

The background of the cover is a photograph of a vast, golden field under a warm sunset sky. In the distance, there are rolling hills and mountains. The scene is partially obscured by large, dark, angular geometric shapes that create a layered, architectural effect. The sun is visible on the right side of the horizon, casting long, golden rays across the field.

2022-2023
Annual Report



Our Mission

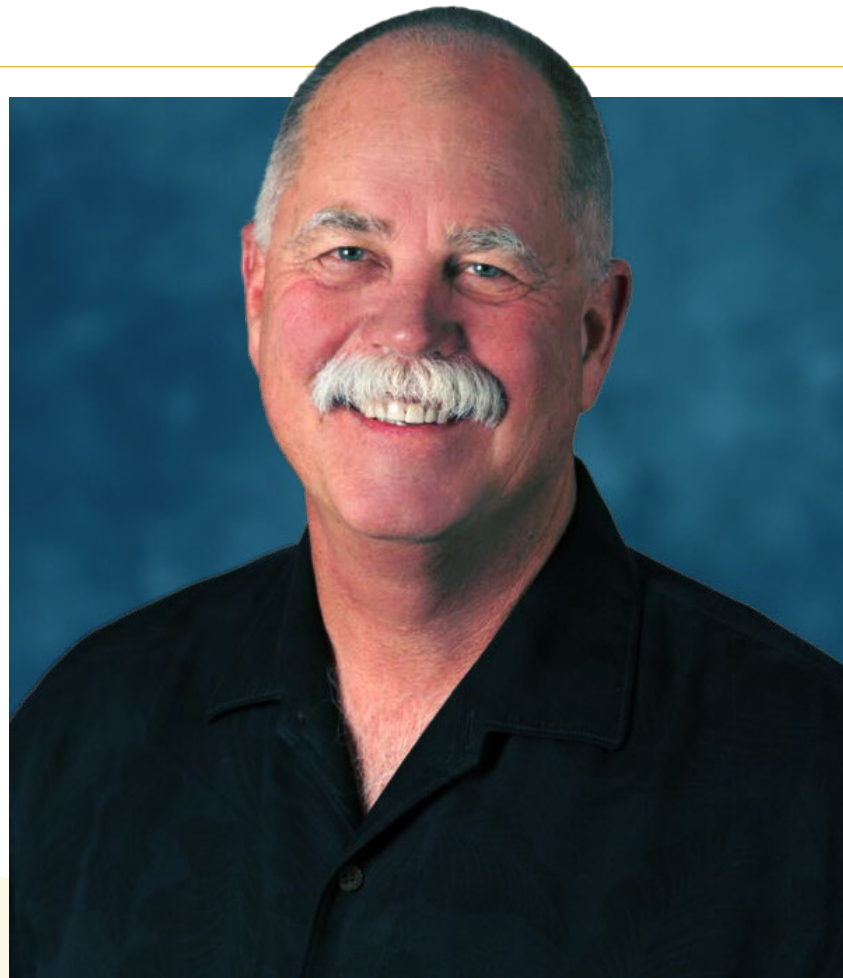
Helping agencies like yours succeed

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 its Member Agencies, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding risk pooling and insured programs.

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Scott Shimke

Executive Director

To Our Members

We have been through a lot in the last few years; the global pandemic, social unrest throughout our great country, and the many natural disasters that have plagued our beautiful state. Whether working for a county, city, fire department, school system, cemetery, or any other type of public entity in California, we have all been impacted in one way or another - professionally or personally - and probably both.

However, in the face of these challenges, we have witnessed incredible resilience and toughness in our community - that is, the community of public entity members belonging to our organization. Our Golden State Risk Management Authority team takes this opportunity to express our gratitude and admiration for all of you. Your sacrifices and the hard work you have put in serve your communities well and keep them safe. We recognize your commitment and dedication, and we are privileged that you are all part of our risk-sharing pool.

To be sure, we see challenges ahead. But we are committed to providing our members with the support and resources they need to navigate any difficulties that arise.

Thank you for your unwavering trust and partnership. Let us continue collaborating and building a better tomorrow for our communities and future generations.

Scott Shimke

Our Valued Members

Meet the clients of GSRMA



Cities

7 Cities belong to GSRMA

Cities face challenges because of the complexity of state and federal mandates and the breadth of services offered to the public. Municipal staff generally don't have the luxury of focusing on one area of operations, leaving a city with gaps in expertise and staff bandwidth. We fill this gap in risk management expertise and experience so city administrations can better focus on other responsibilities.



