



REMIF
REDWOOD
EMPIRE
MUNICIPAL
INSURANCE
FUND

414 W. Napa St. • 2nd Floor, Suite C • Sonoma, CA 95476 • 707.938.2388 • Fax 707.938.0374

Members: Arcata Cloverdale Cotati Eureka Fort Bragg Fortuna Healdsburg Lakeport

Robnett Park St. Helena Sebastopol Sonoma Ukiah Willits Windsor

AGENDA

REMIF BOARD OF DIRECTORS' MEETING

Thursday, September 26, 2019 – 10:30 a.m.

Ukiah Valley Conference Center – Phone: 707-463-6701

200 South School Street, Ukiah, CA 95482

ADDITIONAL LOCATION OF AUDIO/VIDEO TELECONFERENCE:
City of Sonoma, City Hall, 2nd Floor, No. 1 The Plaza, Sonoma, CA 95476

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

COMMUNICATIONS – REMIF staffing/retirement

PRESENTATIONS – None

CONSENT CALENDAR (I) Information Item (A) Action Item

1. Approval of Minutes of the REMIF Board Meetings on June 20, 2019 and August 14, 2019 (A)
2. Minutes from the REMIF Self-Insured Health Committee Meetings on May 23rd, June 13th, July 11th, July 25th and August 8, 2019 (I)
3. City of Eureka's Board Representation Change (A)
4. City of St. Helena's Board Representation Change (A)
5. Approval of REMIF check register (June, July, August 2019) (A)
6. Approval of REMIF Treasurer's Quarterly report (as of June 30, 2019) (A)
7. Report out of Closed Session (I)
8. General Manager's Activities (I)

ACTION (A) AND INFORMATION (I) CALENDAR

9. Review of REMIF Assets/Investments (Chandler) (I)
10. Update on Self-Insured Health Plan (A)
11. Strategic Partnership Between REMIF and PARSAC (A)
12. Draft Actuarial Report for Automobile/General Liability Program FY 18-19 (A)
13. Draft Actuarial Report for WC Program FY 18-19 (A)
14. Update on WC Program (A)
15. New REMIF Board Policies (I and A)
16. REMIF Safety Program (I)
17. Allocation Plan for Unfunded PERS Liability (AB 1912) (I)
18. Updates to Cost Allocation Plan (A)
19. Off Duty Peace Officers (AB 1749) (I)

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact REMIF at (707) 938-2388 ext 100, 24 hours in advance of this meeting.

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CLOSED SESSION ITEMS. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

ADJOURN INTO CLOSED SESSION –

Government Code Section 54956.95 – Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers’ compensation liability incurred by the joint powers’ agency or a local agency member of the joint powers’ agency.

Claimant: Flatten
Agency claimed against: City of Rohnert Park

REPORT OUT OF CLOSED SESSION

ADJOURNMENT OF REGULAR MEETING

I, Anna Santos, Administrative Assistant for REMIF, certify that this agenda has been posted at the REMIF office at 414 W. Napa Street, Sonoma, CA 95476, according to the California Government Code.

/s/ Anna Santos

Anna Santos, Administrative Assistant

All meetings listed below are tentatively scheduled and subject to change; please review the REMIF website for possible changes to Board meetings.

Future REMIF Board Meeting Dates:

January 30/31, 2020	TBD	St. Helena
April 23, 2020	10:30 a.m.	Ukiah
June 18, 2020	10:30 a.m.	Ukiah

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact REMIF at (707) 938-2388 ext 100, 24 hours in advance of this meeting.

ADDITIONAL LOCATION OF AUDIO/VIDEO TELECONFERENCE:

City of Sonoma, City Hall, 2nd Floor, No. 1 The Plaza, Sonoma, CA 95476

I, _____, certify that this document has been posted at my location

on _____(date)

City/Town: _____

Signature

Print Name

Once posted and signed, please scan and email a copy back to Anna Santos at REMIF

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact REMIF at (707) 938-2388 ext 100, 24 hours in advance of this meeting.

ITEM 1.0

MINUTES
REMIF BOARD OF DIRECTORS'
June 20, 2019 – 10:30 a.m.
200 South School Street, Ukiah, CA 95482

CALL TO ORDER

President McLaughlin called the meeting to order at 10:34 a.m. on June 20, 2019.

ROLL CALL

PRESENT

1. Danette Demello, *Arcata*
2. Susie Holmes, *Cloverdale*
3. Siana Emmons, *Fortuna*
4. Heather Ippoliti, *Healdsburg*
5. Kelly Buendia, *Lakeport*
6. Larry McLaughlin, *Sebastopol*
7. Kathy Robinson, *St. Helena*
8. Dan Buffalo, *Ukiah*
9. Stephanie Garrabrant-Sierra, *Willits*
10. James Leon, *Windsor*

ABSENT –

John Moore, *Cotati*
Pam Powell, *Eureka*
Tabatha Miller, *Fort Bragg*
Darrin Jenkins, *Rohnert Park*
Sue Casey, *Sonoma;*

OTHERS PRESENT

11. Anna Santos, *REMIF*
12. Amy Northam, *REMIF*
13. Heather McGroarty, *REMIF*
14. Carmela Beckman-Spector, *REMIF*
15. Ritesh Sharma, *REMIF Finance Director*
16. Royann Franchini, *RealCare*
17. Pat O'Brien, *RealCare*
18. Mark Hemmendinger, *Acceptable Risk*

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR AND/OR CLOSED SESSION ITEMS, OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

None

COMMUNICATIONS - None
PRESENTATIONS – None

CONSENT CALENDAR (I) Information Item (A) Action Item

1. Approval of Minutes of the REMIF Board Meeting on April 25, 2019 (A)
2. Minutes from the REMIF Executive Committee Meetings on Nov. 26, 2018 and Feb. 19, 2019 (I)
3. Minutes from the REMIF Self-Insured Health Committee Meetings on Feb. 28th, March 14th, April 11th, and May 9, 2019 (I)
4. Approval of REMIF check register (April-May 2019) (A)
5. Approval of REMIF Treasurer’s Quarterly report (as of March 31, 2019) (A)
6. Report out of closed session (I)
7. General Manager’s Activities (I)

- A motion was made by Director Demello, seconded by Alternate Director Buendia to approve all Consent Calendar items #1-7. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

ACTION (A) AND INFORMATION (I) CALENDAR

8. Self-Insured Health Plan (A)

The General Manager briefly discussed the five items below that require ratification by the Board of Directors:

Implementation of 90-day maintenance drug refill at retail pharmacies

Currently, plan participating employees can obtain a 90-day supply of prescription maintenance medication through mail-order (only). This would broaden coverage to allow plan participating employees to obtain a 90-day supply of prescription maintenance medication at a local retail pharmacy. The mail-order option is still available. The co-pay would be 1.5 times the employee’s monthly co-pay for that medication, and, if approved, the additional benefit would begin October 1, 2019.

Implementation of the non-essential drug program

Envision Rx identified a list of Non-Essential Drugs that could be excluded from the REMIF benefits due to the availability of less expensive prescription alternatives. Drugs on the Non-Essential Drug list are those that have low effectiveness, high cost, and many alternative medications that could be prescribed instead. Often these drugs are considered “new to the market” but are actually drugs that have been on the market and have just been tweaked slightly, causing the cost to rise dramatically. The “tweaks” made are often not shown to be effective enough to warrant the increased cost. Adoption of the Non-Essential Drug Program would eliminate approximately 268 drugs from the formulary. The list of drugs is determined quarterly by Envision Rx Pharmacists based on the availability of lower cost, more effective alternative drugs.

It is estimated that this program would save about \$26,209 for the Plan. Envision Rx identified 12 people who used Non-Essential Drugs during the calendar year 2018. The plan has the option to “grandfather” current utilizers and apply the non-essential drug list to new prescriptions only.

There was a brief discussion on what if a drug was prescribed by a physician and it was on the on the non-essential drug list and it’s determined a medical necessity by the prescribing physician since it controls certain side-affects. Pat O’Brien, Real Care Broker, assured the Board, that the doctor can appeal to Envision Rx and deem it as a medical necessity. Recently, Real Care received a report from Envision Rx indicating there isn’t anybody currently taking medications on the non-essential drug list.

Move from the standard to the select formulary

Since the plan inception REMIF has used the Standard Formulary. The Select Formulary is a narrower formulary and adoption of a narrower formulary would save on claims costs. The Committee considered the effect on members and potential cost savings and voted to keep the current Standard Formulary for another year and review the option of the Select Formulary for 7/1/20.

Clarification of reinstatement of coverage date for members returning from active military service

A member who goes on active military service is not eligible for the Plan. When the member is activated for service, he/she is covered by military benefits. When a member returns from military service, he/she must apply for reemployment with the agency. According to the current SPD, his/her benefits will be reinstated effective on the date of reemployment. If a member is discharged from military service on a weekend or holiday, he/she may have a gap in coverage if not reemployed as of the date of discharge.

Change in language to clarify availability of electronic physician consultation services when a member is confined in a hospital

The language originally written in the SPD (page 58, item (dd) Online Care Services) states that covered services will include “medical consultations using the internet via webcam, chat or voice.” However, the item also lists “Non-Covered Services” to include “Consultations provided by telephone, electronic mail, or facsimile machines.” This has caused the rejection of some claims for members in rural areas where their hospital uses “telemedicine” consultations when specialists are not available to provide care in person. These claims have been re-processed and paid. To clarify the coverage of these benefits, it is recommended that the SPD language be changed to specifically state that telephonic consultations are covered for members admitted to a hospital.

All the items above were previously discussed by the Health Care Committee and they recommend the Board of Directors to vote:

- a. **Implementation of 90-day maintenance drug refill at retail pharmacies – effective October 1, 2019.**
 - b. **Implementation of the Non-Essential Drug program**
 - c. **Do not adopt the select formulary at this time and consider review of this option at the 7/1/20 renewal.**
 - d. **Amend SPD to allow for reinstatement as of the date of discharge if a member returns from active Duty Military service and immediately returns to work.**
 - e. **Change the language to specifically state that the telephonic consultations are covered for members admitted to a hospital.**
- A motion was made by Director Holmes, seconded by Director Demello to approve all five recommendations made by the Health Care Committee:
 1. Implementation of 90-day maintenance drug refill at retail pharmacies – effective October 1, 2019.
 2. Implementation of the Non-Essential Drug program
 3. Do not adopt the select formulary at this time and consider review of this option at the 7/1/20 renewal.
 4. Amend SPD to allow for reinstatement as of the date of discharge if a member returns from active duty military service and immediately returns to work.
 5. Change the language to specifically state that the telephonic consultations are covered for members admitted to a hospital.
 - The motion carried by the following voice vote:
 - Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
 - No: None
 - Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

9. Renewal & Contributions for Workers’ Compensation & Liability program FY 19-20 (A)

The General Manager reviewed the renewal and contributions (premiums for the workers’ compensation and liability programs) for FY 19-20. Both the REMIF layer and the excess layer were presented to the Board for approval.

REMIF LAYER – WORKERS’ COMPENSATION AND LIABILITY

At the April 25, 2019 Board of Directors meeting, the Board approved both the liability and workers’ compensation actuarial report that was completed for purposes of determining the funding necessary to fund the program (claims data as of 12/31/18).

Preliminary estimated contributions for the workers’ compensation and liability programs based on 12/31/18 data were presented to the Board on April 25, 2018.

Funding for the workers’ compensation and liability programs includes the primary self-insured retention layer (\$1,000,000 for workers’ compensation and \$500,000 for liability), excess rates (above the REMIF self-insured retention layer), some REMIF services, general and administrative expenses, etc. For the excess coverage, REMIF does not receive renewals for those until late May/early June, so the preliminary estimated contributions for both programs were calculated based on projections for the renewals of the excess layers. The proposed budget for Workers’ Compensation did not change from the preliminary estimates presented in April while the Liability proposed budget increased by \$160,000 from the April the estimates. The workers’ compensation excess renewal came in lower than initial projections (and with options – see discussion below); the liability excess renewal came in higher than initial projections.

Recommendation: Approve final contributions for the workers’ compensation and liability program.

- A motion was made by Director Demello, seconded by Director Emmons to approve the final contributions for the workers’ compensation and liability program. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

EXCESS LAYER – WORKERS’ COMPENSATION (WC) COVERAGE

There has been a decrease in the rates related to the excess workers’ compensation coverage. The program is currently layered:

Member deductible: \$5,000 or \$10,000
REMIF layer: Difference between member deductible and \$1,000,000
Commercial insurance layer: Coverage over \$1,000,000

Our excess coverage partner is Safety National, brokered through Marsh. Safety National also provides “add on” services, including access to on-line sexual harassment training.

Currently, our rates are: over the \$1,000,000 REMIF layer, \$0.31678 per \$100 of payroll.

There are four options being presented for the renewal:

Option 1: over the \$1,000,000 REMIF layer, one-year rate commitment, \$0.2851 per \$100 of payroll

Option 2: over the \$1,000,000 REMIF layer, two-year rate commitment, \$0.2851 per \$100 of payroll

Option 3: reduce the \$1,000,000 REMIF layer to: \$1,000,000 for safety; \$750,000 for all others, one-year commitment, \$0.2951 per \$100 of payroll

Option 4: reduce the \$1,000,000 REMIF layer to: \$1,000,000 for safety; \$750,000 for all others, two-year commitment, \$0.2951 per \$100 of payroll

Director Garrabrant-Sierra asked for clarification on the workers’ compensation deductible amount for Willits and asked if there was a way to smooth the costs for the workers compensation contribution?

The General Manager gave a few examples on how to smooth the costs by either increasing our pool membership or review current ex-mod rates. There was a brief discussion on how safety claims affect the workers compensation rates and Director Holmes asked how much of the safety claims affect the workers' compensation rates? GM Northam will run reports on the safety claims and share them with the Board. Alternate Director Buffalo asked if REMIF had any alternatives for a Member to get a loan to help with payments for the new fiscal year. Finance Director Sharma said there is no alternatives at this time and if the contributions are not paid, it will negatively affect the pool's cashflow. Board Members would like to discuss ex-mod alternatives at the September Board meeting.

Recommendation: Approve option 4 for excess workers' compensation renewal

- A motion was made by Alternate Director Buffalo, seconded by Director Demello to approve option #4 for the excess workers' compensation renewal which reduces the \$1,000,000 REMIF layer to: \$1,000,000 for safety; \$750,000 for all others, two-year commitment, \$0.2951 per \$100 of payroll. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

EXCESS LAYER - LIABILITY

There has been an increase in the rates related to the excess liability coverage. The program is currently layered:

Member deductible:	\$5,000, \$10,000 or \$25,000
REMIF layer:	Difference between member deductible and \$500,000
Commercial insurance layer:	Coverage over \$500,000

Our excess coverage partner is CJPRMA. CJPRMA is also our partner in a variety of other programs, including APD and property. While final rates have not yet been received, there is approximate increase to \$0.8643 per \$100 of payroll (up from \$0.698).

Recommendation: Approve increase excess liability renewal.

- A motion was made by Director Demello, seconded by Director Emmons to approve increase for the excess liability renewal. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

10. Renewal of the Property Program (A)

The General Manager discussed the current property program. The insurance market for property has become a very hard market. Between the devastating wildfires in Redding and Paradise, and throughout the state, and the recent flooding in our area, getting coverage at all, let alone affordable coverage, is becoming a serious challenge. Homeowners, commercial buildings owners and public agencies are experiencing carriers dropping them from coverage, as many insurers are leaving the state, with an "ABC" approach – anywhere but California. The wildfire losses that once were considered one-off losses are now considered routine and almost expected. Where once we could negotiate property rates, the carriers have a "take it or leave it" approach, while some don't even offer coverage at all anymore. Unlike increases in workers' compensation and in liability, where increases generally reflect the experience of the pool, the increases in the property rates aren't necessarily reflective of our losses (although that is a part of the increase).

Our property coverage is primarily through Alliant (called their APIP program, obtained through CJPRMA), although REMIF does maintain a layer of coverage. REMIF's deductibles with cities range between \$5,000 and \$10,000, while our deductible with Alliant (through CJPRMA) is currently \$100,000 (was \$25,000 last year). REMIF maintains the layer between the member deductible (\$5,000/\$10,000) and the Alliant (through CJPRMA) deductible (\$100,000). We do participate in CJPRMA's deductible buy down policy, reducing the \$100,000 deductible to \$50,000 for the first loss. The General Manager expects the REMIF deductible to increase to \$250,000 next year.

Layers	FY 2017-2018	FY 2018-2019	FY 2019-2020
Member Layer	\$5K or \$10K	\$5K or \$10K	\$5K or \$10K
REMIF Layer	\$25K	\$100K, with a deductible buy down to \$50K	\$100K, with a deductible buy down to \$50K
Excess Layer (Alliant/CJPRMA)	Above \$25K	Above \$100K, with a deductible buy down to \$50K	Above \$100K, with a deductible buy down to \$50K

This year, our property rates are going up by approximately 40% with Alliant. That's more than initial projections. The REMIF self-insured layer continues to take on more risk and needs to be funded to properly reflect the increased risk, unless the members increase their deductible or increase deductibles to meet the excess layer (see options below).

Last year, the Board of Directors discussed funding for the REMIF layer, which included funding the deductible buy down. Due to some losses this year, the reserves in the property program have started to deplete. In addition to the 40% increase with Alliant, funding needs to be provided for the REMIF layer, unless we increase member deductibles.

For Fiscal Year/Program Year 2019-2020, she presented three options:

1. Fund the property program (40%) increase with one \$45,000 layer.
2. Fund the property program (40%) increase with one \$115,000 layer.
3. Increase member deductibles to match Alliant/CJPRMA deductible (40% increase).

Administrative fees are included in funding calculations.

If property rates continue to increase or if insurers leave the state, REMIF will need to explore other options, such as a captive (a captive is like an insurance company, only that we would insure ourselves). Captives can be a costly option.

There was a lot of discussion amongst the Board members regarding the different options and most centered around different deductible amounts. Currently, the reserves are about \$400,000. Property claims are typically large claims and their frequency in occurrence is typically low.

1st Motion: Increase Member deductible to \$100,000.

- A motion was made by Director Ippoliti, seconded by Alternate Director Leon to increase Member deductibles to \$100,000. The motion failed by the following voice vote:
- Aye: Directors: Emmons, Ippoliti, and Alternate Director Leon
- No: Directors: Demello, Holmes, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia and Buffalo
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

2nd Motion: Increase Member deductible to \$50,000.

- A motion was made by Director Demello, seconded by Director Garrabrant-Sierra to increase Member deductibles to \$50K. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, McLaughlin, Robinson, and Garrabrant-Sierra and Alternate Directors: Buendia and Buffalo
- No: Director Ippoliti and Alternate Director Leon
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

3rd Motion: Fund REMIF layer at 2 claims at \$50,000.

- A motion was made by Director Holmes, seconded by Director Garrabrant-Sierra to fund the REMIF layer at 2 claims at \$50,000. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

REMIF Staff will issue a new property schedule with the new member deductibles and funding layer and distribute to all members.

11. Renewal & Contributions for Auto Property Damage (APD) Program FY 19-20 (A)

The General Manager discussed the Auto Property Damage (APD) program. The auto property damage program (or APD) is the coverage for the physical damage to the member's scheduled vehicles. Unlike most car insurance policies for your personal vehicle, where liability coverage and collision/comprehensive coverage (similar to APD) are under the same policy, the liability coverage and the APD are separate lines of coverage at REMIF.

There has been an increase in the rates to the APD program. These increases are expected, given that our losses have increased.

The APD program has a few "layers" of coverage, and it is her recommendation to make some changes to those layers of coverage. These changes will (or should) result in a savings to the program. However, the change will result in a change to the deductible for four members (further discussion below).

The program is currently layered:

Member deductible:	\$5,000 or \$10,000
REMIF layer:	Difference between member deductible and \$25,000
Commercial insurance layer:	Coverage over \$25,000

The General Manager recommended lowering the REMIF layer from \$25,000 to \$10,000. Essentially, we would be eliminating the REMIF layer, and the new layers would look like this:

Member deductible:	\$10,000
Commercial insurance layer:	Over \$10,000

The elimination of the REMIF layer would (or should) save the members money in the rates, since, the REMIF funding levels are higher than the commercial insurance rates. In addition, the reserves left in the program can be used for a "rate stabilization fund," to help stabilize the rates in future years.

There are 4 cities that have a \$5,000 deductible (rather than a \$10,000 deductible), and those cities would be directly affected by this recommendation, in that the deductible will be increased from \$5,000 to \$10,000. The General Manager reached out to each one of those cities to advise them of her upcoming recommendations and none of those cities objected to the increase in their APD deductible from \$5,000 to \$10,000.

For fiscal year 2019-2020, the General Manager presented two options:

1. Continue current program (rates attached), with total contributions at \$363,262, a 22% (\$65,498) increase from 2018-2019 program year or;

2. Establish member deductibles to match the commercial insurance carrier this fiscal year at \$10,000) and eliminate the REMIF self-insured layer between the member deductible and \$25,000. Total contributions at \$215,796, a 27.5% (\$81,968) reduction in rates from 2018-2019 program year .
 - A motion was made by Director Garrabrant-Sierra, seconded by Director Ippoliti choosing option #2: establish member deductibles to match the commercial insurance carrier (this fiscal year at \$10,000) and eliminate the REMIF self-insured layer between the member deductible and \$25,000. Total contributions at \$215,796, a 27.5% (\$81,968) reduction in rates from the 2018-2019 program year. The motion carried by the following voice vote:
 - Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
 - No: None
 - Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

12.0 Renewal for Flood Deductible Buy Down and DIC (earthquake) coverage (A)

The General Manager reviewed the renewal for the flood deductible buy down and the Difference in Condition (DIC/earthquake) coverage. There are two issues that need ratification by the Board of Directors:

1. Deductible buy down policy for flood coverage in A&B zones:

Until November of 2017, the REMIF DIC policy covered both flood and earthquake for the REMIF members. In July of 2017, the REMIF property program (through Alliant/CJPRMA) was expanded to include flood coverage (but not earthquake coverage). As such, flood was no longer included in the DIC policy (since it was covered by the property program).

In 2017, a deductible buy down was purchased to cover the REMIF layer for flood zones A&V. The buy down was from a \$250,000 deductible to a \$100,000 deductible at a cost of approximately \$30,000. This year, there is a 23% increase in the rate.

The layers for the flood coverage are as follows:

Member layer: between \$5,000 and \$10,000

REMIF layer for all flood zones (except A&V): between member layer and \$100,000

REMIF layer for flood zones A&V: between member layer and \$250,000, with a deductible buy down to \$100,000.

RENEWAL FOR 2019/2020: \$42,226.00

The deductible buy down coverage is purchased for all REMIF members and this is considered a “pass through” billing, meaning REMIF pays for the coverage and then seeks reimbursement from the members. The costs associated with the flood deductible buy down are allocated to those members in flood zones A&V.

Historically, our renewal period was from November to November, and the Board of Directors aligned the renewal to a July 1 to June 30 timeframe.

2. DIC coverage (earthquake)

The layers for the DIC (earthquake coverage) are as follows:

Member layer: \$100,000 or 5% of the loss

REMIF layer: [none]

The renewal of the DIC coverage is limited to earthquake coverage, since the REMIF property program (through Alliant/CJPRMA) covers flood.

