



President
Mr. Roger Carroll
Town of Loomis

Vice President
Mr. Steve Baker
City of Yreka

Secretary

Treasurer
Ms. Linda Romaine
Town of Fort Jones

SMALL CITIES ORGANIZED RISK EFFORT BOARD OF DIRECTORS MEETING

Date: Friday, June 26, 2015
Time: 10:00 AM

Location: Gaia Hotel & Spa
4125 Riverside Place
Anderson, CA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.

Pg. 6 **E. CONSENT CALENDAR**

A 1

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below.

Pg. 7 1. Board of Directors Meeting *Draft* Minutes – March 27, 2015

Pg. 18 2. US Bank Custodial Account Statement – March – May 2015

Pg. 45 3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investment – March 31, 2015

Pg. 46 4. Treasurer’s Report as of March 31, 2015

Pg. 47 5. SCORE Checking Account Transaction List – July 2014 – May 2015

Pg. 52 6. Investment Statements from Chandler Asset Management – March – May 2015
a. Portfolio Summaries
b. Compliance Report

Pg. 64 7. Target Solutions Utilization Report – March – May 2015

Pg. 67 8. ACI Utilization Report – January – March 2015

The Small Cities Organized Risk Effort or SCORE, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.



Pg. **F. ADMINISTRATIVE REPORTS**

- 1. President’s Report** I 4
Roger Carroll will address the Board on items pertaining to SCORE.
- 2. CJPRMA Update** I 4
Roger Carroll will provide the Board with an update on CJPRMA matters of relevance to SCORE. Minutes of the last meeting can be found at <http://www.cjprma.org/>
- 3. LAWCX Update** I 4
Ron Stock will update the Board on LAWCX matters pertinent to SCORE. Minutes of the last meeting can be found at <http://lawcx.org/>
- 4. ERMA Update** I 4
John Duckett will update the Board on ERMA matters pertinent to SCORE. Minutes of the last meeting can be found at www.ermajpa.org/
- 5. Alliant Update** I 4
Marcus Beverly will update the Board on Alliant matters pertinent to SCORE.

G. FINANCIAL

- Pg. 76 **1. Quarterly Financials for QE March 31, 2015** A 2
Board Members will review the March 31, 2015 Quarterly financials and Statement of Net Assets presented by Gilbert Associates, Inc. and may take action to Accept and File and give direction.
- Pg. 94 **2. Delegation of Investment Authority to SCORE Treasurer** A 1
The Board will be asked to review and approve Resolution 15-01 Authorizing Investment of SCORE funds.
- 3. Premium Payment Plan Requests for 2015/16** A 1
The Board has received premium payment plan requests for FY 2015/16 from two members. The Board will review and may approve the proposed Premium installment payment plans.
 - Pg. 96 **a. City of Tulelake**
 - Pg. 99 **b. City of Isleton**

H. JPA BUSINESS

- Pg. 102 **1. Tulelake Workers’ Compensation Admittance** A 1
The Board will evaluate whether to grant Tulelake admittance in the Workers’ Compensation Program for the 2015/16 policy year.
- Pg. 116 **2. Resolution 15-02 Establishing 2015/16 Board of Directors Meeting Dates** A 1
Annually, the Board adopts the next fiscal year’s meeting dates and locations. The proposed schedule and list of locations is attached.

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|---------|--|---|---|
| Pg. 119 | 3. CJPRMA Memorandum of Coverage Changes <i>The Board will discuss the changes adopted by CJPRMA and decide whether or not to follow the changes.</i> | I | 1 |
| | 4. Memoranda of Coverage (MOC) <i>Annually, the Board reviews SCORE's Memorandums of Coverage and approves or makes changes to the current version.</i> | A | |
| Pg. 122 | a. Liability MOC Approval | | 1 |
| Pg. 131 | b. Workers' Compensation MOC Approval | | 1 |
| | 5. 2015/16 Property Program Renewal | | |
| Pg. 135 | a. SCORE Property Renewal Proposal <i>The Board of Directors will be asked to review and approve the renewal of the 2015/16 Property coverage with Alliant Property Insurance Program.</i> | A | 1 |
| Pg. 200 | b. APIP Claims Reporting Acknowledgements <i>The Board of Directors will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.</i> | A | 1 |
| Pg. 202 | c. Cyber Liability Option-APIP <i>The Board will be asked to review and determine if they would be interested in hearing more about this coverage program.</i> | I | 1 |
| Pg. 206 | d. Cyber Liability Option-CJPRMA <i>The Board will be asked to review and determine if they would be interested in hearing more about this coverage program.</i> | I | 1 |
| Pg. 214 | 6. ACI Contract Renewal for 2015-2016 <i>The Board of Directors will review and approve the ACI Contract for 2015-2016.</i> | A | 1 |
| Pg. 221 | 7. Risk Management Services & Recommendations for 2015/16 <i>The Board will review and may approve an agreement with DKF Solutions for risk management services for 2015/16.</i> | A | 1 |
| Pg. 225 | 8. Loss Control Grant Fund Program <i>The Board of Directors will receive an update on the utilization of funds from the Loss Control Grant Fund established in January 2014 and consider extending the deadline or adding funding for 2015/16.</i> | I | 1 |
| Pg. 231 | 9. Additional Member Training Budget <i>The Board will be asked to review and approve the addition of a budget for training sessions.</i> | A | 1 |

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|---------|---|---|---|
| Pg. 232 | 10. Adoption of the 2015/16 SCORE Program Budget <i>Annually, the Board reviews and adopts the Program Budget which includes Administrative Operating expenses and expense of retaining risk and risk transfer.</i> | A | 1 |
| Pg. 240 | 11. Nomination and Election of SCORE Secretary <i>The Board of Directors will nominate and elect a person to complete the term of the Secretary due to a resignation.</i> | A | 1 |
| Pg. 241 | 12. Discussion about 2015/16 Long Range Planning Topics <i>Staff will request feedback from Board members as respects the 2015/16 Long Range Planning Discussion Topics.</i> | I | 1 |
| Pg. 242 | 13. ERMA Refund distribution <i>The Board will review and may approve the refund and assessment for all ERMA members</i> | A | 1 |
| Pg. 245 | 14. Identity Fraud Coverage <i>The Board will be asked to review and determine if they would be interested in hearing more about this coverage program.</i> | I | 1 |
| | I. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES | I | 4 |
| Pg. 251 | J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY | | |
| | 1. Workers' Compensation | | |
| | a. SCWA-158878 & SCWA-83291 Michael Naimo City of Susanville** | | |
| | b. SCWA-555909 Brenda Bains City of Dunsmuir** | | |
| | c. SCWA-555750 Deborah Scott City of Montague** | | |
| | d. SCWA-552348 Brian Brown City of Susanville** | | |
| | K. REPORT FROM CLOSED SESSION | I | 4 |
| | L. INFORMATION ITEMS | I | |
| Pg. 253 | 1. CAJPA Conference – September 16-18, 2015 in South Lake Tahoe, CA | | 1 |
| Pg. 261 | 2. SCORE Resource Contact Guide | | 1 |
| Pg. 262 | 3. SCORE Certificate Request Form | | 1 |
| | 4. SCORE Glossary of Terms | | 1 |
| | M. CLOSING COMMENTS | | |
| | N. ADJOURNMENT | | |

UPCOMING MEETING

Board of Directors Meeting – August 28, 2015



IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715.

The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board and, if there is any item requiring clarification or amendment, it should be removed for separate discussion. The Board should adopt the Consent Calendar excluding those items removed.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be removed from Consent will be placed back on the agenda in an order determined by the President.*

FISCAL IMPACT: None

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

ATTACHMENT:

1. Board of Directors Meeting Draft Minutes – March 27, 2015
2. US Bank Custodial Account Statement – March – May 2015
3. Local Agency Investment Fund (LAIF) Quarterly Statement of Investment – March 31, 2015
4. Treasurer’s Report as of March 31, 2015
5. SCORE Checking Account Transaction List – March – May 2015
6. Investment Statements from Chandler Asset Management – March – May 2015
 - a. Portfolio Summaries
 - b. Compliance Report
7. Target Solutions Utilization Report – March – May 2015
8. ACI Utilization Report – January – March 2015



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
March 27, 2015**

Member Cities Present:

John Busch, City of Biggs
Laurie Van Groningen, City of Colfax
Randy Johnsen, City of Dunsmuir
Pamela Russell, City of Etna
Linda Romaine, Town of Fort Jones
Robert Jankovitz, City of Isleton
Jim Goodwin, City of Live Oak
Bobbi Phagura, City of Live Oak
Roger Carroll, Town of Loomis

Janie Sprague, City of Montague
Donald Kincade, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta
Robert Meacher, City of Portola
Karen Dunham, City of Rio Dell
John Duckett, City of Shasta Lake
Jenny Coelho, City of Tulelake
Ron Stock, City of Weed
Rhetta Hogan, City of Yreka

Member Cities Absent:

Ernie Teague, City of Loyalton

Jared Hancock, City of Susanville

Consultants & Guests

Michael Simmons, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services
Jodi Fink, York Risk Services

Mike Harrington, Bickmore
David Patzer, DKF Solutions
John Balestrini, DKF Solutions
Jayson Schmitt, Chandler Asset Management
Kevin Wong, Gilbert Associates, Inc.
Tracey Smith-Reed, Gilbert Associates, Inc.

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:02 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the City of Loyalton and the City of Susanville.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.



MOTION: John Duckett

SECOND: John Busch

**MOTION CARRIED
UNANIMOUSLY**

D. PUBLIC COMMENT

Janie Sprague noted that she will be leaving her position with the city effective 4/2/2015 and thanked the Board of Directors for her time with SCORE.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – January 23, 2015
2. US Bank Custodial Account Statement – January – February 2015
3. SCORE Checking Account Transaction List – January – February 2015
4. Investment Statements from Chandler Asset Management – January – February 2015
 - a. Portfolio Summaries
 - b. Compliance Report
5. Target Solutions Annual Utilization Report – January – February 2015
6. Gilbert & Associates Service Agreement Amendment FY 2013-2015

A motion was made to approve the Consent Calendar as presented.

MOTION: Linda Romaine

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. Alliant Update

Marcus Beverly requested that any members who have not submitted their Form 700 should do so as the deadline is approaching. He also noted that Tulelake is in the process of applying for ERMA and requested that if any other members are interested in joining the deadline is next week. Michelle Minnick mentioned that in the past cities have paid for manuals out of their city budget and would go through the process of requesting reimbursement from Alliant for the purchase of manuals. In an effort to streamline the process Alliant has spoken with Lexipol and requested that they bill SCORE directly for any manuals that are provided to eliminate the need for a city to pay and be reimbursed. Michelle Minnick indicated that when member cities contact Lexipol they should mention that this is for a SCORE member and the bill should come directly to Alliant. Marcus Beverly also noted that Lexipol will place all members on the same policy year (June to June) as there were members who signed up a different time of the year.

F2. President’s Report

Roger Carroll indicated that he attended the PARMA conference and the unwritten theme was the importance of having decent well-written job descriptions as a key to defending claims in the long run.



F3. CJPRMA Update

Roger Carroll noted that SCORE self-insures up to \$25,000. In turn CJPRMA self-insures up to \$5 million and then they purchase Excess insurance which provides up to \$40 million in coverage. He went on to indicate that the company that provides the Excess insurance has withdrawn from the State of California (and will no longer write business in the state) and so CJPRMA will be going back out to bid and members rates will probably go up but not by much. There were no other issues to report as respects SCORE.

F4. ERMA Update

As part of the ERMA update, John Duckett advised that there were no issues to report as respects SCORE. Marcus Beverly noted that our rate has decreased and ERMA has given back some dividends. He also indicated that at this time we have no losses that are reported by ERMA.

F5. LAWCX Update

Ron Stock presented the update from the last LAWCX Executive Committee Meeting where the Committee discussed a contract renewal for administration services and actuarial services. Mr. Stock related that nothing was finalized at that time. The Budget was also discussed and LAWCX is proposing funding at the 80% confidence level with a 3% discount rate for the following year. Mr. Simmons stated that increasing the discount rate will generate a slight increase in premium for SCORE in the following year, due to the nature of Workers' Compensation claims development.

G. FINANCIAL

G1. Investment Manger's Report

Jason Schmitt from Chandler Asset Management presented the Investment Manager's Report and opened with a brief high level overview of the economy and the impact it has had in investment returns. Jason Schmitt noted that the unemployment rate is at 5.5% and he also noted that the Federal Reserve may be raising their rates as the last time they did so was ten years ago. He also mentioned that the NCCSIF portfolio is well diversified. Jason Schmitt also reviewed the investment objectives of SCORE and SCORE's portfolio strategy in accordance to SCORE's Investment Policy and indicated that the portfolio is in compliance with the investment policy.

A motion was made to accept the Investment Manager's Report as presented.

MOTION: Pamela Russell

SECOND: Muriel Howarth Terrell

**MOTION CARRIED
UNANIMOUSLY**



G2. Investment Policy Review and Approval

Jason Schmitt from Chandler Asset Management indicated that there is only one change to the investment policy that is being recommended. Jason Schmitt noted there is a new security available (Supranational) which has been approved by legislature that went into effect as of January 1, 2015 and will allow for investments in Washington DC based Supranational securities. Mr. Schmitt highlighted there is a purchase limit of three Supranational securities. Mr. Schmitt mentioned these are AAA rated and very safe securities which provide yields that are a little bit above US based securities. Jason Schmitt requested the Board of Directors approval to diversify NCCSIF's investments portfolio which would include the ability to purchase Supranational securities.

A motion was made to adopt the proposed changes to SCORE's Investment Policy as presented.

MOTION: Roger Carroll

SECOND: Randy Johnson

**MOTION CARRIED
UNANIMOUSLY**

G3a. Banking Layer Balances and Adjustments

Tracey Smith-Reed from Gilbert and Associates presented the Banking Layer Balances as of December 31, 2014. Tracey Smith-Reed noted on the Statement of Revenue that the claims expense for the period July 2013-December 2014 that liability claim payments show a substantial increase which was driven by one high value claim. She also mentioned that the Workers' Compensation claims are a bit lower as the result of recovery changes. Tracy went on to discuss the new reports that are being provided and indicated that the budget to actual numbers will be presented to the Board of Directors quarterly. The next report that will be provided to the Board of Directors is the Combined Statement which will also be provided quarterly.

*NOTE: At this time Gilbert Associates presented the Dividend & Assessment Analysis and no motion was made on this item.

G3b. Dividend & Assessment Analysis

Kevin Wong from Gilbert and Associates presented the Dividend Assessment Analysis and noted that at this time they are not recommending a dividend distribution for 2014-15 year from either the Liability or the Workers' Compensation programs. Kevin indicated that the numbers for the Workers' Compensation program were below the level of the dividend assessment plan and so no dividends are recommended at this time. He also noted that there are members who have negative balances in the Liability program as of June 30, 2014 and pursuant to the policy the negative amounts would be billed at 50% rate at the end of the current fiscal year or the beginning of the next fiscal year.



A motion was made to accept the recommendation that no dividends shall be declared in either the Liability Program or the Workers' Compensation program.

MOTION: Linda Romaine

SECOND: Don Kincade

**MOTION CARRIED
UNANIMOUSLY**

G4. Gilbert & Associates Service Agreement Amendment FY 2015/16

Marcus Beverly mentioned that the contract with Gilbert was originally for three years plus and optional two additional terms. Marcus Beverly noted that the Board of Directors approved one additional term as of last year with a slight increase and indicated that Gilbert has extend the additional year with no change in compensation. It was discussed that Gilbert has completed a significant amount of work to bring SCORE to where it is today.

A motion was made to approve the agreement amendment for an additional one year.

MOTION: Muriel Howarth Terrell

SECOND: Pamela Russell

**MOTION CARRIED
UNANIMOUSLY**

LUNCHTIME SPEAKER- DKF Solutions Risk Management Progress Update

John Balestrini from DKF Solutions was present and gave a brief overview of SCORE's ergonomic site visits which have been completed and the scorecards for each member city.

No motion was made as this was an information item.

H. JPA BUSINESS

H1a. Suggested Risk Management Services for FY 2015/16

David Patzer from DKF Solutions spoke to the Board of Directors about Cal OSHA compliance. David noted that the most frequent injuries in the pool are strain and overexertion soft tissues injuries. He highlighted that non-compliance with Cal OSHA requirements is a future indicator for future losses and member cities can be sued in civil litigation in an effort to establish negligence. He went on to speak about the steps that Cal OSHA has taken to increase the budget for an additional 100 Cal OSHA enforcement personnel and noted that the regulatory fines and penalties are an income stream for the state. David Patzer indicated that DKF can develop a customized policy for each city which would be set up in a way that is similar to all members to make tracking and training simple for each member to ensure compliance with Cal OSHA.

David then presented information regarding the prevention of soft tissue injuries and noted the common injuries for this pool are back injuries, cumulative trauma, and slip & falls. He also mentioned the ergonomic site visits that are being completed by John Balestrini should be repeated in two years (due to turnover and new hires). It was also recommended that in the next fiscal year



(2015-2016) we start identifying how public works employees are doing certain tasks in an effort to combat potential Workers' Compensation claims. To help address these issues David Patzer then presented the SCORE Recommended Risk Control Activities for FY 2015/16 which included the following services at a proposed cost of \$95,500:

- SSMP audits for 2 additional members with most frequent SSOs/backups
- Webinar to present results of the sewer budget/staffing analysis
- Employer based health promotion program: develop 2 program options with implementation and support resources
- Cal OSHA compliance and Scorecard update for each member
- My Safety Officer for all members which would include risk control hotline, monthly e-newsletter, access to DKF website, training video library, online training modules, monthly webinars
- Development of 3 Cal OSHA policies for all members

As there is some overlap of services being provided by Target Solutions and what David Patzer has presented Alliant was asked to determine if we need to continue our contract with Target Solutions (budgeted at \$25,000 for the next fiscal year) or if it should be kept just for Fire Departments.

H1b. Loss Control Grant Fund Program

Marcus Beverly addressed the Board of Directors who indicated that the Grant fund program was started last year and has been successful from a Program Administrator perspective as there are only one or two members who did not request use of the grant funds. He went on to indicate that Alliant has included this in the budget for the next fiscal year 2015/16 (budgeted at \$50,000 out of the Workers' Compensation and Liability programs for a total of \$100,000). Marcus Beverly also mentioned that there has been an increase in requests for training and members were encouraged to use the available grant funds to help finance the training sessions that are needed.

A motion was made to approve the Loss Control Grant Fund Program for the fiscal year 2015/16.

MOTION: Don Kincade **SECOND:** Muriel Howarth Terrell **MOTION CARRIED UNANIMOUSLY**

***NOTE: At this time the Board of Directors asked to review Item H.5. SCORE Training Day/BOD Venue Options prior to a review of Item H2. Actuarial Studies.**

H5. SCORE Training Day/BOD Venue Options

Michelle Minnick presented four potential venue options to the Board of Directors for the October Training Day: 1) Mt Shasta Resort; 2) Aston Lake Land Village; 3) Lake Tahoe Resort; 4) Gaia Hotel & Spa. The members were asked to provide feedback about the locations presented and asked if there was a preferred location for the October 2015 Training Day. Roger Carroll noted that the



Gaia Hotel is the most centrally located meeting place for all SCORE members and indicated that in October there could be a potential for snowy road conditions. Michael Simmons mentioned that NCCSIF has held Long Range Planning Sessions at the Gaia Hotel in the past which have been successful.

A motion was made to approve the Gaia Hotel & Spa as the location for the October 2015 wo-day Training Session.

MOTION: John Duckett

SECOND: Don Kincade

**MOTION CARRIED
UNANIMOUSLY**

H2. Actuarial Studies

H2a. Actuarial Review of the Self-Insured Liability Program

Mike Harrington presented the 2015/16 Liability Actuarial study. Mr. Harrington noted that the Liability Program has seen favorable development but the losses were more than we anticipated. Mike Harrington indicated that the banking and pooling layer rates have decreased by 1.7% and he also mentioned the banking and pooling reserves have decreased by \$217,000. Mike Harrington noted that the selected 2015/16 loss rate is \$3.053, a decrease of 2% from last year's loss rate of \$3.02.

A motion was made to accept actuarial studies for the Liability Program as presented.

MOTION: John Duckett

SECOND: Rhetta Hogan

**MOTION CARRIED
UNANIMOUSLY**

H2b. Actuarial Review of the Self-Insured Workers' Compensation Program

Mike Harrington also presented the 2015/16 Workers' Compensation Actuarial study. He noted that there has been very favorable development in the Workers' Compensation program as the older years have developed as expected. However, he went on to indicated there has been adverse development in 2014/15 and is moderating the decrease in rates.

The Banking Layer expected incurred costs have decreased from \$478,000 to \$384,000 while the Shared Risk Layer has also decreased by 4% to \$3,430,000.

The projected loss rates for the banking layer are \$1.45 which is a decrease of 1% (from the last year's rate of \$1.47). The projected loss rates for the Shared Layer are \$3.08 which is a decrease of 2% (from last year's rate of \$3.15). Combined, rates will be decreasing 2% from the prior year.

Mr. Harrington also mentioned the general Workers' Compensation trends are seeing an increase in both frequency and severity, driving both the average cost of claims up and the number of claims up which is what we saw in the 2014/15 year.



A motion was made to approve actuarial studies for the Workers' Compensation Program as presented.

MOTION: Pamela Russell

SECOND: Linda Romaine

MOTION CARRIED UNANIMOUSLY

H3. FY 2015/16 Funding Rates

H3a. FY 2015/16 Funding Rates Liability

Marcus Beverly presented the Funding Rates and noted that approximately three years ago SCORE wanted to begin capping rates at no more than 3% per year and indicated that this went well for the first year as the Liability cap only applied in the current year. He went on to mention that there is no fiscal impact on the rates as the rate this year is below the 3% cap and will not apply this year.

Roger Carroll indicated we should look at capping and what the potential ramifications would be if we stopped capping and suggested that this be a topic for the October meeting.

***NOTE:** *The Board of Directors voted on Item H.3.a. and Item H.3.b. in the same motion.*

A motion was made to approve FY 2015/16 Funding Rates for the Liability and the Workers' Compensation Program as presented in the same motion.

MOTION: Pamela Russell

SECOND: Linda Romaine

MOTION CARRIED UNANIMOUSLY

H3b. FY 2015/16 Funding Rates Workers' Compensation

There was no discussion on this item as the information was presented by the Actuary in Item H.2.b.

***NOTE:** *The Board of Directors voted on Item H.3.a. and Item H.3.b. in the same motion.*

A motion was made to approve FY 2015/16 Funding Rates for the Liability and the Workers' Compensation Program as presented in the same motion.

MOTION: Pamela Russell

SECOND: Linda Romaine

MOTION CARRIED UNANIMOUSLY

H4. 2015/16 SCORE Preliminary Budget

Mr. Beverly presented the Preliminary 2015/16 Draft Budget and noted that we have not received the property premiums and requested that any member who has not submitted their current statement of values should do so. He went on to mention that the Property Premium will be increasing by approximately 6-8% which is strictly driven by losses. Marcus Beverly also indicated that Tulelake is expected to join the WC program effective July 1, 2015 and we will have an official resolution or



vote to enroll in the WC program at the next meeting. He also mentioned they will also join ERMA for EPL coverage as well. Marcus Beverly also indicated the Administration Budget is flat but will be brought back to the Board of Directors with the Loss Control Grant Funds changed that was voted on earlier in this meeting. Members were also encourage to look at the payroll numbers, losses and each program to ensure that everything is correct-if changes are needed the members were asked to bring it to the Alliant Staff's attention so that we may correct the information.

It was also mentioned that the Mini-Cities Pool has become the largest member of the Workers' Compensation program and should be a topic of discussion for the October meeting to address if member cities should move in or out of the Mini-Cities Pool.

H6. Claims Issues

H6a. LAWCX Workers' Compensation Audit

Marcus Beverly noted that LAWCX commissioned an audit which was conducted by Farley Consulting Services, LLC and mentioned that he has not seen an audit score that is higher than what we have with this Workers' Compensation 2015 Audit. It was noted that the reserve adequacy/accuracy can be subjective and mentioned that the audit scores referred to two future medical claims that were under reserved (as they did not include a potential surgery costs). Doriennne Zumwalt did address the two claims and noted that when setting reserves examiners will look at the claim activity for the last three years and the potential of the surgery but setting reserves is very subjective.

A motion was made to accept and file the LAWCX Workers' Compensation Audit.

MOTION: John Duckett

SECOND: Randy Johnsen

**MOTION CARRIED
UNANIMOUSLY**

H6b. York Claims Trending Report

Doriennne Zumwalt presented the York Claims Trending Report and indicated that we are seeing a positive trend in claims. She went on to note that the top five common injuries are: strain, contusion, laceration, sprain, specific injury NOC. She also indicated that though it is difficult to obtain a fraud conviction—as the Workers' Compensation system favors the injured worker—York was able to convince the District Attorney to take on the case and it is set for next month at which time York will be seeking restitution on the fraud case.

Doriennne Zumwalt went on to mention that the indemnity rates (Permanent Disability, Temporary Disability, and Life Pension) have gone up and the Medical Unit has also amended the Fee Schedule (which governs the cost of medical procedures). She noted that while the rates have gone up the active claims are not trending upwards.



H6c. York Services Agreements

Roger Carroll noted that we are approaching the end of our three year contract with York and the Board of Directors was asked to review the first of two two-year extensions or discuss requesting a proposal from other vendors. He mentioned that there will be no increase in fees and the contract would go into effect for the period July 1, 2015-June 30, 2017.

A motion was made to approve the two-year extension of the York contract for the period July 1, 2015-June 30, 2017.

MOTION: Randy Johnsen **SECOND:** Don Kincade **MOTION CARRIED UNANIMOUSLY**

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 1:29 PM, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Workers' Compensation

a. Eric Capon vs. Crescent City**

MOTION: Don Kincade SECOND: John Duckett

Motion Carried Unanimously

b. Michael Lester v. City of Yreka**

MOTION: Pamela Russell SECOND: Randy Johnsen

Motion Carried Unanimously

2. Liability

a. Chase v. Loomis**

MOTION: Don Kincade SECOND: Randy Johnsen

Motion Carried Unanimously

b. Clements v. Weed***

MOTION: Randy Johnsen SECOND: Don Kincade

Motion Carried Unanimously

J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 2:04 PM. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

K. INFORMATION ITEMS

This was provided as an information item only.



L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

M. CLOSING COMMENTS

There were no closing comments.

AJOURNMENT: The meeting was adjourned at 2:06 PM

NEXT MEETING DATE: June 26, 2015 in Anderson, CA

Respectfully Submitted,

Pamela Russell, Secretary

Date

DRAFT



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

000003246 2 SP 106481986175635 P

SMALL CITIES ORGANIZED RISK EFFORT
1792 TRIBUTE RD, SUITE 450
SACRAMENTO, CA 95815-4320

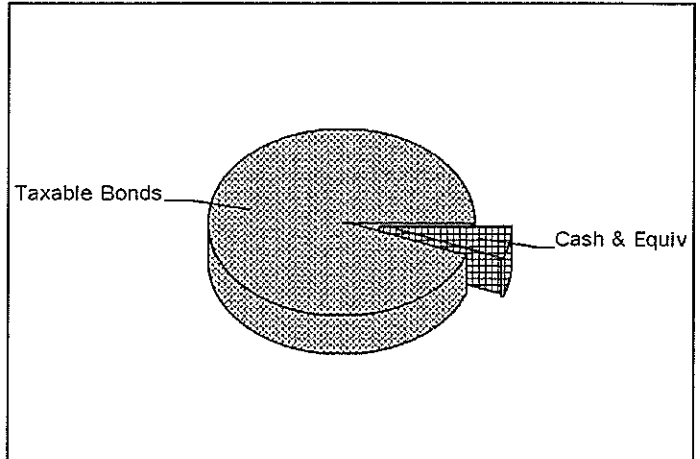
QUESTIONS?

If you have any questions regarding
your account or this statement, please
call your Relationship Manager:

Christopher Stewart
CN-OH-W5IT
6225 Lusk Boulevard
San Diego, CA
92121
Phone 513-632-4194
E-mail christopher.stewart3@usbank.com

ASSET SUMMARY AS OF 03/31/15

| | <u>Market Value</u> | <u>% of Total</u> | <u>Est Annual Income</u> |
|---------------------------|------------------------|-------------------|--------------------------|
| Taxable Bonds | \$10,371,132.42 | 95.4 | \$153,709.31 |
| Cash & Equivalents | \$496,174.83 | 4.6 | \$1,399.32 |
| Total Market Value | \$10,867,307.25 | 100.0 | \$155,108.63 |



ASSET DETAIL

| <u>Shares/ Par</u> | <u>Security Description</u> | <u>CUSIP</u> | <u>Market Value/ Price</u> | <u>Cost Basis</u> | <u>Yield At Market</u> | <u>Est Annual Inc</u> |
|----------------------|---|--------------|----------------------------|-------------------|------------------------|-----------------------|
| Taxable Bonds | | | | | | |
| 100,000.000 | F N M A M T N 2.375 07/28/2015 | 31398AU34 | \$100,722.00 100.722 | \$103,014.00 | 2.36 | \$2,375.00 |
| 265,000.000 | Procter Gamble CO The 1.800 11/15/2015 | 742718DS5 | 267,355.85 100.889 | 171,770.72 | 1.78 | 4,770.00 |
| 120,000.000 | F N M A Deb 0.375 12/21/2015 | 3135G0SB0 | 120,070.80 100.059 | 119,720.40 | 0.38 | 450.00 |
| 120,000.000 | Federal Farm Credit Bks 2.350 12/22/2015 | 31331J6C2 | 121,810.80 101.509 | 120,434.40 | 2.31 | 2,820.00 |
| 275,000.000 | F N M A M T N 2.375 04/11/2016 | 3135G0BA0 | 280,530.25 102.011 | 282,544.63 | 2.33 | 6,531.25 |
| 105,000.000 | Google Inc 2.125 05/19/2016 | 38259PAC6 | 107,027.55 101.931 | 107,568.30 | 2.08 | 2,231.25 |
| 310,000.000 | F H L M C M T N 2.500 05/27/2016 | 3137EACT4 | 317,384.20 102.382 | 268,105.76 | 2.44 | 7,750.00 |



ASSET DETAIL (continued)

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|--|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 200,000.000 | Federal Home Loan Bks 2.125 06/10/2016 | 313373SZ6 | 204,050.00 102.025 | 209,390.00 | 2.08 | 4,250.00 |
| 29,597.200 | John Deere Owner Trust A B S Ser 2012 B Cl A3 0.530 07/15/2016 | 47787RAC4 | 29,596.02 99.996 | 29,564.83 | 0.53 | 156.87 |
| 27,869.190 | Toyota Auto Receivables Owner Tr A B S Ser 2012 B Cl A3 0.540 07/15/2016 | 89231NAC7 | 27,872.81 100.013 | 27,866.54 | 0.29 | 81.19 |
| 35,794.880 | Honda Auto Receivables Owner Trust A B S Ser 2012 4 Cl A3 0.520 08/18/2016 | 43813CAC4 | 35,791.30 99.990 | 35,791.41 | 0.52 | 186.13 |
| 300,000.000 | F H L M C M T N 2.000 08/25/2016 | 3137EACW7 | 306,387.00 102.129 | 312,151.20 | 1.96 | 6,000.00 |
| 50,000.000 | U S Treasury Note 1.000 08/31/2016 | 912828RF9 | 50,414.00 100.828 | 50,338.06 | 0.99 | 500.00 |
| 150,000.000 | U S Treasury Note 1.000 09/30/2016 | 912828RJ1 | 151,288.50 100.859 | 149,619.64 | 0.99 | 1,500.00 |
| 65,000.000 | F N M A Deb 1.375 11/15/2016 | 3135G0ES8 | 65,900.25 101.385 | 65,514.15 | 1.36 | 893.75 |
| 200,000.000 | U S Treasury Note 0.875 11/30/2016 | 912828RU6 | 201,360.00 100.680 | 200,438.17 | 0.87 | 1,750.00 |
| 250,000.000 | Federal Home Loan Bks 1.625 12/09/2016 | 313371PV2 | 254,290.00 101.716 | 256,575.00 | 1.60 | 4,062.50 |
| 175,000.000 | F N M A M T N 1.250 01/30/2017 | 3135G0GY3 | 177,005.50 101.146 | 174,983.73 | 1.24 | 2,187.50 |
| 200,000.000 | F H L M C M T N 1.000 03/08/2017 | 3137EADC0 | 201,420.00 100.710 | 196,430.40 | 0.99 | 2,000.00 |
| 150,000.000 | Exxon Mobil Corporation 0.921 03/15/2017 | 30231GAA0 | 150,498.00 100.332 | 150,000.00 | 0.92 | 1,381.50 |
| 150,000.000 | US Bancorp Medium Term Note 1.650 05/15/2017 | 91159HHD5 | 152,058.00 101.372 | 152,167.50 | 1.63 | 2,475.00 |
| 105,000.000 | Berkshire Hathaway Fin 1.600 05/15/2017 | 084664BS9 | 106,577.10 101.502 | 29,976.90 | 1.58 | 1,680.00 |
| 200,000.000 | Federal Home Loan Bks 1.000 06/09/2017 | 313379FW4 | 201,208.00 100.604 | 199,758.00 | 0.99 | 2,000.00 |
| 160,000.000 | Chase Issuance Trust A B S Ser 2012 A5 Cl A5 0.590 08/15/2017 | 161571FL3 | 160,078.40 100.049 | 160,231.25 | 0.59 | 944.00 |
| 41,013.780 | John Deere Owner Trust A B S Ser 2013 B Cl A3 0.870 08/15/2017 | 477879AC4 | 41,076.94 100.154 | 41,008.19 | 0.87 | 356.82 |
| 400,000.000 | U S Treasury Note 0.625 08/31/2017 | 912828TM2 | 399,280.00 99.820 | 249,160.99 | 0.63 | 2,500.00 |
| 160,000.000 | Federal Farm Credit Bks 0.830 09/21/2017 | 3133EAY28 | 161,625.60 101.016 | 160,000.00 | 0.82 | 1,328.00 |
| 105,000.000 | F N M A 1.000 09/27/2017 | 3135G0ZL0 | 105,396.90 100.378 | 104,625.15 | 1.00 | 1,050.00 |
| 300,000.000 | U S Treasury Note 0.625 11/30/2017 | 912828UA6 | 298,734.00 99.578 | 298,864.29 | 0.63 | 1,875.00 |

**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|---|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 140,000.000 | Chevron Corp 1.104 12/05/2017 | 166764AA8 | 140,124.60 100.089 | 40,000.00 | 1.10 | 1,545.60 |
| 120,000.000 | General Electric CO 5.250 12/06/2017 | 369604BC6 | 132,465.60 110.388 | 136,032.00 | 4.76 | 6,300.00 |
| 135,000.000 | Intel Corp 1.350 12/15/2017 | 458140AL4 | 135,680.40 100.504 | 134,711.10 | 1.34 | 1,822.50 |
| 90,000.000 | Toyota Auto Reveivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017 | 89231MAC9 | 89,947.80 99.942 | 89,983.37 | 0.67 | 603.00 |
| 150,000.000 | F N M A Deb 0.875 12/20/2017 | 3135G0RT2 | 150,009.00 100.006 | 149,523.00 | 0.88 | 1,312.50 |
| 125,000.000 | John Deere Capital Corp Medium Term Note 1.350 01/16/2018 | 24422EST7 | 125,497.50 100.398 | 124,937.50 | 1.34 | 1,687.50 |
| 300,000.000 | F H L M C Deb 0.875 03/07/2018 | 3137EADP1 | 299,517.00 99.839 | 225,281.25 | 0.88 | 2,625.00 |
| 215,000.000 | Federal Home Loan Bks 1.375 03/09/2018 | 313378A43 | 217,631.60 101.224 | 213,970.15 | 1.36 | 2,956.25 |
| 90,000.000 | Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018 | 43814GAC4 | 89,957.70 99.953 | 89,989.18 | 0.69 | 623.70 |
| 125,000.000 | John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018 | 47787VAC5 | 125,160.00 100.128 | 124,979.98 | 0.92 | 1,150.00 |
| 135,000.000 | Apple Inc 1.000 05/03/2018 | 037833AJ9 | 134,212.95 99.417 | 109,594.10 | 1.01 | 1,350.00 |
| 250,000.000 | F N M A Deb 0.875 05/21/2018 | 3135G0WJ8 | 249,405.00 99.762 | 245,652.50 | 0.88 | 2,187.50 |
| 50,000.000 | U S Treasury Note 1.375 07/31/2018 | 912828VQ0 | 50,582.00 101.164 | 50,021.65 | 1.36 | 687.50 |
| 250,000.000 | U S Treasury Note 1.500 08/31/2018 | 912828RE2 | 253,847.50 101.539 | 247,725.45 | 1.48 | 3,750.00 |
| 200,000.000 | Federal Home Loan Bks 2.000 09/14/2018 | 313375K48 | 205,970.00 102.985 | 204,446.00 | 1.94 | 4,000.00 |
| 400,000.000 | F N M A Deb 1.625 11/27/2018 | 3135G0YT4 | 406,352.00 101.588 | 400,556.00 | 1.60 | 6,500.00 |
| 135,000.000 | Wells Fargo Company 2.150 01/15/2019 | 94974BFQ8 | 137,103.30 101.558 | 135,160.65 | 2.12 | 2,902.50 |
| 350,000.000 | U S Treasury Note 1.500 01/31/2019 | 912828B33 | 354,539.50 101.297 | 350,803.91 | 1.48 | 5,250.00 |
| 100,000.000 | Toyota Auto Receivables Owner Trust A B S Ser 2015 A CI A3 1.440 02/15/2019 | 89236WAC2 | 100,319.00 100.319 | 99,984.88 | 1.43 | 1,440.00 |
| 225,000.000 | U S Treasury Note 1.500 02/28/2019 | 912828C24 | 227,776.50 101.234 | 224,490.99 | 1.48 | 3,375.00 |
| 135,000.000 | Cisco Systems Inc 2.125 03/01/2019 | 17275RAR3 | 137,764.80 102.048 | 135,315.90 | 2.08 | 2,868.75 |
| 150,000.000 | Eli Lilly CO 1.950 03/15/2019 | 532457BF4 | 152,563.50 101.709 | 149,341.50 | 1.92 | 2,925.00 |
| 150,000.000 | F H L M C M T N 1.750 05/30/2019 | 3137EADG1 | 152,244.00 101.496 | 150,455.70 | 1.72 | 2,625.00 |

This statement is for the period from
March 1, 2015 to March 31, 2015**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|-------------------------------|--|-----------|------------------------|------------------------|--------------------|---------------------|
| Taxable Bonds | | | | | | |
| 175,000.000 | U S Treasury Note 1.500 05/31/2019 | 912828WL0 | 176,886.50 101.078 | 172,977.15 | 1.48 | 2,625.00 |
| 200,000.000 | U S Treasury Note 1.625 07/31/2019 | 912828WW6 | 203,000.00 101.500 | 199,586.61 | 1.60 | 3,250.00 |
| 135,000.000 | American Honda Finance Medium Term Note 2.250 08/15/2019 | 02665WAH4 | 137,296.35 101.701 | 136,318.95 | 2.21 | 3,037.50 |
| 135,000.000 | Bank Of NY Mellon Medium Term Note 2.300 09/11/2019 | 06406HCW7 | 137,403.00 101.780 | 135,334.80 | 2.26 | 3,105.00 |
| 250,000.000 | F N M A 1.750 09/12/2019 | 3135G0ZG1 | 254,010.00 101.604 | 249,452.50 | 1.72 | 4,375.00 |
| 135,000.000 | Hsbc Usa Inc 2.375 11/13/2019 | 40428HPN6 | 136,200.15 100.889 | 135,329.40 | 2.35 | 3,206.25 |
| 175,000.000 | U S Treasury Note 1.500 11/30/2019 | 912828G61 | 176,340.50 100.766 | 176,525.00 | 1.49 | 2,625.00 |
| 135,000.000 | Jpmorgan Chase CO 2.250 01/23/2020 | 46625HKA7 | 135,288.90 100.214 | 134,410.05 | 2.24 | 3,037.50 |
| 150,000.000 | U S Treasury Note 1.250 01/31/2020 | 912828H52 | 149,226.00 99.484 | 147,846.21 | 1.26 | 1,875.00 |
| | Total Taxable Bonds | | \$10,371,132.42 | \$9,748,351.04 | | \$153,709.31 |
| Cash & Equivalents | | | | | | |
| 220,000.000 | Bank Of Tokyo Mitsubis C P 06/29/2015 | 06538CTV3 | 219,874.60 99.943 | 219,784.40 | 0.28 | 624.56 |
| 76,616.230 | First American Government Obligation Fund Cl Y | 31846V203 | 76,616.23 1.000 | 76,616.23 | 0.00 | 4.21 |
| 200,000.000 | Pnc Bank Na C P 09/02/2015 | 69349KW22 | 199,684.00 99.842 | 199,440.56 | 0.39 | 770.55 |
| | Income Cash | | \$267,952.30 | \$267,952.30 | | \$0.00 |
| | Principal Cash | | - \$267,952.30 | - \$267,952.30 | | \$0.00 |
| | Total Cash & Equivalents | | \$496,174.83 | \$495,841.19 | | \$1,399.32 |
| | Total Investments | | \$10,867,307.25 | \$10,244,192.23 | | \$155,108.63 |

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

CASH SUMMARY

| | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Total</u> |
|---------------------------------|------------------------|---------------------------|-----------------------|
| Beginning Cash Balance | \$247,818.60 | - \$247,818.60 | \$0.00 |
| Receipts | | | |
| Interest | 20,133.70 | 0.00 | 20,133.70 |
| Sales/Maturities | 0.00 | 20,351.48 | 20,351.48 |
| Cash Equivalent Sales | 0.00 | 286,939.37 | 286,939.37 |
| Total Cash Receipts | <u>\$20,133.70</u> | <u>\$307,290.85</u> | <u>\$327,424.55</u> |
| Disbursements | | | |
| Trust & Investment Fees | 0.00 | - 104.17 | - 104.17 |
| Miscellaneous Disbursements | 0.00 | - 1,088.00 | - 1,088.00 |
| Purchases | 0.00 | - 285,399.70 | - 285,399.70 |
| Cash Equivalent Purchases | 0.00 | - 40,832.68 | - 40,832.68 |
| Total Cash Disbursements | <u>\$0.00</u> | <u>- \$327,424.55</u> | <u>- \$327,424.55</u> |
| Ending Cash Balance | <u>\$267,952.30</u> | <u>- \$267,952.30</u> | <u>\$0.00</u> |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

TRANSACTION DETAIL

| Date Posted | Description | Income Cash | Principal Cash | Balance |
|-------------|---|--------------|----------------|-------------|
| 03/01/15 | Beginning Cash Balance | \$247,818.60 | - \$247,818.60 | \$0.00 |
| 03/02/15 | Interest Earned On U S Treasury Nt 0.625% 8/31/17 0.003125 USD/\$1 Pv On 400,000 Par Value Due 2/28/15 | 1,250.00 | | 1,250.00 |
| 03/02/15 | Interest Earned On U S Treasury Nt 1.000% 8/31/16 0.005 USD/\$1 Pv On 50,000 Par Value Due 2/28/15 | 250.00 | | 1,500.00 |
| 03/02/15 | Interest Earned On U S Treasury Nt 1.500% 2/28/19 0.0075 USD/\$1 Pv On 225,000 Par Value Due 2/28/15 | 1,687.50 | | 3,187.50 |
| 03/02/15 | Interest Earned On U S Treasury Nt 1.500% 8/31/18 0.0075 USD/\$1 Pv On 250,000 Par Value Due 2/28/15 | 1,875.00 | | 5,062.50 |
| 03/02/15 | Interest Earned On Cisco Systems Inc 2.125% 3/01/19 0.010625 USD/\$1 Pv On 135,000 Par Value Due 3/1/15 | 1,434.38 | | 6,496.88 |
| 03/02/15 | Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 2/1/15 To 2/28/15 | 0.39 | | 6,497.27 |
| 03/04/15 | Cash Disbursement Paid To Chandler Asset Management, Inc Investment Counsel Fee Mgmt Fees For Period Ending 2/28/15, Inv: 16828 | | - 1,088.00 | 5,409.27 |
| 03/04/15 | Purchased 100,000 Par Value Of Toyota Auto 1.440% 2/15/19 Trade Date 2/24/15 Purchased Through J.P. Morgan Securities LLC 100,000 Par Value At 99.98488 % | | - 99,984.88 | - 94,575.61 |
| 03/09/15 | Interest Earned On F H L M C Deb 0.875% 3/07/18 0.004375 USD/\$1 Pv On 300,000 Par Value Due 3/7/15 | 1,312.50 | | - 93,263.11 |
| 03/09/15 | Interest Earned On F H L M C M T N 1.000% 3/08/17 0.005 USD/\$1 Pv On 200,000 Par Value Due 3/8/15 | 1,000.00 | | - 92,263.11 |
| 03/09/15 | Interest Earned On F H L B Deb 1.375% 3/09/18 0.006875 USD/\$1 Pv On 215,000 Par Value Due 3/9/15 | 1,478.13 | | - 90,784.98 |
| 03/11/15 | Interest Earned On Bank NY Mellon Mtn 2.300% 9/11/19 0.0115 USD/\$1 Pv On 135,000 Par Value Due 3/11/15 | 1,552.50 | | - 89,232.48 |
| 03/12/15 | Interest Earned On F N M A 1.750% 9/12/19 0.00875 USD/\$1 Pv On 250,000 Par Value Due 3/12/15 | 2,187.50 | | - 87,044.98 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

TRANSACTION DETAIL (continued)

| <u>Date Posted</u> | <u>Description</u> | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Balance</u> |
|--------------------|---|--------------------|-----------------------|----------------|
| 03/12/15 | Purchased 50,000 Par Value Of U S Treasury Nt 1.250% 1/31/20 Trade Date 3/11/15 Purchased Through Barclays Capital Inc. Fixed In 50,000 Par Value At 98.19174 % | | - 49,095.87 | - 136,140.85 |
| 03/12/15 | Paid Accrued Interest On Purchase Of U S Treasury Nt 1.250% 1/31/20 Income Debit 69.06- USD | - 69.06 | | - 136,209.91 |
| 03/16/15 | Interest Earned On Chase Iss Trust 0.590% 8/15/17 \$0.00049/Pv On 160,000.00 Pv Due 3/15/15 | 78.67 | | - 136,131.24 |
| 03/16/15 | Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 44,155.81 Pv Due 3/15/15 | 32.01 | | - 136,099.23 |
| 03/16/15 | Paid Down 3,142.03 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 3/15/15 | | 3,142.03 | - 132,957.20 |
| 03/16/15 | Interest Earned On John Deere Owner 0.530% 7/15/16 \$0.00044/Pv On 36,103.69 Pv Due 3/15/15 | 15.95 | | - 132,941.25 |
| 03/16/15 | Paid Down 6,506.49 Par Value Of John Deere Owner 0.530% 7/15/16 Trade Date 3/15/15 | | 6,506.49 | - 126,434.76 |
| 03/16/15 | Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 125,000.00 Pv Due 3/15/15 | 95.83 | | - 126,338.93 |
| 03/16/15 | Interest Earned On Toyota Auto Rec 0.29133% 7/15/16 \$0.00038/Pv On 32,883.66 Pv Due 3/15/15 | 12.61 | | - 126,326.32 |
| 03/16/15 | Paid Down 5,014.47 Par Value Of Toyota Auto Rec 0.29133% 7/15/16 Trade Date 3/15/15 | | 5,014.47 | - 121,311.85 |
| 03/16/15 | Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 90,000.00 Pv Due 3/15/15 | 50.25 | | - 121,261.60 |
| 03/16/15 | Interest Earned On F H L B Deb 2.000% 9/14/18 0.01 USD/\$1 Pv On 200,000 Par Value Due 3/14/15 | 2,000.00 | | - 119,261.60 |
| 03/16/15 | Interest Earned On Eli Lilly CO 1.950% 3/15/19 0.00975 USD/\$1 Pv On 150,000 Par Value Due 3/15/15 | 1,462.50 | | - 117,799.10 |
| 03/16/15 | Interest Earned On Exxon Mobil Corp 0.921% 3/15/17 0.004605 USD/\$1 Pv On 150,000 Par Value Due 3/15/15 | 690.75 | | - 117,108.35 |
| 03/18/15 | Interest Earned On Honda Auto Receivabl 0.520% 8/18/16 \$0.00043/Pv On 41,483.37 Pv Due 3/18/15 | 17.98 | | - 117,090.37 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

TRANSACTION DETAIL (continued)

| Date Posted | Description | Income Cash | Principal Cash | Balance |
|-------------|--|--------------|----------------|--------------|
| 03/18/15 | Paid Down 5,688.49 Par Value Of Honda Auto Receivabl 0.520% 8/18/16 Trade Date 3/18/15 | | 5,688.49 | - 111,401.88 |
| 03/18/15 | Interest Earned On Honda Auto 0.693% 3/19/18 0.000642 USD/\$1 Pv On 90,000 Par Value Due 3/18/15 | 57.75 | | - 111,344.13 |
| 03/18/15 | Purchased 135,000 Par Value Of American Honda Mtn 2.250% 8/15/19 Trade Date 3/13/15 Purchased Through J.P. Morgan Securities LLC Purchased On The OTC Bulletin Board 135,000 Par Value At 100.977 % | | - 136,318.95 | - 247,663.08 |
| 03/18/15 | Paid Accrued Interest On Purchase Of American Honda Mtn 2.250% 8/15/19 Income Debit 278.44- USD | - 278.44 | | - 247,941.52 |
| 03/23/15 | Interest Earned On F F C B Deb 0.830% 9/21/17 0.00415 USD/\$1 Pv On 160,000 Par Value Due 3/21/15 | 664.00 | | - 247,277.52 |
| 03/25/15 | Trust Fees Collected Charged For Period 02/01/2015 Thru 02/28/2015 | | - 104.17 | - 247,381.69 |
| 03/27/15 | Interest Earned On F N M A 1.000% 9/27/17 0.005 USD/\$1 Pv On 105,000 Par Value Due 3/27/15 | 525.00 | | - 246,856.69 |
| 03/31/15 | Interest Earned On U S Treasury Nt 1.000% 9/30/16 0.005 USD/\$1 Pv On 150,000 Par Value Due 3/31/15 | 750.00 | | - 246,106.69 |
| | Combined Purchases For The Period 3/ 1/15 - 3/31/15 Of First Amer Govt Oblig Fund Cl Y | | - 40,832.68 | - 286,939.37 |
| | Combined Sales For The Period 3/ 1/15 - 3/31/15 Of First Amer Govt Oblig Fund Cl Y | | 286,939.37 | 0.00 |
| 03/31/15 | Ending Cash Balance | \$267,952.30 | - \$267,952.30 | \$0.00 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
March 1, 2015 to March 31, 2015

SALE/MATURITY SUMMARY

| Trade Date | Asset | Description | Cost Basis | Proceeds | Estimated Gain/Loss |
|------------------------------|-------------------------------------|--------------------|-----------------------|--------------------|---------------------|
| 03/15/15 | John Deere Owner 0.870% 8/15/17 | Paid Down 3,142.03 | - 3,141.60 | 3,142.03 | 0.43 |
| 03/15/15 | John Deere Owner 0.530% 7/15/16 | Paid Down 6,506.49 | - 6,499.37 | 6,506.49 | 7.12 |
| 03/15/15 | Toyota Auto Rec 0.29133% 7/15/16 | Paid Down 5,014.47 | - 5,013.99 | 5,014.47 | 0.48 |
| 03/18/15 | Honda Auto Receivabl 0.520% 8/18/16 | Paid Down 5,688.49 | - 5,687.94 | 5,688.49 | 0.55 |
| Total Assets Disposed | | | - \$20,342.90 | \$20,351.48 | \$8.58 |
| | | | - Cost Basis | | |
| | | | - Proceeds | | |
| | | | - Estimated Gain/Loss | | |

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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

000001776 1 SP 106481023604201 P

SMALL CITIES ORGANIZED RISK EFFORT
1792 TRIBUTE RD, SUITE 450
SACRAMENTO, CA 95815-4320

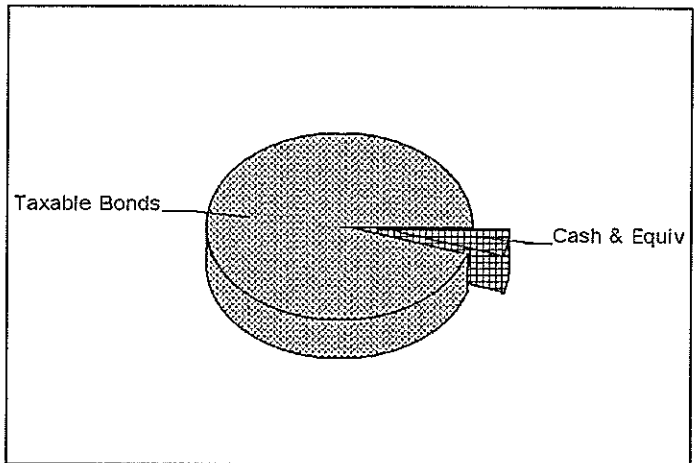
QUESTIONS?