Community Service

18 Community Service Districts belong to GSRMA

These entities provide one or more services where municipal services do not exist. These may include parks, recreation, sewer, water, and emergency response services. While more focused, these agencies still require broad coverage, and with funding pressures from the public they serve, they need manageable and stable costs.



Diversity is Key

Our diverse network of members is the key to the strength of GSRMA



County



City



Fire



School



Cemetery



Community Service



Other Special

"It is crucial to our members that we do more than just provide insurance".

Our Valued Members



Cemeteries

129 Cemetery Districts
belong to GSRMA

In addition to laws applicable to all state public entities, such as open meeting and finance requirements, cemeteries must comply with complex requirements of the state health and safety code. These small public agencies often have minimal staff or may even be run solely by a volunteer board. Public access issues are ongoing, and most are in less populated sections of their communities and are difficult to monitor for theft and other unlawful activity. These issues, combined with a challenging funding model, require we deliver adequate coverage as cost-effectively as possible. In addition, we must provide broad advisory and training services to help these important agencies.



Fire

54 Fire Districts
belong to GSRMA

Along with local law enforcement provided by counties and cities, fire departments are the heart of any community’s public safety services. Strict State training requirements and high equipment costs challenge local fire agencies. For many agencies, volunteers make up some or all of their workforce. Considering the dangers these organizations face, it is crucial that they must have sufficient coverage without breaking the bank. They require unique training and risk management services to adapt to constantly changing requirements.



Our Valued Members



Counties

1 County belongs to GSRMA

California counties are complex organizations. Not only are they required to deliver and manage a myriad of services to their citizens, including public health, public safety, and infrastructure maintenance, but they also provide oversight and assistance to various special districts and governmental organizations. This variety especially challenges small, rural counties. Employees often wear multiple hats that require them to be “experts” in various fields. It is crucial to our county member that we do more than just provide insurance. Risk management, employee training, process recommendations, and all levels of loss prevention expertise are vital components of our service to counties.



Schools

8 School Districts belong to GSRMA

K12 educational entities have unique laws and regulations which they must navigate. Not doing so can result in significant penalties, including reduced funding, fines, and defense costs. Considering their influence on our children, an often demanding and divided public watches their performance with great attention to detail. From a workplace accident perspective, this is a relatively safe group. But from a human resource and litigation perspective, public education has significant exposure to claims. We are there for our school members by helping them keep up with risk management best practices for the industry.



Our Valued Members



Other Special
149 Other Special
Districts belong
to GSRMA

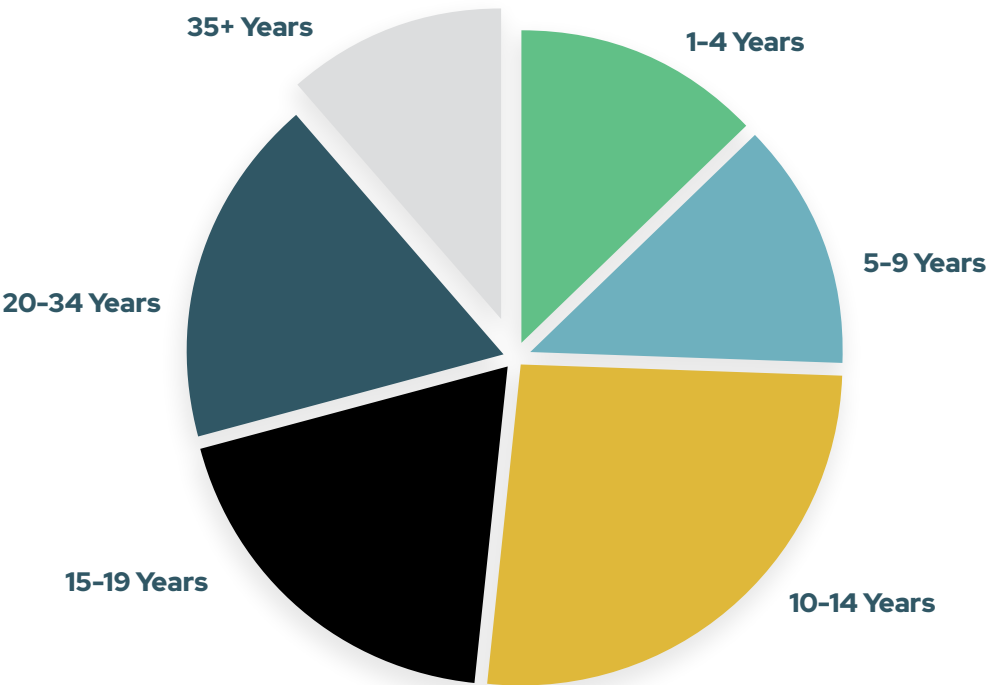
A complex and diverse group of public entities are loosely grouped under the Special Districts category, such as Transit, First 5, IHSS, employment one-stop, levee, resource conservation, and more. Supporting this group requires a high level of knowledge and expertise in regulations and best practices. The coverage we provide meets the requirement of being broad and flexible.

