program Goals

Short-term

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

Long-term

- Maintain appropriate funding levels in Program.
- Maintain stable pricing.
- Maintain lower year over year increases.
- Maintain statewide and nationwide provider networks.
- Keep members updated on Health Care Reform.
- Provide wellness program options to members.
- Identify alternatives to avoid the Cadillac Tax in 2018.
- Annually review CPRA formula for any needed adjustments due to membership changes.
- Introduce health transparency tools and reference based pricing models as a way to educate and contain costs.

Budget Policies for the EIAHealth Program include the following:

Revenues

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

- Broker fees are also based on a per employee, per month rate. The rate varies based on the size of each member.
- TPA fees are based on a per employee, per month rate. Administration rates are based on a per employee, per month rate.
- Investment income is budgeted at an estimated earnings rate.

Expenses

- The health insurance premiums transferred to the EIAHealth Committee's partner, Self Insured Schools of California (SISC), equals the per employee, per month premium referred to above in the revenue section. Risk for member health cost have been transferred to SISC.
- Other EIAHealth Program revenues that pass through as an expense include:
 - Claims Administration and TPA Fees
 - Broker Fee Expense
 - Eligibility Administration Expense
- The EIAHealth Symposium expense provides for the operating cost of seminars conducted to update members on current health industry issues. The cost includes reimbursements of travel costs incurred by members to attend the seminar.
- The EIAHealth Benefit Technician Workshop is designed to train and update member health benefits staff on issues pertaining to the EIAHealth Program.
- Other program administration costs include legal expenses and actuary expenses. An expense budget of \$25,000 has been delegated to the EIAHealth Committee for any unforeseen budget expenses. The EIAHealth Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

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

Addendum

EIAHEALTH 2015 Fixed Administrative Costs

Program Administration	Fixed Costs
Alliant Employee Benefits	Large Group: \$3.00 PEPM Mid Market: \$8.00 PEPM Small Group: \$11.00 PEPM
Alliant Underwriting Services	\$3.00 PEPM
Anthem Blue Cross	\$44.34 to \$45.72 PEPM
Benefit Coordinators Corporation (BCC)	\$7.00 PEPM
Blue Shield of California	\$42.96 PEPM
CSAC EIA Admin Fee	\$1.50 PEPM
Delta Health Systems	\$39.90 PEPM
Employee Benefit Specialists (EBS)	\$6.75 PEPM
SISC Pool Access Fee	\$2.75 PEPM
SISC Stop Loss Pooling Charge	\$7.67 PEPM

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

CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016

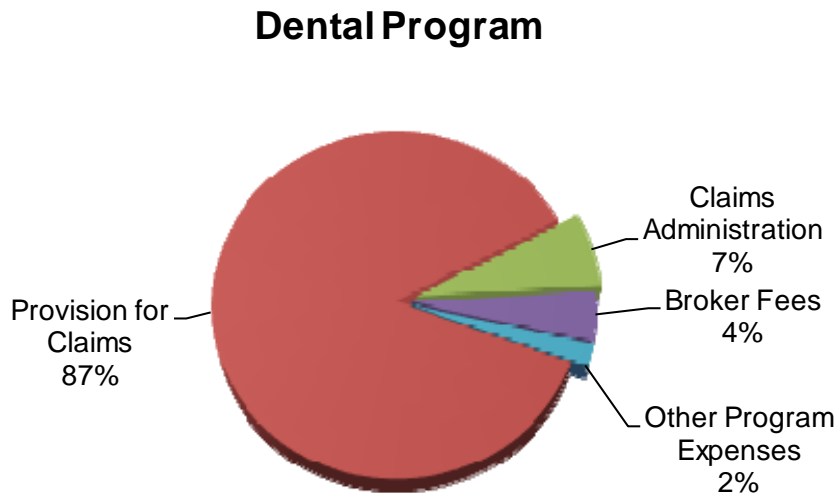
Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	217,522,065	161,439,373	220,000,000	278,234,400	244,058,000	(34,176,400)	Paid directly to SISC; increase in rates; decrease in covered lives
EBS/BCC Claims Eligibility	1,741,845	1,271,387	1,700,000	1,787,900	1,776,600	(11,300)	Paid direct to eligibility vendor
TPA Fees for EIAHealth Program	11,007,667	7,443,410	10,000,000	11,725,700	10,191,000	(1,534,700)	Decrease in covered lives; budget too high in FY14/15
Broker Fees	2,233,524	1,620,630	2,260,000	2,410,800	2,262,800	(148,000)	Paid to Alliant & other brokers;
Administration Fees	751,352	244,389	325,000	467,000	333,000	(134,000)	\$1.50 per employee per month
Healthcare Reform Reinsurance Fee and PCORI Fee	777,077	1,550,790	1,550,790	1,340,000	1,500,000	160,000	Reins fee \$5.25 per member per month effective 1/1/14
Investment Income	109,225	98,206	105,000	80,000	100,000	20,000	
Other Income	44,965	0	0	50,000	25,000	(25,000)	
TOTAL REVENUES	234,187,720	173,668,185	235,940,790	296,095,800	260,246,400	(35,849,400)	
EXPENDITURES:							
Member Dividends (Interest on Outstanding Balances)	14,481	0	25,000	25,000	25,000	0	
Retained and Transferred Risk							
Health Premiums, SISC	217,522,065	161,439,373	220,000,000	278,234,400	244,058,000	(34,176,400)	
Claims Admin. TPA Fees	11,008,190	7,442,925	10,000,000	11,725,700	10,191,000	(1,534,700)	Fees paid to TPAs; decrease in covered lives; budget too high in FY14/15
Broker Fees	2,233,524	1,620,630	2,260,000	2,410,800	2,262,800	(148,000)	
Eligibility Administration	1,741,845	1,271,387	1,700,000	1,787,900	1,776,600	(11,300)	
Healthcare Reform Reinsurance Fee and PCORI Fee	852,081	1,550,790	1,550,790	1,340,000	1,500,000	160,000	
Total Retained and Transferred Risk	233,357,705	173,325,105	235,510,790	295,498,800	259,788,400	(35,710,400)	
Program Administration							
EIA Actuarial, Consulting and Other	18,503	18,400	21,750	21,750	32,000	10,250	
EIAHealth Symposium and Technician Workshop	14,867	4,906	21,000	21,000	43,720	22,720	New Benefit Technician Workshop
Other Misc. Expense	0	0	10,000	10,000	15,000	5,000	
Total Program Administration	33,370	23,306	52,750	52,750	90,720	37,970	
Contingency Delegated to Governing Committee	0	0	0	25,000	25,000	0	Available with two-thirds vote of EIAHealth Committee
TOTAL EXPENDITURES	233,405,556	173,348,411	235,588,540	295,601,550	259,929,120	(35,672,430)	
TRANSFERS:							
Transfers out to:							
General Administration	(313,080)	(407,640)	(407,640)	(407,640)	(514,806)	(107,166)	
GASB 68 Pension Funding	0	0	0	0	(73,097)	(73,097)	
Investment Fees	(6,550)	(4,650)	(6,000)	(6,000)	(4,677)	1,323	
TOTAL TRANSFERS	(319,630)	(412,290)	(413,640)	(413,640)	(592,580)	(178,940)	
Net Increase or (Decrease)	462,534	(92,516)	(61,390)	80,610	(275,300)	(355,910)	
NET POSITION - JULY 1	1,384,496	1,847,030	1,847,030	1,755,619	1,785,640		
NET POSITION - JUNE 30	1,847,030	1,754,514	1,785,640	1,836,229	1,510,340		
Admin Carryover	694,785	553,395	553,395	694,785	203,095		
PE fees due to members	159,416	66,457	66,457	66,457	66,457		
Unrestricted Net Position	992,829	1,134,662	1,165,788	1,074,987	1,240,788		
Total Net Position	1,847,030	1,754,514	1,785,640	1,836,229	1,510,340		

Dental

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

Number of Members	137
Pool Premium	\$31 Million
Eligibility Fees	\$340 Thousand
Broker Fees	\$1.5 Million

A summary of the Dental Program budget is as follows:



Pursuant to the 2014/15 program goals, a target equity was established and based on actuarial results \$1M of program equity will be used to reduce renewal premiums for the 2015/16 year.

Approved: May 17, 2012
Amended: February 27, 2013
Amended: May 15, 2014
Amended: June 18, 2015

Dental

Program Goals

Short-term

- Reduce excess reserves.
- Continue to bring new members into the Program.
- Annually review trend levels for Program.
- Develop action plan to increase communication on available program features.
- Enhance program information available on the EIA website.
- Stabilization Fund Policy Review.

Long-term

- Maintain appropriate funding levels in Program.
- Maintain stable pricing.
- Maintain lower year over year increases.
- Maintain a nationwide provider network.
- Work with Delta Dental to develop EIA Dental website for Members and employees.
- Market review for Program competitiveness.
- Create Program Specific policy statement and review Standard Operating Procedures for program relevance and adherence.

Revenues

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

Expenses

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

Transfers

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Contribution For Retained Risk	31,210,281	24,033,831	32,050,000	30,723,500	30,836,057	112,557	Committee voted to use \$1M in equity to reduce rates
Stabilization Funds Transferred	922	0	0	0	0	0	Delta members have transitioned to the new program by June 2013
Eligibility Administration	312,281	248,532	330,000	301,000	340,000	39,000	
Broker Fees	1,387,051	1,093,155	1,450,000	1,330,000	1,450,000	120,000	
Investment Income	149,501	163,127	175,000	97,500	187,000	89,500	
Other Income	0	0	0	0	0	0	
TOTAL REVENUES	33,060,036	25,538,645	34,005,000	32,452,000	32,813,057	361,057	
EXPENDITURES:							
Retained and Transferred Risk							
Provision for Claims Current Year	26,483,069	0	28,100,000	27,650,000	28,062,286	412,286	
Provision for Claims Prior Year	0	0	100,000	100,000	100,000	0	
Claims Administration TPA Fees	1,967,441	1,485,492	1,981,000	2,200,000	2,200,000	0	Paid to Delta Dental
Eligibility Administration	312,281	248,532	330,000	301,000	340,000	39,000	Paid to PBIA for maintaining eligibility and billing
Broker Fees	1,387,051	1,093,155	1,450,000	1,330,000	1,450,000	120,000	Paid to Alliant and other brokers
PCORI Fees	21,069	0	42,000	3,000	52,500	49,500	Federal tax due on certain dental members
Total Retained and Transferred Risk	30,170,911	2,827,179	32,003,000	31,584,000	32,204,786	620,786	
Program Administration							
Actuarial, Consulting and Legal	6,000	3,600	18,250	18,250	10,500	(7,750)	
Employee Benefit & Health Symposiums	0	0	11,500	11,500	11,930	430	
Total Program Administration	6,000	3,600	29,750	29,750	22,430	(7,320)	
Contingency Delegated to Governing Committee	0	0	0	0	25,000	25,000	Available with two-thirds vote of Employee Benefits Committee
TOTAL EXPENDITURES	30,176,911	2,830,779	32,032,750	31,613,750	32,252,216	638,466	
TRANSFERS:							
Transfers out to:							
General Administration	(96,490)	(166,970)	(166,970)	(166,970)	(194,984)	(28,014)	
GASB 68 Pension Funding	0	0	0	0	(29,941)	(29,941)	
Investment Fees	(9,047)	(7,098)	(9,500)	(7,000)	(6,818)	182	
TOTAL TRANSFERS	(105,537)	(174,068)	(176,470)	(173,970)	(231,743)	(57,773)	
Net Increase or (Decrease)	2,777,588	22,533,798	1,795,780	664,280	329,098	(335,182)	
NET POSITION - JULY 1	10,820,331	13,597,919	13,597,919	11,949,840	15,393,699		
NET POSITION - JUNE 30	13,597,919	36,131,717	15,393,699	12,614,120	15,722,797		
Net Position Designated for:							
Program Stabilization Funds - member designated	1,699,869		1,678,869		1,636,869		
Dental IBNR & Claim Fluctuation Reserves	-		-		5,370,289		
Admin Carryover	215,665		184,445		117,272		
Unrestricted Net Position	11,682,385		13,530,385		8,598,367		
Total Net Position	13,597,919		15,393,699		15,722,797		

Miscellaneous Programs

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

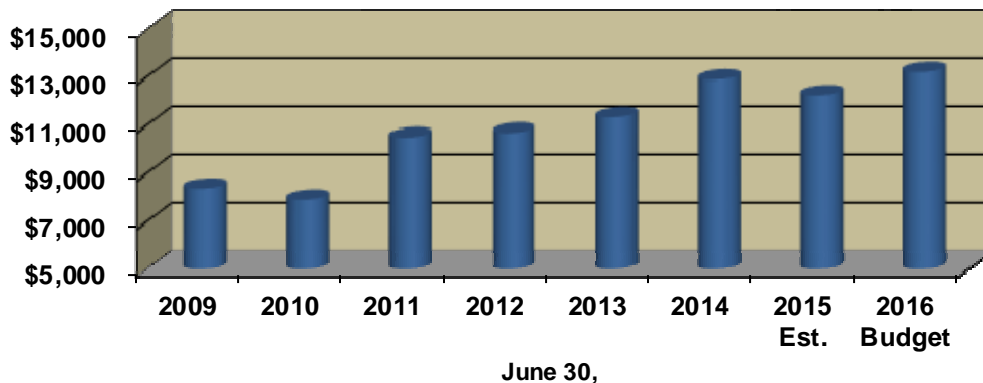
- Life and Disability programs
- Employee Assistance programs

Other coverage include:

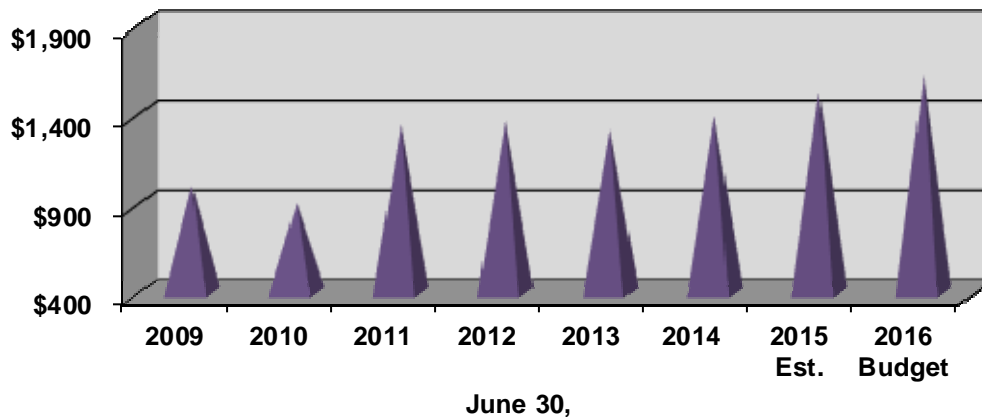
- Optional Excess Liability programs
- Aviation Insurance
- Crime and Honesty Bonds
- Pollution Liability Insurance
- Watercraft Insurance
- Cyber Liability Insurance
- Course of Construction Insurance
- Catastrophic Inmate Medical Insurance

