

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

**PRIMARY WORKERS' COMPENSATION COMMITTEE**

**FINAL AGENDA**

Web Conference/Telephonic Meeting	Wednesday, June 17, 2020
<a href="https://zoom.us/">https://zoom.us/</a>	10:00 a.m.
Meeting Number: 929 4474 8309	Third Meeting – 2020

As to each agenda item, the Committee may take action and/or receive informational reports as appropriate.

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**ROLL CALL/INTRODUCTIONS**

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- 1.A. Establishment of Quorum/Introductions .....5
- 1.B. Web Conference Protocol

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**CONSIDERATION OF OFF AGENDA ITEMS**

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Pursuant to Government Code Section 54954.2(b), except as provided in this paragraph, no action or discussion shall be taken at a regular meeting on any item which does not appear on the posted Final Agenda. Pursuant to Government Code Section 54954.2 (b)(2) an item may be added to the Final Agenda after the Final Agenda has been posted upon a determination by a two-thirds vote of the Committee (or an unanimous vote if less than two-thirds of the Committee is present); the vote shall be on a motion stating that there is a need to take immediate action and that the need for action came to the attention of the Committee subsequent to the Final Agenda being posted. Any such motion shall be accompanied by distribution of a written statement on a form provided by the office of the Chief Executive Officer/Secretary of the Board, to be included in the record, stating the facts upon which it can be determined that the need to take action arose after the Final Agenda was posted. In addition, action may be taken on an item not on the posted Final Agenda under the circumstances stated in Government Code Section 54954.2 (b)(1) [emergency] and 54954.2 (b)(3) [continued regular meetings].

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**CONSENT AGENDA**

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The following Consent Agenda is expected to be routine and non-controversial. It will be acted upon by the Committee at one time without discussion. Any Committee member, staff member, or interested party may request that any item be removed from the Consent Agenda for later discussion.

- 2.A. Approval of Minutes, April 22, 2020 .....7  
*An action to acknowledge receipt of the report.*
- 2.B. PWC Notices of Potential Withdrawal ..... 11  
*An action to acknowledge receipt of the report.*
- 2.C. Disclosure of Disposition of Claims..... 12  
*An action to acknowledge receipt of the disclosure.*

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## CLAIMS ADMINISTRATION MATTERS

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- 3.A. Claim Summary Report as of March 31, 2020 (Mike P.)..... 16  
*An informational report regarding the status of claims.*
- 3.B. Pharmacy Benefit Management (PBM) Contract Renewal (Jen) ..... 19  
*An action to approve the renewal of the contract with myMatrixx, an Express Scripts Company.*
- 3.C. Update on Claim System Development & CorVel Conversion (Tom/Jen) ..... 21  
*An informational report on the status of developing a proprietary claims system and the status of converting CorVel's data into PRISM's current claims system.*
- 3.D. Update on COVID-19 Workers' Compensation Legislation (Jen) ..... 24  
*An informational report on recent legislative activity related to COVID-19.*

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## GENERAL BUSINESS

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- 4.A. 2020/21 Reinsurance Renewal (Max/Alliant)..... 29  
*An action to approve revised terms from ACE/Chubb or to self-insure the communicable disease exposure on a per-employee basis.*
- 4.B. 2020/21 Risk Transfer to the EIO (Brian) ..... 37  
*An action to approve transferring the 2020/21 corridor retention to the EIO.*
- 4.C. 2020/21 Program Budget (Puneet) ..... 38  
*An informational report regarding the 2020/21 Program Budget.*
- 4.D. Staff Report (Gina)  
*Staff will report on matters of interest to the Committee.*

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## PUBLIC COMMENT

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This portion of the agenda is reserved for members of the general public to address the Committee on any matter not on this agenda that is under the jurisdiction of the Committee.

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## FUTURE MEETINGS

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The next regularly scheduled meeting is tentatively scheduled for **Wednesday, August 26, 2020, at 10:00 a.m.**, with the venue **to be determined**.

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## ADJOURNMENT

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*Disability Access: All posted locations for this meeting are wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Meeting Planner at (916) 850-7300 or (916) 850-7800 (fax). Requests for such modifications or accommodations must be made at least two full business days before the start of the meeting.*

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

**PRIMARY WORKERS' COMPENSATION COMMITTEE**

**TELEPHONIC ADDRESS LIST**

Web Conference/Telephonic Meeting

Wednesday, June 17, 2020

<https://zoom.us/>

10:00 a.m.

Meeting Number: 929 4474 8309

Third Meeting – 2020

<b>Public Risk Innovation, Solutions, &amp; Management</b>		75 Iron Point Circle, Suite 200 Folsom, CA 95630	(916) 850-7300
<b>City of Belmont</b>	Laura Kirby	One Twin Pines Lane, Suite 330 Belmont, CA 94002	(650) 595-7452
<b>El Dorado County</b>	Robert Schroeder	330 Fair Lane Placerville, CA 95667	(530) 621-6520
<b>Humboldt County</b>	Kacy Green	825 5 <sup>th</sup> St., #131 Eureka, CA 95501	(707) 268-3670
<b>Huntington Beach UHSD</b>	William Kerwin	5832 Bolsa Avenue Huntington Beach, CA 92649	(714) 903-7000
<b>Inyo County</b>	Aaron Holmberg	163 May Street Bishop, CA 93514	(760) 872-2908
<b>Mendocino County</b>	Heather Correll Rose	501 Low Gap Road Room 1010 Ukiah, CA 95482	(707) 234-6061
<b>Santa Barbara County</b>	Julieann Robles	105 East Anapamu Street Santa Barbara, CA 93101	(805) 884-6869
<b>Santa Cruz Co. Fire Agencies Ins. Group</b>	John Scott	152 Sierra Sunrise Way Auburn, CA 95603	(530) 888-9070
<b>SIRMA</b>	Robert Garza	41914 50 <sup>th</sup> St. West Quartz Hill, CA 93536	(661) 722-9693
<b>Tahoe Transportation District</b>	DeDe Aspero	128 Market Street, Suite 3F Stateline, NV 89449	(775) 589-5326
<b>Yuba County</b>	Jill Abel	915 8 <sup>th</sup> St., Suite 113 Marysville, CA 95901	(530) 749-7868

**Establishment of Quorum/Introductions**  
**Quorum: 5**

**Chair:**

Heather Correll Rose, Mendocino County

**Vice Chair:**

Jill Abel, Yuba County

**Committee Members:**

Laura Kirby, City of Belmont  
Robert Schroeder, El Dorado County  
Kacy Green, Humboldt County  
Aaron Holmberg, Inyo County  
Julieann Robles, Santa Barbara County  
John Scott, Santa Cruz County Fire Agencies Insurance Group  
Robert Garza, Self Insured Risk Management Authority

**Alternate(s):**

William Kerwin, Huntington Beach Unified High School District  
DeDe Aspero, Tahoe Transportation District

**PWC COMMITTEE MEETING**  
**June 17, 2020**

**AGENDA ITEM: 2.A. – 2.C.**

**SUBJECT:** Consent Agenda

**ACTION FOR CONSIDERATION:** Approve the Consent Agenda, as presented.

**BACKGROUND:**

There are 3 items on the Consent Agenda:

- 2.A. Approval of Minutes, April 22, 2020
- 2.B. PWC Notices of Potential Withdrawal  
This report summarizes the notices of intent for potential withdrawal.
- 2.C. Disclosure of Disposition of Claims  
This report summarizes the disclosure of dispositions of claims.

**FISCAL IMPACT:** None

**RECOMMENDATION:**

Staff recommends approval of the Consent Agenda. However, the Committee may pull any item they want to discuss or modify. Approval of the Consent Agenda can be made with one motion.

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

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

**PRIMARY WORKERS' COMPENSATION COMMITTEE**

**MINUTES**

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PRISM	Wednesday, April 22, 2020
Web Conference/ Teleconference	2:00 p.m.
	Second Meeting – 2020

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The meeting was called to order by the Chair, Heather Correll Rose, at 2:05 p.m.

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**ROLL CALL/INTRODUCTIONS**

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**1.A. Members Present**

1. Laura Kirby, City of Belmont
2. Kacy Green, Humboldt County
3. William Kerwin, Huntington Beach UHSD – Alt., voted on 2.B. and 3.C.
4. Aaron Holmberg, Inyo County
5. Heather Correll Rose, Mendocino County
6. Julieann Robles, Santa Barbara County
7. John Scott, Santa Cruz County Fire Agencies Insurance Group
8. Robert Garza, SIRMA – voted on 3.C.
9. DeDe Aspero, Tahoe Transportation District – Alt., voted on 2.B. and 3.C.
10. Jill Abel, Yuba County – voted on 2.B., left during 3.B.