Visualizing the Data

Distribution of Membership Type



Duration of Membership



2022-2023 Membership Data

318



Organizations in our Membership

\$ 935 M



Total Insured Value

\$ 18.9 M

Contribution



\$ 35.4 M



Assets



\$ 166 M

Plus 1,012 VFFs Payroll

Divided by Membership Type

County

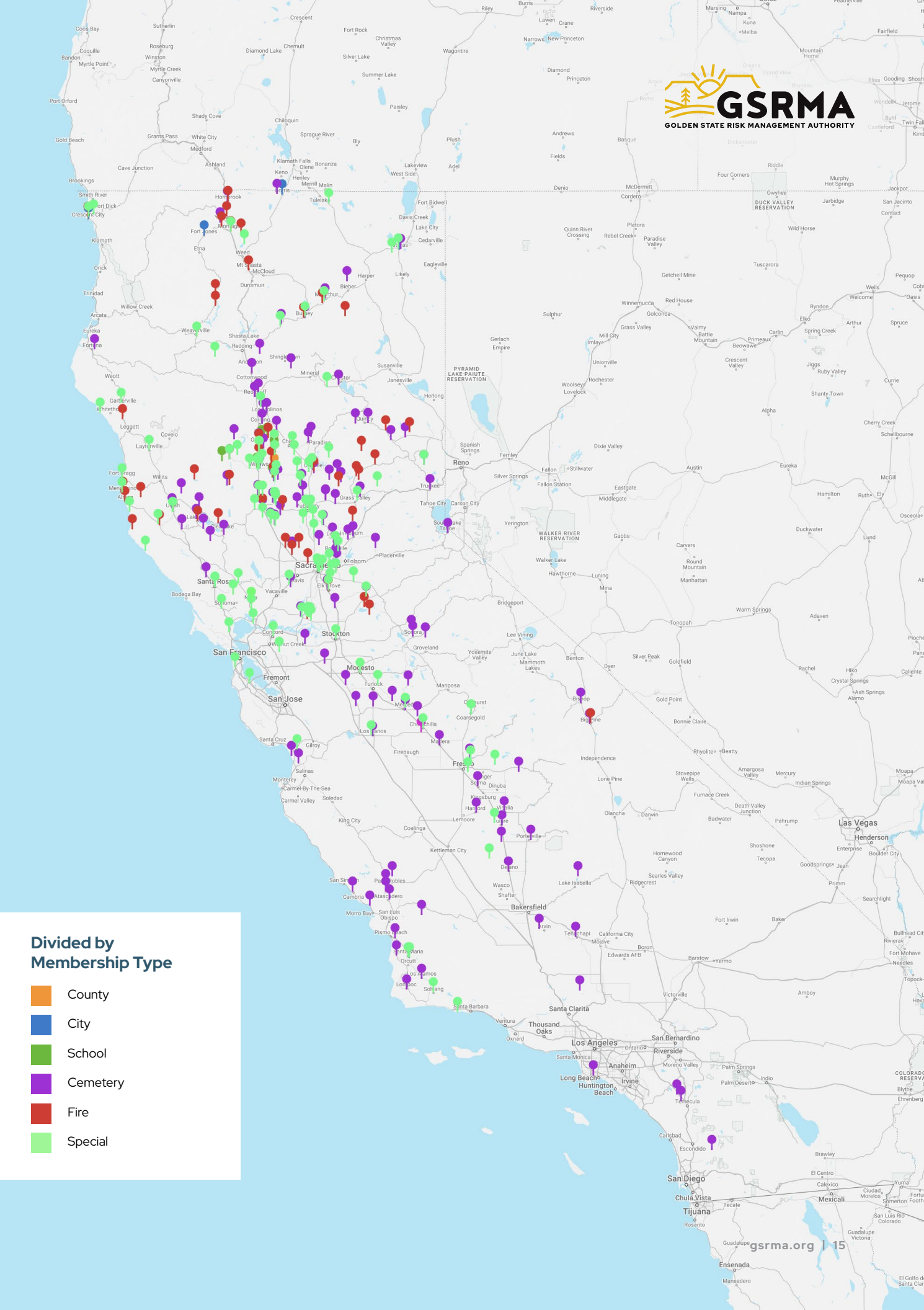
City

School

Cemetery

Fire

Special



History and Introduction



In the 1970s, public agencies were essentially canceled by private insurance companies with less and less appetite for that portion of the insurance market. As coverage was necessary for agencies to continue operations, the California Legislature added to the government code to allow public agencies to join together under a joint powers authority, or JPA, to provide services, such as insurance coverage, to its member entities.