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

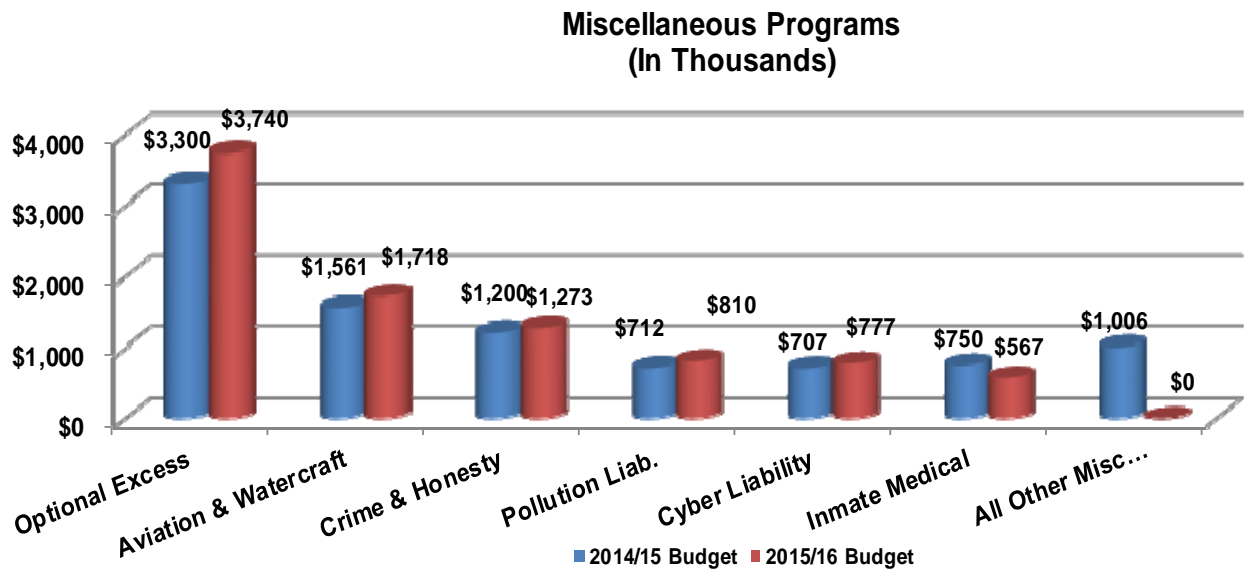
**Life, AD&D, LTD and STD Premiums
(in thousands)**



**Employee Assistance Program
(in thousands)**



The following chart illustrates the volume of each of the property and casualty programs within the miscellaneous programs.



Adopted: May 16, 2011
Amended: February 27, 2013
Amended: June 5, 2014
Amended: July 7, 2014
Amended: May 7, 2015

Miscellaneous Programs

A. Employee Benefits

Program Goals

Short-Term

- Program growth via new membership
- Increase communication on available program features
- Enhance program information available on the EIA website
- Develop EAP educational hours pooling bank

Long Term

- Maintain stable and competitive pricing
- Obtain multi-year agreements where ever possible
- Review impact of additional carrier being added to the Life/Disability Program.

Revenues

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

Expenses

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

Transfers

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

B. Miscellaneous Property and Casualty Programs

Program Goals

Short-term

- Ensure an efficient system is in place for premium billings
- Enhance program information provided on the website

Long-term

- Maintain stable and competitive pricing from year to year
- Continue to evaluate new opportunities to develop coverage programs that meet members' changing risk-management needs
- Explore establishing aggregated pooling layers where it makes sense
- Maintain long-term relationships with the coverage markets
- Obtain multi-year agreements where ever possible

Revenues

- In addition to the ten major coverage programs, the EIA provides group purchase insurance programs to offer members protection from other various exposures. These program include:
 - Aviation
 - Bond/Crime and Faithful Performance,
 - Catastrophic Inmate Medical,
 - Course of Construction,
 - Optional Excess Liability
 - Cyber Liability
 - Pollution Liability
 - Special Events
 - Vendor Contractors'
 - Watercraft

Expenses

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

Transfers

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

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CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
Adopted Budget
July 1, 2015 to June 30, 2016

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Watercraft Dividend	16,622	17,867	17,867	0	15,000	15,000	Received from insurance carriers and paid out to members
Aircraft Dividend	83,121	96,608	96,608	0	80,000	80,000	Received from insurance carriers and paid out to members
EAP Premiums	1,389,883	1,141,148	1,520,000	1,400,000	1,613,267	213,267	
Life, LTD and STD Premiums	12,878,776	9,180,988	12,240,000	11,985,500	13,187,807	1,202,307	Growth in program
Vision Premiums	2,843,778	0	2,527,500	2,527,500	2,793,000	265,500	
Optional Excess	2,927,527	3,368,010	3,368,010	3,300,000	3,740,000	440,000	
Aviation Insurance	1,310,536	1,371,797	1,371,797	1,371,000	1,516,000	145,000	
Watercraft Insurance	187,985	189,139	189,139	190,000	201,900	11,900	
Course of Construction	(34,131)	1,205,545	1,205,545	855,143	0	(855,143)	No current upcoming projects
Crime and Honesty Bonds	1,152,211	1,211,793	1,211,793	1,200,000	1,273,100	73,100	
Pollution Liability Coverage	712,408	762,315	762,315	711,762	810,033	98,271	
Inmate Medical	801,275	665,078	665,078	750,000	567,400	(182,600)	A couple of members withdrew from the program
Owner Controlled Insurance Program	774,993	151,606	151,606	151,606	0	(151,606)	Nothing expected
Cyber Liability	749,049	806,273	806,273	706,920	777,200	70,280	
Finance Fees	1,392	53	53	0	0	0	
Investment Income	46,468	44,653	44,653	37,000	25,800	(11,200)	
Other Income	118,089	406,309	406,309	100,000	100,000	0	
TOTAL REVENUES	25,959,982	20,619,182	26,584,546	25,286,431	26,700,507	1,414,076	
EXPENDITURES:							
Watercraft Dividend	16,622	17,867	17,867	0	15,000	15,000	These are carrier dividends paid to members who had no claims
Aviation Dividend	83,121	96,608	96,608	0	80,000	80,000	
Transferred Risk							
EAP Premium Expense	1,391,580	1,150,274	1,520,000	1,400,000	1,613,267	213,267	
Life, LTD Premium Expense	12,959,970	9,334,301	12,285,000	12,030,500	13,232,807	1,202,307	\$45k in stabilization funds used to offset LTD rates
Vision Premiums	2,843,778	0	2,527,500	2,527,500	2,793,000	265,500	
Optional Excess	2,927,526	3,368,009	3,368,010	3,300,000	3,740,000	440,000	
Aviation Insurance	1,310,536	1,371,797	1,371,797	1,371,000	1,516,000	145,000	
Watercraft Insurance	188,099	189,138	189,139	190,000	201,900	11,900	
Course of Construction	(34,131)	1,205,545	1,205,545	855,143	0	(855,143)	
Crime and Honesty Bonds	1,152,211	1,211,319	1,211,793	1,200,000	1,273,100	73,100	
Pollution Liability	712,355	762,236	762,315	711,762	810,033	98,271	
Inmate Medical	801,272	559,613	665,078	750,000	567,400	(182,600)	
Owners Controlled Insurance Program	774,993	151,606	151,606	151,606	0	(151,606)	
Cyber Liability	742,370	812,308	812,308	706,920	777,200	70,280	
Other	119,075	403,509	403,509	100,000	100,000	0	
Total Transferred Risk	25,889,634	20,519,655	26,473,600	25,294,431	26,624,707	1,330,276	
TOTAL EXPENDITURES	25,989,377	20,634,130	26,588,075	25,294,431	26,719,707	1,425,276	

CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
Adopted Budget
July 1, 2015 to June 30, 2016

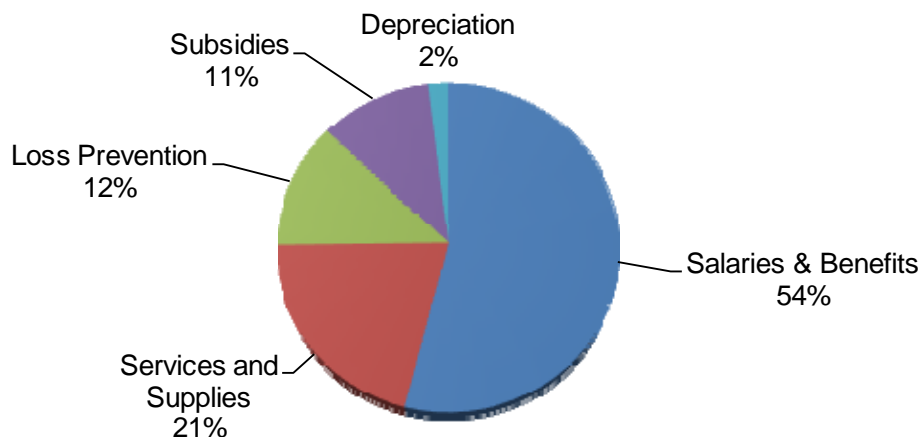
Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(25,000)	(327,031)	(327,031)	(30,000)	(15,000)	15,000	
Internal Investment Fees	(2,857)	(2,041)	(3,000)	(3,000)	(1,000)	2,000	
TOTAL TRANSFERS	(27,857)	(329,072)	(330,031)	(33,000)	(16,000)	17,000	
Net Increase or (Decrease)	(57,252)	(344,020)	(333,560)	(41,000)	(35,200)	5,800	
NET POSITION - JULY 1	2,202,249	2,144,997	2,144,997	2,121,139	1,811,437		
NET POSITION - JUNE 30	2,144,997	1,800,977	1,811,437	2,080,139	1,776,237		
Net Position Designated for:							
Life Stabilization Fund	889,896		889,896	891,570	884,896		
LTD Stabilization Fund	985,800		895,800	968,286	845,800		
Unrestricted Net Position	269,301		25,741	242,124	45,541		
Total Net Position	2,144,997	1,800,977	1,811,437	2,101,980	1,776,237		

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

General Administration

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

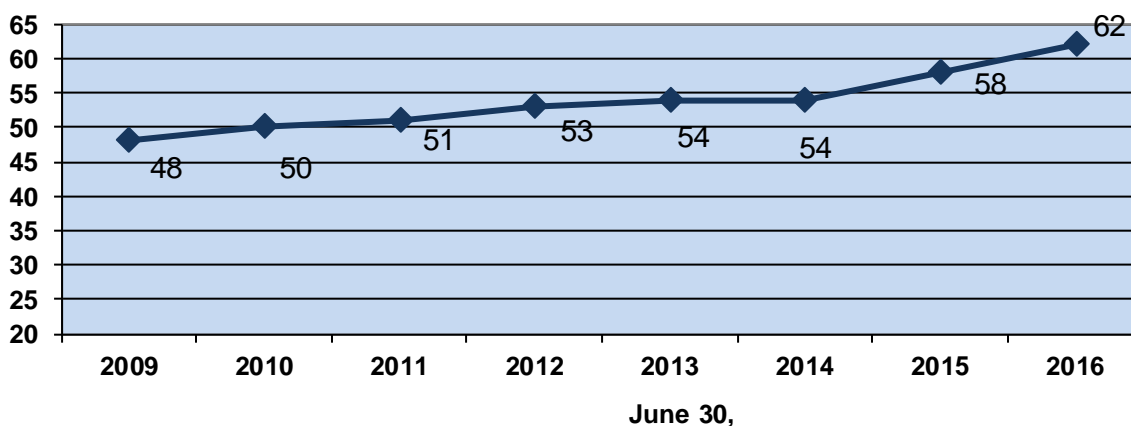
General Administration Budget



Highlights of the general administration budget are as follows:

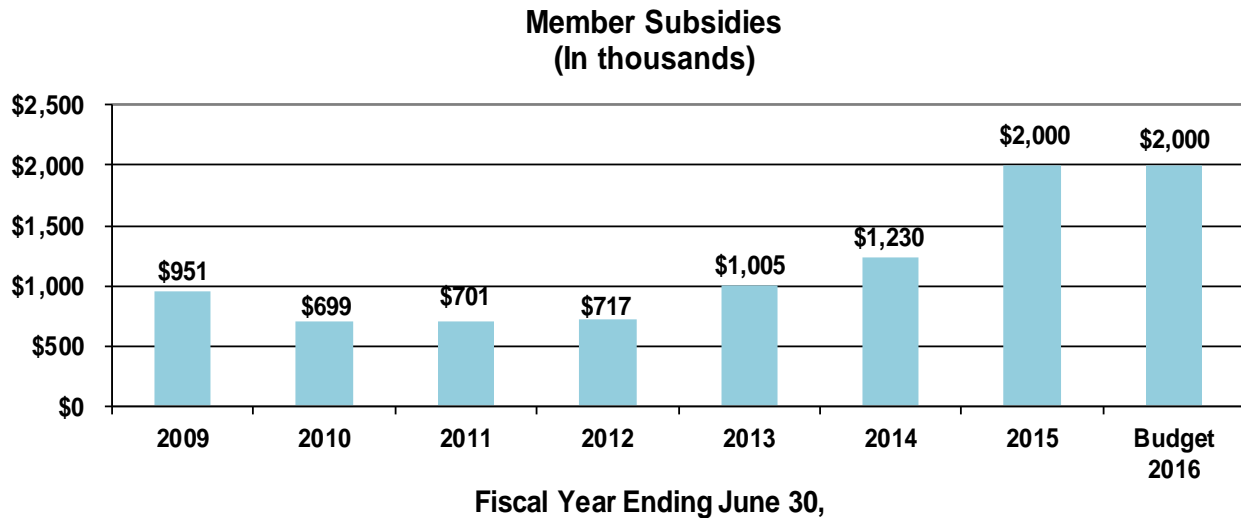
- Salaries and benefits includes six new positions, two positions eliminated and two positions upgraded.
- The history of the number of authorized positions is illustrated in the following chart.

