



2018 ANNUAL REPORT
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Mission Statement

Golden State Risk Management Authority is established for the purpose of providing services and other functions necessary and appropriate for the creation, operation, and maintenance of liability, workers' compensation, property and other risk pooling and coverage plans for the Member Agencies that are parties hereof, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding risk pooling and insured programs.

GREETINGS!

In a risk pool, the cost to members for coverage is based on three things: The cost of administration, the cost of excess insurance (the insurance purchased to cover losses that exceed the amount funded by the pool) and, of course, the cost of claims. The largest of these components is the latter. In short, the less a risk pool spends on losses, the less it needs to charge its members. So, it seems obvious that effort should be made to keep losses down. But what losses should be the focus? Resources are not unlimited so how can our members be as efficient as possible in their loss prevention efforts? In short, how can we help them reduce the most risk at the lowest cost?



Gordon Graham, a frequent guest speaker at our events, touched on this very topic at this year's Annual Training Conference. To follow up, he provides an article, later in this annual report, that discusses the concept of "black swans" vs. "gray rhinos". Black swans are the rare events that happen infrequently. Due to their rarity, they can be difficult to find and costly to avoid. Gray rhinos, on the other hand, can happen frequently and their detection and prevention are pretty obvious. Mr. Graham argues that, partially due to their sensational nature, we spend too much time trying to prevent black swan events. Instead, we would be much better off focusing on eliminating or lessening the impact of gray rhino events - the ones that are most likely standing right in front of us.

The challenge then is to properly identify the potential losses on which we should be focused. And, for that, we need technology! This explains our aggressive approach toward incorporating the use of data analytics in our risk management efforts. In particular, we are working toward the use of predictive analytics, and even artificial intelligence, to give us the most accurate picture of our members' most likely losses. Armed with this information, we can help our members focus on the areas of loss prevention that will have the most impact.

This year we made our first concerted effort to use analytics to identify risk by incorporating their use into our RMAP (Risk Management Accreditation Program). As we continue to expand our capabilities and expertise in the area, we will to be able to provide even more meaningful data to a greater number of members. In addition, we are collaborating with several industry partners to increase the accuracy of our predictive analytics by incorporating data from other entities as a way to better see trends. We are also exploring options for making this data directly accessible by our members.

Our GSRMA team is working hard to help our members identify their black swans and grey rhinos and make sure they don't turn into losses. By doing so, our pool saves money and, in turn, so do our members.

Scott Schimke, Executive Director



Black Swans and Gray Rhinos

Gordon Graham here and thanks for taking the time to read these brief thoughts. The title may sound like a recitation of some of the lesser known friends of Dr. Doolittle – but in the world of risk management they are serious concerns. For a more in depth discussion of these “concepts” please read the two books that carry those words in the title.

The Black Swan by Nassim Nicholas Taleb is a fantastic (but difficult) read regarding highly improbable events while *The Gray Rhino* by Michelle Wucker focuses on massive multi thousand pound beasts that are running right at us and yet too many people (and organizations) fail to get out of the way.

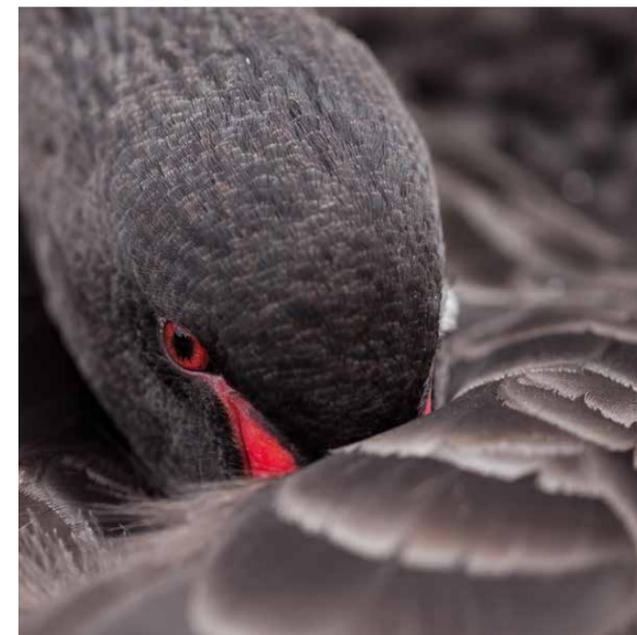
By the end of this writing I hope to convince you that you need to be cognizant of the “highly improbable events” – but you need to be focused on the major problems lying in wait in so many organizations that over time has been tremendously overrepresented in tragedy. Or more simply there are very few tragedies caused by the “unknown unknowns” and most of our tragedies have their genesis with highly predictable (and thus preventable) events.

This is an issue that I focus on regularly in my ongoing lecture

series on managing risk in your high-risk occupation, but here is something I hear from my audiences regularly. “Well Mr. Graham – what is the greatest risk you face?” I chuckle internally when that question is posed – many times by well meaning people who wonder if my comments are “just a class I teach” – or do I really practice what I am preaching.

My world is filled with risk. As I type this I am in Frisco Texas (the home of Lexipol Headquarters) and I will soon be using Uber to get me where I need to go. There are lots of risks involved here including the skills and abilities of the Uber driver. I am also concerned regarding the safety of the vehicle they are driving. Of course I am concerned with cross traffic and drunk drivers and a big-rig coming from the opposite direction losing a tire and having that tire careen over to our lane of traffic and hitting us head on.

When I get to my location I will be entering an elevator – a box suspended on a cable that goes up and down a shaft in the building. When I get to the suite of offices – I will start my morning with a cup of tea and I am hopeful that the “Bunn O Matic” contains no harmful chemicals put in by someone who did not know how



to properly clean the device.

After I finish my work here today I will fly back to California and my gosh there are a lot of risks involved in the drive to DFW, eating at the airport, and the flight itself –my gosh there are a lot of risks involved in air travel. Is the pilot experienced in this type of aircraft? Are the Air Traffic Controllers paying attention? Did the people who wash the plane take the duct tape of the pitot tubes when they completed the external cleaning? Did the ground crew properly seal the cargo door after loading the luggage?

And of course when I arrive at LAX I will be crossing the main drive of the airport property to get to the parking lot. There

“...massive multi thousand pound beasts that are running right at us and yet too many people (and organizations) fail to get out of the way.”





Again, there are very few "Black Swans" but there are scores of Gray Rhinos.

are lots of people looking for passengers and otherwise distracted and I have learned that red traffic lights at the airport mean nothing to a lot of people. Then there will be the dark parking lot at midnight – who knows what evil lurks there. Then there is the drive home on a Friday night in Los Angeles traffic and how many of my fellow motorists have been drinking or using drugs or are dog tired and falling asleep behind the wheel of their car.

Yes, my life is filled with risk and I am concerned about all of the issues I raised in the earlier paragraphs. But the biggest risk I face on this trip was – are you

ready for this – getting in and out of the shower at the hotel I spent the night in last night!

Yes I am concerned with a fire in the hotel and the potential for a terrorist takeover of the hotel and yes the potential of a meteor striking the Double Tree. But what scares me the most is the bathroom. In every bathroom are a lot of hard surfaces like sinks and platforms and tubs. Most hotel bathrooms today have tile on the floor to prevent damage to floors caused by water. Some hotels have a "stand alone" shower (which I love) but most have the ubiquitous "tub/shower" (and I cannot imagine anyone taking a bath in a hotel bathtub for many different health reasons) but still most hotels have the "tub that doubles as a shower!" If I am ever in charge this will change immediately!

My travels take me to over 100 different hotels every year and each hotel has a different variation of the "tub/shower." The height of the tub varies from hotel to hotel. The Cf (coefficient of friction) of the tub floor surface varies as does the slope of the tub floor. Some hotels offer hand rails in the tub area – most do not. Some offer rubber mats you can put on the floor of the tub – many do not. The water/heat controls vary from hotel to hotel – some are simple – many are very complex. I could go on and on

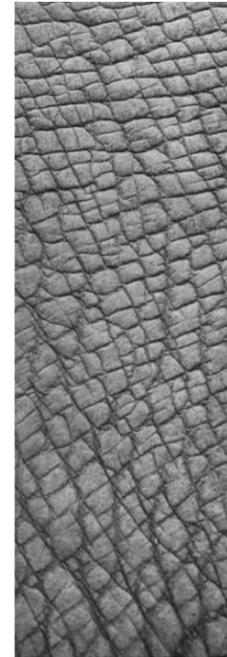
regarding how risky it is taking a shower in a different hotel a hundred plus times a year – but you are getting my drift.

While the meteor hit, the terrorist attack, the hotel fire could occur (highly improbable events) it is much more likely that I could fall getting out of the shower, hitting my head on the sink and getting knocked unconscious until the hotel maid finds me at noon when they get around to cleaning the room.

Yes, I do address this risk when I get to my hotel room. After unpacking my clothes, I always visit the bathroom and set the shower up for the next morning. If there is no rubber mat – I take a clean towel and put it on the floor of the shower. On tile floors I put another towel. And when I am getting in and out I am paying full attention to what I am doing!

Why – because the greatest risk I face today is getting in and out of the shower. If you look at how "old people get hurt" overrepresented is "falls" and too many falls occur in the bathroom – and while I am very familiar with my home bathroom and I put some "control measures" in place during a recent remodel – I must be very aware of the dangers involving the "tub shower" in the various hotels I visit around America.

