



CSAC Excess Insurance Authority

Comprehensive Annual Financial Report

Fiscal Years Ended June 30, 2014 and 2013

- California -

CSAC EXCESS INSURANCE AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 and 2013

EXECUTIVE COMMITTEE

Name	Office	Entity
Larry Moss	President	East Bay Reg. Park Dist.
Jim Sessions	Vice President	Riverside County
James Brown	CAO	Merced County
Barbara Lubben	At-Large	Alameda County
Maryellen Peters	Risk Manager	Placer County
Lance Sposito	At-Large	Santa Clara County
Teri Enos-Guerrero	Public Entity Rep.	City of Chula Vista
Kristin McMenomey	At-Large	Mendocino County
Scott Schimke	At-Large	Glenn County
Peggy Scroggins	Finance	Colusa County
Peter W. Huebner	Supervisor	Sierra County
Steve Underwood	Legal Counsel	EIA General Counsel
 Michael Fleming	 Chief Executive Officer	
Gina Dean	Chief Operating Officer	

Office Address

75 Iron Point Circle, Suite 200
Folsom, California 95630

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, 2014 AND 2013

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Cover Page and Table of Contents	1
Letter of Transmittal	8
Board of Directors	16
Organization Chart	20
Certificate of Achievement for Excellence in Financial Reporting.....	21
Certificate of Accreditation with Excellence, CAJPA	22
<u>FINANCIAL SECTION</u>	
Report of Gilbert Associates, Inc., Independent Auditors	24
Management's Discussion and Analysis	27
Basic Financial Statements:	
Statement of Net Position	39
Statement of Revenues, Expenses, & Changes in Net Position	40
Statement of Cash Flows	41
Notes to the Financial Statements	43
Required Supplemental Information	
Schedule of Funding Progress	73
Reconciliation of Unpaid Claims Liabilities	74
Notes to Earned Premiums and Claims Development Information	75
Schedule of Ten Year Claims Development Information	76
Supplemental Information:	
Combining Schedule of Programs:	
Combining Schedule of Net Position	87
Combining Schedule of Revenues, Expenses, and Changes in Net Position	89
Combining Schedule of Cash Flows	91

CSAC EXCESS INSURANCE AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION (continued)</u>	
Individual Program Schedules:	
Primary Workers' Compensation	
Program Membership Map.....	94
Statement of Net Position.....	95
Statement of Revenues, Expenses, and Changes in Net Position	96
Statement of Cash Flows	97
Reconciliation of Unpaid Claims Liabilities	98
Notes to Earned Premiums and Claims Development Information.....	99
Schedule of Earned Premiums and Claims Development Information.....	100
Excess Workers' Compensation	
Program Membership Map.....	102
Statement of Net Position.....	103
Statement of Revenues, Expenses, and Changes in Net Position	104
Statement of Cash Flows	105
Reconciliation of Unpaid Claims Liabilities	106
Notes to Earned Premiums and Claims Development Information.....	107
Schedule of Earned Premiums and Claims Development Information.....	108
Primary General Liability	
Program Membership Map.....	110
Statement of Net Position.....	111
Statement of Revenues, Expenses, and Changes in Net Position	112
Statement of Cash Flows	113
Reconciliation of Unpaid Claims Liabilities	114
Notes to Earned Premiums and Claims Development Information.....	115
Schedule of Earned Premiums and Claims Development Information.....	116
General Liability I	
Program Membership Map.....	118
Statement of Net Position.....	119
Statement of Revenues, Expenses, and Changes in Net Position	120
Statement of Cash Flows	121
Reconciliation of Unpaid Claims Liabilities	122
Notes to Earned Premiums and Claims Development Information.....	123
Schedule of Earned Premiums and Claims Development Information.....	124

CSAC EXCESS INSURANCE AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION (continued)</u>	
General Liability II	
Program Membership Map.....	126
Statement of Net Position.....	127
Statement of Revenues, Expenses, and Changes in Net Position	128
Statement of Cash Flows	129
Reconciliation of Unpaid Claims Liabilities	130
Notes to Earned Premiums and Claims Development Information.....	131
Schedule of Earned Premiums and Claims Development Information.....	132
Property	
Program Membership Map.....	134
Statement of Net Position.....	135
Statement of Revenues, Expenses, and Changes in Net Position	136
Statement of Cash Flows	137
Reconciliation of Unpaid Claims Liabilities	138
Notes to Earned Premiums and Claims Development Information.....	139
Schedule of Earned Premiums and Claims Development Information.....	140
Medical Malpractice	
Program Membership Map.....	142
Statement of Net Position.....	143
Statement of Revenues, Expenses, and Changes in Net Position	144
Statement of Cash Flows	145
Reconciliation of Unpaid Claims Liabilities	146
Notes to Earned Premiums and Claims Development Information.....	147
Schedule of Earned Premiums and Claims Development Information.....	148
Master Rolling Owner Controlled Insurance Program	
Statement of Net Position.....	150
Statement of Revenues, Expenses, and Changes in Net Position	151
Statement of Cash Flows	152
EIAHealth	
Program Membership Map.....	154
Statement of Net Position.....	155
Statement of Revenues, Expenses, and Changes in Net Position	156
Statement of Cash Flows	157
Notes to Earned Premiums and Claims Development Information.....	158
Schedule of Earned Premiums and Claims Development Information.....	159

CSAC EXCESS INSURANCE AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION (continued)</u>	
Dental	
Program Membership Map.....	161
Statement of Net Position.....	162
Statement of Revenues, Expenses, and Changes in Net Position	163
Statement of Cash Flows	164
Reconciliation of Unpaid Claims Liabilities	165
Notes to Earned Premiums and Claims Development Information.....	166
Schedule of Earned Premiums and Claims Development Information.....	167
Miscellaneous Programs	
Statement of Net Position.....	169
Statement of Revenues, Expenses, and Changes in Net Position	170
Statement of Cash Flows	172
General Administration	
Statement of Net Position.....	174
Statement of Revenues, Expenses, and Changes in Net Position	175
Statement of Cash Flows	176
Iron Point Building	
Statement of Net Position.....	178
Statement of Revenues, Expenses, and Changes in Net Position	179
Statement of Cash Flows	180
 <u>STATISTICAL SECTION</u>	
(Not covered by Independent Auditor's Report)	
Statistical Section Index.....	182
Schedule of Net Position	183
Ten-Year History of Revenues, Expenses and Changes in Net Position	184
Ten-Year History of Dividends Returned to Members	185
Economic Statistics.....	186
Number of Claims	187
Property Values	188
Operating Indicators and Statistics	189
 <u>BUDGET HIGHLIGHTS</u>	190

INTRODUCTORY SECTION



December 4, 2014

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, 2014, 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, 2014, 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.

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

EXECUTIVE COMMITTEE:

Larry Moss President East Bay Regional Park District	Jim Sessions Vice President Riverside County	Barbara Lubben Alameda County	Teri Enos-Guerrero City of Chula Vista	Peggy Scroggins Colusa County	Scott Schimke Glenn County	Kristin McMenomey Mendocino County	James Brown Merced County	Maryellen Peters Placer County	Lance Sposito Santa Clara County	Peter W. Huebner Sierra County
---	--	-------------------------------------	--	-------------------------------------	----------------------------------	--	---------------------------------	--------------------------------------	--	--------------------------------------

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 market moves and turns based upon overall profitability. Profitability is generally affected by sustained periods of better or worse than expected losses, or in the short term, better or worse than expected catastrophic losses.

Factors influencing a hard market:

Property rates are affected by worldwide catastrophic events including hurricanes, floods, and earthquakes. The cumulative effect of these events can create pressure to raise property rates. The low interest rate environment that we are in hurts profitability and puts pressure on companies to raise rates. There has been an exodus of workers' compensation insurers in the California marketplace because of the long time benefits are paid, and the constantly changing benefit structure, which makes this line of coverage hard to price and ultimately, unprofitable. This reduced competition in the market has already produced a firming up of rates in the WC market. Our own loss history impacts both WC and liability rates.

Factors influencing a soft market:

In spite of mounting losses and poor economic conditions, the insurance market remains well capitalized. Ultimately, it is market capitalization that creates the supply in the "supply and demand" free market system.

Current market trends (October 2014):

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. The outlook for both primary and excess liability and medical

malpractice lines of coverage is stable at this point in time. On the employee benefits side, the full impact the Affordable Care Act will have on the EIAHealth Program is unknown; certain taxes and fees were included in health rates beginning in January 2014. Beyond that, we continue to monitor and evaluate developments as the federal government continues to implement universal healthcare.

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. 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 a hard and soft insurance market. 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 310 members, including ten new public entity members and one new county added in fiscal 2014. The 55 member counties represent more than a 95% market share of the 58 California counties. Public entity membership consists of 226 individual cities, schools, or special districts, and 29 joint powers authorities consisting of pools of cities, schools, or special districts, for a total of 255 public entity members. The county and public entity members collectively represent 1,799 public agencies. As of June 30, 2014, 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. Of our 55 member counties, 37 are active on one or more of our committees and 37 different public entity members currently participate in the governance of the EIA programs and services by serving on committees.

SERVICES AND PROGRAMS

EIA members have established ten major group coverage programs. The newest program, our Master Rolling Owner Controlled Insurance Program inceptioned in January 2013. 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, a "consortium" for members to meet federal regulations regarding drug and alcohol testing, financial subsidies for risk management, and assistance with loss prevention activities including financial subsidies, resources and training. In 2015, we will start a pilot Labor Law program to mitigate potential employment practice claims in the WC or Liability programs.

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 \$42.5 million, and the Committee plans to continue its dividend program with \$4 million budgeted for fiscal year 2014/15.

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.

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 \$12.9 million to \$10.6 million, due to continued adverse loss development. Consequently, the 2014/15 policy year was funded with an aim to add \$11.7 million to equity.

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. Beginning in 2009 and continuing through 2013, the coverage has been 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 \$2,187,000 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. During the past year, a number of large losses were reported, which affected multiple policy years. Although these years were fully insured, the adverse loss development impacted the renewal cycle, and as a result, the committee opted for a pooled corridor deductible in the 2014/15 policy 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. The 2014/15 year also has a catastrophic flood pool exposure of \$5 million which has been partially funded at \$1 million. 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 and purchases \$20 million of reinsurance to fulfill the limits. Effective October 1, 2010, the

Program's reinsurance agreement with Lexington Insurance was put on an occurrence basis. This allowed the Program to transfer its liability for tail claims in the reinsured layer to Lexington over the three-year period, October 1, 2010 to 2013. This elimination of the tail exposure puts the Program in a very favorable position if the market begins to harden. At the same time, the members have elected to fund the pool exposure on a claims-made basis, in order to take advantage of the risk financing benefits of lower cost and greater predictability and stability.

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 utilizes the pooling methodology to provide members with more 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, 2013. This was the twentieth 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 efficient and dedicated services of the entire staff 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	Greg Iturria, Chief Financial Officer	Steve Weston, Safety Officer
Calaveras County	X			X	X	X	X	X	X	Francine Osborn, Dir. of HR/Risk Mgmt	Vacant
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	Charity Camaddo-Nicolas, Assistant Risk Manager (LC)
Del Norte County	X			X	X	X				Joseph Young, Personnel/Risk Manager	Neal Lopez, Assistant County Administrator
El Dorado County			X	X	X	X		X	X	Kimberly Kerr, Assistant CAO	Sherri Adams, Principal Risk Mgmt. Analyst
Fresno County	X				X	X				Tracy Meador, Personnel Services Manager	Devon Benbrook, Senior 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					Alan Christensen, 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

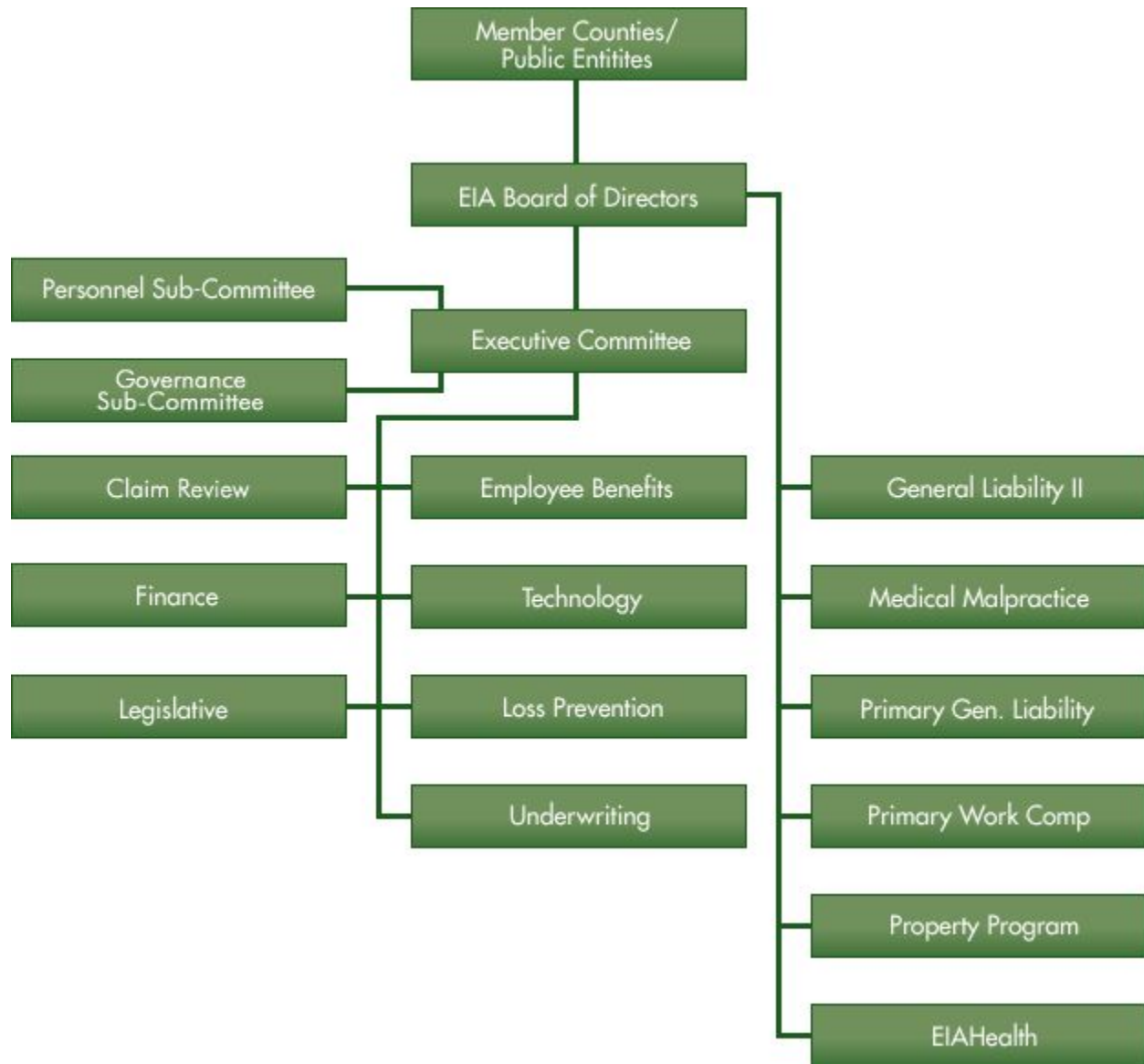
Member County	Programs									Board Member	Alternate Board Member
	GLI	PGL	GLII	MM	Prop	EWC	PWC	Health	Dental		
Lassen County	X			X	X	X			X	Richard Egan, CEO	Vacant
Madera County	X			X	X	X				Darin McCandless, Risk Management Analyst	Kevin Fries, Chief Assistant County Administrative Officer
Marin County				X						Karol Hosking, Risk Manager	Vacant
Mariposa County	X			X	X	X			X	Rick Benson, CAO	Mary Hodson, Deputy CAO
Mendocino County	X			X	X	X	X			Kristin McMenomey, General Service Director	Cherie Johnson, Human Resources Manager
Merced County	X			X	X	X		X		James Brown, County Executive Officer	Brad Smith, Risk Management Director
Modoc County	X			X	X	X			X	Chester Robertson, County Administrative Officer	Darcy Locken, Auditor
Mono County	X			X	X	X				Jim Leddy, County Administrative Officer	Bill Van Lente, Director of Human Resources/Risk Management
Monterey County					X	X				Steve Mauck, Risk Manager	Vacant
Napa County	X			X	X	X			X	Kerry John Whitney, Risk Manager	Suzanne Mason, Human Resources Director
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	Maryellen Peters, Deputy CEO	Ken Brown, Liability Manager
Plumas County	X			X	X	X			X	Roberta Allen, Auditor/Controller	Patrick Bonnett, Assistant Risk Manager
Riverside County			X	X	X	X				Jim Sessions, Risk Manager	Michael Stock, Deputy HR Director
Sacramento County					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					Hueston Whiteside, Interim Director	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	Vacant
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	Jonathan Hill, Risk Management Analyst III
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	Wendy Macy, Director of Human Resources
Stanislaus County	X			X	X	X			X	Peggy Huntsinger, Assistant Risk Manager	Kevin Watson,
Sutter County	X			X	X	X	X			Marco Sandoval, Risk Manager	Karen Ropp, Human Resources Director
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	Vacant
Tuolumne County	X	X		X	X	X			X	Ann Fremd, Senior Administrative Analyst	Tracie Riggs, Deputy County Administrator
Ventura County					X					Chuck Pode, Risk Manager	Theresa Bucci, Risk Analyst
Yolo County				X					X	Jeff Tonks, Risk Manager	Dirk Brazil, Deputy County Administrator
Yuba County	X			X	X	X	X		X	Martha Wilson, Director, Human Resources	Jill Abel, Deputy Human Resources Director



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, 2013

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

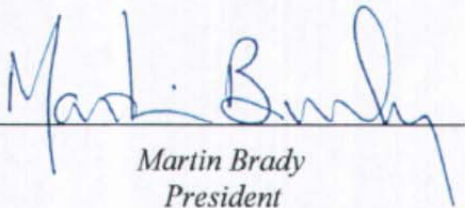
this

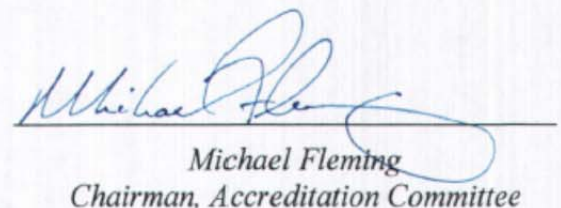
CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

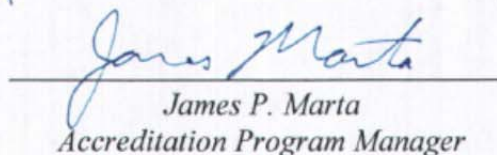
having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.



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, 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 audit. We conducted our audit 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 audit 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, 2014, and the changes in financial position and cash flows for the year 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.

Prior Period Financial Statements

The financial statements of the Authority as of June 30, 2013, were audited by other auditors whose report dated November 22, 2013 expressed an unmodified opinion on those statements.

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 audit was 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 18, 2014, 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 18, 2014

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, 2014 and 2013. 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 and liabilities, with the difference between the two 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, and earned but unused vacation leave).

The Authority-wide financial statements can be found on pages 39 through 42 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 43 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	\$ 29,090,996
Excess Workers' Compensation	10,624,884
Primary General Liability	2,272,208
General Liability I	34,823,055
General Liability II	6,095
Property	4,016,314
Medical Malpractice	5,706,100
Master Rolling Owner Controlled Ins. Program	30,061
EIAHealth	1,847,030
Dental Program	13,597,919
Miscellaneous Programs	2,144,997
Administration and Building	9,169,342
Total Net Position	\$ 113,329,001

Financial Highlights

Authority-Wide Financial Analysis

The EIA's assets exceeded liabilities by \$113.3 million as of June 30, 2014, and by \$118.6 million at June 30, 2013, and \$105.6 at June 30, 2012. Below is a condensed Statement of Net Position:

CSAC Excess Insurance Authority's Combined Statement of Net Position

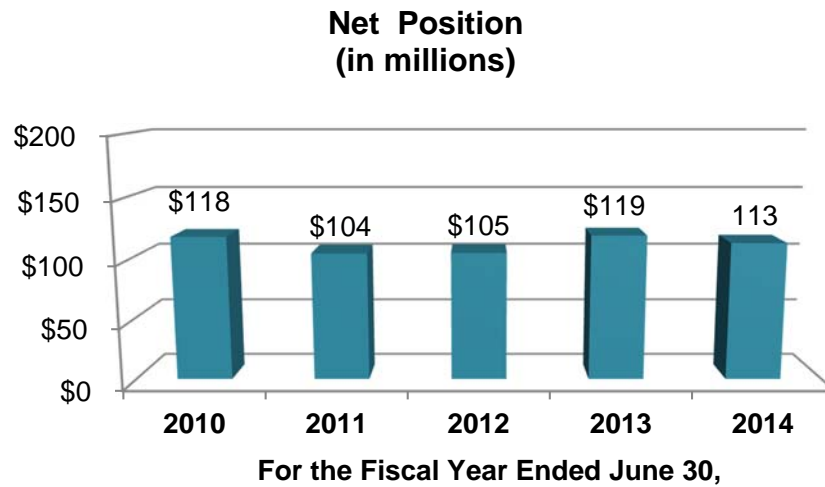
	June 30, 2014	%	June 30, 2013	%	June 30, 2012	%
Current Assets	\$309,440,001	52%	\$ 326,533,622	56%	\$343,635,991	60%
Noncurrent Assets	283,144,274	48%	261,618,903	44%	230,227,831	40%
Total Assets	592,584,275	100%	588,152,525	100%	573,863,822	100%
Current Liabilities	124,485,596	26%	117,831,208	25%	108,329,137	23%
Noncurrent Liabilities	354,769,678	74%	351,705,921	75%	359,982,865	77%
Total Liabilities	479,255,274	100%	469,537,129	100%	468,312,002	100%
Invested in Capital Assets	8,414,447	7%	8,677,508	7%	8,848,708	8%
Unrestricted Net Position	104,914,554	93%	109,937,888	93%	96,703,112	92%
Total Net Position	\$113,329,001	100%	\$ 118,615,396	100%	\$105,551,820	100%

Net Position

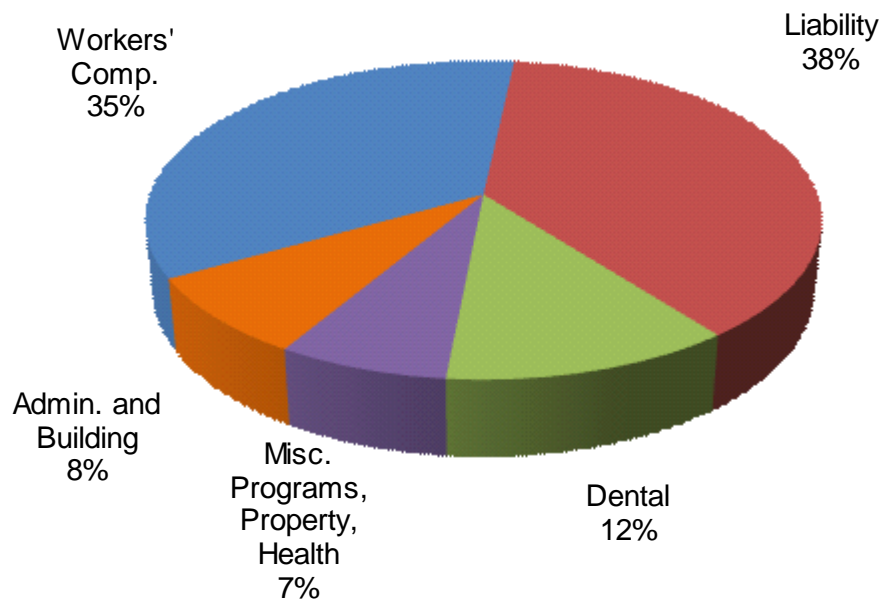
Net Position decreased \$5.3 million in 2014 compared to an increase of \$13.1 million in 2013. We started the year with net position of \$118.6 million. Our strong position in some programs allowed us to return dividends to our members of \$6.2 million in fiscal 2014, and \$10.3 million in each of the prior two fiscal years, decreasing net position by that amount. Our ending balance in net position is \$113.3 million.

Management's Discussion & Analysis

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



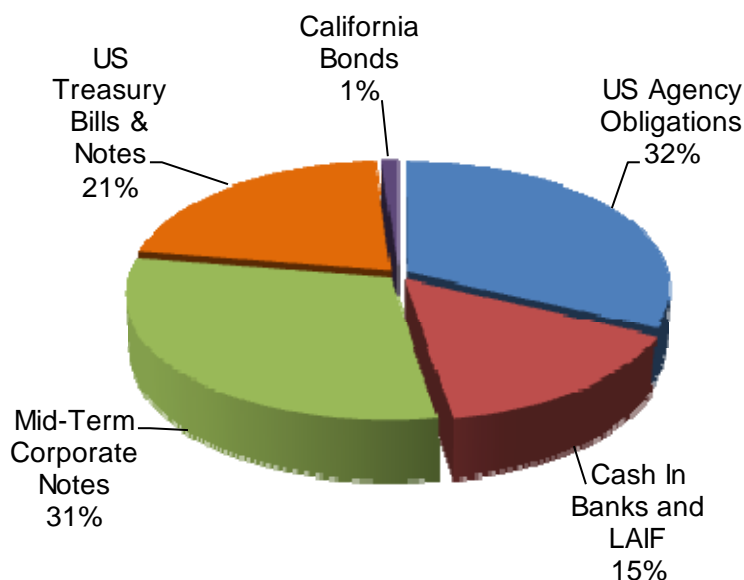
Our large, pooled risk programs, Workers' Compensation and Liability programs, account for 73% of net position as show below:



Management's Discussion & Analysis

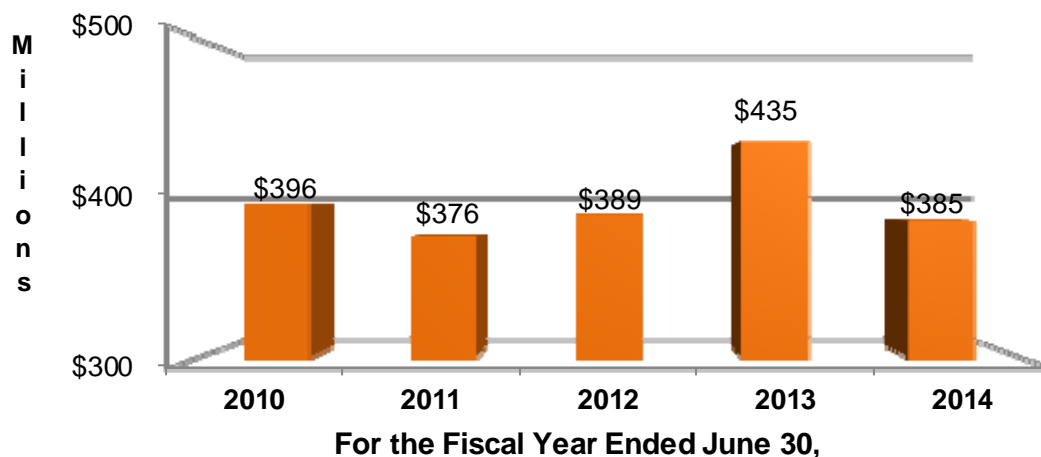
Approximately 77% of our assets consist of funds held for the payment of claims. Of these funds, 15% is in cash, and 85% is invested. The following chart shows the asset allocation for the invested funds at June 30, 2014:

EIA Treasury at June 30, 2014



At June 30, 2014, the fair value of our fixed income investments was \$385 million, compared to \$435 million a year ago and \$389 million two years ago.

EIA Dollars Invested



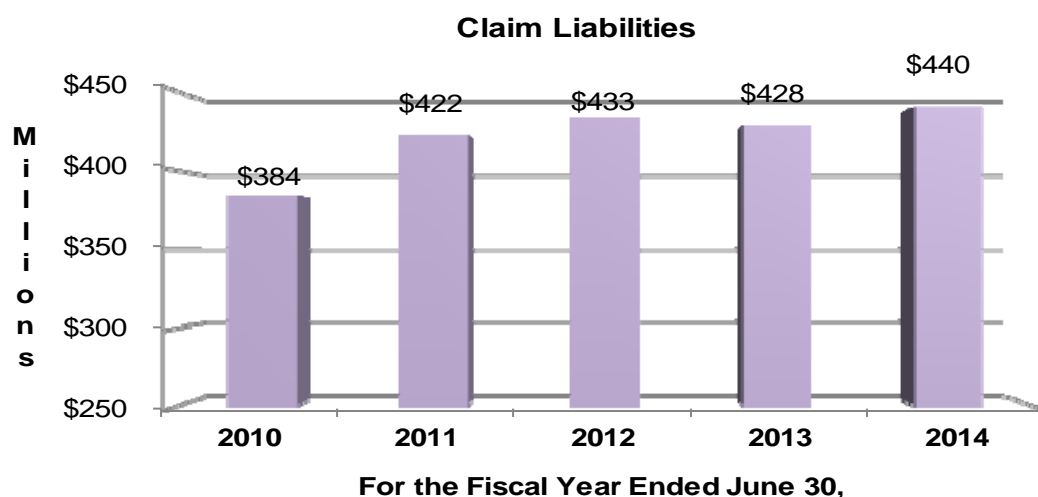
Management's Discussion & Analysis

Market interest rates continued at historically low levels during fiscal year 2014. During fiscal year 2014, there was a net decline in fair value recognized of \$2.3 million, compared to a net decline in fair value in fiscal year 2013 of \$9.3 million. An \$8.9 million decline in fair value was recognized in fiscal year 2012. The declines in fair market value are primarily being driven by the purchase of bonds at greater than stated value, which have a higher coupon rate. As the bond reaches the maturity or call date, market value declines to the face value of the bond at maturity, resulting in a market loss. The decline in market value 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. In Fiscal 2014 claim liabilities increased \$12 million compared to decrease of \$5.6 million in fiscal year 2013, and \$11 million increase in fiscal 2012.

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



Management's Discussion & Analysis

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 (in thousands):

Program	In Millions			
	Target Equity Range		Net Position	
	Low	High	June 30, 2014	
Primary Workers' Compensation	\$ 13	\$ 35	\$	23
Excess Workers' Compensation	\$ 30	\$ 61	\$	11
Primary General Liability	\$ 0	\$ 2	\$	2
General Liability I	\$ 12	\$ 35	\$	35
Medical Malpractice	\$ 6	\$ 10	\$	6

As the above chart shows, all programs, with the exception of Excess Workers' Compensation Program, are in 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 55, 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 two fiscal years, 2012/13 and 2013/14, 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.