Soon after, in 1979, Glenn County Joint Powers Authority was formed in response to the “hard” insurance market. The JPA acted mainly as a broker and fiduciary, providing nearly all Glenn County public entities insurance coverage. In the 1990s, claims management and accounting were brought in-house to serve the pool members. By 2000, a relationship with PRISM – Public Risk Innovation Solutions and Management (formally CSAC-EIA) – an excess insurance JPA, was cemented for them to provide excess or “backstop” insurance coverage – a relationship that is still in existence today.

In response to continued inquiries by public agencies physically located outside of Glenn County, GCJPA was renamed Golden State Risk Management Authority (GSRMA), effective July 1, 2000. The Board adopted this name to better identify the JPA with its current and future membership.

The pool has grown from three contract employees to over twenty, though, as a testament to its stability, it has only had two executive directors in its 40+ years in existence.

Unlike most public entity risk pools, which include only one type of member district, GSRMA has a wide variety of member types with various risk profiles. This variety, stretched over its many members, has allowed the pool to provide stable and consistently competitive rates while providing extensive coverage and high limits.

In times of softer markets and lowered costs, GSRMA has returned millions of dollars of excess revenue to its members. However, it has really shined in times, such as the current markets for Liability and Property, of hardening markets by lessening cost spikes and coverage reductions.

Now, as it was in the late 1970s and many times since, it is an especially opportune time for a public entity to be in a risk pool.



Governance



A seven-person Board governs GSRMA. The Board is comprised of representatives from the major member types: Counties, Cities, Schools, Cemeteries, Fire, and Special Districts.

Individual districts are elected for Board representation by districts in their member-type group. Once the election results are confirmed, the winning member districts appoint one of their governing board members to serve on the GSRMA Board. Terms for board positions are two years beginning on July 1st.

Representatives for 2023 are:

Two members from the Board of Supervisors of a member county (Keith Corum and Paul Barr started the coverage year, and were succeeded by Jim Yoder and Thomas Arnold, County of Glenn), one member from the City Council of a member city (Isaiah Wright, City of Crescent City), one member from the Board of Trustees of a member school district (Gina Taylor, Willows Unified School District), one member from the Board of Directors from a member cemetery district (Rick Beale, Orland Cemetery District), one member from the Board of Directors of a member fire protection district (Angela Spease, Cosumnes Community Service District) and one member from the Board of Directors of a member special district (John Viegas, Glenn County IHSS).

The Risk Manager reports to the Board. Contracted staff report to the Risk Manager and conduct the day-to-day administration and operation of policies and procedures as set forth by the Authority’s Joint Powers Agreement, By-Laws, and Board of Directors.



Our Team

Meet the group of people that make GSRMA work



Finance

While our department has a critical role in the financial health of the pool, we take special pride in responding to all member requests, such as audit confirmations, lost invoices, and billing questions, as quickly as possible and even immediately in most cases. Members shouldn't have to stop in the middle of what they are doing and wait for days or weeks for us to get back to them. We also do our best to help members allocate their insurance costs internally when needed. Though it has become more difficult in the hardened insurance market, we provide contribution estimates as early and accurately as possible to help members as they work through their budget cycle.

In addition, we have been working hard to implement a new accounting system that is more advanced than the one we have used for many years. This will allow us to be more agile, accurate, and efficient. The reporting capability and tools for management decision-making will significantly improve. All this will enable us to maximize the pool's financial management and provide our members with an even higher level of service.



Working Together

GSRMA is made up of eight different departments, as listed below.



Finance



Underwriting



Liability Claims



Risk Control



Technology



Comp Claims



Risk Management



Member Services

"We take special pride in responding to all member requests".

Our Team



Underwriting

The primary role of the Underwriting department is to evaluate prospects for membership in our pool. However, we are also happy to provide various key services to our members, including answering complex coverage questions, providing contract reviews, and producing certificates of insurance. Members can talk directly with staff; we are proud of our quick response time. Insurance can be very complex and overwhelming – we are here to help our members better understand their coverage and coverage provided by third-party vendors and contractors. Understanding insurance, risk management, and contractual risk transfer helps our members protect their districts and, ultimately, the risk pool.

