



CSAC Excess Insurance Authority

Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2015 and 2014

- California -

CSAC EXCESS INSURANCE AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 and 2014

EXECUTIVE COMMITTEE

Name	Office	Entity
Jim Sessions	President	Riverside County
Kristin McMenomey	Vice President	Mendocino County
Barbara Lubben	Risk Manager	Alameda County
James Brown	CAO	Merced County
Maryellen Peters	Risk Manager	Placer County
Kerry John Whitney	At-Large	Napa County
Lance Sposito	At-Large.	Santa Clara County
Peter W. Huebner	Supervisor	Sierra County
Roberta Allen	Finance	Plumas County
Scott Schimke	At-Large	Glenn County
Teri Enos-Guerrero	Public Entity Rep.	City of Chula Vista
Steve Underwood	Legal Counsel	EIA General Counsel
Michael Fleming	Chief Executive Officer	
Gina Dean	Chief Operating Officer	

Office Address

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Report Prepared By The
Finance Department

Marianne Stuart, CPA, Chief Financial Officer
Vicki Walter, CPA, Controller
Trina Johnson, CPA, Senior Accountant
Donna McClanahan, Accounting Technician
Mercy Penales, Accounting Technician

CSAC EXCESS INSURANCE AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

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INTRODUCTORY SECTION



December 1, 2015

Members, Board of Directors
CSAC Excess Insurance Authority

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the CSAC Excess Insurance Authority (the EIA or the Authority) for the year ended June 30, 2015, is hereby respectfully submitted. The Authority's Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the EIA. Based upon our comprehensive framework of internal control, we believe the data is accurate in all material respects; that it fairly sets forth the financial position and results of operations of the EIA, as measured by the financial activity of its various programs and policy periods, and that all necessary disclosures for understanding the Authority's financial affairs have been included.

Gilbert Associates Inc., Certified Public Accountants, has issued an unmodified opinion that the Authority's financial statements, for the fiscal year ended June 30, 2015, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

CSAC EXCESS INSURANCE AUTHORITY PROFILE

CSAC Excess Insurance Authority is a Joint Powers Authority (JPA) established under Article 1, Chapter 5, Division 7, Title I of the California Government Code (§ 6500 et seq.) in October 1979. The EIA operates programs for excess and primary workers' compensation, two excess liability programs, a primary liability program, a property program, a medical malpractice program, a master rolling owner controlled insurance program, an employee health benefit program, a dental program and miscellaneous programs for other coverages. The EIA also provides support services for selected programs such as claims administration, risk management, claims audits, loss prevention and training, and subsidies for actuarial studies and risk management services.

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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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Chief Executive Officer: Michael Fleming

Legal Counsel: Stephen Underwood

Chief Operating Officer: Gina Dean

The EIA provides two classes of membership – county members (county entities maintaining their membership in the California State Association of Counties) and public entity members (any other public entity in California). The 62 member Board of Directors is comprised of representatives from each of the 55 county members appointed by their respective boards of supervisors, and seven public entity representatives (plus three alternates) elected by the public entity membership. The 11 member Executive Committee includes two seats specifically designated for public entity members of the Board of Directors. The day-to-day operations of the EIA are conducted by the Chief Executive Officer who is responsible for the administration of policies set forth by the Joint Powers Agreement, Bylaws, Board of Directors and Executive Committee.

The EIA's reporting entity includes financial activities relating to all programs and insurance pools of the Authority.

INSURANCE MARKET CONDITION AND OUTLOOK

The EIA operates in an environment that is affected by the overall insurance market. 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. The amount of surplus capacity, or insurance market capitalization, is the prime factor that creates a soft market. The market moves and turns based upon overall profitability. Profitability is affected by both catastrophic losses and sustained periods of better or worse than expected losses, and investment returns.

Current market trends (October 2015):

Generally speaking, we are currently in a soft market cycle, but the degree varies by line of coverage and is dependent on our actual loss experience. We are expecting property rates to remain flat in the near term. There is pressure on excess WC rates to go higher, as various reinsurers grapple with the long tail exposure on future medical claims. For the 2015/16 renewal we had to replace our carriers on both excess liability programs due to insurers leaving the California public entity market place. Though we successfully placed coverage, marketing public entity general liability coverage will continue to be challenging. Also carriers are scrutinizing our civil rights claims arising out of jail operations in the Medical Malpractice program. Despite this we were able to obtain a two year commitment from our long time carrier, Lexington. On the employee benefits side, the EIAHealth program continues to be competitive with CalPERS. Life and Disability rates are unchanged, and the Dental program is strategically lowering rates based on positive loss experience.

EIA RESPONSE TO MARKET CONDITIONS

To mitigate the impact of a hard market cycle, the EIA has entered into multi-year agreements, wherever possible. Such multi-year agreements limit the amount of increases in subsequent years and promote long term relationships with insurers. We also have the ability to assume more risk and purchase less reinsurance if rates destabilize. Since fiscal 2009, we have been able to purchase insurance to limit our pool exposure in our workers' compensation programs. We also added an "Educational Tower" with a new carrier in our Excess Workers Compensation program. In the EIA's Property program, we have taken the additional step of pre-paying the primary coverage on a three-year basis. Because the EIA's Medical Malpractice program's insurance layer is written on an occurrence basis, we can switch from an occurrence to claims made policy, if the market hardens. These are just some examples of how we have adjusted program structures to take advantage of market opportunities.

The Authority's programs have proven to be effective in both hard and soft insurance markets. We have seen that in a hard market, the cost to our members raises accordingly, competition decreases and the value of the Authority's programs, compared to the alternatives available, is even greater than it is in a soft market.

MEMBERSHIP

The EIA has 317 members, including seven new public entity members. The 55 member counties represent more than a 95% market share of the 58 California counties. Public entity membership consists of 233 individual cities, schools, or special districts, and 29 joint powers authorities consisting of pools of cities, schools, or special districts, for a total of 262 public entity members. The county and public entity members collectively represent over 1,900 public agencies. As of June 30, 2015, it is estimated that 65% of all cities in California were covered by the EIA, either as a direct member or through a member JPA.

County and public entity members actively participate in Authority policy making and governance by their committee service. Sixty-two county employees participate on various committees as do 49 different public entity members.

SERVICES AND PROGRAMS

EIA members have established ten major group coverage programs. These ten coverage programs are described in greater detail on the following pages and include Primary Workers' Compensation, Excess Workers' Compensation, Primary General Liability, General Liability I, General Liability II, Property, Medical Malpractice, Master Rolling Owner Controlled Insurance Program, EIAHealth, and Dental.

In addition to the ten major coverage programs, the EIA sponsors group purchase insurance policies that are available to all California public entities – members and non-members. These Miscellaneous Programs cover exposures for cyber liability, watercraft, aviation liability, crime and faithful performance, pollution liability, catastrophic inmate medical, and course of construction. Members are also able to purchase group discounted excess limits, on an optional basis, for most of the major programs. The EIA sponsors employee benefits programs, such as the Employee Assistance Program, Vision, Long-Term Disability and Life and AD&D. The EIA and the California State Association of Counties jointly sponsor a Personal Lines Insurance Program (PLIP) that offers homeowners, personal auto and various types of supplemental insurance to employees of participating members.

The EIA has implemented numerous innovative risk management services designed to assist all members in effectively administering their self-insured programs. Such services include claims audits, actuarial study subsidies, real and personal property appraisals, financial subsidies for risk management, and assistance with loss prevention activities including financial subsidies, resources and training. In 2015, we started a pilot Labor Law program to mitigate potential employment practice claims in the WC or Liability programs.

The EIA has evaluated its services and concluded there is a strong demand from the membership for additional high quality services. In response, the EIA is in the process of establishing a Member Services Department in the 2015/16 fiscal year. Member Services will be responsible for coordination of all services and will focus on expanding service offerings to the membership.

PRIMARY WORKERS' COMPENSATION

The Primary Workers' Compensation (PWC) Program provides Excess Workers' Compensation (EWC) Program members the opportunity to convert their \$125 thousand self-insured retention in the EWC Program to first dollar coverage. The Program provides members with claims administration services, and several cost containment programs, including a Medical Provider Network and a Return to Work Program. The Program pays for claims with a blending of pooling and excess insurance. Since July 1, 2009, the structure of the PWC Program provides that the first \$10 thousand of each claim is paid out of the Program's pool and the Program's excess insurer pays for the balance of the claim, up to the program limit of \$125 thousand.

Since fiscal year 2007/08, the PWC Committee has declared dividends every year. Dividends to date total \$46.5 million, and the Committee plans to continue its dividend program with \$3 million budgeted for fiscal year 2015/16.

EXCESS WORKERS' COMPENSATION

The Excess Workers' Compensation (EWC) Program provides members with statutory coverage for workers' compensation subject to the members' self-insured retentions ranging from \$125 thousand to \$5 million. Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third party of their choice or with their own claims staff. The Program funds a \$5 million pool and purchases reinsurance to achieve statutory limits. In January 2015, we added a major new member, California State University Risk Management Authority and its auxiliary organizations, enabling the program to add a new carrier, Safety National and create an Educational Tower. With this tower we are able to offer more competitive rates for schools and colleges.

The EIA is always looking for opportunities to protect the pool exposure by purchasing reinsurance from the commercial market. In 2012/13 the EIA established a relationship with a new reinsurer, AmTrust, and restructured the SIR to \$5 million layer to cap the pool exposure. Despite increased pool funding, net position decreased from \$10.6 million in fiscal 2014 to \$3.9 million, due to continued adverse loss development. The 2015/16 year was funded at the 82.5% confidence level with an expected increase in net position of \$9.6 million.

In November 2015, the EIA entered into a contract with Munich Re, an excess carrier, on the EWC program to take back the claim liabilities that had been insured with Munich Re for the July 1997 through June 2004 years. Munich Re paid the EIA \$84,289,322 to assume undiscounted liabilities of \$82,103,422. As these liabilities will be paid over a long period of time, we present them discounted. The following table shows the amount at various discounted rates (what we expect to earn), and confidence levels. On the fiscal 2015/16 financial statements, the difference between the cash received for these liabilities and the discounted amount shown on the Statement of Net Position will increase Net Position overall, and in the EWC Program.

	Expected	70% CL	75% CL	80% CL	85% CL	90% CL
Undisc.	82,103,422					
Disc @ 1%	60,614,000	73,190,000	79,481,000	85,770,000	95,203,000	107,780,000
Disc @ 2%	45,459,000	54,885,000	59,601,000	64,313,000	71,384,000	80,813,000
Disc @ 3%	34,699,000	41,890,000	45,488,000	49,083,000	54,477,000	61,670,000
Disc @ 4%	26,976,000	32,564,000	35,358,000	38,152,000	42,343,000	47,932,000
Disc @ 5%	21,411,000	25,845,000	28,060,000	30,278,000	33,602,000	38,035,000

PRIMARY GENERAL LIABILITY

The Primary General Liability (PGL) Program provides General Liability I (GLI) Program members the opportunity to convert their \$100 thousand GLI self-insured retention to a \$10 thousand deductible. The Program provides members with claims administration services, which is accomplished through two third-party administrators. Under the Program's current structure, 100% of the pool's exposure (\$90 thousand excess of \$10 thousand deductibles) is reinsured with the commercial market. From 2009 to 2013, the coverage was with ACE Insurance Company. On July 1, 2013, coverage was switched to Berkley Insurance Company.

The Program had built up a healthy fund balance from prior years' operations. Since 2012, dividends of \$2,657,055 have been declared, and administration fees have been reduced.

GENERAL LIABILITY I

The General Liability I (GLI) Program provides members with coverage for third party liabilities (including general, automobile, employment practices and errors and omissions), up to a limit of \$25 million, subject to each member's self-insured retention, which can range from \$100 thousand to \$1 million (retentions as low as \$25 thousand can be provided on an exception basis). Because members maintain self-insured retentions in this Program, they are able to manage their own claims, either through a third party of their choice or with their own claims staff. The Program funds a \$5 million pool and purchases \$20 million in reinsurance to achieve the \$25 million limit.

GENERAL LIABILITY II

The General Liability II (GLII) Program provides members with coverage for third party liabilities (general, automobile, employment practices and errors and omissions), up to a limit of \$25 million, subject to the member's self-insured retention, which range from \$1 million to \$3 million. The GLII Program was specifically designed with the objective of offering larger members the advantages of the joint purchase of excess coverage, while maintaining their ability to handle and fund their primary losses. Because members maintain self-insured retentions in this Program, they are able to manage their own claims. Each member of the Program has a representative on the GLII Committee, which was established to administer and govern the Program. Because of prior large losses in multiple policy years, there is a pooled corridor deductible in the 2014/15 policy year, which was increased for the 2015/16 year.

PROPERTY

The Property Program provides coverage for physical damage to members' real and personal property as a result of "all risk" perils, including flood with overall per occurrence limits up to \$600 million. Members also have the opportunity to purchase additional earthquake coverage. The unique structure of the Program into Towers spreads risk both geographically and categorically. This spread of risk allows the Program to access higher limits at reduced costs. The Program renews on March 31st of each year. In order to provide and promote stability, the primary \$25 million in limits is written on a three-year basis. The pool exposure is protected by aggregate stop loss coverage at \$10 million. Beginning in the 2014/15 program year there was a catastrophic flood pool exposure of \$5 million, which has been partially funded with \$1 million collected in both the 14/15 and 15/16 policy years. Because the Program is fully insured over the aggregate pool limits, the primary reinsurer, Lexington, takes full responsibility for the adjustment of claims.

MEDICAL MALPRACTICE

The Medical Malpractice Program provides members with coverage for medical professional services and limited general liability exposures at established healthcare facilities. The program offers limits of \$21.5 million, in addition to each member's deductible or self-insured retention, which range from \$5 thousand to \$1.1 million. For members who maintain a \$5 thousand or \$10 thousand deductible, claims administration is provided by the program's third party administrator, Risk Management Services. Members who maintain a self-insured retention above those deductible limits are able to manage their own claims. The program funds a \$1.5 million pool on a claims-made basis and purchases \$20 million of reinsurance on an occurrence basis.

MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

On January 1, 2013, the EIA developed a new program. The Master Rolling Owner Controlled Insurance Program (MR OCIP) enables members to purchase workers' compensation and general liability coverage for all eligible parties (owner, general contractor, and sub-contractors) working on their construction projects. These policies, (also known as "wrap-ups"), are widely used on public sector construction projects and capital improvement programs. The MR OCIP can include projects as small as \$10 million, thereby enabling members to receive the benefits of a "wrap-up" on projects that otherwise wouldn't qualify because of their size.

EIAHEALTH

The EIAHealth Program, in partnership with Self Insured Schools of California (SISC), provides members with an alternative to group health insurance plans using the concept of pooling to reduce insurance premiums through consolidating the fixed costs over a larger population. Members are able to create and maintain their own plan designs within the context of the pooling arrangement that provides much greater stability than a standalone program. In addition, small group programs are available with predefined benefit options for public employers with less than 250 employees. HMO options are also available to members on an insured basis.

DENTAL

The Dental Program is a pooled program with predictable and stable dental rates year-over-year. The Program partners with Delta Dental to provide administrative services and access to the Delta Dental network of providers. The administrative fees in the Program are some of the lowest offered by Delta Dental of California. The Program has both January 1st and July 1st renewal dates.

AWARDS & ACKNOWLEDGMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CSAC Excess Insurance Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-first consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

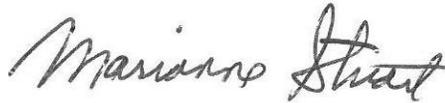
The Authority is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation's first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance by an independent examiner. The Authority has received CAJPA's "Accreditation with Excellence," the highest form of accreditation, for a three-year period ending in March, 2016.

The preparation of this report would not have been possible without the best efforts of the finance and administrative departments and we thank them for their contribution. Our sincere appreciation is expressed to the members of the Authority's Finance Committee and Executive Committee for their support in maintaining the highest standards of professionalism in the management of the Authority's finances, and to each Board of Director Member and Alternate, and all committee members, for their commitment to the Authority.

Respectfully Submitted,



Michael Fleming
Chief Executive Officer



Marianne I. Stuart, CPA
Chief Financial Officer

Member County	Programs									Board Member	Alternate Board Member
	GLI	PGL	GLII	MM	Prop	EWC	PWC	Health	Dental		
Alameda County			X	X	X	X				Barbara Lubben, Director of Risk Management	Karen Caoile, Senior Risk and Insurance Analyst
Alpine County	X			X	X	X			X	Carol McElroy, Treasurer—Tax Collector—Auditor	Sarah Simis, HR Manager
Amador County	X	X		X	X	X	X	X	X	Richard Forster, Supervisor	Lisa Hopkins, Risk Manager
Butte County	X			X	X	X			X	Steve Weston, Safety Officer	Julia Ogonowski, Risk Management Analyst
Calaveras County	X			X	X	X	X	X	X	Shirley Ryan, County Administrative Officer	Judy Hawkins, Deputy CAO/Risk & Human Resources Director
Colusa County	X			X	X	X			X	Denise Carter, Board of Supervisors	Mark Marshall, Board of Supervisors
Contra Costa County			X	X	X	X				Sharon Hymes-Offord, Risk Manager	Denise Rojas, Assistant Risk Manager
Del Norte County	X			X	X	X		X		Joseph Young, Personnel/Risk Manager	Neal Lopez, Assistant County Administrator
El Dorado County			X	X	X	X		X	X	Jason Hunter, Risk Manager	Vacant
Fresno County	X				X	X				Tracy Meador, Personnel Services Manager	Jason Blanks, Sr. Personnel Analyst
Glenn County				X						John Viegas, Supervisor	Scott Schimke, Risk Manager
Humboldt County	X			X	X	X	X		X	Dan Fulks, Personnel Director	Kelly Vizgaudis, Risk Analyst
Imperial County	X			X	X	X				Ralph Cordova, Jr., County Executive Officer	Brenda Olivas-Neujahr, Risk Management Analyst - Safety Administrator
Inyo County	X			X	X	X	X		X	Marlena Baker, Risk Manager	Kevin Carunchio, County Administrator
Kern County					X					Matt Gutierrez, Risk Manager	Brad Aragon, Loss Prevention Specialist
Kings County	X			X	X	X				Deb West, Assistant CAO	Sande Huddleston, Risk Analyst II
Lake County	X	X			X	X	X	X	X	Anita Grant, County Counsel	Kathy Ferguson, Human Resources Director

Member County	Programs									Board Member	Alternate Board Member
	GLI	PGL	GLII	MM	Prop	EWC	PWC	Health	Dental		
Lassen County	X			X	X	X			X	Richard Egan, County Administrative Officer	John Mineau, Undersheriff
Madera County	X			X	X	X				Darin McCandless, Risk Management Analyst	Kevin Fries, Chief Assistant County Administrative Officer
Marin County				X						Karol Hosking, Risk Manager	Daniel Elerman , Assistant County Administrator
Mariposa County	X			X	X	X			X	Mary Hodson, Deputy CAO	Steve Johnson, Human Resources/Risk Manager
Mendocino County	X			X	X	X	X			Alan Flora, Assistant CEO/Risk Manager	Heather Correll, Department Analyst II
Merced County	X			X	X	X		X		James Brown, County Executive Officer	Scott DeMoss, Asst. County Executive Officer
Modoc County	X			X	X	X			X	Chester Robertson, County Administrative Officer	Vacant
Mono County	X			X	X	X			X	Lynda Salcido, Interim Mono County CAO	Sarah Messerlian, Risk Manager
Monterey County					X	X				Steve Mauck, Risk Manager	Vacant
Napa County	X			X	X	X			X	Kerry John Whitney, Risk Manager	Leanne Link,
Nevada County	X			X	X	X	X		X	Rick Haffey, County Executive Officer	Mary Jo Castruccio, Risk Manager
Orange County					X					Tom Phillips, Risk Manager	Frank Kim, CFO
Placer County	X			X	X	X			X	Vacant	Ken Brown, Liability Manager
Plumas County	X			X	X	X			X	Roberta Allen, Auditor/Controller/Risk Manager	Patrick Bonnett, Assistant Risk Manager/Safety Officer
Riverside County			X	X	X	X				Jim Sessions, Risk Manager	Michael Stock, Assistant CEO/HR Director
Sacramento County			X		X	X				Steve Page, Risk and Loss Control Division Manager	Paul Hight, Liability and Property Insurance Supervisor

Member County	Programs									Board Member	Alternate Board Member
	GLI	PGL	GLII	MM	Prop	EWC	PWC	Health	Dental		
San Benito County	X			X	X	X			X	Joe Paul Gonzalez, County Auditor-Controller-Clerk-Recorder-Registrar	Janet Norris, Property Tax & Special Accounting Analyst
San Bernardino County					X	X				Ken Hernandez, Director of Risk Management	Rafael Viteri, Deputy Director
San Diego County					X	X				Susan Brazeau, Director, Human Resources	Janice Mazone, Deputy Director/Risk Management
San Joaquin County			X	X	X	X			X	Tanya Moreno, Safety and Risk Manager	Ted Cwiek, Director of Human Resources
San Luis Obispo County	X			X	X	X			X	Pamela Mitchell, Liability Analyst	Tami Douglas-Schatz, Human Resources Director
Santa Barbara County	X			X	X	X	X	X	X	Tom Alvarez, Budget Director	Ray Aromatorio, Risk Manager
Santa Clara County			X	X	X	X				Lance Sposito, Director of Risk Management	Vacant
Santa Cruz County			X	X	X	X			X	Enrique Sahagun, Principal Personnel Analyst	Becky McBride, Senior Risk Management Analyst
Shasta County	X			X	X	X			X	Angela Davis, Director of Support Services	Jim Johnson, Risk Management Analyst I
Sierra County	X			X	X	X			X	Van Maddox, Auditor/Treasurer/Tax Collector	Peter W. Huebner, Supervisor
Siskiyou County	X	X		X	X	X	X			Rose Ann Herrick, Assistant County Administrator	Michael Kobseff, Supervisor
Solano County	X	X		X	X	X			X	Bonnie Kolesar, Risk Manager	Marc Fox, Director of Human Resources
Sonoma County	X			X	X	X				Marcia Chadbourne, Risk Manager	Christina Cramer, Director of Human Resources
Stanislaus County	X			X	X	X			X	Peggy Huntsinger, Assistant Risk Manager	Kevin Watson, Liability and Insurance Manager
Sutter County	X			X	X	X				Marco Sandoval, Risk Manager	Shaw ne Corley, Assistant County Administrator
Tehama County	X			X	X	X	X	X	X	Julie Sisneros, Administrative Services Direct	Sally Hacko, Personnel Administrator
Trinity County	X			X	X	X			X	Wendy Tyler, Deputy CAO	Shelly Pourian, Risk & Loss Prevention Manager

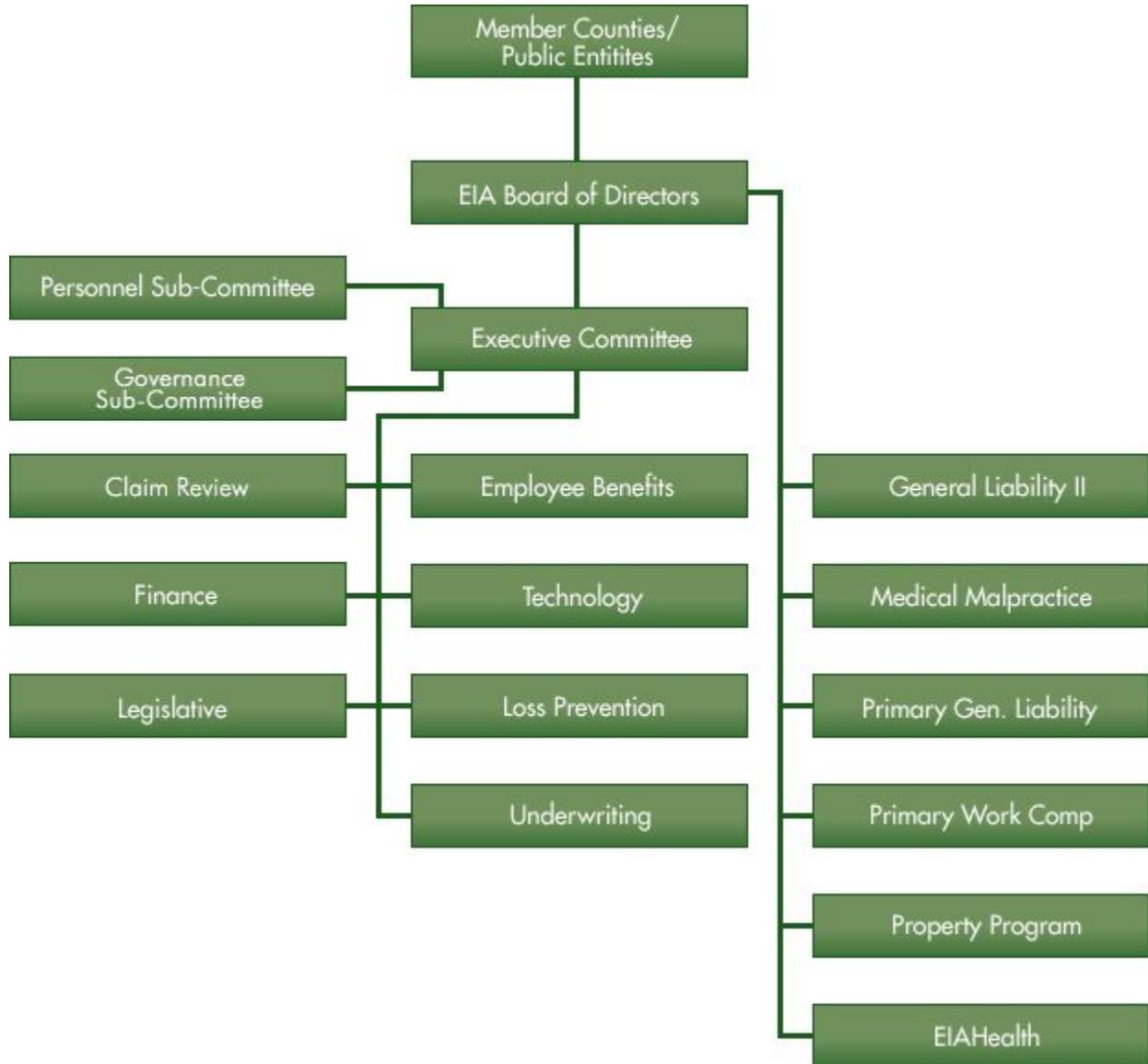
Member County	Programs									Board Member	Alternate Board Member
	GLI	PGL	GLII	MM	Prop	EWC	PWC	Health	Dental		
Tulare County	X		X	X	X	X				Robyn Henry, Risk Manager, ARM-P	Robert Anderson, Supervising Analyst
Tuolumne County	X	X		X	X	X			X	Ann Fremd, Human Resources Manager	Tracie Riggs, Deputy County Administrator
Ventura County					X					Chuck Pode, Risk Manager	Theresa Bucci, Risk Analyst
Yolo County				X					X	Jeff Tonks, Risk Manager	Mindi Nunes, Assistant County Administrator
Yuba County	X			X	X	X	X		X	Jill Abel, Director, Human Resources & Risk Management	Vacant

Board of Directors and Alternates Public Entity Participation

Board Member	Designated Board Position / Representative
Ann Richey, Risk Manager, ACCEL	At-Large
Rhonda Combs, ACCEL	At-Large
Teri Enos-Guerrero, Risk Manager, City of Chula Vista	City
Deborah Grant, Claims and Risk Manager, City of Oakland	At-Large
Kimberly Greer, Risk Manager, City of Richmond	At-Large
Scott Schimke, Risk Manager, GSRMA	Special District
Ashley Fenton, Manager, Insurance and Risk Services, San Diego Unified School District	School
Charles Mitchell, Risk Manager, California Fair Services Authority	Alternate
Karen Thesing, CAO/Risk Manager, Municipal Pooling Authority (MPA)	Alternate
Cathy Reineke, Executive Director, San Mateo County Schools Insurance Group (SMCSIG)	Alternate



CSAC Excess Insurance Authority Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**CSAC Excess Insurance Authority
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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

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

CSAC Excess Insurance Authority

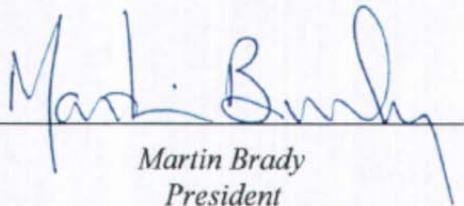
this

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

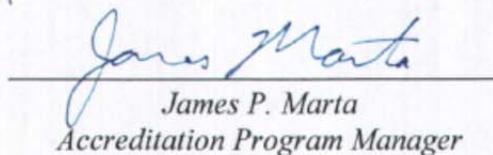
having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.



Accreditation Period: March 28, 2013- March 28, 2016


Martin Brady
President


Michael Fleming
Chairman, Accreditation Committee


James P. Marta
Accreditation Program Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of CSAC Excess Insurance Authority (the Authority) as of June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015 and 2014, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the Authority adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and *GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The Authority has not restated the actual and pro forma effect of GASB 68 on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

November 16, 2015

Management's Discussion & Analysis

As management of the CSAC Excess Insurance Authority (EIA), we offer readers of the EIA's financial statements this narrative overview and analysis of the financial activities of the EIA for the fiscal years ended June 30, 2015 and 2014. All references to years are to the fiscal year ending at June 30.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Management's Discussion & Analysis

The following table shows the net position in each fund:

Primary Workers' Compensation	\$	25,888,450
Excess Workers' Compensation		3,863,964
Primary General Liability		1,563,118
General Liability I		39,109,813
General Liability II		551,349
Property		5,916,979
Medical Malpractice		6,004,879
Master Rolling Owner Controlled Ins. Program		51,009
EIAHealth		1,810,481
Dental Program		16,697,383
Miscellaneous Programs		1,845,569
Administration and Building		9,103,651
<hr/>		
Total Net Position	\$	<u>112,406,645</u>

Financial Highlights

Authority-Wide Financial Analysis

The EIA's assets exceeded liabilities by \$112.4 million as of June 30, 2015, and by \$113.3 million at June 30, 2014, and \$118.6 at June 30, 2013. Below is a condensed Statement of Net Position:

CSAC Excess Insurance Authority's Combined Statement of Net Position

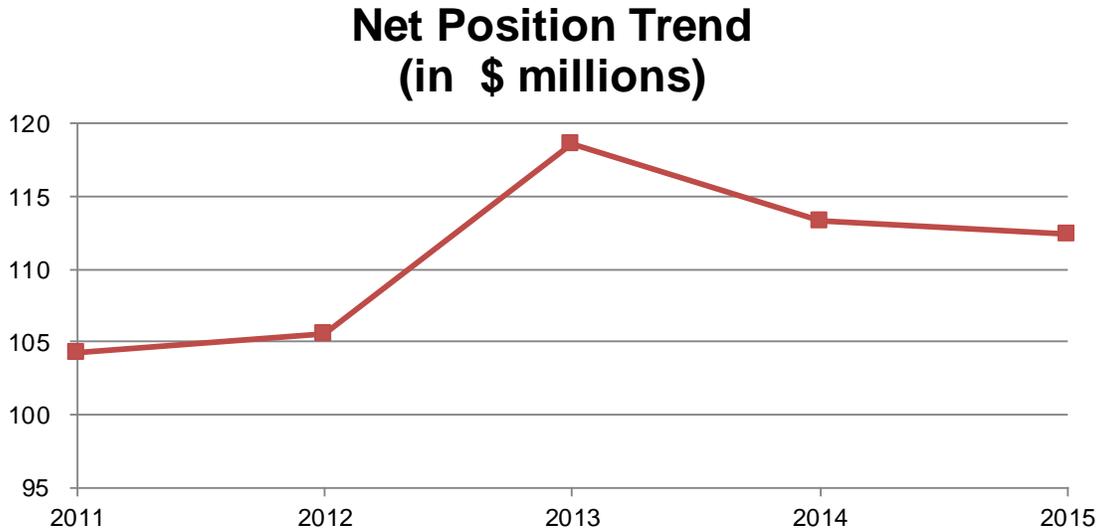
	June 30, 2015	June 30, 2014	June 30, 2013
Current Assets	\$ 207,777,344	\$ 309,440,001	\$ 326,533,622
Noncurrent Assets	434,584,578	283,144,274	261,618,903
Total Assets	642,361,922	592,584,275	588,152,525
Deferred Outflows	587,253	-	-
Current Liabilities	148,795,667	124,485,596	117,831,208
Noncurrent Liabilities	380,901,782	354,769,678	351,705,921
Total Liabilities	529,697,449	479,255,274	469,537,129
Deferred Inflows	845,081	-	-
Invested in Capital Assets	9,043,933	8,414,447	8,677,508
Unrestricted Net Position	103,362,712	104,914,554	109,937,888
Total Net Position	\$ 112,406,645	\$ 113,329,001	\$ 118,615,396

Net Position

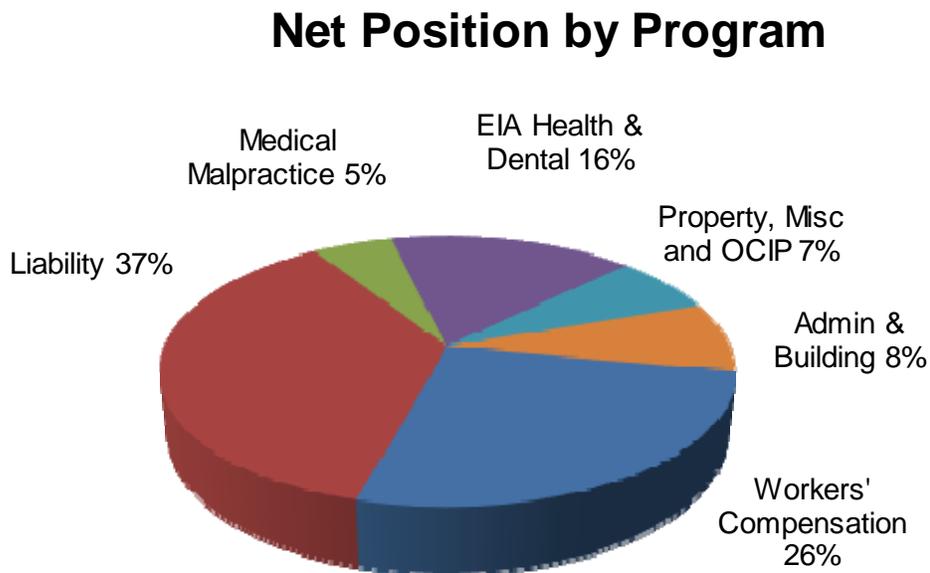
Net Position decreased \$900 thousand in 2015 compared to a decrease of \$5.3 million in 2014. We started the year with net position of \$113.3 million. We had net income of \$1.5 million. However, we adopted a new Government Accounting Standard for our pension reporting resulting in a decrease in net position of \$2.4 million. Our ending balance in net position is \$112.4 million.

Management's Discussion & Analysis

Our net position balances over the past five years is illustrated as follows:

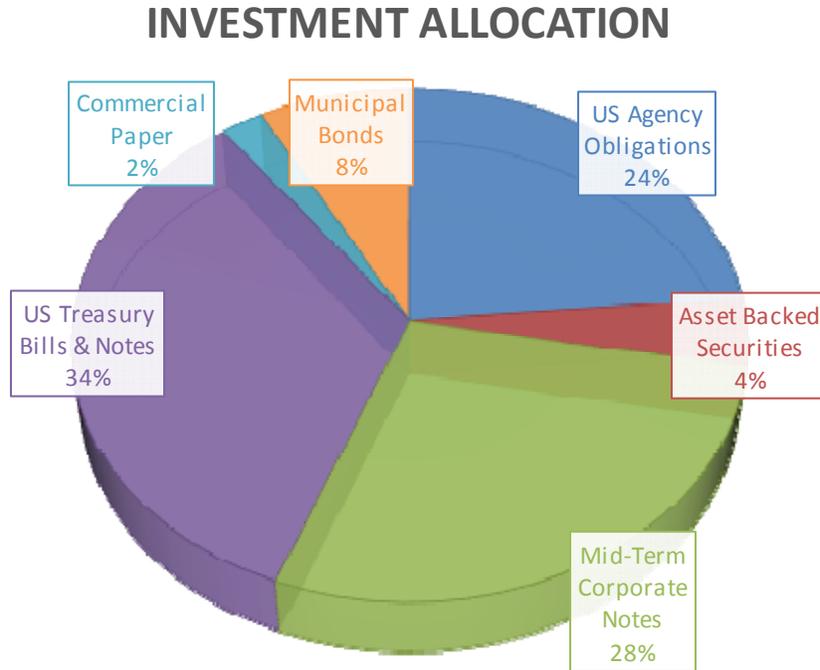


Our large, pooled risk programs, Workers' Compensation and Liability programs, account for 73% of net position as show below:



Management's Discussion & Analysis

Approximately 98% of our assets consist of funds held for the payment of claims. Of these funds, 15% is in cash, and 85% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2015:



Market interest rates continued at historically low levels during fiscal year 2015. During fiscal year 2015, there was a net decline in fair value recognized of \$1.6 million, compared to a net decline in fair value in fiscal year 2014 of \$2.3 million. A \$9.3 million decline in fair value was recognized in fiscal year 2013. The declines in fair market value are primarily being driven by fluctuations in the market interest rate. The potential direction of interest rates, up or down, and the interest earned are both considered at the time the investment is made.