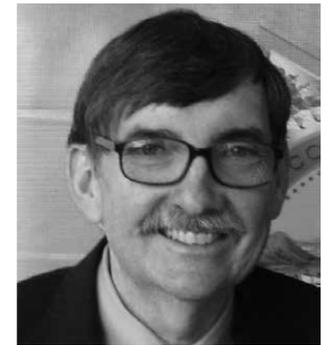
So what does this have to do with you and your organization? How do your personnel get hurt, get sued, get fired, get indicted



or get killed. Again, there are very few "Black Swans" but there are scores of Gray Rhinos. Please take the time to study past tragedies in your profession – not just your organization – but your profession and learn what the real risks are in every job description in your organization. If this seems like a monumental task – it is – but the good news is that you are part of GSRMA and if you talk to them in advance they can tell you what the "real risks" are in every aspect of your organizational operations. Also, they have

the experience and knowledge to help you develop "control measures" to prevent these tragedies from occurring in your organization. Well, that wraps it up for our brief chat regarding Black Swans and Gray Rhinos. Please read the books – they are of great value. Also, you can visit my website – www.lexipol.com and click on my picture on the bottom of the homepage and access my "tips." Many are applicable to your profession. I have a lot of fun making these "tips" and I hope you enjoy them.

Thanks to the good people at GSRMA for allowing me to ramble on in this writing and I look forward to seeing you in some future conference.



Gordon Graham
Co-Founder Lexipol

Table of Contents

- Working for California Public Entities since 1979*..... 6
- Our Team* 8
- Board of Directors*..... 10
- Member Agencies by Location*..... 11
- MEMBER AGENCIES AND DATE JOINED*..... 12
- Member Agency Growth from 1979 - 2018*..... 16
- Total Assets from 1979 - 2018*..... 17
- Coverage Programs* 19
- 2018 Employee Benefits Program*..... 23
- Risk Management In Action - 2018*..... 24
- Actuarial Policy and Program Funding* 27
- 2018 Overview of the Financial Position*..... 28
- CAJPA Accreditation*..... 32





Working for California Public Entities since 1979...

Golden State Risk Management Authority (GSRMA) is unique in California risk pools. We cater to small and middle-sized public entities that do not have the resources to fund all the expertise (human resource staff, dedicated legal counsel and even risk management and loss prevention positions) that their larger counterparts can afford.

How do we work for public entities?

Leveraging our experience in public entity risk management. We have been insuring California public entities since 1979 and have expertise in many public entity types. We participate in member-related professional development events as both attendees and presenters at conferences and regional trainings. We also work closely with various public entity professional organizations on items of mutual interest.

Packaging the best mix of coverage from first class partners. We have assembled the broadest of coverages from premier excess pools and carriers. We benefit from belonging to CSAC-Excess Insurance Authority, and School Excess Liability Fund (SELF), two of the largest excess risk pools in the country, which exercises its purchasing power to obtain high limits, broad form coverage and the most competitive prices. We also provide coverage for risks, such as cyber or pollution liability, that our members may not have even considered.

Being responsive to busy, multi-tasking public entity professionals. We are dependable and consistent in our availability to our members. We maintain a very high service level as we know our members are too busy to deal with automated phone attendants and days old responses to email requests.

Focusing on small and mid-sized organizations. We understand our members do not have the time or staff to become insurance and risk management experts. Smaller organizations

rely on our extensive experience in public entity risk management.

Issuing dividends and never having assessments. When risk pools are managed effectively, very often there are funds available to return to members. GSRMA has returned millions of dollars in dividends to members over the years. Less fortunate pools sometimes need to issue assessments – additional premium for previous years’ of coverage – which can be devastating to small entity budgets. GSRMA has never issued an assessment.

Spreading risk and costs across a variety of member types. The cost of risk can best be kept level by spreading it across not only various sized entities but among various member types. A “non-homogeneous” risk pool such as GSRMA is more likely to have more moderate peaks and valleys in rates. This consistency helps our members in their annual budget and finance processes.

Providing a wide range of valuable services to members at no additional cost. This saves members considerable time and expense. Services include loss prevention, web and on-site training, human resource hotline, return-to-work programs, anonymous crime reporting and more.

Processing our claims in-house. Unlike most risk pools, we do not contract to a third party administrator to process claims. Rather we have our own claims staff and management. This allows us to work more closely with our

members on resolving claims in an optimal manner. In addition, members often have input in what service providers we use in claim resolution.

Participating in the California Association of Joint Powers Authorities (CAJPA) accreditation process. We have been accredited through the rigorous CAJPA accreditation program every three years since 1992 achieving their highest rating of “Accredited with Excellence” each time. This certification is accepted in the risk pool industry as proof that a pool is operated under the highest of standards and best practices.

Implementing loss prevention and training incentive programs. Members can earn up to 10% of their annual contribution upon their successful completion of our loss prevention incentive program. We also provide grants to members for 3rd party training for their districts.

Having a dedicated representative on our Board of Directors for each member type. At least one of the 7 positions on the GSRMA board is dedicated to a representative from each of our member

types including cities, counties, fire districts, school districts, cemetery districts and special districts. This insures each member type participation in the governance of the risk pool.

Encouraging GSRMA staff to be deeply involved in the public risk pool industry. Our staff serve in various risk pool industry positions including governing boards and committee chairs of associated risk pools and professional organizations. In addition, staff attend, often as invited speakers, various industry group conferences including CAJPA, PARMA, AGRIP and PRIMA. Staff also serve in advisory capacities to several of our vendors including carriers, software companies and service providers.

Maintaining conservative funding levels and conservative fiscal policies. GSRMA maintains program assets in excess of \$21.7 million that are at levels considered fiscally sound in the industry. These assets demonstrate the strength of our pool and the level of commitment historically made by and for our members.

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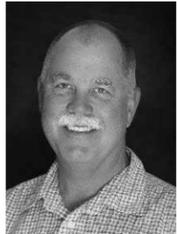
We cater to small and middle-sized public entities that do not have the resources to fund all the expertise that their larger counterparts can afford.





Our Team...

Scott Schimke - ARM,
Risk Manager



Scott has been involved in California pool management since 1988. He is the Risk Manager and Executive Director of GSRMA. His responsibilities include overall pool management, recommendation of and communication with re-insurance carriers, evaluation and recommendation of vendors and business partners and communication with the GSRMA Board of Directors. Scott serves on CSAC Excess Insurance Authority's Executive and Underwriting committees.

Rick Krepelka
Chief Operations Officer



Rick has over 20 years of experience in technology consulting with emphasis in computerized accounting systems. He is responsible for all aspects of finance and accounting for GSRMA as well as managing administration and operations. Rick is long time member and Past-Chair of the Technology Committee for the CSAC Excess Insurance Authority and the Technology Committee for the California Association of Joint Powers Authorities (CAJPA).

Jennifer Peters, ARM
Assistant Risk Manager



Jennifer has over 10 years of safety officer and risk management experience. She currently oversees the Member Services, Safety and Loss Prevention areas of GSRMA where she is responsible for the implementation and administration of services and risk management programs. As a risk manager, she advises members on risk exposure and coverage issues. Jennifer serves on the Accreditation Committee for California Association of Joint Powers Authorities (CAJPA) and the Member Services Committee for CSAC Excess Insurance Authority.

Mark Marshall
Safety Officer



Mark has 30 years experience in fire service, including 15 years as a fire chief. He has many years of public service as an elected official and volunteer. Mark became GSRMA's Safety Officer in 2002. As a certified training instructor for numerous safety, loss prevention and compliance areas, his focus is on member loss prevention with an emphasis on safety training and site reviews. Mark provides member service support for current and prospective members.

Tricia Alderman
Claims Manager



Tricia has 30 years of experience in the California Workers' Compensation claim industry. She manages our claims department and is responsible for oversight of the day-to-day claims handling, operations and supervision of all activities within the workers' compensation claims department. She also has extensive experience in claims auditing and claims examiner oversight and training. She is claim certified and has her Self Insurance Plan Certificate.

Cathy Mudd
Operations Manager



Cathy has 12 years of experience in public entity accounting processes. As Operations Manager, she is assistant to the Chief Operations Officer. She is responsible for all aspects of operations required for a smooth running workplace. She also oversees bookkeeping, accounting and employee benefits data management.

Ryan Schimke
Accounting Technician



Ryan achieved his Bachelor of Science degree in Business Finance from CSU, Chico. As our accounting technician, he is responsible for a variety of bookkeeping and accounting functions. He is also instrumental in the billing side of our employee benefits program

Naomi Whatley
Employee Benefits Specialist



Naomi has 18 years of experience in the insurance and risk pooling industries. She manages all member-facing aspects of our Employee Benefit Program including member HR personnel support, employee meetings, development of health plan descriptive and promotional materials and member communication regarding employee benefits. She serves on CSAC Excess Insurance Authority's Health Committee.

Betsey Downey
Safety and Loss Prevention Specialist



Betsey has over 20 years business and insurance experience holding numerous safety and loss prevention positions for a variety of businesses. Her focus is on member loss prevention with an emphasis on safety training and site visits. She supports the Assistant Risk Manager with the implementation and administration of loss prevention training programs including both online and on-site training.

Steve Wood
Safety and Loss Prevention Specialist



Steve has held numerous positions in the safety and loss prevention field for a variety of government and corporate organizations. His focus is on member loss prevention with an emphasis on safety training and site visits. He supports the Assistant Risk Manager with the implementation and administration of loss prevention training programs including both online and on-site training.

Liz Smith
Risk Management Analyst



Liz provides customer service assistance within the Member Services Department. She is responsible for promoting the many types of coverage and services we offer to members, and assisting members with risk management and coverage questions. She maintains member data in various internal and external systems and facilitates communication with members including maintenance of the member portal and public website. Liz is also the member contact person for certificates of insurance.

Tracey Crosby
Claims Assistant



Tracey has 35 years of experience in Administrative Support and has recently been promoted to our Workers' Compensation Department. She is responsible for providing support to the Claims Examiners in their daily tasks and will continue to facilitate communications among our members and business partners as it relates to this department.

Melinda Robinson | *Senior Workers' Compensation Claims Examiner*



Melinda has 30 years of experience in the California Workers' Compensation claim industry. As a Senior Workers' Compensation Examiner she works directly with injured employees and members to administer benefits and guide them through the claims process. She is claim certified and has her Self Insurance Plan Certificate.

Jaheesha Griffin | *Senior Workers' Compensation Claims Examiner*



Jaheesha has 15 years of experience in California workers' compensation. She is claim certified and has her Self Insurance Plan Certificate. As a Workers' Compensation Examiner, she works directly with claimants, providers and our member managers and HR staff.