The insurance industry has recently entered into a hard market. We were pleased to have been able to provide coverage for several smaller districts that needed help to procure coverage in the commercial insurance market. Risk pools were born out of a hard market, and we will continue to strive to help public entities during these difficult insurance times.



Liability Claims

Our department is here to help our members in their time of need, from covering storm damage to property to damage to a member’s vehicle. We make every effort to assist our members with repairs or replacements as quickly as possible to mitigate disruption in their daily processes and potential costs. GSRMA coordinates with our Excess Carrier for reimbursements to the pool and assists with coverage questions. Furthermore, we aggressively pursue subrogation for damage that a third party may have caused; in 2022, GSRMA was able to recover approximately \$91,000 for our members.

Our department also supports our members in response to third-party liability claims by assisting with the claims process, beginning with a detailed investigation and providing recommendations to our members. Should a lawsuit be filed, we hire a defense attorney to represent and defend the claim. We work with our attorney to resolve the matter cost-effectively or monitor the claim through to trial. General Liability/Property works closely with our Risk Control Advisors.

Our goal remains to support our members, no matter what exposure they may face, and to be the first call to assist and guide them through the process.



Our Team

The Statistics

90

Renewal Meetings held

273

On-site member visits

295

Virtual member contacts

10,233

Online courses held

34,742

Online custom activities

31,000

Miles travelled by Risk Control
Advisers to attend board
meetings, ribbon cuttings,
and local member events



Member Services

While all our staff are responsible for member services, the role of our Member Services department is to oversee communication and outreach with our members. We utilize many avenues to communicate with our members, including monthly blog posts, quarterly newsletters, email blasts, and annual reports. We also coordinate the Annual Training Conference, which is a great time for networking and education with our members. An essential component of our member services efforts is monitoring and advising our members of new legislation or regulation changes.

We also offer a Labor Law and Employment Practices Hotline and annual labor law posters at no cost to our membership.



Risk Control

The role of our department is to assist our members with identifying and mitigating risks. Our Risk Control Advisors travel across the state and utilize many avenues to achieve this goal. This includes regular onsite visits, site safety inspections, ergonomic evaluations, and various training programs. We also offer programs such as the Loss Prevention Subsidy Fund, which allows members to apply for reimbursement for training programs, and the Risk Management Accreditation Program, which is a roadmap to improve safety, reduce claims, and prevent lawsuits by supporting sound risk management practices.

We recently rolled out a new initiative to conduct Renewal Meetings with our membership. These meetings focus on ensuring our members understand their coverages and the programs and services available, review and update their property schedules, and review their loss history.



Risk Management

The Risk Management department is the heart and soul of the operations running GSRMA. This department links the other internal departments of the pool together. The Risk Management team operates as the main conduit with the Board of Directors, as well as the eyes and ears of the pool and its partners in the pooling industry as a whole.

During the last year, the Risk Management team maintained its presence in the pooling community by having staff actively involved with PRISM (GSRMA's excess partner) through their Board, Executives, Underwriting, and Risk Control committees, as well as representation on CAJPA's Accreditation and Tech committees. Lastly, they maintained GSRMA's presence on a national level through AGRIP.

Internally the department helped the pool emerge from COVID by hosting GSRMA's Annual Conference for the first time in three years. The department worked with the Board of Directors to complete the election of the officers for the Board positions representing Fire and Special Districts for 7/1/23 – 6/30/25.

The Risk Management team has many exciting projects they will coordinate internally with the other departments coming on-line or up to speed in the next 12 months. These projects include an entirely new claims, policy, CRM, and risk control solution that will seamlessly link multiple departments together and a new financial platform that will improve financial reports to the Board and members of the pool as well as streamline all billing processes. This new financial system will also significantly improve the pool's investment process, allowing us to take greater advantage of the higher interest rates and enhance the pool's rate of return on its claims reserves.



Our Team



Risk Management Cont.

Staff will continue to be actively involved with GSRMA's excess partners and the pooling industry as a whole, both in California and the USA. Staff will continue with its goal of ongoing education. The team is excited to announce Liz Smith has obtained her CPCU designation and will add several ARM designations in the coming months.

The Board is actively involved in updating and amending Bylaws. Doing so helps streamline operations to provide better service opportunities for members. The Board will continue to evaluate and eliminate "poor" pool partners. Lastly, the board will continue to evaluate options within the excess markets to provide better coverage at a lower cost and implement the "new" Property program.