If you have any questions regarding
your account or this statement, please
call your Relationship Manager:

Christopher Stewart
CN-OH-W5IT
6225 Lusk Boulevard
San Diego, CA
92121
Phone 513-632-4194
E-mail christopher.stewart3@usbank.com

ASSET SUMMARY AS OF 04/30/15

| | <u>Market Value</u> | <u>% of Total</u> | <u>Est Annual Income</u> |
|---------------------------|------------------------|-------------------|--------------------------|
| Taxable Bonds | \$10,423,090.25 | 96.0 | \$155,413.21 |
| Cash & Equivalents | \$435,667.89 | 4.0 | \$1,396.08 |
| Total Market Value | \$10,858,758.14 | 100.0 | \$156,809.29 |



ASSET DETAIL

| <u>Shares/ Par</u> | <u>Security Description</u> | <u>CUSIP</u> | <u>Market Value/ Price</u> | <u>Cost Basis</u> | <u>Yield At Market</u> | <u>Est Annual Inc</u> |
|----------------------|---|--------------|----------------------------|-------------------|------------------------|-----------------------|
| Taxable Bonds | | | | | | |
| 100,000.000 | F N M A M T N 2.375 07/28/2015 | 31398AU34 | \$100,549.00 100.549 | \$103,014.00 | 2.36 | \$2,375.00 |
| 265,000.000 | Procter Gamble CO The 1.800 11/15/2015 | 742718DS5 | 267,043.15 100.771 | 171,770.72 | 1.79 | 4,770.00 |
| 120,000.000 | F N M A Deb 0.375 12/21/2015 | 3135G0SB0 | 120,132.00 100.110 | 119,720.40 | 0.38 | 450.00 |
| 120,000.000 | Federal Farm Credit Bks 2.350 12/22/2015 | 31331J6C2 | 121,617.60 101.348 | 120,434.40 | 2.32 | 2,820.00 |
| 275,000.000 | F N M A M T N 2.375 04/11/2016 | 3135G0BA0 | 280,233.25 101.903 | 282,544.63 | 2.33 | 6,531.25 |
| 105,000.000 | Google Inc 2.125 05/19/2016 | 38259PAC6 | 106,881.60 101.792 | 107,568.30 | 2.09 | 2,231.25 |
| 310,000.000 | F H L M C M T N 2.500 05/27/2016 | 3137EACT4 | 316,987.40 102.254 | 268,105.76 | 2.44 | 7,750.00 |

This statement is for the period from
April 1, 2015 to April 30, 2015**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|--|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 200,000.000 | Federal Home Loan Bks 2.125 06/10/2016 | 313373SZ6 | 203,854.00 101.927 | 209,390.00 | 2.08 | 4,250.00 |
| 22,669.950 | John Deere Owner Trust A B S Ser 2012 B CI A3 0.530 07/15/2016 | 47787RAC4 | 22,669.27 99.997 | 22,645.16 | 0.53 | 120.15 |
| 22,601.290 | Toyota Auto Receivables Owner Tr A B S Ser 2012 B CI A3 0.540 07/15/2016 | 89231NAC7 | 22,603.55 100.010 | 22,599.14 | 0.29 | 65.85 |
| 29,944.980 | Honda Auto Receivables Owner Trust A B S Ser 2012 4 CI A3 0.520 08/18/2016 | 43813CAC4 | 29,954.56 100.032 | 29,942.08 | 0.52 | 155.71 |
| 300,000.000 | F H L M C M T N 2.000 08/25/2016 | 3137EACW7 | 305,991.00 101.997 | 312,151.20 | 1.96 | 6,000.00 |
| 50,000.000 | U S Treasury Note 1.000 08/31/2016 | 912828RF9 | 50,386.50 100.773 | 50,338.06 | 0.99 | 500.00 |
| 150,000.000 | U S Treasury Note 1.000 09/30/2016 | 912828RJ1 | 151,219.50 100.813 | 149,619.64 | 0.99 | 1,500.00 |
| 65,000.000 | F N M A Deb 1.375 11/15/2016 | 3135G0ES8 | 65,810.55 101.247 | 65,514.15 | 1.36 | 893.75 |
| 175,000.000 | U S Treasury Note 0.875 11/30/2016 | 912828RU6 | 176,093.75 100.625 | 175,383.40 | 0.87 | 1,531.25 |
| 250,000.000 | Federal Home Loan Bks 1.625 12/09/2016 | 313371PV2 | 254,205.00 101.682 | 256,575.00 | 1.60 | 4,062.50 |
| 175,000.000 | F N M A M T N 1.250 01/30/2017 | 3135G0GY3 | 176,842.75 101.053 | 174,983.73 | 1.24 | 2,187.50 |
| 200,000.000 | F H L M C M T N 1.000 03/08/2017 | 3137EADC0 | 201,266.00 100.633 | 196,430.40 | 0.99 | 2,000.00 |
| 150,000.000 | Exxon Mobil Corporation 0.921 03/15/2017 | 30231GAA0 | 150,769.50 100.513 | 150,000.00 | 0.92 | 1,381.50 |
| 150,000.000 | US Bancorp Medium Term Note 1.650 05/15/2017 | 91159HHD5 | 152,140.50 101.427 | 152,167.50 | 1.63 | 2,475.00 |
| 105,000.000 | Berkshire Hathaway Fin 1.600 05/15/2017 | 084664BS9 | 106,466.85 101.397 | 29,976.90 | 1.58 | 1,680.00 |
| 200,000.000 | Federal Home Loan Bks 1.000 06/09/2017 | 313379FW4 | 201,244.00 100.622 | 199,758.00 | 0.99 | 2,000.00 |
| 160,000.000 | Chase Issuance Trust A B S Ser 2012 A5 CI A5 0.590 08/15/2017 | 161571FL3 | 160,064.00 100.040 | 160,231.25 | 0.59 | 944.00 |
| 37,581.010 | John Deere Owner Trust A B S Ser 2013 B CI A3 0.870 08/15/2017 | 477879AC4 | 37,632.12 100.136 | 37,575.89 | 0.87 | 326.95 |
| 400,000.000 | U S Treasury Note 0.625 08/31/2017 | 912828TM2 | 399,124.00 99.781 | 249,160.99 | 0.63 | 2,500.00 |
| 160,000.000 | Federal Farm Credit Bks 0.830 09/21/2017 | 3133EAY28 | 161,587.20 100.992 | 160,000.00 | 0.82 | 1,328.00 |
| 105,000.000 | F N M A 1.000 09/27/2017 | 3135G0ZL0 | 105,561.75 100.535 | 104,625.15 | 0.99 | 1,050.00 |
| 300,000.000 | U S Treasury Note 0.625 11/30/2017 | 912828UA6 | 298,569.00 99.523 | 298,864.29 | 0.63 | 1,875.00 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

ASSET DETAIL (continued)

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|---|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 140,000.000 | Chevron Corp 1.104 12/05/2017 | 166764AA8 | 140,124.60 100.089 | 40,000.00 | 1.10 | 1,545.60 |
| 120,000.000 | General Electric CO 5.250 12/06/2017 | 369604BC6 | 132,214.80 110.179 | 136,032.00 | 4.76 | 6,300.00 |
| 135,000.000 | Intel Corp 1.350 12/15/2017 | 458140AL4 | 135,699.30 100.518 | 134,711.10 | 1.34 | 1,822.50 |
| 90,000.000 | Toyota Auto Reveivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017 | 89231MAC9 | 89,946.00 99.940 | 89,983.37 | 0.67 | 603.00 |
| 150,000.000 | F N M A Deb 0.875 12/20/2017 | 3135G0RT2 | 149,877.00 99.918 | 149,523.00 | 0.88 | 1,312.50 |
| 125,000.000 | John Deere Capital Corp Medium Term Note 1.350 01/16/2018 | 24422EST7 | 125,500.00 100.400 | 124,937.50 | 1.34 | 1,687.50 |
| 300,000.000 | F H L M C Deb 0.875 03/07/2018 | 3137EADP1 | 299,403.00 99.801 | 225,281.25 | 0.88 | 2,625.00 |
| 215,000.000 | Federal Home Loan Bks 1.375 03/09/2018 | 313378A43 | 217,248.90 101.046 | 213,970.15 | 1.36 | 2,956.25 |
| 90,000.000 | Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018 | 43814GAC4 | 89,966.70 99.963 | 89,989.18 | 0.69 | 623.70 |
| 125,000.000 | John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018 | 47787VAC5 | 125,142.50 100.114 | 124,979.98 | 0.92 | 1,150.00 |
| 135,000.000 | Apple Inc 1.000 05/03/2018 | 037833AJ9 | 134,292.60 99.476 | 109,594.10 | 1.00 | 1,350.00 |
| 250,000.000 | F N M A Deb 0.875 05/21/2018 | 3135G0WJ8 | 248,810.00 99.524 | 245,652.50 | 0.88 | 2,187.50 |
| 50,000.000 | U S Treasury Note 1.375 07/31/2018 | 912828VQ0 | 50,566.50 101.133 | 50,021.65 | 1.36 | 687.50 |
| 250,000.000 | U S Treasury Note 1.500 08/31/2018 | 912828RE2 | 253,652.50 101.461 | 247,725.45 | 1.48 | 3,750.00 |
| 200,000.000 | Federal Home Loan Bks 2.000 09/14/2018 | 313375K48 | 205,868.00 102.934 | 204,446.00 | 1.94 | 4,000.00 |
| 400,000.000 | F N M A Deb 1.625 11/27/2018 | 3135G0YT4 | 406,232.00 101.558 | 400,556.00 | 1.60 | 6,500.00 |
| 135,000.000 | Wells Fargo Company 2.150 01/15/2019 | 94974BFQ8 | 136,667.25 101.235 | 135,160.65 | 2.12 | 2,902.50 |
| 350,000.000 | U S Treasury Note 1.500 01/31/2019 | 912828B33 | 354,074.00 101.164 | 350,803.91 | 1.48 | 5,250.00 |
| 100,000.000 | Toyota Auto Receivables Owner Trust A B S Ser 2015 A CI A3 1.440 02/15/2019 | 89236WAC2 | 100,287.00 100.287 | 99,984.88 | 1.44 | 1,440.00 |
| 225,000.000 | U S Treasury Note 1.500 02/28/2019 | 912828C24 | 227,531.25 101.125 | 224,490.99 | 1.48 | 3,375.00 |
| 135,000.000 | Cisco Systems Inc 2.125 03/01/2019 | 17275RAR3 | 137,401.65 101.779 | 135,315.90 | 2.09 | 2,868.75 |
| 150,000.000 | Eli Lilly CO 1.950 03/15/2019 | 532457BF4 | 151,660.50 101.107 | 149,341.50 | 1.93 | 2,925.00 |
| 150,000.000 | F H L M C M T N 1.750 05/30/2019 | 3137EADG1 | 152,532.00 101.688 | 150,455.70 | 1.72 | 2,625.00 |

This statement is for the period from
April 1, 2015 to April 30, 2015**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|-------------------------------|--|-----------|------------------------|------------------------|--------------------|---------------------|
| Taxable Bonds | | | | | | |
| 175,000.000 | U S Treasury Note 1.500 05/31/2019 | 912828WLO | 176,585.50 100.906 | 172,977.15 | 1.49 | 2,625.00 |
| 200,000.000 | U S Treasury Note 1.625 07/31/2019 | 912828WW6 | 202,562.00 101.281 | 199,586.61 | 1.60 | 3,250.00 |
| 135,000.000 | American Honda Finance Medium Term Note 2.250 08/15/2019 | 02665WAH4 | 137,027.70 101.502 | 136,318.95 | 2.22 | 3,037.50 |
| 135,000.000 | Bank Of NY Mellon Medium Term Note 2.300 09/11/2019 | 06406HCW7 | 136,965.60 101.456 | 135,334.80 | 2.27 | 3,105.00 |
| 250,000.000 | F N M A 1.750 09/12/2019 | 3135G0ZG1 | 252,937.50 101.175 | 249,452.50 | 1.73 | 4,375.00 |
| 135,000.000 | Hsbc Usa Inc 2.375 11/13/2019 | 40428HPN6 | 135,996.30 100.738 | 135,329.40 | 2.36 | 3,206.25 |
| 175,000.000 | U S Treasury Note 1.500 11/30/2019 | 912828G61 | 175,971.25 100.555 | 176,525.00 | 1.49 | 2,625.00 |
| 135,000.000 | Jpmorgan Chase CO 2.250 01/23/2020 | 46625HKA7 | 134,622.00 99.720 | 134,410.05 | 2.26 | 3,037.50 |
| 150,000.000 | U S Treasury Note 1.250 01/31/2020 | 912828H52 | 148,863.00 99.242 | 147,846.21 | 1.26 | 1,875.00 |
| 110,000.000 | Pepsico Inc 1.850 04/30/2020 | 713448CS5 | 109,362.00 99.420 | 109,937.30 | 1.86 | 2,035.00 |
| | Total Taxable Bonds | | \$10,423,090.25 | \$9,811,764.87 | | \$155,413.21 |
| Cash & Equivalents | | | | | | |
| 220,000.000 | Bank Of Tokyo Mitsubis C P 06/29/2015 | 06538CTV3 | 219,927.40 99.967 | 219,784.40 | 0.28 | 624.56 |
| 15,968.490 | First American Government Obligation Fund Cl Y | 31846V203 | 15,968.49 1.000 | 15,968.49 | 0.01 | 0.97 |
| 200,000.000 | Pnc Bank Na C P 09/02/2015 | 69349KW22 | 199,772.00 99.886 | 199,440.56 | 0.39 | 770.55 |
| | Income Cash | | \$271,787.35 | \$271,787.35 | | \$0.00 |
| | Principal Cash | | - \$271,787.35 | - \$271,787.35 | | \$0.00 |
| | Total Cash & Equivalents | | \$435,667.89 | \$435,193.45 | | \$1,396.08 |
| | Total Investments | | \$10,858,758.14 | \$10,246,958.32 | | \$156,809.29 |

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

CASH SUMMARY

| | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Total</u> |
|---------------------------------|------------------------|---------------------------|-----------------------|
| Beginning Cash Balance | \$267,952.30 | - \$267,952.30 | \$0.00 |
| Receipts | | | |
| Interest | 3,835.05 | 0.00 | 3,835.05 |
| Sales/Maturities | 0.00 | 46,646.68 | 46,646.68 |
| Cash Equivalent Sales | 0.00 | 111,129.47 | 111,129.47 |
| Total Cash Receipts | <u>\$3,835.05</u> | <u>\$157,776.15</u> | <u>\$161,611.20</u> |
| Disbursements | | | |
| Trust & Investment Fees | 0.00 | - 104.17 | - 104.17 |
| Miscellaneous Disbursements | 0.00 | - 1,088.00 | - 1,088.00 |
| Purchases | 0.00 | - 109,937.30 | - 109,937.30 |
| Cash Equivalent Purchases | 0.00 | - 50,481.73 | - 50,481.73 |
| Total Cash Disbursements | <u>\$0.00</u> | <u>- \$161,611.20</u> | <u>- \$161,611.20</u> |
| Ending Cash Balance | <u>\$271,787.35</u> | <u>- \$271,787.35</u> | <u>\$0.00</u> |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

TRANSACTION DETAIL

| Date Posted | Description | Income Cash | Principal Cash | Balance |
|-------------|---|--------------|----------------|------------|
| 04/01/15 | Beginning Cash Balance | \$267,952.30 | - \$267,952.30 | \$0.00 |
| 04/01/15 | Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 3/1/15 To 3/31/15 | 0.83 | | 0.83 |
| 04/06/15 | Cash Disbursement Paid To Chandler Asset Management Investment Counsel Fee Mgmt Fee For The Pe 03/31/15, Invoice # 17047 | | - 1,088.00 | - 1,087.17 |
| 04/13/15 | Interest Earned On F N M A M T N 2.375% 4/11/16 0.011875 USD/\$1 Pv On 275,000 Par Value Due 4/11/15 | 3,265.63 | | 2,178.46 |
| 04/15/15 | Interest Earned On Chase Iss Trust 0.590% 8/15/17 \$0.00049/Pv On 160,000.00 Pv Due 4/15/15 | 78.67 | | 2,257.13 |
| 04/15/15 | Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 41,013.78 Pv Due 4/15/15 | 29.73 | | 2,286.86 |
| 04/15/15 | Paid Down 3,432.77 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 4/15/15 | | 3,432.77 | 5,719.63 |
| 04/15/15 | Interest Earned On John Deere Owner 0.530% 7/15/16 \$0.00044/Pv On 29,597.20 Pv Due 4/15/15 | 13.07 | | 5,732.70 |
| 04/15/15 | Paid Down 6,927.25 Par Value Of John Deere Owner 0.530% 7/15/16 Trade Date 4/15/15 | | 6,927.25 | 12,659.95 |
| 04/15/15 | Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 125,000.00 Pv Due 4/15/15 | 95.83 | | 12,755.78 |
| 04/15/15 | Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 90,000.00 Pv Due 4/15/15 | 50.25 | | 12,806.03 |
| 04/15/15 | Interest Earned On Toyota Auto Rec 0.29133% 7/15/16 \$0.00038/Pv On 27,869.19 Pv Due 4/15/15 | 10.68 | | 12,816.71 |
| 04/15/15 | Paid Down 5,267.9 Par Value Of Toyota Auto Rec 0.29133% 7/15/16 Trade Date 4/15/15 | | 5,267.90 | 18,084.61 |
| 04/15/15 | Interest Earned On Toyota Auto 1.440% 2/15/19 \$0.00128/Pv On 100,000.00 Pv Due 4/15/15 | 127.56 | | 18,212.17 |
| 04/20/15 | Interest Earned On Honda Auto 0.693% 3/19/18 0.000642 USD/\$1 Pv On 90,000 Par Value Due 4/18/15 | 57.75 | | 18,269.92 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

TRANSACTION DETAIL (continued)

| <u>Date Posted</u> | <u>Description</u> | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Balance</u> |
|--------------------|---|---------------------|-----------------------|----------------|
| 04/20/15 | Interest Earned On Honda Auto Receivabl 0.520% 8/18/16 \$0.00043/Pv On 35,794.88 Pv Due 4/18/15 | 15.51 | | 18,285.43 |
| 04/20/15 | Paid Down 5,849.9 Par Value Of Honda Auto Receivabl 0.520% 8/18/16 Trade Date 4/18/15 | | 5,849.90 | 24,135.33 |
| 04/27/15 | Trust Fees Collected Charged For Period 03/01/2015 Thru 03/31/2015 | | - 104.17 | 24,031.16 |
| 04/28/15 | Sold 25,000 Par Value Of U S Treasury Nt 0.875% 11/30/16 Trade Date 4/27/15 Sold Through Jefferies LLC 25,000 Par Value At 100.675446 % | | 25,168.86 | 49,200.02 |
| 04/28/15 | Received Accrued Interest On Sale Of U S Treasury Nt 0.875% 11/30/16 Income Credit 89.54 USD | 89.54 | | 49,289.56 |
| 04/30/15 | Purchased 110,000 Par Value Of Pepsico Inc 1.850% 4/30/20 Trade Date 4/27/15 Purchased Through Mipfs Inc/Fixed Income 110,000 Par Value At 99.943 % | | - 109,937.30 | - 60,647.74 |
| | Combined Purchases For The Period 4/ 1/15 - 4/30/15 Of First Amer Govt Oblig Fund CI Y | | - 50,481.73 | - 111,129.47 |
| | Combined Sales For The Period 4/ 1/15 - 4/30/15 Of First Amer Govt Oblig Fund CI Y | | 111,129.47 | 0.00 |
| 04/30/15 | Ending Cash Balance | <u>\$271,787.35</u> | <u>- \$271,787.35</u> | <u>\$0.00</u> |



AM -120-02252-0
000 46

6745
Page 8 of 8

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
April 1, 2015 to April 30, 2015

SALE/MATURITY SUMMARY

| Trade Date | Asset | Description | Cost Basis | Proceeds | Estimated Gain/Loss |
|------------------------------|-------------------------------------|--------------------|-----------------------|--------------------|---------------------|
| 04/15/15 | John Deere Owner 0.870% 8/15/17 | Paid Down 3,432.77 | - 3,432.30 | 3,432.77 | 0.47 |
| 04/15/15 | John Deere Owner 0.530% 7/15/16 | Paid Down 6,927.25 | - 6,919.67 | 6,927.25 | 7.58 |
| 04/15/15 | Toyota Auto Rec 0.29133% 7/15/16 | Paid Down 5,267.9 | - 5,267.40 | 5,267.90 | 0.50 |
| 04/18/15 | Honda Auto Receivabl 0.520% 8/18/16 | Paid Down 5,849.9 | - 5,849.33 | 5,849.90 | 0.57 |
| 04/27/15 | U S Treasury Nt 0.875% 11/30/16 | Sold 25,000 | - 25,054.77 | 25,168.86 | 114.09 |
| Total Assets Disposed | | | - \$46,523.47 | \$46,646.68 | \$123.21 |
| | | | - Cost Basis | | |
| | | | - Proceeds | | |
| | | | - Estimated Gain/Loss | | |

For information only. Not intended for tax purposes.

World Class Service Delivered by World Class Professionals-Guaranteed!



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

000002431 2 SP 106481059400064 P

SMALL CITIES ORGANIZED RISK EFFORT
1792 TRIBUTE RD, SUITE 450
SACRAMENTO, CA 95815-4320

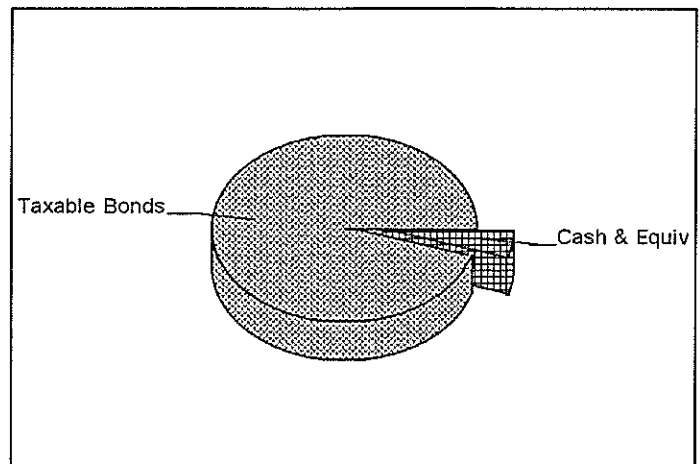
QUESTIONS?

If you have any questions regarding
your account or this statement, please
call your Relationship Manager:

Christopher Stewart
CN-OH-W5IT
6225 Lusk Boulevard
San Diego, CA
92121
Phone 513-632-4194
E-mail christopher.stewart3@usbank.com

ASSET SUMMARY AS OF 05/31/15

| | <u>Market Value</u> | <u>% of Total</u> | <u>Est Annual Income</u> |
|---------------------------|------------------------|-------------------|--------------------------|
| Taxable Bonds | \$10,397,148.72 | 95.6 | \$154,988.56 |
| Cash & Equivalents | \$474,192.88 | 4.4 | \$1,398.32 |
| Total Market Value | \$10,871,341.60 | 100.0 | \$156,386.88 |



ASSET DETAIL

| <u>Shares/ Par</u> | <u>Security Description</u> | <u>CUSIP</u> | <u>Market Value/ Price</u> | <u>Cost Basis</u> | <u>Yield At Market</u> | <u>Est Annual Inc</u> |
|----------------------|---|--------------|----------------------------|-------------------|------------------------|-----------------------|
| Taxable Bonds | | | | | | |
| 100,000.000 | F N M A M T N 2.375 07/28/2015 | 31398AU34 | \$100,363.00 100.363 | \$103,014.00 | 2.37 | \$2,375.00 |
| 265,000.000 | Procter Gamble CO The 1.800 11/15/2015 | 742718DS5 | 266,674.80 100.632 | 171,770.72 | 1.79 | 4,770.00 |
| 120,000.000 | Federal Farm Credit Bks 2.350 12/22/2015 | 31331J6C2 | 121,417.20 101.181 | 120,434.40 | 2.32 | 2,820.00 |
| 125,000.000 | F N M A M T N 2.375 04/11/2016 | 3135G0BA0 | 127,213.75 101.771 | 128,429.38 | 2.33 | 2,968.75 |
| 105,000.000 | Google Inc 2.125 05/19/2016 | 38259PAC6 | 106,655.85 101.577 | 107,568.30 | 2.09 | 2,231.25 |
| 310,000.000 | F H L M C M T N 2.500 05/27/2016 | 3137EACT4 | 316,420.10 102.071 | 268,105.76 | 2.45 | 7,750.00 |
| 200,000.000 | Federal Home Loan Bks 2.125 06/10/2016 | 313373SZ6 | 203,580.00 101.790 | 209,390.00 | 2.09 | 4,250.00 |

This statement is for the period from
May 1, 2015 to May 31, 2015**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|--|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 14,070.620 | John Deere Owner Trust A B S Ser 2012 B CI A3 0.530 07/15/2016 | 47787RAC4 | 14,070.20 99.997 | 14,055.23 | 0.53 | 74.57 |
| 17,918.100 | Toyota Auto Receivables Owner Tr A B S Ser 2012 B CI A3 0.540 07/15/2016 | 89231NAC7 | 17,919.53 100.008 | 17,916.40 | 0.29 | 52.20 |
| 24,508.340 | Honda Auto Receivables Owner Trust A B S Ser 2012 4 CI A3 0.520 08/18/2016 | 43813CAC4 | 24,509.32 100.004 | 24,505.97 | 0.52 | 127.44 |
| 300,000.000 | F H L M C M T N 2.000 08/25/2016 | 3137EACW7 | 305,688.00 101.896 | 312,151.20 | 1.96 | 6,000.00 |
| 50,000.000 | U S Treasury Note 1.000 08/31/2016 | 912828RF9 | 50,379.00 100.758 | 50,338.06 | 0.99 | 500.00 |
| 150,000.000 | U S Treasury Note 1.000 09/30/2016 | 912828RJ1 | 151,149.00 100.766 | 149,619.64 | 0.99 | 1,500.00 |
| 65,000.000 | F N M A Deb 1.375 11/15/2016 | 3135G0ES8 | 65,812.50 101.250 | 65,514.15 | 1.36 | 893.75 |
| 175,000.000 | U S Treasury Note 0.875 11/30/2016 | 912828RU6 | 176,053.50 100.602 | 175,383.40 | 0.87 | 1,531.25 |
| 250,000.000 | Federal Home Loan Bks 1.625 12/09/2016 | 313371PV2 | 254,052.50 101.621 | 256,575.00 | 1.60 | 4,062.50 |
| 175,000.000 | F N M A M T N 1.250 01/30/2017 | 3135G0GY3 | 176,716.75 100.981 | 174,983.73 | 1.24 | 2,187.50 |
| 200,000.000 | F H L M C M T N 1.000 03/08/2017 | 3137EADC0 | 201,320.00 100.660 | 196,430.40 | 0.99 | 2,000.00 |
| 150,000.000 | Exxon Mobil Corporation 0.921 03/15/2017 | 30231GAA0 | 150,432.00 100.288 | 150,000.00 | 0.92 | 1,381.50 |
| 150,000.000 | US Bancorp Medium Term Note 1.650 05/15/2017 | 91159HHD5 | 151,860.00 101.240 | 152,167.50 | 1.63 | 2,475.00 |
| 105,000.000 | Berkshire Hathaway Fin 1.600 05/15/2017 | 084664BS9 | 106,523.55 101.451 | 29,976.90 | 1.58 | 1,680.00 |
| 200,000.000 | Federal Home Loan Bks 1.000 06/09/2017 | 313379FW4 | 201,236.00 100.618 | 199,758.00 | 0.99 | 2,000.00 |
| 160,000.000 | Chase Issuance Trust A B S Ser 2012 A5 CI A5 0.590 08/15/2017 | 161571FL3 | 160,028.80 100.018 | 160,231.25 | 0.59 | 944.00 |
| 33,310.440 | John Deere Owner Trust A B S Ser 2013 B CI A3 0.870 08/15/2017 | 477879AC4 | 33,357.07 100.140 | 33,305.90 | 0.87 | 289.80 |
| 400,000.000 | U S Treasury Note 0.625 08/31/2017 | 912828TM2 | 399,312.00 99.828 | 249,160.99 | 0.63 | 2,500.00 |
| 160,000.000 | Federal Farm Credit Bks 0.830 09/21/2017 | 3133EAY28 | 161,548.80 100.968 | 160,000.00 | 0.82 | 1,328.00 |
| 105,000.000 | F N M A 1.000 09/27/2017 | 3135G0ZL0 | 105,485.10 100.462 | 104,625.15 | 0.99 | 1,050.00 |
| 300,000.000 | U S Treasury Note 0.625 11/30/2017 | 912828UA6 | 298,782.00 99.594 | 298,864.29 | 0.63 | 1,875.00 |
| 140,000.000 | Chevron Corp 1.104 12/05/2017 | 166764AA8 | 139,847.40 99.891 | 40,000.00 | 1.10 | 1,545.60 |



This statement is for the period from
May 1, 2015 to May 31, 2015

ASSET DETAIL (continued)

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|----------------------|---|-----------|------------------------|---------------|--------------------|----------------|
| Taxable Bonds | | | | | | |
| 120,000.000 | General Electric CO 5.250 12/06/2017 | 369604BC6 | 131,760.00 109.800 | 136,032.00 | 4.78 | 6,300.00 |
| 135,000.000 | Intel Corp 1.350 12/15/2017 | 458140AL4 | 135,796.50 100.590 | 134,711.10 | 1.34 | 1,822.50 |
| 90,000.000 | Toyota Auto Receivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017 | 89231MAC9 | 89,982.00 99.980 | 89,983.37 | 0.67 | 603.00 |
| 150,000.000 | F N M A Deb 0.875 12/20/2017 | 3135G0RT2 | 149,974.50 99.983 | 149,523.00 | 0.88 | 1,312.50 |
| 125,000.000 | John Deere Capital Corp Medium Term Note 1.350 01/16/2018 | 24422EST7 | 125,636.25 100.509 | 124,937.50 | 1.34 | 1,687.50 |
| 300,000.000 | F H L M C Deb 0.875 03/07/2018 | 3137EADP1 | 299,409.00 99.803 | 225,281.25 | 0.88 | 2,625.00 |
| 215,000.000 | Federal Home Loan Bks 1.375 03/09/2018 | 313378A43 | 217,343.50 101.090 | 213,970.15 | 1.36 | 2,956.25 |
| 90,000.000 | Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018 | 43814GAC4 | 90,038.70 100.043 | 89,989.18 | 0.69 | 623.70 |
| 125,000.000 | John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018 | 47787VAC5 | 125,172.50 100.138 | 124,979.98 | 0.92 | 1,150.00 |
| 135,000.000 | Apple Inc 1.000 05/03/2018 | 037833AJ9 | 133,798.50 99.110 | 109,594.10 | 1.01 | 1,350.00 |
| 250,000.000 | F N M A Deb 0.875 05/21/2018 | 3135G0WJ8 | 248,780.00 99.512 | 245,652.50 | 0.88 | 2,187.50 |
| 50,000.000 | U S Treasury Note 1.375 07/31/2018 | 912828VQ0 | 50,558.50 101.117 | 50,021.65 | 1.36 | 687.50 |
| 250,000.000 | U S Treasury Note 1.500 08/31/2018 | 912828RE2 | 253,652.50 101.461 | 247,725.45 | 1.48 | 3,750.00 |
| 200,000.000 | Federal Home Loan Bks 2.000 09/14/2018 | 313375K48 | 205,862.00 102.931 | 204,446.00 | 1.94 | 4,000.00 |
| 400,000.000 | F N M A Deb 1.625 11/27/2018 | 3135G0YT4 | 405,912.00 101.478 | 400,556.00 | 1.60 | 6,500.00 |
| 135,000.000 | Wells Fargo Company 2.150 01/15/2019 | 94974BFQ8 | 136,791.45 101.327 | 135,160.65 | 2.12 | 2,902.50 |
| 350,000.000 | U S Treasury Note 1.500 01/31/2019 | 912828B33 | 354,182.50 101.195 | 350,803.91 | 1.48 | 5,250.00 |
| 100,000.000 | Toyota Auto Receivables Owner Trust A B S Ser 2015 A CI A3 1.440 02/15/2019 | 89236WAC2 | 100,204.00 100.204 | 99,984.88 | 1.44 | 1,440.00 |
| 125,000.000 | Honda Auto Receivables Owner Trust A B S Ser 2015 2 CI A3 1.320 02/21/2019 | 43813NAC0 | 125,011.25 100.009 | 124,980.81 | 1.32 | 1,650.00 |
| 225,000.000 | U S Treasury Note 1.500 02/28/2019 | 912828C24 | 227,549.25 101.133 | 224,490.99 | 1.48 | 3,375.00 |
| 135,000.000 | Cisco Systems Inc 2.125 03/01/2019 | 17275RAR3 | 137,543.40 101.884 | 135,315.90 | 2.09 | 2,868.75 |
| 150,000.000 | Eli Lilly CO 1.950 03/15/2019 | 532457BF4 | 151,371.00 100.914 | 149,341.50 | 1.93 | 2,925.00 |

This statement is for the period from
May 1, 2015 to May 31, 2015**ASSET DETAIL (continued)**

| Shares/ Par | Security Description | CUSIP | Market Value/ Price | Cost Basis | Yield At Market | Est Annual Inc |
|-------------------------------|--|-----------|------------------------|------------------------|--------------------|---------------------|
| Taxable Bonds | | | | | | |
| 150,000.000 | F H L M C M T N 1.750 05/30/2019 | 3137EADG1 | 152,355.00 101.570 | 150,455.70 | 1.72 | 2,625.00 |
| 175,000.000 | U S Treasury Note 1.500 05/31/2019 | 912828WL0 | 176,627.50 100.930 | 172,977.15 | 1.49 | 2,625.00 |
| 200,000.000 | U S Treasury Note 1.625 07/31/2019 | 912828VW6 | 202,546.00 101.273 | 199,586.61 | 1.60 | 3,250.00 |
| 135,000.000 | American Honda Finance Medium Term Note 2.250 08/15/2019 | 02665WAH4 | 136,956.15 101.449 | 136,318.95 | 2.22 | 3,037.50 |
| 135,000.000 | Bank Of NY Mellon Medium Term Note 2.300 09/11/2019 | 06406HCW7 | 136,840.05 101.363 | 135,334.80 | 2.27 | 3,105.00 |
| 250,000.000 | F N M A 1.750 09/12/2019 | 3135G0ZG1 | 253,630.00 101.452 | 249,452.50 | 1.72 | 4,375.00 |
| 135,000.000 | Hsbc Usa Inc 2.375 11/13/2019 | 40428HPN6 | 135,799.20 100.592 | 135,329.40 | 2.36 | 3,206.25 |
| 175,000.000 | U S Treasury Note 1.500 11/30/2019 | 912828G61 | 175,889.00 100.508 | 176,525.00 | 1.49 | 2,625.00 |
| 135,000.000 | Jpmorgan Chase CO 2.250 01/23/2020 | 46625HKA7 | 134,295.30 99.478 | 134,410.05 | 2.26 | 3,037.50 |
| 150,000.000 | U S Treasury Note 1.250 01/31/2020 | 912828H52 | 148,828.50 99.219 | 147,846.21 | 1.26 | 1,875.00 |
| 150,000.000 | U S Treasury Note 1.375 04/30/2020 | 912828K58 | 149,332.50 99.555 | 148,729.02 | 1.38 | 2,062.50 |
| 110,000.000 | Pepsico Inc 1.850 04/30/2020 | 713448CS5 | 109,312.50 99.375 | 109,937.30 | 1.86 | 2,035.00 |
| | Total Taxable Bonds | | \$10,397,148.72 | \$9,788,660.28 | | \$154,988.56 |
| Cash & Equivalents | | | | | | |
| 220,000.000 | Bank Of Tokyo Mitsubis C P 06/29/2015 | 06538CTV3 | 219,975.80 99.989 | 219,784.40 | 0.28 | 624.56 |
| 54,357.080 | First American Government Obligation Fund CI Y | 31846V203 | 54,357.08 1.000 | 54,357.08 | 0.01 | 3.21 |
| 200,000.000 | Pnc Bank Na C P 09/02/2015 | 69349KW22 | 199,860.00 99.930 | 199,440.56 | 0.39 | 770.55 |
| | Income Cash | | \$289,141.21 | \$289,141.21 | | \$0.00 |
| | Principal Cash | | - \$289,141.21 | - \$289,141.21 | | \$0.00 |
| | Total Cash & Equivalents | | \$474,192.88 | \$473,582.04 | | \$1,398.32 |
| | Total Investments | | \$10,871,341.60 | \$10,262,242.32 | | \$156,386.88 |



ASSET DETAIL (continued)

| <u>Shares/ Par</u> | <u>Security Description</u> | <u>CUSIP</u> | <u>Market Value/ Price</u> | <u>Cost Basis</u> | <u>Yield At Market</u> | <u>Est Annual Inc</u> |
|------------------------|-----------------------------|--------------|--------------------------------|-----------------------|----------------------------|-----------------------|
|------------------------|-----------------------------|--------------|--------------------------------|-----------------------|----------------------------|-----------------------|

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

CASH SUMMARY

| | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Total</u> |
|---------------------------------|------------------------|---------------------------|-----------------------|
| Beginning Cash Balance | \$271,787.35 | - \$271,787.35 | \$0.00 |
| Receipts | | | |
| Interest | 17,353.86 | 0.00 | 17,353.86 |
| Sales/Maturities | 0.00 | 295,938.73 | 295,938.73 |
| Cash Equivalent Sales | 0.00 | 126,174.98 | 126,174.98 |
| Total Cash Receipts | <u>\$17,353.86</u> | <u>\$422,113.71</u> | <u>\$439,467.57</u> |
| Disbursements | | | |
| Trust & Investment Fees | 0.00 | - 1,194.17 | - 1,194.17 |
| Purchases | 0.00 | - 273,709.83 | - 273,709.83 |
| Cash Equivalent Purchases | 0.00 | - 164,563.57 | - 164,563.57 |
| Total Cash Disbursements | <u>\$0.00</u> | <u>- \$439,467.57</u> | <u>- \$439,467.57</u> |
| Ending Cash Balance | \$289,141.21 | - \$289,141.21 | \$0.00 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

TRANSACTION DETAIL

| Date Posted | Description | Income Cash | Principal Cash | Balance |
|-------------|--|--------------|----------------|--------------|
| 05/01/15 | Beginning Cash Balance | \$271,787.35 | - \$271,787.35 | \$0.00 |
| 05/01/15 | Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 4/1/15 To 4/30/15 | 0.43 | | 0.43 |
| 05/04/15 | Interest Earned On Apple Inc 1.000% 5/03/18 0.005 USD/\$1 Pv On 135,000 Par Value Due 5/3/15 | 675.00 | | 675.43 |
| 05/05/15 | Cash Disbursement Paid To Chandler Asset Management Investment Counsel Fee Inv# 17269 For Pe 4/30/15 | | - 1,090.00 | - 414.57 |
| 05/07/15 | Purchased 150,000 Par Value Of U S Treasury Nt 1.375% 4/30/20 Trade Date 5/6/15 Purchased Through Barclays Capital Inc. Fixed In 150,000 Par Value At 99.15268 % | | - 148,729.02 | - 149,143.59 |
| 05/07/15 | Paid Accrued Interest On Purchase Of U S Treasury Nt 1.375% 4/30/20 Income Debit 39.23- USD | - 39.23 | | - 149,182.82 |
| 05/07/15 | Sold 150,000 Par Value Of F N M A M T N 2.375% 4/11/16 Trade Date 5/6/15 Sold Through Morgan Stanley & CO. LLC 150,000 Par Value At 101.898 % | | 152,847.00 | 3,664.18 |
| 05/07/15 | Received Accrued Interest On Sale Of F N M A M T N 2.375% 4/11/16 Income Credit 257.29 USD | 257.29 | | 3,921.47 |
| 05/13/15 | Interest Earned On Hsbc Usa Inc 2.375% 11/13/19 0.011875 USD/\$1 Pv On 135,000 Par Value Due 5/13/15 | 1,603.13 | | 5,524.60 |
| 05/14/15 | Sold 120,000 Par Value Of F N M A Deb 0.375% 12/21/15 Trade Date 5/13/15 Sold Through Keybank Capital Markets Inc 120,000 Par Value At 100.085 % | | 120,102.00 | 125,626.60 |
| 05/14/15 | Received Accrued Interest On Sale Of F N M A Deb 0.375% 12/21/15 Income Credit 178.75 USD | 178.75 | | 125,805.35 |
| 05/15/15 | Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 37,581.01 Pv Due 5/15/15 | 27.25 | | 125,832.60 |
| 05/15/15 | Paid Down 4,270.57 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 5/15/15 | | 4,270.57 | 130,103.17 |
| 05/15/15 | Interest Earned On John Deere Owner 0.530% 7/15/16 \$0.00044/Pv On 22,669.95 Pv Due 5/15/15 | 10.01 | | 130,113.18 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

TRANSACTION DETAIL (continued)

| <u>Date Posted</u> | <u>Description</u> | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Balance</u> |
|--------------------|--|--------------------|-----------------------|----------------|
| 05/15/15 | Paid Down 8,599.33 Par Value Of John Deere Owner 0.530% 7/15/16 Trade Date 5/15/15 | | 8,599.33 | 138,712.51 |
| 05/15/15 | Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 125,000.00 Pv Due 5/15/15 | 95.83 | | 138,808.34 |
| 05/15/15 | Interest Earned On Chase Iss Trust 0.590% 8/15/17 0.000492 USD/\$1 Pv On 160,000 Par Value Due 5/15/15 | 78.67 | | 138,887.01 |
| 05/15/15 | Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 90,000.00 Pv Due 5/15/15 | 50.25 | | 138,937.26 |
| 05/15/15 | Interest Earned On Toyota Auto Rec 0.29133% 7/15/16 \$0.00038/Pv On 22,601.29 Pv Due 5/15/15 | 8.66 | | 138,945.92 |
| 05/15/15 | Paid Down 4,683.19 Par Value Of Toyota Auto Rec 0.29133% 7/15/16 Trade Date 5/15/15 | | 4,683.19 | 143,629.11 |
| 05/15/15 | Interest Earned On Toyota Auto 1.440% 2/15/19 \$0.00093/Pv On 100,000.00 Pv Due 5/15/15 | 93.33 | | 143,722.44 |
| 05/15/15 | Interest Earned On Berkshire Hathaway 1.600% 5/15/17 0.008 USD/\$1 Pv On 105,000 Par Value Due 5/15/15 | 840.00 | | 144,562.44 |
| 05/15/15 | Interest Earned On F N M A Deb 1.375% 11/15/16 0.006875 USD/\$1 Pv On 65,000 Par Value Due 5/15/15 | 446.88 | | 145,009.32 |
| 05/15/15 | Interest Earned On Procter Gamble 1.800% 11/15/15 0.009 USD/\$1 Pv On 265,000 Par Value Due 5/15/15 | 2,385.00 | | 147,394.32 |
| 05/15/15 | Interest Earned On US Bancorp Mtn 1.650% 5/15/17 0.00825 USD/\$1 Pv On 150,000 Par Value Due 5/15/15 | 1,237.50 | | 148,631.82 |
| 05/18/15 | Interest Earned On Honda Auto Receivabl 0.520% 8/18/16 \$0.00043/Pv On 29,944.98 Pv Due 5/18/15 | 12.98 | | 148,644.80 |
| 05/18/15 | Paid Down 5,436.64 Par Value Of Honda Auto Receivabl 0.520% 8/18/16 Trade Date 5/18/15 | | 5,436.64 | 154,081.44 |
| 05/18/15 | Interest Earned On Honda Auto 0.693% 3/19/18 0.000642 USD/\$1 Pv On 90,000 Par Value Due 5/18/15 | 57.75 | | 154,139.19 |
| 05/19/15 | Interest Earned On Google Inc 2.125% 5/19/16 0.010625 USD/\$1 Pv On 105,000 Par Value Due 5/19/15 | 1,115.63 | | 155,254.82 |



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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

TRANSACTION DETAIL (continued)

| <u>Date Posted</u> | <u>Description</u> | <u>Income Cash</u> | <u>Principal Cash</u> | <u>Balance</u> |
|--------------------|---|--------------------|-----------------------|----------------|
| 05/20/15 | Purchased 125,000 Par Value Of Honda Auto 1.320% 2/21/19 Trade Date 5/13/15 Purchased Through J.P. Morgan Securities LLC Purchased On The OTC Bulletin Board 125,000 Par Value At 99.98465 % | | - 124,980.81 | 30,274.01 |
| 05/21/15 | Interest Earned On F N M A Deb 0.875% 5/21/18 0.004375 USD/\$1 Pv On 250,000 Par Value Due 5/21/15 | 1,093.75 | | 31,367.76 |
| 05/26/15 | Trust Fees Collected Charged For Period 04/01/2015 Thru 04/30/2015 | | - 104.17 | 31,263.59 |
| 05/27/15 | Interest Earned On F H L M C M T N 2.500% 5/27/16 0.0125 USD/\$1 Pv On 310,000 Par Value Due 5/27/15 | 3,875.00 | | 35,138.59 |
| 05/27/15 | Interest Earned On F N M A Deb 1.625% 11/27/18 0.008125 USD/\$1 Pv On 400,000 Par Value Due 5/27/15 | 3,250.00 | | 38,388.59 |
| | Combined Purchases For The Period 5/ 1/15 - 5/31/15 Of First Amer Govt Oblig Fund Cl Y | | - 164,563.57 | - 126,174.98 |
| | Combined Sales For The Period 5/ 1/15 - 5/31/15 Of First Amer Govt Oblig Fund Cl Y | | 126,174.98 | 0.00 |
| 05/31/15 | Ending Cash Balance | \$289,141.21 | - \$289,141.21 | \$0.00 |



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
May 1, 2015 to May 31, 2015

SALE/MATURITY SUMMARY

| Trade Date | Asset | Description | Cost Basis | Proceeds | Estimated Gain/Loss |
|------------------------------|-------------------------------------|--------------------|-----------------------|---------------------|---------------------|
| 05/06/15 | F N M A M T N 2.375% 4/11/16 | Sold 150,000 | - 154,115.25 | 152,847.00 | - 1,268.25 |
| 05/13/15 | F N M A Deb 0.375% 12/21/15 | Sold 120,000 | - 119,720.40 | 120,102.00 | 381.60 |
| 05/15/15 | John Deere Owner 0.870% 8/15/17 | Paid Down 4,270.57 | - 4,269.99 | 4,270.57 | 0.58 |
| 05/15/15 | John Deere Owner 0.530% 7/15/16 | Paid Down 8,599.33 | - 8,589.93 | 8,599.33 | 9.40 |
| 05/15/15 | Toyota Auto Rec 0.29133% 7/15/16 | Paid Down 4,683.19 | - 4,682.74 | 4,683.19 | 0.45 |
| 05/18/15 | Honda Auto Receivabl 0.520% 8/18/16 | Paid Down 5,436.64 | - 5,436.11 | 5,436.64 | 0.53 |
| Total Assets Disposed | | | - \$296,814.42 | \$295,938.73 | - \$875.69 |
| | | | - Cost Basis | | |
| | | | - Proceeds | | |
| | | | - Estimated Gain/Loss | | |

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BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

| | |
|----------------|------------|
| Agency Name | S.C.O.R.E. |
| Account Number | 40-04-001 |

As of 04/15/2015, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2015.

| | | |
|-------------------------------|----|--------------------|
| Earnings Ratio | | .00000712637778462 |
| Interest Rate | | 0.26% |
| Dollar Day Total | \$ | 54,174,714.74 |
| Quarter End Principal Balance | \$ | 602,001.24 |
| Quarterly Interest Earned | \$ | 386.07 |



June 18, 2015

TREASURER'S REPORT

Attached is the investment report for the period ended 3-31-2015, in accordance with Government Code 53646(b) which requires the authority Treasurer to submit quarterly to the Chief Executive Officer and the legislative body (Board of Directors), a quarterly Investment Report within thirty (30) days following the end of the quarter covered by the report. The report shall contain the following elements; the type of investment, issuer, maturity, par and dollar amounts invested; for the funds managed by contracted parties including lending programs; the market value and source of valuation. The Treasurer must also include a description of the compliance with the stated investment policy. The description of the holdings and market value are not required if all of the Authority's funds are invested in LAIF or equivalent. The Treasurer must also include a statement regarding its ability to meet the next six (6) months cash expenditure requirements.

The Authority's funds are invested in LAIF and with Chandler Asset Management. The statements for those accounts are included as part of this Investment Report.

It is the belief of the Treasurer that the funds held in liquid investments are more than sufficient to meet the Authority's cash flow needs for the following six months, and that the investment in LAIF and other securities is in keeping with the investment policy of the Authority, as duly authorized by the Board of Directors.

Respectfully submitted,

Linda Romaine

Linda Romaine, Treasurer

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Accrual Basis

Small Cities Organized Risk Effort Transactions by Account As of June 19, 2015

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|-----------------------------------|------------|------|-----------------------------|---|--------------------------------|------------|------------|--------------|
| 0100 - CASH IN BANK | | | | | | | | 219,739.57 |
| 0100-010 Scott Valley Bank | | | | | | | | 219,739.57 |
| Deposit | 07/08/2014 | | | Deposit | -SPLIT- | 54,339.20 | | 274,078.77 |
| Transfer | 07/10/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 30,080.13 | 243,998.64 |
| Deposit | 07/14/2014 | | | Deposit | -SPLIT- | 497,477.10 | | 741,475.74 |
| Check | 07/16/2014 | 2521 | Employment Risk Manag... | Inv # ERMA-00260 | EPLI | | 62,610.00 | 678,865.74 |
| Check | 07/16/2014 | 2522 | Alliant | Inv # 238499 | Program Administration | | 225,811.00 | 453,054.74 |
| Check | 07/16/2014 | 2523 | Alliant | Inv # 238480 - Treasurer Bond | 0625 - Insurance | | 575.00 | 452,479.74 |
| Check | 07/16/2014 | 2524 | Alliant | Inv # 1026240 & 2026240 | -SPLIT- | | 289,616.61 | 162,863.13 |
| Check | 07/16/2014 | 2525 | LAWCX | Inv # LAWCX 2015-010 | Workers' Compensation | | 198,933.00 | -36,069.87 |
| Check | 07/16/2014 | 2526 | LAWCX | Inv # LAWCX-2015-040 | Workers' Compensation | | 15,902.00 | -51,971.87 |
| Check | 07/16/2014 | 2527 | ACI Specialty Benefits | Inv # 15868 | EAP | | 8,991.00 | -60,962.87 |
| Check | 07/16/2014 | 2528 | Gilbert Associates, Inc. | 29330 ENG - June 2014 | 0505 - Accounting | | 4,000.00 | -64,962.87 |
| Check | 07/16/2014 | 2529 | CAJPA | Annual Dues - Notice # 7412014 | 0615 - Dues and Subscriptions | | 450.00 | -65,412.87 |
| Transfer | 07/16/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 51,743.02 | -117,155.89 |
| Deposit | 07/17/2014 | | | Deposit | -SPLIT- | 342,980.73 | | 225,824.84 |
| Deposit | 07/24/2014 | | | Deposit | -SPLIT- | 448,589.00 | | 674,413.84 |
| Transfer | 07/24/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 7,063.89 | 667,349.95 |
| Transfer | 07/24/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 7,458.92 | 659,891.03 |
| Transfer | 07/24/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 18,232.81 | 641,658.22 |
| Transfer | 07/30/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 39,675.73 | 601,982.49 |
| Check | 07/31/2014 | 2530 | CSAC Excess Insurance | Pollution Program Inv # 15400705 | General Liability | | 10,615.00 | 591,367.49 |
| Check | 07/31/2014 | 2531 | CJPRMA | Liability - Inv # LIAB-SCORE-14/15 | General Liability | | 101,779.00 | 489,588.49 |
| Check | 07/31/2014 | 2532 | Dunsmuir | Grant Fund Program | Grant Fund Program | | 2,118.92 | 487,469.57 |
| Check | 07/31/2014 | 2533 | Fort Jones | Inv # 105 - Accounting Services | 0608 - Bookkeeping - Ft. Jones | | 2,269.46 | 485,200.11 |
| Deposit | 07/31/2014 | | | Interest | SVB | 43.32 | | 485,243.43 |
| Deposit | 08/04/2014 | | | Deposit | -SPLIT- | 516,606.00 | | 1,001,849.43 |
| Deposit | 08/04/2014 | | | Deposit | 12000 - Undeposited Funds | 2,887.67 | | 1,004,737.10 |
| Transfer | 08/04/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 37,608.89 | 967,128.21 |
| Transfer | 08/04/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 56,398.20 | 910,730.01 |
| Deposit | 08/15/2014 | | | Deposit | -SPLIT- | 89,253.28 | | 999,983.29 |
| Check | 08/19/2014 | 2534 | DKF Soutlions Group, LLC | VOID: Inv # 11627 | 0507 - Consulting | 0.00 | | 999,983.29 |
| Transfer | 08/20/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 4,113.22 | 995,870.07 |
| Transfer | 08/20/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 13,502.46 | 982,367.61 |
| Deposit | 08/31/2014 | | | Interest | SVB | 59.41 | | 982,427.02 |
| Transfer | 09/03/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 23,066.98 | 959,360.04 |
| Transfer | 09/03/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 4,117.19 | 955,242.85 |
| Deposit | 09/04/2014 | | | Deposit | -SPLIT- | 7,237.10 | | 962,479.95 |
| Deposit | 09/05/2014 | | | Deposit | Workers' Compensation Claims | 704.50 | | 963,184.45 |
| Transfer | 09/12/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 29,679.99 | 933,504.46 |
| Check | 09/15/2014 | 2535 | DKF Soutlions Group, LLC | Replaces check # 2534 | 0507 - Consulting | | 16,000.00 | 917,504.46 |
| Check | 09/17/2014 | 2536 | York Insurance Services ... | Liability Claims Admin - July - Sept 2014 | -SPLIT- | | 24,375.00 | 893,129.46 |
| Check | 09/17/2014 | 2537 | York Insurance Services ... | Annual Fee - Liability Claims Admin | 0720 - Third Pty Admini(TPA) | | 19,000.00 | 874,129.46 |
| Check | 09/17/2014 | 2538 | York Insurance Services ... | Annual Fee - W/C Claims Admin | 0720 - Third Pty Admini(TPA) | | 11,000.00 | 863,129.46 |
| Check | 09/17/2014 | 2539 | York Insurance Services ... | W/C Claims Admin July - Sept 2014 | -SPLIT- | | 25,127.40 | 838,002.06 |
| Check | 09/17/2014 | 2540 | Gilbert Associates, Inc. | Accounting Services July & August 2014 | -SPLIT- | | 8,000.00 | 830,002.06 |
| Check | 09/17/2014 | 2541 | Gibbons & Conley | Inv # 14-MAR-2623 & 14-JUL2760 | -SPLIT- | | 2,460.01 | 827,542.05 |
| Transfer | 09/18/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 12,288.57 | 815,253.48 |
| Transfer | 09/18/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 69,884.27 | 745,369.21 |