Desiree Lewis
Claims Assistant



Desiree has over 18 years of experience in the California Workers' Compensation claim industry. She has worked as a medical only examiner and a claims assistant. She is responsible for providing support to the workers' compensation claims department, working with our members and processing medical only claims.

Sam Adams | *Information Technology Systems Architect and Analyst*



While Sam's formal education is in Computer Engineering, he has experience in SQL server development and support and web development. He is responsible for all aspects of reporting from our various data repositories including claims, exposure and member management data bases. He also develops data analytics for these data sources and integrates their use into GSRMA processes.

Sam Taylor
Administrative Assistant



Sam has 35 years of experience in Administrative Support. She is responsible for front desk and phone reception as well as office administrative support. She assists all departments with document production, data management and facilitates communication among staff members and business partners.

...Your Team!





Board of Directors

2018 - 2019

- John Viegas**, *President* – County
- Keith Corum**, *Vice President* – County
- Andy Roberts** - City
- Rick Beale** - Cemetery District
- Doug Turner** - Fire District
- James "Buck" Ward** - School District
- Sarbdeep Atwal** - Special District
- Leonard G. Krup** – Legal Counsel



John Viegas | Board President

2017 - 2018

- John Viegas, President – County
- Keith Corum, Vice President – County
- Charles Bergson - City
- George Ouzounian - Cemetery District
- Doug Turner - Fire District
- James "Buck" Ward - School District
- Sarbdeep Atwal - Special District
- Leonard G. Krup – Legal Counsel

2016 - 2017

- John Viegas, President – County
- Keith Corum, Vice President – County
- Charles Bergson - City
- George Ouzounian - Cemetery District
- Michael Schaeffer - Fire District
- James "Buck" Ward - School District
- Kim Vann - Special District

2015 - 2016

- John Viegas, President – County
- Charles Gee, Vice President - City
- George Ouzounian - Cemetery District
- Keith Corum – County
- Michael Schaeffer - Fire District
- Dr. Michael Karle - School District
- Kim Vann - Special District
- Leonard G. Krup – Legal Counsel

2014 - 2015

- John Viegas, President – County
- Charles Gee Vice President - City
- George Ouzounian - Cemetery District
- Steve Soeth – County
- Neil Quinn - Fire District
- Dr. Michael Karle - School District
- Gary Evans - Special District

2013 - 2014

- Mike Murray, President - County
- John Viegas, Vice President - County
- Pat Elliott - Cemetery District
- Charles Gee - City
- Neal Quinn - Fire District
- Don Perez - School District
- Gary Evans - Special District

2012 - 2013

- Mike Murray, President - County
- John Viegas, Vice President - County
- Pat Elliott - Cemetery District
- Charles Gee - City
- John Eaker - Fire District
- Don Perez - School District
- Roger Abe - Special District

2011-2012

- Mike Murray, President - County
- John Viegas, Vice President - County
- Pat Elliott - Cemetery District
- Charles Gee - City
- John Eaker - Fire District
- Bill Boone - School District
- Roger Abe - Special District

2010 - 2011

- Mike Murray, President - County
- John Viegas, Vice President - County
- Pat Elliott - Cemetery District
- Charles Gee - City
- John Eaker - Fire District
- Bill Boone - School District
- Kim Vann - Special District

2009 - 2010

- John Viegas, President - County
- Mike Murray, Vice President - County
- Eugene Kaufman - Cemetery District
- Reggie Olney - City
- John Eaker - Fire District
- Bill Boone - School District
- Kim Vann - Special District

2008 - 2009

- Bill Boone, President - School District
- John Viegas, Vice President - County
- Mike Murray - County
- Eugene Kaufman - Cemetery District
- Reggie Olney - City
- John Santi - Fire District
- Sandra Cabral - Special District

2007 - 2008

- Keith Hansen, President - County
- Tom McGowan, Vice President - County
- Sharon Marsh - Cemetery District
- Reggie Olney - City
- John Santi - Fire District
- Bill Boone - School District
- Sandra Cabral - Special District

2006 - 2007

- Keith Hansen, President - County
- Tom McGowan, Vice President - County
- Sharon Marsh - Cemetery District
- Reggie Olney - City
- John Santi & Frank Koss - Fire District
- Bill Boone - School District
- Sandra Cabral - Special District

Member Agencies by Location



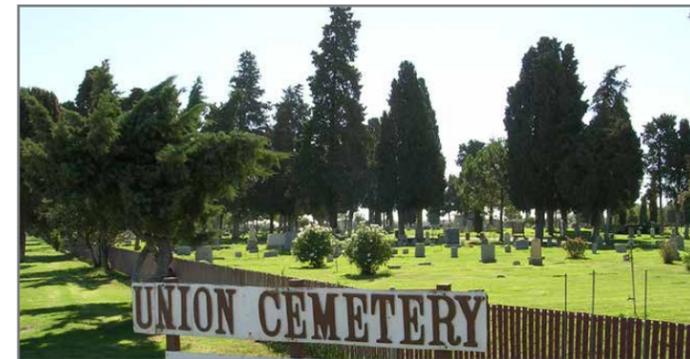


MEMBER AGENCIES AND DATE JOINED

County (1)	
County of Glenn	07/01/1979
Cities (5)	
City of Alturas	07/01/2017
City of Crescent City	07/01/2011
City of Dorris	07/01/2014
City of Orland	07/01/1980
City of Williams	07/01/2011
Schools (8)	
Capay Joint Union Elementary School District	07/01/1982
Glenn County Office of Education	07/01/1980
Hamilton Unified School District	07/01/1980
Lake Elementary School District	07/01/1980
Plaza School District	07/01/1980
Princeton Joint Unified School District	07/01/1980
Stony Creek Joint Unified School District	07/01/1980
Willows Unified School District	07/01/1980
Cemetery Districts (119)	
Alturas Cemetery District	11/10/2008
Anderson Cemetery District	07/01/2003
Arbuckle Cemetery District	10/24/2005
Arroyo Grande Cemetery District	02/01/2005
Atascadero Cemetery District	07/01/2003
Auburn Public Cemetery District	07/01/2008
Bangor Cemetery District	07/01/2010
Big Pine Cemetery District	07/01/2014
Browns Valley Cemetery District	08/01/2005
Brownsville Cemetery District	08/01/2005
Burney Cemetery District	07/01/2003
Byron-Brentwood-Knightsen Union Cemetery District	06/01/2004
Cambria Cemetery District	07/01/2003
Carters Cemetery District	07/01/2005
Castroville Cemetery District	07/01/2008
Cayucos-Morro Bay Cemetery District	07/01/2004
Cedarville Cemetery District	09/02/2011
Central Valley Cemetery District	07/01/2003
Chester Cemetery District	10/10/2006
Chowchilla Cemetery District	07/01/2015
Clovis Cemetery District	07/01/2003
College City Cemetery District	07/01/2010
Columbia Cemetery District	07/01/2004
Colusa Cemetery District	03/07/2004
Corning Cemetery District	07/01/2003
Cottonwood Cemetery District	03/26/2003
Dunlap Cemetery District	07/01/2016
Elk Creek Cemetery District	07/01/1980
Elk Grove-Cosumnes Cemetery District	07/01/2003
Fair Oaks Cemetery District	07/01/2003
Fortuna Cemetery District	07/01/2013
Galt-Arno Cemetery District	06/16/2003
German Cemetery District	07/02/2004
Glenbrook Cemetery District	02/07/2013
Gridley-Biggs Cemetery District	04/01/2003
Guadalupe Cemetery District	07/01/2013
Halcumb Cemetery District	07/20/2003
Hanford Cemetery District	07/01/2008
Happy Homestead Cemetery District	03/31/2003
Hartley Cemetery District	03/01/2011
Hills Ferry Cemetery District	07/01/2003
Hornbrook Cemetery District	05/12/2007
Kelsey Cemetery District	06/22/2003
Kelseyville Cemetery District	04/01/2005
Kern River Valley Cemetery District	07/01/2012
Keystone Cemetery District	08/08/2006
Kimshew Cemetery District	04/25/2003
Live Oak Cemetery District	04/17/2003
Lompoc Cemetery District	07/01/2013
Lookout Cemetery District	08/28/2010
Los Angeles Harbor Area Cemetery District	11/20/2013
Los Banos Cemetery District	07/01/2006
Los Molinos Cemetery District	07/01/2003
Lower Lake Cemetery District	07/01/2003
Madera Cemetery District	07/01/2011
Manton Joint Cemetery District	01/26/2004
Marvin-Chapel Cemetery District	07/01/1980
Mary's Cemetery District	02/01/2004
Maxwell Cemetery District	12/13/2005
Meadow Valley Cemetery District	11/18/2010