History of Authorized Staff Positions



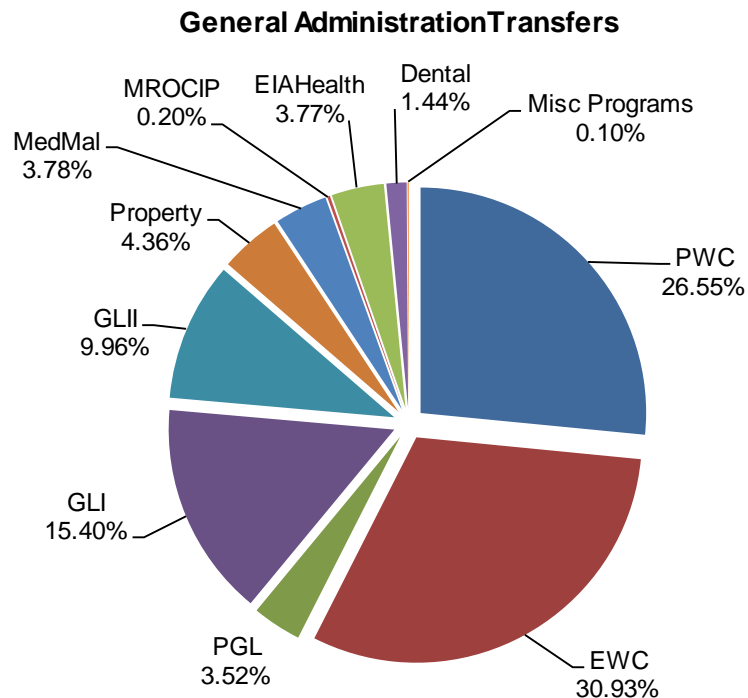
Loss Preventions and Risk Management Subsidies

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



General Administration Transfers

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



Adopted: June 2, 2011
Amended: June 1, 2012
Amended: June 7, 2013
Amended: May 1, 2014
Amended: May 7, 2015

General Administration

Program Goals

Short Term

- Align staff activity to support program specific short and long term goals
- Update Performance Measures for all departments
- Complete third party administrator conversion to new claims system and continue member conversion to new system
- Develop member and pool management functionality on the EIA website
- Expand data and analytics services provided to members
- Implement new schools loss prevention and repetitive motion programs
- Strengthen and expand legislative advocacy by coordinating efforts with CSAC
- Provide a Pool Basics training program to staff to enhance industry knowledge
- Reduce GASB 68 unfunded pension liability (pay 90% of the estimated unfunded balance) to enhance long-term financial stability and operational flexibility.
- Expand the supervisory development training program to prepare technical staff for the next level of career advancement
- Perform an audit of the executed governing documents (JPA's and MOU's) to ensure we have received all required documents and they have been appropriately filed.
- Continue staff training on CHSI and new claims system.
- Develop risk assessment tool
- Deliver annual employee performance reviews by June 15th of each year

Long Term

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

Budget Policies for the General Administration Program include the following:

Revenues

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

- Insurance Certificate Tracking – The Insurance Certificate Tracking Program is an online program to obtain and record proper evidence of insurance coverage from each organization contracting with member agencies. The direct cost of the Program is billed to the participating members.
- Claims System – Members of the EIA who have been using the iVOS claims system as their primary claims handling system have the option to transition to our new claims system. In addition, members never using EIA's claims system has the opportunity to do so. There are various payment options available. The direct cost of the Program is billed to the participating members.
- Loss Prevention Platform – An online training and safety/risk management platform is available to all members providing access to a wide range of training topics. The Platform includes, a tracking component, resource center, FleetSmart, data analytic capabilities and file center functions. The cost for the Loss Prevention Platform is included in the Administration Fee, allocated to all members.
- Investment income is budgeted at an estimated earnings rate determined annually, based on the estimated portfolio yield on invested assets and expected cash flows, and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors. The estimated earnings rate is also the rate established by the Inter-Fund Borrowing Policy, wherein a program can temporarily borrow funds from the EIA Treasury.
- PLIP Income – The Executive Committee has approved a Personal Lines Insurance Program (PLIP) allowing EIA and member employees to access group savings for personal insurance. The Program is operated in partnership with the California State Association of Counties (CSAC). Affinity fees are received quarterly and are shared equally with CSAC.
- Shared Cost Agreements – The Executive Committee has approved shared cost agreements, in which the cost of EIA staff or services is shared with EIA vendors.
- Meeting Revenues – Voluntary contributions from EIA partners and vendors, toward the cost of EIA meetings and events, are recognized as meeting revenue.

Expenses

- The adjustment to the liability for future retiree benefits will be entered as an expense or other adjustment as required by GASB 68. This is not an amount under the control of the CEO. The Executive Committee approved payment of 90% of EIA's estimated GASB 68 unfunded pension liability.

- Staff salaries and benefits are based on policies established by the Personnel Sub-Committee and approved by the Executive Committee. This includes approval of authorized positions, salary classifications and pay ranges, benefit levels and other personnel matters. New staff positions, classifications changes, market adjustments to pay ranges, merit pay pool limits, and defined benefit and defined contribution rates are approved annually by the Personnel Sub-Committee and Executive Committee.
- Staff Travel – Employees are reimbursed for ordinary and necessary travel cost for authorized business related purposes. Mileage cost is reimbursed at the rate established by the Internal Revenue Service. Other reimbursable travel costs include the actual cost for lodging, meals, and related ordinary and necessary incidental expenses.
- Authority Meeting Expenses – Members of the Board of Directors, or their alternates, are reimbursed for ordinary and necessary travel expenses. Reimbursements are based on the Travel Policy approved by the Board of Directors. A second county representative attending a Board of Directors meeting may be reimbursed for travel expenses, provided that the first county representative is a voting member of the Board of Directors.
- Executive and Committee Travel – Members of Authority committees are reimbursed for ordinary and necessary travel expenses to attend committee meetings and the conduct of other committee activities. Reimbursements are based on the Travel Policy approved by the Board of Directors.
- Audit Services – An independent audit examination of the EIA Comprehensive Annual Financial Report (CAFR) is completed each year by a Certified Public Accountant. The selection of the independent auditor is based on the recommendation of the Finance Committee and approved by the Executive Committee. The audit contract is based on a Request for Proposal (RFP) process determined by the Finance Committee.
- Legal Services – The Board of Directors and Authority committees may appoint Legal Counsel to provide legal services to the Board of Directors or Committees.
- Management Training – Management training expenses include the cost of periodicals and publications, education and scholarships, conferences and seminars, and membership dues. Management training expenses are approved by EIA senior management.
- Legislative advocacy services are provided by two third-party contracts to represent the pooling industry's interest, primarily at the State level.
- Investment expenses represent the cost of third-party investment management services to EIA.
- A variety of loss prevention monitoring, educational, and awareness services are provided to members as approved by the Board.

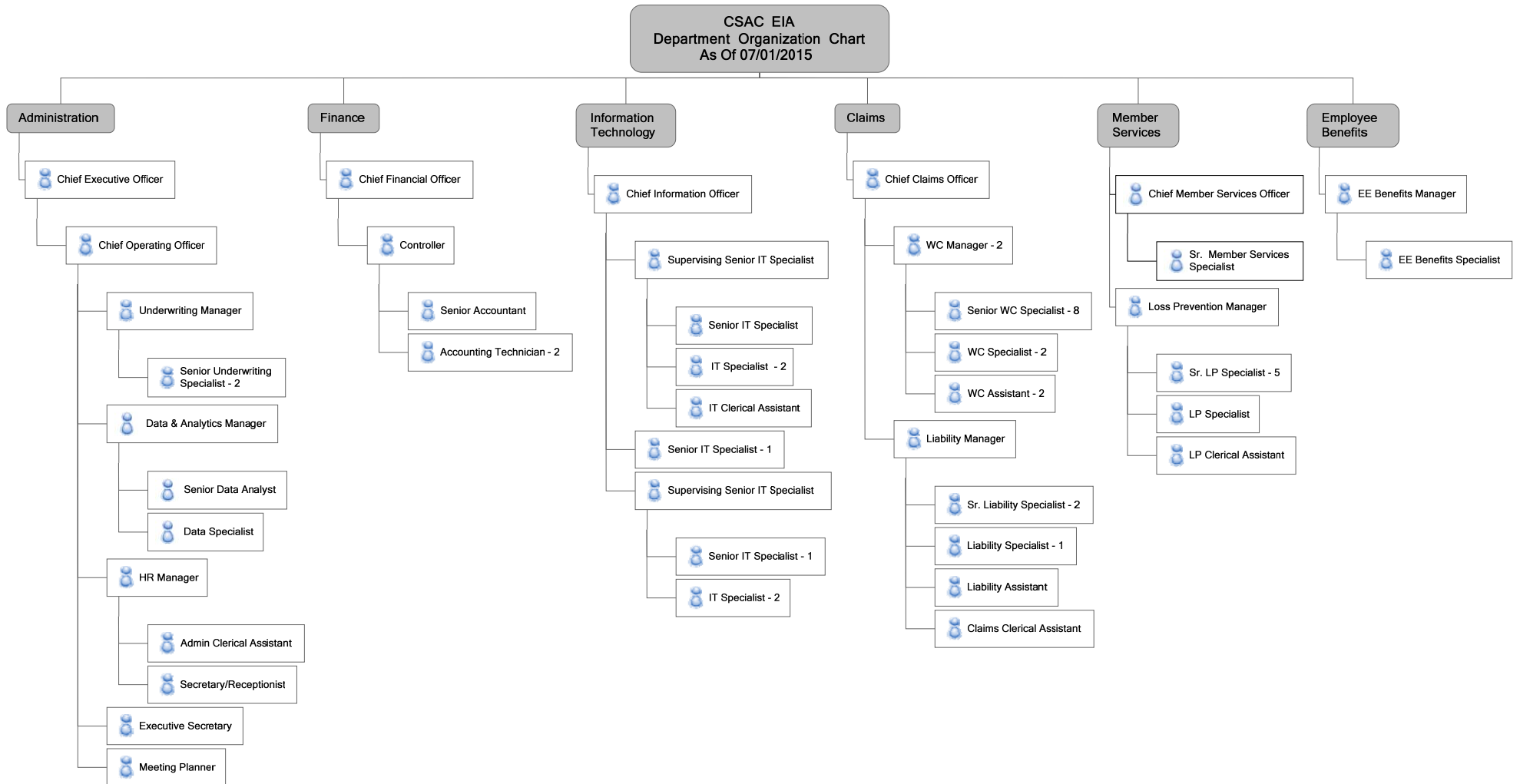
- Other ordinary and necessary expenses are estimated and approved through the regular budget process and according to the Budget Preparation and Management Policy.
- A Contingency amount is budgeted, and may be transferred to any line item with the approval of a two-thirds vote of the Executive Committee.

Transfers

- Transfers in from each EIA program are used to pay for EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time. Transfers from programs that access our claims system are allocated based on program use.

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

- Public entity participation fees, collected during the prior fiscal year, are consolidated by transfers in to the General Administration Program. The Board of Directors considers risk management dividends at the October Board of Directors meeting. Risk management dividends, approved by the Board of Directors, are allocated to county members as a risk management subsidy dividend.
- A transfer in for investment fees reimburses the EIA Treasury for the cost of third-party investment management services.



ADMINISTRATION DEPARTMENT

2015/16 Staffing Budget: \$1,867,534

Departmental Functions:

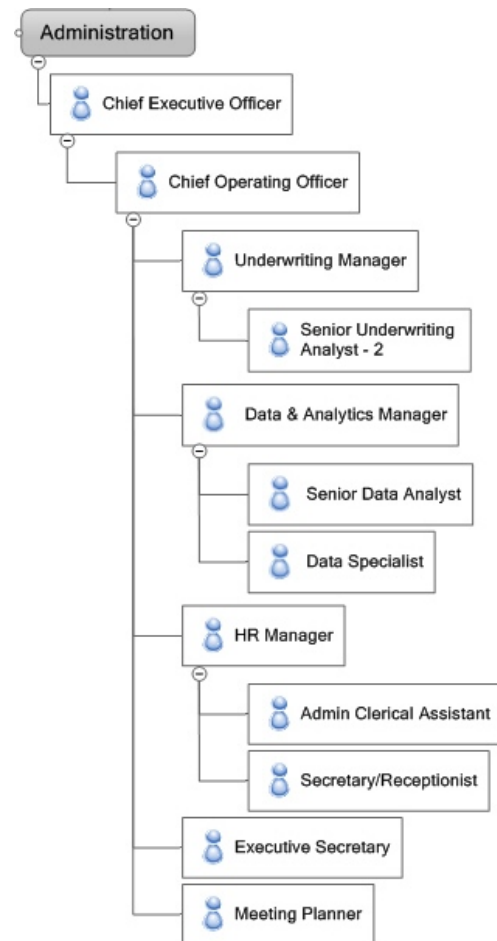
- Oversee administration of EIA programs including marketing, underwriting, and servicing all insurance programs.
- Manage member communications including agendas, minutes, web and member relationship portals, and travel and meeting arrangements.
- Manage all staff service functions including Human Resources,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

Major Accomplishments in Fiscal 2014/15:

- Retained 99% of members at renewal of the programs.
- Increased member participation at important events by continuing to host events in both Northern and Southern California locations.
- Increased contact with public entity members with the implementation of a new process to meet with each public entity member over the next 3 years.
- Received Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association, (GFOA).
- All loss data information was provided to actuaries and underwriters on time and in a usable format.
- Began implementation of a Supervisory Mentor Program for staff.

Performance Measures for Fiscal 2015/16:

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

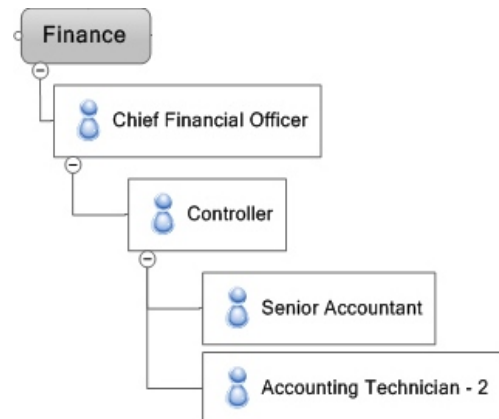


FINANCE DEPARTMENT

2015/2016 Staffing Budget: \$577,776

Departmental Functions:

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



Major Accomplishments in Fiscal 2014/15:

- Participated in and received the Certificate of Achievement for Excellence in Financial Reporting (CAFR), and Distinguished Budget Award from the Government Finance officers Association (GFOA) and assisted in the preparation of the Popular Annual Financial Report (PAFR).
- Implemented software budget to actual reporting by budget grouping for more real time budget analysis.
- Met or exceeded deadlines for claims reconciliation and funding information on programs' Claim Summary Reports.
- Successful renewal billing cycle of 799 invoices with a total value of \$284.8 million with only 1 invoice outstanding at 60 days.
- Financial audit with new auditors completed on time with no findings.
- Started claim reimbursement process and analysis for automating the transfer of information between the claims and finance departments.

Performance Measures for Fiscal 2015/16:

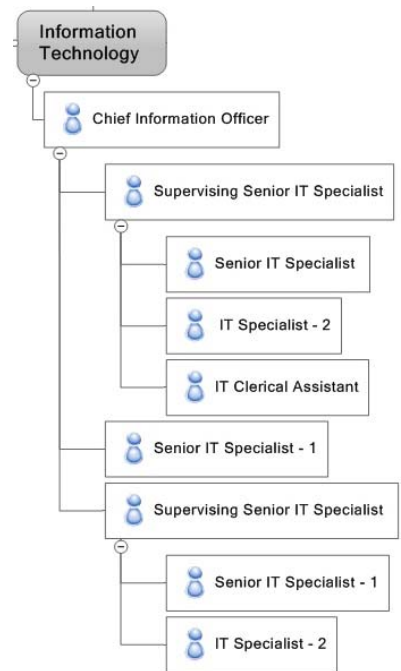
- Obtain CAFR and budget awards from GFOA.
- Bill and collect 100% of renewal billing with 60 days of the new fiscal year.
- Complete the external audit with the new auditors and present audited financials to Board by October Board meeting.
- Bill claim reimbursements and member reimbursements within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

INFORMATION TECHNOLOGY DEPARTMENT

2015/16 Staffing Budget \$1,185,066

Departmental Functions:

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



Major Accomplishments in Fiscal 2014/15:

- Partnered with Claims Department to implement Systema SIMS for the Worker's Compensation Third Party Administrators; York and CorVel.
- Implemented Systema SIMS for seven current iVOS Members and two additional members.
- Implemented the EIAGL codes for new SIMS systems.
- Created and issued RFP for website development, managed the selection of a new website provider, and migrated the current website to new platform.
- Re-evaluated the CHSI Connections product for meeting the long-term goals of EIA.
- Developed the Information Technology Strategic Goals aligned to the Technology Vision Statement.