The DIC coverage is purchased for all REMIF members and this is considered a “pass through” billing, meaning REMIF pays for the coverage and then seeks reimbursement from the members.

Property that was considered “in the open” and property less than the deductible amount are not included in the valuation.

RENEWAL FOR 2019/2020: \$905,494.76

Historically, our renewal period was from November to November, and the Board of Directors aligned the renewal to a July 1 to June 30 timeframe.

The General Manager requested authority to bind the flood A&V deductible buy down coverage, in an amount not to exceed \$45,000.00 (renewal 07/01/19-06/30/20) and to bind the DIC coverage in an amount not to exceed \$910,000.00.

- A motion was made by Alternate Director Buendia, seconded by Director Garrabrant-Sierra authorizing the General Manager to bind the flood A&V deductible buy down coverage, in an amount not to exceed \$45,000.00 (renewal 07/01/19-06/30/20) and to bind the DIC coverage in an amount not to exceed \$910,000.00. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

13.0 Offer new coverage: Deadly Weapon Protection Insurance (A)

General Manager Northam introduced a new line of coverage that was presented to her at the May 2019 CJPRMA Board of Directors Annual meeting, that was by Alliant/Beazley, to CJPRMA members (including REMIF) participating in the property program. The coverage is “Deadly Weapon Protection Insurance” and will be at a cost of approximately \$3,000 for all REMIF members. Many of the other CJPRMA property program participants have elected this coverage. If coverage is elected, the premium will be added to the property program and distributed proportionately by the property values to the REMIF members.

What is a deadly weapon event?

There are several definitions for a deadly weapon event. The FBI defines a deadly weapon event as: actively engaged in killing or attempting to kill people in a populated area with 3 or more fatalities. The media uses a similar definition, but with 4 or more fatalities. Beazley, the company offering this coverage defines it as: any event involving an Assailant(s) and the Named Insured where a Weapon has been used or brandished on any Location(s) of the Named Insured.

Who commits these acts?

Customers, Clients, Patients, other 3rd parties, Employees or Supervisors, Domestic Partners or Relatives of Employees; Typically, males between the age of 18 and 25 who are often victims of being bullied.

Where do these typically happen?

62% are commerce and education; some are government, houses of worship or health care facilities.

What does the coverage include (includes but not limited to)?

Third Party Liability & Defense Costs: indemnification of monetary judgments awarded following legal liability imposed by a court of law due to the negligence of the Original Insured following a DWP event. Inclusive of costs to defend all suits brought against the Original Insured.

Physical damage, including business interruption: physical damage to insured’s location including demolition, clearance and memorialization costs.

Crisis management services (pre and post event): crisis response investigation, crisis management support, public relations, media management, site security, counseling services and funeral expenses.

The coverage kicks in when it happens on city grounds and no claim is needed. All REMIF members must join in order to have this insurance. If more CJPRMA members join, the approximate cost of \$3,000 may go down.

- A motion was made by Alternate Director Buffalo, seconded by Director Garrabrant-Sierra authorizing the General Manager to add the Deadly Weapon Protection insurance to the property program coverage.
- The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

14. REMIF Annual Budget FY 19-20 (A)

The General Manager and Finance Director, Ritesh Sharma presented the REMIF Annual Budget and highlighted the changes to the budget worksheet:

1) Total revenues for 19-20 year are projected to increase by 10.38% from the 18-19 budget. Most of the increase is related to contributions, including the funding the Workers Compensation (WC) and Liability programs at 75% confidence level, undiscounted. The member cities' payroll has increased by 7%, WC rates increased 21%, Liability rates increased 12%; and pass-through coverages are projected to increase by 5%.

2) Total Operating Expenses for the 19-20 year are projected to increase by 9.14% from the 18-19 budget. Claims expenses and excess insurance are expected to increase. The remaining categories in operating expenses are projected to have minor increases.

3) G&A Expenses for the 19-20 year are projected to increase by 27.93% from the 18-19 budget. The primary reasons for the increase are that the benefits are expected to have a 22% increase (benefits were under budgeted in 18-19) and there is an increase in the pension expenses (payments to PERS for the Unfunded Accrued Liability). Administrative expenses are budgeted to decrease by 9.63% from 18-19 budget.

- A motion was made by Director Demello, seconded by Director Holmes approving the REMIF FY 2019-2020 budget. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

15.0 REMIF Salary Schedule FY 19-20 (A)

The salary schedule for the REMIF staff was last approved by the Board of Directors in September of 2018. Since that time, a 3% COLA increase was included in the budget for COLA adjustments to the REMIF staff and preliminarily approved by the Board of Directors in April of 2019. The 3% COLA was applied to the salary schedule, all ranges. The salary for the General Manager has not been adjusted, since that position is contractual.

The current salary schedule only reflects positions that are currently open at REMIF. There was a brief discussion regarding the current compensation for the REMIF General Manager. President McLaughlin plans to meet with the Executive Committee to discuss a plan on how to set up a performance evaluation and discuss the compensation for the GM position and the Executive Committee will update the Board on the plan.

- A motion was made by Alternate Director Buffalo, seconded by Alternate Director Leon approving the REMIF Salary Schedule for FY 2019-2020 which includes a 3% COLA increase across all ranges (except for the General Manager). The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

16. Selection of Financial Auditor (A)

California Government Code section 12410.6 (b) states in part: “a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years.”

REMIF has employed Amy Meyer with Maze and Associates as our financial auditor for six years. Given the requirements of the Government Code, REMIF is required to seek a new financial auditor. As such, REMIF prepared and published a request for proposal (RFP) for auditing services, having first had the Finance Committee review the draft RFP.

In response to the RFP, REMIF received two responsive bids, one from the accounting firm of Crowe LLP and one from James Marta and Company (attached hereto). The costs for their services are as follows:

Crowe - \$30,100 year 1, \$30,100 year 2 and \$30,100 year 3
Marta - \$25,960 year 1, \$26,600 year 2, and \$27,300 year 3

In addition to costs, the responsive bids were reviewed by the General Manager and Finance Director, Ritesh Sharma. Their recommendations were presented to the Finance Committee for consideration. The recommendation is that we employ James Marta and Company for REMIF’s financial auditor.

- A motion was made by Director Demello, seconded by Director Emmons directing the General Manager to enter into a services agreement with James Marta and Company for financial auditing services. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

17. Nominations & Election of President and Vice President (A)

The Executive Committee is made up of five member cities (a President, Vice President and three representatives) and the General Manager. The General Manager is on the committee but does not vote. The President/Vice President are elected in odd number years and serve for two years. The three representatives are elected in even number years and serve for two years. We need nominations and elections for the President and Vice President, who will serve July 1, 2019 until June 30, 2021.

The representatives represent the following three regions:

South Region includes: Cotati, Sebastopol, Rohnert Park, Sonoma, and Windsor

Central Region includes: Cloverdale, Healdsburg, Lakeport, St. Helena, and Ukiah

North Region includes: Arcata, Eureka, Fort Bragg, Fortuna, and Willits

The Executive Committee meets on as needed basis and usually telephonically. The primary functions of the Executive Committee are to approve settlement amounts (between \$40,000 and \$150,000), to approve service contracts in excess of \$50,000 (that have already been budgeted), to amend the budget up to \$50,000 and other authority as directed by the Board.

Currently, our President is Lawrence McLaughlin and our Vice President is Darrin Jenkins. Both have agreed to serve again if nominated.

1st Motion for President:

- A motion was made by Director Demello, seconded by Alternate Director Buendia, nominating and electing Larry McLaughlin as President effective July 1, 2019 to June 30, 2021. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

2nd Motion for Vice President:

- A motion was made by Alternate Director Buendia, seconded by Director Ippoliti, nominating and electing Darrin Jenkins as Vice President effective July 1, 2019 to June 30, 2021. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

18. Resolution to Authorize Investment of Monies in Local Agency Investment Fund (LAIF) (A)

The California Government Code allows local agencies to use the California State Treasurer's Local Agency Investment Fund (LAIF) in the State Treasury for the deposit of money of a local agency for investment purposes. REMIF does maintain an investment fund with LAIF. However, the contacts at LAIF need to be updated.

The attached resolution (as required by LAIF) authorizes the deposit and withdrawal of REMIF monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions the Government Code for the purpose of investment.

Those that shall be authorized to deposit or withdrawal monies in the Local Agency Investment Fund:

1. President
2. Vice President
3. Treasurer
4. General Manager
5. Finance Director

The General Manager recommends the Board approve the attached Resolution to authorize investment of monies in LAIF, which includes approval of the authorized list of those that can deposit or withdraw monies.

- A motion was made by Director Holmes, seconded by Director Garrabrant-Sierra, approving the Resolution to authorize investment of monies in LAIF, which includes approval of authorized list of those that can deposit or withdraw monies. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

19. Update on REMIF Safety Program (I)

At the annual Board of Directors meeting (January of 2019), the Board of Directors heard a presentation from Mr. Hemmendinger on the safety program. At that time, it was asked that Mr. Hemmendinger provide a list of programs that he's drafted/completed for other members.

Mark Hemmendinger with Acceptable Risk was present to answer any questions the Board may have regarding the Safety Program Status Report. Mr. Hemmendinger stated the program has been passive lately and asked the Members where they would want to see the program move forward.

He recommended looking at "sources" of loss in the safety program and possibly look at workers' compensation loss data. He also offered to provide a report that looks at each member's strengths and weaknesses in the program.

Board Members were open to his suggestions and would like the report to be confidential. The General Manager will ask the REMIF General Counsel how this type of report can remain confidential. Mr. Hemmendinger and the General Manager will work together regarding his future tasks for the safety program.

20. Workers Compensation Plan Update (A)

The General Manager gave a brief overview of the workers' compensation plan. Some of the services that the Workers' Compensation Committee are reviewing and considering:

- Bill review (where each medical bill is reviewed and may be adjusted to properly reflect charges allowed pursuant to a fee schedule)
- Utilization review or UR (where a critical evaluation is made by a physician or nurse of health-care services provided to injured workers. This evaluation is made for the purposes of controlling costs and monitoring the quality of care an injured worker receives.)
- Pharmacy benefit manager or PBM (a third-party administrator for prescription drug programs). PBMs are primarily responsible for following the workers' compensation approved formulary, contracting with pharmacies, negotiating discounts and/or rebates with drug manufacturers, and processing and paying prescription drug claims.

PBMs reduce drug costs by offering delivery of medications to the injured worker's home, creating a select network of more affordable pharmacies, encouraging the use of generics and more affordable brand medications, negotiating rebates from drug manufacturers and discounts from drugstores and managing high-cost specialty medications.

- Medical Provide Network or MPN (a group of health care providers set up a self-insured employer and approved by the Division of Workers' Compensation (DWC) to treat workers injured on the job.
- Alternative Dispute Resolution or ADR (a program that allows employers who have signed specific collective bargaining agreements, also called "carve-out" agreements, with their employees' union to utilize ADR to provide medical benefits and adjust and settle claims for workplace injuries. ADR is an alternative to the traditional approach to resolving workers' compensation claims.)

The workers' compensation committee has reviewed the following items and at this time, there are no recommendations to provide to the Board of Directors:

- Pharmacy Benefit Program
- Medical Provider Network
- Telehealth options

Closed file numbers

Athens Administrators began administering the REMIF claims on 05/01/18. On 05/01/18, there were 548 claims. As of 8/31/18, the total inventory had decreased to 377 claims. As of 12/31/18, the total inventory had decreased to 341 claims. As of 3/31/19 the total inventory was at 339 and that count has stabilized. As of 03/31/19, the breakdown was: Medical Only – 35, Future Medical – 216, Active Indemnity – 88.

Staffing

Given the reduction in claims numbers, both Athens and REMIF are examining staffing levels (the staffing at Athens to administer the REMIF claims). Given there is a reduction in claims, we should explore a reduction in staffing.

- A motion was made by Director Demello, seconded by Alternate Director Buendia, directing the General Manager to enter into an amendment with Athens Administrators on appropriate staffing levels for the REMIF plan and negotiate rates to reflect the changes in staffing. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

21. Changes to the Property Memorandum of Coverage (MOC) (A)

At the October 31, 2017 Board of Directors' Meeting, the Board directed the General Manager to create a MOC for the Property program. In response, the Property MOC was created, which essentially was considered a "short form" document. The short form MOC spells out the REMIF layer of coverage and references the CJPRMA Property MOC. This short form Property MOC was reviewed by counsel and presented and approved at the April 26, 2018 REMIF Board of Directors meeting.

Recently, the CJPRMA Property MOC was eliminated, and CJPRMA now utilizes the insurance policy documents directly. This necessitated updates to the short form REMIF Property MOC. The changes to the short form MOC include the removal of the exclusions and a clarification on the limits.

- A motion was made by Director Demello, seconded by Director Holmes, directing the General Manager to make the changes as indicated in the Property MOC and revise the new deductible amounts for the property program. The motion carried by the following voice vote:
- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, McLaughlin, Robinson and Garrabrant-Sierra; and Alternate Directors: Buendia, Buffalo and Leon
- No: None
- Absent: Directors: Moore, Powell, Miller, Jenkins and Casey

22. New REMIF Board Policy – It Policy (I)

The General Manager brought forth a draft IT Policy to allow any comments or feedback from the Board. There were no comments and she will bring the final policy forward at a future board meeting.

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CLOSED SESSION ITEMS THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.
NONE

ADJOURN INTO CLOSED SESSION – No Closed Session Items

REPORT OUT OF CLOSED SESSION – NONE

ADJOURNMENT

The Board meeting adjourned at: 1:36 p.m.

Respectfully Submitted by:

/s/ Anna Santos

Anna Santos, REMIF Administrative Assistant

ITEM 1.1

MINUTES
REMIF BOARD OF DIRECTORS'
SPECIAL TELEPHONIC MEETING
August 14, 2019 – 9:00 a.m.
414 W. Napa Street, Sonoma, CA 95476

CALL TO ORDER

President McLaughlin called the meeting to order at 9:03 a.m.

ROLL CALL

PRESENT

- | | |
|--|---|
| 1. Danette Demello, <i>Arcata</i> | 10. Sue Casey, <i>Sonoma</i> |
| 2. Susie Holmes, <i>Cloverdale</i> | 11. Kathy Robinson, <i>St. Helena</i> |
| 3. Damien O'Bid, <i>Cotati</i> | 12. Sheri Mannion, <i>Ukiah</i> |
| 4. Siana Emmons, <i>Fortuna</i> | 13. Stephanie Garrabrant-Sierra, <i>Willits</i> |
| 5. Tabatha Miller, <i>Fort Bragg</i> | 14. James Leon, <i>Windsor</i> |
| 6. Heather Ippoliti, <i>Healdsburg</i> | |
| 7. Margaret Silveira, <i>Lakeport</i> | |
| 8. Darrin Jenkins, <i>Rohnert Park</i> | |
| 9. Larry McLaughlin, <i>Sebastopol</i> | |

ABSENT – Pam Powell, *Eureka*

OTHERS PRESENT

14. Anna Santos, *REMIF*
15. Amy Northam, *REMIF*
16. Ritesh Sharma, *York*
17. David Kelley, *Cloverdale*
18. Kelly Buendia, *Lakeport*
19. Victoria Perrault, *Rohnert Park*
20. Mary Gourley, *Sebastopol*
21. Victoria Perrault, *Rohnert Park*

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR AND/OR CLOSED SESSION ITEMS, OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS. **None**

COMMUNICATIONS - **None**
PRESENTATIONS - **None**

CONSENT CALENDAR (I) Information Item (A) Action Item - None

STAFF REPORTS (I) Information Item (A) Action Item

1. Self-Insured Retention Layer on Property Program (A)

GM Northam presented 5 key items regarding the property program:

1. Background: The State of the Market for property coverage

While the market started heading south earlier in the calendar year, it took a nosedive by the end of the second quarter in 2019. After the June 2019 REMIF Board meeting, the carrier that provides the REMIF property coverage increased our self-insured retention layer to \$250,000 for all property losses, \$500,000 for wildfire losses and \$1 million for high flood zone areas. The purpose of this special board meeting is to discuss the increased self-insured retention layers on the REMIF level and address the funding needs for the layer; or provide options in lieu of the additional funding. GM Northam gave examples of certain scenarios that negatively affected the property rates.

2. Layers of Coverage: There are 3 layers of coverage for the property program:

- Member deductible: city's deductible with REMIF and they were increased to \$50,000 at the June Board meeting.
- REMIF layer: this is the layer between the member's deductible and the excess coverage thru Alliant (via CJPRMA) – called REMIF's self-insured retention layer
- Excess layer: Alliant (through CJPRMA) layer: this is the layer after REMIF's self-insured retention layer.

3. Changes in REMIF's layer: self-insured retention layer/deductible

In 2017-2018: REMIF's deductible was \$25,000

In 2018-2019: REMIF's deductible was \$50,000 for the first loss, \$75,000 for the second loss; and \$100,000 for the third loss.

For the high flood zones, our deductible was \$100,000.

Please Note: that for "all property" is considered to be "general" property losses.

Initially, we thought our deductibles would remain the same for 2019-2020, but that is not the case. Our self-insured retention or deductible has increased for 2019-2020 as follows:

\$250,000 all property loss
\$500,000 for wildfire loss
\$1 million for high risk flood zone loss (called A&V)

At the June Board meeting, we funded for last year's deductibles and we have not funded for these higher deductible amounts. We do not have sufficient surplus (reserves) in the property program to fund potential property losses this year or to offer alternatives to funding models.

4. Needs for additional funding and options for funding

3 options were presented to begin discussions on funding the property (all property and wildfire; high flood zone):

a. Keep REMIF member deductible the same for all property losses, establish REMIF member deductibles for wildfire, and need for additional funding:

Member deductible: \$50k all property (REMIF covers between \$50k and \$250k; or \$200k)

Member deductible: \$300k wildfire (REMIF covers between \$300k and \$500k; or \$200k)

REMIF would need to fund (at least) 2 losses at \$200k each (or \$400k in additional funding); member deductibles would be established for wildfire.

b. Increase REMIF member deductibles for all property losses, establish REMIF member deductibles for wildfire, and need for additional funding:

Member deductible: \$100k all property (REMIF covers between \$100k and \$250k; or \$150k)

Member deductible: \$350k wildfire (REMIF covers between \$350k and \$500k; or \$150k)

REMIF would need to fund (at least) 2 losses at \$150k each (or \$300k in additional funding); member deductibles would increase for all property losses; member deductibles would be established for wildfire.

c. REMIF member deductibles:

\$250k all property (REMIF has no layer this year)

\$500k wildfire (REMIF has no layer this year)

NO need for additional funding

Discussion of various options for high risk flood zones (A&V):

Three options were presented to open discussion on the property (high risk flood zones):

a. REMIF member deductibles:

\$100k high flood zones (already bound coverage from \$250k to \$100k)

Need to fund additional \$193,500 to purchase deductible buy down for \$1 million to \$250k

b. REMIF member deductibles:

\$800k high flood zones (REMIF covers between \$800k and \$1 million)

Need to fund 1 loss at \$200k (or \$200k in additional funding)

c. REMIF member deductibles:

\$1 million high flood zones

NO need for additional funding

5. A look forward

What can the REMIF do moving forward to help reduce increases to property rates?

GM Northam suggestions included the following:

- a. Show the insurance carriers we are actively controlling risk and mitigating risk.
- b. Voluntarily take on higher retention
- c. Start renewal discussion early, although carriers will not lock in rates until at least 30 days before renewal. GM Northam plans to meet with other pools to strategize about the market and alternatives.

She also mentioned that there's a firming market in the liability/casualty world and it's expected that either coverage will be affected (carriers will start excluding more and more) or one of three items (capacity, retention, or premiums) will be affected. While the REMIF pool hasn't experienced significant increases in

health care renewals, many other pools have and it's primarily due to increases in the excess layer (called stop loss).

Initial indications for the Workers' Compensation and Auto Physical Damage Program (APD) show that both will not see significant increases in premiums/contributions and no changes to capacity (the ceiling) or our retention layer. This is very good news, especially considering workers' compensation is our largest program.

There was a lengthy discussion between the members about the various options presented and with the help of Finance Director Ritesh Sharma, they were able to see how their property contributions would change with various options proposed via a live interactive model.

Last fiscal year, there were a total of 5 property claims, 3 were "all" property, 1 was a wildfire and 1 flood. GM Northam did look at other JPAs to see if REMIF was getting a good deal with CJPRMA and REMIF does have a better deal than other pools. Finance Director Sharma also compared the rates with other pools and CJPRMA's rates are about 60 to 70% better than the other pools' coverages.

The current property fund balance is approximately \$400,000.

- A motion was made by Director Silveira, seconded by Director Garrabrant-Sierra, to increase the member deductible:

\$100K all property (REMIF covers between \$100K and \$250K; \$150K) and REMIF funds (at least 2 losses at \$150K each (or \$300K in additional funding)

\$500K wildfire (REMIF has no layer this year) – no need for additional funding. These deductibles need to be reviewed next FY 20-21.

The motion carried by the following voice vote:

- Aye: Directors: Demello, Holmes, Emmons, Miller, Ippoliti, Silveira, Jenkins, Robinson, Mannion and Garrabrant-Sierra; and Alternate Directors: O'Bid, Gourley, and Leon.
- No: Director Casey
- Absent: Director Powell

A supplemental billing will be issued for the property contributions on November 1, 2019.

The three options that were presented for the high-risk flood zones (A&V) was discussed at length by the members and there was great concern over the high increases in cost to purchase this coverage. Staff was directed to send current property data that shows the property for members designated in the high flood zones (A&V).

- A motion was made by Director Silveira, seconded by Director Demello, to have the following funding for the high-risk flood zones (A&V):

\$100K high flood zones (already bound coverage from \$250k to 100k)
Fund an additional \$193,500 to purchase deductible buy down for \$1 million to \$250k

The motion carried by the following voice vote:

- Aye: Directors: Demello, Holmes, Emmons, Ippoliti, Silveira, Jenkins, Robinson, Mannion and Garrabrant-Sierra; and Alternate Directors: Gourley and Leon.
- No: None
- Abstain: Assistant Director O'Bid and Director Casey
- Absent: Director Powell and Director Miller

A supplemental billing will be issued for the high flood zone contributions on November 1, 2019

PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CLOSED SESSION ITEMS THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS. **None**

ADJOURN INTO CLOSED SESSION - None

ADJOURNMENT

The Board meeting adjourned at: 10:43 a.m.

Respectfully Submitted by:

/s/ Anna Santos

Anna Santos, REMIF Administrative Assistant



REMIF Self-Insurance Committee Minutes

Date: May 23, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

Call to Order: 2:05 p.m.