**Members Absent**

1. Robert Schroeder, El Dorado County

**Others Present**

1. Daniel Rodriguez, California Schools JPA
2. Nazie Arshi, Alliant Insurance Services
3. Kevin Bibler, Alliant Insurance Services
4. Michelle Bradley, Alliant Insurance Services
5. Tom E. Corbett, Alliant Insurance Services
6. Gordon DesCombes, Alliant Insurance Services
7. Mellisa Gentle, Alliant Insurance Services
8. Paul Hollands, Alliant Insurance Services
9. Carola King, Alliant Insurance Services
10. Brenna Smith, Alliant Insurance Services
11. Amber Windrath, Alliant Insurance Services
12. John Alltop, PRISM Staff
13. Puneet Behl, PRISM Staff
14. Sarah Bishop, PRISM Staff
15. Rick Brush, PRISM Staff
16. Aubrey Cannon, PRISM Staff

- 17. Gina Dean, PRISM Staff
- 18. Michael Fleming, PRISM Staff
- 19. Jennifer Hamelin, PRISM Staff
- 20. Brian Kelley, PRISM Staff
- 21. Max Larkin, PRISM Staff
- 22. Yi Li, PRISM Staff
- 23. Suzanne Nutter, PRISM Staff
- 24. Mike Pott, PRISM Staff
- 25. Dee Ranaweera, PRISM Staff
- 26. Antoniette Schaub, PRISM Staff
- 27. Alicia Smith, PRISM Staff
- 28. Rebekah Winger, PRISM Staff

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## **CONSIDERATION OF OFF AGENDA ITEMS**

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There were no items to consider.

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## **CONSENT AGENDA**

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### **2.A. Approval of Minutes, February 19, 2020**

### **2.B. PWC Notice of Potential Withdrawal**

(Motion 1) Moved by Jill Abel and seconded by John Scott to approve the Consent Agenda, as presented. Motion passed unanimously by roll call vote with 9 voting yes (Kirby, Green, Kerwin, Holmberg, Correll Rose, Robles, Scott, Aspero, and Abel).

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## **GENERAL BUSINESS**

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### **3.A. 2020/21 Reinsurance Renewal**

Alliant and staff informed the Committee of the current status of the Program renewal. At the February 19, 2020 meeting, the Committee approved the renewal terms with Chubb at a 1.5% rate reduction. Since this approval, the market has drastically changed due to COVID-19. Chubb has let Alliant know that for the EWC Program, they will no longer provide communicable disease coverage on a per occurrence basis, but instead coverage will be on a person employee basis. The EWC coverage will likely modify the communicable disease coverage to per employee, which is typical in the market. This is problematic because the PWC coverage follows the EWC Memorandum of Coverage. Alliant has requested that Chubb provide a proposal to modify terms in PWC, but it has not yet been received. An alternative for the Committee to consider is to self-fund the exposure, relying upon the Program's healthy funding position if another communicable disease event takes place. The Committee expressed a desire to wait to receive the proposal from Chubb and



then reconvene, but also expressed a willingness to self-fund the entire Program or just the communicable diseases exposure.

### **3.B. 2020/21 Program Budget Items**

Staff and the Committee discussed the 3 Program Budget Items that stemmed from the November 2019 strategic planning meeting. The first item was the consideration of rotating meetings in Northern and Southern California. The second item was the consideration of hosting an annual PWC meeting in Northern and Southern California, which could be held in conjunction with the Committee meeting. The third item was the consideration of creating a testimonial video of members on the benefits of being in the PWC Program. The Committee determined to table these Program budget items until the next fiscal year, by unanimous consent.

### **3.C. PWC Settlement Authority Policy Amendments**

Staff reviewed the current Program Settlement Authority Policy. Settlement authority is delegated to staff for claims between \$0-75k. The PWC Chair has settlement authority for claims between \$75k-125k. On the excess layer, the Claims Review Committee has delegated settlement authority to staff from the SIR plus \$300k. The Chair of the PWC Committee receives approximately 26% of the PWC claim settlement requests, PRISM staff provides authority on 71%, and CRC provides authority on 3%. In order to streamline the process and eliminate the PWC Chair completing tasks that can be accomplished by staff, staff requested that they have full authority within the PWC layer. The authority applies to individual claims, rather than the global parent claim for multiple injuries arising from a single occurrence.

(Motion 2) Moved by Aaron Holmberg and seconded by William Kerwin to amend the policy regarding claims settlement authority to delegate full authority within the PWC layer (\$0-125k) to staff. Motion passed unanimously by roll call vote with 9 voting yes (Kirby, Green, Kerwin, Holmberg, Correll Rose, Robles, Scott, Garza, and Aspero).

### **3.D. Member Services – COVID-19 Communications Update**

Staff presented the Committee with various resources that had been gathered to aid members during the COVID-19 pandemic. These resources include a cumulative resource page on the PRISM website, a special edition of ELink, a banner on the member dashboard that links to the resource page, a message board, a webcast on employment practices during COVID-19, and a new micro course with information relating to the pandemic.

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### **PUBLIC COMMENT**

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There was no public comment.

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## **FUTURE MEETINGS**

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The next regularly scheduled meeting is ***Wednesday, June 17, 2020, at 10:00 a.m.***, to be held ***via WebEx***. However, it is likely another WebEx meeting will be necessary before then.

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## **ADJOURNMENT**

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The meeting adjourned at 3:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Aubrey Cannon".

Aubrey Cannon  
Administrative Assistant

**SUBJECT:** PWC Notices of Potential Withdrawal

**ACTION FOR CONSIDERATION:** Acknowledge receipt of the report.

**BACKGROUND:**

Pursuant to the Joint Powers Agreement, a member may withdraw from a program only at the end of a program's policy year, and only if the member gives the Authority at least sixty (60) days advance written notice of such action. Notices of intent to withdraw are provisional, and members may rescind the withdrawal notice at any time prior to the expiration of the policy term, with the exception of the Property Program, which requires rescission 30 days prior to the renewal. Some members routinely issue the notice of intent, which provides them the opportunity to conduct their due diligence in the marketplace. At this time, we have received the notice of intent to withdraw from the following member, and have provided a status where known:

<b>Member</b>	<b>Program</b>	<b>Status</b>
City of Hemet	PWC	Final
Sacramento County Contracts	PWC	Routine

**FISCAL IMPACT:**

If the above member(s) were to withdraw, PRISM will end up underfunding administrative costs by their respective portion.

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

**SUBJECT:** Disclosure of Disposition of Claims

**ACTION FOR CONSIDERATION:** Acknowledge receipt of the disclosure.

**BACKGROUND:**

The intent of this report is to provide a disposition of claims that have been resolved. This report reflects claims that we have received confirmation of settlement on since the report was last presented to the Committee.

For claims within the Primary Workers' Compensation (PWC) Program (under \$125k), authority is obtained from PRISM staff and/or the PWC Committee Chair. Claims that include settlement amounts above the PWC Program limit will include authority from a combination of staff and the Claims Review Committee.

**FISCAL IMPACT:** None

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

	Name	Injury Type	Member	SIR	Settlement Amount
1	Christine Campbell	Right knee	Amador County	\$125,000	\$5,220.00
2	Tyler Houston	Hand, wrist, fingers	Calaveras County	\$125,000	\$40,000.00
3	Melissa Broyles	Wirst, hand, fingers	Central Sierra Child Support Agency	\$125,000	\$24,795.00
4	John De Natale	Neck, left shoulder	City of Belmont	\$125,000	\$46,111.00
5	John De Natale	Neck, left shoulder	City of Belmont	\$125,000	\$9,932.50
6	Casey Engler	Back	City of Belmont	\$125,000	\$27,695.00
7	Julia Williams	Teeth	City of El Cajon	\$125,000	\$2,500.00
8	Christine Greer	Lumbar spine	City of El Cajon	\$125,000	\$9,932.50
9	Sharae Sandoval	Cervical spine, lumbar spine	City of South Pasadena	\$125,000	\$14,645.00
10	Paul Riddle	Heart	City of South Pasadena	\$125,000	\$54,230.00
11	Debbie Moore	Back	CSRM	\$125,000	\$14,645.00
12	Linda Wedgworth	Hands, wrists, thumbs	CSRM	\$125,000	\$25,000.00
13	Stacy Daniels	Nack	CSRM	\$125,000	\$4,350.00
14	Cathy Lacasella	Head, neck, shoulders, right knee	CSRM	\$125,000	\$85,000.00
15	Diane Bieda		CSRM	\$125,000	\$23,713.51
16	Diane Bieda	Head, neck, arm, back, shulder, stress, digestive	CSRM	\$125,000	\$76,560.00
17	Lovie Marie Aguilar	Knees	CSRM	\$125,000	\$75,000.00
18	Deborah Berresford	Nack, back	CSRM	\$125,000	\$25,000.00
19	Randall Thorne	Left shoulder	CSRM	\$125,000	\$20,000.00
20	Lloyd Brown	Left ankle	CSRM	\$125,000	\$0.00
21	Sue Halperin	Right knee	CSRM	\$125,000	\$78,000.00
22	Zoila Arriaga	Right shoulder	CSRM	\$125,000	\$30,000.00
23	Gregory Doyle	Hand, fingers, psych, digestive	CSRM	\$125,000	\$150,000.00
24	Rosana Lozano	Right wrist, right shoulder, low back	CSRM	\$125,000	\$0.00
25	Linda Skifton	knees, lower extremities	CSRM	\$125,000	\$60,000.00
26	Socorro Pinto	Head, teeth, neck, back, legs, shouloders, multiple	CSRM	\$125,000	\$80,000.00
27	Sara Mawhorter	Head, neck, upper ext, eye, nervous, psch	CSRM	\$125,000	\$90,320.00
28	Sara Mawhorter	Right shoulder	CSRM	\$125,000	\$12,720.00
29	Sonia Valencia	Neck, back, upper ext, lower ext	CSRM	\$125,000	\$105,197.50
30	Sonia Valencia	Face, neck, upper ext, both shoulders	CSRM	\$125,000	\$17,545.00
31	Raelene Wharff	Left foot, left ankle	CSRM	\$125,000	\$0.00
32	Alexandra Serratos	Knees	CSRM	\$125,000	\$30,000.00
33	Susan Seaton	Left arm, hips, shoulders, right knee, multiple	CSRM	\$125,000	\$11,000.00

