



**CALEXICO CITY COUNCIL/CALEXICO REDEVELOPMENT SUCCESSOR  
AGENCY/CALEXICO FINANCING AUTHORITY  
SPECIAL MEETING AGENDA**

**City of Calexico  
Fernando "Nene" Torres Council Chambers  
608 Heber Avenue  
Calexico, California  
[www.calexico.ca.gov](http://www.calexico.ca.gov)**

**Wednesday, December 23, 2015  
12:30 p.m.**

**Council Members**

**Joong S. Kim, Mayor/Chairman  
Luis J. Castro, Mayor Pro Tem/Vice Chair  
Armando Real, Councilman  
Maritza Hurtado, Councilwoman  
John M. Moreno, Councilman**

**Acting City Manager  
Nick Fenley**

**Interim City Attorney  
Carlos Campos**

**City Clerk**

**Gabriela T. Garcia**

**Next City Ordinance Number: 1168  
Next City Resolution Number: 2015-76**

**CALL TO ORDER**

Call to Order and Attendance.  
Pledge of Allegiance.  
Approval of the Agenda.

**PUBLIC COMMENTS AND PUBLIC APPEARANCES**

**NOTE: (Not to Exceed 3 Minutes)** This is the time for the public to address the City Council on any items on the special meeting agenda. The Mayor will recognize you and when you come to the microphone, please state your name and place of residence for the record. While members of the public are encouraged to participate, it is unlawful to disturb or delay the Council meeting with personal or slanderous remarks. The City Council is prohibited by State law from taking action or discussing items not included on the printed agenda. Please direct your questions and comments to the City Council.

**DISCUSSION AND POTENTIAL ACTION ITEMS**

1. CSAC Excess Insurance Authority Programs:
  - a. Excess Workers' Compensation Program

- b. General Liability Program
  - c. Property Program
2. Authorize the Acting City Manager to Sign Joint Powers Agreement between CSAC Excess Insurance Authority and the City of Calexico.
  3. Authorize the Acting City Manager to Sign Memorandum of Understanding for Excess Workers' Compensation Program, General Liability Program and Property Program between CSAC Excess Insurance Authority and the City of Calexico.
  4. Resolution of the City Council of the City of Calexico Delegating Authority to the Acting City Manager to Act on Behalf of the City of Calexico.
  5. Resolution of the City Council of the City of Calexico Authorizing the Acting City Manager to Submit an Application to the Department of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities.

**ADJOURNMENT**

It is the intention of the City of Calexico to comply with the Americans with Disabilities Act in all respects. If you are a person with a disability who requires a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, please request such modification or accommodation from the City Clerk at (760) 768-2102. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting. Please advise us at the time whether you will require accommodations to participate in meetings on a regular basis. Any person affected by any application on this agenda may submit their concerns in writing prior to the meeting or appear in person and be heard in support or opposition to the proposal at the time the matter is considered on the agenda. The staff reports, applications and environmental documents may be viewed at either the office of the office of the City Clerk, 608 Heber Avenue from 8:30 a.m. until 5:30 p.m. Monday through Thursday, except legal holidays. Telephone inquiries may be made at (760) 768-2102. If you challenge any agenda issue in court, you may be limited to raising only those issues that you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City of Calexico at, or prior to, the public meeting.

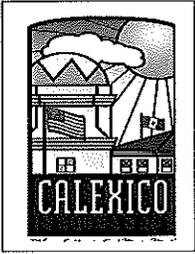
This notice of the agenda is hereby certified to have been posted on or before 12:15 p.m., December 22, 2015.

  
 Erica LaCuesta, Deputy City Clerk

12:15 p.m. / December 22, 2015  
 Time/Date

**AGENDA  
ITEM**

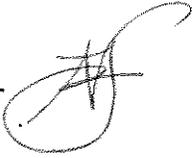
**1**



# AGENDA STAFF REPORT

**DATE:** December 23, 2015

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Acting City Manager 

**PREPARED BY:** Nick Fenley, Acting City Manager

**SUBJECT:** CSAC Excess Insurance Authority (EIA) Programs:  
a. Excess Workers' Compensation Program  
b. General Liability Program  
c. Property Program

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## Recommendation:

It is recommended that the City Council of the City of Calexico approve the following CSAC Excess Insurance Authority Programs:

- a. Excess Workers' Compensation Program
- b. General Liability Program
- c. Property Program

## Background:

On December 16, 2015, California Joint Powers Insurance Authority (JPIA) Executive Committee Board of Directors cancelled the City of Calexico participation in all California JPIA Joint Protection Programs, effective January 1, 2016 and its membership effective July 1, 2016. Before the cancellation of California JPIA Joint Protection Programs, City staff has been working diligently with Alliant Insurance Services, Inc. in order to obtain workers compensation, general liability and property insurance through CSAC Excess Insurance Authority (EIA).

## Discussion & Analysis:

On December 11, 2015, CSAC Excess Insurance Authority (EIA) Executive Committee approved the City of Calexico participation in CSAC EIA effective January 1, 2016. City staff is recommending that the City Council of the City of Calexico approve the following CSAC EIA Programs:

- a. Excess Workers' Compensation Program
- b. General Liability Program



c. Property Program

**Fiscal Impact:**

See Attachment A – Excess Workers Compensation

See Attachment B – General Liability

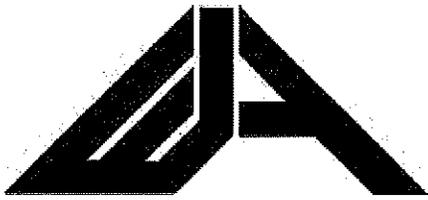
See Attachment C – Property

**Coordinated With:**

Alliant Insurance Services, Inc.

**Attachment(s):**

1. Attachment A – CSAC Excess Insurance Authority Workers' Compensation Program Proposal.
2. Attachment B – CSAC Excess Insurance Authority General Liability Program Proposal.
3. Attachment C – CSAC Excess Insurance Authority Property Program Proposal.



## Welcome to the EIA

The EIA is pleased to confirm that the City of Calexico has been approved to join the Excess Workers' Compensation (EWC) and General Liability I (GLI) and Property (Property) Programs effective January 1, 2016. Below is a summary of the Committees' approvals last week as well as the following expectations for the City of Calexico:

- The Underwriting Committee approved the City's request to join the EWC (SIR \$125K), pending reinsurance carrier approval.
- The Underwriting Committee approved the City's request to join the GL 1 program (SIR \$250K), pending reinsurance carrier approval.
- The City must contract with a third party claims administration firm (TPA) to handle their WC and Liability claims.
- The Property Committee approved the City for coverage as requested – no earthquake.
- The City must hire Risk Management staff or a risk management consultant within the first 30 days of membership to assist the City develop a plan of action for the development and implementation of policies and procedures that meet the EIA's loss prevention standards.
- The plan of action to be reviewed by the EIA's Loss Prevention staff with a report back to the Underwriting Committee in February. At this meeting, the Committee will receive a report from staff as to the progress the City has made with this caveat to see if it meets the Committee's expectations.
- If the requisite progress is not being made in the development and implementation of policies and procedures, the Committee will re-consider its continued desire to provide to coverage to the City for the 2016/17 program year.
- That being said, the EIA, along with Alliant's servicing broker and service team, does want to and intends to support the City in its efforts to move forward in this request all as part of helping the City get back on its "risk management" feet and be a good member to the EIA and its coverage programs.

### Other requirements of the City for the EIA

- Executed JPA agreement
- Executed MOU for the programs they will join
- Resolution from their City Counsel designating their appointed and official representative (this is required to access their Subsidy Funds)
- Confirmation and contact information of their contracted TPAs for EWC and GL1
- Completion of requisite paperwork and filings with Office of Self Insurance Plans.

Brian Kelley, MBA, ARM  
Underwriting Manager, EIA

**ATTACHMENT A**

**EXCESS WORKERS' COMPENSATION PROGRAM  
PROPOSAL**

<b>COVERED PARTY</b>	City of Calexico
<b>COVERAGE TERM</b>	January 1, 2016 to July 1, 2016
<b>COMPANIES AFFORDING COVERAGE</b>	CSAC Excess Insurance Authority (CSAC EIA) with excess insurance and/or reinsurance to be determined prior to binding
<b>COVERAGE PROVIDED</b>	Workers' Compensation and Employers' Liability
<b>LIMITS OF INDEMNITY</b>	Statutory Workers' Compensation \$5,000,000 Employers' Liability
<b>SELF-INSURED RETENTION</b>	\$ 125,000 each occurrence Self-insured retention is eroded by allocated claims expense
<b>MAJOR EXCLUSIONS (Including but not limited to)</b>	<ul style="list-style-type: none"> <li>• Punitive or exemplary damages, fines or penalties</li> <li>• Labor Code 4850 benefits (optional buy-back)</li> <li>• Labor Code 4856 benefits</li> <li>• Any payments in excess of the benefits regularly provided by the Workers' Compensation law</li> </ul>
<b>PREMIUM AUDIT</b>	Premiums are auditable and adjustable at June 30, 2016 based on actual payroll
<b>CONDITIONS</b>	<ul style="list-style-type: none"> <li>• Premium includes a \$1,000 annual loss prevention subsidy</li> <li>• Premium does not includes a \$2,000 actuarial subsidy</li> <li>• Premium includes a cost for claim audit requirement</li> <li>• Membership Conditions: <ul style="list-style-type: none"> <li>• Employ a Third Party Administrator (TPA) within 30 days after joining the program (cannot be self-administered)</li> <li>• Employ a risk management firm within 30 days after joining program</li> <li>• Claims audit to be conducted within the first year</li> <li>• Loss Prevention to be approved by EIA staff prior to binding</li> <li>• Actuarial Study to be conducted in the first year of participation</li> <li>• Receipt of completed and signed Authorization to Obtain Loss Data</li> <li>• Receipt of the executed Joint Powers Agreement (JPA) prior to binding</li> <li>• Receipt of the executed Excess Workers' Compensation Memorandum of Understanding prior to binding</li> <li>• Receipt of executed of Designated Representative form prior to binding</li> </ul> </li> </ul>

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

**EXCESS WORKERS' COMPENSATION PROGRAM  
PROPOSAL**

<b>ESTIMATED ANNUAL PAYROLL</b>	\$ 12,902,038	
<b>ESTIMATED PREMIUM (Annualized)</b>	\$ 300,261	Pool Deposit Premium
	7,206	Reinsurance Deposit Premium
	3,561	Excess Insurance Deposit Premium
	20,772	CSAC EIA Administration Fee
	1,555	CSAC EIA Public Entity Fee
	20,551	Alliant Broker Fee
	350	CSAC EIA One-Time Development Fee
	<b>\$ 354,256</b>	<b>Total Estimated Deposit Premium</b>
<b>ESTIMATED PREMIUM (Pro-rated from 1/1/16 to 7/1/16)</b>	\$ 148,929	Pool Deposit Premium
	3,574	Reinsurance Deposit Premium
	1,766	Excess Insurance Deposit Premium
	10,807	CSAC EIA Administration Fee
	771	CSAC EIA Public Entity Fee
	10,193	Alliant Broker Fee
	350	CSAC EIA One-Time Development Fee
	<b>\$ 176,391</b>	<b>Total Estimated Deposit Premium</b>
<b>BROKER</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> Gordon DesCombes, Executive Vice President Nazie Arshi, Senior Vice President Tom E. Corbett, Senior Vice President Lilian A. Vanvieldt, Senior Vice President Pamela L. Dominguez, Vice President Chantelle Lobaugh, CSAC Program Specialist	
<b>INDICATION DATE</b>	December 21, 2015	

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**EXCESS WORKERS' COMPENSATION PROGRAM  
PROPOSAL**

Provider	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
<b>CSAC Excess Insurance Authority</b>	Not Applicable	Not Applicable	Not Applicable
<b>With reinsurance provided by Wesco Insurance Company</b>	Not Applicable (reinsurance)	A (Excellent) Financial Size Category XIII (\$1,250,000,000 to \$1,500,000,000)	Not Applicable
<b>CSAC Excess Insurance Authority</b>	Not Applicable	Not Applicable	Not Applicable
<b>With reinsurance provided by ACE American Insurance Company</b>	Not Applicable (reinsurance)	A++(Superior) Financial Size Category XV (\$2,000,000,000 or greater)	AA (Negative)
<b>National Union Fire Insurance Co. of Pittsburg, PA (AIG)</b>	Admitted	A (Excellent); Financial Size Category XV (\$2,000,000,000 or more)	A+ (Stable)

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.

YOUR POLICY WILL COME WITH SPECIFIC CLAIM REPORTING REQUIREMENTS. PLEASE MAKE SURE YOU UNDERSTAND THESE OBLIGATIONS. CONTACT YOUR ALLIANT SERVICE TEAM WITH ANY QUESTION

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**ATTACHMENT B**

**BACKUP DOCUMENTATION  
FOR  
ATTACHMENT B  
WILL BE PROVIDED  
PRIOR TO  
SPECIAL MEETING**

**ATTACHMENT C**

**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

<b>COVERED PARTY</b>	City of Calexico
<b>COVERAGE TERM</b>	Primary: January 1, 2016 to March 31, 2018 Excess: January 1, 2016 to March 31, 2016
<b>COMPANIES AFFORDING COVERAGE</b>	CSAC Excess Insurance Authority (CSAC EIA) with excess insurance and/or reinsurance per the attached Schedule of Coverage Providers
<b>COVERAGE PROVIDED</b>	<p>"All-Risk" including Flood on:</p> <ul style="list-style-type: none"> <li>• Real Property</li> <li>• Personal Property</li> <li>• Boiler and Machinery</li> <li>• Rental Income including Revenue Bond Payments</li> <li>• Business Interruption</li> <li>• Accounts Receivable</li> <li>• Electronic Data Processing Media and Extra Expense</li> <li>• Extra Expense</li> <li>• Building Laws, Increased Cost of Construction and Demolition, Contingent Liability due to operation of Building Codes</li> <li>• Property in Transit</li> <li>• Valuable Papers and Records</li> <li>• Fine Arts</li> <li>• Errors and Omissions</li> <li>• Architects/Engineers Fees and Claims Consultant Fees</li> <li>• Course of Construction with value not to exceed \$100,000,000 when incidental to an existing location</li> <li>• \$100,000,000 Course of Construction limit with value not to exceed \$100,000,000 for projects at new sites. (No Automatic Coverage for projects with a full contract price in excess of \$100,000,000 unless agreed by the underwriters)</li> <li>• Earthquake Sprinkler Leakage</li> <li>• Accidental Contamination</li> <li>• Golf Courses, Tees, Greens &amp; Landscaping</li> <li>• Specially Trained Animals (search &amp; rescue and police, etc.)</li> <li>• Fire Legal Liability</li> <li>• Joint Loss Clause</li> <li>• Fire Department Charges</li> <li>• Asbestos cleanup and removal caused by an insured peril</li> <li>• Terrorism</li> </ul>