I. ROLL CALL

A. Present:

- i. Amy Northam, REMIF
- ii. Danette Demello, Arcata
- iii. James Leon, Town of Windsor
- iv. Kelly Buendia, Lakeport
- v. Stephane Garrabrant-Sierra, Willits

B. Also in attendance:

- i. Royann Franchini, RealCare

C. Absent:

- i. Sheri Mannion, Ukiah
- ii. Pat O'Brien, RealCare

II. APPROVAL OF MINUTES

A. Meeting of February 28, 2019, March 14, 2019, April 11, 2019 and May 9, 2019

- i. Arcata moved to approve; Willits seconds; motion carried

III. ITEMS FOR DISCUSSION

A. EnvisionRx Potential Plan Changes for FY 19/20 – **Action Item** – Attachment

i. Non-Essential Drug draft letters

1. Letters With and Without Claims:

- a. Change wording on letters if necessary.
- b. Stephanie understood the drugs were to be prescribed with or without medical necessity.
- c. RealCare to confirm with EnvisionRx the process on getting medical necessity and drug approval.
- d. Bring revised draft letters back to the Committee at the 6-13-19 meeting.

ii. 90 day maintenance drugs at retail pharmacy draft letter

1. Change wording on letter to indicate that both Retail and Mail Order can have a 90 day refill. Review at the 6-13-19 meeting.
 - iii. Update on effective dates for Non-Essential Drugs and 90 day maintenance drugs at Retail Pharmacy
 1. We will try for an 8-1-19 effective date. Depending on timing, the changes might have to become effective on 9-1-19.
- B. SUMMARY PLAN DESCRIPTION (SPD) for PLAN YEAR 7-1-19/20 – **Action Item** – Attachment –
- i. Clarify eligibility for members returning from military service
 - ii. Electronic Consultations while confined in hospital

Motion to amend wording in the SPD for members returning from active military service to allow for reinstatement as of the date of discharge if the appropriate paperwork is completed and the member immediately returns to work; and to clarify the SPD language to specifically state that telephonic consultations are covered for members admitted to a hospital.

Arcata motions; Willits seconds. Motion carried.

- C. SELF-FUNDED PLAN – QUALITY OF CARE ISSUES – Discussion
- i. A member city has expressed quality of care issues in the plan. Discussion on concerns and how to respond to concerns.
 1. Board meeting
 - a. Survey – bring forward to committee for review
 - b. Stephanie suggested this be an ongoing survey.
 - i. Wait times to get procedure approved
 - ii. PA approval time.
 - iii. Glitches in system
 - iv. Claims processing timeline. How is HealthComp doing?
 - v. How is RealCare doing?
 - vi. Anonymous survey with option for name
- D. Audit – Discussion Only
- i. Claims audit – Amy to obtain quotes. Audit should be on a rolling basis and performed on a regular basis. It was suggested once every 6 months.
 1. Are claims paid timely
 2. Are claims paid properly
- E. Policies and Procedures project – Informational only - Update
- i. Amy still working on it. There are gaps in our Policy & Procedures. Jeff Chang had suggestions
 1. A Memorandum of Coverage has been drafted – this is an ongoing project
 2. Who determines eligibility, etc.
 3. Participation agreement between all cities
- F. Dependent Eligibility Audit – Update Informational Only
- i. 8 cities
 - ii. 17 employees
 - iii. 28 dependents eliminated

Next Meeting: June 13, 2019; 2:00 p.m.

Meeting adjourned: 2:45 p.m.

Health Insurance Committee Members:

Danette Demello – City of Arcata – 736 F Street, Arcata, CA 95521; 707-825-2120; ddemello@cityofarcata.org

James Leon – Town of Windsor – 9291 Old Redwood Highway, Windsor, CA 95492; 707-838-5379; jleon@townofwindsor.com

Kelly Buendia – City of Lakeport – 255 Park Street, Lakeport, CA 95453; 707-263-5613 x30; kbuendia@cityoflakeport.com

Sheri Mannion—City of Ukiah—300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits—111 E. Commercial, Willits, CA 95490; 707-459-4601; sgsierra@cityofwillits.org



REMIF Self-Insurance Committee Minutes

Date: June 13, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

Call to Order: 2:05 p.m.

I. ROLL CALL

A. Present:

- i. Amy Northam, REMIF
- ii. Danette Demello, Arcata
- iii. Kelly Buendia, Lakeport
- iv. Sheri Mannion, Ukiah
- v. Stephanie Garrabrant-Sierra, Willits

B. Also in attendance:

- i. Pat O'Brien, RealCare
- ii. Royann Franchini, RealCare

C. Absent:

- i. James Leon, Town of Windsor

II. APPROVAL OF MINUTES

A. Meeting of May 23, 2019

- i. Willits motioned to approve; Lakeport seconds; motion carried

III. ITEMS FOR DISCUSSION

A. EnvisionRx PLAN CHANGES – Year 19/20 –

- i. Implementation of 90 day maintenance drug refill at Retail Pharmacies – revised draft letter

1. Committee approves revised letter.

- ii. Implementation of the Non-Essential Drug Program – further discussion

1. Committee approves and will recommend implementation to the Board

B. Audit – Update only

- i. Amy Northam reached out to 4 or 5 companies to obtain quotes
- ii. Quotes starting to come in. They range from \$20,000-\$25,000 for the audit

C. Policies and Procedures project – Update only

- i. Amy Northam is gathering documents
- ii. Will continue to work on the policies and procedures
- iii. Will include criteria for new agencies to join

Next Meeting: July 11, 2019; 2:00 p.m.

Meeting adjourned: 2:24 p.m.

Health Insurance Committee Members:

Danette Demello – City of Arcata – 736 F Street, Arcata, CA 95521; 707-825-2120; ddemello@cityofarcata.org

James Leon – Town of Windsor – 9291 Old Redwood Highway, Windsor, CA 95492; 707-838-5379; jleon@townofwindsor.com

Kelly Buendia – City of Lakeport – 255 Park Street, Lakeport, CA 95453; 707-263-5613 x30; kbuendia@cityoflakeport.com

Sheri Mannion—City of Ukiah –300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits—111 E. Commercial, Willits, CA 95490; 707-459-4601; sgsierra@cityofwillits.org



REMIF Self-Insurance Committee Minutes

Date: July 11, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

Call to Order: 2:03

I. ROLL CALL

A. Present:

- i. Amy Northam, REMIF
- ii. Danette Demello, Arcata
- iii. James Leon, Town of Windsor
- iv. Kelly Buendia, Lakeport
- v. Stephanie Garrabrandt-Sierra, Willits

B. Also in attendance:

- i. Carol Reid, RealCare
- ii. Pat O'Brien, RealCare

C. Absent:

- i. Sheri Mannion, Ukiah
- ii. Royann Franchini, RealCare

II. APPROVAL OF MINUTES

A. Meeting of June 13, 2019

- i. Motion from Arcata; Second from Lakeport
- ii. All approved

III. ITEMS FOR DISCUSSION

A. Cost Change to LiveHealth Online – Informational Only – Attachment

- i. Danette shared that she has used it. Had a great experience. Rx done within an hour.
- ii. Pat recommended that we promote this benefit off Open Enrollment. Committee agreed that cities should make a push on education.
 1. Pat asked Danette and James to tell us how they'd like to promote it.
 - a. Danette shared that she wants to establish a calendar to promote different things. Suggested we make this a part of a bigger communication calendar for cities to use to promote different things to the employees.
 2. James likes the email blast idea

- a. Also a brown bag lunch has been very successful for them
 - b. Wallet cards
 - 3. Danette said they did a last minute OE meeting- they had high teens, low 20s
 - 4. Pat suggested that we recommend the cities use a variety of methods to promote, and reach out to employees multiple times so that they are well informed.
 - B. Medical Claims Audit – Update only
 - i. Amy reviewed the reason for the audit. Discussed the vendors, and said she did a quick look, but wanted feedback from the committee before moving forward.
 - 1. Asked if anyone wanted to get involved in a deep dive on the analysis
 - a. Stephanie said she'd love to, but she is too busy. James and Danette said they were comfortable having Amy, Pat and Royann do the deep dive and report back to the Committee.
- C. Policies and Procedures project – Update only
 - i. Amy has been working on several things and hasn't made much progress on this but it is on her list and she will give an update at the next meeting.
 - ii. Pat shared that she recently pulled out notes from prior discussions with the attorney and will work on adding notes to the existing documents.

Meeting adjourned: 2:49 PM

Health Insurance Committee Members:

Danette Demello – City of Arcata – 736 F Street, Arcata, CA 95521; 707-825-2120; ddemello@cityofarcata.org

James Leon – Town of Windsor – 9291 Old Redwood Highway, Windsor, CA 95492; 707-838-5379; jleon@townofwindsor.com

Kelly Buendia – City of Lakeport – 255 Park Street, Lakeport, CA 95453; 707-263-5613 x30; kbuendia@cityoflakeport.com

Sheri Mannion—City of Ukiah –300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits—111 E. Commercial, Willits, CA 95490; 707-459-4601; sgsierra@cityofwillits.org



REMIF Self-Insurance Committee Minutes

Date: July 25, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

Call to Order: 2:04 p.m.

I. ROLL CALL

A. Present:

- i. Amy Northam, REMIF
- ii. Danette Demello, Arcata
- iii. James Leon, Town of Windsor

B. Also in attendance:

- i. Carol Reid, RealCare
- ii. Pat O'Brien, RealCare
- iii. Royann Franchini, RealCare

C. Absent:

- i. Kelly Buendia, Lakeport
- ii. Sheri Mannion, Ukiah
- iii. Stephanie Garrabrant-Sierra, Willits

II. APPROVAL OF MINUTES

A. Meeting of July 11, 2019

- i. No quorum; will move to next meeting.

III. ITEMS FOR DISCUSSION

A. Income and Expense Report – Informational (Report Attached)

- i. The final Income and Expense Report for FY 18/19 will be finalized at later date after all stop loss reimbursements have been received.
- ii. Amy noted that the REMIF Financial Audit numbers will always be different than what is shown on the Income and Expense Report.

B. Medical Claims Audit – **Action Item** –Recommendation for Audit

- i. No quorum; will move to next meeting.

C. Live Health Online Pricing Change – **Action Item**

- i. No quorum; will move to next meeting.

D. Policies and Procedures project – Informational

- i. We have set time aside to sit down and look at what has been done thus far.

- E. Monthly/quarterly communications to promote services – Informational
 - i. RealCare is working on this. We are looking at tying communications to coincide with other monthly events such as Cancer Awareness month; etc.
 - ii. We are looking at something that can be easily emailed; include video links, etc.
- F. Feedback on Advocacy Services – Informational
 - i. There are two components of Consumer Advocacy services.
 - 1. A service that helps members with explaining why a claim was or wasn't paid; how do I find a doctor; educational services, etc. This service is what is being pursued.
 - 2. A clinical component such as the current HealthComp Care Advocacy program. We are not looking to replace this component.
 - ii. RealCare is working on finding a vendor for the non-clinical piece.
 - 1. Accolade is a vendor we are looking at and will get a proposal from them along with others.
- G. Benefit Satisfaction Survey – Informational
 - i. We had a telephonic meeting with NFP HR Services.
 - ii. We identified the importance of a survey being anonymous and done by a third party.
 - iii. We will be receiving a proposal from NFP HR Services. They use Survey Monkey.
 - iv. Annual satisfaction survey.
 - v. We will also look at other vendors for price comparisons
 - vi. James suggested that we include a question about what benefits employees would like to see.
 - vii. We will want to divide the results by agency.
- H. Voluntary Benefits Query – Informational
 - i. Voluntary Benefits are optional items for which the premiums are payroll withheld (AFLAC; American Fidelity)
 - ii. Amy stated that REMIF does not endorse one vendor or another. The cities can choose their own vendors.
 - iii. Does the benefit committee want to look into this or leave things “as is”.
 - iv. Several years ago, RealCare looked at AFLAC in order to “pool” benefits. At that time, AFLAC was not able to pull together a “group” plan.
 - v. No strong feelings from the members on the call to do anything. At this point, we will leave things “as is”.

Next meeting: Tuesday, August 8, 2019; 2:00 p.m.

Meeting adjourned: 2:45 p.m.

Health Insurance Committee Members:

Danette Demello – City of Arcata – 736 F Street, Arcata, CA 95521; 707-825-2120; ddemello@cityofarcata.org

James Leon – Town of Windsor – 9291 Old Redwood Highway, Windsor, CA 95492; 707-838-5379; jleon@townofwindsor.com

Kelly Buendia – City of Lakeport – 255 Park Street, Lakeport, CA 95453; 707-263-5613 x30; kbuendia@cityoflakeport.com

Sheri Mannion – City of Ukiah – 300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits – 111 E. Commercial, Willits, CA 95490; 707-459-4601; sgsierra@cityofwillits.org



REMIF Self-Insurance Committee Minutes

Date: August 8, 2019

Time: 2:00 p.m.

Telephonic Committee Meeting

Dial In: (646) 664-4400/ Conference ID: 17171#

AGENDA

Call to Order: 2:03 p.m.

I. ROLL CALL

A. Present:

- i. Amy Northam, REMIF
- ii. Danette Demello, Arcata
- iii. James Leon, Windsor
- iv. Stephanie Garrabrant-Sierra, Willits

B. Also in attendance:

- i. Carol Reid, RealCare
- ii. Royann Franchini, RealCare

C. Absent:

- i. Kelly Buendia, Lakeport
- ii. Sheri Mannion, Ukiah
- iii. Pat O'Brien, RealCare

II. APPROVAL OF MINUTES

A. Meetings of July 11, 2019 and July 25, 2019.

- i. Stephanie Garrabrant-Sierra from Willits motioned to approve; James Leon from Windsor seconded the motion; Motion carried.

III. ITEMS FOR DISCUSSION

A. Medical Claims Audit – **Action Item** – Recommendation for Audit

- i. In previous discussions, the Committee asked that Amy Northam and RealCare review the proposals.
- ii. Stephanie was concerned that we address recovery opportunities; services not approved in a timely fashion; customer satisfaction; how health care is managed; not having to wait for approvals; etc. It was explained that the Medical Claims audit would touch on some but not all of those concerns. However, we are gathering information for a separate Benefit Satisfaction Survey that will give members the opportunity to tell us what is right/wrong about the plan.
- iii. Amy recommends BMI for the Medical Claims audit.

- iv. Motion to recommend to the Board to proceed with medial claims audit using BMI.
 - 1. Danette Demello from Arcata motioned to recommend BMI to the Board; Stephanie Garrabrant-Sierra from Willits seconded the motion; Motion carried.
- B. Live Health Online Pricing Change – **Action Item** – Recommendation for the Board
 - i. This item was previously discussed by the Committee but we neglected to make a motion to bring it to the Board
 - 1. Danette Demello from Arcata motioned to recommend to the Board to accept the price increase without passing the increase onto the members; Stephanie Garrabrant-Sierra from Willits seconded the motion; Motion carried.
- C. Policies and Procedures project – Informational
 - i. We have made progress with this project. Amy Northam and RealCare met to discuss the approach we were going to take.
 - 1. MOU has been drafted.
 - 2. Participation Agreement being drafted.
 - 3. Will have the attorney look at the drafts before we present to the Committee.
- D. Monthly/quarterly communications to promote services – Informational
 - i. We are looking at something that can easily be emailed; include video links, etc.
 - ii. Pat has reached out to firms for ideas. Frequency of communications is still in question.
 - iii. Danette suggested quarterly communications. Monthly might be too frequent.
 - iv. James thinks quarterly would be best.
 - v. We will bullet point items in the communication so that members can quickly scan the items they wish to read.
- E. Benefit Satisfaction Survey – Informational
 - i. We are still awaiting proposals.
 - ii. First proposal submitted costs approximately \$12,000 and uses Survey Monkey.
 - iii. Needs to be by email, not USPS
 - 1. Can forward link to cities for pushing out to the employees.
 - iv. Think about using incentives to get employees to complete the summary. Vendor told us about one company that had 100% participation because they used 1 extra day of vacation day as their incentive.
 - 1. Stephanie said she thought each city could choose their own incentive.
 - v. Survey needs to be anonymous.
 - vi. Need to decide what the questions will be asked and how long the survey takes to complete. Vendors are giving us ideas on this.
 - 1. We will review the questions and then decide on the time it takes to complete the survey.
 - 2. 10 minutes to complete sounds reasonable.
 - vii. We need a question that asks “are you completely satisfied” or “not satisfied at all”.
 - viii. Amy is meeting with several other companies in the next few weeks and will report back to Committee at a future meeting.

Next meeting: Thursday, August 22, 2019; 2:00 p.m.

Meeting adjourned: 2:33 p.m.

Health Insurance Committee Members:

Danette Demello – City of Arcata – 736 F Street, Arcata, CA 95521; 707-825-2120; ddemello@cityofarcata.org

James Leon – Town of Windsor – 9291 Old Redwood Highway, Windsor, CA 95492; 707-838-5379; jleon@townofwindsor.com

Kelly Buendia – City of Lakeport – 255 Park Street, Lakeport, CA 95453; 707-263-5613 x30; kbuendia@cityoflakeport.com

Sheri Mannion—City of Ukiah –300 Seminary Drive, Ukiah, CA 95482; 707-463-6244; smannion@cityofukiah.com

Stephanie Garrabrant-Sierra – City of Willits—111 E. Commercial, Willits, CA 95490; 707-459-4601; sgsierra@cityofwillits.org



CITY OF EUREKA

CITY MANAGER

531 K Street • Eureka, California 95501-1146

Ph (707) 441-4144

gsparks@ci.eureka.ca.gov • www.ci.eureka.ca.gov

July 29, 2019

Redwood Empire Municipal Insurance Fund
414 W Napa Street
2nd Floor, Suite C
Sonoma, CA 95476

RE: Alternate Director to REMIF Board

Dear Ms. Northam:

The City of Eureka is requesting that the alternate Board Member to the REMIF Board be changed from Greg Sparks, City Manager to Will Folger, Human Resources Director.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg L. Sparks". The signature is fluid and cursive.

Greg L. Sparks
City Manager



City of St. Helena
*"We will conduct city affairs on behalf of our citizens
using an open and creative process."*

1480 Main Street
St. Helena, CA 94574
Phone: (707) 968-2658
Fax: (707) 967-2806

www.cityofsthelema.org

July 12, 2019

RE: Director and Alternate Director Assignment

Dear Amy Northam:

The City of St. Helena has assigned Assistant to the City Manager Jessica Deakyne as Alternate Director for the governing board for Redwood Empire Municipal Insurance Fund (REMIF).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kathy Robinson", is written over the typed name. The signature is fluid and cursive, extending to the right.

Kathy Robinson
HR & IT Director
REMIF Board Member

Redwood Empire Municipal Insurance Fund
Check Register: June -August 2019

Date	Vendor	Doc #	Amount
0157 - Bank of America			
6/3/2019	VEN-187--CalPERS	EFT	15,147.20
6/3/2019	VEN-189--City of Sonoma	17349	1,793.19
6/5/2019	VEN-109--Delta Dental of California	EFT	13,476.20
6/5/2019	VEN-109--Delta Dental of California	EFT	13,282.56
6/5/2019	VEN-109--Delta Dental of California	EFT	13,501.63
6/12/2019	VEN-109--Delta Dental of California	EFT	19,040.45
6/12/2019	VEN-208--Health and Human Resource Center, Inc.	17356	4,505.24
6/12/2019	VEN-112--Office Information Systems	17357	200.00
6/12/2019	VEN-154--Pitney Bowes Global	17358	251.96
6/12/2019	VEN-115--Bickmore	17354	7,500.00
6/12/2019	VEN-108--Alhambra	17351	56.53
6/12/2019	VEN-142--AT&T Mobility	17352	52.32
6/12/2019	VEN-121--Sonoma Garbage Collectors, Inc	17360	201.64
6/12/2019	VEN-131--Vista Landscape	17362	330.00
6/12/2019	VEN-169--Adrian Martinez AIA	17350	5,106.89
6/12/2019	VEN-215--River Lodge Conference Center	17359	391.50
6/12/2019	VEN-117--Vision Service Plan	17361	2,633.40
6/12/2019	VEN-107--Athens Insurance Services, Inc.	17353	50,766.75
6/12/2019	VEN-127--DKF Solutions Group, LLC	17355	4,900.00
6/13/2019	VEN-128--Business Card	17364	14,778.86
6/13/2019	VEN-217--Sonoma Valley Properties	17366	4,858.50
6/13/2019	VEN-137--AT&T Teleconference Services	17363	408.98
6/13/2019	VEN-216--PARMA	17365	150.00
6/13/2019	VEN-117--Vision Service Plan	17367	11,773.97
6/19/2019	VEN-109--Delta Dental of California	EFT	23,278.25
6/20/2019	VEN-136--Boden Plumbing Heating and Air Inc	17370	2,127.00
6/20/2019	VEN-145--Network Office Systems	17376	302.88
6/20/2019	VEN-119--AT&T	17369	19.95
6/20/2019	VEN-148--Downey's Mini Storage	17373	1,920.00
6/20/2019	VEN-126--AmWINS	17368	6,739.98
6/20/2019	VEN-219--BRIDGES Construction	17371	11,000.00
6/20/2019	VEN-120--City of Rohnert Park	17372	35,460.02
6/20/2019	VEN-101--The Office Spot	17377	381.57
6/20/2019	VEN-146--George Hills	17374	10,291.67
6/20/2019	VEN-141--Murphy, Campbell, Alliston & Quinn	17375	1,867.50

Redwood Empire Municipal Insurance Fund
Check Register: June -August 2019

Date	Vendor	Doc #	Amount
6/27/2019	VEN-109--Delta Dental of California	EFT	13,349.70
6/27/2019	VEN-109--Delta Dental of California	EFT	13,224.91
6/28/2019	VEN-102--Shred-It USA	17388	54.41
6/28/2019	VEN-124--Comcast Business	17383	327.60
6/28/2019	VEN-103--City of Sonoma-Water	17382	63.12
6/28/2019	VEN-221--OCCU-MED	17386	9,000.00
6/28/2019	VEN-138--Acceptable Risk	17378	821.04
6/28/2019	VEN-110--NFP-National Account Services	17385	546.58
6/28/2019	VEN-219--BRIDGES Construction	17379	11,000.00
6/28/2019	VEN-153--Pacific Gas & Electric	17387	351.12
6/28/2019	VEN-132--Ukiah Valley Conference Center	17389	346.50
6/28/2019	VEN-170--Carmela Beckman-Spector	17380	18.98
6/28/2019	VEN-120--City of Rohnert Park	17381	1,922.54
6/28/2019	VEN-106--Comprehensive Drug Testing, Inc	17384	342.00
7/1/2019	VEN-187--CalPERS	EFT	56.40
7/1/2019	VEN-187--CalPERS	EFT	169.20
7/2/2019	VEN-181--Health Comp-Admin Fee	EFT	185,804.32
7/3/2019	VEN-109--Delta Dental of California	EFT	13,054.05
7/3/2019	VEN-222--York Risk Services Group, Inc.	17397	7,875.00
7/3/2019	VEN-127--DKF Solutions Group, LLC	17393	4,900.00
7/3/2019	VEN-118--Comcast	17392	298.53
7/3/2019	VEN-131--Vista Landscape	17396	330.00
7/3/2019	VEN-112--Office Information Systems	17395	1,354.50
7/3/2019	VEN-111--Marsh USA, Inc.	17394	347,846.00
7/3/2019	VEN-107--Athens Insurance Services, Inc.	17391	48,330.08
7/3/2019	VEN-108--Alhambra	17390	51.57
7/5/2019	VEN-187--CalPERS	EFT	818.00
7/5/2019	VEN-187--CalPERS	EFT	198,531.00
7/10/2019	VEN-109--Delta Dental of California	EFT	22,232.23
7/15/2019	VEN-112--Office Information Systems	17405	201.71
7/15/2019	VEN-208--Health and Human Resource Center, Inc.	17404	4,521.28
7/15/2019	VEN-142--AT&T Mobility	17400	52.32
7/15/2019	VEN-169--Adrian Martinez AIA	17399	370.00
7/15/2019	VEN-121--Sonoma Garbage Collectors, Inc	17406	201.64
7/15/2019	VEN-220--AAA Business Supplies & Interiors	17398	227.20
7/15/2019	VEN-219--BRIDGES Construction	17402	37,000.00

