Stronger Together

Achieving the Vision

2019 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 the late 1970's, two veteran insurance brokers in Northern California's Glenn County, faced an insurance market for public entities that was all but non-existent. With few other options available, they envisioned the creation of an organization that would provide superior liability, workers' compensation, and property/auto coverage to local public agencies at a more competitive cost than the open market.

Their "vision" has evolved into what is now Golden State Risk Management Authority (GSRMA.) Over the last 40 years, GSRMA has not only done what its creators intended, but expanded their original vision to include additional coverages such as employee benefits and additional services such as training and risk control.

In a testament to the viability of this vision, GSRMA continues to flourish. At the closing of our most current fiscal year, a review of our annual financial reports reflects a very solid year of growth. GSRMA's strong fiscal position continues to serve the membership well. This is especially important as we start a challenging new phase in public entity risk pooling that will be especially interesting for the risk pooling industry, not only in California, but nationwide as well.

Currently, numerous issues are impacting GSRMA and its membership. The liability market is being adversely affected by run-away jury verdicts and increasing frequency of large losses. Due to State legislation, such as the passage of AB218 which significantly expands exposure to sexual assault and molestation claims, we expect to see a dramatic increase in the number and cost of claims. The property market is being negatively impacted by the wildfires in California, the large wind events in the Midwest, and worldwide catastrophic losses. As a result, both markets are in a significantly hard phase which is driving rates up.

Thankfully, workers' compensation rates have stabilized. However, we are concerned that as the State legislature continues to expand presumptive exposure for safety personnel, our workers' compensation program will be negatively impacted.

To address these challenging times, we are focused on keeping our operational processes state-of-the-art and expanding services to members.

We will soon be releasing a completely revamped website and numerous improvements to our member portal including enhancements to the ease and accuracy of our data collection processes. We have incorporated analytics in our loss prevention practices and predictive analytics to our claims team to assist them in achieving the absolute best claims outcomes. In addition, we have increased staffing in several areas including claims processing and risk control. These changes not only help our members avoid losses, they help us internally be as efficient and cost-effective as possible.

For over 40 years, our "vision" has remained unchanged. By embracing that vision, we continue to provide our members with a long-term, fiscally-stable risk sharing pool that delivers exceptionally broad coverage at a consistently low cost.

Scott Schimke, Executive Director

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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?

The cost of risk can best be kept level by spreading it across not only various sized entities but among various member types.

Leveraging our experience in public entity risk management. We have been covering 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 coverage 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 Risk Management Accreditation Program (RMAP). We also provide grants to members for third party training for their districts.

Having a dedicated representative on our Board of Directors for each member type. At least one of the seven 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 capacity 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 $24.2 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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Our Team, Your 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 15 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 service 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.

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.

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.

Jaheesha Griffin | *Senior Workers' Compensation Claims Examiner*

Jaheesha has 15 years of experience in 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.

Brenda Eldredge | *Senior Workers' Compensation Claims Examiner*

Brenda has 20 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.

Tracey Crosby
Claims Assistant

Tracey has 37 years of experience in Administrative Support and two years of experience as a Workers' Compensation Claims Assistant. 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.

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.

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.

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.

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.

Brian Edinger
Risk Control Advisor

Brian achieved his Bachelor of Science degree in Sustainable Manufacturing from CSU, Chico and brings 6 years of manufacturing production and operations experience. As Risk Control Advisor, he will be instrumental in the development and documentation of internal policies and procedures, while also providing member services in the forms of trainings, evaluations, visits, and other loss prevention measures.

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.

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 serves on the Technology Committee for the California Association of Joint Powers Authorities (CAJPA).

Continued

Our Team, Your Team! *(Continued)*

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.

Cynthia Connelly
Special Projects Technician

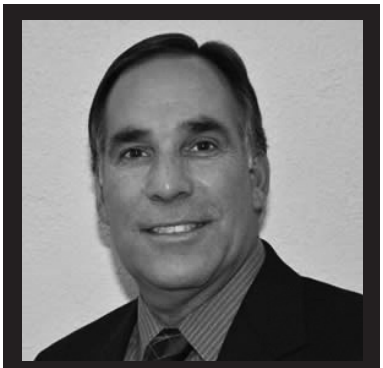
Cynthia worked in various aspects of GSRMA processes for 27 years prior to her retirement in 2016. She is currently back and working behind the scene to assist the organization with consistency and accuracy of electronic data and special projects.

Member Agencies by Location

Board of Directors

2019 - 2020

John Viegas, *President* – County
Keith Corum, *Vice President* – County
Michael Craddock - City
Rick Beale - Cemetery District
Doug Turner - Fire District
James "Buck" Ward - School District
Jack Cavier - Special District
Leonard G. Krup – Legal Counsel



John Viegas | *Board President*

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

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

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 Elliot - 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 and Date Joined