Performance Measures for Fiscal 2015/16:

- Partner with Claims Department to implement Systema SIMS for the Worker's Compensation Third Party Administrators; Intercare, JT2, and LWP.
- Implement Systema SIMS for two remaining iVOS Members.
- Continue to market the EIA Workers' Compensation and General Liability code standards.
- Re-evaluate and refresh the website.
- Partner with the Claims Department and Finance Department to automate transfer of claims payment and excess reimbursement data between the new SIMS system and the MIP system.
- Design and develop a pool management system utilizing previous web applications.

CLAIMS DEPARTMENT

2015/16 Staffing Budget: \$2,348,678

Departmental Functions:

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

Major Accomplishments in Fiscal 2014/15:

- Processed claim reimbursements to members within 30 days of receipt of all supporting documentation.
- Invoiced excess reimbursements to reinsurers/excess carriers within five days of issuing payment.
- Processed Bordereaux invoicing for EWC and PGL programs monthly.
- Completed the process of converting PWC claims from York's Claims Connect system to EIA's SIMS system.

Performance Measures for Fiscal 2015/16:

- In coordination with IT, complete transition of all PWC claims from Third Party Administrator (TPAs') systems to EIA claims system by June 2016.
- Initiate the transition of all PGL claims from TPAs' systems to EIA claims system.
- Through audit and loss analysis process, continue to provide information on a timely basis to underwriting staff and committees to direct loss prevention and mitigation activities.
- Invoice excess reimbursements to reinsurers/excess carriers within five days of issuing payment. Oversee and follow up with those reinsurers to achieve at least 80% reimbursement within 30 days of invoice issuance.
- Complete Claim Summary Reports, including the aggregate stop loss coverage invoice on Primary Workers' Compensation (PWC), within 60 days of quarter end.
- In coordination with IT, develop graphical ways to report CSR information to Committees and the Board.
- Start the first phase of the claims-accounting system interface for transaction processing.



MEMBER SERVICES DEPARTMENT

(Includes former Loss Prevention Department)

2015/16 Staffing Budget: \$1,177,294

Departmental Functions:

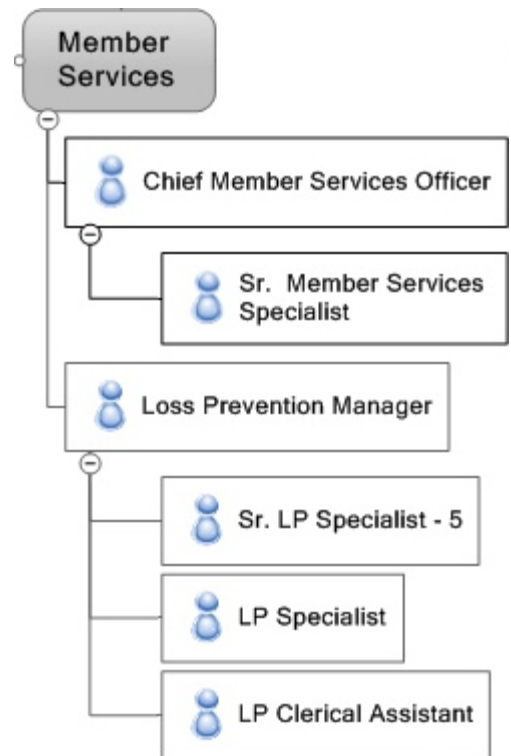
- Provide member directed risk management services that target and reduce exposure to losses
- Market existing services to ensure members are aware of opportunities that exist
- Evaluate new service offerings based on a systematic approach that considers member demand, as well as staffing & funding considerations
- Provide on-demand training & loss prevention services that continually adapt to members' changing risk needs.
- Develop & maintain informational resources & best practices
- Maintain a library of training aids & programs
- Participate in the EIA prospect evaluation process

Major Accomplishments in Fiscal 2014/15:

- Completed study regarding delivery of membership services. Received approval for establishment and initial funding for new Member Services Department.
- Completed RFP & vendor selection for new automated risk assessment tool
- Launched Employment Law Hotline for PGL Program
- Launched Employment Law legal services hotline for PWC & GL1 Programs
- Expanded MyChannel 24/7 presentations to include internal & external programs
 - Launched eight new webcast programs
- Continued expansion of resource library
- 14% increase in the number of employees taking online courses exceeding the goal by 5%
- 25% increase in the number of total course completions
- 10% increase in enrollment in the EPN program exceeding the goal by 5%
- 40% increase in instructor led program attendance exceeding the goal by 30%
- Doubled the number of MyChannel recordings

Performance Measures and Goals for Fiscal 2015/16:

- Evaluate current staffing levels vis a vis current and planned service offerings
- Begin development of a loss & exposure benchmarking tool
- Begin development of a risk self-assessment tool
- Expand participation in EIA training programs
 - 10% increase in training program attendance
 - Target a 5–10% increase in the number of employees taking online courses
 - Increase MyChannel offerings by 20%
- Target a 5% enrollment increase in the driver monitoring program

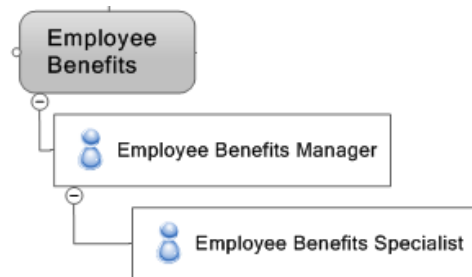


EMPLOYEE BENEFITS DEPARTMENT

2015/16 Staffing Budget: \$225,612

Departmental Functions:

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



Major Accomplishments in Fiscal 2014/15:

- Overall program growth and retention, with an increase in service levels to Members.
- EIA Healthcare Symposium conducted in Irvine, Sacramento and Pleasanton, attended by over 225 Members, Broker and Carrier representatives. Attendance increased in 2015.
- Review, reconstruction and audit of Program Performance reports.
- Creation of Target Surplus Guidelines for the Dental Program that established IBNR and Claims Fluctuation Margins.
- Increase communication of Employee Benefits services to existing Members and to those not currently participating in the programs.
- Strengthen communication and collaboration with our Broker and Carriers.
- Created efficiencies and accountability in the Life and Disability billing process by implementing an online premium billing platform. Available April, 2015.
- Started the documentation of Employee Benefits process and procedures.

Performance Measures for Fiscal 2015/16:

- Increase continued visibility and education of services available to Members through the EIAHealth and Dental programs.
- Audit and update EIAHealth and Dental Member data within the Connections system.
- Work with IT to enhance the Employee Benefits information available via our EIA website.
- Create an online Health newsletter that announces products and services available to EIA Members.
- Increase participation at the 2016 EIA Healthcare Symposium.
- Conduct quarterly meeting with all Carrier partners.
- Improve Program transparency with increase in reports provided to the EIAHealth and Employee Benefits Committees.
- Implement Wellness services available to all EIA Members.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Member Services							
Insurance Certificate Tracking	90,030	111,984	182,716	215,813	255,000	39,187	Additional member(s) joining the program
DMV Pull Program	43,479	27,086	40,626	40,650	0	(40,650)	Pass through program discontinued
Claims System Access	72,094	181,460	318,460	412,394	542,691	130,297	Member conversion to new SIMS claims system
Loss Prevention Platform	657,201	644,824	644,824	617,000	0	(617,000)	Part of general admin allocation in FY15/16
Investment Advisor Services	23,017	13,775	13,775	20,000	0	(20,000)	No longer providing investment management services to members
Investment Income	100,152	46,655	67,500	67,500	110,000	42,500	\$10 million in invested assets at 1.1%
PLIP Income	81,498	60,481	80,000	80,000	80,000	0	
Shared Cost Agreements	31,161	19,395	38,790	38,790	39,459	669	50% of Employee Benefits Specialist in FY15/16
Loss Prevention Training Fees & Materials	2,510	991	1,000	3,300	1,200	(2,100)	CPR and First Aid books billed when courses are provided
Additional Subsidy funded by Members	754,677	422,062	422,062	0	275,500	275,500	Amounts added in premium invoicing at member discretion
Other Revenues	3,184	21	21	1,000	1,000	0	
TOTAL REVENUES	1,859,003	1,528,734	1,809,774	1,496,447	1,304,850	(191,597)	
EXPENDITURES:							
Salaries and Benefits							
Regular Salaries	4,632,190	3,892,282	5,290,000	5,297,740	5,970,662	672,922	See Schedule 1 for detail on all Salaries and Benefits
Retirement	568,573	419,916	650,000	651,632	2,442,550	1,790,918	Payment of 90% of GASB 68 unfunded pension liability
Employee Benefits	965,246	756,245	1,100,000	1,106,619	1,252,259	145,640	See Schedule 2
Employment Taxes	81,465	53,496	80,000	84,105	93,746	9,641	
Temporary Services	55,270	6,366	6,500	2,500	47,500	45,000	Temporary help for staff Leave of Absences
Employment Services	5,185	5,844	8,200	8,200	19,660	11,460	
Total Salaries and Benefits	6,307,929	5,134,149	7,134,700	7,150,796	9,826,377	2,675,581	
Services and Supplies:							
Staff Travel	220,244	206,980	275,000	257,500	322,000	64,500	Travel to file reviews, settlement conferences, Employee Benefit meetings
Authority Meeting Expenses	159,993	85,994	275,000	338,385	351,425	13,040	See Schedule 3
Committee Expenses	115,174	60,545	114,465	114,465	142,289	27,824	See Schedule 4; more in-person meetings
Audit Service	70,883	29,500	50,000	50,000	50,000	0	
Legal Counsel	418,327	8,745	25,000	40,500	55,500	15,000	Includes \$40k for Amicus Briefs, if authorized by Executive Committee
Periodicals and Publications	4,329	5,026	6,035	6,035	7,595	1,560	See Schedule 5
Training and Education	12,962	6,805	25,000	63,810	60,195	(3,615)	See Schedule 5
Educational Scholarships	0	0	0	6,500	6,500	0	See Schedule 5
Conferences and Seminars	28,806	28,044	44,875	44,875	53,075	8,200	See Schedule 5
Membership Dues	17,079	16,100	22,940	22,940	64,395	41,455	See Schedule 5; \$33k increase for CSAC premiere membership
Office Supplies	33,038	26,526	60,300	60,300	78,800	18,500	Ergo chairs for new hires and replacement of old existing chairs
Computer Supplies, Software and Annual Maint.	169,496	173,594	220,313	220,313	327,095	106,782	See Schedule 6
Computer Hardware, Backup Data Center	19,265	40,304	83,430	83,430	84,575	1,145	See Schedule 6
WebEx Conferencing	4,125	3,520	10,000	15,600	16,800	1,200	See Schedule 6
Computer Technical Assistance	60,525	47,900	84,400	84,400	89,400	5,000	See Schedule 6
Website Design/Hosting/Support	23,916	201,961	266,750	266,750	157,500	(109,250)	See Schedule 6; change in website design costs
Claims System	444,558	326,726	577,000	920,452	1,149,895	229,443	See Schedule 7
Insurance	134,147	150,230	150,230	169,450	206,800	37,350	See Schedule 8; primarily increase in WC
Postage	10,807	9,591	16,000	16,000	16,000	0	
Telephone	36,530	31,378	50,000	58,860	60,200	1,340	
Printing	30,665	32,160	45,000	57,825	58,000	175	See Schedule 9
Maintenance	0	1,152	7,000	7,000	7,000	0	

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
Accreditation and Certifications	1,780	1,780	2,125	2,125	12,575	10,450	CAJPA accreditation in FY15/16
Consultant	0	44,000	125,000	155,000	5,850	(149,150)	PERS actuarial for GASB 68; risk mgt feasibility study in FY14/15
Awards and Recognition	20,996	8,697	12,750	12,750	12,950	200	See Schedule 11
Member Development	13,533	14,901	28,400	28,402	27,657	(745)	See Schedule 10
Legislative Advocate Contracts	49,200	36,900	52,000	52,000	120,000	68,000	Add'l contract in FY15/16 with CSAC legislative advocate
Bank Charges	3,859	1,936	5,000	7,905	5,600	(2,305)	
Investment Expense	31,157	43,837	132,000	123,287	265,000	141,713	Portfolio investment management outsourced in FY15/16; Chief Investment Officer position eliminated.
Total Services and Supplies	2,135,394	1,644,832	2,766,013	3,286,859	3,814,671	527,812	
Member Services							
LP Seminars / Training Programs & Materials	61,947	13,196	65,600	65,600	64,500	(1,100)	
CEU Certification Process	0	0	0	3,500	0	(3,500)	
EIA Loss Prevention Platform	932,750	1,000,080	1,000,080	1,020,000	953,000	(67,000)	
A-Check EPN Program	0	0	0	0	144,000	144,000	Previously part of the LP Platform cost. Now a separate contract.
Automated Assessment Tool	0	0	0	300,000	233,000	(67,000)	Not spent in FY14/15. Reallocated to FY 15/16.
On24 On Demand Program	0	15,000	15,000	15,000	15,000	0	
Schools LP Programs	0	0	0	0	20,000	20,000	
Other LP Program Services & Materials	0	1,703	2,500	2,500	22,500	20,000	Repetitive motion program new in FY15/16; new video streaming
Insurance Certificate Tracking Services	90,657	106,772	182,716	216,663	256,000	39,337	Pass through expenses
DMV Pull program	43,479	27,086	40,626	40,650	0	(40,650)	Pass through program discontinued
Claims System Access	0	122,690	431,000	337,394	542,691	205,297	Pass through expenses
Total Member Services	1,128,833	1,286,527	1,737,522	2,001,307	2,250,691	249,384	
Depreciation							
Furniture and Equipment	113,207	79,207	105,200	103,870	117,851	13,981	Cubicles for 1st floor build-out
Software	68,570	43,971	58,775	57,070	226,822	169,752	Website development; CHSI depreciation
Total Depreciation	181,777	123,178	163,975	160,940	344,673	183,733	
Loss Prevention Subsidies	1,229,993	1,183,318	1,600,000	2,000,000	2,000,000	0	Estimate of Loss Prevention Subsidy payout
Contingency Delegated to Executive Committee	0	0	0	80,000	200,000	120,000	Available with a two-thirds vote of the Executive Committee
TOTAL EXPENDITURES	10,983,926	9,372,004	13,402,210	14,679,901	18,436,411	3,756,510	