Redwood Empire Municipal Insurance Fund
Check Register: June -August 2019

Date	Vendor	Doc #	Amount
7/15/2019	VEN-166--Copy Store & More LLC	17403	54.38
7/15/2019	VEN-137--AT&T Teleconference Services	17401	169.04
7/17/2019	VEN-109--Delta Dental of California	EFT	18,923.00
7/19/2019	VEN-126--AmWINS	17408	6,739.98
7/19/2019	VEN-112--Office Information Systems	17415	816.00
7/19/2019	VEN-145--Network Office Systems	17414	106.34
7/19/2019	VEN-119--AT&T	17409	19.95
7/19/2019	VEN-103--City of Sonoma-Water	17412	92.72
7/19/2019	VEN-128--Business Card	17410	9,450.65
7/19/2019	VEN-153--Pacific Gas & Electric	17416	576.13
7/19/2019	VEN-144--Alliant Insurance Services, Inc	17407	949,870.76
7/19/2019	VEN-223--Santa Rosa Fire Equipment Svc Inc.	17417	93.00
7/19/2019	VEN-130--Lexipol, LLC	17413	85,944.00
7/19/2019	VEN-125--California Joint Powers Risk Management A	17411	2,049,154.00
7/19/2019	VEN-117--Vision Service Plan	17418	16,050.38
7/19/2019	VEN-123--WM Cleaning of Sonoma	17419	675.00
7/24/2019	VEN-109--Delta Dental of California	EFT	27,211.14
7/26/2019	VEN-124--Comcast Business	17422	329.65
7/26/2019	VEN-107--Athens Insurance Services, Inc.	17420	48,330.08
7/26/2019	VEN-146--George Hills	17423	10,291.67
7/26/2019	VEN-120--City of Rohnert Park	17421	37,630.84
7/30/2019	VEN-102--Shred-It USA	17427	54.17
7/30/2019	VEN-108--Alhambra	17424	51.50
7/30/2019	VEN-224--Rick's Energy Solutions, Inc.	17426	1,130.00
7/30/2019	VEN-155--United States Treasury	17428	4,534.95
7/30/2019	VEN-110--NFP-National Account Services	17425	546.58
7/31/2019	VEN-127--DKF Solutions Group, LLC	17432	4,900.00
7/31/2019	VEN-118--Comcast	17431	299.33
7/31/2019	VEN-170--Carmela Beckman-Spector	17430	286.29
7/31/2019	VEN-219--BRIDGES Construction	17429	30,300.36
7/31/2019	VEN-109--Delta Dental of California	EFT	23,759.75
7/31/2019	VEN-109--Delta Dental of California	EFT	13,328.68
8/7/2019	VEN-109--Delta Dental of California	EFT	23,438.54
8/9/2019	VEN-181--Health Comp-Admin Fee	EFT	184,773.26
8/9/2019	VEN-208--Health and Human Resource Center, Inc.	17435	4,541.16
8/9/2019	VEN-222--York Risk Services Group, Inc.	17443	7,875.00

Redwood Empire Municipal Insurance Fund
Check Register: June -August 2019

Date	Vendor	Doc #	Amount
8/9/2019	VEN-112--Office Information Systems	17437	200.00
8/9/2019	VEN-226--Architectural Signs & Associates	17433	450.00
8/9/2019	VEN-142--AT&T Mobility	17434	51.67
8/9/2019	VEN-121--Sonoma Garbage Collectors, Inc	17439	201.64
8/9/2019	VEN-123--WM Cleaning of Sonoma	17442	225.00
8/9/2019	VEN-131--Vista Landscape	17441	330.00
8/9/2019	VEN-227--James Marta & Co. LLP	17436	9,000.00
8/9/2019	VEN-223--Santa Rosa Fire Equipment Svc Inc.	17438	640.78
8/9/2019	VEN-117--Vision Service Plan	17440	14,269.69
8/14/2019	VEN-109--Delta Dental of California	EFT	26,489.55
8/15/2019	VEN-145--Network Office Systems	17451	120.50
8/15/2019	VEN-119--AT&T	17445	19.95
8/15/2019	VEN-126--AmWINS	17444	6,739.98
8/15/2019	VEN-103--City of Sonoma-Water	17449	105.58
8/15/2019	VEN-141--Murphy, Campbell, Alliston & Quinn	17450	292.50
8/15/2019	VEN-153--Pacific Gas & Electric	17452	593.20
8/15/2019	VEN-128--Business Card	17447	1,499.34
8/15/2019	VEN-228--California Sinus Centers LLC	17448	7,653.42
8/15/2019	VEN-223--Santa Rosa Fire Equipment Svc Inc.	17453	81.57
8/15/2019	VEN-137--AT&T Teleconference Services	17446	98.34
8/21/2019	VEN-109--Delta Dental of California	EFT	25,121.35
8/26/2019	VEN-120--City of Rohnert Park	17454	37,792.15
8/26/2019	VEN-146--George Hills	17455	10,541.67
8/28/2019	VEN-109--Delta Dental of California	EFT	22,912.75
8/28/2019	VEN-109--Delta Dental of California	EFT	13,478.57
8/28/2019	VEN-108--Alhambra	17457	60.99
8/28/2019	VEN-102--Shred-It USA	17460	398.42
8/28/2019	VEN-110--NFP-National Account Services	17459	546.58
8/28/2019	VEN-124--Comcast Business	17458	329.65
8/28/2019	VEN-220--AAA Business Supplies & Interiors	17456	421.86
8/28/2019	VEN-187--CalPERS		700.00
			\$4,947,805.10

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
Treasurer's Report
As of June 30, 2019

<u>INSTITUTION</u>	<u>COST VALUE</u>	<u>MARKET VALUE</u>	<u>% of Total</u>	<u>Effective Yield</u>
Local Agency Investment Fund (LAIF)	\$407,524.19	\$408,221.79	1.63%	2.43%
Sonoma County Trust Fund	237,859.88	237,859.88	0.95%	2.31%
Chandler Asset Management - REMIF Account	11,934,524.00	12,055,663.00	48.07%	2.08%
Chandler Asset Management - OPEB Trust	<u>2,318,032.00</u>	<u>2,922,246.00</u>	11.65%	2.44%
Total Investments	14,897,940.07	\$15,623,990.67		
Total Cash with Banks*	9,453,766.15	9,453,766.15	37.70%	
Petty Cash	<u>500.00</u>	<u>500.00</u>	0.00%	
TOTAL INVESTMENT & CASH EQUIVALENTS	<u>\$24,352,206.22</u>	<u>\$25,078,256.82</u>	100.00%	

Attached are the Chandler Asset Management, LAIF and Sonoma County Trust Fund statement detailing all investment transactions and balances.

*Cash with Bank is shown based upon reconciled book balance.

This report accurately reflects all cash and investments and is in conformity with California Government Code Section 53646 and REMIF's investment policy. The investment program show herein is sufficient to meet REMIF's expenditure requirement over the next six months.

Respectfully submitted,



Ritesh Sharma
 Finance Director

Accepted,



Heather Ippoliti
 Treasurer

FUND SUMMARY

06/01/19 THROUGH 06/30/19

FUND NUMBER	FUND NAME	BEGINNING BALANCE	TOTAL DEBITS	TOTAL CREDITS	ENDING BALANCE
082125 80040300	Housing Assistance Progr	535,310.80	64,036.01	200,000.00	399,346.81
082130 80050100	Business Appeals Impound	2,991,660.93	.00	.00	2,991,660.93
082135 80050200	Windsor Redevelopment TR	2,927,853.23	.00	.00	2,927,853.23
082140 80050300	Tax Loss Reserve Trust	20,539,001.94	1,211,648.84	.00	21,750,650.78
082145 80050400	Auditors Tax Clearing TR	15,822,740.06	-11,496,197.99	.00	4,326,542.07
082150 80050500	Geothermal Impound Trust	.00	.00	.00	.00
082155 80050600	Sebastopol Tax Coll TR	9,619,157.91	42,861.37	.00	9,662,019.28
082160 80050700	Town of Windsor Trust	15,090,980.73	.00	.00	15,090,980.73
082165 80050800	City of Sebastopol Trust	.00	.00	.00	.00
082170 80070100	Tax Collector Trust	-3,732.48	.00	.00	-3,732.48
082175 80070200	Subdivision Tax Trust	938,887.20	223,624.90	.00	1,162,512.10
082180 80070300	1911 Clearing Trust	57,302.41	.00	.00	57,302.41
082185 80070400	Collection Officers TR	23,559.71	.00	.00	23,559.71
082190 80070500	Redemption Officers TR	3,855,218.55	491,439.23	.00	4,346,657.78
082195 80070600	Transitional Tax Coll TR	1,836,291.83	175,389.61	.00	2,011,681.44
082200 80070700	Spec Assess Inv Earn TR	19,035.86	.00	.00	19,035.86
082205 80080100	Treasurer Holding Trust	21,402.20	-339.90	.00	21,062.30
082210 80090100	Agricultural Comm Trust	85,405.94	-18,660.64	.00	66,745.30
082215 80100100	Domestic Violence Trust	11,454.69	9,421.37	.00	20,876.06
082225 80110100	County Counsel I/B Dep	10,058.80	.00	.00	10,058.80
082230 80110200	ERAF Litigation Trust	.00	.00	.00	.00
082235 80120100	DA Donation Trust	11,483.33	-535.15	.00	10,948.18
082240 80120200	Victim Assistance Trust	49,734.34	.00	.00	49,734.34
082245 80120300	JP Revolving Fund	53,480.18	.00	.00	53,480.18
082250 80130100	State Disaster Assistanc	.00	.00	.00	.00
082255 80140100	Public Health Restricted	4,192.71	.00	.00	4,192.71
082260 80140200	Mental Health Restricted	2.33	.00	.00	2.33
082265 80140300	Mental Hlth Crisis Resp	6,150.20	.00	.00	6,150.20
082270 80160100	Welfare Restrictions TR	16,014.60	-3.26	.00	16,011.34
082275 80160200	PA/PG/PC Trust	1,880,190.10	.00	.00	1,880,190.10
082285 80270100	NBCLS Equip. Replacemnt	.00	.00	.00	.00
082290 80270200	NBCLS Employee Benefits	.00	.00	.00	.00
082295 80270300	NBCLS Member Libraries	.00	.00	.00	.00
082300 80270400	Office of Communication	165.38	.00	.00	165.38
082305 80270500	Rohnert Park CDA	.00	.00	.00	.00
082310 80270600	Rohnert Park Investment	33,650,749.95	2,000,000.00	2,000,000.00	33,650,749.95
082320 80270800	Cloverdale Investment	205,774.07	.00	.00	205,774.07
082325 80270900	REMIF-Cities Ins Invest	237,859.88	.00	.00	237,859.88
082330 80271000	Cotati Investment Trust	409,119.08	.00	.00	409,119.08
082335 80271100	Healdsburg Investment	.00	.00	.00	.00
082340 80271200	Vly Of The Moon Wtr Inv	3,987,769.61	.00	.00	3,987,769.61
082345 80271300	Forestville Wtr Invest	717,964.38	.00	.00	717,964.38
082350 80271400	FVL WD SSZ Conn Fee Inv	191,183.95	.00	.00	191,183.95
082355 80271500	Day of Caring Trust	4,529.00	.00	.00	4,529.00



Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

MONTHLY ACCOUNT STATEMENT

JUNE 1, 2019 THROUGH JUNE 30, 2019

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.39
Average Coupon	2.02%
Average Purchase YTM	2.08%
Average Market YTM	1.94%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.53 yrs
Average Life	2.50 yrs

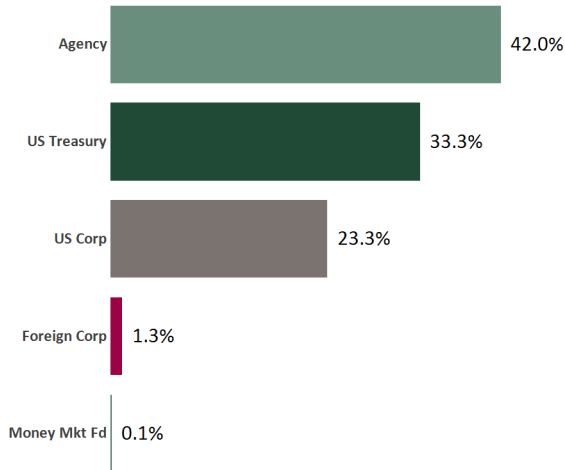
ACCOUNT SUMMARY

	Beg. Values as of 5/31/19	End Values as of 6/30/19
Market Value	11,977,062	12,055,663
Accrued Interest	62,263	60,426
Total Market Value	12,039,325	12,116,089
Income Earned	20,006	19,946
Cont/WD		-1,199
Par	11,952,221	11,961,870
Book Value	11,910,525	11,934,524
Cost Value	11,910,525	11,934,524

TOP ISSUERS

Government of United States	33.3%
Federal National Mortgage Assoc	19.8%
Federal Home Loan Bank	12.4%
Federal Home Loan Mortgage Corp	9.8%
Wells Fargo Corp	1.4%
Microsoft	1.4%
Honda Motor Corporation	1.4%
Deere & Company	1.4%
Total	80.8%

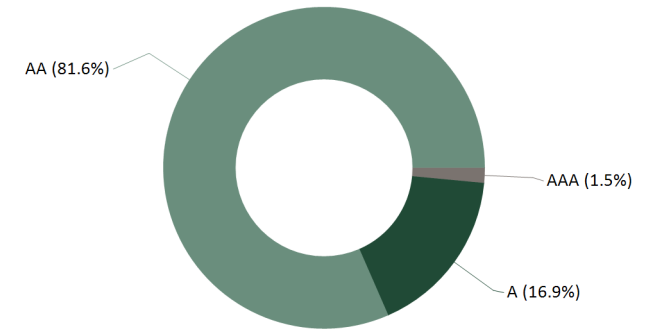
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	12/31/2010
Redwood Empire Municipal Insurance Fund (REMIF)	0.65%	1.72%	3.11%	4.85%	2.30%	1.53%	1.69%	N/A	1.79%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.65%	1.81%	3.04%	4.87%	2.24%	1.32%	1.54%	N/A	1.47%

Statement of Compliance

As of June 30, 2019



Redwood Empire Municipal Insurance Fund - REMIF

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	<i>Complies</i>
Agency Issues	No Limitation	<i>Complies</i>
Local Agency Bonds	California local agencies and national state obligations	<i>Complies</i>
Banker's Acceptances	40% maximum; <180 days maturity	<i>Complies</i>
Time Deposits	5 years maximum maturity	<i>Complies</i>
Negotiable Certificates of Deposit	30% maximum; 5 years maximum maturity	<i>Complies</i>
Commercial Paper	25% maximum; <270 days maturity; A-1/P-1/F-1, minimum of two ratings	<i>Complies</i>
Medium Term Notes	30% maximum; 5 years maximum maturity; A-rated or better by 2 NRSROs	<i>Complies</i>
Money Market Mutual Funds	20% maximum; "AAA" rated or SEC-registered with \$500M in assets	<i>Complies</i>
Sonoma County Pool	Currently not used by investment adviser	<i>Complies</i>
Local Agency Investment Fund - L.A.I.F.	Currently not used by investment adviser	<i>Complies</i>
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	<i>Complies</i>
Callable Securities	15% maximum	<i>Complies</i>
Maximum maturity	5 years	<i>Complies</i>

Reconciliation Summary

As of June 30, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$11,910,524.50
Acquisition		
+ Security Purchases	\$330,620.46	
+ Money Market Fund Purchases	\$161,339.36	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$491,959.82
Dispositions		
- Security Sales	\$289,685.30	
- Money Market Fund Sales	\$180,491.47	
- MMF Withdrawals	\$1,198.78	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$471,375.55
Amortization/Accretion		
+/- Net Accretion	\$0.00	
		\$0.00
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$3,415.70	
		\$3,415.70
ENDING BOOK VALUE		\$11,934,524.47

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$37,220.69
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$289,685.30	
Accrued Interest Received	\$1,368.48	
Interest Received	\$20,762.52	
Dividend Received	\$41.35	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$311,857.65	
Dispositions		
Withdrawals	\$1,198.78	
Security Purchase	\$330,620.46	
Accrued Interest Paid	\$389.30	
Total Dispositions	\$332,208.54	
ENDING BOOK VALUE		\$16,869.80

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	240,000.00	11/24/2014 1.78%	234,127.20 234,127.20	99.76 2.20%	239,418.00 741.67	1.98% 5,290.80	Aaa / AA+ AAA	0.26 0.25
3137EAE5	FHLMC Note 1.5% Due 1/17/2020	250,000.00	03/28/2017 1.57%	249,512.50 249,512.50	99.65 2.15%	249,113.75 1,708.33	2.07% (398.75)	Aaa / AA+ AAA	0.55 0.54
3135G0D75	FNMA Note 1.5% Due 6/22/2020	230,000.00	09/29/2015 1.49%	230,124.20 230,124.20	99.49 2.03%	228,826.31 86.25	1.89% (1,297.89)	Aaa / AA+ AAA	0.98 0.96
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	250,000.00	11/21/2017 1.96%	249,352.21 249,352.21	99.97 1.90%	249,921.25 572.92	2.07% 569.04	Aaa / AA+ AAA	1.39 1.35
3135G0F73	FNMA Note 1.5% Due 11/30/2020	230,000.00	12/16/2015 1.90%	225,653.00 225,653.00	99.51 1.85%	228,871.85 297.08	1.89% 3,218.85	Aaa / AA+ AAA	1.42 1.39
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	245,000.00	Various 1.39%	244,764.70 244,764.70	99.27 1.83%	243,201.21 1,244.56	2.02% (1,563.49)	Aaa / AA+ AAA	1.64 1.60
3135G0J20	FNMA Note 1.375% Due 2/26/2021	230,000.00	03/30/2016 1.43%	229,374.86 229,374.86	99.23 1.85%	228,231.30 1,098.09	1.89% (1,143.56)	Aaa / AA+ AAA	1.66 1.62
3135G0K69	FNMA Note 1.25% Due 5/6/2021	255,000.00	06/29/2016 1.18%	255,867.00 255,867.00	98.97 1.82%	252,380.13 486.98	2.09% (3,486.87)	Aaa / AA+ AAA	1.85 1.81
313379RB7	FHLB Note 1.875% Due 6/11/2021	70,000.00	10/17/2017 1.88%	69,993.00 69,993.00	100.03 1.86%	70,018.55 72.92	0.58% 25.55	Aaa / AA+ AAA	1.95 1.90
3135G0U35	FNMA Note 2.75% Due 6/22/2021	160,000.00	06/28/2018 2.70%	160,236.80 160,236.80	101.81 1.82%	162,889.12 110.00	1.35% 2,652.32	Aaa / AA+ AAA	1.98 1.92
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	230,000.00	10/04/2016 1.33%	227,874.80 227,874.80	98.75 1.75%	227,133.74 1,200.31	1.88% (741.06)	Aaa / AA+ AAA	2.04 1.99
3137EAE9	FHLMC Note 1.125% Due 8/12/2021	215,000.00	Various 1.29%	213,356.40 213,356.40	98.58 1.81%	211,943.56 933.91	1.76% (1,412.84)	Aaa / AA+ AAA	2.12 2.07
3135G0N82	FNMA Note 1.25% Due 8/17/2021	190,000.00	10/04/2016 1.37%	188,972.67 188,972.67	98.86 1.80%	187,843.12 884.03	1.56% (1,129.55)	Aaa / AA+ AAA	2.13 2.08
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	60,000.00	10/27/2016 1.50%	59,634.60 59,634.60	99.00 1.82%	59,402.94 192.50	0.49% (231.66)	Aaa / AA+ AAA	2.27 2.22
3135G0S38	FNMA Note 2% Due 1/5/2022	225,000.00	Various 1.96%	225,389.25 225,389.25	100.52 1.79%	226,180.35 2,200.00	1.88% 791.10	Aaa / AA+ AAA	2.52 2.42
3135G0T45	FNMA Note 1.875% Due 4/5/2022	235,000.00	06/19/2017 1.88%	234,964.52 234,964.52	100.18 1.81%	235,421.12 1,052.60	1.95% 456.60	Aaa / AA+ AAA	2.77 2.67

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0T78	FNMA Note 2% Due 10/5/2022	235,000.00	10/17/2017 2.04%	234,530.00 234,530.00	100.70 1.78%	236,644.53 1,122.78	1.96% 2,114.53	Aaa / AA+ AAA	3.27 3.13
3135G0T94	FNMA Note 2.375% Due 1/19/2023	100,000.00	04/11/2018 2.71%	98,526.00 98,526.00	101.97 1.80%	101,965.50 1,068.75	0.85% 3,439.50	Aaa / AA+ AAA	3.56 3.36
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	225,000.00	07/20/2018 2.86%	223,870.50 223,870.50	103.54 1.82%	232,963.88 206.25	1.92% 9,093.38	Aaa / AA+ AAA	3.97 3.75
313383YJ4	FHLB Note 3.375% Due 9/8/2023	215,000.00	10/29/2018 3.08%	217,822.95 217,822.95	106.35 1.79%	228,656.80 2,277.66	1.91% 10,833.85	Aaa / AA+ NR	4.19 3.88
3135G0U43	FNMA Note 2.875% Due 9/12/2023	230,000.00	09/12/2018 2.96%	229,057.00 229,057.00	104.15 1.84%	239,543.39 2,002.12	1.99% 10,486.39	Aaa / AA+ AAA	4.21 3.92
3130A0F70	FHLB Note 3.375% Due 12/8/2023	225,000.00	Various 2.75%	231,460.50 231,460.50	106.39 1.87%	239,370.98 485.16	1.98% 7,910.48	Aaa / AA+ AAA	4.44 4.12
3130A0XE5	FHLB Note 3.25% Due 3/8/2024	200,000.00	03/28/2019 2.27%	209,082.00 209,082.00	105.72 1.97%	211,446.40 2,040.28	1.76% 2,364.40	Aaa / AA+ NR	4.69 4.31
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	35,000.00	04/29/2019 2.37%	35,002.45 35,002.45	102.18 1.89%	35,762.09 260.92	0.30% 759.64	Aaa / AA+ NR	4.69 4.39
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	225,000.00	06/18/2019 1.96%	234,733.55 234,733.55	104.71 1.87%	235,604.93 305.47	1.95% 871.38	Aaa / AA+ NR	4.96 4.61
Total Agency		5,005,000.00	1.95%	5,013,282.66	1.87%	5,062,754.80 22,651.54	41.97% 49,472.14	Aaa / AA+ AAA	2.55 2.42
FOREIGN CORPORATE									
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	145,000.00	03/26/2019 2.97%	146,835.70 146,835.70	103.52 2.45%	150,105.89 1,439.93	1.25% 3,270.19	Aa3 / A AA-	4.70 4.31
Total Foreign Corporate		145,000.00	2.97%	146,835.70	2.45%	150,105.89 1,439.93	1.25% 3,270.19	Aa3 / A AA-	4.70 4.31