	Name	Injury Type	Member	SIR	Settlement Amount
34	Susan Seaton	Left arm, bilateral hips, bilateral shoulders, right knee, multiple	CSRM	\$125,000	\$11,000.00
35	Nathaniel Stokes	Low back	CSRM	\$125,000	\$35,000.00
36	Lauren Davis	Left knee, low back	CSRM	\$125,000	\$0.00
37	Sherri Brown	Right knee	CSRM	\$125,000	\$8,797.50
38	Sherri Brown	Left knee	CSRM	\$125,000	\$5,133.00
39	Thomas Darr	Knee	El Dorado County	\$125,000	\$3,500.00
40	David Turnage	Shoulders	El Dorado County	\$125,000	\$17,545.00
41	Martin Jordan	Shoulders	El Dorado County	\$125,000	\$6,500.00
42	Erica Kowalczyk	Fingers	El Dorado County	\$125,000	\$1,000.00
43	Daniel Bears	Psych	El Dorado County	\$125,000	\$60,000.00
44	Jessica Avilla	Shoulder	Humboldt County	\$125,000	\$3,000.00
45	Kenneth Swithenbank		Humboldt County	\$125,000	\$80,000.00
46	Bang Cao	Psych, foot	Humboldt County	\$125,000	\$52,200.00
47	Debra Buchanan	Neck, upper ext, knee, nervous	Huntington Beach UHSD	\$125,000	\$105,000.00
48	Debra Buchanan	Wrist	Huntington Beach UHSD	\$125,000	\$20,000.00
49	Susan Mathieson	Left finger	Huntington Beach UHSD	\$125,000	\$0.00
50	Lauren Jones	Head, brain, neck, psych	Huntington Beach UHSD	\$125,000	\$5,000.00
51	Shane Joseph	Right wrist	Inyo County	\$125,000	\$37,500.00
52	Kevin Frew	Neck, hips, back	Inyo County	\$125,000	\$25,000.00
53	Julio Gonzalez	Right ankle	Inyo County	\$125,000	\$5,220.00
54	Michelle Hartshorn	Right knee	Inyo County	\$125,000	\$9,932.50
55	James Hankins	Low back	Lake County	\$125,000	\$18,995.00
56	Kaitlyn Olsen	Knee	Mendocino County	\$125,000	\$25,000.00
57	Stephen Purcell	Knee	Mendocino County	\$125,000	\$6,500.00
58	Ann Wagner	Left knee	Mendocino County	\$125,000	\$11,092.50
59	Esmeralda Alcazar	Back	Mendocino County	\$125,000	\$10,000.00
60	Maria Madueno	Knees	Mendocino County	\$125,000	\$58,000.00
61	Richard Reynolds	Ear	Mendocino County	\$125,000	\$12,000.00
62	Rafael Gonzalez	Back, arm	Mendocino County	\$125,000	\$57,300.00
63	Rafael Gonzalez	Shoulder, arm, back, leg, neck	Mendocino County	\$125,000	\$85,000.00
64	Greg Stefani	Hips, back	Mendocino County	\$125,000	\$7,750.00
65	Greg Stefani	Upper extremities	Mendocino County	\$125,000	\$22,750.00
66	Trent James	Stress	Mendocino County	\$125,000	\$500.00
67	Danielle Loomis-Lyons	Right knee	Mendocino County	\$125,000	\$30,000.00
68	Brent Hull	Circ system, psych	Mt. Diablo USD	\$125,000	\$12,000.00
69	Loan Tran	Right knee	Mt. Diablo USD	\$125,000	\$20,445.00
70	Phillip Morgan	Head, face, shoulder, wrist	Mt. Diablo USD	\$125,000	\$10,000.00
71	Karen Miller	Foot	Mt. Diablo USD	\$125,000	\$23,000.00
72	Joel Yuzon	Left ankle	Mt. Diablo USD	\$125,000	\$8,772.50

	Name	Injury Type	Member	SIR	Settlement Amount
73	William Hare	Right ankle	Nevada County	\$125,000	\$35,000.00
74	Edwin Ando	Jaw, teeth	Santa Barbara County	\$500,000	\$15,000.00
75	Edwin Ando	Cervical spine, bilateral shoulders	Santa Barbara County	\$500,000	\$30,000.00
76	Brett Pickett	Eye	Santa Barbara County	\$125,000	\$15,000.00
77	Thomas Stallings	Left wrist	Santa Barbara County	\$125,000	\$8,772.50
78	Santiago Jimenez	Neck	Santa Barbara County	\$125,000	\$6,960.00
79	Laurence Zepeda	Left knee	Santa Barbara County	\$125,000	\$10,000.00
80	Stacey Tucker	Knee	SIRMA	\$125,000	\$17,000.00
81	Daniel Tirozzi	Right foot, right ankle	SIRMA	\$125,000	\$0.00
82	Nikki Shelton	Nack, back	SIRMA	\$125,000	\$5,220.00
83	Carrie Gipi	Neck, left hand, fingers, left upper ext, left shoulder, right leg, lower ext, internal, psych	SIRMA	\$125,000	\$100,000.00
84	Sophia Fernandez	Left knee	SIRMA	\$125,000	\$5,500.00
85	Lizeta Crawford	Digestive, stress	SIRMA	\$125,000	\$17,500.00
86	Elizabeth Mireles	Fingers, wrist, arm	SIRMA	\$125,000	\$20,000.00
87	Jack Bull	Left knee	SIRMA	\$125,000	\$48,140.00
88	Juanita Irazaba	Right shoulder, right hand, wrist	SIRMA	\$125,000	\$1,740.00
89	Michelle Fischer	Right hip	SIRMA	\$125,000	\$5,000.00
90	Carolina Renteria Chavez	Hand, fingers, shoulder, knee	SIRMA	\$125,000	\$35,000.00
91	Sarah Eisenberg-Gordon	Head, neck, back, shoulder, foot, psych, extremities	SIRMA	\$125,000	\$25,000.00
92	Ian Fronchtweig	Back	SIRMA	\$125,000	\$50,000.00
93	Elvia Gomez leckes	Right shoulder, right writst	SIRMA	\$125,000	\$24,950.00
94	James Aguirre	Right wrist, elbows	SIRMA	\$125,000	\$7,830.00
95	Donna Manfredi	Neck, right shoulder, head spine	SIRMA	\$125,000	\$6,960.00
96	Gary Pannell	Right upper extremity	Siskiyou County	\$125,000	\$37,990.00
97	Aimee Von Tungeln	Right knee	Siskiyou County	\$125,000	\$0.00
98	Susan Ramirez Gonzalez	Wirst, hand	Sutter County	\$125,000	\$22,815.00

**PWC COMMITTEE MEETING**  
**June 17, 2020**

**AGENDA ITEM: 3.A.**

**SUBJECT:** Claim Summary Report as of March 31, 2020

**ACTION FOR CONSIDERATION:** Informational Report

**BACKGROUND:**

The Claim Summary Report (CSR) reflects the claims and other financial status of the individual programs. Staff will review the attached Claim Summary Report at the meeting to highlight the key areas of attention, and answer any questions the Committee may have.

**FISCAL IMPACT:** None

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** None



# CSAC Excess Insurance Authority

## PWC Program Claim Summary Report - As of 3/31/20

### Claims Report

American Reinsurance Coverage Period				
Coverage Period	Open Claims	Total Paid	Outstanding Reserves	Total Incurred
Portfolio	144	57,949,006	3,599,412	61,548,418
1997/98	29	23,360,798	1,105,348	24,466,146
1998/99	28	27,828,013	371,940	28,199,953
1999/00	37	30,718,993	412,325	31,131,318
2000/01	44	29,579,529	459,250	30,038,779
2001/02	41	32,217,755	795,049	33,012,804
2002/03	42	47,216,102	892,519	48,108,621
2003/04	57	43,618,211	916,839	44,535,050
2004/05 (Butte only)	9	2,604,822	148,866	2,753,688
<b>Totals</b>	<b>431</b>	<b>295,093,229</b>	<b>8,701,548</b>	<b>303,794,777</b>

CSRM Deductible				
Fiscal Year		Paid	Reserves	Incurred
2014/15		2,969,770	19,417	2,989,187
2015/16		2,892,061	47,772	2,939,833
2016/17		2,202,826	61,561	2,264,387
2017/18		5,395,530	1,059,051	6,454,581
<b>Totals</b>		<b>13,460,187</b>	<b>1,187,801</b>	<b>14,647,988</b>