Management's Discussion & Analysis

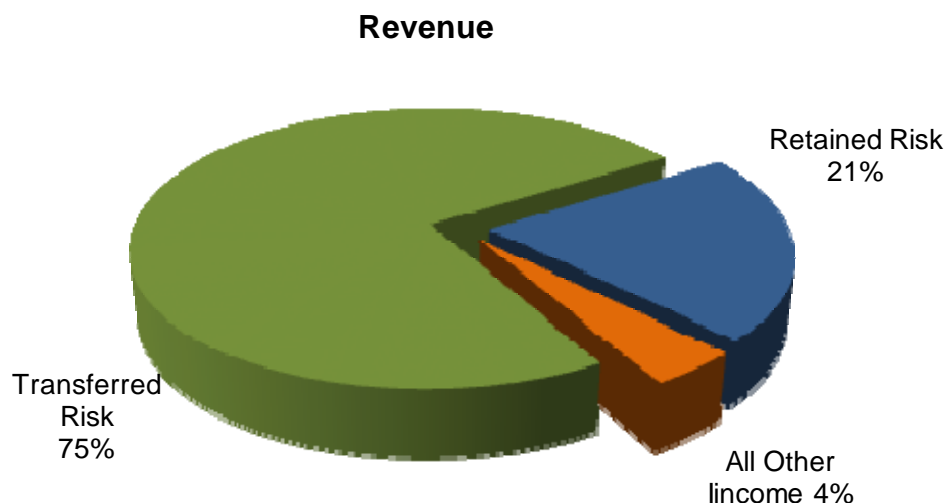
The following is a condensed Statement of Revenues, Expenses and Changes in Net Position.

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

	June 30, 2014	June 30, 2013	June 30, 2012
Operating Revenues:			
Premiums for Transferred Risk	\$ 423,229,776	\$ 386,895,589	\$ 374,220,717
Broker Fees	8,342,982	7,382,605	7,085,654
Contributions for Retained Risk	124,089,007	129,253,959	108,763,785
All Other Sources	17,903,846	15,455,417	19,803,632
Total Operating Revenues	573,565,611	538,987,570	509,873,788
Operating Expenses:			
Member Dividends	6,179,489	10,281,301	10,291,841
Insurance Expense	422,937,089	386,146,940	372,467,736
Broker Fees	8,079,636	7,384,093	7,053,183
Provisions for Claims	122,157,339	99,860,765	101,501,141
Unallocated Loss Adjustment Expense	2,332,280	18,714	(424,706)
Program Services	12,134,125	13,831,864	13,426,729
Member Services and Subsidies	2,358,826	2,192,839	2,056,405
General Administrative Services	8,584,558	7,854,569	7,266,482
Depreciation	311,987	277,423	256,810
Total Operating Expenses	585,075,329	527,848,508	513,895,621
Operating Income (Loss)	(11,509,718)	11,139,062	(4,021,833)
Nonoperating Revenues (Expenses):			
Investment Income	6,258,953	1,807,548	5,134,621
Lease Income	414,094	487,378	506,259
Financing & Investment Expenses	(31,157)	(24,550)	(31,067)
Building Operations and Depreciation	(418,567)	(345,862)	(350,799)
Total Nonoperating			
Revenues (Expenses)	6,223,323	1,924,514	5,259,014
Changes in Net Position	(5,286,395)	13,063,576	1,237,181
Net Position			
Beginning of Year	118,615,396	105,551,820	104,314,639
End of Year	\$ 113,329,001	\$ 118,615,396	\$ 105,551,820

Revenues

Total operating revenues were \$573.6 million during 2014, a 6% increase from the \$539 million in 2013. Investment income increased by \$4.3 million due to increasing yield rates. The total revenue allocation is shown in the following chart:



Membership. There was some growth in membership in most of our programs with a large county returning to our property program. 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 two new major building projects. In addition to cities, counties, and special districts we insure directly, we cover an additional 1,489 members, who are part of other Joint Powers Authorities that participate in our programs.

Premiums for Transferred Risk. Premiums for transferred risk increased 9% from \$387 million in 2013 to \$423 million in 2014. 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 \$124 million, compared to \$129.2 million last year, a decrease of \$5 million. The contributions for retained risk, together with investment earnings, are used to finance the provision for claims.

The following chart compares the revenues for retained risk and investment earnings (the red line) with the expense for the provision for claims (the green line) for the past seven years. The areas between the lines and bars represent the net increase, or

Management's Discussion & Analysis

decrease, from claim revenues and expenses. As the chart shows, it has been challenging to add to equity in recent years given the loss development.

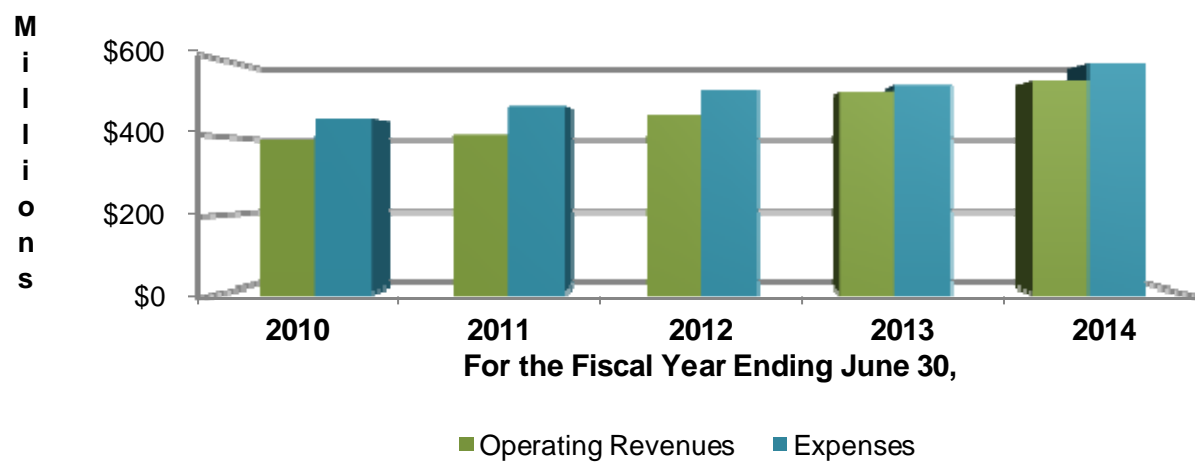


Expenses

Total operating expenses increased \$57.2 million, or 11%, to \$585 million from fiscal year 2013, largely driven by insurance expense. Claims expense also increased, up 22% in 2014 compared to 2013. In 2013 claims expense was down a slight 2% from 2012.

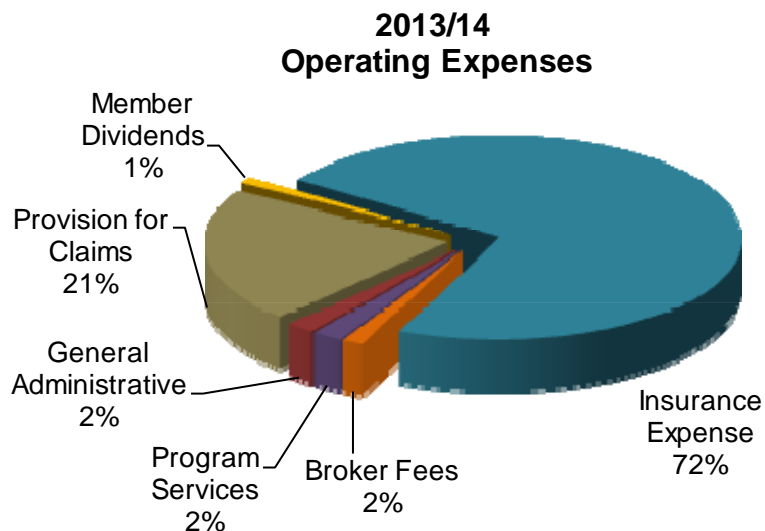
Operating expense compared to revenue is shown in the following chart:

Operating Revenues vs. Expenses



Management's Discussion & Analysis

The total operating expense allocations are shown in the following chart:



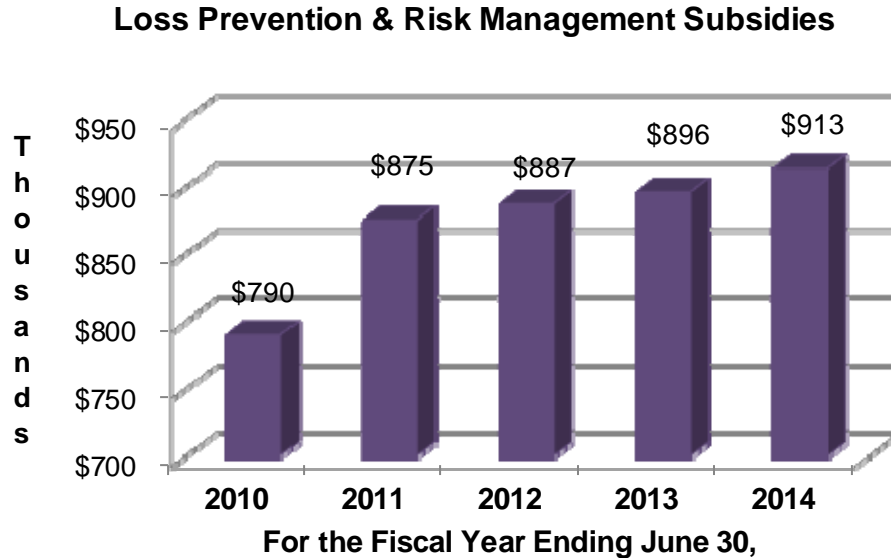
Significant expense items included:

- Member dividends included a \$5.5 million dividend to members of the Primary Workers' Compensation (PWC) Program, and \$450 thousand to Primary General Liability (PGL) Program members. This compares to fiscal year 2013 dividend payments of \$6.5 million to PWC Program members, and \$550 thousand to members in the PGL Program, and \$3 million to GLI program members.
- Insurance expense increased by \$ 36.8 million, mirroring the revenue increase in premium 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 \$22 million from \$100 million in 2013 to \$122 million in 2014.
- Program service expenses were \$12.1 in 2014, down from \$13.8 million in 2013 and \$13.4 million in 2012. 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 (in thousands) 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)

In the past fiscal year, 3,300 employees from member agencies completed at least one of our instructor led training/education courses. Our members continued their use of our internet training platform, Prevention Link, completing over 175,274 courses during

Management's Discussion & Analysis

the fiscal year. There are currently 64 entities represented by approximately 3,100 employees in our Drug and Alcohol Monitoring Consortium. There are 160 members enrolled in the EPN service, representing over 65,559 drivers.

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 second 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 five outsourced TPA systems for the PWC Program. We will also be providing a claims platform for members who want to lease our system, and currently have agreements with five members, and are finalizing agreements with six other members. 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. 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 72 of this report. The combining and individual program statements for all EIA programs are presented immediately following the required supplementary information beginning on page 87 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, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash	\$ 300	\$ 300
Cash in Banks	6,293,337	4,609,696
Cash in the EIA Treasury	63,512,017	40,143,936
TOTAL CASH & CASH EQUIVALENTS	69,805,654	44,753,932
Investments	154,797,684	218,751,780
Accounts Receivable:		
Due from Members	19,548,197	15,222,192
Investment Income Receivable	1,461,583	2,060,758
Reinsurance Claims	19,085,590	4,108,236
Prepaid Insurance and Expenses	44,741,293	41,636,724
TOTAL CURRENT ASSETS	309,440,001	326,533,622
Noncurrent Assets:		
Investments	230,329,827	216,341,973
Prepaid Insurance	44,400,000	36,599,422
Land and Buildings, Net	7,592,768	7,929,968
Furniture and Equipment, Net	821,679	682,815
Lease Acquisition Costs, Net	-	64,725
TOTAL NONCURRENT ASSETS	283,144,274	261,618,903
TOTAL ASSETS	\$ 592,584,275	\$ 588,152,525
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 5,277,022	\$ 3,397,612
Deposits from Insurance Companies	8,223,632	7,515,311
Due to Members	15,299,407	20,931,727
Unearned Income	10,314,825	9,139,804
Claim Liabilities	85,306,940	76,787,992
Compensated Absences	63,770	58,762
TOTAL CURRENT LIABILITIES	124,485,596	117,831,208
Noncurrent Liabilities:		
Claim Liabilities		
Claims Reported	185,822,815	241,807,686
Claims Incurred But Not Reported	128,325,887	71,215,926
Unallocated Loss Expense Payable	40,365,898	38,034,618
Compensated Absences	255,078	235,050
Other Post Employment Benefits	-	412,641
TOTAL NONCURRENT LIABILITIES	354,769,678	351,705,921
TOTAL LIABILITIES	479,255,274	469,537,129
NET POSITION:		
Net investment in Capital Assets	8,414,447	8,677,508
Unrestricted	104,914,554	109,937,888
TOTAL NET POSITION	\$ 113,329,001	\$ 118,615,396

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

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 423,229,776	\$ 386,895,589
Broker Fees	8,342,982	7,382,605
Contributions for Retained Risk	124,089,007	129,253,959
Dividend Income	215,008	213,606
Member Services	865,314	640,078
Administration Fees	14,400,637	12,617,685
Public Entity Fees	552,493	480,351
Other Income	1,870,394	1,503,697
TOTAL OPERATING REVENUES	<u>573,565,611</u>	<u>538,987,570</u>
OPERATING EXPENSES:		
Member Dividends	6,179,489	10,281,301
Insurance and Provision for Losses:		
Insurance Expense	422,937,089	386,146,940
Broker Fees	8,079,636	7,384,093
Provision for Claims		
Current Year Claims	92,080,487	91,283,352
Prior Year Claims	30,076,852	8,577,413
Unallocated Loss Adjustment Expenses	2,332,280	18,714
Program Services	12,134,125	13,831,864
Member Services and Subsidies	2,358,826	2,192,839
General Administrative Services	8,412,166	7,702,622
Depreciation	311,987	277,423
Building Maintenance	172,392	151,947
TOTAL OPERATING EXPENSES	<u>585,075,329</u>	<u>527,848,508</u>
OPERATING INCOME (LOSS)	<u>(11,509,718)</u>	<u>11,139,062</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	5,919,696	1,574,668
Financing Fees	339,257	232,880
Lease Income	414,094	487,378
Building Maintenance	(146,852)	(129,437)
Building Depreciation	(271,715)	(216,425)
Investment Expense	(31,157)	(24,550)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>6,223,323</u>	<u>1,924,514</u>
CHANGES IN NET POSITION	(5,286,395)	13,063,576
NET POSITION:		
Net Position, Beginning of Year	118,615,396	105,551,820
NET POSITION, END OF YEAR	<u><u>\$ 113,329,001</u></u>	<u><u>\$ 118,615,396</u></u>

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

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 567,619,665	\$ 539,858,221
Receipts from Others	(13,901,781)	2,567,518
Dividends Paid	(10,179,489)	(7,781,301)
Claims Paid	(112,514,301)	(105,521,119)
Insurance Purchased	(429,961,270)	(392,457,289)
Payments to Suppliers	(26,055,385)	(23,295,737)
Payments to Employees	(6,695,534)	(5,990,456)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(31,688,095)</u>	<u>7,379,837</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets	<u>(320,641)</u>	<u>(322,651)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(320,641)</u>	<u>(322,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease Receipts	414,094	478,027
Operating Lease Disbursements	(146,852)	(129,438)
Purchase of Securities	(142,553,243)	(329,392,011)
Sales of Securities	190,188,886	274,135,411
Cash from Investment Earnings	8,849,495	11,703,231
Cash from Finance Fees	339,215	232,018
Investment Expenses	(31,137)	(24,550)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>57,060,458</u>	<u>(42,997,312)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,051,722	(35,940,126)
CASH & EQUIVALENTS: BEGINNING OF YEAR	<u>44,753,932</u>	<u>80,694,058</u>
END OF YEAR	<u><u>\$ 69,805,654</u></u>	<u><u>\$ 44,753,932</u></u>

CSAC EXCESS INSURANCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ (11,509,718)	\$ 11,139,062
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation, net of leased portion	311,987	277,423
Changes in Assets and Liabilities		
Accounts and Other Receivables, Net	(19,303,359)	1,252,689
Prepaid Insurance and Expenses	(10,905,148)	(6,523,815)
Accounts and Other Payables	(3,457,232)	3,361,204
Unearned Income	1,175,021	3,482,966
Claim Liabilities	9,644,038	(5,657,680)
Unallocated Loss Adjustment Expense Payable	2,331,280	16,040
Other Liabilities	25,036	31,948
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (31,688,095)	\$ 7,379,837
	<hr/> <hr/>	<hr/> <hr/>
NONCASH INVESTING, CAPITAL & FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (2,328,850)	\$ (9,329,791)
	<hr/> <hr/>	<hr/> <hr/>

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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, 2014 and 2013:

	2014	2013
Primary Workers' Compensation	39	38
Excess Workers' Compensation	166	161
Primary General Liability	23	23
General Liability I	104	100
General Liability II	11	11
Property	84	82
Medical Malpractice	49	50
Master Rolling Owner Controlled Insurance	2	1
EIAHealth	25	25
Dental	133	126

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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, liabilities, 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, 2014 AND 2013**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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, 2014 and June 30, 2013 balances in the other receivable accounts are considered 100% collectible.

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 \$500 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.

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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.

	June 30, 2014	June 30, 2013
Primary Workers' Compensation	\$ 25,697,819	\$ 23,072,254
Excess Workers' Compensation	10,005,560	10,785,386
Primary General Liability	103,718	158,041
General Liability I	2,313,958	2,014,986
General Liability II	494,024	430,002
Property	103,639	76,166
Medical Malpractice	1,647,180	1,497,783
Totals	<u>\$ 40,365,898</u>	<u>\$ 38,034,618</u>

Compensated Absences

The Authority's vacation policy provides for a limited accumulation of earned vacation leave, with such leave being fully vested when earned. A liability of \$318,848 for vacation pay has been computed and recorded, based on the unused days multiplied by the current daily rates of pay.

At June 30, 2014, the current portion of the liability is \$63,770 and the balance of \$255,078 is considered long- term.

	Fiscal Year Ended	
	June 30, 2014	June 30, 2013
Beginning Balance	\$ 293,812	\$ 261,864
Increases	274,000	318,071
Decreases	(248,964)	(286,123)
Ending Balance	<u>\$ 318,848</u>	<u>\$ 293,812</u>
Current Portion	<u>\$ 63,770</u>	<u>\$ 58,762</u>
Long Term Portion	<u>\$ 255,078</u>	<u>\$ 235,050</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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

Pensions

The provision for pension cost is recorded on an accrual basis, and the Authority's policy is to fund the Annual Required Contribution (ARC). Refer to Note 7 for pension details.

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.

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

1. Organization and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

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.

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 \$8,414,447, net of accumulated depreciation, and unrestricted net position of \$104,914,554 as of June 30, 2014, for a total of \$113,329,001. The net position as of June 30, 2013, was \$118,615,396. The unrestricted net position balances are available for future operations or distribution.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

2. Cash

A. Cash and Cash Equivalents

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

Cash and cash equivalents, as of June 30, 2014 and 2013 are reported at fair value and consist of the following:

	June 30, 2014	June 30, 2013
Petty Cash	\$ 300	\$ 300
Cash in Banks		
Primary Workers' Compensation Checking	5,719,662	3,642,893
Primary General Liability Checking	445,902	770,822
Iron Point Checking	127,773	195,981
	<u>6,293,337</u>	<u>4,609,696</u>
Cash in EIA Treasury		
Cash in Bank, General Checking	5,278,437	4,615,896
Treasury Money Market	47,732,264	20,538,968
State of California,		
Local Agency Investment Fund	10,501,316	14,989,072
Total Cash in EIA Treasury	<u>63,512,017</u>	<u>40,143,936</u>
Total Cash and Cash Equivalents	<u>\$ 69,805,654</u>	<u>\$ 44,753,932</u>

B. Custodial Credit Risk

The carrying amount of the Authority's total cash in banks was \$11,571,774 at June 30, 2014, and \$9,225,592 at June 30, 2013. The bank balance was \$17,892,222 at June 30, 2014 and \$13,687,518 at June 30, 2013, and was partially insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2014, \$17,392,222 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.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

2. Cash (continued)

C. Authority Treasury (continued)

Authority treasury accounts were comprised of the following:

	June 30, 2014	June 30, 2013
Cash In Banks	\$ 53,010,701	\$ 25,154,864
Cash in State of California		
Local Agency Investment Fund	10,501,316	14,989,072
Investments	385,127,511	435,093,753
Investment Income Receivable	1,461,583	2,060,757
Total Treasury Assets	<u>\$ 450,101,111</u>	<u>\$ 477,298,446</u>
	June 30, 2014	June 30, 2013
Primary Workers' Compensation	\$ 68,099,319	\$ 73,643,380
Excess Workers' Compensation	285,087,071	284,751,204
Primary General Liability	2,511,053	3,132,289
General Liability I	125,418,075	123,515,344
General Liability II	(10,137,708)	7,449,239
Property	(83,002,855)	(69,725,149)
Medical Malpractice	31,275,622	29,687,076
Master Rolling Owner Controlled Ins Program	(209,810)	(3,989)
EIAHealth	10,840,567	9,487,862
Dental	14,926,462	12,526,984
Miscellaneous Programs	4,268,460	2,373,396
General Administration	8,223,491	8,240,219
Building Fund	(7,198,636)	(7,779,409)
Total Treasury Balances	<u>\$ 450,101,111</u>	<u>\$ 477,298,446</u>

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), and municipal bonds including those issued by the State of California, bankers' acceptances, commercial paper, 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.

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

3. Investments (continued)

The Authority's investment policy places a limit on the purchase of debt of any federal government agency of 30% of available funds (book values of securities in the portfolio plus cash and cash equivalents). Purchases of medium-term notes (corporate notes) are limited to 30% of available funds and a minimum rating of A by a nationally recognized rating service (Moody's, Standard and Poor's, or Fitch). Purchases of notes from an individual issuer are limited to a maximum of 5% of available funds. Purchases of commercial paper are limited to 25% of available funds, and must be assigned the highest rating offered by Moody's (MIG-1) or Standard and Poor's (SP-1). Any debt, other than commercial paper, must also be assigned a Moody's or Standard and Poor's rating of A or better. Purchases from an individual issuer are limited to 5% of available funds. All restrictions are applicable at the time of purchase.

A. Investment Credit Risk

The Authority's investments at June 30, 2014 and 2013 are summarized below. The credit quality rating used is Standard and Poor's, a nationally recognized rating agency.

Investments	Credit Quality Rating	June 30, 2014		June 30, 2013	
		Fair Value	%	Fair Value	%
U.S. Treasury Notes	AA+	\$ 96,849,223	25%	\$ 113,203,206	26%
U.S. Agencies	AA+	145,672,008	38%	183,770,294	42%
Corporate Notes	AAA to A+	101,663,025	27%	97,318,924	23%
Corporate Notes	A	35,907,205	9%	35,808,930	8%
Calif. General Obligation Bonds	A	5,036,050	1%	4,992,400	1%
Total Investments		\$ 385,127,511	100%	\$ 435,093,754	100%

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, 2014 consist of the following:

	<u>Investment Maturities</u>				Time to Maturity
	Fair Value	Less than 1 Year	One to Five Years		
U.S. Agencies	\$ 145,672,008	\$ 73,056,771	\$ 72,615,237		1.32
Corporate Mid Term Notes	118,577,600	47,081,570	71,496,030		1.40
Municipal Bonds	5,036,050	-	5,036,050		1.59
Non U.S. Corporate Bonds	18,992,630	8,671,640	10,320,990		3.04
U.S. Treasuries	96,849,223	25,987,703	70,861,520		2.50
Totals	\$ 385,127,511	\$ 154,797,684	\$ 230,329,827		1.49

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

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 FT Interactive Data's 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 \$2,328,850 of unrealized loss for the year ended June 30, 2014. In the year ended June 30, 2013, \$9,329,791 of unrealized loss was recognized.

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

	June 30, 2014	June 30, 2013
Fair Value at June 30,	\$ 385,127,511	\$ 435,093,753
Add: Proceeds of Investments Disposed Of	185,300,000	274,135,411
Less: Cost of Investments Purchased	(137,662,608)	(329,392,011)
Less Fair Value at July 1	(435,093,753)	(389,166,944)
Change in Fair Value	\$ (2,328,850)	\$ (9,329,791)

	Beginning Fair Value At July 1, 2013	Purchases	Dispositions	Subtotal	Ending Fair Value At June 30, 2014	Change in Fair Value
U.S. Agencies	\$ 183,770,294	\$ 76,627,300	\$ 115,000,000	\$ 145,397,594	\$ 145,672,008	\$ 274,414
Corporate						
Notes	114,153,453	41,477,700	35,000,000	120,631,153	118,577,600	(2,053,553)
Municipal						
Bonds	4,992,400	9,634,170	9,500,000	5,126,570	5,036,050	(90,520)
Non U.S.						
Corporate						
Bonds	18,974,401	-	-	18,974,401	18,992,630	18,230
U.S. Treasuries	113,203,206	9,923,438	25,800,000	97,326,643	96,849,223	(477,420)
Totals	\$ 435,093,753	\$ 137,662,608	\$ 185,300,000	\$ 387,456,361	\$ 385,127,511	\$ (2,328,850)

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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	30%	100%
Commercial Paper	5%	25%
Bankers' Acceptances	5%	40%
Corporate Mid Term Notes	10%	30%
Time Certificates of Deposit	5%	50%
Municipal Bonds	varies by state	30%
Repurchase Agreements		
30 days or less	10%	100%
Greater than 30 days	5%	100%

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 Home Loan Mtg Corp	6	\$ 62,505,465	16.23%
Federal National Mtg Assn	5	\$ 54,009,949	14.02%
Federal Home Loan Bank	4	\$ 29,156,594	7.57%
Wells Fargo & Co	3	\$ 25,695,520	6.67%
GE Cap Corp	2	\$ 20,481,770	5.32%
Catepillar Financial Services	2	\$ 20,133,210	5.23%

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, 2014 AND 2013**

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, 2014, is \$64,850,840,279. The fair value is estimated at \$64,870,214,443 or 1.00029875% of cost. The average maturity of LAIF investments is 232 days at June 30, 2014.

The Authority's balance in LAIF at June 30, 2014, was \$10,501,316 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, 2013, was \$14,989,072, 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, 2014 of \$598,686,910, have been presented at the net present value of \$439,821,540. At June 30, 2013, claim liabilities of \$556,157,549 are presented at their present value of \$427,846,222, 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, 2014 AND 2013**

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 numbers 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	254,206,927	273,309,649	301,733,852	335,829,777
Net Position Balance	10,624,884	(8,477,838)	(36,902,041)	(70,997,966)

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, 2014 AND 2013

4. Claim Liabilities (continued)

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

	June 30, 2014	June 30, 2013
Primary Workers' Compensation	\$ 44,383,591	\$ 38,896,041
Excess Workers' Compensation	264,212,487	261,549,235
Primary General Liability	264,271	601,280
General Liability I	90,542,465	82,958,450
General Liability II	4,165,919	7,806,716
Property	10,178,131	9,894,205
Medical Malpractice	23,874,676	23,990,295
Dental	2,200,000	2,150,000
Total Claim Liabilities	<u>\$ 439,821,540</u>	<u>\$ 427,846,222</u>

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

	June 30, 2014	June 30, 2013
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 427,846,222	\$ 433,487,862
Incurred claims and claim adjustment expenses:		
Provision for Retained Risk of the current fiscal year	94,412,767	91,302,066
Increase in Provision for Retained Risk, prior fiscal yrs	30,076,852	8,577,413
Total incurred claims & claim adjustment expenses	<u>552,335,841</u>	<u>533,367,341</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	30,352,035	38,009,387
Claims and claim adjustment expenses attributable to insured events of the prior fiscal years	82,162,266	67,511,732
Total Payments	<u>112,514,301</u>	<u>105,521,119</u>
Total Unpaid claims and claim adjustment expenses at the end of the fiscal year	<u>\$ 439,821,540</u>	<u>\$ 427,846,222</u>
Reported Claims	\$ 226,038,272	\$ 318,595,678
Incurred But Not Reported Claims	173,417,370	71,215,926
Unallocated Loss Adjustment Expenses	40,365,898	38,034,618
Total Claim Liabilities	<u>\$ 439,821,540</u>	<u>\$ 427,846,222</u>
Current Claim Liabilities	\$ 85,306,940	\$ 76,787,992
Non-current Claim Liabilities	354,514,600	351,058,230
Total Claim Liabilities	<u>\$ 439,821,540</u>	<u>\$ 427,846,222</u>

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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 \$5,032,267.

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 2013/14 policy years, the Authority purchased insurance for claim liabilities in excess of \$10 thousand (per claim) up to \$125 thousand. At June 30, 2014, 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	\$260,355,527	\$260,355,527	\$ -	\$ -	\$ -
Reinsured layer	38,500,000	24,542,144	-	13,957,856	-
Above reinsured layer	10,974,969	-	5,942,702	-	5,032,267
Santa Cruz Fire Portfolio	9,857,712	9,570,674	-	-	287,038
2009/10 through 2013/14 policy year	59,770,000	46,403,533	-	-	13,366,467
Total PWC Claim Liabilities	\$379,458,208	\$340,871,878	\$5,942,702	\$ 13,957,856	\$ 18,685,772

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

4. Claim Liabilities (continued)

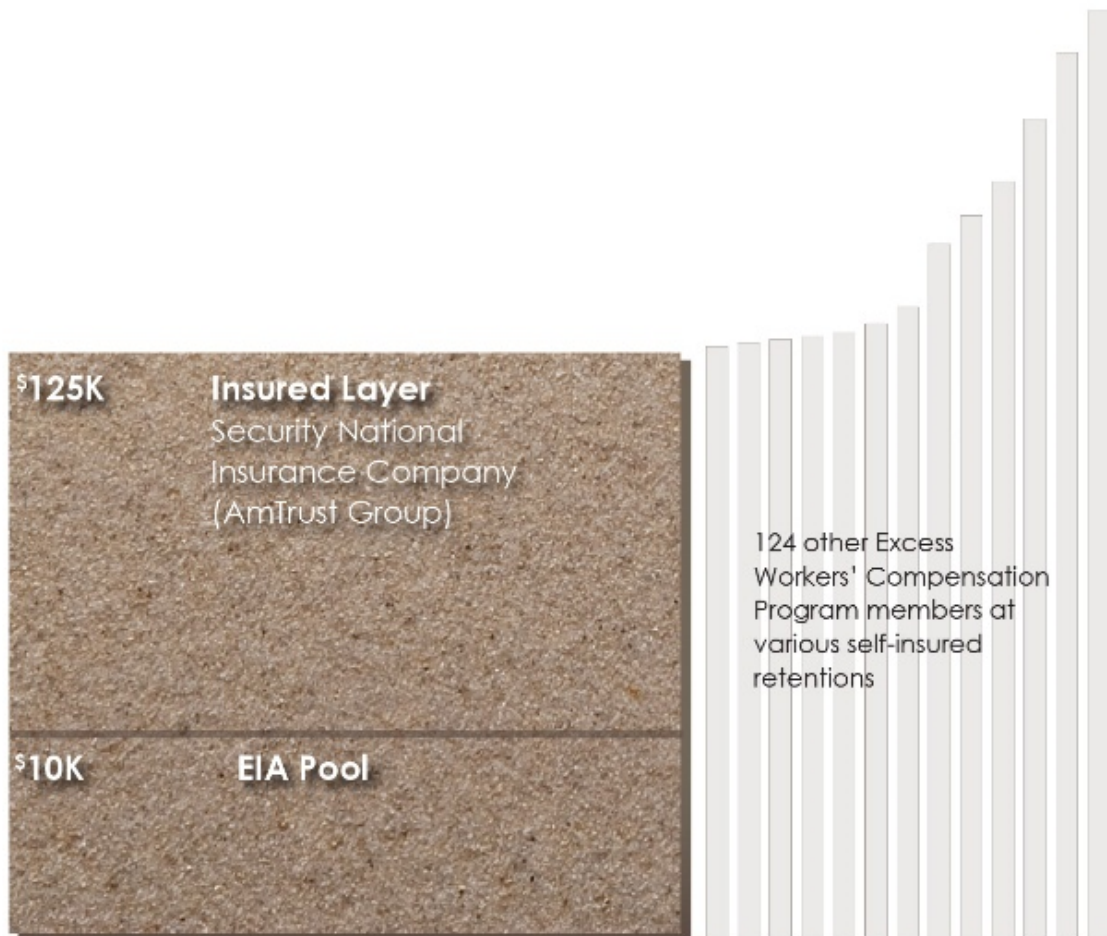
A. Primary Workers' Compensation (continued)

In addition to the above the program has a liability for Unallocated Loss Adjustment Expense (ULAE) of \$25,697,819 for total claim and ULAE liabilities of \$44,383,591.