County (1)	
County of Glenn	07/01/1979
Cities (7)	
City of Alturas	7/1/2017
City of Crescent City	7/1/2011
City of Dorris	7/1/2014
City of Orland	7/1/1980
City of Oroville *	7/1/2011
City of Rancho Cucamonga *	1/1/2013
City of Williams	7/1/2011
Schools (8)	
Capay Joint Union Elementary School District	7/1/1982
Glenn County Office of Education	7/1/1980
Hamilton Unified School District	7/1/1980
Lake Elementary School District	7/1/1980
Plaza School District	7/1/1980
Princeton Joint Unified School District	7/1/1980
Stony Creek Joint Unified School District	7/1/1980
Willows Unified School District	7/1/1980
Cemetery Districts (121)	
Alturas Cemetery District	11/10/2008
Anderson Cemetery District	7/1/2003
Arbuckle Cemetery District	10/24/2005
Arroyo Grande Cemetery District	2/1/2005
Atascadero Cemetery District	7/1/2003
Auburn Public Cemetery District	7/1/2008
Bangor Cemetery District	7/1/2010
Big Pine Cemetery District	7/1/2014
Browns Valley Cemetery District	8/1/2005
Brownsville Cemetery District	8/1/2005
Burney Cemetery District	7/1/2003
Byron-Brentwood-Knightsen Union Cemetery District	7/1/2003
Cambria Cemetery District	7/1/2003
Carters Cemetery District	7/1/2005
Castroville Cemetery District	7/1/2008
Cayucos-Morro Bay Cemetery District	7/1/2004
Cedarville Cemetery District	9/2/2011
Central Valley Cemetery District	7/1/2003
Chester Cemetery District	10/10/2006
Chowchilla Cemetery District	7/1/2015
Clovis Cemetery District	7/1/2003
College City Cemetery District	7/1/2010
Columbia Cemetery District	7/1/2004
Colusa Cemetery District	3/7/2004
Corning Cemetery District	7/1/2003
Cottonwood Cemetery District	3/26/2003
Dunlap Cemetery District	7/1/2016
Elk Creek Cemetery District	7/1/1980
Elk Grove-Cosumnes Cemetery District	7/1/2003
Fair Oaks Cemetery District	7/1/2003
Fortuna Cemetery District	7/1/2013
Galt-Arno Cemetery District	6/16/2003
German Cemetery District	7/2/2004
Glenbrook Cemetery District	2/7/2013
Gridley-Biggs Cemetery District	4/1/2003
Guadalupe Cemetery District	7/1/2013
Halcumb Cemetery District	7/1/2003
Hanford Cemetery District	7/1/2008
Happy Homestead Cemetery District	3/31/2003
Hartley Cemetery District	3/1/2011
Hills Ferry Cemetery District	7/1/2003
Hornbrook Cemetery District	5/12/2007
Kelsey Cemetery District	6/22/2003
Kelseyville Cemetery District	7/1/2005
Kern River Valley Cemetery District	7/1/2012
Keystone Cemetery District	8/8/2006
Kimshew Cemetery District	4/25/2003
Live Oak Cemetery District	4/17/2003
Lompoc Cemetery District	7/1/2013
Lookout Cemetery District	8/28/2010
Los Angeles Harbor Area Cemetery District	11/20/2013
Los Banos Cemetery District	7/1/2006
Los Molinos Cemetery District	7/1/2003
Lower Lake Cemetery District	7/1/2003
Madera Cemetery District	7/1/2011
Manton Joint Cemetery District	1/26/2004
Marvin-Chapel Cemetery District	7/1/1980
Mary's Cemetery District	2/1/2004
Maxwell Cemetery District	12/13/2005
Meadow Valley Cemetery District	11/18/2010

Member Agencies and Date Joined

Mendocino Little River Cemetery District	7/1/2003
Merced Cemetery District	6/1/2008
Merquin Cemetery District	7/1/2011
Millville Cemetery District	7/1/2003
Mohawk Valley Cemetery District	12/1/2019
Murrieta Valley Cemetery District	7/1/2009
Nevada Cemetery District	7/1/2003
Newcastle, Rocklin, Gold Hill Cemetery District	7/1/2006
Newville Cemetery District	3/1/2008
North Kern Cemetery District	7/1/2013
Oak Grove Cemetery District	11/10/2005
Oak Hill Cemetery District	7/1/2008
Orland Cemetery District	7/1/1983
Oroville Cemetery District	7/1/2003
Pajaro Valley Cemetery District	7/1/2004
Paradise Cemetery District	7/1/2003
Paso Robles Cemetery District	11/13/2003
Patterson Cemetery District	7/1/2008
Peoria Cemetery District	7/1/2003
Picard Cemetery District	4/1/2006
Pine Creek Cemetery District	7/1/2003
Pine Grove Cemetery District	6/1/2015
Pioneer Cemetery District	7/1/2014
Placer County Cemetery District #1	1/9/2005
Plainsburg Cemetery District	7/1/2003
Pleasant Grove Cemetery District	7/1/2005
Porterville Public Cemetery District	3/10/2012
Potter Valley Cemetery District	7/1/2019
Quincy-LaPorte Cemetery District	7/1/2003
Ramona Cemetery District	7/1/2003
Red Bluff Cemetery District	7/1/2003
Rio Vista-Montezuma Cemetery District	7/1/2014
Roseville Public Cemetery District	7/1/2015
Russian River Cemetery District	7/1/2005
Santa Margarita Cemetery District	5/6/2003
Santa Maria Cemetery District	3/20/2004
Selma Cemetery District	7/1/2008
Shasta Valley Cemetery District	5/13/2003
Shaws Flat-Springfield Cemetery District	7/1/2004
Shiloh Cemetery District	7/1/2012
Sierra County Cemetery District #5	5/12/2004
Silveyville Cemetery District	7/1/2010
Smartsville Cemetery District	5/29/2018
Snelling Cemetery District	5/1/2009
South Kern Cemetery District	7/1/2012
Stonyford Cemetery District	7/1/2000
Sutter Cemetery District	7/1/2003
Sylvan Cemetery District	4/26/2003
Tehachapi Public Cemetery District	7/1/2012
Tehama Cemetery District	7/1/2003
Tipton-Pixley Cemetery District	5/6/2004
Township No. 2 Cemetery District	9/1/2013
Tracy Public Cemetery District	7/1/2005
Truckee Cemetery District	7/1/2003
Upper Lake Cemetery District	6/1/2003
Visalia Public Cemetery District	5/1/2003
Wheatland Cemetery District	7/1/2007
Wildomar Cemetery District	7/1/2008
Williams Cemetery District	1/31/2003
Willows Cemetery District	7/1/1980
Winton Cemetery District	7/1/2003
Fire Districts (51)	
Albion-Little River Fire Protection District	4/1/2005
Anderson Valley Community Services District	7/1/2010
Artois Fire District	7/1/1980
Bayliss Fire Protection District	7/1/1980
Bear Valley/Indian Valley Fire District	7/1/1989
Beckwourth Fire District	7/1/2015
Big Pine Fire Protection District	7/1/2014
Burney Fire Protection District	1/1/2010
Camptonville Community Services District	7/1/2008
Capay Fire Protection District	7/1/1991
Coffee Creek Volunteer Fire District	11/1/2008
Comptche Community Services District	7/1/2005
Crescent Fire Protection District	7/1/2012
Dobbins-Oregon House Fire Protection District	7/1/2009
Downieville Fire Protection District	1/3/2011
El Medio Fire Protection District	7/1/2011
Elk Community Services District	4/1/2009