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

<p><b>LIMITS</b></p>	<p><b>Primary All Risk &amp; Flood</b> \$25,000,000 Per occurrence All Risk and Flood coverage for covered parties in Towers I, II, III, IV, V, VI, VII and VIII</p> <p>Per occurrence limit applies to All Risk per Tower. Annual aggregate limit applies to Flood per Tower. Boiler Explosion and Machinery Breakdown is included.</p> <p><i>City of Calexico's schedule of locations would be in Tower VII.</i></p> <p><b>Total Limits (including Excess):</b> Annual occurrence limits for All Risk and annual aggregate limits on Flood and Earthquake Shock applies as follows:</p> <table border="1"> <thead> <tr> <th></th> <th><u>Tower</u></th> <th><u>All Risk*</u></th> <th><u>Flood</u></th> </tr> </thead> <tbody> <tr><td>I</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>II</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>III</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>IV</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>V</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>VI</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>VII</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> <tr><td>VIII</td><td></td><td>\$300,000,000</td><td>\$300,000,000</td></tr> </tbody> </table> <p><b>Excess All Risk &amp; Flood Rooftop Layer:</b> \$190,000,000 per occurrence and in the annual aggregate for Towers I - VIII, excess of \$300,000,000 per occurrence and in the annual aggregate in respect of Towers I - VIII. The Excess All Risk &amp; Flood Rooftop Layer does not apply for locations in FEMA Flood Zones A &amp; V as respects Tower II.</p> <p><b>Excess All Risk Only Rooftop Layer :</b> \$110,000,000 excess of \$490,000,000 All Risk per occurrence for Towers I-VIII combined</p> <p><b>*\$600,000,000 ALL RISK LIMIT FOR ALL TOWERS</b></p>		<u>Tower</u>	<u>All Risk*</u>	<u>Flood</u>	I		\$300,000,000	\$300,000,000	II		\$300,000,000	\$300,000,000	III		\$300,000,000	\$300,000,000	IV		\$300,000,000	\$300,000,000	V		\$300,000,000	\$300,000,000	VI		\$300,000,000	\$300,000,000	VII		\$300,000,000	\$300,000,000	VIII		\$300,000,000	\$300,000,000
	<u>Tower</u>	<u>All Risk*</u>	<u>Flood</u>																																		
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VII		\$300,000,000	\$300,000,000																																		
VIII		\$300,000,000	\$300,000,000																																		
<p><b>SUBLIMITS</b></p>	<p>\$200,000,000 Terrorism each and every occurrence and in the annual aggregate shared by all members.</p> <p>The following is understood to apply per occurrence and per Tower unless otherwise stated</p> <ul style="list-style-type: none"> <li>\$ 50,000,000 EDP Media &amp; Extra Expense</li> <li>\$ 50,000,000 Accounts Receivable</li> <li>\$ 50,000,000 Property in Transit</li> </ul>																																				

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CSAC EXCESS  
INSURANCE AUTHORITY  
A Public Agency



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

<p><b>SUBLIMITS Continued</b></p>	<p>\$ 50,000,000 Valuable Papers          \$ 50,000,000 Extra Expense          \$ 50,000,000 Errors and Omissions          \$ 20,000,000 Asbestos clean-up &amp; removal caused by a specified insured peril as defined in the CSAC EIA Property Memorandum of Coverage            \$100,000,000 Course of Construction (project value not to exceed \$100,000,000 for any project at new sites)          \$ 2,500,000 Fine Arts, Unscheduled (Scheduled Fine Arts Limit to be negotiated on an individual basis)          \$ 1,000,000 Accidental Contamination each occurrence including land and land values.          \$ 500,000 Unscheduled Business Interruption          \$ 1,000,000 Specially Trained Animals (Search &amp; Rescue &amp; Police etc.) subject to a stipulated value of \$50,000 per animal each occurrence subject to a \$1,000 deductible each occurrence            \$ 500,000 Unscheduled Contingent Business Interruption          \$ 1,000,000 Accidental Contamination each occurrence including land and land values.</p>
<p><b>SUBLIMITS BOILER &amp; MACHINERY</b></p>	<p>\$100,000,000 Per Accident Boiler &amp; Machinery          \$ 5,000,000 Errors and Omissions          \$ 2,000,000 Each Incident, each member aggregate. Earthquake Resultant Damage – applies only to locations where Earthquake Shock is purchased under All Risk Property Policy            \$ 2,000,000 Service Interruption          \$ 2,000,000 Consequential Damage (spoilage of food, medicine and blood)          \$ 2,000,000 Ammonia Contamination          \$ 2,000,000 Hazardous Substances          \$ 2,000,000 Water Damage          \$ 2,000,000 Media          \$ 1,000,000 Computer Equipment - Blanket All Members            • Newly Acquired Locations included up to 365 days          • Included CFC Refrigerants, Expediting Expenses and Demolition &amp; Increased Cost of Construction</p>
<p><b>MAJOR EXCLUSIONS (Including but not limited to)</b></p>	<ul style="list-style-type: none"> <li>• Aircraft, Watercraft, and Rolling Stock</li> <li>• Standing Timber, Growing Crops and Animals (except Specially Trained Animals)</li> </ul>

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CSAC EXCESS  
INSURANCE AUTHORITY  
A Public Agency



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

<p><b>MAJOR EXCLUSIONS</b> (Including but not limited to) Continued</p>	<ul style="list-style-type: none"> <li>• Dams, Piers, Wharves, Docks, Underground Pipes, Outfalls, Tunnels, Bridges, Catwalks, Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals, etc., unless scheduled</li> <li>• Land and Land values (and water excess of primary limit)</li> <li>• Property in due course of Ocean Marine Transit</li> <li>• Shipment by mail after delivery into the custody of the Post Office Department</li> <li>• Railroad Property except while in Course of Construction</li> <li>• Power Transmission and Feeder Lines more than 1000 feet from insureds premises</li> <li>• Pollution, Contamination or Seepage (except Accidental Contamination)</li> <li>• Contractors Equipment, unless scheduled</li> <li>• Licensed Vehicles, unless scheduled</li> <li>• Computer Virus/Cyber Exclusion</li> </ul>
<p><b>DEDUCTIBLE</b></p>	<p><b>All Risk</b> \$ 5,000 Per occurrence</p> <p><b>Boiler &amp; Machinery</b> \$ 5,000 Per occurrence</p> <p><b>Flood</b> For properties outside the 100 year flood zone, the flood deductible is \$25,000 per occurrence For properties within the 100 year flood zone, the flood deductible is \$100,000 per occurrence</p> <p><b>Piers (including Flood/Wavewash)</b> \$500,000 Per occurrence</p> <p><b>Named Storm</b> 2% of total values per Unit* per occurrence subject to a \$500,000 minimum "Unit" defined as separate building, contents within separate building, property in the open (yard), or time element coverage at separate building.</p> <p><b>Terrorism</b> Included in All Risk coverage. All Risk deductible applies.</p> <p><b>Vehicles: Non-Collision/Collision</b> If member elects Actual Cash Value (ACV) coverage then the applicable deductible will be \$10,000 If member elects Replacement Cost (RCV) coverage, then applicable deductible will be \$20,000 per occurrence except \$100,000 per occurrence for any vehicle with RCV greater than \$250,000 \$100,000 per occurrence for Buses</p>

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

<b>TOTAL INSURED VALUES</b>	\$ 43,793,429
<b>ESTIMATED PREMIUM (Annualized)</b>	\$ 28,000
<b>BROKER</b>	<b>ALLIANT INSURANCE SERVICES, INC.</b> Ralph Hurst, President Thomas Bryson, Senior Vice President Linnette Lee, CSAC EIA Client Specialty Manger Rhiannon Cabral, CSAC EIA Program Specialist - Lead
<b>INDICATION DATE</b>	December 18, 2015

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



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)  
PROPERTY PROGRAM  
Indication**

*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.ALLIANTINSURANCE.COM](http://WWW.ALLIANTINSURANCE.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, ATTENTION: CHIEF OPERATING OFFICER, 1301 DOVE STREET, SUITE 200, NEWPORT BEACH, CA 92660.*

*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 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).*

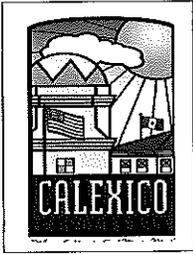
*FOR ADDITIONAL INFORMATION REGARDING INSURER FINANCIAL STRENGTH RATINGS VISIT STANDARD AND POOR'S WEBSITE AT [WWW.STANDARDANDPOORS.COM](http://WWW.STANDARDANDPOORS.COM)*

*TO LEARN MORE ABOUT COMPANIES DOING BUSINESS IN CALIFORNIA, VISIT THE CALIFORNIA DEPARTMENT OF INSURANCE WEBSITE AT [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV)*

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**AGENDA  
ITEM**

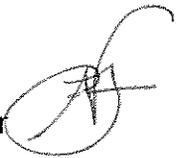
**2**



# AGENDA STAFF REPORT

**DATE:** December 23, 2015

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Acting City Manager 

**PREPARED BY:** Nick Fenley, Acting City Manager

**SUBJECT:** Authorize the Acting City Manager to Sign Joint Powers Agreement between CSAC Excess Insurance Authority and the City of Calexico.

=====

## Recommendation:

Authorize the Acting City Manager to Sign Joint Powers Agreement between CSAC Excess Insurance Authority and the City of Calexico.

## Background:

In 1979, 29 California counties formed CSAC Excess Insurance Authority (EIA), a Joint Powers Authority, pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.). The sole purpose of forming a new JPA was to finding cost effective insurance solutions and risk management services for CSAC EIA members. CSAC EIA membership has expanded to include 95% of counties, 60% of cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other Joint Powers Authorities.

## Discussion & Analysis:

On December 11, 2015, CSAC Excess Insurance Authority (EIA) Executive Committee approved the City of Calexico participation in CSAC EIA effective January 1, 2016. City staff is recommended that the City Council of the City of Calexico authorize the Acting City Manager to sign Joint Powers Agreement between CSAC Excess Insurance Authority (EIA) and the City of Calexico in order to become a member of CSAC EIA and participate in their Joint Protection Programs: Excess Workers' Compensation, General Liability and Property Insurance.

## Fiscal Impact:

None.

AGENDA  
ITEM

2

**Coordinated With:**

Alliant Insurance Services, Inc.

**Attachment(s):**

1. Joint Powers Agreement between CSAC Excess Insurance Authority and City of Calexico.
2. Bylaws of the CSAC Excess Insurance Authority.
3. CSAC Excess Insurance Authority Executive Committee Meeting Summary dated December 11, 2015.



Adopted: October 5, 1979  
Amended: May 12, 1980  
Amended: January 23, 1987  
Amended: October 7, 1988  
Amended: March 1993  
Amended: November 18, 1996  
Amended: October 4, 2005  
Amended: February 28, 2006

**JOINT POWERS AGREEMENT  
CREATING THE CSAC EXCESS INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. The CSAC Excess Insurance Authority was formed under the sponsorship of CSAC. All such counties, hereinafter called member counties, and public entities, hereinafter called member public entities, [collectively "members"] shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

**RECITALS**

**WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

**WHEREAS**, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

**WHEREAS**, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

**WHEREAS**, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

**WHEREAS**, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

**WHEREAS**, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

**NOW THEREFORE**, the parties agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

**"CSAC"** shall mean the County Supervisors Association of California, dba California State Association of Counties.

**"Authority"** shall mean the CSAC Excess Insurance Authority created by this Agreement.

**"Board of Directors"** or **"Board"** shall mean the governing body of the Authority.

**"Claim"** shall mean a claim made against a member arising out of an occurrence which is covered by an excess or primary insurance program of the Authority in which the member is a participant.

**"Executive Committee"** shall mean the Executive Committee of the Board of Directors of the Authority.

**"Fiscal year"** shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of the Authority.

**"Government Code"** shall mean the California Government Code.

**"Insurance program"** or **"program"** shall mean a program of the Authority under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board. The Board of Directors or the Executive Committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

**"Joint powers law"** shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

**"Loss"** shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of the Authority in which the member is a participant.

**"Member county"** shall mean any county which, through the membership of its supervisors in CSAC, has executed this Agreement and become a member of the Authority. "Member county" shall also include those entities or other bodies set forth in Article 3 (c).

**"Member Public Entity"** shall mean any California public entity which does not maintain a membership in CSAC, has executed this Agreement and become a member of the Authority, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

**"Occurrence"** shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

**"Participating county"** shall mean any member county which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

**"Participating public entity"** shall mean any member public entity which has entered into a program offered by the Authority pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

**"Self-insured retention"** shall mean that portion of a loss resulting from an occurrence experienced by a member which is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

**"Reinsurance"** shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss which exceeds the joint funding capacity of that program.

## **ARTICLE 2 PURPOSES**

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

## **ARTICLE 3 PARTIES TO AGREEMENT**

(a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.

(b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.

(c) A member for purposes of providing insurance coverage under any program of the Authority, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of the Authority.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

(d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.

(e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.

(f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).

(g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

#### **ARTICLE 4**

##### **TERM**

This Agreement shall continue in effect until terminated as provided herein.

#### **ARTICLE 5**

##### **CREATION OF THE AUTHORITY**

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the CSAC Excess Insurance Authority, with such powers as are hereinafter set forth.

#### **ARTICLE 6**

##### **POWERS OF THE AUTHORITY**

The Authority shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.

- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

## ARTICLE 7 BOARD OF DIRECTORS

The Authority shall be governed by the Board of Directors, which shall be composed as follows:

a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board.

b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board.

c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of the Authority's insurance programs, shall require the affirmative vote of a majority of those Board members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board members as a whole shall have a minimum of one vote. The public entity Board members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board votes authorized herein be less than the number of public entity Board members at a duly noticed meeting, the public entity Board members shall decide among themselves which Board member shall vote. Should they be unable to decide, the President of the Authority shall determine which director(s) shall vote.

## ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

- (a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.
- (b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.
- (c) The Board shall form an Executive Committee, as provided in Article 11. The Board may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board except adoption of the Authority's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.
- (d) The Board may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of the Authority. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board may delegate its powers and duties only to a committee of the Board composed of a majority of Board members and/or alternate members. Any committee which is not composed of a majority of Board members and/or alternate members may function only in an advisory capacity.
- (e) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Article 13.
- (f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of the Authority, including all provisions for reinsurance and administrative services necessary to carry out such program.

(h) The Board, directly or through the Executive Committee, shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the Chief Executive Officer.

(j) The Board shall receive and act upon reports of the committees and the Chief Executive Officer.

(k) The Board shall act upon each claim involving liability of the Authority, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 15 and 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities which have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

## **ARTICLE 9**

### **MEETINGS OF THE BOARD OF DIRECTORS**

(a) The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board, the Executive Committee and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

**ARTICLE 10  
OFFICERS**

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

**ARTICLE 11  
EXECUTIVE COMMITTEE**

The Board of Directors shall establish an Executive Committee of the Board which shall consist of eleven members: the President and Vice President of the Board, and nine members elected by the Board from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of the Authority.

The Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

**ARTICLE 12  
COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two year terms, subject to reappointment by the Board. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board as directed by the Board.