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfer In (Out) from:							
General Admin Transfer - PWC	1,748,082	2,321,330	2,321,330	2,321,330	3,406,408	1,085,078	Based on 3 year average time study of EIA staff
General Admin Transfer - EWC	2,913,825	3,284,430	3,284,430	3,284,430	4,244,899	960,469	" "
General Admin Transfer - PGL	440,030	400,680	400,680	400,680	485,595	84,915	" "
General Admin Transfer - GLI	1,456,337	1,730,660	1,730,660	1,730,660	2,234,023	503,363	" "
General Admin Transfer - GLII	990,247	1,140,650	1,140,650	1,140,650	1,463,613	322,963	" "
General Admin Transfer - Property	315,229	355,260	355,260	355,260	516,686	161,426	" "
General Admin Transfer - Medical Malpractice	364,270	474,870	474,870	474,870	541,700	66,830	" "
General Admin Transfer - MROCIP	0	17,800	17,800	17,800	30,537	12,737	" "
General Admin Transfer - EIAHealth	313,080	407,640	407,640	407,640	587,903	180,263	" "
General Admin Transfer - Dental	96,490	166,970	166,970	166,970	224,925	57,955	" "
General Admin Transfer - Miscellaneous Programs	25,000	327,031	327,031	30,000	15,000	(15,000)	interest earned in program funds admin fees
Loss Prevention Subsidies, PWC	38,000	39,000	39,000	38,000	38,000	0	\$1,000 LP Subsidy per participating member
Loss Prevention Subsidies, EWC	158,000	164,016	164,016	163,000	164,000	1,000	" "
Loss Prevention Subsidies, PGL	13,000	13,000	13,000	13,000	13,000	0	" "
Loss Prevention Subsidies, GL I	89,000	88,000	88,000	89,000	88,000	(1,000)	" "
Loss Prevention Subsidies, GL II	10,000	10,000	10,000	10,000	10,000	0	" "
Loss Prevention Subsidies, Property	77,000	80,000	80,000	78,000	84,000	6,000	" "
Loss Prevention Subsidies, Med Mal	48,000	48,000	48,000	48,000	48,000	0	" "
Claims System Costs , PWC	331,743	616,703	616,703	616,703	540,317	(76,386)	Now participating in new claims system that includes all PWC TPAs
Claims System Costs , EWC	99,028	184,090	184,090	184,090	161,289	(22,801)	See Schedule 7
Claims System Costs , GLI	29,708	55,227	55,227	55,227	48,387	(6,840)	See Schedule 7
Claims System Costs , GLII	14,854	27,614	27,614	27,614	24,193	(3,421)	See Schedule 7
Claims System Costs , Med Mal	19,806	36,818	36,818	36,818	32,258	(4,560)	See Schedule 7
Risk Management Admin. Div. Subsidy, PWC	154,038	162,586	162,586	162,460	158,491	(3,969)	Estimate of Risk Management administrative dividend.
Risk Management Admin. Div. Subsidy, EWC	173,643	217,632	217,632	217,220	257,123	39,903	
Risk Management Admin. Div. Subsidy, PGL	2,505	2,332	2,332	2,332	1,708	(624)	Board may declare dividend in October 2015 and distribute
Risk Management Admin. Div. Subsidy, GLI	43,668	50,000	50,000	50,000	57,659	7,659	
Risk Management Admin. Div. Subsidy, GLII	34,189	40,622	40,622	40,622	49,335	8,713	
Risk Management Admin. Div. Subsidy, Property	72,115	79,073	79,073	79,073	79,803	730	
Risk Management Admin. Div. Subsidy, Med Mal	193	248	248	248	253	5	
EIA Rent	(429,275)	(429,275)	(429,275)	(429,275)	(481,657)	(52,382)	Transfer to building program
Investment Fees	390,464	196,965	392,100	425,000	265,000	(160,000)	Charge to programs based on their share of treasury funds
TOTAL TRANSFERS	10,032,269	12,309,972	12,505,107	12,237,422	15,390,446	3,153,024	
Net Increase or (Decrease)	907,346	4,466,702	912,671	(946,032)	(1,741,115)	(795,083)	
NET POSITION - JULY 1	7,819,485	8,726,831	8,726,831	8,500,889	9,639,502		
NET POSITION - JUNE 30	8,726,831	13,193,533	9,639,502	7,554,857	7,898,387		
Designated For:							
Self Insured Retentions	193,220	193,220	193,220		193,220		
Risk Management Subsidies	6,191,622	6,406,915	5,990,233		5,315,105		
Designated for Equipment Replacement	1,126,231	1,275,517	1,456,524		2,130,755		
Balance of budgeted expenditures		3,572,727	0		0		
Designated for working capital	550,000	670,000	670,000		259,307		
Unrestricted Net Position	665,758	1,075,154	1,329,525		0		

CSAC EXCESS INSURANCE AUTHORITY
Capital Outlay Budget
July 1, 2015 to June 30, 2016

Line Item	2015/16 Budget		
General Administration Fund			
Furniture and Equipment			
HP Servers	2	22,000	44,000
Phone Application Server	1	15,000	15,000
Cubicles Downstairs space	1	80,000	80,000
Total Furniture and Equipment		\$	139,000
Software			
Website Pool Management Functionality		\$	710,000
Data Analytics Platform			118,000
New Claims System			
New System TPA conversion modules			30,800
New System Additional Check, Portal CMS Modules			14,000
Custom Development-bi-directional image interface			41,250
Systema Project Management			165,000
Line of Business Modules			25,000
User Licenses			420,000
Insight Reporter Module			0
TPA Site License Fees			43,500
New System Modules - Members			60,900
Systema Project Management - Members			138,600
User Licenses - Members			102,500
Total Software Additions		\$	1,869,550
Building Fund			
Window screening		\$	20,000
Tenant improvements - unoccupied first floor space			175,000
Total Building Fund		\$	195,000
Grand Total Capital Outlay		\$	2,203,550

**CSAC Excess Insurance Authority
2015/16 Proposed Budget
Time Study Allocation**

Program	2015 Time Study	2015 Adjusted Time Study	2014 Adjusted Time Study	2013 Adjusted Time Study	Three Year Average Raw TS Not Capped	14/15 final Allocaton Percent Including Cap	Percentage Change from Last Year	Programs Under Cap	Final Allocation Capped (+ or - 33%)	Percentage of Prior Year
PWC	19.27%	29.40%	25.95%	20.00%	25.11%	22.54%	11%	25.11%	25.15%	111.57%
EWC	19.49%	29.72%	30.03%	32.38%	30.71%	31.89%	-4%	30.71%	30.75%	96.44%
PGL	2.39%	3.64%	3.18%	3.58%	3.47%	3.89%	-11%	3.47%	3.48%	89.33%
General Liability I	9.90%	15.10%	15.92%	17.45%	16.16%	16.80%	-4%	16.16%	16.18%	96.29%
General Liability II	6.18%	9.42%	10.58%	11.71%	10.57%	11.07%	-5%	10.57%	10.59%	95.58%
Property	2.56%	3.91%	4.18%	3.34%	3.81%	3.45%	10%	3.81%	3.81%	110.52%
Medical Malpractice	2.39%	3.64%	3.82%	4.05%	3.84%	4.61%	-17%	3.84%	3.84%	83.36%
MR OCIP	0.38%	0.58%	0.52%	0.00%	0.37%	0.17%	112%	0.00%	0.23%	133.00%
EIAHealth	1.89%	2.89%	4.13%	5.97%	4.33%	3.96%	9%	4.33%	4.33%	109.46%
Dental	1.12%	1.71%	1.69%	1.52%	1.64%	1.62%	1%	1.64%	1.64%	101.35%
Subtotal	65.57%					0.000%			0.000%	
General Admin.	34.43%									
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%			100.00%	

CSAC Excess Insurance Authority
2015/16 Budget
Employee Salary Expense

PERS employer rate for pre 1/1/13 employees			9.454%										
PERS employer rate for post 12/31/12 employees			6.7240%										
Position	Base Salary	Class	PERS	Deferred Comp. 457b	Total Retirement	Flexible Benefits	LTD, STD & EAP Benefits	Total Benefits	0.0145 Medicare Taxes	2015/16 Total Employee Expense	2014/15 Budget	2013/14 Budget	
Chief Executive Officer	333,000	Executive	31,482	16,650	48,132	24,419	3,277	27,696	-	408,828	408,375	393,418	
Chief Operating Officer	222,000	Officer	20,988	6,660	27,648	23,219	2,197	25,416	3,219	278,283	271,293	262,943	
Chief Information Officer	152,400	Officer	14,408	4,572	18,980	23,219	1,902	25,121	2,210	198,711	192,348	198,581	
Chief Financial Officer	150,000	Officer	14,181	4,500	18,681	23,219	1,872	25,091	2,175	195,947	190,223	182,498	
Chief Claims Officer	175,000	Officer	11,767	8,750	20,517	23,219	2,152	25,371	2,537	223,425	220,690	214,074	
Chief Member Services Officer	170,000	Officer	11,431	8,500	19,931	23,219	2,106	25,325	2,465	217,721	-	-	Note A
Chief Investment Officer	-	Officer	-	-	-	-	-	-	-	-	217,523	211,484	Note B
Data Analytics Manager	153,000	Manager	10,288	3,060	13,348	17,657	1,909	19,566	2,219	188,133	-	-	Note A
Underwriting Manager	129,996	Manager	8,741	2,600	11,341	17,657	1,627	19,284	1,885	162,506	149,414	142,178	
Employee Benefits Manager	115,800	Manager	7,786	2,316	10,102	17,657	1,455	19,112	1,679	146,693	135,090	136,450	
Loss Prevention Manager	128,400	Manager	12,139	-	12,139	17,657	1,609	19,266	1,862	161,667	155,630	149,336	
WC Claims Manager	125,400	Manager	11,855	-	11,855	17,657	1,573	19,230	1,818	158,303	152,869	148,047	
WC Claims Manager	114,000	Manager	10,778	-	10,778	17,657	1,432	19,089	1,653	145,520	137,428	-	Note C
Controller	118,200	Manager	11,175	-	11,175	17,657	1,485	19,142	1,714	150,231	143,889	135,733	
Excess Liability Claims Manager	123,600	Manager	11,685	-	11,685	17,657	1,551	19,208	1,792	156,285	152,869	149,336	
HR Manager	97,536	Manager	9,221	-	9,221	17,657	1,233	18,890	1,414	127,061	120,407	114,116	Note A
Senior Loss Prevention Specialist	105,600	Sr Spec	9,983	-	9,983	17,657	1,331	18,988	1,531	136,102	134,220	128,697	
Senior Loss Prevention Specialist	96,600	Sr Spec	9,133	-	9,133	17,657	1,220	18,877	1,401	126,011	124,551	119,363	
Senior Loss Prevention Specialist	84,000	Sr Spec	7,941	-	7,941	17,657	1,066	18,723	1,218	111,882	107,975	99,867	
Senior Loss Prevention Specialist	74,580	Sr Spec	5,015	1,492	6,507	17,657	951	18,608	1,081	100,776	117,046	-	Note C
Senior Loss Prevention Specialist	90,000	Sr Spec	6,052	1,800	7,852	17,657	1,139	18,796	1,305	117,953	58,545	-	Note C
Sr. Member Services Specialist	45,678	Sr Spec	3,071	914	3,985	8,829	300	9,128	662	59,453	-	-	Note A
Supervising Senior IT Specialist	88,800	Sr Spec	8,395	-	8,395	17,657	1,126	18,783	1,288	117,266	111,430	105,359	Note A
Supervising Senior IT Specialist	97,800	Sr Spec	9,246	-	9,246	17,657	1,235	18,892	1,418	127,356	120,407	112,828	
Senior IT Specialist	79,800	Sr Spec	7,544	-	7,544	17,657	1,015	18,672	1,157	107,173	104,523	97,121	
Senior IT Specialist	91,356	Specialist	6,143	1,827	7,970	17,657	1,158	18,815	1,325	119,466	-	-	Note A
Senior IT Specialist	91,356	Specialist	6,143	1,827	7,970	17,657	1,158	18,815	1,325	119,466	-	-	Note A
Senior Data Analyst	78,000	Sr Spec	7,374	-	7,374	17,657	993	18,650	1,131	105,155	102,451	95,064	
Senior Liability Claims Specialist	87,600	Sr Spec	8,282	-	8,282	17,657	1,111	18,768	1,270	115,920	114,882	108,105	
Senior Liability Claims Specialist	88,800	Sr Spec	8,395	-	8,395	17,657	1,126	18,783	1,288	117,266	113,500	104,261	
Senior WC Claims Specialist	85,404	Sr Spec	5,743	1,708	7,451	17,657	1,085	18,742	1,238	112,835	134,220	126,427	
Senior WC Claims Specialist	94,200	Sr Spec	8,906	-	8,906	17,657	1,192	18,849	1,366	123,321	122,479	117,029	
Senior WC Claims Specialist	92,400	Sr Spec	6,213	1,848	8,061	17,657	1,169	18,826	1,340	120,627	113,706	105,248	
Senior WC Claims Specialist	91,200	Sr Spec	8,622	-	8,622	17,657	1,154	18,811	1,322	119,955	116,955	109,478	
Senior WC Claims Specialist	75,000	Sr Spec	5,043	1,500	6,543	17,657	957	18,614	1,088	101,245	112,036	-	Note C
Senior WC Claims Specialist	88,800	Sr Spec	8,395	-	8,395	17,657	1,126	18,783	1,288	117,266	116,264	110,850	
Senior WC Claims Specialist	79,800	Sr Spec	7,544	-	7,544	17,657	1,015	18,672	1,157	107,173	101,069	92,318	
Senior Accountant	73,800	Sr Spec	6,977	-	6,977	17,657	942	18,599	1,070	100,446	103,142	90,944	
Senior Underwriting Specialist	74,400	Sr Spec	7,034	-	7,034	17,657	950	18,607	1,079	101,120	100,378	90,670	
Senior Underwriting Specialist	78,000	Sr Spec	7,374	-	7,374	17,657	993	18,650	1,131	105,155	101,069	92,662	
Liability Claims Specialist	75,000	Specialist	7,091	-	7,091	17,657	957	18,614	1,088	101,793	98,998	93,690	
Administrative Specialist	54,792	Specialist	5,180	-	5,180	17,657	711	18,368	794	79,134	85,874	79,962	
Loss Prevention Specialist	58,200	Specialist	5,502	-	5,502	17,657	753	18,410	844	82,956	79,659	78,178	
WC Claims Specialist	72,000	Specialist	4,841	1,440	6,281	17,657	920	18,577	1,044	97,902	90,050	77,492	
WC Claims Specialist	60,000	Specialist	4,034	1,200	5,234	17,657	773	18,430	870	84,534	79,625	73,570	
WC Claims Specialist	54,792	Specialist	3,684	1,096	4,780	17,657	711	18,368	794	78,734	112,036	-	Note C
Information Tech Specialist	61,524	Specialist	5,816	-	5,816	17,657	793	18,450	892	86,682	78,967	74,472	
Information Tech Specialist	55,800	Specialist	5,275	-	5,275	17,657	723	18,380	809	80,264	77,588	72,412	
Information Tech Specialist	54,600	Specialist	5,162	-	5,162	17,657	708	18,365	792	78,919	76,898	72,412	
Information Tech Specialist	63,600	Specialist	6,013	-	6,013	17,657	818	18,475	922	89,010	-	-	Note A
Employee Benefits Specialist	54,600	Specialist	5,162	-	5,162	17,657	708	18,365	792	78,919	77,588	71,039	
Meeting Planner	66,000	Support	6,240	-	6,240	17,657	846	18,503	957	91,700	90,710	86,140	
Executive Secretary	61,200	Support	5,786	-	5,786	17,657	788	18,445	887	86,318	83,112	76,530	
WC Claims Assistant	46,200	Support	4,368	-	4,368	17,657	606	18,263	670	69,501	67,918	64,175	
WC Claims Assistant	45,600	Support	3,066	912	3,978	17,657	599	18,256	661	68,495	65,708	64,587	
Liability Claims Assistant	45,600	Support	3,066	912	3,978	17,657	599	18,256	661	68,495	64,122	69,665	
Accounting Technician	39,456	Support	2,653	789	3,442	17,657	524	18,181	572	61,651	69,300	64,038	
Accounting Technician	46,200	Support	4,368	-	4,368	17,657	606	18,263	670	69,501	68,609	64,311	
Underwriting Assistant	-	Support	-	-	-	17,657	-	17,657	-	17,657	69,991	64,862	Note A
Clerical Assistant - Claims	37,800	Support	3,574	-	3,574	17,657	503	18,160	548	60,082	58,939	54,841	
Clerical Assistant - Loss Prevention	40,200	Support	3,801	-	3,801	17,657	533	18,190	583	62,774	59,629	53,604	
Clerical Assistant - IT	38,400	Support	3,630	-	3,630	17,657	510	18,167	557	60,754	58,939	55,547	
Clerical Assistant - Administration	36,396	Support	2,447	728	3,175	17,657	486	18,143	528	58,242	57,439	54,474	
Clerical Assistant - Employee Benefits	-	Support	-	-	-	-	-	-	-	-	-	53,604	
Secretary/Receptionist	36,396	Support	2,447	728	3,175	17,657	486	18,143	528	58,242	55,836	57,567	
Vacation Pay Liability	130,000		-	-	-	-	-	-	1,885	131,885	121,740	101,450	
Salary Savings	-		-	-	-	-	-	-	-	-	(56,539)	(22,780)	
Incentive Pay	295,000		25,305	-	25,305	-	-	-	4,278	324,582	310,963	284,747	
Total Salaries	5,970,662		501,004	78,328	579,332	1,138,135	68,553	1,206,687	81,746	7,838,427	7,082,591	6,285,071	