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, 2014 AND 2013**

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 \$5M. 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 \$1M 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 \$125k and \$5M 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

The Board has established the target equity (assets greater than liabilities) range for the Program, between \$30 million and \$61 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 2013/14, 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. Pool funding rates have increased since the 2011/12 year. 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.

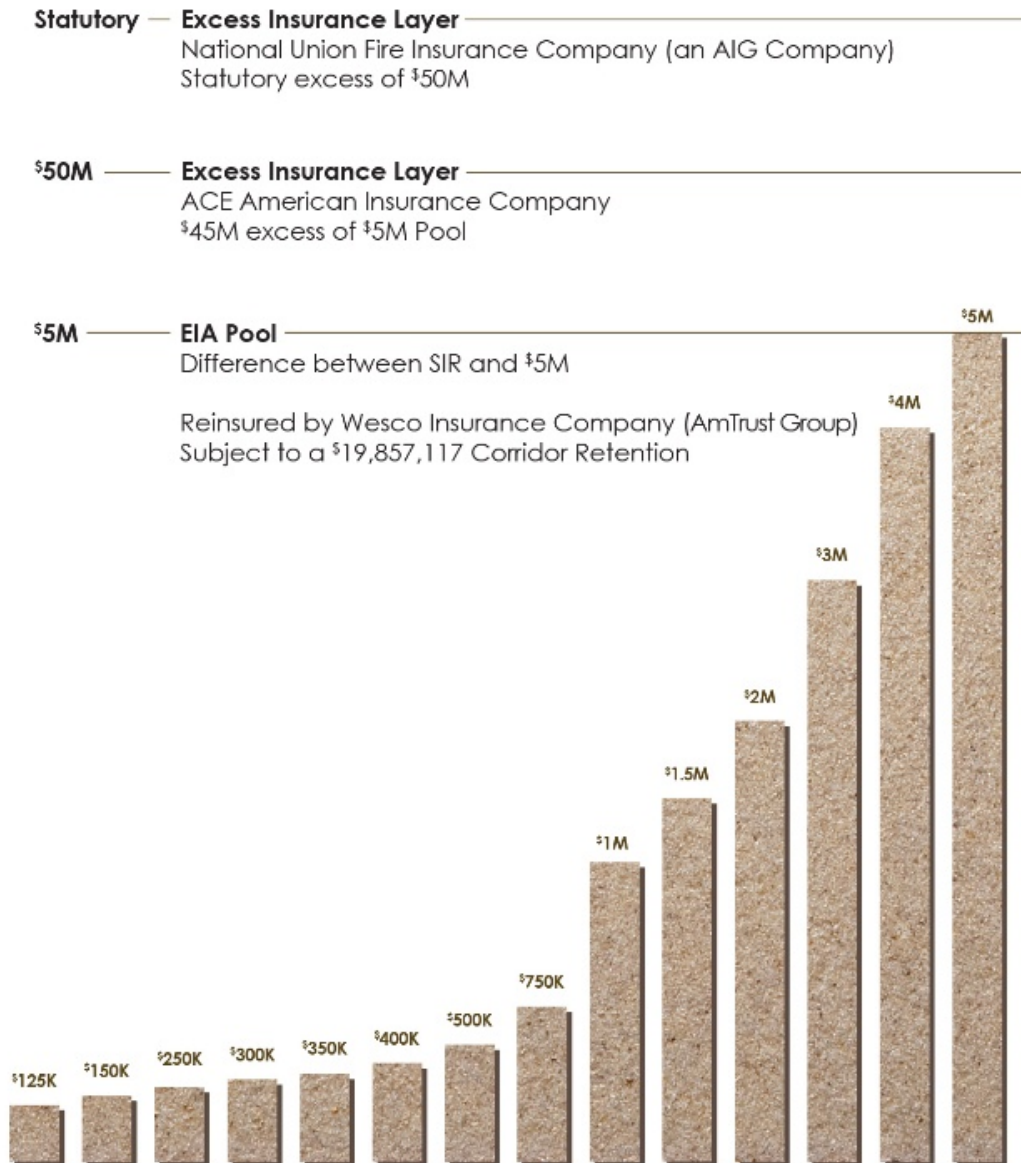
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

4. Claim Liabilities (continued)

A. Excess Workers' Compensation (continued)

The chart below shows the current structure of the Program.

Excess Workers' Compensation



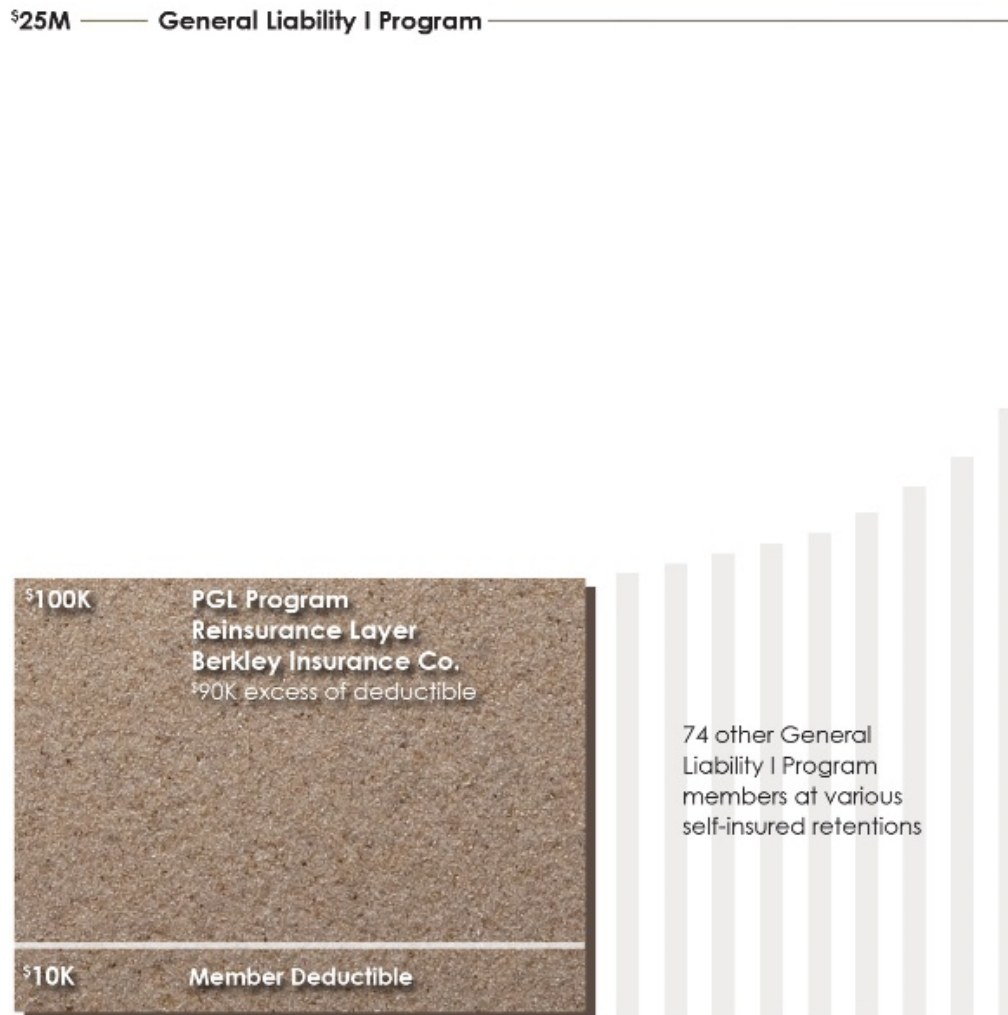
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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



**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

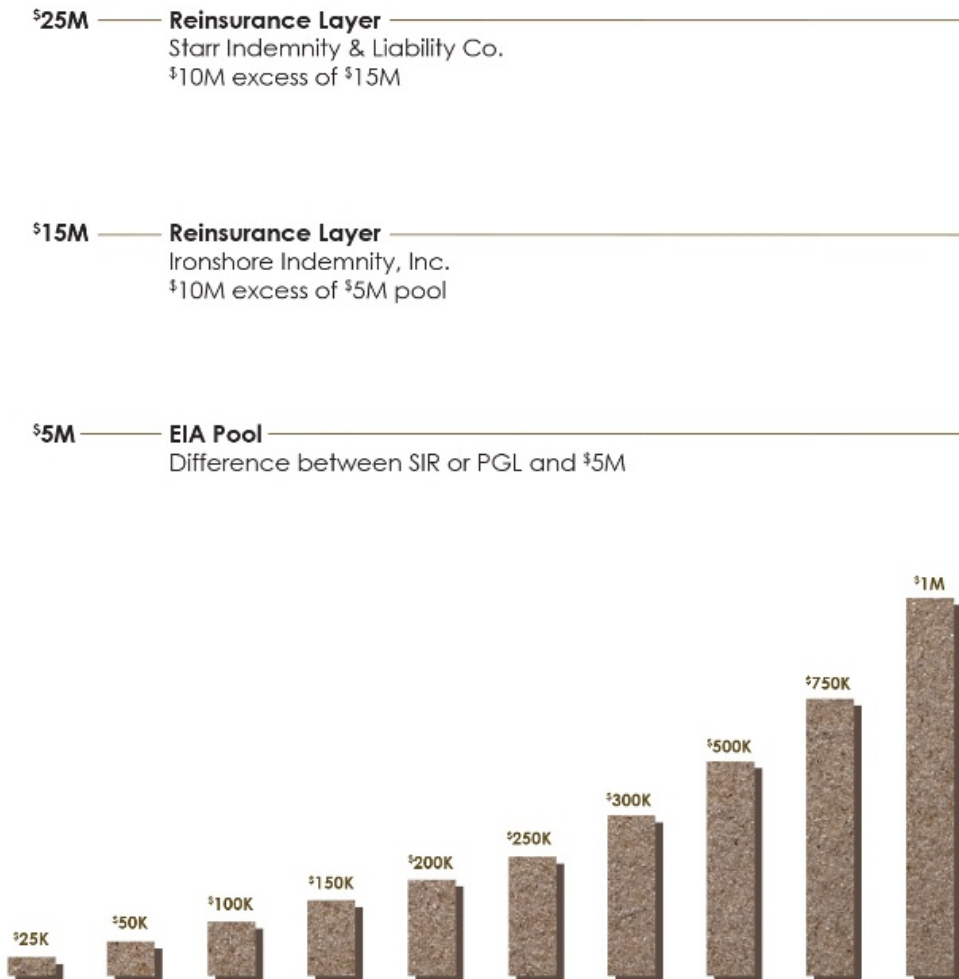
4. Claim Liabilities (continued)

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 2013/14 and 2012/13 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



*19 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, 2014 AND 2013**

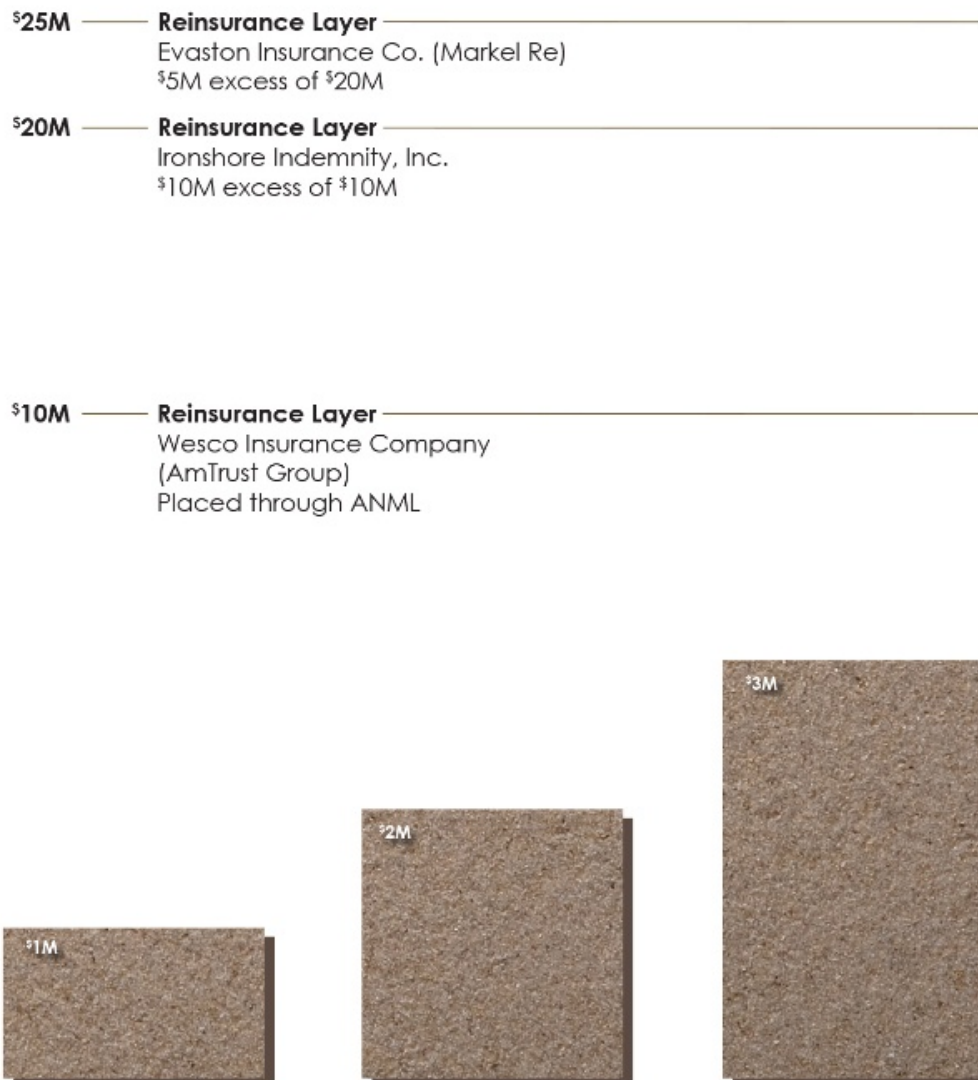
4. Claim Liabilities (continued)

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 2012/13 and 2013/14 policy years have been written on a fully insured basis.

The chart below shows the current structure of the Program.

General Liability II



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

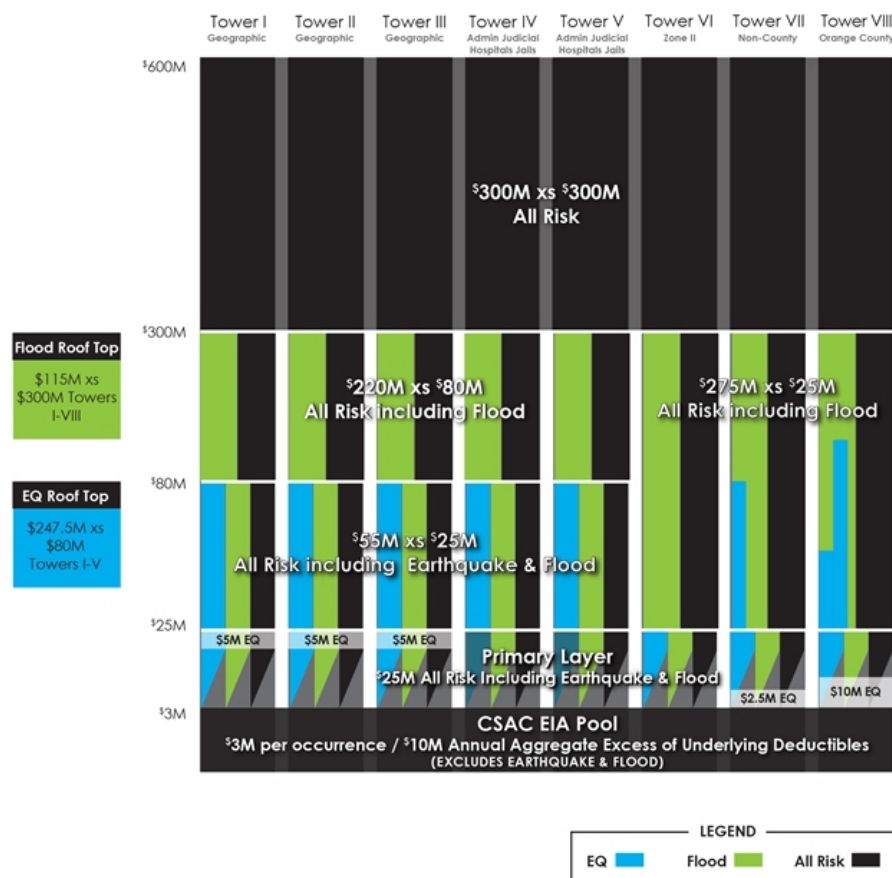
**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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, 2014 to June 30, 2014, have been recognized as a receivable due from members. At each annual renewal, the Property Program has been rewritten, adding another year. In March 2014, 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 amongst 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, 2014 AND 2013**

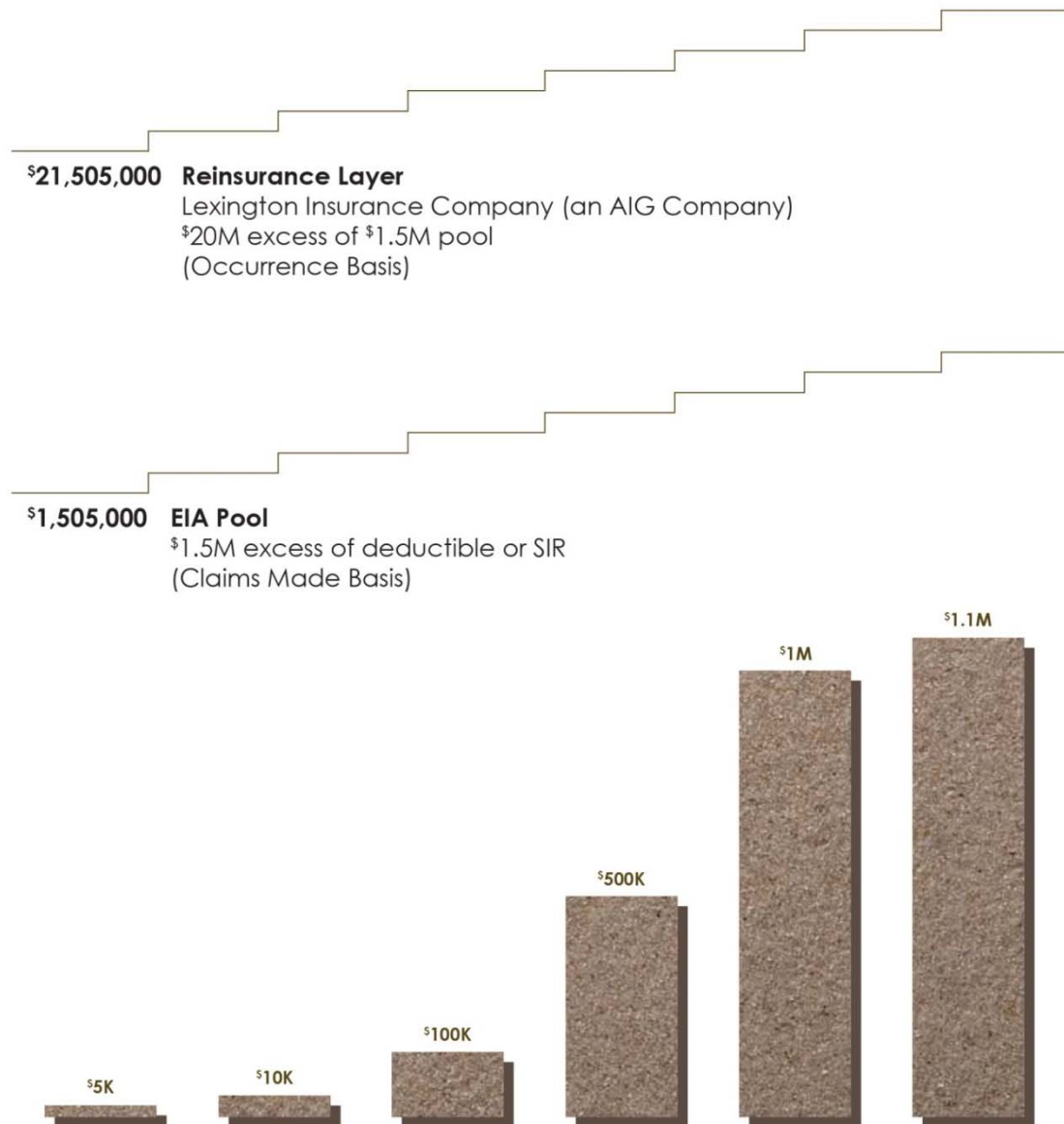
4. Claim Liabilities (continued)

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 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.

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, 2014 AND 2013**

4. Claim Liabilities (continued)

G. Medical Malpractice (continued)

Like the General Liability I Program, the Medical Malpractice Program combines risk retention, risk pooling, and the purchase of excess insurance. 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 pooled layer is \$1.5 million excess of each member's deductible or retention. The pool was formed on a "claims-made" basis. On October 1, 2010, excess coverage was rewritten on an "occurrence" basis. The excess layers were previously on a "claims-made" basis, but were changed to an "occurrence" basis with the October 1, 2010 renewal.

H. EIAHealth

The EIAHealth Program was launched on July 1, 2003, with participation from three members, and has now grown to a total of 25 members. At July 1, 2006, the EIA entered into a partnership with Self-Insured Schools of California (SISC) and discontinued their pooled plan. There are no claim liabilities associated with the discontinued plan. The structure of the SISC partnership allows each member to select their plan design with unlimited coverage available. As this is a fully insured plan there is no residual liability that accrues to the EIA, nor is there any EIA equity.

I. Dental

On January 1, 2010, the Authority offered a new, pooled Dental plan that can accommodate various member driven plan designs. Claim liabilities are very predictable based on capped benefits. The claim liability at June 30, 2014 of \$2.2 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 \$500 and an estimated useful life in excess of one year.

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

5. Capital Assets (continued)

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

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Depreciable Assets:				
Buildings and Tenant Improvements	8,088,280	-	(232,457)	7,855,823
Furniture and Equipment	1,188,908	50,474	(34,364)	1,205,018
Software	658,575	270,167	(185,850)	742,892
Lease Acquisition Costs	127,291	-	-	127,291
Total Depreciable Assets	10,063,054	320,641	(452,671)	9,931,024
Less Accumulated Depreciation	(2,385,546)	(583,702)	452,671	(2,516,577)
Net Depreciable Assets	7,677,508	(263,061)	-	7,414,447
Net Land, Buildings and Equipment	\$ 8,677,508	\$ (263,061)	\$ -	\$ 8,414,447

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:

	<u>Balance at</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2014</u>
Accumulated Depreciation Detail				
Buildings and Tenant Improvements	\$ (1,158,312)	\$ (337,201)	\$ 232,458	(1,263,055)
Furniture and Equipment	(868,158)	(113,207)	34,364	(947,001)
Software	(296,509)	(68,570)	185,849	(179,230)
Lease Acquisition Costs	(62,567)	(64,724)	-	(127,291)
Total	\$ (2,385,546)	\$ (583,702)	\$ 452,671	\$ (2,516,577)

Depreciation is calculated using the straight-line method. The useful life for major classes of capital assets is as follows:

	<u>Useful Life</u>
Buildings	40-60 years
Excess Insurance Authority Tenant Improvements	10-25 years
Tenant Improvements of Leased Space (over term of lease)	5-11 years
Furniture	7 years
Copiers and Telephone Equipment	5 years
Computers	3 years
Software	3-6 years

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

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 some of the shorter leases having additional options to extend, but none exceeding 10 years. The cost of tenant improvements for the space under lease is \$767,040, with accumulated depreciation of \$447,904. The cost of the building and improvements under lease is \$3,463,900, with accumulated depreciation of \$688,180. The following is the schedule of lease revenue receivable under these operating leases:

2015	\$	421,170
2016		461,368
2017		470,575
2018		479,783
2019 to 2021		1,059,908
Total	\$	<u>2,892,804</u>

7. Pension Plan

Qualified employees are covered under the Miscellaneous Plan of the Authority; a cost sharing multiple-employer defined benefit pension plan maintained by the California Public Employees Retirement System (CalPERS), an agency of the State of California.

A. Plan Description and Provisions

The Authority contributes to CalPERS. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. In the 2% at age 55 plan, a member becomes eligible for service retirement upon attainment of age 50, with at least five years of credited service. The service retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the years of service, final compensation, and benefit factor. The benefit factor (1.426%-2.418%) depends on the member's age at retirement and is 2% at 55 years. 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, 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. State statute and Authority policy establish benefits provisions and all other requirements. Copies of CalPERS' annual financial report and required supplementary information may be obtained from their executive office, 400 Q Street, Sacramento, California 95814.

B. Funding Policy and Progress

Participants are required to contribute from 6.5% to 7% of their annual covered salary. The Authority has been making a percentage of the contribution required of certain EIA employees on their behalf, for their account. This will be fully phased out after fiscal 2013/14. The Authority is required to contribute at an actuarially determined rate. The Authority's contribution rate, on covered payroll for all employees, was 11.39% for the 2012/13 year and 11.71% for the 2013/14 year. The contribution requirements of plan members and the Authority are established, and may be amended, by CalPERS.

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

7. Pension Plan (continued)

C. Annual Pension Cost

The Authority's annual pension cost for CalPERS is equal to the Authority's required and actual contributions. Following is the schedule of funding progress.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011/12	\$ 574,084	100%	0
2012/13	\$ 567,063	100%	0
2013/14	\$ 525,210	100%	0

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 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 2012	\$112.00 per month
Calendar Year 2013	\$115.00 per month
Calendar Year 2014	\$119.00 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. For the year ended June 30, 2014, the Authority's annual OPEB expense was \$60,433 and was equal to the Annual Required Contribution (ARC), adjusted by interest, on the net OPEB obligation and reduced by expense paid in the current year and other required adjustments. The 2013 OPEB expense was \$75,036. 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 is no actuarial accrued liability, as of June 30, 2014.

CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

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 2012, 2013, and 2014, were as follows:

Fiscal Year Ended	Net Employer Contribution	Annual OPEB Expense	% of Annual OPEB Expense Contributed	Net OPEB Obligation
June 30, 2012	\$9,405	\$70,742	13.29%	\$ 347,877
June 30, 2013	\$10,272	\$75,036	13.69%	\$ 412,641
June 30, 2014	\$473,074	\$60,433	782.81%	\$ -

The Authority's funding progress for other postemployment benefits as of the most recent valuation date July 1, 2013 is as follows:

Actuarial accrued liability (AAL)	\$ 377,960.00
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)	\$ 4,531,924
UAAL as a percentage of covered payroll	8.34%

The annual required contribution for the fiscal year ended June 30, 2014, and the net OPEB obligation as of June 30, 2014, was as follows:

Annual Required Contribution	
Normal Cost	\$ 34,162
Amortization of UAAL (30 Years)	32,209
Interest to June 30, 2014 and ARC Adjustment	<u>4,371</u>
Total Annual Required Contribution (ARC)	70,742
Interest on Net OPEB Obligation at beginning of year	26,843
ARC Adjustment for current fiscal year	(37,480)
Less Net Employer Contribution	(60,433)
Balance forward from 2013	-
Net OPEB Obligation (Asset)	<u>\$ (328)</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. Other Postemployment Benefits (OPEB) (continued)

B. Funding Policy (continued)

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, 2014, 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.

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 \$3.6 million and is included in claims liabilities.