Comp Claims

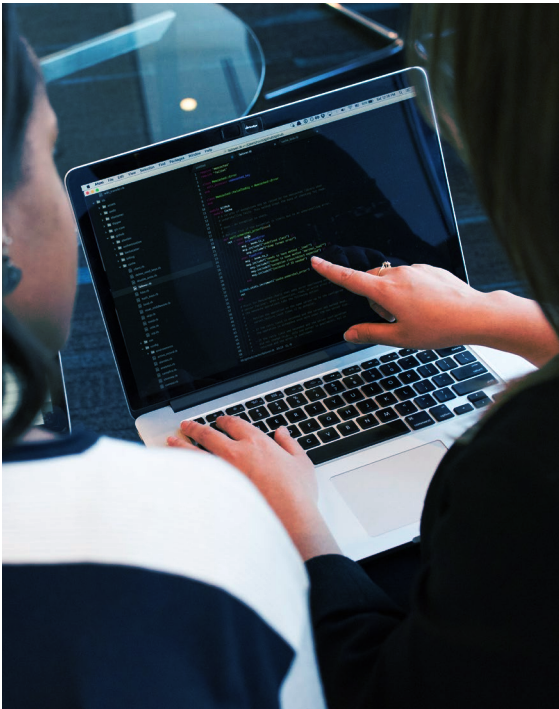
Our department is the first line of defense when work-related injuries occur. We pride ourselves in establishing a rapport during our initial contact within the first 24 hours. This is critical in terms of securing information for an injury. Although we have several challenges in today's environment, our team is exceptional in thinking outside the box. We provide comprehensive information to our members, injured workers, and providers. This team approach leads to the best outcomes for all parties involved.

As senior claims examiners, we are honored to guide members and their injured workers through the worker's compensation system. This system can be quite complex, with strict timeframes and legal requirements established by California. Service to our members comes first and foremost in our day-to-day responsibilities. With that, our claims department goes above and beyond to ensure that information is communicated effectively and benefits are administered promptly. We understand that we are an integral part of facilitating recovery for injured workers while mitigating the impact these losses can have on our members.

We have been in the trenches working to roll out a new claims system that is more robust and streamlined. This will allow the claims department to continue providing a high service level to our members and injured workers.



Our Team



Technology

Cyber incidents, including ransomware, financial crimes, and data theft, have become increasingly common throughout the US and the world. It's estimated that the global cost of ransomware will reach \$265 billion in 2031 (a 10x increase over 2021). Unfortunately, public agencies, including all members of GSRMA, are not immune to cyber risk and the increased cost of cyber liability coverage. Our technology staff has been very active this past year, working with our members to identify and mitigate their cyber risks, including providing new cyber risk assessments, training, and specialized security solutions.

Over the coming year, we will bring a new pool management system online to touch all parts of our services. This new solution will expand member self-service offerings, increase our internal efficiency, effectiveness, and agility, and support a stronger pool/member partnership in our risk management activities.



GSRMA's Accreditation

We know we must continuously earn our members' trust and confidence. Our members have high expectations, and we go to great lengths to meet them.

We have been Accredited with Excellence by the California Association of Joint Powers Authorities since 1992! Achieving this designation requires us to meet the highest risk pool standards and best practices.

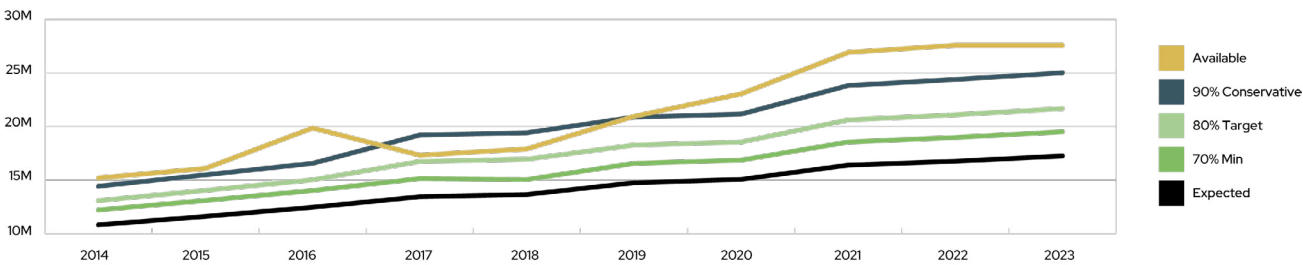
As the law requires, GSRMA engages an external CPA firm to perform a financial audit annually. We also undergo periodic audits of our procedures and processes conducted by our excess insurance carriers and State agencies.