CSAC Excess Insurance Authority
2015/16 Budget
Employee Salary Expense

Position	Base Salary	Class	PERS	Deferred Comp. 457b	Total Retirement	Flexible Benefits	LTD, STD & EAP Benefits	Total Benefits	0.0145 Medicare Taxes	Total Employee Expense	2014/15 Budget	2013/14 Budget
Unemployment Cost	-		-	-	-	-	-	-	12,000	12,000	12,000	5,000
Temporary Help	47,500		-	-	-	-	-	-	-	47,500	2,500	24,000
Retiree Benefits	-		16,210	-	16,210	10,072	-	10,072	-	26,282	10,072	9,957
GASB 68 Pension Funding	-		1,847,008	-	1,847,008	-	-	-	-	1,847,008	-	-
Employment Services	-		-	-	-	-	-	-	-	19,660	8,200	6,700
OPEB contribution-retiree benefits	-		-	-	-	35,500	-	35,500	-	35,500	35,433	80,000
Total	6,018,162	-	2,364,222	78,328	2,442,550	1,183,707	68,553	1,252,259	93,746	9,826,377	7,150,796	6,410,728

Total Salaries	5,970,662
Total Retirement	2,442,550
Total Benefits	1,252,259
Total Taxes	93,746
Total Temporary Help	47,500
Total Employment Services	19,660
Grand Total	9,826,377

Notes:

- A - Three new IT positions added in FY15/16 for claims system, website development and pool management system workload. Two positions upgraded based on increased staffing and related workload. Data analytics position added to enhance claims data analysis for members. Underwriting Assistant position eliminated. Two positions add for new Member Services Department.
- B - Investment management services were outsourced effective 3/1/15. Chief Investment Officer position discontinued with this outsourcing.
- C - Workers' Compensation positions added in the 2014/15 fiscal year based on an increase in claims workload. Loss Prevention positions added in the 2014/15 fiscal year based on increased demand in these services from members & expansion of risk management programs.
- D - Funding of 90% of estimated 6/30/15 unfunded pension liability in conjunction with implementation of GASB 68.

Position	Salary Grade	Salary Range (annual)	
Chief Executive Officer	Contract	333,000	
Chief Operating Officer	15	160,056	256,092
Chief Information Officer	14	130,716	209,148
Chief Financial Officer	14	130,716	209,148
Chief Claims Officer	14	130,716	209,148
Chief Member Services Officer	14	130,716	209,148
Data Manager	13	122,400	183,600
Risk Mngr / Pool Administrator	12	111,504	167,256
Employee Benefits Manager	12	111,504	167,256
Loss Prevention Manager	12	111,504	167,256
Member Services Manager	12	111,504	167,256
WC Claims Manager	11	103,296	154,944
Controller	11	103,296	154,944
Excess Liability Claims Manager	11	103,296	154,944
Human Resources Manager	11	103,296	154,944
Supervising Sr. I.T. Specialist	10	85,776	124,380
Sr. Loss Prevention Specialist	9	74,580	108,144
Sr. I.T. Specialist - Claims	9	74,580	108,144
Sr. I.T. Specialist - Web	9	74,580	108,144
Sr. I.T. Specialist	9	74,580	108,144
Sr. Member Services Specialist	9	74,580	108,144
Sr. Liability Claims Specialist	8	71,112	103,116
Sr. WC Claims Specialist	8	71,112	103,116
Administrative Analyst	8	71,112	103,116
Senior Accountant	8	71,112	103,116
Data Analyst	8	71,112	103,116
Liability Claims Specialist	7	62,112	86,952
Loss Prevention Specialist	6	54,792	76,704
WC Claims Specialist	6	54,792	76,704
Administrative Specialist	6	54,792	76,704
Information Tech Specialist	5	52,296	73,212
Information Tech Specialist - Claims	5	52,296	73,212
Employee Benefits Specialist	5	52,296	73,212
Meeting Planner	4	49,356	69,096
Executive Secretary	4	49,356	69,096
Liability Claims Assistant	3	44,160	61,824
WC Claims Assistant	3	44,160	61,824
Accounting Technician	2	39,456	55,236
Clerical Assistant - Claims	1	36,396	47,316
Clerical Assistant - Admin	1	36,396	47,316
Clerical Assistant - I.T.	1	36,396	47,316
Clerical Assistant - LP	1	36,396	47,316
Secretary / Receptionist	1	36,396	47,316

Pending approval by the Executive Committee at its June 4, 2015 meeting

CSAC Excess Insurance Authority
2015/16 Budget
Employee Benefits

Flexible Spending Benefit Program Contribution

	Jan 2015 Rates			Estimated Rate Increase	Estimated 2016 Rates		
	Emp. Only	Emp. + 1	Family		Emp. Only	Emp. + 1	Family
Anthem Blue Cross Select HMO	811.14	1,622.28	2,108.96	10%	892.25	1,784.51	2,319.86
Anthem Blue Cross Traditional	940.16	1,880.32	2,444.42	10%	1,034.18	2,068.35	2,688.86
Blue Shield Access+ HMO	809.22	1,618.44	2,103.97	10%	890.14	1,780.28	2,314.37
Blue Shield NetValue	758.45	1,516.90	1,971.97	10%	834.30	1,668.59	2,169.17
Kaiser	660.96	1,321.92	1,718.50	10%	727.06	1,454.11	1,890.35
United Healthcare	623.45	1,246.90	1,620.97	10%	685.80	1,371.59	1,783.07
PERS Choice	679.26	1,358.52	1,766.08	10%	747.19	1,494.37	1,942.69
PERS Care	751.21	1,502.42	1,953.15	10%	826.33	1,652.66	2,148.47
PERS Select	669.16	1,338.32	1,739.82	10%	736.08	1,472.15	1,913.80
Average	744.78	1,489.56	1,936.43		819.26	1,638.51	2,130.07
Dental	62.90	114.40	191.40	-3.7%	60.57	110.17	184.32
Vision	7.30	12.90	20.30	0%	7.30	12.90	20.30
Totals	814.98	1,616.86	2,148.13		887.13	1,761.58	2,334.69
Estimated 2015 Increase							
50% of 2015 Projected Rate Increase							
	Flexible Benefit Eff 1/1/15	EIA Payment	Flexible Spending Plan		Estimated Flexible Benefit Eff 1/1/16	EIA Payment	Flexible Spending Plan
	\$ 1,588.31	\$ 122.00	\$ 1,466.31		\$ 1,681.59	\$ 126.00	\$ 1,555.59

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Authority Meeting Expense

Line Item	2014/15 Budget	Quantity	Cost per Item	2015/16 Budget
October - Santa Barbara				
Wed. EC Dinner	\$ 12,500	100	\$ 125	\$ 12,500
Thur. Morning Meetings	6,000	100	60	6,000
Thur. EC & Seminar Lunch	7,000	100	70	7,000
Thur. Afternoon Break	1,500	75	20	1,500
Thur. BOD Dinner	14,375	115	125	14,375
Fri. BOD Morning Break	6,000	100	60	6,000
Fri. BOD Lunch	7,000	100	70	7,000
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			9,000
Lodging	53,750	200	250	50,000
Member Travel Expenses	16,000			16,000
Total October Meeting	\$ 130,125			\$ 130,375
March - Hilton, Sacramento				
Wed. EC Dinner	\$ 4,000	50	\$ 70	\$ 3,500
Thur. EC Meetings	4,000	80	50	4,000
Thur. EC Lunch	5,500	90	55	4,950
Thur. Afternoon Break	1,500	75	15	1,125
Thur. BOD Dinner	8,000	90	75	6,750
Fri. BOD Meeting	5,000	100	50	5,000
Fri. BOD Lunch	5,500	100	55	5,500
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			9,000
Lodging	15,000	125	125	15,625
Member Travel Expenses	9,000			10,000
Total March Meeting	\$ 63,500			\$ 66,450
June - Hilton, Sacramento				
Wed. EC Dinner	\$ 4,000	50	\$ 70	\$ 3,500
Thur. EC Meeting	4,000	80	50	4,000
Thur. EC Lunch	5,500	90	55	4,950
Thur. Afternoon Break	1,500	75	15	1,125
Thur. BOD Dinner	8,000	90	75	6,750
Fri. BOD Meeting	5,000	100	50	5,000
Fri. BOD Lunch	5,500	100	55	5,500
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			9,000
Lodging	15,000	125	125	15,625
Member Travel Expenses	9,000			10,000
Total June Meeting	\$ 63,500			\$ 66,450

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Authority Meeting Expense

Line Item	2014/15 Budget	Quantity	Cost per Item	2015/16 Budget
Public Entity Annual Meetings				
Northern California - Folsom				
Seminar Breakfast/Morning Break	\$ 420	60	\$ 5	\$ 300
Seminar Lunch	1,190	60	20	1,200
Seminar Afternoon Break	150	60	5	300
Lodging	500	10	125	1,250
Member Travel Expenses	4,000			4,000
Southern California - Ontario				
Seminar Breakfast/Morning Break	3,150	60	50	3,000
Seminar Lunch	2,450	60	40	2,400
Seminar Afternoon Break	500	60	10	600
AV/Equipment	2,000			2,000
Lodging	500	10	200	2,000
Member Travel Expenses	4,000			4,000
Total Public Entity Annual Meeting	<u>\$ 18,860</u>			<u>\$ 21,050</u>
EIA Orientation Meetings				
Northern California - Folsom				
Seminar Morning Break Service	\$ 450	70	\$ 5	\$ 350
Seminar Lunch	1,275	70	20	1,400
Seminar Afternoon Break Service	150	70	5	350
Lodging	500	10	125	1,250
Member Travel Expenses	8,000			4,000
Southern California - Ontario				
Seminar Morning Break Service	3,150	50	50	2,500
Seminar Lunch	2,450	50	40	2,000
Seminar Afternoon Break Service	500	50	10	500
AV/Equipment	2,000			2,000
Lodging	500	10	200	2,000
Member Travel Expenses	7,000			4,000
Total EIA Orientation	<u>\$ 25,975</u>			<u>\$ 20,350</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Authority Meeting Expense

Line Item	2014/15 Budget	Quantity	Cost per Item	2015/16 Budget
Schools Forums				
Northern California - Pleasanton				
Seminar Morning Break Service	\$ 1,350	30	\$ 45	\$ 1,350
Seminar Lunch	1,050	30	35	1,050
Seminar Afternoon Break Service	300	30	10	300
Room Rental	-			900
AV/Equipment	-			1,000
Lodging	200	5	200	1,000
Member Travel Expenses	5,000			2,500
Southern California - Ontario				
Seminar Morning Break Service	1,350	30	45	1,350
Seminar Lunch	1,050	30	35	1,050
Seminar Afternoon Break Service	300	30	10	300
Room Rental	-			900
AV/Equipment	500			1,000
Lodging	200	5	200	1,000
Member Travel Expenses	5,000			2,500
Total Schools Forum	\$ 16,300			\$ 16,200
Executive Committee Retreat				
Pre-conference Dinner	\$ 4,000	40	\$ 75	\$ 3,000
1st Day Meeting Expense	500			500
1st Day Breakfast	1,400	40	35	1,400
1st Day Lunch	2,000	40	40	1,600
1st Day Break	400	40	10	400
1st Day Dinner	3,600	40	60	2,400
2nd Day Meeting Expense	500			500
2nd Day Breakfast	2,000	40	45	1,800
2nd Day Lunch	2,000	40	30	1,200
AV Rentals	500			500
Lodging	15,050	75	200	15,000
Facilitator	5,000			6,000
Member Travel Expense	2,500			5,000
Executive Committee Retreat Totals	\$ 39,450			\$ 39,300

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Authority Meeting Expense

Line Item	2014/15 Budget	Quantity	Cost per Item	2015/16 Budget
Board/Exec Committee Travel				
Property Renewal Trip	\$ 5,500			\$ 6,000
Liability Renewal Trip	3,000			\$ 3,000
Conference Travel	2,175			\$ 2,250
Board/Exec Committee Travel Total	\$ 10,675			\$ 11,250
Budget Savings	(30,000)			(20,000)
Total Authority Meeting Expenses	\$ 338,385			\$ 351,425

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Committee Expenses

Line Item	Number of Members	Number of In-Person Meetings	Cost Per In-Person Meeting	Number of Web Ex Meetings	Cost Per Web Ex Meetings	2014/15 Budget	2015/16 Budget	Budget Inc. (Dec.)
<u>EIA Committees</u>								
Claims Review	11	8	\$ 2,865	6	\$ 31	\$ 16,350	\$ 23,106	\$ 6,756
EIAHealth	9	4	2,278	3	66	10,610	9,308	(1,302)
Employee Benefits	9	3	2,518	2	45	6,568	7,643	1,075
Executive	12	9	4,421	2	45	26,400	39,879	13,479
Finance	9	5	2,934	2	7	10,844	14,684	3,840
General Liability II	11	2	2,852	5	23	3,579	5,819	2,240
Legislative	15	9	3,728	2	18	31,006	33,588	2,582
Loss Prevention	11	2	3,629	2	30	3,954	7,317	3,363
Medical Malpractice	10	2	2,302	5	38	1,822	4,794	2,972
Primary General Liability	7	1	1,677	3	25	1,451	1,752	301
Primary Workers' Compensation	11	4	2,332	2	18	14,748	9,364	(5,384)
Property	13	2	2,752	3	25	5,112	5,579	467
Technology	9	2	1,682	4	22	1,621	3,452	1,831
Underwriting	9	5	2,302	3	22	9,016	11,576	2,560
Less Savings		20%				(28,616)	(35,572)	(6,956)
Total Committees						<u>\$ 114,465</u>	<u>\$ 142,289</u>	<u>\$ 27,824</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Management Training