Santa Cruz Fire AIG Portfolio Transfer (Claims through 6/30/02)				
Coverage Period	Open Claims	Total Paid	Outstanding Reserves	Total Incurred
<b>Totals</b>	<b>11</b>	<b>2,682,474</b>	<b>384,433</b>	<b>3,066,907</b>

Loss Portfolio Transfer to Chubb				
Coverage Period	Open Claims	Total Paid	Outstanding Reserves	Total Incurred
2004/05	39	30,097,674	612,409	30,710,083
2005/06	41	27,354,594	844,813	28,199,407
2006/07	59	33,861,713	914,418	34,776,131
2007/08	62	37,044,578	1,099,580	38,144,158
2008/09	59	36,372,276	1,095,889	37,468,165
<b>Totals</b>	<b>260</b>	<b>164,730,835</b>	<b>4,567,109</b>	<b>169,297,944</b>

Santa Barbara LPT				
Coverage Period	Open Claims	Total Paid	Outstanding Reserves	Total Incurred
<b>Totals</b>	<b>216</b>	<b>1,957,034</b>	<b>9,091,429</b>	<b>11,048,463</b>

\$115k/\$100k Insurance Excess of \$10k/\$25k Pool Coverage Period									
		(\$0 - Retention)			(Retention - \$125k)				
		EIA Pool			EIO			Excess Layer	
Coverage Period	Open Claims	Total Paid	Outstanding Reserves	Total Incurred	Total Paid	Outstanding Reserves	Total Incurred	Total Paid	Outstanding Reserves
2009/10 (Tower/ASI)	76	9,619,167	32,126	9,651,293				26,036,915	1,274,065
2010/11 (Tower/CIGA)	116	11,293,169	32,855	11,326,024				31,104,597	2,063,729
2011/12 (Tower/CIGA)	119	10,975,701	36,967	11,012,668				31,445,316	2,923,284
2012/13 (AmTrust)	154	10,887,710	40,074	10,927,784				29,874,258	3,165,912
2013/14 (AmTrust)	184	11,204,807	92,260	11,297,067				28,094,778	5,248,286
2014/15 (AmTrust)	215	7,599,980	124,863	7,724,843				28,045,557	5,398,225
2015/16 (AmTrust)	295	7,737,880	109,872	7,847,752				26,554,296	8,286,051
2016/17 (AmTrust)*	304	6,183,932	181,980	6,365,912	4,293,409	0	4,293,409	13,438,180	8,751,067
2017/18 (Chubb)*	633	8,613,889	588,197	9,202,086	12,547,898	0	12,547,898	8,887,096	16,916,212
2018/19 (Chubb)	543	6,864,821	1,333,365	8,198,186	7,476,896	6,784,733	14,261,629	0	5,862,166
2019/20 (Chubb)	816	2,910,394	3,426,178	6,336,572	1,214,066	5,788,568	7,002,634	0	0
<b>Totals</b>	<b>3,455</b>	<b>93,891,450</b>	<b>5,998,737</b>	<b>99,890,187</b>	<b>25,532,269</b>	<b>12,573,301</b>	<b>38,105,570</b>	<b>223,480,993</b>	<b>59,888,997</b>

\* 2016/17 (AmTrust) coverage ended on 4/30/17; 2017/18 (Chubb) coverage began on 5/1/17

# CSAC Excess Insurance Authority

## PWC Program Claim Summary Report - As of 3/31/20

### FUNDING REPORT

American Reinsurance Coverage Period	
Projected Ultimate, Undiscounted	306,735,626
Minus Aggregate Stop Loss Attachment Point	260,355,525
Minus Aggregate Stop Loss Limit	38,500,000
Equals PWC Exposure excess of stop loss limit (undiscounted)	7,256,750
PWC Exposure excess of stop loss limit (undiscounted)	7,256,750
Plus Agg Stop Limit Outstanding - transferred to EIO	3,762,296
Equals Projected Ultimate Outstanding, Undiscounted	11,019,046
PWC Exposure Excess of Stop Loss Limit, Discounted @ 1.5%	6,046,476
Total EIA Exposure at 90% Confidence Level, Disc. @ 1.5%	8,555,763
Funding Position	1,115,661
Transfer from LPT	4,930,815
Funding Position at Expected Confidence Level (Net Assets)	-
Funding Position at 90% Confidence Level	(2,509,287)

Total Funding - \$0 to SIR Pool Layer		
Projected Ultimate Outstanding, Undiscounted		12,427,318
Proj. Ult. Outstanding to 90% Confidence Level, Undiscounted		17,373,391
Funding Position projected at 6/30/20		48,442,305
Funding Position at Expected Confidence Level (Net Assets)		36,014,987
Funding Position to 90% Confidence Level		31,068,914

Overall Funding Position - All Years	
CIGA Uncovered Claims	(900,000)
ULAE Funding Position @ Expected, Discounted at 1.5%	2,653,245
ULAE Funding Position @ 90% CL, Discounted at 1.5%	(13,422,345)
Overall Funding at Expected CL incl. ULAE (Net Assets)	39,358,804
Overall Funding at 90% CL incl. margin for ULAE at 90% CL	12,873,076

Santa Cruz Fire AIG Portfolio Transfer (Claims through 6/30/02)	
Projected Ultimate Outstanding, Undiscounted	\$ 412,324
Proj. Ult. Outstanding at 90% Conf. Level, Undis.	\$ 639,102
Funding Position	\$ 275,097
Funding Position at Expected Conf. Level (Net Assets)	\$ (137,227)
Funding Position at 90% Confidence Level	\$ (364,005)

Loss Portfolio Transfer for 2004/05 (exc. Butte) through 2008/09	
Funding Position	8,874,538
Transfer to AmRe Years	(4,930,815)
Transfer to ULAE	(3,943,723)
Funding Position at Expected Conf. Level (Net Assets)	-
Funding Position at 90% Confidence Level	-

Santa Barbara LPT	
Projected Ultimate Outstanding, Undiscounted	\$ 11,304,966
Proj. Ult. Outstanding at 90% Conf. Level, Undis.	\$ 14,932,966
Funding Position	\$ 13,032,766
Funding Position at Expected Conf. Level (Net Assets)	\$ 1,727,800
Funding Position at 90% Confidence Level	\$ (1,900,200)

Dividends		
Declare in 07/08, Distribute 6/30/08	4,000,000	Declared
Declare in 08/09, Distribute 7/1/09	4,000,000	Declared
Declare in 09/10, Distribute 7/1/10	8,000,000	Declared
Declare in 10/11, Distribute 7/1/11	7,500,000	Declared
Declare in 11/12, Distribute 7/1/12	7,000,000	Declared
Declare in 12/13, Distribute 7/1/13	6,500,000	Declared
Declare in 13/14, Distribute 7/1/14	5,500,000	Declared
Declare in 14/15, Distribute 7/1/15	4,000,000	Declared
Declare in 15/16, Distribute 7/1/16	2,300,000	Declared
Declare in 16/17, Distribute 7/1/17	2,500,000	Declared
Declare in 18/19, Distribute 7/1/19	2,000,000	Declared
	53,300,000	

**SUBJECT:** Pharmacy Benefit Management (PBM) Contract Renewal

**ACTION FOR CONSIDERATION:**

Approve the extension of the contract with myMatrixx, an Express Scripts Company, through June 30, 2023, at the current rates.

**BACKGROUND:**

Since July 1, 2013, Express Scripts, Inc. (ESI) has been the PBM administrator for all PWC Program members.

At the August 23, 2017, meeting, the Committee approved the renewal of the contract through December 31, 2019. At the February 29, 2020, meeting, we were still in the process of negotiating the ongoing contract terms, but ESI had tentatively agreed to continuing the existing rates. Thereby, the Committee approved extending the contract through June 30, 2020, while we continued to negotiate the terms of the contract.

Through the PBM, we are able to utilize multiple pay schedules and providers for prescription medications. While we have a phenomenal discounted rate that provides additional savings below the Average Wholesale Price (AWP), we also have measures in place to ensure we do not pay over the Official Medical Fee Schedule (OMFS), which ever is the lesser.

Calendar Year	Brand / Generic	# of Scripts Filled	WC Fee Schedule (OMFS)	Actual Paid
2018	Brand	937	\$695,203	\$692,157
	Generic	7,836	\$298,519	\$249,846
2019	Brand	749	\$750,566	\$747,425
	Generic	5,768	\$246,653	\$188,614
2020 YTD	Brand	239	\$277,663	\$276,409
	Generic	2,126	\$115,369	\$71,841
<b>Total</b>		<b>17,655</b>	<b>\$2,383,973</b>	<b>\$2,226,292</b>
Annual Average (2.5 years)		7,676	\$953,589.20	\$890,516.80
Total Savings compared to Paid			\$157,681	
Annual Average Savings			\$52,560.33	

We recognize the overall financial savings for the Program are not significant; however, we do believe that one of the main benefits of a PBM is the efficiency in which an injured worker receives their medication. This is particularly imperative at the onset of an injury and for medication needs after initial treatment. The First Fill Program allows for most medications to be processed immediately, so that the employee does not have to wait for authorization.

**FISCAL IMPACT:**

None at this time, as the Program will continue to realize additional savings on pharmaceutical costs.