MEMBER AGENCIES AND DATE JOINED

Mendocino Little River Cemetery District	07/01/2003	Red Bluff Cemetery District	07/01/2003
Merced Cemetery District	06/01/2008	Rio Vista-Montezuma Cemetery District	06/25/2015
Merquin Cemetery District	06/26/2012	Roseville Public Cemetery District	07/01/2015
Millville Cemetery District	07/01/2003	Russian River Cemetery District	07/01/2005
Murrieta Valley Cemetery District	07/01/2009	Santa Margarita Cemetery District	05/06/2003
Nevada Cemetery District	07/01/2003	Santa Maria Cemetery District	03/20/2004
Newcastle, Rocklin, Gold Hill Cemetery District	07/01/2006	Selma Cemetery District	07/01/2008
Newville Cemetery District	03/01/2008	Shasta Valley Cemetery District	05/13/2003
North Kern Cemetery District	07/01/2013	Shaws Flat-Springfield Cemetery District	07/01/2004
Oak Grove Cemetery District	11/10/2005	Shiloh Cemetery District	07/01/2012
Oak Hill Cemetery District	07/01/2008	Sierra County Cemetery District #5	05/12/2004
Orland Cemetery District	07/01/1983	Silveyville Cemetery District	07/01/2010
Oroville Cemetery District	07/01/2003	Smartsville Cemetery District	05/29/2018
Pajaro Valley Cemetery District	10/01/2004	Snelling Cemetery District	05/01/2009
Paradise Cemetery District	07/01/2003	South Kern Cemetery District	07/01/2012
Paso Robles Cemetery District	11/13/2003	Stonyford Cemetery District	07/01/2000
Patterson Cemetery District	07/01/2008	Sutter Cemetery District	07/01/2003
Peoria Cemetery District	07/01/2003	Sylvan Cemetery District	04/26/2003
Picard Cemetery District	04/01/2006	Tehachapi Public Cemetery District	07/01/2012
Pine Creek Cemetery District	07/01/2003	Tehama Cemetery District	07/01/2003
Pine Grove Cemetery District	06/01/2015	Tipton-Pixley Cemetery District	05/06/2004
Pioneer Cemetery District	07/01/2014	Township No. 2 Cemetery District	09/01/2013
Placer County Cemetery District #1	01/09/2005	Tracy Public Cemetery District	07/01/2005
Plainsburg Cemetery District	07/01/2003	Truckee Cemetery District	07/01/2003
Pleasant Grove Cemetery District	07/01/2005	Upper Lake Cemetery District	06/01/2003
Porterville Public Cemetery District	03/10/2012	Visalia Public Cemetery District	05/01/2003
Quincy-LaPorte Cemetery District	07/01/2003	Wheatland Cemetery District	07/01/2007
Ramona Cemetery District	07/01/2003	Wildomar Cemetery District	07/01/2008
		Williams Cemetery District	01/31/2003
		Willows Cemetery District	07/01/1980
		Winton Cemetery District	07/01/2003
		Fire Districts (50)	
		Albion-Little River Fire Protection District	04/01/2005
		Anderson Valley Community Services District	07/01/2010
		Artois Fire District	07/01/1980
		Bayliss Fire Protection District	07/01/1980
		Bear Valley/Indian Valley Fire District	07/01/1989
		Beckwourth Fire District	07/01/2015
		Big Pine Fire Protection District	07/01/2014



Byron-Brentwood-Knightsen Union Cemetery District





MEMBER AGENCIES AND DATE JOINED

Burney Fire Protection District.....	07/01/2010	Mount Shasta Fire Protection District.....	07/01/2002
Camptonville Community Services District.....	07/01/2008	Northshore Fire Protection District.....	07/01/2014
Capay Fire Protection District.....	07/01/1991	Ord Bend Fire Protection District.....	07/01/1980
Coffee Creek Volunteer Fire District.....	11/01/2008	Orland Rural Fire District.....	07/01/1980
Comptche Community Services District.....	07/01/2005	Piercy Fire Protection District.....	07/01/2005
Crescent Fire Protection District.....	07/01/2012	Pliocene Ridge Community Services District.....	07/01/2005
Dobbins-Oregon House Fire Protection District.....	07/01/2009	Redwood Coast Fire Protection District.....	07/01/2009
Downieville Fire Protection District.....	01/03/2011	River Delta Fire District.....	01/10/2010
El Medio Fire Protection District.....	07/01/2011	Siskiyou County Service Area No. 4.....	07/01/2012
Elk Community Services District.....	04/01/2009	Trinity Center Community Services District.....	11/01/2008
Elk Creek Fire District.....	07/01/1980	Ukiah Valley Fire District.....	04/01/2006
Elkhorn Fire Protection District.....	07/01/2016	Williams Fire Protection Authority.....	07/01/2001
Fall River Mills Fire Protection District.....	11/01/2005	Willows Rural Fire Protection District.....	07/01/1980
Foothill Fire Protection District.....	07/01/2009	Yolo Fire Protection District.....	11/01/2010
Glenn-Codora Fire District.....	07/01/1980	Zamora Fire Protection District.....	07/01/2009
Glenn-Colusa Fire District.....	07/01/1980	Special Districts (98)	
Grenada Fire Protection District.....	11/01/2015	Arbuckle Public Utility District.....	07/01/2008
Hamilton City Fire Protection District.....	07/01/1980	Arroyo Seco Ground Water Sustainability Agency.....	02/01/2018
Hornbrook Fire Protection District.....	08/01/2018	Artois Community Services District.....	07/01/1982
Jackson Valley Fire Protection District.....	04/01/2010	Berry Creek Community Services District.....	04/01/2002
Knights Landing Fire Protection District.....	07/01/2010	Biggs-West Gridley Water District.....	01/01/2013
La Porte Fire Protection District.....	07/01/2010	Brannan-Andrus Levee Maintenance District.....	12/01/2010
Lakeport Fire Protection District.....	07/01/2015	Broadmoor Police Protection District.....	09/29/2014
Little Valley Community Services District.....	02/01/2004	Butte City Community Services District.....	07/01/1980
Long Valley Fire Protection District.....	07/01/2012	Cachuma Resource Conservation District.....	09/01/2014
Maxwell Fire Protection District.....	07/01/2002	California Cannabis Authority.....	10/15/2018
Mendocino Fire Protection District.....	07/01/2004	Capital Southeast Connector.....	01/25/2008
Meridian Fire Protection District.....	12/03/2009	Chowchilla Red Top Resource Conservation District.....	09/01/2013
		Church Tree Community Service District.....	04/01/2013
		Colusa Basin Drainage District.....	04/01/2007
		Colusa County One-Stop Partnership.....	07/01/2003
		Colusa County Resource Conservation District.....	07/01/2010
		Colusa County Water District.....	04/01/2012
		Colusa County Water Works #1.....	08/26/2011
		Colusa Groundwater Authority.....	08/16/2017
		Concord/Pleasant Hill Health Care District.....	10/01/2012
		Cortina Creek Flood Control and Flood Water Conservation District.....	05/15/2009
		Cortina Water District.....	03/15/2012
		Deer Creek Irrigation District.....	07/01/2016
		Dixon Regional Watershed.....	07/01/2018



Orland Rural Fire Department

MEMBER AGENCIES AND DATE JOINED

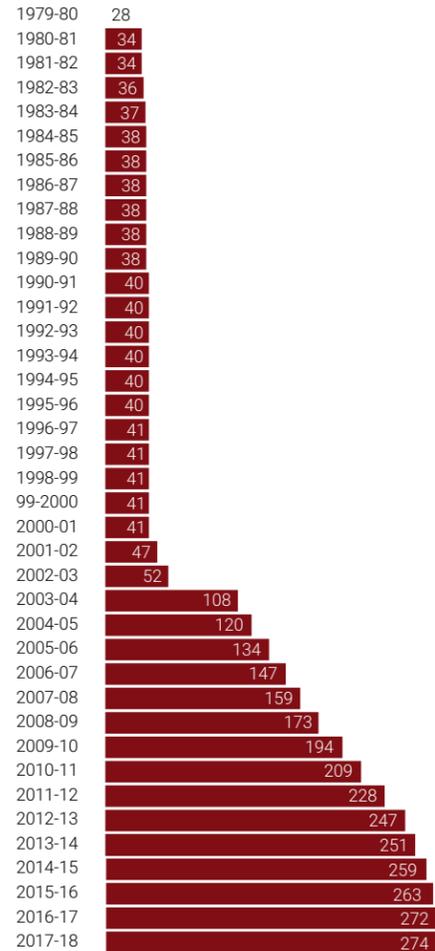
East Merced Resource Conservation District.....	07/01/2010	Princeton Water Works.....	10/15/2018
Elk County Water District.....	02/12/2010	Proberta Water District.....	03/07/2013
Elk Creek Community Services District.....	07/01/1980	Rancho Murieta Community Services District.....	07/01/2010
First 5 Colusa County.....	07/01/2008	Reclamation District No. 1001.....	12/01/2016
First 5 Glenn County.....	07/01/2000	Reclamation District No. 1002.....	04/03/2011
First 5 Yuba County.....	01/01/2009	Reclamation District No. 2103.....	11/15/2016
Glenn County In-Home Supportive Services Public Authority.....	07/01/2003	Reclamation District No. 2140.....	08/02/2006
Glenn County Olive Pest Management District.....	07/01/2002	Reclamation District No. 317.....	03/10/2011
Glenn County Resource Conservation District.....	07/01/2000	Reclamation District No. 407.....	03/10/2011
Glenn Groundwater Authority.....	09/01/2017	Reclamation District No. 563.....	02/01/2011
Glenn LAFCO.....	11/01/2013	Reclamation District No. 784.....	12/01/2009
Glenn Transit Service.....	07/01/1996	Reclamation District No. 833.....	04/02/2010
Grenada Irrigation District.....	08/16/2017	Reclamation District No.2067.....	03/10/2011
Hamilton City Community Services District.....	07/01/1980	Sacramento Area Council of Governments.....	07/01/2014
Holthouse Water District.....	07/11/2013	Sacramento County IHSS Public Authority.....	07/01/2012
In-Home Supportive Services Public Authority of Marin.....	07/01/2012	Sacramento Metropolitan Cable Television Commission.....	07/01/2012
Isla Vista Community Services District.....	07/01/2017	Sacramento Transportation Authority.....	09/29/2018
Lake Berryessa Resort Improvement District.....	07/01/2010	Salsipuedes Sanitary District.....	05/15/2003
Lake Shastina Community Services District.....	07/01/2017	San Antonio Basin Groundwater Sustainability Agency.....	08/29/2017
Levee District I.....	07/01/1980	San Joaquin In-Home Supportive Services Public Authority.....	07/01/2012
Levee District II.....	07/01/1980	Sand Creek Flood Control District.....	07/01/2013
Levee District III.....	07/01/1980	Santa Rosa Plain Groundwater Sustainability Agency.....	07/01/2017
Los Carneros Water District.....	07/01/2010	Sierra-Sacramento Valley Emergency Medical Services.....	09/01/2009
Madera County IHSS Public Authority.....	07/01/2018	Sites Project Authority.....	07/01/2016
Madera Resource Conservation District.....	09/01/2013	Solano County Transit.....	08/16/2012
Maxwell Irrigation District.....	01/01/2013	Storm Drain Maintenance District I.....	07/01/1980
Maxwell Public Utility District.....	05/01/2003	Storm Drain Maintenance District III.....	07/01/1980
Maxwell Recreation and Park District.....	07/29/2003	Sutter LAFCO.....	07/01/2017
Mendocino City Community Services District.....	07/01/2006	Tehama-Colusa Canal Authority.....	07/01/2007
Merced County IHSS Public Authority.....	07/01/2012	Tulare County IHSS Public Authority.....	07/01/2012
Modoc County Transportation Commission.....	08/08/2016	Ukiah Valley Sanitation District.....	01/01/2011
Modoc Transportation Agency.....	08/08/2016	Westside Water District.....	09/19/2012
N. E. Willows Community Services District.....	07/01/1980	Yuba County Rural Fire Joint Powers Authority.....	07/01/2017
Napa Berryessa Resort Improvement District.....	01/23/2009	Yuba LAFCO.....	07/01/2009
Nevada-Sierra Connecting Point Public Authority.....	10/01/2003		
North Central Counties Consortium.....	07/01/2006		
North Willows County Service Area.....	07/01/1987		
Ord Bend Community Services District.....	07/01/1980		
Orland-Artois Water District.....	10/01/2007		
Petaluma Valley Groundwater Sustainability Agency.....	07/01/2017		