10. Subsequent Events

The Authority's management evaluated its 2013/14 financial statements for subsequent events through November 18, 2014, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**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, 2014 and 2013**

	Primary Workers' Compensation	Excess Workers' Compensation	Primary General Liability	General Liability I	General Liability II	Property	Medical Malpractice	Dental	Total June 30, 2014	Total June 30, 2013
Unpaid Claims and Claim Adjustment Expenses at the										
A. Beginning of the Fiscal Year	\$ 38,896,041	\$ 261,549,235	\$ 601,280	\$ 82,958,450	\$ 7,806,716	\$ 9,894,205	\$ 23,990,295	\$ 2,150,000	\$ 427,846,222	\$ 433,487,862
Incurred Claims and Claim Adjustment Expenses:										
Provision for Claims										
Current Fiscal Year	15,680,565	12,067,653	(54,323)	23,003,992	64,022	11,777,431	5,390,358	26,483,069	94,412,767	91,302,066
Prior Fiscal Years	895,897	22,594,433	(22,834)	6,543,755	-	-	65,601	-	30,076,852	8,577,413
B. Total Incurred	16,576,462	34,662,086	(77,157)	29,547,747	64,022	11,777,431	5,455,959	26,483,069	124,489,619	99,879,479
Payments:										
Attributable to insured events of the										
Current Fiscal Year	5,999,562	-	-	-	-	65,876	-	24,283,069	30,348,507	38,009,387
Prior Fiscal Years	5,089,350	31,998,834	259,852	21,963,732	3,704,819	11,427,629	5,571,578	2,150,000	82,165,794	67,511,732
C. Total Payments	11,088,912	31,998,834	259,852	21,963,732	3,704,819	11,493,505	5,571,578	26,433,069	112,514,301	105,521,119
Total Unpaid Claims and Claim Claim Adjustment Expenses at										
D. End of the Fiscal Year (A+B-C)	\$ 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
Claims Reported	\$ 14,941,065	\$ 181,299,951	\$ 160,553	\$ 45,091,482	\$ 3,671,895	\$ 10,074,492	\$ 13,690,316	\$ 2,200,000	\$ 271,129,755	\$ 318,595,678
Claims Incurred But Not Reported	3,744,707	72,906,976	-	43,137,025	-	-	8,537,180	-	128,325,887	71,215,926
Unallocated Loss Adjustment Expenses	25,697,819	10,005,560	103,718	2,313,958	494,024	103,639	1,647,180	-	40,365,898	38,034,618
Total Claim Liabilities	\$ 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
Current Claim Liabilities	\$ 11,200,000	\$ 30,000,000	\$ 160,553	\$ 22,000,000	\$ 3,671,895	\$ 10,074,492	\$ 6,000,000	\$ 2,200,000	\$ 85,306,940	\$ 76,787,992
Noncurrent Claim Liabilities	33,183,591	234,212,487	103,718	68,542,465	494,024	103,639	17,874,676	-	354,514,600	351,058,230
Total Claim Liabilities	\$ 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

**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, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 243,938,309	\$ 263,782,083	\$ 203,916,939	\$ 228,191,188	\$ 205,457,419	\$ 219,499,107	\$ 240,734,572	\$ 250,968,652	\$ 265,948,996	\$ 289,039,607
Less Ceded	(65,913,774)	(74,567,750)	(80,536,010)	(85,715,084)	(90,750,025)	(118,671,863)	(124,032,299)	(140,284,953)	(133,678,087)	(164,593,681)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(21,360,000)	(32,250,018)	(110,000)	(450,000)	(589,301)	-	-	-	-	-
Investment Earnings	28,825,738	21,189,557	18,077,496	17,445,391	9,030,904	7,003,676	2,424,684	1,450,351	1,288,265	649,662
1. Total Revenues Available For Payment of Claims	185,490,273	178,153,872	141,348,425	159,471,495	123,148,997	107,830,920	119,126,957	112,134,050	133,559,174	125,095,588
2. Unallocated Loss Adjustment Expense	5,570,550	4,719,695	5,295,150	5,722,199	5,831,958	5,792,669	10,350,186	8,431,267	8,709,410	11,691,566
3. Estimated Incurred Claims	201,725,880	218,836,684	161,693,471	191,608,272	168,334,312	183,365,692	206,982,890	209,305,986	218,057,385	249,606,282
Less Ceded Claims	(56,694,885)	(64,288,638)	(71,965,172)	(78,219,476)	(74,730,617)	(113,217,423)	(118,226,513)	(134,379,694)	(127,385,441)	(159,275,753)
Net Incurred Claims and Expenses, End of Policy Year	145,030,995	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	36,761,975	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
One Year Later	54,029,329	60,907,745	25,085,043	35,294,585	31,740,599	23,775,301	33,485,624	38,125,416	42,256,357	-
Two Years Later	71,300,081	76,131,247	39,839,014	76,638,605	36,081,133	28,979,209	47,176,529	48,937,969	-	-
Three Years Later	83,148,814	86,322,756	81,433,490	91,033,594	56,503,539	44,598,044	70,179,385	-	-	-
Four Years Later	87,957,626	104,682,472	87,914,156	100,573,280	73,732,143	49,414,887	-	-	-	-
Five Years Later	106,818,739	109,858,845	93,783,550	105,408,448	79,350,732	-	-	-	-	-
Six Years Later	108,819,289	115,983,068	96,876,083	109,384,194	-	-	-	-	-	-
Seven Years Later	112,455,649	123,793,180	101,520,100	-	-	-	-	-	-	-
Eight Years Later	114,407,830	125,549,087	-	-	-	-	-	-	-	-
Nine Years Later	116,070,825	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	48,021,959	58,496,591	16,888,099	48,128,602	48,711,919	60,996,308	121,617,580	108,650,774	42,643,727	18,768,312
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	144,939,665	154,372,478	89,556,203	113,026,353	92,819,750	70,148,269	81,815,564	74,926,292	90,671,944	90,330,529
One Year Later	137,714,340	137,894,002	94,776,602	116,612,623	94,826,674	72,027,708	94,312,433	80,331,706	92,306,009	-
Two Years Later	127,828,597	137,941,424	96,090,069	123,144,107	98,392,221	77,969,647	93,948,024	81,126,796	-	-
Three Years Later	123,293,150	143,340,917	121,586,773	134,586,152	103,809,213	78,690,541	101,981,676	-	-	-
Four Years Later	122,668,052	143,328,684	121,087,951	135,006,373	102,537,020	77,918,295	-	-	-	-
Five Years Later	132,857,552	143,594,199	123,221,028	136,254,221	105,832,376	-	-	-	-	-
Six Years Later	131,017,300	144,606,926	123,195,203	138,464,847	-	-	-	-	-	-
Seven Years Later	131,953,576	143,769,217	127,917,937	-	-	-	-	-	-	-
Eight Years Later	132,520,509	145,998,500	-	-	-	-	-	-	-	-
Nine Years Later	132,875,203	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (12,155,792)	\$ (8,549,546)	\$ 38,189,638	\$ 25,076,051	\$ 12,228,681	\$ 7,770,026	\$ 13,225,299	\$ 6,200,504	\$ 1,634,065	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 67,015,031	\$ 58,793,345	\$ 46,235,265	\$ 47,629,119	\$ 48,372,518	\$ 45,039,062	\$ 53,048,120	\$ 54,860,361	\$ 54,488,670	\$ 58,063,091
Less Ceded						(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,055,607)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(21,250,000)	(21,250,000)	-	-	-	-	-	-	-	-
Investment Earnings	12,639,912	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	58,404,943	43,853,826	51,542,858	53,584,747	51,618,283	20,814,344	24,729,766	23,761,584	21,979,199	21,007,484
2. Less Unallocated Loss Adjustment Expense	2,463,908	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
3. Estimated Incurred Claims	55,759,580	47,249,432	36,652,243	39,052,710	34,751,511	36,219,693	41,200,715	44,186,253	45,065,803	50,110,607
Less Ceded Claims	-	-	-	-	-	(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,055,607)
Net Incurred Claims and Expenses, End of Policy Year	55,759,580	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,560,880	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
One Year Later	14,312,455	13,398,470	16,927,377	18,499,334	26,216,412	8,672,943	10,080,439	9,699,440	9,572,554	
Two Years Later	19,787,870	17,722,081	22,224,475	48,919,481	26,216,412	9,127,073	10,752,137	10,403,922		
Three Years Later	23,558,130	20,127,711	55,165,957	48,919,481	26,216,412	9,310,650	11,004,419			
Four Years Later	25,789,387	31,909,840	55,165,957	48,919,481	26,216,412	9,423,077				
Five Years Later	38,239,843	31,909,840	55,165,957	48,919,481	26,216,412					
Six Years Later	38,239,843	31,909,840	55,165,957	48,919,481						
Seven Years Later	38,239,843	31,909,840	55,165,957							
Eight Years Later	38,239,843	31,909,840								
Nine Years Later	38,239,843									
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	55,759,580	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
One Year Later	50,600,336	31,220,564	40,968,782	44,407,005	26,216,412	10,203,556	12,700,000	11,441,000	12,595,000	
Two Years Later	37,082,786	30,304,725	39,855,170	48,919,481	26,216,412	11,868,000	11,815,000	11,397,000		
Three Years Later	33,355,157	29,652,293	55,165,957	48,919,481	26,216,412	11,004,000	11,789,000			
Four Years Later	33,160,320	31,909,840	55,165,957	48,919,481	26,216,412	10,934,000				
Five Years Later	38,239,843	31,909,840	55,165,957	48,919,481	26,216,412					
Six Years Later	38,239,843	31,909,840	55,165,957	48,919,481						
Seven Years Later	38,239,843	31,909,840	55,165,967							
Eight Years Later	38,239,843	31,909,840								
Nine Years Later	38,239,843									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (17,519,737)	\$ (15,339,592)	\$ 18,513,724	\$ 9,866,771	\$ (8,535,099)	\$ (334,365)	\$ (510,892)	\$ (1,465,000)	\$ 190,000	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 59,989,589	\$ 61,714,023	\$ 63,726,804	\$ 62,477,689	\$ 52,184,473	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,412,397
Less Ceded	(16,316,467)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	12,363,134	10,092,689	8,516,639	6,039,417	1,791,320	1,405,071	746,716	392,138	468,413	296,612
1. Total Revenues Available For Payment of Claims	56,036,256	51,880,900	51,791,991	46,476,898	21,281,293	20,043,376	19,555,087	18,293,284	38,057,793	30,260,726
2. Unallocated Loss Adjustment Expense	659,521	709,261	1,019,328	1,075,706	614,670	693,363	645,617	357,360	688,187	480,657
3. Estimated Incurred Claims	44,540,467	46,912,468	48,038,272	51,656,148	46,380,300	45,844,808	51,347,831	47,772,920	43,142,223	60,295,762
Less Ceded Claims	(16,316,467)	(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)
Net Incurred Claims and Expenses, End of Policy Year	28,224,000	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	61,440	-	-	80,573	-	43,862	23,688	38,785	-
One Year Later	19,472	968,776	1,500,771	149,378	253,852	106,437	230,188	329,202	281,003	
Two Years Later	457,787	1,895,972	2,930,749	2,329,306	662,838	515,533	627,868	785,063		
Three Years Later	964,894	3,603,057	4,609,582	3,806,626	5,131,474	1,281,938	1,344,807			
Four Years Later	1,921,891	4,551,854	8,091,482	5,996,177	7,021,243	2,117,003				
Five Years Later	2,636,394	6,186,031	10,871,389	8,591,259	12,173,038					
Six Years Later	3,505,972	7,667,321	13,177,069	11,959,712						
Seven Years Later	4,855,041	11,699,013	16,644,073							
Eight Years Later	6,075,289	13,460,831								
Nine Years Later	7,432,552									
5. Reestimated Ceded Claims and Expenses	-	6,939,747	-	-	24,889,743	20,353,358	18,460,836	13,924,882	953,291	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	28,224,000	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
One Year Later	25,617,052	32,672,718	29,842,070	28,351,050	20,519,114	16,902,842	18,075,962	9,517,002	18,675,566	
Two Years Later	23,426,328	36,060,675	28,871,552	32,207,743	25,050,003	18,604,330	17,868,492	10,336,945		
Three Years Later	24,021,574	34,774,900	37,566,684	34,698,516	27,689,168	20,268,964	18,601,508			
Four Years Later	23,567,651	33,303,388	36,058,769	36,547,866	27,105,017	20,649,905				
Five Years Later	25,591,580	31,067,050	39,070,613	37,627,214	28,602,557					
Six Years Later	23,606,300	32,034,227	38,888,948	40,712,273						
Seven Years Later	24,990,758	30,457,802	43,889,718							
Eight Years Later	25,042,717	32,418,682								
Nine Years Later	25,060,907									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (3,163,093)	\$ 5,432,026	\$ 16,302,898	\$ 11,096,333	\$ 14,916,757	\$ 4,313,618	\$ 1,185,769	\$ 1,264,661	\$ 2,003,393	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
SCHEDULE OF EARNED PREMIUM CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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*
Insurance Premiums	\$ 3,673,214	\$ 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
Less Ceded	(3,014,070)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(110,000)	(110,000)	(110,000)	(450,000)	(589,301)	-	-	-	-	-
Investment Earnings	117,253	89,881	94,806	170,133	282,773	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	666,397	727,485	416,625	652,626	946,021	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	20,591	(23)	33,501	15,395	34,254	-	-	-	-	-
3. Estimated Incurred Claims	1,859,380	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
Less Ceded Claims	(1,768,050)	(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)
Net Incurred Claims and Expenses, End of Policy Year	91,330	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	-	-	-	-	-	-
Seven Years Later	1,781,591	1,723,108	1,826,515	-	-	-	-	-	-	-
Eight Years Later	1,804,736	1,724,001	-	-	-	-	-	-	-	-
Nine Years Later	1,811,096	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,767,652	1,694,910	1,771,627	2,308,563	468,352	2,163,724	1,527,096	1,044,497	821,006	683,051
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	-	-	-	-	-	-
Seven Years Later	91,330	100,334	105,584	-	-	-	-	-	-	-
Eight Years Later	75,006	28,148	-	-	-	-	-	-	-	-
Nine Years Later	74,920	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (16,410)	\$ (141,420)	\$ (66,512)	\$ 37,249	\$ (315,071)	\$ -	\$ -	\$ -	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 20,697,278	\$ 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
Less Ceded	(1,774,144)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	4,206,802	3,830,668	2,682,595	3,673,034	3,181,739	2,596,264	1,008,070	607,896	361,658	294,088
1. Total Revenues Available For Payment of Claims	23,129,936	29,599,585	19,004,297	28,560,964	32,162,324	32,987,801	30,224,107	26,459,562	25,535,145	25,696,619
2. Unallocated Loss Adjustment Expense	13,180	82,689	20,608	67,209	227,606	138,587	196,123	455,104	486,893	593,989
3. Estimated Incurred Claims Less Ceded Claims	16,884,353	32,178,257	14,191,436	23,929,123	23,946,567	17,650,135	19,593,744	20,336,498	24,388,707	26,973,621
Net Incurred Claims and Expenses, End of Policy Year	(1,774,144)	(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)
	15,110,209	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	253,756	-	2,847	-	653,593	-	241,064	-	-
One Year Later	258,039	1,988,739	39,758	2,899,925	172,455	348,252	104,565	666,287	1,668,017	-
Two Years Later	1,465,760	9,206,329	5,524,791	7,975,068	4,894,740	2,389,423	2,483,193	2,473,149	-	-
Three Years Later	6,380,972	15,039,833	8,404,439	15,431,317	9,708,129	10,758,833	18,803,527	-	-	-
Four Years Later	8,000,860	20,656,595	11,379,531	18,156,840	16,936,818	11,549,612	-	-	-	-
Five Years Later	13,697,014	22,690,663	12,657,464	20,302,454	17,283,899	-	-	-	-	-
Six Years Later	14,827,986	25,610,958	13,134,501	20,791,434	-	-	-	-	-	-
Seven Years Later	15,333,686	29,388,908	13,433,469	-	-	-	-	-	-	-
Eight Years Later	16,042,474	29,382,104	-	-	-	-	-	-	-	-
Nine Years Later	16,341,846	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	2,518,783	29,119	-	1,037,442	602,767	4,124,678	5,750,000	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	15,110,209	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
One Year Later	12,571,700	22,854,487	10,508,940	19,125,703	25,729,463	17,577,212	21,106,865	20,336,498	20,279,342	-
Two Years Later	13,477,743	21,048,207	11,739,972	17,506,533	21,620,740	18,211,819	19,593,744	19,869,339	-	-
Three Years Later	12,223,383	28,697,653	13,803,748	25,395,916	23,001,488	17,650,135	26,300,275	-	-	-
Four Years Later	12,051,845	28,822,601	15,616,582	23,429,414	23,946,567	16,847,051	-	-	-	-
Five Years Later	15,366,909	31,330,377	14,464,385	23,929,123	25,984,055	-	-	-	-	-
Six Years Later	16,281,190	31,329,567	14,191,436	23,360,479	-	-	-	-	-	-
Seven Years Later	16,324,292	32,178,257	14,221,203	-	-	-	-	-	-	-
Eight Years Later	16,884,353	32,542,873	-	-	-	-	-	-	-	-
Nine Years Later	16,845,647	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,735,438	\$ 2,334,790	\$ 2,540,016	\$ 1,483,832	\$ 4,050,882	\$ 1,578,344	\$ 9,449,490	\$ 3,278,671	\$ (406,828)	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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*
Earned Premiums	\$ 8,008,500	\$ 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
Less Ceded	(8,008,500)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	1,771,589	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	2,608,902	6,000,000	8,067,696	8,671,043	8,578,800	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	-	116,761	111,652	124,158	56,826	20,605	64,022
3. Estimated Incurred Claims Less Ceded Claims	8,008,500	12,065,869	13,535,916	17,300,000	18,463,239	21,085,943	19,925,721	18,075,370	19,467,217	22,700,000
Net Incurred Claims and Expenses, End of Policy Year	(8,008,500)	(12,065,869)	(10,927,014)	(11,300,000)	(10,395,543)	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)
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	-	-	-	-
Five Years Later	-	-	2,608,903	6,000,000	8,067,696	-	-	-	-	-
Six Years Later	-	-	2,608,903	6,000,000	-	-	-	-	-	-
Seven Years Later	-	-	2,608,903	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	29,463,401	29,494,843	4,899,946	18,752,641	3,954,458	3,182,126	2,188,285	51,766,534	4,497,233	-
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	-	-	-
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	-	-	-	-
Five Years Later	-	-	2,608,902	6,000,000	8,067,696	-	-	-	-	-
Six Years Later	-	-	2,608,902	6,000,000	-	-	-	-	-	-
Seven Years Later	-	-	2,608,902	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -

* Fully Insured

CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 36,208,713	\$ 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
Less Ceded	(28,827,724)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,380,989	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
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	78,618	(64,168)	61,715	27,474
3. Estimated Incurred Claims	36,194,683	35,632,642	42,892,848	53,339,625	39,149,125	50,061,693	48,415,254	50,497,951	53,216,154	56,060,305
Less Ceded Claims	(28,827,724)	(28,630,965)	(36,303,667)	(40,515,154)	(29,149,125)	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)
Net Incurred Claims and Expenses, End of Policy Year	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	1,479,675	4,491,799	1,997,597	4,114,386	-	-	354,341	-	58,785	65,876
One Year Later	3,699,503	7,001,677	6,589,181	12,770,820	4,949,559	9,000,000	2,098,639	3,795,372	4,606,136	
Two Years Later	6,678,309	7,001,411	6,589,181	13,847,744	2,013,815	10,489,137	6,547,020	10,000,000		
Three Years Later	7,366,959	7,001,411	6,589,181	12,824,471	2,013,815	10,000,000	9,000,000			
Four Years Later	7,366,959	7,001,411	6,589,181	12,824,471	10,000,000	10,000,000				
Five Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000					
Six Years Later	7,366,959	7,001,677	6,589,181	12,824,471						
Seven Years Later	7,366,959	7,001,677	6,589,181							
Eight Years Later	7,366,959	7,001,677								
Nine Years Later	7,366,959									
5. Reestimated Ceded Claims and Expenses	6,459,551	12,991,722	4,557,487	23,099,598	9,160,851	1,521,380	55,326,943	539,542	7,029,695	3,350,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	2,059,187	10,000,000	10,000,000	10,000,000
One Year Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000	10,000,000	
Two Years Later	7,366,959	7,001,677	6,588,915	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000		
Three Years Later	7,366,959	7,001,677	6,588,915	12,824,471	10,000,000	10,000,000	9,000,000			
Four Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000				
Five Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000					
Six Years Later	7,366,959	7,001,677	6,589,181	12,824,471						
Seven Years Later	7,366,959	7,001,677	6,589,181							
Eight Years Later	7,366,959	7,001,677								
Nine Years Later	7,366,959									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 11,327,515	\$ 13,426,219	\$ 15,937,410	\$ 17,155,393	\$ 12,173,672	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$ 10,429,485
Less Ceded	(6,750,488)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	(501,363)	865,838	1,475,863	1,607,179	529,307	504,142	87,429	224,841	306,862	58,962
1. Total Revenues Available For Payment of Claims	4,075,664	6,287,983	9,366,404	11,323,363	6,819,673	7,582,436	6,127,996	5,955,724	6,988,278	5,170,519
2. Unallocated Loss Adjustment Expense	30,267	3,755	14,937	41,727	131,685	156,676	269,827	314,776	342,920	388,310
3. Estimated Incurred Claims Less Ceded Claims	4,084,610	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
Net Incurred Claims and Expenses, End of Policy Year	4,084,610	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	15,637	74,862	-	31,852	-	23,848	51,305	26,698	3,528	-
One Year Later	1,345,553	507,297	18,511	77,244	148,321	96,315	1,282,361	181,822	436,672	
Two Years Later	8,516,048	3,110,402	2,553,723	319,382	1,371,988	906,689	1,826,879	1,822,542		
Three Years Later	10,483,552	3,355,692	4,055,429	4,051,699	4,639,462	3,037,613	4,381,548			
Four Years Later	10,484,222	3,367,720	4,079,102	6,201,597	4,715,066	3,116,185				
Five Years Later	10,484,222	4,875,582	4,079,470	6,201,597	4,715,783					
Six Years Later	10,484,222	4,875,582	4,389,246	6,201,597						
Seven Years Later	10,484,222	4,875,582	5,252,002							
Eight Years Later	10,484,222	4,875,582								
Nine Years Later	10,484,222									
5. Reestimated Ceded Claims and Expenses	8,353,599	2,597,454	5,629,920	3,967,800	9,201,073	3,739,156	3,771,000	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	4,084,610	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
One Year Later	7,163,986	4,346,863	4,258,727	5,904,394	4,293,989	3,957,784	5,161,374	5,583,913	5,064,126	
Two Years Later	12,080,474	6,131,088	6,425,558	5,685,879	7,437,370	5,661,931	7,402,556	6,070,219		
Three Years Later	11,931,770	5,819,342	5,852,567	6,747,768	8,050,504	5,510,518	8,022,661			
Four Years Later	12,126,970	5,108,908	5,048,560	6,922,698	6,749,092	5,230,415				
Five Years Later	11,897,954	5,102,985	5,149,894	6,611,328	6,492,782					
Six Years Later	11,128,701	4,979,777	5,620,907	6,248,451						
Seven Years Later	10,546,087	4,939,037	5,337,382							
Eight Years Later	10,517,324	4,915,010								
Nine Years Later	10,892,620									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 6,808,010	\$ 1,301,460	\$ 899,512	\$ 2,591,866	\$ 2,111,212	\$ 406,313	\$ 3,100,932	\$ 881,884	\$ (152,500)	\$ -

CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
SCHEDULE OF EARNED PREMIUM AND CLAIMS DEVELOPMENT
FOR THE TEN YEAR PERIOD ENDED JUNE 30, 2014

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 37,018,469	\$ 51,001,376	-	-	-	-	-	-	-	-
Less Ceded	(1,222,381)	(1,328,360)	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	(10,890,018)	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	35,796,088	38,782,998	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	2,383,083	2,563,278	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	34,394,307	39,319,080	-	-	-	-	-	-	-	-
Net Incurred Claims and Expenses, End of Policy Year	34,394,307	39,319,080	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	29,705,783	33,868,603	-	-	-	-	-	-	-	-
One Year Later	34,394,307	37,042,786	-	-	-	-	-	-	-	-
Two Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Three Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Four Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Five Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Six Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Seven Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Eight Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Nine Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,977,756	2,259,132	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	34,394,307	39,319,080	-	-	-	-	-	-	-	-
One Year Later	34,394,307	39,797,693	-	-	-	-	-	-	-	-
Two Years Later	34,394,307	37,395,052	-	-	-	-	-	-	-	-
Three Years Later	34,394,307	37,395,052	-	-	-	-	-	-	-	-
Four Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Five Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Six Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Seven Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Eight Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Nine Years Later	34,394,307	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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums						\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281
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
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
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069
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
One Year Later	-	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975	
Two Years Later	-	-	-	-	-	5,551,354	19,689,432	23,453,293		
Three Years Later	-	-	-	-	-	5,551,354	19,689,432			
Four Years Later	-	-	-	-	-	5,551,354				
Five Years Later	-	-	-	-	-					
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
One Year Later						5,551,354	19,689,432	23,453,293	25,691,975	
Two Years Later						5,551,354	19,689,432	23,453,293		
Three Years Later						5,551,354	19,689,432			
Four Years Later						5,551,354				
Five Years Later										
Six Years Later										
Seven Years Later										
Eight Years Later										
Nine Years Later										
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,288	\$ -	\$ -

*The Dental Program started January 1, 2010

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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 of Inter-Program Transactions	Totals June 30, 2014
Current Assets:															
Petty Cash Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Cash in Banks	5,719,662	-	445,902	-	-	-	-	-	-	-	-	-	127,773	-	6,293,337
Cash, EIA Treasury	7,854,579	32,881,960	289,625	14,465,728	-	-	3,607,332	-	1,250,352	1,721,619	492,324	948,498	-	-	63,512,017
Total Cash & Equivalents	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
Investments	19,143,947	80,143,119	705,902	35,257,284	-	-	8,792,143	-	3,047,479	4,196,098	1,199,941	2,311,771	-	-	154,797,684
Accounts Receivable															
Due From Members	3,020	47,769	476,851	20	-	16,781,271	10,443	828,062	-	895,026	414,097	91,638	-	-	19,548,197
Investment Income	180,755	756,703	6,665	332,895	-	-	83,014	-	28,774	39,619	11,330	21,828	-	-	1,461,583
Re-Insurance Claims	681,408	4,047,348	31,056	-	14,325,778	-	-	-	-	-	-	-	-	-	19,085,590
Due From Other Funds	19,338,701	25,565,234	225,179	11,246,888	-	250,000	2,804,647	-	972,130	1,338,533	382,775	737,443	-	(62,861,530)	-
Prepaid Insurance and Expenses	-	-	-	-	-	37,203,724	1,237,091	3,736,283	-	-	2,544,674	19,521	-	-	44,741,293
Total Current Assets	52,922,072	143,442,133	2,181,180	61,302,815	14,325,778	54,234,995	16,534,670	4,564,345	5,298,735	8,190,895	5,045,141	4,130,999	127,773	(62,861,530)	309,440,001
Noncurrent Assets:															
Investments	28,485,065	119,248,236	1,050,341	52,460,760	-	-	13,082,188	-	4,534,469	6,243,546	1,785,442	3,439,780	-	-	230,329,827
Due from Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	6,328,154	26,491,819	233,341	11,654,520	-	-	2,906,298	-	1,007,363	1,387,047	396,648	764,171	-	(51,169,361)	-
Prepaid Insurance	-	-	-	-	-	44,400,000	-	-	-	-	-	-	-	-	44,400,000
Capital and Intangible Assets															
Land and Buildings (Net)	-	-	-	-	-	-	-	-	-	-	-	-	7,592,768	-	7,592,768
Office Furniture and Equipment (Net)	-	-	-	-	-	-	-	-	-	-	-	821,679	-	-	821,679
Total Noncurrent Assets	34,813,219	145,740,055	1,283,682	64,115,280	-	44,400,000	15,988,486	-	5,541,832	7,630,593	2,182,090	5,025,630	7,592,768	(51,169,361)	283,144,274
Total Assets	\$ 87,735,291	\$ 289,182,188	\$ 3,464,862	\$ 125,418,095	\$ 14,325,778	\$ 98,634,995	\$ 32,523,156	\$ 4,564,345	\$ 10,840,567	\$ 15,821,488	\$ 7,227,231	\$ 9,156,629	\$ 7,720,541	\$ (114,030,891)	\$ 592,584,275

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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-Program Transactions	Totals June 30, 2014
LIABILITIES:															
Current Liabilities:															
Accounts Payable	\$ 944,900	\$ 100,886	\$ 3,434	\$ 23,138	\$ 16,056	\$ -	\$ 1,500	\$ 591,298	\$ 852,644	\$ 23,569	\$ 2,602,106	\$ 84,644	\$ 32,847	\$ -	\$ 5,277,022
Deposits from Insurance Companies	7,523,632	500,000	200,000	-	-	-	-	-	-	-	-	-	-	-	8,223,632
Due to Other Funds	-	13,231,882	-	-	10,137,708	38,602,855	-	459,810	-	-	-	-	429,275	(62,861,530)	-
Due To Members	5,779,986	468,641	724,949	-	-	115,265	-	-	8,140,893	-	43,367	26,306	-	-	15,299,407
Unearned Income	12,186	43,408	-	29,437	-	1,322,430	2,940,880	3,483,176	-	-	2,436,761	-	46,547	-	10,314,825
Claim Liabilities	11,200,000	30,000,000	160,553	22,000,000	3,671,895	10,074,492	6,000,000	-	-	2,200,000	-	-	-	-	85,306,940
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	63,770	-	-	63,770
Total Current Liabilities	25,460,704	44,344,817	1,088,936	22,052,575	13,825,659	50,115,042	8,942,380	4,534,284	8,993,537	2,223,569	5,082,234	174,720	508,669	(62,861,530)	124,485,596
Noncurrent Liabilities:															
Due to Other Funds	-	-	-	-	-	44,400,000	-	-	-	-	-	-	6,769,361	(51,169,361)	-
Claim Liabilities:															
Claims Reported	3,741,065	151,299,951	-	23,091,482	-	-	7,690,316	-	-	-	-	-	-	-	185,822,815
Claims Incurred But Not Reported	3,744,707	72,906,976	-	43,137,025	-	-	8,537,180	-	-	-	-	-	-	-	128,325,887
Unallocated Loss Adjustment Expense Payable	25,697,819	10,005,560	103,718	2,313,958	494,024	103,639	1,647,180	-	-	-	-	-	-	-	40,365,898
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	255,078	-	-	255,078
Total Noncurrent Liabilities	33,183,591	234,212,487	103,718	68,542,465	494,024	44,503,639	17,874,676	-	-	-	-	255,078	6,769,361	(51,169,361)	354,769,678
Total Liabilities	58,644,295	278,557,304	1,192,654	90,595,040	14,319,683	94,618,681	26,817,056	4,534,284	8,993,537	2,223,569	5,082,234	429,798	7,278,030	(114,030,891)	479,255,274
NET POSITION:															
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-	-	821,679	7,592,768	-	8,414,447
Unrestricted	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	7,905,152	(7,150,257)	-	104,914,554
Total Net Position	\$ 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

CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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-Program Transactions	Totals June 30, 2014
OPERATING REVENUES:															
Premiums for Transferred Risk	\$ 36,410,045	\$ 47,206,723	\$ 1,742,957	\$ 4,268,601	\$ 22,699,999	\$ 46,060,305	\$ 5,318,123	\$ 2,661,990	\$ 231,048,654	\$ -	\$ 25,812,379	\$ -	\$ -	\$ -	\$ 423,229,776
Broker Fees	1,340,341	2,345,832	53,229	654,848	311,355	11,821	4,981	-	2,233,524	1,387,051	-	-	-	-	8,342,982
Contributions for Retained Risk	20,719,666	28,335,627	-	25,312,100	-	11,749,958	6,448,172	-	-	31,523,484	-	-	-	-	124,089,007
Dividend Income	-	-	-	-	-	115,265	-	-	-	-	99,743	-	-	-	215,008
Member Services	-	-	-	-	-	-	-	-	-	-	-	865,314	-	-	865,314
Administration Fees	3,609,079	5,058,504	316,257	1,800,096	1,296,714	646,445	888,726	33,464	751,352	-	-	-	-	-	14,400,637
Public Entity Fees	162,586	217,632	2,332	50,000	40,622	79,073	248	-	-	-	-	-	-	-	552,493
Other Income	6,900	88,816	3,000	1,400	138,165	693,611	-	-	44,965	-	-	893,537	-	-	1,870,394
Total Operating Revenues	62,248,617	83,253,134	2,117,775	32,087,045	24,486,855	59,356,478	12,660,250	2,695,454	234,078,495	32,910,535	25,912,122	1,758,851	-	-	573,565,611
OPERATING EXPENSES:															
Member Dividends	5,500,000	-	450,000	-	-	115,265	-	-	14,481	-	99,743	-	-	-	6,179,489
Transferred Risk & Insurance Exp	36,385,282	47,138,685	1,742,957	4,112,162	22,700,000	45,864,266	5,317,928	2,661,994	231,124,181	-	25,889,634	-	-	-	422,937,089
Broker Fees	1,340,341	2,345,769	53,229	654,845	48,075	11,821	4,981	-	2,233,524	1,387,051	-	-	-	-	8,079,636
Provision for Claims:															
Current Year Claims	13,055,000	12,847,479	-	22,705,020	-	11,749,958	5,239,961	-	-	26,483,069	-	-	-	-	92,080,487
Prior Year Claims	895,897	22,594,433	(22,834)	6,543,755	-	-	65,601	-	-	-	-	-	-	-	30,076,852
Unallocated Loss Adjustment Expenses	2,625,565	(779,826)	(54,323)	298,972	64,022	27,473	150,397	-	-	-	-	-	-	-	2,332,280
Program Services	7,868,082	908,290	33,410	205,926	341,907	21,496	414,853	-	33,370	2,306,791	-	-	-	-	12,134,125
Member Services & Subsidies	-	-	-	-	-	-	-	-	-	-	-	2,358,826	-	-	2,358,826
General Administrative Services	-	-	-	-	-	-	-	-	-	-	-	8,412,166	-	-	8,412,166
Depreciation	-	-	-	-	-	-	-	-	-	-	-	181,777	130,210	-	311,987
Building Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	172,392	-	172,392
Total Operating Expenses	67,670,167	85,054,830	2,202,439	34,520,680	23,154,004	57,790,279	11,193,721	2,661,994	233,405,556	30,176,911	25,989,377	10,952,769	302,602	-	585,075,329
OPERATING TRANSFERS IN (OUT):															
Administration															
Transfer In	-	-	-	-	-	-	-	-	-	-	-	8,202,012	-	(8,202,012)	-
Transfer Out	(1,858,358)	(2,660,474)	(418,388)	(1,338,492)	(842,850)	(267,057)	(385,018)	(81)	(303,020)	(100,417)	(27,857)	-	-	8,202,012	-
Risk Management Subsidies and Expense															
Transfer In	-	-	-	-	-	-	-	-	-	-	-	2,259,532	-	(2,259,532)	-
Transfer Out	(461,409)	(876,228)	(38,845)	(366,757)	(208,496)	(218,554)	(67,513)	-	(16,610)	(5,120)	-	-	-	2,259,532	-
Rent Transfers	-	-	-	-	-	-	-	-	-	-	-	(429,275)	429,275	-	-
Total Operating Transfers	(2,319,767)	(3,536,702)	(457,233)	(1,705,249)	(1,051,346)	(485,611)	(452,531)	(81)	(319,630)	(105,537)	(27,857)	10,032,269	429,275	-	-
Operating Income (Loss)	(7,741,317)	(5,338,398)	(541,897)	(4,138,884)	281,505	1,080,588	1,013,998	33,379	353,309	2,628,087	(105,112)	838,351	126,673	-	(11,509,718)
NONOPERATING REVENUES (EXPENSES):															
Investment Income	879,111	3,097,131	28,740	1,436,572	31,479	1,750	332,307	86	109,225	149,502	46,468	100,110	-	(292,785)	5,919,696
Financing Fees	23,107	10,226	22	20	-	304,448	-	-	-	-	1,392	42	-	-	339,257
Lease Income	-	-	-	-	-	-	-	-	-	-	-	-	414,094	-	414,094
Building Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	(146,852)	-	(146,852)
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	(271,715)	-	(271,715)
Investment Expenses	-	-	-	-	-	-	-	-	-	-	-	(31,157)	-	-	(31,157)
Program Financing Expenses	-	-	-	-	(1,916)	(236,562)	-	(2,522)	-	-	-	-	(51,785)	292,785	-
Total Nonoperating Revenues (Expenses)	902,218	3,107,357	28,762	1,436,592	29,563	69,636	332,307	(2,436)	109,225	149,502	47,860	68,995	(56,258)	-	6,223,323
Changes in Net Assets	(6,839,099)	(2,231,041)	(513,135)	(2,702,292)	311,068	1,150,224	1,346,305	30,943	462,534	2,777,589	(57,252)	907,346	70,415	-	(5,286,395)
Net Position:															
Beginning of Year	35,930,095	12,855,925	2,785,343	37,525,347	(304,973)	2,866,090	4,359,795	(882)	1,384,496	10,820,330	2,202,249	7,819,485	372,096	-	118,615,396
Net Position, End 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

This page intentionally blank.

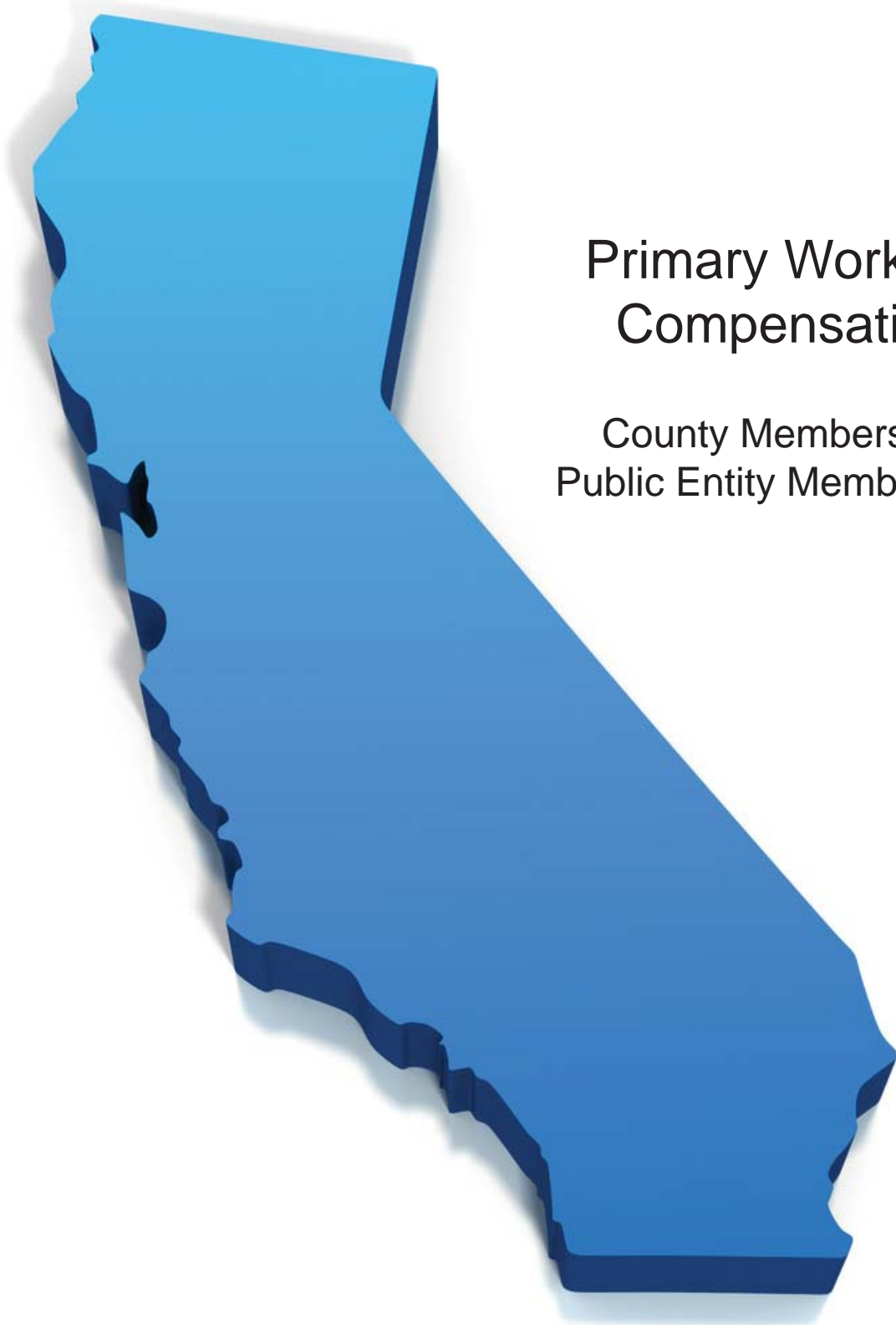
**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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-Program Transactions	Totals June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:															
Receipts from Members	\$ 61,531,681	\$ 82,754,762	\$ 1,669,364	\$ 32,092,540	\$ 24,370,474	\$ 55,673,497	\$ 12,647,223	\$ 3,782,233	\$ 234,154,024	\$ 32,468,826	\$ 24,882,974	\$ 1,592,067	\$ -	\$ -	\$ 567,619,665
Receipts from Others	959,251	(1,854,464)	179,474	-	(14,123,450)	693,611	-	-	-	-	99,743	135,676	8,378	-	(13,901,781)
Dividends Paid	(6,500,000)	-	(450,000)	(3,000,000)	-	(115,265)	-	-	(14,481)	-	(99,743)	-	-	-	(10,179,489)
Claims Paid	(11,088,912)	(31,998,834)	(259,852)	(21,963,732)	(3,704,819)	(11,493,505)	(5,571,578)	-	-	(26,433,069)	-	-	-	-	(112,514,301)
Insurance Purchased	(36,385,282)	(47,051,619)	(1,742,957)	(4,112,162)	(22,700,000)	(57,497,177)	(4,948,366)	(3,985,537)	(228,530,255)	-	(23,007,915)	-	-	-	(429,961,270)
Payments to Suppliers	(8,434,427)	(3,216,688)	86,286	(845,258)	(407,369)	(122,892)	(418,510)	-	(4,046,178)	(3,680,244)	-	(4,829,560)	(140,545)	-	(26,055,385)
Payments to Employees	-	-	-	-	-	-	-	-	-	-	-	(6,695,534)	-	-	(6,695,534)
Internal Activities	(6,598,548)	(13,680,925)	(478,161)	(7,351,115)	10,127,047	12,792,095	(2,016,084)	205,740	(973,634)	(1,081,052)	(475,708)	9,681,843	(151,498)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,516,237)	(15,047,768)	(995,846)	(5,179,727)	(6,438,117)	(69,636)	(307,315)	2,436	589,476	1,274,461	1,399,351	(115,508)	(283,665)	-	(31,688,095)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:															
Purchases of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	(320,641)	-	-	(320,641)
NET CASH (USED) BY CAPITAL & BY CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	(320,641)	-	-	(320,641)
CASH FLOWS FROM INVESTING ACTIVITIES:															
Lease Receipts	-	-	-	-	-	-	-	-	-	-	-	-	414,094	-	414,094
Operating Lease Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	(146,852)	-	(146,852)
Purchase of Securities	(13,797,828)	(72,314,612)	(167,253)	(34,264,559)	-	-	(8,588,176)	-	(3,441,884)	(5,133,314)	(2,528,287)	(2,317,330)	-	-	(142,553,243)
Sales of Securities	23,624,909	95,037,955	856,664	42,871,578	5,830,076	-	9,871,145	-	3,259,593	4,461,576	1,386,754	2,990,386	-	(1,750)	190,188,886
Cash from Investment Earnings	1,268,814	4,592,536	44,498	2,101,268	70,956	1,750	483,623	86	156,658	212,486	61,383	146,472	-	(291,035)	8,849,495
Cash from Finance Fees	23,107	10,226	-	-	-	304,448	-	-	-	-	1,392	42	-	-	339,215
Finance Fees Paid	-	-	-	-	(1,916)	(236,562)	-	(2,522)	-	-	-	-	(51,785)	292,785	-
Investment Expenses	-	-	-	20	-	-	-	-	-	-	-	(31,157)	-	-	(31,137)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,119,002	27,326,105	733,909	10,708,307	5,899,116	69,636	1,766,592	(2,436)	(25,633)	(459,252)	(1,078,758)	788,413	215,457	-	57,060,458
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,602,765	12,278,337	(261,937)	5,528,580	(539,001)	-	1,459,277	-	563,843	815,209	320,593	352,264	(68,208)	-	25,051,722
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,971,476	20,603,623	997,464	8,937,148	539,001	-	2,148,055	-	686,509	906,410	171,731	596,534	195,981	-	44,753,932
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 13,574,241	\$ 32,881,960	\$ 735,527	\$ 14,465,728	\$ 0	\$ -	\$ 3,607,332	\$ -	\$ 1,250,352	\$ 1,721,619	\$ 492,324	\$ 948,798	\$ 127,773	\$ -	\$ 69,805,654

**CSAC EXCESS INSURANCE AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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-Program Transactions	Totals June 30, 2014
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:															
Operating Income (Loss)	\$ (7,741,317)	\$ (5,338,398)	\$ (541,897)	\$ (4,138,884)	\$ 281,505	\$ 1,080,588	\$ 1,013,998	\$ 33,379	\$ 353,309	\$ 2,628,087	\$ (105,112)	\$ 838,351	\$ 126,673	\$ -	\$ (11,509,718)
Adjustments to reconcile operating income to net cash provided (used) by operating activities															
Depreciation	-	-	-	-	-	-	-	-	-	-	-	181,777	130,210	-	311,987
Changes in Assets and Liabilities															
Accts & Other Receivables, net	986,697	(1,554,036)	(131,734)	(20)	(14,239,831)	(3,100,475)	(10,443)	(828,062)	405	(441,709)	73,263	(57,414)	-	-	(19,303,359)
Due From or To Other Funds	(4,278,781)	(10,144,223)	(20,928)	(5,645,866)	11,178,393	13,277,706	(1,563,553)	205,821	(654,004)	(975,515)	(447,851)	(350,426)	(580,773)	-	-
Prepaid Insurance and Exps	-	-	-	-	-	(11,632,911)	369,561	(1,914,841)	-	-	2,280,346	(7,303)	-	-	(10,905,148)
Accounts and Other Payables	(968,057)	(679,632)	63,632	(2,984,487)	(17,387)	(217,082)	1,324	591,298	889,766	13,598	563,477	(745,529)	31,847	-	(3,457,232)
Unearned Income	(2,329)	5,269	(27,910)	5,515	-	238,612	(2,583)	1,914,841	-	-	(964,772)	-	8,378	-	1,175,021
Claim Liabilities	2,861,985	3,443,078	(282,686)	7,285,043	(3,704,819)	256,453	(265,016)	-	-	50,000	-	-	-	-	9,644,038
Unallocated Loss Adjustment Expense Payable	2,625,565	(779,826)	(54,323)	298,972	64,022	27,473	149,397	-	-	-	-	-	-	-	2,331,280
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	25,036	-	-	25,036
Capital Assets Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (6,516,237)	\$ (15,047,768)	\$ (995,846)	\$ (5,179,727)	\$ (6,438,117)	\$ (69,636)	\$ (307,315)	\$ 2,436	\$ 589,476	\$ 1,274,461	\$ 1,399,351	\$ (115,508)	\$ (283,665)	\$ -	\$ (31,688,095)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES															
Changes in unrealized gains (loss) on investments	\$ (296,917)	\$ (1,194,436)	\$ (10,767)	\$ (538,810)	\$ (11,807)	-	\$ (124,061)	-	\$ (40,967)	\$ (56,073)	\$ (17,429)	\$ (37,583)	-	-	\$ (2,328,850)

PRIMARY WORKERS' COMPENSATION



Primary Workers' Compensation

County Members: 12
Public Entity Members: 27

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 5,719,662	\$ 3,642,893
Cash, EIA Treasury	<u>7,854,579</u>	<u>5,328,583</u>
TOTAL CASH AND CASH EQUIVALENTS	13,574,241	8,971,476
Investments	19,143,947	29,036,441
Accounts Receivable		
Due from Members	3,020	30,466
Investment Income Receivable	180,755	273,539
Reinsurance Claims	681,408	1,640,659
Due from Other Funds	<u>19,338,701</u>	<u>15,554,286</u>
TOTAL CURRENT ASSETS	<u>52,922,072</u>	<u>55,506,867</u>
Noncurrent Assets:		
Investments	28,485,065	28,716,571
Due from Other Funds	<u>6,328,154</u>	<u>5,833,788</u>
TOTAL NONCURRENT ASSETS	<u>34,813,219</u>	<u>34,550,359</u>
TOTAL ASSETS	<u>87,735,291</u>	<u>90,057,226</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	944,900	679,225
Dividends Payable to Members	5,500,000	6,500,000
Other Due to Members	279,986	1,022,039
Deposits from Insurance Companies	7,523,632	7,015,311
Unearned Premium from Members	12,186	14,515
Workers' Compensation Claims	<u>11,200,000</u>	<u>10,000,000</u>
TOTAL CURRENT LIABILITIES	<u>25,460,704</u>	<u>25,231,090</u>
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	3,741,065	4,537,790
Claims Incurred But Not Reported	3,744,707	1,285,997
Unallocated Loss Adjustment Expense Payable	<u>25,697,819</u>	<u>23,072,254</u>
TOTAL NONCURRENT LIABILITIES	<u>33,183,591</u>	<u>28,896,041</u>
TOTAL LIABILITIES	<u>58,644,295</u>	<u>54,127,131</u>
NET POSITION:		
Unrestricted	<u>29,090,996</u>	<u>35,930,095</u>
TOTAL NET POSITION	<u>\$ 29,090,996</u>	<u>\$ 35,930,095</u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 36,410,045	\$ 31,945,447
Broker Fees	1,340,341	1,209,773
Contributions for Retained Risk	20,719,666	20,586,635
Administration Fees	3,609,079	3,153,887
Public Entity Fees	162,586	154,038
Other Income	6,900	-
TOTAL OPERATING REVENUES	<u>62,248,617</u>	<u>57,049,780</u>
OPERATING EXPENSES:		
Pool Dividends to Members	5,500,000	6,500,000
Insurance Expense	36,385,282	33,191,697
Broker Fees	1,340,341	1,209,773
Provision for Claims		
Current Year Claims	13,055,000	12,405,000
Prior Years' Claims	895,897	(2,637,443)
Provision for Unallocated Loss Adjustment Expenses	2,625,565	(415,263)
Program Services		
Claims Administration Services	6,190,484	6,247,583
Actuarial and Consulting Services	129,845	113,514
Claims Audits	95,000	36,250
Managed Care Program Review	96,000	90,000
Bank Fees and Services	35,688	32,596
Web Based Claims System	-	44,400
Dept. of Industrial Relations Assessment	1,321,065	1,276,769
TOTAL OPERATING EXPENSES	<u>67,670,167</u>	<u>58,094,876</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(1,858,358)	(1,429,672)
Operating Transfer Out for Loss Prevention	(461,409)	(415,020)
TOTAL OPERATING TRANSFERS	<u>(2,319,767)</u>	<u>(1,844,692)</u>
OPERATING INCOME (LOSS)	<u>(7,741,317)</u>	<u>(2,889,788)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	879,111	297,087
Member Financing Fees	23,107	22,373
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>902,218</u>	<u>319,460</u>
CHANGES IN NET POSITION	<u>(6,839,099)</u>	<u>(2,570,328)</u>
Net Position, Beginning of Year	<u>35,930,095</u>	<u>38,500,423</u>
NET POSITION, END OF YEAR	<u><u>\$ 29,090,996</u></u>	<u><u>\$ 35,930,095</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 61,531,681	\$ 58,135,947
Receipts from Others	959,251	(143,009)
Dividends Paid	(6,500,000)	(7,000,000)
Claims Paid	(11,088,912)	(10,251,848)
Insurance Purchased	(36,385,282)	(33,191,697)
Payments to Suppliers	(8,434,427)	(7,038,953)
Internal Activities	<u>(6,598,548)</u>	<u>(3,223,768)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,516,237)</u>	<u>(2,713,328)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(13,797,828)	(45,039,407)
Sales of Securities	23,624,909	36,607,125
Cash from Investment Earnings	1,268,814	1,640,858
Finance Fees from Members	<u>23,107</u>	<u>22,373</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>11,119,002</u>	<u>(6,769,051)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,602,765	(9,482,379)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>8,971,476</u>	<u>18,453,855</u>
END OF YEAR	<u><u>\$ 13,574,241</u></u>	<u><u>\$ 8,971,476</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (7,741,317)	\$ (2,889,788)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	986,697	537,452
Due From or To Other Funds	(4,278,781)	(1,379,076)
Unearned Premium from Members	(2,329)	3,386
Accounts and Other Payables	(968,057)	1,914,252
Claim Liabilities	2,861,985	(484,291)
Unallocated Loss Adjustment Expense Payable	<u>2,625,565</u>	<u>(415,263)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (6,516,237)</u></u>	<u><u>\$ (2,713,328)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (296,917)</u></u>	<u><u>\$ (1,245,869)</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 38,896,041</u>	<u>\$ 39,795,595</u>
Incurred claims and claim adjustment expenses:		
Provision for claims current fiscal year	15,680,565	11,989,737
Increase (Decrease) in the provision for claims of prior fiscal years	<u>895,897</u>	<u>(2,637,443)</u>
B. Total incurred claims and claim adjustment expenses	<u>16,576,462</u>	<u>9,352,294</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	5,999,562	5,631,790
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>5,089,350</u>	<u>4,620,058</u>
C. Total Payments	<u>11,088,912</u>	<u>10,251,848</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 44,383,591</u></u>	<u><u>\$ 38,896,041</u></u>
Current Claim Liabilities	\$ 11,200,000	\$ 10,000,000
Noncurrent Claim Liabilities	<u>33,183,591</u>	<u>28,896,041</u>
Total Claim Liabilities	<u><u>\$ 44,383,591</u></u>	<u><u>\$ 38,896,041</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY WORKERS' COMENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 67,015,031	\$ 58,793,345	\$ 46,235,265	\$ 47,629,119	\$ 48,372,518	\$ 45,039,062	\$ 53,048,120	\$ 54,860,361	\$ 54,488,670	\$ 58,063,091
Less Ceded						(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,055,607)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(21,250,000)	(21,250,000)	-	-	-	-	-	-	-	-
Investment Earnings	12,639,912	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	58,404,943	43,853,826	51,542,858	53,584,747	51,618,283	20,814,344	24,729,766	23,761,584	21,979,199	21,007,484
2. Less Unallocated Loss Adjustment Expense	2,463,908	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
3. Estimated Incurred Claims	55,759,580	47,249,432	36,652,243	39,052,710	34,751,511	36,219,693	41,200,715	44,186,253	45,065,803	50,110,607
Less Ceded Claims	-	-	-	-	-	(24,951,328)	(28,900,823)	(31,324,253)	(32,660,803)	(37,055,607)
Net Incurred Claims and Expenses, End of Policy Year	55,759,580	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	5,560,880	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
One Year Later	14,312,455	13,398,470	16,927,377	18,499,334	26,216,412	8,672,943	10,080,439	9,699,440	9,572,554	
Two Years Later	19,787,870	17,722,081	22,224,475	48,919,481	26,216,412	9,127,073	10,752,137	10,403,922		
Three Years Later	23,558,130	20,127,711	55,165,957	48,919,481	26,216,412	9,310,650	11,004,419			
Four Years Later	25,789,387	31,909,840	55,165,957	48,919,481	26,216,412	9,423,077				
Five Years Later	38,239,843	31,909,840	55,165,957	48,919,481	26,216,412					
Six Years Later	38,239,843	31,909,840	55,165,957	48,919,481						
Seven Years Later	38,239,843	31,909,840	55,165,957							
Eight Years Later	38,239,843	31,909,840								
Nine Years Later	38,239,843									
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	55,759,580	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
One Year Later	50,600,336	31,220,564	40,968,782	44,407,005	26,216,412	10,203,556	12,700,000	11,441,000	12,595,000	
Two Years Later	37,082,786	30,304,725	39,855,170	48,919,481	26,216,412	11,868,000	11,815,000	11,397,000		
Three Years Later	33,355,157	29,652,293	55,165,957	48,919,481	26,216,412	11,004,000	11,789,000			
Four Years Later	33,160,320	31,909,840	55,165,957	48,919,481	26,216,412	10,934,000				
Five Years Later	38,239,843	31,909,840	55,165,957	48,919,481	26,216,412					
Six Years Later	38,239,843	31,909,840	55,165,957	48,919,481						
Seven Years Later	38,239,843	31,909,840	55,165,967							
Eight Years Later	38,239,843	31,909,840								
Nine Years Later	38,239,843									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (17,519,737)	\$ (15,339,592)	\$ 18,513,724	\$ 9,866,771	\$ (8,535,099)	\$ (334,365)	\$ (510,892)	\$ (1,465,000)	\$ 190,000	\$ -

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 32,881,960	\$ 20,603,623
TOTAL CASH & CASH EQUIVALENTS	32,881,960	20,603,623
Investments	80,143,119	112,272,977
Accounts Receivable		
Due from Members	47,769	348,197
Investment Income Receivable	756,703	1,057,671
Reinsurance Claims	4,047,348	2,192,884
Due from Other Funds	25,565,234	17,223,714
TOTAL CURRENT ASSETS	143,442,133	153,699,066
Noncurrent Assets:		
Investments	119,248,236	111,036,158
Due from Other Funds	26,491,819	22,557,061
TOTAL NONCURRENT ASSETS	145,740,055	133,593,219
TOTAL ASSETS	289,182,188	287,292,285
LIABILITIES:		
Current Liabilities:		
Accounts Payable	100,886	63,515
Deposits from Insurance Companies	500,000	500,000
Due to Members	468,641	1,185,644
Due to Other Funds	13,231,882	11,099,827
Unearned Income	43,408	38,139
Workers' Compensation Claims	30,000,000	22,000,000
TOTAL CURRENT LIABILITIES	44,344,817	34,887,125
Noncurrent Liabilities:		
Workers' Compensation Claims Liabilities		
Claims Reported	151,299,951	133,005,070
Claims Incurred But Not Reported	72,906,976	95,758,779
Unallocated Loss Adjustment Expense Payable	10,005,560	10,785,386
TOTAL NONCURRENT LIABILITIES	234,212,487	239,549,235
TOTAL LIABILITIES	278,557,304	274,436,360
NET POSITION:		
Unrestricted	10,624,884	12,855,925
TOTAL NET POSITION	\$ 10,624,884	\$ 12,855,925

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 47,206,723	\$ 25,515,583
Broker Fees	2,345,832	2,032,342
Contributions for Retained Risk	28,335,627	36,736,748
Administration Fees	5,058,504	4,387,860
Public Entity Fees	217,632	173,643
Other Income	88,816	700
TOTAL OPERATING REVENUES	<u>83,253,134</u>	<u>68,846,876</u>
OPERATING EXPENSES:		
Insurance Expense	47,138,685	25,364,059
Broker Fees	2,345,769	2,027,274
Provision for Claims		
Current Year Claims	12,847,479	16,710,957
Prior Years' Claims	22,594,433	10,280,908
Provision for Unallocated Loss Adjustment Expenses	(779,826)	449,322
Program Services		
Actuarial and Legal Services	456,408	437,961
Claims Audits	451,882	495,701
TOTAL OPERATING EXPENSES	<u>85,054,830</u>	<u>55,766,182</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(2,660,474)	(2,699,623)
Operating Transfer Out for Loss Prevention	(876,228)	(587,931)
TOTAL OPERATING TRANSFERS	<u>(3,536,702)</u>	<u>(3,287,554)</u>
OPERATING INCOME (LOSS)	<u>(5,338,398)</u>	<u>9,793,140</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	3,097,131	722,413
Member Finance Fees	10,226	8,825
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,107,357</u>	<u>731,238</u>
CHANGES IN NET POSITION	<u>(2,231,041)</u>	<u>10,524,378</u>
Net Position, Beginning of Year	<u>12,855,925</u>	<u>2,331,547</u>
NET POSITION, END OF YEAR	<u><u>\$ 10,624,884</u></u>	<u><u>\$ 12,855,925</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 82,754,762	\$ 68,600,764
Receipts from Others	(1,854,464)	1,601,295
Claims Paid	(31,998,834)	(20,623,395)
Insurance Purchased	(47,051,619)	(25,364,059)
Payments to Suppliers	(3,216,688)	(2,957,794)
Internal Activities	<u>(13,680,925)</u>	<u>(4,869,603)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(15,047,768)</u>	<u>16,387,208</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(72,314,612)	(170,729,626)
Sales of Securities	95,037,955	134,425,222
Cash from Investment Earnings	4,592,536	5,646,972
Finance Fees from Members	<u>10,226</u>	<u>8,826</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>27,326,105</u>	<u>(30,648,606)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,278,337	(14,261,398)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>20,603,623</u>	<u>34,865,021</u>
END OF YEAR	<u><u>\$ 32,881,960</u></u>	<u><u>\$ 20,603,623</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (5,338,398)	\$ 9,793,140
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(1,554,036)	1,874,110
Due From or To Other Funds	(10,144,223)	(1,582,049)
Accounts and Other Payables	(679,632)	(522,133)
Unearned Income	5,269	6,348
Claim Liabilities	3,443,078	6,368,470
Unallocated Loss Adjustment Expense Payable	<u>(779,826)</u>	<u>449,322</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (15,047,768)</u></u>	<u><u>\$ 16,387,208</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (1,194,436)</u></u>	<u><u>\$ (4,574,962)</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 261,549,235</u>	<u>\$ 254,731,443</u>
Incurred claims and claim adjustment expenses:		
Provision for claims		
Current fiscal year	12,067,653	17,160,279
Prior fiscal years	<u>22,594,433</u>	<u>10,280,908</u>
B. Total incurred claims and claim adjustment expenses	<u>34,662,086</u>	<u>27,441,187</u>
Payments Attributable to insured events of the		
Current fiscal year	-	38,785
Prior fiscal years:	<u>31,998,834</u>	<u>20,584,610</u>
C. Total Payments	<u>31,998,834</u>	<u>20,623,395</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 264,212,487</u></u>	<u><u>\$ 261,549,235</u></u>
Current Claim Liabilities	\$ 30,000,000	\$ 22,000,000
Noncurrent Claim Liabilities	<u>234,212,487</u>	<u>239,549,235</u>
Total Claim Liabilities	<u><u>\$ 264,212,487</u></u>	<u><u>\$ 261,549,235</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMENSATION PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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.