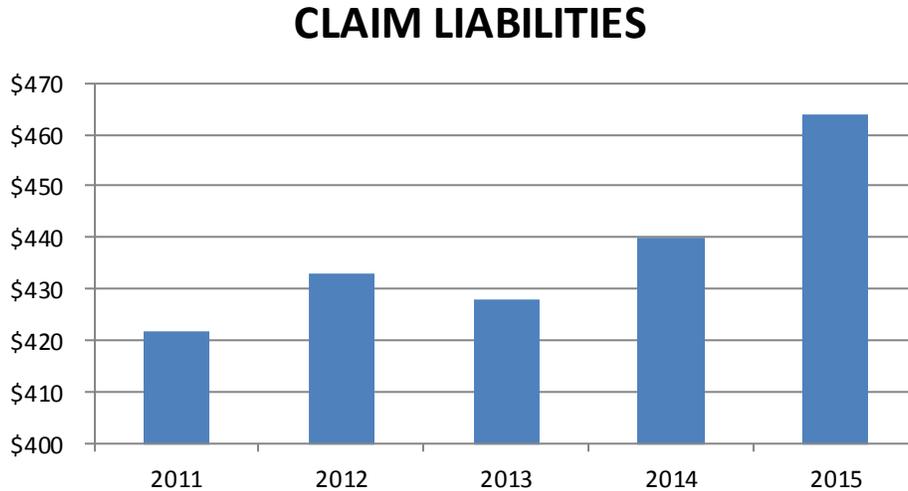
Liabilities

As another year is added on to our Excess Workers Compensation program, which has a long payout pattern, claim liabilities will naturally increase. We have also experienced adverse loss development in recent years. In addition, the EWC program grew significantly adding the California State University Risk Management Authority. In fiscal 2015 over all programs claim liabilities increased \$24 million compared to an increase of \$12 million in 2014, and a decrease of \$5.6 million in 2013.

Our claim liabilities are discounted, meaning they are stated at the present value of the future stream of claim payments. The discount rate is based on what the EIA expects to earn on the funds set aside to pay claims. The rate of return on invested funds has been less than anticipated since the recent recession started in 2008. In fiscal year 2011, the EIA made significant adjustments to the discount rates. In 2012, and again in 2013, the

Management's Discussion & Analysis

EIA adjusted our discount rates lower to reflect the continued low interest rate environment. The claim liability trend over the past five years is as follows:



Pension Liability

In Fiscal 2015 the Authority implemented Government Accounting Standards Board Statement No. 68 which changes the way governments report their pension expense and accrued liability. No longer will they report on a pay as you go method, but will instead report the difference between funds set aside to pay pensions and their net accrued pension liability on their statement of net position. This is considered a “Change in Accounting Principle” and the cumulative effect of the change coming into the year is shown on the Statement of Net Position as an adjustment to Net Position.

The Authority had estimated what the amount might be at between \$2 and \$3 million based on prior actuarial statements. The adjustment came in at \$2.5 million. The Authority has taken action and budgeted to pay \$1.8 million of their liability in fiscal year 2015/16. A full explanation of how this accounting principle applies for pensions is explained in footnote 1 C. on page 47, and a description of the pension expense and changes therein is explained in footnote 7 beginning on page 70 and in the Required Supplementary Information.

Management's Discussion & Analysis

Target Equity

Each of the pooled programs establish Target Funding Guidelines, which determine the range of net position to retain in the program in order to provide for the uncertainty of actuarial estimates, inconsistent or inaccurate reserving, and the possibility of catastrophic claims. The purpose of the guidelines is to assist members in making funding decisions. A range is determined by looking at various ratios; for instance Gross Premium to Equity, Equity to Pool retention, Outstanding Case Reserves to Equity, and Outstanding Ultimate Reserves to Equity. The table below shows the Target Equity Range for the pooled programs and program net position:

Program	Target Equity Range		Program Net Position
	Low	High	At June 30, 2015
Primary Workers' Compensation	\$ 14	\$ 44	\$ 26
Excess Workers' Compensation	\$ 30	\$ 67	\$ 4
Primary General Liability	\$ 0.07	\$ 2	\$ 2
General Liability I	\$ 16	\$ 35	\$ 39
Medical Malpractice	\$ 5	\$ 10	\$ 6

As the above chart shows, all programs, with the exception of the Excess Workers' Compensation Program, are in, or exceed, their Target Equity Range.

The Excess Workers' Compensation Program net position is well below their Target Equity Range. First, the ultimate cost of claims (claim liabilities) for the older years continues to increase, which decreases equity. Another factor driving the equity down has been the extremely low returns on invested assets, creating an investment gap between what we expected to earn on funds invested, and what we did earn. See footnote 4, page 58, for additional information on the discount rate. The Board has taken steps to increase the program's equity including, raising the confidence level (what we collect) used to calculate pool premium, and transferring risk or insuring the layer between the member's self-insured retention up to \$1 million, which we did from 2008/09 to 2010/11. In the 2011/12 policy year, we reinsured the \$1 million to \$5 million layer, subject to \$3.5 million corridor retention. During the past three fiscal years, 2012/13 through 2014/15 and the current renewal, the program's liability in the pooled excess of SIR up to \$5 million layer was capped, therefore eliminating the risk of adverse loss development. The layers above \$5 million are fully insured. The Board will continue to address the program's Target Equity. See footnote 10 on page 78 for the disclosure of the commutation on some of the years subsequent to the end of the fiscal year.

Management's Discussion & Analysis

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

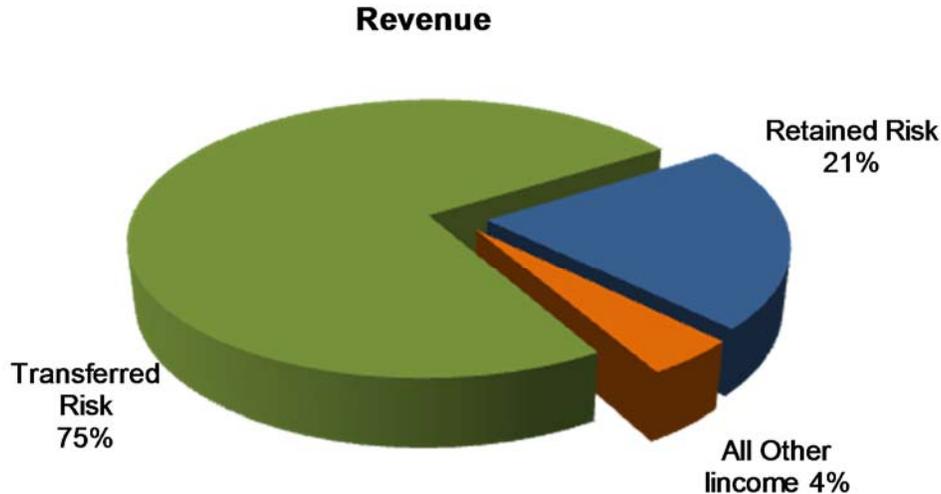
CSAC Excess Insurance Authority's Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2015	June 30, 2014	June 30, 2013
Operating Revenues:			
Premiums for Transferred Risk	\$ 443,008,816	\$ 423,229,776	\$ 386,895,589
Broker Fees	8,775,741	8,342,982	7,382,605
Contributions for Retained Risk	143,354,781	124,089,007	129,253,959
All Other Sources	19,520,413	17,903,846	15,455,417
Total Operating Revenues	<u>614,659,751</u>	<u>573,565,611</u>	<u>538,987,570</u>
Operating Expenses:			
Member Dividends	4,703,871	6,179,489	10,281,301
Insurance Expense	444,479,808	422,937,089	386,146,940
Broker Fees	8,559,724	8,079,636	7,384,093
Provisions for Claims	135,224,386	122,157,339	99,860,765
Unallocated Loss Adjustment Expense	2,119,213	2,332,280	18,714
Program Services	12,005,843	12,134,125	13,831,864
Member Services and Subsidies	2,852,087	2,358,826	2,192,839
General Administrative Services	8,870,057	8,584,558	7,854,569
Depreciation and Building Maintenance	586,504	311,987	277,423
Total Operating Expenses	<u>619,401,493</u>	<u>585,075,329</u>	<u>527,848,508</u>
Operating Income (Loss)	<u>(4,741,742)</u>	<u>(11,509,718)</u>	<u>11,139,062</u>
NonOperating Revenues (Expenses):			
Investment Income and Financing Fees	6,283,087	6,258,953	1,807,548
Lease Income	423,319	414,094	487,378
Financing and Investment Expenses	(123,766)	(31,157)	(24,550)
Building Maintenance and Depreciation	(301,867)	(418,567)	(345,862)
Total NonOperating Revenues (Expenses)	<u>6,280,773</u>	<u>6,223,323</u>	<u>1,924,514</u>
Changes in Net Position	<u>1,539,031</u>	<u>(5,286,395)</u>	<u>13,063,576</u>
Cumulative Effect of Change in Accounting Principle Pensions	<u>(2,461,387)</u>		
Net Position			
Beginning Balance, July 1	113,329,001	118,615,396	105,551,820
Ending Balance, June 30	<u>\$ 112,406,645</u>	<u>\$ 113,329,001</u>	<u>\$ 118,615,396</u>

Management's Discussion & Analysis

Revenues

Total operating revenues were \$614.7 million during 2015, a 7% increase from the \$573.6 million in 2014. The total revenue allocation is shown in the following chart:



Membership. There was some movement in membership in most of our programs. Our employee benefits programs continue to add new members and our new Master Rolling Owner Controlled Insurance Program (Wrap-up program for major construction contracts) added smaller, under \$100 million in construction value to our pooled program. In addition to cities, counties, and special districts we insure directly, we cover an additional 1,583 members, up from 1,489 in 2014, who are part of other Joint Powers Authorities that participate in our programs.

Premiums for Transferred Risk. Premiums for transferred risk increased 5% from \$423 million in 2014 to \$443 million in 2015. The insurance premium revenues and expenses are dependent on the cyclical insurance market. The last two years have been challenging due to market hardening in Workers' Compensation and adverse loss development in both our Workers' Compensation and Liability Programs. Our exposure base for Workers' Compensation and General Liability programs is payroll; with the economic recovery, payrolls are growing.

Contributions for Retained Risk. The EIA's contributions for retained risk revenues were \$143 million in 2015, compared to \$124 million last year, an increase of \$19 million. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

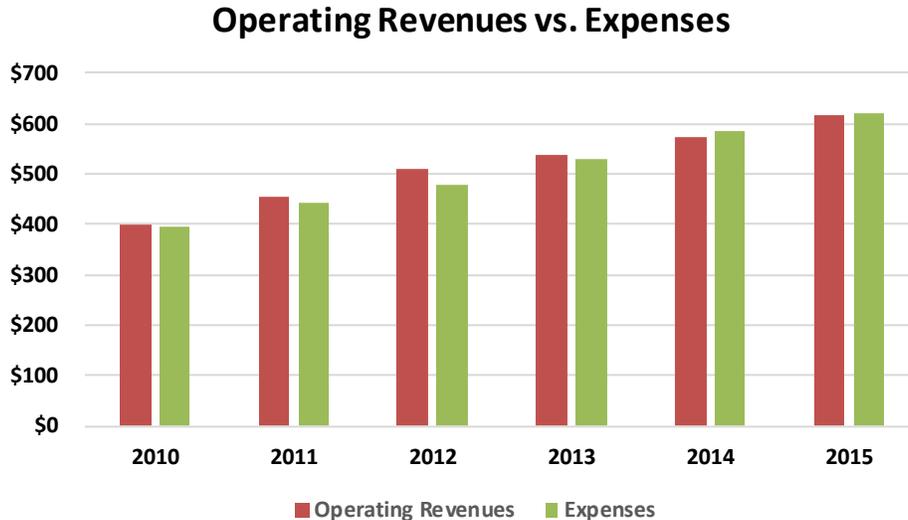
Expenses

Total operating expenses increased \$34.3 million in fiscal year 2015 compared to \$585 million in fiscal year 2014, largely driven by insurance expense. Claims expense also

Management's Discussion & Analysis

increased, up \$13.1 million as another year and a large new member were added to the EWC program.

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



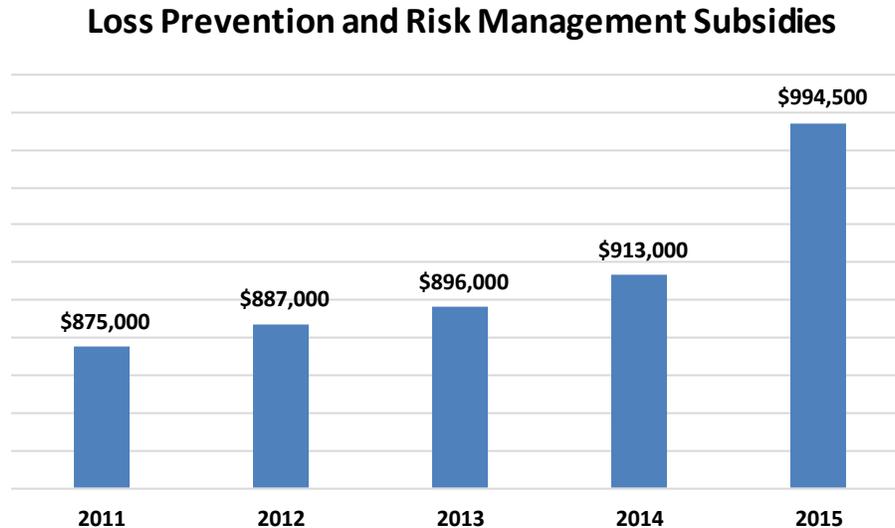
Significant expense items included:

- Member dividends included another \$4 million dividend to members of the Primary Workers' Compensation (PWC) Program, \$450 thousand to Primary General Liability (PGL) Program members and \$255 thousand in no claim bonus payments.
- Insurance expense increased by \$21.5 million, mirroring the revenue increase in premiums for transferred risk.
- The provision for claims is a management estimate of the cost of pooled, or shared, claims. This estimate is based on a variety of actuarial and statistical techniques considering claims history, claim payment history and frequency, changes in the law, inflation, and other socio-economic factors. Because our claims are discounted to the present value, the effect of changes in the discount rate is included in the provision for claims. The overall provision for claims cost, both prior and current, increased \$13 million from \$122.2 million in 2014 to \$135.2 million in 2015.
- Program service expenses were down slightly in 2015. Program services include claims administration services, claims audits, actuarial services, legal services, and other expenses necessary for the operation of each program.
- Membership in many EIA programs includes subsidies to enhance member's risk management programs.

Management's Discussion & Analysis

The actuarial subsidy is \$2,000, available in many programs. All members of the property and casualty programs are eligible for a risk management subsidy of \$1,000 per program. A total of \$1.2 million of net position is available to members to use for risk management purposes.

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



The EIA offers a variety of risk management and loss prevention services for our members. The services offered include:

- Direct consultation on loss prevention/risk management, safety and industrial hygiene issues
- Library of video and printed resource materials
- Regional, on-site, on-demand and web based training programs
- Facility & property inspections
- Hazard and exposure assessments with realistic solutions
- Drug and Alcohol Testing Consortium
- Policy/program evaluation and development
- Credential & events management system
- Loss & risk analysis services
- Liability & Employment Law Legal Hotlines
- Resource center
- Electronic Pull Notice program (EPN)

Management's Discussion & Analysis

Capital Assets

In January 2010, the new office facility at 75 Iron Point Circle, Folsom, California was purchased at a cost of \$9.2 million. We have invested in tenant improvements, both for the space occupied by the authority and for the 50% of the building that is leased out. Other investments include scheduled replacements of office equipment and computers, and investments in new technology. We are in the third year of implementing a new claims system. The system is expected to cost about \$2 million when fully phased in. This claims system not only replaces our current legacy system, but adds capability to bring in-house our outsourced TPA systems for the PWC Program. We also provide a claims platform for members who want to lease our system. Please refer to footnote 5 (Capital Assets), for more detailed information.

Economic Factors

The most significant economic factors that will affect the future of the EIA include the legislation that affects changes in coverage, the insurance market, the investment market, and the financial health of our members. California entities are beginning to recover from the recent great recession with increases in sales and property tax revenues, and employment. Our members are also increasing their payrolls. The property market has sufficient capacity for our earthquake and flood risks. There are fewer markets for our workers' compensation and liability programs, but we are still able to insure risks at a competitive cost. Each EIA program committee is carefully monitoring changes to the insurance market, investment market, and their target equity as they make funding decisions at renewal.

Other Information

In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain *Required Supplementary Information* reconciling EIA claim liabilities and claim development schedules. Required supplementary information can be found beginning on page 79 of this report. The combining and individual program statements for all EIA programs are presented immediately following the required supplementary information beginning on page 94 of this report.

Conclusion

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

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	7,344,070	6,293,337
Cash in the EIA Treasury	21,945,146	63,512,017
Investments	105,625,984	154,797,684
Due from Members	16,912,663	19,548,197
Investment Income Receivable	1,675,208	1,461,583
Reinsurance Claims and Deposit with Carrier	3,843,793	19,085,590
Other Receivables	38,877	-
Prepaid Insurance and Expenses	50,391,303	44,741,293
TOTAL CURRENT ASSETS	207,777,344	309,440,001
Noncurrent Assets:		
Investments	380,868,583	230,329,827
Prepaid Insurance	44,672,062	44,400,000
Land and Buildings, Net	7,497,619	7,592,768
Furniture and Equipment, Net	1,546,314	821,679
TOTAL NONCURRENT ASSETS	434,584,578	283,144,274
TOTAL ASSETS	642,361,922	592,584,275
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Of Resources Related to Pensions	587,253	-
LIABILITIES:		
Current Liabilities:		
Accounts Payable	5,010,503	5,277,022
Deposits from Insurance Companies	9,949,841	8,223,632
Due to Members	13,767,234	15,299,407
Unearned Income	34,880,527	10,314,825
Claim Liabilities	85,118,784	85,306,940
Compensated Absences	68,778	63,770
TOTAL CURRENT LIABILITIES	148,795,667	124,485,596
Noncurrent Liabilities:		
Claim Liabilities		
Claims Reported	203,532,896	185,822,815
Claims Incurred But Not Reported	132,613,056	128,325,887
Unallocated Loss Expense Payable	42,485,111	40,365,898
Compensated Absences	275,114	255,078
Other Post Employment Benefits	1,043	-
Net Pension Liability	1,994,562	-
TOTAL NONCURRENT LIABILITIES	380,901,782	354,769,678
TOTAL LIABILITIES	529,697,449	479,255,274
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Related to Pensions	845,081	-
NET POSITION:		
Net investment in Capital Assets	9,043,933	8,414,447
Unrestricted	103,362,712	104,914,554
TOTAL NET POSITION	\$ 112,406,645	\$ 113,329,001

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

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 443,008,816	\$ 423,229,776
Broker Fees	8,775,741	8,342,982
Contributions for Retained Risk	143,354,781	124,089,007
Dividend Income	241,593	215,008
Member Services	1,111,493	865,314
Administration Fees	16,107,839	14,400,637
Public Entity Fees	604,556	552,493
Other Income	1,454,932	1,870,394
TOTAL OPERATING REVENUES	614,659,751	573,565,611
OPERATING EXPENSES:		
Member Dividends	4,703,871	6,179,489
Insurance and Provision for Losses:		
Insurance Expense	444,479,808	422,937,089
Broker Fees	8,559,724	8,079,636
Provision for Claims		
Current Year Claims	107,446,103	92,080,487
Prior Year Claims	27,778,283	30,076,852
Unallocated Loss Adjustment Expenses	2,119,213	2,332,280
Program Services	12,005,843	12,134,125
Member Services and Subsidies	2,852,087	2,358,826
General Administrative Services	8,870,057	8,412,166
Depreciation and Amortization	418,273	311,987
Building Maintenance	168,231	172,392
TOTAL OPERATING EXPENSES	619,401,493	585,075,329
OPERATING INCOME (LOSS)	(4,741,742)	(11,509,718)
NONOPERATING REVENUES (EXPENSES):		
Investment Income	5,837,596	5,919,696
Financing Fees	445,491	339,257
Lease Income	423,319	414,094
Building Maintenance	(143,307)	(146,852)
Building Depreciation	(158,560)	(271,715)
Investment Expense	(123,766)	(31,157)
TOTAL NONOPERATING REVENUES (EXPENSES)	6,280,773	6,223,323
CHANGES IN NET POSITION	1,539,031	(5,286,395)
NET POSITION:		
Net Position, Beginning of Year	113,329,001	118,615,396
Cumulative Effect of Change in Accounting Principle- Pension	(2,461,387)	
NET POSITION, END OF YEAR	\$ 112,406,645	\$ 113,329,001

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

**CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 641,485,735	\$ 567,619,665
Receipts from Others	16,454,616	(13,901,781)
Dividends Paid	(6,883,331)	(10,179,489)
Claims Paid	(113,415,292)	(112,514,301)
Insurance Purchased	(448,219,150)	(429,961,270)
Payments to Suppliers	(26,839,578)	(26,055,385)
Payments to Employees	<u>(6,751,471)</u>	<u>(6,695,534)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>55,831,529</u>	<u>(31,688,095)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets	<u>(1,206,318)</u>	<u>(320,641)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,206,318)</u>	<u>(320,641)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease Receipts	423,319	414,094
Operating Lease Disbursements	(143,307)	(146,852)
Purchase of Securities	(357,827,226)	(142,553,243)
Sales of Securities	254,866,831	190,188,886
Cash from Investment Earnings	7,292,061	8,849,495
Cash from Finance Fees	370,741	339,215
Investment Expenses	<u>(123,768)</u>	<u>(31,137)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(95,141,349)</u>	<u>57,060,458</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,516,138)	25,051,722
CASH & EQUIVALENTS: BEGINNING OF YEAR	<u>69,805,654</u>	<u>44,753,932</u>
END OF YEAR	<u>\$ 29,289,516</u>	<u>\$ 69,805,654</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ (4,741,742)	\$ (11,509,718)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation, net of leased portion	418,273	311,987
Changes in Assets and Liabilities		
Deposits, Accounts and Other Receivables, Net	17,838,454	(19,303,359)
Prepaid Insurance and Expenses	(5,922,072)	(10,905,148)
Deferred Outflows of Resources	(587,253)	-
Accounts and Other Payables	(69,643)	(3,457,232)
Unearned Income	24,563,905	1,175,021
Claim Liabilities	21,809,094	9,644,038
Unallocated Loss Adjustment		
Expense Payable	2,119,213	2,331,280
Deferred Inflows of Resources	845,081	-
Net Pension Liability	(466,825)	-
Other Liabilities	25,044	25,036
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 55,831,529	\$ (31,688,095)
 NONCASH INVESTING, CAPITAL & FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (1,593,339)	\$ (2,328,850)

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies

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

A. Organization and Reporting Entity

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

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

B. Membership

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

County membership is available to California counties whose supervisors are members of the California State Association of Counties (CSAC). Currently, there are 55 member counties. Each county member is entitled to appoint one representative to the Board. 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.

The following number of members participated in Authority programs, as of June 30, 2015 and 2014:

	2015	2014
Primary Workers' Compensation	38	39
Excess Workers' Compensation	166	166
Primary General Liability	23	23
General Liability I	104	104
General Liability II	11	11
Property	85	84
Medical Malpractice	49	49
Master Rolling Owner Controlled Insurance	3	2
EIAHealth	25	25
Dental	142	133

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

B. Membership (continued)

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

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

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

C. Significant Accounting Policies

Basis of Presentation and Accounting

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

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a governmental entity, the Authority follows the accounting standard hierarchy established by the GASB. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The accounting records are maintained using the economic resources measurement focus and the accrual basis of accounting. Net operating income includes the cost of providing risk financing and related services, and the expenses related to providing those services. Net nonoperating income includes investment income, rental income, and the related expenses. Major revenue accrual entries include member premium receivable and investment income receivable in the EIA Treasury. Expenses are recognized when goods or services are received, or in the case of claims, when the insured event occurs. Expense accrual entries include liabilities for reported claims and liabilities for claims incurred but not reported.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

For the year ended June 30, 2015, the Authority implemented GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71) *Pensions Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, with required implementation for the Authority during the year ended June 30, 2015. The primary objectives of GASB 68 and GASB 71 are to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. They require employers to report a net pension liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statements identify the methods and assumptions that should be used to project the benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note 7 explains the effect of the current year GASB implementation.

Since GASB 68 requires retroactive application, the net pension liability offset by the related deferred outflow of resources as of June 30, 2014 reduces the beginning net position as of June 30, 2015. As a result, for the year ended June 30, 2015, the beginning net position decreased by \$2,461,387 as the cumulative effect of change in accounting principles. CalPERS did not prepare an actuary study for measurement dates prior to June 30, 2014; therefore, the Authority has not restated the actual and pro forma effect of GASB 68 on the financial statements as of and for the year ended June 30, 2014.

Reclassifications

Certain reclassifications have been made to prior year balances to conform to classifications used in the current year.

Cash and Cash Equivalents

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

Investments

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Interest on investments is recorded in the year the interest is earned, and is considered 100% collectible. The June 30, 2015 and June 30, 2014 balances in the other receivable accounts are considered 100% collectible.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Prepaid Expenses

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

Capital Assets

Capital assets include furniture, equipment, software, tenant improvements, building and amortizable lease acquisition costs with an individual cost of \$5,000 or more. Capital assets are recorded at cost. Expenses for maintenance and repairs are reflected in current earnings as incurred. Upon sale or retirement of an asset, its cost and related accumulated depreciation are removed from the account balances and charged to current earnings.

Depreciation for office furniture, equipment, and software is computed using the straight-line method and an estimated useful life of three to seven years. Depreciation for the office building and tenant improvements is computed using the straight-line method, either over the lease term or the useful life of the component units, as appropriate, with the period ranging from three to sixty years.

Unearned Income

Unearned income includes payments from members for insurance premium or contributions for retained risk received, but not earned until a subsequent accounting period.

Unallocated Loss Adjustment Expenses Payable

Unallocated loss adjustment expenses (ULAE), include costs that cannot be specifically associated with particular claims, but are related to claims paid or the process of claim settlement and claims administration services.

A provision for unallocated loss adjustment expenses has been recognized based on an identification of future unallocated expenses, then determining the relationship between these costs and claim liabilities.

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Primary Workers' Compensation	\$ 27,902,817	\$ 25,697,819
Excess Workers' Compensation	10,600,812	10,005,560
Primary General Liability	116,323	103,718
General Liability I	1,543,491	2,313,958
General Liability II	491,390	494,024
Property	127,240	103,639
Medical Malpractice	1,703,038	1,647,180
Totals	<u>\$ 42,485,111</u>	<u>\$ 40,365,898</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Compensated Absences

The Authority's vacation policy provides for a limited accumulation of earned vacation leave, with such leave being fully vested when earned. A liability of \$343,892 for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2015, the current portion of the liability is \$68,778 and the balance of \$275,114 is considered long-term.

	Fiscal Year Ended	
	June 30, 2015	June 30, 2014
Beginning Balance	\$ 318,848	\$ 293,812
Increases	316,095	274,000
Decreases	(291,051)	(248,964)
Ending Balance	<u>\$ 343,892</u>	<u>\$ 318,848</u>
Current Portion	<u>\$ 68,778</u>	<u>\$ 63,770</u>
Long Term Portion	<u>\$ 275,114</u>	<u>\$ 255,078</u>

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

Deferred Outflows/Deferred Inflows of Resources

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

Contributions made to the Authority's pension plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability in the next fiscal year.

Pensions

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Classification of Revenues

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

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

Premiums for Transferred Risk and Contributions for Retained Risk

EIA programs blend the purchase of insurance with risk sharing pools. Premiums for transferred risk are resources collected to purchase commercial insurance. Contributions for retained risk are collected to fund our risk sharing pools and share in the cost of claims. Both premiums for transferred risk and contributions for retained risk are collected in advance and recognized as revenues in the period for which insurance protection is provided. If the Board determines that the insurance funds for a program are insufficient to pay losses, fund known estimated losses and fund estimated losses, which have been incurred but not reported, the Authority may impose a supplemental assessment on all participating members. Supplemental assessments are recognized as income in the period assessed. Workers' compensation program contributions are based on estimated payrolls and are adjusted in the subsequent fiscal year, based on actual payroll data.

Provision for Claims

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

Excess Insurance and Reinsurance

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Services

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

Income Taxes

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

Management Estimates

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

Net Position

Net Position represents the net investment in capital assets of \$9,043,933, net of accumulated depreciation, and unrestricted net position of \$103,362,712 as of June 30, 2015, for a total of \$112,406,645. The net position as of June 30, 2014, was \$113,329,001. The unrestricted net position balances are available for future operations or distribution.

2. Cash

A. Cash and Cash Equivalents

The Authority maintains a petty cash account of \$300.

Cash and cash equivalents, as of June 30, 2015 and 2014 are reported at fair value and consist of the following:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Petty Cash	\$ 300	\$ 300
Cash in Banks		
Primary Workers' Compensation Checking	6,631,920	5,719,662
Primary General Liability Checking	626,182	445,902
Iron Point Checking	85,968	127,773
	<u>7,344,370</u>	<u>6,293,637</u>
Cash in EIA Treasury		
Cash in Bank, General Checking	8,545,598	5,278,437
Treasury Money Market	2,408,206	47,732,264
State of California,		
Local Agency Investment Fund	10,991,342	10,501,316
Total Cash in EIA Treasury	<u>21,945,146</u>	<u>63,512,017</u>
Total Cash and Cash Equivalents	<u>\$ 29,289,516</u>	<u>\$ 69,805,654</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

2. Cash (continued)

B. Custodial Credit Risk

The carrying amount of the Authority's total cash in banks was \$15,889,668 at June 30, 2015, and \$11,571,774 at June 30, 2014. The bank balance was \$21,492,606 at June 30, 2015 and \$17,892,222 at June 30, 2014, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2015, \$20,992,605 is in excess of FDIC insured amounts. California law requires depository banks to hold collateral equal to 110% of government funds on deposit. Our investment policy does not address custodial credit risk.

C. Authority Treasury

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

Authority treasury accounts were comprised of the following:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Cash In Banks	\$ 10,953,804	\$ 53,010,701
Cash in State of California		
Local Agency Investment Fund	10,991,342	10,501,316
Investments	486,494,567	385,127,511
Investment Income Receivable	1,675,208	1,461,583
Total Treasury Assets	<u>\$ 510,114,921</u>	<u>\$ 450,101,111</u>
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Primary Workers' Compensation	67,142,773	\$ 68,099,319
Excess Workers' Compensation	312,996,165	285,087,071
Primary General Liability	1,577,772	2,511,053
General Liability I	138,326,421	125,418,075
General Liability II	8,988,754	(10,137,708)
Property	(83,140,054)	(83,002,855)
Medical Malpractice	30,388,822	31,275,622
Master Rolling Owner Controlled Ins Program	60,709	(209,810)
EIAHealth	10,127,774	10,840,567
Dental	17,159,416	14,926,462
Miscellaneous Programs	3,535,008	4,268,460
General Administration	9,887,637	8,223,491
Building Fund	(6,936,276)	(7,198,636)
Total Treasury Balances	<u>\$ 510,114,921</u>	<u>\$ 450,101,111</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

3. Investments

The Authority's investment policy is designed to achieve an optimum rate of return on available assets not required for current operating needs. Section 53601 of the California Government Code provides the legal authority for investments. An appropriate level of risk shall be maintained by purchasing securities that are liquid, marketable, and high quality. Adequate diversification shall be applied to prevent an undue amount of investment risk with any one institution. The classes of investment that most adequately meet the above mentioned criteria shall be allowed for purchase. They are issues of the United States Government, federal agencies (GNMA, FNMA, FHLB, FFCB, and FHLMC), local government investment pools, municipal bonds including those issued by the State of California, bankers' acceptances, commercial paper, asset-backed and mortgage-backed securities, supranational, money market mutual funds and medium-term corporate notes. While not as liquid or marketable as prior mentioned securities, repurchase agreements and time certificates of deposit are also allowable investments. The Authority may also deposit investment funds with the State of California Local Agency Investment Fund.

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

Category	Standard
Treasury Issues	No limitations
U.S. Agencies	25% max issuer
U.S. Corporate (MTNs)	"A" or higher by at least 1 NRSRO; 30% maximum; 5% max issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by U.S.
Municipal Securities	"A" or higher by at least 1 NRSRO; 30% maximum; 10% maximum for CA State issued munis; 5% max issuer for all others
Banker's Acceptances	"A-1" or higher short term rating by at least 1 NRSRO; "A" or higher long term rating by at least 1 NRSRO; 40% maximum; 5% max issuer; 180 days max maturity
Certificate of Deposit (CDs)/ Time Deposit (TDs)	20% maximum; 5% max issuer; FDIC insured; Fully collateralized
Negotiable CDs	"A-1" or higher short term rating by at least 1 NRSRO; "A" or higher long term rating by at least 1 NRSRO; 30% maximum; 5% max issuer
Commercial Paper	"A-1" or higher by at least 1 NRSRO; "A" or higher by at least 1 NRSRO, if long term debt issued; 25% maximum; 5% max issuer; 270 days max maturity
Asset Backed/ Mortgage Backed/ CMOs	"AA" or higher rating by a NRSRO; "A" or higher issuer rating by a NRSRO, if long term debt issued; 20% maximum; 5% max issuer
Money Market Fund	Highest rating by 2 NRSROs; 20% maximum; 10% per fund
Supranationals	"AA" or higher by a NRSRO; 30% maximum; 10% max issuer; Includes: IBRD, IFC, and IADB
Repurchase Agreements	102% colateralization; Not used by investment adviser
LAIF	Authority may invest up to the maximum permitted by LAIF; Not used by IA
Max Callable Securities	30% of the portfolio (does not include make whole securities)
Max Per Issuer	5% of portfolio (except U.S. government, Agencies/ GSEs, Money Market Fund, LGIP)
Maximum Maturity	5 years maximum maturity

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

3. Investments (continued)

A. Investment Credit Risk

The Authority's investments at June 30, 2015 and 2014 are summarized below. The credit quality rating used is Standard and Poor's, a nationally recognized rating agency.

Investments	Credit Quality Rating	June 30, 2015		June 30, 2014	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 165,145,735	34%	\$ 96,849,223	25%
U.S. Agencies	AA+	\$ 115,166,682	24%	145,672,008	38%
Asset Backed Securities	AAA	\$ 18,508,049	4%	-	0%
Asset Backed Securities	NR*	\$ 1,861,352	0%	-	0%
Corporate Notes	AAA to A+	\$ 117,556,173	24%	101,663,025	27%
Corporate Notes	A	\$ 18,625,694	4%	35,907,205	9%
Calif. General Obligation Bonds	A+ to A	\$ 38,632,572	8%	5,036,050	1%
Commercial Paper	A-1+ to A-1	\$ 10,998,310	2%	-	0%
Total Investments		\$ 486,494,567	100%	\$ 385,127,511	100%

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

B. Investment Interest Rate Risk

The Authority's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are generally limited to five years maturity, or less. Investments maturing over five years must be approved by the Authority's Finance Committee.