**RECOMMENDATION:**

Due to the recongnized cost savings and benefits to the injured workers, staff recommends approving the extension of the contract with Express Scripts at the current rates, which are as follows:

- ❖ Brand: Pricing Below AWP: 19%
- ❖ Generic: Pricing Below AWP: 72%
- ❖ Dispensing Fee per Script: \$2.50
  - The OMFS allows for up to \$7.25 for each medication dispensed. We realize a \$4.75 savings in the dispensing fee.

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

**SUBJECT:** Update on Claim System Development & CorVel Conversion

**ACTION FOR CONSIDERATION:** Informational Report

**BACKGROUND:**

TPA Claims System Conversion

The EIA (SIMS) project team has implemented 5 of the 6 TPAs into PRISM's claim system, SIMS. In 2018, the PWC Committee elected to delay the final PWC TPA conversion for CorVel until a later date, dependent upon audit results and the contract renewal. At the August 21, 2019, meeting, the Committee approved the renewal of CorVel's contract, along with approval to move forward with the claims conversion. The conversion is scheduled to be complete by September 1, 2020.

Proprietary Claims System

At the 2019 EIA Retreat, the Executive Committee directed EIA staff to develop a business plan to explore the possibility of developing an in-house, proprietary claims system to replace the existing SIMS (ClaimsXpress) system.

In December 2019, staff presented the Business Plan to the Executive Committee for developing an in-house, proprietary claims system to replace the existing SIMS (ClaimsXpress) system. The Executive Committee approved the plan and recommended approach to develop the new, proprietary system. The plan and approach includes hiring a third-party development team to build the new system using a modern "low-code" development platform. Also approved at this meeting, was a plan to evaluate vendors and products for the purpose of selecting the best one for the project, and organization. This evaluation (called a "bake-off") involved 4 vendors using 3 different development platforms to build a product, or small system, to demonstrate the features and capabilities of the product, as well as the proficiency of the development team. Each team had a fixed budget and timeline to accomplish the task. The winner of the "bake-off" will be selected and likely hired to develop the new proprietary claims system.

Toward the end of the "bake-off" one of the vendors dropped out. This particular vendor did not have experience with low-code development platforms; therefore, had a distinct disadvantage over the 3 other participants who specialized in those platforms and were direct partners with specific products.

Staff went through an extensive evaluation process to determine the best product and development team to meet the needs of the organization. Lead by the IT claims team, the final evaluation included input from the following:

- Survey results from those who attended the final “bake-off” presentations
- Input from key staff stakeholders from the Claims and Data and Analytics teams
- Many discussions and Q&A sessions with vendors and development partners
- Evaluations of complimentary products for each platform that may additionally be needed to assist in building the claims system
- Market research and analysis from industry leaders such as Gartner
- Discussions with current customers of the products under consideration (references)
- Extensive evaluation scoresheet measuring 7 categories and 70 unique elements

The extensive evaluation scoresheet serves as the foundational document to capture all the input and analysis from all the above sources.

The 7 categories evaluated are:

1. Capabilities of Development Partner
2. Company Information/Strength
3. Project Understanding
4. Project Requirements
5. Platform/Product Capabilities
6. Software Demonstration
7. Exit Options

Staff believes the decision of the software platform is paramount and crucial to the success of the project. It is also a strategic technical decision as this product will be used to develop not just the claims system, but other custom software applications for the organization. Therefore, these long-term implications caused staff to consider the future, as much as possible, when deciding which platform to choose.

Also key to the success of the project, but without the long-term implications, is which outsourced development partner to hire. These partners were tied to the platform decision as each software vendor has chosen a preferred partner to work on this project.

Staff received current proposals and pricing from all “bake-off” participants. Final pricing and pricing models are factored into the evaluation scoresheet. While pricing is a critical evaluation component, the overall goal is to choose the best fit for the project and organizational goals.

Staff met with the Technology Committee on April 27, 2020 to share the progress and recommendation of a top software platform and development partner. The Technology Committee concurred with the recommendation, which was brought to the Executive Committee on May 7, 2020. The Executive Committee unanimously approved staff’s

recommendation to enter into negotiations with the intent to purchase OutSystems as the software platform, and hire Persistent as the development partner. Presently, negotiations have gone smoothly and it is expected that contracts will be signed in early June, with an anticipated project kick-off between mid-June and early July.

**FISCAL IMPACT:**

Capital Outlay in the 20/21 budget includes \$3.2M for the development of the claims system; however that will depreciate over a 5-7 year period, and allocated amongst the PWC, EWC, GL1, GL2 and MedMal programs.

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** None

**SUBJECT:** Update on COVID-19 Workers' Compensation Legislation

**RECOMMENDED ACTION:** Informational Report

**SUMMARY:**

While the Legislative session started out with several new bills introduced and some carried over from the last session, things quickly grinded to a halt with COVID-19 and the shelter-at-home orders, causing the legislature to take an early recess from mid-March until May 4, 2020. Upon their return to action, the heads of each house suggested to their colleagues that they look at the bills that they had introduced and consider only moving forward with those that they deemed necessary.

The legislature has since amended its schedule for the remainder of the year. The last day for each house to pass bills is August 31, 2020, and the last day for the Governor to sign or veto bills is September 30, 2020. Due to this amended schedule, a large number of bills did not make it out of their house of origin by the newly imposed deadline, so fewer bills will be progressing through the remainder of the legislative process this year. By far the most notable legislative initiatives this year are related to COVID-19.

On May 6, 2020, Governor Newsom issued an Executive Order regarding the provision of workers' compensation benefits to "essential workers" who contract COVID-19. This coincided with the state entering into Phase Two of reopening the economy. As such, the Executive Order was a measure to help ensure the protection of the employees are exposed to an increased risk of contracting COVID-19.

Several bills have been introduced that attempt to either move into law parts of the Governor's Executive Order, or even go further than his Order in providing benefits. These bills include AB 196, AB 664, SB 893 and SB 1159.

SB 893 provided an expansion of the presumption to hospital employees for all communicable diseases, including COVID-19, musculoskeletal injuries, bloodborne pathogens, infectious diseases and respiratory diseases. This bill was heard before the Senate Labor Committee on April 29<sup>th</sup> and did not receive enough votes to pass through. However, the Committee did provide that the author could bring the bill back for further consideration at a later date with amendments.



An overview of the remaining three COVID-19 workers' compensation bills are as follows:

	<b><u>AB 196</u></b>	<b><u>AB 664</u></b>	<b><u>SB 1159</u></b>
Effective Date	March 1, 2020	January 1, 2020	March 19, 2020
End Date	None	None	To be determined July 5, 2020 at the earliest Likely following Proclamation of State of Emergency ending
Presumption	Conclusive	Conclusive	Rebuttable
Injury Type	COVID-19 Positive findings	All Communicable Diseases, including COVID-19 All exposures, not just positive findings or testing	COVID-19 Positive findings & testing
Employee Type	Essential Critical Workers	Peace Officers, Firefighters, Healthcare Workers	Essential Critical Workers
Post-Termination Filing	Up to 90 days from last day worked	Up to 90 days from last day worked	Up to 30 days per existing statute
Benefits Covered	Regular WC benefits	Regular WC benefits Plus reimbursement of PPE and lodging; for employee and family	Regular WC benefits
Apportionment	No	No	Yes
Death Benefits When No Dependents	No waiver	No waiver	Waives payment to the Death Without Dependents Unit if there is no known dependent

PRISM staff are working with our lobbyists to try to positively impact these bills, as it is highly likely that at least one of them will be enacted.

**FISCAL IMPACT:** None

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** None



Date: May 26, 2020

To: CSAC Excess Insurance Authority

From: Jason Schmelzer

Subject: Board Update

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Since the onset of the COVID-19 pandemic California's state government has slowed, and official legislative business was suspended and almost entirely halted for a period of two months. In mid-March the legislature acted quickly to enact a substantial spending package and grant Governor Newsom much needed flexibility to administer the government during the pandemic while the legislature left Sacramento and returned to their districts.

The situation in California has deteriorated significantly since March. California unemployment has risen to a record 15.5% after losing 2.3 million non-farm payroll jobs (this number is higher if you include gig workers, sole-proprietors, and farm jobs). The state deficit is projected to be staggeringly high, maybe as much as \$54 billion, but the true extent of the problem won't be known until July or August (the April tax filing deadline was moved to July to allow flexibility). Local governments are struggling with massive budget shortfalls because of diminished sales and property tax revenues.

### **Executive Action**

Governor Newsom has acted boldly over the past two months, issuing scores of executive orders and taking steps to try to ensure that California is prepared to respond to the needs of its people. There have been almost daily press conferences announcing new actions, programs, and orders that have wide-ranging impacts. During this time SYASL has worked to keep PRISM staff apprised of the most recent developments, and where possible ensure that the PRISM is aware of developments before they occur.

PRISM, through its lobbying team, has regularly engaged with stakeholders, the legislature, and the Newsom Administration since the onset of the COVID-19 pandemic. PRISM staff and members identified some early issues that might impact local entity liability, such as Governor Newsom's plan to temporarily house the homeless in vacant motels through locally implemented contracts. We continues to work on this and other potential local liability issues with the Newsom Administration, legislators, and our allies.