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Accrual Basis

Small Cities Organized Risk Effort Transactions by Account As of June 19, 2015

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|----------|------------|------|-----------------------------|--|---------------------------------|------------|------------|------------|
| Deposit | 09/19/2014 | | | Deposit | -SPLIT- | 2,715.86 | | 748,085.07 |
| Transfer | 09/22/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 14,620.15 | 733,464.92 |
| Deposit | 09/30/2014 | | | Interest | SVB | 52.31 | | 733,517.23 |
| Transfer | 10/01/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 30,341.00 | 703,176.23 |
| Transfer | 10/01/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 51,643.97 | 651,532.26 |
| Deposit | 10/02/2014 | | | Deposit | -SPLIT- | 171,317.14 | | 822,849.40 |
| Deposit | 10/03/2014 | | | Deposit | 12000 - Undeposited Funds | 35,996.00 | | 858,845.40 |
| Transfer | 10/08/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 400,000.00 | 458,845.40 |
| Deposit | 10/15/2014 | | | Deposit | -SPLIT- | 184,956.70 | | 643,802.10 |
| Transfer | 10/17/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 15,609.72 | 628,192.38 |
| Transfer | 10/17/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 41,832.93 | 586,359.45 |
| Deposit | 10/17/2014 | | | Deposit | 12000 - Undeposited Funds | 7,958.00 | | 594,317.45 |
| Deposit | 10/22/2014 | | | Deposit | -SPLIT- | 129,252.00 | | 723,569.45 |
| Transfer | 10/28/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 6,800.00 | 716,769.45 |
| Deposit | 10/31/2014 | | | Interest | SVB | 37.63 | | 716,807.08 |
| Deposit | 11/04/2014 | | | Deposit | -SPLIT- | 17,134.29 | | 733,941.37 |
| Transfer | 11/06/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 10,328.99 | 723,612.38 |
| Transfer | 11/06/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 87,127.31 | 636,485.07 |
| Check | 11/10/2014 | 2542 | DKF Soultions Group, LLC | Inv # 11808 & Inv # 11763 | -SPLIT- | | 2,700.00 | 633,785.07 |
| Check | 11/10/2014 | 2543 | Squaw Valley Resort, LLC | Inv # RTP2075685 | 0605 - B of D Activities | | 8,358.68 | 625,426.39 |
| Check | 11/10/2014 | 2544 | Lexipol LLC | City of Tulelake Inv # 11284 | 0676 - Safety Training | | 1,950.00 | 623,476.39 |
| Check | 11/10/2014 | 2545 | Gilbert Associates, Inc. | September & October 2014 | -SPLIT- | | 9,000.00 | 614,476.39 |
| Check | 11/10/2014 | 2546 | John Busch | CAJPA Reimbursement | 0610 - Conference | | 960.31 | 613,516.08 |
| Check | 11/10/2014 | 2547 | Yreka | Inv # 0028017 | -SPLIT- | | 12,499.54 | 601,016.54 |
| Check | 11/10/2014 | 2548 | York Insurance Services ... | October & November Claims Mgmt - Laib & WC | -SPLIT- | | 33,000.00 | 568,016.54 |
| Check | 11/10/2014 | 2549 | Mt. Shasta | Grant Fund Reimbursement | Grant Fund Program | | 10,320.31 | 557,696.23 |
| Check | 11/10/2014 | 2550 | Tulelake | Reimbursement for Board Meeting | 0605 - B of D Activities | | 294.25 | 557,401.98 |
| Check | 11/10/2014 | 2551 | Michael Simmons | Reimbursement for SCORE dinner | 0605 - B of D Activities | | 1,040.13 | 556,361.85 |
| Deposit | 11/13/2014 | | | Deposit | 12000 - Undeposited Funds | 2,090.90 | | 558,452.75 |
| Transfer | 11/18/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 13,556.83 | 544,895.92 |
| Transfer | 11/18/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 22,864.78 | 522,031.14 |
| Deposit | 11/30/2014 | | | Interest | SVB | 35.28 | | 522,066.42 |
| Deposit | 12/02/2014 | | | Deposit | -SPLIT- | 15,472.95 | | 537,539.37 |
| Transfer | 12/03/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 11,658.96 | 525,880.41 |
| Transfer | 12/03/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 15,250.58 | 510,629.83 |
| Check | 12/10/2014 | 2552 | LAWCX | Inv # SCO105 | Workers' Compensation | | 1,000.00 | 509,629.83 |
| Check | 12/10/2014 | 2553 | Colfax | Travel to Meeting at Squaw Valley | 0605 - B of D Activities | | 138.32 | 509,491.51 |
| Check | 12/10/2014 | 2554 | DKF Soultions Group, LLC | Inv # 11849 | 0675 - Safety Service | | 1,350.00 | 508,141.51 |
| Check | 12/10/2014 | 2555 | Gilbert Associates, Inc. | 29330 ENG - November 2014 | 0505 - Accounting | | 4,250.00 | 503,891.51 |
| Check | 12/10/2014 | 2556 | Susanville | Reimbursement for Lexipol Inv # 11622 | 0676 - Safety Training | | 2,000.00 | 501,891.51 |
| Check | 12/10/2014 | 2557 | Yreka | Grant Funds - Final Payment | Grant Fund Program | | 2,885.46 | 499,006.05 |
| Check | 12/10/2014 | 2558 | Bickmore Risk Services | Inv # BRS-0011284 | -SPLIT- | | 3,000.00 | 496,006.05 |
| Check | 12/10/2014 | 2559 | York Insurance Services ... | December 2014 Inv # 5000011707 | 0710 - Claims Management | | 8,375.80 | 487,630.25 |
| Check | 12/10/2014 | 2560 | York Insurance Services ... | December 2014 Inv # 5000011708 | 0830 -Claims Service - Vouchers | | 8,125.00 | 479,505.25 |
| Deposit | 12/12/2014 | | | Deposit | -SPLIT- | 11,900.39 | | 491,405.64 |
| Transfer | 12/18/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 29,893.03 | 461,512.61 |
| Transfer | 12/18/2014 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 32,466.22 | 429,046.39 |
| Transfer | 12/19/2014 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 50,805.00 | 378,241.39 |
| Deposit | 12/23/2014 | | | Deposit | -SPLIT- | 19,265.65 | | 397,507.04 |

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Accrual Basis

Small Cities Organized Risk Effort Transactions by Account As of June 19, 2015

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|----------|------------|------|------------------------------|---|--------------------------------|------------|------------|------------|
| Deposit | 12/31/2014 | | | Interest | SVB | 27.90 | | 397,534.94 |
| Transfer | 01/02/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 19,500.39 | 378,034.55 |
| Transfer | 01/02/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 47,248.59 | 330,785.96 |
| Deposit | 01/02/2015 | | | Deposit | 12000 - Undeposited Funds | 2,090.90 | | 332,876.86 |
| Deposit | 01/02/2015 | | | Deposit | -SPLIT- | 7,866.30 | | 340,743.16 |
| Check | 01/15/2015 | 2561 | Crowe Horwath LLP | Inv # 745-1922008 | 0506 - Audit | | 20,300.00 | 320,443.16 |
| Check | 01/15/2015 | 2562 | Etna | Grant Funds | Grant Fund Program | | 2,120.07 | 318,323.09 |
| Check | 01/15/2015 | 2563 | Fort Jones | Grant Funds | -SPLIT- | | 2,000.00 | 316,323.09 |
| Check | 01/15/2015 | 2564 | Susanville | Grant Funds | Grant Fund Program | | 14,500.00 | 301,823.09 |
| Check | 01/15/2015 | 2565 | Montague | Grant Funds | Grant Fund Program | | 2,129.00 | 299,694.09 |
| Check | 01/15/2015 | 2566 | Department of Industrial ... | Inv # OSIP 60705 | 0699 - User Funding Assessment | | 31,813.15 | 267,880.94 |
| Check | 01/15/2015 | 2567 | Gibbons & Conley | Inv # 14-OCT2858 | 0509 - Legal | | 830.25 | 267,050.69 |
| Check | 01/15/2015 | 2568 | TargetSolutions.Com, Inc. | Inv # 7170 - Period 11/1/14 - 10/31/15 | 0676 - Safety Training | | 24,947.00 | 242,103.69 |
| Transfer | 01/20/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 16,752.70 | 225,350.99 |
| Transfer | 01/20/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 42,393.81 | 182,957.18 |
| Check | 01/22/2015 | 2569 | Town of Loomis | CAJPA & PARMA for Crickett Strock | 0610 - Conference | | 1,000.00 | 181,957.18 |
| Check | 01/22/2015 | 2570 | Yreka | Inv # 0028255 Lexipol Reimbursement - | 0676 - Safety Training | | 2,000.00 | 179,957.18 |
| Check | 01/22/2015 | 2571 | DKF Soutlions Group, LLC | Inv # 11873 & 11842 | -SPLIT- | | 17,350.00 | 162,607.18 |
| Check | 01/22/2015 | 2572 | Gilbert Associates, Inc. | December 2014 | 0505 - Accounting | | 4,250.00 | 158,357.18 |
| Check | 01/22/2015 | 2573 | Gaia Hotel | Board Meeting 1/23/15 | 0605 - B of D Activities | | 1,529.28 | 156,827.90 |
| Check | 01/22/2015 | 2574 | Rio Dell | Lexipol Reimbursement | 0676 - Safety Training | | 1,950.00 | 154,877.90 |
| Check | 01/22/2015 | 2575 | Bickmore Risk Services | Inv # BRS-0011445 | 0675 - Safety Service | | 13,806.34 | 141,071.56 |
| Transfer | 01/22/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 41,835.00 | 99,236.56 |
| Transfer | 01/22/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 61,329.75 | 37,906.81 |
| Deposit | 01/22/2015 | | | Deposit | 12000 - Undeposited Funds | 6,624.00 | | 44,530.81 |
| Deposit | 01/30/2015 | | | Deposit | -SPLIT- | 49,764.59 | | 94,295.40 |
| Deposit | 01/30/2015 | | | Deposit | -SPLIT- | 4,387.70 | | 98,683.10 |
| Deposit | 01/31/2015 | | | Interest | SVB | 16.72 | | 98,699.82 |
| Deposit | 02/03/2015 | | | Deposit | -SPLIT- | 5,201.50 | | 103,901.32 |
| Transfer | 02/04/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 26,922.93 | 76,978.39 |
| Transfer | 02/04/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 62,394.39 | 14,584.00 |
| Deposit | 02/06/2015 | | | Deposit | -SPLIT- | 59,945.00 | | 74,529.00 |
| Deposit | 02/06/2015 | | | Deposit | 12000 - Undeposited Funds | 47,011.00 | | 121,540.00 |
| Transfer | 02/13/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 38,656.99 | 82,883.01 |
| Deposit | 02/13/2015 | | | Deposit | -SPLIT- | 206,218.00 | | 289,101.01 |
| Deposit | 02/23/2015 | | | Deposit | -SPLIT- | 13,517.37 | | 302,618.38 |
| Deposit | 02/28/2015 | | | Interest | SVB | 11.87 | | 302,630.25 |
| Deposit | 02/28/2015 | | | Deposit | SVB | 9.77 | | 302,640.02 |
| Check | 03/02/2015 | 2576 | DKF Soutlions Group, LLC | Inv # 11938 | 0675 - Safety Service | | 18,720.00 | 283,920.02 |
| Check | 03/02/2015 | 2577 | Bickmore Risk Services | Inv # BRS-0011640 City of Colfax Ethics Training | 0675 - Safety Service | | 1,800.00 | 282,120.02 |
| Check | 03/02/2015 | 2578 | York Insurance Services ... | Liability Jan& Feb 2015 Inv # 500011828 & 5000... | -SPLIT- | | 16,250.00 | 265,870.02 |
| Check | 03/02/2015 | 2579 | York Insurance Services ... | W/C Claims Mgmt Fee - Jan & Feb 2015 Inv # 50... | -SPLIT- | | 16,751.60 | 249,118.42 |
| Check | 03/02/2015 | 2580 | DKF Soutlions Group, LLC | Inv # 11914 February 2015 | 0675 - Safety Service | | 1,350.00 | 247,768.42 |
| Check | 03/02/2015 | 2581 | Tulelake | Reimbursement for travel to board meeting | 0605 - B of D Activities | | 178.25 | 247,590.17 |
| Check | 03/02/2015 | 2582 | Biggs | Loss Control Grant Fund | Grant Fund Program | | 2,395.00 | 245,195.17 |
| Check | 03/02/2015 | 2583 | Crescent City | Dividend | Dividends Payable | | 11,885.00 | 233,310.17 |
| Check | 03/02/2015 | 2584 | Williams | Dividend | Dividends Payable | | 107,742.00 | 125,568.17 |
| Check | 03/02/2015 | 2585 | Loyalton | Loss Control Grant Funds | Grant Fund Program | | 2,000.00 | 123,568.17 |
| Check | 03/02/2015 | 2586 | Isleton | Loss Control Grant Funds | Grant Fund Program | | 1,144.81 | 122,423.36 |

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Accrual Basis

Small Cities Organized Risk Effort Transactions by Account As of June 19, 2015

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|--------------|------------|------|-----------------------------|---|---------------------------------|------------|-----------|------------|
| Check | 03/02/2015 | 2587 | Gilbert Associates, Inc. | 29330 ENG -January 2015 | 0505 - Accounting | | 4,250.00 | 118,173.36 |
| Transfer | 03/04/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 24,749.22 | 93,424.14 |
| Transfer | 03/04/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 16,621.45 | 76,802.69 |
| Check | 03/05/2015 | 2588 | Gilbert Associates, Inc. | 29330 ENG - February 2015 | 0505 - Accounting | | 4,250.00 | 72,552.69 |
| Transfer | 03/17/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 30,155.06 | 42,397.63 |
| Transfer | 03/17/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 15,136.10 | 27,261.53 |
| Deposit | 03/17/2015 | | | Deposit | -SPLIT- | 20,272.93 | | 47,534.46 |
| Deposit | 03/17/2015 | | | Deposit | -SPLIT- | 90,214.90 | | 137,749.36 |
| Check | 03/27/2015 | 2589 | Gaia Hotel | Board Meeting 3/27/15 | 0605 - B of D Activities | | 1,166.40 | 136,582.96 |
| Check | 03/27/2015 | 2590 | York Insurance Services ... | Liability Claims Mgmt - March '15 Inv # 500012007 | 0830 -Claims Service - Vouchers | | 8,125.00 | 128,457.96 |
| Check | 03/27/2015 | 2591 | York Insurance Services ... | WC Claims Mgmt - March '15 Inv # 500012006 | 0710 - Claims Management | | 8,375.00 | 120,082.96 |
| Check | 03/27/2015 | 2592 | PARMA | Membership Dues Order # 0462020 | 0615 - Dues and Subscriptions | | 75.00 | 120,007.96 |
| Check | 03/27/2015 | 2593 | DKF Soutlions Group, LLC | Inv # 11967 - Cal OSHA Training | 0675 - Safety Service | | 23,400.00 | 96,607.96 |
| Check | 03/27/2015 | 2594 | DKF Soutlions Group, LLC | Inv # 11940 - March 2015 | 0675 - Safety Service | | 1,350.00 | 95,257.96 |
| Check | 03/27/2015 | 2595 | Yreka | Correction to Pollution Coverage | Refund of Contributions | | 11,783.00 | 83,474.96 |
| Check | 03/27/2015 | 2596 | Susanville | Reimbursement for Lexipol Inv # 13197 | 0676 - Safety Training | | 2,000.00 | 81,474.96 |
| Check | 03/27/2015 | 2597 | Yreka | Contribution correction for Ex Mod Error | Refund of Contributions | | 10,437.00 | 71,037.96 |
| Deposit | 03/31/2015 | | | Interest | SVB | 13.86 | | 71,051.82 |
| Deposit | 04/02/2015 | | | Deposit | -SPLIT- | 59,590.97 | | 130,642.79 |
| Transfer | 04/03/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 18,401.56 | 112,241.23 |
| Transfer | 04/03/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 10,860.04 | 101,381.19 |
| Transfer | 04/13/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 48,117.08 | 53,264.11 |
| Check | 04/15/2015 | eft | Harland Checks | Check Supplies | 0645 - Office Supplies | | 52.03 | 53,212.08 |
| Transfer | 04/21/2015 | | | Funds Transfer | 0150 - LAIF | 200,000.00 | | 253,212.08 |
| Transfer | 04/21/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 40,629.53 | 212,582.55 |
| Transfer | 04/21/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 35,251.86 | 177,330.69 |
| Deposit | 04/21/2015 | | | Deposit | 12000 - Undeposited Funds | 6,624.00 | | 183,954.69 |
| General J... | 04/30/2015 | GAI | | Void stale checks # 2491 & 2492 | 0615 - Dues and Subscriptions | 200.00 | | 184,154.69 |
| Deposit | 04/30/2015 | | | Interest | SVB | 7.78 | | 184,162.47 |
| Transfer | 05/05/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 21,464.97 | 162,697.50 |
| Transfer | 05/05/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 31,116.80 | 131,580.70 |
| Check | 05/06/2015 | 2598 | Weed | Grant Fund | Grant Fund Program | | 4,790.58 | 126,790.12 |
| Check | 05/06/2015 | 2599 | Rio Dell | Grant Fund | Grant Fund Program | | 1,346.00 | 125,444.12 |
| Check | 05/06/2015 | 2600 | Gaia Hotel | BEO # 348651 | 0605 - B of D Activities | | 181.44 | 125,262.68 |
| Check | 05/06/2015 | 2601 | York Insurance Services ... | Inv # 500012305 WC April | 0710 - Claims Management | | 8,375.80 | 116,886.88 |
| Check | 05/06/2015 | 2602 | York Insurance Services ... | Inv # 500012134 Liability April | 0830 -Claims Service - Vouchers | | 8,125.00 | 108,761.88 |
| Check | 05/06/2015 | 2603 | DKF Soutlions Group, LLC | Inv # 11978 | 0675 - Safety Service | | 1,350.00 | 107,411.88 |
| Check | 05/06/2015 | 2604 | Champion Awards | Inv # 38629 | 0640 - Meeting Expense | | 99.24 | 107,312.64 |
| Check | 05/06/2015 | 2605 | Champion Awards | Inv # 38917 | 0640 - Meeting Expense | | 36.60 | 107,276.04 |
| Check | 05/06/2015 | 2606 | Gilbert Associates, Inc. | March 2015 - Inv # 309144 | 0505 - Accounting | | 4,250.00 | 103,026.04 |
| Check | 05/06/2015 | 2607 | Gilbert Associates, Inc. | April 2015 | 0505 - Accounting | | 4,250.00 | 98,776.04 |
| Check | 05/06/2015 | 2608 | Fort Jones | Inv # 136 | 0608 - Bookkeeping - Ft. Jones | | 2,000.00 | 96,776.04 |
| Check | 05/06/2015 | 2609 | Alliant | Treasurer Bond Inv # 332526 | 0625 - Insurance | | 575.00 | 96,201.04 |
| Check | 05/11/2015 | 2610 | York Insurance Services ... | WC Claims Admin - May 2015 Inv # 500012368 | 0710 - Claims Management | | 8,375.80 | 87,825.24 |
| Check | 05/11/2015 | 2611 | York Insurance Services | Laib Claims Admin - May 2015 Inv # 500012369 | 0830 -Claims Service - Vouchers | | 8,125.00 | 79,700.24 |
| Transfer | 05/20/2015 | | | Funds Transfer | 0106-010 Trust - Liab _SVB | | 23,399.49 | 56,300.75 |
| Transfer | 05/20/2015 | | | Funds Transfer | 0106-020 Trust - WC - SVB | | 21,160.14 | 35,140.61 |
| Deposit | 06/02/2015 | | | Deposit | -SPLIT- | 304,812.58 | | 339,953.19 |
| Check | 06/18/2015 | 2612 | DKF Soutlions Group, LLC | Inv # 12042, 12038, 12028, 12008, 11773 | -SPLIT- | | 12,837.17 | 327,116.02 |

11:01 AM

06/19/15

Accrual Basis

**Small Cities Organized Risk Effort
Transactions by Account
As of June 19, 2015**

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|----------------------------------|------------|------|--------------------------|---|---------------------------------|---------------------|---------------------|-------------------|
| Check | 06/18/2015 | 2613 | Gaia Hotel | Deposit for October 28 & 29, 2015 Meeting | 0605 - B of D Activities | | 300.00 | 326,816.02 |
| Check | 06/18/2015 | 2614 | PARMA | Order # 051060 | 0615 - Dues and Subscriptions | | 150.00 | 326,666.02 |
| Check | 06/18/2015 | 2615 | York Insurance Services | Inv # 500012715 - WC Claims Admin June 2015 | 0710 - Claims Management | | 8,375.80 | 318,290.22 |
| Check | 06/18/2015 | 2616 | York Insurance Services | Inv # 500012716 Liab Claim Admin June 2015 | 0830 -Claims Service - Vouchers | | 8,125.00 | 310,165.22 |
| Check | 06/18/2015 | 2617 | Gilbert Associates, Inc. | May 2015 Inv # 309965 | 0505 - Accounting | | 4,250.00 | 305,915.22 |
| Total 0100-010 Scott Valley Bank | | | | | | 3,642,792.05 | 3,556,616.40 | 305,915.22 |
| Total 0100 - CASH IN BANK | | | | | | 3,642,792.05 | 3,556,616.40 | 305,915.22 |
| TOTAL | | | | | | 3,642,792.05 | 3,556,616.40 | 305,915.22 |

Monthly Account Statement

Small Cities Organized Risk Effort

March 1, 2015 through March 31, 2015

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Linda Brimm
+(314)-418-3441

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

| | |
|--------------------------|----------|
| Average Duration | 2.44 |
| Average Coupon | 1.44 % |
| Average Purchase YTM | 1.32 % |
| Average Market YTM | 0.89 % |
| Average S&P/Moody Rating | AA+/Aa1 |
| Average Final Maturity | 2.63 yrs |
| Average Life | 2.51 yrs |

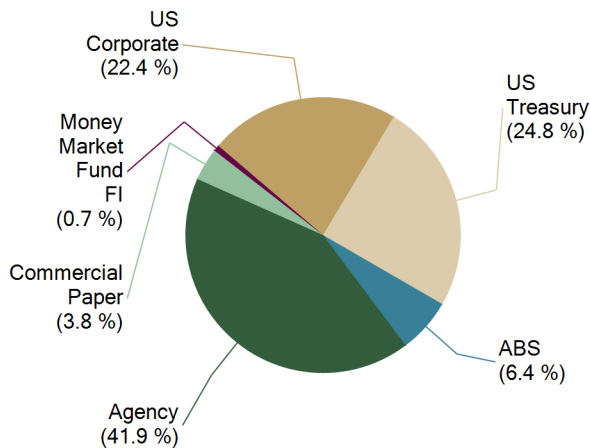
ACCOUNT SUMMARY

| | Beg. Values as of 2/28/15 | End Values as of 3/31/15 |
|---------------------------|------------------------------|-----------------------------|
| Market Value | 10,826,692 | 10,866,979 |
| Accrued Interest | 36,884 | 34,610 |
| Total Market Value | 10,863,576 | 10,901,590 |
| Income Earned | 11,411 | 11,701 |
| Cont/WD | | -1,192 |
| Par | 10,742,412 | 10,755,891 |
| Book Value | 10,762,741 | 10,775,523 |
| Cost Value | 10,792,744 | 10,806,632 |

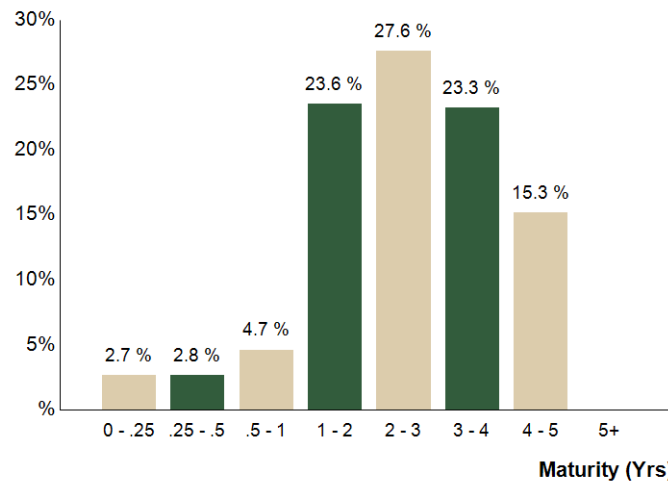
TOP ISSUERS

| Issuer | % Portfolio |
|---------------------------------|---------------|
| Government of United States | 24.8 % |
| Federal National Mortgage Assoc | 17.6 % |
| Federal Home Loan Mortgage Corp | 11.8 % |
| Federal Home Loan Bank | 10.0 % |
| Federal Farm Credit Bank | 2.6 % |
| Procter & Gamble Company | 2.5 % |
| Bank of Tokyo-Mit UFJ | 2.0 % |
| Toyota ABS | 2.0 % |
| | 73.2 % |

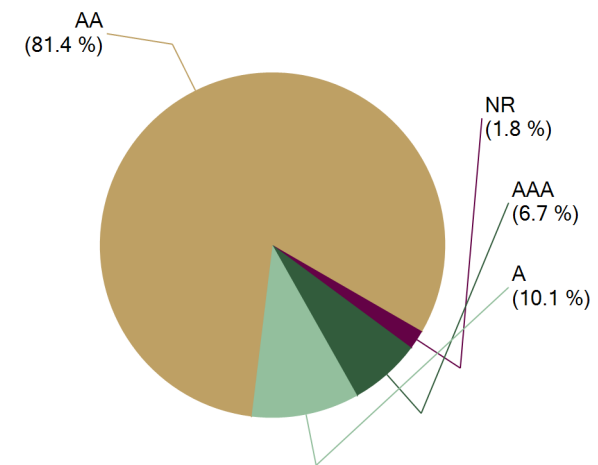
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

| Total Rate of Return As of 3/31/2015 | Current Month | Latest 3 Months | Year To Date | 1 Yr | Annualized | | | Since 3/31/2006 | |
|--|------------------|--------------------|-----------------|--------|------------|--------|--------|--------------------|---------|
| | | | | | 3 Yrs | 5 Yrs | 10 Yrs | | |
| Small Cities Organized Risk Effort | 0.36 % | 0.90 % | 0.90 % | 1.92 % | 1.15 % | 1.89 % | N/A | 3.62 % | 37.76 % |
| BAML 1-5 Yr US Treasury/Agency Index | 0.41 % | 0.91 % | 0.91 % | 1.90 % | 1.03 % | 1.74 % | N/A | 3.37 % | 34.72 % |
| BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index | 0.40 % | 0.94 % | 0.94 % | 1.98 % | 1.21 % | 1.93 % | N/A | 3.42 % | 35.35 % |



**Small Cities Organized Risk Effort
Joint Powers Authority
March 31, 2015**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

| Category | Standard | Comment |
|----------------------------------|---|----------------|
| U.S. Treasury Issues | No limitations | Complies |
| Government Agencies | No limitations | Complies |
| Municipal Securities | "A-" or better rated; 20% maximum; 5% per issuer; | Complies |
| Negotiable CDs | A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer | Complies |
| Banker's Acceptances | A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days | Complies |
| Commercial Paper | A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days | Complies |
| Medium Term Notes | "A-" or better rated; 30% maximum; 5% per issuer; | Complies |
| Asset-Backed Securities | AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer | Complies |
| Mortgage Pass-Through Securities | AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer | Complies |
| Money Market Funds | AAA/Aaa rated; 20% maximum; 10% per issuer | Complies |
| Repurchase Agreements | Not used by investment adviser | Complies |
| LAIF | Not used by investment adviser | Complies |
| Maximum maturity | 5 years | Complies |



Reconciliation Summary

As of 3/31/2015

| BOOK VALUE RECONCILIATION | |
|----------------------------------|------------------------|
| Beginning Book Value | \$10,762,740.53 |
| Acquisition | |
| + Security Purchases | \$285,399.70 |
| + Money Market Fund Purchases | \$35,770.18 |
| + Money Market Contributions | \$0.00 |
| + Security Contributions | \$0.00 |
| + Security Transfers | \$0.00 |
| Total Acquisitions | \$321,169.88 |
| Dispositions | |
| - Security Sales | \$0.00 |
| - Money Market Fund Sales | \$285,747.20 |
| - MMF Withdrawals | \$1,192.17 |
| - Security Withdrawals | \$0.00 |
| - Security Transfers | \$0.00 |
| - Other Dispositions | \$0.00 |
| - Maturities | \$0.00 |
| - Calls | \$0.00 |
| - Principal Paydowns | \$20,351.48 |
| Total Dispositions | \$307,290.85 |
| Amortization/Accretion | |
| +/- Net Accretion | (\$1,096.91) |
| | (\$1,096.91) |
| Gain/Loss on Dispositions | |
| +/- Realized Gain/Loss | \$0.00 |
| | \$0.00 |
| Ending Book Value | \$10,775,522.65 |

| CASH TRANSACTION SUMMARY | |
|--------------------------------|---------------------|
| BEGINNING BALANCE | \$327,785.42 |
| Acquisition | |
| Contributions | \$0.00 |
| Security Sale Proceeds | \$0.00 |
| Accrued Interest Received | \$0.00 |
| Interest Received | \$15,418.31 |
| Dividend Received | \$0.39 |
| Principal on Maturities | \$0.00 |
| Interest on Maturities | \$0.00 |
| Calls/Redemption (Principal) | \$0.00 |
| Interest from Calls/Redemption | \$0.00 |
| Principal Paydown | \$20,351.48 |
| Total Acquisitions | \$35,770.18 |
| Disposition | |
| Withdrawals | \$1,192.17 |
| Security Purchase | \$285,399.70 |
| Accrued Interest Paid | \$347.50 |
| Total Dispositions | \$286,939.37 |
| Ending Book Value | \$76,616.23 |

Monthly Account Statement

Small Cities Organized Risk Effort

April 1, 2015 through April 30, 2015

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Linda Brimm
+(314)-418-3441

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

| | |
|--------------------------|----------|
| Average Duration | 2.41 |
| Average Coupon | 1.46 % |
| Average Purchase YTM | 1.33 % |
| Average Market YTM | 0.92 % |
| Average S&P/Moody Rating | AA+/Aa1 |
| Average Final Maturity | 2.59 yrs |
| Average Life | 2.47 yrs |

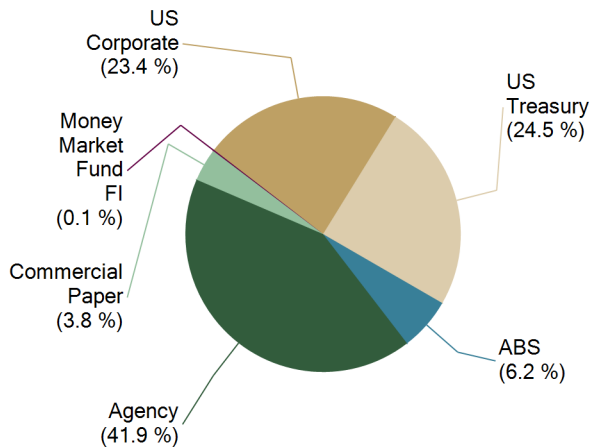
ACCOUNT SUMMARY

| | Beg. Values as of 3/31/15 | End Values as of 4/30/15 |
|---------------------------|------------------------------|-----------------------------|
| Market Value | 10,866,979 | 10,858,285 |
| Accrued Interest | 34,610 | 43,648 |
| Total Market Value | 10,901,590 | 10,901,933 |
| Income Earned | 11,701 | 11,803 |
| Cont/WD | | -1,192 |
| Par | 10,755,891 | 10,758,766 |
| Book Value | 10,775,523 | 10,777,247 |
| Cost Value | 10,806,632 | 10,809,398 |

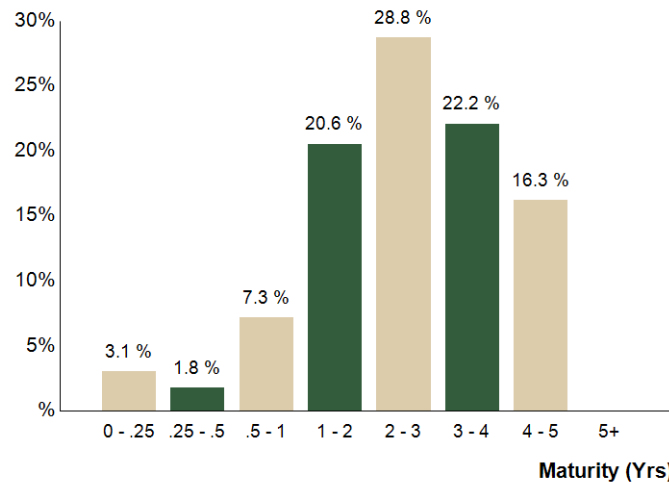
TOP ISSUERS

| Issuer | % Portfolio |
|---------------------------------|---------------|
| Government of United States | 24.5 % |
| Federal National Mortgage Assoc | 17.6 % |
| Federal Home Loan Mortgage Corp | 11.8 % |
| Federal Home Loan Bank | 10.0 % |
| Federal Farm Credit Bank | 2.6 % |
| Procter & Gamble Company | 2.5 % |
| Bank of Tokyo-Mit UFJ | 2.0 % |
| Toyota ABS | 2.0 % |
| | 72.9 % |

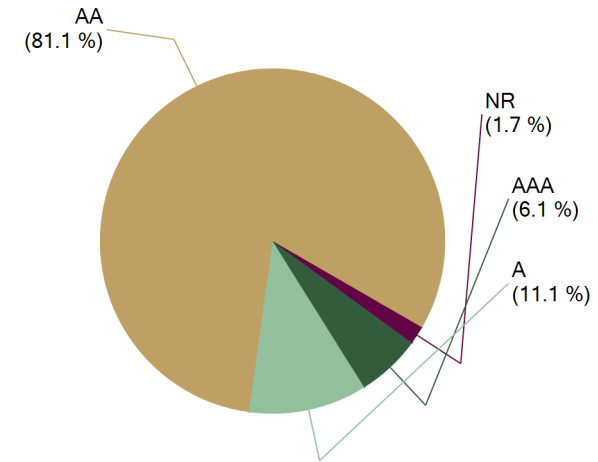
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

| Total Rate of Return As of 4/30/2015 | Current Month | Latest 3 Months | Year To Date | 1 Yr | Annualized | | | Since 3/31/2006 | Since 3/31/2006 |
|--|------------------|--------------------|-----------------|--------|------------|--------|--------|--------------------|--------------------|
| | | | | | 3 Yrs | 5 Yrs | 10 Yrs | | |
| Small Cities Organized Risk Effort | 0.01 % | 0.00 % | 0.91 % | 1.70 % | 1.02 % | 1.79 % | N/A | 3.59 % | 37.78 % |
| BAML 1-5 Yr US Treasury/Agency Index | 0.03 % | -0.05 % | 0.94 % | 1.68 % | 0.88 % | 1.66 % | N/A | 3.34 % | 34.76 % |
| BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index | 0.04 % | -0.02 % | 0.98 % | 1.75 % | 1.07 % | 1.84 % | N/A | 3.39 % | 35.41 % |



**Small Cities Organized Risk Effort
Joint Powers Authority
April 30, 2015**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

| Category | Standard | Comment |
|----------------------------------|---|----------------|
| U.S. Treasury Issues | No limitations | Complies |
| Government Agencies | No limitations | Complies |
| Municipal Securities | "A-" or better rated; 20% maximum; 5% per issuer; | Complies |
| Negotiable CDs | A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer | Complies |
| Banker's Acceptances | A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days | Complies |
| Commercial Paper | A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days | Complies |
| Medium Term Notes | "A-" or better rated; 30% maximum; 5% per issuer; | Complies |
| Asset-Backed Securities | AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer | Complies |
| Mortgage Pass-Through Securities | AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer | Complies |
| Money Market Funds | AAA/Aaa rated; 20% maximum; 10% per issuer | Complies |
| Repurchase Agreements | Not used by investment adviser | Complies |
| LAIF | Not used by investment adviser | Complies |
| Maximum maturity | 5 years | Complies |



Reconciliation Summary

As of 4/30/2015

| BOOK VALUE RECONCILIATION | |
|----------------------------------|------------------------|
| Beginning Book Value | \$10,775,522.65 |
| Acquisition | |
| + Security Purchases | \$109,937.30 |
| + Money Market Fund Purchases | \$50,481.73 |
| + Money Market Contributions | \$0.00 |
| + Security Contributions | \$0.00 |
| + Security Transfers | \$0.00 |
| Total Acquisitions | \$160,419.03 |
| Dispositions | |
| - Security Sales | \$25,168.86 |
| - Money Market Fund Sales | \$109,937.30 |
| - MMF Withdrawals | \$1,192.17 |
| - Security Withdrawals | \$0.00 |
| - Security Transfers | \$0.00 |
| - Other Dispositions | \$0.00 |
| - Maturities | \$0.00 |
| - Calls | \$0.00 |
| - Principal Paydowns | \$21,477.82 |
| Total Dispositions | \$157,776.15 |
| Amortization/Accretion | |
| +/- Net Accretion | (\$1,069.65) |
| | (\$1,069.65) |
| Gain/Loss on Dispositions | |
| +/- Realized Gain/Loss | \$150.91 |
| | \$150.91 |
| Ending Book Value | \$10,777,246.79 |

| CASH TRANSACTION SUMMARY | |
|--------------------------------|---------------------|
| BEGINNING BALANCE | \$76,616.23 |
| Acquisition | |
| Contributions | \$0.00 |
| Security Sale Proceeds | \$25,168.86 |
| Accrued Interest Received | \$89.54 |
| Interest Received | \$3,744.68 |
| Dividend Received | \$0.83 |
| Principal on Maturities | \$0.00 |
| Interest on Maturities | \$0.00 |
| Calls/Redemption (Principal) | \$0.00 |
| Interest from Calls/Redemption | \$0.00 |
| Principal Paydown | \$21,477.82 |
| Total Acquisitions | \$50,481.73 |
| Disposition | |
| Withdrawals | \$1,192.17 |
| Security Purchase | \$109,937.30 |
| Accrued Interest Paid | \$0.00 |
| Total Dispositions | \$111,129.47 |
| Ending Book Value | \$15,968.49 |

Monthly Account Statement

Small Cities Organized Risk Effort

May 1, 2015 through May 31, 2015

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Linda Brimm
+(314)-418-3441

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

| | |
|--------------------------|----------|
| Average Duration | 2.39 |
| Average Coupon | 1.44 % |
| Average Purchase YTM | 1.33 % |
| Average Market YTM | 0.94 % |
| Average S&P/Moody Rating | AA+/Aa1 |
| Average Final Maturity | 2.59 yrs |
| Average Life | 2.46 yrs |

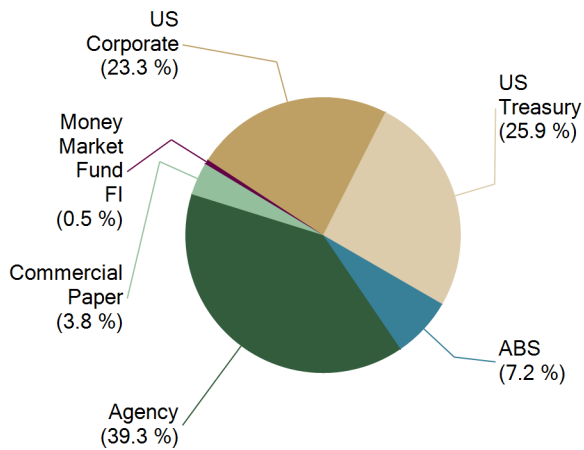
ACCOUNT SUMMARY

| | Beg. Values as of 4/30/15 | End Values as of 5/31/15 |
|---------------------------|------------------------------|-----------------------------|
| Market Value | 10,858,285 | 10,876,367 |
| Accrued Interest | 43,648 | 33,674 |
| Total Market Value | 10,901,933 | 10,910,041 |
| Income Earned | 11,803 | 11,988 |
| Cont/WD | | -1,194 |
| Par | 10,758,766 | 10,784,805 |
| Book Value | 10,777,247 | 10,800,229 |
| Cost Value | 10,809,398 | 10,830,322 |

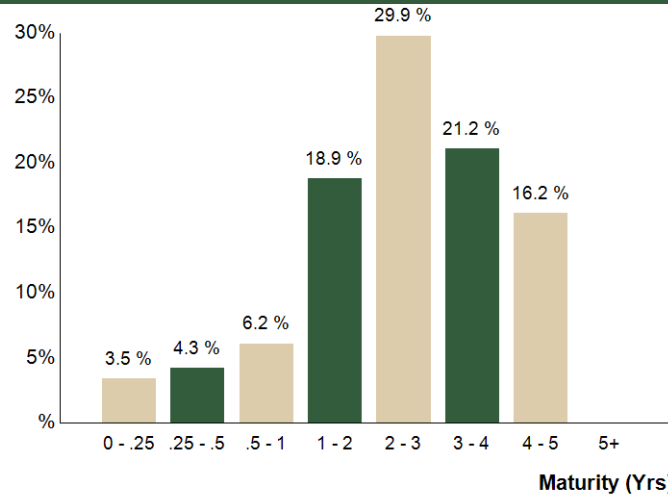
TOP ISSUERS

| Issuer | % Portfolio |
|---------------------------------|---------------|
| Government of United States | 25.9 % |
| Federal National Mortgage Assoc | 15.0 % |
| Federal Home Loan Mortgage Corp | 11.7 % |
| Federal Home Loan Bank | 10.0 % |
| Federal Farm Credit Bank | 2.6 % |
| Procter & Gamble Company | 2.4 % |
| Honda ABS | 2.2 % |
| Bank of Tokyo-Mit UFJ | 2.0 % |
| | 71.8 % |

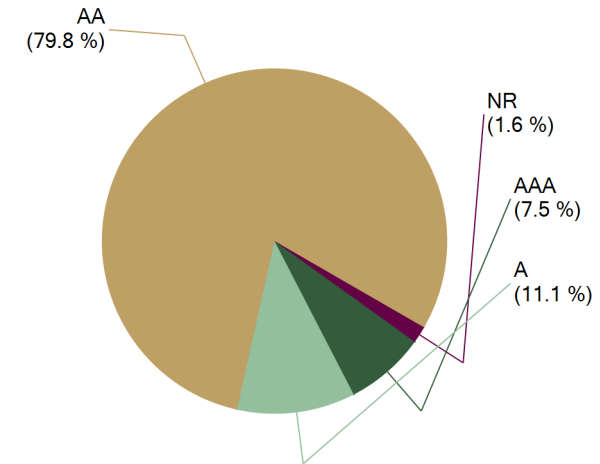
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

| Total Rate of Return As of 5/31/2015 | Current Month | Latest 3 Months | Year To Date | 1 Yr | Annualized | | | Since 3/31/2006 | |
|--|------------------|--------------------|-----------------|--------|------------|--------|--------|--------------------|---------|
| | | | | | 3 Yrs | 5 Yrs | 10 Yrs | | |
| Small Cities Organized Risk Effort | 0.09 % | 0.46 % | 1.00 % | 1.41 % | 1.01 % | 1.69 % | N/A | 3.57 % | 37.90 % |
| BAML 1-5 Yr US Treasury/Agency Index | 0.09 % | 0.53 % | 1.03 % | 1.37 % | 0.86 % | 1.53 % | N/A | 3.32 % | 34.88 % |
| BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index | 0.09 % | 0.53 % | 1.07 % | 1.42 % | 1.06 % | 1.74 % | N/A | 3.37 % | 35.53 % |



**Small Cities Organized Risk Effort
Joint Powers Authority
May 31, 2015**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

| Category | Standard | Comment |
|----------------------------------|---|----------------|
| U.S. Treasury Issues | No limitations | Complies |
| Government Agencies | No limitations | Complies |
| Municipal Securities | "A-" or better rated; 20% maximum; 5% per issuer; | Complies |
| Negotiable CDs | A-1, P-1 or F-1, or AA rated; 30% max.; 5 years maximum maturity; 5% per issuer | Complies |
| Banker's Acceptances | A1, P1 or F-1 rated; 30% maximum; 5% per issuer; <180 days | Complies |
| Commercial Paper | A-1, P1 or F-1 rated; 25% maximum; 5% per issuer; <270 days | Complies |
| Medium Term Notes | "A-" or better rated; 30% maximum; 5% per issuer; | Complies |
| Asset-Backed Securities | AAA/Aaa rated; 20% maximum with Mort. Pass-Throughs; 5% per issuer | Complies |
| Mortgage Pass-Through Securities | AAA/Aaa rated; 20% maximum with Asset Backs; 5% per issuer | Complies |
| Money Market Funds | AAA/Aaa rated; 20% maximum; 10% per issuer | Complies |
| Repurchase Agreements | Not used by investment adviser | Complies |
| LAIF | Not used by investment adviser | Complies |
| Maximum maturity | 5 years | Complies |



Reconciliation Summary

As of 5/31/2015

| BOOK VALUE RECONCILIATION | |
|----------------------------------|------------------------|
| Beginning Book Value | \$10,777,246.79 |
| Acquisition | |
| + Security Purchases | \$273,709.83 |
| + Money Market Fund Purchases | \$170,204.20 |
| + Money Market Contributions | \$0.00 |
| + Security Contributions | \$0.00 |
| + Security Transfers | \$0.00 |
| Total Acquisitions | \$443,914.03 |
| Dispositions | |
| - Security Sales | \$272,949.00 |
| - Money Market Fund Sales | \$124,980.81 |
| - MMF Withdrawals | \$1,194.17 |
| - Security Withdrawals | \$0.00 |
| - Security Transfers | \$0.00 |
| - Other Dispositions | \$0.00 |
| - Maturities | \$0.00 |
| - Calls | \$0.00 |
| - Principal Paydowns | \$22,989.73 |
| Total Dispositions | \$422,113.71 |
| Amortization/Accretion | |
| +/- Net Accretion | (\$1,031.95) |
| | (\$1,031.95) |
| Gain/Loss on Dispositions | |
| +/- Realized Gain/Loss | \$2,213.37 |
| | \$2,213.37 |
| Ending Book Value | \$10,800,228.53 |

| CASH TRANSACTION SUMMARY | |
|--------------------------------|---------------------|
| BEGINNING BALANCE | \$15,968.49 |
| Acquisition | |
| Contributions | \$0.00 |
| Security Sale Proceeds | \$272,949.00 |
| Accrued Interest Received | \$436.04 |
| Interest Received | \$22,597.25 |
| Dividend Received | \$0.43 |
| Principal on Maturities | \$0.00 |
| Interest on Maturities | \$0.00 |
| Calls/Redemption (Principal) | \$0.00 |
| Interest from Calls/Redemption | \$0.00 |
| Principal Paydown | \$22,989.73 |
| Total Acquisitions | \$318,972.45 |
| Disposition | |
| Withdrawals | \$1,194.17 |
| Security Purchase | \$273,709.83 |
| Accrued Interest Paid | \$39.23 |
| Total Dispositions | \$274,943.23 |
| Ending Book Value | \$59,997.71 |

From: support@TargetSolutions.com
To: [Michelle Minnick](#)
Subject: SCORE - Small Cities Organized Risk Effort TargetSolutions Administrative Summary
Date: Wednesday, April 01, 2015 6:50:29 AM

| Administrative Summary - March | | |
|---|---|------|
| Assignments | | |
| Completions (March 1-31) | | |
| Users with completions: | 0 | 0% |
| Total completions: | 0 | |
| Overdue Assignments (as of March 31) | | |
| Users with assignment(s) that are overdue: | 0 | 0% |
| Total overdue assignments: | 0 | |
| No Assignments (as of March 31) | | |
| Users with no assignments: | 8 | 100% |
| Users | | |
| Log-ins (March 1-31) | | |
| Users who have logged in: | 2 | 25% |
| Credentials | | |
| Users with credentials expiring next month (April): | 0 | 0% |



TargetSolutions has sent you this email because you have been designated as an administrator of SCORE - Small Cities Organized Risk Effort's TargetSolutions account.

If you would prefer not to receive this email in the future, please contact TargetSolutions' Client Services Department at 800.840.8048 or support@TargetSolutions.com.

For additional help or questions please contact us at:
10805 Rancho Bernardo Road, Suite 200
San Diego, CA 92127-5703

From: support@TargetSolutions.com
To: [Michelle Minnick](#)
Subject: SCORE - Small Cities Organized Risk Effort TargetSolutions Administrative Summary
Date: Friday, May 01, 2015 5:49:27 AM

| Administrative Summary - April | | |
|---|---|------|
| Assignments | | |
| Completions (April 1-30) | | |
| Users with completions: | 0 | 0% |
| Total completions: | 0 | |
| Overdue Assignments (as of April 30) | | |
| Users with assignment(s) that are overdue: | 0 | 0% |
| Total overdue assignments: | 0 | |
| No Assignments (as of April 30) | | |
| Users with no assignments: | 8 | 100% |
| Users | | |
| Log-ins (April 1-30) | | |
| Users who have logged in: | 0 | 0% |
| Credentials | | |
| Users with credentials expiring next month (May): | 0 | 0% |



TargetSolutions has sent you this email because you have been designated as an administrator of SCORE - Small Cities Organized Risk Effort's TargetSolutions account.

If you would prefer not to receive this email in the future, please contact TargetSolutions' Client Services Department at 800.840.8048 or support@TargetSolutions.com.

For additional help or questions please contact us at:
10805 Rancho Bernardo Road, Suite 200
San Diego, CA 92127-5703

From: support@TargetSolutions.com
To: [Michelle Minnick](#)
Subject: SCORE - Small Cities Organized Risk Effort TargetSolutions Administrative Summary
Date: Monday, June 01, 2015 5:50:36 AM

| Administrative Summary - May | | |
|--|---|------|
| Assignments | | |
| Completions (May 1-31) | | |
| Users with completions: | 0 | 0% |
| Total completions: | 0 | |
| Overdue Assignments (as of May 31) | | |
| Users with assignment(s) that are overdue: | 0 | 0% |
| Total overdue assignments: | 0 | |
| No Assignments (as of May 31) | | |
| Users with no assignments: | 8 | 100% |
| Users | | |
| Log-ins (May 1-31) | | |
| Users who have logged in: | 0 | 0% |
| Credentials | | |
| Users with credentials expiring next month (June): | 0 | 0% |



TargetSolutions has sent you this email because you have been designated as an administrator of SCORE - Small Cities Organized Risk Effort's TargetSolutions account.

If you would prefer not to receive this email in the future, please contact TargetSolutions' Client Services Department at 800.840.8048 or support@TargetSolutions.com.

For additional help or questions please contact us at:
10805 Rancho Bernardo Road, Suite 200
San Diego, CA 92127-5703

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report Utilization Summary and Analysis



SCORE

January 1, 2015 - March 31, 2015

Projected Annual Rate:

0.5%

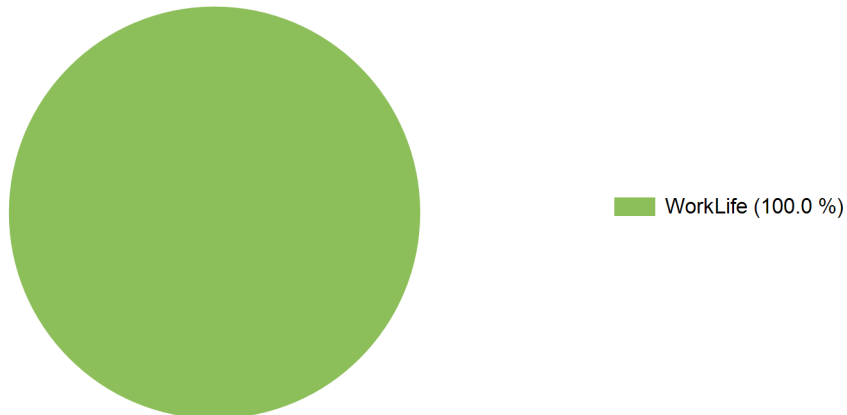
Previous Utilization Rate: 1.3%

Overall Utilization

There was 1 new contact. 1 was referred by Website.

The presenting problems were: WorkLife.

1 new contact was self-initiated.



Work/Life Utilization

In this time period there was 1 case that was opened. 100.0 % of the cases were Financial.

Homing from work is the new workplace epidemic. From child, pet and eldercare responsibilities to legal and financial concerns, 93% of employees are spending multiple hours at work each week taking care of personal and family business. ACI's comprehensive work/life benefits help employers get back that time, with professional and highly-customized referrals and resources for all employee and family member needs.

Training and Onsite Services

Training Comment:

As a value-added partner, ACI's Training Department offers consultation, support services and flexible training options to fit the various needs of any organization. This quarter, ACI was pleased to continue the Quarterly Management Training Series with How to Run Effective Meetings. Next quarter, look for the upcoming Respect in the Workplace webinar. Visit ACI's YouTube channel for 24/7 access to more trainings and popular videos. Contact ACI at 800-932-0034 and ask to speak with a member of the training team, or email us at training@acispecialtybenefits.com to learn more about training services and options available.

Newsletters

ACI provided the following HealthY-mails this quarter: Best Apps to Achieve Your Goals; 5 Ways to Maximize Productivity; 10 Tips for Financial Wellness.

Formal Referrals

The Supervisory Referral process is a powerful yet easy-to-use tool for managers to address employee behavior concerns. Examples of workplace issues that can be resolved through this process include: difficulty working with others, anger management, substance abuse, loss of productivity, absenteeism, and more.

The Supervisory Referral process reduces the amount of time managers spend dealing with workplace issues and maximizes the potential for issues to be resolved.

To begin a Supervisory Referral, or for more information or consultation, contact the ACI Clinical Department at 800-932-0034.

Number of Formal Referrals: 0
Number of Informal Referrals: 0

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report

Utilization Hours

| | |
|--|-------------|
| Consultation: Work/Life & Concierge | 2.00 |
| Consultation: Supervisor, Management and Outside Consultants | 4.00 |
| Total Program Hours this Period: | 6.00 |

Utilization Comments

ACI understands what an important investment benefits programs are for every organization. To help our customers drive utilization and maximize ROI, ACI is excited to introduce MacroLife, a gamified platform for benefits engagement. MacroLife integrates ACI's current benefit offerings – Employee Assistance (EAP), Wellness, and Concierge – with each customer's full suite of additional benefits and corporate initiatives. Seamlessly integrated technology, customizable perks and services, and points and rewards for benefits participation help maximize employee performance and increase the value of benefits. ACI encourages all customers to speak with ACI's dedicated account management team for more information about increasing EAP utilization and enhancing their current benefits package with MacroLife.

From 1/1/2015 to 3/31/2015, SCORE achieved an annualized utilization rate of 0.5%. With ACI's data calculated in real-time, annualized utilization rates presented in this report may be subject to a <2% variation.

This decreased from the previous Utilization period which was 1.3%.

1/1/2015 - 3/31/2015

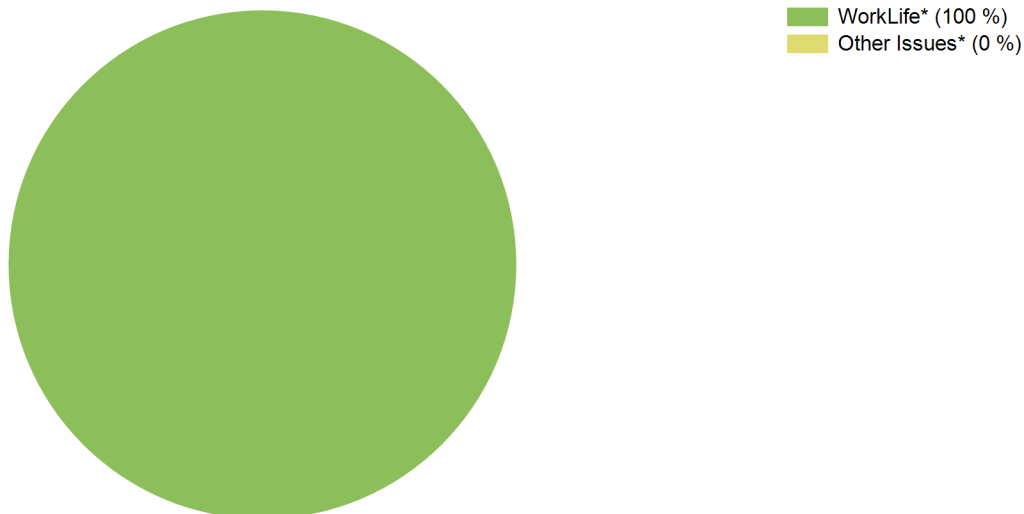
Employee Assistance Program Utilization Report

Primary Issue for Assessment

| Primary Issue | New | Previous Quarter | Year To Date |
|------------------------|-----|------------------|--------------|
| Emotional | 0 | 2 | 0 |
| Marital / Relationship | 0 | 1 | 0 |
| WorkLife* | 1 | 0 | 1 |

According to a recent study, family issues accounted for 21% of all unscheduled absences and personal needs accounted for 11% (Human Resources Management). ACI's comprehensive work/life services provide employees and their family members with the financial consultation, legal consultation, child care and elder care referrals, resources and support necessary to better manage life's everyday responsibilities while staying focused and productive at work.