Line Item		2014/15 Budget	2015/16 Budget	Budget Inc. (Dec.)
Periodicals and Publications				
GASB	CFO	\$ 675	\$ 425	\$ (250)
Business Insurance	CFO	175	175	-
Wall Street Journal	CFO	360	-	(360)
AICPA	CFO	-	225	
California W.C. Reporter	Claims	500	500	-
Work Comp Central	Claims	550	550	-
Workers' Comp Executive	Claims	600	600	-
Pacer Online Service	Claims	150	150	-
Workers' Comp Codes	Claims	1,000	1,200	200
California Workers' Comp Handbook	Claims	600	750	150
Loss Prevention Periodicals	GA	400	1,795	1,395
Employee Benefit News	GA	100	300	200
Survey Monkey	GA	200	200	-
Insurance Newscast	GA	25	25	-
HR Magazine & Library	GA	200	200	-
Other	GA	500	500	-
Total Periodicals and Publications		<u>\$ 6,035</u>	<u>\$ 7,595</u>	<u>\$ 1,335</u>
Education & Training				
IT Education and Training		\$ 20,700	\$ 24,800	\$ 4,100
Fund Accounting/ABRA Training		3,250	3,800	550
Education and Training - Mgmt & Employee		8,100	7,600	(500)
Education Allowance Pool (\$2,000 per semester)*		31,760	23,995	(7,765)
Total Education & Training		<u>\$ 63,810</u>	<u>\$ 60,195</u>	<u>\$ (3,615)</u>
Scholarships				
Educational Scholarships - PRIMA	All	\$ 6,500	\$ 6,500	\$ -
Total Scholarships		<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>

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

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Management Training

Line Item		2014/15 Budget	2015/16 Budget	Budget Inc. (Dec.)
Conferences and Seminars				
AGRIP Spring/Fall Conference		\$ 5,800	\$ 9,000	\$ 3,200
AICPA / GFOA		1,575	1,800	225
CA Div. Of WC Annual Seminar		800	800	-
CAJPA		6,300	8,100	1,800
CAJPA Finance Spring Meeting		1,825	2,000	175
CAJPA Legislative Day		600	600	-
CCWC Forum		450	700	250
Meeting Planners Association		200	-	(200)
PARMA (Conference & Chapter Meetings)		6,125	5,575	(550)
Loss Prevention Pool (ASSE, CSOOC, LCW, etc.)		9,100	11,100	2,000
CalPELRA		2,250	2,250	-
Laserfiche Conference		5,600	1,600	(4,000)
Investment Conferences		650	-	(650)
PRIMA		600	600	-
Other		3,000	8,950	5,950
Totals Conferences and Seminars		<u>\$ 44,875</u>	<u>\$ 53,075</u>	<u>\$ 8,200</u>
Memberships				
CAJPA, PRIMA, PARMA, CalPELRA, IEA	GA	\$ 2,885	\$ 2,650	\$ (235)
AGRIP	CEO	3,000	3,000	-
CCWC, AWCP, CPCU	WC	6,150	6,450	300
CSOOC, ASSE, PASMA, NFPA BCSP	LP	1,925	2,600	675
CFPS, WSO, ACG-IH	LP	425	460	35
American Society for Training & Development	LP	350	430	80
American Board of Industrial Hygiene	LP	125	125	-
Sacramento Claims Association	Liab	350	400	50
GFOA, GASB, AICPA, FEI	CFO	760	1,075	315
Costco/Sams Club	GA	155	170	15
Meeting Planners Association	GA	400	400	-
Society of Government Mtg Prof	GA	100	100	-
SHRM, SAHRA (HR)	HR	315	315	-
California Chamber of Commerce	GA	500	500	-
IFEBP (Emp Benefits)	EB	-	900	900
CSAC Premiere Membership	GA	3,000	36,000	33,000
California Health Care Coalition	EB	-	2,000	2,000
CASBO	GA	-	1,320	1,320
League of California Cities	GA	-	3,000	3,000
Other	GA	2,500	2,500	-
Total Memberships		<u>\$ 22,940</u>	<u>\$ 64,395</u>	<u>\$ 41,455</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Computer Hardware, Software, Technical Support

	2014/15 Budget	Quantity	Cost Per Item	2015/16 Budget	Budget Incr(Decr)
<u>Computer Supplies and Software</u>					
Adobe Acrobat 11	\$ 9,738			\$ 19,586	\$ 9,848
Microsoft Software and Licenses	25,500			33,552	8,052
Anti-Virus Licenses	4,155	100	\$ 75	7,500	3,345
Online subscriptions	3,000	1	3,000	3,000	-
Mindjet Mindmanager Pro 9	2,520	7	360	2,520	-
Laserfiche Additional Licenses and LSAP	6,250	10	625	6,250	-
GFI Licenses	350	10	35	350	-
Scriptlogic Desktop Authority	500	10	50	500	-
Zen Desk Tracking System	2,925			6,175	3,250
Zerto License	1,300	2	1,500	3,000	1,700
VMWare Essentials Plus	-	1	5,600	5,600	5,600
Visual Studio & MSDN	-	1	1,302	1,302	1,302
Syncfusion Studio	-	1	2,165	2,165	2,165
Unfuddle Subscription - Source code management	-	1	510	510	510
Meeting Application for Mobile Devices	5,000			-	(5,000)
BCC - Employer ACA Reporting Software	-	1	2,500	2,500	2,500
Software for new Member Services Dept. employees	-	2	5,310	10,620	10,620
Pool Management Software - CHSI Functionality	-	1	19,000	19,000	19,000
Pool Management Software - CHSI	194,400			156,000	(38,400)
Less: CHSI contribution from Alliant	(78,000)			-	78,000
<u>Annual Maintenance</u>					
Anti-Virus Maintenance	300	4	\$ 75	\$ 300	-
Mindjet Mindmanager Pro 9 1 Yr Maint	5,280	75	85	6,375	1,095
GFI MailArchiver Annual Support	1,000	90	15	1,350	350
Barracuda Annual Support	1,900	1	1,900	1,900	-
Abra Annual Support	2,800	1	2,800	2,800	-
Sage Software Annual Support	6,300	1	5,500	5,500	(800)
Laserfiche (LSAP Annual Maintenance)	11,000	1	11,000	11,000	-
Script Logic	900	85	12	1,020	120
VMWare Maintenance - vSphere Essentials	550	2	300	600	50
Zerto Annual Maintenance	2,250	5	450	2,250	-
SSL Certificates	400	4	100	400	-
CHSI Escrow Account	995	1	995	995	-
FPPC Software Maintenance and Hosting	3,500			3,500	-
BCC - Employer ACA Reporting Maintenance	-	1	3,000	3,000	3,000
Miscellaneous Software Expenses	2,500			2,975	475
Computer Supplies	3,000			3,000	-
Total Computer Supplies and Software	<u>\$ 220,313</u>			<u>\$ 327,095</u>	<u>\$ 106,782</u>
<u>Computer Hardware</u>					
HP Monitors	\$ 5,350	16	\$ 300	\$ 4,800	\$ (550)
Backup Tapes	500	1	500	500	-
Router Boards	260	-	-	-	(260)
Wireless Backup	495	1	2,500	2,500	2,005
Workstation Battery Backup	1,500	1	1,750	1,750	250
Travel Projectors for Loss Prevention	2,000	2	1,000	2,000	-
Board Projector	-	1	5,000	5,000	5,000
Desktop Computers	19,500	12	1,500	18,000	(1,500)
Laptop Computers	27,500	12	2,250	27,000	(500)
HP ProCurve Ethernet Switch	1,800	1	1,800	1,800	-
Server Tower Rack	1,800	-	-	-	(1,800)
Power Distribution Unit	-	2	550	1,100	1,100
APC UPS for Rack	2,300	2	2,300	4,600	2,300
Phones and Headsets	5,025			5,025	-
Pelican Case for Board	400			-	(400)
Ergonomic Equipment	1,000	1	1,000	1,000	-
Mobile & Desktop Phones	1,500	15	100	1,500	-
Meeting Room Projector	4,500	-	-	0	(4,500)
Contingency	<u>8,000</u>			<u>8,000</u>	<u>-</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Computer Hardware, Software, Technical Support

	2014/15 Budget	Quantity	Cost Per Item	2015/16 Budget	Budget Incr(Decr)
Total Computer Hardware	<u>\$ 83,430</u>			<u>\$ 84,575</u>	<u>\$ 1,145</u>
<u>WebEx Web Conferencing</u>	<u>\$ 15,600</u>	12	\$ 1,400	<u>\$ 16,800</u>	<u>\$ 1,200</u>
<u>Computer Technical Assistance</u>					
Accounting System	\$ 3,500			\$ 3,500	\$ -
Data Center Usage (Colocation services)	16,800	12	1,400	16,800	-
ATS	3,600			3,600	-
Network Consulting	60,000			60,000	-
MIP Consulting - Systema/Abila interface	-			5,000	-
Printer Maintenance	<u>500</u>			<u>500</u>	<u>-</u>
Total Computer Technical Assistance	<u>\$ 84,400</u>			<u>\$ 89,400</u>	<u>\$ -</u>
<u>Website Design/Hosting/Support</u>					
Website Hosting/Support Annual Maintenance	\$ 11,750			\$ 7,500	\$ (4,250)
Website Design	225,000			150,000	(75,000)
Miscellaneous Expense	<u>30,000</u>			<u>-</u>	<u>(30,000)</u>
Total Website Design/Hosting/Support	<u>\$ 266,750</u>			<u>\$ 157,500</u>	<u>\$ (109,250)</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Technology Program Expenses

	2014/15 Budget		2015/16 Budget
<u>EIA Claims System Expense Line Item</u>			
Software Service Agreement & Maint. Support	\$ 41,450		\$ 4,500
Application Service Provider (ASP) Fee (\$275 per month per user)	33,550		8,820
New System			
Data Conversion and SIMS Training	30,000		21,600
Maintenance due at production use of software	21,218		33,269
Cloud Hosting due at delivery of trial conversion	41,400		59,000
EIA Contract Project Management	135,665		70,000
Escrow account	800		800
TPA to TPA Conversion	-		30,000
TPA Data Conversion and SIMS Training	130,740		106,305
TPA Maintenance due at production use of software	92,650		170,650
TPA Cloud Hosting due at delivery of trial conversion	248,400		414,000
Depreciation on new software	144,579		230,951
Subtotal	920,452		1,149,895
Estimated unspent funds from FY14/15 budget	-		(343,452)
Amount To Allocate to Programs	\$ 920,452		\$ 806,443
<u>Allocation of EIA Claims System Costs</u>			
PWC	\$ 616,703	67%	\$ 540,317
EWC	184,090	20%	161,289
General Liability I	55,227	6%	48,387
General Liability II	27,614	3%	24,193
Medical Malpractice	36,818	4%	32,258
<u>Total Allocated</u>	<u>\$ 920,452</u>	<u>100%</u>	<u>\$ 806,443</u>
<u>Member Claims System Expense Line Item</u>			
Member Data Conversion and SIMS Training	\$ 224,690		\$ 189,535
Member Maintenance due at production use of software	16,500		67,700
Member Cloud Hosting due at delivery of trial conversion	81,000		159,600
Depreciation on new software	15,204		112,536
Less Revenue for Member access to new system	<u>\$ (337,394)</u>		<u>\$ (529,371)</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Insurance

Line Item	Renewal Date	2014/15 Budget	2015/16 Budget	+ or -
General Administration Fund				
Workers Compensation				
PWC	7/1/2015	\$ 30,000	31,000	\$ 1,000
EWC	7/1/2015	87,000	121,000	34,000
Blanket Bond/Commercial Crime	6/30/2015	1,600	1,800	200
Property	7/1/2015	10,000	10,000	-
Liability	7/1/2015	54,500	58,000	3,500
Cyber Liability Premium	7/1/2015	1,000	1,000	-
Notary E&O/Bond	7/1/2015	550	-	(550)
Less Allocated to Iron Point Building		(15,200)	(16,000)	(800)
Total General Admin. Insurance		<u>\$ 169,450</u>	<u>\$ 206,800</u>	<u>\$ 37,350</u>

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Printing

Line Item	2014/15 Estimated Budget	Quantity	Cost Per Item	2015/16 Estimated Budget
Copier Cost	\$ 20,400			\$ 20,400
Binding Supplies	1,500			1,500
Other Supplies	-			
Total In House Printing	\$ 21,900			\$ 21,900
Letterhead	\$ 3,525	7,500	\$ 0.47	\$ 3,525
2nd Sheet	700	2,500	0.35	875
Envelopes	2,700	10,000	0.27	2,700
Large Envelopes	1,000	1,000	1.00	1,000
Annual Report	20,000			20,000
Loss Prevention	1,500			1,500
Business Cards	4,500	10,000	0.45	4,500
Other projects	2,000			2,000
Total Outside Printing	\$ 35,925			\$ 36,100
Total Printing	\$ 57,825			\$ 58,000

CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Member Development

	2014/15 Budget	2015/16 Budget	Budget Incr(Decr)
Marketing Expense			
Booth Maintenance	\$ 500.00	\$ 500	\$ -
CSAC Exhibit Expenses	2,000	-	(2,000)
Conference Booth Shipping Charges	500	500	-
RCRC Sponsorship	1,500	1,500	-
RCRC Attendance at Conference	500	500	-
Controllers/Auditors Conference Sponsor	500	500	-
Exhibitor Raffle Prizes	400	400	-
Booth Art Work	1,250	500	(750)
Meeting Signage	-	500	500
Investment Client Gifts	200	-	(200)
Marketing Clothing Items	3,430	4,128	698
Member Give Away Items	15,422	16,129	707
Total	\$ 26,202	\$ 25,157	\$ (1,045)
Member Recognition & Awards	\$ 2,200	\$ 2,500	\$ 300
Grand Total - Member Development	\$ 28,402	\$ 27,657	\$ (745)

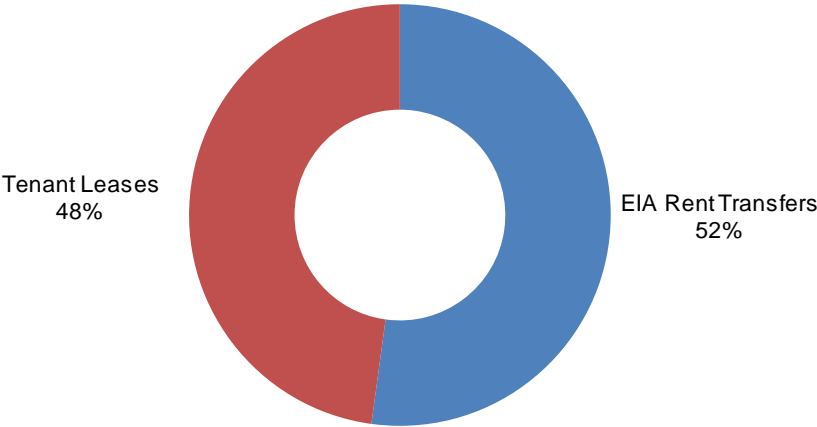
CSAC EXCESS INSURANCE AUTHORITY
2015/16 Budget Worksheet
Awards and Recognition

Employee Recognition	2014/15 Budget	2015/16 Budget	Budget Incr(Decr)
Weekly Employee recognition	\$ 1,000	\$ 1,000	\$ -
Monthly Employee recognition	500	700	200
Staff Appreciation Day	2,500	2,500	-
Printed Items (Baudville)	250	250	-
Misc./Other	1,000	1,000	-
Years of Service Recognition	500	500	-
Staff Retreat	7,000	7,000	-
Total Employee Recognition	\$ 12,750	\$ 12,950	\$ 200

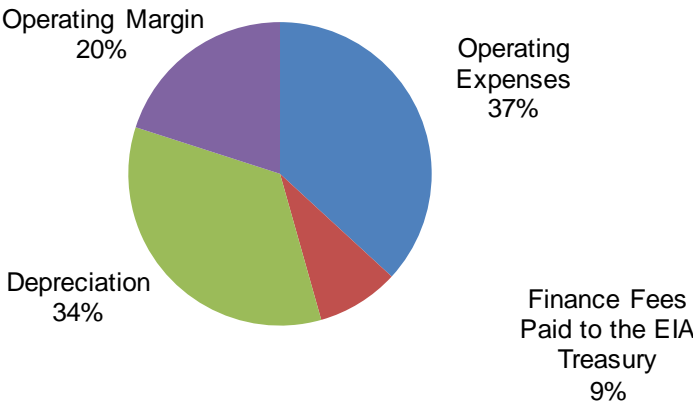
Building Fund

The EIA has invested \$9.2M in our office facility located on Iron Point Circle in Folsom, California. This investment includes improvement to our office as well as preparing the remaining space for our tenants. The building fund houses the EIA at low occupancy cost as well as provides profit from our leasing operations. The building fund budget expects a net margin of \$181k. The Building Fund budget is illustrated in the following charts.