On May 6, 2020 Governor Newsom issued Executive Order N-62-20, which established a rebuttable presumption of industrial causation for all COVID-19 infections contracted by all workers reporting to work outside the home during the period from 3/19/2020 – 7/5/2020. We alerted PRISM staff and others about the possibility of legislative or executive action on a broad COVID-19 workers' compensation presumption and have been working since late March to prepare and coordinate employers and insurers. PRISM staff and the legislative committee acted quickly and engaged effectively, ultimately helping to positively shape the Executive Order.

### **Legislative Action**

California's legislative session was in full swing when the pandemic took hold and the legislature temporarily recessed in mid-March. Legislators had introduced their usual full suite of bills by then, but it quickly became clear that legislative activities would need to be curtailed so that the proper amount of focus and attention could be given to issues of statewide emergency – COVID-19 response, wildfires, and homelessness. The result has been a significantly scaled-back scope of legislation.

Whether through leadership dictate, committee chair discretion, or individual self-control, the legislative agenda was substantially weened by the time the legislature returned to conduct business in mid-May. The PRISM Legislative Committee and staff actively track and evaluate a few hundred bills each year. Unfortunately, some of the most concerning legislation that the legislative committee had identified appears to be moving forward. Since the legislature's return PRISM has positioned itself against several bills that would create new liability for public entities, and we will continue to work on efforts to defeat those measures in the coming months. The PRISM lobbying team has been participating in the legislative process actively, even testifying in person on a number of high priority bills.

The most pressing issue continues to be a handful of bills on a COVID-19 workers' compensation presumption. The legislature is likely to do two things in this area. First, they will ratify through legislation Governor Newsom's May 6, 2020 Executive Order. Second, they will grapple with what policy in this area should look like after the Executive Order expires on July 5, 2020. There are questions about what type of presumption, if any, should exist. If they decide a presumption should exist, there are additional questions:

- What population of workers should be covered?
- Conclusive or rebuttable? What standard of evidence is required to overcome the presumption?
- Should benefits be expanded to include things like housing and living expenses?
- Should the presumption be time limited and apply only to COVID-19, or all infectious diseases?

PRISM staff and the lobbying team will continue to be actively engaged in this legislative conversation as well as provide strategic leadership to a broad coalition. We expect this discussion to be wrapped up around the time of, and possibly as a part of, the June

budget. This is because the Executive Order expires on July 5<sup>th</sup>. Legislation adopted in the normal course of legislative business would be effective January 1, 2021. However, if it is adopted in conjunction with the budget process then it can be effective ahead of the July 5<sup>th</sup> expiration. This would create a more consistent policy in the months ahead.

### **Legislative Process**

The ability to actively engage the legislature on public policy decisions is unquestionably diminished at this point. The legislature, just like other institutions, is doing its best to act responsibly while conducting important business. Access to the capitol continues to be curtailed, with entrance only being granted to testify in committee hearings. Even committees are strongly discouraging in-person testimony in favor of telephone testimony on conference lines. This limited engagement is likely to continue for the remainder of the year, but it is unlikely traditional stakeholders and the general public will accept the current level of access for long. If the legislative process continues to be conducted at a distance, the legislature will have to re-imagine how they do business in a manner that is accessible to the public.

**SUBJECT:** 2020/21 Reinsurance Renewal

**ACTION FOR CONSIDERATION:**

Approve the revised 2020/21 renewal terms with ACE/Chubb that change communicable disease coverage to a per employee basis and includes a \$1M communicable disease aggregate sublimit.

**BACKGROUND:**

At the February 19, 2020 meeting, the Committee approved a renewal with ACE/Chubb at a 1.5% rate reduction with no other changes in terms or conditions. At the April 22, 2020, Alliant advised the Committee of the impact that the COVID-19 pandemic has had on the market. In summary, the per-occurrence coverage that PRISM's workers' compensation programs enjoyed for many years was being switched to a per-employee basis for the upcoming 2020/21 renewal.

In the insurance industry, this coverage is typically provided on a per-employee basis, so this change is in-line with common industry practice. However, the switch to a per-employee basis in the EWC and PWC Programs means that more of the communicable disease exposure will be shifted to the EWC members with SIRs and to the PWC Program. Instead of having all communicable disease claims from one outbreak (such as COVID-19) rolled into one claim (one for each EWC Program Tower – one for the Core Tower and one for the Ed Tower), each individual employee who contracts the communicable disease will be its own separate claim.

This change is being required by the EWC Program's carriers, as well (where Chubb also participates in the \$45M xs \$5M layer). This was included in the renewals for the various EWC Core Tower placements that were approved at the June 5<sup>th</sup> Board of Directors meeting. Part of the Board's approval last week also included adding Endorsement U-7 to the EWC Memorandum of Coverage (MOC) for Core Tower members, which aligns the Program's communicable disease coverage with that of the carriers to reflect coverage on a per-employee basis. Since coverage in the PWC Program follows the EWC Program's MOC, the Program's pool will also provide communicable disease coverage on a per-employee basis for non-school members upon renewal.

Since the April meeting, staff and Alliant have received Chubb's revised renewal terms for the \$115k excess of \$10k layer on the Program, which has been provided in this agenda. The proposed terms retain the 1.5% rate reduction as originally proposed, but change communicable disease coverage to a per-employee basis and also include a \$1M aggregate sublimit for communicable disease coverage for non-school members.

Although coverage for communicable disease will be limited to the first \$1M of claims, it was originally anticipated that this coverage might be excluded altogether. Chubb's revised terms also retain the originally quoted rate, which is a 1.5% rate decrease from last year. The revised terms, which contain both a rate decrease and continue to include some coverage for communicable disease, are a positive outcome for the Program and a better outcome than anticipated. Due to the favorable revised terms, staff recommends approving the revised renewal terms with Chubb for the 2020/21 year.

This proposal also reflects the 10% payroll reduction that was applied to all members in PRISM's workers' compensation programs. This was done to help ensure the Program could meet the minimum premium requirements in many of the Program's reinsurance terms, avoid large amounts of return premium when payroll amounts are audited, and to provide immediate premium relief in light of budgetary constraints due to the current pandemic.

An email was sent out to all PWC and EWC members on May 22<sup>nd</sup> informing the members of the 10% payroll reduction that will apply as a default and asking members to let PRISM staff know if they would like their estimated 2020/21 payroll changed to something different. This was done to recognize the different impacts that the COVID-19 pandemic has had on various entities and to allow for tailored handling. Still unchanged is the fact that member's premium will be adjusted at the end of the year based on their audited actual payroll. If a request has been made to handle estimated payroll differently from the 10% default reduction, we have applied that decision and deposit premiums have been adjusted accordingly.

Due to the very healthy funding position of the Program (above the 90% confidence level), staff also recommends the Program cover the communicable disease exposure above the \$1M sublimit. Doing so would relieve the burden on members to pay the difference.

#### **FISCAL IMPACT:**

Chubb's rate decrease for the 2020/21 renewal would be applied to the Program's estimated payroll for 2020/21, which has been reduced by 10% (aside from individual member changes). The rate decrease ultimately represent a 10.4% premium reduction for 2020/21, with a total premium amount of approximately \$17.1M.

#### **RECOMMENDATION:**

Approve the revised renewal terms with Chubb, which changes communicable disease coverage on a per-employee basis and includes a \$1M aggregate sublimit for communicable disease claims, with the PWC Program covering communicable disease claims excess of the \$1M sublimit.

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)  
PRIMARY WORKERS' COMPENSATION PROGRAM (PWC)  
2020/2021 PRELIMINARY PROPOSAL**



	<b>PRESENT</b>	<b>PROPOSED</b>
	<b>ACE American Insurance Company</b>	<b>ACE American Insurance Company</b>
<b>COMPANY AFFORDING COVERAGE</b>	ACE American Insurance Company	ACE American Insurance Company
<b>A.M. BEST'S GUIDE RATING</b>	A++(Superior); Financial Size Category XV (\$2,000,000,000 or Greater) as of 07/01/2019	A++(Superior); Financial Size Category XV (\$2,000,000,000 or Greater) as of 06/01/2020
<b>STANDARD &amp; POOR'S RATING</b>	AA (Stable) as of 07/01/2019	AA (Stable) as of 06/01/2020
<b>CALIFORNIA STATUS</b>	Not applicable	Same as present
<b>GOVERNING LAW STATE</b>	California	Same as present
<b>ARBITRATION JURISDICTION STATE</b>	California	Same as present
<b>COVERAGE TERM</b>	July 1, 2019 to July 1, 2020	July 1, 2020 to July 1, 2021
<b>COVERAGE PROVIDED</b>	Reinsurance of EIA/PRISM Primary Workers' Compensation (PWC) Program Certificate of Coverage (reverse follow form of the EWC Memorandum of Coverage)	Same as present
<b>LIMIT(S)</b>	<p>\$ 115,000      Each accident/each employee for disease</p> <p>\$ 115,000      Each communicable disease</p> <ul style="list-style-type: none"> <li>Limits and retentions apply to each accident or each employee for disease for all program members combined</li> </ul>	<p>Same as present, except</p> <ul style="list-style-type: none"> <li>As respect communicable disease, limits apply per employee for Core Tower members only (limits continue to apply per communicable disease as respects Ed Tower members)</li> <li>\$1,000,000 Aggregate Sublimit for all claims arising from Communicable Disease as respects Core Tower members only</li> </ul>

**NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.**

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**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)  
PRIMARY WORKERS' COMPENSATION PROGRAM (PWC)  
2020/2021 PRELIMINARY PROPOSAL**



<b>PRESENT</b>		<b>PROPOSED</b>
<b>ACE American Insurance Company</b>		<b>ACE American Insurance Company</b>
<b>SELF-INSURED RETENTION</b>	\$ 10,000 Each accident \$ 10,000 Each employee for disease \$ 10,000 Each communicable disease	Same as present, except • As respects communicable disease, the SIR applies per employee for Core Tower members only
<b>CORRIDOR RETENTION</b>	EIA/PRISM retains the first \$15,320,381 of loss paid out under this contract in the layer between \$10,000 and \$125,000  Corridor Retention subject to audit based on final payroll	PRISM retains the first \$14,153,839 of loss paid out under this contract in the layer between \$10,000 and \$125,000  Corridor Retention subject to audit based on final payroll
<b>ALLOCATED LOSS ADJUSTMENT EXPENSE</b>	ALAE erodes the Retained Limit and the Limits of Insurance	Same as present
<b>MAJOR EXCLUSIONS (Including but not limited to)</b>	Per the EWC MOC, plus: <ul style="list-style-type: none"> <li>• Taxes or assessments</li> <li>• ULAE</li> <li>• Participation in an insolvency fund</li> <li>• Liability excess of the EIA's obligations under the Reinsured Certificates</li> <li>• Any requirement imposed on the EIA or Members to provide collateral or other security</li> <li>• As respects EL, any liability assumed under a contract</li> <li>• Any PWC EL Loss from bodily injury caused intentionally or aggravated by a Member</li> <li>• Any PWC EL Loss from bodily injury suffered by an employee of a Member who has rejected any Workers Compensation Law</li> <li>• Trade or economic sanctions</li> <li>• Reinsurance assumed by the EIA</li> <li>• Extra Contractual Obligations</li> </ul>	Same as present

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2020/2021 PRELIMINARY PROPOSAL**



<b>PRESENT</b>		<b>PROPOSED</b>
<b>ACE American Insurance Company</b>		<b>ACE American Insurance Company</b>
	<ul style="list-style-type: none"> <li>Any liability arising out of, resulting from or relating to any Member which was not approved by the Reinsurer.</li> </ul>	
<b>TERMS &amp; CONDITIONS</b>	<ul style="list-style-type: none"> <li>Payment due in full within 45 days of effective date</li> <li>Approved TPAs - Corvel, York, Intercare, LWP, AdminSure and Hazelrigg. Any change or addition of TPAs will require prior approval</li> <li>Quarterly Loss Bordereaux</li> <li>Policy to be no broader than EWC Program MOC</li> <li>Minimum Premium after audit is 80% of deposit premium</li> <li>Additions or subtractions to/from membership prior to binding will require an adjustment to both premium and corridor based upon the allocation agreed to by both parties</li> <li>Terms of Two-Year Agreement/Rate Stabilization Plan to be discussed and agreed by both parties.</li> </ul>	Same as present
<b>COLLATERAL REQUIREMENT</b>	<p>The Reinsurer is to provide a letter of credit or trust account for the benefit of the EIA, in the amount of the outstanding and unpaid liability at the 80% confidence level as determined by a mutually agreed independent actuary (paid for by the Reinsurer), within 30 days of any of the following events:</p> <ul style="list-style-type: none"> <li>Reinsurer ceases writing business at the direction of the insurance department of the domiciliary state</li> <li>Insolvency or liquidation</li> <li>S&amp;P rating withdrawn or reduced below A- for 30 days</li> </ul>	Same as present

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PRIMARY WORKERS' COMPENSATION PROGRAM (PWC)  
2020/2021 PRELIMINARY PROPOSAL**



PRESENT		PROPOSED																
ACE American Insurance Company		ACE American Insurance Company																
RISK CONTROL SERVICES	Number of Hours: 150 Services Provided by ESIS	150																
NEW MEMBER APPROVAL PROCESS	EIA/PRISM has authority to add members, however, new members that meet any of the following criteria must be submitted to ACE for approval: <ul style="list-style-type: none"><li>• PWC layer premium and corridor above \$300,000</li><li>• A 4 year reported loss ratio (excluding the current year) greater than 45%</li><li>• Any individual Police and/or Fire Districts and or any account with Police and Fire combined payroll greater than \$20,000,000</li></ul>	Same as present																
ESTIMATED PAYROLL	<ul style="list-style-type: none"><li>• Total estimated payroll as of 7/01/19: \$2,567,230,502</li><li>• Final Premium and Corridor Retention auditable 210 days from expiration based on the EIA's allocation</li><li>• Return premium will be due to the EIA within 60 days of receipt of final audit</li></ul>	Same as present except: <ul style="list-style-type: none"><li>• Total estimated payroll is \$2,407,893,457 (as of 5/29/20)</li><li>• Estimated payroll listed includes a 10% payroll reduction for all members from previously provided estimated payroll amount of \$2,675,437,174.</li></ul>																
PREMIUM	<table><tr><td>\$18,483,423</td><td>Deposit Premium</td></tr><tr><td>15,320,381</td><td>Corridor Retention</td></tr><tr><td><u>554,503</u></td><td>Broker Fee</td></tr><tr><td><b>\$34,358,307</b></td><td><b>Total Premium and Corridor</b></td></tr></table> <ul style="list-style-type: none"><li>• Average program reinsurance rate of <b>\$1.3168</b> (\$0.7200 premium and \$0.5968 corridor)</li><li>• Member premium/corridor rates per PRISM allocation</li></ul>	\$18,483,423	Deposit Premium	15,320,381	Corridor Retention	<u>554,503</u>	Broker Fee	<b>\$34,358,307</b>	<b>Total Premium and Corridor</b>	<table><tr><td>\$17,076,059</td><td>Deposit Premium</td></tr><tr><td>14,153,839</td><td>Corridor Retention</td></tr><tr><td><u>512,282</u></td><td>Broker Fee</td></tr><tr><td><b>\$31,742,180</b></td><td><b>Total Premium and Corridor</b></td></tr></table> <ul style="list-style-type: none"><li>• Average program reinsurance rate of <b>\$1.29698</b> (\$0.70917 premium and \$0.58781 corridor)</li><li>• Member premium/corridor rates per PRISM allocation</li></ul>	\$17,076,059	Deposit Premium	14,153,839	Corridor Retention	<u>512,282</u>	Broker Fee	<b>\$31,742,180</b>	<b>Total Premium and Corridor</b>
\$18,483,423	Deposit Premium																	
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<b>PRESENT</b>		<b>PROPOSED</b>	
<b>ACE American Insurance Company</b>		<b>ACE American Insurance Company</b>	
<b>COMMISSION/BROKER FEE</b>	3% (\$ 554,503) Alliant Broker Fee	3% (\$ 512,282) Alliant Broker Fee	
	2% (\$ 369,669) AmWINS Commission Wholesaler/ Intermediary*	2% (\$ 341,522) AmWINS Commission Wholesaler/ Intermediary*	

*\*In the course of placing various programs and products on behalf of PRISM, Alliant Insurance Services, Inc. may either elect, or find it necessary, to utilize intermediary brokers such as Excess & Surplus Lines Brokers (sometimes referred to as "wholesalers") and/or Reinsurance Brokers (herein after collectively referred to as "intermediary brokers"). While Alliant Insurance Services, Inc. is not customarily privy to such information, we will endeavor to secure and provide PRISM with confirmation of all compensation (commission, fees and/or other income) derived by all such intermediary brokers as a direct or indirect result of a PRISM related placement. While making best efforts to provide PRISM with this information, Alliant Insurance Services, Inc. is relying on information volunteered by the intermediary brokers and therefore cannot guarantee the delivery, nor warranty the accuracy, of such information.*

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2020/2021 PRELIMINARY PROPOSAL**



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](http://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](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://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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**SUBJECT:** 2020/21 Risk Transfer to the EIO

**ACTION FOR CONSIDERATION:**

Approve transferring the corridor retention for the 2020/21 year to the Excess Insurance Organization (EIO).

**BACKGROUND:**

The PWC Committee will be considering revised renewal terms from Chubb in the preceding item, which includes a \$14.15M corridor retention. As in prior years, an option exists for the Committee to transfer that risk to the PRISM's captive insurance company, the EIO, and provide premium savings to the members.

The proposal offers members a 3% premium discount if the Program transfers risk for the corridor retention, resulting in a premium savings of \$425k to the members for the 2020/21 year. The transfer of risk is similar to transferring risk to any other insurance company. The risk becomes that of the captive, and not the PWC Program, so there would be no assessment risk. If approved by the Committee, it would be the fourth year that the corridor retention risk was transferred to the EIO.

The corridor amount incorporates the 10% payroll reduction as mentioned in the previous item and will adjust based on each member's individual choice as to handle their payroll estimate.