New Issues this Quarter

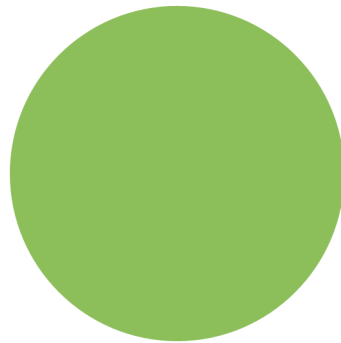


*Any WorkLife and Personal Services cases are detailed later in the report, and 'Other Issues' includes issues <1%.

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report**Primary Issue Breakout for WorkLife**

| Referral Made | New | Previous Quarter | Year To Date |
|---------------|-----|------------------|--------------|
| Financial | 1 | 0 | 1 |

New Issues this Quarter

Financial (100.0 %)

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report

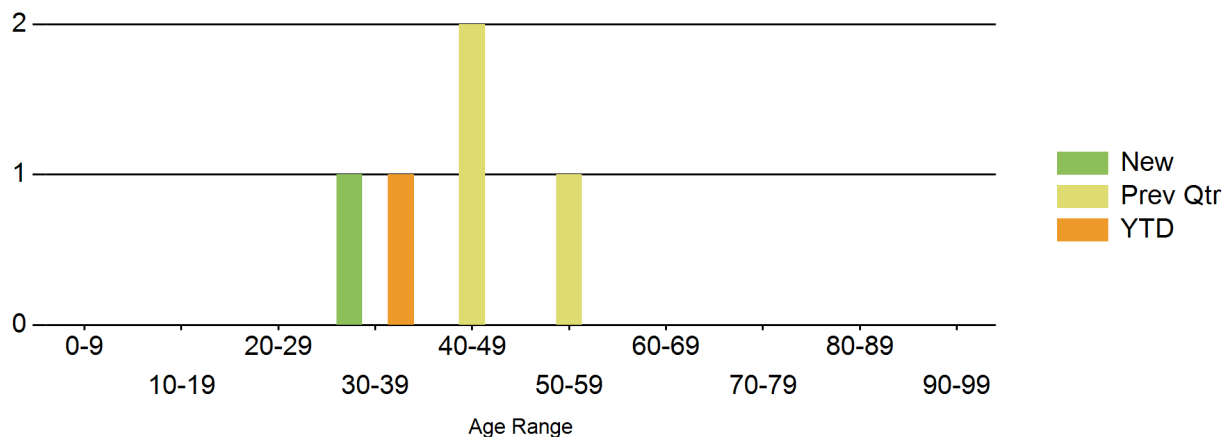
Demographic Data

| Gender | New | Previous Quarter | Year To Date |
|--------|-----|------------------|--------------|
| Female | 1 | 2 | 1 |
| Male | 0 | 1 | 0 |



Female (100 %)
 Male (0 %)

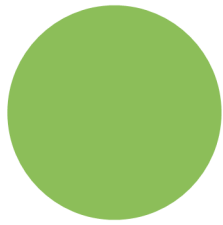
| Age Range | New | Previous Quarter | Year To Date |
|-----------|-----|------------------|--------------|
| 0-9 | 0 | 0 | 0 |
| 10-19 | 0 | 0 | 0 |
| 20-29 | 0 | 0 | 0 |
| 30-39 | 1 | 0 | 1 |
| 40-49 | 0 | 2 | 0 |
| 50-59 | 0 | 1 | 0 |
| 60-69 | 0 | 0 | 0 |
| 70-79 | 0 | 0 | 0 |
| 80-89 | 0 | 0 | 0 |
| 90-99 | 0 | 0 | 0 |



| Who is Initiating Contact with ACI | New | Previous Quarter | Year To Date |
|------------------------------------|-----|------------------|--------------|
| Self | 1 | 2 | 1 |
| Family Member | 0 | 1 | 0 |
| Other | 0 | 0 | 0 |

1/1/2015 - 3/31/2015

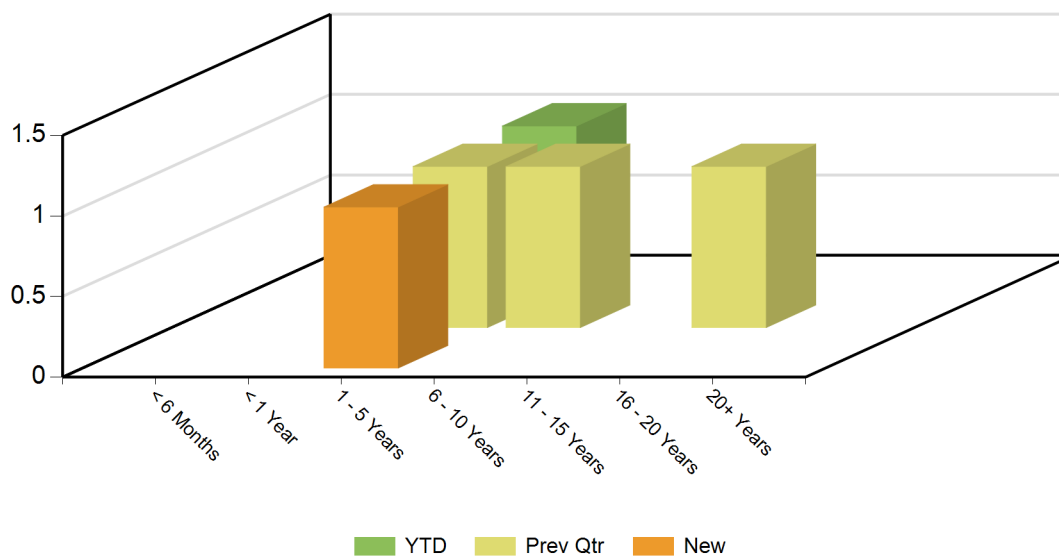
Employee Assistance Program Utilization Report



■ Self (100 %)
■ Family Member (0 %)
■ Other (0 %)

Employment Data

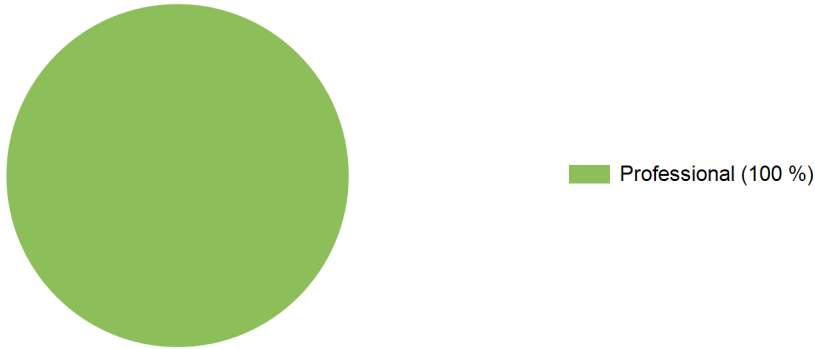
| Years Employed | New | Previous Quarter | Year To Date |
|----------------|-----|------------------|--------------|
| < 6 Months | 0 | 0 | 0 |
| < 1 Year | 0 | 0 | 0 |
| 1 - 5 Years | 1 | 1 | 1 |
| 6 - 10 Years | 0 | 1 | 0 |
| 11 - 15 Years | 0 | 0 | 0 |
| 16 - 20 Years | 0 | 1 | 0 |
| 20+ Years | 0 | 0 | 0 |



| Job Category | New | Previous Quarter | Year To Date |
|--------------|-----|------------------|--------------|
| Management | 0 | 0 | 0 |
| Supervisor | 0 | 1 | 0 |
| Professional | 1 | 2 | 1 |
| Technical | 0 | 0 | 0 |
| Clerical | 0 | 0 | 0 |
| Production | 0 | 0 | 0 |
| Service | 0 | 0 | 0 |
| Sales | 0 | 0 | 0 |
| Labor | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report

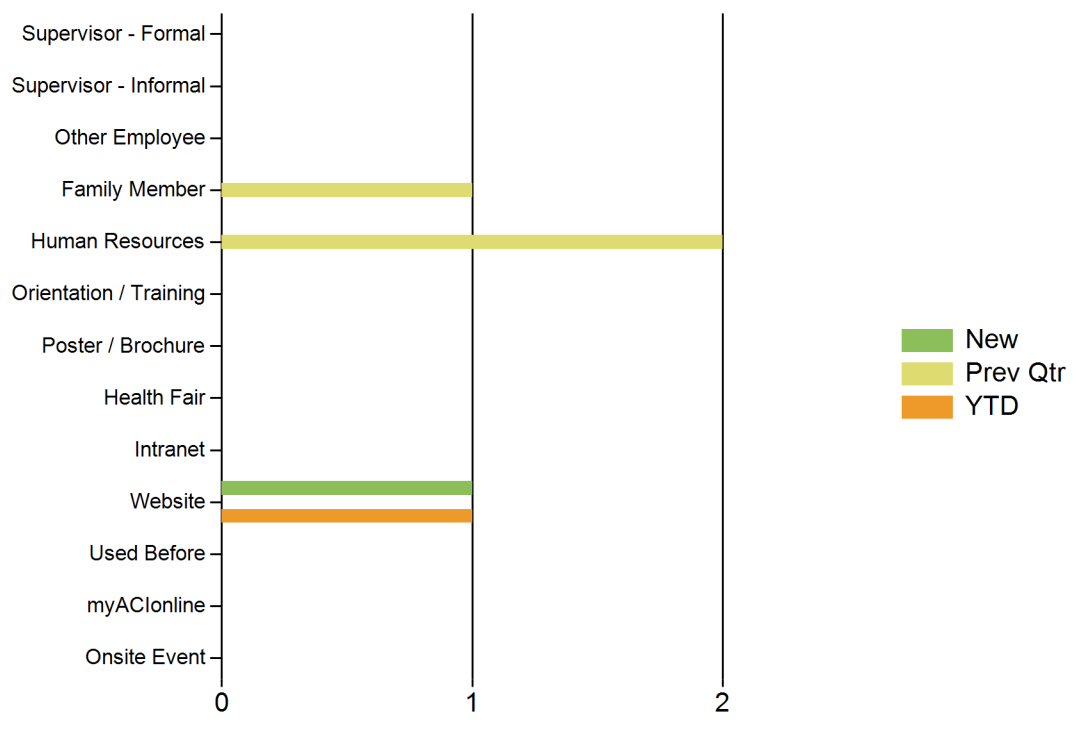


Referral Source

| Referral Source | New | Previous Quarter | Year To Date |
|------------------------|-----|------------------|--------------|
| Supervisor - Formal | 0 | 0 | 0 |
| Supervisor - Informal | 0 | 0 | 0 |
| Other Employee | 0 | 0 | 0 |
| Family Member | 0 | 1 | 0 |
| Human Resources | 0 | 2 | 0 |
| Orientation / Training | 0 | 0 | 0 |
| Poster / Brochure | 0 | 0 | 0 |
| Health Fair | 0 | 0 | 0 |
| Intranet | 0 | 0 | 0 |
| Website | 1 | 0 | 1 |
| Used Before | 0 | 0 | 0 |
| myACIonline | 0 | 0 | 0 |
| Onsite Event | 0 | 0 | 0 |

1/1/2015 - 3/31/2015

Employee Assistance Program Utilization Report





**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item G.1.

QUARTERLY FINANCIALS FOR QE MARCH 31, 2015

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for Quarter ending March 31, 2015 to the Board of Directors for their review.

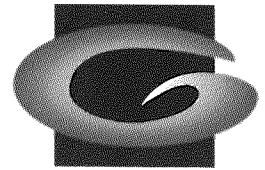
RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown.

BACKGROUND: Each quarter the Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Reports as of 03/31/15

Accountant's Compilation Report



Gilbert Associates, Inc.
CPAs and Advisors

Relax. We got this.

To the Board and Management of
Small Cities Organized Risk Effort

We have compiled the accompanying statement of net position of Small Cities Organized Risk Effort (SCORE) as of March 31, 2015 and 2014, and the related statement of revenues, expenses, and changes in net position for the quarter and nine months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of SCORE is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted statement of cash flows and the disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary combining statement of net position, combining statement of revenue, expenses, and changes in net position, liability banking layer by member, and workers' compensation banking layer by member is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted Management's Discussion and Analysis, Reconciliations of Claims Liabilities by Type of Contract, and Claims Development Information, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to SCORE.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
June 17, 2015

Small Cities Organized Risk Effort
Statement of Net Position
As of March 31, 2015 and March 31, 2014

| | Mar 31, 15 | Mar 31, 14 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| Scott Valley Bank - General | \$ 71,051.82 | \$ 470,624.48 |
| Scott Valley Bank Claims Accounts | | |
| Scott Valley Bank - Liability | 91,858.17 | 23,462.75 |
| Scott Valley Bank - Workers' Comp | 41,614.18 | 19,592.35 |
| LAIF | | |
| LAIF | 602,001.24 | 1,100,029.21 |
| Total Checking/Savings | 806,525.41 | 1,613,708.79 |
| Other Current Assets | | |
| Chandler - Investment Account | | |
| Chandler - Investments | 10,310,790.58 | 10,483,771.23 |
| Chandler - Unrealized Gain (Loss) | 60,347.69 | (47,878.81) |
| US Bank | 495,841.19 | 232,879.48 |
| Total Chandler - Investment Account | 10,866,979.46 | 10,668,771.90 |
| Interest Receivable | 34,996.44 | 42,542.80 |
| Member Accounts Receivable | 501,640.96 | 549,981.58 |
| Claim Recovery Receivable | 58,302.93 | 59,243.10 |
| Due from Claims TPA | - | 7,938.54 |
| Prepaid Expenses | 252,115.29 | 230,913.30 |
| Total Other Current Assets | 11,714,035.08 | 11,559,391.22 |
| Total Current Assets | 12,520,560.49 | 13,173,100.01 |
| TOTAL ASSETS | \$ 12,520,560.49 | \$ 13,173,100.01 |

Small Cities Organized Risk Effort
Statement of Net Position
As of March 31, 2015 and March 31, 2014

| | Mar 31, 15 | Mar 31, 14 |
|---|-------------------|-------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Claims Reserves - Current | | |
| Claims Reserves - W/C | 832,515.00 | 795,963.00 |
| Claims Reserves - Liability | 410,068.00 | 550,440.00 |
| Total Claims Payable - Current | 1,242,583.00 | 1,346,403.00 |
| Accounts Payable | 7,880.68 | 24,256.85 |
| Unearned Revenue | 368,629.05 | 357,603.71 |
| Dividend Payable to Members | 359,550.00 | 1,115,475.00 |
| Total Current Liabilities | 1,978,642.73 | 2,843,738.56 |
| Long Term Liabilities | | |
| Claims Reserves - Non-Current | | |
| Claims Reserves - W/C | 1,221,626.68 | 2,093,933.38 |
| Claims Reserves - Liability | 1,162,142.60 | 506,049.60 |
| Total Claims Payable - Non-Current | 2,383,769.28 | 2,599,982.98 |
| IBNR | | |
| IBNR Reserves - W/C | 1,728,865.00 | 1,158,879.00 |
| IBNR Reserves - Liability | 912,844.00 | 514,289.00 |
| Total IBNR | 2,641,709.00 | 1,673,168.00 |
| ULAE | | |
| ULAE - W/C | 217,625.00 | 208,284.00 |
| ULAE - Liability | 100,767.00 | 60,293.00 |
| Total ULAE | 318,392.00 | 268,577.00 |
| Total Long Term Liabilities | 5,343,870.28 | 4,541,727.98 |
| Total Liabilities | 7,322,513.01 | 7,385,466.54 |
| NET POSITION | | |
| Net Position - Workers' Compensation | | |
| Board Designated - W/C | 1,250,000.00 | 1,250,000.00 |
| Workers' Compensation Banking Layer | 1,032,936.44 | 795,573.74 |
| Net Position - Liability | | |
| Board Designated - Liability | 2,500,000.00 | 2,500,000.00 |
| Liability Banking Layer | 459,890.67 | 896,352.48 |
| Undesignated Net Position | (85,911.47) | 1,079,628.06 |
| Net Revenues Over (Under) Expenditures | 41,131.84 | (733,920.81) |
| Total Net Position | \$ 5,198,047.48 | \$ 5,787,633.47 |

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Nine Months Ended March 31, 2015 and March 31, 2014

| | <u>Jan '15 - Mar '15</u> | <u>Jul '14 - Mar '15</u> | <u>Jul '13 - Mar '14</u> |
|---|--------------------------|--------------------------|--------------------------|
| Ordinary Revenue | | | |
| Revenue | | | |
| Member Contributions | \$ 774,447.25 | \$ 2,323,343.75 | \$ 2,041,019.75 |
| Refund of Prior Year Contributions | (22,220.00) | (22,220.00) | - |
| Bank/LAIF Interest | 477.86 | 1,570.93 | 2,540.71 |
| Managed Portfolio | 38,214.88 | 114,992.19 | 126,443.80 |
| Miscellaneous Income | - | 93,718.00 | - |
| Total Operating Revenue | <u>790,919.99</u> | <u>2,511,404.87</u> | <u>2,170,004.26</u> |
| Operating Expenses | | | |
| Accreditation Fee | - | - | 4,850.00 |
| Bank Service Charges | - | 20.00 | - |
| B of D Activities | 3,154.61 | 14,985.99 | 21,753.72 |
| Cash Over/Short | | | (2.00) |
| Conference | 1,000.00 | 1,960.31 | 1,863.32 |
| Dues & Subscriptions | 75.00 | 525.00 | - |
| Insurance | - | 575.00 | - |
| Safety Services | 49,320.00 | 69,370.00 | 18,867.72 |
| Safety Training | 10,186.75 | 28,680.29 | 13,850.00 |
| User Funding Assessment (WC) | - | 31,813.15 | 20,633.82 |
| Total Administration | <u>63,736.36</u> | <u>147,929.74</u> | <u>81,816.58</u> |
| Consulting Services | | | |
| Accounting Services | 12,750.00 | 38,250.00 | 36,000.00 |
| Actuarial Study | - | 3,000.00 | - |
| Administration Costs | 56,452.75 | 169,358.25 | 173,147.25 |
| Audit Services | | | |
| Audit - Financial | - | 20,300.00 | 20,300.00 |
| Total Audit Services | <u>-</u> | <u>20,300.00</u> | <u>20,300.00</u> |
| Bookkeeping Services | 2,000.00 | 2,000.00 | - |
| Claims Services | | | |
| Claims Management -WC | 25,126.60 | 75,379.80 | 73,186.65 |
| Claims Management - Liability | 24,375.00 | 73,125.00 | 73,125.00 |
| Consulting Services | - | - | - |
| Risk Management Services | - | - | - |
| TPA - Annual Fees | 7,500.00 | 23,642.15 | 22,500.00 |
| Total Claims Services | <u>57,001.60</u> | <u>172,146.95</u> | <u>168,811.65</u> |

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Nine Months Ended March 31, 2015 and March 31, 2014

| | <u>Jan '15 - Mar '15</u> | <u>Jul '14 - Mar '15</u> | <u>Jul '13 - Mar '14</u> |
|--|--------------------------|--------------------------|--------------------------|
| Investment Fees | 3,568.51 | 9,553.10 | 10,154.06 |
| Legal | - | 3,290.26 | - |
| Total Consulting Services | <u>131,772.86</u> | <u>417,898.56</u> | <u>408,412.96</u> |
| Total General and Administrative Expenses | <u>195,509.22</u> | <u>565,828.30</u> | <u>490,229.54</u> |
| Insurance Expenses | | | |
| Insurance Premiums | 172,111.65 | 517,334.95 | 433,666.99 |
| Total Insurance Expenses | <u>172,111.65</u> | <u>517,334.95</u> | <u>433,666.99</u> |
| Claims Expenses | | | |
| Claims Payments | | | |
| Claim Payments - WC | 203,848.88 | 594,814.81 | 748,751.90 |
| Claim Payments - Liability | 185,945.48 | 868,078.13 | 276,078.26 |
| Total Claim Payments | <u>389,794.36</u> | <u>1,462,892.94</u> | <u>1,024,830.16</u> |
| Changes in Claims Liabilities | | | |
| Change in Reserves | - | (99,768.72) | 247,999.98 |
| Total Claims Expenses | <u>389,794.36</u> | <u>1,363,124.22</u> | <u>1,272,830.14</u> |
| Grant Fund Program | 5,539.81 | 54,113.11 | - |
| Dividends | - | - | 667,777.00 |
| General Contingency | | | |
| Total Expenses | <u>762,955.04</u> | <u>2,500,400.58</u> | <u>2,864,503.67</u> |
| Net Operating Revenue | 27,964.95 | 11,004.29 | (694,499.41) |
| Other Revenue (Expense) | | | |
| Investment Gain/Loss | 59,011.60 | 30,127.55 | (39,421.40) |
| Net Revenue Over (Under) Expenses | <u>\$ 86,976.55</u> | <u>\$ 41,131.84</u> | <u>\$ (733,920.81)</u> |
| Net Position, Beginning | | <u>\$ 5,156,915.64</u> | <u>\$ 6,521,554.28</u> |
| Net Position Ending | | <u>\$ 5,198,047.48</u> | <u>\$ 5,787,633.47</u> |

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Nine Months Ended March 31, 2015

| | <u>Jul '14 - Mar '15</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|------------------------------------|--------------------------|---------------------|-----------------------|--------------------|
| Ordinary Revenue | | | | |
| Revenue | | | | |
| Member Contributions | \$ 2,323,343.75 | \$ 3,158,091.00 | \$ (834,747.25) | 73.6% |
| Refund of Prior Year Contributions | (22,220.00) | - | (22,220.00) | 100.0% |
| Bank/LAIF Interest | 1,570.93 | - | 1,570.93 | 100.0% |
| Managed Portfolio | 114,992.19 | - | 114,992.19 | 100.0% |
| Miscellaneous Income | 93,718.00 | - | 93,718.00 | 100.0% |
| Total Operating Revenue | <u>2,511,404.87</u> | <u>3,158,091.00</u> | <u>(646,686.13)</u> | <u>79.5%</u> |
| Operating Expenses | | | | |
| Accreditation Fee | - | 4,850.00 | (4,850.00) | 0.0% |
| Bank Service Charges | 20.00 | 1,600.00 | (1,580.00) | 1.3% |
| B of D Activities | 14,985.99 | 25,000.00 | (10,014.01) | 59.9% |
| Conference | 1,960.31 | 19,000.00 | (17,039.69) | 10.3% |
| Contingency Reserve | - | 25,000.00 | (25,000.00) | 0.0% |
| Dues & Subscriptions | 525.00 | 1,000.00 | (475.00) | 52.5% |
| Insurance | 575.00 | 500.00 | 75.00 | 115.0% |
| Miscellaneous Expenses | - | 1,000.00 | (1,000.00) | 0.0% |
| Safety Services | 69,370.00 | 76,000.00 | (6,630.00) | 91.3% |
| Safety Training | 28,680.29 | 50,000.00 | (21,319.71) | 57.4% |
| User Funding Assessment (WC) | 31,813.15 | 22,000.00 | 9,813.15 | 144.6% |
| Total Administration | <u>147,929.74</u> | <u>225,950.00</u> | <u>(78,020.26)</u> | <u>65.5%</u> |
| Consulting Services | | | | |
| Accounting Services | 38,250.00 | 51,000.00 | (12,750.00) | 75.0% |
| Actuarial Study | 3,000.00 | 10,000.00 | (7,000.00) | 30.0% |
| Administration Costs | 169,358.25 | 221,818.00 | (52,459.75) | 76.4% |
| Audit Services | | | | |
| Claims Audit | - | - | - | 0.0% |
| Audit - Financial | 20,300.00 | 20,300.00 | - | 100.0% |
| Total Audit Services | <u>20,300.00</u> | <u>20,300.00</u> | <u>-</u> | <u>100.0%</u> |
| Bookkeeping Services | 2,000.00 | 1,000.00 | - | 200.0% |
| Claims Services | | | | |
| Claims Management -WC | 75,379.80 | 97,582.00 | (22,202.20) | 77.2% |
| Claims Management - Liability | 73,125.00 | 97,500.00 | (24,375.00) | 75.0% |
| TPA - Annual Fees | 23,642.15 | 26,000.00 | (2,357.85) | 90.9% |
| Total Claims Services | <u>172,146.95</u> | <u>221,082.00</u> | <u>(48,935.05)</u> | <u>77.9%</u> |

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Nine Months Ended March 31, 2015

| | <u>Jul '14 - Mar '15</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|----------------------------|-----------------------------|----------------------------|--------------------|
| Investment Fees | 9,553.10 | 13,000.00 | (3,446.90) | 73.5% |
| Legal | 3,290.26 | 10,000.00 | (6,709.74) | 32.9% |
| Total Consulting Services | <u>417,898.56</u> | <u>548,200.00</u> | <u>(131,301.44)</u> | <u>76.2%</u> |
| Total General and Administrative Expense | <u>565,828.30</u> | <u>774,150.00</u> | <u>(209,321.70)</u> | <u>73.1%</u> |
| Insurance Expenses | | | | |
| Insurance Premiums | 517,334.95 | 650,037.00 | (132,702.05) | 79.6% |
| Total Insurance Expenses | <u>517,334.95</u> | <u>650,037.00</u> | <u>(132,702.05)</u> | <u>79.6%</u> |
| Claims Expenses | | | | |
| Claims Payments | | | | |
| Claim Payments - WC | 594,814.81 | 1,034,109.00 | (439,294.19) | 57.5% |
| Claim Payments - Liability | 868,078.13 | 702,682.00 | 165,396.13 | 123.5% |
| Total Claim Payments | <u>1,462,892.94</u> | <u>1,736,791.00</u> | <u>(273,898.06)</u> | <u>84.2%</u> |
| Changes in Claims Liabilities | | | | |
| Change in Reserves | (99,768.72) | - | (99,768.72) | 100.0% |
| Total Claims Expenses | <u>1,363,124.22</u> | <u>1,736,791.00</u> | <u>(373,666.78)</u> | <u>78.5%</u> |
| Grant Fund Program | 54,113.11 | - | 54,113.11 | 100.0% |
| Dividends | - | - | - | 0.0% |
| General Contingency | | | | |
| Total Expenses | <u>2,500,400.58</u> | <u>3,160,978.00</u> | <u>(661,577.42)</u> | <u>79.1%</u> |
| Net Operating Revenue | 11,004.29 | (2,887.00) | 14,891.29 | -381.2% |
| Other Revenue (Expense) | | | | |
| Investment Gain/Loss | 30,127.55 | - | 30,127.55 | 100.0% |
| Net Revenue Over (Under) Expenses | <u>\$ 41,131.84</u> | <u>\$ (2,887.00)</u> | <u>\$ 45,018.84</u> | |

SMALL CITIES ORGANIZED RISK EFFORT
 COMBINING STATEMENT OF NET POSITION
 FOR THE NINE MONTHS ENDED MARCH 30, 2015

| ASSETS | <u>Liability</u> | <u>Workers' Compensation</u> | <u>Other Programs</u> | <u>Total</u> |
|---|------------------|----------------------------------|-----------------------|------------------|
| Current Assets | | | | |
| Cash & equivalents | 728,266 | 79,132 | (871) | 806,527 |
| Accrued Interest | 17,498 | 17,498 | - | 34,996 |
| Investments maturing within one year | 531,877 | 573,897 | - | 1,105,774 |
| Contributions receivable | 437,923 | 63,718 | - | 501,641 |
| Other receivable | - | 58,303 | - | 58,303 |
| Prepaid assets | 79,350 | 78,308 | 94,457 | 252,115 |
| Total Current Assets | <u>1,794,914</u> | <u>870,856</u> | <u>93,586</u> | <u>2,759,356</u> |
| Noncurrent Assets | | | | |
| Investments | 4,695,140 | 5,066,065 | - | 9,761,205 |
| Total Noncurrent Assets | <u>4,695,140</u> | <u>5,066,065</u> | <u>-</u> | <u>9,761,205</u> |
| Total Assets | 6,490,054 | 5,936,921 | 93,586 | 12,520,561 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 3,940 | 3,940 | - | 7,880 |
| Dividend Payable | 176,482 | 183,069 | - | 359,551 |
| Deferred Revenue | 368,629 | - | - | 368,629 |
| Unpaid claims and claim adjustment expense current portion | 832,515 | 410,068 | - | 1,242,583 |
| Total Current Liabilities | <u>1,381,566</u> | <u>597,077</u> | <u>-</u> | <u>1,978,643</u> |
| Noncurrent Liabilities | | | | |
| Unpaid claims and claims adjustments | 2,175,754 | 3,168,117 | - | 5,343,870 |
| Total Noncurrent Liabilities | <u>2,175,754</u> | <u>3,168,117</u> | <u>-</u> | <u>5,343,870</u> |
| Total Liabilities | <u>3,557,320</u> | <u>3,765,194</u> | <u>-</u> | <u>7,322,513</u> |
| NET POSITION | <u>2,932,734</u> | <u>2,171,727</u> | <u>93,586</u> | <u>5,198,048</u> |

SMALL CITIES ORGANIZED RISK EFFORT
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE NINE MONTHS ENDED MARCH 31 , 2015

| REVENUES: | Liability | Workers' Compensation | EPLI, EAP, & Property (Other Programs) | Total |
|--------------------------------|-------------------------|--------------------------|--|-------------------------|
| Contributions | 861,989 | 1,187,598 | 273,757 | 2,323,344 |
| Other income (ERMA Refund) | - | - | 71,498 | 71,498 |
| Total Revenues | <u>861,989</u> | <u>1,187,598</u> | <u>345,255</u> | <u>2,394,842</u> |
| EXPENSES: | | | | |
| Operating | | | | |
| Claims expense | 1,337,793 | 25,331 | | 1,363,124 |
| Excess insurance | 84,296 | 162,126 | 270,913 | 517,335 |
| Program Administration | 124,140 | 45,219 | | 169,359 |
| Claims Administration | 73,125 | 75,380 | | 148,505 |
| Professional Services | | | | - |
| Retro Dividends | | | | - |
| General and administrative | 144,798 | 157,280 | | 302,078 |
| Total operating expenses | <u>1,764,152</u> | <u>465,336</u> | <u>270,913</u> | <u>2,500,401</u> |
| Operating Income (Loss) | (902,163) | 722,262 | 74,342 | (105,559) |
| Nonoperating Income (Loss) | | | | |
| Investment income | <u>73,369</u> | <u>73,322</u> | - | <u>146,691</u> |
| Net Income (Loss) | (828,794) | 795,584 | 74,342 | 41,132 |
| Beginning Net Position | | | | |
| | <u>3,761,528</u> | <u>1,376,144</u> | <u>19,244</u> | <u>5,156,916</u> |
| Ending Net Position | | | | |
| | <u><u>2,932,734</u></u> | <u><u>2,171,728</u></u> | <u><u>93,586</u></u> | <u><u>5,198,048</u></u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Biggs</u> | <u>Colfax</u> | <u>Crescent City</u> | <u>Dorris</u> | <u>Dunsmuir</u> | <u>Etna</u> |
|---|---------------------|---------------------|-----------------------|--------------------|---------------------|---------------------|
| Member Contributions | | | | | | |
| Banking Layer Work Comp Contributions | \$ 5,235.75 | \$ 6,806.25 | \$ - | \$ - | \$ 7,101.00 | \$ 5,118.75 |
| Banking Layer Member Assessment | - | - | - | - | - | - |
| Total Member Contributions | <u>5,235.75</u> | <u>6,806.25</u> | <u>-</u> | <u>-</u> | <u>7,101.00</u> | <u>5,118.75</u> |
| | | | | | | |
| Total Contributions | <u>5,235.75</u> | <u>6,806.25</u> | <u>-</u> | <u>-</u> | <u>7,101.00</u> | <u>5,118.75</u> |
| | | | | | | |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Work Comp Incurred Expenses | - | - | 15,534.67 | - | 22,575.08 | - |
| Total Claims Cost | <u>-</u> | <u>-</u> | <u>15,534.67</u> | <u>-</u> | <u>22,575.08</u> | <u>-</u> |
| | | | | | | |
| Net Contributions over Expenses | <u>5,235.75</u> | <u>6,806.25</u> | <u>(15,534.67)</u> | <u>-</u> | <u>(15,474.08)</u> | <u>5,118.75</u> |
| | | | | | | |
| Beginning Banking Layer Equity: July 1, 2014 | <u>15,614.00</u> | <u>29,636.23</u> | <u>(5,997.56)</u> | <u>5,577.21</u> | <u>49,000.04</u> | <u>11,065.00</u> |
| | | | | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u>\$ 20,849.75</u> | <u>\$ 36,442.48</u> | <u>\$ (21,532.23)</u> | <u>\$ 5,577.21</u> | <u>\$ 33,525.96</u> | <u>\$ 16,183.75</u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Fort Jones</u> | <u>Ione</u> | <u>Live Oak</u> | <u>Loomis</u> | <u>Loyalton</u> | <u>Montague</u> |
|---|------------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|------------------------------|
| Member Contributions | | | | | | |
| Banking Layer Work Comp Contributions | \$ 3,357.75 | \$ - | \$ 13,818.00 | \$ 9,661.50 | \$ 2,094.00 | \$ 4,358.25 |
| Banking Layer Member Assessment | - | - | - | - | - | - |
| Total Member Contributions | <u>3,357.75</u> | <u>-</u> | <u>13,818.00</u> | <u>9,661.50</u> | <u>2,094.00</u> | <u>4,358.25</u> |
| | | | | | | |
| Total Contributions | <u>3,357.75</u> | <u>-</u> | <u>13,818.00</u> | <u>9,661.50</u> | <u>2,094.00</u> | <u>4,358.25</u> |
| | | | | | | |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Work Comp Incurred Expenses | 23.26 | - | (138.14) | - | - | 25,000.00 |
| Total Claims Cost | <u>23.26</u> | <u>-</u> | <u>(138.14)</u> | <u>-</u> | <u>-</u> | <u>25,000.00</u> |
| | | | | | | |
| Net Contributions over Expenses | <u><u>3,334.49</u></u> | <u><u>-</u></u> | <u><u>13,956.14</u></u> | <u><u>9,661.50</u></u> | <u><u>2,094.00</u></u> | <u><u>(20,641.75)</u></u> |
| | | | | | | |
| Beginning Banking Layer Equity: July 1, 2014 | <u>(18,647.41)</u> | <u>17,334.67</u> | <u>88,341.34</u> | <u>27,186.00</u> | <u>4,539.00</u> | <u>(4,316.50)</u> |
| | | | | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u><u>\$ (15,312.92)</u></u> | <u><u>\$ 17,334.67</u></u> | <u><u>\$ 102,297.48</u></u> | <u><u>\$ 36,847.50</u></u> | <u><u>\$ 6,633.00</u></u> | <u><u>\$ (24,958.25)</u></u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Mt. Shasta</u> | <u>Portola</u> | <u>Rio Dell</u> | <u>Shasta Lake</u> | <u>Susanville</u> | <u>Weed</u> |
|---|------------------------------|---------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|
| Member Contributions | | | | | | |
| Banking Layer Work Comp Contributions | \$ 28,687.50 | \$ 8,895.75 | \$ 12,855.00 | \$ 27,497.25 | \$ 44,765.25 | \$ 23,825.25 |
| Banking Layer Member Assessment | - | - | - | - | - | - |
| Total Member Contributions | <u>28,687.50</u> | <u>8,895.75</u> | <u>12,855.00</u> | <u>27,497.25</u> | <u>44,765.25</u> | <u>23,825.25</u> |
| Total Contributions | <u>28,687.50</u> | <u>8,895.75</u> | <u>12,855.00</u> | <u>27,497.25</u> | <u>44,765.25</u> | <u>23,825.25</u> |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Work Comp Incurred Expenses | <u>27,492.73</u> | <u>(11,330.28)</u> | <u>23,389.56</u> | <u>21,925.77</u> | <u>10,219.22</u> | <u>(35,162.71)</u> |
| Total Claims Cost | <u>27,492.73</u> | <u>(11,330.28)</u> | <u>23,389.56</u> | <u>21,925.77</u> | <u>10,219.22</u> | <u>(35,162.71)</u> |
| Net Contributions over Expenses | <u><u>1,194.77</u></u> | <u><u>20,226.03</u></u> | <u><u>(10,534.56)</u></u> | <u><u>5,571.48</u></u> | <u><u>34,546.03</u></u> | <u><u>58,987.96</u></u> |
| Beginning Banking Layer Equity: July 1, 2014 | <u>(45,235.80)</u> | <u>(16,569.01)</u> | <u>29,851.06</u> | <u>235,944.00</u> | <u>202,435.15</u> | <u>4,941.60</u> |
| Ending Banking Layer Equity: March 31, 2015 | <u><u>\$ (44,041.03)</u></u> | <u><u>\$ 3,657.02</u></u> | <u><u>\$ 19,316.50</u></u> | <u><u>\$ 241,515.48</u></u> | <u><u>\$ 236,981.18</u></u> | <u><u>\$ 63,929.56</u></u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Williams</u> | <u>Yreka</u> | <u>Total Work Comp Banking Layer</u> |
|---|---------------------|----------------------|--|
| Member Contributions | | | |
| Banking Layer Work Comp Contributions | \$ - | \$ 43,980.75 | \$ 248,058.00 |
| Banking Layer Member Assessment | - | - | - |
| Total Member Contributions | <u>-</u> | <u>43,980.75</u> | <u>248,058.00</u> |
| | | | |
| Total Contributions | <u>-</u> | <u>43,980.75</u> | <u>248,058.00</u> |
| | | | |
| Claims Cost | | | |
| Banking Layer Incurred Expense | | | |
| Work Comp Incurred Expenses | - | (17,637.68) | 81,891.48 |
| Total Claims Cost | <u>-</u> | <u>(17,637.68)</u> | <u>81,891.48</u> |
| | | | |
| Net Contributions over Expenses | <u>-</u> | <u>61,618.43</u> | <u>166,166.52</u> |
| | | | |
| Beginning Banking Layer Equity: July 1, 2014 | <u>53,759.00</u> | <u>182,311.90</u> | <u>866,769.92</u> |
| | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u>\$ 53,759.00</u> | <u>\$ 243,930.33</u> | <u>\$ 1,032,936.44</u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Biggs</u> | <u>Colfax</u> | <u>Crescent City</u> | <u>Dorris</u> | <u>Dunsmuir</u> | <u>Etna</u> |
|---|---------------------|----------------------|----------------------|---------------------|-----------------------|--------------------|
| Member Contributions | | | | | | |
| Banking Layer Liability Contributions | \$ 4,413.00 | \$ 5,992.50 | \$ - | \$ - | \$ 8,118.75 | \$ 4,037.25 |
| Banking Layer Member Assessments | - | - | - | - | - | - |
| Total Member Contributions | <u>4,413.00</u> | <u>5,992.50</u> | <u>-</u> | <u>-</u> | <u>8,118.75</u> | <u>4,037.25</u> |
| | | | | | | |
| Total Contributions | <u>4,413.00</u> | <u>5,992.50</u> | <u>-</u> | <u>-</u> | <u>8,118.75</u> | <u>4,037.25</u> |
| | | | | | | |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Liability Claim Incurred Expenses | - | 30,200.00 | - | - | 57,799.00 | - |
| Total Claims Cost | <u>-</u> | <u>30,200.00</u> | <u>-</u> | <u>-</u> | <u>57,799.00</u> | <u>-</u> |
| | | | | | | |
| Net Contributions over Expenses | <u>4,413.00</u> | <u>(24,207.50)</u> | <u>-</u> | <u>-</u> | <u>(49,680.25)</u> | <u>4,037.25</u> |
| | | | | | | |
| Beginning Banking Layer Equity: July 1, 2014 | <u>7,353.12</u> | <u>20,010.00</u> | <u>25,174.00</u> | <u>14,903.00</u> | <u>(18,379.06)</u> | <u>2,179.00</u> |
| | | | | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u>\$ 11,766.12</u> | <u>\$ (4,197.50)</u> | <u>\$ 25,174.00</u> | <u>\$ 14,903.00</u> | <u>\$ (68,059.31)</u> | <u>\$ 6,216.25</u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Fort Jones</u> | <u>Ione</u> | <u>Isleton</u> | <u>Live Oak</u> | <u>Loomis</u> | <u>Loyalton</u> |
|---|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Member Contributions | | | | | | |
| Banking Layer Liability Contributions | \$ 2,727.00 | \$ - | \$ 3,204.00 | \$ 11,249.25 | \$ 7,515.00 | \$ 1,752.00 |
| Banking Layer Member Assessments | - | - | - | - | - | - |
| Total Member Contributions | <u>2,727.00</u> | <u>-</u> | <u>3,204.00</u> | <u>11,249.25</u> | <u>7,515.00</u> | <u>1,752.00</u> |
| | | | | | | |
| Total Contributions | <u>2,727.00</u> | <u>-</u> | <u>3,204.00</u> | <u>11,249.25</u> | <u>7,515.00</u> | <u>1,752.00</u> |
| | | | | | | |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Liability Claim Incurred Expenses | - | - | - | 1,830.37 | 104,826.33 | (25,000.00) |
| Total Claims Cost | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,830.37</u> | <u>104,826.33</u> | <u>(25,000.00)</u> |
| | | | | | | |
| Net Contributions over Expenses | <u>2,727.00</u> | <u>-</u> | <u>3,204.00</u> | <u>9,418.88</u> | <u>(97,311.33)</u> | <u>26,752.00</u> |
| | | | | | | |
| Beginning Banking Layer Equity: July 1, 2014 | 15,559.00 | 36,923.00 | (54,561.93) | 46,318.25 | 2,597.62 | (10,739.00) |
| | | | | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u>\$ 18,286.00</u> | <u>\$ 36,923.00</u> | <u>\$ (51,357.93)</u> | <u>\$ 55,737.13</u> | <u>\$ (94,713.71)</u> | <u>\$ 16,013.00</u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Montague</u> | <u>Mt. Shasta</u> | <u>Portola</u> | <u>Rio Dell</u> | <u>Shasta Lake</u> | <u>Susanville</u> |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| Member Contributions | | | | | | |
| Banking Layer Liability Contributions | \$ 3,573.00 | \$ 24,669.75 | \$ 7,801.50 | \$ 10,033.50 | \$ 25,407.00 | \$ 34,824.00 |
| Banking Layer Member Assessments | - | - | - | - | - | - |
| Total Member Contributions | <u>3,573.00</u> | <u>24,669.75</u> | <u>7,801.50</u> | <u>10,033.50</u> | <u>25,407.00</u> | <u>34,824.00</u> |
| | | | | | | |
| Total Contributions | <u>3,573.00</u> | <u>24,669.75</u> | <u>7,801.50</u> | <u>10,033.50</u> | <u>25,407.00</u> | <u>34,824.00</u> |
| | | | | | | |
| Claims Cost | | | | | | |
| Banking Layer Incurred Expense | | | | | | |
| Liability Claim Incurred Expenses | <u>236.00</u> | <u>25,875.36</u> | <u>(2,190.79)</u> | <u>(9,999.00)</u> | <u>15,119.26</u> | <u>35,241.17</u> |
| Total Claims Cost | <u>236.00</u> | <u>25,875.36</u> | <u>(2,190.79)</u> | <u>(9,999.00)</u> | <u>15,119.26</u> | <u>35,241.17</u> |
| | | | | | | |
| Net Contributions over Expenses | <u><u>3,337.00</u></u> | <u><u>(1,205.61)</u></u> | <u><u>9,992.29</u></u> | <u><u>20,032.50</u></u> | <u><u>10,287.74</u></u> | <u><u>(417.17)</u></u> |
| | | | | | | |
| Beginning Banking Layer Equity: July 1, 2014 | <u>11,979.25</u> | <u>(1,348.45)</u> | <u>42,976.00</u> | <u>19,992.13</u> | <u>110,017.99</u> | <u>96,491.59</u> |
| | | | | | | |
| Ending Banking Layer Equity: March 31, 2015 | <u><u>\$ 15,316.25</u></u> | <u><u>\$ (2,554.06)</u></u> | <u><u>\$ 52,968.29</u></u> | <u><u>\$ 40,024.63</u></u> | <u><u>\$ 120,305.73</u></u> | <u><u>\$ 96,074.42</u></u> |

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by City
July 2014 through March 2015**

| | <u>Tulelake</u> | <u>Weed</u> | <u>Williams</u> | <u>Yreka</u> | <u>Total Liability Banking Layer</u> |
|---|----------------------------|---------------------------|----------------------------|-----------------------------|--|
| Member Contributions | | | | | |
| Banking Layer Liability Contributions | \$ 4,105.50 | \$ 21,256.50 | \$ - | \$ 39,967.50 | \$ 220,647.00 |
| Banking Layer Member Assessments | - | - | - | - | - |
| Total Member Contributions | <u>4,105.50</u> | <u>21,256.50</u> | <u>-</u> | <u>39,967.50</u> | <u>220,647.00</u> |
| Total Contributions | <u>4,105.50</u> | <u>21,256.50</u> | <u>-</u> | <u>39,967.50</u> | <u>220,647.00</u> |
| Claims Cost | | | | | |
| Banking Layer Incurred Expense | | | | | |
| Liability Claim Incurred Expenses | - | 22,334.87 | - | 6,184.24 | 262,456.81 |
| Total Claims Cost | <u>-</u> | <u>22,334.87</u> | <u>-</u> | <u>6,184.24</u> | <u>262,456.81</u> |
| Net Contributions over Expenses | <u><u>4,105.50</u></u> | <u><u>(1,078.37)</u></u> | <u><u>-</u></u> | <u><u>33,783.26</u></u> | <u><u>(41,809.81)</u></u> |
| Beginning Banking Layer Equity: July 1, 2014 | <u>15,654.00</u> | <u>6,121.41</u> | <u>20,461.00</u> | <u>92,018.56</u> | <u>501,700.48</u> |
| Ending Banking Layer Equity: March 31, 2015 | <u><u>\$ 19,759.50</u></u> | <u><u>\$ 5,043.04</u></u> | <u><u>\$ 20,461.00</u></u> | <u><u>\$ 125,801.82</u></u> | <u><u>\$ 459,890.67</u></u> |



DELEGATION OF INVESTMENT AUTHORITY

ACTION ITEM

ISSUE: Annually, the Board is asked to review and approve a resolution authorizing the SCORE Treasurer to invest or reinvest funds, including the sale or exchange of securities.

RECOMMENDATION: Delegate investment authority to the Treasurer by approving Resolution 15-01.

FISCAL IMPACT: None

BACKGROUND: Government Code 53607 provides for delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year, so the Board needs to re-authorize the Treasurer to invest the funds for SCORE.

ATTACHMENTS: SCORE Resolution 15-01

REFERENCE: Government Code Sections:

- 53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.
- 16429.1.(b) Notwithstanding any other law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.



RESOLUTION 15-01

RESOLUTION AUTHORIZING INVESTMENT OF MONIES

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (GC) sections 53600.6 and 53630.1); and

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the investment and reinvestment of funds accordance with the provisions of GC Sections 53607 and 16429 is in the best interest of Small Cities Organized Risk Effort.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby delegate its authority to invest and reinvest funds to the SCORE Treasurer for the period of July 1, 2015 to June 30, 2016.

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund effective immediately:

- SCORE Treasurer – Linda Romaine

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 15-01 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 26th day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCORE President

SCORE Secretary



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item G.3.a.

**PREMIUM PAYMENT PLAN REQUESTS FOR 2015/16
CITY OF TULELAKE**

ACTION ITEM

ISSUE: The City of Tulelake has provided written notice to the SCORE Program Administrators requesting an installment payment plan for their 2015/16 contributions to the Liability and Workers' Compensation Programs. The City has been a member of the Liability Program since 2011 and has requested admittance to the Workers' Compensation Program effective July 1, 2015. Approval of a payment plan for the WC Program is contingent on acceptance into the Program in the next agenda item.

RECOMMENDATION: If the Board agrees to the installment plan, the Program Administrators recommend collecting the equivalent of two (2) installments up front on July 1st, followed by 10 equal installments as outlined in the attached payment plan.

If paid in full, the total Liability premium for the City of Tulelake is \$31,237, and the Workers' Compensation premium is \$25,372.

BACKGROUND: The City of Tulelake joined SCORE in 2011 and has paid their liability premiums in full. They requested an installment premium payment plan for the 2014/15 fiscal year which the Board approved at the June 2014 meeting. They are asking for a similar arrangement for the 2015/16 fiscal year for both the Liability and Workers' Compensation Programs.

ATTACHMENTS:

1. City of Tulelake Payment Plan Request
2. Proposed Payment Plan Statement



CITY OF TULELAKE

591 Main Street
P. O. Box 847, Tulelake, CA 96134
Phone 530-667-5522 - FAX 530-667-5351
cityoftulelake@cot.net



June 11, 2015

Ms. Michelle Minnick, Account Representative
Small Cities Organized Risk Effort
1792 Tribute Rd, Ste 450
Sacramento, California 95815

Subject: Request to make monthly premium payments for the 2015-2016 fiscal year.

Dear Michelle,

The City of Tulelake would like to make monthly insurance payments for the fiscal year 2015-2016 rather than do a one-time annual payment. We are a small city and paying for an annual payment all at once impacts our cash flow for our regular operating expenses. Please have your board of directors consider this option at their next scheduled board meeting. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry A. Ebinger", with a long horizontal line extending to the right.

Henry A. Ebinger
Mayor
City of Tulelake

Small Cities Organized Risk Effort
 Premium Installment Schedule for Fiscal Year 2015/16

Member: CITY OF TULELAKE

| | | |
|--------------------------------|-----------------|-----------------|
| Total Liability Premium | | |
| | \$31,237 | |
| | | Due Date |
| Down Payment | \$5,206 | 7/1/2015 |

| | | |
|--------------------------------|-----------------|-----------------|
| Total Work Comp Premium | | |
| | \$25,372 | |
| | | Due Date |
| Down Payment | \$4,229 | 7/1/2015 |

| | | |
|--------------------------|-----------------|-----------------|
| Remaining Balance | \$26,031 | Due Date |
|--------------------------|-----------------|-----------------|

| | | |
|--------------------------|-----------------|-----------------|
| Remaining Balance | \$21,143 | Due Date |
|--------------------------|-----------------|-----------------|

| | | |
|----------------|------------|---------|
| Installment 1 | \$2,603.10 | 8/1/15 |
| Installment 2 | \$2,603.10 | 9/1/15 |
| Installment 3 | \$2,603.10 | 10/1/15 |
| Installment 4 | \$2,603.10 | 11/1/15 |
| Installment 5 | \$2,603.10 | 12/1/15 |
| Installment 6 | \$2,603.10 | 1/1/16 |
| Installment 7 | \$2,603.10 | 2/1/16 |
| Installment 8 | \$2,603.10 | 3/1/16 |
| Installment 9 | \$2,603.10 | 4/1/16 |
| Installment 10 | \$2,603.10 | 5/1/16 |

| | | |
|----------------|------------|---------|
| Installment 1 | \$2,114.30 | 8/1/15 |
| Installment 2 | \$2,114.30 | 9/1/15 |
| Installment 3 | \$2,114.30 | 10/1/15 |
| Installment 4 | \$2,114.30 | 11/1/15 |
| Installment 5 | \$2,114.30 | 12/1/15 |
| Installment 6 | \$2,114.30 | 1/1/16 |
| Installment 7 | \$2,114.30 | 2/1/16 |
| Installment 8 | \$2,114.30 | 3/1/16 |
| Installment 9 | \$2,114.30 | 4/1/16 |
| Installment 10 | \$2,114.30 | 5/1/16 |

| | |
|-------------------|--------------------|
| Total Paid | \$31,237.00 |
|-------------------|--------------------|

| | |
|-------------------|--------------------|
| Total Paid | \$25,372.00 |
|-------------------|--------------------|



**PREMIUM PAYMENT PLAN REQUESTS FOR 2015/16
CITY OF ISLETON**

ACTION ITEM

ISSUE: The City of Isleton has provided written notice to the SCORE Program Administrators requesting an installment payment plan for their 2015/16 contributions to the Liability Program.

RECOMMENDATION: If the Board agrees to the installment plan, the Program Administrators recommend collecting the equivalent of two (2) installments up front on July 1st, followed by 10 equal installments as outlined in the attached payment plan.

FISCAL IMPACT: If paid in full, the total Liability premium for the City of Isleton is \$28,052.

BACKGROUND: The City of Isleton has requested an installment premium payment plan for the 2014/15 fiscal year which the Board approved at the June 2014 meeting. They are asking for a similar arrangement for the 2015/16 fiscal year.

ATTACHMENTS:

1. City of Isleton Payment Plan Request
2. Proposed Payment Plan Statement

Marcus Beverly

From: Daniel Hinrichs <djhengineering@hughes.net>
Sent: Thursday, June 18, 2015 9:25 AM
To: Marcus Beverly
Subject: Isleton payments

Hi Marcus,

The City of Isleton is requesting a payment plan for our annual assessment. I believe that in 2 years we will be in a position to pay the entire amount annually without a payment plan. It is taken this long to get our financial mess in order.

Dan

Dan Hinrichs, P.E.
DJH Engineering
4541 Luneman Road
Placerville, CA 95667
530-626-4802
Fax 530-626-9427
djhengineering@hughes.net

**Small Cities Organized Risk Effort
 Premium Installment Schedule for Fiscal Year 2015/16**

Member: CITY OF ISLETON

| | |
|--------------------------------|-----------------|
| Total Liability Premium | \$28,052 |
|--------------------------------|-----------------|

| | | |
|---------------------|-------------------|--------------------------|
| Down Payment | \$4,675.00 | Due Date 7/1/2015 |
|---------------------|-------------------|--------------------------|

| | |
|--------------------------|-----------------|
| Remaining Balance | \$23,377 |
|--------------------------|-----------------|

| | | |
|-----------------------|-------------------|-------------------------|
| Installment 1 | \$2,337.70 | Due Date 8/1/15 |
| Installment 2 | \$2,337.70 | Due Date 9/1/15 |
| Installment 3 | \$2,337.70 | Due Date 10/1/15 |
| Installment 4 | \$2,337.70 | Due Date 11/1/15 |
| Installment 5 | \$2,337.70 | Due Date 12/1/15 |
| Installment 6 | \$2,337.70 | Due Date 1/1/16 |
| Installment 7 | \$2,337.70 | Due Date 2/1/16 |
| Installment 8 | \$2,337.70 | Due Date 3/1/16 |
| Installment 9 | \$2,337.70 | Due Date 4/1/16 |
| Installment 10 | \$2,337.70 | Due Date 5/1/16 |

| | |
|-------------------|--------------------|
| Total Paid | \$28,052.00 |
|-------------------|--------------------|



Agenda Item H.1.

TULELAKE WORKERS' COMPENSATION ADMITTANCE

ACTION ITEM

ISSUE: The City of Tulelake has requested admittance to the SCORE Workers' Compensation (WC) Program for 2015/16. They have undergone an underwriting review and have been accepted as members to SCORE's excess coverage provider, LAWCX. The LAWCX application is attached for reference and discussion at the meeting. A summary of their loss experience over the last five full fiscal years is below.