Maturities of investments held at June 30, 2015 consist of the following:

	<u>Investment Maturities</u>				Time to Maturity
	Fair Value	Less than 1 Year	One to Five Years		
U.S. Agencies	\$ 115,166,682	\$ 16,145,208	\$ 99,021,474		2.48
Asset Backed Securities	20,369,401	3,343,233	17,026,168		1.69
Corporate Mid Term Notes	136,181,867	47,211,030	88,970,837		2.17
Municipal Bonds	38,632,572	5,014,650	33,617,922		3.03
Commercial Paper	10,998,310	10,998,310	-		0.07
U.S. Treasuries	165,145,735	22,913,551	142,232,183		2.77
Totals	\$ 486,494,567	\$ 105,625,983	\$ 380,868,584		2.45

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

3. Investments (continued)

B. Investment Interest Rate Risk (continued)

The Authority recognizes all investments at fair value in accordance with GASB Statement 31. Fair value equals estimated market values obtained from the Interactive Data Corporation (IDC) pricing system, a leading provider of financial information to global markets. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from prior periods. Investment income includes \$1,593,339 of unrealized loss for the year ended June 30, 2015. In the year ended June 30, 2014, \$2,328,850 of unrealized loss was recognized.

The calculation of unrealized losses is shown in the following tables:

	June 30, 2015	June 30, 2014
Fair Value at June 30,	\$ 486,494,567	\$ 385,127,511
Add: Proceeds of Investments Disposed Of	254,866,831	185,300,000
Less: Cost of Investments Purchased	(357,827,226)	(137,662,608)
Less Fair Value at July 1	(385,127,511)	(435,093,753)
<u>Change in Fair Value</u>	<u>\$ (1,593,339)</u>	<u>\$ (2,328,850)</u>

	Beginning Fair Value At July 1, 2014	Purchases	Dispositions	Subtotal	Ending Fair Value At June 30, 2015	Change in Fair Value
U.S. Agencies	\$ 145,672,008	\$ 65,625,510	\$ 96,097,179	\$ 115,200,339	\$ 115,166,682	\$ (33,658)
Asset Based						
Securities	-	20,387,464	-	20,387,464	20,369,401	(18,062)
Corporate Notes	137,570,230	70,771,901	70,620,200	137,721,931	136,181,867	(1,540,064)
Municipal Bonds	5,036,050	33,544,091	-	38,580,141	38,632,572	52,431
Commercial Paper	-	12,492,459	1,498,470	10,993,989	10,998,310	4,321
U.S. Treasuries	96,849,223	155,005,800	86,650,982	165,204,041	165,145,735	(58,306)
<u>Totals</u>	<u>\$ 385,127,511</u>	<u>\$ 357,827,226</u>	<u>\$ 254,866,831</u>	<u>\$ 488,087,906</u>	<u>\$ 486,494,567</u>	<u>\$ (1,593,339)</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

3. Investments (continued)

C. Concentration of Credit Risk

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

	Limit per Institution	Limit per type of Investment
Treasury Notes and Bills	100%	100%
U.S. Agencies	25%	100%
Asset Backed Securities	5%	20%
Commercial Paper	5%	25%
Bankers' Acceptances	5%	40%
Corporate Mid Term Notes	5%	30%
Time Certificates of Deposit	5%	20%
Municipal Bonds	varies by state	30%
Repurchase Agreements	100%	100% (A)

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

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

Issuer	Number of Securities	Fair Value	Percentage of Total Portfolio
Federal National Mortgage Assn	5	\$ 48,554,782	10.0%
State of California	4	\$ 38,632,572	7.9%
Federal Home Loan Mortgage Corp	3	\$ 28,476,982	5.9%
Federal Home Loan Bank	3	\$ 28,135,018	5.8%
Wells Fargo Company	3	\$ 25,396,630	5.2%

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

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

3. Investments (continued)

D. California's Local Agency Investment Fund (LAIF) (continued)

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized and that prudent management prevails. LAIF has a continuing audit process throughout the year. The State Controller's Office, as well as an in-house audit process involving three separate divisions, audits all investments on a daily basis.

The total carrying cost of LAIF's pooled money investment account at June 30, 2015, is \$69,614,988,609. The fair value is estimated at \$69,641,162,418 or 1.000375979% of cost. The average maturity of LAIF investments is 239 days at June 30, 2015.

The Authority's balance in LAIF at June 30, 2015, was \$10,991,342 and is recognized at LAIF's cost. LAIF's cost approximates the fair value of the Authority's shares. The Authority's balance in LAIF at June 30, 2014, was \$10,501,316, and was also valued at LAIF's cost. LAIF is not rated by the investment rating firms.

4. Claim Liabilities

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

The Board elected to establish claim liabilities in some programs at a level which includes investment income on monies set aside to pay claims, that is, on a discounted basis. Total claim liabilities at June 30, 2015 of \$578,690,498, have been presented at the net present value of \$463,749,847. At June 30, 2014, claim liabilities of \$598,686,910 are presented at their present value of \$439,821,540, discounted based on the estimated investment income yield.

The Board establishes the discount rate and funding for the Excess Workers' Compensation Program and the General Liability I Program, and the program committees establish the discount rate and funding for the Primary Workers' Compensation, Primary General Liability, and Medical Malpractice Programs.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

Annually, the Board and committees evaluate the discount rate to be used for pool funding and for the actuarial valuation of claim liabilities. This is of particular importance for the Excess Workers' Compensation Program, the General Liability I Program and the Medical Malpractice Programs, because claim liabilities are paid off over a longer period of time. Since 2008 our investments have been yielding less than the discount rate, and it appears investment yields will not recover to previous levels in the short-term. Because of the extremely low yield on our investments, we had our actuary conduct an analysis of the payout patterns on these claims and evaluate the sensitivity of the discount rate. Since June 30, 2011, we have lowered the discount rate in the pooled programs a number of times. The rates used in various programs vary because of the number of years it takes to pay out the claims entirely.

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

Discount Effect on Claim Liabilities in the EWC Program				
Discount Rate Selected	3.75%	3.00%	2.00%	1.00%
Claim Liabilities	279,263,795	298,765,795	329,874,795	367,094,795
Net Position Balance	3,863,963	(15,638,037)	(46,747,037)	(83,967,037)

In the Primary Workers' Compensation Program, we only retain the first \$10 thousand of liability for the years 2009/10 forward. Since this is paid relatively quickly, the claims for these years are not discounted. Claim liabilities that are for years 2003/04 and prior, are discounted at 4%, because we have an aggregate stop loss policy covering these years and we do not expect to exceed the stop loss coverage until possibly 2023. Then we expect to pay off our liability over the next 25 years. The claims for the period 2004/05 to 2008/09 are fully insured.

The discount rate for each program is as follows:

<u>Program</u>	<u>Discount rate</u>
Primary Workers' Compensation	0% 2009/10 forward
Primary Workers' Compensation	4% 2003/04 and prior
Excess Workers' Compensation	3.75%
General Liability I	1.75%
General Liability II	no discount
Property	no discount
Medical Malpractice	1.75%
Dental	no discount

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Primary Workers' Compensation	\$ 48,575,955	\$ 44,383,591
Excess Workers' Compensation	279,263,795	264,212,487
Primary General Liability	197,720	264,271
General Liability I	99,142,755	90,542,465
General Liability II	8,443,479	4,165,919
Property	3,842,249	10,178,131
Medical Malpractice	22,913,605	23,874,676
Dental	1,370,289	2,200,000
Total Claim Liabilities	<u>\$ 463,749,847</u>	<u>\$ 439,821,540</u>

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 439,821,540</u>	<u>\$ 427,846,222</u>
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	109,565,316	94,412,767
Increase in Provision for Retained Risk, prior fiscal yrs	27,778,283	30,076,852
Total incurred claims & claim adjustment expenses	<u>137,343,599</u>	<u>124,489,619</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	32,586,549	30,352,035
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	80,828,743	82,162,266
Total Payments	<u>113,415,292</u>	<u>112,514,301</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 463,749,847</u>	<u>\$ 439,821,540</u>
Reported Claims	\$ 288,651,680	\$ 226,038,272
Incurred But Not Reported Claims	132,613,056	173,417,370
Unallocated Loss Adjustment Expenses	42,485,111	40,365,898
Total Claim Liabilities	<u>\$ 463,749,847</u>	<u>\$ 439,821,540</u>
Current Claim Liabilities	\$ 85,118,784	\$ 85,306,940
Non-current Claim Liabilities	378,631,063	354,514,600
Total Claim Liabilities	<u>\$ 463,749,847</u>	<u>\$ 439,821,540</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

A. Primary Workers' Compensation

The Primary Workers' Compensation (PWC) Program was established on July 1, 1997. The PWC Program is a full service program including claims administration. The Program blends pooling of workers' compensation claims with purchasing of insurance. The Program covers workers' compensation claims up to \$125 thousand, per occurrence. Claims in excess of \$125 thousand are the responsibility of the Authority's Excess Workers' Compensation Program.

The PWC Program has an aggregate stop loss policy in place with American Re Insurance Company for the years 1997 to 2004, as well as portfolio transfers that took place for claims prior to July 1, 1997. Workers' compensation portfolio claims incurred by the Santa Cruz County Fire Agencies Insurance Group prior to June 30, 2002, are not covered by any reinsured aggregate stop loss. The estimated ultimate claim cost has exceeded the aggregate stop loss limit. The discounted liability, above the aggregate stop loss limit, is \$4,823,392.

In March 2010, the Authority completed a Loss Portfolio Transfer to ACE Insurance Company of the claim liabilities for the July 2004 through June 2009 years. The transfer price was \$91,600,000. The Authority will continue to administer the claims and is responsible for the Unallocated Loss Adjustment Expense on a go forward basis for those claim years, but ACE is responsible for all claim payments.

For the 2009/10 through 2014/15 policy years, the Authority purchased insurance for claim liabilities in excess of \$10 thousand (per claim) up to \$125 thousand. At June 30, 2015, the outstanding PWC program claim liabilities are:

Claim Period	Estimated Ultimate Claim Cost	Claims Paid	Discount Amount	Ceded Liability	Net Claim Liability
July 1, 1997 to June 30, 2004					
Munich American Risk Partners to attachment point	\$ 260,355,525	\$ 260,355,525	\$ -	\$ -	\$ -
Reinsured layer	38,500,000	26,929,921	-	11,570,079	-
Above reinsured layer	9,490,190	-	4,666,798	-	4,823,392
Santa Cruz Fire Portfolio	10,034,679	9,634,003	-	-	400,676
2009/10 through 2014/15 policy year					
	70,602,000	55,152,930	-	-	15,449,070
Total PWC Claim Liabilities	\$ 388,982,394	\$ 352,072,379	\$ 4,666,798	\$ 11,570,079	\$ 20,673,138

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

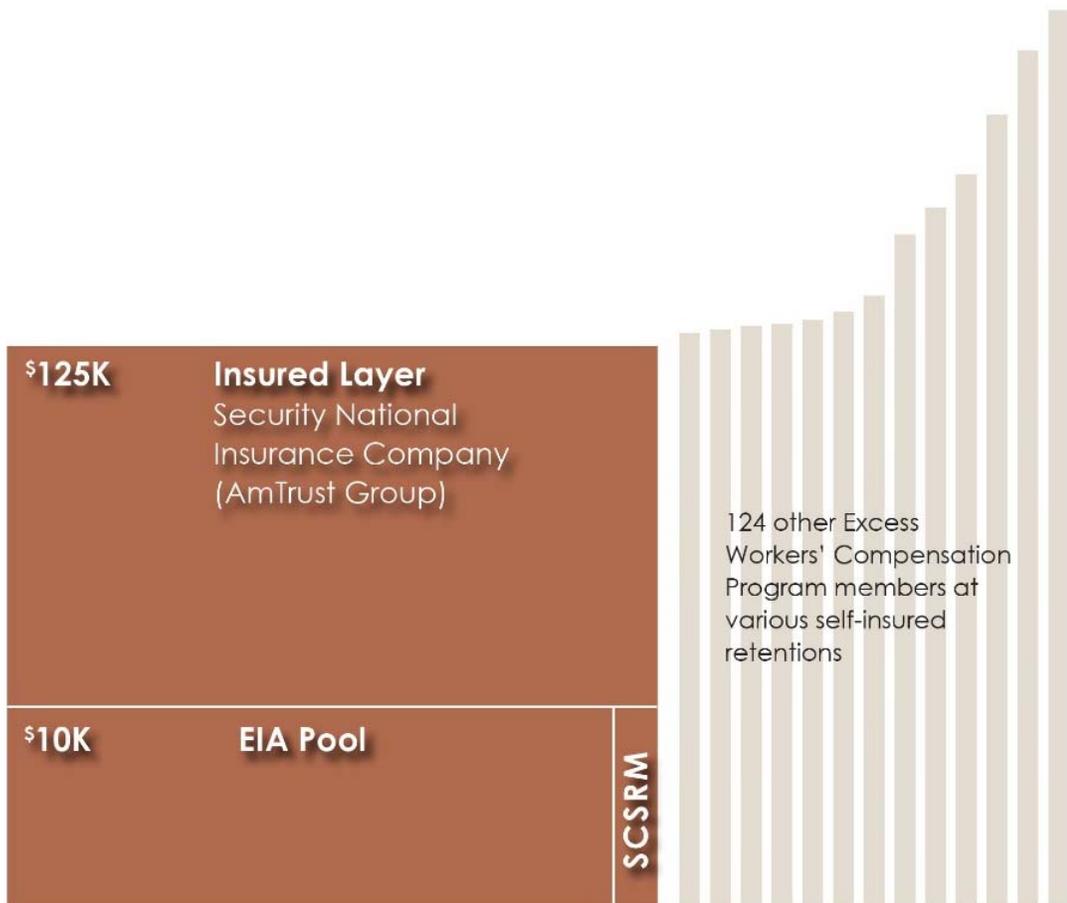
A. Primary Workers' Compensation (continued)

In addition to the above the program has a liability for Unallocated Loss Adjustment Expense (ULAE) of \$27,902,817 for total claim and ULAE liabilities of \$48,575,955.

The chart below shows the current structure of the Program.

Primary Workers' Compensation

Statutory — Excess Workers' Compensation Program _____



**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

B. Excess Workers' Compensation

The Excess Workers' Compensation (EWC) Program was first established by the EIA in 1979. In recent years, the Authority had retained responsibility for the payment of workers' compensation claims in excess of each member's self-insured retention (SIR) up to \$5 million. On July 1, 2008, the structure of the Program changed with the EIA ceding 70% of the liability for the layer from the member's SIR to \$1 million to American Safety Casualty Insurance Company, with the EIA retaining 30% of that layer. Beginning July 1, 2010, the EIA began ceding 80% of the liability to CastlePoint National Insurance Company, with the EIA retaining 20%. Members' SIRs vary between \$125 thousand and \$5 million and are approved by the Underwriting Committee. The Authority's coverage responsibility has varied from 1979 to present, as follows:

November 1, 1979 to October 5, 1993	SIR to \$500k
October 6, 1993 to January 1, 1995	SIR to \$750k
January 1, 1995 to June 30, 2002	SIR to \$300k
July 1, 2002 to June 30, 2008	SIR to \$5M
July 1, 2008 to June 30, 2010	SIR to \$1M - 30%-EIA; 70% - American Safety Casualty Insurance Company
July 1, 2010 to June 30, 2012	SIR to \$1M - 20%-EIA; 80% - CastlePoint National Insurance Company
July 1, 2008 to June 30, 2011	100% from \$1M to \$5M above the SIR
July 1, 2011 to June 30, 2012	\$3.5M Aggregate deductible in the \$1M to \$5M layer
July 1, 2012 to June 30, 2013	\$23.8M aggregate deductible in the SIR to \$1M layer and \$4.1M aggregate deductible in the \$1M to \$5M layer
July 1, 2013 to June 30, 2014	\$19.9M aggregate deductible in the SIR to \$5M layer
July 1, 2014 to June 30, 2015	Core Tower - \$23.5M aggregate deductible in the SIR to \$5M layer. Educational Tower effective 1/1/15 - \$8.6M aggregate deductible.

The Board has established the target equity (net position) range for the Program, between \$30 million and \$67 million. To support that goal, the Underwriting Committee has made the following recommendations, which were adopted by the Board, to address the risk of adverse loss development. Starting in 2008/09 and continuing to 2014/15, the EIA has purchased insurance to reduce our pool exposure in the SIR to \$5 million layer. This transfer of risk significantly reduces the effect of adverse loss development in this insured layer. In addition, the confidence level (the percent at which future claims are funded) has been raised over the last few years and the pool layer premium has been calculated without regard to any savings from insuring the layer.

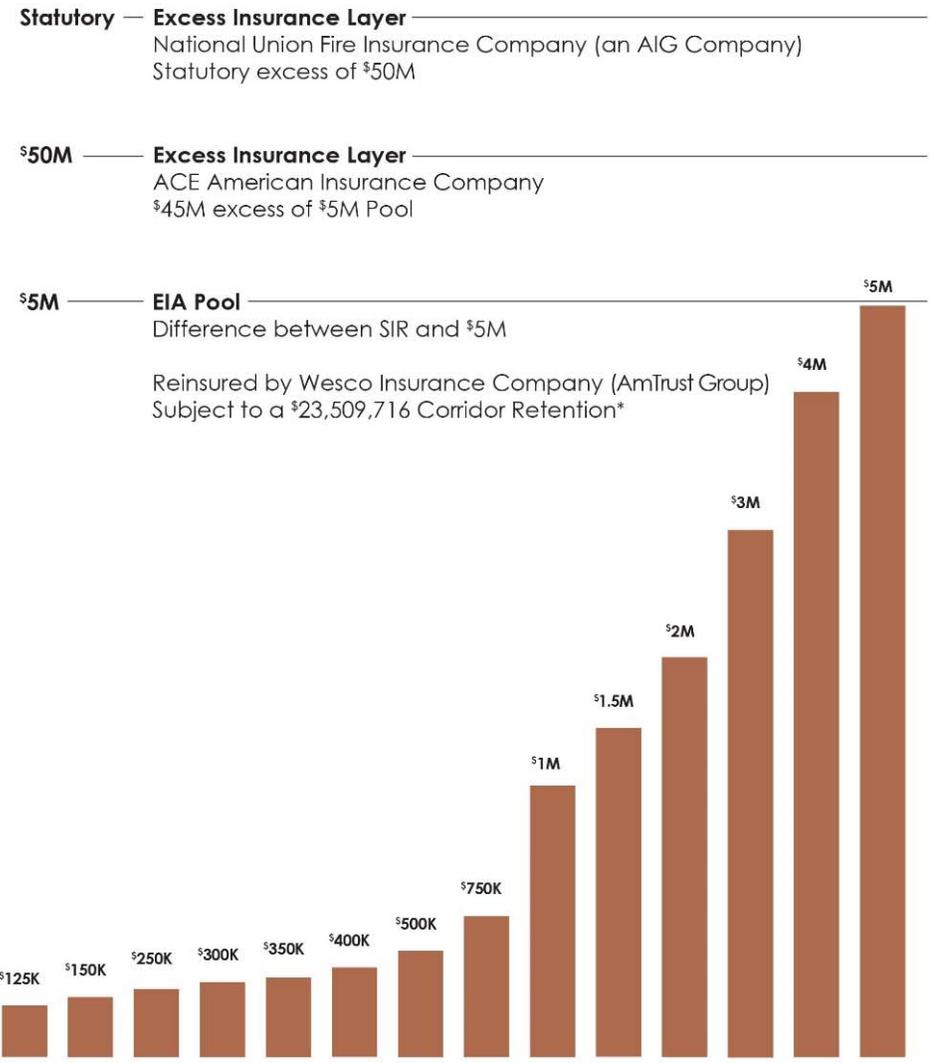
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

B. Excess Workers' Compensation (continued)

The chart below shows the current structure of the Program.

Excess Workers' Compensation



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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

C. Primary General Liability

The Primary General Liability (PGL) Program was established in 1998. Each member of the PGL Program has a \$10 thousand deductible, per claim. Claim costs above the \$10 thousand deductible, and below the \$100 thousand limit, are the responsibility of the Authority's PGL Program. Coverage in the primary layer is written to follow the form of the General Liability I Program. Effective July 1, 2004, coverage was underwritten by the Authority and reinsured by Imagine Insurance Company, Limited (Imagine) through April 30, 2010, at which time the policy with Imagine was cancelled and coverage was bound with ACE Insurance Company. In fiscal year 2011/12, the Authority negotiated a commutation with Imagine. Imagine paid the Authority \$2.2 million to take back the claim liabilities. These claims are not discounted. The chart below shows the current structure of the Program.

Primary General Liability

\$25M ——— **General Liability I Program** —————



**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

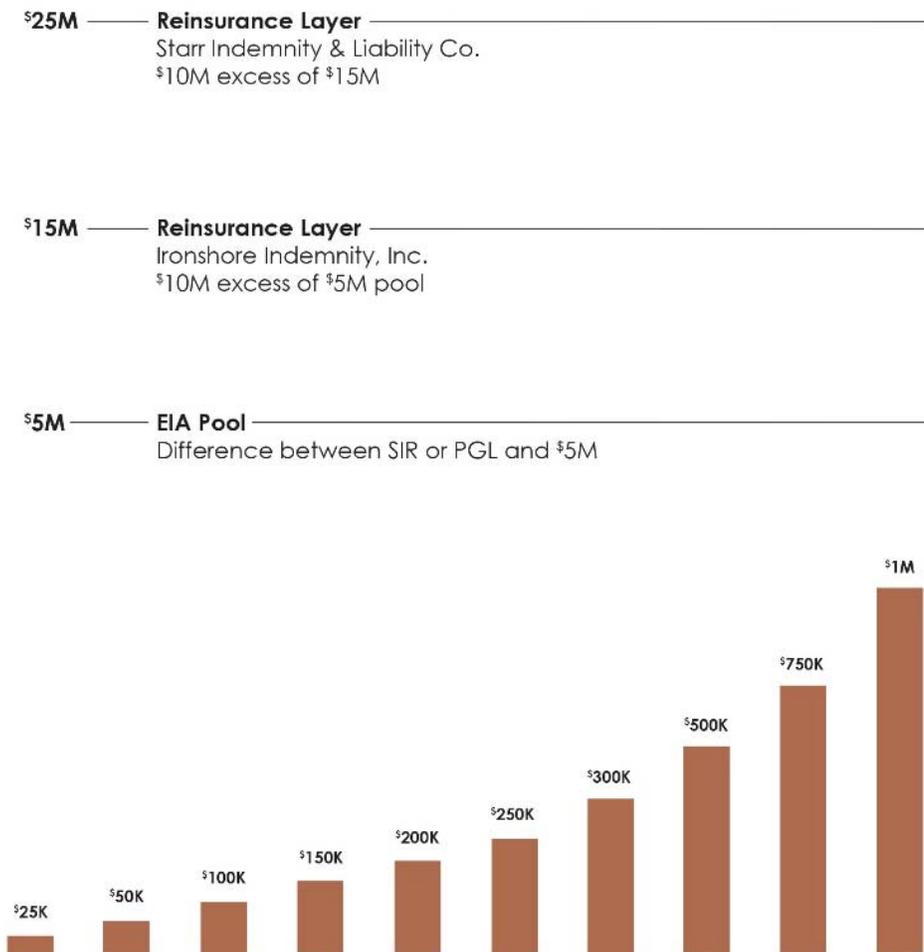
4. Claim Liabilities (continued)

D. General Liability I

The Authority's General Liability I (GLI) Program began pooling risk on July 1, 1985. The GLI Program combines risk retention, risk pooling and the purchase of excess reinsurance. Each member maintains an SIR between \$25 thousand and \$1 million. The Authority currently retains responsibility for claims in excess of each member's SIR up to \$5 million. Claim liabilities are recognized based on the actuarial estimate of the expected ultimate claim cost, discounted at 1.75%. Reinsurance has been purchased for claims in excess of the pool limits. Additional coverage can be added by purchasing optional excess liability insurance, which is available as part of the Miscellaneous Liability Programs. For the 2014/15 and 2013/14 fiscal years, the Authority retained the risk of \$5 million (inclusive of the members' SIR) and purchased reinsurance from \$5 million up to \$25 million.

The chart below shows the current structure of the Program.

General Liability I



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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

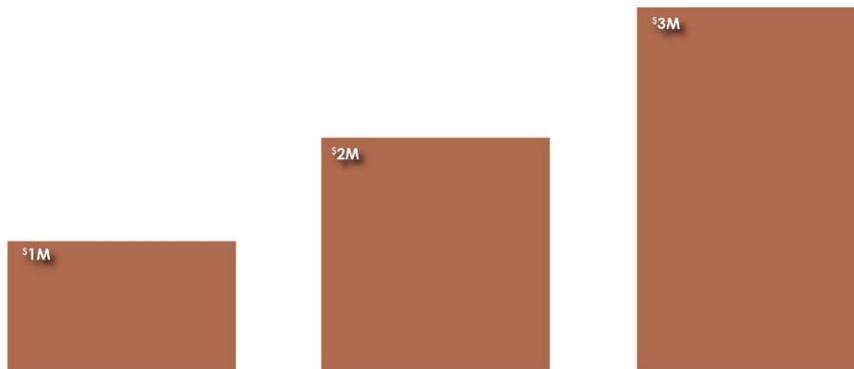
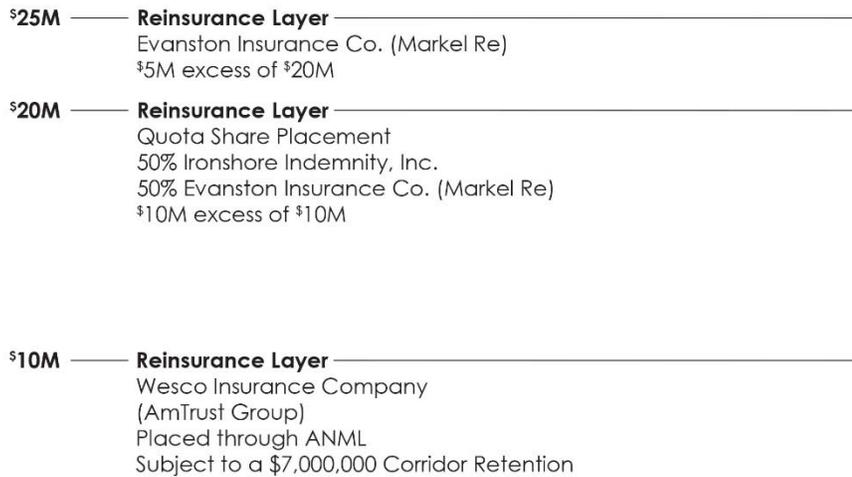
4. Claim Liabilities (continued)

E. General Liability II

The General Liability II (GLII) Program was designed to meet the liability insurance needs of the larger members. The Program began February 15, 1991. Each member is responsible for their SIR ranging from \$1 million to \$3 million. The 2013/14 policy year was written on a fully insured basis. The structure changed in the 2014/15 year and now includes a pool funded \$7 million corridor retention layer.

The chart below shows the current structure of the Program.

General Liability II



*8 GLII Program members purchase additional limits through the Optional Excess Liability Program

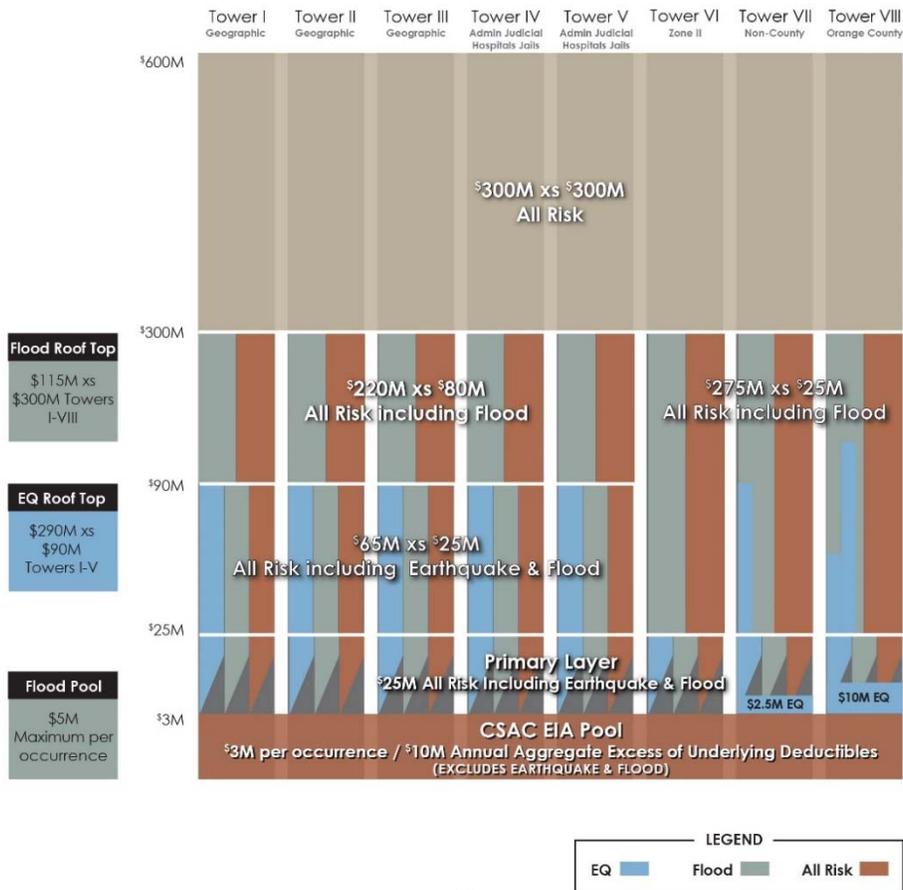
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

F. Property

The Authority's Property Program was established to allow members to group purchase primary and excess property insurance. The coverage provides all risk, flood, boiler and machinery and earthquake limits. Members are responsible for deductibles ranging from \$5 thousand to \$150 thousand. There are other unique deductible requirements for specific types of claims including a 5% deductible applicable to earthquake claims. Optional coverage is available for contractor's equipment, auto physical damage, and fine arts.

The primary portion of the Property Program requires a three-year pre-payment of the premium. This prepaid insurance was financed, without creating budgetary hardships on members, by using the returned premiums from the canceled policies and resources from the EIA Treasury. Members are billed each July for the coverage period April 1st to March 31st. Premiums for the period April 1, 2015 to June 30, 2015, have been recognized as a receivable due from members. At each annual renewal, the Property Program has been rewritten, adding another year. In March 2015, the primary insurance policy was cancelled and rewritten for a three-year term, with pool limits of \$3 million per claim and \$10 million aggregate. Beginning in 2014, we partially funded an additional \$5 million catastrophic flood pool. Excess insurance provides coverage for flood, earthquake, and other catastrophic events with various limits. For purposes of excess coverage including flood and earthquake, member property is divided among eight placements of "towers" to spread exposures around the State. The structure of the Property Program is as follows:



**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

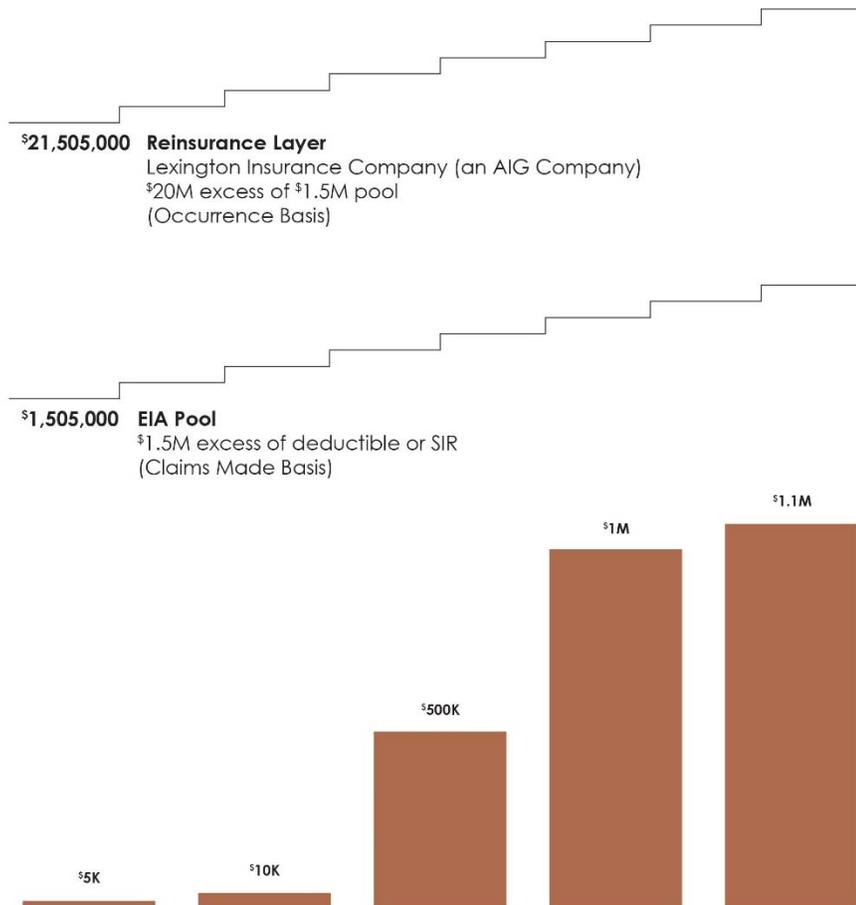
G. Medical Malpractice

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

The Program is divided into two groups for underwriting purposes – Program I for larger members with self-insured retentions, and Program II for smaller members with deductibles. Medical Malpractice Program I members have a range of self-insured retention options from \$50 thousand to \$1.1 million. Medical Malpractice Program II members can elect deductibles from \$5 thousand to \$10 thousand.

The Program structure is illustrated in the following chart:

Medical Malpractice



**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

4. Claim Liabilities (continued)

H. Dental

In the pooled Dental plan claim liabilities are very predictable based on capped benefits. The claim liability at June 30, 2015 of \$1.4 million is undiscounted and is considered short term.

5. Capital Assets

Capital assets include land, buildings, tenant improvements, furniture, equipment and software assets. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

A capital asset summary of the land, buildings, and equipment is presented below:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Depreciable Assets:				
Buildings and Tenant Improvements	7,855,823	221,989	(156,969)	7,920,843
Furniture and Equipment	1,205,018	50,243	(31,027)	1,224,234
Software	742,892	934,086		1,676,978
Lease Acquisition Costs	127,291	-	(127,291)	-
Total Depreciable Assets	9,931,024	1,206,318	(315,287)	10,822,055
Less Accumulated Depreciation	(2,516,577)	(576,833)	315,287	(2,778,123)
Net Depreciable Assets	7,414,447	629,485	-	8,043,932
Net Land, Buildings and Equipment	\$ 8,414,447	\$ 629,485	\$ -	\$ 9,043,932

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

Accumulated Depreciation Detail	Balance at			Balance at
	June 30, 2014	Additions	Reductions	
Buildings and Tenant Improvements	\$ (1,263,055)	\$ (317,138)	\$ 156,969	(1,423,224)
Furniture and Equipment	(947,001)	(105,623)	31,027	(1,021,597)
Software	(179,230)	(154,072)		(333,302)
Lease Acquisition Costs	(127,291)	-	127,291	-
Total	\$ (2,516,577)	\$ (576,833)	\$ 315,287	\$(2,778,123)

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

6. Operating Leases

The Authority has leased 94% of the first floor, of its two story building, at 75 Iron Point Circle. The Authority occupies the entire second floor. Leases with various commercial tenants have been executed for periods of 5 to 10 years, with one lease having additional options to extend, but none exceeding 10 years. The cost of tenant improvements for the space under lease is \$832,305, with accumulated depreciation of \$436,712. The cost of the building and improvements under lease is \$3,529,050, with accumulated depreciation of \$725,784. The following is the schedule of lease revenue receivable under these operating leases:

2016	\$	450,814
2017		460,021
2018		469,229
2019		478,436
2020 to 2021		551,992
Total	\$	2,410,492

7. Employee Retirement System

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

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

A. General Information about the Pension Plan

Benefits Provided

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

Contribution Description

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plans' actuarially determined rate is based on the estimated amount necessary to pay the Plans' allocated share of the risk pool's costs of

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

7. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

benefits earned by employees during the year, and any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority's required contribution rate on covered payroll for the measurement period ended June 30, 2014 (the measurement date) was 11.7% of pensionable pay for Classic employees and 6.5% for PEPRA employees. Employer contributions rates may change if the Plans' contracts are amended. The Authority makes the contributions required of certain Authority employees on their behalf and for their account.