Building fund Revenues and Transfers
(in thousands)



Building Fund Budget
(in thousands)



**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
Adopted Budget
July 1, 2015 to June 30, 2016**

Sources and Uses of Financial Resources	CAFR Actual 2013/14	Year to Date 03/31/2015	Estimated 2014/15	Revised Budget 2014/15	Budget 2015/16	Increase (Decrease)	Text Detail
REVENUES:							
Lease Income - Tenants	414,094	277,163	408,280	422,800	441,884	19,084	
Other Income	0	0	0	0	0	0	
TOTAL REVENUES	414,094	277,163	408,280	422,800	441,884	19,084	
EXPENDITURES:							
Operating Expenses							
Janitorial	51,331	31,972	51,720	51,720	57,310	5,590	New sick time law - accrual starts 7/1/15
Utilities	77,146	53,022	82,000	86,110	86,475	365	
Garbage	5,638	3,667	6,300	6,300	6,300	0	
Water and Sewer	6,836	5,456	8,500	7,580	8,666	1,086	
Security & Fire Sprinkler Monitoring	10,047	5,962	10,500	14,020	11,638	(2,382)	Upgrade card access software \$3.5k in FY14/15
Landscape Maintenance	15,387	5,734	11,600	12,150	11,609	(541)	Renovation work done in FY2013/14
Pest Control	1,260	0	1,380	1,380	1,380	0	
Commission Expense	97,571	41,322	41,322	25,000	0	(25,000)	FY 14/15 commission expense to extend leases
Common Area Maintenance	22,433	15,073	22,700	23,180	23,305	125	
Maintenance:							
Building Maintenance	32,707	19,245	50,000	54,420	55,807	1,387	Includes \$15k for unanticipated emergency repairs
Mello Roos Tax	14,842	7,184	14,368	15,180	14,798	(382)	
Insurance	14,225	16,040	16,040	15,200	16,000	800	
Legal Service	0	0	0	3,600	3,600	0	
Management Fees	34,545	21,549	33,500	36,000	36,000	(0)	
Finance Fees to EIA Treasury	51,785	40,653	54,500	56,300	79,200	22,900	Increase in internal borrowing rate
Total Operating Expenses	435,753	266,879	404,430	408,140	412,088	3,948	
Depreciation							
Depreciation - Building	95,550	71,663	95,550	95,550	95,550	0	
Depreciation - Roof	8,333	6,250	8,340	8,330	8,340	10	
Depreciation - Parking Lot	8,750	7,454	9,940	9,630	9,940	310	
Depreciation - Tenant Improvements	224,568	159,154	203,220	153,210	196,700	43,490	Add'l tenant TI's in FY14/15 to extend leases; build out of vacant space on first floor in FY15/16
Total Depreciation	337,201	244,521	317,050	266,720	310,530	43,810	
Appropriation for Contingencies	0	0	0	20,000	20,000	0	
TOTAL EXPENDITURES	772,954	511,400	721,480	694,860	742,618	47,758	
TRANSFERS:							
Transfers in from General Administration							
Building Rent	429,275	429,275	429,275	429,275	481,657	52,382	
TOTAL TRANSFERS	429,275	429,275	429,275	429,275	481,657	52,382	
Net Operating Margin	70,415	195,038	116,075	157,215	180,923	23,708	
NET POSITION - JULY 1	372,096	442,511	442,511	451,129	558,586		
NET POSITION - JUNE 30	442,511	637,549	558,586	608,344	739,509		

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

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



STATISTICAL/ SUPPLEMENTAL SECTION

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

STATISTICAL SECTION

Demographic and Economic Information

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

	<u>Page</u>
Number of Claims	134
Employees and Lives Covered	135
Property Values	135

Operating Information

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

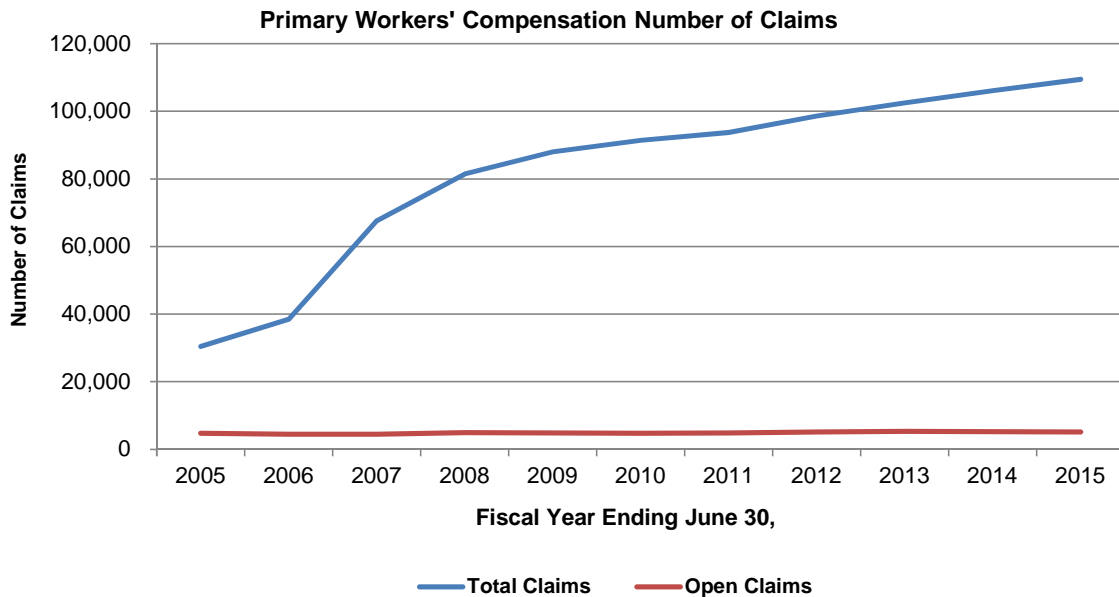
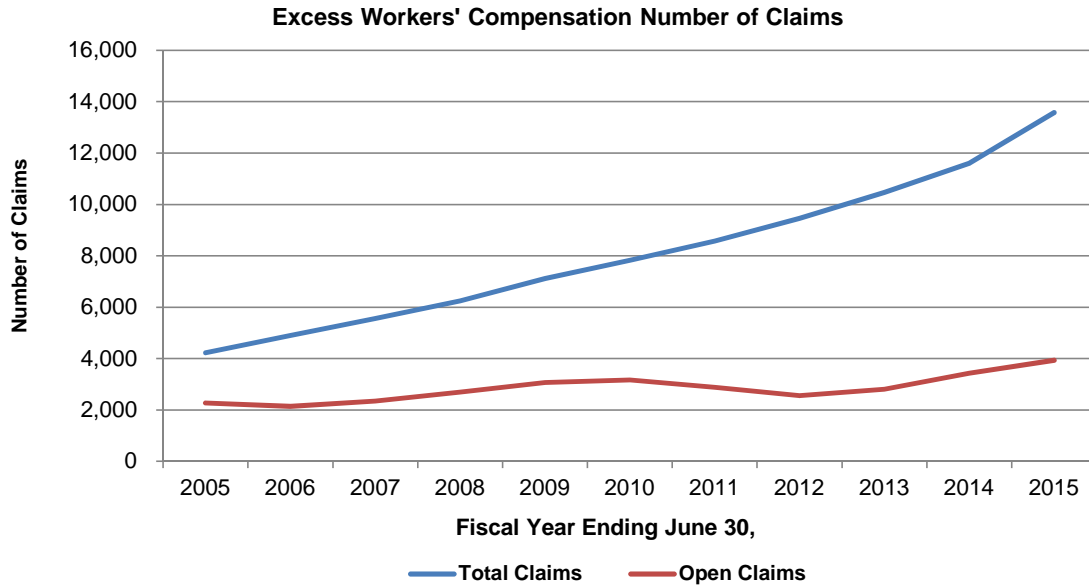
	<u>Page</u>
Operating Indicators and Statistics	136

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.

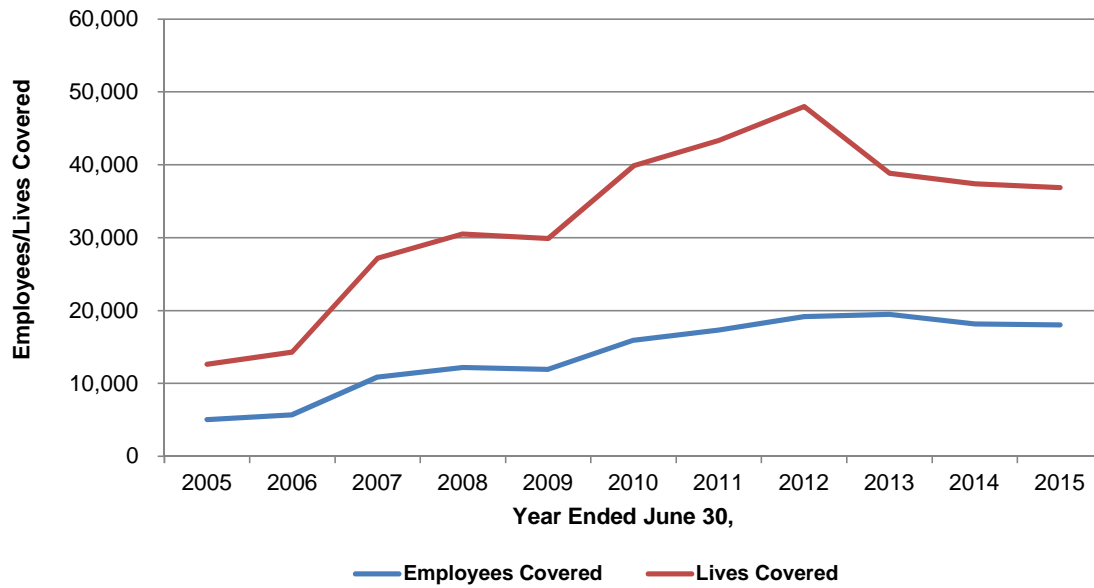
**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
JUNE 30, 2015**

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 EIA Health employees and lives covered as shown on the following charts.

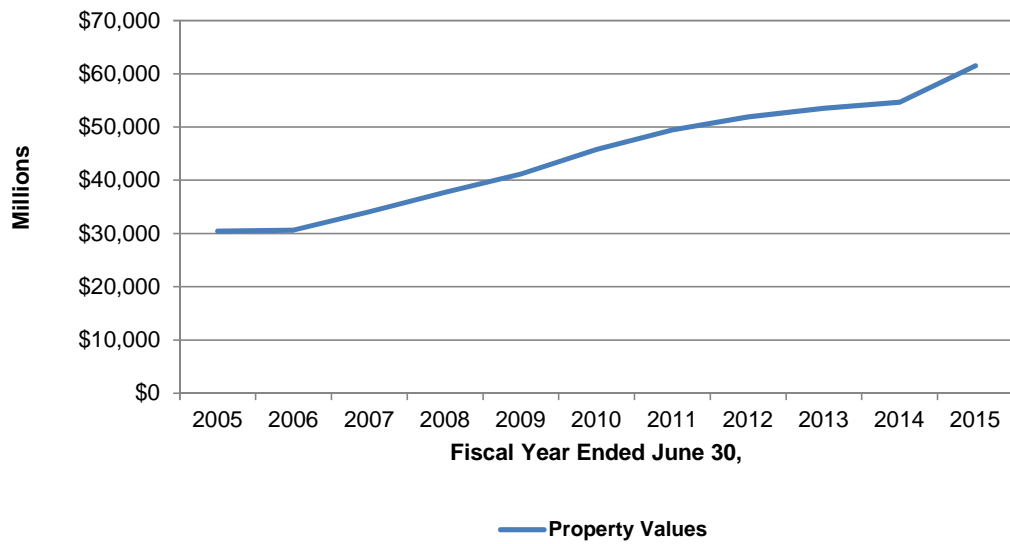


**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
JUNE 30, 2015**

EIAHealth Employees and Lives Covered



Property Values



**CSAC EXCESS INSURANCE AUTHORITY
OPERATING INDICATORS AND STATISTICS
JUNE 30, 2015**

	Fiscal Year-End			
	2012	2013	2014	2015
Budgeted Full-Time				
Equivalents by Department				
Administration	12	12	12	13
Finance	6	6	6	5
Information Technology	9	9	9	11
Claims	18	18	21	21
Member Services (LP)	6	6	8	10
Employee Benefits	3	3	2	2
Total Employees	54	54	58	62
Number of Retirees	4	4	4	6
Member Units				
Primary Workers' Comp	41	38	40	39
Excess Workers' Comp	166	161	167	168
Primary General Liability	29	23	23	23
General Liability I	103	100	104	105
General Liability II	11	11	11	11
Property	82	82	83	85
Medical Malpractice	50	50	49	49
EIAHealth	24	25	25	26
Dental	122	126	133	142
Total Member Units	628	616	635	648
Member Counties	54	54	55	55
Member Public Entities	247	245	255	262
Total Members	301	299	310	317

CSAC EXCESS INSURANCE AUTHORITY (EIA) GLOSSARY

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

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

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

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

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

Capital Expenditures/Capital Assets: Capital assets include furniture, equipment, software, tenant improvements, building, with an individual cost of \$5,000 or more.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Occurrence: An accident or event which triggers coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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