**ARTICLE 13****STAFF**

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Chief Executive Officer.** The Chief Executive Officer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Article 16 of this Agreement. Pursuant to Government Code Section 6505.5, the Treasurer shall be the county treasurer of a member county of the Authority, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) **Auditor.** The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.5, the Auditor shall be the Auditor of the county from which the Treasurer is appointed by the Board under (2) above, or, pursuant to Government Code Section 6505.6, the Board may appoint one of its officers or employees to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) **Charges for Treasurer and Auditor Services.** Pursuant to Government Code Section 6505, the charges to the Authority for the services of Treasurer and Auditor shall be determined by the board of supervisors of the member county from which such staff members are appointed.

(c) **Other Staff.** The Board, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

**ARTICLE 14****DEVELOPMENT, FUNDING AND IMPLEMENTATION  
OF INSURANCE PROGRAMS**

(a) **Program Coverage.** Insurance programs of the Authority may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

(b) **Program and Authority Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs by the Board, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board may, in its discretion, allocate a share of such Authority general expense to those members which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

(1) **Development Charge.** Development costs of an insurance program shall be funded by a development charge, as established by the Board of Directors. The development charge shall be paid by each participant in the program following the program's adoption by the Board. Development costs are those costs actually incurred by the Authority in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among participants, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include a share of Authority general expenses, as allocated to the program development function.

The development charge shall be billed by the Authority to all participants in the program upon establishment of the program and shall be payable in accordance with the Authority's invoice and payment policy.

Upon the conclusion of program development: any deficiency in development funds shall be billed to all participants which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; any surplus in such funds shall be transferred into the Authority's general expense funds.

(2) **Annual Premium.** Except as provided in (3) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board, program reinsurance costs, and program administrative costs for the year, plus that participant's share of Authority general expense allocated to the program by the Board.

(3) **Premium Surcharge**

(i) If the Authority experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses,

the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

(ii) If it is determined by the Board of Directors, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses which have been incurred but not reported, the Board of Directors may impose a surcharge on all participating members.

(iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, the Authority notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. The Authority shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

(iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.

(c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, the Authority shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, program development costs, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.

(d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.

As a condition of late entry, the member shall pay the development charge for the program, as adjusted at the conclusion of the development period, but not subject to further adjustment,

and also any costs incurred by the Authority in analyzing the member's loss data and determining its annual premium as of the time of entry.

(e) **Reentry Into A Program.** Any county or public entity that is a member of an insurance program of the Authority who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

## ARTICLE 15 ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by the Authority.

(b) **Funds and Accounts.** The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) **Annual Audit.** Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of the Authority is located and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Authority.

## ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

## ARTICLE 17 RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

(a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.

(b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(c) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of the Authority in which the member is a participant, and shall provide copies of such records to the Authority as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board or Executive Committee.

(e) Each member shall pay development charges, premiums, and premium surcharges due to the Authority as required under Article 14. Penalties for late payment of such charges, premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to the Authority any additional premiums due, as determined and assessed by the Board of

Directors under Articles 22 or 23. Any costs incurred by the Authority associated with the collection of such premiums or other charges, shall be recoverable by the Authority.

(f) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(g) Each member shall cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.

(h) Each member county shall maintain membership in CSAC.

(i) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

## **ARTICLE 18 ADMINISTRATION OF CLAIMS**

(a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.

(b) The Authority may develop standards for the administration of claims for each insurance program of the Authority so as to permit oversight of the administration of claims by the members.

(c) Each participating member shall give the Authority timely written notice of claims in accordance with the provisions of the Bylaws.

(d) A member shall not enter into any settlement involving liability of the Authority without the advance written consent of the Authority.

(e) The Authority, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding which, in the judgment of the Authority, may involve liability of the Authority.

## **ARTICLE 19 NEW MEMBERS**

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

**ARTICLE 20  
WITHDRAWAL**

(a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to the Authority if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.

(b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

**ARTICLE 21  
CANCELLATION**

(a) Notwithstanding the provisions of Article 20, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a majority vote of the Board members. Such action shall have the effect of canceling the member's participation in all insurance programs of the Authority as of the date that all membership is canceled.

(2) Cancel any member's participation in an insurance program of the Authority, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting who represent participants in the program.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

(b) A member that does not enter one or more of the insurance programs developed and implemented by the Authority within the member's first year as a member of the Authority shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(c) A member which withdraws from all insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

(d) A member county that terminates its membership in CSAC shall be considered to have thereby withdrawn as a party to this Agreement, and its membership in the Authority and participation in any insurance program of the Authority shall be automatically canceled as of that time, without the action of the Board of Directors.

**ARTICLE 22**  
**EFFECT OF WITHDRAWAL OR CANCELLATION**

(a) If a member's participation in an insurance program of the Authority is canceled under Article 21, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any program of the Authority, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 23 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium which the Board determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the county's participation in any program.

**ARTICLE 23**  
**TERMINATION AND DISTRIBUTION OF ASSETS**

(a) A three-fourths vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from the member public entities, is required to terminate this Agreement; provided, however, that this Agreement and the

Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member which was a participant in an insurance program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

**ARTICLE 24**  
**LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS**  
**AND LEGAL ADVISORS**

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

**ARTICLE 25  
BYLAWS**

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority.

**ARTICLE 26  
NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the Chief Executive Officer of the Authority, at the office address of the Authority as set forth in the Bylaws.

**ARTICLE 27  
AMENDMENT**

A two-thirds vote of the total voting membership of the Authority, consisting of member counties, acting through their boards of supervisors, and the voting Board members from member public entities, is required to amend this Agreement.

**ARTICLE 28  
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

**ARTICLE 29  
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

**ARTICLE 30**  
**EFFECTIVE DATE OF AMENDMENTS**

Any amendment of this Agreement shall become effective upon the date specified by the Board and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board member's must take place no later than 30 days from the effective date specified by the Board.

**ARTICLE 31**  
**DISPUTE RESOLUTION**

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then of course the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32**  
**FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

**IN WITNESS WHEREOF**, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: \_\_\_\_\_

MEMBER: \_\_\_\_\_

(Print Name of Member)

BY: \_\_\_\_\_

(Authorized signature of Member)

Seal:

**APPENDIX A**  
**JOINT POWERS AGREEMENT**  
**CSAC EXCESS INSURANCE AUTHORITY**

**MEMBERS (AS OF FEBRUARY 01, 2010)**

ALAMEDA COUNTY  
AMADOR COUNTY  
BUTTE COUNTY  
CALAVERAS COUNTY  
COLUSA COUNTY  
CONTRA COASTA COUNTY  
DEL NORTE COUNTY  
EL DORADO COUNTY  
FRESNO COUNTY  
GLENN COUNTY  
HUMBOLDT COUNTY  
IMPERIAL COUNTY  
INYO COUNTY  
KERN COUNTY  
KINGS COUNTY  
LAKE COUNTY  
LASSEN COUNTY  
MADERA COUNTY  
MARIN COUNTY  
MARIPOSA COUNTY  
MENDOCINO COUNTY  
MERCED COUNTY  
MODOC COUNTY  
MONO COUNTY  
MONTERERY COUNTY  
NAPA COUNTY  
NEVADA COUNTY  
ORANGE COUNTY  
PLACER COUNTY  
PLUMAS COUNTY  
RIVERSIDE COUNTY  
SACRAMENTO COUNTY  
SAN BENITO COUNTY  
SAN DIEGO COUNTY  
SAN JOAQUIN COUNTY  
SAN LUIS OBISPO COUNTY  
SANTA BARBARA COUNTY  
SANTA CLARA COUNTY  
SANTA CRUZ COUNTY  
SHASTA COUNTY  
SIERRA COUNTY  
SISKIYOU COUNTY  
SOLANO COUNTY  
SONOMA COUNTY  
STANISLAUS COUNTY  
SUTTER COUNTY  
TEHAMA COUNTY  
TRINITY COUNTY  
TULARA COUNTY  
TUOLUMNE COUNTY  
VENTURA COUNTY  
YOLO COUNTY  
YUBA COUNTY

ALAMEDA COUNTY MEDICAL CENTER  
AMADOR REGIONAL TRANSIT SYSTEM  
ANAHEIM UNION HIGH SCHOOL DISTRICT  
ANTELOPE VALLEY HEALTHCARE DISTRICT  
AUTHORITY FOR CALIF. CITIES EXCESS LIABILITY  
BAY AREA HOUSING AUTHORITY RMA  
BERKELEY UNIFIED SCHOOL DISTRICT  
BIG INDEPENDENT CITIES EXCESS POOL  
BURBANK REDEVELOPMENT AGENCY  
CALAVERAS COUNTY SUPERIOR COURT  
CALIF. ASSOC. FOR PARK & RECREATION INS.  
CALIFORNIA FAIR SERVICES AUTHORITY  
CAMPBELL UNION HIGH SCHOOL DISTRICT  
CAMPBELL UNION SCHOOL DISTRICT  
CAPITOL AREA DEVELOPMENT AUTHORITY  
CASITAS MUNICIPAL WATER DISTRICT  
CENTRAL SIERRA CHILD SUPPORT AGENCY  
CITY OF ALAMEDA  
CITY OF ATSCADERO  
CITY OF BAKERSFIELD  
CITY OF BELL  
CITY OF BELMONT  
CITY OF BURBANK  
CITY OF BURLINGAME  
CITY OF CALABASAS  
CITY OF CARMEL BY THE SEA  
CITY OF CHULA VISTA  
CITY OF CLAREMONT  
CITY OF CONCORD  
CITY OF CORONA  
CITY OF COVINA  
CITY OF CUPERTINO  
CITY OF DALY CITY  
CITY OF DEL MAR  
CITY OF DOWNEY  
CITY OF EL CAJON  
CITY OF EL CENTRO  
CITY OF EL MONTE  
CITY OF ELK GROVE  
CITY OF ESCONDIDO  
CITY OF FAIRFIELD  
CITY OF FONTANA  
CITY OF FREMONT  
CITY OF FRESNO  
CITY OF GARDEN GROVE  
CITY OF GOLETA  
CITY OF HAWTHORNE  
CITY OF HEMET  
CITY OF IMPERIAL BEACH  
CITY OF IRVINE  
CITY OF LAGUNA HILLS  
CITY OF LANCASTER  
CITY OF LEMON GROVE

CITY OF LOMPOC  
CITY OF LONG BEACH  
CITY OF MAYWOOD  
CITY OF MERCED  
CITY OF MILLBRAE  
CITY OF MISSION VIEJO  
CITY OF MONTEBELLO  
CITY OF MORENO VALLEY  
CITY OF NAPA  
CITY OF NATIONAL CITY  
CITY OF NEEDLES  
CITY OF OAKLAND  
CITY OF OCEANSIDE  
CITY OF POMONA  
CITY OF RANCHO CORDOVA  
CITY OF REDDING  
CITY OF REDWOOD CITY  
CITY OF RIALTO  
CITY OF RICHMOND  
CITY OF RIDGECREST  
CITY OF SACRAMENTO  
CITY OF SAN BUENAVENTURA  
CITY OF SAN CLEMENTE  
CITY OF SAN DIEGO  
CITY OF SANTA CLARA  
CITY OF SANTA ROSA  
CITY OF SIMI VALLEY  
CITY OF SOLANO BEACH  
CITY OF SOUTH SAN FRANCISCO  
CITY OF STOCKTON  
CITY OF SUNNYVALE  
CITY OF TORRANCE  
CITY OF VISALIA  
CITY OF WALNUT CREEK  
CITY OF WHITTIER  
CITY OF YUBA CITY  
COLUSA COUNTY SUPERIOR COURT  
COMM. DEVELOPMENT COMM. OF LA COUNTY  
CONTRA COSTA CO. IHSS PUBLIC AUTHORITY  
CORONA NORCO UNIFIED SCHOOL DISTRICT  
COUNCIL OF SAN BENITO CO. GOVERNMENTS  
DEL NORTE COUNTY SUPERIOR COURT  
DEL NORTE IHSS PUBLIC AUTHORITY  
EAST BAY REGIONAL PARK DISTRICT  
EAST SAN GABRIEL VALLEY ROP  
EL DORADO COUNTY SUPERIOR COURT  
ELK GROVE UNIFIED SCHOOL DISTRICT  
EVERGREEN ELEMENTARY SCHOOL DISTRICT  
EXCLUSIVE RISK MGMT. AUTHORITY OF CALIF.  
FIRST 5 CONTRA COSTA CHLD & FAMILIES COMM  
FIRST FIVE SACRAMENTO COMMISSION  
GOLD COAST TRANSIT  
GOLDEN EMPIRE TRANSIT DISTRICT  
GOLDEN STATE RISK MANAGEMENT AUTHORITY  
GSRMA JPA ADMINISTRATION  
HOUSING AUTHORITY OF THE CO. OF RIVERSIDE  
HUMBOLDT IHSS PUBLIC AUTHORITY  
HUNTINGTON BEACH UNION HIGH SCHOOL DIST  
IHSS PUBLIC AUTHORITY OF MARIN  
IMPERIAL COUNTY IHSS PUBLIC AUTHORITY  
IRVINE RANCH WATER DISTRICT  
KERN HEALTH SYSTEMS  
KERN IHSS PA  
KINGS COUNTY AREA PUBLIC TRANSIT AGENCY  
KINGS WASTE & RECYCLING AUTHORITY  
LAKE COUNTY SUPERIOR COURT  
LAKE ELSINORE UNIFIED SCHOOL DISTRICT  
LASSEN COUNTY SUPERIOR COURT  
LOCAL AGENCY WC EXCESS JPA  
MADERA IHSS PUBLIC AUTHORITY  
MARIN COUNTY TRANSIT DISTRICT  
MERCED IHSS PUBLIC AUTHORITY  
MILITARY DEPT OF THE STATE OF CALIFORNIA  
MONTEREY SALINAS TRANSIT AUTHORITY  
MORONGO BASIN TRANSIT AUTHORITY  
MOUNTAIN COMMUNITIES HEALTHCARE DIST  
MT. DIABLO UNIFIED SCHOOL DISTRICT  
MUNICIPAL POOLING AUTHORITY  
NORTHERN CALIF CITIES SELF INSURANCE FUND  
NORTHERN CALIF SPECIAL DISTRICTS INS. AUTH  
OMNITRANS  
ORANGE COUNTY FIRE AUTHORITY  
ORANGE COUNTY SANITATION DISTRICT  
ORANGE COUNTY SUPERIOR COURT  
PASIS - SAN BERNARDINO  
PASIS - SAN DIEGO  
PUBLIC AGENCY RISK SHARING AUTH OF CALIF  
PUBLIC ENTITY RISK MANAGEMENT AUTHORITY  
REGIONAL COUNCIL OF RURAL COUNTIES  
RIVERSIDE IHSS PUBLIC AUTHORITY  
RIVERSIDE TRANSIT AGENCY  
SACRAMENTO AREA FLOOD CONTROL AGENCY  
SACRAMENTO COUNTY CONTRACTS  
SACRAMENTO COUNTY IHSS PUBLIC AUTHORITY  
SACRAMENTO METROPOLITAN CABLE  
TELEVISION COMMISSION  
SAN BENITO COUNTY SUPERIOR COURT  
SAN BENITO IHSS PUBLIC AUTHORITY  
SAN BERNARDINO CO. SPECIFIED DEPTS  
SAN BERNARDINO IHSS PUBLIC AUTHORITY  
SAN DIEGO COUNTY IHSS PUBLIC AUTHORITY  
SAN DIEGO HOUSING COMMISSION  
SAN DIEGO METRO TRANSIT SYSTEM  
SAN DIEGO UNIFIED SCHOOL DISTRICT  
SAN JOAQUIN IHSS PUBLIC AUTHORITY  
SAN JOSE UNIFIED SCHOOL DISTRICT  
SAN LUIS OBISPO COUNTY SUPERIOR COURT  
SAN LUIS OBISPO REGIONAL TRANSIT AUTH.  
SAN MATEO CO. SCHOOLS INSURANCE GROUP  
SANTA BARBARA METRO TRANSIT DISTRICT  
SANTA CLARA CO. VECTOR CONTROL DISTRICT  
SANTA CRUZ CO. FIRE AGENCIES INS. GROUP  
SANTA CRUZ COUNTY SUPERIOR COURT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SCHOOLS INS. RISK MANAGEMENT AUTHORITY  
SHASTA IHSS PUBLIC AUTHORITY  
SONOMA COUNTY AS RESPECTS THE FAIR  
SONOMA CO. EMPLOYEES' RETIREMENT ASSOC.  
SOUTH COUNTY AREA TRANSIT  
SOUTHERN CALIF SCHOOLS RISK MANAGEMENT  
SPECIAL DISTRICT RISK MANAGEMENT AUTH.  
STANISLAUS COUNTY SUPERIOR COURT  
SUTTER BUTTE FLOOD CONTROL AGENCY JPA  
SUTTER IHSS PUBLIC AUTHORITY  
SPORTS & OPEN SPACE AUTH OF SANTA CLARA  
TORRANCE UNIFIED SCHOOL DISTRICT  
TOWN OF COLMA  
TRANSPORTATION CORRIDOR AGENCIES  
TRINDEL INSURANCE FUND  
TULARE IHSS PUBLIC AUTHORITY  
TUOLUMNE COUNTY SUPERIOR COURT  
TURLOCK IRRIGATION DISTRICT  
UC HASTINGS COLLEGE OF LAW  
VAN HORN REGIONAL TREATMENT FACILITY  
WEST SAN GABRIEL LIABILITY & PROPERTY JPA  
WEST SAN GABRIEL WC JPA  
YOLO PUBLIC AGENCY RISK MGMT INS AUTH