Tulelake Workers' Compensation History- State Fund

| FY Ending | 2010 | 2011 | 2012 | 2013 | 2014 | Total | Average |
|------------------|-------------|-------------|-------------|-------------|-------------|--------------|----------------|
| Incurring Losses | \$ 1,389 | \$ 76 | \$ 14,088 | \$ 206,032 | \$ 35,515 | \$257,100 | \$51,420 |
| # Of Claims | 1 | 1 | 3 | 3 | 1 | 9 | 1.8 |
| Ex Mod | 84 | 86 | 86 | 79 | 104 | | |
| Loss Ratio | 4% | 0% | 30% | 450% | 72% | | |

The City's payroll has decreased over the last five years, from \$376,000 to \$310,000. However, payroll for police has increased as the City has added a second officer. Most significantly, the city no longer has a volunteer fire department exposure as those services are now provided by a fire district.

The City went through budget difficulties from 2010 to 2012 but has reorganized and improved their financial position over the last two years. They are a member of the Liability and Property Programs and are current on payments to SCORE. They would join the Mini-Cities Pool under the WC Program.

RECOMMENDATION: Approve Tulelake as newest member of the Workers' Compensation Program

FISCAL IMPACT: Deposit premium for 2015/16 is \$26,093, including \$4,372 toward administrative expenses.

BACKGROUND: None

ATTACHMENTS:

1. Tulelake Resolution to Join SCORE WC Program
2. LAWCX Acceptance Letter
3. LAWCX Application

RESOLUTION NO. 15-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE
AUTHORIZING THE CITY TO PARTICIPATE
IN THE WORKERS' COMPENSATION PROGRAM OF
THE SMALL CITIES ORGANIZED RISK EFFORT,
A JOINT POWERS AUTHORITY**

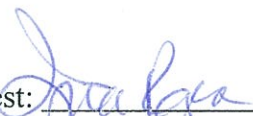
WHEREAS, the City of Tulelake is a party to the Small Cities Organized Risk Effort, a joint powers authority, also known as SCORE;

WHEREAS, SCORE provides a workers' compensation program whereby some of the parties to SCORE share their workers' compensation losses to a certain level above which SCORE transfers some or all of the risk of loss to another entity; and

WHEREAS, the City Council of the City of Tulelake believes this program to provide a potentially cost saving alternative to the purchase of insurance over time;

NOW THEREFORE BE IT RESOLVED, that the City Administrative Clerk is authorized to obtain the workers' compensation coverage for the City of Tulelake through the Workers' Compensation Program for SCORE effective as soon as possible and to execute any and all documents necessary to secure such coverage.


Henry A. Ebinger, Mayor

Attest: 
Iva Rogers, City Clerk


I HEREBY CERTIFY the foregoing Resolution No. 15-10 was introduced, passed and adopted at a regular meeting of the City Council of the City of Tulelake, County of Siskiyou, State of California, held on the 5th day of May, 2015 by the following vote:

Ayes: 5

Noes: 0

Absent: 0

Abstain: 0


Iva Rogers, City Clerk



May 7, 2015

Mr. Marcus Beverly, Administrator
SCORE
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Dear Mr. Beverly,

I am pleased to inform you that the City of Tulelake (City) has been approved for LAWCX membership. In accordance with the LAWCX Bylaws, the City will be recognized as a New Party JPA Member through SCORE. The City will have the same member retained limit as SCORE (\$250,000), with coverage effective July 1, 2015.

As soon as possible, please forward a copy of the District's Certificate of Consent to Self-Insure to my attention.

If you have questions, please contact me at (800) 541-4591 ext. 8529 or Stephanie Wells at (800) 541-4591 ext. 8537.

Regards,

A handwritten signature in black ink that reads "Beth Lyons".

Beth Lyons
Executive Director

LAW2015-050



LAWCX

LOCAL AGENCY WORKERS' COMPENSATION EXCESS JOINT POWERS AUTHORITY (LAWCX)

A California Public Agency
PROSPECTIVE NEW MEMBER APPLICATION
CHECKLIST

Thank you for your interest in the LAWCX program. To assist you in the underwriting process, below is a checklist of documents that needs to be completed and returned to LAWCX.

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Completed Application (FORM A) |
| <input checked="" type="checkbox"/> | Payroll <ul style="list-style-type: none">- Include copies of entity's State Forms DE-9 or De-166 for last six quarters- State Forms DE-9 or DE-166 must show Total Subject Wages. |
| <input checked="" type="checkbox"/> | Loss History <ul style="list-style-type: none">- For the period of 2009/10 through current- Reported per the requirements set forth in Attachment 1 |
| <input type="checkbox"/> N/A | Resolution providing coverage for volunteers (if applicable) |
| <input checked="" type="checkbox"/> | Claims audit (most recent) |
| <input checked="" type="checkbox"/> | Financial audit (most recent) |
| <input checked="" type="checkbox"/> | Actuarial study (most recent) |
| <input type="checkbox"/> N/A | Return to Work policy (if applicable) |
| <input type="checkbox"/> N/A | JPA Applicants only: <ul style="list-style-type: none">• Joint Powers Agreement and Bylaws.<ul style="list-style-type: none">○ If the prospective entity has been accredited by the California Association of Joint Powers Authorities (CAJPA), these documents do not need to be included |

PLEASE MAIL COMPLETED APPLICATION TO:

LAWCX
ATTN: BETH LYONS
c/o BICKMORE
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)
PROSPECTIVE NEW MEMBER APPLICATION (FORM A)

1. Entity/JPA Name: City of Tulelake
- Street Address: City, State, Zip Code County:
2. Entity/JPA Address: 591 Main Street Tulelake, CA 96134 Siskiyou
3. Entity/JPA Representative (Name and Title): Jenny Coelho
4. Phone Number: 530-667-5522
5. E-mail Address: cityoftulelake@cot.net
6. Type of Entity: City - Incorporated Public Agency
7. Description of Operations (include any unique risks or exposures): Provide water, sewer and garbage services to city residents. City public exposures of parks, sidewalks and other city properties.
8. Current Insurance Provider: State Compensation Insurance Fund
9. Current Coverage Period: 7/1/14 -7/1/15
10. Current Coverage Limits: Continuous Coverage-Statutory
11. Current Retained Limit: N/A
12. Reason(s) Prospective Member is Applying for Coverage Through LAWCX: Better service and reduced premiums.
13. Retained Limit Requested: \$150,000 \$250,000 \$350,000 \$500,000 \$1,000,00
14. Date of Coverage Requested: 7/1/15 or ASAP
15. Certificate of Consent to Self-Insure: Application has been submitted to the State and is in process.
- A) If your entity *is* currently self-insured, please complete the following questions. Otherwise, skip to question 15 (B).
- i) What is your entity's Self-Insured Certificate Number? _____
- ii) What is the effective date of becoming a qualified self-insured? _____
- iii) What is the coverage period? _____
- iv) Is your entity currently a member of a joint powers authority for workers' compensation coverage? Yes No
- B) If your entity is *not* currently self-insured, please provide the date your entity applied (or will apply) to become a qualified self-insurer: Applied by 2/20/2015
16. During the last five years, has any insurer (or reinsurer) canceled or refused to renew your agency's workers' compensation or employer's liability insurance? Yes No
- A) If yes, state company's name and reason(s): _____

17. Payroll:

A) Estimated Fiscal Year 2015/16 Payroll (Please refer to Attach. 2-Payroll Classification and Definition)

| Code | Classification | No. of Employees | Estimated Payroll |
|----------------------|------------------------------------|------------------|-------------------|
| 8810 | Clerical | | 67000 |
| 7382 | Bus Operators | | N/A |
| 7706 | Firefighter - Non Volunteers | | N/A |
| 7707 | Firefighter - Volunteers | | |
| 9410 | Municipal - Non-Manual Labor * | | 15000 |
| 9420 | Municipal - Manual Labor | | 130,000 |
| 7720 | Police & Sheriffs - Non-Volunteers | | 120,000 |
| 7722 | Police & Sheriffs - Volunteers | | |
| 9031 | Pest Control | | N/A |
| 9033 | Housing Authorities | | N/A |
| (other – list codes) | | | |
| | TOTAL: | | 332,000 |

B) Estimated Fiscal Year 2014/15 Payroll (Please refer to Attach. 2-Payroll Classification and Definition).

| Code | Classification | No. of Employees | Estimated Payroll |
|----------------------|------------------------------------|------------------|-------------------|
| 8810 | Clerical | | 62,000 |
| 7382 | Bus Operators | | N/A |
| 7706 | Firefighter - Non Volunteers | | N/A |
| 7707 | Firefighter - Volunteers | | |
| 9410 | Municipal - Non-Manual Labor * | | 128,000 |
| 9420 | Municipal - Manual Labor | | 11,300 |
| 7720 | Police & Sheriffs - Non-Volunteers | | 90,000 |
| 7722 | Police & Sheriffs - Volunteers | | |
| 9031 | Pest Control | | N/A |
| 9033 | Housing Authorities | | N/A |
| (other – list codes) | | | |
| | TOTAL: | | 291,300 |

*This classification includes employees engaged in laboratory work, inspectors of the Board of Health, electrical inspectors, building inspectors, meter readers, and engineers not engaged in actual construction or operation.

C) Total actual payroll for last five fiscal years, broken down by safety/non-safety:

Payroll total below must match the total of the Subject Wages on the State forms for the fiscal year ended.

| | | | | | | |
|------------|-----------|-------------------|---------------|-------------------|----------|-----------------------------|
| 2013/2014: | Safety \$ | <u>106,039.08</u> | Non-Safety \$ | <u>197,580.85</u> | Total \$ | <u>303,619.93</u> |
| 2012/2013: | Safety \$ | <u>125,602.44</u> | Non-Safety \$ | <u>197,195.30</u> | Total \$ | <u>322,797.74</u> |
| 2011/2012: | Safety \$ | <u>137,266.54</u> | Non-Safety \$ | <u>221,272.00</u> | Total \$ | <u>358,538.54</u> |
| 2010/2011: | Safety \$ | <u>149,303.24</u> | Non-Safety \$ | <u>148,316.09</u> | Total \$ | <u>297,619.33</u> |
| 2009/2010: | Safety \$ | <u>131,611.33</u> | Non-Safety \$ | <u>254,408.56</u> | Total \$ | <u>386,019.89</u> Estimated |

D) If your entity utilizes volunteer labor, list the number of volunteer personnel by safety/non-safety:

VOLUNTEER SAFETY PERSONNEL

| | | | | | | |
|------------|-----------------|----------|-----------------------|-----------|--------|-----------|
| 2013/2014: | Safety Police # | <u>1</u> | Safety-Firefighters # | <u>0</u> | Total: | <u>1</u> |
| 2012/2013: | Safety Police # | <u>1</u> | Safety-Firefighters # | <u>23</u> | Total: | <u>24</u> |
| 2011/2012: | Safety Police # | <u>1</u> | Safety-Firefighters # | <u>24</u> | Total: | <u>25</u> |
| 2010/2011: | Safety Police # | <u>1</u> | Safety-Firefighters # | <u>24</u> | Total: | <u>25</u> |
| 2009/2010: | Safety Police # | <u>1</u> | Safety-Firefighters # | <u>24</u> | Total: | <u>25</u> |

VOLUNTEER NON-SAFETY PERSONNEL None

| | | | |
|------------|---------------------|-----------------------------------|--------------------|
| 2013/2014: | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Public Works</u> | <u>Parks Beautification</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>City Hall</u> | <u>Clerical & City Events</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Library</u> | <u>Clerical</u> | <u>2</u> |
| 2012/2013: | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Public Works</u> | <u>Parks Beautification</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>City Hall</u> | <u>Clerical & City Events</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Library</u> | <u>Clerical</u> | <u>2</u> |
| 2011/2012: | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Public Works</u> | <u>Parks Beautification</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>City Hall</u> | <u>Clerical & City Events</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Library</u> | <u>Clerical</u> | <u>2</u> |
| 2010/2011: | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Public Works</u> | <u>Parks Beautification</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>City Hall</u> | <u>Clerical & City Events</u> | <u>2</u> |

| | | | |
|------------|---------------------|-----------------------------------|--------------------|
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Library</u> | <u>Clerical</u> | <u>2</u> |
| 2009/2010: | Department: | Description of Duties: | No. of Volunteers: |
| | <u>Public Works</u> | <u>Parks Beautification</u> | <u>2</u> |
| | Department: | Description of Duties: | No. of Volunteers: |
| | <u>City Hall</u> | <u>Clerical & City Events</u> | <u>2</u> |

18. If your entity utilizes volunteer or donated labor, please answer:

A) Has your entity adopted a resolution covering non-safety volunteer labor for workers' compensation?

Yes (If yes, please attach a copy of the resolution.) No

19. Average number of employees for your organization and/or each member entity over the past three years (attach additional sheet if necessary).

| | | | | |
|---------------|---------------------|----------------------|--------------------|----------------------|
| A) 2013/2014: | Full-time: <u>7</u> | Part-time: <u>10</u> | Seasonal: <u>0</u> | Volunteers: <u>6</u> |
| B) 2012/2013: | Full-time: <u>8</u> | Part-time: <u>10</u> | Seasonal: <u>0</u> | Volunteers: <u>6</u> |
| C) 2011/2012: | Full-time: <u>9</u> | Part-time: <u>10</u> | Seasonal: <u>1</u> | Volunteers: <u>6</u> |

20. Financial Evaluation – List operating budget for the current year and the past two years:

Current Year: \$1,185,861.00 Previous Year: \$1,377,785.00 Year Prior: \$1,101,387.00

21. What is your entity's philosophy on risk sharing losses? Currently a S.C.O.R.E. member for liability insurance.

22. Does your entity have enough workers' compensation reserves set aside to pay up to your anticipated self-insured retention?

Yes No Please explain: Budgeted SCIF. Will create reserve once accepted.

23. Does your budget include Incurred But Not Reported (IBNR) reserves? Yes No

24. Highest Occupancy Location. Please provide the following information for all locations with more than fifty (50) employees. If you need more space, please complete Attachment 3, Property Information (page 16).

| Physical Location Address | Occupied As | Max # of Emp. at any time | Floor #'s Occupied /Avg # of Emp. per floor | Const Type* | Year Built | Year Retrofit | Square Footage | Zip Code |
|---------------------------|-------------|---------------------------|---|-------------|------------|---------------|----------------|----------|
| N/A | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

*Construction types:

| | |
|--|---|
| A: Non-combustible frame (Steel protected with fire-rated gunite). | M: Mixed non-combustible/combustible |
| B: All reinforced concrete (aka poured-in-place concrete) | S: All steel (including metal frame construction) |
| C: Masonry construction with wood roof | FR: Fire resistive |
| D: Wood frame, include modular buildings | U: Unknown |

25. Does your entity and/or any member entities own, charter, or lease any aircraft? Yes No

| Aircraft Make | Model | Year | Type (Jet, Prop, Helicopter, Other) | Monthly Avg. Hours/Trips | Aircraft purpose? | Avg. passengers per trip |
|-------------------|--|-------------|-------------------------------------|--------------------------|-------------------|--------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Pilot Information | FAA Certificate Valid Ratings Held & Certificate # | Date Issued | Single Engine Time | Multi-Engine Time | Retractable Time | Time Last 90 Days |
| Name | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Any violations? Yes (if yes, please explain below) No

Any aircraft loss? Yes (if yes, please explain below) No

26. Does your entity and/or any member entities own any watercraft? Yes No

| How Many? | Purpose |
|-----------|--|
| 1 | Used flat bottom fishing for cleaning out sewer ponds. |

27. Has your entity adopted a Return to Work Policy? Yes No

- A) If yes, are return to work potential and target dates included in the medical treatment plan? Yes No

B) Title of person responsible for ensuring enforcement: _____

Please include a copy of your entity's policy with the application.

28. Do you provide temporary modified duty assignments to return injured employees to work? Yes No

- A) Is your temporary modified duty program successful in minimizing lost time from work? Yes No

B) How do you measure the effectiveness of returning employees to work on a temporary modified basis (i.e., comparison of monthly loss reports, benchmarking reports, etc.)?

Limited number of claims, -only clerical/office employees can return to modified duty.

29. Do you provide permanent modified duty assignments to return injured employees to work? Yes No

- A) Is your permanent modified duty program successful in minimizing lost time from work? Yes No

B) How do you measure the effectiveness of returning employees to work on a permanent modified basis (i.e. comparison of monthly loss reports, benchmarking reports, etc.)?

Only let employee return to work if 100%.

30. Do non-safety employees receive supplemental benefits, in addition to workers' compensation benefits that exceed the temporary disability amount due under the labor code (e.g. salary continuation under bargaining agreement)?

Yes No *If yes, describe:* California SDI

31. Describe employer's medical and first aid facilities:

Zee cabinet inside front entrance of Wastewater Treatment Plant building.

32. Does your entity have a safety and loss control program? *(If yes, describe below including the type and frequency of loss prevention services furnished either in-house or by an outside vendor. If services are performed by an outside vendor, include the vendor's name. In lieu of a description of the program, a copy of the policy may be attached.)* Yes No

We have an Injury and Illness Prevention Plan with a signed code of safe practices and also an Employee Communication and Safety Communication policy in place.

33. Provide details of any OSHA violation(s) within the past five years. (If more space is required, please attach additional pages). Please list date, violation, department, fine and status.

No OSHA violations have occurred.

34. Describe occupational disease exposures and the steps taken to control these exposures: (refers to silica, dusts, injurious or hazardous chemicals, caustics, fumes, radiation, communicable diseases, mold, etc.):

Public works employees are currently entering and doing work in confined space. We require an entry permit before entering, signed by the entrant and standby person. We use an atmospheric testing device to warn entrants of possible hazardous exposure.

35. Identify unusual exposures - power utilities, airports, hospitals, longshoreman/harbor workers, aircraft/helicopter/boat exposures. Describe operations:

Employee's do have some exposures to lab chemicals used in everyday sampling procedures. Hand and eye protection is to be worn at all times. Tailgate meetings are held twice a month on lab safety.

36. Identify unusual rescue capabilities within Police/Fire Departments – Diving Team, Helicopter Rescue, etc:

No unusual rescue capabilities for the Police Department.

37. Do the operations of the applicant include wrecking or demolition of structures? Yes No

If yes, describe: _____

38. In addition to the exposures identified above, please complete the checklist below, noting the percentage of payroll involved in each operation:

| Operations involving: | Yes | No | < 10% of payroll | > 10% of payroll |
|---|--------------------------|-------------------------------------|----------------------------|----------------------------|
| Asbestos | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Cable Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chemical Manufacturing | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Demolition or Tunneling | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Elevator Installation, Inspection, Service, or Repair | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Explosives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Exterminators | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gas, Oil, or Petroleum | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lead | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Logging | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mining | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Nuclear Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Railroad Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Roofing Contractors | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sawmills | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sub Aqua Operations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Trucking | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

39. Do the operations of the applicant involve exposure to heights? Yes No

40. Do the operations of the applicant involve exposure to burns? Yes No

41. Please furnish information on any substantial or unusual changes (increase or decrease) in operations under consideration that are planned or have taken place in the last five years:

Possibility of contracting out the garbage service that is being provided by the City.

42. Will your claims be handled in-house or by a third party claims administrator (TPA)? TPA

A) If by a TPA, provide name of firm: York Risk Services Group

B) Address: PO Box 619079, Roseville, CA 95661

C) How long has your entity been with this firm? N/A- new applicant

If less than three years, please list prior TPA or insurance company: State Compensation Insurance Fund

43. If your entity is a city, county, etc, please complete the following:

A) Describe the status of your management team:

i) Who represents the entity with respect to risk management? City Department Heads

B) Describe the political climate within the entity:

i) Has there been stability within your entity? Yes No

ii) Has the entity been faced with any divisive issues during the past five years? Yes No

ii) If yes, please explain below:

The City faced financial and budgetary issues during the 2010, 2011 and 2012 years, however those issues have now been resolved over the last two years.

iv) If yes, were these issues resolved? Yes No

44. If your entity is a JPA, please complete the following:

A) Describe the status of your management team:

i) What is the makeup of the Board? Member of SCORE

ii) How is the membership represented on the Board? _____

iii) What is the primary position board members hold within their respective entities? _____

iv) Are staff JPA employees or contract employees? _____

v) How does staff interact with the Board? _____

B) Describe the political climate within the entity:

- i) Has there been stability within your entity? Yes No
- ii) Has the entity been faced with any divisive issues during the past five years? Yes No
- iii) If yes, were these issues resolved? Yes No
- iv) Has there been turnover within the board outside of ordinary attrition? Yes No
- v) Have the dynamics of the membership changed over the past few years? Yes No
- vi) How many members have left the JPA over the past three years? _____
- vii) Are any members currently considering withdrawal? Yes No

45. List other JPAs of which you are a member: _____

46. If your entity was formerly a member of a JPA, please indicate why your entity has terminated membership in that JPA:

I certify that I am duly authorized to sign this application on behalf of the entity described above and that this application and all of its information and attachments are true, accurate, and complete.


Signature

3/3/2015
Date

Jenny Coelho
Name

City Administrative Clerk
Title

cityoftulelake@cot.net
Email Address

FOR USE BY LAWCX:

Date Received

Date Approved by Underwriting Comm.

Date Approved by Board



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item H.2.

**RESOLUTION 15-02 ESTABLISHING FISCAL YEAR 2015/16
BOARD OF DIRECTORS MEETING DATES**

ACTION ITEM

ISSUE: The SCORE Board of Directors is asked to review and adopt a resolution setting forth the meeting dates and locations for the 2015/16 program year for the JPA.

RECOMMENDATION: Program Administrators recommend approval of Resolution 15-02 as presented.

FISCAL IMPACT: None

BACKGROUND: Annually the Program Administrators presents a resolution to the Board with proposed dates of Board meetings and locations. Under the Brown Act, Government Code Section 54954(a), a regular meeting of the governing Board of a local agency is one where the date is established by ordinance or resolution.

SCORE has an attendance policy that will impose penalties for repeated non-attendance by a member.

ATTACHMENTS:

1. Resolution 15-02, Establishing Meeting Dates for 2015/16 Program Year
2. SCORE Attendance Policy

RESOLUTION No. 15-02

**RESOLUTION OF THE BOARD OF DIRECTORS
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
ESTABLISHING MEETING DATES FOR THE PROGRAM YEAR 2015/16**

BE IT RESOLVED THAT:

The following meeting dates are hereby established for the 2015/16 Program Year:

| | |
|---|--------------|
| Friday, August 28, 2015 commence at 10:00 a.m. | Anderson, CA |
| Thursday, October 29, 2015 commence at 10:00 a.m. | Anderson, CA |
| Friday, October 30, 2015 commence at 9:30 a.m. | Anderson, CA |
| Friday, January 29, 2016 commence at 10:00 a.m. | Anderson, CA |
| Friday, March 25, 2016 commence at 10:00 a.m. | Anderson, CA |
| Friday, June 24, 2016 commence at 10:00 a.m. | Anderson, CA |

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on June 26, 2015 in Shasta County, California, by the following vote:

AYES: _____

ATTEST:

NOES: _____

ABSTAIN: _____

Roger Carroll, SCORE President

ABSENT: _____

**SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
BOARD OF DIRECTORS
MEETING ATTENDANCE POLICY**

To ensure the unimpeded conduct of Board meetings, each SCORE Member City shall make a good faith effort to have either its designated representative, designated alternate or both in attendance at all meetings of the Board.

It is the responsibility of the representative or alternate to notify the Program Administrator of SCORE within twenty-four (24) hours of the scheduled Board meeting if neither a designated representative nor alternate from a Member City is able to attend a Board meeting.

An "Excused Absence" shall be automatically granted provided the above notice is given to the Program Administrator of SCORE within twenty-four (24) hours of the Board meeting.

If a Member City does not have either a designated representative or alternate present at a meeting of the Board, and fails to provide the proper notice, such Member City shall incur an "Unexcused Absence".

Any "Unexcused Absence", or more than two "Excused Absences" at Board of Directors meetings during a calendar year regardless of cause, shall result in a penalty fee of \$500. All penalty fees collected under this policy shall be placed into a fund and used as a credit against SCORE's general administration expenses.

This policy shall be put into full force and become **effective as of June 26, 1999**.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item H.3.

CJPRMA MEMORANDUM OF COVERAGE CHANGES

INFORMATION ITEM

ISSUE: The California Joint Powers Risk Management Authority (CJPRMA) provides excess liability coverage above the \$500,000 SCORE limit of liability. The SCORE Liability Memorandum of Coverage (MOC) is an ‘underlying’ coverage to the CJPRMA MOC. This means that the SCORE coverage is the same as provided by CJPRMA with the exception of any amending terms that are included, or excluded, in the SCORE Liability MOC. On an annual basis we review our coverage as compared to coverage provided by CJPRMA, as well as other pools in California, and make recommendations regarding potential changes.

This year CJPRMA has approved one change to their coverage that will be effective July 1, 2015, an additional condition that states:

Under no circumstances shall the Authority be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the Authority earned on investments for the time period involved.

The basis for adding this language is explained in the attached CJPRMA document and background information below. Further discussion and action will be requested when approving the SCORE MOCs.

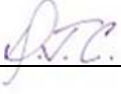
FISCAL IMPACT: None expected though will decrease SCORE’s potential exposure in the event of a coverage or related MOC contract dispute.

RECOMMENDATION: None – information only. In the next agenda item the Program Administrators recommend adding similar language to the SCORE Liability and Workers’ Compensation MOCs. Legal counsel’s recommended change is based on an arbitration award in favor of the City of Upland arising from a coverage dispute with its coverage provider, ICRMA. The city filed suit for extra contractual damages after the initial arbitration award and the case was settled for an additional payment of almost \$1.25 million from ICRMA.

ATTACHMENT: CJPRMA Board Agenda Bill – Proposed Modifications to the 2015/16 MOC

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

| | |
|---|--|
| ITEM: 7 | TITLE: PROPOSED MODIFICATION TO THE 2015-2016 MEMORANDUM OF COVERAGE EFFECTIVE JULY 1, 2015 |
| MEETING: 06/18/2015 | |
| GENERAL MANAGER:  | |

Recommended Actions:

Staff recommends that the Board of Directors approve the proposed amendment to the 2015-2016 Memorandum of Coverage (MOC) effective July 1, 2015.

Strategic Direction:

This item addresses Strategic Goal 1 Core Products and Services Innovation.

Item Explanation:

Board Counsel Byrne Conley advised the Board of Directors of a recent finding that occurred regarding the City of Upland and ICRMA. Board Counsel discussed this item at the May 21, 2015 Board of Directors meeting. Staff determined the recommended modification of current MOC language was appropriate.

Last year, ICRMA member City of Upland became involved in a coverage dispute with the pool. Coverage had been denied by the Board on a claim and the matter proceeded to an arbitration panel. We do not have the underlying information regarding the arbitration but press reports indicate that an arbitration panel found coverage for defense costs and more importantly, the City subsequently claimed consequential damages above and beyond what the Memorandum of Coverage provided – so-called “bad faith” damages that have never been awarded against a self-insurance pool. The City hired a prominent firm that specializes in suing insurers for non-contractual damages.

We do not believe that California law would or should allow an award of consequential or “bad faith” damages against a self-insurance pooling joint powers authority. This is because JPAs are non-profit public agencies explicitly exempted from the Insurance Code. Also, because of the risk sharing nature of a pooling JPA any such claim simply falls back on the members, well beyond the scope of the governing documents to which the members agreed. Nevertheless, this suit demonstrates that there is a risk that a member agency can decide to ignore the intent of the parties and seek such additional damages.

We have identified the best response against this episode is to adopt restrictive language in the Memorandum of Coverage making it clear that a member's remedy in a coverage dispute is limited to the coverage itself. This is similar to restrictions on consequential damages that are typical in computer software contracts. This merely makes explicit what is undoubtedly the members' pre-existing intent. We would add the following to:

Section VII – Conditions, part (10):

Under no circumstances shall the Authority be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the Authority earned on investments for the time period involved.

The above language was explained to the Board of Directors at the May 21, 2015 meeting. No vote was taken at that time.

The general manager recommends the Board of Directors approve the addendum language for the 2015-2016 Memorandum of Coverage.

Fiscal Impact:

1. Unknown at this time. The implementation of this addendum will have a positive effect on all members CJPRMA.

Exhibits:

1. None



MEMORANDUM OF COVERAGE (MOC) APPROVAL - LIABILITY

ACTION ITEM

ISSUE: SCORE's Liability coverage is provided by a Memorandum of Coverage (MOC). The Board annually reviews and adopts or makes changes to the MOC based on member or Program Administrator feedback and/or changes made to the excess MOC provided by CJPRMA. For 2015/16 legal counsel has suggested adding wording to the MOC's Limits of Liability and/or arbitration provisions that makes it clear SCORE will not be liable for consequential or "bad faith" damages. CJPRMA added similar language to the Conditions section of their MOC, and while the SCORE MOC follows their form unless otherwise noted, CJPRMA does not have an arbitration provision.

The Program Administrators have included the new language in both the Arbitration and Coverage Agreement sections. In addition, the PAs recommend changing the word "Insurance" to "Coverage" in Section 1, Insuring Agreement, and adding the term "Coverage" to Section 6., Other Insurance, to make it more clear the SCORE MOC does not provide "insurance".

The Program Administrators also recommend combining endorsements 1-7, for skate parks, into one endorsement listing each Member. The arbitration endorsement, with the new "bad faith" language, will change to Endorsement No. 2. Alternatively, the members could decide to add the arbitration language to the MOC itself.

RECOMMENDATION: Approve the changes to the Liability MOC as presented or amended during the meeting.

FISCAL IMPACT: None expected though will decrease SCORE's potential exposure in the event of a coverage or related MOC contract dispute.

BACKGROUND: Legal counsel's recommended change is based on an arbitration award in favor of the City of Upland arising from a coverage dispute with its coverage provider, ICRMA. The city filed suit for extra contractual damages after the initial arbitration award and the case was settled for an additional payment of almost \$1.25 million from ICRMA.

ATTACHMENTS: Draft SCORE 2015/16 Liability Memorandum of Coverage with tracked changes.



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. LIAB-1516

1. INSURING COVERAGE AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, Small Cities Organized Risk Effort (SCORE) agrees to pay on behalf of the Member City Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority Memorandum of Coverage or the CSAC-EIA Group Purchase Pollution Liability Policy, as that Policy applies to SCORE, effective concurrently with the period stated on the declarations, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability stated under Item 3a of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the California Joint Powers Risk Management Authority Memorandum of Coverage.

The Limits of Liability stated under Item 3b of the Declarations applies to each occurrence covered by the terms and conditions incorporated from the CSAC-EIA Group Purchase Pollution Liability Policy.

In the event of a coverage dispute, under no circumstances shall SCORE be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as SCORE earned on investments for the time period involved.

3. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

4. AMENDMENTS

A. Exclusion #4 and Endorsement #1 of the California Joint Powers Risk Management Authority Memorandum of Coverage do not apply to this Memorandum of Coverage and the following exclusion is effective:

- This Memorandum of Coverage does not apply to claims by a potential, present or former employee arising out of employment-related practices, policies, acts or omissions, including any violation of civil rights, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, sexual harassment, harassment, humiliation or discrimination directed at that person. This exclusion extends to claims of the spouse, child, unborn child or fetus, parent, brother or sister of that person as a consequence of injury to the person at whom any of the employment-related practices, policies, acts or omissions described above are directed. This exclusion applies to claims of negligent supervision and/or claims of failure to prevent such employment-related practices, policies, acts or omissions.
- B. This Memorandum of Coverage does not apply to claims arising out of skateboard parks.
 - C. Exclusion #14 of the California Joint Powers Risk Management Authority Memorandum of Coverage includes the following:

This exclusion shall not apply to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the *covered party* may be legally responsible.
 - D. This Memorandum of Coverage does not apply to claims arising out of paintball courses owned, operated or maintained by the member city or claims arising out of paintball parks existing on property owned or leased to the member city.

5. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS-means the ultimate net loss as defined in the Memorandum of Coverage issued by CJPRMA for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY- a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

6. OTHER COVERAGE OR INSURANCE



The coverage afforded by the Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

7. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice, either written or oral, as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to identify the Member City and fullest information obtainable at the time. If legal proceedings are begun, the Member City shall forward to the SCORE Claims Administrator each paper therein, or a copy thereof, received by the Member City or the Member City's representative, together with copies of reports or investigations with respect to such claim proceedings.

8. DEFENSE

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

9. PAYMENT OF LOSS

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

10. SUBROGATION

In the event of any payment under this Memorandum of Coverage, SCORE will be subrogated to all the Member City's rights of recovery against any person or organization and SCORE shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

11. CANCELLATION

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.



To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-165

ENDORSEMENT NO. 1

It is understood and agreed that the coverage provided under Form No LIAB-165 to the Members of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

Notwithstanding anything to the contrary, Amendment 4.B of the Memorandum of Coverage, excluding coverage for skateboard parks, does not apply to the following Member skateboard parks:

- Loyalton, California
- Miner Street Park located in Yreka, California
- 441 South Gulling Street in Portola, California.
- 1200 North Street in Susanville, California.
- 1525 Median in Shasta Lake, California.
- 9th and B Streets in Biggs, California.

Mr. Roger Carroll, President

Date



SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY
AMENDMENT TO MEMORANDUM OF COVERAGE
FORM NO. LIAB-15

ENDORSEMENT NO. 82

It is understood and agreed that the coverage provided under Form No LIAB-15 to the members of Small Cities Organized Risk Effort is amended, effective as shown below, as follows:

ARBITRATION OF COVERAGE DISPUTES

(a) Coverage Determinations

The Administrator, in conjunction with the claims adjuster, shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the *Authority's* right to deny coverage on all or part of a claim, if a loss subsequently exceeds the *retained limit*.

A decision by the Administrator to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing to the administrator within thirty (30) calendar days of the date of the Administrator's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Administrator, in conjunction with the claims adjuster, and the *covered party* will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the *covered party* must be submitted to the administrator within thirty (30) calendars days from the date of the noticed decision by the Board of Directors.

Under no circumstances shall SCORE be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum

of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

(a) **Arbitration Procedures for Resolving Disputes**

1) **Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the *Authority* or the *covered party* or *parties*.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension or chairperson grants an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the

panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

If the duty to defend is at issue, during the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

Mr. Roger Carroll, President

Date



SCORE MEMORANDUM OF COVERAGE (MOC) APPROVAL WORKERS' COMPENSATION

ACTION ITEM

ISSUE: SCORE's Workers' Compensation insurance coverage is provided by a Memorandum of Coverage (MOC). The SCORE MOC is an "Underlying" MOC that covers what the excess coverage provider, LAWCX, covers except for any language in the SCORE MOC to the contrary. The SCORE and LAWCX MOCs are reviewed on an annual basis and the SCORE MOC is updated, if needed. The Board annually adopts the Workers' Compensation MOC pending any changes.

Although legal counsel initially recommended adding "no consequential damages" language to the Liability MOC based on a liability coverage dispute, and the exposure to such a dispute is much less under Workers' Compensation coverage, counsel and the Program Administrators recommend adding similar language to the Workers' Compensation MOC in the Limits of Liability section. The attached MOC contains the new language in the suggested section.

The Program Administrators also recommend two changes to clarify coverage under the MOC.

The first is clarification that SCORE does not pay the portion of Labor Code 4850 benefits that is in excess of what would be owed for Temporary Disability benefits if 4850 did not apply. This is consistent with past and current practice of paying 4850 TD benefits and issuing a voucher to record an accounting entry for the "4850 DIFF" as York designates the additional payment above TD benefits for salary continuation. Accounting for the benefits in this manner is also a requirement of SCORE's excess coverage provider, LAWCX, since they do cover all 4850 benefits. CSAC-EIA, the coverage provider above the LAWCX \$5 million retention, does not cover the 4850 DIFF.

The second change is to the heading of Section 5 – Other Insurance. The Program Administrators recommend changing the heading to "Other **Coverage or Insurance**" to make it more clear that SCORE does not provide "insurance".

RECOMMENDATION: Review and approve the 2015/16 SCORE Workers' Compensation Memorandum of Coverage with changes noted in the attached.

FISCAL IMPACT: None.

BACKGROUND: SCORE's MOC incorporates the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) Memorandum of Coverage form. LAWCX's MOC in turn incorporates the terms and conditions of the CSAC-EIA Excess Workers' Compensation MOC. SCORE amends the adopted wording from LAWCX to exclude coverage for the salary continuation portion of Labor Code Section 4850 benefits.



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Legal counsel's recommended change is based on an arbitration award in favor of the City of Upland arising from a coverage dispute with its coverage provider, ICRMA. The city filed suit for extra contractual damages after the initial arbitration award and the case was settled for an additional payment of almost \$1.25 million from ICRMA.

ATTACHMENT(S): Draft 2015/16 Workers' Compensation MOC, with tracked changes



SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION
UNDERLYING MEMORANDUM OF COVERAGE
FORM NO. WCOM-1415

1. INSURING AGREEMENT

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, SCORE agrees to pay on behalf of the Member City loss resulting from any accident or disease covered by the terms of the Local Agency Workers' Compensation Excess Joint Powers Authority Memorandum of Coverage effective for the Coverage Period shown under Item 2 of the Declarations to this Memorandum, except as amended by the following provisions:

2. LIMITS OF LIABILITY

The Limits of Liability applicable to this Memorandum of Coverage are as stated under Items 3a and 3b of the Declarations. This Memorandum of Coverage does not include a self-insured retention.

Under no circumstances shall SCORE be liable for consequential damages, "bad faith" damages, or any sums beyond the Limit of Liability shown in the Declarations.

3. EXCLUSIONS

This Memorandum of Coverage shall not apply to benefits due to any Member City employee or volunteer under Labor Code Section 4850 except to the extent the Member would be responsible for temporary disability benefits if Labor code Section 4850 did not apply.

4. GLOSSARY

The conditions of this Memorandum of Coverage shall be applied as if the glossary of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

LOSS-means the ultimate net loss as defined in the Memorandum of Coverage issued by LAWCX for this period concurrent with the period stated in the declarations and amended by the Memorandum.

MEMBER CITY OR MEMBER ENTITY- a signatory to the Joint Powers Agreement forming the Small Cities Organized Risk Effort Joint Powers Authority. This meaning shall apply to the term Member City or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.



5. **OTHER COVERAGE OR INSURANCE**

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

6. **NOTICE OF LOSS**

Upon the happening of any occurrence likely to involve SCORE under this Memorandum of Coverage, the Member City shall give notice as soon as practicable to the Claims Administrator of SCORE. Such notice shall contain particulars sufficient to identify the Member City and provide fullest information obtainable at the time. The Member City shall forward to SCORE Claims Administrator all written notices, demands or legal papers received by the Member City or the Member City's representative, together with copies of reports or investigations, with respect to such loss.

7. **DEFENSE**

SCORE shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member City, which in the opinion of SCORE may create liability on the part of SCORE under the terms of this Memorandum of Coverage.

8. **PAYMENT OF LOSS**

Upon final determination of loss, SCORE will promptly pay on behalf of the Member City the amount of loss falling within the terms of this Memorandum of Coverage.

9. **CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SCORE.

To be valid, this agreement must be signed by either the President or Vice-President of SCORE. The Agreement will be issued by the Program Administrator.

Mr. Roger Carroll, President

Date



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item H.5.a

2015/16 PROPERTY PROGRAM RENEWAL

ACTION ITEM

ISSUE: The Board of Directors annually reviews and approves SCORE’s Property Program renewal. The SCORE Property Program is currently placed through the Alliant Property Insurance Program (APIP) which renews July 1, 2015. SCORE’s Total Insurable Values (TIV) increased 6.66% as indicated below:

| <u>Small Cities Organized Risk Effort (SCORE)</u> | <u>2014/15</u> | <u>2015/16</u> \$5,000 Deductible | <u>Variance</u> |
|---|----------------|---|-----------------|
| Total Insurable Values: | \$ 265,257,366 | \$ 282,919,616 | 6.66% |
| Premium Rate (per hundred dollars): | 0.1091832 | 0.1262574 | 15.64% |
| Total Annual Premium: | \$ 289,616.61 | \$ 357,207.02 | 23.34% |

The property market at the end of 2014 saw rates generally stable to slightly lower, with underwriters willing to give decreases based on favorable loss history. Unfortunately, that has not been the case with SCORE, as **we have experienced three years in a row with losses in excess of premiums paid** (\$320,000 in 12/13, \$325,000 in 13/14, and \$375,000 in 14/15. As a result, the SCORE rate for a \$5,000 deductible increased 15.64%. Anticipating this, we also requested a quote for a \$10,000 deductible, limiting the rate increase to 2.98%, per the table below:

| <u>Small Cities Organized Risk Effort</u> | <u>2014/15</u> | <u>2015/16</u> Proposed \$10,000 Deductible | <u>Variance</u> |
|---|----------------|---|-----------------|
| Premium Rate (per hundred dollars): | 0.1091832 | 0.1124359 | 2.98% |
| Total Annual Premium: | \$ 289,616.61 | \$ 318,103.25 | 9.84% |



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

The attached Executive Summary provides a listing of changes to the coverage for 2015/16. Most of the changes are clarifications of the policy language. There are two enhancements to the vehicle deductibles for earthquake and flood, limiting them to \$10,000 versus a sliding scale up to \$100,000. There are no new reductions or restrictions in coverage.

RECOMMENDATION: Choose the desired deductible and approve the 2015/16 Property Insurance Renewal and the 2015/16 Property Premium Deposit Calculations per the attached.

FISCAL IMPACT: The projected total premium for a \$5,000 deductible is \$357,207, and for a \$10,000 deductible the premium is \$318,103, both based on total insured values of \$265,257,366.

Please note the Property Deposit Calculations by member show a slightly higher overall premium due to the addition of more covered property after the proposal was prepared.

BACKGROUND: SCORE provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

ATTACHMENT(S):

1. Property Deposit Calculations - \$5,000 and \$10,000 Deductibles
2. Executive Summary
3. SCORE Property Proposal
4. SCORE Boiler and Machinery Proposal
5. SCORE Cyber Liability Proposal
6. SCORE Pollution Liability Proposal
7. List of Named Insureds
8. APIP Proposal Schedule of Carriers
9. TRIA Selection
10. Surplus Lines Disclosure
11. Claims Acknowledgement and Procedures

2015-2016 SCORE Property Program Budget at \$5,000 deductible

| Member Entity | Property Deductible | Real Property Values | Personal Property Values | Income/Rents | Total Values | Property Premium | Excess Property Premium | Boiler & Machinery Deductible | Excess Boiler & Machinery Premium | Contractor's Equipment Values | Contractor's Equipment Premium | Automobile Physical Damage Deductible | Automobile Physical Damage Values | Auto Physical Damage Premium |
|---------------|---------------------|----------------------|--------------------------|------------------|----------------------|------------------|-------------------------|-------------------------------|-----------------------------------|-------------------------------|--------------------------------|---------------------------------------|-----------------------------------|------------------------------|
| Rate | | | | | | 0.0832214 | \$ 0.0143438 | | 0.001243 | | 0.0716589 | | | 0.4950034 |
| Biggs | \$5,000 | 5,352,511 | 1,214,386 | 0 | 6,566,897 | \$5,465 | \$969 | \$5,000 | \$82 | 55,000 | 39 | \$5,000 | 135,250 | \$669 |
| Colfax | \$5,000 | 9,342,149 | 2,357,069 | 0 | 11,699,218 | \$9,736 | \$1,771 | \$5,000 | \$145 | 220,799 | 158 | \$5,000 | 423,381 | \$2,096 |
| Dunsmuir | \$5,000 | 12,297,251 | 1,063,862 | 18,000 | 13,379,113 | \$11,134 | \$1,919 | \$5,000 | \$166 | 0 | 0 | | 0 | \$0 |
| Etna | \$5,000 | 5,512,931 | 452,574 | 8,000 | 5,973,505 | \$4,971 | \$912 | \$5,000 | \$74 | 0 | 0 | \$5,000 | 381,388 | \$1,888 |
| Fort Jones | \$5,000 | 2,826,248 | 1,450,885 | 7,000 | 4,284,133 | \$3,565 | \$692 | \$5,000 | \$53 | 0 | 0 | \$5,000 | 540,500 | \$2,675 |
| Live Oak | \$5,000 | 28,496,468 | 9,219,616 | 131,000 | 37,847,084 | \$31,497 | \$5,475 | \$5,000 | \$470 | 0 | 0 | \$5,000 | 323,000 | \$1,599 |
| Loomis | \$5,000 | 1,576,944 | 230,230 | 0 | 1,807,174 | \$1,504 | \$302 | \$5,000 | \$22 | 0 | 0 | \$5,000 | 299,269 | \$1,481 |
| Loyalton | \$5,000 | 5,718,835 | 1,916,508 | 11,000 | 7,646,343 | \$6,363 | \$1,402 | \$5,000 | \$95 | 229,393 | 164 | \$5,000 | 1,895,463 | \$9,383 |
| Montague | \$5,000 | 7,839,237 | 3,884,919 | 0 | 11,724,156 | \$9,757 | \$1,878 | \$5,000 | \$146 | 126,000 | 90 | \$5,000 | 1,243,000 | \$6,153 |
| Mt. Shasta | \$5,000 | 8,177,375 | 2,001,421 | 35,000 | 10,213,796 | \$8,500 | \$1,465 | \$5,000 | \$127 | 0 | 0 | | 0 | \$0 |
| Portola | \$5,000 | 4,976,829 | 1,112,055 | 0 | 6,088,884 | \$5,067 | \$891 | \$5,000 | \$76 | 0 | 0 | \$5,000 | 121,929 | \$604 |
| Rio Dell | \$5,000 | 6,009,756 | 3,601,974 | 5,000 | 9,616,730 | \$8,003 | \$1,425 | \$5,000 | \$120 | 72,523 | 52 | \$5,000 | 246,966 | \$1,222 |
| Shasta Lake | \$5,000 | 43,915,114 | 8,286,399 | 50,874 | 52,252,387 | \$43,485 | \$7,799 | \$5,000 | \$649 | 158,745 | 114 | \$10,000 | 1,958,400 | \$9,694 |
| Susanville | \$5,000 | 18,013,901 | 5,598,008 | 144,000 | 23,755,909 | \$19,770 | \$4,031 | \$5,000 | \$295 | 117,300 | 84 | \$5,000 | 4,227,000 | \$20,924 |
| Tulelake | \$5,000 | 4,336,195 | 692,125 | 0 | 5,028,320 | \$4,185 | \$813 | \$5,000 | \$63 | 0 | 0 | \$5,000 | 643,000 | \$3,183 |
| Weed | \$5,000 | 9,639,355 | 1,351,775 | 50,826 | 11,041,956 | \$9,189 | \$1,588 | \$5,000 | \$137 | 26,033 | 19 | | 0 | \$0 |
| Yreka | \$5,000 | 31,766,039 | 13,174,814 | 222,300 | 45,163,153 | \$37,585 | \$7,262 | \$5,000 | \$561 | 4,599,806 | 3,296 | \$10,000 | 866,713 | \$4,290 |
| Total: | | \$205,797,138 | \$57,608,620 | \$683,000 | \$264,088,758 | \$219,778 | \$40,593 | | \$3,283 | \$ 5,605,599 | \$4,017 | | \$13,305,259 | \$65,861 |

2015-2016 SCORE Property Program Budget at \$5,000 deductible

| Member Entity | Terrorism Premium | Cyber Liability Premium | Pollution Premium | SL Taxes & Fees | ABS Fees | Total Deposit | Last Year's Deposit | % Change | 2015/16 Total Per TIV Data | 2014/15 Values | % Change |
|---------------|-------------------|-------------------------|-------------------|------------------|------------------|------------------|---------------------|-------------|----------------------------|----------------------|----------|
| Rate | 0.0000825 | 0.0005128 | 0.0005315 | \$ 10,762 | \$ 10,132 | | | | | | |
| Biggs | \$6 | \$35 | \$36 | \$268 | \$252 | \$7,821 | \$8,828 | -11% | 6,757,147 | \$6,658,562 | 1.5% |
| Colfax | \$10 | \$63 | \$66 | \$477 | \$449 | \$14,971 | \$14,689 | 2% | 12,343,398 | \$12,598,679 | -2.0% |
| Dunsmuir | \$11 | \$69 | \$71 | \$545 | \$513 | \$14,429 | \$12,547 | 15% | 13,379,113 | \$13,379,113 | 0.0% |
| Etna | \$5 | \$33 | \$34 | \$243 | \$229 | \$8,389 | \$8,082 | 4% | 6,354,893 | \$5,973,505 | 6.4% |
| Fort Jones | \$4 | \$25 | \$26 | \$175 | \$164 | \$7,379 | \$7,210 | 2% | 4,824,633 | \$4,284,133 | 12.6% |
| Live Oak | \$31 | \$196 | \$203 | \$1,542 | \$1,452 | \$42,466 | \$33,636 | 26% | 38,170,084 | \$34,099,574 | 11.9% |
| Loomis | \$2 | \$11 | \$11 | \$74 | \$69 | \$3,477 | \$3,641 | -5% | 2,106,443 | \$1,807,174 | 16.6% |
| Loyalton | \$8 | \$50 | \$52 | \$312 | \$293 | \$18,122 | \$19,024 | -5% | 9,771,199 | \$7,342,505 | 33.1% |
| Montague | \$11 | \$67 | \$70 | \$478 | \$450 | \$19,099 | \$15,657 | 22% | 13,093,156 | \$9,761,440 | 34.1% |
| Mt. Shasta | \$8 | \$52 | \$54 | \$416 | \$392 | \$11,015 | \$9,578 | 15% | 10,213,796 | \$10,213,796 | 0.0% |
| Portola | \$5 | \$32 | \$33 | \$248 | \$234 | \$7,189 | \$6,902 | 4% | 6,210,813 | \$6,514,673 | -4.7% |
| Rio Dell | \$8 | \$51 | \$53 | \$392 | \$369 | \$11,695 | \$10,800 | 8% | 9,936,219 | \$9,803,542 | 1.4% |
| Shasta Lake | \$45 | \$279 | \$289 | \$2,129 | \$2,005 | \$66,488 | \$52,764 | 26% | 54,369,532 | \$50,325,309 | 8.0% |
| Susanville | \$23 | \$144 | \$149 | \$968 | \$911 | \$47,300 | \$24,518 | 93% | 28,100,209 | \$23,936,468 | 17.4% |
| Tulelake | \$5 | \$29 | \$30 | \$205 | \$193 | \$8,705 | \$5,616 | 55% | 5,671,320 | \$5,028,320 | 12.8% |
| Weed | \$9 | \$57 | \$59 | \$450 | \$424 | \$11,931 | \$9,158 | 30% | 11,067,989 | \$9,766,017 | 13.3% |
| Yreka | \$42 | \$260 | \$269 | \$1,840 | \$1,733 | \$57,139 | \$46,975 | 22% | 50,629,672 | \$45,952,084 | 10.2% |
| | \$233 | \$1,451 | \$1,504 | \$10,762 | \$10,132 | \$357,615 | \$289,625 | 23% | \$282,999,616 | \$257,444,894 | 9.9% |

2015-2016 SCORE Property Program Budget at \$10,000 deductible

| Member Entity | Property Deductible | Real Property Values | Personal Property Values | Income/Rents | Total Values | Property Premium | Excess Property Premium | Boiler & Machinery Deductible | Excess Boiler & Machinery Premium | Contractor's Equipment Values | Contractor's Equipment Premium | Automobile Physical Damage Deductible | Automobile Physical Damage Values | Auto Physical Damage Premium |
|---------------|---------------------|----------------------|--------------------------|------------------|----------------------|------------------|-------------------------|-------------------------------|-----------------------------------|-------------------------------|--------------------------------|---------------------------------------|-----------------------------------|------------------------------|
| Rate | | | | | | 0.0693436 | \$ 0.0143438 | | 0.001243 | | 0.0716589 | | | 0.4950034 |
| Biggs | \$10,000 | 5,352,511 | 1,214,386 | 0 | 6,566,897 | \$4,554 | \$969 | \$5,000 | \$82 | 55,000 | 39 | \$5,000 | 135,250 | \$669 |
| Colfax | \$10,000 | 9,342,149 | 2,357,069 | 0 | 11,699,218 | \$8,113 | \$1,771 | \$5,000 | \$145 | 220,799 | 158 | \$5,000 | 423,381 | \$2,096 |
| Dunsmuir | \$10,000 | 12,297,251 | 1,063,862 | 18,000 | 13,379,113 | \$9,278 | \$1,919 | \$5,000 | \$166 | 0 | 0 | | 0 | \$0 |
| Fort Jones | \$10,000 | 2,826,248 | 1,450,885 | 7,000 | 4,284,133 | \$2,971 | \$692 | \$5,000 | \$53 | 0 | 0 | \$5,000 | 540,500 | \$2,675 |
| Live Oak | \$10,000 | 28,496,468 | 9,219,616 | 131,000 | 37,847,084 | \$26,245 | \$5,475 | \$5,000 | \$470 | 0 | 0 | \$5,000 | 323,000 | \$1,599 |
| Loomis | \$10,000 | 1,576,944 | 230,230 | 0 | 1,807,174 | \$1,253 | \$302 | \$5,000 | \$22 | 0 | 0 | \$5,000 | 299,269 | \$1,481 |
| Loyalton | \$10,000 | 5,718,835 | 1,916,508 | 11,000 | 7,646,343 | \$5,302 | \$1,402 | \$5,000 | \$95 | 229,393 | 164 | \$5,000 | 1,895,463 | \$9,383 |
| Montague | \$10,000 | 7,839,237 | 3,884,919 | 0 | 11,724,156 | \$8,130 | \$1,878 | \$5,000 | \$146 | 126,000 | 90 | \$5,000 | 1,243,000 | \$6,153 |
| Mt. Shasta | \$10,000 | 8,177,375 | 2,001,421 | 35,000 | 10,213,796 | \$7,083 | \$1,465 | \$5,000 | \$127 | 0 | 0 | | 0 | \$0 |
| Portola | \$10,000 | 4,976,829 | 1,112,055 | 0 | 6,088,884 | \$4,222 | \$891 | \$5,000 | \$76 | 0 | 0 | \$5,000 | 121,929 | \$604 |
| Rio Dell | \$10,000 | 6,009,756 | 3,601,974 | 5,000 | 9,616,730 | \$6,669 | \$1,425 | \$5,000 | \$120 | 72,523 | 52 | \$5,000 | 246,966 | \$1,222 |
| Shasta Lake | \$10,000 | 43,915,114 | 8,286,399 | 50,874 | 52,252,387 | \$36,234 | \$7,799 | \$5,000 | \$649 | 158,745 | 114 | \$10,000 | 1,958,400 | \$9,694 |
| Susanville | \$10,000 | 18,013,901 | 5,598,008 | 144,000 | 23,755,909 | \$16,473 | \$4,031 | \$5,000 | \$295 | 117,300 | 84 | \$5,000 | 4,227,000 | \$20,924 |
| Tulelake | \$10,000 | 4,336,195 | 692,125 | 0 | 5,028,320 | \$3,487 | \$813 | \$5,000 | \$63 | 0 | 0 | \$5,000 | 643,000 | \$3,183 |
| Weed | \$10,000 | 9,639,355 | 1,351,775 | 50,826 | 11,041,956 | \$7,657 | \$1,588 | \$5,000 | \$137 | 26,033 | 19 | | 0 | \$0 |
| Yreka | \$10,000 | 31,766,039 | 13,174,814 | 222,300 | 45,163,153 | \$31,318 | \$7,262 | \$5,000 | \$561 | 4,599,806 | 3,296 | \$10,000 | 866,713 | \$4,290 |
| Total: | | \$205,797,138 | \$57,608,620 | \$683,000 | \$264,088,758 | \$183,129 | \$40,593 | | \$3,283 | \$ 5,605,599 | \$4,017 | | \$13,305,259 | \$65,861 |

2015-2016 SCORE Property Program Budget at \$10,000 deductible

| Member Entity | Terrorism Premium | Cyber Liability Premium | Pollution Premium | SL Taxes & Fees | ABS Fees | Total Deposit | Last Year's Deposit | % Change | Total Per TIV Data | 2014/15 Values | % Change |
|---------------|-------------------|-------------------------|-------------------|-----------------|-----------------|------------------|---------------------|-------------|----------------------|----------------------|-------------|
| Rate | 0.0000825 | 0.0005128 | 0.0005315 | \$ 9,589 | \$ 8,850 | | | | | | |
| Biggs | \$6 | \$35 | \$36 | \$238 | \$220 | \$6,848 | \$8,828 | -22% | 6,757,147 | \$6,658,562 | 1.5% |
| Colfax | \$10 | \$63 | \$66 | \$425 | \$392 | \$13,239 | \$14,689 | -10% | 12,343,398 | \$12,598,679 | -2.0% |
| Dunsmuir | \$11 | \$69 | \$71 | \$486 | \$448 | \$12,448 | \$12,547 | -1% | 13,379,113 | \$13,379,113 | 0.0% |
| Fort Jones | \$4 | \$25 | \$26 | \$156 | \$144 | \$6,745 | \$7,210 | -6% | 4,824,633 | \$4,284,133 | 12.6% |
| Live Oak | \$31 | \$196 | \$203 | \$1,374 | \$1,268 | \$36,862 | \$33,636 | 10% | 38,170,084 | \$34,099,574 | 11.9% |
| Loomis | \$2 | \$11 | \$11 | \$66 | \$61 | \$3,209 | \$3,641 | -12% | 2,106,443 | \$1,807,174 | 16.6% |
| Loyalton | \$8 | \$50 | \$52 | \$278 | \$256 | \$16,990 | \$19,024 | -11% | 9,771,199 | \$7,342,505 | 33.1% |
| Montague | \$11 | \$67 | \$70 | \$426 | \$393 | \$17,363 | \$15,657 | 11% | 13,093,156 | \$9,761,440 | 34.1% |
| Mt. Shasta | \$8 | \$52 | \$54 | \$371 | \$342 | \$9,503 | \$9,578 | -1% | 10,213,796 | \$10,213,796 | 0.0% |
| Portola | \$5 | \$32 | \$33 | \$221 | \$204 | \$6,287 | \$6,902 | -9% | 6,210,813 | \$6,514,673 | -4.7% |
| Rio Dell | \$8 | \$51 | \$53 | \$349 | \$322 | \$10,271 | \$10,800 | -5% | 9,936,219 | \$9,803,542 | 1.4% |
| Shasta Lake | \$45 | \$279 | \$289 | \$1,897 | \$1,751 | \$58,751 | \$52,764 | 11% | 54,369,532 | \$50,325,309 | 8.0% |
| Susanville | \$23 | \$144 | \$149 | \$863 | \$796 | \$43,782 | \$24,518 | 79% | 28,100,209 | \$23,936,468 | 17.4% |
| Tulelake | \$5 | \$29 | \$30 | \$183 | \$169 | \$7,961 | \$5,616 | 42% | 5,671,320 | \$5,028,320 | 12.8% |
| Weed | \$9 | \$57 | \$59 | \$401 | \$370 | \$10,296 | \$9,158 | 12% | 11,067,989 | \$9,766,017 | 13.3% |
| Yreka | \$42 | \$260 | \$269 | \$1,640 | \$1,513 | \$50,452 | \$46,975 | 7% | 50,629,672 | \$45,952,084 | 10.2% |
| | \$233 | \$1,451 | \$1,504 | \$9,589 | \$8,850 | \$318,510 | \$289,625 | 10% | \$282,999,616 | \$257,444,894 | 9.9% |

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2015 – July 1, 2016

Small Cities Organized Risk Effort

EXECUTIVE SUMMARY

We are pleased to provide you with the 2015–2016 Alliant Property Insurance Program (APIP) attached renewal material.