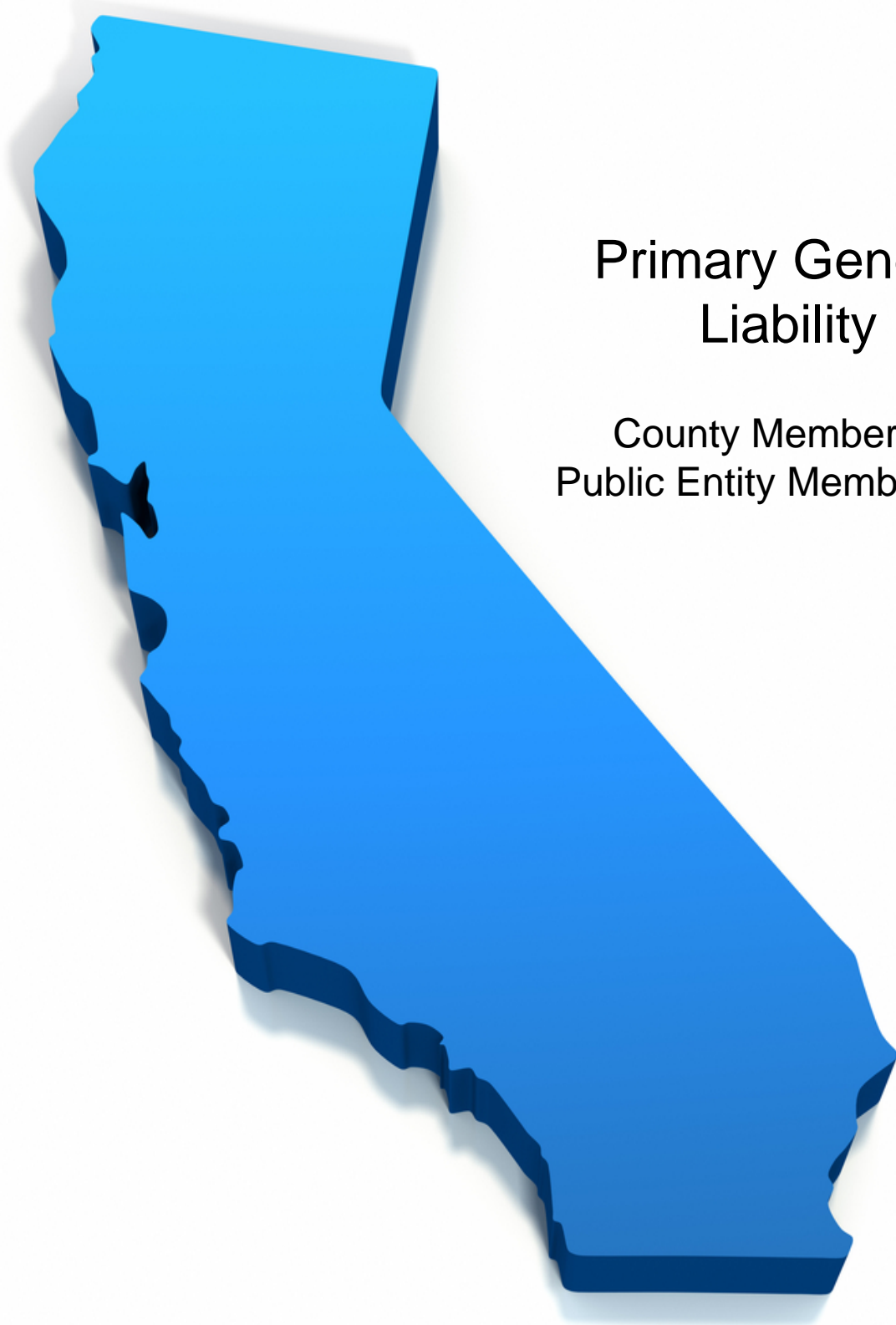
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 59,989,589	\$ 61,714,023	\$ 63,726,804	\$ 62,477,689	\$ 52,184,473	\$ 48,146,826	\$ 52,740,463	\$ 56,601,782	\$ 64,059,430	\$ 77,412,397
Less Ceded	(16,316,467)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	12,363,134	10,092,689	8,516,639	6,039,417	1,791,320	1,405,071	746,716	392,138	468,413	296,612
1. Total Revenues Available For Payment of Claims	56,036,256	51,880,900	51,791,991	46,476,898	21,281,293	20,043,376	19,555,087	18,293,284	38,057,793	30,260,726
2. Unallocated Loss Adjustment Expense	659,521	709,261	1,019,328	1,075,706	614,670	693,363	645,617	357,360	688,187	480,657
3. Estimated Incurred Claims	44,540,467	46,912,468	48,038,272	51,656,148	46,380,300	45,844,808	51,347,831	47,772,920	43,142,223	60,295,762
Less Ceded Claims	(16,316,467)	(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)
Net Incurred Claims and Expenses, End of Policy Year	28,224,000	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	61,440	-	-	80,573	-	43,862	23,688	38,785	-
One Year Later	19,472	968,776	1,500,771	149,378	253,852	106,437	230,188	329,202	281,003	
Two Years Later	457,787	1,895,972	2,930,749	2,329,306	662,838	515,533	627,868	785,063		
Three Years Later	964,894	3,603,057	4,609,582	3,806,626	5,131,474	1,281,938	1,344,807			
Four Years Later	1,921,891	4,551,854	8,091,482	5,996,177	7,021,243	2,117,003				
Five Years Later	2,636,394	6,186,031	10,871,389	8,591,259	12,173,038					
Six Years Later	3,505,972	7,667,321	13,177,069	11,959,712						
Seven Years Later	4,855,041	11,699,013	16,644,073							
Eight Years Later	6,075,289	13,460,831								
Nine Years Later	7,432,552									
5. Reestimated Ceded Claims and Expenses	-	6,939,747	-	-	24,889,743	20,353,358	18,460,836	13,924,882	953,291	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	28,224,000	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
One Year Later	25,617,052	32,672,718	29,842,070	28,351,050	20,519,114	16,902,842	18,075,962	9,517,002	18,675,566	
Two Years Later	23,426,328	36,060,675	28,871,552	32,207,743	25,050,003	18,604,330	17,868,492	10,336,945		
Three Years Later	24,021,574	34,774,900	37,566,684	34,698,516	27,689,168	20,268,964	18,601,508			
Four Years Later	23,567,651	33,303,388	36,058,769	36,547,866	27,105,017	20,649,905				
Five Years Later	25,591,580	31,067,050	39,070,613	37,627,214	28,602,557					
Six Years Later	23,606,300	32,034,227	38,888,948	40,712,273						
Seven Years Later	24,990,758	30,457,802	43,889,718							
Eight Years Later	25,042,717	32,418,682								
Nine Years Later	25,060,907									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (3,163,093)	\$ 5,432,026	\$ 16,302,898	\$ 11,096,333	\$ 14,916,757	\$ 4,313,618	\$ 1,185,769	\$ 1,264,661	\$ 2,003,393	\$ -

PRIMARY GENERAL LIABILITY



Primary General Liability

County Members: 5
Public Entity Members: 18

**CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash in Banks	\$ 445,902	\$ 770,822
Cash, EIA Treasury	289,625	226,642
TOTAL CASH & CASH EQUIVALENTS	735,527	997,464
Investments	705,902	1,235,013
Accounts Receivable		
Due From Members	476,851	165,643
Investment Income Receivable	6,665	11,634
Reinsurance Claims	31,056	210,530
Due from Other Funds	225,179	189,462
TOTAL CURRENT ASSETS	2,181,180	2,809,746
Noncurrent Assets:		
Investments	1,050,341	1,221,408
Due from Other Funds	233,341	248,130
TOTAL NONCURRENT ASSETS	1,283,682	1,469,538
TOTAL ASSETS	3,464,862	4,279,284
LIABILITIES:		
Current Liabilities:		
Accounts Payable	3,434	30,509
Unearned Income	-	27,910
Due to Members	274,949	284,242
Dividends Payable to Members	450,000	550,000
Deposits from Insurance Companies	200,000	-
Claim Liabilities	160,553	443,239
TOTAL CURRENT LIABILITIES	1,088,936	1,335,900
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	103,718	158,041
TOTAL NONCURRENT LIABILITIES	103,718	158,041
TOTAL LIABILITIES	1,192,654	1,493,941
NET POSITION:		
Unrestricted	2,272,208	2,785,343
TOTAL NET POSITION	\$ 2,272,208	\$ 2,785,343

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums For Transferred Risk	\$ 1,742,957	\$ 1,868,680
Broker Fees	53,229	58,209
Administration Fees	316,257	318,498
Public Entity Fees	2,332	2,505
Other Income	3,000	500
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	2,117,775	2,248,392
	<hr/>	<hr/>
OPERATING EXPENSES:		
Dividends to Members and Return of Prior Assessment to Members	450,000	550,000
Insurance Expense	1,742,957	1,868,680
Broker Fees	53,229	58,209
Provision for Claims		
Prior Years' Claims	(22,834)	(501,466)
Provision for Unallocated Loss Adjustment Expenses	(54,323)	201
Program Services		
Actuarial Services	26,461	69,871
Claims Audits	4,016	3,750
Bank Services and Fees	2,933	3,671
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	2,202,439	2,052,916
	<hr/>	<hr/>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(418,388)	(484,163)
Operating Transfer Out for Loss Prevention	(38,845)	(47,633)
	<hr/>	<hr/>
TOTAL OPERATING TRANSFERS	(457,233)	(531,796)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(541,897)	(336,320)
	<hr/>	<hr/>
NONOPERATING REVENUE (EXPENSES):		
Investment Income	28,740	11,192
Financing Fees	22	-
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	28,762	11,192
	<hr/>	<hr/>
CHANGES IN NET POSITION	(513,135)	(325,128)
	<hr/>	<hr/>
Net Position, Beginning of Year	2,785,343	3,110,471
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 2,272,208	\$ 2,785,343
	<hr/>	<hr/>

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,669,364	\$ 1,614,001
Receipts from Others	179,474	224,823
Dividends Paid	(450,000)	(550,000)
Claims Paid	(259,852)	(144,349)
Insurance Purchased	(1,742,957)	(1,868,680)
Payments to Suppliers	86,286	(169,878)
Internal Activities	<u>(478,161)</u>	<u>449,648</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(995,846)</u>	<u>(444,435)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(167,253)	(1,484,065)
Sales of Securities	856,664	1,871,086
Cash from Investment Earnings	<u>44,498</u>	<u>84,592</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>733,909</u>	<u>471,613</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(261,937)	27,178
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>997,464</u>	<u>970,286</u>
END OF YEAR	<u><u>\$ 735,527</u></u>	<u><u>\$ 997,464</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (541,897)	\$ (336,320)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(131,734)	259,715
Due From or To Other Funds	(20,928)	981,444
Accounts and Other Payables	63,632	(701,254)
Unearned Income	(27,910)	(2,406)
Claim Liabilities	(282,686)	(645,815)
Unallocated Loss Adjustment Expense Payable	<u>(54,323)</u>	<u>201</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (995,846)</u></u>	<u><u>\$ (444,435)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (10,767)</u></u>	<u><u>\$ (63,680)</u></u>

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 601,280</u>	<u>\$ 1,246,894</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	(54,323)	201
Increase (Decrease) in the provision for claims of prior fiscal years	<u>(22,834)</u>	<u>(501,466)</u>
B. Total incurred claims and claim adjustment expenses	<u>(77,157)</u>	<u>(501,265)</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>259,852</u>	<u>144,349</u>
C. Total Payments	<u>259,852</u>	<u>144,349</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 264,271</u></u>	<u><u>\$ 601,280</u></u>
Current Claim Liabilities	\$ 160,553	\$ 443,239
Noncurrent Claim Liabilities	103,718	158,041
Total Claim Liabilities	<u><u>\$ 264,271</u></u>	<u><u>\$ 601,280</u></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, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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*
Insurance Premiums	\$ 3,673,214	\$ 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
Less Ceded	(3,014,070)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	(110,000)	(110,000)	(110,000)	(450,000)	(589,301)	-	-	-	-	-
Investment Earnings	117,253	89,881	94,806	170,133	282,773	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	666,397	727,485	416,625	652,626	946,021	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	20,591	(23)	33,501	15,395	34,254	-	-	-	-	-
3. Estimated Incurred Claims	1,859,380	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
Less Ceded Claims	(1,768,050)	(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)
Net Incurred Claims and Expenses, End of Policy Year	91,330	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	-	-	-	-	-	-
Seven Years Later	1,781,591	1,723,108	1,826,515	-	-	-	-	-	-	-
Eight Years Later	1,804,736	1,724,001	-	-	-	-	-	-	-	-
Nine Years Later	1,811,096	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,767,652	1,694,910	1,771,627	2,308,563	468,352	2,163,724	1,527,096	1,044,497	821,006	683,051
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	-	-	-	-	-	-
Seven Years Later	91,330	100,334	105,584	-	-	-	-	-	-	-
Eight Years Later	75,006	28,148	-	-	-	-	-	-	-	-
Nine Years Later	74,920	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ (16,410)	\$ (141,420)	\$ (66,512)	\$ 37,249	\$ (315,071)	\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL LIABILITY I



General Liability I

County Members: 39
Public Entity Members: 65

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 14,465,728	\$ 8,937,148
TOTAL CASH & CASH EQUIVALENTS	14,465,728	8,937,148
Investments	35,257,284	48,700,181
Accounts Receivable		
Due from Members	20	-
Investment Income Receivable	332,895	458,781
Due From Other Funds	11,246,888	7,471,059
TOTAL CURRENT ASSETS	61,302,815	65,567,169
Noncurrent Assets:		
Investments	52,460,760	48,163,692
Due From Other Funds	11,654,520	9,784,483
TOTAL NONCURRENT ASSETS	64,115,280	57,948,175
TOTAL ASSETS	125,418,095	123,515,344
LIABILITIES:		
Current Liabilities:		
Accounts Payable	23,138	7,625
Dividends Payable to Members	-	3,000,000
Unearned Income	29,437	23,922
Claims Liabilities	22,000,000	20,000,000
TOTAL CURRENT LIABILITIES	22,052,575	23,031,547
Noncurrent Liabilities:		
Claims Liabilities		
Claims Reported	23,091,482	14,896,904
Claims Incurred But Not Reported	43,137,025	46,046,560
Unallocated Loss Adjustment Expense Payable	2,313,958	2,014,986
TOTAL NONCURRENT LIABILITIES	68,542,465	62,958,450
TOTAL LIABILITIES	90,595,040	85,989,997
NET POSITION:		
Unrestricted	34,823,055	37,525,347
TOTAL NET POSITION	\$ 34,823,055	\$ 37,525,347

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 4,268,601	\$ 3,702,537
Broker Fees	654,848	587,327
Contributions for Retained Risk	25,312,100	25,113,042
Administration Fees	1,800,096	1,600,706
Public Entity Fees	50,000	43,668
Other Income	1,400	1,500
TOTAL OPERATING REVENUES	<u>32,087,045</u>	<u>31,048,780</u>
OPERATING EXPENSES:		
Pool Dividends to Members	-	3,000,000
Insurance Expense	4,112,162	3,619,817
Broker Fees	654,845	587,333
Provision for Claims		
Current Year Claims	22,705,020	20,686,170
Prior Years' Claims	6,543,755	(437,058)
Provision for Unallocated Loss Adjustment Expenses	298,972	(72,012)
Program Services		
Actuarial and Consulting Services	118,166	124,079
Legal Expenses	45,810	26,305
Claims Audits	41,950	41,337
TOTAL OPERATING EXPENSES	<u>34,520,680</u>	<u>27,575,971</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(1,338,492)	(1,129,789)
Operating Transfer Out for Loss Prevention	(366,757)	(347,678)
TOTAL OPERATING TRANSFERS	<u>(1,705,249)</u>	<u>(1,477,467)</u>
OPERATING INCOME (LOSS)	<u>(4,138,884)</u>	<u>1,995,342</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,436,572	370,246
Member Finance Fees	20	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,436,592</u>	<u>370,246</u>
CHANGES IN NET POSITION	<u>(2,702,292)</u>	<u>2,365,588</u>
Net Position, Beginning of Year	<u>37,525,347</u>	<u>35,159,759</u>
NET POSITION, END OF YEAR	<u><u>\$ 34,823,055</u></u>	<u><u>\$ 37,525,347</u></u>

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 32,092,540	\$ 31,073,796
Claims Paid	(21,963,732)	(25,051,855)
Dividends Paid	(3,000,000)	-
Insurance Purchased	(4,112,162)	(3,619,817)
Payments to Suppliers	(845,258)	(786,589)
Internal Activities	<u>(7,351,115)</u>	<u>(2,174,365)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,179,727)</u>	<u>(558,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(34,264,559)	(71,588,111)
Sales of Securities	42,871,578	62,112,935
Cash from Investment Earnings	<u>2,101,268</u>	<u>2,682,838</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>10,708,307</u>	<u>(6,792,338)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,528,580	(7,351,168)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>8,937,148</u>	<u>16,288,316</u>
END OF YEAR	<u><u>\$ 14,465,728</u></u>	<u><u>\$ 8,937,148</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (4,138,884)	\$ 1,995,342
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(20)	1,094
Due From or To Other Funds	(5,645,866)	(696,898)
Accounts and Other Payables	(2,984,487)	2,992,465
Unearned Income	5,515	23,922
Claim Liabilities	7,285,043	(4,802,743)
Unallocated Loss Adjustment Expense Payable	<u>298,972</u>	<u>(72,012)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (5,179,727)</u></u>	<u><u>\$ (558,830)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (538,810)</u></u>	<u><u>\$ (2,113,921)</u></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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 82,958,450</u>	<u>\$ 87,833,205</u>
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	23,003,992	20,614,158
Increase (Decrease) in the provision for claims of prior fiscal years	<u>6,543,755</u>	<u>(437,058)</u>
B. Total incurred claims and claim adjustment expenses	<u>29,547,747</u>	<u>20,177,100</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>21,963,732</u>	<u>25,051,855</u>
C. Total Payments	<u>21,963,732</u>	<u>25,051,855</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 90,542,465</u>	<u>\$ 82,958,450</u>
Current Claim Liabilities	\$ 22,000,000	\$ 20,000,000
Noncurrent Claim Liabilities	68,542,465	62,958,450
Total Claim Liabilities	<u>\$ 90,542,465</u>	<u>\$ 82,958,450</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, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 20,697,278	\$ 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
Less Ceded	(1,774,144)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	4,206,802	3,830,668	2,682,595	3,673,034	3,181,739	2,596,264	1,008,070	607,896	361,658	294,088
1. Total Revenues Available For Payment of Claims	23,129,936	29,599,585	19,004,297	28,560,964	32,162,324	32,987,801	30,224,107	26,459,562	25,535,145	25,696,619
2. Unallocated Loss Adjustment Expense	13,180	82,689	20,608	67,209	227,606	138,587	196,123	455,104	486,893	593,989
3. Estimated Incurred Claims Less Ceded Claims	16,884,353	32,178,257	14,191,436	23,929,123	23,946,567	17,650,135	19,593,744	20,336,498	24,388,707	26,973,621
Net Incurred Claims and Expenses, End of Policy Year	(1,774,144)	(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)
	15,110,209	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	-	253,756	-	2,847	-	653,593	-	241,064	-	-
One Year Later	258,039	1,988,739	39,758	2,899,925	172,455	348,252	104,565	666,287	1,668,017	-
Two Years Later	1,465,760	9,206,329	5,524,791	7,975,068	4,894,740	2,389,423	2,483,193	2,473,149	-	-
Three Years Later	6,380,972	15,039,833	8,404,439	15,431,317	9,708,129	10,758,833	18,803,527	-	-	-
Four Years Later	8,000,860	20,656,595	11,379,531	18,156,840	16,936,818	11,549,612	-	-	-	-
Five Years Later	13,697,014	22,690,663	12,657,464	20,302,454	17,283,899	-	-	-	-	-
Six Years Later	14,827,986	25,610,958	13,134,501	20,791,434	-	-	-	-	-	-
Seven Years Later	15,333,686	29,388,908	13,433,469	-	-	-	-	-	-	-
Eight Years Later	16,042,474	29,382,104	-	-	-	-	-	-	-	-
Nine Years Later	16,341,846	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	-	2,518,783	29,119	-	1,037,442	602,767	4,124,678	5,750,000	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	15,110,209	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
One Year Later	12,571,700	22,854,487	10,508,940	19,125,703	25,729,463	17,577,212	21,106,865	20,336,498	20,279,342	-
Two Years Later	13,477,743	21,048,207	11,739,972	17,506,533	21,620,740	18,211,819	19,593,744	19,869,339	-	-
Three Years Later	12,223,383	28,697,653	13,803,748	25,395,916	23,001,488	17,650,135	26,300,275	-	-	-
Four Years Later	12,051,845	28,822,601	15,616,582	23,429,414	23,946,567	16,847,051	-	-	-	-
Five Years Later	15,366,909	31,330,377	14,464,385	23,929,123	25,984,055	-	-	-	-	-
Six Years Later	16,281,190	31,329,567	14,191,436	23,360,479	-	-	-	-	-	-
Seven Years Later	16,324,292	32,178,257	14,221,203	-	-	-	-	-	-	-
Eight Years Later	16,884,353	32,542,873	-	-	-	-	-	-	-	-
Nine Years Later	16,845,647	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 1,735,438	\$ 2,334,790	\$ 2,540,016	\$ 1,483,832	\$ 4,050,882	\$ 1,578,344	\$ 9,449,490	\$ 3,278,671	\$ (406,828)	\$ -

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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ 539,001
TOTAL CASH & CASH EQUIVALENTS	-	539,001
Investments	-	2,937,119
Accounts Receivable		
Due From Members	-	21,784
Investment Income Receivable	-	27,670
Reinsurance Claims	14,325,778	64,163
Due from Other Funds	-	450,581
TOTAL CURRENT ASSETS	<u>14,325,778</u>	<u>4,040,318</u>
Noncurrent Assets:		
Investments	-	2,904,764
Due from Other Funds	-	590,104
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>3,494,868</u>
TOTAL ASSETS	<u>14,325,778</u>	<u>7,535,186</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	16,056	33,443
Due to Other Funds	10,137,708	-
Claim Liabilities	3,671,895	7,376,714
TOTAL CURRENT LIABILITIES	<u>13,825,659</u>	<u>7,410,157</u>
Noncurrent Liabilities:		
Unallocated Loss Adjustment Expense Payable	494,024	430,002
TOTAL NONCURRENT LIABILITIES	<u>494,024</u>	<u>430,002</u>
TOTAL LIABILITIES	<u>14,319,683</u>	<u>7,840,159</u>
NET POSITION:		
Unrestricted	6,095	(304,973)
TOTAL NET POSITION	<u>\$ 6,095</u>	<u>\$ (304,973)</u>

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 22,699,999	\$ 19,467,217
Broker Fees	311,355	270,466
Administration Fees	1,296,714	1,214,351
Public Entity Fees	40,622	34,189
Other Income	138,165	127,503
TOTAL OPERATING REVENUES	<u>24,486,855</u>	<u>21,113,726</u>
OPERATING EXPENSES:		
Insurance Expense	22,700,000	19,242,091
Broker Fees	48,075	270,466
Provision for Claims		
Prior Years' Claims	-	633,357
Provision for Unallocated Loss Adjustment Expenses	64,022	20,605
Program Services		
Consulting and Legal Services	326,261	357,315
Actuarial Studies	13,646	12,405
Claim Audits	2,000	6,000
TOTAL OPERATING EXPENSES	<u>23,154,004</u>	<u>20,542,239</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(842,850)	(804,420)
Operating Transfer Out for Loss Prevention	(208,496)	(171,331)
TOTAL OPERATING TRANSFERS	<u>(1,051,346)</u>	<u>(975,751)</u>
OPERATING INCOME (LOSS)	<u>281,505</u>	<u>(404,264)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	31,479	67,079
Financing Fees	(1,916)	-
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>29,563</u>	<u>67,079</u>
CHANGES IN NET POSITION	311,068	(337,185)
Net Position, Beginning of Year	(304,973)	32,212
NET POSITION, END OF YEAR	<u>\$ 6,095</u>	<u>\$ (304,973)</u>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 24,370,474	\$ 20,908,528
Receipts from Others	(14,123,450)	98,790
Claims Paid	(3,704,819)	(9,907,656)
Insurance Purchased	(22,700,000)	(19,242,091)
Payments to Suppliers	(407,369)	(1,481,062)
Internal Activities	<u>10,127,047</u>	<u>511,362</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,438,117)</u>	<u>(9,112,129)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	-	(4,484,599)
Sales of Securities	5,830,076	11,253,238
Cash from Investment Earnings	70,956	517,841
Investment Expenses	<u>(1,916)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5,899,116</u>	<u>7,286,480</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(539,001)	(1,825,649)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	539,001	2,364,650
END OF YEAR	<u><u>\$ 0</u></u>	<u><u>\$ 539,001</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 281,505	\$ (404,264)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(14,239,831)	(50,497)
Due From or To Other funds	11,178,393	1,487,113
Accounts and Other Payables	(17,387)	(834,876)
Deferred Premium Inflows from Members	-	(55,911)
Claim Liabilities	(3,704,819)	(9,274,299)
Unallocated Loss Adjustment Expense Payable	64,022	20,605
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (6,438,117)</u></u>	<u><u>\$ (9,112,129)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (11,807)</u></u>	<u><u>\$ (382,987)</u></u>

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 7,806,716</u>	<u>\$ 17,060,410</u>
Incurring claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	64,022	20,605
Increase (Decrease) in the provision for claims of prior fiscal years	<u>-</u>	<u>633,357</u>
B. Total incurred claims and claim adjustment expenses	<u>64,022</u>	<u>653,962</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>3,704,819</u>	<u>9,907,656</u>
C. Total Payments	<u>3,704,819</u>	<u>9,907,656</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u>\$ 4,165,919</u>	<u>\$ 7,806,716</u>
Current Claim Liabilities	\$ 3,671,895	\$ 7,376,714
Noncurrent Claim Liabilities	494,024	430,002
Total Claim Liabilities	<u>\$ 4,165,919</u>	<u>\$ 7,806,716</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, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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*
Earned Premiums	\$ 8,008,500	\$ 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
Less Ceded	(8,008,500)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	1,771,589	-	-	-	-
1. Total Revenues Available For Payment of Claims	-	-	2,608,902	6,000,000	8,067,696	8,671,043	8,578,800	-	-	-
2. Unallocated Loss Adjustment Expense	-	-	-	-	116,761	111,652	124,158	56,826	20,605	64,022
3. Estimated Incurred Claims Less Ceded Claims	8,008,500	12,065,869	13,535,916	17,300,000	18,463,239	21,085,943	19,925,721	18,075,370	19,467,217	22,700,000
Net Incurred Claims and Expenses, End of Policy Year	(8,008,500)	(12,065,869)	(10,927,014)	(11,300,000)	(10,395,543)	(14,186,489)	(11,346,921)	(18,075,370)	(19,467,217)	(22,700,000)
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	-	-	-	-
Five Years Later	-	-	2,608,903	6,000,000	8,067,696	-	-	-	-	-
Six Years Later	-	-	2,608,903	6,000,000	-	-	-	-	-	-
Seven Years Later	-	-	2,608,903	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	29,463,401	29,494,843	4,899,946	18,752,641	3,954,458	3,182,126	2,188,285	51,766,534	4,497,233	-
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	-	-	-
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	-	-	-	-
Five Years Later	-	-	2,608,902	6,000,000	8,067,696	-	-	-	-	-
Six Years Later	-	-	2,608,902	6,000,000	-	-	-	-	-	-
Seven Years Later	-	-	2,608,902	-	-	-	-	-	-	-
Eight Years Later	-	-	-	-	-	-	-	-	-	-
Nine Years Later	-	-	-	-	-	-	-	-	-	-
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,806,116	\$ -	\$ -	\$ -	\$ -

* Fully Insured

PROPERTY



Property

County Members: 54
Public Entity Members: 30

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	-	-
Accounts Receivable		
Due from Members	16,781,271	13,680,796
Prepaid Insurance	37,203,724	33,371,391
Due from Other Funds	250,000	250,000
TOTAL CURRENT ASSETS	<u>54,234,995</u>	<u>47,302,187</u>
Noncurrent Assets:		
Prepaid Insurance	44,400,000	36,599,422
TOTAL NON-CURRENT ASSETS	<u>44,400,000</u>	<u>36,599,422</u>
TOTAL ASSETS	<u>98,634,995</u>	<u>83,901,609</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	-	89,575
Due to Other Funds	38,602,855	32,875,727
Due to Members	115,265	242,772
Unearned Premium from Members	1,322,430	1,083,818
Claim Liabilities	10,074,492	9,818,039
TOTAL CURRENT LIABILITIES	<u>50,115,042</u>	<u>44,109,931</u>
Noncurrent Liabilities:		
Due to Other Funds	44,400,000	36,849,422
Unallocated Loss Adjustment Expense Payable	103,639	76,166
TOTAL NONCURRENT LIABILITIES	<u>44,503,639</u>	<u>36,925,588</u>
TOTAL LIABILITIES	<u>94,618,681</u>	<u>81,035,519</u>
NET POSITION:		
Unrestricted	4,016,314	2,866,090
TOTAL NET POSITION	<u>\$ 4,016,314</u>	<u>\$ 2,866,090</u>

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 46,060,305	\$ 43,216,154
Broker Fees	11,821	30,000
Reinsurance Dividends	115,265	112,779
Contributions for Retained Risk	11,749,958	10,572,624
Administration Fees	646,445	427,723
Public Entity Fees	79,073	72,115
Other Income	693,611	478,897
TOTAL OPERATING REVENUES	<u>59,356,478</u>	<u>54,910,292</u>
OPERATING EXPENSES:		
Dividends to Members	115,265	112,779
Insurance Expense	45,864,266	43,425,949
Broker Fees	11,821	30,000
Provision for Claims	11,749,958	10,572,624
Provision for Unallocated Loss Adjustment Expenses	27,473	61,715
Program Services		
Property Appraisals and Consulting	21,496	89,575
TOTAL OPERATING EXPENSES	<u>57,790,279</u>	<u>54,292,642</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(267,057)	(264,842)
Operating Transfer Out for Loss Prevention	(218,554)	(231,674)
TOTAL OPERATING TRANSFERS	<u>(485,611)</u>	<u>(496,516)</u>
OPERATING INCOME (LOSS)	<u>1,080,588</u>	<u>121,134</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,750	632
Member Financing Fees	304,448	427,738
Program Financing Expense	(236,562)	(227,434)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>69,636</u>	<u>200,936</u>
CHANGES IN NET POSITION	<u>1,150,224</u>	<u>322,070</u>
Net Position, Beginning of Year	<u>2,866,090</u>	<u>2,544,020</u>
NET POSITION, END OF YEAR	<u><u>\$ 4,016,314</u></u>	<u><u>\$ 2,866,090</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 55,673,497	\$ 53,742,118
Receipts from Others	693,611	478,897
Dividends Paid	(115,265)	(112,779)
Claims Paid	(11,493,505)	(10,537,606)
Insurance Purchased	(57,497,177)	(45,345,158)
Payments to Suppliers	(122,892)	(30,000)
Internal Activities	<u>12,792,095</u>	<u>1,603,592</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(69,636)</u>	<u>(200,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from Investment Earnings	1,750	632
Member Financing Fees	304,448	427,738
Program Financing Expenses	<u>(236,562)</u>	<u>(227,434)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>69,636</u>	<u>200,936</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>	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,080,588	\$ 121,134
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(3,100,475)	(1,076,953)
Due From or To Other Funds	13,277,706	2,100,108
Prepaid Insurance	(11,632,911)	(1,919,209)
Accounts and Other Payables	(217,082)	(224,903)
Deferred Premium Inflows from Members	238,612	702,154
Claim Liabilities	256,453	35,018
Unallocated Loss Adjustment Expense Payable	<u>27,473</u>	<u>61,715</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (69,636)</u></u>	<u><u>\$ (200,936)</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 an integral part of this statement.

