

**PUBLIC RISK, INNOVATION, SOLUTIONS, AND MANAGEMENT  
(PRISM)**

**EXECUTIVE COMMITTEE**

**MEETING SUMMARY**

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75 Iron Point Circle, Suite 200  
Folsom, California 95630  
(916) 850-7300

Thursday, May 2, 2024  
10:00 a.m.  
Sixth Meeting – 2024

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**Members Present**

Mark Howard, ACCEL/City of Santa Barbara  
Karen Caoile, Contra Costa County  
Scott DeMoss, Glenn County  
Scott Schimke, GSRMA  
Aaron Holmberg, Inyo County  
Richard Egan, Lassen County  
Heather Rose, Mendocino County  
Tanya Moreno, San Joaquin County  
Lance Sposito, Santa Clara County  
Barbara Lubben, Yolo County

**Members Absent**

Janell Crane, Sonoma County

**Program Renewals**

**EWC:** Renewal updates were provided on each of the EWC layers. The day prior, the Underwriting Committee **approved terms**, within their delegated authority by the Board, to **bind the reinsurance renewals** with ACE/Chubb and Liberty Mutual. The Committee also reviewed additional amendments to the Memorandum of Coverage (MOC) and recommended approval to the Board.

**GL1:** Renewal updates were provided, but no proposals have been received from the carriers yet. Staff is also **still receiving input** from members and County Counsels on proposed revisions to the **MOC**. A working group is being developed to review the feedback and determine how to proceed, in advance of final presentation to the Board in June.

**Other:** Renewal updates were also provided by Alliant for the PWC, GL2, Medical Malpractice, and Property Programs. Renewals were approved for the MR OCIP, Cyber, Aviation, Master Crime, CIMI, and Watercraft Programs. The Committee considered a policy regarding re-entry for entities that withdraw from PRISM's Miscellaneous Programs. The Committee had additional suggestions and the proposed policy will come back for consideration at the June meeting.

### **Excess Workers' Compensation Program Funding Position**

Earlier this year, PRISM's Executive Committee approved a **settlement agreement with AmTrust**, who had provided coverage for the PWC, EWC, GL1, and GL2 Programs for a few years. Since 2020, they had been disputing claims and not reimbursing the Programs. The dispute resolution process had begun, but ultimately both parties agreed to a commutation settlement. As a result, the **EWC Program will assume the unpaid and future liabilities** and will **receive funds from AmTrust** to cover those; however, those funds won't cover the entire estimated liability. Fortunately, the EWC Program has a healthy funding position and can absorb the impact. The transaction will negatively impact the Program's financial position at 6/30/24, bringing the Net Position above the discounted expected confidence level to -\$1M. The following day, as of 7/1/24, the Program will be back in the black with the infusion of the new fiscal year premiums. And, within a year or two, the Program should once again have Net Position within the Board's target funding range.

### **Personnel Matters**

The Executive Committee approved the items recommended by the Personnel Sub-Committee. Approvals included a **4% adjustment to the staff salary ranges** (which only adjusts salary ranges, not individual salaries) and a **\$650k merit pool**, effective July 1, 2024. A **new Paid Family Leave benefit** and a **new Intern Policy and Program** were also approved. The CEO's performance was evaluated and goals were referred back to the PSC for revisions. Lastly, the Executive Committee approved **3 reclassifications** and **5 new positions**.

### **Other Items**

- A recommendation was made to the Board to approve the General Administration, Building, and Capital budgets for 2024/25; and
- Two claims and a listing of large claims were addressed in closed session.

### **Next Meeting**

The next regularly scheduled meeting will be on **Thursday, June 6, 2024, at 9:00 a.m.**, at the **PRISM Office in Folsom and via Web Conference**.