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	16,869.80	Various 1.99%	16,869.80 16,869.80	1.00 1.99%	16,869.80 0.00	0.14% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		16,869.80	1.99%	16,869.80	1.99%	16,869.80 0.00	0.14% 0.00	Aaa / AAA AAA	0.00 0.00
US CORPORATE									
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	170,000.00	01/26/2015 2.17%	169,816.40 169,816.40	99.91 2.31%	169,840.38 1,533.07	1.41% 23.98	A2 / A- A+	0.59 0.57
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	105,000.00	02/05/2015 1.77%	104,889.75 104,889.75	99.61 2.38%	104,589.24 694.17	0.87% (300.51)	Aa3 / A+ NR	0.63 0.61
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	150,000.00	06/11/2015 2.49%	148,338.75 148,338.75	99.97 2.29%	149,951.10 384.38	1.24% 1,612.35	A2 / A- NR	0.89 0.87
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	60,000.00	10/29/2015 2.02%	59,952.00 59,952.00	99.96 2.03%	59,976.12 193.33	0.50% 24.12	Aaa / AAA AA+	1.35 1.31
78012KKU0	Royal Bank of Canada Note 2.5% Due 1/19/2021	150,000.00	12/11/2017 2.37%	150,568.50 150,568.50	100.42 2.22%	150,637.05 1,687.50	1.26% 68.55	Aa2 / AA- AA	1.56 1.50
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	150,000.00	05/16/2016 1.84%	152,629.50 152,629.50	100.28 2.05%	150,415.65 1,111.00	1.25% (2,213.85)	Aaa / AA+ NR	1.67 1.62
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	150,000.00	Various 3.25%	148,947.10 148,947.10	101.62 2.11%	152,428.80 625.00	1.26% 3,481.70	A2 / A+ NR	1.87 1.80
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	80,000.00	05/16/2016 1.96%	79,958.40 79,958.40	99.74 2.09%	79,791.52 182.00	0.66% (166.88)	A1 / A AA-	1.89 1.84
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	105,000.00	Various 1.57%	104,875.35 104,875.35	99.15 1.96%	104,106.03 646.48	0.86% (769.32)	Aaa / AAA AA+	2.11 2.05
69371RN44	Paccar Financial Corp Note 1.65% Due 8/11/2021	145,000.00	05/23/2018 3.15%	138,421.35 138,421.35	98.92 2.17%	143,437.92 930.42	1.19% 5,016.57	A1 / A+ NR	2.12 2.05
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	145,000.00	11/29/2016 2.40%	141,753.45 141,753.45	99.49 2.14%	144,266.01 811.19	1.20% 2,512.56	A1 / AA- A	2.21 2.14



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	160,000.00	01/03/2017 2.66%	159,955.20 159,955.20	101.07 2.21%	161,718.24 2,061.11	1.35% 1,763.04	A2 / A A	2.52 2.39
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	145,000.00	03/14/2018 3.04%	142,711.98 142,711.98	101.05 2.17%	146,517.14 1,780.28	1.22% 3,805.16	Aa3 / AA- A+	2.54 2.41
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	70,000.00	01/19/2017 2.66%	69,879.60 69,879.60	101.07 2.18%	70,748.30 801.35	0.59% 868.70	A1 / A+ AA-	2.57 2.37
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	150,000.00	11/29/2017 2.58%	147,462.00 147,462.00	99.75 2.28%	149,628.90 1,035.83	1.24% 2,166.90	A1 / A A	3.19 3.04
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	125,000.00	02/09/2018 3.19%	123,793.75 123,793.75	101.45 2.38%	126,814.13 1,713.03	1.06% 3,020.38	A2 / A- AA-	3.55 2.95
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	100,000.00	11/26/2018 3.51%	97,009.00 97,009.00	101.62 2.27%	101,615.60 809.72	0.85% 4,606.60	Aa2 / AA A+	3.71 3.34
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	60,000.00	11/28/2018 3.54%	57,227.40 57,227.40	100.99 2.13%	60,594.12 232.00	0.50% 3,366.72	Aa1 / AA+ NR	3.84 3.64
097023BQ7	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	110,000.00	02/13/2019 2.98%	105,112.70 105,112.70	98.16 2.36%	107,977.65 91.67	0.89% 2,864.95	A2 / A A	3.96 3.78
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	45,000.00	07/11/2018 3.49%	44,922.15 44,922.15	104.30 2.33%	46,933.43 720.19	0.39% 2,011.28	A2 / A NR	4.04 3.71
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	150,000.00	05/16/2019 2.79%	153,945.00 153,945.00	104.28 2.35%	156,417.45 2,012.50	1.31% 2,472.45	A1 / A AA-	4.12 3.78
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	110,000.00	10/03/2018 3.64%	109,909.80 109,909.80	105.24 2.33%	115,765.54 897.19	0.96% 5,855.74	A2 / A NR	4.28 3.93
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	145,000.00	03/06/2019 3.41%	145,594.50 145,594.50	103.67 2.50%	150,318.46 1,658.64	1.25% 4,723.96	A2 / A- A+	4.68 3.41
Total US Corporate		2,780,000.00	2.69%	2,757,673.63	2.24%	2,804,488.78 22,612.05	23.33% 46,815.15	A1 / A+ A+	2.53 2.32
US TREASURY									
912828J84	US Treasury Note 1.375% Due 3/31/2020	230,000.00	10/23/2015 1.35%	230,225.38 230,225.38	99.51 2.03%	228,876.91 794.95	1.90% (1,348.47)	Aaa / AA+ AAA	0.75 0.74

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	230,000.00	Various 1.62%	227,359.76 227,359.76	99.42 2.01%	228,670.37 267.86	1.89% 1,310.61	Aaa / AA+ AAA	0.92 0.91
912828L32	US Treasury Note 1.375% Due 8/31/2020	230,000.00	09/29/2015 1.37%	230,072.65 230,072.65	99.38 1.91%	228,580.44 1,057.03	1.90% (1,492.21)	Aaa / AA+ AAA	1.17 1.15
912828L99	US Treasury Note 1.375% Due 10/31/2020	230,000.00	11/23/2015 1.71%	226,398.04 226,398.04	99.35 1.87%	228,508.68 532.81	1.89% 2,110.64	Aaa / AA+ AAA	1.34 1.31
912828N89	US Treasury Note 1.375% Due 1/31/2021	230,000.00	03/09/2016 1.40%	229,776.16 229,776.16	99.30 1.83%	228,382.87 1,319.16	1.90% (1,393.29)	Aaa / AA+ AAA	1.59 1.55
912828B90	US Treasury Note 2% Due 2/28/2021	230,000.00	04/26/2016 1.40%	236,460.54 236,460.54	100.30 1.82%	230,691.84 1,537.50	1.92% (5,768.70)	Aaa / AA+ AAA	1.67 1.62
912828Q37	US Treasury Note 1.25% Due 3/31/2021	240,000.00	Various 1.57%	236,789.86 236,789.86	99.06 1.80%	237,750.00 754.10	1.97% 960.14	Aaa / AA+ AAA	1.75 1.72
912828S27	US Treasury Note 1.125% Due 6/30/2021	165,000.00	12/13/2016 1.87%	159,676.72 159,676.72	98.77 1.75%	162,976.11 5.04	1.35% 3,299.39	Aaa / AA+ AAA	2.00 1.97
912828T34	US Treasury Note 1.125% Due 9/30/2021	235,000.00	11/09/2016 1.48%	231,025.99 231,025.99	98.68 1.73%	231,897.30 664.55	1.92% 871.31	Aaa / AA+ AAA	2.25 2.20
912828F96	US Treasury Note 2% Due 10/31/2021	245,000.00	08/15/2017 1.73%	247,642.23 247,642.23	100.61 1.73%	246,483.48 825.54	2.04% (1,158.75)	Aaa / AA+ AAA	2.34 2.27
912828G87	US Treasury Note 2.125% Due 12/31/2021	245,000.00	08/15/2017 1.75%	248,809.81 248,809.81	100.96 1.73%	247,363.76 14.15	2.04% (1,446.05)	Aaa / AA+ AAA	2.51 2.43
912828J43	US Treasury Note 1.75% Due 2/28/2022	245,000.00	03/13/2017 2.14%	240,569.77 240,569.77	100.06 1.73%	245,153.13 1,433.05	2.04% 4,583.36	Aaa / AA+ AAA	2.67 2.58
912828XG0	US Treasury Note 2.125% Due 6/30/2022	210,000.00	07/31/2017 1.84%	212,789.77 212,789.77	101.18 1.72%	212,477.37 12.13	1.75% (312.40)	Aaa / AA+ AAA	3.00 2.90
912828L57	US Treasury Note 1.75% Due 9/30/2022	250,000.00	10/17/2017 1.99%	247,226.56 247,226.56	100.07 1.73%	250,175.75 1,099.73	2.07% 2,949.19	Aaa / AA+ AAA	3.25 3.13
912828N30	US Treasury Note 2.125% Due 12/31/2022	235,000.00	01/25/2018 2.46%	231,346.48 231,346.48	101.36 1.72%	238,203.76 13.57	1.97% 6,857.28	Aaa / AA+ AAA	3.51 3.36
912828T91	US Treasury Note 1.625% Due 10/31/2023	235,000.00	04/29/2019 2.31%	228,161.13 228,161.13	99.50 1.75%	233,825.00 643.38	1.94% 5,663.87	Aaa / AA+ AAA	4.34 4.15
912828B66	US Treasury Note 2.75% Due 2/15/2024	235,000.00	04/29/2019 2.31%	239,644.92 239,644.92	104.42 1.75%	245,391.47 2,427.90	2.05% 5,746.55	Aaa / AA+ AAA	4.63 4.30

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828X70	US Treasury Note 2% Due 4/30/2024	95,000.00	06/26/2019 1.80%	95,886.91 95,886.91	101.09 1.76%	96,035.31 320.11	0.80% 148.40	Aaa / AA+ AAA	4.84 4.58
Total US Treasury		4,015,000.00	1.78%	3,999,862.68 3,999,862.68	1.80%	4,021,443.55 13,722.56	33.30% 21,580.87	Aaa / AA+ AAA	2.42 2.33
TOTAL PORTFOLIO		11,961,869.80	2.08%	11,934,524.47 11,934,524.47	1.94%	12,055,662.82 60,426.08	100.00% 121,138.35	Aa1 / AA AAA	2.53 2.39
TOTAL MARKET VALUE PLUS ACCRUED						12,116,088.90			

Transaction Ledger

As of June 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/03/2019	31846V203	41.35	First American Govt Obligation Fund Class Y	1.000	2.01%	41.35	0.00	41.35	0.00
Purchase	06/08/2019	31846V203	3,796.88	First American Govt Obligation Fund Class Y	1.000	2.01%	3,796.88	0.00	3,796.88	0.00
Purchase	06/11/2019	31846V203	656.25	First American Govt Obligation Fund Class Y	1.000	2.01%	656.25	0.00	656.25	0.00
Purchase	06/13/2019	31846V203	49,946.94	First American Govt Obligation Fund Class Y	1.000	2.01%	49,946.94	0.00	49,946.94	0.00
Purchase	06/15/2019	31846V203	1,031.25	First American Govt Obligation Fund Class Y	1.000	2.01%	1,031.25	0.00	1,031.25	0.00
Purchase	06/19/2019	3130A1XJ2	85,000.00	FHLB Note 2.875% Due 6/14/2024	104.331	1.96%	88,681.35	33.94	88,715.29	0.00
Purchase	06/19/2019	3130A1XJ2	140,000.00	FHLB Note 2.875% Due 6/14/2024	104.323	1.96%	146,052.20	55.90	146,108.10	0.00
Purchase	06/19/2019	31846V203	3,093.75	First American Govt Obligation Fund Class Y	1.000	2.01%	3,093.75	0.00	3,093.75	0.00
Purchase	06/22/2019	31846V203	3,925.00	First American Govt Obligation Fund Class Y	1.000	2.01%	3,925.00	0.00	3,925.00	0.00
Purchase	06/24/2019	31846V203	45,328.65	First American Govt Obligation Fund Class Y	1.000	2.01%	45,328.65	0.00	45,328.65	0.00
Purchase	06/25/2019	31846V203	45,259.90	First American Govt Obligation Fund Class Y	1.000	2.01%	45,259.90	0.00	45,259.90	0.00
Purchase	06/27/2019	912828X70	95,000.00	US Treasury Note 2% Due 4/30/2024	100.934	1.80%	95,886.91	299.46	96,186.37	0.00
Purchase	06/30/2019	31846V203	8,259.39	First American Govt Obligation Fund Class Y	1.000	1.99%	8,259.39	0.00	8,259.39	0.00
Subtotal			481,339.36				491,959.82	389.30	492,349.12	0.00
TOTAL ACQUISITIONS			481,339.36				491,959.82	389.30	492,349.12	0.00

Transaction Ledger

As of June 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	06/13/2019	674599CK9	50,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	99.475	2.79%	49,737.50	209.44	49,946.94	930.50
Sale	06/19/2019	3135G0ZG1	150,000.00	FNMA Note 1.75% Due 9/12/2019	99.874	2.29%	149,811.00	707.29	150,518.29	201.00
Sale	06/19/2019	31846V203	84,305.10	First American Govt Obligation Fund Class Y	1.000	2.01%	84,305.10	0.00	84,305.10	0.00
Sale	06/24/2019	674599CK9	45,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	100.232	2.51%	45,104.40	224.25	45,328.65	1,178.10
Sale	06/25/2019	674599CK9	45,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	100.072	2.57%	45,032.40	227.50	45,259.90	1,106.10
Sale	06/27/2019	31846V203	96,186.37	First American Govt Obligation Fund Class Y	1.000	2.01%	96,186.37	0.00	96,186.37	0.00
Subtotal			470,491.47				470,176.77	1,368.48	471,545.25	3,415.70
Security Withdrawal	06/05/2019	31846V203	1,198.78	First American Govt Obligation Fund Class Y	1.000		1,198.78	0.00	1,198.78	0.00
Subtotal			1,198.78				1,198.78	0.00	1,198.78	0.00
TOTAL DISPOSITIONS			471,690.25				471,375.55	1,368.48	472,744.03	3,415.70
OTHER TRANSACTIONS										
Interest	06/08/2019	3130A0F70	225,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		3,796.88	0.00	3,796.88	0.00
Interest	06/11/2019	313379RB7	70,000.00	FHLB Note 1.875% Due 6/11/2021	0.000		656.25	0.00	656.25	0.00
Interest	06/15/2019	097023BQ7	110,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	0.000		1,031.25	0.00	1,031.25	0.00
Interest	06/19/2019	3137EAEN5	225,000.00	FHLMC Note 2.75% Due 6/19/2023	0.000		3,093.75	0.00	3,093.75	0.00

Transaction Ledger

As of June 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	06/22/2019	3135G0D75	230,000.00	FNMA Note 1.5% Due 6/22/2020	0.000		1,725.00	0.00	1,725.00	0.00
Interest	06/22/2019	3135G0U35	160,000.00	FNMA Note 2.75% Due 6/22/2021	0.000		2,200.00	0.00	2,200.00	0.00
Interest	06/30/2019	912828G87	245,000.00	US Treasury Note 2.125% Due 12/31/2021	0.000		2,603.13	0.00	2,603.13	0.00
Interest	06/30/2019	912828N30	235,000.00	US Treasury Note 2.125% Due 12/31/2022	0.000		2,496.88	0.00	2,496.88	0.00
Interest	06/30/2019	912828S27	165,000.00	US Treasury Note 1.125% Due 6/30/2021	0.000		928.13	0.00	928.13	0.00
Interest	06/30/2019	912828XG0	210,000.00	US Treasury Note 2.125% Due 6/30/2022	0.000		2,231.25	0.00	2,231.25	0.00
Subtotal			1,875,000.00				20,762.52	0.00	20,762.52	0.00
Dividend	06/03/2019	31846V203	37,220.69	First American Govt Obligation Fund Class Y	0.000		41.35	0.00	41.35	0.00
Subtotal			37,220.69				41.35	0.00	41.35	0.00
TOTAL OTHER TRANSACTIONS			1,912,220.69				20,803.87	0.00	20,803.87	0.00

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
FIXED INCOME						
02665WCJ8	American Honda Finance Note 3.45% Due 07/14/2023	07/11/2018 07/16/2018 45,000.00	44,922.15 0.00 0.00 44,922.15	590.81 0.00 720.19 129.38	0.00 0.00 0.00 129.38	129.38
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	10/03/2018 10/10/2018 110,000.00	109,909.80 0.00 0.00 109,909.80	564.90 0.00 897.19 332.29	0.00 0.00 0.00 332.29	332.29
037833AK6	Apple Inc Note 2.4% Due 05/03/2023	11/28/2018 11/30/2018 60,000.00	57,227.40 0.00 0.00 57,227.40	112.00 0.00 232.00 120.00	0.00 0.00 0.00 120.00	120.00
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 03/05/2024	03/06/2019 03/08/2019 145,000.00	145,594.50 0.00 0.00 145,594.50	1,229.68 0.00 1,658.64 428.96	0.00 0.00 0.00 428.96	428.96
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 08/11/2023	05/16/2019 05/20/2019 150,000.00	153,945.00 0.00 0.00 153,945.00	1,581.25 0.00 2,012.50 431.25	0.00 0.00 0.00 431.25	431.25
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 03/15/2023	11/26/2018 11/28/2018 100,000.00	97,009.00 0.00 0.00 97,009.00	580.56 0.00 809.72 229.16	0.00 0.00 0.00 229.16	229.16
097023BQ7	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 06/15/2023	02/13/2019 02/15/2019 110,000.00	105,112.70 0.00 0.00 105,112.70	951.04 1,031.25 91.67 171.88	0.00 0.00 0.00 171.88	171.88
22160KAG0	Costco Wholesale Corp Note 1.75% Due 02/15/2020	02/05/2015 02/17/2015 105,000.00	104,889.75 0.00 0.00 104,889.75	541.04 0.00 694.17 153.13	0.00 0.00 0.00 153.13	153.13
24422ETL3	John Deere Capital Corp Note 2.65% Due 01/06/2022	01/03/2017 01/06/2017 160,000.00	159,955.20 0.00 0.00 159,955.20	1,707.78 0.00 2,061.11 353.33	0.00 0.00 0.00 353.33	353.33

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	05/16/2016 05/19/2016 150,000.00	152,629.50 0.00 0.00 152,629.50	833.25 0.00 1,111.00 277.75	0.00 0.00 0.00 277.75	277.75
3130A0F70	FHLB Note 3.375% Due 12/08/2023	Various Various 225,000.00	231,460.50 0.00 0.00 231,460.50	3,649.22 3,796.88 485.16 632.82	0.00 0.00 0.00 632.82	632.82
3130A0XE5	FHLB Note 3.25% Due 03/08/2024	03/28/2019 03/29/2019 200,000.00	209,082.00 0.00 0.00 209,082.00	1,498.61 0.00 2,040.28 541.67	0.00 0.00 0.00 541.67	541.67
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	06/18/2019 06/19/2019 225,000.00	0.00 234,733.55 0.00 234,733.55	0.00 (89.84) 305.47 215.63	0.00 0.00 0.00 215.63	215.63
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	Various Various 245,000.00	244,764.70 0.00 0.00 244,764.70	963.84 0.00 1,244.56 280.72	0.00 0.00 0.00 280.72	280.72
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	10/04/2016 10/06/2016 230,000.00	227,874.80 0.00 0.00 227,874.80	984.69 0.00 1,200.31 215.62	0.00 0.00 0.00 215.62	215.62
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	04/29/2019 04/30/2019 35,000.00	35,002.45 0.00 0.00 35,002.45	191.65 0.00 260.92 69.27	0.00 0.00 0.00 69.27	69.27
313379RB7	FHLB Note 1.875% Due 06/11/2021	10/17/2017 10/18/2017 70,000.00	69,993.00 0.00 0.00 69,993.00	619.79 656.25 72.92 109.38	0.00 0.00 0.00 109.38	109.38
313383YJ4	FHLB Note 3.375% Due 09/08/2023	10/29/2018 10/31/2018 215,000.00	217,822.95 0.00 0.00 217,822.95	1,672.97 0.00 2,277.66 604.69	0.00 0.00 0.00 604.69	604.69

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3135G0D75	FNMA Note 1.5% Due 06/22/2020	09/29/2015 09/30/2015 230,000.00	230,124.20 0.00 0.00 230,124.20	1,523.75 1,725.00 86.25 287.50	0.00 0.00 0.00 287.50	287.50
3135G0F73	FNMA Note 1.5% Due 11/30/2020	12/16/2015 12/17/2015 230,000.00	225,653.00 0.00 0.00 225,653.00	9.58 0.00 297.08 287.50	0.00 0.00 0.00 287.50	287.50
3135G0J20	FNMA Note 1.375% Due 02/26/2021	03/30/2016 03/31/2016 230,000.00	229,374.86 0.00 0.00 229,374.86	834.55 0.00 1,098.09 263.54	0.00 0.00 0.00 263.54	263.54
3135G0K69	FNMA Note 1.25% Due 05/06/2021	06/29/2016 06/30/2016 255,000.00	255,867.00 0.00 0.00 255,867.00	221.35 0.00 486.98 265.63	0.00 0.00 0.00 265.63	265.63
3135G0N82	FNMA Note 1.25% Due 08/17/2021	10/04/2016 10/06/2016 190,000.00	188,972.67 0.00 0.00 188,972.67	686.11 0.00 884.03 197.92	0.00 0.00 0.00 197.92	197.92
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	10/27/2016 10/28/2016 60,000.00	59,634.60 0.00 0.00 59,634.60	123.75 0.00 192.50 68.75	0.00 0.00 0.00 68.75	68.75
3135G0S38	FNMA Note 2% Due 01/05/2022	Various Various 225,000.00	225,389.25 0.00 0.00 225,389.25	1,825.00 0.00 2,200.00 375.00	0.00 0.00 0.00 375.00	375.00
3135G0T45	FNMA Note 1.875% Due 04/05/2022	06/19/2017 06/20/2017 235,000.00	234,964.52 0.00 0.00 234,964.52	685.42 0.00 1,052.60 367.18	0.00 0.00 0.00 367.18	367.18
3135G0T78	FNMA Note 2% Due 10/05/2022	10/17/2017 10/18/2017 235,000.00	234,530.00 0.00 0.00 234,530.00	731.11 0.00 1,122.78 391.67	0.00 0.00 0.00 391.67	391.67