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 9,894,205</u>	<u>\$ 9,797,472</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>11,777,431</u>	<u>10,634,339</u>
B. Total incurred claims and claim adjustment expenses	<u>11,777,431</u>	<u>10,634,339</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	65,876	8,793,309
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>11,427,629</u>	<u>1,744,297</u>
C. Total Payments	<u>11,493,505</u>	<u>10,537,606</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 10,178,131</u></u>	<u><u>\$ 9,894,205</u></u>
Current Claim Liabilities	\$ 10,074,492	\$ 9,818,039
Noncurrent Claim Liabilities	103,639	76,166
Total Claim Liabilities	<u><u>\$ 10,178,131</u></u>	<u><u>\$ 9,894,205</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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.

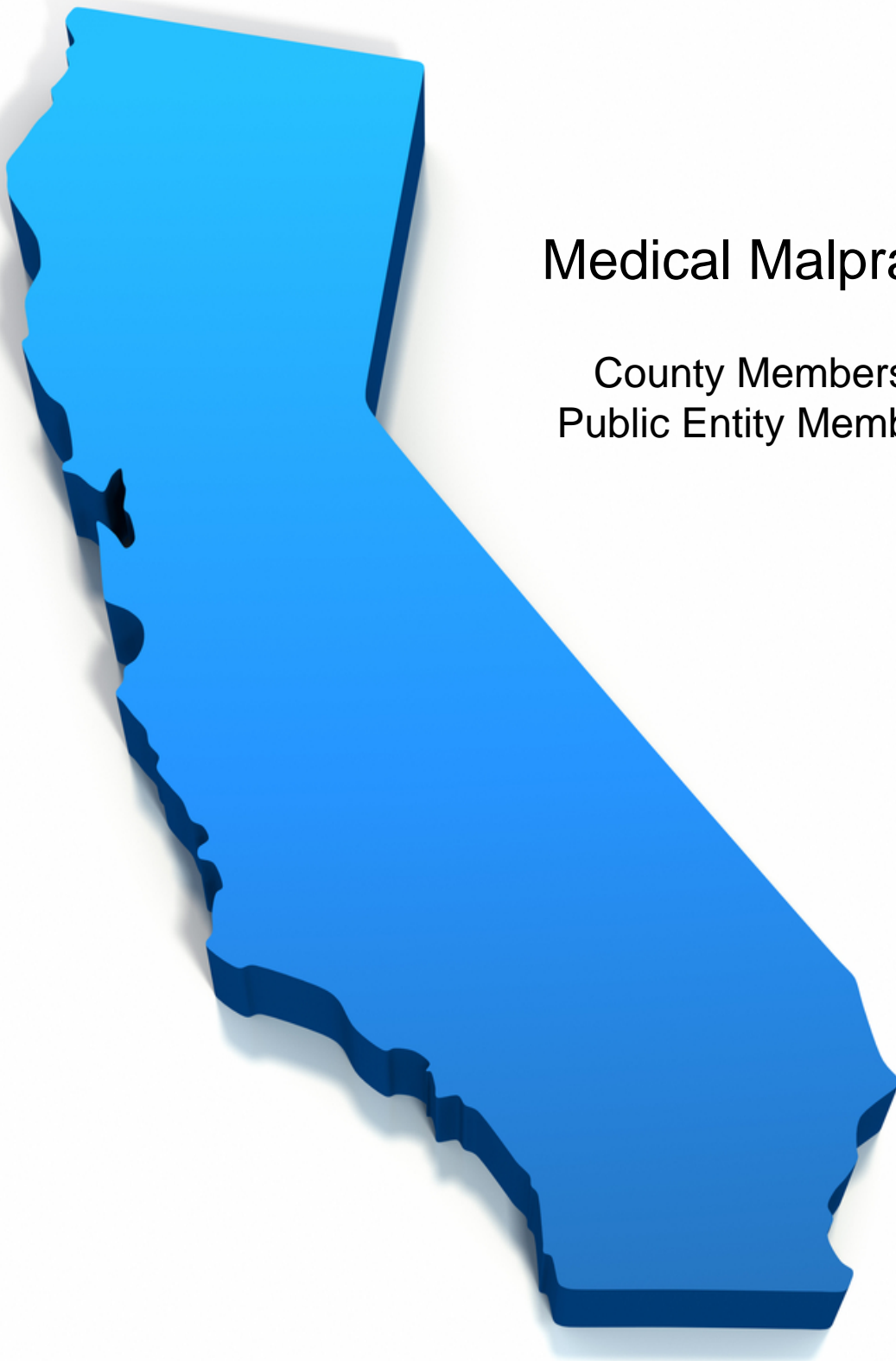
As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

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, 2014

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 36,208,713	\$ 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
Less Ceded	(28,827,724)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	7,380,989	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
2. Unallocated Loss Adjustment Expense	-	-	-	-	-	-	78,618	(64,168)	61,715	27,474
3. Estimated Incurred Claims	36,194,683	35,632,642	42,892,848	53,339,625	39,149,125	50,061,693	48,415,254	50,497,951	53,216,154	56,060,305
Less Ceded Claims	(28,827,724)	(28,630,965)	(36,303,667)	(40,515,154)	(29,149,125)	(40,061,693)	(39,415,254)	(40,497,951)	(43,216,154)	(46,060,305)
Net Incurred Claims and Expenses, End of Policy Year	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000	10,000,000	10,000,000
4. Cumulative Paid Claims as of:										
End of the Policy Year	1,479,675	4,491,799	1,997,597	4,114,386	-	-	354,341	-	58,785	65,876
One Year Later	3,699,503	7,001,677	6,589,181	12,770,820	4,949,559	9,000,000	2,098,639	3,795,372	4,606,136	
Two Years Later	6,678,309	7,001,411	6,589,181	13,847,744	2,013,815	10,489,137	6,547,020	10,000,000		
Three Years Later	7,366,959	7,001,411	6,589,181	12,824,471	2,013,815	10,000,000	9,000,000			
Four Years Later	7,366,959	7,001,411	6,589,181	12,824,471	10,000,000	10,000,000				
Five Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000					
Six Years Later	7,366,959	7,001,677	6,589,181	12,824,471						
Seven Years Later	7,366,959	7,001,677	6,589,181							
Eight Years Later	7,366,959	7,001,677								
Nine Years Later	7,366,959									
5. Reestimated Ceded Claims and Expenses	6,459,551	12,991,722	4,557,487	23,099,598	9,160,851	1,521,380	55,326,943	539,542	7,029,695	3,350,000
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	2,059,187	10,000,000	10,000,000	10,000,000
One Year Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000	10,000,000	
Two Years Later	7,366,959	7,001,677	6,588,915	12,824,471	10,000,000	10,000,000	9,000,000	10,000,000		
Three Years Later	7,366,959	7,001,677	6,588,915	12,824,471	10,000,000	10,000,000	9,000,000			
Four Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000	10,000,000				
Five Years Later	7,366,959	7,001,677	6,589,181	12,824,471	10,000,000					
Six Years Later	7,366,959	7,001,677	6,589,181	12,824,471						
Seven Years Later	7,366,959	7,001,677	6,589,181							
Eight Years Later	7,366,959	7,001,677								
Nine Years Later	7,366,959									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MEDICAL MALPRACTICE



Medical Malpractice

County Members: 46
Public Entity Members: 3

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 3,607,332	\$ 2,148,055
TOTAL CASH & CASH EQUIVALENTS	3,607,332	2,148,055
Investments	8,792,143	11,705,153
Accounts Receivable		
Due from Members	10,443	-
Investment Income Receivable	83,014	110,269
Due from Other Funds	2,804,647	1,795,679
Prepaid Insurance	1,237,091	1,606,653
TOTAL CURRENT ASSETS	16,534,670	17,365,809
Noncurrent Assets:		
Investments	13,082,188	11,576,207
Due from Other Funds	2,906,298	2,351,713
TOTAL NONCURRENT ASSETS	15,988,486	13,927,920
TOTAL ASSETS	32,523,156	31,293,729
LIABILITIES:		
Current Liabilities:		
Accounts Payable	1,500	176
Unearned Income	2,940,880	2,943,463
Claim Liabilities	6,000,000	5,000,000
TOTAL CURRENT LIABILITIES	8,942,380	7,943,639
Noncurrent Liabilities:		
Claims Liabilities		
Claims Reported	7,690,316	5,190,203
Claims Incurred But Not Reported	8,537,180	12,302,309
Unallocated Loss Adjustment Expense Payables	1,647,180	1,497,783
TOTAL NONCURRENT LIABILITIES	17,874,676	18,990,295
TOTAL LIABILITIES	26,817,056	26,933,934
NET POSITION:		
Unrestricted	5,706,100	4,359,795
TOTAL NET POSITION	\$ 5,706,100	\$ 4,359,795

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 5,318,123	\$ 6,294,740
Broker Fees	4,981	3,833
Contributions for Retained Risk	6,448,172	5,399,315
Administration Fees	888,726	1,054,912
Public Entity Fees	248	193
TOTAL OPERATING REVENUES	<u>12,660,250</u>	<u>12,752,993</u>
OPERATING EXPENSES:		
Insurance Expense	5,317,928	6,292,646
Broker Fees	4,981	3,833
Provision for Claims		
Current Year Claims	5,239,961	5,216,626
Prior Years' Claims	65,601	1,239,115
Provision for Unallocated Loss Adjustment Expenses	150,397	(25,854)
Program Services:		
Actuarial and Consulting Services	45,142	64,126
Claim Administration Services	351,846	357,177
Loss Prevention Training	17,865	11,250
TOTAL OPERATING EXPENSES	<u>11,193,721</u>	<u>13,158,919</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(385,018)	(354,202)
Operating Transfer Out for Loss Prevention	(67,513)	(77,716)
TOTAL OPERATING TRANSFERS	<u>(452,531)</u>	<u>(431,918)</u>
OPERATING INCOME (LOSS)	<u>1,013,998</u>	<u>(837,844)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	332,307	71,756
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>332,307</u>	<u>71,756</u>
CHANGES IN NET POSITION	1,346,305	(766,088)
Net Position, Beginning of Year	4,359,795	5,125,883
NET POSITION, END OF YEAR	<u><u>\$ 5,706,100</u></u>	<u><u>\$ 4,359,795</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 12,647,223	\$ 12,805,242
Claims Paid	(5,571,578)	(3,222,147)
Insurance Purchased	(4,948,366)	(6,426,610)
Payments to Suppliers	(418,510)	(491,553)
Internal Activities	(2,016,084)	(729,947)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(307,315)</u>	<u>1,934,985</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(8,588,176)	(15,942,257)
Sales of Securities	9,871,145	12,037,884
Cash from Investment Earnings	483,623	516,524
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,766,592</u>	<u>(3,387,849)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,459,277	(1,452,864)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>2,148,055</u>	<u>3,600,919</u>
END OF YEAR	<u><u>\$ 3,607,332</u></u>	<u><u>\$ 2,148,055</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,013,998	\$ (837,844)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(10,443)	16,289
Due From or To Other Funds	(1,563,553)	(298,029)
Prepaid Insurance	369,561	(133,964)
Accounts and Other Payables	1,324	(55,167)
Unearned Income	(2,583)	35,960
Claim Liabilities	(265,016)	3,236,268
Unallocated Loss Adjustment Expense Payable	149,397	(28,528)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (307,315)</u></u>	<u><u>\$ 1,934,985</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (124,061)</u></u>	<u><u>\$ (409,692)</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 23,990,295</u>	<u>\$ 20,782,555</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	5,390,358	5,190,772
Increase (Decrease) in the provision for claims of prior fiscal years	<u>65,601</u>	<u>1,239,115</u>
B. Total incurred claims and claim adjustment expenses	<u>5,455,959</u>	<u>6,429,887</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	-	3,528
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>5,571,578</u>	<u>3,218,619</u>
C. Total Payments	<u>5,571,578</u>	<u>3,222,147</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 23,874,676</u></u>	<u><u>\$ 23,990,295</u></u>
Current Claim Liabilities	\$ 6,000,000	\$ 5,000,000
Noncurrent Claim Liabilities	17,874,676	18,990,295
Total Claim Liabilities	<u><u>\$ 23,874,676</u></u>	<u><u>\$ 23,990,295</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 11,327,515	\$ 13,426,219	\$ 15,937,410	\$ 17,155,393	\$ 12,173,672	\$ 12,532,734	\$ 11,846,353	\$ 11,636,142	\$ 12,974,062	\$ 10,429,485
Less Ceded	(6,750,488)	(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)
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	-	-	-	-	-	-	-	-	-
Investment Earnings and Other Income	(501,363)	865,838	1,475,863	1,607,179	529,307	504,142	87,429	224,841	306,862	58,962
1. Total Revenues Available For Payment of Claims	4,075,664	6,287,983	9,366,404	11,323,363	6,819,673	7,582,436	6,127,996	5,955,724	6,988,278	5,170,519
2. Unallocated Loss Adjustment Expense	30,267	3,755	14,937	41,727	131,685	156,676	269,827	314,776	342,920	388,310
3. Estimated Incurred Claims Less Ceded Claims	4,084,610	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
Net Incurred Claims and Expenses, End of Policy Year	4,084,610	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
4. Cumulative Paid Claims as of:										
End of the Policy Year	15,637	74,862	-	31,852	-	23,848	51,305	26,698	3,528	-
One Year Later	1,345,553	507,297	18,511	77,244	148,321	96,315	1,282,361	181,822	436,672	
Two Years Later	8,516,048	3,110,402	2,553,723	319,382	1,371,988	906,689	1,826,879	1,822,542		
Three Years Later	10,483,552	3,355,692	4,055,429	4,051,699	4,639,462	3,037,613	4,381,548			
Four Years Later	10,484,222	3,367,720	4,079,102	6,201,597	4,715,066	3,116,185				
Five Years Later	10,484,222	4,875,582	4,079,470	6,201,597	4,715,783					
Six Years Later	10,484,222	4,875,582	4,389,246	6,201,597						
Seven Years Later	10,484,222	4,875,582	5,252,002							
Eight Years Later	10,484,222	4,875,582								
Nine Years Later	10,484,222									
5. Reestimated Ceded Claims and Expenses	8,353,599	2,597,454	5,629,920	3,967,800	9,201,073	3,739,156	3,771,000	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	4,084,610	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
One Year Later	7,163,986	4,346,863	4,258,727	5,904,394	4,293,989	3,957,784	5,161,374	5,583,913	5,064,126	
Two Years Later	12,080,474	6,131,088	6,425,558	5,685,879	7,437,370	5,661,931	7,402,556	6,070,219		
Three Years Later	11,931,770	5,819,342	5,852,567	6,747,768	8,050,504	5,510,518	8,022,661			
Four Years Later	12,126,970	5,108,908	5,048,560	6,922,698	6,749,092	5,230,415				
Five Years Later	11,897,954	5,102,985	5,149,894	6,611,328	6,492,782					
Six Years Later	11,128,701	4,979,777	5,620,907	6,248,451						
Seven Years Later	10,546,087	4,939,037	5,337,382							
Eight Years Later	10,517,324	4,915,010								
Nine Years Later	10,892,620									
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ 6,808,010	\$ 1,301,460	\$ 899,512	\$ 2,591,866	\$ 2,111,212	\$ 406,313	\$ 3,100,932	\$ 881,884	\$ (152,500)	\$ -

MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ -	\$ -
TOTAL CASH & CASH EQUIVALENTS	-	-
Accounts Receivable:		
Due from Members	828,062	-
Prepaid Insurance	3,736,283	1,821,442
TOTAL ASSETS	<u>4,564,345</u>	<u>1,821,442</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	591,298	-
Due to Other Funds	459,810	253,989
Unearned Income	3,483,176	1,568,335
TOTAL CURRENT LIABILITIES	<u>4,534,284</u>	<u>1,822,324</u>
TOTAL LIABILITIES	<u>4,534,284</u>	<u>1,822,324</u>
NET POSITION:		
Unrestricted	30,061	(882)
TOTAL NET POSITION	<u>\$ 30,061</u>	<u>\$ (882)</u>

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premium for Transferred Risk	\$ 2,661,990	\$ 399,352
Administration Fees	33,464	-
TOTAL OPERATING REVENUES	<u>2,695,454</u>	<u>399,352</u>
OPERATING EXPENSES:		
Insurance Expense	<u>2,661,994</u>	<u>399,352</u>
TOTAL OPERATING EXPENSES	<u>2,661,994</u>	<u>399,352</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	<u>(81)</u>	<u>(19)</u>
TOTAL OPERATING TRANSFERS	<u>(81)</u>	<u>(19)</u>
OPERATING INCOME (LOSS)	<u>33,379</u>	<u>(19)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	86	-
Program Financing Expense	<u>(2,522)</u>	<u>(863)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(2,436)</u>	<u>(863)</u>
CHANGES IN NET POSITION	30,943	(882)
Net Position, Beginning of Year	<u>(882)</u>	-
NET POSITION, END OF YEAR	<u><u>\$ 30,061</u></u>	<u><u>\$ (882)</u></u>

The notes to the financial statements are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 3,782,233	\$ 1,967,687
Insurance Purchased	(3,985,537)	(2,220,794)
Internal Activities	<u>205,740</u>	<u>253,970</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,436</u>	<u>863</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from Investment Earnings	86	-
Program Financing Expense	<u>(2,522)</u>	<u>(863)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,436)</u>	<u>(863)</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>	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 33,379	\$ (19)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(828,062)	-
Due From or To Other Funds	205,821	253,989
Prepaid Insurance	(1,914,841)	(1,821,442)
Accounts and Other Payables	591,298	-
Unearned Income	<u>1,914,841</u>	<u>1,568,335</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 2,436</u></u>	<u><u>\$ 863</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 an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 1,250,352	\$ 686,509
TOTAL CASH & CASH EQUIVALENTS	1,250,352	686,509
Investments	3,047,479	3,740,917
Accounts Receivable		
Due from Members	-	405
Investment Income Receivable	28,774	35,241
Due from Other Funds	972,130	573,891
TOTAL CURRENT ASSETS	5,298,735	5,036,963
Noncurrent Assets:		
Investments	4,534,469	3,699,706
Due from Other Funds	1,007,363	751,598
TOTAL NONCURRENT ASSETS	5,541,832	4,451,304
TOTAL ASSETS	10,840,567	9,488,267
LIABILITIES:		
Current Liabilities:		
Accounts Payable	852,644	38,002
Due to Members	8,140,893	8,065,769
TOTAL CURRENT LIABILITIES	8,993,537	8,103,771
TOTAL LIABILITIES	8,993,537	8,103,771
NET POSITION:		
Unrestricted	1,847,030	1,384,496
TOTAL NET POSITION	\$ 1,847,030	\$ 1,384,496

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Premiums for Transferred Risk	\$ 217,522,065	\$ 216,373,262
Broker Fees	2,233,524	2,248,700
Health Reform Fees and Taxes	777,077	-
Administration Fees	751,352	459,748
TPA Claims Administration Fees	11,007,667	12,658,330
Eligibility Administration Fees	1,741,845	1,745,863
Other Income	44,965	79,746
TOTAL OPERATING REVENUES	<u>234,078,495</u>	<u>233,565,649</u>
OPERATING EXPENSES:		
Interest on Dividends to Members	14,481	17,695
Insurance Premiums and TPA Fees	228,530,255	229,034,466
Eligibility Administration	1,741,845	1,745,863
Health Reform Fees and Taxes	852,081	37,633
Broker Fees	2,233,524	2,248,700
Program Services		
Actuarial Consulting Services	18,503	27,813
EIAHealth Seminar	14,867	16,387
TOTAL OPERATING EXPENSES	<u>233,405,556</u>	<u>233,128,557</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(303,020)	(256,770)
Operating Transfer Out for Loss Prevention	(16,610)	(17,823)
TOTAL OPERATING TRANSFERS	<u>(319,630)</u>	<u>(274,593)</u>
OPERATING INCOME (LOSS)	<u>353,309</u>	<u>162,499</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	109,225	25,940
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>109,225</u>	<u>25,940</u>
CHANGES IN NET POSITION	462,534	188,439
Net Position, Beginning of Year	1,384,496	1,196,057
NET POSITION, END OF YEAR	<u><u>\$ 1,847,030</u></u>	<u><u>\$ 1,384,496</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 234,154,024	\$ 233,546,242
Dividends Paid	(14,481)	(17,695)
Insurance Purchased	(228,530,255)	(229,034,466)
Payments to Suppliers	(4,046,178)	(3,963,690)
Internal Activities	(973,634)	(305,899)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>589,476</u>	<u>224,492</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(3,441,884)	(5,287,996)
Sales of Securities	3,259,593	4,351,691
Cash from Investment Earnings	156,658	187,668
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(25,633)</u>	<u>(748,637)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	563,843	(524,145)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>686,509</u>	<u>1,210,654</u>
END OF YEAR	<u><u>\$ 1,250,352</u></u>	<u><u>\$ 686,509</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 353,309	\$ 162,499
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	405	(405)
Due From or To Other Funds	(654,004)	(31,306)
Accounts and Other Payables	814,642	32,960
Dividends Payable	75,124	60,744
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 589,476</u></u>	<u><u>\$ 224,492</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (40,967)</u></u>	<u><u>\$ (148,103)</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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, 2014

POLICY YEAR	June 30, 2005	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
Earned Premiums	\$ 37,018,469	\$ 51,001,376	-	-	-	-	-	-	-	-
Less Ceded	(1,222,381)	(1,328,360)	-	-	-	-	-	-	-	-
Supplemental Assessments	-	-	-	-	-	-	-	-	-	-
Dividends Declared	-	(10,890,018)	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
1. Total Revenues Available For Payment of Claims	35,796,088	38,782,998	-	-	-	-	-	-	-	-
2. Unallocated Loss Adjustment Expense	2,383,083	2,563,278	-	-	-	-	-	-	-	-
3. Estimated Incurred Claims Less Ceded Claims	34,394,307	39,319,080	-	-	-	-	-	-	-	-
Net Incurred Claims and Expenses, End of Policy Year	34,394,307	39,319,080	-	-	-	-	-	-	-	-
4. Cumulative Paid Claims as of:										
End of the Policy Year	29,705,783	33,868,603	-	-	-	-	-	-	-	-
One Year Later	34,394,307	37,042,786	-	-	-	-	-	-	-	-
Two Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Three Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Four Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Five Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Six Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Seven Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Eight Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
Nine Years Later	34,394,307	37,195,052	-	-	-	-	-	-	-	-
5. Reestimated Ceded Claims and Expenses	1,977,756	2,259,132	-	-	-	-	-	-	-	-
6. Reestimated Incurred Claims and Expenses										
End of the Policy Year	34,394,307	39,319,080	-	-	-	-	-	-	-	-
One Year Later	34,394,307	39,797,693	-	-	-	-	-	-	-	-
Two Years Later	34,394,307	37,395,052	-	-	-	-	-	-	-	-
Three Years Later	34,394,307	37,395,052	-	-	-	-	-	-	-	-
Four Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Five Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Six Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Seven Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Eight Years Later	34,394,307	37,182,270	-	-	-	-	-	-	-	-
Nine Years Later	34,394,307	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: 30
Public Entity Members: 103

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 1,721,619	\$ 906,410
TOTAL CASH & CASH EQUIVALENTS	1,721,619	906,410
Investments	4,196,098	4,939,195
Accounts Receivable		
Due from Members	895,026	453,317
Investment Income Receivable	39,619	46,530
Due from Other Funds	1,338,533	757,718
TOTAL CURRENT ASSETS	8,190,895	7,103,170
Noncurrent Assets:		
Investments	6,243,546	4,884,784
Due from Other Funds	1,387,047	992,347
TOTAL NONCURRENT ASSETS	7,630,593	5,877,131
TOTAL ASSETS	15,821,488	12,980,301
LIABILITIES:		
Current Liabilities:		
Accounts Payable	23,569	9,971
Dental Claim Liabilities	2,200,000	2,150,000
TOTAL CURRENT LIABILITIES	2,223,569	2,159,971
TOTAL LIABILITIES	2,223,569	2,159,971
NET POSITION:		
Unrestricted	13,597,919	10,820,330
TOTAL NET POSITION	\$ 13,597,919	\$ 10,820,330

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

DENTAL PROGRAM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Contribution for Retained Risk	\$ 31,210,281	\$ 30,426,135
Stabilization Fund Revenue	922	276,074
Eligibility Admin Fee Revenue	312,281	143,386
Broker Fees	1,387,051	941,955
Other Income	<u>-</u>	<u>199,337</u>
TOTAL OPERATING REVENUES	<u>32,910,535</u>	<u>31,986,887</u>
OPERATING EXPENSES:		
Provision for Claims, Current Year	26,483,069	25,691,975
Broker Fees	1,387,051	948,505
Health Reform Fees and Taxes	21,069	-
Claims Administration and Eligibility Fees	2,279,722	2,059,562
Other Program Services	<u>6,000</u>	<u>2,971</u>
TOTAL OPERATING EXPENSES	<u>30,176,911</u>	<u>28,703,013</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(100,417)	(71,643)
Operating Transfer Out for Loss Prevention	<u>(5,120)</u>	<u>(5,032)</u>
TOTAL OPERATING TRANSFERS	<u>(105,537)</u>	<u>(76,675)</u>
OPERATING INCOME (LOSS)	<u>2,628,087</u>	<u>3,207,199</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	<u>149,502</u>	<u>23,140</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>149,502</u>	<u>23,140</u>
CHANGES IN NET POSITION	<u>2,777,589</u>	<u>3,230,339</u>
Net Position, Beginning of Year	<u>10,820,330</u>	<u>7,589,991</u>
NET POSITION, END OF YEAR	<u><u>\$ 13,597,919</u></u>	<u><u>\$ 10,820,330</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 32,468,826	\$ 31,787,605
Claims Paid	(26,433,069)	(25,782,263)
Expenses Paid	(3,680,244)	(2,801,730)
Internal Activities	(1,081,052)	(508,549)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,274,461</u>	<u>2,695,063</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(5,133,314)	(7,062,256)
Sales of Securities	4,461,576	3,881,989
Cash from Investment Earnings	212,486	158,501
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(459,252)</u>	<u>(3,021,766)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	815,209	(326,703)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>906,410</u>	<u>1,233,113</u>
END OF YEAR	<u><u>\$ 1,721,619</u></u>	<u><u>\$ 906,410</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 2,628,087	\$ 3,207,199
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	(441,709)	55
Due From or To Other Funds	(975,515)	(431,874)
Accounts and Other Payables	13,598	9,971
Claim Liabilities	50,000	(90,288)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 1,274,461</u></u>	<u><u>\$ 2,695,063</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (56,073)</u></u>	<u><u>\$ (132,118)</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
RECONCILIATION OF UNPAID CLAIMS LIABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
A. Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	<u>\$ 2,150,000</u>	<u>\$ 2,240,288</u>
Incurred claims and claim adjustment expenses:		
Provision for claims of the current fiscal year	<u>26,483,069</u>	<u>25,691,975</u>
B. Total incurred claims and claim adjustment expenses	<u>26,483,069</u>	<u>25,691,975</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	24,283,069	23,541,975
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,150,000</u>	<u>2,240,288</u>
C. Total Payments	<u>26,433,069</u>	<u>25,782,263</u>
D. Total unpaid claims and claim adjustment expenses at the end of the fiscal year (A+B-C)	<u><u>\$ 2,200,000</u></u>	<u><u>\$ 2,150,000</u></u>
Current Claim Liabilities	<u>\$ 2,200,000</u>	<u>\$ 2,150,000</u>
Total Claim Liabilities	<u><u>\$ 2,200,000</u></u>	<u><u>\$ 2,150,000</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
NOTES TO EARNED PREMIUMS AND CLAIMS DEVELOPMENT INFORMATION
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2014**

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, 2014**

POLICY YEAR	June 30, 2005	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
Earned Premiums						\$ 7,242,783	\$ 20,356,118	\$ 27,841,423	\$ 30,426,135	\$ 31,210,281
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
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
Net Incurred Claims and Expenses, End of Policy Year	-	-	-	-	-	5,551,354	19,689,432	21,213,005	25,691,975	26,483,069
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
One Year Later	-	-	-	-	-	5,551,354	19,689,432	23,453,293	25,691,975	
Two Years Later	-	-	-	-	-	5,551,354	19,689,432	23,453,293		
Three Years Later	-	-	-	-	-	5,551,354	19,689,432			
Four Years Later	-	-	-	-	-	5,551,354				
Five Years Later	-	-	-	-	-					
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
One Year Later						5,551,354	19,689,432	23,453,293	25,691,975	
Two Years Later						5,551,354	19,689,432	23,453,293		
Three Years Later						5,551,354	19,689,432			
Four Years Later						5,551,354				
Five Years Later										
Six Years Later										
Seven Years Later										
Eight Years Later										
Nine Years Later										
7. Increase (Decrease) in Estimated Incurred Claims and Expense from End of the Policy Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,288	\$ -	\$ -