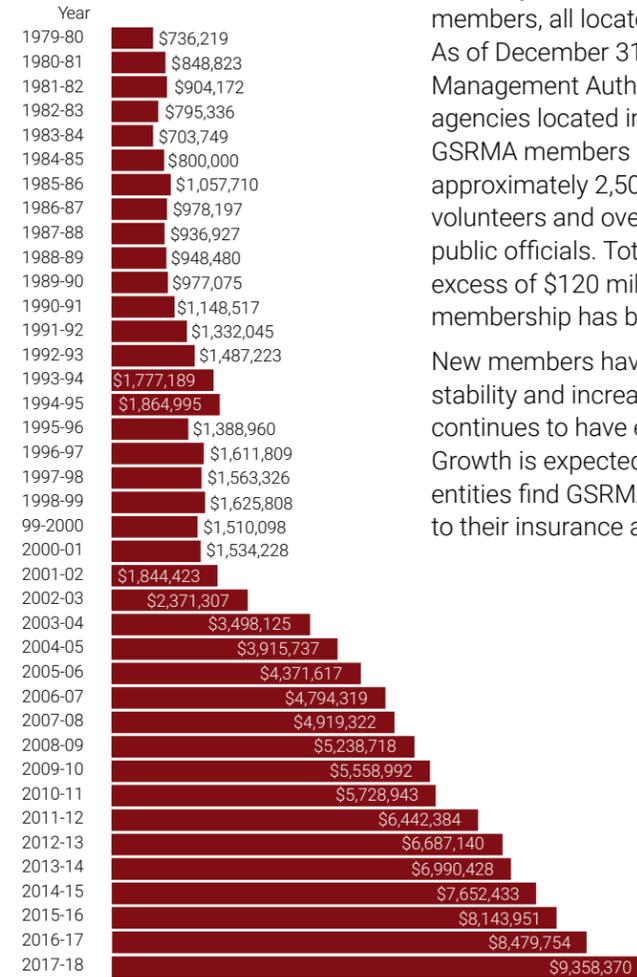


Member Agency Growth from 1979 - 2018

Members Agencies



Contributions US Dollars

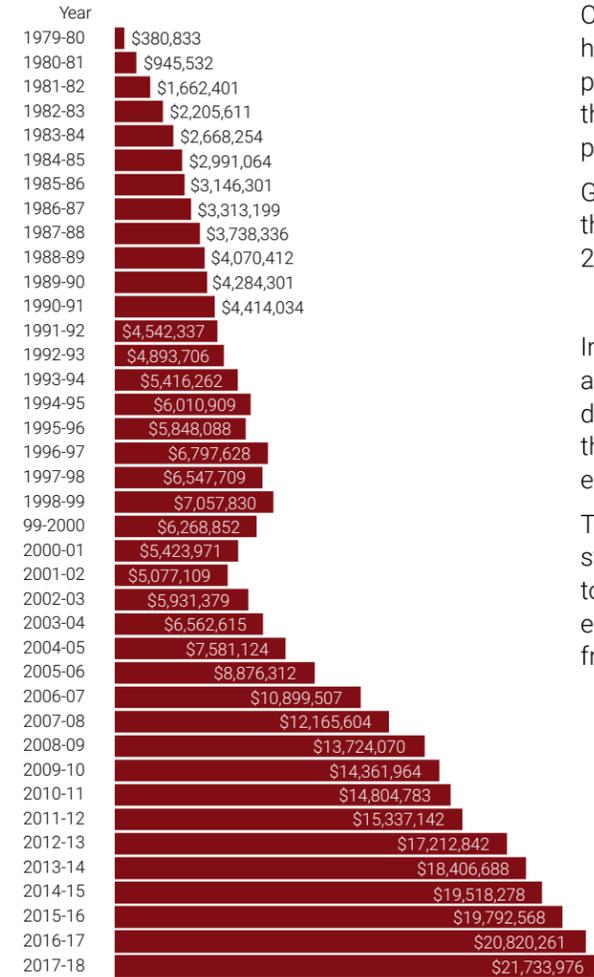


On July 1, 1979 Glenn County Joint Powers Authority was founded with 28 original members, all located within Glenn County. As of December 31, 2018 Golden State Risk Management Authority consists of 280 agencies located in 49 California Counties. GSRMA members have a combined total of approximately 2,500 employees, over 1,000 volunteers and over 1,250 elected or appointed public officials. Total member payroll is in excess of \$120 million. Growth in a total membership has been steady.

New members have contributed to greater stability and increased assets. GSRMA continues to have excellent member retention. Growth is expected to continue as more entities find GSRMA to be an excellent solution to their insurance and risk management needs.

Total Assets from 1979 - 2018

Total Assets US Dollars



Annual contributions have increased steadily since 2002 due to new members, increased payroll and property values of existing members. Contribution rates, based on cost of insurance per unit of coverage, have held stable through the years; a desired result of pooled insurance programs. This stability can be attributed to the administrative efficiency that growth has provided and reduced claims costs due to member loss prevention efforts.

GSRMA's total assets have grown from \$380,833 as of June 30, 1980, the end of the first program year, to over \$21.7 million as of June 30, 2018.

In July 2000, GSRMA adopted a Capital Target Reserve Policy to protect assets and return excess funds to members. This policy resulted in a downward adjustment of GSRMA assets as dividends were paid back to the members in the late 1990's. GSRMA has a strong history of returning excess contributions to the members in the form of dividends.

Total assets have grown to keep pace with claims exposures due to the steady growth in membership that started in 2002. GSRMA continues to be well funded. Net equity, assets less liabilities, in the program is estimated to be \$6.1 million as of June 30, 2018, a significant increase from the prior year.



Albion-Little River Fire Protection District



Big Pine Cemetery District



City of Dorris City Hall



Meridian Fire Protection District



Madera Cemetery District



Glenn County Courthouse



Coverage Programs

Comprehensive General Liability

\$25 Million Optional Excess Liability (OEL)

- Brit Global Specialty USA, Great American Excess & Surplus Company, Allied World National Assurance Co.
\$25M excess of \$25M

\$25 Million Reinsurance Layer

- Argonaut Insurance Co/Markel Global Reinsurance Co.
\$10M excess of \$15M

\$15 Million Reinsurance Layer

- Markel Global Reinsurance Co., Hiscox Syndicate, AmTrust Syndicate
\$5M excess of \$10M

\$10 Million Reinsurance Layer

- Great American Insurance Co.
\$5M excess of \$5M

\$5 Million CSAC-EIA Pool

- Covers difference between \$250K and \$5M

\$250 Thousand GSRMA Pool

- Covers the first \$250K

50 Million Per Occurrence Limits

- First-dollar coverage - no member retention or deductible for liability losses
- Bodily Injury & Property Damage
- Personal Injury
- Public Officials Errors & Omissions
- Automobile Liability
- Contractual Liability
- Employment Practices Liability

GSRMA participates in the CSAC-Excess Insurance Authority (EIA) General Liability Program for excess liability coverage. The program is one of the largest public agency excess pooling programs in the country. The size and reputation of the program provides unmatched stability and leverage in the insurance market.

GSRMA schools participate in both the CSAC-EIA program and Schools Excess Liability Fund (SELF) which provides member schools coverage that is designed specifically for education risks.

Workers' Compensation

Statutory Excess Insurance Layer

- Liberty Insurance Corporation
Statutory excess of \$50M

\$50 Million Excess Insurance Layer

- ACE American Insurance Company
\$45M excess of \$5M Pool

\$5 Million CSAC EIA Pool

- Difference between \$300K and \$5M per occurrence.

\$300 Thousand GSRMA Pool

- Covers the first \$300K per occurrence

Statutory Limits - \$5 Million Employers Liability:

- Complete Self-Administration of Claims
- Coordinated Phone-In Reporting and Injury Triage
- Customized Return-to-Work Programs
- Nationally Recognized for Innovative Claims Management Solutions

GSRMA participates in the CSAC-EIA Excess Workers' Compensation (EWC) Program. The EWC has the financial strength and stability to remain strong in all market conditions. The program utilizes pooled, fully-insured and quota-sharing coverage layers to spread risk. The GSRMA Workers' Compensation Program provides its members with stable, competitive rates through responsible funding and administrative efficiency.