For the year ended June 30, 2015, the contributions recognized as part of pension expense was \$378,256.

Actuarial Assumptions

For the measurement period ended June 30, 2014 (the measurement date), the TPL was determined by rolling forward the June 30, 2013 TPL. The June 30, 2013 and June 30, 2014 TPL were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Salary Increases	Varies ⁽¹⁾
Investment Rate of Return	7.5% ⁽²⁾
Mortality ⁽³⁾	CalPERS' Membership Data
Post Retirement Benefit Increase	Up to 2.75% ⁽⁴⁾

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation

⁽³⁾ The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, refer to the 2014 experience study report.

⁽⁴⁾ Contract COLA up to 2.75% until Purchasing Power Protective Allowance Floor on Purchasing Power applies

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

7. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10¹	Real Return Years 11+²
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

7. Employee Retirement System (continued)

A. General Information about the Pension Plan (continued)

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

The following presents the net pension liability (asset) of the plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate 1-1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate +1% (8.50%)
Classic: Plan's Net Pension Liability (Asset)	\$ 3,552,204	\$ 1,993,749	\$ 700,338
PEPRA Plan's Net Pension Liability (Asset)	\$ 1,448	\$ 813	\$ 286

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

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

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

At June 30, 2015 the Authority reported a net pension liability (NPL) of \$1,994,562 for its proportionate share of the Miscellaneous Pool's NPL.

The Authority's NPL for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2014. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. Using the Authority's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for the Authority by the actuary. The Authority's proportionate share of the NPL as of June 30, 2014 was 0.08067% and .000003% for the Classic Plan and PEPRA plan, respectively. GASB 68 requires that the Authority report the proportions as a percentage of the total Public Agency Cost-Sharing Multiple-Employer Plan, which is comprised of CalPERS Miscellaneous Risk Pool and Safety Risk Pool (PERF C). The Authority's proportionate share of the NPL for PERF C as of June 30, 2014 was 0.03204% and .00001% for the Classic Plan and PEPRA Plan, respectively.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

7. Employee Retirement System (continued)

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

For the year ended June 30, 2015, the Authority recognized pension expense of \$378,256. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(670,259)
Adjustment due to Differences in Proportions	-	(174,822)
Contributions Subsequent to the Measurement Date	587,253	-
Total	\$ 587,253	\$ (845,081)

The \$587,253 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2016. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (230,001)
2016	(230,001)
2017	(217,512)
2018	(167,567)
2019	-
Total	\$ (845,081)

8. Other Postemployment Benefits (OPEB)

A. Plan Description

The Authority's defined benefit postemployment healthcare plan, CSAC Excess Insurance Authority Postemployment Healthcare Plan (CSAC EIA OPEB), provides limited medical benefits for retired employees and their beneficiaries. CSAC EIA OPEB is affiliated with the CalPERS health care program. The Authority contributes these benefits to the agent

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

8. Other Postemployment Benefits (OPEB) (continued)

A. Plan Description (continued)

multiple-employer defined benefit postemployment healthcare plan administered by CalPERS Health Services Division. Retired employees and their beneficiaries must continue their participation in a CalPERS health care program to access CSAC EIA OPEB benefits.

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

The Public Employees' Medical and Hospital Care Act of the State of California assigns the authority to establish and amend benefit provisions to the CalPERS Board of Directors. The postemployment health care benefit rates per month, per retiree, have been established by the CalPERS Board of Directors, as shown below. Retirees, or their beneficiaries, are responsible for the remaining balance of their monthly health care cost.

Calendar Year 2013	\$115.00 per month
Calendar Year 2014	\$119.00 per month
Calendar Year 2015	\$122.00 per month
Thereafter	Adjusted by the CalPERS Board to reflect changes in the medical care component of the CPI

B. Funding Policy

The Authority is contractually required to contribute, at the rates assessed by CalPERS, as shown above. The Authority's accounting policy required that the unfunded net OPEB obligation be recognized as a liability of the General Administration Program, in accordance with GASB Statement 45. In September 2013, the Authority elected to participate in an irrevocable trust. The trust, California Employees' Retirement Benefit Trust (CERBT) fund, is administered by CalPERS. The Authority elected to fully fund the EIA OPEB liability at June 30, 2014 by accumulating assets in CERBT. There may be some small differences from year to year because investments earnings are not credited to the actuarial value of plan assets until the biennial actuarial report.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

8. Other Postemployment Benefits (OPEB) (continued)

B. Funding Policy (continued)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years ended 2013, 2014, and 2015, were as follows:

Fiscal Year Ended	Net Employer Contribution	Annual OPEB Expense	% of Annual OPEB Expense Contributed	Net OPEB Obligation
June 30, 2013	\$ 10,272	\$ 75,036	13.69%	\$ 412,641
June 30, 2014	\$ 473,074	\$ 60,433	782.81%	\$ -
June 30, 2015	\$ 34,071	\$ 35,442	96.13%	\$ 1,043

The Authority's funding progress for other postemployment benefits as of the most recent valuation date July 1, 2014 is as follows:

Actuarial accrued liability (AAL)	\$ 377,960
Actuarial value of plan assets	-
Unfunded (Overfunded) actuarial accrued liability (UAAL)	<u>\$ 377,960</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Projected Covered Payroll (active plan members)	\$ 5,431,924
UAAL as a percentage of covered payroll	8.34%

The value of actuarial accrued assets (AAL) in CERBT as of June 30, 2015 was \$463,002.

The annual required contribution for the fiscal year ended June 30, 2015, and the net OPEB obligation as of June 30, 2015, was as follows:

Annual Required Contribution	
Normal Cost	\$ 36,177
Amortization of UAAL (30 Years)	(2,907)
Interest to June 30, 2014 and ARC Adjustment	<u>2,163</u>
Total Annual Required Contribution (ARC)	35,433
Interest on Net OPEB Obligation at beginning of year	(21)
ARC Adjustment for current fiscal year	30
Less Net Employer Contribution	(34,071)
Balance forward from 2014	<u>(328)</u>
Net OPEB Obligation (Asset)	<u>\$ 1,043</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

8. Other Postemployment Benefits (OPEB) (continued)

B. Funding Policy (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, immediately following the notes to the financial statements (in the Required Supplemental Information section), presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members), and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the entry age normal cost level percent of pay method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate of 4.5%, and an open 20 year amortization period. The market value of assets method was used to determine the value of assets.

9. Reliance Contingent Receivable

The Authority has purchased insurance, and reinsurance, policies with Reliance Insurance Company. On May 29, 2001, Reliance was taken over by the State of Pennsylvania Insurance Department and is in the process of being liquidated. The State of Pennsylvania Department of Insurance was appointed as the liquidator. The Authority had coverage with Reliance for three of its programs; Excess Workers' Compensation (EWC), Primary General Liability (PGL), and Medical Malpractice. Although the Authority paid PGL claims that would have been covered by Reliance, the Authority is no longer pursuing any claims in bankruptcy.

The Authority had open Medical Malpractice claims for years 1988 to 2000 (insured by Reliance and reinsurance contracts). The Board approved an adjusted supplemental assessment of \$8,641,737, payable over five years, to so that Medical Malpractice claims were paid on a timely basis. The Authority has paid claims due from the Reliance reinsurance contracts totaling \$9,342,708. As of June 30, 2015, there were no outstanding reserves for the Reliance years. The Authority has hired legal counsel and is pursuing its claims in liquidation for the Medical Malpractice Program.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

9. Reliance Contingent Receivable (continued)

The Authority estimates that the ultimate cost of the EWC claims for 1996/97, insured by Reliance Insurance Company, which are not covered by the California Insurance Guarantee Association (CIGA), is \$1.1 million and is included in claims liabilities.

10. Subsequent Events

In November 2015, the EIA entered into a contract with Munich Re, an excess carrier, on the EWC program to take back the claim liabilities that had been insured with Munich Re for the July 1997 through June 2004 years. Munich Re paid the EIA \$84,289,322 to assume undiscounted liabilities of \$82,103,422. As these liabilities will be paid over a long period of time, we present them discounted. The following table shows the amount at various discounted rates (what we expect to earn), and confidence levels. On the fiscal 2016/17 financial statements, the difference between the cash received for these liabilities and the discounted amount shown on the Statement of Net Position will increase Net Position overall, and in the EWC Program.

	Expected	70% CL	75% CL	80% CL	85% CL	90% CL
Undisc.	82,103,422					
Disc @ 1%	60,614,000	73,190,000	79,481,000	85,770,000	95,203,000	107,780,000
Disc @ 2%	45,459,000	54,885,000	59,601,000	64,313,000	71,384,000	80,813,000
Disc @ 3%	34,699,000	41,890,000	45,488,000	49,083,000	54,477,000	61,670,000
Disc @ 4%	26,976,000	32,564,000	35,358,000	38,152,000	42,343,000	47,932,000
Disc @ 5%	21,411,000	25,845,000	28,060,000	30,278,000	33,602,000	38,035,000

REQUIRED SUPPLEMENTAL INFORMATION

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

	2014
Authority's Proportion of the Net Pension Liability (Asset)	0.03205%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,994,562
Authority's Covered-Employee Payroll	\$ 4,058,309
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	49.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%

Notes to Schedule:

Change of benefit terms. In 2015, there were no changes to the benefit terms

Changes in assumptions. In 2015, there were no changes in assumptions

* - Fiscal year 2015 was the first year of implementation, therefore only one year is shown

**CSAC Excess Insurance Authority
Required Supplementary Information
Schedule of Pension Plan Contributions
As of June 30,**

	2015
Contractually Required Contribution (Actuarially Determined)	\$ 587,253
Contributions in Relation to the Contractually Required Contributions	(587,253)
Contribution Deficiency (Excess)	\$ -
Covered- Employee Payroll	\$4,924,748.00
Contributions as a Percentage of Covered-Employee Payroll	11.92%

Notes to Schedule:

The actuarial methods and assumptions used to determine contribution rates for fiscal year ended June 30, 2015 was from the June 30, 2013 valuation Date

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
salary Increases	Varies ⁽¹⁾
Investment Rate of Return	7.5% ⁽²⁾
	CalPERS' Membership Data
Mortality ⁽³⁾	Data
Post Retirement Benefit Increase	Up to 2.75% ⁽⁴⁾

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation

⁽³⁾ The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

⁽⁴⁾ Contract COLA up to 2.75% until Purchasing Power Protective Allowance Floor on Purchasing Power applies

*-Fiscal year 2015 was the first year of implementation, therefore only one year is shown

**CSAC Excess Insurance Authority
Required Supplementary Information
Schedule of Funding Progress**

Schedule of Funding Progress - Other Postemployment Benefits (OPEB):

Refer to footnote 8A for a description of the Plan.

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL (UAAL) as a % of Covered Payroll
July 1, 2007	\$ 313,888	\$ -	\$ 313,888	0.00%	\$ 2,663,492	11.78%
July 1, 2010	393,045	-	393,045	0.00%	3,793,952	10.36%
July 1, 2013	377,960	-	377,960	0.00%	4,531,924	8.34%

**CSAC EXCESS INSURANCE AUTHORITY
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Dental	Total June 30, 2015	Total June 30, 2014
Unpaid Claims and Claim Adjustment Expenses at the										
A. Beginning of the Fiscal Year	\$ 44,383,591	\$ 264,212,487	\$ 264,271	\$ 90,542,465	\$ 4,165,919	\$ 10,178,131	\$ 23,874,676	\$ 2,200,000	\$ 439,821,540	\$ 427,846,222
Incurred Claims and Claim Adjustment Expenses:										
Provision for Claims										
Current Fiscal Year	15,529,998	23,919,344	12,605	22,713,923	6,997,366	7,890,868	5,583,680	26,917,532	109,565,316	94,412,767
Prior Fiscal Years	(2,524,908)	25,056,689	158,555	3,494,901	-	-	1,593,046	-	27,778,283	30,076,852
B. Total Incurred	13,005,090	48,976,033	171,160	26,208,824	6,997,366	7,890,868	7,176,726	26,917,532	137,343,599	124,489,619
Payments:										
Attributable to insured events of the										
Current Fiscal Year	3,951,291	640,286	-	-	-	247,729	-	27,747,243	32,586,549	30,348,507
Prior Fiscal Years	4,861,435	33,284,439	237,711	17,608,534	2,719,806	13,979,021	8,137,797	-	80,828,743	82,165,794
C. Total Payments	8,812,726	33,924,725	237,711	17,608,534	2,719,806	14,226,750	8,137,797	27,747,243	113,415,292	112,514,301
Total Unpaid Claims and Claim Adjustment Expenses at										
D. End of the Fiscal Year (A+B-C)	\$ 48,575,955	\$ 279,263,795	\$ 197,720	\$ 99,142,755	\$ 8,443,479	\$ 3,842,249	\$ 22,913,605	\$ 1,370,289	\$ 463,749,847	\$ 439,821,540
Claims Reported	\$ 14,911,277	\$ 194,646,277	\$ 81,397	\$ 55,837,290	\$ 7,952,089	\$ 3,715,009	\$ 10,138,052	\$ 1,370,289	\$ 288,651,680	\$ 271,129,755
Claims Incurred But Not Reported	5,761,861	74,016,706	-	41,761,974	-	-	11,072,515	-	132,613,056	128,325,887
Unallocated Loss Adjustment Expenses	27,902,817	10,600,812	116,323	1,543,491	491,390	127,240	1,703,038	-	42,485,111	40,365,898
Total Claim Liabilities	\$ 48,575,955	\$ 279,263,795	\$ 197,720	\$ 99,142,755	\$ 8,443,479	\$ 3,842,249	\$ 22,913,605	\$ 1,370,289	\$ 463,749,847	\$ 439,821,540
Current Claim Liabilities	\$ 11,000,000	\$ 35,000,000	\$ 81,397	\$ 20,000,000	\$ 7,952,089	\$ 3,715,009	\$ 6,000,000	\$ 1,370,289	\$ 85,118,784	\$ 85,306,940
Noncurrent Claim Liabilities	37,575,955	244,263,795	116,323	79,142,755	491,390	127,240	16,913,605	-	378,631,063	354,514,600
Total Claim Liabilities	\$ 48,575,955	\$ 279,263,795	\$ 197,720	\$ 99,142,755	\$ 8,443,479	\$ 3,842,249	\$ 22,913,605	\$ 1,370,289	\$ 463,749,847	\$ 439,821,540

**CSAC EXCESS INSURANCE AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
ALL PROGRAMS
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
ALL PROGRAMS
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 263,782,083	\$ 203,916,939	\$ 228,191,188	\$ 205,457,419	\$ 219,499,107	\$ 240,734,572	\$ 250,968,652	\$ 265,948,996	\$ 292,385,972	\$ 324,774,829
Less Ceded	(74,567,750)	(80,536,010)	(85,715,084)	(90,750,025)	(118,671,863)	(124,032,299)	(140,284,953)	(133,678,087)	(164,918,367)	(179,542,634)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(36,248,426)	(110,000)	(450,000)	(685,516)	-	-	-	-	-	-
Investment Earnings	21,645,056	18,611,731	17,932,264	9,312,672	8,021,190	2,677,040	1,789,156	1,946,466	1,382,513	782,926
1. Total Revenues Available For Payment of Claims	174,610,963	141,882,660	159,958,368	123,334,550	108,848,434	119,379,313	112,472,855	134,217,375	128,850,118	146,015,121
2. Unallocated Loss Adjustment Expense	4,706,421	5,286,605	5,615,683	5,749,074	5,759,242	10,238,894	8,120,749	8,445,441	11,438,903	10,825,789
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	218,836,684	161,693,471	191,608,272	168,334,312	183,365,692	206,982,890	209,305,986	218,057,385	249,930,968	283,822,636
	(64,288,638)	(71,965,172)	(78,219,476)	(74,730,617)	(113,217,423)	(118,226,513)	(134,379,694)	(127,385,441)	(159,600,439)	(174,175,861)
	154,548,046	89,728,299	113,388,796	93,603,695	70,148,269	88,756,377	74,926,292	90,671,944	90,330,529	109,646,775
4. Cumulative Paid Claims as of:										
End of the Policy Year	44,005,375	9,187,924	11,956,063	7,844,284	10,742,041	22,910,691	27,492,705	31,424,863	30,348,507	32,067,193
One Year Later	60,907,745	25,085,043	35,294,585	31,740,599	23,775,301	33,485,624	38,125,416	42,256,357	47,662,153	-
Two Years Later	76,131,247	39,839,014	76,638,605	36,081,133	27,490,072	48,411,597	48,395,708	55,551,326	-	-
Three Years Later	86,322,756	81,433,490	91,033,594	56,503,539	43,598,044	70,637,124	56,857,493	-	-	-
Four Years Later	104,682,472	87,914,156	100,573,280	73,732,143	48,414,887	78,484,867	-	-	-	-
Five Years Later	109,858,845	93,783,550	105,408,448	79,350,732	52,121,168	-	-	-	-	-
Six Years Later	115,983,068	96,876,083	109,384,194	84,153,972	-	-	-	-	-	-
Seven Years Later	123,793,180	101,520,100	116,148,995	-	-	-	-	-	-	-
Eight Years Later	125,549,087	104,806,220	-	-	-	-	-	-	-	-
Nine Years Later	128,157,920	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	51,191,085	35,449,516	29,749,396	57,321,871	127,746,488	81,735,542	122,288,468	46,042,149	70,918,174	922,306
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	154,372,478	89,556,203	113,026,353	92,819,750	69,148,269	89,756,377	74,926,292	90,671,944	90,330,529	109,578,836
One Year Later	137,894,002	94,776,602	116,612,623	94,826,674	71,027,708	95,312,433	80,331,706	92,306,009	92,755,333	-
Two Years Later	137,941,424	96,090,069	123,144,107	98,392,221	76,969,647	94,948,024	81,126,796	93,008,024	-	-
Three Years Later	143,340,917	121,586,773	134,586,152	103,809,213	77,690,541	102,981,676	80,533,113	-	-	-
Four Years Later	143,328,684	121,087,951	135,006,373	102,537,020	76,918,295	106,384,425	-	-	-	-
Five Years Later	143,594,199	123,221,028	136,254,221	105,832,376	79,024,512	-	-	-	-	-
Six Years Later	144,606,926	123,195,203	138,464,847	109,260,054	-	-	-	-	-	-
Seven Years Later	143,769,217	127,917,937	144,348,030	-	-	-	-	-	-	-
Eight Years Later	145,998,500	130,164,539	-	-	-	-	-	-	-	-
Nine Years Later	148,789,163	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (5,758,883)	\$ 40,436,240	\$ 30,959,234	\$ 15,656,359	\$ 8,876,243	\$ 17,628,048	\$ 5,606,821	\$ 2,336,080	\$ 2,424,804	\$ (67,939)

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 58,793,345	\$ 46,235,265	\$ 47,629,119	\$ 48,372,518	\$ 45,039,062	\$ 53,048,120	\$ 54,860,361	\$ 54,488,670	\$ 59,245,804	\$ 61,368,317
Less Ceded					(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,380,293)	(40,948,454)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(25,248,408)	-	-	-	-	-	-	-	-	-
Investment Earnings	6,310,481	5,307,593	5,955,628	3,245,765	726,610	582,469	225,476	151,332	-	-
1. Total Revenues Available For Payment of Claims	39,855,418	51,542,858	53,584,747	51,618,283	20,814,344	24,729,766	23,761,584	21,979,199	21,865,511	20,419,863
2. Less Unallocated Loss Adjustment Expense	1,360,735	4,206,776	4,522,162	4,706,982	4,692,391	9,035,843	7,311,369	7,109,090	10,137,114	9,483,459
3. Estimated Incurred Claims Less Ceded Claims	47,249,432	36,652,243	39,052,710	34,751,511	36,219,693	41,200,715	44,186,253	45,065,803	50,435,293	54,185,020
Net Incurred Claims and Expenses, End of Policy Year	47,249,432	36,652,243	39,052,710	34,751,511	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,254,915	7,190,327	7,806,978	7,763,711	5,301,114	6,304,731	5,988,250	5,631,790	5,999,562	3,951,291
One Year Later	13,398,470	16,927,377	18,499,334	26,216,412	8,672,943	10,080,439	9,699,440	9,572,554	9,632,916	
Two Years Later	17,722,081	22,224,475	48,919,481	26,216,412	9,127,073	10,752,137	10,403,922	10,324,845		
Three Years Later	20,127,711	55,165,957	48,919,481	26,216,412	9,310,650	11,004,419	10,648,791			
Four Years Later	31,909,840	55,165,957	48,919,481	26,216,412	9,423,077	11,094,997				
Five Years Later	31,909,840	55,165,957	48,919,481	26,216,412	9,500,091					
Six Years Later	31,909,840	55,165,957	48,919,481	26,216,412						
Seven Years Later	31,909,840	55,165,957	48,919,481							
Eight Years Later	31,909,840	55,165,957								
Nine Years Later	31,909,840									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	29,433,798	36,218,742	35,625,319	29,342,502	14,735,261	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	47,243,432	36,652,243	39,052,710	34,751,511	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000
One Year Later	31,220,564	40,968,782	44,407,005	26,216,412	10,203,556	12,700,000	11,441,000	12,595,000	12,382,000	
Two Years Later	30,304,725	39,855,170	48,919,481	26,216,412	11,868,000	11,815,000	11,397,000	11,445,000		
Three Years Later	29,652,293	55,165,957	48,919,481	26,216,412	11,004,000	11,789,000	11,048,000			
Four Years Later	31,909,840	55,165,957	48,919,481	26,216,412	10,934,000	11,500,000				
Five Years Later	31,909,840	55,165,957	48,919,481	26,216,412	10,902,000					
Six Years Later	31,909,840	55,165,957	48,919,481	26,216,412						
Seven Years Later	31,909,840	55,165,967	48,919,481							
Eight Years Later	31,909,840	55,165,967								
Nine Years Later	31,909,840									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (15,339,592)	\$ 18,513,724	\$ 9,866,771	\$ (8,535,099)	\$ (366,365)	\$ (799,892)	\$ (1,814,000)	\$ (960,000)	\$ (673,000)	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 61,714,023	\$ 63,726,804	\$ 62,477,689	\$ 52,184,473	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,872,261	\$ 95,838,812
Less Ceded	(19,925,812)	(20,451,452)	(22,040,208)	(32,694,500)	(29,508,521)	(33,932,092)	(38,700,636)	(26,470,050)	(47,448,283)	(57,198,059)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	10,515,335	8,893,321	6,403,221	1,846,877	1,604,608	952,950	589,740	892,606	635,797	400,921
1. Total Revenues Available For Payment of Claims	52,303,546	52,168,673	46,840,702	21,336,850	20,242,913	19,761,321	18,490,886	38,481,986	31,059,775	39,041,674
2. Unallocated Loss Adjustment Expense	723,173	987,187	1,037,935	626,443	777,446	665,980	352,436	654,781	447,313	839,968
3. Estimated Incurred Claims Less Ceded Claims	46,912,468 (19,925,812)	48,038,272 (20,451,452)	51,656,148 (22,040,208)	46,380,300 (32,694,500)	45,844,808 (29,508,521)	51,347,831 (33,932,092)	47,772,920 (38,700,636)	43,142,223 (26,470,050)	60,295,762 (47,448,283)	80,522,151 (57,198,059)
Net Incurred Claims and Expenses, End of Policy Year	26,986,656	27,586,820	29,615,940	13,685,800	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092
4. Cumulative Paid Claims as of:										
End of the Policy Year	61,440	-	-	80,573	-	43,862	23,688	38,785	-	950,641
One Year Later	968,776	1,500,771	149,378	253,852	106,437	230,188	329,202	281,003	2,361,141	
Two Years Later	1,895,972	2,930,749	2,329,306	662,838	515,533	627,868	785,063	2,103,809		
Three Years Later	3,603,057	4,609,582	3,806,626	5,131,474	1,281,938	1,344,807	1,544,493			
Four Years Later	4,551,854	8,091,482	5,996,177	7,021,243	2,117,003	2,074,489				
Five Years Later	6,186,031	10,871,389	8,591,259	12,173,038	3,129,849					
Six Years Later	7,667,321	13,177,069	11,959,712	16,560,978						
Seven Years Later	11,699,013	16,644,073	15,634,894							
Eight Years Later	13,460,831	19,859,018								
Nine Years Later	16,055,208									
5. Reestimated Ceded Claims and Expenses	6,939,747	-	-	33,661,198	24,466,199	23,959,480	18,803,568	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	26,986,656	27,586,820	29,615,940	13,685,800	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092
One Year Later	32,672,718	29,842,070	28,351,050	20,519,114	16,902,842	18,075,962	9,517,002	18,675,566	14,275,787	
Two Years Later	36,060,675	28,871,552	32,207,743	25,050,003	18,604,330	17,868,492	10,336,945	19,544,588		
Three Years Later	34,774,900	37,566,684	34,698,516	27,689,168	20,268,964	18,601,508	10,932,012			
Four Years Later	33,303,388	36,058,769	36,547,866	27,105,017	20,649,905	19,813,588				
Five Years Later	31,067,050	39,070,613	37,627,214	28,602,557	23,837,950					
Six Years Later	32,034,227	38,888,948	40,712,273	33,246,965						
Seven Years Later	30,457,802	43,889,718	43,281,390							
Eight Years Later	32,418,682	46,153,789								
Nine Years Later	35,317,687									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 8,331,031	\$ 18,566,969	\$ 13,665,450	\$ 19,561,165	\$ 7,501,663	\$ 2,397,849	\$ 1,859,728	\$ 2,872,415	\$ 1,428,308	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
SCHEDULE OF EARNED PREMIUM CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	Fully Insured Years									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Insurance Premiums	\$ 3,390,100	\$ 2,910,577	\$ 3,300,530	\$ 3,880,521	\$ 2,127,964	\$ 1,888,464	\$ 2,035,654	\$ 1,868,680	\$ 1,742,957	\$ 1,756,708
Less Ceded	(2,642,496)	(2,478,758)	(2,368,037)	(2,627,972)	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(110,000)	(110,000)	(450,000)	(685,516)	-	-	-	-	-	-
Investment Earnings	89,881	94,806	170,133	291,681	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	727,485	416,625	652,626	858,714	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	(412)	68,383	16,993	17,652	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	1,865,386	1,944,886	2,674,081	1,262,000	2,127,964	1,888,464	2,035,654	1,868,680	1,742,957	1,756,708
Net Incurred Claims and Expenses, End of Policy Year	(1,695,818)	(1,772,790)	(2,311,638)	(478,055)	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	726,551	-	-	-	-	-	-
Four Years Later	-	-	2,474,714	774,908	-	-	-	-	-	-
Five Years Later	-	1,811,186	2,569,186	893,904	-	-	-	-	-	-
Six Years Later	1,722,638	1,811,226	2,687,499	1,005,269	-	-	-	-	-	-
Seven Years Later	1,723,108	1,826,515	2,777,921	-	-	-	-	-	-	-
Eight Years Later	1,724,001	1,855,522	-	-	-	-	-	-	-	-
Nine Years Later	1,725,820	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,694,910	1,771,627	2,308,563	468,352	2,377,444	1,309,618	1,074,046	1,331,498	1,589,418	367,306
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	783,945	-	-	-	-	-	-
Four Years Later	-	-	362,443	452,236	-	-	-	-	-	-
Five Years Later	-	172,096	342,604	468,874	-	-	-	-	-	-
Six Years Later	169,568	129,872	399,692	539,566	-	-	-	-	-	-
Seven Years Later	100,334	105,584	478,174	-	-	-	-	-	-	-
Eight Years Later	28,148	130,583	-	-	-	-	-	-	-	-
Nine Years Later	29,714	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (139,854)	\$ (41,513)	\$ 115,731	\$ (244,379)	\$ -					

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	Sept. 30 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 27,739,091	\$ 18,831,951	\$ 26,940,406	\$ 30,993,979	\$ 32,772,965	\$ 31,958,996	\$ 29,597,496	\$ 28,876,024	\$ 29,671,132	\$ 35,247,160
Less Ceded	(1,970,174)	(2,510,249)	(2,052,476)	(2,013,394)	(2,381,428)	(2,742,959)	(3,745,830)	(3,702,537)	(4,268,601)	(6,267,249)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	3,833,087	2,752,533	3,687,211	3,373,530	2,824,168	1,062,387	785,785	603,716	547,019	297,631
1. Total Revenues Available For Payment of Claims	29,602,004	19,074,235	28,575,141	32,354,115	33,215,705	30,278,424	26,637,451	25,777,203	25,949,550	29,277,542
2. Unallocated Loss Adjustment Expense	55,793	9,108	(3,235)	145,068	15,764	55,318	138,835	244,701	361,502	481,395
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	32,178,257 (1,970,174) 30,208,083	14,191,436 (2,510,249) 11,681,187	23,929,123 (2,052,476) 21,876,647	23,946,567 (2,013,394) 21,933,173	17,650,135 (2,381,428) 15,268,707	19,593,744 (2,742,959) 16,850,785	20,336,498 (3,745,830) 16,590,668	24,388,707 (3,702,537) 20,686,170	26,973,621 (4,268,601) 22,705,020	29,751,639 (6,267,249) 23,484,390
4. Cumulative Paid Claims as of:										
End of the Policy Year	253,756	-	2,847	-	653,593	-	241,064	-	-	-
One Year Later	1,988,739	39,758	2,899,925	172,455	348,252	104,565	666,287	1,668,017	2,443,124	-
Two Years Later	9,206,329	5,524,791	7,975,068	4,894,740	2,389,423	2,483,193	2,473,149	3,879,513	-	-
Three Years Later	15,039,833	8,404,439	15,431,317	9,708,129	10,758,833	18,803,527	7,001,701	-	-	-
Four Years Later	20,656,595	11,379,531	18,156,840	16,936,818	11,549,612	22,031,298	-	-	-	-
Five Years Later	22,690,663	12,657,464	20,302,454	17,283,899	13,166,381	-	-	-	-	-
Six Years Later	25,610,958	13,134,501	20,791,434	17,220,058	-	-	-	-	-	-
Seven Years Later	29,388,908	13,433,469	23,790,631	-	-	-	-	-	-	-
Eight Years Later	29,382,104	13,475,637	-	-	-	-	-	-	-	-
Nine Years Later	29,394,741	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,518,783	29,119	85,000	1,278,000	602,767	4,128,286	12,475,143	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	30,208,083	11,681,187	21,876,647	21,933,173	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390
One Year Later	22,854,487	10,508,940	19,125,703	25,729,463	17,577,212	21,106,865	20,336,498	20,279,342	24,596,512	-
Two Years Later	21,048,207	11,739,972	17,506,533	21,620,740	18,211,819	19,593,744	19,869,339	19,432,855	-	-
Three Years Later	28,697,653	13,803,748	25,395,916	23,001,488	17,650,135	26,300,275	19,100,002	-	-	-
Four Years Later	28,822,601	15,616,582	23,429,414	23,946,567	16,847,051	28,275,182	-	-	-	-
Five Years Later	31,330,377	14,464,385	23,929,123	25,984,055	15,642,639	-	-	-	-	-
Six Years Later	31,329,567	14,191,436	23,360,479	25,065,797	-	-	-	-	-	-
Seven Years Later	32,178,257	14,221,203	26,613,419	-	-	-	-	-	-	-
Eight Years Later	32,542,873	14,014,389	-	-	-	-	-	-	-	-
Nine Years Later	32,449,391	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 2,241,308	\$ 2,333,202	\$ 4,736,772	\$ 3,132,624	\$ 373,932	\$ 11,424,397	\$ 2,509,334	\$ (1,253,315)	\$ 1,891,492	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012*	June 30, 2013*	June 30, 2014*	June 30, 2015**
Earned Premiums	\$ 12,065,869	\$ 13,353,917	\$ 17,300,000	\$ 18,463,239	\$ 21,085,943	\$ 19,925,721	\$ 18,075,370	\$ 19,467,217	\$ 22,700,000	\$ 26,484,451
Less Ceded	(12,065,869)	(10,745,015)	(11,300,000)	(10,395,543)	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)	(19,484,451)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	2,308,131	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	2,608,902	6,000,000	8,067,696	9,207,585	8,578,800	-	-	-	7,000,000
2. Unallocated Loss Adjustment Expense	-	-	-	116,761	111,652	124,158	56,826	20,605	64,022	(2,634)
3. Estimated Incurred Claims Less Ceded Claims	12,065,869 (12,065,869)	13,535,916 (10,927,014)	17,300,000 (11,300,000)	18,463,239 (10,395,543)	21,085,943 (14,186,489)	19,925,721 (11,346,921)	18,075,370 (18,075,370)	19,467,217 (19,467,217)	22,700,000 (22,700,000)	26,484,451 (19,484,451)
Net Incurred Claims and Expenses, End of Policy Year	-	2,608,902	6,000,000	8,067,696	6,899,454	8,578,800	-	-	-	7,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	9,445	897,884	-	-	-	-	-	-	-
Two Years Later	-	16,095	3,247,624	921,340	-	5,250,000	-	-	-	-
Three Years Later	-	2,608,902	6,000,000	8,067,696	4,657,656	5,955,652	-	-	-	-
Four Years Later	-	2,608,903	6,000,000	8,067,696	7,657,656	8,578,800	-	-	-	-
Five Years Later	-	2,608,903	6,000,000	8,067,696	7,858,906	-	-	-	-	-
Six Years Later	-	2,608,903	6,000,000	8,067,696	-	-	-	-	-	-
Seven Years Later	-	2,608,903	6,000,000	-	-	-	-	-	-	-
Eight Years Later	-	2,608,903	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	30,499,843	4,899,946	14,369,462	4,975,575	4,043,037	11,710,389	46,806,428	11,517,167	17,424,981	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	2,608,902	6,000,000	8,067,696	6,899,454	8,578,800	-	-	-	7,000,000
One Year Later	-	2,608,902	6,000,000	8,067,696	7,834,960	8,578,800	-	-	-	-
Two Years Later	-	2,608,902	6,000,000	8,067,696	8,072,213	8,578,800	-	-	-	-
Three Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	8,578,800	-	-	-	-
Four Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	8,578,800	-	-	-	-
Five Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	-	-	-	-	-
Six Years Later	-	2,608,902	6,000,000	8,067,696	-	-	-	-	-	-
Seven Years Later	-	2,608,902	6,000,000	-	-	-	-	-	-	-
Eight Years Later	-	2,608,902	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -

* Fully Insured

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 35,652,060	\$ 42,921,015	\$ 53,388,051	\$ 39,389,017	\$ 50,550,830	\$ 48,970,337	\$ 50,320,424	\$ 53,788,778	\$ 57,810,264	\$ 61,349,158
Less Ceded	(28,630,965)	(36,303,667)	(40,515,154)	(37,135,310)	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)	(48,609,374)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,021,095	6,617,348	12,872,897	2,253,707	10,489,137	9,555,083	9,822,473	10,572,624	11,749,959	12,739,784
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	78,618	(64,168)	61,715	27,474	23,601
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	35,632,642 (28,630,965) 7,001,677	42,892,848 (36,303,667) 6,589,181	53,339,625 (40,515,154) 12,824,471	39,149,125 (29,149,125) 10,000,000	50,061,693 (40,061,693) 10,000,000	48,415,254 (39,415,254) 9,000,000	50,497,951 (40,497,951) 10,000,000	53,216,154 (43,216,154) 10,000,000	56,060,305 (46,060,305) 10,067,939	58,677,313 (48,609,374) 10,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,491,799	1,997,597	4,114,386	-	-	354,341	-	58,785	65,876	247,729
One Year Later	7,001,677	6,589,181	12,770,820	4,949,559	9,000,000	2,098,639	3,795,372	4,606,136	8,941,903	
Two Years Later	7,001,411	6,589,181	13,847,744	2,013,815	9,000,000	7,782,088	10,000,000	9,409,593		
Three Years Later	7,001,411	6,589,181	12,824,471	2,013,815	9,000,000	9,457,739	10,000,000			
Four Years Later	7,001,411	6,589,181	12,824,471	10,000,000	9,000,000	9,754,276				
Five Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000					
Six Years Later	7,001,677	6,589,181	12,824,471	10,000,000						
Seven Years Later	7,001,677	6,589,181	12,824,471							
Eight Years Later	7,001,677	6,589,181								
Nine Years Later	7,001,677									
5. Reestimated Ceded Claims and Expenses	4,681,216	23,118,904	9,018,571	1,477,747	55,750,728	300,526	7,503,964	3,850,982	37,168,515	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
One Year Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,067,939	
Two Years Later	7,001,677	6,588,915	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000		
Three Years Later	7,001,677	6,588,915	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000			
Four Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000				
Five Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000					
Six Years Later	7,001,677	6,589,181	12,824,471	10,000,000						
Seven Years Later	7,001,677	6,589,181	12,824,471							
Eight Years Later	7,001,677	6,589,181								
Nine Years Later	7,001,677									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 13,426,219	\$ 15,937,410	\$ 17,155,393	\$ 12,173,672	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$ 12,133,273	\$ 10,701,429
Less Ceded	(8,004,074)	(8,046,869)	(7,439,209)	(5,883,306)	(5,454,440)	(5,805,786)	(5,905,259)	(6,292,646)	(5,317,928)	(5,278,339)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	896,272	1,563,478	1,716,071	554,819	557,673	79,234	188,155	298,812	199,697	84,374
1. Total Revenues Available For Payment of Claims	6,318,417	9,454,019	11,432,255	6,845,185	7,635,967	6,119,801	5,919,038	6,980,228	7,015,042	5,507,464
2. Unallocated Loss Adjustment Expense	3,854	15,151	41,828	136,168	161,989	278,977	325,451	354,549	401,478	-
3. Estimated Incurred Claims Less Ceded Claims	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
Net Incurred Claims and Expenses, End of Policy Year	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
4. Cumulative Paid Claims as of:										
End of the Policy Year	74,862	-	31,852	-	23,848	51,305	26,698	3,528	-	-
One Year Later	507,297	18,511	77,244	148,321	96,315	1,282,361	181,822	436,672	-	-
Two Years Later	3,110,402	2,553,723	319,382	1,371,988	906,689	1,826,879	1,822,542	4,141,591		
Three Years Later	3,355,692	4,055,429	4,051,699	4,639,462	3,037,613	4,381,548	4,209,215			
Four Years Later	3,367,720	4,079,102	6,201,597	4,715,066	3,116,185	5,261,575				
Five Years Later	4,875,582	4,079,470	6,201,597	4,715,783	3,914,587					
Six Years Later	4,875,582	4,389,246	6,201,597	5,083,559						
Seven Years Later	4,875,582	5,252,002	6,201,597							
Eight Years Later	4,875,582	5,252,002								
Nine Years Later	4,875,582									
5. Reestimated Ceded Claims and Expenses	2,597,454	5,629,920	3,967,800	15,460,999	11,072,516	4,108,500	-	-	-	555,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
One Year Later	4,346,863	4,258,727	5,904,394	4,293,989	3,957,784	5,161,374	5,583,913	5,064,126	4,950,026	
Two Years Later	6,131,088	6,425,558	5,685,879	7,437,370	5,661,931	7,402,556	6,070,219	6,893,606		
Three Years Later	5,819,342	5,852,567	6,747,768	8,050,504	5,510,518	8,022,661	5,999,806			
Four Years Later	5,108,908	5,048,560	6,922,698	6,749,092	5,230,415	8,527,423				
Five Years Later	5,102,985	5,149,894	6,611,328	6,492,782	5,384,999					
Six Years Later	4,979,777	5,620,907	6,248,451	6,123,618						
Seven Years Later	4,939,037	5,337,382	6,231,095							
Eight Years Later	4,915,010	5,501,728								
Nine Years Later	4,898,584									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,285,034	\$ 1,063,858	\$ 2,574,510	\$ 1,742,048	\$ 560,897	\$ 3,605,694	\$ 811,471	\$ 1,676,980	\$ (289,935)	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007*	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 51,001,376	-	-	-	-	-	-	-	-	-
Less Ceded	(1,328,360)	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(10,890,018)	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	38,782,998	-	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	2,563,278	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	39,319,080	-	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	33,868,603	-	-	-	-	-	-	-	-	-
One Year Later	37,042,786	-	-	-	-	-	-	-	-	-
Two Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Three Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Four Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Five Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Six Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Seven Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Eight Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Nine Years Later	37,195,052	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,259,132	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	39,319,080	-	-	-	-	-	-	-	-	-
One Year Later	39,797,693	-	-	-	-	-	-	-	-	-
Two Years Later	37,395,052	-	-	-	-	-	-	-	-	-
Three Years Later	37,395,052	-	-	-	-	-	-	-	-	-
Four Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Five Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Six Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Seven Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Eight Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Nine Years Later	37,182,270	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (2,136,810)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*The program became fully insured effective 7/1/2006

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009*	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums					\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281	\$ 32,028,794
Less Ceded					-	-	-	-	-	-
Supplemental Assessments					-	-	-	-	-	-
Dividends Declared					-	-	-	-	-	-
Investment Earnings					-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	-	-	7,242,783	20,356,118	27,841,423	30,426,135	31,210,281	32,028,794
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	4,763,486	16,156,452	21,213,005	25,691,975	24,283,069	26,917,532
One Year Later	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	-
Two Years Later	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975	-	-
Three Years Later	-	-	-	-	5,551,354	19,689,432	23,453,293	-	-	-
Four Years Later	-	-	-	-	5,551,354	19,689,432	-	-	-	-
Five Years Later	-	-	-	-	5,551,354	-	-	-	-	-
Six Years Later	-	-	-	-	-	-	-	-	-	-
Seven Years Later	-	-	-	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year					5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532
One Year Later					5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	-
Two Years Later					5,551,354	19,689,432	23,453,293	25,691,975	-	-
Three Years Later					5,551,354	19,689,432	23,453,293	-	-	-
Four Years Later					5,551,354	19,689,432	-	-	-	-
Five Years Later					5,551,354	-	-	-	-	-
Six Years Later					-	-	-	-	-	-
Seven Years Later					-	-	-	-	-	-
Eight Years Later					-	-	-	-	-	-
Nine Years Later					-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,288	\$ -	\$ -	\$ -

*The Dental Program started January 1, 2010

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SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS:	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration	Iron Point Building	Elimination Inter-Fund Trans	Totals June 30, 2015
Current Assets:															
Petty Cash Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	6,631,920	-	626,182	-	-	-	-	-	-	-	-	-	85,968	-	7,344,070
Cash, EIA Treasury	2,454,981	11,444,263	57,689	5,057,710	328,661	-	1,111,124	2,220	370,308	627,410	129,253	361,527	-	-	21,945,146
Total Cash & Equivalents	9,086,901	11,444,263	683,871	5,057,710	328,661	-	1,111,124	2,220	370,308	627,410	129,253	361,827	85,968	-	29,289,516
Investments	11,816,269	55,083,321	277,668	24,343,681	1,581,906	-	5,348,044	10,684	1,782,359	3,019,838	622,116	1,740,098	-	-	105,625,984
Accounts Receivable															
Due From Members	881,573	758,031	145,721	17	-	13,857,539	5,535	449,759	-	663,256	89,856	61,376	-	-	16,912,663
Investment Income	187,404	873,610	4,404	386,086	25,089	-	84,819	169	28,268	47,894	9,867	27,598	-	-	1,675,208
Re-Ins Claims & Deposits with Carriers	907,732	2,222,132	437,035	-	31,894	-	-	-	-	245,000	-	-	-	-	3,843,793
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	38,877	-	-	38,877
Due From Other Funds	18,058,205	20,312,010	102,390	8,976,748	583,329	473,175	1,972,095	3,940	657,246	1,113,567	229,406	641,662	-	(53,123,773)	-
Prepaid Insurance and Expenses	-	9,482,965	-	-	-	35,379,129	1,347,082	3,135,488	-	-	1,043,241	3,398	-	-	50,391,303
Total Current Assets	40,938,084	100,176,332	1,651,089	38,764,242	2,550,879	49,709,843	9,868,699	3,602,260	2,838,181	5,716,965	2,123,739	2,874,836	85,968	(53,123,773)	207,777,344
Noncurrent Assets:															
Investments	42,607,373	198,620,701	1,001,220	87,779,001	5,704,071	-	19,284,099	38,525	6,426,869	10,889,000	2,243,240	6,274,484	-	-	380,868,583
Due From Other Funds	5,719,489	26,662,260	134,401	11,783,195	765,698	-	2,588,641	5,171	862,724	1,461,707	301,126	842,268	-	(51,126,680)	-
Prepaid Insurance	-	-	-	-	-	44,672,062	-	-	-	-	-	-	-	-	44,672,062
Capital and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land and Buildings (Net)	-	-	-	-	-	-	-	-	-	-	-	-	7,497,619	-	7,497,619
Office Furniture and Equipment (Net)	-	-	-	-	-	-	-	-	-	-	-	1,546,314	-	-	1,546,314
Total Noncurrent Assets	48,326,862	225,282,961	1,135,621	99,562,196	6,469,769	44,672,062	21,872,740	43,696	7,289,593	12,350,707	2,544,366	8,663,066	7,497,619	(51,126,680)	434,584,578
Total Assets	89,264,946	325,459,293	2,786,710	138,326,438	9,020,648	94,381,905	31,741,439	3,645,956	10,127,774	18,067,672	4,668,105	11,537,902	7,583,587	(104,250,453)	642,361,922
Deferred Outflows of Resources:															
Deferred Outflows Of Resources-Pensions	-	-	-	-	-	-	-	-	-	-	-	587,253	-	-	587,253

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration	Iron Point Building	Elimination of Inter-Fund Trans	Totals June 30, 2015
LIABILITIES:															
Current Liabilities:															
Accounts Payable	\$ 1,050,610	\$ 534,731	\$ 69,015	\$ 73,870	\$ 25,819	\$ 46,454	\$ 18,300	\$ 61,591	\$ 1,053,804	\$ -	\$ 1,664,820	\$ 411,489	\$ -	\$ -	\$ 5,010,503
Deposits from Insurance Companies	9,198,510	500,000	251,331	-	-	-	-	-	-	-	-	-	-	-	9,949,841
Due to Other Funds	-	13,700,948	-	-	-	38,467,992	-	473,175	-	-	-	-	481,657	(53,123,772)	-
Due To Members	4,551,421	966,474	705,526	-	-	127,118	-	-	7,263,489	-	114,475	38,731	-	-	13,767,234
Unearned Income	-	26,629,382	-	-	-	1,309,051	2,804,655	3,060,181	-	-	1,043,241	-	34,017	-	34,880,527
Claim Liabilities	11,000,000	35,000,000	81,397	20,000,000	7,952,089	3,715,009	6,000,000	-	-	1,370,289	-	-	-	-	85,118,784
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	68,778	-	-	68,778
Total Current Liabilities	25,800,541	77,331,535	1,107,269	20,073,870	7,977,908	43,665,624	8,822,955	3,594,947	8,317,293	1,370,289	2,822,536	518,998	515,674	(53,123,772)	148,795,667
Noncurrent Liabilities:															
Due to Other Funds	-	-	-	-	-	44,672,062	-	-	-	-	-	-	6,454,619	(51,126,681)	-
Claim Liabilities:															
Claims Reported	3,911,277	159,646,277	-	35,837,290	-	-	4,138,052	-	-	-	-	-	-	-	203,532,896
Claims Incurred But Not Reported	5,761,861	74,016,706	-	41,761,974	-	-	11,072,515	-	-	-	-	-	-	-	132,613,056
Unallocated Loss Adjustment Expense Payable															
Compensated Absences	27,902,817	10,600,812	116,323	1,543,491	491,390	127,240	1,703,038	-	-	-	-	-	-	-	42,485,111
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	275,114	-	-	275,114
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	1,043	-	-	1,043
Total Noncurrent Liabilities	37,575,955	244,263,795	116,323	79,142,755	491,390	44,799,302	16,913,605	-	-	-	-	2,270,719	6,454,619	(51,126,681)	380,901,782
Total Liabilities	63,376,496	321,595,330	1,223,592	99,216,625	8,469,298	88,464,926	25,736,560	3,594,947	8,317,293	1,370,289	2,822,536	2,789,717	6,970,293	(104,250,453)	529,697,449
Deferred Inflows of Resources:															
Deferred Inflows on Pension Account	-	-	-	-	-	-	-	-	-	-	-	845,081	-	-	845,081
NET POSITION:															
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	-	1,546,314	7,497,619	-	9,043,933
Unrestricted	25,888,450	3,863,963	1,563,118	39,109,813	551,350	5,916,979	6,004,879	51,009	1,810,481	16,697,383	1,845,569	6,944,043	(6,884,325)	-	103,362,712
Total Net Position	\$ 25,888,450	\$ 3,863,963	\$ 1,563,118	\$ 39,109,813	\$ 551,350	\$ 5,916,979	\$ 6,004,879	\$ 51,009	\$ 1,810,481	\$ 16,697,383	\$ 1,845,569	\$ 8,490,357	\$ 613,294	\$ -	\$ 112,406,645

CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration	Iron Point Building	Elimination of Inter-Fund Trans	Totals June 30, 2015
OPERATING REVENUES:															
Premiums for Transferred Risk	\$ 41,806,481	\$ 57,820,943	\$ 1,756,708	\$ 6,267,249	\$ 19,484,455	\$ 48,609,374	\$ 5,278,341	\$ 3,340,769	\$ 230,953,007	\$ -	\$ 27,691,489	\$ -	\$ -	\$ -	\$ 443,008,816
Broker Fees	1,340,347	2,647,487	42,083	729,210	367,136	28,968	5,053	-	2,150,480	1,464,977	-	-	-	-	8,775,741
Contributions for Retained Risk	20,744,949	38,640,930	-	28,658,551	7,000,000	8,820,398	7,127,056	-	-	32,362,897	-	-	-	-	143,354,781
Dividend Income	-	-	-	-	-	127,118	-	-	-	-	114,475	-	-	-	241,593
Member Services	-	-	-	-	-	-	-	-	-	-	-	1,111,493	-	-	1,111,493
Administration Fees	4,025,964	5,962,411	331,432	2,282,628	1,506,263	642,960	997,302	33,464	325,415	-	-	-	-	-	16,107,839
Public Entity Fees	158,491	257,276	1,708	57,690	49,335	79,803	253	-	-	-	-	-	-	-	604,556
Other Income	33,517	1,059	14,720	350	81,819	674,665	15,844	8,075	6,250	-	-	618,633	-	-	1,454,932
Total Operating Revenues	68,109,749	105,330,106	2,146,651	37,995,678	28,489,008	58,983,286	13,423,849	3,382,308	233,435,152	33,827,874	27,805,964	1,730,126	-	-	614,659,751
OPERATING EXPENSES:															
Member Dividends	3,998,408	-	450,000	-	-	127,118	-	-	13,870	-	114,475	-	-	-	4,703,871
Transferred Risk & Insurance Exp	42,961,880	58,579,124	1,756,706	5,908,399	19,484,451	48,519,577	5,278,339	3,342,682	230,952,766	-	27,695,884	-	-	-	444,479,808
Broker Fees	1,340,451	2,646,255	42,084	729,138	152,318	28,968	5,053	-	2,150,480	1,464,977	-	-	-	-	8,559,724
Provision for Claims:															
Current Year Claims	13,325,000	23,324,092	-	23,484,390	7,000,000	7,867,267	5,527,822	-	-	26,917,532	-	-	-	-	107,446,103
Prior Year Claims	(2,524,908)	25,056,689	158,555	3,494,901	-	-	1,593,046	-	-	-	-	-	-	-	27,778,283
Unallocated Loss Adjustment Expenses	2,204,998	595,252	12,605	(770,467)	(2,634)	23,601	55,858	-	-	-	-	-	-	-	2,119,213
Program Services	7,669,553	952,819	28,350	369,009	127,708	74,434	397,852	-	44,520	2,341,598	-	-	-	-	12,005,843
Member Services & Subsidies	-	-	-	-	-	-	-	-	-	-	-	2,852,087	-	-	2,852,087
General Administrative Services	-	-	-	-	-	-	-	-	-	-	-	8,870,057	-	-	8,870,057
Depreciation	-	-	-	-	-	-	-	-	-	-	-	259,695	158,578	-	418,273
Building Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	168,231	-	168,231
Total Operating Expenses	68,975,382	111,154,231	2,448,300	33,215,370	26,761,843	56,640,965	12,857,970	3,342,682	233,161,636	30,724,107	27,810,359	11,981,839	326,809	-	619,401,493
OPERATING TRANSFERS IN (OUT):															
Administration															
Transfer In	-	-	-	-	-	-	-	-	-	-	-	11,891,818	-	(11,891,818)	-
Transfer Out	(2,974,722)	(3,629,999)	(401,034)	(1,863,547)	(1,170,981)	(375,305)	(527,680)	(17,861)	(413,209)	(175,587)	(341,893)	-	-	11,891,818	-
Risk Management Subsidies and Expense															
Transfer In	-	-	-	-	-	-	-	-	-	-	-	994,509	-	(994,509)	-
Transfer Out	(201,586)	(381,648)	(15,332)	(138,000)	(50,622)	(159,073)	(48,248)	-	-	-	-	-	-	994,509	-
Rent Transfers	-	-	-	-	-	-	-	-	-	-	-	(429,275)	429,275	-	-
Total Operating Transfers	(3,176,308)	(4,011,647)	(416,366)	(2,001,547)	(1,221,603)	(534,378)	(575,928)	(17,861)	(413,209)	(175,587)	(341,893)	12,457,052	429,275	-	-
Operating Income (Loss)	(4,041,941)	(9,835,772)	(718,015)	2,778,761	505,562	1,807,943	(10,049)	21,765	(139,693)	2,928,180	(346,288)	2,205,339	102,466	-	(4,741,742)
NONOPERATING REVENUES (EXPENSES):															
Investment Income	811,119	3,060,676	8,908	1,507,981	39,693	2,206	308,828	1,152	103,144	171,284	46,805	143,319	-	(367,519)	5,837,596
Financing Fees	28,276	14,175	17	16	-	402,694	-	237	-	-	55	21	-	-	445,491
Lease Income	-	-	-	-	-	-	-	-	-	-	-	-	423,319	-	423,319
Building Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	(143,307)	-	(143,307)
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-	(158,560)	-	(158,560)
Investment Expenses	-	-	-	-	-	-	-	-	-	-	-	(123,766)	-	-	(123,766)
Program Financing Expenses	-	-	-	-	-	(312,178)	-	(2,206)	-	-	-	-	(53,135)	367,519	-
Total Nonoperating Revenues (Expenses)	839,395	3,074,851	8,925	1,507,997	39,693	92,722	308,828	(817)	103,144	171,284	46,860	19,574	68,317	-	6,280,773
Changes in Net Position	(3,202,546)	(6,760,921)	(709,090)	4,286,758	545,255	1,900,665	298,779	20,948	(36,549)	3,099,464	(299,428)	2,224,913	170,783	-	1,539,031
Net Position:															
Beginning of Year	29,090,996	10,624,884	2,272,208	34,823,055	6,095	4,016,314	5,706,100	30,061	1,847,030	13,597,919	2,144,997	8,726,831	442,511	-	113,329,001
Cumulative Effect of Change in Account Principle	-	-	-	-	-	-	-	-	-	-	-	(2,461,387)	-	-	(2,461,387)
Net Position, End of Year	\$ 25,888,450	\$ 3,863,963	\$ 1,563,118	\$ 39,109,813	\$ 551,350	\$ 5,916,979	\$ 6,004,879	\$ 51,009	\$ 1,810,481	\$ 16,697,383	\$ 1,845,569	\$ 8,490,357	\$ 613,294	\$ -	\$ 112,406,645

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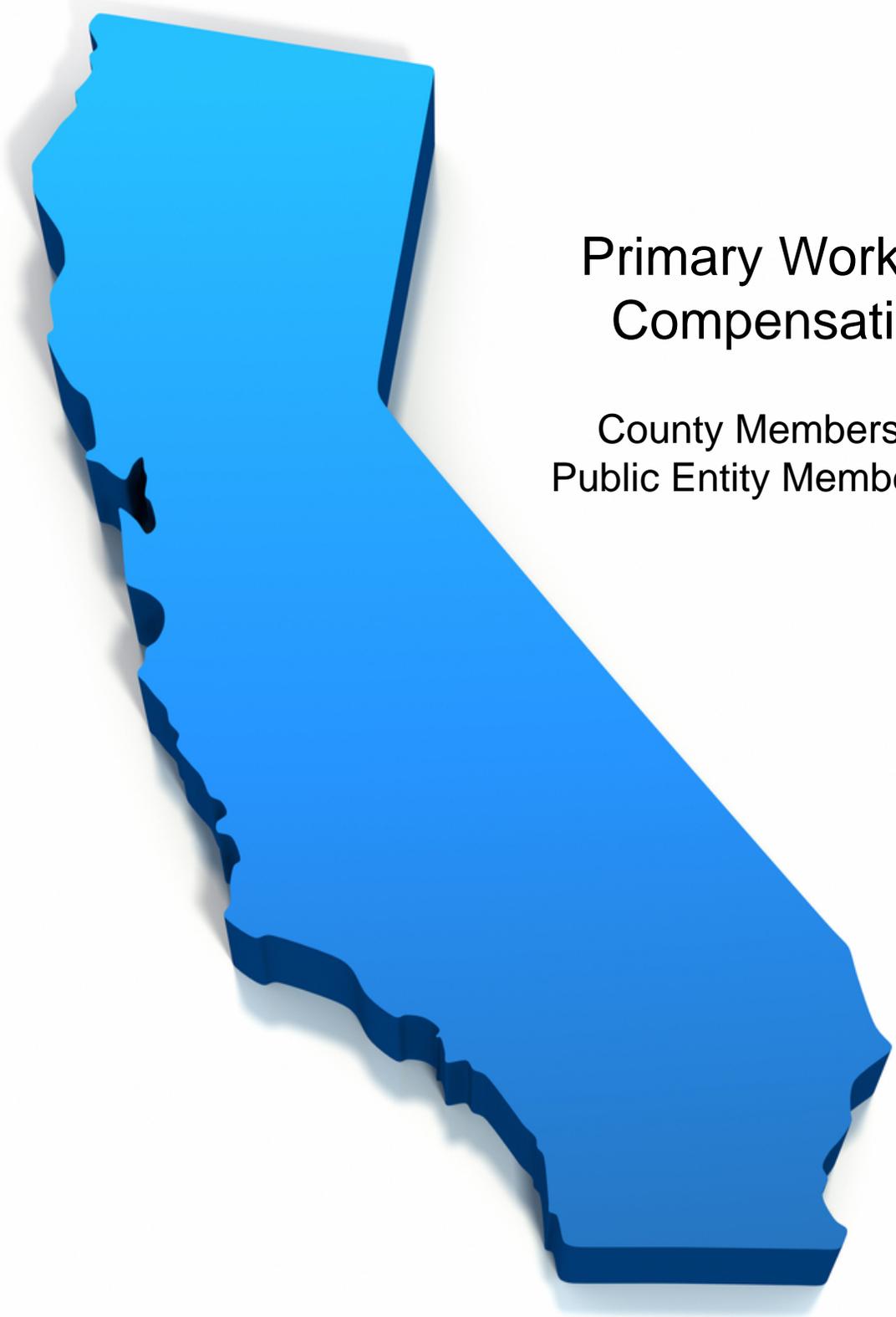
**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration	Iron Point Building	Elimination of Inter-Fund Trans	Totals June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:															
Receipts from Members	\$ 67,490,445	\$ 131,703,651	\$ 2,443,638	\$ 37,966,244	\$ 28,407,189	\$ 61,218,974	\$ 13,276,689	\$ 3,337,616	\$ 233,320,169	\$ 34,059,644	\$ 26,622,210	\$ 1,639,266	\$ -	\$ -	\$ 641,485,735
Receipts from Others	(226,324)	1,825,216	(391,259)	-	14,375,703	674,665	-	-	-	-	114,475	94,670	(12,530)	-	16,454,616
Dividends Paid	(5,498,408)	-	(450,000)	-	-	(115,265)	-	-	(776,291)	-	(43,367)	-	-	-	(6,883,331)
Claims Paid	(8,812,726)	(33,924,725)	(237,711)	(17,608,534)	(2,719,806)	(14,226,750)	(8,137,797)	-	-	(27,747,243)	-	-	-	-	(113,415,292)
Insurance Purchased	(42,961,880)	(68,062,089)	(1,756,706)	(5,908,399)	(19,484,451)	(46,967,044)	(5,388,330)	(3,271,594)	(227,286,920)	-	(27,131,737)	-	-	-	(448,219,150)
Payments to Suppliers	(7,229,416)	(3,165,229)	46,478	(1,047,416)	(270,263)	(56,948)	(370,261)	-	(5,659,686)	(4,075,144)	-	(4,810,615)	(201,078)	-	(26,839,578)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	-	(6,751,471)	-	-	(6,751,471)
Internal Activities	(1,287,147)	1,540,202	(194,637)	139,918	(12,708,338)	(620,354)	574,281	(13,607)	46,314	(25,281)	(93,002)	12,474,736	166,915	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,474,544	29,917,026	(540,197)	13,541,813	7,600,034	(92,722)	(45,418)	52,415	(356,414)	2,211,976	(531,421)	2,646,586	(46,693)	-	55,831,529
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:															
Purchases of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	(984,329)	(221,989)	-	(1,206,318)
NET CASH (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	(984,329)	(221,989)	-	(1,206,318)
CASH FLOWS FROM INVESTING ACTIVITIES:															
Lease Receipts	-	-	-	-	-	-	-	-	-	-	-	-	423,319	-	423,319
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	(143,307)	-	(143,307)
Purchase of Securities	(35,942,920)	(185,245,553)	111,046	(86,752,839)	(8,927,088)	-	(15,526,467)	(96,829)	(4,891,834)	(10,551,004)	(1,815,129)	(8,188,609)	-	-	(357,827,226)
Sales of Securities	28,967,196	130,119,425	364,033	61,960,844	1,630,915	-	12,689,325	47,325	4,238,059	7,037,812	1,923,133	5,888,764	-	-	254,866,831
Cash from Investment Earnings	985,563	3,757,230	13,462	1,842,148	24,800	2,206	386,352	1,278	130,145	207,007	60,291	174,364	-	(292,785)	7,292,061
Cash from Finance Fees	28,277	14,175	-	16	-	402,694	-	237	-	-	55	21	-	-	445,475
Finance Fees Paid	-	-	-	-	-	(312,178)	-	(2,206)	-	-	-	-	(53,135)	292,785	(74,734)
Investment Expenses	-	-	-	-	-	-	-	-	-	-	-	(123,768)	-	-	(123,768)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,961,884)	(51,354,723)	488,541	(22,949,831)	(7,271,373)	92,722	(2,450,790)	(50,195)	(523,630)	(3,306,185)	168,350	(2,249,228)	226,877	-	(95,141,349)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,487,340)	(21,437,697)	(51,656)	(9,408,018)	328,661	-	(2,496,208)	2,220	(880,044)	(1,094,209)	(363,071)	(586,971)	(41,805)	-	(40,516,138)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,574,241	32,881,960	735,527	14,465,728	-	-	3,607,332	-	1,250,352	1,721,619	492,324	948,798	127,773	-	69,805,654
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,086,901	\$ 11,444,263	\$ 683,871	\$ 5,057,710	\$ 328,661	\$ -	\$ 1,111,124	\$ 2,220	\$ 370,308	\$ 627,410	\$ 129,253	\$ 361,827	\$ 85,968	\$ -	\$ 29,289,516

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Master Rolling OCIP	EIAHealth	Dental Program	Miscellaneous Programs	General Administration	Iron Point Building	Elimination of Inter-Fund Trans	Totals June 30, 2015
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:															
Operating Income (Loss)	\$ (4,041,941)	\$ (9,835,772)	\$ (718,015)	\$ 2,778,761	\$ 505,562	\$ 1,807,943	\$ (10,049)	\$ 21,765	\$ (139,693)	\$ 2,928,180	\$ (346,288)	\$ 2,205,339	\$ 102,466	\$ -	\$ (4,741,742)
Adjustments to reconcile operating income to net cash provided (used) by operating activities															
Depreciation	-	-	-	-	-	-	-	-	-	-	-	259,695	158,578	-	418,273
Changes in Assets and Liabilities															
Deposits, Accts & Other Receivables, net	(1,104,877)	1,114,954	(74,849)	3	14,293,884	2,923,732	4,908	378,303	-	(13,230)	324,241	(8,615)	-	-	17,838,454
Due From or To Other Funds	1,889,161	5,551,849	221,729	2,141,465	(11,486,735)	(85,976)	1,150,209	4,254	459,523	150,306	248,891	17,684	(262,360)	-	-
Prepaid Insurance and Exps	-	(9,482,965)	-	-	-	1,552,533	(109,991)	600,795	-	-	1,501,433	16,123	-	-	(5,922,072)
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	(587,253)	-	-	(587,253)
Accounts and Other Payables	552,023	931,678	97,489	50,731	9,763	58,307	16,801	(529,707)	(676,244)	(23,569)	(866,178)	340,313	(31,050)	-	(69,643)
Unearned Income	(12,186)	26,585,974	-	(29,437)	-	(13,379)	(136,225)	(422,995)	-	-	(1,393,520)	-	(14,327)	-	24,563,905
Claim Liabilities	1,987,366	14,456,056	(79,156)	9,370,757	4,280,194	(6,359,483)	(1,016,929)	-	-	(829,711)	-	-	-	-	21,809,094
Unallocated Loss Adjustment Expense Payable	2,204,998	595,252	12,605	(770,467)	(2,634)	23,601	55,858	-	-	-	-	-	-	-	2,119,213
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	25,044	-	-	25,044
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-	845,081	-	-	845,081
Net Pension Liability	-	-	-	-	-	-	-	-	-	-	-	(466,825)	-	-	(466,825)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,474,544	\$ 29,917,026	\$ (540,197)	\$ 13,541,813	\$ 7,600,034	\$ (92,722)	\$ (45,418)	\$ 52,415	\$ (356,414)	\$ 2,211,976	\$ (531,421)	\$ 2,646,586	\$ (46,693)	\$ -	\$ 55,831,529
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES															
Changes in unrealized gains (loss) on investments	\$ (181,093)	\$ (813,461)	\$ (2,276)	\$ (387,358)	\$ (10,196)	\$ -	\$ (79,329)	\$ (296)	\$ (26,495)	\$ (43,998)	\$ (12,023)	\$ (36,814)	\$ -	\$ -	\$ (1,593,339)

PRIMARY WORKERS' COMPENSATION



Primary Workers' Compensation

County Members: 12
Public Entity Members: 26

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 6,631,920	\$ 5,719,662
Cash, EIA Treasury	2,454,981	7,854,579
TOTAL CASH AND CASH EQUIVALENTS	9,086,901	13,574,241
Investments	11,816,269	19,143,947
Accounts Receivable		
Due from Members	881,573	3,020
Investment Income Receivable	187,404	180,755
Reinsurance Claims	907,732	681,408
Due from Other Funds	18,058,205	19,338,701
TOTAL CURRENT ASSETS	40,938,084	52,922,072
Noncurrent Assets:		
Investments	42,607,373	28,485,065
Due from Other Funds	5,719,489	6,328,154
TOTAL NONCURRENT ASSETS	48,326,862	34,813,219
TOTAL ASSETS	89,264,946	87,735,291
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,050,610	944,900
Dividends Payable to Members	4,000,000	5,500,000
Other Due to Members	158,456	279,986
Deposits from Members	392,965	-
Deposits from Insurance Companies	9,198,510	7,523,632
Unearned Premium from Members	-	12,186
Workers' Compensation Claims	11,000,000	11,200,000
TOTAL CURRENT LIABILITIES	25,800,541	25,460,704
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	3,911,277	3,741,065
Claims Incurred But Not Reported	5,761,861	3,744,707
Unallocated Loss Adjustment Expense Payable	27,902,817	25,697,819
TOTAL NONCURRENT LIABILITIES	37,575,955	33,183,591
TOTAL LIABILITIES	63,376,496	58,644,295
NET POSITION:		
Unrestricted	25,888,450	29,090,996
TOTAL NET POSITION	\$ 25,888,450	\$ 29,090,996

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 41,806,481	\$ 36,410,045
Broker Fees	1,340,347	1,340,341
Contributions for Retained Risk	20,744,949	20,719,666
Administration Fees	4,025,964	3,609,079
Public Entity Fees	158,491	162,586
Other Income	33,517	6,900
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	68,109,749	62,248,617
	<hr/>	<hr/>
OPERATING EXPENSES:		
Pool Dividends to Members	3,998,408	5,500,000
Insurance Expense	42,961,880	36,385,282
Broker Fees	1,340,451	1,340,341
Provision for Claims		
Current Year Claims	13,325,000	13,055,000
Prior Years' Claims	(2,524,908)	895,897
Provision for Unallocated Loss Adjustment Expenses	2,204,998	2,625,565
Program Services		
Claims Administration Services	6,071,418	6,190,484
Actuarial and Consulting Services	203,778	129,845
Claims Audits	55,233	95,000
Managed Care Program Review	97,080	96,000
Bank Fees and Services	35,002	35,688
Dept. of Industrial Relations Assessment	1,207,042	1,321,065
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	68,975,382	67,670,167
	<hr/>	<hr/>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(2,974,722)	(1,858,358)
Operating Transfer Out for Loss Prevention	(201,586)	(461,409)
	<hr/>	<hr/>
TOTAL OPERATING TRANSFERS	(3,176,308)	(2,319,767)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(4,041,941)	(7,741,317)
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	811,119	879,111
Member Financing Fees	28,276	23,107
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	839,395	902,218
	<hr/>	<hr/>
CHANGES IN NET POSITION	(3,202,546)	(6,839,099)
	<hr/>	<hr/>
Net Position, Beginning of Year	29,090,996	35,930,095
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 25,888,450	\$ 29,090,996
	<hr/>	<hr/>