Member Agencies and Date Joined

Elk Creek Fire Protection District	7/1/1980
Elkhorn Fire Protection District	7/1/2016
Fall River Mills Fire Protection District	11/1/2005
Foothill Fire Protection District	7/1/2009
Glenn-Codora Fire District	7/1/1980
Glenn-Colusa Fire District	7/1/1980
Grenada Fire Protection District	7/1/2011
Hamilton City Fire Protection District	7/1/1980
Hornbrook Fire Protection District	8/1/2018
Jackson Valley Fire Protection District	4/1/2010
Knights Landing Fire Protection District	7/1/2010
La Porte Fire Protection District	7/1/2010
Lake Pillsbury Fire Protection District	3/15/2019
Lakeport Fire Protection District	7/1/2015
Little Valley Community Services District	2/1/2004
Long Valley Fire Protection District	7/1/2012
Maxwell Fire Protection District	7/1/2002
Mendocino Fire Protection District	7/1/2004
Meridian Fire Protection District	12/3/2009
Mount Shasta Fire Protection District	5/1/2002
Northshore Fire Protection District	7/1/2014
Ord Bend Fire Protection District	7/1/1980
Orland Rural Fire District	7/1/1980
Piercy Fire Protection District	7/1/2005
Pliocene Ridge Community Services District	7/1/2005
Redwood Coast Fire Protection District	7/1/2009
River Delta Fire District	11/15/2010
Siskiyou County Service Area No. 4	7/1/2012
Trinity Center Community Services District	11/1/2008
Ukiah Valley Fire District	4/1/2006
Williams Fire Protection Authority	7/1/2005
Willows Rural Fire Protection District	7/1/1980
Yolo Fire Protection District	11/1/2010
Zamora Fire Protection District	7/1/2009
Special Districts (119)	
Arbuckle Public Utility District	7/1/2008
Arcade Creek Recreation and Park District *	7/1/2016
Arroyo Seco Groundwater Sustainability Agency	2/1/2018
Artois Community Services District	7/1/1982
Berry Creek Community Services District	4/1/2002
Biggs-West Gridley Water District	1/1/2013
Brannan-Andrus Levee Maintenance District	12/1/2010
Broadmoor Police Protection District	7/1/2014
Butte City Community Services District	2/1/1980
Butte County Mosquito & Vector Control District *	12/1/2014
Cachuma Resource Conservation District	9/1/2014
California Association for Park & Rec. Indemnity (CAPRI) *	6/1/2019
California Authority of Racing Fairs *	1/1/2019
California Cannabis Authority	10/15/2018
California Fair Services Authority *	1/1/2019
California Fairs Financing Authority *	1/1/2019
Capital Southeast Connector	1/25/2008
Church Tree Community Service District	4/1/2013
Colusa Basin Drainage District	4/1/2007
Colusa County One-Stop Partnership	7/1/2003
Colusa County Resource Conservation District	7/1/2010
Colusa County Water District	4/1/2012
Colusa County Water Works #1	8/26/2011
Colusa Groundwater Authority	8/16/2017
Concord/Pleasant Hill Health Care District	10/1/2012
Cooperative Agricultural Support Services Authority	4/1/2019
Cortina Creek Flood Control and Flood Water Con. Dist.	5/15/2009
Cortina Water District	3/15/2012
Deer Creek Irrigation District	7/1/2016
Dixon Regional Watershed Joint Powers Authority	7/1/2018
Drainage District #100 *	1/1/2017
Durham Recreation & Park District *	9/1/2019
East Merced Resource Conservation District	7/1/2010
Elk County Water District	2/12/2010
Elk Creek Community Services District	7/1/1980
First 5 Colusa County	7/1/2008
First 5 Glenn County	7/1/2000
First 5 Yuba County	1/1/2009
Glenn County In-Home Supportive Services Public Auth.	7/1/2003
Glenn County Olive Pest Management District	7/1/2002
Glenn County Resource Conservation District	7/1/2000
Glenn Groundwater Authority	9/1/2017
Glenn LAFCO	11/1/2013
Glenn Transit Service	7/1/1986
Grenada Irrigation District	8/16/2017