Accreditation Period:
May 23, 2022 - May 23, 2025

Finances

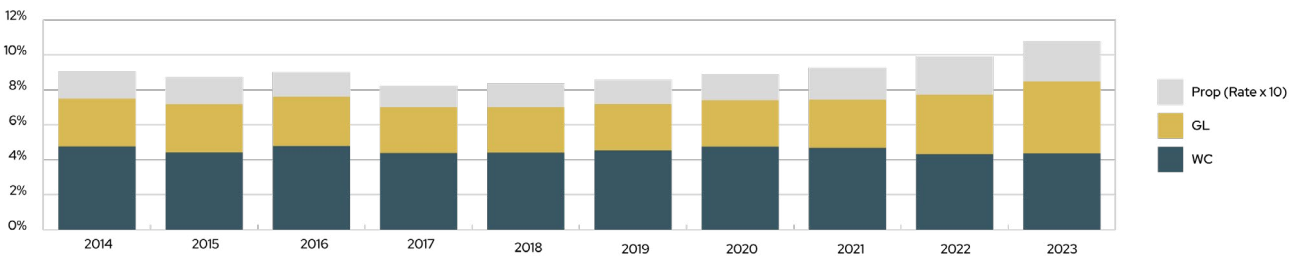
Financial Condition

10 Year Funding Trend



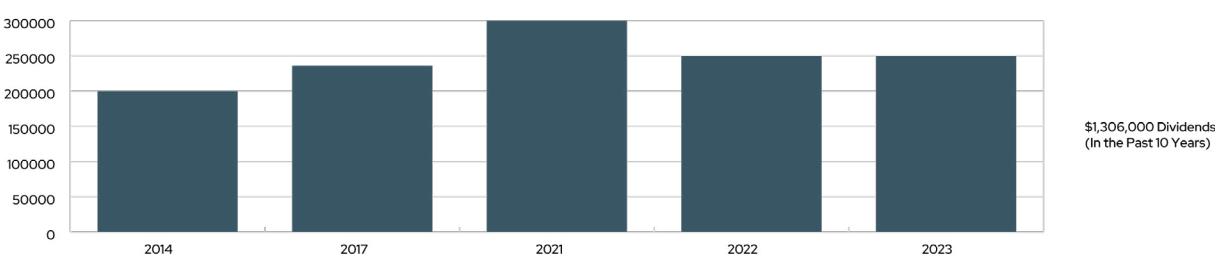
One of the primary indicators of the financial health of a risk pool is its level of funding. A funding level of 70% is considered minimal, and 85% is considered conservative. GSRMA's funding levels have been consistently safe and are currently well above the 90% confidence level.

10 Year Rate Trend



Beyond the fiscal health of the pool, one of our primary goals in rate setting is to avoid spikes in our members' costs year over year. Public entities are generally less equipped to adjust to significant changes in expenses. To this end, GSRMA has successfully kept costs steady while rates across the industry have increased dramatically.

10 Year Dividends

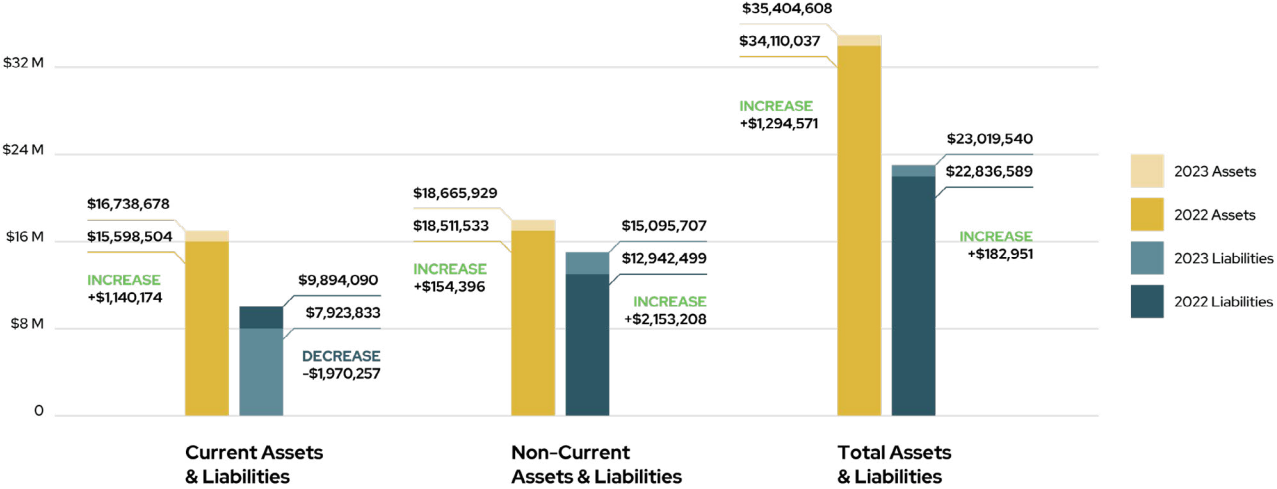


A significant benefit of belonging to a risk pool is that when a well-run pool performs better than expected, excess funds may be distributed back to the members. GSRMA has a habit of performing well and has consistently returned funds to its members.