Adopted: September 11, 1980  
Amended: May 7, 1982  
Amended: January 23, 1987  
Amended: June 3, 1988  
Amended: October 5, 1990  
Amended: June 7, 1996  
Amended: March 3, 2006  
Amended: March 5, 2010

## BYLAWS OF THE CSAC EXCESS INSURANCE AUTHORITY

### ARTICLE I. DEFINITIONS

The definitions of terms used in these Bylaws shall be the same as are contained in the Agreement Creating the Excess Insurance Authority, hereinafter called the Agreement, unless otherwise expressly provided.

### ARTICLE II. OFFICES

The Authority's principal office for the transaction of business is located at 75 Iron Point Circle, Folsom, California. The Board of Directors may change the location of the principal office from time to time.

The Board may establish one or more subordinate offices at any place or places where the Authority is qualified to do business.

### ARTICLE III. MEETINGS OF THE BOARD OF DIRECTORS

#### 1. Regular Meetings

**(a) Time Held** – The Board of Directors shall hold a minimum of three meetings per year. These meetings should, if at all possible, be scheduled at least one year prior to each meeting. Unless otherwise changed by a majority vote of the Board of Directors at a regular meeting, these meetings shall be held at 8:30 a.m. on the first Friday of March, June and October. Should any of these days fall upon a legal holiday, the meeting of the Board shall be held on the same day of the following week.

**(b) Business to be Transacted** – At the second yearly regular meeting, the Board shall review, modify if necessary, and adopt the annual operating budget of the Authority. At the last yearly regular meeting, the Board shall elect officers and Executive Committee members as required by the Agreement and these Bylaws. At any meetings, the Board may transact any other business within its powers, and receive reports of the operations and affairs of the Authority.

**(c) Notice** – Written notice of each regular meeting of the Board shall be delivered to each director and/or alternate director at least seven (7) days in advance of the meeting. The notice shall specify:

- i. The place, date and hour of the meeting.
- ii. Those matters which are intended to be presented for action by the Board.
- iii. The general nature of any proposal for action by the Board concerning a change in the Agreement or these Bylaws, a change in the membership of the Authority, or any other matter substantially affecting the rights and obligations of the members.
- iv. If officers and Executive Committee members are to be elected, the names of the persons nominated for such positions at the time the notice is sent.

## **2. Special Meetings**

A special meeting of the Board of Directors, and/or of the participating members in any insurance program, may be called at any time by the President of the Board, or by a majority of the members of the Board or such participating members, subject to the requirement for 24-hour written notice to the members, participating members and to requesting representatives of the media provided in Section 54956 of the California Government Code. The notice of a special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting.

## **3. Annual Meeting of Public Entity Members**

(a) The Public Entity members of the Authority shall hold at least one meeting each year. Members attending shall be reimbursed expenses in accordance with Authority policy.

(b) The Chief Executive Officer of the Authority shall provide for the keeping of minutes of annual meetings of the Public Entity members, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) The annual meeting of the Public Entity members shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

## **4. Place of Meeting**

Each regular or special meeting of the Board of Directors or participating members in any insurance program shall be held at a place within the State of California designated by the Board of Directors at its preceding meeting, or if no such designation is made, as designated by the Executive Committee or the President of the Board.

## **5. Adjourned Meetings**

The Board of Directors may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of 30 days or more, in which case notice of the adjourned meeting shall be given in the same manner as notice of the original meeting.

## **ARTICLE IV. THE EXECUTIVE COMMITTEE**

### **1. Membership**

The eleven member Executive Committee shall consist of: President, Vice-President, one county CAO, one county Risk Manager, one financially-oriented member (preferably with investment background) from a member county but not necessarily a member of the Board, one county supervisor, two members from the public entity Board members, and the balance shall be elected at large. The immediate Past President shall also be a member of the Executive Committee, but shall serve in an advisory capacity only. If the Past President is elected to the Executive Committee for a term immediately succeeding his/her term as President, then the position of Past President shall remain vacant until filled in accordance with these Bylaws. The Executive Committee shall appoint the County Counsel representative who shall serve in an advisory capacity to the Board of Directors and the Executive Committee.

If a specific category is not able to be filled, then the Board of Directors will fill from within its own membership.

Any duly appointed or elected member of the Board may be elected by the Board to serve as President or Vice-President, provided however, that in no event shall there be more than two public entity directors on the Executive Committee.

### **2. Terms of Office**

The terms of office of the nine non-officer members of the Executive Committee shall be for two (2) years, or as otherwise provided for in the Agreement. The term of office for the immediate Past President shall be for one (1) year.

### **3. Removal, Vacancies and Alternates**

The Board of Directors may remove any or all non-officer members from the Executive Committee at any time.

A vacancy in any non-officer position on the Executive Committee, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board. Pending action by the Board, the remaining members of the Executive

Committee may fill a vacancy on an interim basis, except in the case of a vacancy caused by removal, which may only be filled by the Board.

The alternate director for a director who is a member of the Executive Committee may attend and participate in a meeting of the Committee as the representative of the member, but may not vote.

Continued membership of any Executive Committee member who misses more than 50% of the meetings in any calendar year or who misses two consecutive meetings shall be reviewed by the Executive Committee with any removal recommendations to be made to the Board of Directors.

#### **4. Meetings**

The Executive Committee shall meet on the first Thursday of every month, or on the call of the President of the Board, at such times and places as are designated by that officer.

The Committee shall also meet on the call of any six of its members, at such time and place as they may designate.

Written notice of regular meetings shall be in accordance with the provisions of Article III. (1) (c). Special meetings shall be called and noticed in accordance with the provisions of Article III. (2).

#### **5. Quorum and Voting Requirements**

Seven members of the Executive Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative votes of a majority of the members at a meeting duly held at which a quorum is present.

#### **6. Adjourned Meetings**

The Executive Committee may adjourn any meeting to a time and place specified in the order for adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of 24 hours or more, in which case notice of the adjourned meeting shall be delivered to the members who were not present at the time of adjournment.

## ARTICLE V. OFFICERS

### 1. Duties of the President

The President shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

### 2. Duties of the Vice President

In the absence of the President, the Vice President shall perform all duties assigned to the President by the Agreement and by these Bylaws.

### 3. Terms of Office

The terms of office of the President and Vice-President shall be for one (1) year.

### 4. Removal and Vacancies

The Board of Directors may remove an officer at any time. A vacancy in an officer position, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board.

## ARTICLE VI. COMMITTEES

### 1. Establishment of Committees

In accordance with Article 12 of the Agreement, by adoption of these Bylaws, the following committees are hereby established.

#### (a) Claims Review Committee

The Claims Review Committee shall review all claims arising out of the Workers' Compensation, Liability I, and Property Programs against members which involve or may involve liability of the Authority. The Claims Review Committee may, subject to monetary limits established by the Board, settle claims within its monetary limits in accordance with Article X of these Bylaws. The Committee shall advise the Executive Committee and the Board as to the nature and extent of claims adjusting and legal defense services necessary to protect the funds of the Authority, as to settlement of claims above its monetary limits which involve liability of the Authority and such other functions as the Board and/or Executive Committee may direct. The Executive Committee may appoint County Counsel representatives to serve in an advisory capacity to the Claims Review Committee.

#### (b) Underwriting Committee

The Underwriting Committee shall be responsible for approval of applications by non-members for membership in the Workers' Compensation and Liability Programs of the Authority subject to ratification by the Executive Committee. The Committee shall formulate, advise and make recommendations to the Executive Committee

regarding the allocation of premiums to members and prospective non-members; advise and make recommendations regarding the distribution of such premiums; assess the stability of insurers and reinsurers and advise and make recommendations regarding said insurers and reinsurers and perform such other functions as the Board and/or Executive Committee may direct.

**(c) Property Committee**

The Property Committee shall review all matters pertaining to property insurance, including but not limited to, coverage and claims for the purpose of evaluating the Authority's Property Program. The Committee shall advise the Executive Committee and the Board as to matters affecting the Authority's property insurance program. The Property Committee shall be responsible for approval of applications by non-members for membership in the Authority's Property Insurance Program.

**(d) Finance Committee**

The Finance Committee shall serve in an advisory capacity to the Chief Executive Officer and Executive Committee. The Committee shall study and recommend policies, procedures and practices to be implemented regarding various financial matters of the Authority and may:

- i. Review budgets
- ii. Review financial statements on a quarterly basis
- iii. Recommend for approval the external auditor to perform annual audits
- iv. Recommend for approval an investment program for trust monies
- v. Recommend for approval the accounting and internal control systems which monitor the safeguarding of the Authority's assets.
- vi. Recommend for approval the Treasurer of the Authority

**(e) Medical Malpractice Committee**

The Medical Malpractice Committee shall review all matters pertaining to the Medical Malpractice Program, including but not limited to, coverage and claims, for the purpose of evaluating the Authority's Medical Malpractice Program. The Medical Malpractice Committee shall have authority to decide all matters as described in the Memorandum of Understanding between the CSAC Excess Insurance Authority and Medical Malpractice members. The Medical Malpractice Committee shall be responsible for approval of applications by non-members for membership in the Authority's Medical Malpractice Program.

**(f) Loss Prevention Committee**

The Loss Prevention Committee shall develop, evaluate and review all matters pertaining to the Authority's loss prevention services. The Committee shall advise and make recommendations to the Executive Committee or the Board of Directors regarding the programs, proposed regulatory changes specific to loss prevention and safety, the drug and alcohol testing consortium and perform such other functions as the Board and/or Executive Committee may direct.

**(g) Employee Benefits Committee**

The Employee Benefits Committee shall develop, evaluate and review all matters pertaining to the Authority's employee benefits programs. The Committee shall advise and make recommendations to the Executive Committee or the Board of Directors regarding existing programs and the development and implementation of new employee benefits programs and perform such other functions as the Board and/or Executive Committee may direct.

**(h) Legislative Committee**

The Legislative Committee shall actively propose amending, supporting, or opposing legislation and regulations for the benefit of the members regarding issues of concern to public entities. Such legislation, legislative reform, and/or regulation shall be in the areas of workers' compensation, tort, workplace safety and loss prevention, and other areas of interest to public entities. The Committee shall advise and make recommendations to the Executive Committee regarding legislative activities to be sponsored by the Authority and perform such other functions as the Board and/or Executive Committee may direct.

**2. Committees Created by Memorandums of Understanding**

The Board of Directors may, from time to time, approve development of insurance programs through Memorandums of Understanding (MOU). Those programs may create committees through the MOU to act for and on behalf of such programs. Any committee so created, except as otherwise provided in any applicable MOU, shall be established and act in accordance with the provisions of Article 12 and these Bylaws.

**3. Appointment of Members**

By adoption of these Bylaws, the Board of Directors delegates to the Executive Committee the appointment of the members of the Claims Review, Underwriting, Property, Finance, Medical Malpractice, Loss Prevention and Employee Benefits Committees, such appointment to be in accordance with the provisions as set forth in Article 12 of the Agreement.

**4. Committee Meetings**

Committees shall meet at regularly scheduled times and places or upon the call of their chairs. Written notice of regular meetings shall be in accordance with the provisions of Article III. (1) (c). Special meetings shall be called and noticed in accordance with the provisions of Article III. (2).

A majority of the members of the respective committees shall constitute a quorum for the transaction of business. All actions of the committees shall require the affirmative votes of a majority of the members at a meeting duly held at which a quorum is present.

## **ARTICLE VII. DELEGATION OF AUTHORITY**

### **1. Adoption of Resolutions**

As provided in Article 8 of the Agreement, the Board of Directors may adopt such resolutions as are deemed necessary in the exercise of its power and duties, including the delegation of certain powers and duties to the Executive Committee. Any resolutions so adopted by the Board are by this reference incorporated herein as though fully set forth.

### **2. Adoption of other Policies and Procedures**

As also provided in Article 8 of the Agreement, the Board of Directors is vested with authority to exercise all powers and conduct all business of the Authority. In furtherance of that authority, the Board of Directors and the Executive Committee shall develop and implement such policies and procedures, not otherwise prohibited by the Agreement or law, as they from time to time deem necessary to aid and assist in the conduct of the business of the Authority. Any such policies and procedures as adopted are by this reference incorporated herein as though fully set forth.

## **ARTICLE VIII. MISCELLANEOUS**

### **1. Execution of Contracts**

The Board of Directors or the Executive Committee may authorize any officer, staff member, or agent of the Authority to execute any contract in the name of and on behalf of the Authority, and such authorization may be general or specific in nature. The Chief Executive Officer, or his or her designee, may enter into such contracts and authorize such payments as are approved in the Authority's budget, renew any existing contract or authorize any payment which does not exceed \$10,000.00. Except as otherwise provided, no officer, staff member or agency shall have any power to bind the Authority by contract.

### **2. Authorization of Payments**

All invoices, billings, and claims of members for payment of losses under an excess insurance program shall be approved and signed by the following before payment by the Treasurer:

- (a) President of the Board or,
- (b) The Vice President of the Board or,
- (c) The Chief Executive Officer or his or her designee.