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3135G0T94	FNMA Note 2.375% Due 01/19/2023	04/11/2018 04/12/2018 100,000.00	98,526.00 0.00 0.00 98,526.00	870.83 0.00 1,068.75 197.92	0.00 0.00 0.00 197.92	197.92
3135G0U35	FNMA Note 2.75% Due 06/22/2021	06/28/2018 06/29/2018 160,000.00	160,236.80 0.00 0.00 160,236.80	1,943.33 2,200.00 110.00 366.67	0.00 0.00 0.00 366.67	366.67
3135G0U43	FNMA Note 2.875% Due 09/12/2023	09/12/2018 09/14/2018 230,000.00	229,057.00 0.00 0.00 229,057.00	1,451.08 0.00 2,002.12 551.04	0.00 0.00 0.00 551.04	551.04
3135G0ZG1	FNMA Note Due 09/12/2019	12/28/2017 12/29/2017 0.00	149,610.00 0.00 149,610.00 0.00	576.04 707.29 0.00 131.25	0.00 0.00 0.00 131.25	131.25
3137EADM8	FHLMC Note 1.25% Due 10/02/2019	11/24/2014 11/25/2014 240,000.00	234,127.20 0.00 0.00 234,127.20	491.67 0.00 741.67 250.00	0.00 0.00 0.00 250.00	250.00
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	Various Various 215,000.00	213,356.40 0.00 0.00 213,356.40	732.34 0.00 933.91 201.57	0.00 0.00 0.00 201.57	201.57
3137EAEE5	FHLMC Note 1.5% Due 01/17/2020	03/28/2017 03/29/2017 250,000.00	249,512.50 0.00 0.00 249,512.50	1,395.83 0.00 1,708.33 312.50	0.00 0.00 0.00 312.50	312.50
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	11/21/2017 11/22/2017 250,000.00	249,352.21 0.00 0.00 249,352.21	182.29 0.00 572.92 390.63	0.00 0.00 0.00 390.63	390.63
3137EAEN5	FHLMC Note 2.75% Due 06/19/2023	07/20/2018 07/23/2018 225,000.00	223,870.50 0.00 0.00 223,870.50	2,784.38 3,093.75 206.25 515.62	0.00 0.00 0.00 515.62	515.62

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
369550BE7	General Dynamics Corp Note 3% Due 05/11/2021	Various Various 150,000.00	148,947.10 0.00 0.00 148,947.10	250.00 0.00 625.00 375.00	0.00 0.00 0.00 375.00	375.00
44932HAC7	IBM Credit Corp Note 2.2% Due 09/08/2022	11/29/2017 12/01/2017 150,000.00	147,462.00 0.00 0.00 147,462.00	760.83 0.00 1,035.83 275.00	0.00 0.00 0.00 275.00	275.00
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	02/09/2018 02/13/2018 125,000.00	123,793.75 0.00 0.00 123,793.75	1,403.44 0.00 1,713.03 309.59	0.00 0.00 0.00 309.59	309.59
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/03/2020	10/29/2015 11/03/2015 60,000.00	59,952.00 0.00 0.00 59,952.00	93.33 0.00 193.33 100.00	0.00 0.00 0.00 100.00	100.00
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 08/08/2021	Various 08/08/2016 105,000.00	104,875.35 0.00 0.00 104,875.35	510.86 0.00 646.48 135.62	0.00 0.00 0.00 135.62	135.62
674599CK9	Occidental Petroleum Callable Note Cont 3/15/2022 Due 04/15/2022	06/18/2018 06/20/2018 0.00	136,659.60 0.00 136,659.60 0.00	465.11 661.19 0.00 196.08	0.00 0.00 0.00 196.08	196.08
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 09/15/2021	11/29/2016 12/02/2016 145,000.00	141,753.45 0.00 0.00 141,753.45	581.61 0.00 811.19 229.58	0.00 0.00 0.00 229.58	229.58
69371RN44	Paccar Financial Corp Note 1.65% Due 08/11/2021	05/23/2018 05/25/2018 145,000.00	138,421.35 0.00 0.00 138,421.35	731.04 0.00 930.42 199.38	0.00 0.00 0.00 199.38	199.38
747525AD5	Qualcomm Inc Note 2.25% Due 05/20/2020	06/11/2015 06/16/2015 150,000.00	148,338.75 0.00 0.00 148,338.75	103.12 0.00 384.38 281.26	0.00 0.00 0.00 281.26	281.26

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
78012KKU0	Royal Bank of Canada Note 2.5% Due 01/19/2021	12/11/2017 12/13/2017 150,000.00	150,568.50 0.00 0.00 150,568.50	1,375.00 0.00 1,687.50 312.50	0.00 0.00 0.00 312.50	312.50
857477AV5	State Street Bank Note 1.95% Due 05/19/2021	05/16/2016 05/19/2016 80,000.00	79,958.40 0.00 0.00 79,958.40	52.00 0.00 182.00 130.00	0.00 0.00 0.00 130.00	130.00
89114QCB2	Toronto Dominion Bank Note 3.25% Due 03/11/2024	03/26/2019 03/28/2019 145,000.00	146,835.70 0.00 0.00 146,835.70	1,047.22 0.00 1,439.93 392.71	0.00 0.00 0.00 392.71	392.71
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 01/11/2022	03/14/2018 03/16/2018 145,000.00	142,711.98 0.00 0.00 142,711.98	1,466.11 0.00 1,780.28 314.17	0.00 0.00 0.00 314.17	314.17
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 01/24/2022	01/19/2017 01/24/2017 70,000.00	69,879.60 0.00 0.00 69,879.60	648.23 0.00 801.35 153.12	0.00 0.00 0.00 153.12	153.12
912828B66	US Treasury Note 2.75% Due 02/15/2024	04/29/2019 04/30/2019 235,000.00	239,644.92 0.00 0.00 239,644.92	1,892.33 0.00 2,427.90 535.57	0.00 0.00 0.00 535.57	535.57
912828B90	US Treasury Note 2% Due 02/28/2021	04/26/2016 04/28/2016 230,000.00	236,460.54 0.00 0.00 236,460.54	1,162.50 0.00 1,537.50 375.00	0.00 0.00 0.00 375.00	375.00
912828F96	US Treasury Note 2% Due 10/31/2021	08/15/2017 08/16/2017 245,000.00	247,642.23 0.00 0.00 247,642.23	426.09 0.00 825.54 399.45	0.00 0.00 0.00 399.45	399.45
912828G87	US Treasury Note 2.125% Due 12/31/2021	08/15/2017 08/16/2017 245,000.00	248,809.81 0.00 0.00 248,809.81	2,186.05 2,603.13 14.15 431.23	0.00 0.00 0.00 431.23	431.23

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
912828J43	US Treasury Note 1.75% Due 02/28/2022	03/13/2017 03/15/2017 245,000.00	240,569.77 0.00 0.00 240,569.77	1,083.53 0.00 1,433.05 349.52	0.00 0.00 0.00 349.52	349.52
912828J84	US Treasury Note 1.375% Due 03/31/2020	10/23/2015 10/26/2015 230,000.00	230,225.38 0.00 0.00 230,225.38	535.72 0.00 794.95 259.23	0.00 0.00 0.00 259.23	259.23
912828L32	US Treasury Note 1.375% Due 08/31/2020	09/29/2015 09/30/2015 230,000.00	230,072.65 0.00 0.00 230,072.65	799.22 0.00 1,057.03 257.81	0.00 0.00 0.00 257.81	257.81
912828L57	US Treasury Note 1.75% Due 09/30/2022	10/17/2017 10/18/2017 250,000.00	247,226.56 0.00 0.00 247,226.56	741.12 0.00 1,099.73 358.61	0.00 0.00 0.00 358.61	358.61
912828L99	US Treasury Note 1.375% Due 10/31/2020	11/23/2015 11/24/2015 230,000.00	226,398.04 0.00 0.00 226,398.04	275.00 0.00 532.81 257.81	0.00 0.00 0.00 257.81	257.81
912828N30	US Treasury Note 2.125% Due 12/31/2022	01/25/2018 01/26/2018 235,000.00	231,346.48 0.00 0.00 231,346.48	2,096.82 2,496.88 13.57 413.63	0.00 0.00 0.00 413.63	413.63
912828N89	US Treasury Note 1.375% Due 01/31/2021	03/09/2016 03/11/2016 230,000.00	229,776.16 0.00 0.00 229,776.16	1,057.08 0.00 1,319.16 262.08	0.00 0.00 0.00 262.08	262.08
912828Q37	US Treasury Note 1.25% Due 03/31/2021	Various Various 240,000.00	236,789.86 0.00 0.00 236,789.86	508.20 0.00 754.10 245.90	0.00 0.00 0.00 245.90	245.90
912828S27	US Treasury Note 1.125% Due 06/30/2021	12/13/2016 12/14/2016 165,000.00	159,676.72 0.00 0.00 159,676.72	779.42 928.13 5.04 153.75	0.00 0.00 0.00 153.75	153.75

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
912828T34	US Treasury Note 1.125% Due 09/30/2021	11/09/2016 11/10/2016 235,000.00	231,025.99 0.00 0.00 231,025.99	447.85 0.00 664.55 216.70	0.00 0.00 0.00 216.70	216.70
912828T91	US Treasury Note 1.625% Due 10/31/2023	04/29/2019 04/30/2019 235,000.00	228,161.13 0.00 0.00 228,161.13	332.07 0.00 643.38 311.31	0.00 0.00 0.00 311.31	311.31
912828VF4	US Treasury Note 1.375% Due 05/31/2020	Various Various 230,000.00	227,359.76 0.00 0.00 227,359.76	8.64 0.00 267.86 259.22	0.00 0.00 0.00 259.22	259.22
912828X70	US Treasury Note 2% Due 04/30/2024	06/26/2019 06/27/2019 95,000.00	0.00 95,886.91 0.00 95,886.91	0.00 (299.46) 320.11 20.65	0.00 0.00 0.00 20.65	20.65
912828XG0	US Treasury Note 2.125% Due 06/30/2022	07/31/2017 07/31/2017 210,000.00	212,789.77 0.00 0.00 212,789.77	1,873.76 2,231.25 12.13 369.62	0.00 0.00 0.00 369.62	369.62
94974BGF1	Wells Fargo Corp Note 2.15% Due 01/30/2020	01/26/2015 02/02/2015 170,000.00	169,816.40 0.00 0.00 169,816.40	1,228.48 0.00 1,533.07 304.59	0.00 0.00 0.00 304.59	304.59
			11,873,303.81	62,263.27	0.00	
			330,620.46	21,741.70	0.00	
			286,269.60	60,426.08	0.00	
Total Fixed Income		11,945,000.00	11,917,654.67	19,904.51	19,904.51	19,904.51

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH & EQUIVALENT						
31846V203	First American Govt Obligation Fund Class Y	Various Various 16,869.80	37,220.69 161,339.36 181,690.25 16,869.80	0.00 41.35 0.00 41.35	0.00 0.00 0.00 41.35	41.35
			37,220.69	0.00	0.00	
			161,339.36	41.35	0.00	
			181,690.25	0.00	0.00	
Total Cash & Equivalent		16,869.80	16,869.80	41.35	41.35	41.35
			11,910,524.50	62,263.27	0.00	
			491,959.82	21,783.05	0.00	
			467,959.85	60,426.08	0.00	
TOTAL PORTFOLIO		11,961,869.80	11,934,524.47	19,945.86	19,945.86	19,945.86

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/05/2019	Interest	3135G0S38	225,000.00	FNMA Note 2% Due 1/5/2022	0.00	2,250.00	2,250.00
07/06/2019	Interest	24422ETL3	160,000.00	John Deere Capital Corp Note 2.65% Due 1/6/2022	0.00	2,120.00	2,120.00
07/11/2019	Interest	89236TDP7	145,000.00	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	0.00	1,885.00	1,885.00
07/14/2019	Interest	02665WCJ8	45,000.00	American Honda Finance Note 3.45% Due 7/14/2023	0.00	776.25	776.25
07/14/2019	Interest	3130A8QS5	230,000.00	FHLB Note 1.125% Due 7/14/2021	0.00	1,293.75	1,293.75
07/15/2019	Interest	48128BAB7	125,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	0.00	1,857.50	1,857.50
07/17/2019	Interest	3137EAEE5	250,000.00	FHLMC Note 1.5% Due 1/17/2020	0.00	1,875.00	1,875.00
07/19/2019	Interest	3135G0T94	100,000.00	FNMA Note 2.375% Due 1/19/2023	0.00	1,187.50	1,187.50
07/19/2019	Interest	78012KKU0	150,000.00	Royal Bank of Canada Note 2.5% Due 1/19/2021	0.00	1,875.00	1,875.00
07/24/2019	Interest	91159HHP8	70,000.00	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	0.00	918.75	918.75
07/30/2019	Interest	94974BGF1	170,000.00	Wells Fargo Corp Note 2.15% Due 1/30/2020	0.00	1,827.50	1,827.50
07/31/2019	Interest	912828N89	230,000.00	US Treasury Note 1.375% Due 1/31/2021	0.00	1,581.25	1,581.25
JUL 2019					0.00	19,447.50	19,447.50
08/08/2019	Interest	594918BP8	105,000.00	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	0.00	813.75	813.75
08/11/2019	Interest	06406RAJ6	150,000.00	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	0.00	2,587.50	2,587.50
08/11/2019	Interest	69371RN44	145,000.00	Paccar Financial Corp Note 1.65% Due 8/11/2021	0.00	1,196.25	1,196.25
08/12/2019	Interest	3137EAEC9	215,000.00	FHLMC Note 1.125% Due 8/12/2021	0.00	1,209.38	1,209.38

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/15/2019	Interest	22160KAG0	105,000.00	Costco Wholesale Corp Note 1.75% Due 2/15/2020	0.00	918.75	918.75
08/15/2019	Interest	912828B66	235,000.00	US Treasury Note 2.75% Due 2/15/2024	0.00	3,231.25	3,231.25
08/17/2019	Interest	3135G0N82	190,000.00	FNMA Note 1.25% Due 8/17/2021	0.00	1,187.50	1,187.50
08/18/2019	Interest	3130A7CV5	245,000.00	FHLB Note 1.375% Due 2/18/2021	0.00	1,684.38	1,684.38
08/26/2019	Interest	3135G0J20	230,000.00	FNMA Note 1.375% Due 2/26/2021	0.00	1,581.25	1,581.25
08/31/2019	Interest	912828B90	230,000.00	US Treasury Note 2% Due 2/28/2021	0.00	2,300.00	2,300.00
08/31/2019	Interest	912828J43	245,000.00	US Treasury Note 1.75% Due 2/28/2022	0.00	2,143.75	2,143.75
08/31/2019	Interest	912828L32	230,000.00	US Treasury Note 1.375% Due 8/31/2020	0.00	1,581.25	1,581.25
AUG 2019					0.00	20,435.01	20,435.01
09/01/2019	Interest	30231GAV4	150,000.00	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	0.00	1,666.50	1,666.50
09/05/2019	Interest	06051GHF9	145,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	0.00	2,573.75	2,573.75
09/08/2019	Interest	3130A0XE5	200,000.00	FHLB Note 3.25% Due 3/8/2024	0.00	3,250.00	3,250.00
09/08/2019	Interest	3130AB3H7	35,000.00	FHLB Note 2.375% Due 3/8/2024	0.00	415.63	415.63
09/08/2019	Interest	44932HAC7	150,000.00	IBM Credit Corp Note 2.2% Due 9/8/2022	0.00	1,650.00	1,650.00
09/08/2019	Interest	313383YJ4	215,000.00	FHLB Note 3.375% Due 9/8/2023	0.00	3,628.13	3,628.13
09/11/2019	Interest	89114QCB2	145,000.00	Toronto Dominion Bank Note 3.25% Due 3/11/2024	0.00	2,356.25	2,356.25
09/12/2019	Interest	3135G0U43	230,000.00	FNMA Note 2.875% Due 9/12/2023	0.00	3,306.25	3,306.25

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/15/2019	Interest	084670BR8	100,000.00	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	0.00	1,375.00	1,375.00
09/15/2019	Interest	68389XBK0	145,000.00	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	0.00	1,377.50	1,377.50
09/30/2019	Interest	912828J84	230,000.00	US Treasury Note 1.375% Due 3/31/2020	0.00	1,581.25	1,581.25
09/30/2019	Interest	912828T34	235,000.00	US Treasury Note 1.125% Due 9/30/2021	0.00	1,321.88	1,321.88
09/30/2019	Interest	912828Q37	240,000.00	US Treasury Note 1.25% Due 3/31/2021	0.00	1,500.00	1,500.00
09/30/2019	Interest	912828L57	250,000.00	US Treasury Note 1.75% Due 9/30/2022	0.00	2,187.50	2,187.50
SEP 2019					0.00	28,189.64	28,189.64
10/02/2019	Maturity	3137EADM8	240,000.00	FHLMC Note 1.25% Due 10/2/2019	240,000.00	1,500.00	241,500.00
10/05/2019	Interest	3135G0T45	235,000.00	FNMA Note 1.875% Due 4/5/2022	0.00	2,203.13	2,203.13
10/05/2019	Interest	3135G0T78	235,000.00	FNMA Note 2% Due 10/5/2022	0.00	2,350.00	2,350.00
10/07/2019	Interest	3135G0Q89	60,000.00	FNMA Note 1.375% Due 10/7/2021	0.00	412.50	412.50
10/10/2019	Interest	02665WCQ2	110,000.00	American Honda Finance Note 3.625% Due 10/10/2023	0.00	1,993.75	1,993.75
10/31/2019	Interest	912828T91	235,000.00	US Treasury Note 1.625% Due 10/31/2023	0.00	1,909.38	1,909.38
10/31/2019	Interest	912828F96	245,000.00	US Treasury Note 2% Due 10/31/2021	0.00	2,450.00	2,450.00
10/31/2019	Interest	912828L99	230,000.00	US Treasury Note 1.375% Due 10/31/2020	0.00	1,581.25	1,581.25
10/31/2019	Interest	912828X70	95,000.00	US Treasury Note 2% Due 4/30/2024	0.00	950.00	950.00
OCT 2019					240,000.00	15,350.01	255,350.01
11/03/2019	Interest	037833AK6	60,000.00	Apple Inc Note 2.4% Due 5/3/2023	0.00	720.00	720.00

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/03/2019	Interest	594918BG8	60,000.00	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	0.00	600.00	600.00
11/06/2019	Interest	3135G0K69	255,000.00	FNMA Note 1.25% Due 5/6/2021	0.00	1,593.75	1,593.75
11/11/2019	Interest	369550BE7	150,000.00	General Dynamics Corp Note 3% Due 5/11/2021	0.00	2,250.00	2,250.00
11/17/2019	Interest	3137EAEK1	250,000.00	FHLMC Note 1.875% Due 11/17/2020	0.00	2,343.75	2,343.75
11/19/2019	Interest	857477AV5	80,000.00	State Street Bank Note 1.95% Due 5/19/2021	0.00	780.00	780.00
11/20/2019	Interest	747525AD5	150,000.00	Qualcomm Inc Note 2.25% Due 5/20/2020	0.00	1,687.50	1,687.50
11/30/2019	Interest	3135G0F73	230,000.00	FNMA Note 1.5% Due 11/30/2020	0.00	1,725.00	1,725.00
11/30/2019	Interest	912828VF4	230,000.00	US Treasury Note 1.375% Due 5/31/2020	0.00	1,581.25	1,581.25
NOV 2019					0.00	13,281.25	13,281.25
12/08/2019	Interest	3130A0F70	225,000.00	FHLB Note 3.375% Due 12/8/2023	0.00	3,796.88	3,796.88
12/11/2019	Interest	313379RB7	70,000.00	FHLB Note 1.875% Due 6/11/2021	0.00	656.25	656.25
12/14/2019	Interest	3130A1XJ2	225,000.00	FHLB Note 2.875% Due 6/14/2024	0.00	3,234.38	3,234.38
12/15/2019	Interest	097023BQ7	110,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	0.00	1,031.25	1,031.25
12/19/2019	Interest	3137EAEN5	225,000.00	FHLMC Note 2.75% Due 6/19/2023	0.00	3,093.75	3,093.75
12/22/2019	Interest	3135G0U35	160,000.00	FNMA Note 2.75% Due 6/22/2021	0.00	2,200.00	2,200.00
12/22/2019	Interest	3135G0D75	230,000.00	FNMA Note 1.5% Due 6/22/2020	0.00	1,725.00	1,725.00
12/31/2019	Interest	912828N30	235,000.00	US Treasury Note 2.125% Due 12/31/2022	0.00	2,496.88	2,496.88

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/31/2019	Interest	912828XG0	210,000.00	US Treasury Note 2.125% Due 6/30/2022	0.00	2,231.25	2,231.25
12/31/2019	Interest	912828G87	245,000.00	US Treasury Note 2.125% Due 12/31/2021	0.00	2,603.13	2,603.13
12/31/2019	Interest	912828S27	165,000.00	US Treasury Note 1.125% Due 6/30/2021	0.00	928.13	928.13
DEC 2019					0.00	23,996.90	23,996.90
01/05/2020	Interest	3135G0S38	225,000.00	FNMA Note 2% Due 1/5/2022	0.00	2,250.00	2,250.00
01/06/2020	Interest	24422ETL3	160,000.00	John Deere Capital Corp Note 2.65% Due 1/6/2022	0.00	2,120.00	2,120.00
01/11/2020	Interest	89236TDP7	145,000.00	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	0.00	1,885.00	1,885.00
01/14/2020	Interest	3130A8QS5	230,000.00	FHLB Note 1.125% Due 7/14/2021	0.00	1,293.75	1,293.75
01/14/2020	Interest	02665WCJ8	45,000.00	American Honda Finance Note 3.45% Due 7/14/2023	0.00	776.25	776.25
01/15/2020	Interest	48128BAB7	125,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	0.00	1,857.50	1,857.50
01/17/2020	Maturity	3137EAAE5	250,000.00	FHLMC Note 1.5% Due 1/17/2020	250,000.00	1,875.00	251,875.00
01/19/2020	Interest	3135G0T94	100,000.00	FNMA Note 2.375% Due 1/19/2023	0.00	1,187.50	1,187.50
01/19/2020	Interest	78012KKU0	150,000.00	Royal Bank of Canada Note 2.5% Due 1/19/2021	0.00	1,875.00	1,875.00
01/24/2020	Interest	91159HHP8	70,000.00	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	0.00	918.75	918.75
01/30/2020	Maturity	94974BGF1	170,000.00	Wells Fargo Corp Note 2.15% Due 1/30/2020	170,000.00	1,827.50	171,827.50
01/31/2020	Interest	912828N89	230,000.00	US Treasury Note 1.375% Due 1/31/2021	0.00	1,581.25	1,581.25
JAN 2020					420,000.00	19,447.50	439,447.50
02/08/2020	Interest	594918BP8	105,000.00	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	0.00	813.75	813.75