Member Agencies and Date Joined

Hamilton City Community Services District	7/1/1980
Holthouse Water District	7/11/2013
Housing Authority of The County of Butte *	1/1/2018
In-Home Supportive Services Public Authority of Marin	7/1/2012
Ione Memorial District	11/12/2019
Isla Vista Community Services District	7/1/2017
Lake Berryessa Resort Improvement District	8/1/2009
Lake Shastina Community Services District	7/1/2017
Levee District I	7/1/1980
Levee District II	7/1/1980
Levee District III	7/1/1980
Los Carneros Water District	9/15/2009
Madera County IHSS Public Authority	7/1/2018
Madera/Chowchilla Resource Conservation District	9/1/2013
Maxwell Irrigation District	1/1/2013
Maxwell Public Utility District	5/1/2003
Maxwell Recreation and Park District	7/1/2003
Mayers Memorial Hospital District *	1/1/2015
Mendocino City Community Services District	7/1/2006
Merced County IHSS Public Authority	7/1/2012
Modoc County Transportation Commission	8/8/2016
Modoc Medical Center *	1/1/2016
Modoc Transportation Agency	8/8/2016
N. E. Willows Community Services District	7/1/1980
Napa Berryessa Resort Improvement District	1/23/2009
Nevada-Sierra Connecting Point Public Authority	10/1/2003
North Central Counties Consortium	7/1/2006
North Willows County Service Area	7/1/1987
Northern Delta Groundwater Sustainability Agency	8/1/2019
NorthNet Library Systems *	9/1/2010
Ord Bend Community Services District	7/1/1980
Orland-Artois Water District	10/1/2007
Owens Valley Groundwater Authority	5/1/2019
Petaluma Valley Groundwater Sustainability Agency	7/1/2017
Princeton Water Works District	10/15/2018
Proberta Water District	3/7/2013
Rancho Murieta Community Services District	3/10/2010
Reclamation District No. 317	3/10/2011
Reclamation District No. 407	3/10/2011
Reclamation District No. 563	2/1/2011
Reclamation District No. 784	12/1/2009
Reclamation District No. 833	3/12/2009
Reclamation District No. 1001	12/1/2016
Reclamation District No. 1002	4/3/2011
Reclamation District No. 2067	3/10/2011
Reclamation District No. 2103	11/15/2016
Reclamation District No. 2140	8/2/2006
Renewal Enterprise District	12/1/2019
Riverfront Joint Powers Authority	11/30/2017
Sacramento Area Council of Governments	7/1/2014
Sacramento County IHSS Public Authority	7/1/2012
Sacramento Metropolitan Cable Television Commission	7/1/2012
Sacramento Transportation Authority	9/29/2018
Salsipuedes Sanitary District	5/15/2003
San Antonio Basin Groundwater Sustainability Agency	8/28/2017
San Joaquin Co. In-Home Supportive Services Public Auth.	7/1/2012
Sand Creek Flood Control District	7/1/2013
Santa Rosa Plain Groundwater Sustainability Agency	7/1/2017
Sierra-Sacramento Valley Emergency Medical Services	9/1/2009
Solano County Transit	8/16/2012
Storm Drain Maintenance District I	7/1/1980
Storm Drain Maintenance District III	7/1/1980
Sutter LAFCO	7/1/2017
Tehama-Colusa Canal Authority	7/1/2007
Thermalito Water & Sewer District *	1/1/2013
Trindel Insurance Fund *	1/1/2010
Tulare County IHSS Public Authority	7/1/2012
Ukiah Valley Sanitation District	1/11/2011
Vina Groundwater Sustainability Agency	10/1/2019
Washington County Water District	5/1/2019
Westside Water District	9/19/2012
Wyandotte Creek Groundwater Sustainability Agency	11/12/2019
Yuba County Rural Fire Joint Powers Agency	7/1/2017
Yuba LAFCO	7/1/2009

* Associate Member - Employee Benefits Program Only

Member Agency Growth from 1979 - 2019

Members
Agencies

1979-80	28
1980-81	34
1981-82	34
1982-83	36
1983-84	37
1984-85	38
1985-86	38
1986-87	38
1987-88	38
1988-89	38
1989-90	38
1990-91	40
1991-92	40
1992-93	40
1993-94	40
1994-95	40
1995-96	40
1996-97	41
1997-98	41
1998-99	41
99-2000	41
2000-01	41
2001-02	47
2002-03	52
2003-04	108
2004-05	120
2005-06	134
2006-07	147
2007-08	159
2008-09	173
2009-10	194
2010-11	209
2011-12	228
2012-13	247
2013-14	251
2014-15	259
2015-16	263
2016-17	272
2017-18	274
2018-19	291