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 67,490,445	\$ 61,531,681
Receipts from Others	(226,324)	959,251
Dividends Paid	(5,498,408)	(6,500,000)
Claims Paid	(8,812,726)	(11,088,912)
Insurance Purchased	(42,961,880)	(36,385,282)
Payments to Suppliers	(7,229,416)	(8,434,427)
Internal Activities	<u>(1,287,147)</u>	<u>(6,598,548)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,474,544</u>	<u>(6,516,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(35,942,920)	(13,797,828)
Sales of Securities	28,967,196	23,624,909
Cash from Investment Earnings	985,563	1,268,814
Finance Fees from Members	<u>28,277</u>	<u>23,107</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(5,961,884)</u>	<u>11,119,002</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,487,340)	4,602,765
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>13,574,241</u>	<u>8,971,476</u>
END OF YEAR	<u>\$ 9,086,901</u>	<u>\$ 13,574,241</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (4,041,941)	\$ (7,741,317)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(1,104,877)	986,697
Due From or To Other Funds	1,889,161	(4,278,781)
Unearned Premium from Members	(12,186)	(2,329)
Accounts and Other Payables	552,023	(968,057)
Claim Liabilities	1,987,366	2,861,985
Unallocated Loss Adjustment Expense Payable	<u>2,204,998</u>	<u>2,625,565</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,474,544</u>	<u>\$ (6,516,237)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u>\$ (181,093)</u>	<u>\$ (296,917)</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 44,383,591</u>	<u>\$ 38,896,041</u>
Incurred claims and claim adjustment expenses:		
Provision for claims		
current fiscal year	15,529,998	15,680,565
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(2,524,908)</u>	<u>895,897</u>
B. Total incurred claims and claim adjustment expenses	<u>13,005,090</u>	<u>16,576,462</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	3,951,291	5,999,562
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>4,861,435</u>	<u>5,089,350</u>
C. Total Payments	<u>8,812,726</u>	<u>11,088,912</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 48,575,955</u>	<u>\$ 44,383,591</u>
Current Claim Liabilities	\$ 11,000,000	\$ 11,200,000
Noncurrent Claim Liabilities	<u>37,575,955</u>	<u>33,183,591</u>
Total Claim Liabilities	<u>\$ 48,575,955</u>	<u>\$ 44,383,591</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 58,793,345	\$ 46,235,265	\$ 47,629,119	\$ 48,372,518	\$ 45,039,062	\$ 53,048,120	\$ 54,860,361	\$ 54,488,670	\$ 59,245,804	\$ 61,368,317
Less Ceded					(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,380,293)	(40,948,454)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(25,248,408)	-	-	-	-	-	-	-	-	-
Investment Earnings	6,310,481	5,307,593	5,955,628	3,245,765	726,610	582,469	225,476	151,332	-	-
1. Total Revenues Available For Payment of Claims	39,855,418	51,542,858	53,584,747	51,618,283	20,814,344	24,729,766	23,761,584	21,979,199	21,865,511	20,419,863
2. Less Unallocated Loss Adjustment Expense	1,360,735	4,206,776	4,522,162	4,706,982	4,692,391	9,035,843	7,311,369	7,109,090	10,137,114	9,483,459
3. Estimated Incurred Claims Less Ceded Claims	47,249,432	36,652,243	39,052,710	34,751,511	36,219,693	41,200,715	44,186,253	45,065,803	50,435,293	54,185,020
Net Incurred Claims and Expenses, End of Policy Year	47,249,432	36,652,243	39,052,710	34,751,511	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,254,915	7,190,327	7,806,978	7,763,711	5,301,114	6,304,731	5,988,250	5,631,790	5,999,562	3,951,291
One Year Later	13,398,470	16,927,377	18,499,334	26,216,412	8,672,943	10,080,439	9,699,440	9,572,554	9,632,916	
Two Years Later	17,722,081	22,224,475	48,919,481	26,216,412	9,127,073	10,752,137	10,403,922	10,324,845		
Three Years Later	20,127,711	55,165,957	48,919,481	26,216,412	9,310,650	11,004,419	10,648,791			
Four Years Later	31,909,840	55,165,957	48,919,481	26,216,412	9,423,077	11,094,997				
Five Years Later	31,909,840	55,165,957	48,919,481	26,216,412	9,500,091					
Six Years Later	31,909,840	55,165,957	48,919,481	26,216,412						
Seven Years Later	31,909,840	55,165,957	48,919,481							
Eight Years Later	31,909,840	55,165,957								
Nine Years Later	31,909,840									
5. Reestimated Ceded Claims and Expenses	-	-	-	-	29,433,798	36,218,742	35,625,319	29,342,502	14,735,261	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	47,243,432	36,652,243	39,052,710	34,751,511	11,268,365	12,299,892	12,862,000	12,405,000	13,055,000	13,325,000
One Year Later	31,220,564	40,968,782	44,407,005	26,216,412	10,203,556	12,700,000	11,441,000	12,595,000	12,382,000	
Two Years Later	30,304,725	39,855,170	48,919,481	26,216,412	11,868,000	11,815,000	11,397,000	11,445,000		
Three Years Later	29,652,293	55,165,957	48,919,481	26,216,412	11,004,000	11,789,000	11,048,000			
Four Years Later	31,909,840	55,165,957	48,919,481	26,216,412	10,934,000	11,500,000				
Five Years Later	31,909,840	55,165,957	48,919,481	26,216,412	10,902,000					
Six Years Later	31,909,840	55,165,957	48,919,481	26,216,412						
Seven Years Later	31,909,840	55,165,967	48,919,481							
Eight Years Later	31,909,840	55,165,967								
Nine Years Later	31,909,840									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (15,339,592)	\$ 18,513,724	\$ 9,866,771	\$ (8,535,099)	\$ (366,365)	\$ (799,892)	\$ (1,814,000)	\$ (960,000)	\$ (673,000)	\$ -

EXCESS WORKERS' COMPENSATION



Excess Workers' Compensation

County Members: 49
Public Entity Members: 117

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 11,444,263	\$ 32,881,960
TOTAL CASH & CASH EQUIVALENTS	11,444,263	32,881,960
Investments	55,083,321	80,143,119
Accounts Receivable		
Due from Members	758,031	47,769
Investment Income Receivable	873,610	756,703
Reinsurance Claims	2,222,132	4,047,348
Prepaid Insurance	9,482,965	-
Due from Other Funds	20,312,010	25,565,234
TOTAL CURRENT ASSETS	<u>100,176,332</u>	<u>143,442,133</u>
Noncurrent Assets:		
Investments	198,620,701	119,248,236
Due from Other Funds	26,662,260	26,491,819
TOTAL NONCURRENT ASSETS	<u>225,282,961</u>	<u>145,740,055</u>
TOTAL ASSETS	<u>325,459,293</u>	<u>289,182,188</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	534,731	100,886
Unearned Income	26,629,382	43,408
Deposits from Insurance Companies	500,000	500,000
Due to Members	966,474	468,641
Due to Other Funds	13,700,948	13,231,882
Workers' Compensation Claims	35,000,000	30,000,000
TOTAL CURRENT LIABILITIES	<u>77,331,535</u>	<u>44,344,817</u>
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	159,646,277	151,299,951
Claims Incurred But Not Reported	74,016,706	72,906,976
Unallocated Loss Adjustment Expense Payable	10,600,812	10,005,560
TOTAL NONCURRENT LIABILITIES	<u>244,263,795</u>	<u>234,212,487</u>
TOTAL LIABILITIES	<u>321,595,330</u>	<u>278,557,304</u>
NET POSITION:		
Unrestricted	3,863,963	10,624,884
TOTAL NET POSITION	<u>\$ 3,863,963</u>	<u>\$ 10,624,884</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 57,820,943	\$ 47,206,723
Broker Fees	2,647,487	2,345,832
Contributions for Retained Risk	38,640,930	28,335,627
Administration Fees	5,962,411	5,058,504
Public Entity Fees	257,276	217,632
Other Income	1,059	88,816
	TOTAL OPERATING REVENUES	83,253,134
	105,330,106	83,253,134
OPERATING EXPENSES:		
Insurance Expense	58,579,124	47,138,685
Broker Fees	2,646,255	2,345,769
Provision for Claims		
Current Year Claims	23,324,092	12,847,479
Prior Years' Claims	25,056,689	22,594,433
Provision for Unallocated Loss Adjustment Expenses	595,252	(779,826)
Program Services		
Actuarial, Legal & Managed Care Services	451,919	456,408
Claims Audits	500,900	451,882
	TOTAL OPERATING EXPENSES	85,054,830
	111,154,231	85,054,830
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(3,629,999)	(2,660,474)
Operating Transfer Out for Loss Prevention	(381,648)	(876,228)
	TOTAL OPERATING TRANSFERS	(3,536,702)
	(4,011,647)	(3,536,702)
	OPERATING INCOME (LOSS)	(5,338,398)
	(9,835,772)	(5,338,398)
NONOPERATING REVENUES (EXPENSES):		
Investment Income	3,060,676	3,097,131
Member Financing Fees	14,175	10,226
	TOTAL NONOPERATING REVENUES (EXPENSES)	3,107,357
	3,074,851	3,107,357
	CHANGES IN NET POSITION	(2,231,041)
	(6,760,921)	(2,231,041)
Net Position, Beginning of Year	10,624,884	12,855,925
	NET POSITION, END OF YEAR	\$ 10,624,884
	\$ 3,863,963	\$ 10,624,884

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

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 131,703,651	\$ 82,754,762
Receipts from Others	1,825,216	(1,854,464)
Claims Paid	(33,924,725)	(31,998,834)
Insurance Purchased	(68,062,089)	(47,051,619)
Payments to Suppliers	(3,165,229)	(3,216,688)
Internal Activities	<u>1,540,202</u>	<u>(13,680,925)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>29,917,026</u>	<u>(15,047,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(185,245,553)	(72,314,612)
Sales of Securities	130,119,425	95,037,955
Cash from Investment Earnings	3,757,230	4,592,536
Finance Fees from Members	<u>14,175</u>	<u>10,226</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(51,354,723)</u>	<u>27,326,105</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,437,697)	12,278,337
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>32,881,960</u>	<u>20,603,623</u>
END OF YEAR	<u><u>\$ 11,444,263</u></u>	<u><u>\$ 32,881,960</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (9,835,772)	\$ (5,338,398)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	1,114,954	(1,554,036)
Prepaid Insurance	(9,482,965)	-
Due From or To Other Funds	5,551,849	(10,144,223)
Accounts and Other Payables	931,678	(679,632)
Unearned Income	26,585,974	5,269
Claim Liabilities	14,456,056	3,443,078
Unallocated Loss Adjustment Expense Payable	<u>595,252</u>	<u>(779,826)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 29,917,026</u></u>	<u><u>\$ (15,047,768)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (813,461)</u></u>	<u><u>\$ (1,194,436)</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 264,212,487</u>	<u>\$ 261,549,235</u>
Incurred claims and claim adjustment expenses:		
Provision for claims		
Current fiscal year	23,919,344	12,067,653
Prior fiscal years	<u>25,056,689</u>	<u>22,594,433</u>
B. Total incurred claims and claim adjustment expenses	<u>48,976,033</u>	<u>34,662,086</u>
Payments attributable to insured events of the		
Current fiscal year	640,286	-
Prior fiscal years:	<u>33,284,439</u>	<u>31,998,834</u>
C. Total Payments	<u>33,924,725</u>	<u>31,998,834</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 279,263,795</u></u>	<u><u>\$ 264,212,487</u></u>
Current Claim Liabilities	\$ 35,000,000	\$ 30,000,000
Noncurrent Claim Liabilities	<u>244,263,795</u>	<u>234,212,487</u>
Total Claim Liabilities	<u><u>\$ 279,263,795</u></u>	<u><u>\$ 264,212,487</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

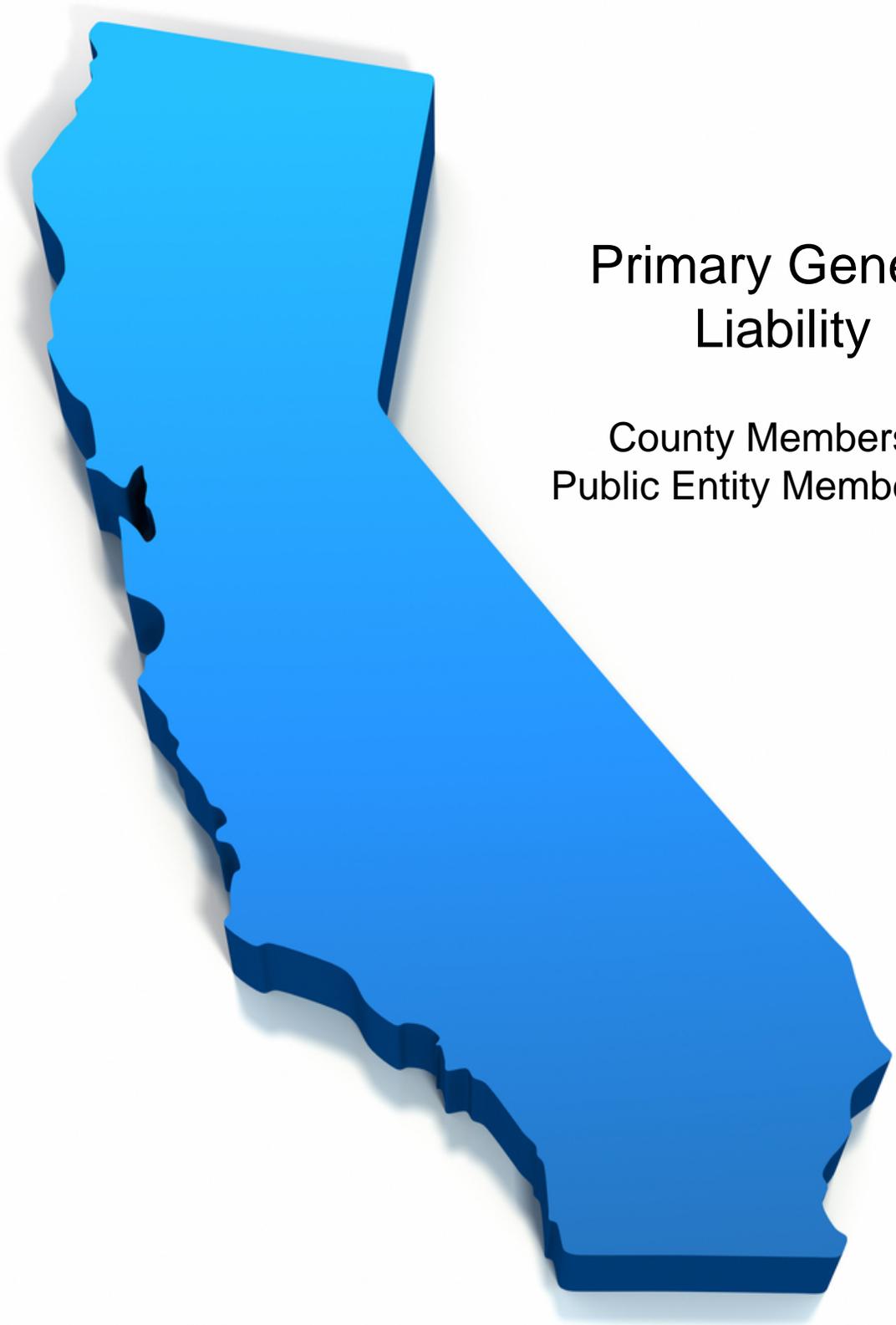
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 61,714,023	\$ 63,726,804	\$ 62,477,689	\$ 52,184,473	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,872,261	\$ 95,838,812
Less Ceded	(19,925,812)	(20,451,452)	(22,040,208)	(32,694,500)	(29,508,521)	(33,932,092)	(38,700,636)	(26,470,050)	(47,448,283)	(57,198,059)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	10,515,335	8,893,321	6,403,221	1,846,877	1,604,608	952,950	589,740	892,606	635,797	400,921
1. Total Revenues Available For Payment of Claims	52,303,546	52,168,673	46,840,702	21,336,850	20,242,913	19,761,321	18,490,886	38,481,986	31,059,775	39,041,674
2. Unallocated Loss Adjustment Expense	723,173	987,187	1,037,935	626,443	777,446	665,980	352,436	654,781	447,313	839,968
3. Estimated Incurred Claims Less Ceded Claims	46,912,468 (19,925,812)	48,038,272 (20,451,452)	51,656,148 (22,040,208)	46,380,300 (32,694,500)	45,844,808 (29,508,521)	51,347,831 (33,932,092)	47,772,920 (38,700,636)	43,142,223 (26,470,050)	60,295,762 (47,448,283)	80,522,151 (57,198,059)
Net Incurred Claims and Expenses, End of Policy Year	26,986,656	27,586,820	29,615,940	13,685,800	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092
4. Cumulative Paid Claims as of:										
End of the Policy Year	61,440	-	-	80,573	-	43,862	23,688	38,785	-	950,641
One Year Later	968,776	1,500,771	149,378	253,852	106,437	230,188	329,202	281,003	2,361,141	
Two Years Later	1,895,972	2,930,749	2,329,306	662,838	515,533	627,868	785,063	2,103,809		
Three Years Later	3,603,057	4,609,582	3,806,626	5,131,474	1,281,938	1,344,807	1,544,493			
Four Years Later	4,551,854	8,091,482	5,996,177	7,021,243	2,117,003	2,074,489				
Five Years Later	6,186,031	10,871,389	8,591,259	12,173,038	3,129,849					
Six Years Later	7,667,321	13,177,069	11,959,712	16,560,978						
Seven Years Later	11,699,013	16,644,073	15,634,894							
Eight Years Later	13,460,831	19,859,018								
Nine Years Later	16,055,208									
5. Reestimated Ceded Claims and Expenses	6,939,747	-	-	33,661,198	24,466,199	23,959,480	18,803,568	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	26,986,656	27,586,820	29,615,940	13,685,800	16,336,287	17,415,739	9,072,284	16,672,173	12,847,479	23,324,092
One Year Later	32,672,718	29,842,070	28,351,050	20,519,114	16,902,842	18,075,962	9,517,002	18,675,566	14,275,787	
Two Years Later	36,060,675	28,871,552	32,207,743	25,050,003	18,604,330	17,868,492	10,336,945	19,544,588		
Three Years Later	34,774,900	37,566,684	34,698,516	27,689,168	20,268,964	18,601,508	10,932,012			
Four Years Later	33,303,388	36,058,769	36,547,866	27,105,017	20,649,905	19,813,588				
Five Years Later	31,067,050	39,070,613	37,627,214	28,602,557	23,837,950					
Six Years Later	32,034,227	38,888,948	40,712,273	33,246,965						
Seven Years Later	30,457,802	43,889,718	43,281,390							
Eight Years Later	32,418,682	46,153,789								
Nine Years Later	35,317,687									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 8,331,031	\$ 18,566,969	\$ 13,665,450	\$ 19,561,165	\$ 7,501,663	\$ 2,397,849	\$ 1,859,728	\$ 2,872,415	\$ 1,428,308	\$ -

PRIMARY GENERAL LIABILITY



Primary General Liability

County Members: 6
Public Entity Members: 17

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 626,182	\$ 445,902
Cash, EIA Treasury	57,689	289,625
TOTAL CASH & CASH EQUIVALENTS	683,871	735,527
Investments	277,668	705,902
Accounts Receivable		
Due From Members	145,721	476,851
Investment Income Receivable	4,404	6,665
Reinsurance Claims	437,035	31,056
Due from Other Funds	102,390	225,179
TOTAL CURRENT ASSETS	1,651,089	2,181,180
Noncurrent Assets:		
Investments	1,001,220	1,050,341
Due from Other Funds	134,401	233,341
TOTAL NONCURRENT ASSETS	1,135,621	1,283,682
TOTAL ASSETS	2,786,710	3,464,862
LIABILITIES:		
Current Liabilities:		
Accounts Payable	69,015	3,434
Due to Members	255,526	274,949
Dividends Payable to Members	450,000	450,000
Deposits from Insurance Companies	251,331	200,000
Claim Liabilities	81,397	160,553
TOTAL CURRENT LIABILITIES	1,107,269	1,088,936
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	116,323	103,718
TOTAL NONCURRENT LIABILITIES	116,323	103,718
TOTAL LIABILITIES	1,223,592	1,192,654
NET POSITION:		
Unrestricted	1,563,118	2,272,208
TOTAL NET POSITION	\$ 1,563,118	\$ 2,272,208

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums For Transferred Risk	\$ 1,756,708	\$ 1,742,957
Broker Fees	42,083	53,229
Administration Fees	331,432	316,257
Public Entity Fees	1,708	2,332
Other Income	14,720	3,000
	TOTAL OPERATING REVENUES	2,117,775
OPERATING EXPENSES:		
Dividends to Members	450,000	450,000
Insurance Expense	1,756,706	1,742,957
Broker Fees	42,084	53,229
Provision for Claims		
Prior Years' Claims	158,555	(22,834)
Provision for Unallocated Loss Adjustment Expenses	12,605	(54,323)
Program Services		
Actuarial Services	21,195	26,461
Claims Audits	4,250	4,016
Bank Services and Fees	2,905	2,933
	TOTAL OPERATING EXPENSES	2,202,439
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(401,034)	(418,388)
Operating Transfer Out for Loss Prevention	(15,332)	(38,845)
	TOTAL OPERATING TRANSFERS	(457,233)
	OPERATING INCOME (LOSS)	(541,897)
NONOPERATING REVENUE (EXPENSES):		
Investment Income	8,908	28,740
Financing Fees	17	22
	TOTAL NONOPERATING REVENUES (EXPENSES)	28,762
	CHANGES IN NET POSITION	(513,135)
Net Position, Beginning of Year	2,272,208	2,785,343
	NET POSITION, END OF YEAR	\$ 2,272,208

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 2,443,638	\$ 1,669,364
Receipts from Others	(391,259)	179,474
Dividends Paid	(450,000)	(450,000)
Claims Paid	(237,711)	(259,852)
Insurance Purchased	(1,756,706)	(1,742,957)
Payments to Suppliers	46,478	86,286
Internal Activities	(194,637)	(478,161)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(540,197)	(995,846)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	111,046	(167,253)
Sales of Securities	364,033	856,664
Cash from Investment Earnings	13,462	44,498
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	488,541	733,909
	<hr/>	<hr/>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(51,656)	(261,937)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	735,527	997,464
	<hr/>	<hr/>
END OF YEAR	\$ 683,871	\$ 735,527
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (718,015)	\$ (541,897)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(74,849)	(131,734)
Due From or To Other Funds	221,729	(20,928)
Accounts and Other Payables	97,489	63,632
Unearned Income	-	(27,910)
Claim Liabilities	(79,156)	(282,686)
Unallocated Loss Adjustment Expense Payable	12,605	(54,323)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (540,197)	\$ (995,846)
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (2,276)	\$ (10,767)
	<hr/> <hr/>	<hr/> <hr/>

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 264,271</u>	<u>\$ 601,280</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	12,605	(54,323)
Increase (Decrease) in the provision for claims of prior fiscal years	<u>158,555</u>	<u>(22,834)</u>
B. Total incurred claims and claim adjustment expenses	<u>171,160</u>	<u>(77,157)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>237,711</u>	<u>259,852</u>
C. Total Payments	<u>237,711</u>	<u>259,852</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 197,720</u>	<u>\$ 264,271</u>
Current Claim Liabilities	\$ 81,397	\$ 160,553
Noncurrent Claim Liabilities	116,323	103,718
Total Claim Liabilities	<u>\$ 197,720</u>	<u>\$ 264,271</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
SCHEDULE OF EARNED PREMIUM CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	Fully Insured Years									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Insurance Premiums	\$ 3,390,100	\$ 2,910,577	\$ 3,300,530	\$ 3,880,521	\$ 2,127,964	\$ 1,888,464	\$ 2,035,654	\$ 1,868,680	\$ 1,742,957	\$ 1,756,708
Less Ceded	(2,642,496)	(2,478,758)	(2,368,037)	(2,627,972)	(2,127,964)	(1,888,464)	(2,035,654)	(1,868,680)	(1,742,957)	(1,756,708)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(110,000)	(110,000)	(450,000)	(685,516)	-	-	-	-	-	-
Investment Earnings	89,881	94,806	170,133	291,681	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	727,485	416,625	652,626	858,714	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	(412)	68,383	16,993	17,652	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	1,865,386	1,944,886	2,674,081	1,262,000	2,127,964	1,888,464	2,035,654	1,868,680	1,742,957	1,756,708
Net Incurred Claims and Expenses, End of Policy Year	169,568	172,096	362,443	783,945	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	726,551	-	-	-	-	-	-
Four Years Later	-	-	2,474,714	774,908	-	-	-	-	-	-
Five Years Later	-	1,811,186	2,569,186	893,904	-	-	-	-	-	-
Six Years Later	1,722,638	1,811,226	2,687,499	1,005,269	-	-	-	-	-	-
Seven Years Later	1,723,108	1,826,515	2,777,921	-	-	-	-	-	-	-
Eight Years Later	1,724,001	1,855,522	-	-	-	-	-	-	-	-
Nine Years Later	1,725,820	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,694,910	1,771,627	2,308,563	468,352	2,377,444	1,309,618	1,074,046	1,331,498	1,589,418	367,306
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	-	-	-	-	-	-	-	-	-
Two Years Later	-	-	-	-	-	-	-	-	-	-
Three Years Later	-	-	-	783,945	-	-	-	-	-	-
Four Years Later	-	-	362,443	452,236	-	-	-	-	-	-
Five Years Later	-	172,096	342,604	468,874	-	-	-	-	-	-
Six Years Later	169,568	129,872	399,692	539,566	-	-	-	-	-	-
Seven Years Later	100,334	105,584	478,174	-	-	-	-	-	-	-
Eight Years Later	28,148	130,583	-	-	-	-	-	-	-	-
Nine Years Later	29,714	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (139,854)	\$ (41,513)	\$ 115,731	\$ (244,379)	\$ -					

GENERAL LIABILITY I



General Liability I

County Members: 41
Public Entity Members: 63

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 5,057,710	\$ 14,465,728
TOTAL CASH & CASH EQUIVALENTS	5,057,710	14,465,728
Investments	24,343,681	35,257,284
Accounts Receivable		
Due from Members	17	20
Investment Income Receivable	386,086	332,895
Due From Other Funds	8,976,748	11,246,888
TOTAL CURRENT ASSETS	<u>38,764,242</u>	<u>61,302,815</u>
Noncurrent Assets:		
Investments	87,779,001	52,460,760
Due From Other Funds	11,783,195	11,654,520
TOTAL NONCURRENT ASSETS	<u>99,562,196</u>	<u>64,115,280</u>
TOTAL ASSETS	<u>138,326,438</u>	<u>125,418,095</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	73,870	23,138
Unearned Income	-	29,437
Claims Liabilities	20,000,000	22,000,000
TOTAL CURRENT LIABILITIES	<u>20,073,870</u>	<u>22,052,575</u>
Noncurrent Liabilities:		
Claims Liabilities		
Claims Reported	35,837,290	23,091,482
Claims Incurred But Not Reported	41,761,974	43,137,025
Unallocated Loss Adjustment Expense Payable	1,543,491	2,313,958
TOTAL NONCURRENT LIABILITIES	<u>79,142,755</u>	<u>68,542,465</u>
TOTAL LIABILITIES	<u>99,216,625</u>	<u>90,595,040</u>
NET POSITION:		
Unrestricted	39,109,813	34,823,055
TOTAL NET POSITION	<u>\$ 39,109,813</u>	<u>\$ 34,823,055</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 6,267,249	\$ 4,268,601
Broker Fees	729,210	654,848
Contributions for Retained Risk	28,658,551	25,312,100
Administration Fees	2,282,628	1,800,096
Public Entity Fees	57,690	50,000
Other Income	350	1,400
	TOTAL OPERATING REVENUES	32,087,045
OPERATING EXPENSES:		
Insurance Expense	5,908,399	4,112,162
Broker Fees	729,138	654,845
Provision for Claims		
Current Year Claims	23,484,390	22,705,020
Prior Years' Claims	3,494,901	6,543,755
Provision for Unallocated Loss Adjustment Expenses	(770,467)	298,972
Program Services		
Actuarial and Consulting Services	134,582	118,166
Legal Expenses & Labor Law Services	203,001	45,810
Claims Audits	31,426	41,950
	TOTAL OPERATING EXPENSES	34,520,680
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(1,863,547)	(1,338,492)
Operating Transfer Out for Loss Prevention	(138,000)	(366,757)
	TOTAL OPERATING TRANSFERS	(1,705,249)
	OPERATING INCOME (LOSS)	(4,138,884)
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,507,981	1,436,572
Member Finance Fees	16	20
	TOTAL NONOPERATING REVENUES (EXPENSES)	1,436,592
	CHANGES IN NET POSITION	(2,702,292)
Net Position, Beginning of Year	34,823,055	37,525,347
	NET POSITION, END OF YEAR	\$ 34,823,055

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 37,966,244	\$ 32,092,540
Claims Paid	(17,608,534)	(21,963,732)
Dividends Paid	-	(3,000,000)
Insurance Purchased	(5,908,399)	(4,112,162)
Payments to Suppliers	(1,047,416)	(845,258)
Internal Activities	<u>139,918</u>	<u>(7,351,115)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,541,813</u>	<u>(5,179,727)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(86,752,839)	(34,264,559)
Sales of Securities	61,960,844	42,871,578
Cash from Investment Earnings	1,842,148	2,101,268
Finance Fees from Members	<u>16</u>	<u>20</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(22,949,831)</u>	<u>10,708,307</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,408,018)	5,528,580
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>14,465,728</u>	<u>8,937,148</u>
END OF YEAR	<u>\$ 5,057,710</u>	<u>\$ 14,465,728</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,778,761	\$ (4,138,884)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	3	(20)
Due From or To Other Funds	2,141,465	(5,645,866)
Accounts and Other Payables	50,731	(2,984,487)
Unearned Income	(29,437)	5,515
Claim Liabilities	9,370,757	7,285,043
Unallocated Loss Adjustment Expense Payable	<u>(770,467)</u>	<u>298,972</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 13,541,813</u>	<u>\$ (5,179,727)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u>\$ (387,358)</u>	<u>\$ (538,810)</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 90,542,465</u>	<u>\$ 82,958,450</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	22,713,923	23,003,992
Increase (Decrease) in the provision for claims of prior fiscal years	<u>3,494,901</u>	<u>6,543,755</u>
B. Total incurred claims and claim adjustment expenses	<u>26,208,824</u>	<u>29,547,747</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>17,608,534</u>	<u>21,963,732</u>
C. Total Payments	<u>17,608,534</u>	<u>21,963,732</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 99,142,755</u>	<u>\$ 90,542,465</u>
Current Claim Liabilities	\$ 20,000,000	\$ 22,000,000
Noncurrent Claim Liabilities	<u>79,142,755</u>	<u>68,542,465</u>
Total Claim Liabilities	<u>\$ 99,142,755</u>	<u>\$ 90,542,465</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	Sept. 30 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 27,739,091	\$ 18,831,951	\$ 26,940,406	\$ 30,993,979	\$ 32,772,965	\$ 31,958,996	\$ 29,597,496	\$ 28,876,024	\$ 29,671,132	\$ 35,247,160
Less Ceded	(1,970,174)	(2,510,249)	(2,052,476)	(2,013,394)	(2,381,428)	(2,742,959)	(3,745,830)	(3,702,537)	(4,268,601)	(6,267,249)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	3,833,087	2,752,533	3,687,211	3,373,530	2,824,168	1,062,387	785,785	603,716	547,019	297,631
1. Total Revenues Available For Payment of Claims	29,602,004	19,074,235	28,575,141	32,354,115	33,215,705	30,278,424	26,637,451	25,777,203	25,949,550	29,277,542
2. Unallocated Loss Adjustment Expense	55,793	9,108	(3,235)	145,068	15,764	55,318	138,835	244,701	361,502	481,395
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	32,178,257 (1,970,174) 30,208,083	14,191,436 (2,510,249) 11,681,187	23,929,123 (2,052,476) 21,876,647	23,946,567 (2,013,394) 21,933,173	17,650,135 (2,381,428) 15,268,707	19,593,744 (2,742,959) 16,850,785	20,336,498 (3,745,830) 16,590,668	24,388,707 (3,702,537) 20,686,170	26,973,621 (4,268,601) 22,705,020	29,751,639 (6,267,249) 23,484,390
4. Cumulative Paid Claims as of:										
End of the Policy Year	253,756	-	2,847	-	653,593	-	241,064	-	-	-
One Year Later	1,988,739	39,758	2,899,925	172,455	348,252	104,565	666,287	1,668,017	2,443,124	-
Two Years Later	9,206,329	5,524,791	7,975,068	4,894,740	2,389,423	2,483,193	2,473,149	3,879,513	-	-
Three Years Later	15,039,833	8,404,439	15,431,317	9,708,129	10,758,833	18,803,527	7,001,701	-	-	-
Four Years Later	20,656,595	11,379,531	18,156,840	16,936,818	11,549,612	22,031,298	-	-	-	-
Five Years Later	22,690,663	12,657,464	20,302,454	17,283,899	13,166,381	-	-	-	-	-
Six Years Later	25,610,958	13,134,501	20,791,434	17,220,058	-	-	-	-	-	-
Seven Years Later	29,388,908	13,433,469	23,790,631	-	-	-	-	-	-	-
Eight Years Later	29,382,104	13,475,637	-	-	-	-	-	-	-	-
Nine Years Later	29,394,741	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,518,783	29,119	85,000	1,278,000	602,767	4,128,286	12,475,143	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	30,208,083	11,681,187	21,876,647	21,933,173	15,268,707	16,850,785	16,590,668	20,686,170	22,705,020	23,484,390
One Year Later	22,854,487	10,508,940	19,125,703	25,729,463	17,577,212	21,106,865	20,336,498	20,279,342	24,596,512	-
Two Years Later	21,048,207	11,739,972	17,506,533	21,620,740	18,211,819	19,593,744	19,869,339	19,432,855	-	-
Three Years Later	28,697,653	13,803,748	25,395,916	23,001,488	17,650,135	26,300,275	19,100,002	-	-	-
Four Years Later	28,822,601	15,616,582	23,429,414	23,946,567	16,847,051	28,275,182	-	-	-	-
Five Years Later	31,330,377	14,464,385	23,929,123	25,984,055	15,642,639	-	-	-	-	-
Six Years Later	31,329,567	14,191,436	23,360,479	25,065,797	-	-	-	-	-	-
Seven Years Later	32,178,257	14,221,203	26,613,419	-	-	-	-	-	-	-
Eight Years Later	32,542,873	14,014,389	-	-	-	-	-	-	-	-
Nine Years Later	32,449,391	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 2,241,308	\$ 2,333,202	\$ 4,736,772	\$ 3,132,624	\$ 373,932	\$ 11,424,397	\$ 2,509,334	\$ (1,253,315)	\$ 1,891,492	\$ -

GENERAL LIABILITY II



General Liability II

County Members: 8
Public Entity Members: 3

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 328,661	\$ -
TOTAL CASH & CASH EQUIVALENTS	328,661	-
Investments	1,581,906	-
Accounts Receivable		
Investment Income Receivable	25,089	-
Reinsurance Claims	31,894	14,325,778
Due from Other Funds	583,329	-
TOTAL CURRENT ASSETS	<u>2,550,879</u>	<u>14,325,778</u>
Noncurrent Assets:		
Investments	5,704,071	-
Due from Other Funds	765,698	-
TOTAL NONCURRENT ASSETS	<u>6,469,769</u>	<u>-</u>
TOTAL ASSETS	<u>9,020,648</u>	<u>14,325,778</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	25,819	16,056
Due to Other Funds	-	10,137,708
Claim Liabilities	7,952,089	3,671,895
TOTAL CURRENT LIABILITIES	<u>7,977,908</u>	<u>13,825,659</u>
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	491,390	494,024
TOTAL NONCURRENT LIABILITIES	<u>491,390</u>	<u>494,024</u>
TOTAL LIABILITIES	<u>8,469,298</u>	<u>14,319,683</u>
NET POSITION:		
Unrestricted	551,350	6,095
TOTAL NET POSITION	<u>\$ 551,350</u>	<u>\$ 6,095</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 19,484,455	\$ 22,699,999
Broker Fees	367,136	311,355
Contributions for Retained Risk	7,000,000	-
Administration Fees	1,506,263	1,296,714
Public Entity Fees	49,335	40,622
Other Income	81,819	138,165
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	28,489,008	24,486,855
OPERATING EXPENSES:		
Insurance Expense	19,484,451	22,700,000
Broker Fees	152,318	48,075
Provision for Claims		
Current Year Claims	7,000,000	-
Prior Years' Claims	-	-
Provision for Unallocated Loss Adjustment Expenses	(2,634)	64,022
Program Services		
Consulting and Legal Services	86,295	326,261
Actuarial Studies	14,690	13,646
Claim Audits	26,723	2,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	26,761,843	23,154,004
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(1,170,981)	(842,850)
Operating Transfer Out for Loss Prevention	(50,622)	(208,496)
	<hr/>	<hr/>
TOTAL OPERATING TRANSFERS	(1,221,603)	(1,051,346)
OPERATING INCOME (LOSS)	505,562	281,505
NONOPERATING REVENUES (EXPENSES):		
Investment Income	39,693	31,479
Financing Fees	-	(1,916)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUE (EXPENSES)	39,693	29,563
CHANGES IN NET POSITION	545,255	311,068
Net Position, Beginning of Year	6,095	(304,973)
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 551,350	\$ 6,095
	<hr/> <hr/>	<hr/> <hr/>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 28,407,189	\$ 24,370,474
Receipts from Others	14,375,703	(14,123,450)
Claims Paid	(2,719,806)	(3,704,819)
Insurance Purchased	(19,484,451)	(22,700,000)
Payments to Suppliers	(270,263)	(407,369)
Internal Activities	(12,708,338)	10,127,047
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,438,117)
	7,600,034	5,899,116
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,927,088)	-
Sales of Securities	1,630,915	5,830,076
Cash from Investment Earnings	24,800	70,956
Investment Expenses	-	(1,916)
	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,899,116
	(7,271,373)	5,899,116
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	328,661	(539,001)
CASH AND CASH EQUIVALENTS:		
	BEGINNING OF YEAR	539,001
	0	539,001
	END OF YEAR	0
	\$ 328,661	\$ 0
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 505,562	\$ 281,505
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	14,293,884	(14,239,831)
Due From or To Other funds	(11,486,735)	11,178,393
Accounts and Other Payables	9,763	(17,387)
Claim Liabilities	4,280,194	(3,704,819)
Unallocated Loss Adjustment Expense Payable	(2,634)	64,022
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,438,117)
	\$ 7,600,034	\$ (6,438,117)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (10,196)	\$ (11,807)