Coverage Programs

Property and Miscellaneous Coverage

\$800 Million

- \$500M excess \$300M All Risk

\$300 Million

- \$200M excess \$100M All Risk & Flood Limits

\$100 Million

- \$75M excess \$25M All Risk & Flood Limits (Flood Limits Annual Aggregate)

\$25 Million Primary Layer

- \$25M All Risk Including Earthquake, Flood and Boiler & Machinery

\$3 Million CSAC EIA Pool

- \$3M per occurrence/\$10M Annual Aggregate Excess of Underlying Deductibles (Excludes earthquake and flood)

\$4 Thousand GSRMA Pool

- \$4,000 after member deductible

\$1 Thousand Member

- Member deductible per covered loss

800 Million Limits Per Loss

- Low member deductibles
- All-risk, full replacement cost coverage
- Real and personal property
- Automobile, mobile equipment, boiler and machinery
- Flood coverage included
- No co-insurance clause
- Optional earthquake, watercraft and aviation/airport coverage

GSRMA participates in the CSAC-EIA Property Program. The unique structure of the program diversifies risk geographically throughout the State. This innovative approach reduces the impacts of large losses to the individual members and insurers. The program is insured by numerous separate insurance carriers further stabilizing the program and protecting against carrier insolvency due to large losses.

In addition to property coverage, GSRMA members have access to reduced cost coverage for watercraft, medical malpractice, aviation and other exposures.

Crime Liability

\$15,000,000 limit

Occurrence Coverage including:

- GSRMA members have a \$2,500 deductible per occurrence
- Coverage includes Employee Theft including Faithful Performance of Duty (per loss coverage)
- Coverage includes Depositor's Forgery or Alteration including Credit, Debit or Charge Card Forgery
- Coverage includes Theft, Disappearance and Destruction - Inside and Outside the Premises
- Coverage includes Computer Fraud and Funds Transfer Fraud
- Coverage includes Money Orders and Counterfeit Paper Currency

Coverage Programs

Cyber Liability

\$5,000,000 Aggregate limit

Claims Made and Reported Coverage including:

- GSRMA members share a single sublimit of \$5,000,000 Aggregate for all coverages combined (including Claims Expenses)
- Additional sub limits may apply
- Member's Self Insured Retention is \$50,000 and there is an eight (8) hour waiting period for first party claims
- Coverage includes Breach Response
- Coverage includes First Party Loss (Business Interruption, Dependent Business Interruption, Cyber Extortion, Data Recovery)
- Coverage includes Third Party Liability (Data and Network, Regulatory Defense and Penalties, Payment Card Liabilities and Costs, Media Liability)
- Coverage includes eCrime (Fraudulent Instruction, Telephone Fraud)



2018 Employee Benefits Program

In partnership with the CSAC Excess Insurance Authority, GSRMA launched EIAHealth on July 1, 2007 with 6 member agencies, 25 covered employees and 50 covered lives. EIAHealth is a competitive alternative to more expensive small group health benefit programs. As of December 31, 2018, GSRMA health provides coverage to 47 agencies with 2,151 total lives!

Historically, smaller public agencies have had limited options in the insurance market due to age-banded rates, limited plan designs and unpredictable renewals. EIAHealth was created to provide a complete health benefits program with all the benefits of a large group platform. EIAHealth creates value and long-term stability for members by securing the lowest fixed cost plan components and combining employers with similar risk profiles in a financially stable pool. EIAHealth partners with Self-Insured Schools of California (SISC), to create one of largest employee benefit programs in the country, which affords tremendous funding leverage.

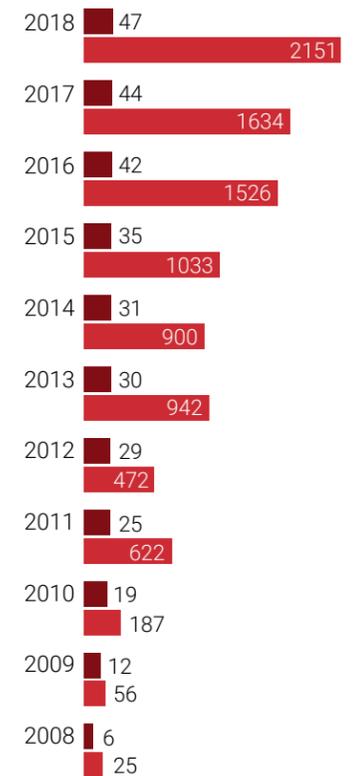
The EIAHealth Program includes three-tier rates, a variety of products, and the purchasing power of a larger entity through a shared-risk approach. Public agencies with fewer than 250 employees are eligible for the EIAHealth Small Group Program through GSRMA.

GSRMA provides administration, billing and enrollment to plan members. The plans utilize Blue Shield and Anthem PPO (Preferred Provider Organization) networks, the two largest in California. Currently, there are 10 plan designs available. The selection includes three traditional PPO's, two high-deductible Health Savings Account (HSA) compatible PPO's, two HMO's (Health Maintenance Organizations), two Kaiser plans and an EPO (Exclusive Provider Organization) to provide an HMO style option to areas where no HMO exists.

Coverage for dental, vision, EAP, group life and disability coverages are also available. Like the medical coverage, these programs are offered through GSRMA and utilize the same efficient funding principles.

Members

Agencies/Total Lives



Employee Benefits Membership

- | | | | |
|---|---|--|------------------------------------|
| Arbuckle Public Utility District | City of Rancho Cucamonga | Live Oak Cemetery District | Placer County Cemetery District #1 |
| Arcade Creek Recreation and Park District | City of Willows | Maxwell Fire Protection District | Reclamation District No. 784 |
| Biggs-West Gridley Water District | Colusa Cemetery District | Mayers Memorial Hospital District | Santa Maria Cemetery District |
| Burney Fire Protection District | Colusa County Water District | Mendocino City Community Services District | Shiloh Cemetery District |
| Butte County Mosquito & Vector Control District | County of Glenn | Modoc County Transportation Commission | Solano County Transit |
| Castroville Public Cemetery District | Drainage District #100 | Modoc Medical Center | Tehachapi Cemetery District |
| Central Valley Cemetery District | Fortuna Cemetery District | Murrieta Valley Cemetery District | Tehama-Colusa Canal Authority |
| Chowchilla Cemetery District | Galt-Arno Cemetery District | NorthNet Library Systems | Thermalito Water & Sewer District |
| City of Alturas | Glenn Co. Office of Education - Child & Family Services | Oak Hill Cemetery District | Trindel Insurance Fund |
| City of Dorris | Happy Homestead Cemetery District | Orland Cemetery District | Westside Water District |
| City of Orland | Hills Ferry Cemetery District | Paradise Cemetery District | Williams Cemetery District |
| City of Oroville | Housing Authority of The County of Butte | Patterson Cemetery District | |





Risk Management In Action - 2018



*Ethics Training
Granzella's | Williams, CA*



*Roseville Cemetery Board Members
Heat Illness Prevention Training*



*Resource Conservation District
Conference | Sacramento, CA*



*School Action for Safety
Glenn County Office of Education
Willows, CA*

If your agency is a member of Golden State Risk Management Authority, you are likely acquainted with the programs we have developed to support the success of our member agencies. You may even recognize your district in the images from the variety of training events we conduct—our team at work for you. We pride ourselves on personalized service and make it a habit to visit our member agencies in person as often as possible. During 2018, we met our members where they do business a total of 322 times. Often the visit included training and result in 1,255 people receiving on-site, in person training.

2018 was a great year to belong to GSRMA!

If your entity is not yet a member of GSRMA or a change in leadership at your entity has you wondering if your district is making full use of our services, please keep reading. GSRMA has a variety of member programs to suit the unique needs of your district.

HR Legal Hotline

The largest exposure faced by public agencies is the handling of employees and employment related issues. When litigation results, employment lawsuits are among the most costly. Early intervention is essential to prompt resolution and favorable outcomes. GSRMA is committed to providing members with basic HR legal guidance at no charge. The goal is to get members the right advice, early on, to enable issues to be quickly and efficiently resolved.

Medcor

Employees who are injured on the job deserve prompt medical attention and compliant handling by their employer.

Medcor is the nurse triage program that delivers on both counts to members of GSRMA. Injured employees and their supervisors call Medcor to report the injury and determine further medical treatment, if any. Immediate direction is given to the injured and proper forms are completed to maintain regulatory compliance by the employer. The simple "Call Medcor" step takes the guesswork out of incident and medical injury treatment and reporting.

Labor Law Posters

Members receive updated, complaint labor posters at the beginning of each calendar year, delivered to their door. Legislation passes and these postings must be updated. Membership to GSRMA helps your district maintain compliance. Look for these posters and post them wherever your employees report to work.

Loss Prevention Subsidy Fund (LPSF)

This fund is available on a first come, first served basis and is replenished at the beginning of each fiscal year. Have a training in mind for staff development? Is there a symposium on a topic you need to understand? Will it improve the safety of operations or help prevent losses at your district? If so, please apply for up to \$1,000 in reimbursement from GSRMA.

On-Line Training

Target Solutions is the vast on-line library of training modules available to GSRMA members. Law Enforcement and Fire Personnel have exclusive access to premium content. The platform continues to evolve and offer new content that enables your staff to complete required training

anytime, anywhere. Remarkably easy to administer, call GSRMA's Loss Prevention team to get started today.

Ergonomic Evaluations

In the world of workplace injuries, musculoskeletal disorders (MSD's) are a common and costly problem. We have a two pronged approach here at GSRMA to support our member agencies with this exposure. First, we encourage prompt reporting of all injuries in an effort to obtaining early diagnosis and proper treatment for injured workers.

Our second prong takes the form of "proactive prevention." At the request of member agencies, GSRMA staff will conduct on-site workstation evaluations to identify the risk factors for MSD's. Recommendations to eliminate the risk factors are made on the spot, and follow up recommendations made in writing.

Annual Conference

GSRMA's Annual Conference always promises relevant learning opportunities and 2018 was no exception. The inspirational Gordon Graham was the keynote speaker and kept the audience's attention the entire first day as he presented: What is Real Risk Management, The Ten Families of Risk and Operational Risk Management. As a CHP Commander and attorney, his training philosophy raises the bar and suggests it is necessary to train (remind) employees regarding known hazards on a daily basis. The 144 people who attended Mr. Graham's sessions represented 47 of GSRMA's member agencies.