The property market has been in a soft cycle for the last year with underwriters willing to give decreases based on the lack of catastrophe losses worldwide, and record capacity and surplus in the marketplace. Sadly, while physical and human catastrophes abound, in recent years most of these have occurred in regions of the world that are not significantly insured. Therefore, as we enter the 2015/16 renewal, most insureds will see rate decreases. For those insureds, however that have experienced significant or attritional loss history, rates may increase. In keeping with the programs’ general history, we expect rates to remain below what can be achieved in the market for similar coverage.

The primary \$2.5M layer will continue to be placed with our long-term partner, Lexington, A.M. Best Rated A XV, and Lexington will also continue to provide the majority of capacity in the \$22.5M x/s \$2.5M layer, with Lloyd’s of London, A.M. Best Rated A XV, as its quota-share partner. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European and U.S Domestic markets, all A.M. Best Rated at least of A- VII. Members should note several key highlights for this year’s renewal:

- Boiler & Machinery for participating members of the APIP Boiler Program maintained
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd’s, Best Rated A XV, (for those members eligible) with some improvements in coverage as outlined on the following summary
- Pollution Coverage for both 1st and 3rd parties from ACE – Illinois Union Insurance Company, Best Rated A++ XV, (for those members eligible) with some improvements in coverage as outlined on the following summary

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2015-2016 policy year property valuations will continue to be a key focus. As a reminder, it is underwriters’ intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five years. This service is included in the total annual cost. Members may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made. The following table depicts key statistics relative to last year:

Year-over-Year Rate and Premium Comparison

| <u>Small Cities Organized Risk Effort</u> | <u>14-15</u> (at 02/19/2015) | <u>15-16</u> | <u>Variance</u> |
|--|---|---------------------|------------------------|
| Total Insured Values: | \$ 265,257,366 | \$ 282,919,616 | 6.66% |
| Account Rate (per hundred dollars): | 0.1091832 | 0.1262574 | 15.64% |
| Earthquake TIV: | \$ 0 | \$ 0 | N/A |
| Earthquake Limit: | Not Covered | Not Covered | N/A |
| *Total Annual Cost: | \$ 289,616.61 | \$ 357,207.02 | 23.34% |

* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your Renewal Proposal.

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

| Coverage | 2014 - 2015 | 2015 - 2016 | Pending |
|---|---|---|---------------|
| APIP Coverage Documents | All references to “ <u>Member(s)/Entity(ies)</u> ” or where the word “ <u>Member</u> ” is referenced and not directly associated to a JPA or Pool | The word “ <u>Named Insured</u> ” or “ <u>Named Insured(s)</u> ” has replaced the words “ <u>Member(s)/Entity(ies)</u> ” or where the word “ <u>Member</u> ” is referenced throughout all APIP coverage documents and is not associated to a JPA or Pool | Clarification |
| Specific Limits of Liability and Individual Member Terms and Conditions | <u>Specific Limits of Liability and Individual Member Terms and Conditions</u> To the extent there exists any discrepancy between the limits and/or sublimits described below and the <u>Certificates of Insurance</u> or Insurance policies, the Policies shall control. <u>We recommend that you carefully review the Certificates or Policies for a complete list of limits and sublimits.</u> | Limits of Liability To the extent there exists any discrepancy between the limits and/or sub-limits described below and the <u>Declaration Page</u> or Insurance policies, the <u>Declaration Page or Policies</u> shall control. | Clarification |
| All Risk Limit of Liability | Per Occurrence: all Perils, Coverages (subject to policy exclusions) and <u>Insureds/Members</u> combined, subject to the following per occurrence and/or aggregate sub-limits as noted | Per Occurrence: all Perils, Coverages (subject to policy exclusions) and <u>all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.</u> | Clarification |
| Sub-Limits of Liability as respects: Boiler Explosion and Machinery Breakdown | <u>For members that purchase coverage see schedule on file with Alliant Insurance Services</u> Boiler Explosion and Machinery Breakdown, (for those <u>Named Insured’s</u> that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits | Boiler Explosion and Machinery Breakdown, (for those <u>Named Insureds</u> that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits | Clarification |
| Primary Terrorism | USD 100,000,000 per <u>Member /Entity</u> Per Occurrence subject to USD200,000,000 Annual Aggregate of Declarations 1-14, 18- <u>21</u> , 25-30 and 32- 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer) | USD 100,000,000 per <u>Named Insured</u> Per Occurrence subject to USD200,000,000 Annual Aggregate of Declarations 1-14, 18- <u>22</u> , 25-30 and 32- 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer) | Clarification |

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

| Coverage | 2014 - 2015 | 2015 - 2016 | Pending |
|---|---|--|---------------|
| Excess Terrorism | Per Occurrence, All <u>Members</u> combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, <u>21</u> , 26, 27, 28, 30, 32, 33 and 34 for Terrorism (Excess Layer) subject to; Annual Aggregate shared by all <u>Members/Entities</u> Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer) | Per Occurrence, All <u>Named Insureds</u> combined in Declarations 1-9, 11-14, 18- <u>22</u> , 25-30 and 32-34 for Terrorism (Excess Layer) subject to; Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer) | Clarification |
| Deductible as respects: Basic All Risk | ‘Basic’ All Perils and Coverages, except for those referenced in Specified Perils or Coverages Deductible(s) and Special Terms & Conditions as set forth below: | <u>Unspecified “Basic” or “All Risk” Perils and Coverages Deductible (Meaning for perils not referenced in the “Specified Perils or Coverages Deductible(s)” or “Special Terms & Conditions” as set forth below):</u> | Clarification |
| Deductible as respects: JPA / Pool Maintenance Deductible | Maintenance Deductible after Annual Aggregate Deductible is reached. Maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms section below | <u>Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms section below if those perils did not erode the annual aggregate deductible.</u> | Clarification |
| Deductible as respects: All Risk Deductible (Other): | \$10,000 <u>Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence and Annual aggregate and shared by all members of this Declaration</u> for the peril of Earthquake for members who do not purchase dedicated Earthquake limits | \$10,000 <u>Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured</u> for the peril of Earthquake for <u>Named Insured(s)</u> who do not purchase dedicated Earthquake limits | Enhancement |
| Deductible as respects: All Risk Deductible (Other): | \$10,000 <u>Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration</u> for the peril of Flood for members who do not purchase dedicated Flood limits | \$10,000 <u>Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured</u> for the peril of Flood for <u>Named Insured(s)</u> who do not purchase dedicated Flood limits | Enhancement |
| Deductibles as respects: All Risk Deductible (Other): | 2.5% of Annual Tax Value per Location for Tax Interruption | 2.5% of Annual Tax <u>Revenue</u> Value per Location for Tax Interruption | Clarification |

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

| Coverage | 2014 - 2015 | 2015 - 2016 | Pending |
|---|--|---|---------------|
| APIP Reinsurance Named Insured coverage wording | Not previously listed on Named Insured's specific coverage documents | Coverage wording added under "Special Terms": As a Reinsurance placement in no circumstance will the coverages, terms, conditions, limits, sub-limits, deductibles, exclusions or endorsements be extended or broadened by the Named Insured's Memorandum of Coverage or underlying insurance documents. | Clarification |

Master Policy Form Wording

| Policy Term | July 1, 2014 to July 1, 2015 | July 1, 2015 to July 1, 2016 | Renewal item |
|---|---|---|---------------|
| PEPIP Master Policy Form | All references to " <u>Member(s)/Entity(ies)</u> " or where the word " <u>Member</u> " is referenced and not directly associated to a JPA or Pool | The word " <u>Named Insured</u> " or " <u>Named Insured(s)</u> " has replaced the words "Member(s)/Entity(ies)" or where the word "Member" is referenced and not associated to a JPA or Pool throughout the Master Policy Form 11 | Clarification |
| Section I, Item B. Named Insured | As per Declaration page <u>and its</u> member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required to provide coverage, as so named in the "Named Insured – <u>Member</u> Schedule" <u>attached to this policy and/or</u> on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern. | <u>Per Declaration page all Named Insureds listed in the Declaration Schedule Addendum attached to this policy.</u> <u>Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits Terms and Conditions provided to the individual Named Insured's limits.</u> | Clarification |
| Section I, Item C. Mailing Address of Insured | C. Mailing Address of Insured | C. Mailing Address of <u>Named</u> Insured | Clarification |
| Section I, Item E. Limits of Liability | 1. SPECIFIC LIMITS OF LIABILITY The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise. | 1. LIMITS OF LIABILITY The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise. | Clarification |

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

| Coverage | 2014 - 2015 | 2015 - 2016 | Pending |
|---|---|--|---------------|
| Section II, Item B. 22. Terrorism Coverage | a. USD 100,000,000 per <u>member(s) / entity(ies)</u> of <u>declaration number 1-14, 18- 21, 25- 30 and 32-34</u> per occurrence subject to USD200,000,000 in the annual aggregate which shared by all <u>member(s) / entity(ies)</u> of <u>declaration numbers 1-14, 18-21, 25-30 and 32- 34</u> combined; and | a. USD 100,000,000 per <u>Named Insured(s)</u> of <u>Declaration number 1-14, 18- 22, 25- 30 and 32-34</u> per occurrence subject to USD200,000,000 in the annual aggregate which shared by all <u>Named Insured(s)</u> of <u>Declaration numbers 1-14, 18-22, 25-30 and 32- 34</u> combined; and | Clarification |
| Section II, Item C. 6. Property Not Covered | Power transmission lines, feeder lines <u>and underground pipes</u> more than 1,000 feet from the premises of the Insured unless specifically approved by the Company. | Removed “Underground pipes” from #6 Added #7: Underground pipes more than 1,000 feet from the premises of the Insured unless specifically approved by the Company. | Clarification |
| Section II, Item C. 7. Property Not Covered | <u>7.</u> <u>Unscheduled tunnels, bridges, dams, catwalks</u> (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page. | <u>8.</u> <u>Unscheduled tunnels, bridges, dams, catwalks</u> (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page. | Clarification |
| Section II, Item C. 8. Property Not Covered | <u>8.</u> Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Insured. | <u>9.</u> Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Insured. | Clarification |
| Section IV, Item B. 19. Exclusions | Fines, penalties or cost incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court <u>of</u> other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause. | Fines, penalties or cost incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court <u>or</u> other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause. | Clarification |
| Section IV, Item D. Territorial Limits | This Policy insures Real and Personal Property within the United States. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sublimited to USD as per Declaration Page. | This Policy insures Real and Personal Property within the United States <u>of America</u> . Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is <u>sub-limited</u> to USD as per Declaration Page. | Clarification |
| Section IV, Item M. Subrogation | <u>This Policy shall not be prejudiced by agreement made by the Insured releasing or waiving the Insured’s rights to recovery against third parties responsible for the loss if made before the loss has occurred.</u> Notwithstanding the above wording, the insured has the right to enter into an agreement that releases or waives the Insured’s right to recovery against third parties responsible for the loss if made before the loss occurred. | Notwithstanding the above wording, the insured has the right to enter into an agreement that releases or waives the Insured’s right to recovery against third parties responsible for the loss if made before the loss occurred. | Clarification |

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

| Coverage | 2014 - 2015 | 2015 - 2016 | | Pending |
|---|---|--|--|---------------|
| Section IV, Item AE. Service of Suit Clause (USA) Applicable to Excess Carriers | Messre Mendes and Mount of 750 Seventh Avenue, New York NY 10019 6829 (applicable to all markets except as noted below) | <u>FLWA Service Corp. c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 (applicable to all markets except as noted below)</u> | | Update |
| Section IV, Item 6 Tier I Windstorm Counties | The following items in the next column are not currently listed in the Master Policy Form Wording 10 | State | Tier I Counties, Parishes or Independent Cities | Clarification |
| | | Florida | All Counties | |
| | | Hawaii | All Counties | |
| | | Louisiana | Assumption | |
| | | Virginia | Charles City, New Kent, Prince George and Sussex | |
| Hospital All Risk Property Program | Specific policy endorsements provided for Hospital All Risk Property Program Declarations | <u>Hospital All Risk Property Program Master Policy Form 11</u> created | | Enhancement |
| Pollution Liability Coverage | | A Summary of Pollution Liability is included with the Coverage Proposal | | Enhancement |



**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

PROPERTY PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Small Cities Organized Risk Effort

DECLARATION: 4-Cities 4

POLICY PERIOD: July 1, 2015 to July 1, 2016

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 282,919,616 as of June 09, 2015

**ALL RISK
COVERAGES &
LIMITS:**

- \$ 1,000,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
 - Not Covered Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
 - Not Covered Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
 - Not Covered Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
- \$ 100,000,000 Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
- \$ 50,000,000 Extra Expense

2015-2016 Alliant Property Insurance Program (APIP) Property Proposal
 Small Cities Organized Risk Effort

| | | |
|-----------------------|--------------|--|
| \$ | 25,000,000 | Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. |
| | 180 Days | Extended Period of Indemnity |
| See Policy Provisions | \$25,000,000 | Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. |
| \$ | 1,000,000 | Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item |
| \$ | 5,000,000 | or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item. |
| \$ | 50,000,000 | Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations. |
| \$ | 25,000,000 | Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval |
| \$ | 2,500,000 | Money & Securities for named perils only as referenced within the policy |
| \$ | 2,500,000 | Unscheduled Fine Arts |
| \$ | 250,000 | Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration |

2015-2016 Alliant Property Insurance Program (APIP) Property Proposal
 Small Cities Organized Risk Effort

| | | |
|----|------------|--|
| \$ | 2,000,000 | Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs) |
| \$ | 25,000,000 | Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery) |
| \$ | 25,000,000 | Transit |
| \$ | 2,500,000 | Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence |
| \$ | 2,500,000 | Unscheduled Watercraft up to 27 feet |
| | Included | Per Occurrence for Off Premises Vehicle Physical Damage |
| \$ | 25,000,000 | Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations |
| \$ | 5,000,000 | Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc. |
| \$ | 5,000,000 | Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc. |
| \$ | 3,000,000 | Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately |
| \$ | 500,000 | Jewelry, Furs, Precious Metals and Precious Stones Separately |
| \$ | 1,000,000 | Claims Preparation Expenses |
| \$ | 50,000,000 | Expediting Expenses |
| \$ | 1,000,000 | Personal Property Outside of the USA |

2015-2016 Alliant Property Insurance Program (APIP) Property Proposal
 Small Cities Organized Risk Effort

| | | |
|----|-------------|---|
| \$ | 100,000,000 | Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer) |
| \$ | 300,000,000 | Per Named Insured for Terrorism (Excess Layer) subject to; |
| \$ | 800,000,000 | Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to; |
| \$ | 800,000,000 | Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer) |
| | Not Covered | Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit. |
| | Included | Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles |
| | Included | See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles |

VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor’s Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

EXCLUSIONS

(Including but not limited to):

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

“ALL RISK”

DEDUCTIBLE:

| | | |
|----|-------|--|
| \$ | 5,000 | Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss |
|----|-------|--|

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

| | |
|-------------|--|
| Not Covered | All Flood Zones Per Occurrence excluding Flood Zones A & V |
| Not Covered | Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures) |
| Not Covered | Earthquake Shock: If the stated deductible is a flat dollar |

amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.

| | | |
|----|----------------------------------|--|
| \$ | 1,000 | Per Occurrence for Specially Trained Animals |
| \$ | 500,000 | Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters) |
| \$ | 10,000 | Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits |
| \$ | 50,000 | Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits |
| \$ | 10,000 | Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits |
| \$ | 50,000 | Per Occurrence per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits |
| | 24 Hour Waiting Period | for Service Interruption for All Perils and Coverages |
| | 2.5% of Annual Tax Revenue Value | per Location for Tax Interruption |
| \$ | 5,000 | except for \$10,000 for City of Shasta Lake and City of Yreka. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible. |
| | ACV | Vehicle Valuation Basis |
| \$ | 5,000 | Per Occurrence for Contractor's Equipment |
| \$ | 5,000 | Per Occurrence for Primary Terrorism |
| \$ | 500,000 | Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted) |

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Summary for details of coverage terms, limits and deductibles. (Cyber Liability)

TERMS & CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION: 90 Days except 10 Days for non-payment of premium

| | Annual Cost* |
|--|---------------------|
| Total Property Premium: | \$ 333,030.00 |
| Excess Boiler: | \$ 3,283.00 |
| ABS Fee: | \$ 10,132.00 |
| SLT&F's (Estimate) | \$ 10,762.02 |
| Broker Fee: | \$ 0.00 |
| TOTAL COST †: (Including Taxes and Fees) | \$ 357,207.02 |
| *Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. | |
| † TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage) | |

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

IMPORTANT NOTICE: THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT YOUR TAX CONSULTANT FOR YOUR OBLIGATIONS REGARDING FATCA.

PROPOSAL VALID UNTIL: July 1, 2015

BROKER: **ALLIANT INSURANCE SERVICES, INC.**

License No. 0C36861

Marcus Beverly

Vice President

Michelle Minnick

Account Representative

NOTES:

- *Major pending and approved changes to the APIP Program are described in the Executive Summary.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194 Disclosure and General Broker Compensation Disclosure

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Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

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*2015-2016 Alliant Property Insurance Program (APIP) Property Proposal
Small Cities Organized Risk Effort*

producer.



**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

BOILER & MACHINERY PROPOSAL

NAMED INSURED: Small Cities Organized Risk Effort

POLICY PERIOD: July 1, 2015 to July 1, 2016

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 282,919,616 as of June 9, 2015

STATUS/RATING: See Attached List of Companies

COVERAGES & LIMITS:

| | | |
|----|-------------|---|
| \$ | 100,000,000 | Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits: |
| | Included | Jurisdictional and Inspections |
| \$ | 10,000,000 | Per Occurrence for Service/Utility/Off Premises Power Interruption |
| | Included | Per Occurrence for Consequential Damage/Perishable Goods/Spoilage |
| \$ | 10,000,000 | Per Occurrence for Electronic Data Processing Media and Data Restoration |
| \$ | 2,000,000 | Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage |
| \$ | 10,000,000 | Per Occurrence for Hazardous Substances/ Pollutants/Decontamination |
| | Included | Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes |

NEWLY ACQUIRED

LOCATIONS: \$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATION: Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS

(Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED:

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

NOTICE OF

CANCELLATION: 90 days except 10 days for non-payment of premium

DEDUCTIBLES:

\$ 5,000 Except as shown for Specific Objects or Perils

\$ 5,000 Electronic Data Processing Media

\$ 5,000 Consequential Damage

\$ 5,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface

\$ 50,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface

\$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface

\$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface

\$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface

10 per foot / \$2,500 Minimum Deep Water Wells

24 Hours Business Interruption/Extra Expense Except as noted below

30 Days Business Interruption – Revenue Bond

24 Hour Waiting Period – Utility Interruption

5 x 100% of Daily Value – Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface

5 x 100% of Daily Value – Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

| | Annual Cost* |
|--------------|---------------------------------------|
| COST: | Cost is included on Property Proposal |

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Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

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A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

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CYBER LIABILITY PROPOSAL

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

PROGRAM: **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organizations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2015 to July 1, 2016

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: **APIP/PEPIP**
For new members – the retro active date will be the date of addition
July 1, 2015 For existing members included on the July 1, 2015/16 policy
July 1, 2014 For existing members included on the July 1, 2014/15 policy
July 1, 2013 For existing members included on the July 1, 2013/14 policy
July 1, 2012 For existing members included on the July 1, 2012/13 policy
July 1, 2011 For existing members included on the July 1, 2011/12 policy
July 1, 2010 For existing members included on the July 1, 2010/11 policy

HARPP
For new members – the retro active date will be the date of addition
July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a “No Known Losses Letter” then the retro date is the date that the member was added
July 1, 2010 For \$1,500,000 excess \$500,000

CSU
July 1, 2008 California State University and CSU Auxiliary Organizations

COMPANIES: Lloyd’s of London - Beazley Syndicate:
Syndicates 2623 - 623 - 100%

COVERAGES & LIMITS:

| | | | | |
|--|-------------|----|------------|---|
| THIRD PARTY LIABILITY | Ai. | \$ | 25,000,000 | Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted. |
| | Aii. | \$ | 2,000,000 | Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability . Each Member of a JPA will have a \$2,000,000 Limit Each (Aggregate for all coverages combined, including Claim Expenses) but sublimited to: |
| | B. | \$ | 500,000 | Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used. |
| | C. | \$ | 2,000,000 | Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties PCI Fines and Penalties coverage added with sub-limit of \$100,000. |
| | D. | \$ | 2,000,000 | Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based) |
| FIRST PARTY COMPUTER SECURITY | E. | \$ | 2,000,000 | Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss |
| | F. | \$ | 2,000,000 | Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss |
| | G. | | | First Party Business Interruption Sub-Limits of Liability for each Insured/Member |
| | | \$ | 50,000 | 1) Hourly Sublimit |
| | | \$ | 50,000 | 2) Forensic Expense Sublimit |
| | | \$ | 150,000 | 3) Dependent Business Interruption Sublimit. |

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

| | | | |
|-------------------|----|---------|--|
| RETENTION: | \$ | 25,000 | CSU Auxiliary Organizations only |
| | \$ | 50,000 | Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss |
| | | 8 | Hour waiting period for first party claims |
| | \$ | 100,000 | Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss |
| | | 8 | Hour waiting period for first party claims |

NOTICE:

Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

EXTENDED REPORTING PERIOD:

For First Named Insured - To be determined at the time of election (additional premium will apply)

SPECIFIC COVERAGE PROVISIONS:

- A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
 - Acts or incidents that directly result from the failure of computer security to prevent a security breach including
 - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - Participation in a denial of service attack directed against a third party computer system
 - The failure to timely disclose any of the above in violation of any breach notice law
 - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
 - The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts;
 - Notification provisions,
 - Public relations mitigation up to \$50,000 subject to Nil coinsurance
 - Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
 - Credit file monitoring,
 - Mailing and third party administrative costs

**SPECIFIC
COVERAGE
PROVISIONS:
(Continued)**

To provide notification to:

- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
- (b) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

- C. **Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. **Website Media Content Liability** (occurrence based) pays on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
 - Defamation, libel, slander, trade libel
 - Privacy violation
 - Invasion or interference with publicity
 - Plagiarism, piracy, misappropriation of ideas under implied contract
 - Infringement of copyright
 - Infringement of domain name, trademark
 - Improper deep-linking or framing within electronic content
- E. **Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
- F. **First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
- G. **First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

**EXCLUSIONS:
(Including but not limited to)**

- Coverage does not apply to any claim or loss from
- Bodily Injury or Property Damage
 - Any employer-employee relations, policies, practices
 - Contractual Liability or Obligation
 - Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
 - Anti-Trust violations
 - Unfair trade practices
 - Unlawful collection or acquisition of Personally Identifiable Non-Public Information
 - Distribution of unsolicited e-mails, facsimile, audio or video recording
 - Prior knowledge or previously reported incidents
 - Incidents occurring prior to retroactive date/continuity date
 - Any act, error, omission, of computer security if occurred prior to policy inception
 - Collusion
 - Securities Act Violations
 - Fair Labor Act Violations
 - Discrimination
 - Intentional Acts with regard to Privacy and Security Breach
 - Infringement - Patent and Copyright
 - Federal Trade Commission and related state, federal, local and foreign governmental activities
 - Insured vs. Insured
 - Money/Securities/Funds Transfer
 - Broadcasting, Publications and Advertising
 - War and Terrorism
 - Pollution
 - Nuclear Incident
 - Radioactive Contamination

NOTICE OF CLAIM:

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
Beazley Group
Attn: Beth Diamond
1270 Avenue of the Americas
New York, NY 10020
tmbclaims@beazley.com

NOTICE OF CANCELLATION:

10 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Optional reinstatement at 125% of the annual premium

Exhaustion of \$2,000,000 Annual Aggregate Limit of Liability for Each Insured/Member for Information Security & Privacy Liability:
Reinstatement of Aggregate Limits for each Insured/Member will be automatic and subject to additional premium

CYBER COST: Cost is included in Total Property Premium
30% Earned Premium at Inception

OTHER SERVICES Unlimited Access to e-Place Solutions as per attached brochure.

PROPOSAL VALID UNTIL: July 1, 2015

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

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Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

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**Alliant Property Insurance Program (APIP)
POLLUTION LIABILITY COVERAGE PROPOSAL**

TYPE OF INSURANCE: Insurance Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: **Alliant Property Insurance Program (APIP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

POLICY PERIOD: July 1, 2015 to July 1, 2016

RETROACTIVE DATE: July 1, 2011 for existing members included on the 2011-2012 policy at inception; For all other members the retroactive date is the date of addition to the Program.

COMPANY: Illinois Union Insurance Company

A.M. BEST INSURANCE RATING:: A++, Superior, Financial Category XV (\$2 Billion or greater)
Effective April 11, 2014

STANDARD & POORS RATING: AA (Very Strong) *as of April 6, 2015*

ADMITTED STATUS: Non-Admitted in all states except Illinois

COVERAGE LOCATION: Per the following SOVs submitted on 1/16/2015:

1. PEPIC DEC 1 – SOVs
2. PEPIC DEC 2 – SOVs
3. PEPIC DEC 3 – SOVs
4. PEPIC DEC 4 – SOVs
5. PEPIC DEC 5 – SOVs
6. PEPIC DEC 8 – SOVs (Excludes SPIP)
7. PEPIC DEC 11 – SOVs
8. PEPIC DEC 12 – SOVs
9. PEPIC DEC 19 – SOVs
10. PEPIC DEC 20 – SOVs
11. PEPIC DEC 21 – SOVs
12. PEPIC DEC 25 – SOVs
13. PEPIC DEC 26 – SOVs
14. PEPIC DEC 27 – SOVs
15. PEPIC DEC 28 – SOVs
16. PEPIC DEC 30 – SOVs
17. PEPIC DEC 33 – SOVs
18. PEPIC DEC 34 – SOVs

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

COVERAGES & LIMITS: **\$25,000,000 Policy Program Aggregate (all members combined)**
 \$ 2,000,000 Per Pollution Condition
 \$ 2,000,000 Per Named Insured Aggregate
 \$ 2,000,000 Per Indoor Environmental Condition (including mold, fungi and legionella pneumophila) Sublimit

SUBLIMITS:

\$ 500,000 Per Bacteria / Virus Indoor Environmental Condition Member Aggregate Sublimit*
\$ 250,000 Catastrophe Management Costs Sublimit*

*Note: the above sublimits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

EXTENDED REPORTING PERIOD:

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A – New Pollution Conditions or Indoor Environmental Conditions Coverage:

First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

Coverage B – Transportation Coverage:

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

Coverage C – Non-Owned Disposal Site Coverage:

Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as the intended operations within the capacity of a public entity and/or any operation(s) performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.

Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period.

**SPECIFIC
COVERAGE
PROVISIONS (cont.):**

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 90 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of a indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

Underground Storage Tanks coverage included, with a self-insured retention of \$750,000. **Note: This is not financial assurance coverage.**

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.

**EXCLUSIONS
(including but not
limited to):**

Coverage does not apply to any claim or loss from:

- *Asbestos and Lead Based Paint. This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- *Contractual Liability – does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- *Divested Property*
- *Employers Liability*
- *Criminal Fines and Criminal Penalties*
- *Fraud or Misrepresentation*

**EXCLUSIONS
(including but not limited to, cont.):**

- Sewage Backup – *applies to the reverse flow of sewage via subsurface sewer lines, to or from a covered location into or onto locations that are not covered locations including, but not limited to, third-party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third-party residences, businesses, or any other structures.*
- First Party Property Damage – *Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- Insured’s Internal Expenses - *does not apply to emergency response costs, along with any associated catastrophe management costs.*
- Insured vs. Insured
- Intentional Non-Compliance
- Known Conditions
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Material Change in Risk – *does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy.*
- Professional Liability
- Regulatory Compliance – *does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Work Product
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Workers’ Compensation
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, that is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

RETENTION:

| | |
|-----------|---|
| \$ 75,000 | Per Pollution Condition or Indoor Environmental Condition |
| \$375,000 | Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions |
| \$ 37,500 | Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions |
| \$750,000 | Underground Storage Tanks Specific |
| 10 Days | Waiting Period for Business Income and Extra Expense |

CLAIMS REPORTING NOTICE

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

LOSS REPORTING REQUIREMENTS:

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

- 1) ACE Environmental Risk Claims Manager
ACE USA Claims
P.O. Box 5103
Scranton, PA 18505-0510
Environmental Emergency: 888-310-9553
(800) 951-4119(Fax)
CasualtyRiskEnvironmentalFirstNotice@acegroup.com
- 2) ACE Alert Program
Sign up for ACE Alert at <https://ace.spillcenter.net/>
24/7 incident reporting via phone, web or mobile device
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Martin Fox-Foster
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@alliant.com

NOTICE OF CANCELLATION:

90 days except 15 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided.

POLLUTION LIABILITY COST:

Cost is included in Total Property Premium
100% Earned Premium at Inception

- OTHER SERVICES:** Value-Added Engineering Package:
- Mold Awareness Training
 - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
 - Due Diligence Program Overview
 - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
 - Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
 - ACE will assist the member in the creation of a single ACM/LBP plan for a minimal additional cost
 - Mold Operations & Maintenance (O&M) Plan
 - ACE will assist the member in the creation of a single Mold O&M plan for a minimal additional cost

PROPOSAL VALID UNTIL: July 1, 2015

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

FATCA DISCLOSURE

IMPORTANT NOTICE - The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA DISCLOSURE

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) WENT INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

Proposed Changes for 2015-2016 Policy Term

The following items are to be revised for the 2015-2016 policy term.

| Coverage | 2014-2015 Pollution Coverage | 2015-2016 Pollution Coverage |
|------------------------|---|--|
| Covered Locations | Per the SOV submitted on 6/30/2014 | Per the SOV submitted on 6/30/2015. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location. |
| Coverages and Limits | <p>\$1,000,000 Per Pollution Condition</p> <p>\$1,000,000 Per member Aggregate</p> <p>\$1,000,000 Fungi and Legionella Sublimit</p> <p>Not Covered Catastrophe Management Costs</p> <p>Not Covered Per Bacteria / Virus Indoor Environmental Condition Member Aggregate</p> <p>\$1,000,000 Business Interruption & Extra Expense Sublimit</p> | <p>\$2,000,000 Per Pollution Condition</p> <p>\$2,000,000 Per Named Insured Aggregate</p> <p>\$2,000,000 Per Indoor Environmental Condition (including mold, fungi and legionella pneumophila)</p> <p>\$250,000 Catastrophe Management Costs Sublimit</p> <p>\$500,000 Per Bacteria / Virus Indoor Environmental Condition Member Aggregate</p> <p>No Sublimit Business Interruption & Extra Expense</p> |
| Self-Insured Retention | \$75,000 Per Pollution Condition | <p>\$ 75,000 Per Pollution Condition or Indoor Environmental Condition</p> <p>\$375,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions</p> <p>\$37,500 Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions</p> |
| Products Liability | Coverage for pollution conditions directly related to reclaimed or recycled water processed at any covered location that is also a wastewater treatment plant. | Coverage for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period. |

| Coverage | 2014-2015 Pollution Coverage | 2015-2016 Pollution Coverage |
|-------------------------------|--|--|
| Sewage Backup | (policy silent) | Sewage Backup excluded, applies to the reverse flow of sewage via subsurface sewer lines, to or from a covered location into or onto locations that are not covered locations including, but not limited to, third-party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third-party residences, businesses, or any other structures. Does not apply to scheduled sewer lines. |
| Asbestos and Lead-based Paint | Coverage for Third-party claims for Bodily Injury, Property Damage (non-governmental claims for property damage only) and any associated legal defense costs. Also does not apply to remediation costs for asbestos or lead-based paint discovered in soil or groundwater (not arising out of a water storage tank). | Coverage for Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location. |



Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

ACE ALERTSM is a complimentary program developed to assist ACE Environmental Risk clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

ACEALERTSM Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an ACE vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated
- Complete data package delivered electronically
- Business Continuity – minimize disruption to the clients' business and focus on returning to normal operations

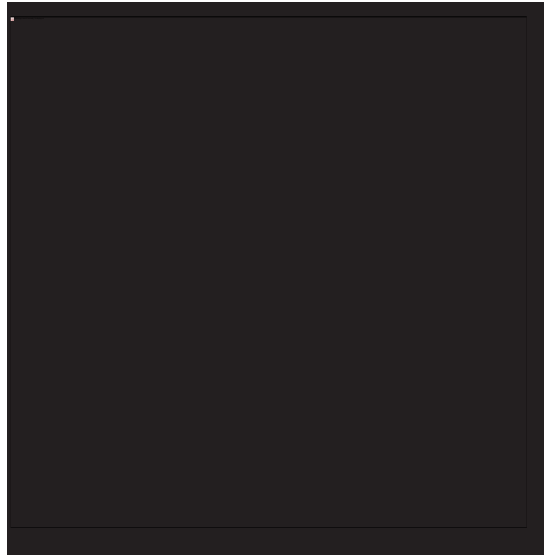


Insured.™

How to Access

- Details of the program, including access to where ACE Environmental Risk clients can complete their enrollment, is available online at <https://ace.spillcenter.net>
- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the ACE ALERTSM application available on iPhone, Android and certain Blackberry models

Visit <https://ace.spillcenter.net> to learn more about ACE ALERTSM



CONTACT US

Bob Winterburn
215 640-1451
Robert.Winterburn@esis.com

Steve Piatkowski
215 640-4890
Steven.Piatkowski@acegroup.com

www.acegroup.com/us

ACE ALERTSM is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills.

Reporting a spill using Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the ACE Group. ACE Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at www.acegroup.com/us

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a summary only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.

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617392 03/2014





Environmental Risk

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately:*

888-310-9553 or use ACE Alert app

- 4) *Report the incident to Alliant*

Martin Fox-Foster
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your company's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager
BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510
BY FAX: (800) 951-4119
BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com
CC Alliant Insurance: martin.fox-foster@alliant.com
And your Alliant representative

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident Potential Claim Other _____
 Third-Party Claim Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____
Address: _____
Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster
Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111
Phone #: 1-877-725-7695

Policy Information

Policy Number: _____ Policy Period: 07/01/2015 - 07/01/2016
Limits of Liability: \$2,000,000 per \$25,000,000 agg Self-Insured Retention/Deductible \$75,000

Loss Information

Date of Incident/Claim: _____ Location: _____
Claimant Name/Address: _____
Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

ALLIANT PROPERTY INSURANCE PROGRAM

2015-2016

NAMED INSURED SCHEDULE

AS OF 06/02/2015

THE NAMED INSURED IS:

Small Cities Organized Risk Effort
1792 Tribute Rd, Ste. 450
Sacramento, CA 95815

First Named Insured Member shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

NAMED INSURED:

| | |
|------------------------------------|---------------------|
| Small Cities Organized Risk Effort | City of Mt. Shasta |
| City of Portola | City of Rio Dell |
| City of Montague | City of Shasta Lake |
| City of Biggs | City of Susanville |
| City of Colfax | City of Tulelake |
| City of Dunsmuir | City of Weed |
| City of Etna | City of Yreka |
| City of Live Oak | Town of Fort Jones |
| City of Loyalton | Town of Loomis |

**Alliant Property Insurance Program
2015-2016 Policy Year
Schedule of Insurers (Proposal)**

| Company | A.M. Best's I.D. # | A.M. Best's Guide Rating | Standard and Poor's | State of California |
|--|--------------------|---|------------------------------|---------------------|
| ACE – Illinois Union Insurance Company | 003510 | A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 4/30/15) | AA (As of 5/19/14) | Non-Admitted |
| ACE European Group Limited | 086485 | A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/30/15) | AA (As of 5/9/14) | Non-Admitted |
| Allied World Assurance Company | 12525 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/14) | A (As of 7/7/11) | Admitted |
| Arch Specialty Insurance Company | 012523 | A+, Superior; Financial Size Category 11; \$250,000,000 to \$500,000,000 (As of 3/20/14) | A+ (As of 7/29/10) | Non-Admitted |
| Axis Surplus Insurance Company | 012515 | A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/26/15) | A+ (As of 2/2/09) | Non-Admitted |
| Axis Specialty Europe Ltd | 083007 | A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/26/15) | A+ (As of 2/2/09) | Non-Admitted |
| Empire Indemnity Insurance Company | 002148 | A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/26/15) | AA- (As of 6/19/07) | Non-Admitted |
| Endurance Worldwide Insurance Limited | 083234 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/6/14) | A (As of 12/5/06) | Non-Admitted |
| Essex Insurance Company | 002732 | A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 5/15/15) | A (As of 10/14/13) | Non-Admitted |
| Hartford Steam Boiler Inspec & Ins | 000465 | A++, Superior; Financial Size Category 10 \$500,000,000 to \$750,000,000 (As of 2/6/15) | A+ (As of 4/17/15) | Admitted |
| Homeland Insurance Company of New York | 010604 | A, Excellent; Financial Size Category 11; \$750,000,000 to \$1,000,000,000 (As of 10/3/14) | A- (As of 7/2/10) | Non-Admitted |
| Interstate Fire & Casualty Company | 02267 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 7/18/14) | A (As of 12/4/12) | Non-Admitted |
| Ironshore Indemnity Inc. (AZ only) | 013847 | A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/20/14) | Not Rated (As of 5/22/15) | Non-Admitted |
| Ironshore Specialty Insurance Company | 013866 | A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 8/18/12) | Not Rated (As of 5/22/15) | Admitted |

**Alliant Property Insurance Program
2015-2016 Policy Year
Schedule of Insurers (Proposal)**

| Company | A.M. Best's I.D. # | A.M. Best's Guide Rating | Standard and Poor's | State of California |
|--|--------------------|---|------------------------------|---------------------|
| Lancashire Insurance Company (UK) Ltd. | 078390 | A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 6/30/14) | A- (As of 5/18/10) | Non-Admitted |
| Lexington Ins. Company | 002350 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 2/27/15) | A+ (As of 5/6/13) | Non-Admitted |
| Liberty Surplus Insurance Corporation | 12078 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 9/24/14) | A (As of 7/17/14) | Non-Admitted |
| Lloyd's of London | 085202 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 7/24/14) | A+ (As of 4/23/07) | Non-Admitted |
| Maxum Indemnity Company | 012563 | A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 6/14/13) | Not Rated (As of 5/22/15) | Non-Admitted |
| National Fire & Marine Insurance Company | 02428 | A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 5/21/14) | AA+ (As of 2/4/10) | Non-Admitted |
| Partner Re Ireland Insurance Ltd. | 78853 | A+, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 1/26/15) | A+ (As of 2/17/12) | Non-Admitted |
| QBE Specialty Insurance Company | 012562 | A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 1/15/15) | A+ (As of 7/22/09) | Non-Admitted |
| RSUI Indemnity Company | 012603 | A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/24/15) | A (As of 4/13/15) | Admitted |
| Scottsdale Surplus Lines Insurance Company | 012121 | A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 3/19/15) | A+ (As of 6/17/13) | Non-Admitted |
| Swiss Reinsurance America Corporation | 003263 | A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/6/14) | AA- (As of 10/28/11) | Admitted |
| United States Fire Insurance Company | 02136 | A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 5/30/14) | A- (As of 11/20/09) | Admitted |
| XL Insurance America Inc. | 002423 | A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/1/15) | A+ (As of 10/30/13) | Admitted |



ALLIANT INSURANCE SERVICES

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

June 2, 2015

Named Insured: **Small Cities Organized Risk Effort**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

LMA9104
12 January 2015



ALLIANT INSURANCE SERVICES

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

WHAT YOU NEED TO DO NOW:

PLEASE "X" ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE BROKER.

| | |
|--|--|
| | I am interested in receiving a quote for Terrorism coverage as required to be offered under the Act. Please provide me with a quote. |
| | I decline to purchase the Terrorism coverage as required to be offered under the Act. |

Policyholder/applicant signature

Print Name

Date

Small Cities Organized Risk Effort

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL**

INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____

Insured: _____

D-1 (Effective July 21, 2011)

ALLIANT INSURANCE SERVICES

APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

APIP Property Claims Reporting

Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased

Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

In effect: July 1, 2015 until further notice

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

Insured Entity Name: Small Cities Organized Risk Effort

Authorized Signature: _____

Print Name

Date

Title



ALLIANT INSURANCE SERVICES, INC. PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Cathryn O'Meara. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA
Senior Vice President, Regional Claims Director
Voice: (415) 403-1445 Cell: (415) 518-8490
Email: rfrey@alliant.com

Address:

Diana L. Walizada, AIC, CPIW, RPA, AINS
Vice President, Claims Unit Manager
Voice: (415) 403-1453
Email: dwalizada@alliant.com

Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include PEPIP's Claim Administrator as a CC on all Claims correspondence:

Cathryn O'Meara
McLaren's
Address: 1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mcclarens.com

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond
Beazley Group
Address: 1270 Avenue of the America's, Suite 1200
New York, NY 10020
Telephone: (646) 943-5900 Fax: (546) 378-4039
Email: tmbclaims@beazley.com

Elaine G. Kim, CISR
Assistant Vice President, Claims Advocate
Address: 100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1458 Fax: (415) 403-1466
Email: ekim@alliant.com

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (for those who have coverage):

ACE USA Claims
Address: PO Box 5103
Scranton, PA 18505-0510
Environmental Emergency: (888) 310-9553
Fax: (800) 951-4119
Email: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

Martin Fox-Foster
Claims Advocate
Address: 100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: martin.fox-foster@alliant.com

Please include the Member /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

IN THE EVENT OF A

PROPERTY LOSS:

- 1) Follow your company procedures for reporting and responding to an incident*
- 2) Alert local emergency authorities, as appropriate*
- 3) Report the incident to Alliant Insurance Services immediately at:*

877-725-7695

All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) Report the incident to McLarens Global AND your Alliant representative*



PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com

Carbon Copy PEP/IP Claims Administrator: cathryn.omeara@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- Real Property Vehicles
- Personal Property Other

Insured's Name & Contact Information

Company Name: _____

Point of Contact: _____

Phone #: _____

Address: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey OR Diana L. Walizada

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695 Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: 07/01/2015 to 07/01/2016

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible: _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

Per the PEPPIP USA Form Master Policy Wording, Section IV General Conditions;

J. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A
CYBER LOSS:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

646-943-5900

All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.



CYBER FIRST NOTICE OF LOSS FORM

| | |
|--------------------------------------|--|
| SEND TO: | Beazley Group |
| BY MAIL: | 1270 Avenue of the America's, Suite 1200, New York, NY 10020 |
| BY FAX: | (546) 378-4039 |
| BY EMAIL: | tmbclaims@beazley.com |
| CC Alliant Claims Department: | rfrey@alliant.com AND dwalizada@alliant.com And your Alliant representative |

Today's Date: _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey OR Diana L. Walizada

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

Policy Information

Policy Number: _____ Policy Period: 7/1/15 to 7/1/16

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
 - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 - b. the injury or damage which may result or has resulted from the circumstance; and
 - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.



Environmental Risk

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately at:*

888-310-9553 or use ACE Alert app

- 4) *Report the incident to Alliant*

Martin Fox-Foster
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your company's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager

BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

BY FAX: (800) 951-4119

BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

CC Alliant Insurance: martin.fox-foster@alliant.com
And your Alliant representative

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident
- Third-Party Claim
- Potential Claim
- Litigation Initiated
- Other _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Policy Information

Policy Number: _____ Policy Period: 7/1/15 to 7/1/16

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

APIP Pollution: Claim Reporting Fact Sheet

This page outline the steps that should be taken BY YOU, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through PEPiP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

III. DEFENSE AND SETTLEMENT C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

V. DEFINITIONS

F. “Emergency response” means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

T. “Pollution condition” means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. “Remediation costs” means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

B. The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is; if you have a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.



2015/16 APIP CLAIMS REPORTING ACKNOWLEDGEMENTS

ACTION ITEM

ISSUE: The Alliant Property Insurance Program (APIP or PEPiP) requires its members to sign the Acknowledgement Form which outlines the steps that should be taken at the time a property, cyber liability or pollution loss occurs to assure that the claim is managed effectively from the start. **The notice requirements must be met to be sure that insurance coverage available through APIP remains in force and available for claims payment.** The Board is asked to acknowledge receipt of the Claims Reporting Information and Requirements.

FISCAL IMPACT: None.

RECOMMENDATION: Authorize President to sign on behalf of SCORE and provide signed acknowledgements to the Program Administrator.

BACKGROUND: The Alliant Property Insurance Program (APIP or PEPiP) includes property coverage for Member owned locations, Cyber Liability coverage and Pollution coverage. This Program has developed APIP Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. These Reporting Requirements, as well as the applicable disclosures and signature forms, have been distributed to Members in advance of this meeting for their review. Members were instructed to retain these documents in their records so as to assist them in the event that a claim needs to be filed. The Administrators have asked that each Member sign and return the signature forms indicating that they acknowledge receipt of the information.

ATTACHMENT(S): APIP Claims Reporting Acknowledgement Form

ALLIANT INSURANCE SERVICES

APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email or mail to have it be included in your insurance records.

APIP Property Claims Reporting

Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased

Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs

In effect: July 1, 2015 until further notice

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

Insured Entity Name: Small Cities Organized Risk Effort

Authorized Signature: _____

Print Name

Date

Title



CYBER LIABILITY OPTION - APIP

INFORMATION ITEM

ISSUE: The Board of Directors should review the Cyber Liability coverage enhancement option and decide if the JPA is interested in obtaining a quote for this coverage option.

RECOMMENDATION: None - Information Item. Provide direction to Program Administrator to obtain quote per member interest.

FISCAL IMPACT: To be determined

BACKGROUND: The JPA's Property policy includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. The Cyber Liability program as a whole has a \$25 million annual aggregate for all insureds or members in the program combined.

With the increase in cyber-attacks, a Cyber Liability coverage enhancement is now available and can be purchased at any time throughout the policy period. The coverage enhancement provides two options:

- **Option #1** would replace the monetary limit with a per person limit for Privacy Notification costs. The per person limit is outside the policy's current dollar limits so that Privacy Notification costs do not erode the Cyber annual aggregate limit. This per person limit provides an unlimited dollar amount for notification services subject to the number of notified individuals that is selected. The additional premium is based on the annual revenue or operating budget and the number of notified individuals that would be covered.
- **Option #2** is available only if Option #1 has been purchased. Option #2 provides Excess Cyber Liability limits up to \$5 million.

This coverage option may be purchased by the JPA as a whole or by individual members of the JPA. An application will need to be completed to obtain a quote.

ATTACHMENT(S): Cyber Liability Optional Coverage Enhancement

APIP CEO Coverage – Option # 1

Two Towers of Coverage

LIABILITY SUITS, FINES & PENALTIES

| |
|--|
| <u>\$2,000,000</u> |
| <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory Defense & Penalties <input checked="" type="checkbox"/> Privacy Notification → <input type="checkbox"/> Website Media Content Liability <input type="checkbox"/> Cyber Extortion <input type="checkbox"/> Data Protection / BI |
| <u>\$100,000 (sublimit)</u> |
| <ul style="list-style-type: none"> <input type="checkbox"/> PCI Fines and Penalties |
| <u>Deductibles</u> |
| <ol style="list-style-type: none"> 1. TIV up to \$500M <ul style="list-style-type: none"> ➤ \$50,000 2. TIV greater than \$500M <ul style="list-style-type: none"> ➤ \$100,000 |

TOWER I

Current APIP Coverage
 \$2,000,000 Per Member Limit
 \$25,000,000 Program Aggregate

BREACH RESPONSE

| |
|--|
| <u>Limits based on Notified Individuals</u> |
| <ul style="list-style-type: none"> <input type="checkbox"/> Notification – dependent upon Notified Individual's declared <ul style="list-style-type: none"> ➤ 50K, 100K, 250K, 500K, 1M, 2M+ <input type="checkbox"/> Credit/Identity Monitoring & Call Center Services per N.I.'s |
| <u>\$250,000 - \$1M*</u> |
| <ul style="list-style-type: none"> <input type="checkbox"/> Legal, Computer Forensics, Crisis Management/PR firm |
| <u>Deductibles</u> |
| <ol style="list-style-type: none"> 1. Computer Forensics, Crisis Management/PR <ul style="list-style-type: none"> ➤ *\$10,000 - \$40,000 ➤ Legal - \$5,000 2. Notified Individuals – From 50 to 250 (sliding scale) |

TOWER II – dedicated limits Cyber Enhancement Option

** Depending on annual revenue or operating budget*



CEO Estimated Premium Matrix Option #1



STEP #1

STEP #2

| APIP Member Level | Annual Revenue/ Operating Budget | Legal/Forensic/ CM/PR Aggregate Limit | 50K Notified Individuals | 100K Notified Individuals | 250K Notified Individuals | 500K Notified Individuals | 1M Notified Individuals | 2M Notified Individuals | 3M Notified Individuals |
|----------------------------|-------------------------------------|--|--------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Level I \$0-\$15M | \$15,000,000 | \$250,000 | \$968 | \$1,452 | \$2,323 | \$3,484 | \$5,226 | \$25,806 | Subject to Underwriting |
| Level II \$0-\$35M | \$35,000,000 | \$250,000 | \$1,468 | \$2,202 | \$3,523 | \$5,284 | \$7,926 | \$25,806 | |
| Level III \$35M-\$50M | \$50,000,000 | \$250,000 | \$2,516 | \$3,774 | \$6,039 | \$9,058 | \$13,587 | \$25,806 | |
| Level IV \$50M-\$100M | \$100,000,000 | \$250,000 | \$3,742 | \$5,613 | \$8,981 | \$13,471 | \$20,206 | \$30,310 | |
| Level V \$100M-\$250M | \$250,000,000 | \$500,000 | \$6,129 | \$9,194 | \$14,710 | \$22,065 | \$33,097 | \$49,645 | |
| Level VI \$250M-\$500M | \$500,000,000 | \$500,000 | \$9,677 | \$14,516 | \$23,226 | \$34,839 | \$48,387 | \$70,968 | |
| Level VII \$500M-\$750M | \$750,000,000 | \$500,000 | \$13,548 | \$20,323 | \$32,516 | \$48,774 | \$61,290 | \$93,548 | |
| Level VIII \$750M-\$1B | \$1,000,000,000 | \$1,000,000 | \$16,774 | \$25,161 | \$40,258 | \$60,387 | \$80,645 | \$116,129 | |
| Greater than \$1B | | Terms available subject to underwriting review | | | | | | | |

“APIP Member Level” based on Annual Revenue or Operating Budget



APIP CEO Option #2 PCI Fines & Penalties Sublimit Matrix

| Primary | XS Limits | Primary PCI Sublimit | XS PCI Sublimit |
|-------------|-------------|----------------------|-----------------|
| \$2,000,000 | \$1,000,000 | \$100,000 | \$100,000 |
| | \$2,000,000 | | \$200,000 |
| | \$3,000,000 | | \$300,000 |
| | \$4,000,000 | | \$400,000 |
| | \$5,000,000 | | \$400,000 |



CYBER LIABILITY OPTION - CJPRMA

ACTION ITEM

ISSUE: The Board of Directors is asked to review the Cyber Liability coverage offered by CJPRMA and decide if the JPA is interested in this coverage option.