### **3. Rules of Procedure for Meetings**

All meetings of the Board of Directors, Executive Committee, and other committees or bodies of the Authority shall be conducted in accordance with Robert's Rules of Order,

provided that in the event of a conflict, such rules shall be superseded by the Agreement, these Bylaws, and California law.

#### **ARTICLE IX. FISCAL YEAR**

1. The fiscal year of the Authority shall be from July 1 to June 30.

#### **ARTICLE X. ADMINISTRATION AND NOTICE OF CLAIMS**

##### **1. Administration of Claims**

(a) In accordance with Article 18 of the Agreement, each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss covered by an insurance program of the Authority of which the member is a participant.

(b) The Authority may develop standards for the administration of claims for designated insurance programs of the Authority. Any standards for the administration of claims which have been developed for any designated program, or which otherwise may be developed, are by this reference incorporated herein as though fully set forth.

##### **2. Notice of Claims**

If a member is a participant in the Workers' Compensation, Liability I and/or Liability II programs of the Authority, the member shall give the Authority timely written notice in accordance with the adopted reporting requirements established for each such program. Such reporting requirements, as adopted or as amended, are by this reference incorporated herein as though fully set forth.

#### **ARTICLE XI. CLAIMS SETTLEMENT AUTHORITY**

In accordance with Article 8 paragraph (j) of the Agreement, by adoption of these Bylaws, the following claims settlement authority is established.

(a) The Board of Directors hereby delegates to the Executive Committee full settlement authority for the full limits of coverage for any claim involving coverage under any established program of the Authority.

(b) The first \$5,000,000 of settlement authority involving liability under the Workers' Compensation and Excess Liability Programs, and full settlement authority for liability under the Property Insurance Program, is hereby delegated to the Claims Review Committee.

(c) The Executive Committee hereby delegates all of its settlement authority up to the full limit of coverage for liability involving coverage under the Medical Malpractice Program to the Medical Malpractice Committee.

## **ARTICLE XII. TREASURER AND AUDITOR**

### **1. Treasurer**

The duties of the Treasurer are set forth in Article 16 of the Agreement. Pursuant to Government Code Section 6505.6 and in accordance with Article 13(a)(2) of the Agreement, the Board appoints the Chief Executive Officer to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

### **2. Auditor**

The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.6 and in accordance with Article 13(a)(3) of the Agreement, the Board appoints the Chief Financial Officer to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

## **ARTICLE XIII. PUBLIC ENTITY BOARD MEMBERS**

### **1. Election**

In accordance with Article 7(b-c), the Public Entity members shall elect seven (7) voting directors and three (3) alternate directors to the Board of Directors. The election shall be conducted by mail in ballot under the direction of the Executive Committee. The Executive Committee shall adopt rules and procedures for the conduct of the elections, which shall include, but not be limited to, a nominating committee which shall be responsible for determining a slate of candidates. Election of Board members shall be by a majority vote of those responding. In order for the election to be valid, a response rate of at least one-third of the public entity membership is required. Should there be a tie vote for the election of any Board member, the winner will be determined in accordance with the adopted rules and procedures for the conduct of elections. Unless otherwise approved by the Executive Committee, the names of nominated candidates shall be mailed to all members no later than August 1<sup>st</sup> of each year. Ballots shall be returned no later than September 1<sup>st</sup>. Elected Board members shall take office on October 1<sup>st</sup>.

### **2. Composition and Terms**

The ten directors shall be those that receive the highest votes from the participating public entity members, with the top seven highest vote totals designated as the director members and the remaining three with the highest vote totals designated as alternate directors. Three of the director seats shall consist of one from a city member, one from a schools member, one from a special district member and the remaining four seats

shall be elected at large. The terms of the seven director positions shall be staggered such that approximately half of the directors' terms will expire each year. Terms of office for the directors shall generally be two-year terms, provided however, that some one-year terms will be established initially and may be established from time to time in order to establish and maintain the appropriate stagger. Alternate members will be elected for one year terms and will be permitted to vote only if the required number of director members are absent. Should the number of alternate votes authorized due to director absences be less than the number of alternate members at any meeting, the alternates shall decide which alternate members shall be entitled to vote, and if they cannot agree, the President of the Board will determine which of the alternate directors may vote in a director's absence. Alternate directors who attend Board meetings will be entitled to expense reimbursement as if they were a director regardless of whether or not they are in a voting capacity.

#### ARTICLE XIV. AMENDMENTS

These Bylaws may be amended at any time by a majority vote of the Board of Directors. Following adoption of amendments, the Chief Executive Officer shall prepare and distribute a revision of the Bylaws to all members.

#### CERTIFICATE OF CHIEF EXECUTIVE OFFICER

I, the undersigned, certify that I am presently the Chief Executive Officer of the CSAC Excess Insurance Authority and that the above Bylaws, consisting of eleven pages, are amended Bylaws of the Authority, as adopted at a meeting of the Board of Directors held on March 5, 2010.

Date: March 5, 2010  
Executed at Folsom, California

  
MICHAEL FLEMING  
CHIEF EXECUTIVE OFFICER

CSAC EXCESS INSURANCE AUTHORITY

EXECUTIVE COMMITTEE

MEETING SUMMARY

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CSAC Excess Insurance Authority  
75 Iron Point Circle, Suite 200  
Folsom, California 95630  
916-850-7300

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Thursday, December 11, 2015  
9:30 a.m.  
Eleventh Meeting – 2015

**Members Present**

Barbara Lubben, Alameda County  
Teri Enos-Guerrero, City of Chula Vista  
Scott Schimke, Glenn County  
James Brown, Merced County  
Kerry John Whitney, Napa County  
Kim Greer, City of Richmond  
Jim Sessions, Riverside County  
Ken Hernandez, San Bernardino County  
Lance Sposito, Santa Clara County  
Peter W. Huebner, Sierra County

**Members Absent**

Roberta Allen, Plumas County

**Critical Incident Services**

The Executive Committee unanimously approved contracting with Mainstream Unlimited for ***pre and post critical incident services***. Based on Committee member discussion, staff was directed to move forward with the ***service offering as soon as possible***.

Pre-incident services will ***include regional training programs and webinars*** over the course of the next few months on topics such as: critical incident management, communications and media management. Staff is currently working with Mainstream on suggested best practices, policies and procedures to support the training. Regional training sessions and webinars ***will be free of charge to all members***. Any member-specific, pre-incident training will be paid for by the member at the discounted rates offered to EIA Members. Members may access their available subsidy balances to assist in covering those costs.

***Post-incident services*** include situation assessment and media consulting services, which will be provided to members upon approval by the EIA and ***paid for by the EIA, up to \$50,000 per incident***. Any costs above that would be paid for by the member.

**Program Matters**

- Updates were provided on recent renewal meetings with underwriters, discussions of the WC and Liability Trend Identification Groups, and renewal data collection.

- The results of the 2014/15 EWC Payroll audit were reviewed.
- An update was provided on the receipt of the Medical Malpractice Program Extended Participation Agreements from the members, committing them to remain in the Program through 10/1/17.
- The City of Calxico was approved for participation in the EIA.

### **Governance Matters**

Kim Greer was appointed to fill the vacancy on the Executive Committee when Teri Enos-Guerrero retires at the end of 2015. Teri's retirement will also create a vacancy on the Board. Therefore, Kim Greer was moved to the City designated position, Charlie Mitchell was moved from an Alternate to an At Large position, and David Nelson was appointed to fill the Alternate position, effective 1/1/16.

Each Executive Committee member serves as a mentor for board members. The Executive Committee approved their mentor assignments for 2016.

### **Other Items**

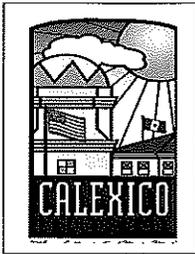
- A new Underwriting Clerical Assistant position was approved as of 1/1/16.
- An update was provided regarding the Systema data incident from earlier this fall.

### **Next Meeting**

The next regularly scheduled meeting will be on ***Thursday, January 7, 2016***, at ***10:30 a.m.***, at the ***EIA office in Folsom***.

**AGENDA  
ITEM**

**3**



# AGENDA STAFF REPORT

**DATE:** December 23, 2015

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Acting City Manager 

**PREPARED BY:** Nick Fenley, Acting City Manager

**SUBJECT:** Authorize the Acting City Manager to Sign Memorandum of Understanding for Excess Workers' Compensation Program, General Liability Program and Property Program between CSAC Excess Insurance Authority and the City of Calexico.

=====

**Recommendation:**

Authorize the Acting City Manager to Sign Memorandum of Understanding for Excess Workers' Compensation Program, General Liability Program and Property Program between CSAC Excess Insurance Authority and the City of Calexico.

**Background:**

On December 11, 2015, CSAC Excess Insurance Authority (EIA) Executive Committee approved the City of Calexico participation in CSAC EIA effective January 1, 2016.

**Discussion & Analysis:**

City staff is recommended that the City Council of the City of Calexico authorize the Acting City Manager to sign Memorandum of Understanding for Excess Workers' Compensation Program, General Liability Program and Property Program between CSAC Excess Insurance Authority (EIA) and the City of Calexico.

**Fiscal Impact:**

None.

**Coordinated With:**

Alliant Insurance Services, Inc.

<p><b>AGENDA ITEM</b></p> <p><b>3</b></p>
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**Attachment(s):**

1. Attachment A – Memorandum of Understanding Excess Workers' Compensation Program between CSAC Excess Insurance Authority and City of Calexico.
2. Attachment B – Memorandum of Understanding General Liability Program between CSAC Excess Insurance Authority and City of Calexico.
3. Attachment C – Memorandum of Understanding Property Program between CSAC Excess Insurance Authority and City of Calexico.

**ATTACHMENT A**



Adopted: March 5, 1993  
Amended: October 4, 1996  
Amended: October 6, 2006  
Amended: March 6, 2009

## MEMORANDUM OF UNDERSTANDING EXCESS WORKERS' COMPENSATION PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

- 1. Joint Powers Agreement.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
- 2. Annual Premium.** The participating members, in accordance with the provisions of Article 14(b)(2) of the Agreement, shall be assessed an annual premium for the purpose of funding the Excess Workers' Compensation Program (hereinafter referred to as the "Program"). Annual premiums shall include expected losses for the policy period, including incurred but not reported losses (IBNR), as well as a margin for contingencies based upon a confidence level as determined by the Board of Directors of the Authority (hereinafter Board), and adjustments, if any, for a surplus or deficit from all program policy periods. In addition, the premium shall include program reinsurance costs and program administrative costs, plus the Authority's general expense allocated to the Program by the Board for the next policy period.
- 3. Cost Allocation.** Each participating member's share of annual premium shall be determined pursuant to a cost allocation plan as described in Article 14(b)(2) of the Agreement. The Board approved cost allocation plan is attached hereto as Exhibit A and may be amended from time to time by an affirmative vote of the majority of the Board representing the members participating in the Program.
- 4. Dividends and Assessments.** The Program shall be funded in accordance with paragraph 2 above. In general, the annual premium, as determined by the Board, will be established at a level which will provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. However, should the Program for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating members may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the provisions of Article 14(b)(3) of the Agreement. Pro-

rata dividends will be declared as provided herein. Dividends may also be declared as deemed appropriate by the Board.

5. **Closure of Policy Periods.** Notwithstanding any other provision of this Memorandum, the following provisions are applicable:

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods except as set forth in paragraph 6(a), below;
- (b) Notwithstanding sub-paragraph (a) above, the Board may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the Board takes specific action to declare any of the last ten (10) policy periods closed.
- (c) Dividends and assessments (other than as outlined in paragraph 6(a), below) shall be administered to the participating members based upon the proportion of premiums paid to the Program in "open" periods only. For purposes of administering dividends and assessments pursuant to this sub-paragraph, all "open" policy periods shall be considered as one block. New members to the Program shall become eligible for dividends and assessments upon participating in the Program for three consecutive policy periods (not less than 24 months). Participating members who withdraw from the Program prior to the three year policy period restriction are still eligible for any assessments that arose out of the policy years they participated in the Program.

6. **Declaration of Dividends.** Dividends shall be payable from the Program to a participating member in accordance with its proportionate funding to the Program during all "open" policy periods except as follows:

- (a) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to Article 14(b)(3) of the Agreement where the funding exceeds the 80% confidence level. This dividend shall be distributed based upon each member's proportionate share of assessment paid and accrued to the policy period being closed.

7. **Memorandum of Coverage.** A Memorandum of Coverage will be issued by the Authority evidencing membership in the Program and setting forth terms and conditions of coverage.
8. **Claims Administration.** Each participating member is required to comply with the Authority's Underwriting and Claims Administration Standards (including Addendum A - W.C. Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit B and incorporated herein.
9. **Late Payments.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.
10. **Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.
11. **Amendment.** This Memorandum may be amended by two-thirds of the CSAC Excess Insurance Authority's Board of Directors and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Board, the member will be deemed to have withdrawn as of the end of the policy period.
12. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.
13. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
14. **Effective Date.** This Memorandum shall become effective on the effective date of coverage for the member and upon approval by the Board of any amendment, whichever is later.
15. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date set forth below.

Dated: 3/6/2009

  
\_\_\_\_\_  
CSAC Excess Insurance Authority

Dated: \_\_\_\_\_

\_\_\_\_\_  
Member Entity: \_\_\_\_\_



## EXHIBIT A

### EXCESS WORKERS' COMPENSATION PROGRAM COST ALLOCATION PLAN

As delegated by the Board of Directors, the Executive Committee will determine the specific allocation of all costs among the members subject to the following parameters:

#### **Actuarial Analysis**

An annual actuarial analysis will be performed using loss data and payroll collected from the members. The analysis will determine the necessary funding rates at various confidence levels and using various discount assumptions. Different rates may be developed for different groups or classes of business as is deemed necessary or appropriate by the Executive Committee. At the March Board meeting, the Board of Directors will select the funding level rates and discount factors to be used based upon the actuarial analysis and recommendations from the actuary, the Underwriting Committee and the Executive Committee.

#### **Pool Contributions**

The total needed deposit pool contribution will be determined by multiplying the rates described above by the payroll for all of the members participating in the pool. Estimated payroll for the year being funded will be used. The Executive Committee may break the pool into different layers for allocation purposes, and may apply a different loss experience modification for each layer as is deemed appropriate based on loss frequency. In general, the lower layers will be subject to greater experience modification and the higher layers will be subject to lower experience modification or no experience modification. Within the layers, the larger members will be subject to greater experience modification than the smaller members. After the experience modification has been applied for each layer, there will be a pro-rata adjustment back to the total needed deposit pool contribution. This amount will be collected from the members at the beginning of the policy period. The actual payroll for the period will be determined after the completion of the policy period and an adjustment to each member's pool contribution will be made to account for the difference between the estimated and actual payroll. Additional contributions will be collected or return contributions will be refunded as appropriate.