Contributions
US Dollars

Year	
1979-80	$736,219
1980-81	$848,823
1981-82	$904,172
1982-83	$795,336
1983-84	$703,749
1984-85	$800,000
1985-86	$1,057,710
1986-87	$978,197
1987-88	$936,927
1988-89	$948,480
1989-90	$977,075
1990-91	$1,148,517
1991-92	$1,332,045
1992-93	$1,487,223
1993-94	$1,777,189
1994-95	$1,864,995
1995-96	$1,388,960
1996-97	$1,611,809
1997-98	$1,563,326
1998-99	$1,625,808
99-2000	$1,510,098
2000-01	$1,534,228
2001-02	$1,844,423
2002-03	$2,371,307
2003-04	$3,498,125
2004-05	$3,915,737
2005-06	$4,371,617
2006-07	$4,794,319
2007-08	$4,919,322
2008-09	$5,238,718
2009-10	$5,558,992
2010-11	$5,728,943
2011-12	$6,442,384
2012-13	$6,687,140
2013-14	$6,990,428
2014-15	$7,652,433
2015-16	$8,143,951
2016-17	$8,479,754
2017-18	$9,358,370
2018-19	$10,052,818

On July 1, 1979 Glenn County Joint Powers Authority was founded with 28 original members, all located within Glenn County. As of December 31, 2019 Golden State Risk Management Authority consists of 291 agencies located in 49 California Counties. GSRMA members have a combined total of approximately 2,500 employees, over 1,000 volunteers and over 1,300 elected or appointed public officials. Total member payroll is in excess of $125 million. Growth in 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.

Williams Fire Protection Authority

Columbia Cemetery District

City of Cresent City, City Hall

Total Assets from 1979 - 2019

Total Assets
US Dollars

Year	
1979-80	$380,833
1980-81	$945,532
1981-82	$1,662,401
1982-83	$2,205,611
1983-84	$2,668,254
1984-85	$2,991,064
1985-86	$3,146,301
1986-87	$3,313,199
1987-88	$3,738,336
1988-89	$4,070,412
1989-90	$4,284,301
1990-91	$4,414,034
1991-92	$4,542,337
1992-93	$4,893,706
1993-94	$5,416,262
1994-95	$6,010,909
1995-96	$5,848,088
1996-97	$6,797,628
1997-98	$6,547,709
1998-99	$7,057,830
99-2000	$6,268,852
2000-01	$5,423,971
2001-02	$5,077,109
2002-03	$5,931,379
2003-04	$6,562,615
2004-05	$7,581,124
2005-06	$8,876,312
2006-07	$10,899,507
2007-08	$12,165,604
2008-09	$13,724,070
2009-10	$14,361,964
2010-11	$14,804,783
2011-12	$15,337,142
2012-13	$17,212,842
2013-14	$18,406,688
2014-15	$19,518,278
2015-16	$19,792,568
2016-17	$20,820,261
2017-18	$21,733,976
2018-19	$24,236,088

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 $24.2 million as of June 30, 2019, an impressive growth of 11.5% over the past year.

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 $7.5 million as of June 30, 2019, a significant increase from the prior year.

Mendocino Fire Protection District

Corning Cemetery District

City of Williams Museum

Coverage Programs

Comprehensive General Liability

$25 Million Optional Excess Liability (OEL)
– Great American Excess & Surplus Company, Allied World National Assurance Co.
$25M excess of $25M

$25 Million Reinsurance Layer
– AmTrust Syndicate, Brit Syndicate
$5M excess of $20M

$20 Million Reinsurance Layer
– Everest Reinsurance
$5M excess of $15M

$15 Million Reinsurance Layer
– Markel Global Reinsurance, AmTrust Syndicate
$5M excess of $10M

$10 Million Reinsurance Layer
– Great American
$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

$600 Million
– $300M 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

600 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)

Health Benefits

- Medical Benefits
- Dental Plan
- Vision Plan
- Basic Life
- Supplemental Life
- Long Term Disability
- Employee Assistance Program
- Carrum Health

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, 2019, GSRMA health provides coverage to 51 agencies with 2,448 total lives!

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 12 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.

Member Services - 2019

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. Chances are 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 2019, we met our members where they do business a total of 442 times. Often the visit included training and resulted in 1,199 people receiving on-site, in person training.

2019 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. GSMRA has a variety of member programs to suit the unique needs of your district.

TRAINING

Training is of fundamental importance to effective safety and loss prevention programs. To meet the diverse needs of our membership, GSRMA provides a variety of resources and training opportunities, including, but not limited to the following:

ANNUAL TRAINING CONFERENCE

GSRMA's Annual Conference always promises relevant learning opportunities and 2019 was no exception. Over the day and a half event, 155 attendees representing 58 member agencies participated in relevant and inspirational training sessions.

The inspirational Randy Anderson of e3 Professional Trainers presented two motivating sessions: "Spreading the Vision" and "The 25 Hour Day". In "Spreading the Vision" Randy encouraged attendees to communicate the "how" and "why" to their team in order to achieve the key objectives of their organization. With "The 25 Hour Day", Randy reminded attendees that they "own" their time it is vital that they use it wisely. He provided examples of active time budgeting as well as practical advice for making the best use of our time.

Colleen Howard and Derek Haynes of Porter Scott presented a very educational and interactive session on "Hiring Do's and Don'ts". During this session Colleen and Derek walked attendees through the hiring process pointing out "do's" and "don'ts" along the way.

GSRMA's Management Team including Scott Schimke, Executive Director, Rick Krepelka, Chief Operations Officer, Jennifer Peters, Assistant Risk Manager, and Tricia Alderman, Claims Manager presented a panel discussion regarding the various aspects of their

2019 Annual Training Conference

area of responsibility, the roles of each of member of our team and the programs and services GSRMA provides to our members.

Day two featured breakout sessions on the following topics: "Website…What Website?", Public Law Legislative Update, Mind Your Manager: The Board's Duty, I2P2 Injury and Illness Prevention Program's Role in Employee Safety, Developing Your Bench Strength: Succession Planning and Cyber Insecurity.