RECOMMENDATION: Provide direction to Program Administrator per member interest.

FISCAL IMPACT: To be determined

BACKGROUND: CJPRMA is offering Cyber Liability Coverage for the first time this year. The information was provided at CJPRMA's June 18, 2015, Board meeting, and the Program Administrators are reviewing this option. More details regarding the program, including comparison to current SCORE coverage and optional enhancement will be provided at the meeting.

ATTACHMENT(S):

1. CJPRMA Optional Cyber Coverage Description
2. 15-16 CJPRMA-Privacy Pool Member Application

California Joint Powers Risk Management Authority

Proposed Cyber Liability Program

July 1, 2015 to July 1, 2016



Ace Proposal – Internal JPA Members of NCCSIF, REMIF and SCORE

| | <u>Per Occurrence</u> | <u>Aggregate</u> | <u>Retention</u> |
|------------------------------|-----------------------|------------------|------------------|
| ▪ Privacy | \$500,000 | \$500,000 | \$25,000 |
| ▪ Network Security | \$500,000 | \$500,000 | \$25,000 |
| ▪ Internet Media | \$500,000 | \$500,000 | \$25,000 |
| ▪ Network Extortion | \$500,000 | \$500,000 | \$25,000 |
| ▪ Data Breach Fund | \$250,000 | \$250,000 | \$25,000 |
| ▪ Business Interruption | \$500,000 | \$500,000 | \$25,000 |
| ▪ Digital Asset Loss | \$500,000 | \$500,000 | \$25,000 |
| ▪ Payment Card Industry | \$250,000 | \$250,000 | \$25,000 |
| ▪ Regulatory | \$250,000 | \$250,000 | \$25,000 |
| ▪ <u>Premium - \$250,000</u> | | | |

PRIVACY & NETWORK SECURITY SUPPLEMENTAL APPLICATION
THIS APPLICATION IS FOR A CLAIMS-MADE AND REPORTED INSURANCE POLICY

Instructions to the applicant:

- Please answer all questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered material to that evaluation.
- This supplemental application should be completed with the assistance of the Chief Security Officer and the Chief Information Officer or Chief Privacy Officer.
- Please include a copy of a network security assessment or audit conducted within the past 12 months (if applicable)

Applicant Information

Applicant Name: _____

What sensitive information do you handle, manage, store, destroy or otherwise control?
 (please check all that apply and provide approximate number of records)

- | | |
|---|---|
| <input type="checkbox"/> Social Security Numbers: _____ | <input type="checkbox"/> Medical Records: _____ |
| <input type="checkbox"/> Credit/Debit Card Numbers: _____ | <input type="checkbox"/> Healthcare Records: _____ |
| <input type="checkbox"/> Drivers License Numbers: _____ | <input type="checkbox"/> Credit History and Ratings: _____ |
| <input type="checkbox"/> Government ID Numbers: _____ | <input type="checkbox"/> Intellectual Property of Others: _____ |
| <input type="checkbox"/> Financial Account Numbers: _____ | <input type="checkbox"/> Other: _____ |

If the answer is "No" to any of the below, please attach details on a separate piece of paper

- Is there an attorney-reviewed privacy policy posted on the Applicant's Internet or Intranet website? Yes No
- Have you identified all relevant regulatory and industry-supported compliance frameworks and information management standards that are applicable to your organization? Yes No
- Are you currently compliant with regard to the following:
 - Health Insurance Portability and Accountability Act of 1996 Yes No N/A
 - Payment Card Industry Data Security Standard (PCI DSS) Yes No N/A
- Does an entity-wide policy exist within the Applicant cover:
 - Network security? Yes No
 - Appropriate use of network resources and the Internet Yes No
 - Appropriate use of email Yes No
 - Records and information management compliance Yes No
- Does the Applicant utilize the following risk management process or procedures:
 - User and password management for current employees and access restriction for prior employees Yes No
 - Antivirus software on all computers and mission critical servers Yes No
 - Encryption, using industry-grade mechanisms, of all sensitive information that is transmitted (either electronically or physically) Yes No
 - Encryption, using industry-grade mechanisms, of all sensitive information that is stored on databases Yes No
 - Access control requirements and hard drive encryption for all mobile devices Yes No
 - Firewall technology for all Internet points-of-presence Yes No
 - Data recover and restoration procedures, including regular system back-ups Yes No
 - Intrusion detection, penetration or vulnerability testing Yes No
 - Written disaster recovery and business continuity plan for your network Yes No

- Formal incident response plan for potential data security breaches Yes No
6. Does your organization follow established procedures for carrying out and confirming the destruction of:
- a. Data residing on systems or devices prior to their recycling, refurbishing, resale, or physical disposal? Yes No
 - b. Sensitive information in electronic and paper form prior to recycling or physical disposal? Yes No
7. Does your organization conduct regular reviews of your third-party service providers and partners to ensure that they adhere to your contractual and/or regulatory requirements for the protection of sensitive business/customer data that you entrust to their care for processing, handling, and marketing purposes? Yes No N/A
- Do contracts with third-party service providers include indemnity provisions that protect you from any liability arising out of their loss of your sensitive information? Yes No
8. Have you configured your organization's Internet-facing Web sites and related systems so that no sensitive customer data resides directly on these systems? Yes No
9. Is the IT function centrally controlled by a third-party or managed by individuals within your organization?

Explain:

LOSS INFORMATION

If the answer is "yes" to any of questions 1-4 below, please attach explanations. With respect to claims or litigation, include any pending or prior incident, event or litigation, providing full details of all relevant facts.

- 1. Has the Applicant ever sustained a significant systems intrusion, tampering, virus or malicious code attack, loss of data, hacking incident, data theft or similar? Yes No
- 2. After Inquiry, do any partners, principals, directors, officers or employees of the Applicant have knowledge or information of any act, error, omission, fact, circumstance, inquiry or formal or in-formal investigation which might give rise to a claim under the proposed policy? Yes No
- 3. In the last five years has your company experienced any claims or are you aware of any circumstances that could give rise to a claim that would be covered by this policy? Yes No
- 4. During the last five years, has anyone alleged that their personal information was compromised, or have you notified customers that their information was or may have been compromised, as a result of your activities? Yes No

It is understood and agreed that if any such Claims exist, or any such facts or circumstances exist which could give rise to a Claim, then those Claims and any other Claims arising from such facts or circumstances are excluded from the proposed insurance.

It is understood and agreed that if such knowledge or information exists, any Claim arising from such knowledge or information is excluded from this insurance.

CLOUD SERVICE PROVIDER (N/A)

1. Do you use any of the following cloud services? (please check each service being used)

- | | | | | | |
|------------------------------------|------------------------------|-----------------------------|---------|------------------------------|-----------------------------|
| Infrastructure as a Service (IAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Private | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Platform as a Service (PAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Public | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Software as a Service (SAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Hybrid | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

2. Please complete the following platform information for all Cloud Service Providers (CSP):

| Cloud Provider | Type (i.e. Public) | Use (i.e. IAAS) | Annual Contract Fee | Since |
|----------------|-----------------------|--------------------|------------------------|-------|
| | | | \$ | |
| | | | \$ | |
| | | | \$ | |

**Please provide a copy of the current contract(s) with each cloud service provider.
Please attach a list if additional space is required.**

3. Please complete the following information for all Cloud Service Providers (CSP) you process or store 3rd party personal or confident corporate information:

| Cloud Provider | Type (examples below*) | # of Records | Encrypted (Yes/No) |
|----------------|---------------------------|--------------|-----------------------|
| | | | |
| | | | |
| | | | |

***PII = Personally Identifiable Information; CCI = 3rd Party Confidential Corporate Information; PHI = Personal Health Information; CNN = Credit Card Numbers; SSN = Social Security Numbers
Please attach a list if additional space is required.**

FRAUD WARNING STATEMENT

NOTICE TO ALL APPLICANTS: Any person who knowingly, or knowingly assists another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

This Supplemental Application shall be maintained on file by the Company, shall be deemed attached if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the Application and the proposed Policy.

Signed: _____

(Must be signed by an Officer of the Company)

Title: _____

Dated: _____

PRIVACY & NETWORK SECURITY SUPPLEMENTAL APPLICATION
THIS APPLICATION IS FOR A CLAIMS-MADE AND REPORTED INSURANCE POLICY

Instructions to the applicant:

- Please answer all questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered material to that evaluation.
- This supplemental application should be completed with the assistance of the Chief Security Officer and the Chief Information Officer or Chief Privacy Officer.
- Please include a copy of a network security assessment or audit conducted within the past 12 months (if applicable)

Applicant Information

Applicant Name: _____

What sensitive information do you handle, manage, store, destroy or otherwise control?
(please check all that apply and provide approximate number of records)

- | | |
|---|---|
| <input type="checkbox"/> Social Security Numbers: _____ | <input type="checkbox"/> Medical Records: _____ |
| <input type="checkbox"/> Credit/Debit Card Numbers: _____ | <input type="checkbox"/> Healthcare Records: _____ |
| <input type="checkbox"/> Drivers License Numbers: _____ | <input type="checkbox"/> Credit History and Ratings: _____ |
| <input type="checkbox"/> Government ID Numbers: _____ | <input type="checkbox"/> Intellectual Property of Others: _____ |
| <input type="checkbox"/> Financial Account Numbers: _____ | <input type="checkbox"/> Other: _____ |

If the answer is "No" to any of the below, please attach details on a separate piece of paper

- Is there an attorney-reviewed privacy policy posted on the Applicant's Internet or Intranet website? Yes No
- Have you identified all relevant regulatory and industry-supported compliance frameworks and information management standards that are applicable to your organization? Yes No
- Are you currently compliant with regard to the following:

| | | | |
|---|------------------------------|-----------------------------|------------------------------|
| • Health Insurance Portability and Accountability Act of 1996 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| • Payment Card Industry Data Security Standard (PCI DSS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
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| | | |
|---|------------------------------|-----------------------------|
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| • Appropriate use of email | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Records and information management compliance | | |
- Does the Applicant utilize the following risk management process or procedures:

| | | |
|---|------------------------------|-----------------------------|
| • User and password management for current employees and access restriction for prior employees | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Antivirus software on all computers and mission critical servers | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Encryption, using industry-grade mechanisms, of all sensitive information that is transmitted (either electronically or physically) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Encryption, using industry-grade mechanisms, of all sensitive information that is stored on databases | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Access control requirements and hard drive encryption for all mobile devices | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Firewall technology for all Internet points-of-presence | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Data recover and restoration procedures, including regular system back-ups | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Intrusion detection, penetration or vulnerability testing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| • Written disaster recovery and business continuity plan for your network | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

- Formal incident response plan for potential data security breaches Yes No
6. Does your organization follow established procedures for carrying out and confirming the destruction of:
- a. Data residing on systems or devices prior to their recycling, refurbishing, resale, or physical disposal? Yes No
 - b. Sensitive information in electronic and paper form prior to recycling or physical disposal? Yes No
7. Does your organization conduct regular reviews of your third-party service providers and partners to ensure that they adhere to your contractual and/or regulatory requirements for the protection of sensitive business/customer data that you entrust to their care for processing, handling, and marketing purposes? Yes No N/A
- Do contracts with third-party service providers include indemnity provisions that protect you from any liability arising out of their loss of your sensitive information? Yes No
8. Have you configured your organization's Internet-facing Web sites and related systems so that no sensitive customer data resides directly on these systems? Yes No
9. Is the IT function centrally controlled by a third-party or managed by individuals within your organization?

Explain:

LOSS INFORMATION

If the answer is "yes" to any of questions 1-4 below, please attach explanations. With respect to claims or litigation, include any pending or prior incident, event or litigation, providing full details of all relevant facts.

- 1. Has the Applicant ever sustained a significant systems intrusion, tampering, virus or malicious code attack, loss of data, hacking incident, data theft or similar? Yes No
- 2. After Inquiry, do any partners, principals, directors, officers or employees of the Applicant have knowledge or information of any act, error, omission, fact, circumstance, inquiry or formal or in-formal investigation which might give rise to a claim under the proposed policy? Yes No
- 3. In the last five years has your company experienced any claims or are you aware of any circumstances that could give rise to a claim that would be covered by this policy? Yes No
- 4. During the last five years, has anyone alleged that their personal information was compromised, or have you notified customers that their information was or may have been compromised, as a result of your activities? Yes No

It is understood and agreed that if any such Claims exist, or any such facts or circumstances exist which could give rise to a Claim, then those Claims and any other Claims arising from such facts or circumstances are excluded from the proposed insurance.

It is understood and agreed that if such knowledge or information exists, any Claim arising from such knowledge or information is excluded from this insurance.

CLOUD SERVICE PROVIDER (N/A)

1. Do you use any of the following cloud services? (*please check each service being used*)

- | | | | | | |
|------------------------------------|------------------------------|-----------------------------|---------|------------------------------|-----------------------------|
| Infrastructure as a Service (IAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Private | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Platform as a Service (PAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Public | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Software as a Service (SAAS) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Hybrid | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

2. Please complete the following platform information for all Cloud Service Providers (CSP):

| Cloud Provider | Type (i.e. Public) | Use (i.e. IAAS) | Annual Contract Fee | Since |
|----------------|-----------------------|--------------------|------------------------|-------|
| | | | \$ | |
| | | | \$ | |
| | | | \$ | |

**Please provide a copy of the current contract(s) with each cloud service provider.
Please attach a list if additional space is required.**

3. Please complete the following information for all Cloud Service Providers (CSP) you process or store 3rd party personal or confident corporate information:

| Cloud Provider | Type (examples below*) | # of Records | Encrypted (Yes/No) |
|----------------|---------------------------|--------------|-----------------------|
| | | | |
| | | | |
| | | | |

**PII = Personally Identifiable Information; CCI = 3rd Party Confidential Corporate Information; PHI = Personal Health Information; CNN = Credit Card Numbers; SSN = Social Security Numbers
Please attach a list if additional space is required.*

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This Supplemental Application shall be maintained on file by the Company, shall be deemed attached if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the Application and the proposed Policy.

Signed: _____

(Must be signed by an Officer of the Company)

Title: _____

Dated: _____



Agenda Item H.6.

ACI CONTRACT RENEWAL FOR 2015-2016

ACTION ITEM

ISSUE: The contract with ACI Specialty Benefits for Employee Assistance Program (EAP) and Wellness Services is up for Renewal as of *September 1, 2015*.

RECOMMENDATION: The Program Administrator recommends approval of the 2015/16 EAP Coverage Renewal with ACI Specialty Benefits.

FISCAL IMPACT: The rate for EAP services is \$2.25 per employee per month. Based on a total of 333 employees, the annual amount is \$8,991. Members pay for the EAP services as part of their overall funding per the attached allocation for 2014/15. *The allocation will be updated prior to the renewal on 9/1/15 based on updated employee counts from participating members.*

BACKGROUND: The EAP and Wellness Services are well-utilized by SCORE members. The utilization rate for 2014 was 4.7%, great utilization considering that the national average is between 3% and 5%. Summary of Benefits for both EAP and Wellness Services are attached.

ATTACHMENTS:

1. SCORE ACI Renewal Letter 2015-2016
2. SCORE ACI Renewal Exhibit A 2015-2016
3. EAP Allocation by Member – 2014-15



SCORE Service Renewal 2015

May 29, 2015

Marcus Beverly
 Vice President
SCORE
 1792 Tribute Road, Suite 450
 Sacramento, CA 95815

It has been a pleasure to provide service to your employees and their family members for the past six years. SCORE and ACI have demonstrated a successful partnership with the overall utilization percentage of 4.7% since inception. On behalf of the entire ACI staff, we appreciate your continued trust in ACI's benefits and services.

This letter is a confirmation of renewal for the EAP benefits offered by ACI Specialty Benefits for SCORE. Please take a moment to review and confirm the renewal terms.

| Renewal Terms | SCORE |
|-------------------|---|
| Renewal Date | September 1, 2015 |
| Renewal Term | One Year |
| Programs Provided | Employee Assistance Program Corporate Package |
| Renewal Rate | \$2.25 PEPM |
| Employee Count | 333 |
| Cities Covered | City of Biggs, City of Live Oak, City of Portola, City of Colfax, Town of Loomis, City of Isleton, City of Shasta Lake, City of Loyalton, City of Susanville, City of Dunsmuir, City of Etna, City of Dorris, City of Weed, City of Yreka, City of Mount Shasta, City of Tulelake |



This service renewal is subject to the same terms and conditions as the [Master Service Agreement](#). Non-renewal notices must be sent in writing 90 days prior to termination date.

Attached please find the updated Exhibit A which outlines the current service offerings. After reviewing the Service Renewal and initialing Exhibit A, please sign and return this document. Please keep a copy of each for your records.

If you have any questions or comments about this renewal, please contact your Account Manager, Kathryn Mullis.

Signature

Title

Date

Love ACI's Employee Assistance Program?

As a valued client,

SAVE UP TO 25%

when you bundle with an additional program!



Contact your Account Manager to

BUNDLE & SAVE



Leverage Concierge

Give employees a virtual assistant to handle personal services while boosting productivity and your bottom line:

- Unlimited discounts and referrals for personal services
- Access to 24/7 concierge website, [myACIonline.com](#)
- Attract and retain top talent



CORE Wellness

Is employee health affecting claims costs and productivity? Give them something to get active about with ACI's CORE Wellness:

- Personalized wellness coaching
- 100% PPACA compliance
- Incentives that work



Ethics Hotline

Provide a confidential way to report misconduct through ACI, known and trusted by your employees:

- Confidential reporting through phone, email, and web
- Take corrective action before issues become public
- 24/7 Hotline: live-answer within two rings

SUMMARY OF BENEFITS

Prepared for: **SCORE**
 Provider: **ACI Specialty Benefits**
 Policy: **Employee Assistance Program: Corporate**
 Summary Date: **5/29/2015**
 Start Date: **9/1/2015**
 Anniversary Date: **9/1/2016**



Benefit Description

ACI Specialty Benefits (ACI) will provide employee assistance program (EAP) services, including assessment, referral and short-term problem resolution. Following assessment, the employee or family member may be referred for therapy or other professional services.

ACI will also provide comprehensive work/life referrals, resources and services.

Problem Assessment

- Face-to-Face Sessions

EAP Work/Life Services

- **Legal assistance** for **unlimited** number of issues per year. Includes 60-minute in-office or telephonic consultation with local attorney and 25% discount for continued services
- Telephonic **financial assistance** for **unlimited** number of issues per year. Includes 30-day financial coaching benefit with 90-day action plan take-away.
- **Unlimited child care** and **elder care** referrals
- **Veteran Connection**
- **Identity theft prevention/recovery**. Includes 60-minute consultation
- **100% Follow-up** for all requests, referrals and services utilized

Training and Orientations



Virtual and Onsite

- **Unlimited** Employee Orientations
- **Unlimited** Manager and Supervisor Trainings
- **Unlimited** Live 'N Learn Seminars
- Just-Do-It Training consultation and facilitation tools for onsite management
- 24/7 access to training videos on ACI's YouTube Channel

Clinical Services

- **Unlimited** clinical consulting on difficult employee issues
- Access to panel of in-house clinicians

Provider Network Availability

- Over 40,000 providers nationwide



HR Support Services

- Critical Incident Response
 - Onsite Critical Incident Stress Debriefing (CISD)
 - Critical Incident Stress Management (CISM)
 - Disaster Contingency Consultation Materials
- Consultation for substance abuse case management and support for return-to-work transition
- Direct supervisory referrals for work performance problems
- Management consultation regarding difficult employee issues
- Consultation and development of policies to prevent workplace violence and manage high risk situations
- Support to Human Resources during workforce reductions, management changes, reorganizations, plant closures, and other transitions

Program Promotion and Web Services



- ACI's comprehensive promotional plan includes:
- **Digital Marketing:** EAP flyers, brochures, summary plan descriptions, wallet cards, and supervisory resource manuals
 - **Social Media and Content Marketing:** Social@ACI platforms, videos on YouTube, regularly updated content on ACI's Blog, and monthly HealthYMail™ e-newsletter
 - **Mobile Marketing:** myACI App and Quick Response (QR) Codes
 - **Web Services:**
 - **Landing Page:** website with access to services
 - **Virtual Folder:** HR and management resource center
 - **Affinity™ Online** work/life website services
 - Online access to ACI's website: www.acispecialtybenefits.com
 - Co-branding with client's logo available

Program Access: Mobile Apps and Intuitive Technology

- 24-hour, 365 day-a-year nationwide toll free number (800.932.0034)
- Always live-answer
- Multilingual assistance, 175 languages
- **myACI App** and QR codes for mobile access
- **Social@ACI platforms** and **online portals** for convenient access

Reporting

- Quarterly utilization reports with executive overview
- Annual cost analysis available on request
- Full-color graphs and charts display key metrics and demographic data

Eligibility

- **Easy Access:** No cumbersome membership IDs or Social Security Numbers required
- **All Employees**
- **Dependents:** Spouse, domestic partners, dependents, *all family members regardless of location*

Termination of Benefits 30 days from employee termination date at no cost to employer

Rate Summary



ACI Specialty Benefits
 800.932.0034
www.acispecialtybenefits.com
 Page 218

Initials: SCORE _____
 ACI _____

| Program | Session Model | Employee Count | Per Employee Per Month |
|-----------------------------|---------------------|----------------|------------------------|
| Corporate EAP and Work/Life | 3 Sessions Per Year | 333 | \$2.25 |

Program Assumptions

Rate:

- Rates guaranteed for one year
- Rates assume no broker commission
- Commissions paid first year only

Onsite:

- On-sites provided for employee groups of 15 or more
- Four (4) hours Per Year of On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City
*Additional trainings available at a reduced rate of \$125/hour
- Trainer's travel fees are included
- ACI attendance at one (1) on-site meeting per year
- One annual executive year-end review
- One (1) On-Site Critical Incident Stress Debriefing (CISD) Per City Per Year (2 hours per incident)

Materials:

- ACI Specialty Benefits provides unlimited virtual marketing materials from ACI's library of templates. Printed and custom materials are available at an additional cost

Compliance:

- In adherence of HIPAA regulations, ACI Specialty Benefits does not provide written utilization reporting to groups of under 115 employees. Account managers will provide telephonic quarterly usage summaries
- Admin fee assessed for separate billing

Cities Covered

City of Biggs, City of Live Oak, City of Portola, City of Colfax, Town of Loomis, City of Isleton, City of Shasta Lake, City of Loyalton, City of Susanville, City of Dunsmuir, City of Etna, City of Dorris, City of Weed, City of Yreka, City of Mount Shasta, City of Tulelake

Additional Onsite Fees

ACI provides a variety of services over and above package inclusions, available on a fee-for-service basis.

| Type of Service | Fee-for-service |
|---|---------------------------------------|
| Onsite Critical Incident Stress Debriefing (CISD) | Over contracted hours: \$325 per hour |
| Conflict Resolution/Mediation | \$350 per hour |
| Onsite Lay-Off and RIF Support | Over contracted hours: \$325 per hour |
| Executive Coaching | \$350 per hour |
| Late Cancellation Fee | \$225 per hour |



| City | Number of employees indicated by Board Member | Rate per month per employee | Total Rate per month | Total number of months | 2014-2015 Premium |
|-----------------------------------|---|-----------------------------|----------------------|------------------------|-------------------|
| Biggs | 9 | \$2.25 | \$20.25 | 12 | \$243 |
| Colfax | 10 | \$2.25 | \$22.50 | 12 | \$270 |
| Dunsmuir | 10 | \$2.25 | \$22.50 | 12 | \$270 |
| Etna | 7 | \$2.25 | \$15.75 | 12 | \$189 |
| Ft. Jones | 0 | \$2.25 | \$0.00 | 12 | \$0 |
| Isleton | 5 | \$2.25 | \$11.25 | 12 | \$135 |
| Live Oak | 20 | \$2.25 | \$45.00 | 12 | \$540 |
| Loomis | 8 | \$2.25 | \$18.00 | 12 | \$216 |
| Loyalton | 5 | \$2.25 | \$11.25 | 12 | \$135 |
| Montague | 0 | \$2.25 | \$0.00 | 12 | \$0 |
| Mount Shasta | 34 | \$2.25 | \$76.50 | 12 | \$918 |
| Portola | 11 | \$2.25 | \$24.75 | 12 | \$297 |
| Rio Dell | 0 | \$2.25 | \$0.00 | 12 | \$0 |
| Shasta Lake | 45 | \$2.25 | \$101.25 | 12 | \$1,215 |
| Susanville | 62 | \$2.25 | \$139.50 | 12 | \$1,674 |
| Tulelake | 16 | \$2.25 | \$36.00 | 12 | \$432 |
| Weed | 30 | \$2.25 | \$67.50 | 12 | \$810 |
| Yreka | 49 | \$2.25 | \$110.25 | 12 | \$1,323 |
| Current TOTAL | 321 | | | | \$8,667 |
| Projected Total 9/1/15 Renewal | 333 | \$2.25 | \$749.25 | 12 | \$8,991 |



**RISK MANAGEMENT SERVICES
AND RECOMMENDATIONS FOR 2015/16
ACTION ITEM**

ISSUE: SCORE's current Agreement with DKF Solutions for risk management services is winding down as the contracted services, including on-site assessments and training, are being completed. At the last Board meeting members David Patzer of DKF presented a proposal for services for 2015/16. The members reviewed and asked the Program Administrators to work with DKF to revise the proposal based on their feedback.

The Program Administrators reviewed the proposal with David Patzer and requested the attached revised proposal. The previously proposed wellness services have been eliminated and more emphasis has been placed on the on-site assessments and training and development of OSHA-required policies. The proposal also includes a continuance of the hotline service, a library of resources, an assessment of member sewer management plans, and a budget of \$13,000 for training as needed based on member feedback and assessment results.

RECOMMENDATION: Approve continuation of risk management services per review and discussion.

FISCAL IMPACT: The total contract price is \$95,000 if all services are utilized.

BACKGROUND: SCORE first entered into a Training Service Agreement with DKF Solutions and David Patzer for Sanitary Sewer Management and Waste Water Treatment Plant Operations. He was also asked to develop and distribute a Risk Survey to all SCORE Member Cities to identify and analyze the various risks that exist among the Membership. As a result of the survey, members agreed to further services for 2014/15, including on-site inspections, risk assessments, and training. Members have also agreed to add additional best practices to the on-site assessments and develop a scorecard to track member progress in addressing their risk exposures.

ATTACHMENT(S): DKF Solutions Risk Control Options Proposal



**~ Proposal From DKF Solutions Group, LLC For Services To ~
~ Small Cities Organized Risk Effort (SCORE) ~
Proposal No. 060215-1**

This PROPOSAL is made on June 2, 2015 by and between DKF Solutions Group, LLC and the SCORE (hereafter referred to as SCORE). This PROPOSAL is valid until 12am, August 30, 2015.

SCOPE: SCORE has requested a proposal for the following consulting services:

WORKERS' COMPENSATION AND CALOSHA:

1. Perform one full day site visit at each member location to provide the following services:
 - Meet with City management (*i.e. City Manager, Human Resources Manager, Public Works Director, etc*) to review the 2014/15 risk control work plan and scorecard results for each member. The purpose of this meeting is to identify resources to assist each member in addressing identified, high priority risks.
 - Each member will be provided, within 45 days of the meeting, a report describing:
 - Status of the Risk Control Work Plan and Scorecard and recommendations
 - Resources to assist the member with addressing each of the recommendations in the report.
 - One 60 minute awareness level training on a CalOSHA topic appropriate to the member.
 - Gather information for CalOSHA policy development described in #3, below.
2. My Safety Officer subscription for all members. Subscription includes:
 - Determination of CalOSHA requirements for each Member.
 - Monthly communication with each Member describing training requirements, other CalOSHA action items, training records management and available training resources to meet monthly training requirements.
 - Access to My Safety Officer training resources:
 - Video lending library
 - Online training modules
3. Develop three CalOSHA policies for each Member from the following list:
 - Asbestos Pipe
 - Bloodborne Pathogens
 - Confined Space
 - Illness and Injury Prevention Program
 - Lockout/Tagout
4. Develop an interactive computer based training module reflecting each Member's completed CalOSHA policy developed in #3, above.
5. Provide Risk Control Hotline services via phone and email.
6. Provide a library of risk control resources, including sample policies and procedures.

FEE FOR WORKERS' COMPENSATION/CALOSHA SERVICES: \$64,000

GENERAL LIABILITY – SEWERS:

1. Perform a sewer worker staffing and collection system budget benchmarking study for SCORE members.
2. Provide a workshop at two locations on the following:
 - Results of the staffing and budget benchmarking study
 - Sanitary Sewer Management Plan auditing and implementation tools

FEE FOR GENERAL LIABILITY SERVICES: \$18,000

TRAINING:

1. Provide two workshops on two different topics at three locations per topic. Locations TBD based on Member interest in the topic. Training topics TBD by a combination of:
 - Member need/requests
 - Regulatory changes
 - Pool loss experience

FEE FOR TRAINING SERVICES: \$13,000

CONTRACT FEE: The total contract fee is \$95,000. Additional expenses/fees/costs will not be incurred without prior written approval from the SCORE Program Administrators.

SUBCONTRACTORS: DKF Solutions Group routinely subcontracts with subject matter experts in order to provide the highest quality policy and procedure development and training services. DKF Solutions Group reserves the right to subcontract subject matter experts in instances where SCORE and its members will be best served by subcontracting a particular service.

SCORE RESPONSIBILITIES:

1. Each member will provide staff time to work with DKF SOLUTIONS GROUP to gather technical information and photos necessary to complete SCOPE. The staff provided by the CITY will have the technical knowledge, expertise, and/or written materials necessary for DKF SOLUTIONS GROUP to make technically correct evaluations.
2. All meetings or other work involving DKF SOLUTIONS GROUP, City, and City-provided vendors will be scheduled at mutually agreeable dates and times.

COMPENSATION: DKF Solutions Group, LLC reserves the right to collect reimbursable expenses. Reimbursable expenses include, but are not limited to, administrative costs such as training handouts, postage and certificates of insurance.

AVAILABILITY: DKF Solutions Group is available on or after August 30, 2015 to provide the services described in SCOPE.

TERMS: DKF Solutions Group shall retain all copyright, patent, trade secret and other intellectual property rights in all Content/products created pursuant to the services contracted-for and rendered under the Agreement. Subject to its receipt of all compensation due under the Agreement, DKF Solutions Group grants City a nonexclusive, nontransferable license, authorizing City to use the WORK for its own purposes once payment in full is received.

STANDARD OF CARE/WARRANTY: DKF SOLUTIONS GROUP will perform the work under this Agreement as an independent contractor and in accordance with generally accepted professional practices. DKF SOLUTIONS GROUP will utilize reasonable care and skill consistent with and equal to that customarily

possessed by environmental, health and safety consulting professionals in the community.

The parties to this agreement recognize the complex, subjective, and performance based nature of many environmental, occupational safety and health laws and regulations and the administrative interpretations thereof. In performance of the work, DKF SOLUTIONS GROUP must rely upon information derived from secondary sources and personal interviews. Except as specifically required in the scope of work, DKF SOLUTIONS GROUP will make no independent investigation as to the accuracy or completeness of the information derived from the secondary sources and personal interviews, and will assume that such information is accurate and complete.

All recommendations, findings, and conclusions will be based upon information and circumstances as they existed at the time of preparation (e.g. Federal, state, and local laws; political climate; and other matters that DKF Solutions Group, LLC deemed relevant). A change in any fact or circumstance may adversely affect the recommendations, findings, and conclusions expressed in the WORK. Accordingly, except as set forth in the first paragraph of this section,

DKF SOLUTIONS GROUP makes no other representation, warranty or guarantee, express or implied.

ACCEPTANCE: To accept this proposal from DKF Solutions Group, LLC, for services described in SCOPE under the terms and conditions described herein, please sign below and return.

Name and Title of SCORE Representative

Date



LOSS CONTROL GRANT FUND PROGRAM

INFORMATION ITEM

ISSUE: At the March 27, 2015 Board meeting the members agreed to extend the Loss Control Grant Fund Program for the 2015/16 Program Year. Attached is a copy of the Policy and Procedure that describes the Program, the distribution of the funds by member, and utilization of the 2014/15 funds.

RECOMMENDATION: None – information only. Encourage members to apply for the funds.

FISCAL IMPACT: \$100,000 in total funding is set aside from net assets for member grants

BACKGROUND: At the January 24, 2014 Board meeting, SCORE implemented a Loss Control Grant Fund in the amount of \$100,000; \$50,000 for each of the Liability and Workers' Compensation programs. The funding has been provided from the Pool's net assets, before the distribution of any dividends. Members of each Program were allocated an amount directly related to their percentage contribution into that Program, subject to a minimum of \$1,000 per Program for each participating Member. The funds are available for use on a combined basis. Projects can also span over multiple years although the disbursement of monies will be limited to the member's annual allocation in any given year and the continuation of the Loss Control Grant Program by the Board.

ATTACHMENTS:

1. Loss Control Grant Fund Policy and Procedure
2. 2015/16 Loss Control Grant Fund Allocation By Member
3. 2014/15 Grant Fund Utilization Report - *handout*



ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT: LOSS CONTROL GRANT FUNDS

Policy Statement:

This policy is effective when adopted by the Board of Directors and expires June 30, 2015, unless renewed on an annual basis by the Board of Directors. It shall be the policy of the Small Cities Organized Risk Effort to establish a "Loss Control Grant Fund" to reimburse members for costs of activities undertaken to:

- Bring member facilities into compliance with Americans with Disabilities Act (ADA) standards,
- Purchase equipment that promotes employee or premises safety,
- Purchase equipment, materials, training and professional services that facilitate OSHA or other regulatory compliance,
- Address other top frequency and/or severity risk management issues as needed.

Within the Loss Control Services (previously Safety Services) annual budget, a line item will contain the total amount of funds available for Loss Control Grants.

1. Funding will be secured from the Liability and Workers' Compensation program's equity. As such, members of the Liability Program will share the annual allocation for that program, and members of the Workers' Compensation Program will share the allocation for that program. The Authority will adopt the amount of funds available for this budgeted line item on an annual basis.
2. Allocation of funds will be based on percentage of contributions annually made by members to each program, with a minimum of \$1,000 per program for each member.
3. The funds will be available for use on a combined basis.
4. Projects can span multiple years as long as approved in advance and funds continue to be available.
5. A Member may make up to three (3) requests per year, and each request needs to be comprehensive - - specifically stating how funds will be used to the benefit of the Member to achieve a reduction in losses.
6. Any unused funds will ultimately be rolled back into available equity for the Program where the fund allocation originated from. The deadline for submitting a request for reimbursement shall be **June 15th** of each fiscal year.
7. In addition, the Program Administrator shall monitor the use of grant funds throughout the year and present a usage summary to the Board of Directors on a quarterly basis.

Funding that is converted to this program shall be secured from surplus available equity, prior to declaration and distribution of dividends. (*Unused funds ultimately return to Members' Equity in each of the programs*).

Procedure:

A Member Agency may apply for Loss Control Grant Funds by following these procedures:

1. A Member will write a request to the Program Administrators for the use of grant funds involving an expenditure. The Request will:
 - a. Include a justification of the funds, and
 - b. How these funds will lead to the reduction of frequency or severity or will mitigate liability risks of the Member Agency.
 - c. State the specific amount needed and not just request their full allocation.
2. The Program Administrator will determine if the funding request is within the member's fund allocation for the program year and facilitates the return of money to another good purpose – that of reducing future claims. If the requested amount is determined to fall within the member's grant fund allocation, the administrator and Board President (or the Executive Committee if requested or if the President has a conflict) will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds will be disbursed to the member agency. ***If funds requested exceed a member's allocation, continue to #3 below, otherwise move on to #4.***
3. In the event that the requested amount exceeds the member's total or remaining allocated grant funds, the Administrator will contact the Member to advise them that their request exceeds their allocation and ask if they:
 - a) Wish to submit a revised request; or
 - b) Request that SCORE consider payment over multiple years as outlined in the Policy Item #4 above.
4. Once approved, the Member Agency will become eligible for reimbursement by SCORE upon submitting the supplier or service provider invoice to the Program Administrator.
5. The Program Administrator will submit the reimbursement request and appropriate documentation to SCORE's accountant and/or treasurer.
6. SCORE's accountant and/or Treasurer will reimburse the Member up to the maximum allowable amount and debit the reimbursement expense from the Grant Program Budget within the Loss Control Services Budget.

- a) If a request exceeds the grant funds available to a member, only the amount available for reimbursement will be paid.
7. If any request is denied, the member may submit a new or amended request, or appeal the denial to the Board of Directors, which will make the final determination on whether the request should be granted. The Board decision shall be final.
8. After the funds are put to use, the Member should provide a brief verbal report to the Board (as agenda item) confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

The Loss Control Grant Fund Program will begin as a standalone program, with no matching contribution required from the requesting Member. Its composition may change, at the Board's discretion, to include a requirement for the requesting Member to co-finance or share the cost of the good or service being reimbursed.

Adopted on: January 24, 2014
Effective Date: January 24, 2014

**SCORE LOSS CONTROL GRANT FUND PROGRAM
ALLOCATION VALUES BY MEMBER**

| Member Entity | Liability Program Contribution | Liability Program Percentage of Total Contribution | Worker's Compensation Contribution | Workers' Comp Percentage of Total Contribution | Liability Grant Fund Allocation | Work Comp Grant Fund Allocation | TOTAL Grant Fund Allocation |
|---------------|--------------------------------|--|------------------------------------|--|---------------------------------|---------------------------------|-----------------------------|
| Biggs * | \$33,516 | 2.62% | \$ 32,187 | 1.92% | \$1,306 | \$1,000 | \$2,306 |
| Colfax * | \$36,036 | 2.82% | \$ 37,361 | 2.23% | \$1,404 | \$1,080 | \$2,484 |
| Dunsmuir | \$51,532 | 4.03% | \$ 62,262 | 3.72% | \$2,008 | \$1,800 | \$3,808 |
| Etna * | \$30,258 | 2.37% | \$ 29,070 | 1.74% | \$1,179 | \$1,000 | \$2,179 |
| Fort Jones * | \$28,193 | 2.21% | \$ 25,336 | 1.51% | \$1,099 | \$1,000 | \$2,099 |
| Isleton | \$28,674 | 2.24% | | 0.00% | \$1,117 | | \$1,117 |
| Live Oak | \$69,667 | 5.45% | \$ 100,672 | 6.02% | \$2,715 | \$2,911 | \$5,625 |
| Loomis * | \$51,847 | 4.06% | \$ 59,339 | 3.55% | \$2,020 | \$1,716 | \$3,736 |
| Loyalton * | \$20,092 | 1.57% | \$ 11,389 | 0.68% | \$1,000 | \$1,000 | \$2,000 |
| Montague * | \$29,036 | 2.27% | \$ 26,209 | 1.57% | \$1,131 | \$1,000 | \$2,131 |
| Mt. Shasta | \$126,964 | 9.94% | \$ 220,406 | 13.18% | \$4,947 | \$6,373 | \$11,320 |
| Portola * | \$44,587 | 3.49% | \$ 51,935 | 3.11% | \$1,737 | \$1,502 | \$3,239 |
| Rio Dell * | \$61,804 | 4.84% | \$ 80,866 | 4.84% | \$2,408 | \$2,338 | \$4,746 |
| Shasta Lake | \$150,204 | 11.76% | \$ 188,423 | 11.27% | \$5,853 | \$5,448 | \$11,301 |
| Susanville | \$175,452 | 13.73% | \$ 304,257 | 18.19% | \$6,837 | \$8,797 | \$15,634 |
| Tulelake* | \$31,886 | 2.50% | \$ 26,093 | 1.56% | \$1,242 | \$1,000 | \$2,242 |
| Weed | \$134,235 | 10.51% | \$ 160,973 | 9.63% | \$5,231 | \$4,654 | \$9,885 |
| Yreka | \$173,722 | 13.60% | \$ 255,617 | 15.28% | \$6,769 | \$7,391 | \$14,160 |
| Total: | \$1,277,706 | 100.00% | \$1,672,394 | 100.00% | \$50,003 | \$50,010 | \$100,013 |

* Mini-Cities

| | |
|----------------------------------|----------|
| Liability Allocation | \$50,000 |
| Workers' Compensation Allocation | \$50,000 |

Values adjusted to meet the minimum of \$1,000 per member in each program.

Loss Control Grant Fund Utilization as of 6/19/2015

| Member Entity | Total Grant Fund Allocation | \$ applied for | Grants Paid | UNUTILIZED GRANT FUNDS | Status |
|---------------|-----------------------------|----------------|--------------|------------------------|---------------------------------|
| Biggs * | \$ 2,395.12 | \$ 2,395.00 | \$ 2,395.00 | \$ - | |
| Colfax * | \$ 2,701.48 | \$ 3,281.00 | \$ 2,701.00 | \$ 0.48 | Waiting for Rollover? |
| Dunsmuir | \$ 3,893.53 | \$ 3,854.92 | \$ 2,118.92 | \$ 1,736.00 | Waiting For Additional Invoices |
| Etna * | \$ 2,120.07 | \$ 2,120.07 | \$ 2,120.07 | \$ - | |
| Fort Jones * | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ - | |
| Isleton | \$ 1,144.81 | 1,144.81 | \$ 1,144.81 | \$ - | |
| Live Oak | \$ 6,345.07 | \$ 14,496.00 | \$ - | \$ (8,150.93) | Waiting for Rollover? |
| Loomis * | \$ 3,607.27 | \$ - | \$ - | \$ 3,607.27 | No request submitted |
| Loyalton * | \$ 2,000.00 | 2,000.00 | \$ 2,000.00 | \$ - | |
| Montague * | \$ 2,128.91 | 2129.00 | \$ 2,129.00 | \$ (0.09) | |
| Mt. Shasta | \$ 11,141.89 | \$ 11,141.89 | \$ 10,320.31 | \$ 821.58 | Waiting For Additional Invoices |
| Portola * | \$ 3,483.66 | \$ 3,484.00 | \$ - | \$ (0.34) | Waiting For invoices |
| Rio Dell * | \$ 4,870.46 | \$ 4,870.00 | \$ 1,346.00 | \$ 3,524.46 | No request submitted |
| Shasta Lake | \$ 11,737.47 | \$ 11,737.00 | \$ - | \$ - | Waiting For invoices |
| Susanville | \$ 14,552.87 | \$ 14,500.00 | \$ - | \$ 52.87 | Waiting For Additional Invoices |
| Tulelake | \$ 1,380.01 | \$ - | \$ - | \$ 1,380.01 | No request submitted |
| Weed | \$ 9,569.04 | \$ 10,487.30 | \$ 4,790.58 | \$ 4,778.46 | Waiting For Additional Invoices |
| Yreka | \$ 15,385.06 | \$ 15,385.06 | \$ 12,499.54 | \$ - | |
| Total: | \$ 100,456.71 | \$ 105,026.05 | \$ 12,499.54 | \$ 42,666.80 | |

* Mini-Cities

Liability Allocation

Workers'
Compensation
Allocation

*City opted to use on multi year project.



ADDITIONAL MEMBER TRAINING BUDGET

ACTION ITEM

ISSUE: The Program Administrators have received requests for training from members throughout the year that are not within the SCORE budget. Much of the need is being generated by the risk assessments that are being performed by DKF Solutions as members are being made more aware of their exposures and risk control needs. The PAs discussed this issue with DKF and a budget for training in the amount of \$13,000 was included in the proposal.

The Program Administrators are placing this item on the agenda in case members decide not to fund the additional training through DKF. Having a budget for training needs as they arise would enable SCORE to better serve members by addressing their risk exposures and keeping the momentum of improvement that is generated by the on-site visits. Members could agree on use of the funds at future Board meetings or give the Program Administrators and/or President the authority to authorize training.

RECOMMENDATION: Establish budget for ad hoc training needs if not part of the DKF agreement or if members wish to fund a larger training budget.

FISCAL IMPACT: TBD – recommend total budget of \$10,000 to \$15,000.

BACKGROUND: None

ATTACHMENTS: None



ADOPTION OF THE 2015/16 SCORE PROGRAM BUDGET

ACTION ITEM

ISSUE: The Board of Directors must adopt a budget for each fiscal year prior to the commencement of that year. The Preliminary Budget presented in March has been updated to reflect final values for group purchase programs and administrative costs. The budget is largely unchanged for next year with the following exceptions.

ADMINISTRATIVE EXPENSES

1. **Loss Control Services** is budgeted at \$95,000 pending recommendation on the DKF proposal.
2. **CAJPA Accreditation** costs have not been included this year. This is done every 3 years.
3. **State Funding/Fraud Assessment** has been increased 8% from \$22,000 to \$23,760 due to a projected increase in the fee by the state.
4. **Program Administration** increased to \$233,043 based on addition of Tulelake to the WC Program and 2.5% COLA per terms of service agreement.

FISCAL IMPACT: The 2015/16 budget is \$3,283,277. The budget has increased by 2% over last year, mainly due to increased Workers' Compensation and Property Program funding. Administration costs have increased approximately 3.8% from the prior year due to the anticipated increase in loss control services, the increase in the State Assessment, and COLA for administration.

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate, to calculate premium and expenses for SCORE member cities. The budget also recognizes the calculation of experience modification factors as adopted by the program's Master Plan Documents. The format of the budget discloses administrative expenses, the loss funding for the banking and shared risk layers, and the excess coverage for liability and worker's compensation. It includes other group purchase programs, i.e. the Property (APIP) program, Employee Assistance Program (EAP), Employment Practices Liability (EPL) coverage, and Pollution Liability program.

ATTACHMENTS: SCORE 2015/16 Operating Budget

**SMALL CITIES ORGANIZED RISK EFFORT
ADMINISTRATION ALLOCATION
July 1, 2015 to June 30, 2016**

| | | | |
|-----------------------------------|-----------|----------------------------|----|
| Total Administrative Expenses | \$807,213 | Liability Participants | 18 |
| Liability Administrative Expenses | \$451,128 | Workers' Comp Participants | 8 |
| W.C. Administrative Expenses | \$356,085 | Regular Pool | 7 |
| | | Mini-cities | 10 |

| Member Entity | DE6 Payroll Inflated | Percentage of Total | Expense Allocated By Payroll | Expense Allocated Equally | Liability Administration Expense |
|---------------|----------------------|---------------------|------------------------------|---------------------------|----------------------------------|
| Biggs | \$394,759 | 1.94% | \$4,387 | \$12,531 | \$16,918 |
| Colfax | \$458,216 | 2.26% | \$5,092 | \$12,531 | \$17,624 |
| Dunsmuir | \$574,567 | 2.83% | \$6,385 | \$12,531 | \$18,917 |
| Etna | \$356,523 | 1.76% | \$3,962 | \$12,531 | \$16,493 |
| Fort Jones | \$310,733 | 1.53% | \$3,453 | \$12,531 | \$15,985 |
| Isleton | \$257,629 | 1.27% | \$2,863 | \$12,531 | \$15,394 |
| Live Oak | \$1,280,945 | 6.31% | \$14,236 | \$12,531 | \$26,767 |
| Loomis | \$727,767 | 3.59% | \$8,088 | \$12,531 | \$20,619 |
| Loyalton | \$139,681 | 0.69% | \$1,552 | \$12,531 | \$14,084 |
| Montague | \$321,438 | 1.58% | \$3,572 | \$12,531 | \$16,104 |
| Mt. Shasta | \$1,759,801 | 8.67% | \$19,557 | \$12,531 | \$32,089 |
| Portola | \$636,958 | 3.14% | \$7,079 | \$12,531 | \$19,610 |
| Rio Dell | \$991,783 | 4.89% | \$11,022 | \$12,531 | \$23,553 |
| Shasta Lake | \$3,323,123 | 16.37% | \$36,931 | \$12,531 | \$49,462 |
| Susanville | \$3,629,790 | 17.88% | \$40,339 | \$12,531 | \$52,870 |
| Tulelake | \$320,023 | 1.58% | \$3,557 | \$12,531 | \$16,088 |
| Weed | \$1,708,308 | 8.42% | \$18,985 | \$12,531 | \$31,516 |
| Yreka | \$3,104,657 | 15.30% | \$34,503 | \$12,531 | \$47,034 |
| Prospect | | | | | |
| Mini Cities | | | | | |
| Total: | \$20,296,701 | 100.00% | \$225,564 | \$225,564 | \$451,128 |

| Workers' Compensation DE6 Payroll | Percentage of Total | Expense Allocated By Payroll | Expense Allocated Equally | Workers' Compensation Expense | Total Administration Expenses |
|-----------------------------------|---------------------|------------------------------|---------------------------|-------------------------------|-------------------------------|
| | | | | | \$16,918 |
| | | | | | \$17,624 |
| \$574,567 | 2.87% | \$5,105 | \$22,255 | \$27,360 | \$46,277 |
| | | | | | \$16,493 |
| | | | | | \$15,985 |
| | | | | | \$15,394 |
| \$1,280,945 | 6.39% | \$11,381 | \$22,255 | \$33,636 | \$60,403 |
| | | | | | \$20,619 |
| | | | | | \$14,084 |
| | | | | | \$16,104 |
| \$1,759,801 | 8.78% | \$15,635 | \$22,255 | \$37,891 | \$69,979 |
| | | | | | \$19,610 |
| | | | | | \$23,553 |
| \$3,323,123 | 16.58% | \$29,525 | \$22,255 | \$51,780 | \$101,243 |
| \$3,629,790 | 18.11% | \$32,250 | \$22,255 | \$54,505 | \$107,376 |
| | | | | | |
| \$1,708,308 | 8.52% | \$15,178 | \$22,255 | \$37,433 | \$68,950 |
| \$3,104,657 | 15.49% | \$27,584 | \$22,255 | \$49,839 | \$96,874 |
| \$0 | 0.00% | | | | \$0 |
| \$4,657,881 | 23.24% | \$41,384 | \$22,255 | \$63,639 | \$63,639 |
| \$20,039,072 | 100.00% | \$178,042 | \$178,042 | \$356,085 | \$791,125 |

SMALL CITIES ORGANIZED RISK EFFORT

BUDGET

July 1, 2015 to June 30, 2016

3%

| CATEGORY | | PRIOR YEAR | TOTAL | WORKERS' COMP. | LIABILITY | EPLI | PROPERTY |
|--|---|--------------------|--------------------|--------------------|--------------------|-----------------|------------------|
| Chart of Acc't | | | | | | | |
| REVENUES: | | | | | | | |
| 400 | Program Administration | \$225,811 | \$233,043 | \$62,115 | \$170,928 | | |
| 400 | Claims Administration | \$198,010 | \$198,010 | \$100,510 | \$97,500 | | |
| 400 | Other Expenses | \$348,257 | \$376,160 | \$193,460 | \$182,700 | | |
| 400 | Banking Layer Deposit | \$621,893 | \$633,866 | \$341,593 | \$292,272 | | |
| 400 | Shared Risk Layer Deposit | \$1,138,059 | \$1,167,596 | \$725,128 | \$442,468 | | |
| 400 | Excess Coverage Deposit (LAWCX and CJPRMA) | \$343,946 | \$322,794 | \$237,570 | \$85,224 | | |
| 400 | Group Purchase Coverage | \$363,034 | \$391,445 | | \$6,614 | \$66,321 | \$318,510 |
| 499 | Reimbursement from CJPRMA for Liability Safety Training | \$0 | \$0 | | \$0 | | |
| Total Revenues | | \$3,239,009 | \$3,322,913 | \$1,660,376 | \$1,277,706 | \$66,321 | \$318,510 |
| EXPENSES: | | | | | | | |
| 710 | Program Administration | \$221,818 | \$233,043 | \$62,115 | \$170,928 | | |
| 720 | Claims Administration (Unallocated Claims Expense) | \$198,010 | \$198,010 | \$100,510 | \$97,500 | | |
| | Claims Administration (ULAE) Per Member Annual Fee | \$26,000 | \$26,000 | \$8,000 | \$18,000 | | |
| | Other Expenses | | | | | | |
| 505 | Treasury Services (provided by Fort Jones) | \$1,000 | \$1,000 | \$500 | \$500 | | |
| 505 | Accounting Services | \$51,000 | \$51,000 | \$25,500 | \$25,500 | | |
| | Investment Management Fees | \$13,000 | \$13,000 | \$6,500 | \$6,500 | | |
| | Custodial Account Bank Fees | \$1,100 | \$1,100 | \$550 | \$550 | | |
| | Checking Account Bank Fees | \$500 | \$500 | \$250 | \$250 | | |
| 699 | CA DIR OSIP Self Insurance Assesment | \$22,000 | \$23,760 | \$23,760 | \$0 | | |
| 506 | Financial Audit | \$20,300 | \$20,300 | \$10,150 | \$10,150 | | |
| 507 | Actuarial Review and Studies | \$10,000 | \$10,000 | \$5,000 | \$5,000 | | |
| 675 | Loss Control Services | \$75,000 | \$95,000 | \$47,500 | \$47,500 | | |
| | Lexipol Law Enforcement Policy Manual | \$25,000 | \$20,000 | \$5,000 | \$15,000 | | |
| 675 | Target Solutions | \$25,000 | \$25,000 | \$12,500 | \$12,500 | | |
| 610 | Member Conference Reimbursements | \$19,000 | \$19,000 | \$9,500 | \$9,500 | | |
| 670 | CAJPA Accreditation | \$4,850 | \$0 | \$0 | \$0 | | |
| | Property Appraisals (every 6 Years) | \$0 | \$0 | \$0 | \$0 | | |
| 506 | Claims Audit | \$0 | \$10,000 | \$10,000 | \$0 | | |
| 625 | Employee Dishonesty Insurance/Bonds | \$500 | \$500 | \$250 | \$250 | | |
| 640 | Board Meeting Expenses | \$5,000 | \$5,000 | \$2,500 | \$2,500 | | |
| | Company Nurse | \$1,000 | \$1,000 | \$500 | \$500 | | |
| 615 | Association Memberships - CAJPA and PARMA | \$1,000 | \$1,000 | \$500 | \$500 | | |
| | Website | \$0 | \$0 | \$0 | \$0 | | |
| | Rating Plan Database | \$0 | \$0 | \$0 | \$0 | | |
| | LRP and Training Day Meeting Expenses | \$20,000 | \$20,000 | \$10,000 | \$10,000 | | |
| | Miscellaneous Expenses | \$1,000 | \$1,000 | \$500 | \$500 | | |
| | Legal Expenses | \$10,000 | \$7,000 | \$2,000 | \$5,000 | | |
| 690 | Contingent Reserve | \$25,000 | \$25,000 | \$12,500 | \$12,500 | | |
| Total Administration Expenses | | \$777,077 | \$807,213 | \$356,085 | \$451,128 | | |
| 875 | Excess Coverage (LAWCX and CJPRMA) | \$343,946 | \$338,696 | \$253,472 | \$85,224 | | |
| 875 | Group Purchase Coverage | \$363,034 | \$391,445 | | \$6,614 | \$66,321 | \$318,510 |
| 810 | Expected Loss Costs for the FY | \$1,759,951 | \$1,725,641 | \$956,795 | \$768,846 | | |
| Total Expenses | | \$3,244,009 | \$3,262,994 | \$1,566,352 | \$1,311,811 | \$66,321 | \$318,510 |
| REVENUES IN EXCESS OF EXPENSES: | | (\$5,000) | \$59,919 | \$94,024 | (\$34,106) | \$0 | \$0 |