#### **Reinsurance Premiums**

The reinsurance premium will be determined through negotiations with the reinsurer(s) and approved by the Board upon recommendation of the

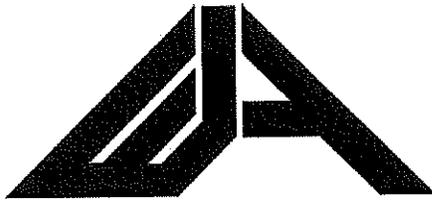
Underwriting and Executive Committees. This premium will then be allocated among the members based upon their estimated payroll. Adjustments will be made based on the actual payroll upon completion of the policy period in the same manner as described in the Pool Contribution section above.

### **EIA Administration Fees**

The total EIA Administration Fees will be determined through the annual budgeting process with an appropriate amount allocated to the Excess Workers' Compensation Program. These fees will be allocated among the members as determined by the Executive Committee. In general, the basis for this allocation will be each member's percentage of the total pool contributions and reinsurance premium.

### **Deviation From the Standard**

The Executive Committee may establish policies to deviate from the standard allocation methodology selected for each year on a case-by-case basis, if necessary. They may also elect to further delegate some or all of the decision-making authority described herein to the Underwriting Committee.



## Exhibit B

Adopted: December 6, 1985  
Amended: January 23, 1987  
Amended: October 6, 1995  
Amended: October 1, 1999  
Amended: October 3, 2003  
Amended: October 1, 2004  
Amended: March 6, 2009

### CSAC EXCESS INSURANCE AUTHORITY UNDERWRITING AND CLAIMS ADMINISTRATION STANDARDS

#### I. GENERAL

- A. Each Member shall appoint an official or employee of the Member to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.

#### II. EXCESS WORKERS' COMPENSATION PROGRAM

- A. Members of the Excess Workers' Compensation Program, except those members of the Primary Workers' Compensation Program whose responsibilities are outlined in Section IV below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
  - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.
  - 2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Members are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
  - 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Workers'

Compensation Claims Administration Guidelines (Addendum A) or as requested by the Authority and/or the Authority's excess carrier.

C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every two (2) years. In addition, an audit will be performed within twelve (12) months of any of the following events:

1. There is an unusual fluctuation in the Member's claim experience or number of large claims, or
2. There is a change of workers' compensation claims administration firms, or
3. The Member is a new member of the Excess Workers' Compensation Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

D. Each Member shall maintain records of claims in each category of coverage (i.e. indemnity, medical, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors, Claims Review Committee, Underwriting Committee, or Executive Committee. Such records shall include both open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.

E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

### **III. GENERAL LIABILITY PROGRAMS**

A. Members of the General Liability I or General Liability II Programs, except those members of the Primary General Liability Program whose responsibilities are outlined in Section V below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.

1. The Member shall use only qualified personnel to administer its liability claims.

2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Members are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
  3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines are utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Liability Claims Administration Guidelines (Addendum B) or as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
  2. There is a change of liability claims administration firms, or
  3. The Member is a new member of the General Liability I or General Liability II Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

#### **IV. PRIMARY WORKERS' COMPENSATION PROGRAM**

- A. Members of the Primary Workers' Compensation Program shall provide the third party administrator written notice of any claim in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary Workers' Compensation Program and that claims are administered in accordance with the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

#### **V. PRIMARY GENERAL LIABILITY PROGRAM**

- A. Members of the Primary General Liability Program shall provide the third party administrator written notice of any claim or incident in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary General Liability Program and that claims are administered in accordance with the Authority's Liability Claims Administration Guidelines (Addendum B).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

#### **VI. PROPERTY PROGRAM**

- A. Members of the Property Program shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.

- B. Each Member shall perform a real property replacement valuation for all locations over \$250,000. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five (5) years. New members shall have an appraisal or valuation performed within one year from entry into the Program.

## VII. MEDICAL MALPRACTICE PROGRAM

### A. Program I

1. Members of Medical Malpractice Program I (hereinafter Program I) shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
  - a. Members of Program I shall use only qualified personnel to administer its health facility claims.
  - b. Qualified defense counsel experienced in health facility law shall handle litigated claims.
  - c. Members of Program I shall use the "Claims Reporting and Handling Guidelines" in the CSAC Excess Insurance Authority Medical Malpractice Program Operating and Guidelines Manual (hereinafter Operating and Guidelines Manual), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
2. Members of Program I shall provide the Authority written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the Operating and Guidelines Manual. Updates on such claims or major incidents shall be provided as requested by the Authority.
3. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
  - a. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
  - b. There is a change of health facility claims administration firms, or
  - c. The Member is a new member of the Medical Malpractice Program, or

d. The Medical Malpractice Committee requests an audit. The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

4. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
5. Members of Program I shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

B. Program II

1. For Medical Malpractice Program II (hereinafter Program II) Members, the Authority shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member. The Authority may contract with a third party administrator for handling of such claims.
2. The Authority shall be responsible for ensuring the third party administrator uses qualified personnel to administer Program II claims.
3. The Authority shall be responsible for ensuring qualified defense counsel experienced in health facility law shall handle litigated claims.
4. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every two (2) years.

The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be

addressed by the third party administrator and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

5. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

#### **VIII. SANCTIONS**

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive or applicable Program Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive or applicable Program Committee. Further requests for extensions shall be referred to the Board of Directors.
- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority Program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any Member may be canceled pursuant to the provision of the Joint Powers Agreement.



Adopted: December 6, 1985  
Amended: March 4, 1988  
Amended: October 7, 1988  
Amended: October 6, 1995  
Amended: October 1, 1999  
Amended: June 6, 2003  
Amended: March 2, 2007  
Amended: July 1, 2009

## **ADDENDUM A WORKERS' COMPENSATION CLAIMS ADMINISTRATION GUIDELINES**

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter The Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement. It is the intent of these Guidelines to comply with all applicable Labor Code and California Code of Regulations Sections. In the event that there exists a conflict between the Guidelines, the Labor Code or the Code of Regulations, the most stringent requirement shall apply.

### **I. CLAIM HANDLING - ADMINISTRATIVE**

#### **A. Case Load**

1. On or after July 1, 2007, the claims examiner assigned to the Member shall handle a targeted caseload of 150 but not to exceed 175 indemnity claims. This caseload shall include future medical cases with every 2 future medical cases counted as 1 indemnity case.
2. Supervisory personnel should not handle a caseload, although they may handle specific issues.

#### **B. Case Review and Documentation**

1. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file at intervals not to exceed 45 calendar days. Future medical files should be reviewed at intervals not to exceed 90 calendar days. The supervisor shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. Future medical files shall be reviewed by the supervisor at intervals not to exceed 180 calendar days. An accomplishment level of 95% shall be considered acceptable.

2. File contents shall comply with Code of Regulations Sections 10101, 10101.1 and 15400, and be kept in a neat and orderly fashion. An accomplishment level of 95% shall be considered acceptable.
3. All medical-only cases shall be reviewed for potential closure or transfer to an indemnity examiner within 90 calendar days following claim file creation. An accomplishment level of 95% shall be considered acceptable.

C. Communication

1. Telephone Inquiries

Return calls shall be made within 1 working day of the original telephone inquiry. All documentation shall reflect these efforts. An accomplishment level of 95% shall be considered acceptable.

2. Incoming Correspondence

All correspondence received shall be clearly stamped with the date of receipt. An accomplishment level of 95% shall be considered acceptable.

3. Return Correspondence

All correspondence requiring a written response shall have such response completed and transmitted within 5 working days of receipt. An accomplishment level of 95% shall be considered acceptable.

D. Fiscal Handling

1. Fiscal handling for indemnity benefits on active cases shall be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid appropriately. Balancing is defined as, "an accounting of the periods and amounts due in comparison with what was actually paid". An accomplishment level of 95% shall be considered acceptable.
2. In cases of multiple losses with the same person, payments shall be made on the appropriate claim file.

## II. CLAIM CREATION

### A. Three Point Contact

Three point contact shall be conducted with the injured worker, employer representative and treating physician within 3 working days of receipt of the claim by the third party administrator or self administered entity. If a nurse case manager is assigned to the claim, initial physician contact may be conducted by either the claims examiner or the nurse case manager. In the event a party is non-responsive, there should be evidence of at least three documented attempts to reach the individual. Medical-only claims shall have this three point contact requirement as well. An accomplishment level of 95% shall be considered acceptable.

### B. Compensability

1. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination shall be made and documented in the file within 14 calendar days of the filing of the claim with the employer. In the event the claim is not received by the third party administrator or self administered entity within 14 calendar days of the filing of the claim with the employer, the third party administrator or self administered entity shall make the initial compensability determination within 7 calendar days of receipt of the claim. An accomplishment level of 100% shall be considered acceptable.
2. Delay of benefit letters shall be mailed in compliance with the Division of Workers' Compensation (DWC) guidelines. In the event the employer does not provide notice of lost time to the third party administrator or self administered entity timely to comply with DWC guidelines, the third party administrator or self administered entity shall mail the benefit letters within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
3. The final compensability determination shall be made by the claims examiner or supervisor within 90 calendar days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

C. Reserves

1. Using the information available at claim file set up, an initial reserve shall be established at the most probable case value. An accomplishment level of 95% shall be considered acceptable.
2. The initial reserve shall be electronically posted to the claim within 14 calendar days of receipt of the claim. An accomplishment level of 95% shall be considered acceptable.

**III. CLAIM HANDLING – TECHNICAL**

A. Payments

1. Initial Temporary and Permanent Disability Indemnity Payment
  - a. The initial indemnity payment shall be issued to the injured worker within 14 calendar days of knowledge of the injury and disability. In the event the third party administrator or self administered entity is not notified of the injury and disability within 14 calendar days of the employer's knowledge, the third party administrator or self administered entity shall make payment within 7 calendar days of notification. Initial permanent disability payments shall be issued within 14 calendar days after the date of last payment of temporary disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
  - b. The properly completed DWC Benefit Notice shall be mailed to the employee within 14 calendar days of the first day of disability. In the event the third party administrator or self administered entity is not notified of the first day of disability until after 14 calendar days, the DWC Benefit Notice shall be mailed within 7 calendar days of notification. An accomplishment level of 100% shall be considered acceptable.
  - c. Self imposed penalty shall be paid on late payments in accordance with Section III. A. 7 of this document. An accomplishment level of 100% shall be considered acceptable.
  - d. Overpayments shall be identified and reimbursed timely where appropriate. The third party administrator or self administered entity shall request reimbursement of overpaid

funds from the party that received the funds. If necessary, a credit shall be sought as part of any resolution of the claim. An accomplishment level of 95% shall be considered acceptable.

2. Subsequent Temporary and Permanent Disability Payments

- a. Eligibility for indemnity payments subsequent to the first payment shall be verified, except for established long-term disability. An accomplishment level of 100% shall be considered acceptable.
- b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.

3. Final Temporary and Permanent Disability Payments

- a. All final indemnity payments shall be issued timely and the appropriate DWC benefit notices sent. An accomplishment level of 100% shall be considered acceptable.
- b. Self imposed penalty shall be paid on late payments in accordance with Section III.A.7 of this document. An accomplishment level of 100% shall be considered acceptable.

4. Award Payments

- a. Payments on undisputed Awards, Commutations, or Compromise and Releases shall be issued within 10 calendar days following receipt of the appropriate document. An accomplishment level of 95% shall be considered acceptable.
- b. For all excess reportable claims, copies of all Awards shall be provided to the Authority at time of payment. An accomplishment level of 95% shall be considered acceptable.

5. Medical Payments

- a. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) shall be reviewed for correctness,

approved for payment and paid within 60 working days of receipt. An accomplishment level of 100% shall be considered acceptable.

- b. The medical provider must be notified in writing within 30 working days of receipt of an itemized bill if a medical bill is contested, denied or incomplete. An accomplishment level of 100% shall be considered acceptable.
- c. A bill review process should be utilized whenever possible. There should be participation in a PPO and/or MPN whenever possible.

6. Injured Worker Reimbursement Expense

- a. Reimbursements to injured workers shall be issued within 15 working days of the receipt of the claim for reimbursement. An accomplishment level of 95% shall be considered acceptable.
- b. Advance travel expense payments shall be issued to the injured worker 10 working days prior to the anticipated date of travel. An accomplishment level of 95% shall be considered acceptable.

7. Penalties

- a. Penalties shall be coded so as to be identified as a penalty payment. An accomplishment level of 100% shall be considered acceptable
- b. If the Member utilizes a third party administrator, the Member shall be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrator's plans for payment of such penalty, on a monthly basis. An accomplishment level of 95% shall be considered acceptable.
- c. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

B. Medical Treatment

1. Each Member shall have in place a Utilization Review process. An accomplishment level of 100% shall be considered acceptable.
2. Disputes regarding spine surgery shall be resolved using the process set forth in Labor Code Section 4062(b). An accomplishment level of 100% shall be considered acceptable.
3. Nurse case managers shall be utilized where appropriate. An accomplishment level of 95% shall be considered acceptable.
4. If enrolled in a Medical Provider Network, the network shall be utilized whenever appropriate.

C. Apportionment

1. Investigation into the existence of apportionment shall be documented. An accomplishment level of 100% shall be considered acceptable.
2. If potential apportionment is identified, all efforts to reduce exposure shall be pursued. An accomplishment level of 100% shall be considered acceptable.

D. Disability Management

1. The third party administrator or self administered entity shall work proactively to obtain work restrictions and/or a release to full duty on all cases. The TPA or self-administered entity shall notify a designated Member representative immediately upon receipt of temporary work restrictions or a release to full duty, and work closely with the Member to establish a return to work as soon as possible. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall notify a designated Member representative immediately upon receipt of an employee's permanent work restrictions so that the Member can determine the availability of alternative, modified or regular work. An accomplishment level of 100% shall be considered acceptable.
3. If there is no response within 20 calendar days, the third party administrator or self administered entity shall follow up with the

designated Member representative. An accomplishment level of 100% shall be considered acceptable.

4. Members shall have in place a process for complying with laws preventing disability discrimination, including Government Code Section 12926.1 which requires an interactive process with the injured worker when addressing a return to work with permanent work restrictions.
5. Third party administrators or self administered claims professional shall cooperate with members to the fullest extent, in providing medical and other information the member deems necessary for the member to meet its obligations under federal and state disability laws.

E. Vocational Rehabilitation/Supplemental Job Displacement Benefits

1. Vocational Rehabilitation – Dates of injury prior to 1/1/04: Benefits pursuant to Labor Code Section 139.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
2. Supplemental Job Displacement Benefits – Dates of injury 1/1/04 and after: Benefits pursuant to Labor Code Section 4658.5 shall be timely provided. An accomplishment level of 100% shall be considered acceptable.
3. The third party administrator or self administered entity shall secure the prompt conclusion of vocational rehabilitation/SJDB and settle where appropriate. An accomplishment level of 95% shall be considered acceptable.

F. Reserving

1. Reserves shall be reviewed at regular diary and at time of any significant event, e.g., surgery, P&S/MMI, return to work, etc., and adjusted accordingly. This review shall be documented in the file regardless of whether a reserve change was made. An accomplishment level of 95% shall be considered acceptable.
2. Indemnity reserves shall reflect actual temporary disability indemnity exposure with 4850 differential listed separately. An accomplishment level of 100% shall be considered acceptable.

