

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

UNDERWRITING COMMITTEE

MEETING SUMMARY

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

Wednesday, April 30, 2025
1:00 p.m.
Fourth Meeting – 2025

Members Present

Andrew Guzman, ACCEL/City of Visalia
Zachary Gifford, CSURMA
David Richards, City of El Cajon
Lavleen Cheema, El Dorado County – Alt.
Scott Schimke, GSRMA
Aaron Holmberg, Inyo County
Jay Sloane, Mono County
Beth Lyons, PERMA
Greg Milligan, Santa Barbara County
Jamie Bloom, Sonoma County

Members Absent

Matthew Duarte, CAPRI – Alt.

Insurance Programs

- The Committee received an update on the activities of the Claims Review Committee.
- Staff informed the Committee of the City of Palmdale’s risk management training and action plan to mitigate future EPL claims.
- The meeting was largely focused on the allocation and actuarial project examining the current methodology within our allocation models and specifically the experience modification and credibility factor used on the pool layer. Staff is going to continue working on examining the loss rated pool layers including evaluating whether using 7 years of historical loss experience is still relevant, and whether the loss rated layer needs to increase to include losses greater than \$1M to ensure we achieve the appropriate balance of risk sharing. Staff knows the current allocation model is outdated and needs to be re built to account for changes in both the EWC and GL1 loss history. The Actuarial Department is focusing on a new credibility model, in partnership with Yi Li, PRISM’s Data Scientist. The Underwriting Department is focusing their efforts on how the allocation is working for layers above the pool and the use of surcharges. Staff’s plan is to have the aggregate of all the changes presented through the Underwriting Committee process by the summer of 2025, with the recommended action taken to the Board in October 2025, incorporating the new model as part of the 2026/27 renewal.
- The Committee discussed at length the use of surcharge credits and debits, which are used both on the pool and excess layers to allocate premiums. The Committee

voted to reallocate 100% of the surcharge collection back to the membership in the form of a credit for the 2025/26 renewal premiums. The Committee and staffs desire is to incorporate the appropriate structural changes to the allocation model, so that the surcharge credits and debits are incorporated into the allocated premium formulaically, so we are able to decrease administrative time and achieve more premium stability for the members when budgets are being developed.

EWC Program

- The Committee approved the 2025/26 renewals with Safety National for the Statutory xs \$2.5M & Statutory xs \$750k in the Educational Tower and the Statutory xs \$5M in Core Tower II, ACE/Chubb pm the \$45M xs \$5M layer (unless better terms & conditions are received, then it will be brought back), and Liberty Mutual on the Statutory xs \$50M layer.
- The Committee recommended approval of the amendments to the EWC Program Budget Policies.
- The Committee approved the new member application in the EWC Program for the City of Adelanto.

GL1 Program

- The Committee approved binding the \$5M xs \$5M layer, subject to specified parameters, as well as the \$9M xs \$10M layer, subject to specified parameters, including delegating authority to the PRISM CEO and the Committee Chair for approval, if needed.
- The Committee recommended approval of the amendments to the GL1 Program Budget Policies.
- The Committee recommended to the Executive Committee and Board of Directors the elimination of the Deductible Buy Down Program beginning July 1, 2026.
- The Committee recommended to the Executive Committee to expand the Benchmark Analytics Early Adopter Program (for GL1) to include existing JPA members who had already adopted the Program with a 2% pooled premium credit on the 2025/26 GL1 contribution.
- The Committee approved the GL1 SIR modification request, as presented.

Future Meetings

The next scheduled meeting will be on **Wednesday, June 4, 2025**, at **1:00 p.m.**, to be held at the **PRISM office in Folsom and via Web Conference**, in conjunction with the June Board of Directors meeting.