*The Dental Program started January 1, 2010

MISCELLANEOUS PROGRAMS

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash, EIA Treasury	\$ 492,324	\$ 171,731
TOTAL CASH & CASH EQUIVALENTS	492,324	171,731
Investments	1,199,941	935,793
Accounts Receivable		
Due From Members	414,097	487,360
Investment Income Receivable	11,330	8,816
Due from Other Funds	382,775	143,559
Prepaid Insurance	2,544,674	4,825,020
TOTAL CURRENT ASSETS	5,045,141	6,572,279
Noncurrent Assets:		
Investments	1,785,442	925,484
Due from Other Funds	396,648	188,013
TOTAL NONCURRENT ASSETS	2,182,090	1,113,497
TOTAL ASSETS	7,227,231	7,685,776
LIABILITIES:		
Current Liabilities:		
Accounts Payable	2,602,106	2,000,733
Due to Members	43,367	81,261
Unearned Income	2,436,761	3,401,533
TOTAL CURRENT LIABILITIES	5,082,234	5,483,527
TOTAL LIABILITIES	5,082,234	5,483,527
NET POSITION:		
Unrestricted	2,144,997	2,202,249
TOTAL NET POSITION	\$ 2,144,997	\$ 2,202,249

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Dividends	\$ 99,743	\$ 100,827
Premiums For Transferred Risk:		
Optional Excess Liability Insurance	2,927,527	2,865,832
Watercraft Insurance	187,985	175,104
Owner Controlled Insurance Program	774,993	1,139,042
Aviation Insurance	1,310,536	1,166,844
Course of Construction Insurance	(34,131)	630,062
Crime and Honesty Bonds	1,152,211	1,092,482
SPIP/SLIP	62,569	45,563
Cyber Liability	749,049	244,422
Pollution Liability	712,408	690,912
Inmate Medical Insurance	801,275	486,357
Employee Assistance Program	1,389,883	1,314,319
Life, Long-Term Disability and ADD Insurance	12,878,776	11,311,106
Vision Insurance	2,843,778	2,527,397
Other Miscellaneous Programs	55,520	18,982
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	25,912,122	23,809,251
	<hr/>	<hr/>
OPERATING EXPENSES:		
Member Dividends, Watercraft	99,743	100,827
Insurance Premiums:		
Optional Excess Liability Insurance	2,927,526	2,865,828
Watercraft Insurance	188,099	174,543
Owner Controlled Insurance Program	774,993	1,139,042
Aviation Insurance	1,310,536	1,166,844
Course of Construction Insurance	(34,131)	630,062
Crime and Honesty Bonds	1,152,211	1,092,480
SPIP/SLIP	62,593	45,563
Cyber Liability	742,370	244,181
Pollution Liability	712,355	690,962
Inmate Medical Insurance	801,272	486,356
Employee Assistance Program	1,391,580	1,314,626
Life, Long-Term Disability and ADD Insurance	12,959,970	11,311,106
Vision Insurance	2,843,778	2,527,397
Other Miscellaneous Programs	56,482	19,193
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	25,989,377	23,809,010
	<hr/>	<hr/>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer Out for General Administration	(27,857)	(15,957)
	<hr/>	<hr/>
TOTAL OPERATING TRANSFERS	(27,857)	(15,957)
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	\$ (105,112)	\$ (15,716)
	<hr/>	<hr/>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	\$ 46,468	\$ 15,079
Member Finance Fees	<u>1,392</u>	<u>1,378</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>47,860</u>	<u>16,457</u>
CHANGES IN NET POSITION	(57,252)	741
Net Position, Beginning of Year	<u>2,202,249</u>	<u>2,201,508</u>
NET POSITION, END OF YEAR	<u><u>\$ 2,144,997</u></u>	<u><u>\$ 2,202,249</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 24,882,974	\$ 24,610,665
Insurance Purchased	(23,007,915)	(26,144,158)
Receipts from Others	99,743	100,827
Dividends Paid	(99,743)	(100,827)
Internal Activities	(475,708)	201,625
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,399,351	(1,331,868)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,528,287)	(1,654,299)
Sales of Securities	1,386,754	2,529,716
Financing Fees	1,392	1,378
Cash from Investment Earnings	61,383	113,093
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,078,758)	989,888
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	320,593	(341,980)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	171,731	513,711
	<hr/>	<hr/>
END OF YEAR	\$ 492,324	\$ 171,731
	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (105,112)	\$ (15,716)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Changes in Assets and Liabilities		
Accounts Receivable, Net	73,263	(318,552)
Due From or To Other Funds	(447,851)	217,582
Prepaid Insurance	2,280,346	(2,649,150)
Accounts and Other Payables	563,477	238,579
Unearned Income	(964,772)	1,195,389
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,399,351	\$ (1,331,868)
	<hr/>	<hr/>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	\$ (17,429)	\$ (86,095)
	<hr/>	<hr/>

GENERAL ADMINISTRATION

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Petty Cash Fund	\$ 300	\$ 300
Cash, EIA Treasury	948,498	596,234
TOTAL CASH & CASH EQUIVALENTS	948,798	596,534
Investments	2,311,771	3,248,991
Accounts Receivable		
Due from Members	91,638	34,224
Investment Income Receivable	21,828	30,607
Due from Other Funds	737,443	498,425
Prepaid Expense	19,521	12,218
TOTAL CURRENT ASSETS	4,130,999	4,420,999
Noncurrent Assets:		
Investments	3,439,780	3,213,199
Due from Other Funds	764,171	652,763
Capital Assets:		
Office Furniture and Equipment	1,205,018	1,188,907
Computer Software	742,892	658,576
Less Accumulated Depreciation, Furniture & Equipment	(1,126,231)	(1,164,668)
TOTAL NONCURRENT ASSETS	5,025,630	4,548,777
TOTAL ASSETS	9,156,629	8,969,776
LIABILITIES:		
Current Liabilities:		
Accounts Payable	84,644	443,838
Due to Members	26,306	-
Compensated Absences	63,770	58,762
TOTAL CURRENT LIABILITIES	174,720	502,600
Noncurrent Liabilities:		
Compensated Absences	255,078	235,050
Other Post Employment Benefits	-	412,641
TOTAL NONCURRENT LIABILITIES	255,078	647,691
TOTAL LIABILITIES	429,798	1,150,291
NET POSITION:		
Invested in Capital Assets, Net of Related Debt	821,679	682,815
Unrestricted	7,905,152	7,136,670
TOTAL NET POSITION	<u>\$ 8,726,831</u>	<u>\$ 7,819,485</u>

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

CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
OPERATING REVENUES:		
Member Services		
Claims Information Systems	\$ 72,094	\$ 86,964
EIA Drug and Alcohol Monitoring Consortium	-	6,550
DMV Pull Notice Fees	43,479	31,350
Loss Prevention Seminars and Target Safety Platform Fees	659,711	398,701
Insurance Certificate Tracking Service	90,030	116,513
Other Income		
Investment Management Fees	23,017	20,000
Personal Lines Insurance Program Income	81,498	82,183
Shared Cost Agreements	31,161	95,731
Other Income	757,861	417,600
TOTAL REVENUES	<u>1,758,851</u>	<u>1,255,592</u>
EXPENSES:		
Salaries and Benefits	6,307,929	6,087,168
Staff Support	1,047,797	749,565
Services and Supplies	1,056,440	865,889
Member Services	1,128,833	1,187,413
Subsidies	1,229,993	1,005,426
Depreciation	181,777	146,538
TOTAL EXPENSES	<u>10,952,769</u>	<u>10,041,999</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfers In from		
Excess Workers' Compensation	3,536,702	3,287,554
Primary Workers' Compensation	2,319,767	1,844,692
Dental	105,537	76,675
EIAHealth	319,630	274,593
General Liability I	1,705,249	1,477,467
Primary General Liability	457,233	531,796
General Liability II	1,051,346	975,751
Miscellaneous Programs	27,857	15,957
Property Insurance	485,611	496,516
Medical Malpractice	452,531	431,918
MROCIP	81	19
Operating Transfer Out to		
Building Fund	(429,275)	(429,275)
TOTAL OPERATING TRANSFERS	<u>10,032,269</u>	<u>8,983,663</u>
OPERATING INCOME (LOSS)	<u>838,351</u>	<u>197,256</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	100,110	30,189
Member Finance Fees	42	-
Investment Expenses	(31,157)	(24,550)
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>68,995</u>	<u>5,639</u>
CHANGES IN NET POSITION	<u>907,346</u>	<u>202,895</u>
Net Position, Beginning of Year	7,819,485	7,616,590
NET POSITION, END OF YEAR	<u><u>\$ 8,726,831</u></u>	<u><u>\$ 7,819,485</u></u>

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

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Members	\$ 1,592,067	\$ 1,065,867
Receipts from Others	135,676	200,106
Payments to Suppliers	(4,829,560)	(3,423,541)
Payments to Employees	(6,695,534)	(5,990,456)
Internal Activities	9,681,843	8,917,965
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(115,508)</u>	<u>769,941</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase of Software, Furniture and Equipment	(320,641)	(322,651)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(320,641)</u>	<u>(322,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Securities	(2,317,330)	(6,119,395)
Sales of Securities	2,990,386	5,064,525
Cash from Investment Earnings	146,472	212,934
Finance Fees from Members	42	-
Investment Expenses	(31,157)	(24,550)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>788,413</u>	<u>(866,486)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	352,264	(419,196)
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>596,534</u>	<u>1,015,730</u>
END OF YEAR	<u><u>\$ 948,798</u></u>	<u><u>\$ 596,534</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 838,351	\$ 197,256
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	181,777	146,538
Changes in Assets and Liabilities		
Accounts Receivable, Net	(57,414)	10,381
Due From or To Other Funds	(350,426)	(65,698)
Deferred Outflows and Expenses	(7,303)	(50)
Accounts and Other Payables	(745,529)	449,566
Compensated Absences	25,036	31,948
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (115,508)</u></u>	<u><u>\$ 769,941</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ (37,583)</u></u>	<u><u>\$ (172,364)</u></u>

BUILDING

**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS:		
Current Assets:		
Cash in Bank	\$ 127,773	\$ 195,981
TOTAL CASH & CASH EQUIVALENTS	127,773	195,981
TOTAL CURRENT ASSETS	<u>127,773</u>	<u>195,981</u>
Noncurrent Assets:		
Capital Assets		
Land	1,000,000	1,000,000
Building	5,738,000	5,738,000
Less Accumulated Depreciation, Building	(511,225)	(398,592)
Tenant Improvements	2,117,823	2,350,280
Less Accumulated Depreciation, Tenant Improvements	(751,830)	(759,720)
Lease Acquisition Costs	127,291	127,291
Less accumulated Amortization	(127,291)	(62,566)
TOTAL NONCURRENT ASSETS	<u>7,592,768</u>	<u>7,994,693</u>
TOTAL ASSETS	<u>7,720,541</u>	<u>8,190,674</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	32,847	1,000
Unearned Income	19,871	11,493
Mortgage Payable to Other Funds	429,275	429,275
Security Deposits	26,676	26,676
TOTAL CURRENT LIABILITIES	<u>508,669</u>	<u>468,444</u>
Noncurrent Liabilities:		
Mortgage Payable to Other Funds	6,769,361	7,350,134
TOTAL NON-CURRENT LIABILITIES	<u>6,769,361</u>	<u>7,350,134</u>
TOTAL LIABILITIES	<u>7,278,030</u>	<u>7,818,578</u>
NET POSITION:		
Invested in Capital Assets	7,592,768	7,994,693
Unrestricted	(7,150,257)	(7,622,597)
TOTAL NET POSITION	<u>\$ 442,511</u>	<u>\$ 372,096</u>

The notes to the financial statements
are an 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, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
EXPENSES:		
Building Maintenance and Operating Expense	\$ 172,392	\$ 151,947
Depreciation	<u>130,210</u>	<u>130,885</u>
TOTAL EXPENSES	<u>302,602</u>	<u>282,832</u>
OPERATING TRANSFERS IN OR (OUT):		
Operating Transfer In from the General Administration Fund for Office Rents	<u>429,275</u>	<u>429,275</u>
TOTAL OPERATING TRANSFERS	<u>429,275</u>	<u>429,275</u>
OPERATING INCOME (LOSS)	126,673	146,443
NONOPERATING REVENUES (EXPENSES)		
Lease Income	414,094	487,378
Building Maintenance and Operating Expense	(146,852)	(129,437)
Building Depreciation	(206,991)	(198,082)
Amortization of Lease Commissions	(64,724)	(18,343)
Interest Expense	<u>(51,785)</u>	<u>(59,222)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(56,258)</u>	<u>82,294</u>
CHANGES IN NET POSITION	<u>70,415</u>	<u>228,737</u>
Net Position, Beginning of Year	<u>372,096</u>	<u>143,359</u>
NET POSITION, END OF YEAR	<u><u>\$ 442,511</u></u>	<u><u>\$ 372,096</u></u>

**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Internal Activities	\$ (151,498)	\$ (126,031)
Receipts from Others	8,378	5,789
Payments to Suppliers	<u>(140,545)</u>	<u>(150,947)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(283,665)</u>	<u>(271,189)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Lease Receipts	414,094	478,027
Operating Lease Disbursements	(146,852)	(129,438)
Program Financing Expenses	<u>(51,785)</u>	<u>(59,222)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>215,457</u>	<u>289,367</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:		
Purchase/Sale of Building and Other Capital Assets	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(68,208)</u>	<u>18,178</u>
CASH AND CASH EQUIVALENTS: BEGINNING OF YEAR	<u>195,981</u>	<u>177,803</u>
END OF YEAR	<u><u>\$ 127,773</u></u>	<u><u>\$ 195,981</u></u>
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 126,673	\$ 146,443
Adjustments to reconcile operating income (loss) to net cash provided (used) by building fund activities		
Depreciation	130,210	130,885
Changes in Assets and Liabilities		
Due From or To Other Funds	(580,773)	(555,306)
Accounts Payable	31,847	1,000
Deferred Lease Inflows	<u>8,378</u>	<u>5,789</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (283,665)</u></u>	<u><u>\$ (271,189)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Unrealized (loss) on investments	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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.....	183
Schedule of Revenues, Expenses and Changes in Net Assets	184
History of Dividends Returned to Members.....	185

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	186
Number of Claims	187
Property Values.....	188

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	189

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, 2014**

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assets										
Current Assets	\$ 134,626,941	\$ 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
Noncurrent Assets	171,021,751	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
Total Assets	305,648,692	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
Liabilities										
Current Liabilities	90,466,729	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
Noncurrent Liabilities	189,508,614	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
Total Liabilities	279,975,343	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
Net Position										
Invested in Capital Assets	1,085,656	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
Unrestricted	24,587,693	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
Total 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

CSAC EXCESS INSURANCE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2014

	2005	2006	2007	Fiscal Year Ended June 30,		2010	2011	2012	2013	2014
				2008	2009					
REVENUES:										
Premiums for Transferred Risk	\$ 83,091,904	\$ 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
Supplemental Assessments	4,194,000	-	-	-	-	-	-	-	-	-
Broker Fees	3,305,346	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
Contributions for Retained Risk	179,045,793	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
Dividend Income	2,300,878	-	90,614	232,604	140,745	201,158	41,971	75,314	213,606	215,008
Member Services	247,667	445,121	364,496	343,927	359,000	263,004	530,052	613,490	640,078	865,314
Administrative Fees	6,773,423	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
Public Entity Fees	430,093	436,457	490,997	596,548	504,933	398,951	408,475	456,577	480,351	552,493
Program Development Fees	82,157	16,837	9,800	7,250	11,650	4,200	7,550	3,550	-	-
Other Income	1,067,035	1,698,569	843,635	221,866	1,359,005	617,281	2,313,897	7,673,338	1,991,075	2,284,488
Investment Income	6,683,646	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
Total Revenues	287,221,942	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
EXPENSES:										
Dividends	1,799,998	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
Insurance Expense	85,384,796	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
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
Provision for Insured Claims	163,395,025	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
Unallocated Loss Expenses	1,763,656	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
Program Services	10,364,856	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
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
General Administration	3,626,201	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
Building Operating Expenses	92,294	95,342	-	-	-	124,242	408,073	273,723	493,848	319,244
Depreciation	181,645	213,681	245,779	254,376	245,047	417,426	355,771	481,695	281,384	583,702
Total Expenses	266,608,471	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
Changes in Net Position	20,613,471	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)
NET POSITION:										
Beginning Net Position	5,059,878	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
Ending 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

**CSAC EXCESS INSURANCE AUTHORITY
HISTORY OF DIVIDENDS RETURNED TO MEMBERS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2014**

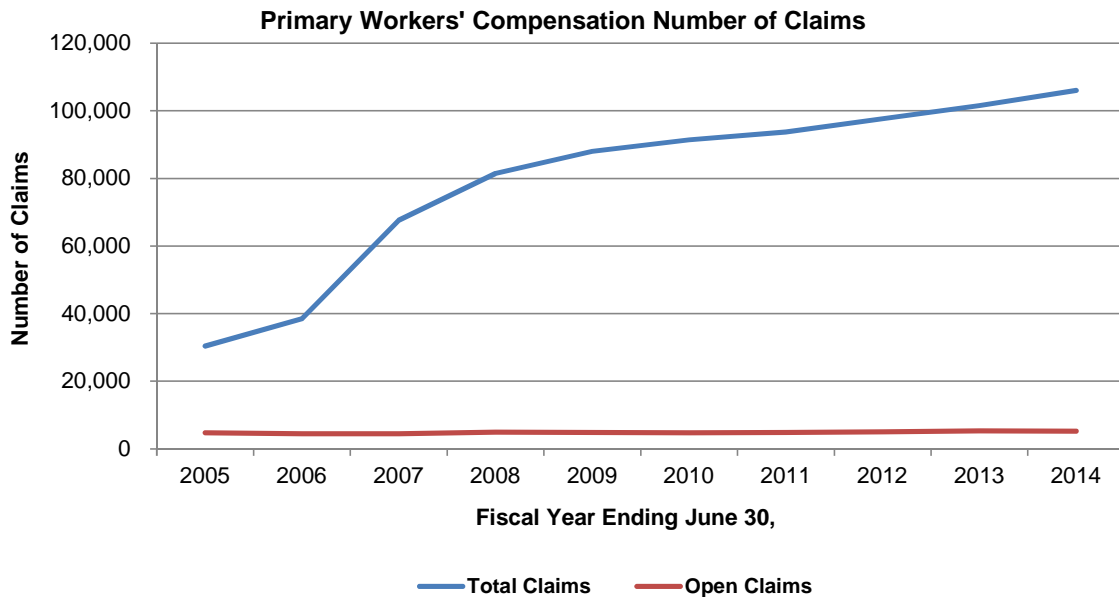
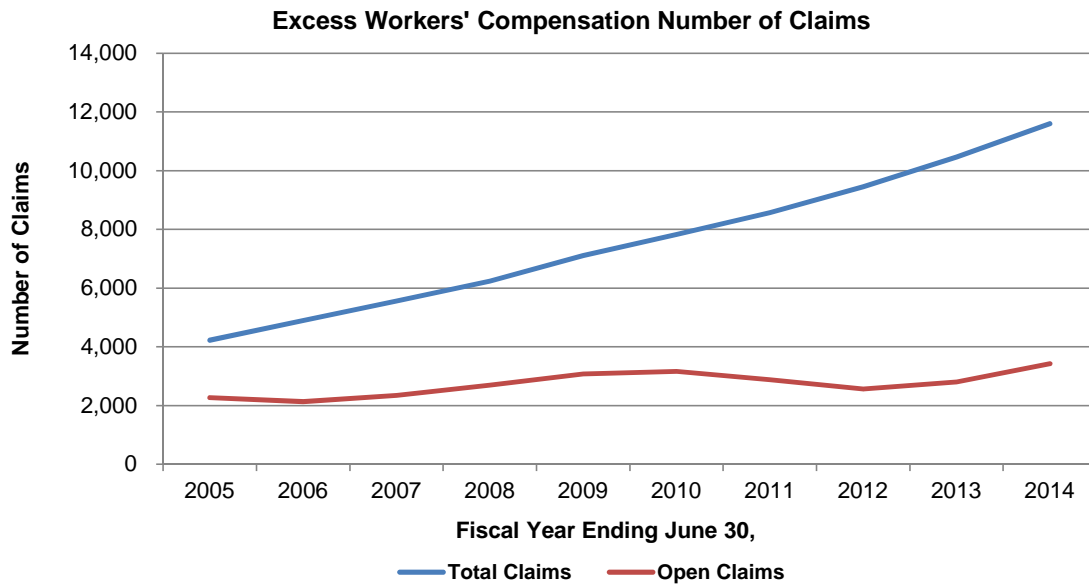
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess Workers' Compensation Pool Dividends Reinsurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Primary Workers' Compensation	-	-	-	4,000,000	4,000,000	8,000,000	7,500,000	7,000,000	6,500,000	5,500,000
Employee Benefits EIAHealth Program	-	-	-	8,721,137	172,740	1,287,324	1,202,694	29,472	17,695	14,481
General Liability I Program Pool Dividend	1,799,998	103,462	-	2,000,000	2,100,000	-	-	-	3,000,000	
Primary General Liability	-	-	-	-	-	-	-	1,187,055	550,000	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
Property	-	-	55,358	98,098	-	99,092	41,971	64,141	112,779	115,265
Medical Malpractice Mega Fund Reinsurance Pool 2	-	-	-	-	-	2,000,000	-	2,000,000	-	
Building Fund	-	-	-	-	-	-	2,318,071	-	-	
Total	\$ 1,799,998	\$ 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

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC STATISTICS
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2014**

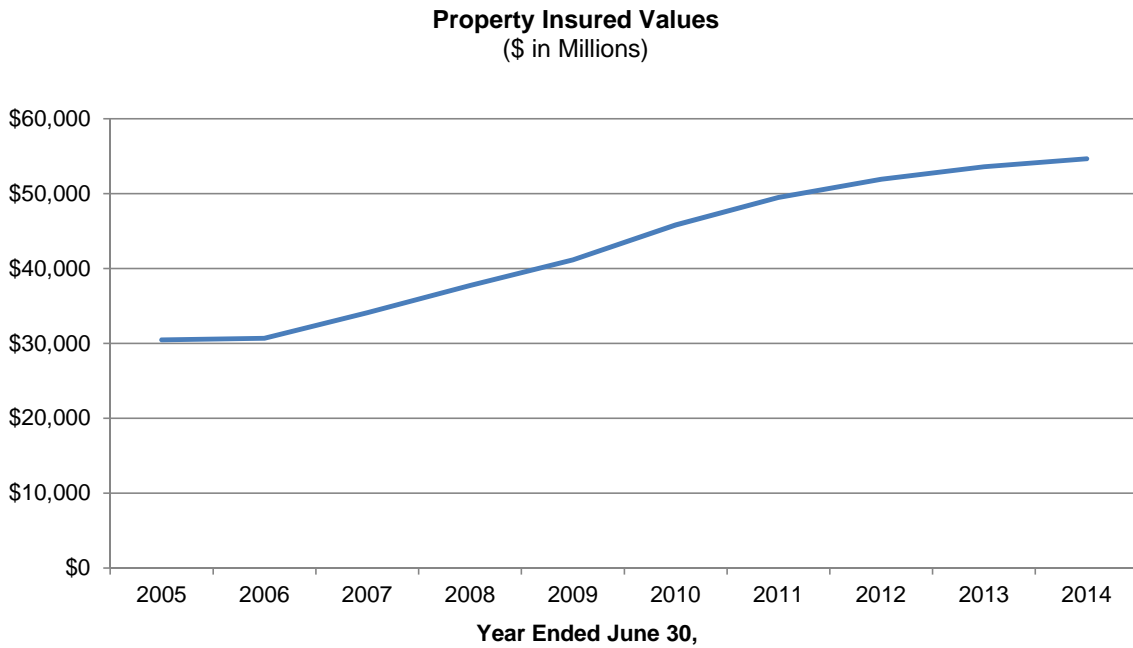
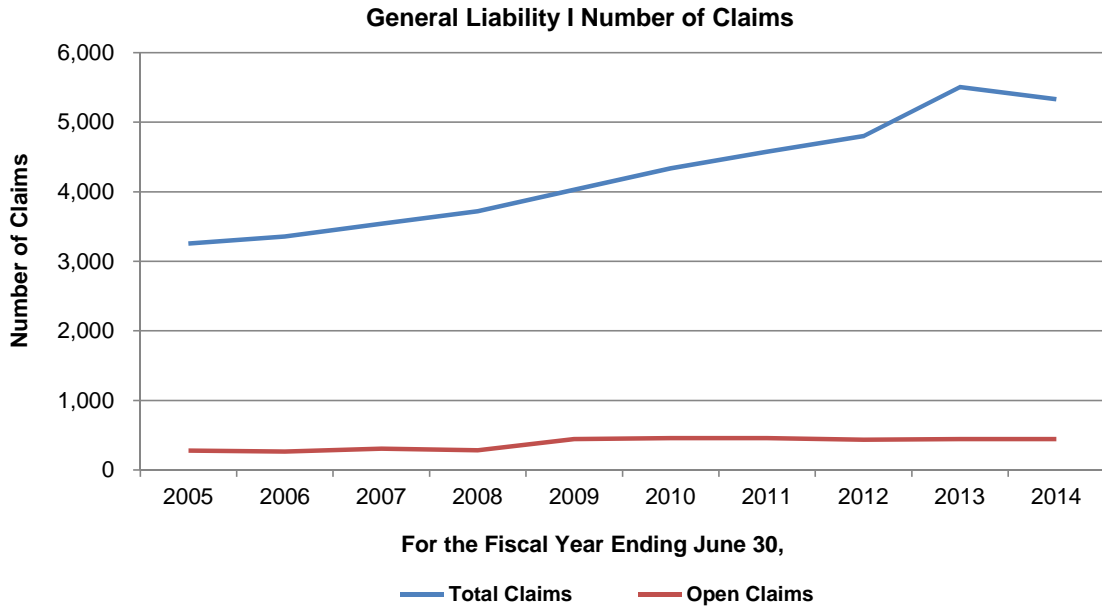
	Fiscal Year Ended June 30,											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Excess Workers' Compensation												
Total Number of Claims	3,606	4,224	4,893	5,556	6,241	7,110	7,829	8,569	9,453	10,472	11,602	
Open Claims	1,896	2,268	2,136	2,342	2,693	3,073	3,165	2,884	2,561	2,800	3,424	
Covered Payroll	\$ 16,413,451,722	\$ 17,666,726,390	\$ 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	
Primary Workers' Compensation												
Total Number of Claims	25,892	30,427	38,507	67,672	81,486	87,972	91,403	93,795	98,618	102,474	106,031	
Open Claims	5,082	4,825	4,505	4,520	4,952	4,860	4,787	4,907	5,212	5,304	5,235	
Covered Payroll	\$ 2,137,221,267	\$ 2,066,741,701	\$ 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	
General Liability I												
Total Number of Claims	3,212	3,256	3,358	3,541	3,720	4,029	4,336	4,575	4,803	5,058	5,330	
Open Claims	249	280	264	309	284	443	457	458	437	446	447	
Covered Payroll	\$2,420,260,318	\$3,156,930,780	\$ 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	
Property												
Total Number of EIA Claims	358	409	513	661	705	869	1,133	1,039	1,740	2,154	2,375	
Open EIA Claims	37	73	97	96	46	114	130	24	95	28	118	
Total Number of Excess Claims	765	817	725	763	896	923	1,001	1,113	1,135	1,208	1,146	
Open Excess Claims	70	39	28	38	106	67	73	127	80	100	58	
Total Property Values	\$ 28,258,154,605	\$ 30,477,306,076	\$ 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	

**CSAC EXCESS INSURANCE AUTHORITY
ECONOMIC INDICATORS AND INFORMATION
FOR THE 10-YEAR PERIOD ENDING JUNE 30, 2014**

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, 2014**



**CSAC EXCESS INSURANCE AUTHORITY
OPERATING INDICATORS AND STATISTICS
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Full-time Equivalent Employees as of June 30	29	31	39	43	46	48	51	53	54	54
Number of Retirees	2	3	3	3	3	3	4	4	4	4
Square footage of Office Space	9,533	13,324	13,324	13,324	13,324	24,448	25,000	25,000	25,000	25,000
Member Units*										
Primary Workers' Compensation	0	0	0	0	0	40	42	41	38	39
Excess Workers' Compensation	0	0	0	0	0	161	164	166	161	166
Primary General Liability	0	0	0	0	0	30	29	29	23	23
General Liability I	0	0	0	0	0	97	101	103	100	104
General Liability II	0	0	0	0	0	12	11	11	11	11
Property	0	0	0	0	0	78	81	82	82	84
Medical Malpractice	0	0	0	0	0	49	48	50	50	49
Master Owner Controlled Ins										2
EIAHealth	0	0	0	0	0	15	18	24	25	25
Dental	0	0	0	0	0	0	119	122	126	133
Total Member Units	0	0	0	0	0	482	613	628	616	636
Member Counties	54	54	54	54	55	54	54	54	54	55
Member Public Entities	142	144	144	142	166	196	289	247	245	255
Total Members	196	198	198	196	221	250	343	301	299	310

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

CSAC Excess Insurance Authority
Budget Highlights
For the Year Ended June 30, 2014

	Final Budget	Actual Results	Variance (\$)
Revenues:			
Premiums for Transferred Risk	\$ 486,618,083	\$ 423,229,776	\$ (63,388,307)
Broker Fees	7,543,895	8,342,982	799,087
Contributions for Retained Risk	123,650,419	124,089,007	438,588
Dividend Income	115,000	215,008	100,008
Public Entity Fees	526,678	552,493	25,815
Investment Income	4,054,625	5,919,696	1,865,071
Financing Fees	30,400	339,257	308,857
Administration Fees	12,955,201	14,400,637	1,445,436
Member Services	844,638	865,314	20,676
Tenant Income	478,220	414,094	(64,126)
Other Income	137,800	1,870,394	1,732,594
Total Revenues	636,954,959	580,238,658	(56,716,301)
Expenses:			
Member Dividends	8,637,000	6,179,489	2,457,511
Insurance Expense	470,187,183	422,937,089	47,250,094
Broker Fees	7,543,612	8,079,636	(536,024)
Provision for Claims	103,456,798	122,157,339	(18,700,541)
Unallocated Loss Adjustment Expenses	2,791,500	2,332,280	459,220
Program Services	29,395,861	12,134,125	17,261,736
Member Services and Subsidies	2,572,150	2,358,826	213,324
General Administrative Expense	9,043,371	8,443,323	600,048
Building Operation Expense	339,750	319,244	20,506
Depreciation	538,804	583,702	(44,898)
Delegated to Committees	335,000	-	335,000
Total Expenses	634,841,029	585,525,053	49,315,976
Total Income (Loss)	\$ 2,113,930	\$ (5,286,395)	\$ (7,400,325)
 Change in Net Position	 \$ 2,113,930	 \$ (5,286,395)	
 Beginning Net Position Balance, July 1	 118,615,396	 118,615,396	
Ending Net Position Balance, June 30	\$ 120,729,326	\$ 113,329,001	

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.