Annual Conference Training Session

ON-LINE TRAINING

Target Solutions is the vast on-line library of training modules available to GSRMA members. Water, Wastewater, Law Enforcement and Fire personnel have exclusive access to additional 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.

HR LEGAL HOTLINE

One of the largest exposures facing public agencies is often handling employees and employment-related issues. When litigation results, employment lawsuits are among the costliest. 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.

RMAP Award Presentation to Chief Mike Ciancio and Lisa Deas, Northshore Fire Protection District

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 law posters at the beginning of each calendar year, delivered to their door. Legislation

Member Services - 2019

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)

GSRMA is interested in partnering with and supporting our members in their pursuit of training and loss prevention. One way we accomplish this is through the Loss Prevention Subsidy Fund. 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, feel free to apply for up to $1,000 in reimbursement from GSRMA.

ERGONOMIC EVALUATIONS

In the world of workplace injuries, musculoskeletal disorders (MSD's) are a common and costly problem. GSRMA has a two-step approach to support our member agencies with this exposure. First, we encourage prompt reporting of all injuries to obtain 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 onsite and follow up recommendations are provided in a written report.

RISK MANAGEMENT ACCREDITATION PROGRAM (RMAP)

The RMAP (formerly LPIP) is an optional program available for GSRMA members to act as a roadmap to improve safety, reduce claims, and prevent lawsuits by supporting sound risk management practices. By participating your district can earn up to 10% of its annual contribution back (not to exceed $75K). For 2018/2019, 42 member agencies participated and received awards totaling just over $340k. Of the participating members, 22 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, Claims and Safety. The application is self-scored and 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 Public Agency Risk Management Association (PARMA) conference.

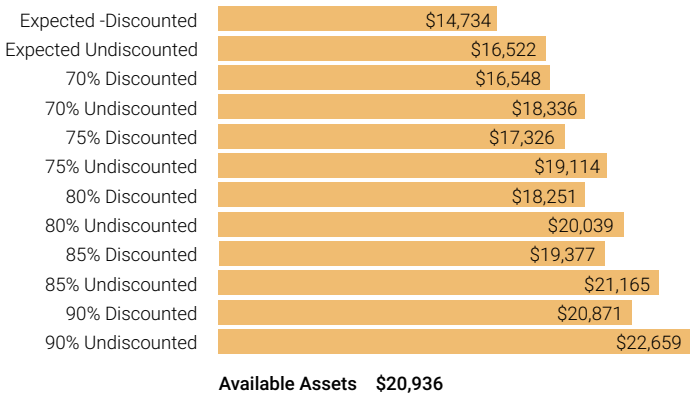
RMAP Accreditation Presentation with Blake Inscore – Mayor, City of Crescent City

RMAP Award Presentation to Chief Rick Bergem, Lakeport Fire Protection District

RMAP Accreditation Presentation with Macey Binning, Eric Hunter, Dorothy Long and Mayor Bobby Ray, City of Alturas

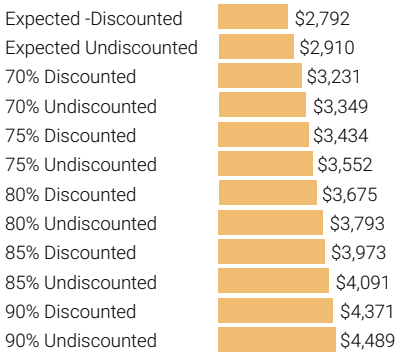
Actuarial Policy and Program Funding

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



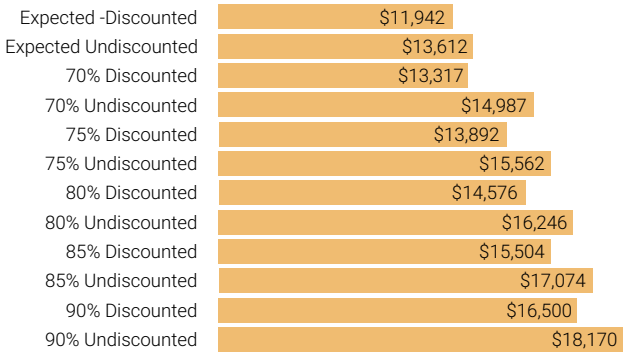
Available Assets $20,936

General Liability
$000's



Available Assets $6,145

Workers Compensation
$000's



Total Assets $14,791

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, 2019. The estimated claims liability for the combined programs is $14,734,000 discounted and $16,522,000 undiscounted. The available assets of $20,936,000 equate to a funding level that exceeds the 90% (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, 2019. The estimated claims liability for the Liability Program is $2,792,000 discounted and $2,910,000 undiscounted. The available assets of $6,145,000 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 claim liabilities ($000's) for the self-funded Workers' Compensation Program at June 30, 2019. The estimated claims liability for the Workers' Compensation Programs is $11,942,000 discounted and $13,612,000 undiscounted. The available assets of $14,791,000 equate to a funding level that exceeds 80% (acceptable-conservative) confidence level on a discounted basis.