For law enforcement and fire personnel,

training on a daily basis is a safety necessity due to the extreme risks those professions face. GSRMA also believes that training is vital at each and every one of our member agencies. The Annual Conference—as well as our array of programs, is designed to support you in the endeavor to train early and often, regardless of the size or nature of risks faced by your size of your organization.

Day two of the Annual Conference featured breakout sessions on the following topics: Looking Beyond the Haze – Dugs & Alcohol in the Workplace, Communication Skills for the Workplace, Managing HR Risk in a School Environment, and Managing Change During Challenging Fiscal Times. A total of 114 people attended, a high for the third year of our two-day format.

We hope you are inspired to plan on attending the 2019 event. The venue will be new, but the mission the same: bring you quality and relevant information necessary to safely conduct the business at hand. In the meantime, if training lacks "oomph" at your entity, please reach out to our Loss Prevention Team. The Loss Prevention Team is armed with a wealth of information and abundant resources to help you adopt a training program of which your organization can be proud.

Risk Management Accreditation Program (RMAP)

The RMAP (formerly LPIP) is an optional program—a roadmap of sorts—for GSRMA members to improve safety, reduce claims and prevent lawsuits by supporting sound risk management practices. It also can earn your district up to 10% of its annual



*Workstation Evaluation
Hamilton Union School District*



*Madera Cemetery District
Regional Safety Training.*



*City of Crescent City
Wellness Event & Safety Training*



*Golden State Risk Management
Authority's 14th Annual Conference.*





Hands on CPR/First Aid
Gridley Biggs Cemetery District



Traffic Control & Flagging
Training Lely Park Recreation
Center Orland, CA



contribution back (not to exceed \$50K). For 2017/2018, 45 member agencies participated and received awards totaling just over \$319k. Of the participating members, 20 achieved the highest percentage (10), achieved Accreditation and were presented with a plaque to commemorate the achievement.

The program has three areas of focus: Administration/Board Policies, Claims and Safety. The application is self-scored and



RMAP Accreditation Presentation with Terri Perrin, Fair Oaks Cemetery District



RMAP Accreditation Presentation with Carol McKay, City of Dorris



RMAP Accreditation Presentation with Joe Alameida, Roseville Public Cemetery District

due by the first Monday in March. As an additional incentive for members to pursue accreditation, a random drawing will be conducted from accredited members for complimentary attendance for up to two attendees to the PARMA conference.

TOP 5 TRAININGS

REQUESTED BY GSRMA MEMBERS 2018

- 1 CPR / FIRST AID**

This is live training with hands on learning and continues to be the single most requested training. 231 GSRMA members completed the course successfully. In the future, the training may be taken partially on-line if the member chooses.
- 2 HARASSMENT AND ETHICS**

Taught live in Williams, CA twice a year, the Harassment and Ethics classes are always well attended. In 2018, we saw 139 people receive the Harassment Prevention training and 117 receive Ethics. Call us compliant!
- 3 WORKPLACE STRESS**

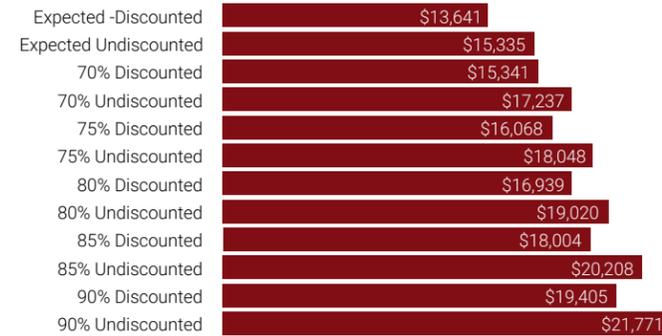
Managing stress in the workplace is on our members minds...so much so this topic made the top 5 most attended training for 2018. We take pride in knowing the 129 people who attended this class have some new tools to reduce workplace stress.
- 4 HEAT ILLNESS PREVENTION**

Extreme heat is a real risk--and a high priority here in the Golden State. 121 people received OSHA compliant Heat Illness Prevention Training in 2018.
- 5 DEFENSIVE DRIVING**

The single riskiest thing we do is drive--at work and in our private lives. GSRMA is pleased to bring Defensive Driving to 104 people with the goal of making each and every trip a safe one.

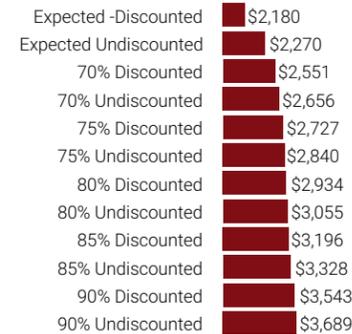
Actuarial Policy and Program Funding

General Workers Compensation & General Liability Confidence Levels Combined \$000's



Available Assets \$17,895

General Liability \$000's



Available Assets \$4,643

Workers Compensation \$000's



Total Assets \$13,252

It is the policy of the Authority to have an independent actuarial study performed annually to establish the adequacy of reserves in the Workers' Compensation and Liability/Property programs. The study also determines the appropriate funding levels for anticipated future losses, and the amount of equity in each program.

Confidence Levels

Confidence level is an estimated probability that a given level of funding will be adequate to pay claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Expected level refers to the best estimate of the full, ultimate value of loss costs. It is considered prudent to maintain asset levels at an amount that exceeds the expected level. Generally, a confidence level of 70% is considered marginally acceptable, 75%-85% confidence level (conservative) is recommended, and confidence levels above 90% are considered very conservative.

Discounted vs. Undiscounted

Discounted figures take into account anticipated investment income during the life of the claim. Un-discounted figures do not. Based on market conditions and historically low interest rates, GSRMA is currently utilizing a discounting rate of two percent.

1. The graph at top illustrates GSRMA's available assets vs. outstanding claims liabilities (\$000's) for the self-funded Liability and Workers' Compensation Programs combined at June 30, 2018. The estimated claims liability for the combined programs is \$13,641,000 discounted and \$15,335,000 undiscounted. The available assets of \$17,895,000 equate to a funding level that approaches the 85% (conservative) discounted confidence level.

2. The graph above left illustrates GSRMA's available assets vs. outstanding claims liabilities (\$000's) for the self-funded Liability Program at June 30, 2018. The estimated claims liability for the Liability Program is \$2,180,000 discounted and \$2,270,000 undiscounted. The available assets of \$4,643,000 equate to a funding level that exceeds 90% (very conservative) discounted and undiscounted confidence level.

3. The graph left illustrates GSRMA's available assets vs. outstanding claims liabilities (\$000's) for the self-funded Workers' Compensation Program at June 30, 2018. The estimated claims liability for the Workers' Compensation Programs is \$11,461,000 discounted and \$13,065,000 undiscounted. The available assets of \$13,252,000 equate to a funding level of 75% (acceptable) confidence level on a discounted basis.





2018 Overview of the Financial Position

GOLDEN STATE RISK MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,920,873	\$ 8,098,041
Interest receivable	71,778	41,106
Investments maturing within one year	2,975,582	1,928,134
Accounts receivable	113,079	365,743
Prepaid expenses	724,084	618,573
Total Current Assets	<u>11,805,396</u>	<u>11,051,597</u>
Noncurrent Assets		
Investments, at market	<u>9,928,580</u>	<u>9,768,664</u>
Total Assets	<u>21,733,976</u>	<u>20,820,261</u>
LIABILITIES		
Current Liabilities		
Accounts payable	19,027	78,880
Current portion of assessment payable	34,180	34,180
Unearned revenue	1,852,238	2,155,010
Current portion of unpaid claims and claim adjustment expense	3,500,000	3,400,000
Total Current Liabilities	<u>5,405,445</u>	<u>5,668,070</u>
Noncurrent Liabilities		
Assessment payable	136,721	170,901
Unpaid claims and claim adjustment expense	10,114,084	10,080,122
Total Noncurrent Liabilities	<u>10,250,805</u>	<u>10,251,023</u>
Total Liabilities	<u>15,656,250</u>	<u>15,919,093</u>
NET POSITION		
Net Position	<u>\$ 6,077,726</u>	<u>\$ 4,901,168</u>

The following is a discussion on GSRMA's financial position and various elements that affect its position. The discussion is based on the audited financials for the fiscal year ended June 30, 2018. James Marta & Company, Certified Public Accountants, has performed independent audit examinations of our financial statements. Their opinion on the Authority's financial statements as of June 30, 2018 is included in the annual financial audit that is available online at www.gsrma.org.

GSRMA management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected

from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

GSRMA has adopted a conservative investment policy according to state guidelines designed to optimize the rate of return on available assets not required for current operations while still keeping these assets readily available.

Budgetary control is provided by verification of budgeted amounts prior to expenditures and analysis of all account totals compared to budgeted amounts. Detailed reports of budget-to-actual comparisons, as well as basic financial statements, are provided to the JPA Board at each of their meetings. In addition, an Investment Report is provided to the Board and posted for public review on the website quarterly. Also, disbursement and bank transactional reports are reviewed by the Executive Director and/or the Board Directors regularly.

FINANCIAL HIGHLIGHTS

- Total revenue, from all sources including investments, was \$17.2 Million, an increase of 7.9% or \$1.26 Million from 2016/2017. The increase was due to a roughly 10% or \$730K increase in workers' compensation and liability contributions and an increase of 4.4% or \$325K in health plan premium. Property increased 17.4% or \$145K and investment interest revenue increased 60% or \$37K.