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 4,165,919</u>	<u>\$ 7,806,716</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	6,997,366	64,022
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>-</u>
B. Total incurred claims and claim adjustment expenses	<u>6,997,366</u>	<u>64,022</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,719,806</u>	<u>3,704,819</u>
C. Total Payments	<u>2,719,806</u>	<u>3,704,819</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 8,443,479</u>	<u>\$ 4,165,919</u>
Current Claim Liabilities	\$ 7,952,089	\$ 3,671,895
Noncurrent Claim Liabilities	491,390	494,024
Total Claim Liabilities	<u>\$ 8,443,479</u>	<u>\$ 4,165,919</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012*	June 30, 2013*	June 30, 2014*	June 30, 2015**
Earned Premiums	\$ 12,065,869	\$ 13,353,917	\$ 17,300,000	\$ 18,463,239	\$ 21,085,943	\$ 19,925,721	\$ 18,075,370	\$ 19,467,217	\$ 22,700,000	\$ 26,484,451
Less Ceded	(12,065,869)	(10,745,015)	(11,300,000)	(10,395,543)	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)	(19,484,451)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	2,308,131	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	2,608,902	6,000,000	8,067,696	9,207,585	8,578,800	-	-	-	7,000,000
2. Unallocated Loss Adjustment Expense	-	-	-	116,761	111,652	124,158	56,826	20,605	64,022	(2,634)
3. Estimated Incurred Claims Less Ceded Claims	12,065,869 (12,065,869)	13,535,916 (10,927,014)	17,300,000 (11,300,000)	18,463,239 (10,395,543)	21,085,943 (14,186,489)	19,925,721 (11,346,921)	18,075,370 (18,075,370)	19,467,217 (19,467,217)	22,700,000 (22,700,000)	26,484,451 (19,484,451)
Net Incurred Claims and Expenses, End of Policy Year	-	2,608,902	6,000,000	8,067,696	6,899,454	8,578,800	-	-	-	7,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	-	-	-	-	-	-
One Year Later	-	9,445	897,884	-	-	-	-	-	-	-
Two Years Later	-	16,095	3,247,624	921,340	-	5,250,000	-	-	-	-
Three Years Later	-	2,608,902	6,000,000	8,067,696	4,657,656	5,955,652	-	-	-	-
Four Years Later	-	2,608,903	6,000,000	8,067,696	7,657,656	8,578,800	-	-	-	-
Five Years Later	-	2,608,903	6,000,000	8,067,696	7,858,906	-	-	-	-	-
Six Years Later	-	2,608,903	6,000,000	8,067,696	-	-	-	-	-	-
Seven Years Later	-	2,608,903	6,000,000	-	-	-	-	-	-	-
Eight Years Later	-	2,608,903	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	30,499,843	4,899,946	14,369,462	4,975,575	4,043,037	11,710,389	46,806,428	11,517,167	17,424,981	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	-	2,608,902	6,000,000	8,067,696	6,899,454	8,578,800	-	-	-	7,000,000
One Year Later	-	2,608,902	6,000,000	8,067,696	7,834,960	8,578,800	-	-	-	-
Two Years Later	-	2,608,902	6,000,000	8,067,696	8,072,213	8,578,800	-	-	-	-
Three Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	8,578,800	-	-	-	-
Four Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	8,578,800	-	-	-	-
Five Years Later	-	2,608,902	6,000,000	8,067,696	8,705,570	-	-	-	-	-
Six Years Later	-	2,608,902	6,000,000	8,067,696	-	-	-	-	-	-
Seven Years Later	-	2,608,902	6,000,000	-	-	-	-	-	-	-
Eight Years Later	-	2,608,902	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -

* Fully Insured

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

PROPERTY



Property

County Members: 54
Public Entity Members: 31

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	<u>-</u>	<u>-</u>
Accounts Receivable		
Due from Members	13,857,539	16,781,271
Prepaid Insurance	35,379,129	37,203,724
Due from Other Funds	473,175	250,000
TOTAL CURRENT ASSETS	<u>49,709,843</u>	<u>54,234,995</u>
Noncurrent Assets:		
Prepaid Insurance	44,672,062	44,400,000
TOTAL NON-CURRENT ASSETS	<u>44,672,062</u>	<u>44,400,000</u>
TOTAL ASSETS	<u>94,381,905</u>	<u>98,634,995</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	46,454	-
Due to Other Funds	38,467,992	38,602,855
Due to Members	127,118	115,265
Unearned Fronting Fees	1,309,051	1,322,430
Claim Liabilities	3,715,009	10,074,492
TOTAL CURRENT LIABILITIES	<u>43,665,624</u>	<u>50,115,042</u>
Noncurrent Liabilities:		
Due to Other Funds	44,672,062	44,400,000
Unallocated Loss Adjustment Expense Payable	127,240	103,639
TOTAL NONCURRENT LIABILITIES	<u>44,799,302</u>	<u>44,503,639</u>
TOTAL LIABILITIES	<u>88,464,926</u>	<u>94,618,681</u>
NET POSITION:		
Unrestricted	5,916,979	4,016,314
TOTAL NET POSITION	<u>\$ 5,916,979</u>	<u>\$ 4,016,314</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 48,609,374	\$ 46,060,305
Broker Fees	28,968	11,821
Reinsurance Dividends	127,118	115,265
Contributions for Retained Risk	8,820,398	11,749,958
Administration Fees	642,960	646,445
Public Entity Fees	79,803	79,073
Other Income	674,665	693,611
	<u>58,983,286</u>	<u>59,356,478</u>
OPERATING EXPENSES:		
Dividends to Members	127,118	115,265
Insurance Expense	48,519,577	45,864,266
Broker Fees	28,968	11,821
Provision for Claims	7,867,267	11,749,958
Provision for Unallocated Loss Adjustment Expenses	23,601	27,473
Program Services		
Property Appraisals and Consulting	74,434	21,496
	<u>56,640,965</u>	<u>57,790,279</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(375,305)	(267,057)
Operating Transfer Out for Loss Prevention	(159,073)	(218,554)
	<u>(534,378)</u>	<u>(485,611)</u>
	<u>1,807,943</u>	<u>1,080,588</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	2,206	1,750
Member Financing Fees	402,694	304,448
Program Financing Expense	(312,178)	(236,562)
	<u>92,722</u>	<u>69,636</u>
	<u>1,900,665</u>	<u>1,150,224</u>
	<u>4,016,314</u>	<u>2,866,090</u>
	<u>\$ 5,916,979</u>	<u>\$ 4,016,314</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 61,218,974	\$ 55,673,497
Receipts from Others	674,665	693,611
Dividends Paid	(115,265)	(115,265)
Claims Paid	(14,226,750)	(11,493,505)
Insurance Purchased	(46,967,044)	(57,497,177)
Payments to Suppliers	(56,948)	(122,892)
Internal Activities	<u>(620,354)</u>	<u>12,792,095</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(92,722)</u>	<u>(69,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from Investment Earnings	2,206	1,750
Member Financing Fees	402,694	304,448
Program Financing Expenses	<u>(312,178)</u>	<u>(236,562)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>92,722</u>	<u>69,636</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,807,943	\$ 1,080,588
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	2,923,732	(3,100,475)
Due From or To Other Funds	(85,976)	13,277,706
Prepaid Insurance	1,552,533	(11,632,911)
Accounts and Other Payables	58,307	(217,082)
Deferred Premium Inflows from Members	(13,379)	238,612
Claim Liabilities	(6,359,483)	256,453
Unallocated Loss Adjustment Expense Payable	<u>23,601</u>	<u>27,473</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (92,722)</u>	<u>\$ (69,636)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u>\$ -</u>	<u>\$ -</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 10,178,131</u>	<u>\$ 9,894,205</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>7,890,868</u>	<u>11,777,431</u>
B. Total incurred claims and claim adjustment expenses	<u>7,890,868</u>	<u>11,777,431</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	247,729	65,876
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>13,979,021</u>	<u>11,427,629</u>
C. Total Payments	<u>14,226,750</u>	<u>11,493,505</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 3,842,249</u>	<u>\$ 10,178,131</u>
Current Claim Liabilities	\$ 3,715,009	\$ 10,074,492
Noncurrent Claim Liabilities	127,240	103,639
Total Claim Liabilities	<u>\$ 3,842,249</u>	<u>\$ 10,178,131</u>

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

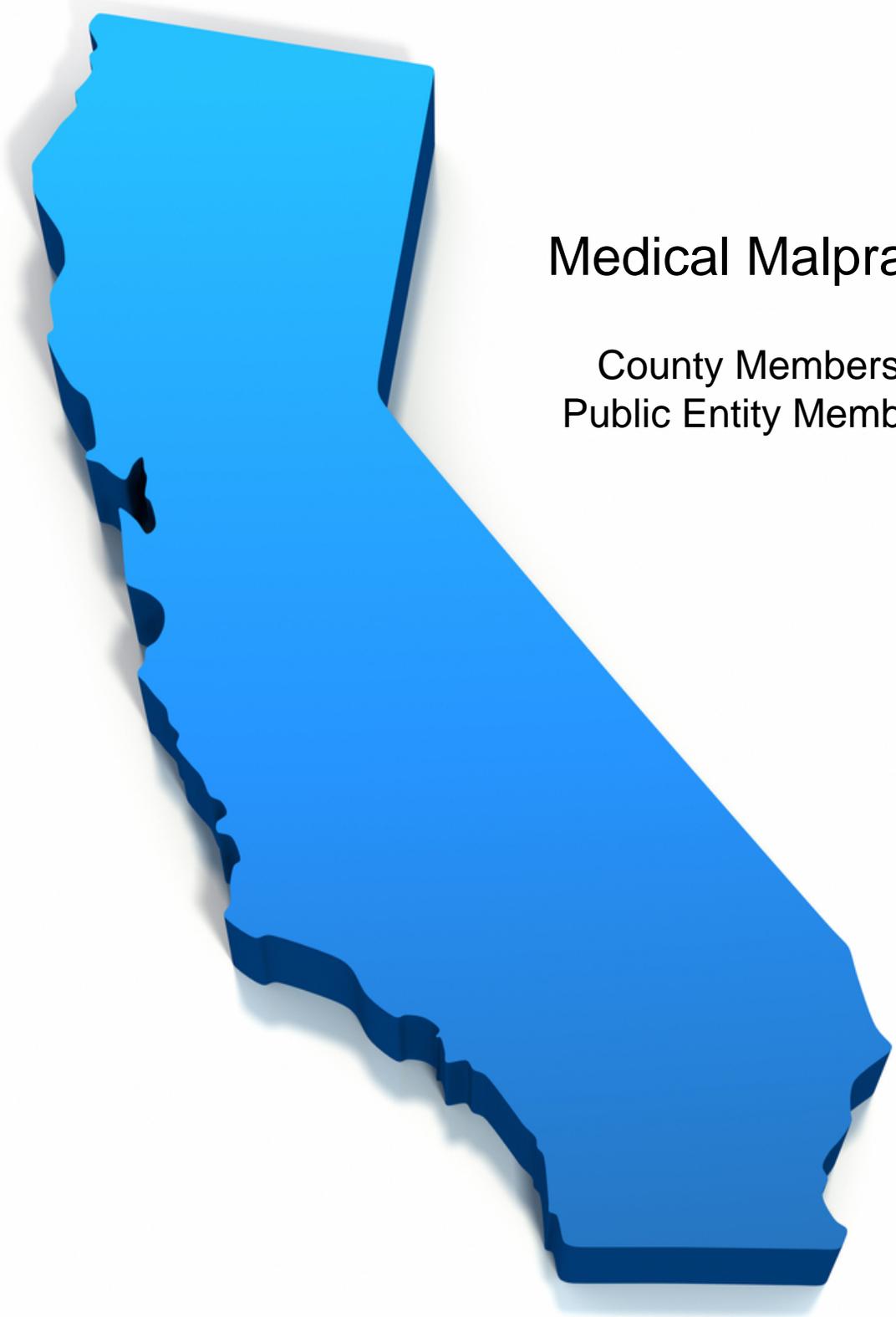
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 35,652,060	\$ 42,921,015	\$ 53,388,051	\$ 39,389,017	\$ 50,550,830	\$ 48,970,337	\$ 50,320,424	\$ 53,788,778	\$ 57,810,264	\$ 61,349,158
Less Ceded	(28,630,965)	(36,303,667)	(40,515,154)	(37,135,310)	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)	(48,609,374)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,021,095	6,617,348	12,872,897	2,253,707	10,489,137	9,555,083	9,822,473	10,572,624	11,749,959	12,739,784
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	78,618	(64,168)	61,715	27,474	23,601
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	35,632,642 (28,630,965) 7,001,677	42,892,848 (36,303,667) 6,589,181	53,339,625 (40,515,154) 12,824,471	39,149,125 (29,149,125) 10,000,000	50,061,693 (40,061,693) 10,000,000	48,415,254 (39,415,254) 9,000,000	50,497,951 (40,497,951) 10,000,000	53,216,154 (43,216,154) 10,000,000	56,060,305 (46,060,305) 10,067,939	58,677,313 (48,609,374) 10,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	4,491,799	1,997,597	4,114,386	-	-	354,341	-	58,785	65,876	247,729
One Year Later	7,001,677	6,589,181	12,770,820	4,949,559	9,000,000	2,098,639	3,795,372	4,606,136	8,941,903	
Two Years Later	7,001,411	6,589,181	13,847,744	2,013,815	9,000,000	7,782,088	10,000,000	9,409,593		
Three Years Later	7,001,411	6,589,181	12,824,471	2,013,815	9,000,000	9,457,739	10,000,000			
Four Years Later	7,001,411	6,589,181	12,824,471	10,000,000	9,000,000	9,754,276				
Five Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000					
Six Years Later	7,001,677	6,589,181	12,824,471	10,000,000						
Seven Years Later	7,001,677	6,589,181	12,824,471							
Eight Years Later	7,001,677	6,589,181								
Nine Years Later	7,001,677									
5. Reestimated Ceded Claims and Expenses	4,681,216	23,118,904	9,018,571	1,477,747	55,750,728	300,526	7,503,964	3,850,982	37,168,515	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
One Year Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000	10,067,939	
Two Years Later	7,001,677	6,588,915	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000		
Three Years Later	7,001,677	6,588,915	12,824,471	10,000,000	9,000,000	10,000,000	10,000,000			
Four Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000	10,000,000				
Five Years Later	7,001,677	6,589,181	12,824,471	10,000,000	9,000,000					
Six Years Later	7,001,677	6,589,181	12,824,471	10,000,000						
Seven Years Later	7,001,677	6,589,181	12,824,471							
Eight Years Later	7,001,677	6,589,181								
Nine Years Later	7,001,677									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -

MEDICAL MALPRACTICE



Medical Malpractice

County Members: 46
Public Entity Members: 3

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 1,111,124	\$ 3,607,332
TOTAL CASH & CASH EQUIVALENTS	<u>1,111,124</u>	<u>3,607,332</u>
Investments	5,348,044	8,792,143
Accounts Receivable		
Due from Members	5,535	10,443
Investment Income Receivable	84,819	83,014
Due from Other Funds	1,972,095	2,804,647
Prepaid Insurance	1,347,082	1,237,091
TOTAL CURRENT ASSETS	<u>9,868,699</u>	<u>16,534,670</u>
Noncurrent Assets:		
Investments	19,284,099	13,082,188
Due from Other Funds	2,588,641	2,906,298
TOTAL NONCURRENT ASSETS	<u>21,872,740</u>	<u>15,988,486</u>
TOTAL ASSETS	<u>31,741,439</u>	<u>32,523,156</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	18,300	1,500
Unearned Income	2,804,655	2,940,880
Claim Liabilities	6,000,000	6,000,000
TOTAL CURRENT LIABILITIES	<u>8,822,955</u>	<u>8,942,380</u>
Noncurrent Liabilities:		
Claims Liabilities		
Claims Reported	4,138,052	7,690,316
Claims Incurred But Not Reported	11,072,515	8,537,180
Unallocated Loss Adjustment Expense Payables	1,703,038	1,647,180
TOTAL NONCURRENT LIABILITIES	<u>16,913,605</u>	<u>17,874,676</u>
TOTAL LIABILITIES	<u>25,736,560</u>	<u>26,817,056</u>
NET POSITION:		
Unrestricted	6,004,879	5,706,100
TOTAL NET POSITION	<u>\$ 6,004,879</u>	<u>\$ 5,706,100</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 5,278,341	\$ 5,318,123
Broker Fees	5,053	4,981
Contributions for Retained Risk	7,127,056	6,448,172
Administration Fees	997,302	888,726
Public Entity Fees	253	248
Other Income	15,844	-
	TOTAL OPERATING REVENUES	12,660,250
OPERATING EXPENSES:		
Insurance Expense	5,278,339	5,317,928
Broker Fees	5,053	4,981
Provision for Claims		
Current Year Claims	5,527,822	5,239,961
Prior Years' Claims	1,593,046	65,601
Provision for Unallocated Loss Adjustment Expenses	55,858	150,397
Program Services:		
Actuarial and Consulting Services	38,128	45,142
Claim Administration Services	352,281	351,846
Loss Prevention Training	7,443	17,865
	TOTAL OPERATING EXPENSES	11,193,721
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(527,680)	(385,018)
Operating Transfer Out for Loss Prevention	(48,248)	(67,513)
	TOTAL OPERATING TRANSFERS	(452,531)
	OPERATING INCOME (LOSS)	1,013,998
NONOPERATING REVENUES (EXPENSES):		
Investment Income	308,828	332,307
	TOTAL NONOPERATING REVENUE (EXPENSE)	332,307
	CHANGES IN NET POSITION	1,346,305
Net Position, Beginning of Year	5,706,100	4,359,795
	NET POSITION, END OF YEAR	\$ 5,706,100
	\$ 6,004,879	\$ 5,706,100

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 13,276,689	\$ 12,647,223
Claims Paid	(8,137,797)	(5,571,578)
Insurance Purchased	(5,388,330)	(4,948,366)
Payments to Suppliers	(370,261)	(418,510)
Internal Activities	574,281	(2,016,084)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(45,418)	(307,315)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(15,526,467)	(8,588,176)
Sales of Securities	12,689,325	9,871,145
Cash from Investment Earnings	386,352	483,623
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,450,790)	1,766,592
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,496,208)	1,459,277
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	3,607,332	2,148,055
END OF YEAR	\$ 1,111,124	\$ 3,607,332
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (10,049)	\$ 1,013,998
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	4,908	(10,443)
Due From or To Other Funds	1,150,209	(1,563,553)
Prepaid Insurance	(109,991)	369,561
Accounts and Other Payables	16,801	1,324
Unearned Income	(136,225)	(2,583)
Claim Liabilities	(1,016,929)	(265,016)
Unallocated Loss Adjustment Expense Payable	55,858	149,397
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (45,418)	\$ (307,315)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (79,329)	\$ (124,061)

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 23,874,676</u>	<u>\$ 23,990,295</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	5,583,680	5,390,358
Increase (Decrease) in the provision for claims of prior fiscal years	<u>1,593,046</u>	<u>65,601</u>
B. Total incurred claims and claim adjustment expenses	<u>7,176,726</u>	<u>5,455,959</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	-
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>8,137,797</u>	<u>5,571,578</u>
C. Total Payments	<u>8,137,797</u>	<u>5,571,578</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 22,913,605</u>	<u>\$ 23,874,676</u>
Current Claim Liabilities	\$ 6,000,000	\$ 6,000,000
Noncurrent Claim Liabilities	<u>16,913,605</u>	<u>17,874,676</u>
Total Claim Liabilities	<u>\$ 22,913,605</u>	<u>\$ 23,874,676</u>

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 13,426,219	\$ 15,937,410	\$ 17,155,393	\$ 12,173,672	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$ 12,133,273	\$ 10,701,429
Less Ceded	(8,004,074)	(8,046,869)	(7,439,209)	(5,883,306)	(5,454,440)	(5,805,786)	(5,905,259)	(6,292,646)	(5,317,928)	(5,278,339)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	896,272	1,563,478	1,716,071	554,819	557,673	79,234	188,155	298,812	199,697	84,374
1. Total Revenues Available For Payment of Claims	6,318,417	9,454,019	11,432,255	6,845,185	7,635,967	6,119,801	5,919,038	6,980,228	7,015,042	5,507,464
2. Unallocated Loss Adjustment Expense	3,854	15,151	41,828	136,168	161,989	278,977	325,451	354,549	401,478	-
3. Estimated Incurred Claims Less Ceded Claims	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
Net Incurred Claims and Expenses, End of Policy Year	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
4. Cumulative Paid Claims as of:										
End of the Policy Year	74,862	-	31,852	-	23,848	51,305	26,698	3,528	-	-
One Year Later	507,297	18,511	77,244	148,321	96,315	1,282,361	181,822	436,672	-	-
Two Years Later	3,110,402	2,553,723	319,382	1,371,988	906,689	1,826,879	1,822,542	4,141,591	-	-
Three Years Later	3,355,692	4,055,429	4,051,699	4,639,462	3,037,613	4,381,548	4,209,215	-	-	-
Four Years Later	3,367,720	4,079,102	6,201,597	4,715,066	3,116,185	5,261,575	-	-	-	-
Five Years Later	4,875,582	4,079,470	6,201,597	4,715,783	3,914,587	-	-	-	-	-
Six Years Later	4,875,582	4,389,246	6,201,597	5,083,559	-	-	-	-	-	-
Seven Years Later	4,875,582	5,252,002	6,201,597	-	-	-	-	-	-	-
Eight Years Later	4,875,582	5,252,002	-	-	-	-	-	-	-	-
Nine Years Later	4,875,582	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,597,454	5,629,920	3,967,800	15,460,999	11,072,516	4,108,500	-	-	-	555,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	3,613,550	4,437,870	3,656,585	4,381,570	4,824,102	4,921,729	5,188,335	5,216,626	5,239,961	5,527,822
One Year Later	4,346,863	4,258,727	5,904,394	4,293,989	3,957,784	5,161,374	5,583,913	5,064,126	4,950,026	-
Two Years Later	6,131,088	6,425,558	5,685,879	7,437,370	5,661,931	7,402,556	6,070,219	6,893,606	-	-
Three Years Later	5,819,342	5,852,567	6,747,768	8,050,504	5,510,518	8,022,661	5,999,806	-	-	-
Four Years Later	5,108,908	5,048,560	6,922,698	6,749,092	5,230,415	8,527,423	-	-	-	-
Five Years Later	5,102,985	5,149,894	6,611,328	6,492,782	5,384,999	-	-	-	-	-
Six Years Later	4,979,777	5,620,907	6,248,451	6,123,618	-	-	-	-	-	-
Seven Years Later	4,939,037	5,337,382	6,231,095	-	-	-	-	-	-	-
Eight Years Later	4,915,010	5,501,728	-	-	-	-	-	-	-	-
Nine Years Later	4,898,584	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,285,034	\$ 1,063,858	\$ 2,574,510	\$ 1,742,048	\$ 560,897	\$ 3,605,694	\$ 811,471	\$ 1,676,980	\$ (289,935)	\$ -

MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 2,220	\$ -
TOTAL CASH & CASH EQUIVALENTS	2,220	-
Investments	10,684	-
Accounts Receivable:		
Due from Members	449,759	828,062
Investment Income Receivable	169	-
Due from Other Funds	3,940	-
Prepaid Insurance	3,135,488	3,736,283
TOTAL CURRENT ASSETS	3,602,260	4,564,345
Noncurrent Assets:		
Investments	38,525	-
Due From Other Funds	5,171	-
TOTAL NONCURRENT ASSETS	43,696	-
TOTAL ASSETS	3,645,956	4,564,345
LIABILITIES:		
Current Liabilities:		
Accounts Payable	61,591	591,298
Due to Other Funds	473,175	459,810
Unearned Income	3,060,181	3,483,176
TOTAL CURRENT LIABILITIES	3,594,947	4,534,284
TOTAL LIABILITIES	3,594,947	4,534,284
NET POSITION:		
Unrestricted	51,009	30,061
TOTAL NET POSITION	\$ 51,009	\$ 30,061

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

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premium for Transferred Risk	\$ 3,340,769	\$ 2,661,990
Administration Fees	33,464	33,464
Other Income	8,075	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	3,382,308	2,695,454
OPERATING EXPENSES:		
Insurance Expense	3,342,682	2,661,994
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	3,342,682	2,661,994
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(17,861)	(81)
	<hr/>	<hr/>
TOTAL OPERATING TRANSFERS	(17,861)	(81)
OPERATING INCOME (LOSS)	21,765	33,379
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,152	86
Member Financing Fees	237	-
Program Financing Expense	(2,206)	(2,522)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(817)	(2,436)
CHANGES IN NET POSITION	20,948	30,943
Net Position, Beginning of Year	30,061	(882)
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 51,009	\$ 30,061
	<hr/>	<hr/>

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

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 3,337,616	\$ 3,782,233
Insurance Purchased	(3,271,594)	(3,985,537)
Internal Activities	(13,607)	205,740
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	52,415	2,436
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(96,829)	-
Sales of Securities	47,325	-
Cash from Investment Earnings	1,278	86
Finance Fees from Members	237	-
Program Financing Expense	(2,206)	(2,522)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(50,195)	(2,436)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,220	-
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	-	-
END OF YEAR	\$ 2,220	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 21,765	\$ 33,379
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	378,303	(828,062)
Due From or To Other Funds	4,254	205,821
Prepaid Insurance	600,795	(1,914,841)
Accounts and Other Payables	(529,707)	591,298
Unearned Income	(422,995)	1,914,841
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 52,415	\$ 2,436
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (296)	\$ -

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

EIAHEALTH



EIAHealth

County Members: 9
Public Entity Members: 16

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 370,308	\$ 1,250,352
TOTAL CASH & CASH EQUIVALENTS	370,308	1,250,352
Investments	1,782,359	3,047,479
Accounts Receivable		
Investment Income Receivable	28,268	28,774
Due from Other Funds	657,246	972,130
TOTAL CURRENT ASSETS	<u>2,838,181</u>	<u>5,298,735</u>
Noncurrent Assets:		
Investments	6,426,869	4,534,469
Due from Other Funds	862,724	1,007,363
TOTAL NONCURRENT ASSETS	<u>7,289,593</u>	<u>5,541,832</u>
TOTAL ASSETS	<u>10,127,774</u>	<u>10,840,567</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,053,804	852,644
Dividends Payable to Members	7,219,055	7,981,476
Due to Members	44,434	159,417
TOTAL CURRENT LIABILITIES	<u>8,317,293</u>	<u>8,993,537</u>
TOTAL LIABILITIES	<u>8,317,293</u>	<u>8,993,537</u>
NET POSITION:		
Unrestricted	1,810,481	1,847,030
TOTAL NET POSITION	<u>\$ 1,810,481</u>	<u>\$ 1,847,030</u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 217,379,646	\$ 217,522,065
Broker Fees	2,150,480	2,233,524
Health Reform Fees and Taxes	1,971,385	777,077
Administration Fees	325,415	751,352
TPA Claims Administration Fees	9,907,515	11,007,667
Eligibility Administration Fees	1,694,461	1,741,845
Other Income	6,250	44,965
	<u>233,435,152</u>	<u>234,078,495</u>
TOTAL OPERATING REVENUES	<u>233,435,152</u>	<u>234,078,495</u>
OPERATING EXPENSES:		
Interest on Dividends to Members	13,870	14,481
Insurance Premiums and TPA Fees	227,286,920	228,530,255
Eligibility Administration	1,694,461	1,741,845
Health Reform Fees and Taxes	1,971,385	852,081
Broker Fees	2,150,480	2,233,524
Program Services		
Actuarial Consulting Services	25,700	18,503
EIAHealth Seminar	18,820	14,867
	<u>233,161,636</u>	<u>233,405,556</u>
TOTAL OPERATING EXPENSES	<u>233,161,636</u>	<u>233,405,556</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(413,209)	(303,020)
Operating Transfer Out for Loss Prevention	-	(16,610)
	<u>(413,209)</u>	<u>(319,630)</u>
TOTAL OPERATING TRANSFERS	<u>(413,209)</u>	<u>(319,630)</u>
OPERATING INCOME (LOSS)	<u>(139,693)</u>	<u>353,309</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	103,144	109,225
	<u>103,144</u>	<u>109,225</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>103,144</u>	<u>109,225</u>
CHANGES IN NET POSITION	(36,549)	462,534
Net Position, Beginning of Year	1,847,030	1,384,496
NET POSITION, END OF YEAR	<u>\$ 1,810,481</u>	<u>\$ 1,847,030</u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 233,320,169	\$ 234,154,024
Dividends Paid	(776,291)	(14,481)
Insurance Purchased	(227,286,920)	(228,530,255)
Payments to Suppliers	(5,659,686)	(4,046,178)
Internal Activities	46,314	(973,634)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(356,414)	589,476
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(4,891,834)	(3,441,884)
Sales of Securities	4,238,059	3,259,593
Cash from Investment Earnings	130,145	156,658
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(523,630)	(25,633)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(880,044)	563,843
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	1,250,352	686,509
END OF YEAR	\$ 370,308	\$ 1,250,352
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (139,693)	\$ 353,309
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	-	405
Due From or To Other Funds	459,523	(654,004)
Accounts and Other Payables	(676,244)	889,766
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (356,414)	\$ 589,476
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (26,495)	\$ (40,967)

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

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007*	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums	\$ 51,001,376	-	-	-	-	-	-	-	-	-
Less Ceded	(1,328,360)	-	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(10,890,018)	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	38,782,998	-	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	2,563,278	-	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims Net Incurred Claims and Expenses, End of Policy Year	39,319,080	-	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	33,868,603	-	-	-	-	-	-	-	-	-
One Year Later	37,042,786	-	-	-	-	-	-	-	-	-
Two Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Three Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Four Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Five Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Six Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Seven Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Eight Years Later	37,195,052	-	-	-	-	-	-	-	-	-
Nine Years Later	37,195,052	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	2,259,132	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	39,319,080	-	-	-	-	-	-	-	-	-
One Year Later	39,797,693	-	-	-	-	-	-	-	-	-
Two Years Later	37,395,052	-	-	-	-	-	-	-	-	-
Three Years Later	37,395,052	-	-	-	-	-	-	-	-	-
Four Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Five Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Six Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Seven Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Eight Years Later	37,182,270	-	-	-	-	-	-	-	-	-
Nine Years Later	37,182,270	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (2,136,810)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*The program became fully insured effective 7/1/2006

DENTAL



Dental

County Members: 31
Public Entity Members: 111

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 627,410	\$ 1,721,619
TOTAL CASH & CASH EQUIVALENTS	627,410	1,721,619
Investments	3,019,838	4,196,098
Accounts Receivable		
Due from Members	663,256	895,026
Investment Income Receivable	47,894	39,619
Deposits With Carrier	245,000	-
Due from Other Funds	1,113,567	1,338,533
TOTAL CURRENT ASSETS	<u>5,716,965</u>	<u>8,190,895</u>
Noncurrent Assets:		
Investments	10,889,000	6,243,546
Due from Other Funds	1,461,707	1,387,047
TOTAL NONCURRENT ASSETS	<u>12,350,707</u>	<u>7,630,593</u>
TOTAL ASSETS	<u>18,067,672</u>	<u>15,821,488</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	-	23,569
Dental Claim Liabilities	1,370,289	2,200,000
TOTAL CURRENT LIABILITIES	<u>1,370,289</u>	<u>2,223,569</u>
TOTAL LIABILITIES	<u>1,370,289</u>	<u>2,223,569</u>
NET POSITION:		
Unrestricted	16,697,383	13,597,919
TOTAL NET POSITION	<u>\$ 16,697,383</u>	<u>\$ 13,597,919</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Contribution for Retained Risk	\$ 32,028,794	\$ 31,210,281
Stabilization Fund Revenue	-	922
Eligibility Admin Fee Revenue	334,103	312,281
Broker Fees	<u>1,464,977</u>	<u>1,387,051</u>
TOTAL OPERATING REVENUES	<u>33,827,874</u>	<u>32,910,535</u>
OPERATING EXPENSES:		
Provision for Claims, Current Year	26,917,532	26,483,069
Broker Fees	1,464,977	1,387,051
Health Reform Fees and Taxes	-	21,069
Claims Administration and Eligibility Fees	2,336,798	2,279,722
Other Program Services	<u>4,800</u>	<u>6,000</u>
TOTAL OPERATING EXPENSES	<u>30,724,107</u>	<u>30,176,911</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(175,587)	(100,417)
Operating Transfer Out for Loss Prevention	<u>-</u>	<u>(5,120)</u>
TOTAL OPERATING TRANSFERS	<u>(175,587)</u>	<u>(105,537)</u>
OPERATING INCOME (LOSS)	<u>2,928,180</u>	<u>2,628,087</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	<u>171,284</u>	<u>149,502</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>171,284</u>	<u>149,502</u>
CHANGES IN NET POSITION	3,099,464	2,777,589
Net Position, Beginning of Year	<u>13,597,919</u>	<u>10,820,330</u>
NET POSITION, END OF YEAR	<u>\$ 16,697,383</u>	<u>\$ 13,597,919</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 34,059,644	\$ 32,468,826
Claims Paid	(27,747,243)	(26,433,069)
Payments to Suppliers	(4,075,144)	(3,680,244)
Internal Activities	(25,281)	(1,081,052)
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,274,461
	2,211,976	1,274,461
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(10,551,004)	(5,133,314)
Sales of Securities	7,037,812	4,461,576
Cash from Investment Earnings	207,007	212,486
	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(459,252)
	(3,306,185)	(459,252)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,094,209)	815,209
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	1,721,619	906,410
END OF YEAR	\$ 627,410	\$ 1,721,619
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,928,180	\$ 2,628,087
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	231,770	(441,709)
Deposits With Carrier	(245,000)	-
Due From or To Other Funds	150,306	(975,515)
Accounts and Other Payables	(23,569)	13,598
Claim Liabilities	(829,711)	50,000
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,274,461
	\$ 2,211,976	\$ 1,274,461
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (43,998)	\$ (56,073)

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 2,200,000	\$ 2,150,000
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>26,917,532</u>	<u>26,483,069</u>
B. Total incurred claims and claim adjustment expenses	<u>26,917,532</u>	<u>26,483,069</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	27,747,243	24,283,069
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>-</u>	<u>2,150,000</u>
C. Total Payments	<u>27,747,243</u>	<u>26,433,069</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 1,370,289</u>	<u>\$ 2,200,000</u>
Current Claim Liabilities	<u>\$ 1,370,289</u>	<u>\$ 2,200,000</u>
Total Claim Liabilities	<u>\$ 1,370,289</u>	<u>\$ 2,200,000</u>

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2015**

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

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

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

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2015**

POLICY YEAR	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009*	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earned Premiums					\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281	\$ 32,028,794
Less Ceded					-	-	-	-	-	-
Supplemental Assessments					-	-	-	-	-	-
Dividends Declared					-	-	-	-	-	-
Investment Earnings					-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	-	-	7,242,783	20,356,118	27,841,423	30,426,135	31,210,281	32,028,794
2. Unallocated Loss Adjustment Expense					-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims					5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	-	-	-	4,763,486	16,156,452	21,213,005	25,691,975	24,283,069	26,917,532
One Year Later	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975	24,283,069	
Two Years Later	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975		
Three Years Later	-	-	-	-	5,551,354	19,689,432	23,453,293			
Four Years Later	-	-	-	-	5,551,354	19,689,432				
Five Years Later	-	-	-	-	5,551,354					
Six Years Later	-	-	-	-						
Seven Years Later	-	-	-	-						
Eight Years Later	-	-	-	-						
Nine Years Later	-	-	-	-						
5. Reestimated Ceded Claims and Expenses	-	-	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year					5,551,354	19,689,432	21,213,005	25,691,975	26,483,069	26,917,532
One Year Later					5,551,354	19,689,432	23,453,293	25,691,975	26,483,069	
Two Years Later					5,551,354	19,689,432	23,453,293	25,691,975		
Three Years Later					5,551,354	19,689,432	23,453,293			
Four Years Later					5,551,354	19,689,432				
Five Years Later					5,551,354					
Six Years Later										
Seven Years Later										
Eight Years Later										
Nine Years Later										
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,288	\$ -	\$ -	\$ -