2019 Overview of the Financial Position

GOLDEN STATE RISK MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8,652,274	$ 7,920,873
Interest receivable	105,875	71,778
Investments maturing within one year	3,733,169	1,928,134
Accounts receivable	163,030	113,079
Prepaid expenses	763,168	724,084
Total Current Assets	13,417,516	10,757,948
Noncurrent Assets		
Investments, at market	10,818,573	10,976,028
Total Assets	24,236,089	21,733,976
LIABILITIES		
Current Liabilities		
Accounts payable	35,602	19,027
Current portion of SELF assessment payable	34,180	34,180
Unearned revenue	1,774,723	1,852,238
Current portion of unpaid claims and claim adjustment expense	3,500,000	3,500,000
Total Current Liabilities	5,344,505	5,405,445
Noncurrent Liabilities		
SELF assessment payable	102,541	136,721
Unpaid claims and claim adjustment expense	11,247,893	10,114,084
Total Noncurrent Liabilities	11,350,434	10,250,805
Total Liabilities	16,694,939	15,656,250
NET POSITION		
Net Position	$ 7,541,150	$ 6,077,726

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, 2019. 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, 2019 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.

The GSRMA board 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 Officers regularly.

FINANCIAL HIGHLIGHTS

- Total revenue, from all sources including investments, was $19.5 Million, an increase of 13% or $2.25 Million from 2017/2018. The increase was due to a roughly 8.9% or $465K increase in workers' compensation contribution and an increase of 9.1% or $1.5M in health plan premium. Property increased 13.3% or $86K and investment revenue (interest and change in value) increased 730% or $765K.

2019 Overview of the Financial Position

- Total expenses were $18 Million, which was a 12.5% or $2 Million increase from 2017/2018. This deviates from no increase last year and a 7.5% increase in the prior two years before that. Half of this increase was due to an increase in excess insurance costs including a $740K increase in Health Plan premium. The remainder of the increase was a significant $1 Million increase in actuarially estimated claims cost in the Liability program. Net claims paid decreased 9.7% or $341K while excess insurance rose 15.6% or $283K excluding the employee benefits program. The actuarial estimate for total claims increased $1.07 Million which was nearly 8 times the 2017/2018 increase of $134K. Administrative costs increased 7.1% or $158K which is roughly half of the prior year's increase of 13.5%.
- GSRMA assets of $24.2 Million exceeded its liabilities of $16.7 Million at June 30, 2019 by $7.5 Million. This amount increased $1.5 Million since the end of last year. This increase was due mainly to an increase in member contributions that exceeded the increase in expenses as well as a significant increase in investment income. This compares to a $1.2 Million increase in net position in 2017/2018. The $7.5 Million of fund equity may be used to meet GSRMA's ongoing obligations to members, claimants and creditors.

GOLDEN STATE RISK MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
REVENUES		
Member contributions	$ 18,610,292	$ 17,056,348
Other income	21,864	49,216
Total Operating Revenues	18,632,156	17,105,564
OPERATING EXPENSES		
Provision for unpaid claims and claim adjustment expenses	4,308,923	3,650,392
Insurance expense	10,452,322	9,366,846
Claims administration	832,266	774,872
General and administrative expenses		
Professional services	497,632	452,837
Loss control services	789,130	755,169
Risk management services	919,278	849,333
Other administrative expenses	187,768	177,990
Total general and administrative expenses	2,393,808	2,235,329
Total Operating Expenses	17,987,319	16,027,439
Operating Income	644,837	1,078,125
NONOPERATING REVENUES		
Investment income	818,587	98,433
Change in Net Position	1,463,424	1,176,558
Net Position, Beginning of Period	6,077,726	4,901,168
Net Position, End of Period	$ 7,541,150	$ 6,077,726

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. Meanwhile, liability rates are rapidly increasing and we expect a significant jump in rates in the coming year as tort claim expenses and adverse legislation 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.

The provision for insured events is a management estimate of the cost of insured claims. This estimate is based on a variety of actuarial

2019 Overview of the Financial Position

GOLDEN STATE RISK MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities		
Contributions received	$ 18,504,690	$ 17,055,456
Claims expenses paid	(4,007,380)	(4,291,302)
Insurance premiums paid	(10,525,586)	(9,506,537)
General and administrative expenses paid	(2,377,233)	(2,295,182)
Net Cash Flows Provided (Used) by Operating Activities	1,594,491	962,435
Cash Flows From Investing Activities		
Investment income received	554,245	247,577
Payments for purchases of investments	(5,571,203)	(5,421,979)
Proceeds from sales and maturities of investments	4,153,868	4,034,799
Net Cash Flows Provided (Used) by Investing Activities	(863,090)	(1,139,603)
Net Increase (Decrease) in Cash	731,401	(177,168)
Beginning Cash and Cash Equivalents	7,920,873	8,098,041
Ending Cash and Cash Equivalents	$ 8,652,274	$ 7,920,873
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	$ 644,837	$ 1,078,125
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:		
(Increase) Decrease in:		
Member receivable	(49,951)	252,664
Prepaid expenses	(39,084)	(105,511)
Increase (Decrease) in:		
Accounts payable	16,575	(59,853)
Assessment payable	(34,180)	(34,180)
Unearned revenue	(77,515)	(302,772)
Claims liability	1,133,809	133,962
Net Cash Provided (Used) by Operating Activities	$ 1,594,491	$ 962,435
Supplementary Information		
Noncash Investing and Financing Transactions		
Change in fair market value of investments	$ 230,245	$ (179,816)

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 2018/2019 though most significantly in the Liability program.