EMPLOYMENT PRACTICE LIABILITY
July 1, 2015 to June 30, 2016

| Member Entity | CY 2014 Payroll | Last Year's Payroll | Percentage Increase in Payroll | Deductible | Assessment | 2015/16 Premium | 2014/15 Premium | % Change FYE 15 to 16 |
|---------------|----------------------|----------------------|--------------------------------|------------|------------|------------------|------------------|-----------------------|
| Biggs | | | | | | | | |
| Colfax | \$ 444,870 | \$ 498,059 | -10.68% | 25,000 | - | \$ 2,226 | \$ 3,330 | -33.15% |
| Dunsmuir | | | | | | | | |
| Etna | | | | | | | | |
| Fort Jones | | | | | | | | |
| Isleton | | | | | | | | |
| Live Oak | \$ 1,243,636 | \$ 1,262,596 | -1.50% | 25,000 | - | \$ 4,667 | \$ 5,065 | -7.86% |
| Loomis | \$ 706,570 | \$ 707,003 | 0.00% | 25,000 | - | \$ 2,651 | \$ 2,836 | -6.52% |
| Loyalton | | | | | | | | |
| Montague | | | | | | | | |
| Mt. Shasta | \$ 1,708,545 | \$ 1,595,079 | 7.11% | 25,000 | - | \$ 6,411 | \$ 6,399 | 0.19% |
| Portola | \$ 618,406 | \$ 650,959 | -5.00% | 25,000 | - | \$ 2,321 | \$ 2,612 | -11.14% |
| Rio Dell | \$ 962,896 | \$ 940,699 | 2.36% | 25,000 | - | \$ 3,613 | \$ 3,774 | -4.27% |
| Shasta Lake | \$ 3,226,333 | \$ 3,193,800 | 1.02% | 25,000 | - | \$ 12,107 | \$ 12,813 | -5.51% |
| Susanville | \$ 3,524,068 | \$ 3,540,390 | -0.46% | 25,000 | - | \$ 13,224 | \$ 14,203 | -6.89% |
| Tulelake | \$ 310,702 | | | 25,000 | | \$ 1,555 | N/A | |
| Weed | \$ 1,658,551 | | | 100,000 | | \$ 6,235 | N/A | |
| Yreka | \$ 3,014,230 | \$ 2,885,795 | 4.45% | 25,000 | - | \$ 11,311 | \$ 11,577 | -2.30% |
| Total: | \$ 17,418,807 | \$ 15,274,380 | 14.04% | | | \$ 66,321 | \$ 62,609 | 5.93% |

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
July 1, 2015 to June 30, 2016**

Funding Confidence Level: 70% Confidence Level
 Minimum Deposit: \$20,000
 Maximum Deposit: \$250,000
 Number of Member Entities: 18
 Payroll Inflation Factor: 3.00%

Banking Layer Rate: 1.44 1.47
 Shared Risk Rate: 2.18 2.05
 CJPRMA Rate:
 Combined Rate: 3.62 3.52 2.84%
 CSAC/CPEIA Pollution Cover: \$6,614
 Total Administrative Expense: \$451,128

| | |
|-----------------------------------|--------------|
| CSAC EIA Member Total Payroll | \$16,257,869 |
| CSAC EIA Pollution Rate per \$100 | 0.040679788 |

| Member Entity | Banking Layer Deposit | Shared Risk Layer Deposit | CJPRMA Premium | CSAC/CPEIA Pollution Coverage | Admin Expense | Total Deposit | Minimum or Maximum Deposit | Total Deposit Last Year | Percentage Change | Payroll Adjusted for Ex. Mod. | DE6 Payroll Inflated | Adjusted Payroll Used Last Year | Change in Payroll |
|---------------|-----------------------|---------------------------|-----------------|-------------------------------|------------------|--------------------|----------------------------|-------------------------|-------------------|-------------------------------|----------------------|---------------------------------|-------------------|
| Biggs | \$5,895 | \$8,924 | \$1,618 | \$161 | \$16,918 | \$33,516 | N/A | \$30,710 | 9% | 409,364 | \$394,759 | 394,636 | 0% |
| Colfax | \$6,503 | \$9,845 | \$1,878 | \$186 | \$17,624 | \$36,036 | N/A | \$37,110 | -3% | 451,588 | \$458,216 | 513,001 | -11% |
| Dunsmuir | \$11,944 | \$18,082 | \$2,355 | \$234 | \$18,917 | \$51,532 | N/A | \$44,315 | 16% | 829,453 | \$574,567 | 550,538 | 4% |
| Etna | \$4,894 | \$7,409 | \$1,461 | | \$16,493 | \$30,258 | N/A | \$29,413 | 3% | 339,850 | \$356,523 | 385,811 | -8% |
| Fort Jones | \$4,300 | \$6,509 | \$1,274 | \$126 | \$15,985 | \$28,193 | N/A | \$23,705 | 19% | 298,599 | \$310,733 | 253,100 | 23% |
| Isleton | \$4,862 | \$7,361 | \$1,056 | | \$15,394 | \$28,674 | N/A | \$24,956 | 15% | 337,648 | \$257,629 | 243,885 | 6% |
| Live Oak | \$14,769 | \$22,359 | \$5,250 | \$521 | \$26,767 | \$69,667 | N/A | \$62,962 | 11% | 1,025,651 | \$1,280,945 | 1,300,474 | -2% |
| Loomis | \$11,118 | \$16,831 | \$2,983 | \$296 | \$20,619 | \$51,847 | N/A | \$44,448 | 17% | 772,080 | \$727,767 | 728,213 | 0% |
| Loyalton | \$2,140 | \$3,239 | \$573 | \$57 | \$14,084 | \$20,092 | N/A | \$20,000 | 0% | 148,597 | \$139,681 | 157,834 | -12% |
| Montague | \$4,568 | \$6,916 | \$1,318 | \$131 | \$16,104 | \$29,036 | N/A | \$27,270 | 6% | 317,226 | \$321,438 | 328,474 | -2% |
| Mt. Shasta | \$34,586 | \$52,360 | \$7,213 | \$716 | \$32,089 | \$126,964 | N/A | \$109,663 | 16% | 2,401,814 | \$1,759,801 | 1,642,931 | 7% |
| Portola | \$8,794 | \$13,313 | \$2,611 | \$259 | \$19,610 | \$44,587 | N/A | \$44,694 | 0% | 610,690 | \$636,958 | 670,488 | -5% |
| Rio Dell | \$13,438 | \$20,344 | \$4,065 | \$403 | \$23,553 | \$61,804 | N/A | \$55,253 | 12% | 933,220 | \$991,783 | 968,920 | 2% |
| Shasta Lake | \$34,118 | \$51,651 | \$13,621 | \$1,352 | \$49,462 | \$150,204 | N/A | \$131,059 | 15% | 2,369,303 | \$3,323,123 | 3,289,614 | 1% |
| Susanville | \$42,256 | \$63,971 | \$14,878 | \$1,477 | \$52,870 | \$175,452 | N/A | \$165,178 | 6% | 2,934,460 | \$3,629,790 | 3,646,602 | 0% |
| Tulelake | \$4,955 | \$7,502 | \$3,341 | | \$16,088 | \$31,886 | N/A | \$28,604 | 11% | 344,121 | \$320,023 | 315,029 | 2% |
| Weed | \$37,799 | \$57,223 | \$7,002 | \$695 | \$31,516 | \$134,235 | N/A | \$98,160 | 37% | 2,624,927 | \$1,708,308 | 1,588,266 | 8% |
| Yreka | \$45,333 | \$68,629 | \$12,726 | | \$47,034 | \$173,722 | N/A | \$171,804 | 1% | 3,148,109 | \$3,104,657 | 2,972,369 | 4% |
| Prospect | | | | | | | | | | | | | |
| Total: | \$292,272 | \$442,468 | \$85,224 | \$6,614 | \$451,128 | \$1,277,706 | 0 | \$1,149,304 | 11% | \$20,296,701 | \$20,296,701 | \$19,950,185 | 1.74% |

**SMALL CITIES ORGANIZED RISK EFFORT
Mini-City Pool Allocation of Costs
July 1, 2015 to June 30, 2016**

ALLOCATION OF COSTS TO MEMBERS - with Experience Modification

| | | | |
|-------------------------------|----------------|---------------------|---------------|
| COSTS TO BE ALLOCATED: | | | |
| BANKING LAYER | 81,047 | LAWCX REFUND | \$0.00 |
| SHARED RISK | 177,082 | | |
| EXCESS WC | 58,017 | | |
| ADMINISTRATION | 63,639 | | |
| TOTAL | 379,785 | | |

| Member | Payroll | Percentage | Banking | Shared Risk | Excess WC | Admin | LAWCX Refund | Total | Last Year's | %Change |
|--------------|------------------|----------------|------------------|-------------------|------------------|------------------|---------------|-------------------|-------------------|-----------|
| Biggs | \$383,261 | 8.48% | \$ 6,869 | \$ 15,008 | \$ 4,917 | \$ 5,393 | \$0 | \$ 32,187 | \$ 31,832 | 1% |
| Colfax | \$444,870 | 9.84% | \$ 7,973 | \$ 17,420 | \$ 5,707 | \$ 6,260 | \$0 | \$ 37,361 | \$ 41,379 | -10% |
| Dunsmuir | | | | | | | | | | |
| Etna | \$346,139 | 7.65% | \$ 6,204 | \$ 13,554 | \$ 4,441 | \$ 4,871 | \$0 | \$ 29,070 | \$ 31,120 | -7% |
| Fort Jones | \$301,682 | 6.67% | \$ 5,407 | \$ 11,813 | \$ 3,870 | \$ 4,245 | \$0 | \$ 25,336 | \$ 20,415 | 24% |
| Isleton | | | | | | | | | | |
| Live Oak | | | | | | | | | | |
| Loomis | \$706,570 | 15.62% | \$ 12,663 | \$ 27,668 | \$ 9,065 | \$ 9,943 | \$0 | \$ 59,339 | \$ 58,738 | 1% |
| Loyalton | \$135,613 | 3.00% | \$ 2,430 | \$ 5,310 | \$ 1,740 | \$ 1,908 | \$0 | \$ 11,389 | \$ 12,731 | -11% |
| Montague | \$312,076 | 6.90% | \$ 5,593 | \$ 12,220 | \$ 4,004 | \$ 4,392 | \$0 | \$ 26,209 | \$ 26,495 | -1% |
| Mt. Shasta | | | | | | | | | | |
| Portola | \$618,406 | 13.67% | \$ 11,083 | \$ 24,216 | \$ 7,934 | \$ 8,703 | \$0 | \$ 51,935 | \$ 54,082 | -4% |
| Rio Dell | \$962,896 | 21.29% | \$ 17,257 | \$ 37,705 | \$ 12,353 | \$ 13,550 | \$0 | \$ 80,866 | \$ 78,154 | 3% |
| Shasta Lake | | | | | | | | | | |
| Susanville | | | | | | | | | | |
| Tulelake | \$310,702 | 6.87% | \$ 5,568 | \$ 12,167 | \$ 3,986 | \$ 4,372 | | \$ 26,093 | N/A | N/A |
| Weed | | | | | | | | | | |
| Yreka | | | | | | | | | | |
| Total | 4,522,215 | 100.00% | \$ 81,047 | \$ 177,082 | \$ 58,017 | \$ 59,267 | \$0.00 | \$ 379,785 | \$ 354,946 | 7% |

SMALL CITIES ORGANIZED RISK EFFORT WORKERS' COMPENSATION PROGRAM

July 1, 2015 to June 30, 2016

| | | | | |
|---------------------------|---------------------------------|-----------|--------|-------------|
| Funding Confidence Level: | 70% LAWCX Premium: | \$237,570 | 217432 | 1.103405695 |
| Banking Layer Funding | \$1.74 Administrative Expenses: | \$356,085 | | |
| Shared Risk Layer Funding | \$3.66 LAWCX Refund | \$0 | | |
| | LAWCX Assessmnt | \$ 15,902 | | |

Experience Rating Losses Capped at \$50,000

| MEMBER ENTITY | BANKING LAYER | SHARED RISK | LAWCX PREMIUM (1) | ADMIN. EXPENSE | LAWCX Refund | LAWCX 15-16 Assessment | TOTAL DEPOSIT | LAST YEAR'S DEPOSIT | PERCENTAGE CHANGE | Payroll | Adjusted Payroll |
|---------------|------------------|------------------|-------------------|------------------|--------------|------------------------|--------------------|---------------------|-------------------|---------------------|---------------------|
| Biggs | | | | | | | | | | | |
| Colfax | | | | | | | | | | | |
| Dunsmuir | 9,092 | 19,125 | 6,266 | \$27,360 | \$0 | \$419 | \$62,262 | \$61,505 | 1.23% | \$574,567 | \$522,530 |
| Etna | | | | | | | | | | | |
| Fort Jones | | | | | | | | | | | |
| Isleton | | | | | | | | | | | |
| Live Oak | 17,463 | 36,733 | 12,035 | \$33,636 | \$0 | \$806 | \$100,672 | \$100,775 | -0.10% | \$1,280,945 | \$1,003,626 |
| Loomis | | | | | | | | | | | |
| Loyalton | | | | | | | | | | | |
| Montague | | | | | | | | | | | |
| Mt. Shasta | 47,546 | 100,010 | 32,766 | \$37,891 | \$0 | \$2,193 | \$220,406 | \$178,773 | 23.29% | \$1,759,801 | \$2,732,521 |
| Portola | | | | | | | | | | | |
| Rio Dell | | | | | | | | | | | |
| Shasta Lake | 35,596 | 74,874 | 24,531 | \$51,780 | \$0 | \$1,642 | \$188,423 | \$188,042 | 0.20% | \$3,323,123 | \$2,045,739 |
| Susanville | 65,061 | 136,853 | 44,836 | \$54,505 | \$0 | \$3,001 | \$304,257 | \$277,865 | 9.50% | \$3,629,790 | \$3,739,146 |
| Tulelake | | | | | \$0 | | | | | | |
| Weed | 32,182 | 67,694 | 22,178 | \$37,433 | \$0 | \$1,485 | \$160,973 | \$154,094 | 4.46% | \$1,708,308 | \$1,849,567 |
| Yreka | 53,606 | 112,757 | 36,942 | \$49,839 | \$0 | \$2,473 | \$255,617 | \$267,461 | -4.43% | \$3,104,657 | \$3,080,792 |
| Prospect | | | | | | | | | | | |
| Mini-Cities | 81,047 | 177,082 | 58,017 | \$63,639 | \$0 | \$3,883 | \$383,669 | \$354,947 | 8.09% | \$4,657,881 | \$4,838,314 |
| Total | \$341,593 | \$725,128 | \$237,570 | \$356,085 | \$0 | \$15,902 | \$1,676,278 | \$1,583,462 | 5.86% | \$20,039,072 | \$19,812,235 |

SMALL CITIES ORGANIZED RISK EFFORT
SUMMARY OF DEPOSITS BY CITY
July 1, 2015 to June 30, 2016

| Member Entity | Liability Program Contribution | EPLI Coverage | Workers' Compensation Contribution | Property Premium \$10,000 Ded | EAP to be updated by 9/1 renewal | Total Deposit for Prior Year | TOTAL DEPOSIT | Percentage Change | Deposit Due July 1, 2015 | WC Quarterly Installments |
|---------------|--------------------------------|------------------|------------------------------------|-------------------------------|----------------------------------|------------------------------|---------------------|-------------------|--------------------------|---------------------------|
| Biggs | \$ 33,516 | \$ - | \$ 32,187 | \$ 6,848 | \$ 243 | \$ 64,697 | \$ 72,794 | 12.52% | \$ 48,654 | \$ 8,047 |
| Colfax | \$ 36,036 | \$ 2,226 | \$ 37,361 | \$ 13,239 | \$ 270 | \$ 80,320 | \$ 89,132 | 10.97% | \$ 61,111 | \$ 9,340 |
| Dunsmuir | \$ 51,532 | \$ - | \$ 62,262 | \$ 12,448 | \$ 270 | \$ 104,370 | \$ 126,511 | 21.21% | \$ 79,815 | \$ 15,565 |
| Etna | \$ 30,258 | \$ - | \$ 29,070 | \$ 7,505 | \$ 189 | \$ 53,773 | \$ 67,021 | 24.64% | \$ 45,219 | \$ 7,267 |
| Fort Jones | \$ 28,193 | \$ - | \$ 25,336 | \$ 6,745 | \$ - | \$ 41,005 | \$ 60,274 | 46.99% | \$ 41,273 | \$ 6,334 |
| Isleton | \$ 28,674 | \$ - | | | \$ 135 | \$ 25,265 | \$ 28,809 | 14.02% | \$ 28,809 | |
| Live Oak | \$ 69,667 | \$ 4,667 | \$ 100,672 | \$ 36,862 | \$ 540 | \$ 187,185 | \$ 212,407 | 13.47% | \$ 136,903 | \$ 25,168 |
| Loomis | \$ 51,847 | \$ 2,651 | \$ 59,339 | \$ 3,209 | \$ 216 | \$ 91,436 | \$ 117,263 | 28.24% | \$ 72,758 | \$ 14,835 |
| Loyalton | \$ 20,092 | \$ - | \$ 11,389 | \$ 16,990 | \$ 135 | \$ 45,715 | \$ 48,606 | 6.32% | \$ 40,064 | \$ 2,847 |
| Montague | \$ 29,036 | \$ - | \$ 26,209 | \$ 17,363 | \$ - | \$ 57,854 | \$ 72,608 | 25.50% | \$ 52,951 | \$ 6,552 |
| Mt. Shasta | \$ 126,964 | \$ 6,411 | \$ 220,406 | \$ 9,503 | \$ 918 | \$ 283,654 | \$ 364,202 | 28.40% | \$ 198,897 | \$ 55,101 |
| Portola | \$ 44,587 | \$ 2,321 | \$ 51,935 | \$ 6,287 | \$ 297 | \$ 91,657 | \$ 105,427 | 15.02% | \$ 66,476 | \$ 12,984 |
| Rio Dell | \$ 61,804 | \$ 3,613 | \$ 80,866 | \$ 10,271 | \$ - | \$ 130,871 | \$ 156,555 | 19.63% | \$ 95,905 | \$ 20,217 |
| Shasta Lake | \$ 150,204 | \$ 12,107 | \$ 188,423 | \$ 58,751 | \$ 1,215 | \$ 347,009 | \$ 410,700 | 18.35% | \$ 269,383 | \$ 47,106 |
| Susanville | \$ 175,452 | \$ 13,224 | \$ 304,257 | \$ 43,782 | \$ 1,674 | \$ 385,176 | \$ 538,389 | 39.78% | \$ 310,197 | \$ 76,064 |
| Tulelake | \$ 31,886 | \$ 1,555 | \$ 26,093 | \$ 7,961 | \$ 432 | \$ 37,659 | \$ 67,928 | 80.38% | 48,357 | \$ 6,523 |
| Weed | \$ 134,235 | \$ 6,235 | \$ 160,973 | \$ 10,296 | \$ 810 | \$ 234,371 | \$ 312,549 | 33.36% | \$ 191,820 | \$ 40,243 |
| Yreka | \$ 173,722 | \$ 11,311 | \$ 255,617 | \$ 50,452 | \$ 1,323 | \$ 423,792 | \$ 492,424 | 16.19% | \$ 300,712 | \$ 63,904 |
| | | | | | | | | | | |
| Total: | \$ 1,277,706 | \$ 66,321 | \$ 1,672,394 | \$ 318,510 | \$ 8,667 | \$ 2,685,808 | \$ 3,343,599 | 24.49% | \$ 2,089,303 | \$ 418,099 |



NOMINATION AND ELECTION OF SCORE SECRETARY

ACTION ITEM

ISSUE: The Board of Directors will nominate and elect a Secretary to complete the two-year term of office beginning July 1, 2014 (concludes July 1, 2016).

RECOMMENDATION: Nominate and Elect a new Secretary

FISCAL IMPACT: None

BACKGROUND: The President, Vice President, Secretary, Treasurer and Member-At Large are elected in each even numbered year and serve for a term of two years, beginning in July of the year elected. This year is an election year for SCORE officers. Currently, Mr. Roger Carroll holds the office of the President of SCORE, Mr. Kelly McKinnis holds the office of Vice-President, Ms. Pamela Russell holds the office of Secretary, Ms. Linda Romaine holds the office of Treasurer and Mr. John Duckett holds the office of Executive Committee Member-At-Large. As Ms. Pamela Russell has retired from her position as Secretary there is at least one officer vacancy that needs to be filled.

Members are welcome to nominate anyone from the Board at this time.

ATTACHMENT: None



DISCUSSION ABOUT 2015/16 LONG RANGE PLANNING TOPICS

ACTION ITEM

ISSUE: The Program Administrators are requesting Board input on topics for the **bi-annual Long Range Planning Meeting** which will be held on October 29, 2015 followed by the Board of Directors Meeting on October 30, 2015.

The Program Administrators offer the following:

- Pre-meeting: New Member Orientation
- EPL Training (ERMA sponsored) – Accommodating Disabled Employees &/or Social Media
- Risk Management Training – Topic TBD but looking at Disaster Preparedness (fire, flood, pollution)
- Pro-forma budget – “shock loss” impact of losing a large member and what to do about it
- Risk Management Scorecard – initial review of where we are with respect to meeting best practices and plans to address areas of need. Form RM committee?
- Growth targets/prospects
- SWOT analysis and updated strategic plan
- Annual Report – present contents of annual report – financial condition, benchmarks/ratios, review of coverage and services, plans for future

RECOMMENDATION: Discuss and provide direction regarding agenda topics.

FISCAL IMPACT: Not to exceed \$20,000.

BACKGROUND: Every other year, SCORE holds a Long Range Planning Meeting to provide Board members with an opportunity to discuss the coverage programs, risk management and loss control services available to members as well as any topics that Members may want to address. Presentations will also be provided by the Program Administrators and SCORE partners. The Gaia Hotel in Anderson was selected as the destination for this year’s meeting on October 29 and 30, 2015.

ATTACHMENTS: None



**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item H.13.

ERMA REFUND DISTRIBUTION

ACTION ITEM

ISSUE: ERMA provides the Employment Practices Liability Coverage for many SCORE members, and each year the ERMA Board determines if there will be a refund or assessment allocation to members. This year we have received confirmation that most SCORE members will receive a refund distribution.

Based upon the losses for the program years 2006 through 2010, ERMA has approved a refund to SCORE totaling \$52,913, payable in June, 2015. ERMA also provided an allocation of those funds among the participating SCORE members. Most members will receive a refund, but two members, Isleton and Loomis, are allocated assessments.

RECOMMENDATION: Accept the refund allocation as provided by ERMA.

FISCAL IMPACT: Total net member dividend \$52,913

BACKGROUND: None.

ATTACHMENT(S): ERMA June 2015 Dividend Release SCORE

Employment Risk Management Authority

Approved Release of Dividends to the ERMA Membership

Based on the Annual Retrospective Adjustment as of March 31, 2015

| Member | ~ Program Years Approved for Dividend Release ~ | | | | | | |
|---------------------------|---|----------------------------|----------------------------|----------------------------|--------------------------------|------------------------------------|---------------------------|
| | Distribution of Pool Equity at the 90% Confidence Level | | | | | | |
| | 2006/07 Program Year | 2007/08 Program Year | 2008/09 Program Year | 2009/10 Program Year | Subtotal Member Dividend | Capital Fund Contribution ** | Net Member Dividend |
| BCJPIA | (\$20,752) | \$ (55,820) | \$ 6,484 | \$ 623,535 | \$553,447 | (\$34,969) | \$518,478 |
| CHARMA * | (9,343) | (8,960) | 149 | 94,092 | 75,938 | | 75,938 |
| CSJVRMA | (27,462) | (65,525) | 489 | 645,283 | 552,784 | (77,855) | 474,930 |
| MBASIA | | | | | | (4,210) | (4,210) |
| MPA | (54,566) | (110,116) | 11,799 | 752,002 | 599,119 | (68,065) | 531,054 |
| PARSAC | (37,677) | (83,321) | 6,043 | 544,114 | 429,159 | (48,168) | 380,991 |
| PERMA | (19,099) | (61,518) | 3,551 | 633,012 | 555,945 | (40,476) | 515,469 |
| SCORE | (2,099) | (6,282) | (3,366) | 68,104 | 56,357 | (3,444) | 52,913 |
| VCJPA | (5,265) | (13,326) | 1,182 | 120,109 | 102,700 | (15,085) | 87,615 |
| Oakland HA | | (7,929) | 742 | 53,181 | 45,994 | (6,467) | 39,527 |
| Contra Costa County HA | | | | | | (1,262) | (1,262) |
| Totals: | | | | | | | |
| Equity at 90% C.L. | (\$176,264) | \$ (412,798) | \$ 27,073 | \$ 3,533,432 | \$2,971,444 | (\$300,000) | \$2,671,444 |

Information Only:

| | | | | | |
|-------------------------|---------------------|---------------------|------------------|---------------------|---------------------|
| Equity at Expected C.L. | <u>\$ (176,264)</u> | <u>\$ (334,527)</u> | <u>\$ 27,073</u> | <u>\$ 3,919,809</u> | <u>\$ 3,436,091</u> |
|-------------------------|---------------------|---------------------|------------------|---------------------|---------------------|

* As CHARMA has been dissolved, CHARMA's previous individual members will receive dividends directly.

** Capital Fund contribution is funded based on premium allocation of the 2015/16 program year.

Employment Risk Management Authority

SCORE ~ Allocation of Dividend Release ~ June, 2015

| Individual Member | Program Year | | | | Subtotal Member Dividend | Capital Fund Contribution | NET MEMBER DIVIDEND |
|-------------------|-------------------|-------------------|-------------------|------------------|--------------------------|---------------------------|---------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | | |
| Colfax | \$ (72) | \$ (179) | \$ (82) | \$ 1,663 | \$ 1,330 | (\$131) | \$ 1,199 |
| Crescent City | | (1,094) | (600) | 13,641 | 11,947 | | 11,947 |
| Dorris | (20) | (46) | (20) | 374 | 289 | | 289 |
| Isleton | (80) | (222) | (82) | | (384) | | (384) |
| Live Oak | (139) | (383) | (172) | 3,141 | 2,446 | (275) | 2,171 |
| Loomis | | | | | | (156) | (156) |
| Mt. Shasta | (213) | (514) | (237) | 6,398 | 5,435 | (377) | 5,058 |
| Portola | (78) | (181) | (83) | 1,852 | 1,511 | (137) | 1,374 |
| Rio Dell | (65) | (197) | (97) | 2,008 | 1,649 | (213) | 1,437 |
| Shasta Lake | (384) | (892) | (403) | 8,090 | 6,410 | (712) | 5,698 |
| Susanville | (515) | (1,270) | (1,005) | 19,197 | 16,407 | (778) | 15,629 |
| Williams | (160) | (399) | (186) | 4,037 | 3,291 | | 3,291 |
| Yreka | (373) | (905) | (399) | 7,704 | 6,027 | (666) | 5,361 |
| TOTALS | \$ (2,099) | \$ (6,282) | \$ (3,366) | \$ 68,104 | \$ 56,357 | \$ (3,444) | \$ 52,913 |



ID FRAUD COVERAGE INFORMATION ITEM

ISSUE: As the Program Administrator we are always looking to the future for potential risk exposures for SCORE members. Identity Fraud is an exposure for all SCORE employees and we would like to present information from Travelers regarding ID Fraud coverage.

RECOMMENDATION: Review information to determine if the BOD would like to receive a quote from Travelers for ID Fraud coverage.

FISCAL IMPACT: TBD

BACKGROUND: Due to the increasing instances of electronic ID theft, best exemplified by the Target, Macy's and Starbucks' data breaches there is an increasing need to prepare for the potential of Identity Theft and Identity Fraud. Not only can ID fraud resolution be a costly experience it can leave the affected employee vulnerable to significant out-of-pocket expenses to re-establish their credit and prove to financial institutions that fraud actually occurred. In an effort to provide the employees of SCORE member cities with a proactive tool to help combat Identity Theft we are presenting information regarding ID Fraud Coverage which would provide employees with tools to help them recover from ID Theft. The coverage would provide:

- Reimbursement for expenses associated with resolving a fraud event (travel, lost wages, Attorney fees)
- Online education resources to help prevent becoming a victim
- Dedicated identity fraud claim unit to help employees through the resolution process
- Fees charged for copies of medical records (related to medical identity fraud)
- Help with Document replacement (social security card, birth certificate, passport, etc.)
- Family Coverage (spouse, child under the age of 18)

ATTACHMENT(S):

1. Travelers ID Fraud Expense Reimbursement Top 5 Reasons You Need Coverage
2. Travelers ID Fraud Expense Reimbursement Coverage Checklist
3. Travelers ID Fraud Expense Reimbursement Coverage Highlights

Identity Fraud Expense Reimbursement

TOP 5 REASONS YOU NEED COVERAGE

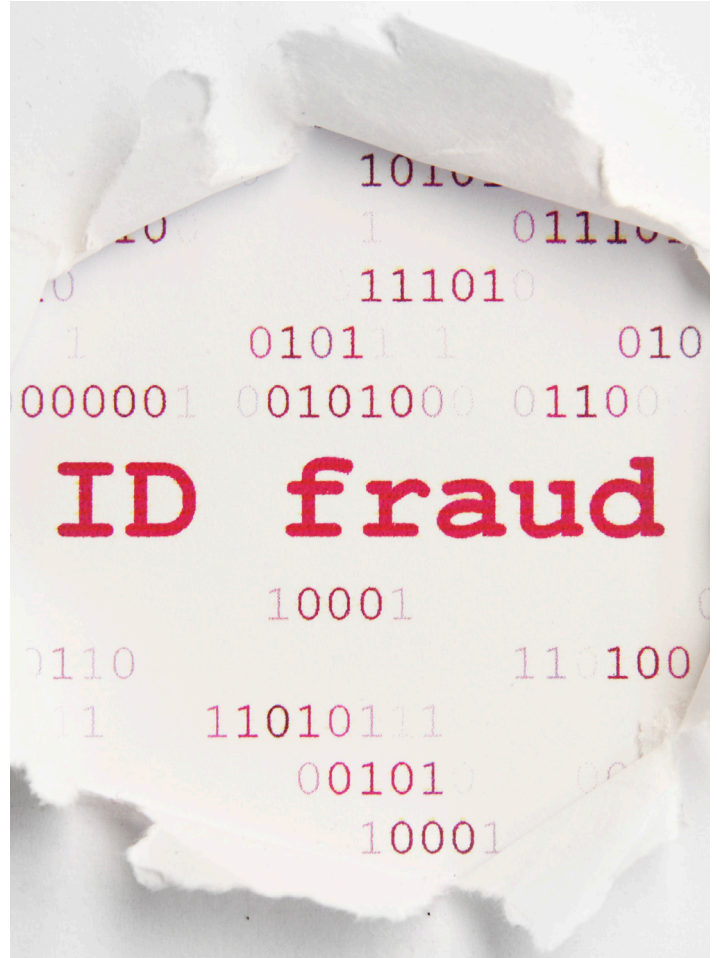
1 According to the FBI, identity fraud is one of the fastest-growing crimes in America, affecting **one in every 20 consumers.**¹

2 On average, it takes an individual more than **37 hours away from work and \$535 in out-of-pocket expenses**¹ to clean up the mess caused by an identity thief.

3 **The number of data breaches has been increasing each year;** for those who receive a data breach notification, the odds of being a fraud victim jump to one in four.²

4 Offline methods are some of the **top known causes of identity fraud**, including burglary, stolen wallets and pilfered identifications.³

5 Identity Fraud Expense Reimbursement coverage for your employees or members can be a **compelling addition to your benefits suite** at a fraction of the cost of traditional benefits.



While there's no single tool to entirely prevent fraud, there are compelling services that can reduce your risk for fraud, and more importantly, provide immediate assistance in the event of identity fraud.

Identity Fraud Expense Reimbursement coverage with resolution services from Travelers provides the protection an individual needs. Travelers is an industry leader in product, claim and innovation with proven experience as the first carrier to offer an identity fraud product in the insurance marketplace.

¹ Javelin Strategy & Research February 2013 Report, ² Open Security Foundation 2012 Report, ³ 2011 Travelers Claim Report

travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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Identity Fraud Expense Reimbursement

COVERAGE CHECKLIST

Why your clients need our protection

Identity Fraud Expense Reimbursement is available through the Travelers Wrap+[®], SelectOne+SM and Executive Choice+SM suite of products and delivers a truly comprehensive coverage solution. The following checklist illustrates key coverages and features every insured should have as part of their insurance program to protect their employees or members should any become a victim of the rising crime of identity fraud.

| Coverage | Travelers policy | Their policy |
|---|--|--------------|
| Lost wages – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, as a result of absence from employment, including for wrongful incarceration | ✓ | |
| Attorney’s fees – with Travelers’ prior consent, including: <ul style="list-style-type: none"> • Removing criminal or civil judgments wrongly entered against the victim • Challenging information in a credit report • Defending suits brought incorrectly by merchants or their collection agencies • Pursuing the release of medical records solely for the purpose of investigating medical-related identity fraud • Contesting wrongfully incurred tax liability; or • Contesting the wrongful transfer of ownership of an insured person’s tangible property | <ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ | |
| Fees for the re-application and re-issuance of government-issued personal identification documentation – including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and Social Security cards compromised as a result of identity fraud | ✓ | |
| Fees charged for copies of medical records – including X-rays, obtained solely for the purpose of investigating medical-related identity fraud | ✓ | |
| Dedicated identity fraud claim unit – experts who can provide guidance to insured victim to assist in the recovery of their identity and credit history | ✓ | |
| Reasonable costs for travel and accommodations incurred by the insured person – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to: <ul style="list-style-type: none"> • Participate in the defense of lawsuits brought against the insured person by financial institutions, health care providers, merchants, other credit grantors or their collection agencies • Challenge the accuracy or completeness of any information in a consumer credit report • Participate in the criminal prosecution of the perpetrators of the identity fraud, or • File in-person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the identity fraud occurred, as required by local law | <ul style="list-style-type: none"> ✓ ✓ ✓ ✓ | |

| Coverage | Travelers policy | Their policy |
|--|------------------|--------------|
| Family coverage – including residents of the insured person’s household, provided they are either a spouse, child under the age of 18 or parent | ✓ | |
| Daycare and eldercare expenses – incurred solely as a direct result of any identity fraud discovered during the policy period | ✓ | |
| Coverage for thefts committed by family members | ✓ | |
| Insureds choose their own attorney | ✓ | |
| Limit options – ranging from \$1,000 to \$25,000 | ✓ | |
| Retention options – ranging from \$0 to \$250 | ✓ | |

Identity Fraud Resolution Service

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim’s identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.

Available through the Travelers Wrap+®, SelectOne+SM and Executive Choice+SM suite of products.



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Identity Fraud Expense Reimbursement

COVERAGE HIGHLIGHTS

Identity fraud is the fastest-growing white-collar crime in America, impacting one in every 20 consumers.*

Why you need protection

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time in a variety of ways, ranging from a stolen wallet or home burglary to online theft of your personal information.

Recovering from identity fraud means more than just canceling credit cards. Not only can it be a complicated and stressful experience, but it can cost your employee or member of your organization hours of time and out-of-pocket expenses to re-establish their credit and clear their name. The hard reality is that victims must painstakingly prove, often to disbelieving creditors, that the debts are not their own. Purchasing identity fraud expense reimbursement coverage for your employees or members can be an affordable and compelling addition to your benefits suite.

Coverage highlights

Travelers Identity Fraud Expense Reimbursement coverage pays for expenses associated with resolving an identity fraud event and perhaps most importantly, gives people tools and information to reduce their risk of future additional fraud.

Each year, the number of identity fraud cases rises; most recently 12.6 million adults in the United States were victims. On average, it takes an individual more than 37 hours and \$535 in out-of-pocket expenses* to clean up the mess caused by an identity thief.

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim's identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

*Javelin Strategy & Research, February 2013 Report

Claim scenarios

Bogus charge accounts while on business travel

An executive was on business in Brazil when his identity was stolen and significant charges were made to his corporate card. In order to file an affidavit of loss with the local Brazilian authorities, he was required to provide a sworn statement in person. Total expenses for time off work, travel expenses, phone charges and the cost to replace the executive's passport were \$4,500.

Medical identity fraud

A woman from Illinois discovered a number of questionable billings on her medical insurance annual summary of benefits. Someone had stolen her and her children's identities to secure medical services in their names.

After struggling with the health care institution to release the personal medical information, she hired an attorney to help. The attorney was able to contest the services and clean up her medical history. It took more than six months to resolve the identity fraud and cost nearly \$6,000 in attorney's fees, lost wages and fees for copies of X-rays and other medical records.

Why Travelers?

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters, and claim professionals offer extensive industry and product knowledge.

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.



Available through the Travelers Wrap+[®], SelectOne+[®] and Executive Choice+[®] suite of products.

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**Small Cities Organized Risk Effort
Board of Directors Meeting
June 26, 2015**

Agenda Item J.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims:

**Request for Authority

1. Workers' Compensation

- a. SCWA-158878 & SCWA-83291 Michael Naimo City of Susanville**
- b. SCWA-555909 Brenda Bains City of Dunsmuir**
- c. SCWA-555750 Deborah Scott City of Montague**
- d. SCWA-552348 Brian Brown City of Susanville**

FISCAL IMPACT: Unknown

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

BACKGROUND: Confidential

ATTACHMENTS: None



INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for SCORE members.

RECOMMENDATION: None. This item is offered as information only.

BACKGROUND: None

FISCAL IMPACT: None

ATTACHMENT(S):

1. CAJPA Conference – September 16-18, 2015 in South Lake Tahoe
2. SCORE Resource Contact Guide
3. SCORE Certificate Request Form
4. SCORE Glossary of Terms

SCORE RESOURCE CONTACT GUIDE

January 2015

PROGRAM ADMINISTRATION
 Alliant Insurance Services, Inc.
 1792 Tribute Road Ste 450
 Sacramento, CA 95815
 Main: (916) 643-2700 Fax: (916) 643-2750
www.Alliant.com

| SUBJECT | MAIN CONTACT | PHONE | EMAIL |
|--|---|--|--|
| JPA MANAGEMENT ISSUES –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant | Marcus Beverly Michael Simmons Michelle Minnick Joan Crossley | (916) 643-2704 (916) 660-2725 (cell) (415) 403-1425 (925) 708-3374 (cell) (916) 643-2715 (916) 643-2712 | Marcus.Beverly@alliant.com MSimmons@alliant.com Michelle.Minnick@alliant.com JCrossley@alliant.com |
| JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance. | Michelle Minnick Marcus Beverly Joan Crossley | | |
| COVERAGE / RISK MANAGEMENT ISSUES – <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review | Michelle Minnick Marcus Beverly Joan Crossley | | |

SCORE RESOURCE CONTACT GUIDE

January 2015

CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619058
 Roseville, CA 95661-9058
 Main: (800) 922-5020 Fax: (800) 921-7683
www.yorkrsg.com

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|---|--|---|---|
| <p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: right;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: right;"><u>Subrogation</u></p> | <p>Cameron Dewey, Claims Manager</p> <p>Michael Berndt, AVP</p> <p>Jodi Fink, Claims Examiner</p> <p>Kristina Patterson, Unit Manager</p> <p>Barbara Esquivel, AVP</p> <p>D’Ana Seivert, Subrogation Manager</p> | <p>(530) 243-3249</p> <p>(925) 349-3891</p> <p>(916) 580-2437</p> <p>(916) 746-6302</p> <p>(916) 960-0931</p> <p>(916) 960-0980</p> | <p>Cameron.Dewey@yorkrsg.com</p> <p>Mike.Berndt@yorkrsg.com</p> <p>Jodi.Fink@yorkrsg.com</p> <p>kristina.patterson@yorkrsg.com</p> <p>Barbara.Esquivel@yorkrsg.com</p> <p>D’Ana.Seivert@yorkrsg.com</p> |
| <p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues</p> <p>COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p> | <p>Dori Zumwalt, Sr. Account Manager</p> | <p>(916) 960-1017</p> | <p>Dorienne.Zumwalt@yorkrsg.com</p> |

SCORE RESOURCE CONTACT GUIDE

January 2015

| TRAINING SERVICES Company Nurse Injury Hotline Main: (888) 817-9282 https://companynurse.com/ | | | |
|--|--|----------------|--|
| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
| CLAIM REPORTING AND TRIAGE SERVICES –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) | Carl Herman , Enrollment Services Manager | (480) 374-2441 | info@companynurse.com service@companynurse.com |

| PRE-EMPLOYMENT MEDICAL SERVICES Occu-Med Fax: (800) 262-2863 www.occu-med.com | | | |
|---|------------------|------------------------|--|
| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
| PRE-EMPLOYMENT & FIT FOR DUTY MEDICAL SERVICES Services Offered <ul style="list-style-type: none"> • Review of Pre-placement Medical Exams • Job Analysis • Firefighter fit for duty Medical Exams <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Prepare job profiles and medical exam profiles • Scheduling and harvesting pre-placement medical exams • Organizing and managing return-to-work and fitness-for-duty exams • Customized Services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings | Sean Edin | (559) 435-2800 x123 | sedin@occu-med.com |

SCORE RESOURCE CONTACT GUIDE

January 2015

| ACCOUNTING SERVICES Gilbert Associates, Inc. Main: (916) 646-6464 Fax: (916) 929-6836 www.gilbertcpa.com | | | |
|--|---|----------------|--|
| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
| ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates | Kevin Wong Tracey Smith-Reed | (916) 646-6464 | kswong@gilbertcpa.com tsmithreed@gilbertcpa.com |

| POLICE AND FIRE RISK MANAGEMENT SERVICES Lexipol Main: (949) 484-4444 Fax: (949) 484-4443 http://www.lexipol.com/ | | | |
|---|--------------|-------|-------|
| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
| POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members’ Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events Services Offered <ul style="list-style-type: none"> • Reviewing and updating Police and Fire Risk Management Policies and Procedures | | | |

| ERMA POOL ADMINISTRATION/EXCESS PARTNER Main: (800) 541-4591 Fax: (916) 244-1199 http://www.ermajpa.org/ | | | |
|---|--|--|--|
| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
| ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members Board Member - John Duckett Alternate - Roger Carroll Services Offered <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training | Rob Kramer, President Gerry Preciado, Director of Litigation Management | (530) 275-7427 (916) 652-1840 (916) 244-1117 (916) 244-1139 | info@ermajpa.org jduckett@cityofshastalake.org rcarrol@loomis.ca.gov rkramer@bickmore.net gpreciado@bickmore.net |

SCORE RESOURCE CONTACT GUIDE

January 2015

CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|---|---|---|---|
| <p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p style="text-align: right;">Board Member - Roger Carroll</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact David J. Clovis General Manager or Craig Schweikhard) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. | <p>Craig Schweikhard, Claim Administrator</p> <p>David J. Clovis, General Manager</p> | <p>(916) 652-1840</p> <p>(530) 275-7427</p> <p>(925) 290-1315</p> <p>(925) 290-1316</p> | <p>rcarrol@loomis.ca.gov</p> <p>jduckett@cityofshastalake.org</p> <p>craig@cjprma.org</p> <p>david@cjprma.org</p> |

SCORE RESOURCE CONTACT GUIDE

January 2015

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|---|--------------|--|--|
| <p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p style="text-align: right;">Board Member - Ron Stock Alternate - John Duckett</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered | | <p>(530) 938-5027 (530) 275-7427</p> <p>Beth Lyons, ARM-P Executive Director</p> <p>Tammy Vitali, Claims Manager</p> | <p>rstock@ci.weed.ca.us jduckett@cityofshastalake.org</p> <p>administrator@lawcx.org</p> <p>claims@lawcx.org</p> |

TRAINING SERVICES

Target Solutions

Main: (800) 840-8048 Fax: (858) 487-8762

www.targetsolutions.com

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|--|---|----------------|--|
| <p>TRAINING SERVICES – a Web-based Safety Training Platform</p> <p>Services Offered</p> <ul style="list-style-type: none"> • OSHA Training Documentation • Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&customerid=19258&customerpath=score • Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans) • Training Records management (i.e. Diplomas, Certificates of Completion) • Continuing Education Courses for Fire and Safety Personnel | Jennifer Jones , Account Manager | (858) 376-1632 | jennifer.jones.@targetsolutions.com |

SCORE RESOURCE CONTACT GUIDE

January 2015

LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|--|--|---|---|
| <p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"> • Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software • Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics • Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software • ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/ | <p>David Patzer</p> <p>John Balestrini</p> <p>Katie Frassinelli</p> | <p>(707) 373-9709</p> <p>(916) 532-5802</p> | <p>dpatzer@dkfsolutions.com</p> <p>john@dkfsolutions.com</p> <p>Kfrassinelli@dkfsolutions.com</p> |

SCORE RESOURCE CONTACT GUIDE

January 2015

EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

| SERVICES OFFERED | MAIN CONTACT | PHONE | EMAIL |
|---|------------------------------|-----------------------|---|
| <p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness | <p>Kathryn Mullis</p> | <p>(858) 736-0031</p> | <p>kmullis@acieap.com</p> |



CERTIFICATE OF LIABILITY COVERAGE REQUEST FORM

DATE: _____ ALLIANT FAX: (916) 643-2750
ATTN: Michelle Minnick ALLIANT PHONE: (916) 643-2715
FROM: _____ SENDER FAX: _____
CITY: _____ SENDER PHONE: _____
DEPT: _____

CERTIFICATE HOLDER (Person or Entity Requesting the Certificate from the City):

Name: _____

Address: _____

Attention: _____ Phone #: _____

Effective Date(s): _____

Please check the appropriate box:

Coverage Evidence Only:

Additional (Insured) Covered Party: (If this box is checked, **please include a complete copy of the contract or agreement** specifically requesting additional insured status.)

When does the Contract or Agreement end? _____

LIABILITY LIMITS REQUESTED:

Bodily Injury \$ _____
Physical Damage \$ _____
Combined Single Limit \$ _____

Location, date(s) and description of activities or lease:

Note: The executed contract or lease agreement **must** be included for an Additional Covered Party or Loss Payee request. If the equipment or vehicles are leased or purchased, please provide the year, make, model, serial number and value. The documentation should clearly indicate:

1. That the requested coverage is required
2. The amount of coverage required

GLOSSARY OF TERMS

| Term | Definition |
|---|--|
| 4850 | Labor Code 4850 |
| AB 1234 | Ethics Education for Local Officials |
| AB 1825 | Harassment Prevention Training for Supervisors |
| Active Negligence | The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in |
| ACV (Actual Cash Value) | The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it |
| Adhesion | When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract) |
| ATD (Aerosol Transmissible Diseases) | An epidemiologically significant disease that is transmitted via droplet or airborne route |
| Aggregate | The term used to describe the cumulative amount of all losses for a period of time. |
| Aggregate Stop Loss | A financial arrangement with a JPA’s excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would “drop down” and pay losses within the JPIA’s SIR, or pooled layer |
| AME (Agreed Upon Medical Examiner) | A medical provider who has been certified by the Division of Workers’ Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim. |
| Aleatory | An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties |
| ACIP (Alliant Crime Insurance Program) | Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job. |
| APIP (Alliant Property Insurance Program) | The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities |
| ADA (American Disability Act) | A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY). |
| Assessment company | Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period) |
| AIS (Associate in Insurance Services) | Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance |
| AGRIP (Association of Governmental Risk Pools) | A national organization of JPA’s and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA |
| ALCM (Associate in Loss Control Management) | A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA). |

GLOSSARY OF TERMS

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| ARM (Associate in Risk Management) | A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America. |
| Attachment Point | The dollar amount of a loss where the next layer of insurance begins to pay for the loss |
| Automobile Liability | Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages |
| Automobile Physical Damage | Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots |
| Best's Rating | A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better |
| BOD/BD (Board of Directors) | body of elected or appointed members who jointly oversee the activities of a company or organization |
| BI (Business Interruption) | A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster. |
| CAJPA (California Association of Joint Powers Authorities) | Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs |
| CIPRA (California Institute for Public Risk Analysis) | Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities |
| CJPRMA (California Joint Powers Risk Management Authority) | CJPRMA provides the excess coverage to SCORE's Liability Program |
| California State Association of Governments (CSAC) | CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change |
| California State Association of Governments - Excess Insurance Authority (CSAC-EIA) | CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures |
| CalTIP (California Transit Insurance Pool) | In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987 |
| Catastrophic Loss Reserve | A separate JPIA reserve account designated to pay losses without additional premium assessments to members |
| CIC (Certified Insurance Counselor) | an insurance agent professional certification designation |
| Certified Industrial Hygienist (CIH) | CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them |
| Chartered Property Casualty Underwriter (CPCU) | CPCU is a professional designation in property-casualty insurance and risk management |

GLOSSARY OF TERMS

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| Claim | A demand of a right. In general a demand for compensatory damages, resulting from the actions of another |
| Claims Made | A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see “Occurrence”) |
| Compromise and Release (C&R) | A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge. |
| Conditional | an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional) |
| Conditions | describe the responsibilities and the obligations of both the insured and the insurance company |
| Confidence Level (CL) | an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL |
| Contract | a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration |
| Contract of Utmost Good Faith | as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims |
| Certified Safety Professional (CSP) | CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety. |
| California State Association of Counties Excess Insurance Authority (CSAC-EIA) | SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA |
| Cumis Counsel | Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier. |
| DE9 | Quarterly Contribution Return and Report of Wages |
| Declarations | contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy |
| Deductible | It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid |
| Defense | A defendant's denial to a complaint or cause of action |
| Definitions | clarify the meaning of certain terms used in the policy |
| Deposit Premium | Premium required at the beginning of a policy period based on estimated costs |
| Difference In Conditions | A specialized property insurance policy written to provide coverage for perils |

GLOSSARY OF TERMS

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| (DIC) | not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses |
| Directors and Officers (D&O) | Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers. |
| Directors, Officers and Trustees Liability | Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers |
| Date of Loss (DOL) | Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee. |
| Doctrine of reasonable expectations | a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides |
| Earthquake (EQ) | a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action |
| Employers' Liability | Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits |
| Employment Practices Liability (EPL) | Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc |
| Endorsement | any change to the original policy (attached to the policy itself) |
| Environmental Impairment Liability | Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy |
| Employment Risk Management Authority (ERMA) | ERMA provides employment practices Liability coverage to SCORE members desiring such coverage |
| Errors and Omissions Insurance (E&O) | Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract. |
| Errors and Omissions Liability | Excludes bodily injury and property damage; intended to afford protection for the "misfeasance, malfeasance or non-feasance" of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys |
| Excess Insurance | Insurance that is purchased to provide higher limits than the primary policy or coverage provides |
| Excess Loss | The portion of a loss that is allocated to, or paid by, excess coverage |
| Exclusions | describe the losses for which the insured is not covered |
| Executive Committee (EC) | committee within that organization which has the authority to make decisions and ensures that these decisions are carried out |
| Expected liabilities | Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the "Expected" Confidence Level (CL) |

GLOSSARY OF TERMS

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| Exposure | a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage) |
| Financial Accounting Standards Board (FASB) | FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission |
| Fidelity Bonds | Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss |
| Fiduciary Liability | Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds |
| Generally Accepted Accounting Principles (GAAP) | GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice |
| Governmental Accounting Standards Board (GASB) | GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization |
| General Liability | Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties) |
| Hazard | anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard) |
| Health Insurance Portability and Accountability Act (HIPAA) | A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure |
| Incurred But Not Reported (IBNR) | It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported |
| Incurred Loss | This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves) |
| Injury Illness Prevention Program (IIPP) | Proactive process of assessing workplace hazards prior to an injury being reported |
| Insurable Interest | before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property |
| Insurance | a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums |
| Insurance Requirements in Contracts (IRIC) | In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay. |
| Insurance Services Office, Inc. (ISO) | An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers |

GLOSSARY OF TERMS

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| Insuring agreements | state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified) |
| Inverse Condemnation | Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages |
| Limit | The most that will be paid in a loss |
| Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) | LAWCX provides excess coverage to SCORE's workers' compensation pool |
| Long Range Planning (LRP) | Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals. |
| Loss Adjustment Expense (LAE) | administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental |
| Loss Ratio | The amount of loss divided by the amount of premium, contributions, payroll or property values |
| Master Plan Documents | A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program |
| Maximum Medical Improvement (MMI) | When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S |
| Memorandum of Coverage (MOC) | A document issued by a JPA defining the coverage provided to the members |
| Moral Hazard | a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new) |
| Morale Hazard | an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs) |
| Mutual interest company | the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums) |
| Named Insured | Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation |

GLOSSARY OF TERMS

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| Net Assets | (Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL) |
| Net Contribution | a total contribution for losses less excess insurance costs |
| Non Vacant land | refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches) |
| Obligee | Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation |
| Occurrence | A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented. |
| Passive Negligence | The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in |
| Peril | Cause of a loss |
| Permanent and Stationary (P&S) | When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI |
| Permanent Disability (PD) | Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached |
| Personal Protective Equipment (PPE) | PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury |
| Physical Hazard | a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps) |
| Plaintiff | The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit |
| Pooled Loss | The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance |
| Principal | Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised |
| Principle of Indemnity | when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less |
| Property Insurance | This covers the member for damage to its own property, sometimes called first-party coverage |
| Public Agency Risk Managers Association (PARMA) | A statewide association for risk managers in the public sector. Educational and lobbying activities |

GLOSSARY OF TERMS

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| Public Entity Property Insurance Program (PEPIP) | A group purchase program from which many SCORE members purchase their insurance |
| Public Risk Management Association (PRIMA) | A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes |
| Pure Risk | involves only the possibility of loss |
| QME (Qualified Medical Examiner) | A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. |
| Reciprocal company | (to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal |
| Replacement Cost (RC) | The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit" |
| Reserve | In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased |
| Retrospective Premium Adjustment | At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year. |
| Risk | the chance or uncertainty of loss (also see Speculative Risks and Pure Risks) |
| Risk and Insurance Management Society (RIMS) | National professional organization to promote principles of risk management and assist risk managers in their daily activities |
| Risk Control | Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others |
| Risk Financing | Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium) |
| Risk Management | One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing. |
| Self-Insured | Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses |
| Self-Insured Retention (SIR) | the maximum amount of exposure to a single loss retained by SCORE |

GLOSSARY OF TERMS

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| Severability of Interests Clause | An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively |
| Special Events | Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities. |
| Speculative Risk | risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game) |
| Spread of Risk | the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss) |
| Stock company | sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds) |
| Subrogation | The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee |
| Surety | Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages |
| Temporary Disability Benefits (TD) | Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering |
| Third Party Administrator (TPA) | TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits |
| Total Insured Values (TIV) | The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss |
| Terrorism Risk Insurance Act (TRIA) | TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism. |
| Vacant land | refers to land that is unoccupied and unused, and/or has no structures on it |
| Vehicle Identification Number (VIN) | unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833 |