*The Dental Program started January 1, 2010

MISCELLANEOUS PROGRAMS

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 129,253	\$ 492,324
TOTAL CASH & CASH EQUIVALENTS	129,253	492,324
Investments	622,116	1,199,941
Accounts Receivable		
Due From Members	89,856	414,097
Investment Income Receivable	9,867	11,330
Due from Other Funds	229,406	382,775
Prepaid Insurance	1,043,241	2,544,674
TOTAL CURRENT ASSETS	<u>2,123,739</u>	<u>5,045,141</u>
Noncurrent Assets:		
Investments	2,243,240	1,785,442
Due from Other Funds	301,126	396,648
TOTAL NONCURRENT ASSETS	<u>2,544,366</u>	<u>2,182,090</u>
TOTAL ASSETS	<u>4,668,105</u>	<u>7,227,231</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,664,820	2,602,106
Due to Members	114,475	43,367
Unearned Income	1,043,241	2,436,761
TOTAL CURRENT LIABILITIES	<u>2,822,536</u>	<u>5,082,234</u>
TOTAL LIABILITIES	<u>2,822,536</u>	<u>5,082,234</u>
NET POSITION:		
Unrestricted	1,845,569	2,144,997
TOTAL NET POSITION	<u>\$ 1,845,569</u>	<u>\$ 2,144,997</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Dividends	\$ 114,475	\$ 99,743
Premiums For Transferred Risk:		
Optional Excess Liability Insurance	3,368,010	2,927,527
Watercraft Insurance	189,139	187,985
Owner Controlled Insurance Program	151,606	774,993
Aviation Insurance	1,366,560	1,310,536
Course of Construction Insurance	1,205,545	(34,131)
Crime and Honesty Bonds	1,211,793	1,152,211
SPIP/SLIP	68,740	62,569
Cyber Liability	807,948	749,049
Pollution Liability	762,315	712,408
Inmate Medical Insurance	665,078	801,275
Employee Assistance Program	1,537,446	1,389,883
Life, Long-Term Disability and ADD Insurance	12,966,312	12,878,776
Vision Insurance	2,919,203	2,843,778
Other Miscellaneous Programs	<u>471,794</u>	<u>55,520</u>
TOTAL OPERATING REVENUES	<u>27,805,964</u>	<u>25,912,122</u>
 OPERATING EXPENSES:		
Member Dividends, Watercraft	114,475	99,743
Insurance Premiums:		
Optional Excess Liability Insurance	3,368,009	2,927,526
Watercraft Insurance	189,138	188,099
Owner Controlled Insurance Program	151,606	774,993
Aviation Insurance	1,366,560	1,310,536
Course of Construction Insurance	1,205,545	(34,131)
Crime and Honesty Bonds	1,211,795	1,152,211
SPIP/SLIP	68,740	62,593
Cyber Liability	812,308	742,370
Pollution Liability	762,236	712,355
Inmate Medical Insurance	665,078	801,272
Employee Assistance Program	1,537,559	1,391,580
Life, Long-Term Disability and ADD Insurance	12,966,312	12,959,970
Vision Insurance	2,919,203	2,843,778
Other Miscellaneous Programs	<u>471,795</u>	<u>56,482</u>
TOTAL OPERATING EXPENSES	<u>27,810,359</u>	<u>25,989,377</u>
 OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	<u>(341,893)</u>	<u>(27,857)</u>
TOTAL OPERATING TRANSFERS	<u>(341,893)</u>	<u>(27,857)</u>
OPERATING INCOME (LOSS)	<u>\$ (346,288)</u>	<u>\$ (105,112)</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	\$ 46,805	\$ 46,468
Member Finance Fees	<u>55</u>	<u>1,392</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>46,860</u>	<u>47,860</u>
CHANGES IN NET POSITION	(299,428)	(57,252)
Net Position, Beginning of Year	<u>2,144,997</u>	<u>2,202,249</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,845,569</u></u>	<u><u>\$ 2,144,997</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 26,622,210	\$ 24,882,974
Insurance Purchased	(27,131,737)	(23,007,915)
Receipts from Others	114,475	99,743
Dividends Paid	(43,367)	(99,743)
Internal Activities	<u>(93,002)</u>	<u>(475,708)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(531,421)</u>	<u>1,399,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(1,815,129)	(2,528,287)
Sales of Securities	1,923,133	1,386,754
Financing Fees	55	1,392
Cash from Investment Earnings	<u>60,291</u>	<u>61,383</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>168,350</u>	<u>(1,078,758)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(363,071)	320,593
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>492,324</u>	<u>171,731</u>
END OF YEAR	<u>\$ 129,253</u>	<u>\$ 492,324</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (346,288)	\$ (105,112)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	324,241	73,263
Due From or To Other Funds	248,891	(447,851)
Prepaid Insurance	1,501,433	2,280,346
Accounts and Other Payables	(866,178)	563,477
Unearned Income	<u>(1,393,520)</u>	<u>(964,772)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (531,421)</u>	<u>\$ 1,399,351</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u>\$ (12,023)</u>	<u>\$ (17,429)</u>

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

GENERAL ADMINISTRATION

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Petty Cash Fund	\$ 300	\$ 300
Cash, EIA Treasury	361,527	948,498
	TOTAL CASH & CASH EQUIVALENTS	948,798
Investments	1,740,098	2,311,771
Accounts Receivable		
Due from Members	61,376	91,638
Investment Income Receivable	27,598	21,828
Other Receivables	38,877	-
Due from Other Funds	641,662	737,443
Prepaid Expense	3,398	19,521
	TOTAL CURRENT ASSETS	4,130,999
Noncurrent Assets:		
Investments	6,274,484	3,439,780
Due from Other Funds	842,268	764,171
Capital Assets:		
Office Furniture and Equipment	1,224,234	1,205,018
Computer Software	1,676,978	742,892
Less Accumulated Depreciation, Furniture & Equipment	(1,354,898)	(1,126,231)
	TOTAL NONCURRENT ASSETS	5,025,630
	TOTAL ASSETS	9,156,629
Deferred Outflows of Resources:		
Deferred Outflows of Resources Related to Pensions	587,253	-

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 411,489	\$ 84,644
Due to Members	38,731	26,306
Compensated Absences	68,778	63,770
	TOTAL CURRENT LIABILITIES	174,720
Noncurrent Liabilities:		
Compensated Absences	275,114	255,078
Other Post Employment Benefits	1,043	-
Net Pension Liability	1,994,562	-
	TOTAL NONCURRENT LIABILITIES	255,078
	TOTAL LIABILITIES	429,798
Deferred Inflows of Resources:		
Deferred Inflows of Resources Related to Pensions	845,081	-
NET POSITION:		
Invested in Capital Assets, Net of Related Debt	1,546,314	821,679
Unrestricted	6,944,043	7,905,152
	TOTAL NET POSITION	\$ 8,726,831

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
OPERATING REVENUES:		
Member Services		
Claims Information Systems	\$ 276,817	\$ 72,094
DMV Pull Notice Fees	37,242	43,479
Loss Prevention Seminars and Target Safety Platform Fees	651,751	659,711
Insurance Certificate Tracking Service	145,683	90,030
Other Income		
Investment Management Fees	13,775	23,017
Personal Lines Insurance Program Income	80,982	81,498
Shared Cost Agreements	38,790	31,161
Other Income	485,086	757,861
	TOTAL REVENUES	1,730,126
	1,730,126	1,758,851
EXPENSES:		
Salaries and Benefits	6,568,561	6,307,929
Staff Support	764,423	1,047,797
Services and Supplies	1,537,073	1,056,440
Member Services	1,488,265	1,128,833
Subsidies	1,363,822	1,229,993
Depreciation	259,695	181,777
	TOTAL EXPENSES	11,981,839
	11,981,839	10,952,769
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfers In from		
Excess Workers' Compensation	4,011,647	3,536,702
Primary Workers' Compensation	3,176,308	2,319,767
Dental	175,587	105,537
EIAHealth	413,209	319,630
General Liability I	2,001,547	1,705,249
Primary General Liability	416,366	457,233
General Liability II	1,221,603	1,051,346
Miscellaneous Programs	341,893	27,857
Property	534,378	485,611
Medical Malpractice	575,928	452,531
MROCIP	17,861	81
Operating Transfer Out to		
Building Fund	(429,275)	(429,275)
	TOTAL OPERATING TRANSFERS	12,457,052
	12,457,052	10,032,269
	OPERATING INCOME (LOSS)	2,205,339
	2,205,339	838,351

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	\$ 143,319	\$ 100,110
Member Finance Fees	21	42
Investment Expenses	<u>(123,766)</u>	<u>(31,157)</u>
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>19,574</u>	<u>68,995</u>
CHANGES IN NET POSITION	2,224,913	907,346
Net Position, Beginning of Year	8,726,831	7,819,485
Cumulative Effect of Change in Accounting Principle Pension	<u>(2,461,387)</u>	<u></u>
NET POSITION, END OF YEAR	<u>\$ 8,490,357</u>	<u>\$ 8,726,831</u>

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,639,266	\$ 1,592,067
Receipts from Others	94,670	135,676
Payments to Suppliers	(4,810,615)	(4,829,560)
Payments to Employees	(6,751,471)	(6,695,534)
Internal Activities	12,474,736	9,681,843
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,646,586	(115,508)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Software, Furniture and Equipment	(984,329)	(320,641)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(984,329)	(320,641)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,188,609)	(2,317,330)
Sales of Securities	5,888,764	2,990,386
Cash from Investment Earnings	174,364	146,472
Finance Fees from Members	21	42
Investment Expenses	(123,768)	(31,157)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,249,228)	788,413
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(586,971)	352,264
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	948,798	596,534
END OF YEAR	\$ 361,827	\$ 948,798
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,205,339	\$ 838,351
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	259,695	181,777
Changes in Assets and Liabilities		
Accounts Receivable, Net	(8,615)	(57,414)
Due From or To Other Funds	17,684	(350,426)
Prepaid Expense	16,123	(7,303)
Deferred Outflows of Resources	(587,253)	-
Accounts and Other Payables	340,313	(745,529)
Compensated Absences	25,044	25,036
Deferred Inflows of Resources	845,081	-
Net Pension Liability	(466,825)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,646,586	\$ (115,508)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (36,814)	\$ (37,583)

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

BUILDING

**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
ASSETS:		
Current Assets:		
Cash in Bank	\$ 85,968	\$ 127,773
TOTAL CASH & CASH EQUIVALENTS	<u>85,968</u>	<u>127,773</u>
TOTAL CURRENT ASSETS	<u>85,968</u>	<u>127,773</u>
Noncurrent Assets:		
Capital Assets		
Land	1,000,000	1,000,000
Building	5,737,755	5,738,000
Less Accumulated Depreciation, Building	(615,047)	(511,225)
Tenant Improvements	2,183,088	2,117,823
Less Accumulated Depreciation, Tenant Improvements	(808,177)	(751,830)
Lease Acquisition Costs	-	127,291
Less accumulated Amortization	-	(127,291)
TOTAL NONCURRENT ASSETS	<u>7,497,619</u>	<u>7,592,768</u>
TOTAL ASSETS	<u>7,583,587</u>	<u>7,720,541</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	-	32,847
Unearned Income	5,544	19,871
Mortgage Payable to Other Funds	481,657	429,275
Security Deposits	28,473	26,676
TOTAL CURRENT LIABILITIES	<u>515,674</u>	<u>508,669</u>
Noncurrent Liabilities:		
Mortgage Payable to Other Funds	6,454,619	6,769,361
TOTAL NON-CURRENT LIABILITIES	<u>6,454,619</u>	<u>6,769,361</u>
TOTAL LIABILITIES	<u>6,970,293</u>	<u>7,278,030</u>
NET POSITION:		
Invested in Capital Assets	7,497,619	7,592,768
Unrestricted	(6,884,325)	(7,150,257)
TOTAL NET POSITION	<u>\$ 613,294</u>	<u>\$ 442,511</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
EXPENSES:		
Building Maintenance and Operating Expense	\$ 168,231	\$ 172,392
Depreciation and Amortization	158,578	130,210
TOTAL EXPENSES	<u>326,809</u>	<u>302,602</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer In from the General Administration Fund for Office Rents	429,275	429,275
TOTAL OPERATING TRANSFERS	<u>429,275</u>	<u>429,275</u>
OPERATING INCOME(LOSS)	102,466	126,673
NONOPERATING REVENUES (EXPENSES)		
Lease Income	423,319	414,094
Building Maintenance and Operating Expense	(143,307)	(146,852)
Depreciation and Amortization	(158,560)	(206,991)
Amortization of Lease Commissions	-	(64,724)
Interest Expense	(53,135)	(51,785)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>68,317</u>	<u>(56,258)</u>
CHANGES IN NET POSITION	<u>170,783</u>	<u>70,415</u>
Net Position, Beginning of Year	442,511	372,096
NET POSITION, END OF YEAR	<u>\$ 613,294</u>	<u>\$ 442,511</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Internal Activities	\$ 166,915	\$ (151,498)
Receipts from Others	(12,530)	8,378
Payments to Suppliers	<u>(201,078)</u>	<u>(140,545)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(46,693)</u>	<u>(283,665)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Lease Receipts	423,319	414,094
Operating Lease Disbursements	(143,307)	(146,852)
Program Financing Expenses	<u>(53,135)</u>	<u>(51,785)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>226,877</u>	<u>215,457</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase/Sale of Building and Other Capital Assets	<u>(221,989)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(221,989)</u>	<u>-</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(41,805)</u>	<u>(68,208)</u>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>127,773</u>	<u>195,981</u>
END OF YEAR	<u><u>\$ 85,968</u></u>	<u><u>\$ 127,773</u></u>
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 102,466	\$ 126,673
Adjustments to reconcile operating income (loss) to net cash provided (used) by building fund activities		
Depreciation	158,578	130,210
Changes in Assets and Liabilities		
Due From or To Other Funds	(262,360)	(580,773)
Accounts and Other Payables	(31,050)	31,847
Deferred Lease Inflows	<u>(14,327)</u>	<u>8,378</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (46,693)</u></u>	<u><u>\$ (283,665)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

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

	<u>Page</u>
Schedule of Net Position.....	194
Schedule of Revenues, Expenses and Changes in Net Position	195
History of Dividends Returned to Members.....	196

Demographic and Economic Information

These schedules offer demographic and economic information indicators to help the reader understand the environment within which the Authority's financial activities take place. The number of Workers' Compensation, General Liability I, Property, and Medical Malpractice claims is an indicator of the Provision for Claims. Payrolls for Workers' Compensation and General Liability I, together with claims experience are an indicator for premium revenues. Property values are indicators for Property premiums.

	<u>Page</u>
Economic Statistics	197
Number of Claims	198
Property Values.....	199

Operating Information

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

	<u>Page</u>
Operating Indicators and Statistics	200

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

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

**CSAC EXCESS INSURANCE AUTHORITY
SCHEDULE OF NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2015**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assets										
Current Assets	\$ 193,088,437	\$ 235,454,127	\$ 228,316,329	\$ 324,629,000	\$ 315,472,521	\$ 312,575,944	\$ 343,635,991	\$ 326,533,622	\$ 309,440,001	\$ 207,777,344
Noncurrent Assets	180,826,688	231,605,589	311,602,739	264,853,912	231,292,296	251,262,932	230,227,831	261,618,903	283,144,273	434,584,578
Deferred Outflows - Pension	0	0	0	0	0	0	0	0	0	587,253
Total Assets	373,915,125	467,059,716	539,919,068	589,482,912	546,764,817	563,838,876	573,863,822	588,152,525	592,584,274	642,949,175
Liabilities										
Current Liabilities	93,068,800	104,301,153	111,509,290	117,108,618	104,210,436	97,435,058	108,329,137	117,831,208	124,485,595	148,795,667
Noncurrent Liabilities	223,090,847	251,654,426	290,698,960	326,580,921	324,196,776	362,089,179	359,982,865	351,705,921	354,769,678	380,901,782
Deferred Inflows - Pension	0	0	0	0	0	0	0	0	0	845,081
Total Liabilities	316,159,647	355,955,579	402,208,250	443,689,539	428,407,212	459,524,237	468,312,002	469,537,129	479,255,273	530,542,530
Net Position										
Invested in Capital Assets	1,805,625	1,735,344	1,608,877	1,495,191	10,706,672	9,181,260	8,848,705	8,677,508	8,414,447	9,043,933
Unrestricted	55,949,853	109,368,793	136,101,941	144,298,182	107,650,933	95,133,379	96,703,115	109,937,888	104,914,554	103,362,712
Total Net Position	\$ 57,755,478	\$ 111,104,137	\$ 137,710,818	\$ 145,793,373	\$ 118,357,605	\$ 104,314,639	\$ 105,551,820	\$ 118,615,396	\$ 113,329,001	\$ 112,406,645

CSAC EXCESS INSURANCE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2015

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Premiums for Transferred Risk	\$ 92,045,037	\$ 173,975,051	\$ 220,902,418	\$ 254,320,478	\$ 281,136,570	\$ 316,271,011	\$ 374,220,717	\$ 384,507,793	\$ 423,229,776	\$ 443,008,816
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Broker Fees	3,361,874	4,580,817	5,165,546	5,297,432	5,616,485	6,459,876	7,085,654	7,382,605	8,342,982	8,775,741
Contributions for Retained Risk	176,631,382	127,674,773	141,698,901	115,099,254	102,214,702	119,707,240	108,763,785	129,253,959	124,089,007	143,354,781
Dividend Income	-	90,614	232,604	140,745	201,158	41,971	75,314	213,606	215,008	241,593
Member Services	445,121	364,496	343,927	359,000	263,004	530,052	613,490	640,078	865,314	1,111,493
Administrative Fees	6,274,898	8,108,616	8,340,306	8,685,053	9,963,197	10,155,392	11,487,622	12,617,685	14,400,637	16,107,839
Public Entity Fees	436,457	490,997	596,548	504,933	398,951	408,475	456,577	480,351	552,493	604,556
Program Development Fees	16,837	9,800	7,250	11,650	4,200	7,550	3,550	-	-	-
Other Income	1,698,569	843,635	221,866	1,359,005	617,281	2,313,897	7,673,338	1,991,075	2,284,488	1,878,251
Investment Income	10,977,040	23,342,575	30,181,440	17,746,130	15,758,005	9,726,704	5,103,554	1,782,998	6,227,796	6,159,321
Total Revenues	291,887,215	339,481,374	407,690,806	403,523,680	416,173,553	465,622,168	515,483,601	538,870,150	580,207,501	621,242,391
EXPENSES:										
Dividends	103,462	90,580	14,953,741	6,413,485	11,488,482	11,062,736	10,291,841	10,281,301	6,179,489	4,703,871
Insurance Expense	89,500,002	172,398,005	214,718,407	246,829,609	271,385,012	303,821,702	372,467,736	383,759,144	422,937,089	444,479,808
Broker Fees	3,769,564	4,585,935	5,166,381	5,297,219	5,616,545	6,459,283	7,053,183	7,384,093	8,079,636	8,559,724
Provision for Insured Claims	143,708,198	89,400,074	126,800,379	110,454,729	117,204,060	124,443,282	101,501,141	99,860,765	122,157,339	135,224,386
Unallocated Loss Expenses	6,796,235	4,882,061	2,851,370	1,522,169	9,376,859	1,127,804	(424,706)	18,714	2,332,280	2,119,213
Program Services	11,167,253	9,287,690	10,374,736	15,520,612	19,004,605	22,809,139	13,426,729	13,831,864	12,134,125	12,005,843
Member Services and Subsidies	-	482,559	588,184	3,070,751	2,210,316	2,027,109	2,056,405	2,192,839	2,358,826	2,852,087
General Administration	4,451,349	4,760,032	5,376,551	6,087,504	6,781,774	7,150,235	7,118,673	7,702,622	8,412,166	8,870,057
Building Operating Expenses	95,342	-	-	-	124,242	408,073	273,723	493,848	319,244	311,538
Depreciation	213,681	245,779	254,376	245,047	417,426	355,771	481,695	281,384	583,702	576,833
Total Expenses	259,805,086	286,132,715	381,084,125	395,441,125	443,609,321	479,665,134	514,246,420	525,806,574	585,493,896	619,703,360
Changes in Net Position	32,082,129	53,348,659	26,606,681	8,082,555	(27,435,768)	(14,042,966)	1,237,181	13,063,576	(5,286,395)	1,539,031
NET POSITION:										
Beginning Net Position	25,673,349	57,755,478	111,104,137	137,710,818	145,793,373	118,357,605	104,314,639	105,551,820	118,615,396	113,329,001
Cumulative Effect of Change in Accounting Principle-Pension										(2,461,387)
Ending Net Position	\$ 57,755,478	\$ 111,104,137	\$ 137,710,818	\$ 145,793,373	\$ 118,357,605	\$ 104,314,639	\$ 105,551,820	\$ 118,615,396	\$ 113,329,001	\$ 112,406,645

**CSAC EXCESS INSURANCE AUTHORITY
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2015**

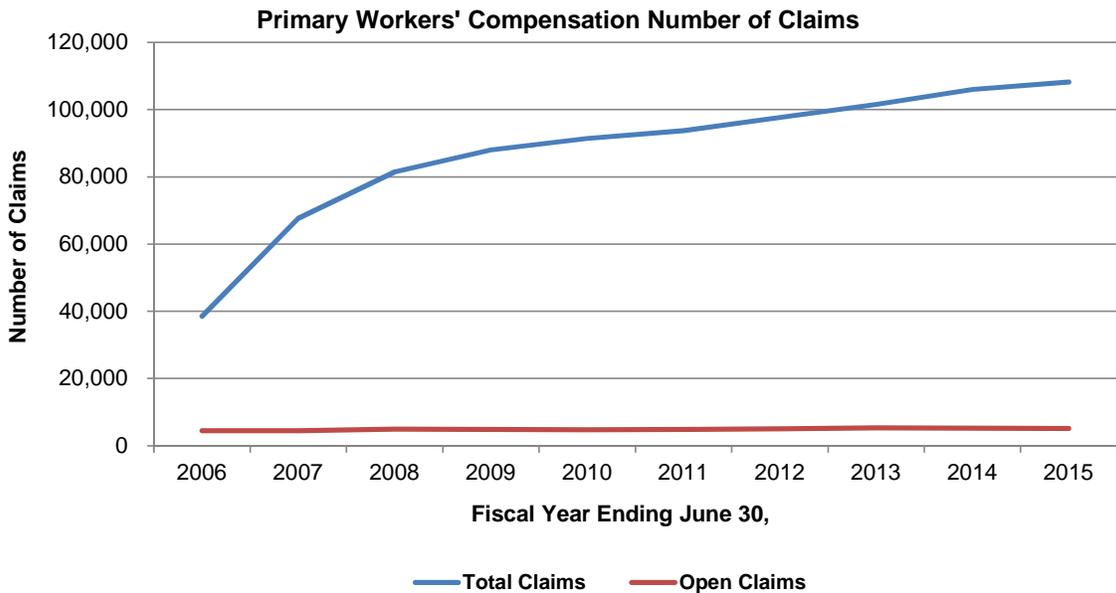
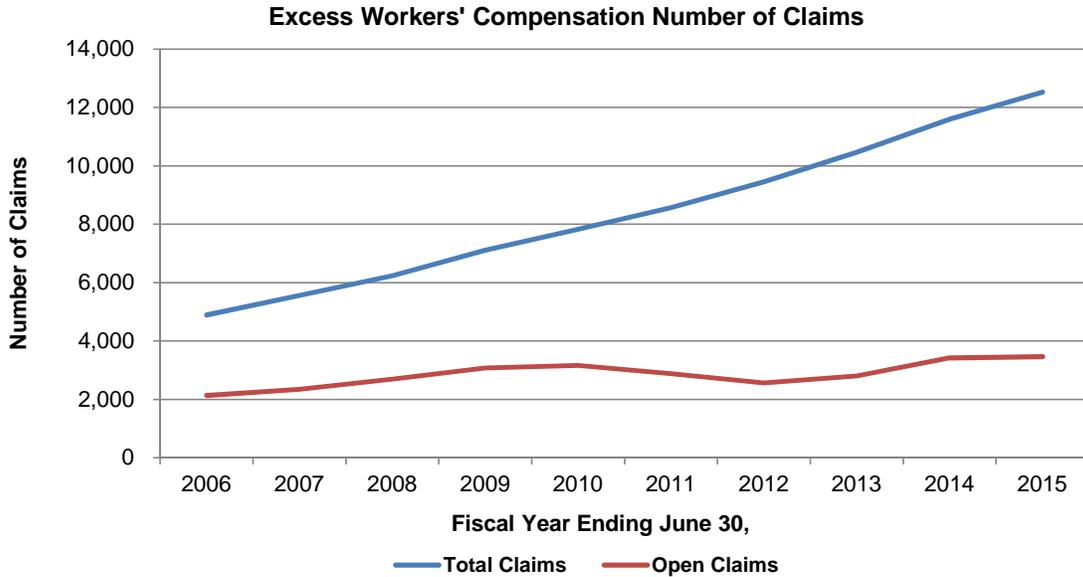
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess Workers' Compensation Pool Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Reinsurance	-	-	-	-	-	-	-	-		
Primary Workers' Compensation	-	-	4,000,000	4,000,000	8,000,000	7,500,000	7,000,000	6,500,000	5,500,000	3,998,408
Employee Benefits EIAHealth Program	-	-	8,721,137	172,740	1,287,324	1,202,694	29,472	17,695	14,481	13,870
General Liability I Program Pool Dividend	103,462	-	2,000,000	2,100,000	-	-	-	3,000,000		
Primary General Liability	-	-	-	-	-	-	1,187,055	550,000	450,000	450,000
General Liability II Program Mega Fund	-	-	-	-	-	-	-	-		
Reinsurance	-	-	-	-	-	-	-	-		
Miscellaneous Programs	-	35,222	134,506	140,745	102,066	-	11,173	100,827	99,743	114,475
Property	-	55,358	98,098	-	99,092	41,971	64,141	112,779	115,265	127,118
Medical Malpractice Mega Fund	-	-	-	-	2,000,000	-	2,000,000			
Reinsurance	-	-	-	-	-	-	-	-		
Pool 2	-	-	-	-	-	-	-	-		
Building Fund	-	-	-	-	-	2,318,071	-	-		
Total	\$ 103,462	\$ 90,580	\$ 14,953,741	\$ 6,413,485	\$ 11,488,482	\$ 11,062,736	\$ 10,291,841	\$ 10,281,301	\$ 6,179,489	\$ 4,703,871

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2015**

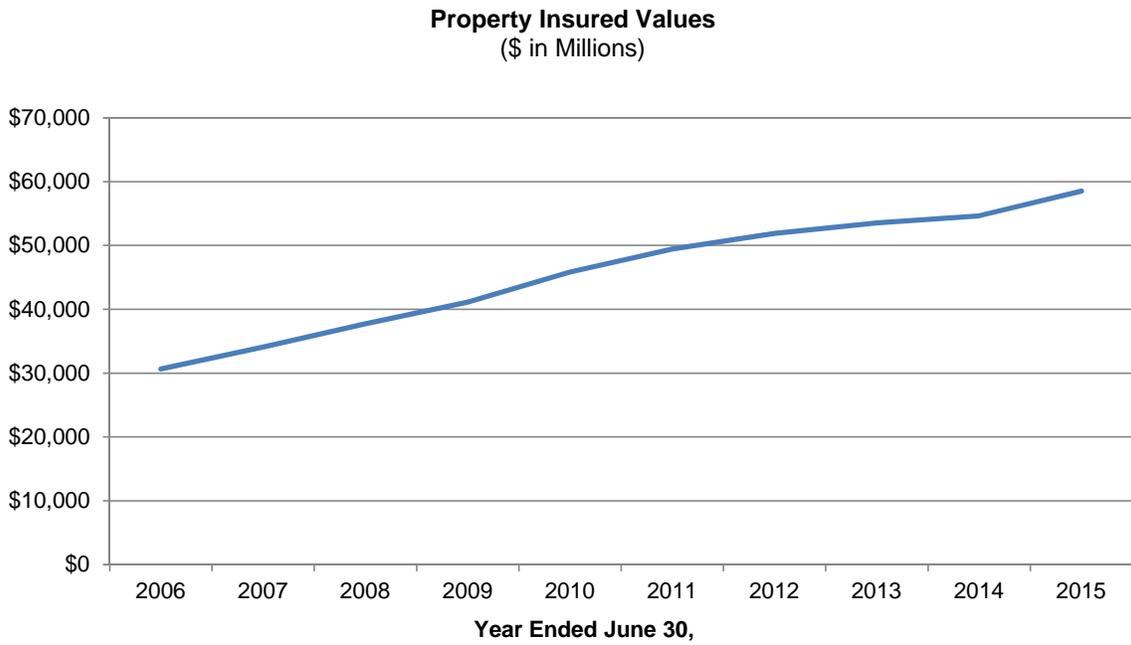
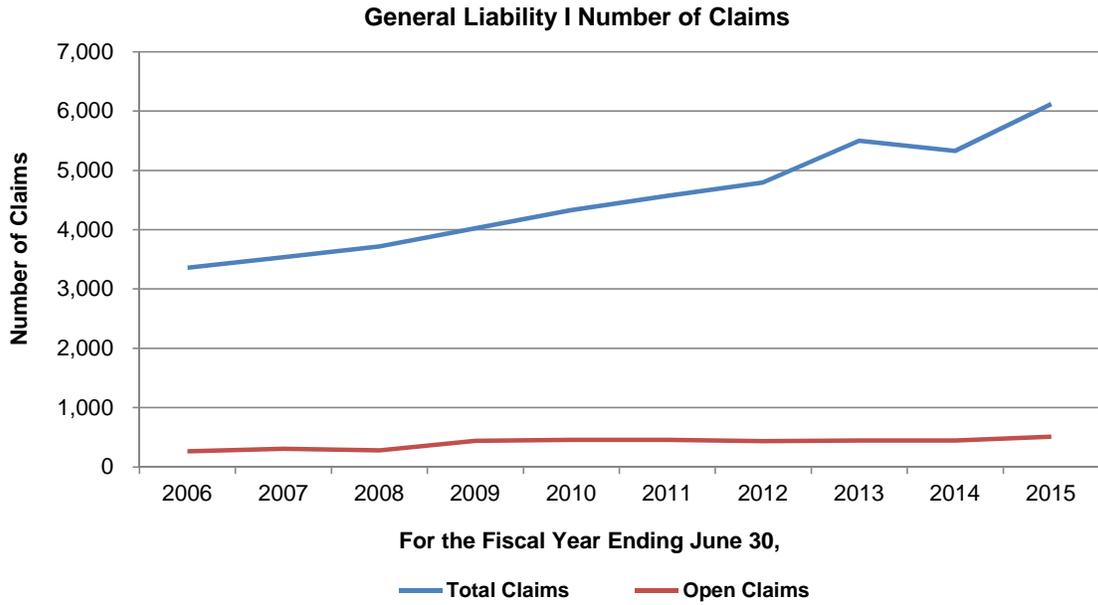
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess Workers' Compensation										
Total Number of Claims	4,893	5,556	6,241	7,110	7,829	8,569	9,453	10,472	11,602	12,525
Open Claims	2,136	2,342	2,693	3,073	3,165	2,884	2,561	2,800	3,424	3,465
Covered Payroll	\$ 18,880,122,499	\$ 19,963,647,283	\$ 21,233,785,218	\$ 21,185,756,039	\$ 21,271,835,420	\$ 21,247,944,019	\$ 20,727,171,214	\$ 20,360,673,861	\$ 21,071,214,181	\$ 23,245,479,774
Primary Workers' Compensation										
Total Number of Claims	38,507	67,672	81,486	87,972	91,403	93,795	98,618	102,474	106,031	108,204
Open Claims	4,505	4,520	4,952	4,860	4,787	4,907	5,212	5,304	5,235	5,198
Covered Payroll	\$ 1,929,065,067	\$ 2,284,268,813	\$ 2,830,424,192	\$ 2,939,832,664	\$ 2,714,848,814	\$ 2,923,194,417	\$ 2,919,336,198	\$ 2,713,847,270	\$ 2,738,537,582	\$ 2,834,695,200
General Liability I										
Total Number of Claims	3,358	3,541	3,720	4,029	4,336	4,575	4,803	5,058	5,330	6,123
Open Claims	264	309	284	443	457	458	437	446	447	511
Covered Payroll	\$ 3,110,975,094	\$ 3,172,369,141	\$ 3,339,173,108	\$ 3,703,780,006	\$ 4,297,349,507	\$ 4,059,376,736	\$ 5,281,330,317	\$ 6,773,455,082	\$ 4,247,637,803	\$ 4,699,750,004
Property										
Total Number of EIA Claims	513	661	705	869	1,133	1,039	1,740	2,154	2,375	2,593
Open EIA Claims	97	96	46	114	130	24	95	28	118	164
Total Number of Excess Claims	725	763	896	923	1,001	1,113	1,135	1,208	1,146	1,283
Open Excess Claims	28	38	106	67	73	127	80	100	58	128
Total Property Values	\$ 30,664,157,372	\$ 34,095,145,828	\$ 37,738,459,718	\$ 41,168,435,680	\$ 45,817,222,183	\$ 49,489,556,840	\$ 51,904,952,869	\$ 53,581,274,859	\$ 54,664,987,390	\$ 58,530,759,169

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING 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 EIAHealth employees and lives covered as shown on the following charts.



**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2015**



**CSAC EXCESS INSURANCE AUTHORITY
OPERATING INDICATORS AND STATISTICS
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2015**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Full-time Equivalent Employees as of June 30	31	39	43	46	48	51	53	54	54	59
Number of Retirees	3	3	3	3	3	4	4	4	4	6
Square footage of Office Space	13,324	13,324	13,324	13,324	24,448	25,000	25,000	25,000	25,000	25,000
Member Units*										
Primary Workers' Compensation	0	0	0	0	40	42	41	38	39	38
Excess Workers' Compensation	0	0	0	0	161	164	166	161	166	166
Primary General Liability	0	0	0	0	30	29	29	23	23	23
General Liability I	0	0	0	0	97	101	103	100	104	104
General Liability II	0	0	0	0	12	11	11	11	11	11
Property	0	0	0	0	78	81	82	82	84	85
Medical Malpractice	0	0	0	0	49	48	50	50	49	49
Master Owner Controlled Ins									2	4
EIAHealth	0	0	0	0	15	18	24	25	25	25
Dental	0	0	0	0	0	119	122	126	133	142
Total Member Units	0	0	0	0	482	613	628	616	636	647
Member Counties	54	54	54	55	54	54	54	54	55	55
Member Public Entities	144	144	142	166	196	289	247	245	255	262
Total Members	198	198	196	221	250	343	301	299	310	317

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

BUDGET HIGHLIGHTS

**CSAC Excess Insurance Authority
Budget Highlights
For the Year Ended June 30, 2015**

	Final Budget	Actual Results	Variance (\$)
Revenues:			
Premiums for Transferred Risk	\$ 498,759,494	\$ 443,008,816	\$ (55,750,678)
Broker Fees	9,808,419	8,775,741	(1,032,678)
Contributions for Retained Risk	137,088,063	143,354,781	6,266,718
Dividend Income	-	241,593	241,593
Public Entity Fees	604,429	604,556	127
Investment Income	4,228,825	5,837,596	1,608,771
Financing Fees	30,400	445,491	415,091
Administration Fees	15,548,651	16,107,839	559,188
Member Services	1,369,157	1,111,493	(257,664)
Tenant Income	422,800	423,319	519
Other Income	609,790	1,454,932	845,142
Total Revenues	668,470,028	621,366,157	(47,103,871)
Expenses:			
Member Dividends	4,325,000	4,703,871	(378,871)
Insurance Expense	487,003,619	444,479,808	42,523,811
Broker Fees	9,808,419	8,559,724	1,248,695
Provision for Claims	120,944,353	135,224,386	(14,280,033)
Unallocated Loss Adjustment Expenses	2,571,500	2,119,213	452,287
Program Services	26,218,950	12,005,843	14,213,107
Member Services and Subsidies	4,001,307	2,852,087	1,149,220
General Administrative Expense	10,317,655	8,993,823	1,323,832
Building Operation Expense	351,840	311,538	40,302
Depreciation	427,660	576,833	(149,173)
Delegated to Committees	410,000	-	410,000
Total Expenses	666,380,303	619,827,126	46,553,177
Total Income (Loss)	\$ 2,089,725	\$ 1,539,031	\$ (550,694)
Change in Net Position	\$ 2,089,725	\$ 1,539,031	
Beginning Net Position Balance July 1, 2014	116,047,568	113,329,001	
Cumulative Effect of Change in Accounting Principle-Pension*		(2,461,387)	
Ending Net Position Balance, June 30, 2015	\$ 118,137,293	\$ 112,406,645	

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

*This was not a budgeted expense but is shown for comparison purposes.