



**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** MAY 23, 2017

**TO:** BOARD OF DIRECTORS  
Lake Arrowhead Community Services District

**FROM:**

  
NATALIE POTTER, Human Resources Manager  
  
CATHERINE CERRI, General Manager

**SUBJECT:** CALIFORNIA SANITATION RISK MANAGEMENT  
AUTHORITY "CSRMA" INSURANCE PROGRAM UPDATE

**A. RECOMMENDATION**

This is an information item only.

**B. REASON FOR RECOMMENDATION**

This is an information item only.

**C. BACKGROUND INFORMATION**

Risk management is a cycle, which means that it is not something that gets checked off a "to do" list, but it is a continuous activity. The Human Resources Department with the Management Team is consistently evaluating and understanding the risks of the District. We are continuing to develop strategies that remove the risk(s) altogether, reduce the likelihood of the risk happening or minimize harm in the event that something happens. In order for the risk to be transferred the District currently participates in the California Sanitation Risk Management Authority "CSRMA" Insurance programs. CSRMA provides broad coverage and risk management services to the District.

Lake Arrowhead Community Services District “LACSD” has been a member of CSRMA for 21 years. Currently the Joint Powers (Insurance) Authority is comprised of 60 Member Agencies. CSRMA provides the District service and value that fulfills our long-term risk liability needs which include the following:

- Protecting public resources through reducing risk of loss
- Program management
- Responsible financial position at reasonable cost
- Specialization that is flexible and adaptable to change in all areas of risk
- Commitment to member satisfaction, equity and fairness

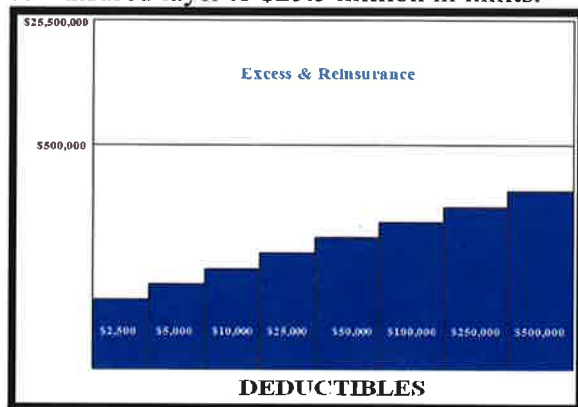
Currently, we have contracts with CSRMA for the following lines of coverage. We will be bringing a marketing comparison to a future meeting.

- Shared Risk Programs:
  - Pooled Liability Program
  - Workers’ Compensation Program
- Non-Pooled – Group Purchase Programs:
  - Property Insurance
  - Primary Insurance Program “PIP”
  - Pollution Legal Liability (Environmental)
  - Auto Physical Damage/Mobile Equipment
  - Commercial Crime

Below is an overview of the District’s pooled programs:

**Pooled Liability:** The CSRMA risk sharing layer provides coverages for General and Automobile Liability as a result of Bodily Injury, Property Damage, Personal Injury, Employment Practices Liability and Public Entity Errors & Omissions Liability.

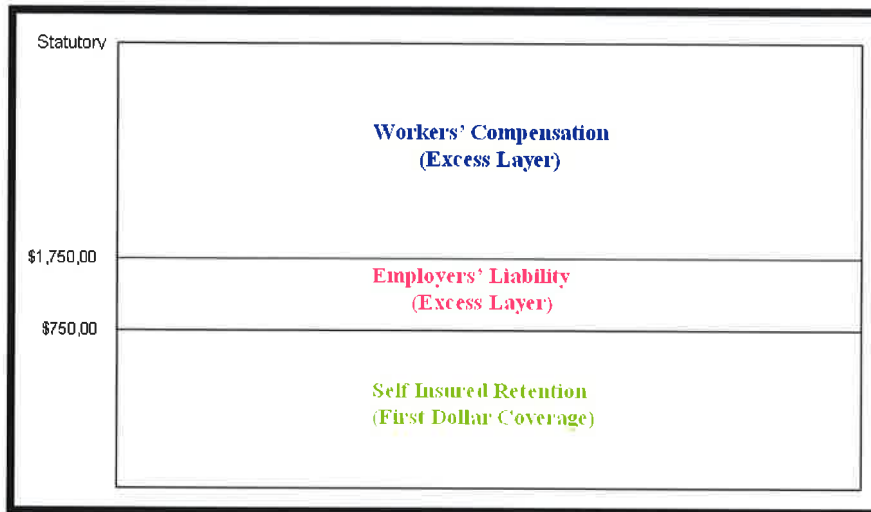
Coverage is on an occurrence basis. Re-insurance is purchased above the \$500,000 self-insured layer to \$25.5 million in limits.



<b>LACSD</b> 15-16 Dividend - \$58,055 16-17 Dividend - \$44,612
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**Workers' Compensation Program:** The District's Workers Compensation plan provides state mandated benefits to employees. The CSRMA Workers' Compensation pool currently self-insures the first \$750,000 of each claim. Coverage in the pool is "first dollar" coverage, meaning the District has no deductible or self-insured retention. Losses are paid from the first dollar.

Excess insurance provides statutory limits for workers' compensation, and \$1,000,000 each accident/each employee for disease in limits for Employers Liability.



In addition to the programs CSRMA has the following additional benefits:

- WeTIP, anonymous crime reporting hotline
- Workers' Compensation Claims Management and Return to Work
- Insurance Requirements in Contracts Training
- Risk Management Consulting
- SMART procedures: Lockout/Tagout Mobile App
- Mobile SSO and Backup Response Application
- Training for Staff

The following is a trend report of the Districts Premiums.

Plan Name	Current Effective	Policy Register Ending			Projected	
		2015	2016	%	2017	%
Pooled Liability	12/31/16-12/31/17	\$ 112,143.00	\$ 117,596.35	5%	\$ 123,476.17	5%
Dividend		\$ (58,055.00)	\$ (44,612.00)	-23%		
Total		\$ 54,088.00	\$ 72,984.35	35%		
Auto Physical	07/01/16-07/01/17	\$ 9,141.00	\$ 9,208.00	1%	\$ 9,668.40	5%
Property Insurance	07/01/16-07/01/17	\$ 38,884.59	\$ 38,589.54	-1%	\$ 40,519.02	5%
Pooled Workers' Comp	07/01/16-07/01/17	\$ 80,076.00	\$ 138,199.00	73%	\$ 161,907.95	17%
Adjustment		\$ 14,955.00	\$ 15,222.00	2%	\$ 16,744.20	0%
Dividend		\$ (10,565.00)	\$ -	0%	\$ -	0%
Total		\$ 84,466.00	\$ 153,421.00	82%	\$ 178,652.15	16%
Master Crime	07/01/16-07/01/17	\$ 862.00	\$ 950.00	10%	\$ -	0%
Public Official Bond	01/03/15-01/03/17	\$ 306.50	\$ 306.50	0%	\$ -	0%
Public Official Bond	01/17/17-01/01/20	\$ -	\$ 437.50	437.50%	\$ 437.50	0%

Human Resources with Keenan & Associates Risk Team will be bringing a market comparison in a future meeting. Staff is currently satisfied with the customer service CSRMA provides however, currently marketing to review trend and options.

**D. FISCAL INFORMATION**

This is an information item only.

**E. ATTACHMENTS**

None