**FISCAL IMPACT:**

If the PWC Program transfers its corridor retention risk for 2020/21 to the EIO, the members will receive a 3% premium discount. This premium credit has been included in the premium allocation. If the risk transfer is not approved by the Committee, the members' premiums will be a bit higher than currently estimated. If any membership or exposure changes occur, the transferred program corridor and premium will adjust accordingly.

**RECOMMENDATION:**

Staff recommends the Committee approve transferring the 2020/21 corridor retention to the PRISM Captive. For 2020/21, the PWC Program would transfer its risk for the \$14.15M corridor retention and pay a premium of \$13.73M to the Captive.

**TYPE OF VOTE REQUIRED:** Majority vote of the Committee (5)

**SUBJECT:** 2020/21 Program Budget

**ACTION FOR CONSIDERATION:** Informational Report

**BACKGROUND:**

Enclosed is the 2020/21 Program Budget for the PWC Program. The entire budget, including the sections related to the PWC Program, was approved by the Board of Directors at the June 5, 2020 meeting.

The PWC Program Budget is based on the budget policies that have been approved by the Committee (last reviewed and approved with changes at the February 19, 2020 meeting) and the current premium allocation.

For the PWC Program, 2020/21 is the third year of a rate plan with ACE/Chubb. The PWC Committee approved transferring the \$14.1M Corridor Retention risk for FY 2020/21 to the EIO, with a 3% discount rate, resulting in \$13.7M in premium. The pool rates are set at a 90% confidence level undiscounted, and TPA ULAE is funded at an 80% confidence level, discounted at 1.5%.

The PWC Program anticipates a reduction in revenue of about 9% from the \$63.5M budgeted in FY 2019/20 to \$58M that is budgeted for FY 2020/21, mainly due to a reduction of 10% in the projected 2020/21 payroll. The actual FY 2019/20 revenue is estimated at \$63.3M. The expenses are expected to decrease by 9.6% from \$63M in the FY 2019/20 budget to \$57M in FY 2020/21, corresponding to the decrease in revenue. In 2019/20, the PWC Committee approved a \$2M dividend to be paid at July 1, 2020 to current Program members. A dividend of \$2M is also budgeted for the Program year 2020/21.

Based on the Target Funding Guidelines that note the minimum equity needed to meet each target funding ratio, and the Program's range is \$7.1M to \$36M. The equity in this Program is projected to be \$36.8M at June 30, 2020 which is slightly higher than the target funding range.

**FISCAL IMPACT:**

The total revenues for 2020/21 are budgeted at \$58M, an decrease of 9% compared to 2019/20, out of which \$32.2M is transferred risk and \$9.3M is retained risk. Total Program expenses are budgeted at \$57M and the Net Position is expected to increase by \$1.04M in FY 2020/21 and projected Net Position is \$36.8M at June 30, 2020.

**RECOMMENDATION:** None

**TYPE OF VOTE REQUIRED:** None

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)**  
**PRIMARY WORKERS' COMPENSATION PROGRAM**  
**Proposed Budget**  
**July 1, 2020 to June 30, 2021**

Sources and Uses of Financial Resources	CAFR Actual 2018/19	Year to Date 12/31/2019	Estimated 2019/20	Budget 2019/20	Budget 2020/21	Increase (Decrease)	Text Detail
<b>REVENUES:</b>							
Premiums for Transferred Risk	\$ 34,879,648	\$ 33,344,192	\$ 33,344,192	\$ 34,937,800	\$ 31,317,563	\$ (3,620,237)	Includes corridor deductible in the \$10 - \$125k layer reinsured by EIO, Excludes CSRM
Payroll Adjustment, Excess Insurance	139,848	0	157,339	0	0	0	
Contributions for Retained Risk	11,146,430	10,511,580	10,511,580	10,823,490	9,327,225	(1,496,265)	Billed at 90% confidence level undiscounted.
Payroll Adjustment, Pool Premiums	(314,369)	0	66,717	0	0	0	
ULAE Premium	8,424,105	8,576,265	8,576,265	8,812,100	8,841,300	29,200	Billed at 80% CL; discounted at 1.5%, Excludes CSRM
Public Entity Broker Fees	989,389	1,473,413	1,473,413	984,233	827,228	(157,005)	
Administration Fees	5,104,557	6,034,179	6,035,179	6,255,056	6,104,589	(150,467)	Incl. Schools LC Fee
Investment Income	3,135,423	1,065,910	3,000,000	1,648,000	1,450,000	(198,000)	
Member Finance Charges	76,996	87,884	87,884	91,872	94,000	2,128	
Development Fees	0	0	0	0	0	0	
Other Income	0	0	65,313	0	0	0	
<b>TOTAL REVENUES</b>	<b>63,582,027</b>	<b>61,093,423</b>	<b>63,317,882</b>	<b>63,552,551</b>	<b>57,961,905</b>	<b>(5,590,646)</b>	
<b>EXPENDITURES:</b>							
Member Dividends	2,000,000	0	2,000,000	2,000,000	2,000,000	0	
Retained and Transferred Risk							
Insurance Premium Expense	34,887,604	33,898,696	33,898,696	34,937,800	31,317,563	(3,620,237)	Includes Placement Broker Fee
Primary W.C. Reinsurance Prem. PR Audit	139,848	0	157,340	0	0	0	
Public Entity Broker Fees	989,389	918,907	918,907	984,233	827,228	(157,005)	
Provision for Claims, Current Year	8,918,000	9,389,618	9,389,618	9,389,618	7,848,000	(1,541,618)	Provision for claims at expected
Provision for Claims, Prior Years	(3,436,292)	0	0	0	0	0	Provision for prior year claims
Provision for ULAE	(1,015,000)	0	0	656,000	680,000	24,000	Actuarial adjustment to the liability for future claims administration
CA State W.C. Assessments	1,983,330	1,942,071	1,942,071	2,800,000	2,350,000	(450,000)	DIR fees based on indemnity payments included in ULAE
Total Retained and Transferred Risk	42,466,878	46,149,291	46,306,631	48,767,651	43,022,791	(5,744,860)	
Program Administration							
Claims Administration	6,008,034	2,676,176	5,544,000	6,700,000	5,996,730	(703,270)	TPA fees to administer claims for the life of the claim, no CSRM
ISO Index Fees	45,718	19,493	50,000	75,000	75,000	0	Claims indexing service
Member Claims Audits	68,040	37,000	110,000	125,000	165,000	40,000	TPA's locations audited on biannual basis
Legal Fees	0	0	3,000	10,000	10,000	0	
Banking Services and Fees	53,417	28,001	56,000	56,000	64,000	8,000	
Managed Care Program Monitoring	108,000	57,000	125,000	125,000	119,000	(6,000)	Incl Bill review fee monitoring and negotiating
Total Program Administration	6,283,208	2,817,670	5,888,000	7,091,000	6,429,730	(661,270)	
bv	0	0	0	50,000	50,000	0	Available with two-thirds vote of PWC Committee
<b>TOTAL EXPENDITURES</b>	<b>50,750,087</b>	<b>48,966,961</b>	<b>54,194,631</b>	<b>57,908,651</b>	<b>51,502,521</b>	<b>\$ (6,406,130)</b>	



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)**  
**PRIMARY WORKERS' COMPENSATION PROGRAM**  
**Proposed Budget**  
**July 1, 2020 to June 30, 2021**

Sources and Uses of Financial Resources	CAFR Actual 2018/19	Year to Date 12/31/2019	Estimated 2019/20	Budget 2019/20	Budget 2020/21	Increase (Decrease)	Text Detail
<b>TRANSFERS:</b>							
Transfers out to:							
General Administration	\$ (4,534,377)	\$ (4,809,446)	\$ (4,809,446)	\$ (4,809,446)	\$ (4,684,283)	\$ 125,163	
GASB 68 Pension Funding	0	0	0	0	0	0	
Loss Prevention Subsidies	0	0	0	0	0	0	
PRISM Claims System Costs	(427,498)	(254,057)	(254,057)	(254,057)	(696,428)	(442,371)	
Risk Management Subsidy Dividend	0	0	0	0	0	0	
Investment Fees	(28,622)	(16,077)	(32,344)	(24,000)	(38,745)	(14,745)	
<b>TOTAL TRANSFERS</b>	<b>(4,990,497)</b>	<b>(5,079,580)</b>	<b>(5,095,847)</b>	<b>(5,087,503)</b>	<b>(5,419,456)</b>	<b>(331,953)</b>	
Net Increase or (Decrease)	7,841,443	7,046,882	4,027,403	556,397	1,039,928	483,531	
<b>NET POSITION - JULY 1</b>	<b>24,891,713</b>	<b>32,733,156</b>	<b>32,733,156</b>	<b>29,771,275</b>	<b>36,760,559</b>		
<b>NET POSITION - JUNE 30</b>	<b>32,733,156</b>	<b>39,780,038</b>	<b>36,760,559</b>	<b>30,327,672</b>	<b>37,800,487</b>		
Target Equity							
Low Range	18,811,124	9,830,167	9,830,167	9,830,167	7,090,322		
High Range	42,192,760	30,684,052	30,684,052	30,684,052	35,999,451		