Financial Summary

Similar to the prior year, the overall financial picture of GSRMA strengthened significantly in the fiscal year 2018/2019. This was mostly due to increased contribution revenues and investment income. The result is that net position increased almost $1.5 Million or 24%. This is similar to last year's increase of $1.2 Million. The pool remains adequately and conservatively funded at the 90% 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' compensation program. While the impact of this has leveled off in the most current year, indications are that legislation will result in increased workers' compensation costs, especially for safety personnel, will continue to be introduced annually in the one-party super-majority legislature and, once passed, signed by the Governor.

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.

2019 Overview of the Financial Position

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. "Social inflation" – the rising cost and frequency of liability claims – is having a significant impact on the liability markets. Tort reform in California would help but it will be some time before that might occur, if ever. We expect to see significantly higher excess premiums as well as 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. Predictive analytics has also been introduced into the claims process to assist examiners in obtaining best outcomes. This may decrease claims costs and increase overall pool efficiency.

We are finally benefiting from the positive results of 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.

Event Photos

City of Crescent: Safe and Sound

Harassment and Ethics Training - Granzella's, Williams

Glenn County Employee Luncheon

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 2019, and was awarded continuous accreditation through May, 2022.

CAJPA
California Association of Joint Powers Authorities

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

California Association of Joint Powers Authorities
Accredited with Excellence

2019 GSRMA Member Photos

Mount Shasta Fire Protection District

City of Crescent City Pier

Santa Maria Cemetery District

County of Glenn | Orland Memorial Hall

Arbuckle PUD

Elk Creek Cemetery District

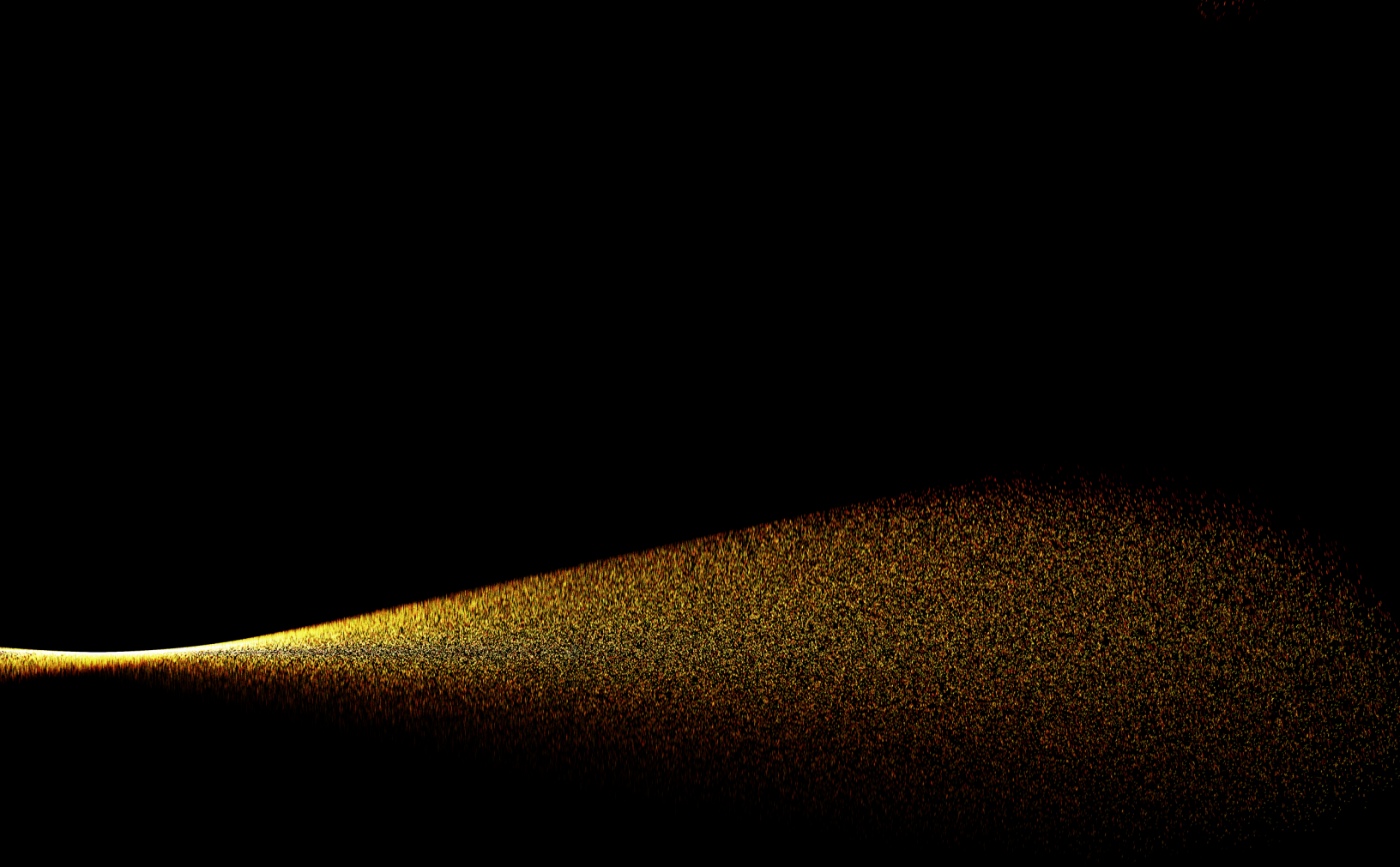
Madera Cemetery District

Lakeport Fire Protection District

Salsipuedes Sanitary District

Downieville Fire Protection District

Stony Creek JUSD



GOLDEN STATE
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