3. Permanent disability indemnity exposure shall include life pension reserve if appropriate. An accomplishment level of 100% shall be considered acceptable.
4. Future medical claims shall be reserved in compliance with SIP regulation 15300 allowing adjustment for reductions in the approved medical fee schedule, undisputed utilization review, medically documented non-recurring treatment costs and medically documented reductions in life expectancy. An accomplishment level of 100% shall be considered acceptable.

G. Resolution of Claim

1. Within 10 working days of receiving medical information indicating that a claim can be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.
2. Settlement value shall be documented appropriately utilizing all relevant information. An accomplishment level of 95% shall be considered acceptable.

H. Settlement Authority

1. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority. An accomplishment level of 100% shall be considered acceptable.
2. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator. An accomplishment level of 100% shall be considered acceptable.

#### IV. LITIGATED CASES

The third party administrator or self administered entity shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

A. Defense of Litigated Claims

1. The third party administrator or self administered entity shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations. An accomplishment level of 95% shall be considered acceptable.
2. The third party administrator or self administered entity shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: If a Member is a County, to comply with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the governing board.) An accomplishment level of 95% shall be considered acceptable.
3. Settlement proposals directed to the Member shall be forwarded by the third party administrator, self administered entity or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal. An accomplishment level of 95% shall be considered acceptable.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense. An accomplishment level of 95% shall be considered acceptable.
5. The third party administrator or self administered entity shall comply with any reporting requirement of the Member. An accomplishment level of 95% shall be considered acceptable.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, attempts to obtain information regarding the identity of the responsible party shall be made within 14 calendar days of recognition of subrogation potential. Once identified, the third party shall be contacted within 14 calendar days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the governing board

(or State Board of Control as to State entities) within 6 months of the injury or notice of the injury. An accomplishment level of 95% shall be considered acceptable.

2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member shall be entitled. An accomplishment level of 95% shall be considered acceptable.
3. The file shall be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations. An accomplishment level of 95% shall be considered acceptable.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action. An accomplishment level of 95% shall be considered acceptable.
5. Whenever practical, the claims administrator shall aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured worker's net recovery for future benefit payments. An accomplishment level of 95% shall be considered acceptable.

## **V. EXCESS COVERAGE**

- A. Claims meeting the definition of reportable excess workers' compensation claims as defined by the Memorandum of Coverage Conditions Section shall be reported to the Authority within 5 working days of the day on which it is known the criterion is met. Utilize the Excess Workers' Compensation First Report Form available through the EIA website. An accomplishment level of 100% shall be considered acceptable.
- B. Subsequent reports shall be transmitted to the Authority on a quarterly basis on indemnity claims and on a semi-annual basis on future medical claims sooner if claim activity warrants, or at such other intervals as requested by the Authority, in accordance with Underwriting and Claims Administration Standards. Utilize the Excess Workers' Compensation Status Report Form available through the EIA website, or a comparable form to be approved by the Authority. An accomplishment level of 95% shall be considered acceptable.

- C. Reimbursement requests should be submitted in accordance with the Authority's reporting and reimbursement procedures on a quarterly or semi-annual basis depending on claims payment activity. Utilize the Excess Workers' Compensation Claim Reporting and Reimbursement Procedures available through the EIA website. An accomplishment level of 95% shall be considered acceptable.
  
- D. A closing report with a copy of any settlement documents not previously sent shall be sent to the Authority. An accomplishment level of 95% shall be considered acceptable.

# **ATTACHMENT B**



Adopted: March 5, 1993  
Amended: October 2, 1998  
Amended: October 6, 2006  
Amended: March 6, 2009

## MEMORANDUM OF UNDERSTANDING EXCESS LIABILITY PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

- 1. JOINT POWERS AGREEMENT.** Except as otherwise provided, all terms used herein shall be as defined in Article 1 of Joint Powers Agreement Creating the Excess Insurance Authority (hereinafter referred to as "Agreement"), provisions of any applicable coverage agreement and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
- 2. ANNUAL PREMIUM.** The participating members, in accordance with the provisions of Article 14(b)(2) of the Agreement, shall be assessed an annual premium for the purpose of funding the Program. Annual premiums shall include the participating member's share of expected losses for the policy period, including incurred but not reported losses (IBNR), as well as margin for contingencies based upon a confidence level as determined by the Board of Directors of the Authority (hereinafter Board), and adjustments, if any, for a surplus or deficit from all program policy periods. In addition, the premium shall include program reinsurance costs and program administrative costs, plus the Authority's general expense allocated to the Program by the Board for the next policy period.
- 3. COST ALLOCATION.** Each participating member's share of annual premium shall be determined pursuant to a cost allocation plan as described in Article 14(b)(2) of the Agreement. The Board approved cost allocation plan is attached hereto as Exhibit A and may be amended from time to time by an affirmative vote of the majority of the Board representing the members participating in the Program.
- 4. DIVIDENDS AND ASSESSMENTS.** The Program shall be funded in accordance with paragraph 2 above. As a general rule, the annual premium, as determined by the Board, shall be established at a level which shall provide adequate overall funding without the need for adjustments to past policy period(s) in the form of dividends and assessments. Should the Program for any reason not be adequately funded, except as otherwise provided herein, pro-rata assessments to the participating members may be utilized to ensure the approved funding level for those policy periods individually or for a block of policy periods, in accordance with the provisions of Article 14(b)(3) of the Agreement. Pro-rata dividends shall be declared as provided herein. Dividends may also be declared as deemed appropriate by the Board.
- 5. CLOSURE OF POLICY PERIODS.** Notwithstanding any other provision of this Memorandum, the following provisions are applicable:

- (a) Upon reaching ten (10) years of maturity after the end of a program period, that period shall be "closed" and there shall be no further dividends declared or assessments made with respect to those program periods, except as set forth in paragraph 6(a), below;
- (b) Notwithstanding subparagraph (a) above, the Board may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last ten (10) policy periods shall always remain "open" unless the Board takes specific action to declare any of the last ten (10) policy periods closed.
- (c) Dividends and assessments, other than those set forth in paragraph 6(a) below, shall be administered to the participating members based upon the proportion of premiums paid to the Program in "open" periods only. For purposes of administering dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered as one block. New members to the Program shall become eligible for dividends and assessments upon participating in the Program for three consecutive policy periods (not less than 24 months). Participating members who withdraw from the Program prior to the three year policy period restriction are still eligible for any assessments that arose out of the policy years they participated in the Program.

6. **DECLARATION OF DIVIDENDS.** Dividends shall be payable from the Program to a participating member in accordance with its proportionate funding to the Program during all "open" policy periods except as follows:

- (a) A dividend shall be declared at the time a program period is closed on all amounts which represent premium surcharge amounts assessed pursuant to Article 14(b)(3) of the Agreement where the funding exceeds the 80% confidence level. This dividend shall be distributed based upon each member's proportionate share of assessment paid and accrued to the policy period being closed.

7. **MEMORANDUM OF COVERAGE.** A Memorandum of Coverage shall be issued by the Authority evidencing membership in the Program and setting forth terms and conditions of coverage.

8. **CLAIMS ADMINISTRATION.** Each participating member shall comply with the Authority's Underwriting and Claims Administration Standards (including Addendum B - Liability Claims Administration Guidelines) as amended from time to time, and which are attached hereto as Exhibit B and incorporated herein.

9. **LATE PAYMENTS.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive

Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

10. **RESOLUTIONS OF DISPUTES.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.

11. **AMENDMENT.** This Memorandum may be amended by a two-thirds vote of the Board and signature on the Memorandum by the member's designated representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Board, the member shall be deemed to have withdrawn as of the end of the policy period.

12. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

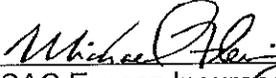
13. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable such determination shall not affect any remaining provision.

14. **EFFECTIVE DATE.** This Memorandum shall become effective on the effective date of coverage for the member and upon approval by the Board of any amendment, whichever is later.

15. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Hereof, the undersigned have executed this Memorandum as of the date set forth below:

Dated: 3/6/2009

  
\_\_\_\_\_  
CSAC Excess Insurance Authority

Dated: \_\_\_\_\_

\_\_\_\_\_  
Member Entity: \_\_\_\_\_



## EXHIBIT A

### EXCESS LIABILITY PROGRAM COST ALLOCATION PLAN

As delegated by the Board of Directors, the Executive Committee will determine the specific allocation of all costs among the members subject to the following parameters:

#### **Actuarial Analysis**

An annual actuarial analysis will be performed using loss and exposure data collected from the members. The analysis will determine the necessary funding rates at various confidence levels and using various discount assumptions. Different rates may be developed for different groups or classes of business as is deemed necessary or appropriate by the Executive Committee. At the March Board meeting, the Board of Directors will select the funding level rates and discount factors to be used based upon the actuarial analysis and recommendations from the actuary, the Underwriting Committee and the Executive Committee.

#### **Pool Contributions**

The total needed pool contribution will be determined by multiplying the rates described above by the exposure for all of the members participating in the pool. For schools, the exposure base will be the reported Average Daily Attendance (ADA). For all other members, the exposure base will be estimated payroll for the year being funded. The Executive Committee may break the pool into different layers for allocation purposes, and may apply a different loss experience modification for each layer as is deemed appropriate based on loss frequency. In general, the lower layers will be subject to greater experience modification and the higher layers will be subject to lower experience modification or no experience modification. Within the layers, the larger members will be subject to greater experience modification than the smaller members. After the experience modification has been applied for each layer, there will be a pro-rata adjustment back to the total needed pool contribution.

#### **Reinsurance Premiums**

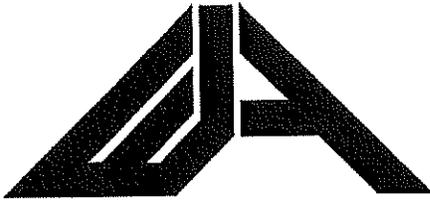
The reinsurance premium will be determined through negotiations with the reinsurer(s) and approved by the Board upon recommendation of the Underwriting and Executive Committees. This premium will then be allocated among the members based upon their exposure (ADA or estimated payroll).

### **EIA Administration Fees**

The total EIA Administration Fees will be determined through the annual budgeting process with an appropriate amount allocated to the Excess Liability Program. These fees will be allocated among the members as determined by the Executive Committee. In general, the basis for this allocation will be each member's percentage of the total pool contributions and reinsurance premium.

### **Deviation From the Standard**

The Executive Committee may establish policies to deviate from the standard allocation methodology selected for each year on a case-by-case basis, if necessary. They may also elect to further delegate some or all of the decision making herein to the Underwriting Committee.



## Exhibit B

Adopted: December 6, 1985  
Amended: January 23, 1987  
Amended: October 6, 1995  
Amended: October 1, 1999  
Amended: October 3, 2003  
Amended: October 1, 2004  
Amended: March 6, 2009

### **CSAC EXCESS INSURANCE AUTHORITY UNDERWRITING AND CLAIMS ADMINISTRATION STANDARDS**

#### **I. GENERAL**

- A. Each Member shall appoint an official or employee of the Member to be responsible for the risk management function and to serve as a liaison between the Member and the Authority for all matters relating to risk management.
- B. Each Member shall maintain a loss prevention program and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe conditions.

#### **II. EXCESS WORKERS' COMPENSATION PROGRAM**

- A. Members of the Excess Workers' Compensation Program, except those members of the Primary Workers' Compensation Program whose responsibilities are outlined in Section IV below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
  - 1. The Member shall use only qualified personnel to administer its workers' compensation claims. At least one person in the claims office (whether in-house or outside administrator) shall be certified by the State of California as a qualified administrator of self-insured workers' compensation plans.
  - 2. Qualified defense counsel experienced in workers' compensation law and practice shall handle litigated claims. Members are encouraged to utilize attorneys who have the designation "Certified Workers' Compensation Specialist, the State Bar of California, Board of Legal Specialization".
  - 3. The Member shall use the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) and shall advise its claims administrator that these guidelines are utilized in the Authority's workers' compensation claims audits.
- B. The Member shall provide the Authority written notice of any potential excess workers' compensation claims in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Workers'

Compensation Claims Administration Guidelines (Addendum A) or as requested by the Authority and/or the Authority's excess carrier.

- C. A claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) shall be performed once every two (2) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claim experience or number of large claims, or
  2. There is a change of workers' compensation claims administration firms, or
  3. The Member is a new member of the Excess Workers' Compensation Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. indemnity, medical, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors, Claims Review Committee, Underwriting Committee, or Executive Committee. Such records shall include both open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

### **III. GENERAL LIABILITY PROGRAMS**

- A. Members of the General Liability I or General Liability II Programs, except those members of the Primary General Liability Program whose responsibilities are outlined in Section V below, shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
1. The Member shall use only qualified personnel to administer its liability claims.

2. Qualified defense counsel experienced in tort liability law shall handle litigated claims. Members are encouraged to utilize defense counsel experienced in the subject at issue in the litigation.
  3. The Member shall use the Liability Claims Administration Guidelines (Addendum B) and shall advise its claims administrator that these guidelines are utilized in the Authority's liability claims audits.
- B. The Member shall provide the Authority written notice of any potential excess liability claim in accordance with the requirements of the Authority's Bylaws. Updates on such claims shall be provided pursuant to the reporting provisions of the Authority's Liability Claims Administration Guidelines (Addendum B) or as requested by the Authority and/or the Authority's excess carrier.
- C. A claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
1. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
  2. There is a change of liability claims administration firms, or
  3. The Member is a new member of the General Liability I or General Liability II Program.

The claims audit shall be performed by a firm selected by the Authority unless an exception is approved. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

- D. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
- E. The Member shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

#### **IV. PRIMARY WORKERS' COMPENSATION PROGRAM**

- A. Members of the Primary Workers' Compensation Program shall provide the third party administrator written notice of any claim in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary Workers' Compensation Program and that claims are administered in accordance with the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Workers' Compensation Claims Administration Guidelines (Addendum A) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

#### **V. PRIMARY GENERAL LIABILITY PROGRAM**

- A. Members of the Primary General Liability Program shall provide the third party administrator written notice of any claim or incident in accordance with the requirements of the Authority. Members must also cooperate with the third party administrator in providing all necessary information in order for claims to be administered appropriately.
- B. The Authority shall be responsible for ensuring qualified personnel administer claims in the Primary General Liability Program and that claims are administered in accordance with the Authority's Liability Claims Administration Guidelines (Addendum B).
- C. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Liability Claims Administration Guidelines (Addendum B) is performed once every two (2) years.
- D. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.

#### **VI. PROPERTY PROGRAM**

- A. Members of the Property Program shall maintain appropriate records including a complete list of insured locations and schedule of values pertaining to all real property. Such records shall be provided to the Authority or its brokers as requested by the Executive or Property Committees.

- B. Each Member shall perform a real property replacement valuation for all locations over \$250,000. Valuations shall be equivalent to the Marshall Swift system and shall be performed at least once every five (5) years. New members shall have an appraisal or valuation performed within one year from entry into the Program.