2018 Overview of the Financial Position

GOLDEN STATE RISK MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
REVENUES		
Member contributions	\$ 17,056,348	\$ 15,852,104
Other income	49,216	26,033
Total Operating Revenues	<u>17,105,564</u>	<u>15,878,137</u>
OPERATING EXPENSES		
Provision for unpaid claims and claim adjustment expenses	3,650,392	4,613,747
Insurance expense	9,366,846	8,831,536
Claims administration	774,872	672,321
General and administrative expenses		
Professional services	452,837	405,197
Loss control services	755,169	650,444
Risk management services	849,333	756,101
Other administrative expenses	177,990	157,044
Total general and administrative expenses	<u>2,235,329</u>	<u>1,968,786</u>
Total Operating Expenses	<u>16,027,439</u>	<u>16,086,390</u>
Operating Income	1,078,125	(208,253)
NONOPERATING REVENUES		
Investment income	98,433	61,431
Change in Net Position	1,176,558	(146,822)
Net Position, Beginning of Period	4,901,168	5,047,990
Net Position, End of Period	<u>\$ 6,077,726</u>	<u>\$ 4,901,168</u>

Net investment income increased fairly significantly as investments with lower yields matured and were replaced by those with higher yields and market value. This trend should continue as interest rates increase.

The employee benefits participation increased to 45 members covering a total 1,800 lives - an increase of roughly 150 lives from the prior year. Though this is mostly a "pass-through" product provided for the benefit of our members, its increased growth does have a small positive affect to pool net revenues.

- Total expenses were \$16 Million, which was essentially no change from 2016/2017. This deviates from the prior 2 years of a 7.5% increase. Net claims paid decreased 6.3% or \$235K while excess insurance rose 14% or \$222K excluding the employee benefits program. The actuarial estimate for total claims increased \$134K which was 85% less than the 2016/2017 increase of \$863K. Administrative costs increased 13.5% or \$266K. This was mostly due to an increase in the management expense resulting from the increase in member contributions on which it is based. In addition, the management fee percentage increased 1% as well.
- GSRMA assets of \$21.7 Million exceeded its liabilities of \$15.7 Million at June 30, 2018 by \$6.1 Million. This amount increased \$1.2 Million since the end of last year. This was due mainly to the slow growth of claims cost in relation to the increase in revenue. This compares to a \$150K decrease in net position in 2016/2017. The \$6.1 Million of fund equity may be used to meet GSRMA's ongoing obligations to members, claimants and creditors.

Total non-employee-benefits contribution revenues increased 10.4% or \$879K over 2016/2017. The increase was due to both an increase in estimated payroll and an increase in rates. Estimated payroll increased approximately 4.0% from 2016/2017. Rates for most lines of coverage increased due to several factors including an increase in rates from our primary excess carrier and the increase in admin expense.





2018 Overview of the Financial Position

GOLDEN STATE RISK MANAGEMENT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities		
Contributions received	\$ 17,055,456	\$ 16,155,687
Claims expenses paid	(4,291,302)	(4,422,672)
Dividends paid	-	(236,044)
Insurance premiums paid	(9,506,537)	(8,831,482)
General and administrative expenses paid	(2,295,182)	(1,958,085)
Net Cash Flows Provided (Used) by Operating Activities	<u>962,435</u>	<u>707,404</u>
Cash Flows From Investing Activities		
Investment income received	247,577	99,567
Payments for purchases of investments	(5,421,979)	(9,817,300)
Proceeds from sales and maturities of investments	4,034,799	9,929,311
Net Cash Flows Provided (Used) by Investing Activities	<u>(1,139,603)</u>	<u>211,578</u>
Net Increase (Decrease) in Cash	(177,168)	918,982
Beginning Cash and Cash Equivalents	8,098,041	7,179,059
Ending Cash and Cash Equivalents	<u>\$ 7,920,873</u>	<u>\$ 8,098,041</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 1,078,125	\$ (208,253)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:		
(Increase) Decrease in:		
Member receivable	252,664	(293,092)
Prepaid expenses	(105,511)	34,234
Increase (Decrease) in:		
Accounts payable	(59,853)	10,701
Assessment payable	(34,180)	(34,180)
Dividends payable	-	(236,044)
Unearned revenue	(302,772)	570,642
Claims liability	133,962	863,396
Net Cash Provided (Used) by Operating Activities	<u>\$ 962,435</u>	<u>\$ 707,404</u>
Supplementary Information		
Noncash Investing and Financing Transactions		
Change in fair market value of investments	<u>\$ (179,816)</u>	<u>\$ (42,691)</u>

Insurance Premiums. The insurance premium revenues and the expenses are dependent on the cyclical insurance market. Currently, the market for workers' compensation is fairly flat in relation to recent prior years. Liability rates are edging up and we expect a significant jump in rates in the coming year as tort

claim expenses are increasing significantly. Recent years have been challenging for property insurers due to numerous fire and weather caused disasters in the United States. Property rates are increasing as well and will remain higher for some time. Overall, GSRMA should expect to see excess rates increase especially for liability and property.

Provision for Insured Events. The provision for insured events is a management estimate of the cost of insured claims. This estimate is based on a variety of actuarial and statistical techniques considering claims history, claim payment history, claim frequency, changes in doctrines of legal liability, inflation and other economic and social factors. Claim cost estimates are constantly re-evaluated. Changes to prior year claim cost are adjusted as they occur. The provision increased for 2017/2018 though not significantly compared to the prior year.

Financial Summary

During the fiscal year 2017/2018, the overall financial picture of GSRMA strengthened significantly due to higher revenues and lower than expected claims costs. The result is that net position increased almost \$1.2 Million or 24%. This is compared to last year's decrease of \$147K or nearly 3%. Since this amount can change significantly from year to year, this is not unexpected. The pool remains adequately and conservatively funded at the 85% confidence level.

For the future, the following are negative factors that will impact GSRMA:

Past case law and legislative activity has resulted in increased costs and a negative financial impact on the workers'

2018 Overview of the Financial Position

compensation program. AB 2253 (public safety employees cancer presumptive), signed into law late in 2010, is having a significant negative impact on claims cost. Legislation that will result in increased workers' compensation costs continues to be introduced annually and is having some success in being signed by the Governor. It is possible that the newly elected one-party super-majority legislature and new governor may result in additional costly legislation.

Many special districts in California continue to struggle financially - including the members of GSRMA. In particular, the need to shift operating funds toward underfunded retirement systems and increasingly expensive employee benefits is putting significant pressure on many districts. These struggles could continue to negatively affect the budgets of these members including their employee counts and total payroll amounts as well as their ability to pay their contributions to the pool.

It is expected that state, federal and business partner reporting requirements will continue to increase in both the amount of data required and the complexity of the reporting requirements. This increases costs due to changes and additions of software and systems to meet these requirements as well as staff or contractor time to manage them. In addition, these agencies are increasing the fees they charge our industry in order to finance their expanding activity.

Liability claims costs in California continue to soar as awards and settlements increase in both frequency and, especially, dollar

size. Tort reform would help but it will be some time before that might occur, if ever. We expect to see tighter coverage limits and coverage exclusions as carriers try to mitigate potential losses in this volatile segment.

Future positive impacts on GSRMA include:

Improved administrative processes will continue to streamline the operation of this pool. Claims processing and pool management software are being more fully implemented and should result in more efficient claims processing and pool administration. These ongoing improvements should allow us to adequately respond to a continued increase of reporting requirements and regulation by carriers and from state agencies.

Efforts to produce and use analytics both with GSRMA member data and in conjunction with data from other like risk organizations are beginning to show promise of allowing us quicker recognition of and response to potential losses. This may decrease claims costs and increase overall pool efficiency.

We are beginning to see the positive results from increased investment returns. This should help in offsetting increasing costs. Notably related to this, our excess carriers are benefiting from the increase as well.

The State budget has recovered and revenue continues to exceed budgeted amounts. This continues to relieve some pressure on member budgets and has allowed them to restore some of their lost payroll funding. Pending significant economic downturn, public entity funding in California is stronger than it has been in some time.

Overall, GSRMA remains in a strong fiscal position that, barring loss of significant membership, should remain so for the foreseeable future.





CAJPA Accreditation

The California Association of Joint Powers Authorities (CAJPA) sponsors what is considered the nation's first risk management accreditation program. This program is designed to ensure quality and professional standards for all California risk management pools regardless of size, scope of operation, or membership structure. The process involves a detailed program study and evaluation, committee review and issuance of a report. The process is an extremely detailed audit conducted by an independent consultant and subject to CAJPA's exacting standards. Since 1992 GSRMA has maintained CAJPA'S highest award: "Accreditation With Excellence." GSRMA completed the tri-annual process spring of 2016, and was awarded continuous accreditation through May, 2019.



It is the purpose of this organization to give professional recognition to properly qualified insurance pools.

THEREFORE, the Board of Directors of the California Association of Joint Powers Authorities, has conferred upon

Golden State Risk Management Authority

this

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

Having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation



2018 GSRMA Member Photos



Beckwourth Fire Department



City of Orland | Heartland Park



Galt-Arno Cemetery District



County of Glenn | Memorial Hall



Mendocino City CSD



Central Valley Cemetery District



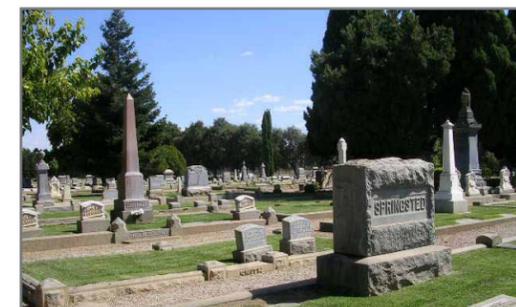
Cayucos-Morro Bay Cemetery District



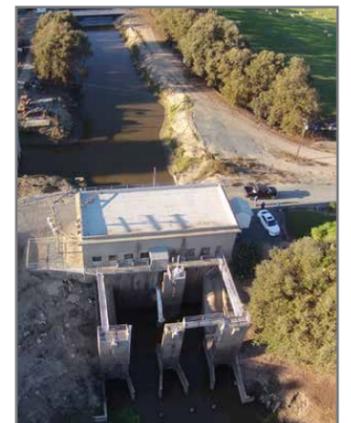
City of Crescent City Fire Station



Hornbrook Fire Protection District



Elk Grove-Cosumnes Cemetery District



Reclamation District No. 1001





**GOLDEN STATE**
RISK MANAGEMENT AUTHORITY