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/11/2020	Interest	69371RN44	145,000.00	Paccar Financial Corp Note 1.65% Due 8/11/2021	0.00	1,196.25	1,196.25
02/11/2020	Interest	06406RAJ6	150,000.00	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	0.00	2,587.50	2,587.50
02/12/2020	Interest	3137EAEC9	215,000.00	FHLMC Note 1.125% Due 8/12/2021	0.00	1,209.38	1,209.38
02/15/2020	Interest	912828B66	235,000.00	US Treasury Note 2.75% Due 2/15/2024	0.00	3,231.25	3,231.25
02/15/2020	Maturity	22160KAG0	105,000.00	Costco Wholesale Corp Note 1.75% Due 2/15/2020	105,000.00	918.75	105,918.75
02/17/2020	Interest	3135G0N82	190,000.00	FNMA Note 1.25% Due 8/17/2021	0.00	1,187.50	1,187.50
02/18/2020	Interest	3130A7CV5	245,000.00	FHLB Note 1.375% Due 2/18/2021	0.00	1,684.38	1,684.38
02/26/2020	Interest	3135G0J20	230,000.00	FNMA Note 1.375% Due 2/26/2021	0.00	1,581.25	1,581.25
02/29/2020	Interest	912828B90	230,000.00	US Treasury Note 2% Due 2/28/2021	0.00	2,300.00	2,300.00
02/29/2020	Interest	912828L32	230,000.00	US Treasury Note 1.375% Due 8/31/2020	0.00	1,581.25	1,581.25
02/29/2020	Interest	912828J43	245,000.00	US Treasury Note 1.75% Due 2/28/2022	0.00	2,143.75	2,143.75
FEB 2020					105,000.00	20,435.01	125,435.01
03/01/2020	Interest	30231GAV4	150,000.00	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	0.00	1,666.50	1,666.50
03/05/2020	Interest	06051GHF9	145,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	0.00	2,573.75	2,573.75
03/08/2020	Interest	3130A0XE5	200,000.00	FHLB Note 3.25% Due 3/8/2024	0.00	3,250.00	3,250.00
03/08/2020	Interest	3130AB3H7	35,000.00	FHLB Note 2.375% Due 3/8/2024	0.00	415.63	415.63
03/08/2020	Interest	313383YJ4	215,000.00	FHLB Note 3.375% Due 9/8/2023	0.00	3,628.13	3,628.13

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/08/2020	Interest	44932HAC7	150,000.00	IBM Credit Corp Note 2.2% Due 9/8/2022	0.00	1,650.00	1,650.00
03/11/2020	Interest	89114QCB2	145,000.00	Toronto Dominion Bank Note 3.25% Due 3/11/2024	0.00	2,356.25	2,356.25
03/12/2020	Interest	3135G0U43	230,000.00	FNMA Note 2.875% Due 9/12/2023	0.00	3,306.25	3,306.25
03/15/2020	Interest	68389XBK0	145,000.00	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	0.00	1,377.50	1,377.50
03/15/2020	Interest	084670BR8	100,000.00	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	0.00	1,375.00	1,375.00
03/31/2020	Interest	912828L57	250,000.00	US Treasury Note 1.75% Due 9/30/2022	0.00	2,187.50	2,187.50
03/31/2020	Interest	912828T34	235,000.00	US Treasury Note 1.125% Due 9/30/2021	0.00	1,321.88	1,321.88
03/31/2020	Interest	912828Q37	240,000.00	US Treasury Note 1.25% Due 3/31/2021	0.00	1,500.00	1,500.00
03/31/2020	Maturity	912828J84	230,000.00	US Treasury Note 1.375% Due 3/31/2020	230,000.00	1,581.25	231,581.25
MAR 2020					230,000.00	28,189.64	258,189.64
04/05/2020	Interest	3135G0T78	235,000.00	FNMA Note 2% Due 10/5/2022	0.00	2,350.00	2,350.00
04/05/2020	Interest	3135G0T45	235,000.00	FNMA Note 1.875% Due 4/5/2022	0.00	2,203.13	2,203.13
04/07/2020	Interest	3135G0Q89	60,000.00	FNMA Note 1.375% Due 10/7/2021	0.00	412.50	412.50
04/10/2020	Interest	02665WCQ2	110,000.00	American Honda Finance Note 3.625% Due 10/10/2023	0.00	1,993.75	1,993.75
04/30/2020	Interest	912828T91	235,000.00	US Treasury Note 1.625% Due 10/31/2023	0.00	1,909.38	1,909.38
04/30/2020	Interest	912828F96	245,000.00	US Treasury Note 2% Due 10/31/2021	0.00	2,450.00	2,450.00
04/30/2020	Interest	912828L99	230,000.00	US Treasury Note 1.375% Due 10/31/2020	0.00	1,581.25	1,581.25

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
04/30/2020	Interest	912828X70	95,000.00	US Treasury Note 2% Due 4/30/2024	0.00	950.00	950.00
APR 2020					0.00	13,850.01	13,850.01
05/03/2020	Interest	594918BG8	60,000.00	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	0.00	600.00	600.00
05/03/2020	Interest	037833AK6	60,000.00	Apple Inc Note 2.4% Due 5/3/2023	0.00	720.00	720.00
05/06/2020	Interest	3135G0K69	255,000.00	FNMA Note 1.25% Due 5/6/2021	0.00	1,593.75	1,593.75
05/11/2020	Interest	369550BE7	150,000.00	General Dynamics Corp Note 3% Due 5/11/2021	0.00	2,250.00	2,250.00
05/17/2020	Interest	3137EAEK1	250,000.00	FHLMC Note 1.875% Due 11/17/2020	0.00	2,343.75	2,343.75
05/19/2020	Interest	857477AV5	80,000.00	State Street Bank Note 1.95% Due 5/19/2021	0.00	780.00	780.00
05/20/2020	Maturity	747525AD5	150,000.00	Qualcomm Inc Note 2.25% Due 5/20/2020	150,000.00	1,687.50	151,687.50
05/30/2020	Interest	3135G0F73	230,000.00	FNMA Note 1.5% Due 11/30/2020	0.00	1,725.00	1,725.00
05/31/2020	Maturity	912828VF4	230,000.00	US Treasury Note 1.375% Due 5/31/2020	230,000.00	1,581.25	231,581.25
MAY 2020					380,000.00	13,281.25	393,281.25
06/08/2020	Interest	3130A0F70	225,000.00	FHLB Note 3.375% Due 12/8/2023	0.00	3,796.88	3,796.88
06/11/2020	Interest	313379RB7	70,000.00	FHLB Note 1.875% Due 6/11/2021	0.00	656.25	656.25
06/14/2020	Interest	3130A1XJ2	225,000.00	FHLB Note 2.875% Due 6/14/2024	0.00	3,234.38	3,234.38
06/15/2020	Interest	097023BQ7	110,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	0.00	1,031.25	1,031.25
06/19/2020	Interest	3137EAEN5	225,000.00	FHLMC Note 2.75% Due 6/19/2023	0.00	3,093.75	3,093.75

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/22/2020	Interest	3135G0U35	160,000.00	FNMA Note 2.75% Due 6/22/2021	0.00	2,200.00	2,200.00
06/22/2020	Maturity	3135G0D75	230,000.00	FNMA Note 1.5% Due 6/22/2020	230,000.00	1,725.00	231,725.00
JUN 2020					230,000.00	15,737.51	245,737.51
TOTAL					1,605,000.00	231,641.23	1,836,641.23



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Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Yr US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/01/2019	31846V203	78.49	First American Govt Obligation Fund Class Y	1.000	2.05%	78.49	0.00	78.49	0.00
Purchase	04/02/2019	31846V203	1,500.00	First American Govt Obligation Fund Class Y	1.000	2.05%	1,500.00	0.00	1,500.00	0.00
Purchase	04/05/2019	31846V203	4,553.13	First American Govt Obligation Fund Class Y	1.000	2.05%	4,553.13	0.00	4,553.13	0.00
Purchase	04/07/2019	31846V203	412.50	First American Govt Obligation Fund Class Y	1.000	2.05%	412.50	0.00	412.50	0.00
Purchase	04/10/2019	31846V203	1,993.75	First American Govt Obligation Fund Class Y	1.000	2.05%	1,993.75	0.00	1,993.75	0.00
Purchase	04/15/2019	31846V203	1,820.00	First American Govt Obligation Fund Class Y	1.000	2.05%	1,820.00	0.00	1,820.00	0.00
Purchase	04/30/2019	3130AB3H7	35,000.00	FHLB Note 2.375% Due 3/8/2024	100.007	2.37%	35,002.45	120.07	35,122.52	0.00
Purchase	04/30/2019	31846V203	4,031.25	First American Govt Obligation Fund Class Y	1.000	2.04%	4,031.25	0.00	4,031.25	0.00
Purchase	04/30/2019	912828B66	235,000.00	US Treasury Note 2.75% Due 2/15/2024	101.977	2.31%	239,644.92	1,321.06	240,965.98	0.00
Purchase	04/30/2019	912828T91	235,000.00	US Treasury Note 1.625% Due 10/31/2023	97.090	2.31%	228,161.13	0.00	228,161.13	0.00
Subtotal			519,389.12				517,197.62	1,441.13	518,638.75	0.00
TOTAL ACQUISITIONS			519,389.12				517,197.62	1,441.13	518,638.75	0.00
DISPOSITIONS										
Sale	04/30/2019	3135G0ZG1	100,000.00	FNMA Note 1.75% Due 9/12/2019	99.740	2.46%	99,739.70	233.33	99,973.03	-0.30
Sale	04/30/2019	3137EADK2	265,000.00	FHLMC Note 1.25% Due 8/1/2019	99.688	2.48%	264,173.20	818.92	264,992.12	6,402.40
Sale	04/30/2019	31846V203	9,826.83	First American Govt Obligation Fund Class Y	1.000	2.04%	9,826.83	0.00	9,826.83	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	04/30/2019	912828UB4	130,000.00	US Treasury Note 1% Due 11/30/2019	99.168	2.44%	128,918.36	539.29	129,457.65	3,036.29
Subtotal			504,826.83				502,658.09	1,591.54	504,249.63	9,438.39
Security Withdrawal	04/08/2019	31846V203	1,187.11	First American Govt Obligation Fund Class Y	1.000		1,187.11	0.00	1,187.11	0.00
Subtotal			1,187.11				1,187.11	0.00	1,187.11	0.00
TOTAL DISPOSITIONS			506,013.94				503,845.20	1,591.54	505,436.74	9,438.39
OTHER TRANSACTIONS										
Interest	04/02/2019	3137EADM8	240,000.00	FHLMC Note 1.25% Due 10/2/2019	0.000		1,500.00	0.00	1,500.00	0.00
Interest	04/05/2019	3135G0T45	235,000.00	FNMA Note 1.875% Due 4/5/2022	0.000		2,203.13	0.00	2,203.13	0.00
Interest	04/05/2019	3135G0T78	235,000.00	FNMA Note 2% Due 10/5/2022	0.000		2,350.00	0.00	2,350.00	0.00
Interest	04/07/2019	3135G0Q89	60,000.00	FNMA Note 1.375% Due 10/7/2021	0.000		412.50	0.00	412.50	0.00
Interest	04/10/2019	02665WCQ2	110,000.00	American Honda Finance Note 3.625% Due 10/10/2023	0.000		1,993.75	0.00	1,993.75	0.00
Interest	04/15/2019	674599CK9	140,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	0.000		1,820.00	0.00	1,820.00	0.00
Interest	04/30/2019	912828F96	245,000.00	US Treasury Note 2% Due 10/31/2021	0.000		2,450.00	0.00	2,450.00	0.00
Interest	04/30/2019	912828L99	230,000.00	US Treasury Note 1.375% Due 10/31/2020	0.000		1,581.25	0.00	1,581.25	0.00
Subtotal			1,495,000.00				14,310.63	0.00	14,310.63	0.00

Transaction Ledger

As of April 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	04/01/2019	31846V203	11,887.70	First American Govt Obligation Fund Class Y	0.000		78.49	0.00	78.49	0.00
Subtotal			11,887.70				78.49	0.00	78.49	0.00
TOTAL OTHER TRANSACTIONS			1,506,887.70				14,389.12	0.00	14,389.12	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	05/01/2019	31846V203	31.71	First American Govt Obligation Fund Class Y	1.000	2.04%	31.71	0.00	31.71	0.00
Purchase	05/03/2019	31846V203	1,320.00	First American Govt Obligation Fund Class Y	1.000	2.04%	1,320.00	0.00	1,320.00	0.00
Purchase	05/06/2019	31846V203	1,593.75	First American Govt Obligation Fund Class Y	1.000	2.04%	1,593.75	0.00	1,593.75	0.00
Purchase	05/11/2019	31846V203	2,250.00	First American Govt Obligation Fund Class Y	1.000	2.04%	2,250.00	0.00	2,250.00	0.00
Purchase	05/17/2019	31846V203	2,343.75	First American Govt Obligation Fund Class Y	1.000	2.04%	2,343.75	0.00	2,343.75	0.00
Purchase	05/19/2019	31846V203	780.00	First American Govt Obligation Fund Class Y	1.000	2.04%	780.00	0.00	780.00	0.00
Purchase	05/20/2019	06406RAJ6	150,000.00	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	102.630	2.79%	153,945.00	1,423.12	155,368.12	0.00
Purchase	05/20/2019	31846V203	10,212.41	First American Govt Obligation Fund Class Y	1.000	2.04%	10,212.41	0.00	10,212.41	0.00
Purchase	05/20/2019	31846V203	1,687.50	First American Govt Obligation Fund Class Y	1.000	2.04%	1,687.50	0.00	1,687.50	0.00
Purchase	05/30/2019	31846V203	1,725.00	First American Govt Obligation Fund Class Y	1.000	2.04%	1,725.00	0.00	1,725.00	0.00
Purchase	05/31/2019	31846V203	1,581.25	First American Govt Obligation Fund Class Y	1.000	2.01%	1,581.25	0.00	1,581.25	0.00
Subtotal			173,525.37				177,470.37	1,423.12	178,893.49	0.00
TOTAL ACQUISITIONS			173,525.37				177,470.37	1,423.12	178,893.49	0.00
DISPOSITIONS										
Sale	05/20/2019	06406HCW7	165,000.00	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	99.911	2.58%	164,853.15	727.38	165,580.53	-210.65
Subtotal			165,000.00				164,853.15	727.38	165,580.53	-210.65

Transaction Ledger

As of May 31, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Security Withdrawal	05/03/2019	31846V203	1,192.56	First American Govt Obligation Fund Class Y	1.000		1,192.56	0.00	1,192.56	0.00
Security Withdrawal	05/24/2019	31846V203	375.00	First American Govt Obligation Fund Class Y	1.000		375.00	0.00	375.00	0.00
Subtotal			1,567.56				1,567.56	0.00	1,567.56	0.00
TOTAL DISPOSITIONS			166,567.56				166,420.71	727.38	167,148.09	-210.65

OTHER TRANSACTIONS										
Interest	05/03/2019	037833AK6	60,000.00	Apple Inc Note 2.4% Due 5/3/2023	0.000		720.00	0.00	720.00	0.00
Interest	05/03/2019	594918BG8	60,000.00	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	0.000		600.00	0.00	600.00	0.00
Interest	05/06/2019	3135G0K69	255,000.00	FNMA Note 1.25% Due 5/6/2021	0.000		1,593.75	0.00	1,593.75	0.00
Interest	05/11/2019	369550BE7	150,000.00	General Dynamics Corp Note 3% Due 5/11/2021	0.000		2,250.00	0.00	2,250.00	0.00
Interest	05/17/2019	3137EAEK1	250,000.00	FHLMC Note 1.875% Due 11/17/2020	0.000		2,343.75	0.00	2,343.75	0.00
Interest	05/19/2019	857477AV5	80,000.00	State Street Bank Note 1.95% Due 5/19/2021	0.000		780.00	0.00	780.00	0.00
Interest	05/20/2019	747525AD5	150,000.00	Qualcomm Inc Note 2.25% Due 5/20/2020	0.000		1,687.50	0.00	1,687.50	0.00
Interest	05/30/2019	3135G0F73	230,000.00	FNMA Note 1.5% Due 11/30/2020	0.000		1,725.00	0.00	1,725.00	0.00
Interest	05/31/2019	912828VF4	230,000.00	US Treasury Note 1.375% Due 5/31/2020	0.000		1,581.25	0.00	1,581.25	0.00
Subtotal			1,465,000.00				13,281.25	0.00	13,281.25	0.00

Transaction Ledger

As of May 31, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	05/01/2019	31846V203	15,262.88	First American Govt Obligation Fund Class Y	0.000		31.71	0.00	31.71	0.00
Subtotal			15,262.88				31.71	0.00	31.71	0.00
TOTAL OTHER TRANSACTIONS			1,480,262.88				13,312.96	0.00	13,312.96	0.00



Redwood Empire Municipal Insurance Fund OPEB Trust - Account #10141

MONTHLY ACCOUNT STATEMENT

JUNE 1, 2019 THROUGH JUNE 30, 2019

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

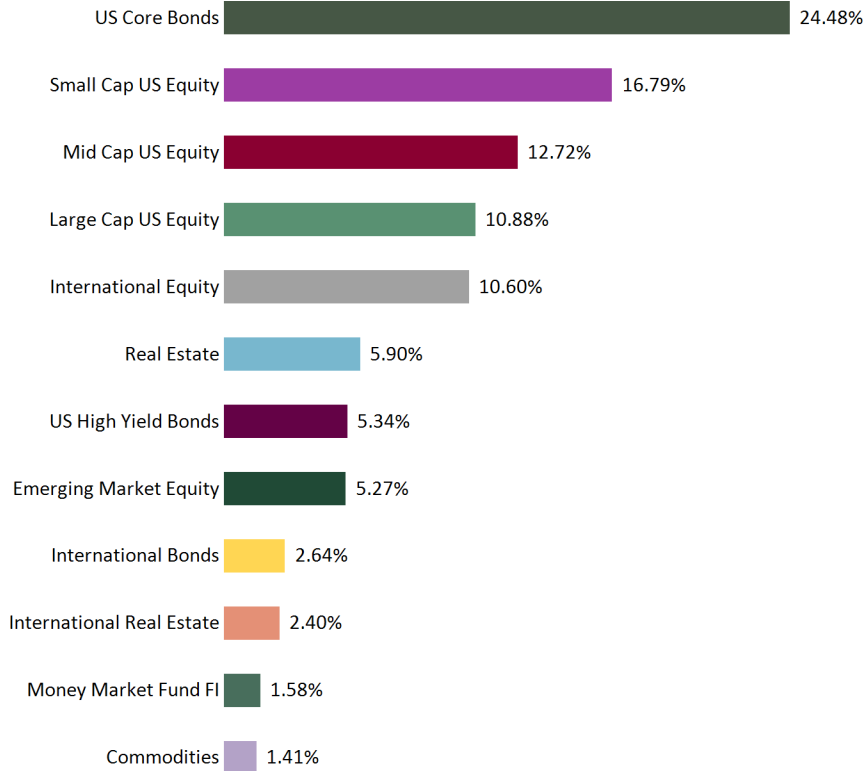
Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com



ASSET ALLOCATION



ACCOUNT SUMMARY

	Beg. Values as of 5/31/19	End Values as of 6/30/19
Market Value	2,801,096	2,922,246
Accrued Interest	0	3,132
Total Market Value	2,801,096	2,925,379
Income Earned	2,571	14,438
Cont/WD		-476
Par	70,710	81,539
Book Value	2,307,202	2,318,032
Cost Value	2,307,202	2,318,032

TOP ISSUERS

Vanguard Total Bond Market	24.5%
Vanguard Small-Cap Market	16.8%
iShare S&P 400 Midcap Market	12.7%
iShares S&P 500 Index Fund	10.9%
Vanguard Europe Pacific Market	10.6%
Vanguard REIT	5.9%
SPDR Barclays Capital High Yield	5.3%
Vanguard Emerging Markets	5.3%
Total	92.0%

PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	12/31/2010
Redwood Empire Municipal Insurance Fund OPEB Trust	4.45%	2.81%	13.64%	5.08%	6.68%	8.06%	5.18%	N/A	6.85%
Multi Asset Class Index*	4.48%	3.82%	12.58%	7.49%	7.01%	8.28%	5.69%	N/A	7.22%

*35% Standard & Poors' 500, 25% MSCI EAFE (Europe, Australasia, Israel and the Far East), 40% ICE BAML US Corporate, Govt, Mortgage Index

Reconciliation Summary

As of June 30, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$2,307,202.48
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$11,305.31	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions	\$11,305.31	
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$475.56	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions	\$475.56	
Amortization/Accretion		
+/- Net Accretion	\$0.00	\$0.00
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	\$0.00
ENDING BOOK VALUE		\$2,318,032.23

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$35,351.73
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$0.00	
Dividend Received	\$11,305.31	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$11,305.31	
Dispositions		
Withdrawals	\$475.56	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$475.56	
ENDING BOOK VALUE		\$46,181.48

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
COMMODITIES									
46428R107	IShares S&P GSCI Commodity-Indexed Due 6/30/2019	1,225.00	Various 0.00%	40,798.95 40,798.95	15.65 0.00%	19,171.25 0.00	0.66% (21,627.70)	NR / NR NR	0.00 0.00
97718W108	WisdomTree Investments Continuous Commodity Index Due 6/30/2019	1,240.00	01/01/2016 0.00%	37,056.41 37,056.41	17.83 0.00%	22,109.20 0.00	0.76% (14,947.21)	NR / NR NR	0.00 0.00
Total Commodities		2,465.00	N/A	77,855.36 77,855.36	0.00%	41,280.45 0.00	1.41% (36,574.91)	NR / NR NR	0.00 0.00
EMERGING MARKET EQUITY									
922042858	Vanguard FTSE Emerging Markets ETF Due 6/30/2019	3,625.00	Various 0.61%	155,190.43 155,190.43	42.53 0.00%	154,171.25 0.00	5.27% (1,019.18)	NR / NR NR	0.00 0.00
Total Emerging Market Equity		3,625.00	0.61%	155,190.43 155,190.43	0.00%	154,171.25 0.00	5.27% (1,019.18)	NR / NR NR	0.00 0.00
INTERNATIONAL BONDS									
92203J407	Vanguard Total Intl Bond ETF Due 6/30/2019	1,350.00	03/27/2018 2.23%	73,816.79 73,816.79	57.30 0.00%	77,355.00 0.00	2.64% 3,538.21	NR / NR NR	0.00 0.00
Total International Bonds		1,350.00	2.23%	73,816.79 73,816.79	0.00%	77,355.00 0.00	2.64% 3,538.21	NR / NR NR	0.00 0.00
INTERNATIONAL EQUITY									
921943858	Vanguard ETF FTSE Developed Mkts ETF Due 6/30/2019	7,435.00	Various 0.75%	270,354.80 270,354.80	41.71 0.00%	310,113.85 0.00	10.60% 39,759.05	NR / NR NR	0.00 0.00
Total International Equity		7,435.00	0.75%	270,354.80 270,354.80	0.00%	310,113.85 0.00	10.60% 39,759.05	NR / NR NR	0.00 0.00