## VII. MEDICAL MALPRACTICE PROGRAM

### A. Program I

1. Members of Medical Malpractice Program I (hereinafter Program I) shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member.
  - a. Members of Program I shall use only qualified personnel to administer its health facility claims.
  - b. Qualified defense counsel experienced in health facility law shall handle litigated claims.
  - c. Members of Program I shall use the "Claims Reporting and Handling Guidelines" in the CSAC Excess Insurance Authority Medical Malpractice Program Operating and Guidelines Manual (hereinafter Operating and Guidelines Manual), and shall advise its claims administrator that these claims handling guidelines are utilized in the Authority's medical malpractice claims audits.
2. Members of Program I shall provide the Authority written notice of any potential excess claim or "major incident" in accordance with the requirements of the Authority and of the excess carrier as stated in the Operating and Guidelines Manual. Updates on such claims or major incidents shall be provided as requested by the Authority.
3. A claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every three (3) years. In addition, an audit will be performed within twelve (12) months of any of the following events:
  - a. There is an unusual fluctuation in the Member's claims experience or number of large claims, or
  - b. There is a change of health facility claims administration firms, or
  - c. The Member is a new member of the Medical Malpractice Program, or

- d. The Medical Malpractice Committee requests an audit. The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be addressed by the Member and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.
4. Each Member shall maintain records of claims in each category of coverage (i.e. bodily injury, property damage, expense) or as defined by the Authority and shall provide such records to the Authority as directed by the Board of Directors or applicable committee. Such records shall include open and closed claims, allocated expenses, and shall not be capped by the Member's self-insured retention.
5. Members of Program I shall obtain an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) at least once every three (3) years. Based upon the actuarial recommendations, the Member should maintain reserves and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

B. Program II

1. For Medical Malpractice Program II (hereinafter Program II) Members, the Authority shall be responsible for the investigation, settlement, defense and appeal of any claim made, suit brought or proceeding instituted against the Member. The Authority may contract with a third party administrator for handling of such claims.
2. The Authority shall be responsible for ensuring the third party administrator uses qualified personnel to administer Program II claims.
3. The Authority shall be responsible for ensuring qualified defense counsel experienced in health facility law shall handle litigated claims.
4. The Authority shall be responsible for ensuring a claims administration audit utilizing the Authority's Claims Reporting and Handling Guidelines in the Operating and Guidelines Manual shall be performed once every two (2) years.

The claims audit shall be performed by a firm(s) selected by the Authority. Recommendations made in the claims audit shall be

addressed by the third party administrator and a written response outlining a program for corrective action shall be provided to the Authority within sixty (60) days of receipt of the audit.

5. The Authority shall be responsible for obtaining an actuarial study performed by a Fellow of the Casualty Actuarial Society (FCAS) annually.
6. The Member shall have an effective risk management program in accordance with the "Risk Management Guidelines" as stated in the Operating and Guidelines Manual.

#### **VIII. SANCTIONS**

- A. The Authority shall provide the Member written notification of the Member's failure to meet any of the above-mentioned standards or of other concerns, which affect or could affect the Authority.
- B. The Member shall provide a written response outlining a program for corrective action within sixty (60) days of receipt of the Authority's notification.
- C. After approval by the Executive or applicable Program Committee of the Member's corrective program, the Member shall implement the approved program within ninety (90) days. The Member may request an additional sixty (60) days from the Executive or applicable Program Committee. Further requests for extensions shall be referred to the Board of Directors.
- D. Failure to comply with subsections B or C may result in cancellation of the Member from the affected Authority Program in accordance with the provisions in the Joint Powers Agreement.
- E. Notwithstanding any other provision herein, any Member may be canceled pursuant to the provision of the Joint Powers Agreement.

## ADDENDUM TO EXHIBIT B



Adopted: December 6, 1985  
Amended: January 23, 1987  
Amended: October 6, 1995  
Amended: October 1, 1999  
Amended: March 2, 2007

### ADDENDUM B LIABILITY CLAIMS ADMINISTRATION GUIDELINES

The following Guidelines have been adopted by the CSAC Excess Insurance Authority (hereinafter the Authority or the EIA) in accordance with Article 18(b) of the CSAC Excess Insurance Authority Joint Powers Agreement.

#### I. CLAIMS INVESTIGATION

- A. Factual investigation should be completed within forty-five (45) days of Member's knowledge of claim, including statements from participants and witnesses, appropriate official reports, and photos. (Answer questions who, what, where, when and why).
- B. Develop liability issues, including immunities, comparative negligence, joint tort feasons and joint and several liability. Transfer of risk is an important aspect of any claims investigation.
- C. Begin to develop information on damages:
  - 1. Property damage
  - 2. Nature and extent of injuries
  - 3. Medical costs
  - 4. Lost wages
  - 5. Dependency
  - 6. Other damages
- D. Obtain and review contracts that may be in effect relating to specific accidents, to determine whether there is any sharing or complete transfer of the risk.
  - 1. Hold-harmless indemnity agreements
  - 2. Additional insured requirements.
- E. Obtain defective products and/or other evidence, and hold it if at all possible, or at least locate where it is being held. Obtain product information for the file. Early preservation of evidence is imperative for a proper defense.

- F. Utilize experts appropriately on cases. Consideration should be given to structured settlements and Voluntary Settlement Conferences. EIA has a resource manual with the names, addresses, etc. on various experts who can be retained to investigate and testify on behalf of the Members.
- G. The EIA maintains membership in the Index Bureau.
1. Report all bodily injury claims to the Index Bureau
  2. Follow up on Index Bureau information by sending the Inquiry Form to insurance companies reporting other injuries to the claimant. Do not hesitate to call and discuss the losses with other adjusters.

Instruction manuals, reporting forms, inquiry forms and envelopes may be obtained online at [Claimsearch.iso.com](http://Claimsearch.iso.com), after being registered for use by the EIA.

- H. Arrange appraisals for damaged property. Do not rely on the appraisal obtained by the plaintiffs' own carriers. In some instances they may not utilize the local A.C.V. and the "computerized" appraisal figure can be inflated.

## II. EXCESS REPORTING REQUIREMENTS

### A. First Report

Timely report to the Excess Insurance Authority those losses with potential or existing exposure. Utilize the First Report Potential Excess Liability Claims form currently in use, available through the EIA website.

1. The Excess Liability Programs' reporting criteria are those criterion established and adopted by the Board and/or the Liability II committee.

### B. Update Reports

The EIA should be provided copies of periodic reports in order to be kept apprised of the developments of the case. On litigated cases, defense counsel should also include the EIA on their mailing lists for copies of correspondence, reports, evaluations, interrogatory summaries, deposition summaries and medical summaries. Actual deposition transcripts, interrogatories, their answers and interim billings are not required.

On reserving and payment changes utilize the Reserve and Payment Update form currently in use, available through the EIA website.

C. Closure Reports

When a case that has been reported to the EIA is settled, dismissed or closed in any other fashion, provide the EIA with the closing documents and a completed Closure Information form currently in use, available through the EIA website.

**III. TORT CLAIM REQUIREMENTS/GOVERNMENT CODE**

- A. All notices (pertaining to claim insufficiency, returning late claims, claims rejections, etc.) shall be timely done in accordance with the relevant Governmental Code provisions.
- B. Appropriate Dismissal Motions should be made for failure to meet the applicable Code of Civil Procedure statutes for timely serving, conducting discovery or bringing a complaint to trial.

**IV. DOCUMENTATION**

- A. Accurate reserves shall be established based on facts known, within thirty (30) days of receipt of the investigative report. Legal and adjusting expenses shall be included. The following formula is recommended in establishing and updating the reserves for each file:

- 1.  $(\text{Maximum Value} \times \text{Member's \% of Liability}) + \text{Expense Factor} = \text{Reserve}.$

Maximum value is the potential total amount a plaintiff could expect to receive, either through settlement or verdict, as if he/she was completely free of negligence. Maximum value should include any potential award of plaintiff's attorney fees, such as, but not limited to, cases involving Federal Civil Rights.

Percentage of liability is determined by various factors that are discovered during an investigation. Reserves should be adjusted accordingly, as facts are developed, to properly reflect the exposure. These factors include but are not limited to:

- a. The extent of plaintiff's liability
- b. The number of co-defendants and their percentage of liability
- c. The ability of the co-defendants to respond financially to any settlement or verdict.
- d. On cases occurring after June 3, 1986, Proposition 51 allows defendants to limit their liability on non-economic damages to their percentage of fault.

- e. On cases involving uninsured claimants the recovery is limited to economic damages in accordance with California Code of Civil Procedures sections 3333.3 and 3333.4 (Prop 213).
  2. The reserve shall be set at the full exposure after applying the above formula, even if it exceeds the Member's Self-Insured Retention.
- B. The file shall contain reports necessary to document the decisions made, including all demands, offers of settlement and settlement authority.
1. A complete "typed" captioned report to the file shall be placed in each file for:
    - a. Bodily Injury claims reserved above 25% of the S.I.R.
    - b. Property Damage claims reserved above 25% of the S.I.R.
    - c. All claims that meet the EIA's excess reporting requirements regardless of reserves.

Members and/or claims administrators may follow stricter guidelines.

The captioned report should include the following topical headings and subsequent entries:

1. Date of report
2. Member name
3. S.I.R level
4. Claimant(s) Information
5. Date of Loss
6. Claim Number (if used)
7. Facts of accident or occurrence
8. Witness/Participant Statement
9. Suggested reserves (see IV. A) Do they reflect exposure?
10. Assessment of liability
11. Review of damages/injuries, including medical costs, lost wages, dependency, property damage estimates, total loss evaluations, loss of use claims, and other damages
12. Index Bureau reporting
13. Addressing of coverage questions
14. Excess potential
15. Structured Settlement possibilities
16. Voluntary Settlement Conference potential
17. Subrogation potential
18. Governmental Code compliance and immunities
19. Identify future course of action
20. State next diary date
21. If litigated, identify counsel on both sides.

- 22. Offsets or liens that may need to be considered.
- C. Photos, diagrams, estimates, statements, plans, contracts, medical, law enforcement and coroner's reports (where applicable) shall be in the claims file in a timely fashion.

#### **V. CASE SETTLEMENT FACTORS**

- A. The settlement should be reasonable in light of damages, injuries and liability.
- B. Settlements should be effected in a timely manner, with consideration given to structures and/or voluntary settlement conferences.
- C. Contributions from joint tort feasons should be considered.
- D. Settlement evaluation and authority shall be documented. On cases exceeding the S.I.R., prior written authority must be obtained from the EIA.
- E. Proper releases and dismissals shall be secured.

#### **VI. LITIGATED FILES**

- A. Defense plan shall be in the file, including a projected cost analysis.
- B. Defense attorney evaluation shall be completed and in the file within sixty (60) days of assignment.
- C. The defense attorney should make proper follow-up requests for investigation.
- D. Defense costs shall be controlled by the Member and depositions and other defense expenses approved by the Member.
- E. There should be timely recommendations from defense firms regarding settlements and trial preparation.
- F. Results and total expenses shall be documented.
- G. There should be timely notification to relevant employees and other parties regarding pending litigation.

## VII. SUMMARY

The file should be completely documented. Audits conducted by the EIA Auditor not only utilize industry standards, but also these Guidelines.

The California Unfair Claims Settlement Practices Regulations went into effect on January 15, 1993. These regulations apply to the Insurance Industry as a whole. Public Agencies (including J.P.A.'s) are not governed by these regulations. Many Members utilize outside claims administrators that must comply with these regulations in their private insurance industry work, and have already had their adjusters certified.

**ATTACHMENT C**



Adopted: June 4, 1999  
Amended: October 1, 2004  
Amended: June 19, 2008

## MEMORANDUM OF UNDERSTANDING PROPERTY PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

1. **Joint Powers Agreement.** Except as is otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall also be applicable.

2. **Program Committee.** There is hereby established a Property Program Committee (hereinafter referred to as "Property Committee" or "Committee") and, except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the members including, but not limited to, approval of new members and premium/rate setting and establishment of policies regarding data submission and provisions for notice of withdrawal, as long as such policies are not in conflict with the Joint Powers Agreement.

The Property Committee shall consist of eleven (11) voting members and two (2) alternates. The Executive Committee of the Authority shall appoint the Committee members, to be selected from members in the Program as follows: Seven (7) of the Committee members are to be appointed from the members who make up the top fourteen (14) members according to the amount of annual property premium paid ("Large Members"). Two (2) of the Committee members are to be appointed from those remaining members not within the top fourteen (14) members ("Smaller Members"). One (1) of the members may be appointed from any member ("At Large"). The remaining seat shall be designated for a Public Entity member. If there are no Public Entity nominees or not enough members available from a category (Large, Smaller, At Large), the Executive Committee shall make the appointment from members participating in the Program without regard to category. The two alternates may be appointed from any member.

The terms of the members of the Committee shall be for two (2) years, except for the Public Entity representative and the alternate representatives whose terms shall be for one (1) year. The expiration dates of the two-year appointments shall be staggered so that terms of no more than five (5) members will expire at any one time. The Committee will annually, at its first meeting of the calendar year, select its officers, consisting of a Chair and Vice-Chair.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet on the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").

Adopted: June 4, 1999  
Amended: October 1, 2004  
Amended: June 19, 2008

A majority of the members of the Committee shall constitute a quorum for the transaction of business. Except as otherwise provided herein, all actions of the Property Committee shall require the affirmative vote of a majority of the members of the Committee. Any meeting of the Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."

3. **Premiums.** The participating members, in accordance with the provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Property Program. Annual premium contributions, including administrative costs associated with the Program shall be established by the Property Committee.

4. **Cost Allocation.** Each member's share of annual premium shall be determined by the Property Committee however, the Committee may delegate any or all of this authority as it deems appropriate.

5. **Application to the Program.** All applications to join the Property Program will be evaluated and subject to approval by the Committee and the underwriter. Any entity which makes application to become a participating member of the Program who is not already a participating member in the Authority must also be approved in accordance with the provisions of Article 19 of the Agreement.

New members may be added to the Program during the term of the coverage year on a pro-rata basis.

6. **Withdrawal and/or Cancellation From the Program.** Withdrawal of a member from the Program shall be in accordance with the withdrawal provisions of Article 20 or 21 of the Agreement.

7. **Late Payments.** All provisions for payments shall be in accordance with the Invoicing and Payment Policy adopted by the Board of Directors. Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

8. **Resolution of Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum shall be determined in accordance with Article 31 of the Agreement, Dispute Resolution.

9. **Amendment.** This Memorandum may be amended by a majority vote of the Property Committee, upon ninety (90) days advance written notice to the members and county counsels. Each member shall approve of any amendment by signature on the Memorandum by a member's representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the member will be deemed to have withdrawn from the Program on the next annual renewal date.

Adopted: June 4, 1999  
Amended: October 1, 2004  
Amended: June 19, 2008

10. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

11. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

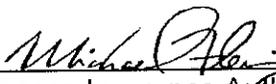
12. **Effective Date of Agreement.** This Memorandum shall become effective on the date of coverage for the member or upon approval by the Property Committee of any amendment, whichever is later.

13. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the undersigned have executed this Memorandum as of the date set forth below.

6/19/2008

Dated

  
\_\_\_\_\_  
CSAC Excess Insurance Authority

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Member Entity: \_\_\_\_\_