Finances

Assets and Liabilities

Fiscal year ended June 30, 2022, 2023

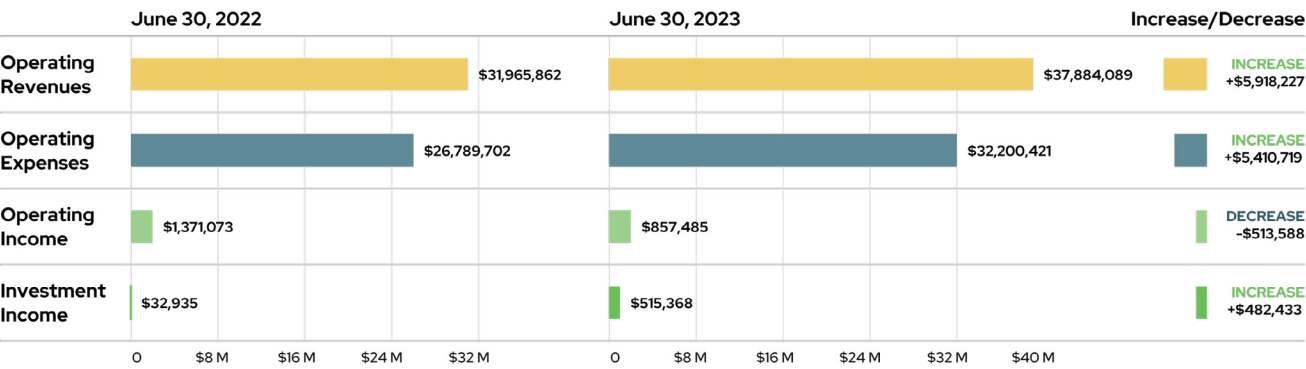


Net Position

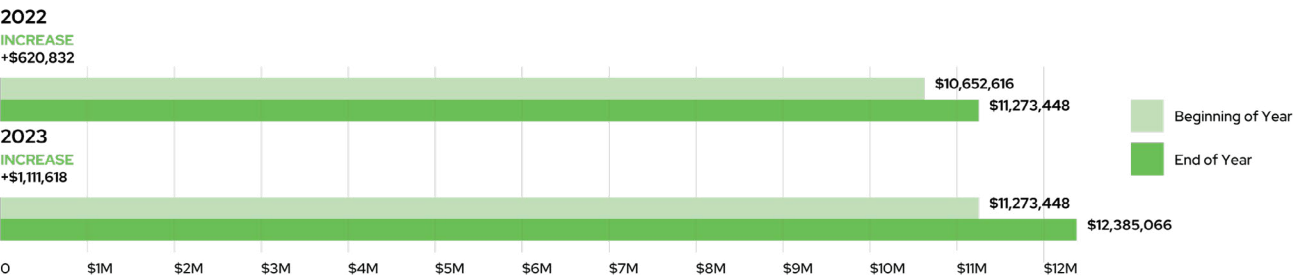


Operating Income

Fiscal year ended June 30, 2022, 2023



Net Position



Summary

Looking forward

As we embrace the future, we understand the concerns our valued risk pool members have regarding stable insurance rates and the overall economic health of their agencies and their people. At GSRMA, we want to assure you that we are wholeheartedly committed to creating an environment of innovation and adaptability, specifically designed to address these concerns with care. Our unwavering dedication to constantly exploring new technologies, analyzing emerging trends, and enhancing our products and services ensures that our members receive the most effective and cutting-edge solutions and enjoy the added benefits of stable rates and a range of ancillary advantages.

Moreover, we pride ourselves on delivering world-class customer service that goes above and beyond expectations. Together, we stand united with our members, ready to navigate the ever-evolving landscape of risks and seize new opportunities for growth. Our ultimate aim is to provide you with the peace of mind you truly deserve. Rest assured, at GSRMA, we are here to support you every step of the way, as your success and well-being remain at the forefront of everything we do.