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
INTERNATIONAL REAL ESTATE									
464288489	ISHARES Intl Developed Real Estate ETF Due 6/30/2019	2,355.00	Various 0.00%	71,461.27 71,461.27	29.81 0.00%	70,202.55 0.00	2.40% (1,258.72)	NR / NR NR	0.00 0.00
Total International Real Estate		2,355.00	N/A	71,461.27	0.00%	70,202.55	2.40% (1,258.72)	NR / NR NR	0.00 0.00
LARGE CAP US EQUITY									
464287200	ISHARES S&P 500 Index ETF	1,080.00	Various N/A	150,746.84 150,746.84	294.75 N/A	318,330.00 0.00	10.88% 167,583.16	NR / NR NR	0.00 0.00
Total Large Cap US Equity		1,080.00	N/A	150,746.84	N/A	318,330.00	10.88% 167,583.16	NR / NR NR	0.00 0.00
MID CAP US EQUITY									
464287507	ISHARES S&P Midcap ETF Due 6/30/2019	1,915.00	Various 0.16%	204,856.23 204,856.23	194.26 0.00%	372,007.90 0.00	12.72% 167,151.67	NR / NR NR	0.00 0.00
Total Mid Cap US Equity		1,915.00	0.16%	204,856.23	0.00%	372,007.90	12.72% 167,151.67	NR / NR NR	0.00 0.00
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	46,181.48	Various 1.99%	46,181.48 46,181.48	1.00 1.99%	46,181.48 0.00	1.58% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		46,181.48	1.99%	46,181.48	1.99%	46,181.48	1.58% 0.00	Aaa / AAA AAA	0.00 0.00

Holdings Report

As of June 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
REAL ESTATE									
922908553	Vanguard ETF REIT Due 6/30/2019	1,955.00	Various 1.07%	118,957.18 118,957.18	87.40 0.00%	170,867.00 1,617.57	5.90% 51,909.82	NR / NR NR	0.00 0.00
Total Real Estate		1,955.00	1.07%	118,957.18 118,957.18	0.00%	170,867.00 1,617.57	5.90% 51,909.82	NR / NR NR	0.00 0.00
SMALL CAP US EQUITY									
922908751	Vanguard ETF Small Cap Due 6/30/2019	3,125.00	Various 0.63%	277,321.97 277,321.97	156.66 0.00%	489,562.50 1,514.70	16.79% 212,240.53	NR / NR NR	0.00 0.00
Total Small Cap US Equity		3,125.00	0.63%	277,321.97 277,321.97	0.00%	489,562.50 1,514.70	16.79% 212,240.53	NR / NR NR	0.00 0.00
US CORE BONDS									
921937835	Vanguard ETF Total Bond Index Due 6/30/2019	8,620.00	Various 1.28%	703,317.24 703,317.24	83.07 0.00%	716,063.40 0.00	24.48% 12,746.16	NR / NR NR	0.00 0.00
Total US Core Bonds		8,620.00	1.28%	703,317.24 703,317.24	0.00%	716,063.40 0.00	24.48% 12,746.16	NR / NR NR	0.00 0.00
US HIGH YIELD BONDS									
78468R622	Barclays Capital High Yield Bond ETF Due 6/30/2019	1,433.00	05/07/2019 0.00%	167,972.64 167,972.64	108.94 0.00%	156,111.02 0.00	5.34% (11,861.62)	NR / NR NR	0.00 0.00
Total US High Yield Bonds		1,433.00	N/A	167,972.64 167,972.64	0.00%	156,111.02 0.00	5.34% (11,861.62)	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		81,539.48	0.83%	2,318,032.23 2,318,032.23	0.03%	2,922,246.40 3,132.27	100.00% 604,214.17	Aaa / AAA AAA	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						2,925,378.67			

Transaction Ledger

As of June 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/03/2019	31846V203	60.16	First American Govt Obligation Fund Class Y	1.000	2.01%	60.16	0.00	60.16	0.00
Purchase	06/06/2019	31846V203	73.31	First American Govt Obligation Fund Class Y	1.000	2.01%	73.31	0.00	73.31	0.00
Purchase	06/06/2019	31846V203	1,667.80	First American Govt Obligation Fund Class Y	1.000	2.01%	1,667.80	0.00	1,667.80	0.00
Purchase	06/07/2019	31846V203	727.97	First American Govt Obligation Fund Class Y	1.000	2.01%	727.97	0.00	727.97	0.00
Purchase	06/20/2019	31846V203	1,012.10	First American Govt Obligation Fund Class Y	1.000	2.01%	1,012.10	0.00	1,012.10	0.00
Purchase	06/20/2019	31846V203	3,345.75	First American Govt Obligation Fund Class Y	1.000	2.01%	3,345.75	0.00	3,345.75	0.00
Purchase	06/21/2019	31846V203	4,418.22	First American Govt Obligation Fund Class Y	1.000	2.01%	4,418.22	0.00	4,418.22	0.00
Subtotal			11,305.31				11,305.31	0.00	11,305.31	0.00
TOTAL ACQUISITIONS			11,305.31				11,305.31	0.00	11,305.31	0.00
DISPOSITIONS										
Security Withdrawal	06/05/2019	31846V203	475.56	First American Govt Obligation Fund Class Y	1.000		475.56	0.00	475.56	0.00
Subtotal			475.56				475.56	0.00	475.56	0.00
TOTAL DISPOSITIONS			475.56				475.56	0.00	475.56	0.00
OTHER TRANSACTIONS										
Dividend	06/03/2019	31846V203	35,351.73	First American Govt Obligation Fund Class Y	0.000		60.16	0.00	60.16	0.00
Dividend	06/06/2019	921937835	8,620.00	Vanguard ETF Total Bond Index	0.000		1,667.80	0.00	1,667.80	0.00
Dividend	06/06/2019	92203J407	1,350.00	Vanguard Total Intl Bond ETF	0.000		73.31	0.00	73.31	0.00
Dividend	06/07/2019	78468R622	1,433.00	Barclays Capital High Yield Bond ETF	0.000		727.97	0.00	727.97	0.00

Transaction Ledger

As of June 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	06/20/2019	921943858	7,435.00	Vanguard ETF FTSE Developed Mkts ETF	0.000		3,345.75	0.00	3,345.75	0.00
Dividend	06/20/2019	922042858	3,625.00	Vanguard FTSE Emerging Markets ETF	0.000		1,012.10	0.00	1,012.10	0.00
Dividend	06/21/2019	464287200	1,080.00	ISHARES S&P 500 Index ETF	0.000		1,919.96	0.00	1,919.96	0.00
Dividend	06/21/2019	464287507	1,915.00	ISHARES S&P Midcap ETF	0.000		1,679.09	0.00	1,679.09	0.00
Dividend	06/21/2019	464288489	2,355.00	ISHARES Intl Developed Real Estate ETF	0.000		819.17	0.00	819.17	0.00
Subtotal			63,164.73				11,305.31	0.00	11,305.31	0.00
TOTAL OTHER TRANSACTIONS			63,164.73				11,305.31	0.00	11,305.31	0.00

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
EQUITY						
464287200	ISHARES S&P 500 Index ETF	Various Various 1,080.00	150,746.84 0.00 0.00 150,746.84	0.00 1,919.96 0.00 1,919.96	0.00 0.00 0.00 1,919.96	1,919.96
464287507	ISHARES S&P Midcap ETF	Various Various 1,915.00	204,856.23 0.00 0.00 204,856.23	0.00 1,679.09 0.00 1,679.09	0.00 0.00 0.00 1,679.09	1,679.09
464288489	ISHARES Intl Developed Real Estate ETF	Various Various 2,355.00	71,461.27 0.00 0.00 71,461.27	0.00 819.17 0.00 819.17	0.00 0.00 0.00 819.17	819.17
46428R107	IShares S&P GSCI Commodity-Indexed	Various Various 1,225.00	40,798.95 0.00 0.00 40,798.95	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00
78468R622	Barclays Capital High Yield Bond ETF	05/07/2019 05/07/2019 1,433.00	167,972.64 0.00 0.00 167,972.64	0.00 727.97 0.00 727.97	0.00 0.00 0.00 727.97	727.97
921937835	Vanguard ETF Total Bond Index	Various Various 8,620.00	703,317.24 0.00 0.00 703,317.24	0.00 1,667.80 0.00 1,667.80	0.00 0.00 0.00 1,667.80	1,667.80
921943858	Vanguard ETF FTSE Developed Mkts ETF	Various Various 7,435.00	270,354.80 0.00 0.00 270,354.80	0.00 3,345.75 0.00 3,345.75	0.00 0.00 0.00 3,345.75	3,345.75
92203J407	Vanguard Total Intl Bond ETF	03/27/2018 03/29/2018 1,350.00	73,816.79 0.00 0.00 73,816.79	0.00 73.31 0.00 73.31	0.00 0.00 0.00 73.31	73.31
922042858	Vanguard FTSE Emerging Markets ETF	Various Various 3,625.00	155,190.43 0.00 0.00 155,190.43	0.00 1,012.10 0.00 1,012.10	0.00 0.00 0.00 1,012.10	1,012.10

Income Earned

As of June 30, 2019



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
922908553	Vanguard ETF REIT	Various Various 1,955.00	118,957.18 0.00 0.00 118,957.18	0.00 0.00 1,617.57 1,617.57	0.00 0.00 0.00 1,617.57	1,617.57
922908751	Vanguard ETF Small Cap	Various Various 3,125.00	277,321.97 0.00 0.00 277,321.97	0.00 0.00 1,514.70 1,514.70	0.00 0.00 0.00 1,514.70	1,514.70
97718W108	WisdomTree Investments Continuous Commodity Index	01/01/2016 01/01/2016 1,240.00	37,056.41 0.00 0.00 37,056.41	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00
			2,271,850.75	0.00	0.00	
			0.00	11,245.15	0.00	
			0.00	3,132.27	0.00	
Total Equity		35,358.00	2,271,850.75	14,377.42	14,377.42	14,377.42
CASH & EQUIVALENT						
31846V203	First American Govt Obligation Fund Class Y	Various Various 46,181.48	35,351.73 11,305.31 475.56 46,181.48	0.00 60.16 0.00 60.16	0.00 0.00 0.00 60.16	60.16
			35,351.73	0.00	0.00	
			11,305.31	60.16	0.00	
			475.56	0.00	0.00	
Total Cash & Equivalent		46,181.48	46,181.48	60.16	60.16	60.16
			2,307,202.48	0.00	0.00	
			11,305.31	11,305.31	0.00	
			475.56	3,132.27	0.00	
TOTAL PORTFOLIO		81,539.48	2,318,032.23	14,437.58	14,437.58	14,437.58

Cash Flow Report

As of June 30, 2019



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/02/2019	Dividend	922908553	1,955.00	Vanguard ETF REIT	0.00	1,617.57	1,617.57
07/02/2019	Dividend	922908751	3,125.00	Vanguard ETF Small Cap	0.00	1,514.70	1,514.70
07/08/2019	Dividend	78468R622	1,433.00	Barclays Capital High Yield Bond ETF	0.00	715.14	715.14
JUL 2019					0.00	3,847.41	3,847.41
TOTAL					0.00	3,847.41	3,847.41



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at www.chandlerasset.com.

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
Multi Asset Class Index*	<p>The S&P 500 is a market value weighted index of 500 large capitalization stocks. The 500 companies included in the index capture approximately 80% of available U.S. market capitalization.</p> <p>The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.</p> <p>The ICE BofAML US Corporate, Government & Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from the Index, as are all collateralized mortgage obligations. With the exception of local currency sovereign debt, qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Qualifying US Treasuries must have a minimum amount outstanding of \$1 billion. Qualifying US agencies, foreign governments, supranationals, corporates and covered bonds must have a minimum amount outstanding of \$250 million. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30- year, 20-year and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250 million per production year within each generic coupon. (Index: DOA0. Please visit www.mlindex.ml.com for more information)</p>

Transaction Ledger

As of April 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/01/2019	31846V203	40.59	First American Govt Obligation Fund Class Y	1.000	2.05%	40.59	0.00	40.59	0.00
Purchase	04/02/2019	31846V203	4,275.78	First American Govt Obligation Fund Class Y	1.000	2.05%	4,275.78	0.00	4,275.78	0.00
Purchase	04/03/2019	31846V203	1,720.62	First American Govt Obligation Fund Class Y	1.000	2.05%	1,720.62	0.00	1,720.62	0.00
Purchase	04/03/2019	31846V203	71.55	First American Govt Obligation Fund Class Y	1.000	2.05%	71.55	0.00	71.55	0.00
Purchase	04/05/2019	31846V203	725.35	First American Govt Obligation Fund Class Y	1.000	2.05%	725.35	0.00	725.35	0.00
Purchase	04/25/2019	31846V203	196,360.91	First American Govt Obligation Fund Class Y	1.000	2.05%	196,360.91	0.00	196,360.91	0.00
Subtotal			203,194.80				203,194.80	0.00	203,194.80	0.00
TOTAL ACQUISITIONS			203,194.80				203,194.80	0.00	203,194.80	0.00
DISPOSITIONS										
Sale	04/25/2019	464287200	200.00	ISHARES S&P 500 Index ETF	294.844	1.85%	58,968.77	0.00	58,968.77	34,236.77
Sale	04/25/2019	464287507	225.00	ISHARES S&P Midcap ETF	196.876	1.45%	44,297.08	0.00	44,297.08	24,413.83
Sale	04/25/2019	922908751	590.00	Vanguard ETF Small Cap	157.788	1.41%	93,095.06	0.00	93,095.06	51,270.25
Subtotal			1,015.00				196,360.91	0.00	196,360.91	109,920.85
Security Withdrawal	04/08/2019	31846V203	503.99	First American Govt Obligation Fund Class Y	1.000		503.99	0.00	503.99	0.00
Security Withdrawal	04/29/2019	31846V203	196,068.41	First American Govt Obligation Fund Class Y	1.000		196,068.41	0.00	196,068.41	0.00
Subtotal			196,572.40				196,572.40	0.00	196,572.40	0.00
TOTAL DISPOSITIONS			197,587.40				392,933.31	0.00	392,933.31	109,920.85

Transaction Ledger

As of April 30, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	04/01/2019	31846V203	26,993.97	First American Govt Obligation Fund Class Y	0.000		40.59	0.00	40.59	0.00
Dividend	04/02/2019	921943858	7,435.00	Vanguard ETF FTSE Developed Mkts ETF	0.000		1,301.13	0.00	1,301.13	0.00
Dividend	04/02/2019	922908553	1,955.00	Vanguard ETF REIT	0.000		1,204.08	0.00	1,204.08	0.00
Dividend	04/02/2019	922908751	3,715.00	Vanguard ETF Small Cap	0.000		1,770.57	0.00	1,770.57	0.00
Dividend	04/04/2019	921937835	8,620.00	Vanguard ETF Total Bond Index	0.000		1,720.62	0.00	1,720.62	0.00
Dividend	04/04/2019	92203J407	1,350.00	Vanguard Total Intl Bond ETF	0.000		71.55	0.00	71.55	0.00
Dividend	04/05/2019	78464A417	4,300.00	Barclays Capital High Yield Bond ETF	0.000		725.35	0.00	725.35	0.00
Subtotal			54,368.97				6,833.89	0.00	6,833.89	0.00
TOTAL OTHER TRANSACTIONS			54,368.97				6,833.89	0.00	6,833.89	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	05/01/2019	31846V203	88.23	First American Govt Obligation Fund Class Y	1.000	2.04%	88.23	0.00	88.23	0.00
Purchase	05/06/2019	31846V203	1,748.17	First American Govt Obligation Fund Class Y	1.000	2.04%	1,748.17	0.00	1,748.17	0.00
Purchase	05/07/2019	31846V203	734.38	First American Govt Obligation Fund Class Y	1.000	2.04%	734.38	0.00	734.38	0.00
Purchase	05/24/2019	31846V203	35.01	First American Govt Obligation Fund Class Y	1.000	2.04%	35.01	0.00	35.01	0.00
Subtotal			2,605.79				2,605.79	0.00	2,605.79	0.00
Conversion	05/07/2019	78468R622	1,433.33	Barclays Capital High Yield Bond ETF	116.840		168,012.67	0.00	168,012.67	0.00
Subtotal			1,433.33				168,012.67	0.00	168,012.67	0.00
TOTAL ACQUISITIONS			4,039.12				170,618.46	0.00	170,618.46	0.00
DISPOSITIONS										
Sale	05/24/2019	78468R622	0.33	Barclays Capital High Yield Bond ETF	106.091	5.73%	35.01	0.00	35.01	-5.02
Subtotal			0.33				35.01	0.00	35.01	-5.02
Security Withdrawal	05/03/2019	31846V203	495.43	First American Govt Obligation Fund Class Y	1.000		495.43	0.00	495.43	0.00
Security Withdrawal	05/24/2019	31846V203	375.00	First American Govt Obligation Fund Class Y	1.000		375.00	0.00	375.00	0.00
Subtotal			870.43				870.43	0.00	870.43	0.00
Conversion	05/07/2019	78464A417	554.00	Barclays Capital High Yield Bond ETF	40.440		22,403.76	0.00	22,403.76	0.00
Conversion	05/07/2019	78464A417	901.00	Barclays Capital High Yield Bond ETF	39.450		35,544.45	0.00	35,544.45	0.00
Conversion	05/07/2019	78464A417	255.00	Barclays Capital High Yield Bond ETF	39.845		10,160.37	0.00	10,160.37	0.00
Conversion	05/07/2019	78464A417	820.00	Barclays Capital High Yield Bond ETF	40.069		32,856.91	0.00	32,856.91	0.00
Conversion	05/07/2019	78464A417	580.00	Barclays Capital High Yield Bond ETF	39.090		22,672.20	0.00	22,672.20	0.00
Conversion	05/07/2019	78464A417	170.00	Barclays Capital High Yield Bond ETF	39.875		6,778.78	0.00	6,778.78	0.00
Conversion	05/07/2019	78464A417	200.00	Barclays Capital High Yield Bond ETF	40.640		8,128.00	0.00	8,128.00	0.00

Transaction Ledger

As of May 31, 2019



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Conversion	05/07/2019	78464A417	720.00	Barclays Capital High Yield Bond ETF	36.060		25,963.20	0.00	25,963.20	0.00
Conversion	05/07/2019	78464A417	100.00	Barclays Capital High Yield Bond ETF	35.050		3,505.00	0.00	3,505.00	0.00
Subtotal			4,300.00				168,012.67	0.00	168,012.67	0.00
TOTAL DISPOSITIONS			5,170.76				168,918.11	0.00	168,918.11	-5.02
OTHER TRANSACTIONS										
Dividend	05/01/2019	31846V203	33,616.37	First American Govt Obligation Fund Class Y	0.000		88.23	0.00	88.23	0.00
Dividend	05/06/2019	921937835	8,620.00	Vanguard ETF Total Bond Index	0.000		1,679.05	0.00	1,679.05	0.00
Dividend	05/06/2019	92203J407	1,350.00	Vanguard Total Intl Bond ETF	0.000		69.12	0.00	69.12	0.00
Dividend	05/07/2019	78464A417	4,300.00	Barclays Capital High Yield Bond ETF	0.000		734.38	0.00	734.38	0.00
Subtotal			47,886.37				2,570.78	0.00	2,570.78	0.00
TOTAL OTHER TRANSACTIONS			47,886.37				2,570.78	0.00	2,570.78	0.00



AGENDA ITEM SUMMARY

ITEM 7.0

TITLE: REPORT OUT OF CLOSED SESSION

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

Pursuant to the Government Code, this will serve as a report out of a closed session item.

BACKGROUND

Pursuant to California Government Code Section 54957.1, approval by the Executive Committee of the Board of Directors was given at the April 25, 2019 Executive Committee meeting to accept a settlement offer signed by the opposing party or a compromise and release in the matters identified below.

The terms of the agreement include that the plaintiff/claimant will dismiss the matter in exchange for payments as listed below.

Government Code Section 54956.95: Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers' agency or a local agency member of the joint powers' agency.

Claimant: M. Lares
Agency claimed against: City of Eureka
Amount: \$120,560.00

FISCAL IMPACT

Payment of settlement

RECOMMENDED ACTION

None

ATTACHMENTS

None



AGENDA ITEM SUMMARY

ITEM 8.0

TITLE: GENERAL MANAGER'S ACTIVITIES

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The General Manager is responsible for the planning and direction of REMIF's day-to-day operations to meet the organization's fiscal and service goals. The General Manager will routinely report on her activities to the Governing Board. No action is required by the Board. This is informational only.

BACKGROUND

Below, please find a brief summary of my activities since the last Board of Directors meeting (June 20, 2019):

1. Meeting with MPA to discuss joint trainings;
2. Meeting with and financial auditor;
3. Prepare for and attend CJPRMA special meeting regarding property renewals;
4. Meeting at site location for annual meeting;
5. Meetings with Real Care regarding Health Care documents;
6. Discussions with CalPERS regarding outstanding liability;
7. Attendance at "State of the Market" webinar;
8. Attendance at AGRiP CEO conference;
9. Discussions with multiple vendors regarding employee benefit survey;
10. Meetings with actuary regarding strategic partnership with PARSAC, meetings with PARSAC regarding same;
11. Discussions with multiple vendors regarding health care brokerage services;
12. Plan, prepare for and host REMIF Police Training webinar;
13. Attendance at CAJPA conference;
14. Review website design options;
15. Prepare for and attendance at CJPRMA board meeting;
16. Multiple telephone calls with Athens regarding workers' compensation claims;
17. Plan, prepare for and attend Health Care Committee meetings;
18. Plan, prepare for and attend Executive Committee meetings;
19. Plan, prepare for and attend Workers' Compensation Committee meetings;
20. Plan, prepare for and attend REMIF Board of Directors meeting;
21. Discussions regarding settlement in various liability matters;
22. Multiple telephone conferences with carriers regarding renewals (flood deductible buy down, DIC, property options);

FISCAL IMPACT

None

RECOMMENDED ACTION

None

ATTACHMENTS

None



REMIF
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INSURANCE
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Members: Arcata Cloverdale Cotati Eureka Fort Bragg Fortuna Healdsburg Lakeport
Robnert Park St. Helena Sebastopol Sonoma Ukiah Willits Windsor

AGENDA ITEM SUMMARY

ITEM 9.0

TITLE: REVIEW OF REMIF ASSETS/INVESTMENTS FROM INVESTMENT MANAGER (CHANDLER)

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The General Manager is responsible for providing routine reports on REMIF's investments to the Board of Directors. No action is requested from the Board of Directors. This is informational only. Mr. Carlos Oblites will be at the meeting and present the investment report to the Board.

Mr. Oblites has reviewed the REMIF investment policy and is providing recommended changes to our investment policy. Changes to the investment policy will be discussed/voted on under another agenda item.

BACKGROUND

At the June 10, 2010, Board of Directors' meeting, the Board of Directors gave the General Manager authority to enter into an agreement with Chandler Investment Management to handle REMIF's investments and to establish an Investment Policy that meets all accounting and State criteria. An Investment Policy was subsequently created and approved by the Board on October 28, 2010. A separate investment policy for OPEB investments was created, updated and approved by the Board on October 31, 2017. Updates/changes to the investment policy are being recommended and will be discussed.

Mr. Oblites will report to the Board the status of our investments with Chandler. A copy of the asset report from Chandler is attached for your reference. He will also discuss his recommended changes to our investment policy. A copy of his recommended changes and a copy of his memo outlining those changes are attached for your reference.

FISCAL IMPACT

None

RECOMMENDED ACTION

None

ATTACHMENTS

- 9.1 Chandler Asset Report
- 9.2 Chandler memorandum re recommended changes to investment policy
- 9.3 Investment Policy (recommended changes with track changes)

Redwood Empire Municipal Insurance Fund

Period Ending August 31, 2019

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Account Profile (OPEB Account)
SECTION 4	Portfolio Holdings
SECTION 5	Transactions

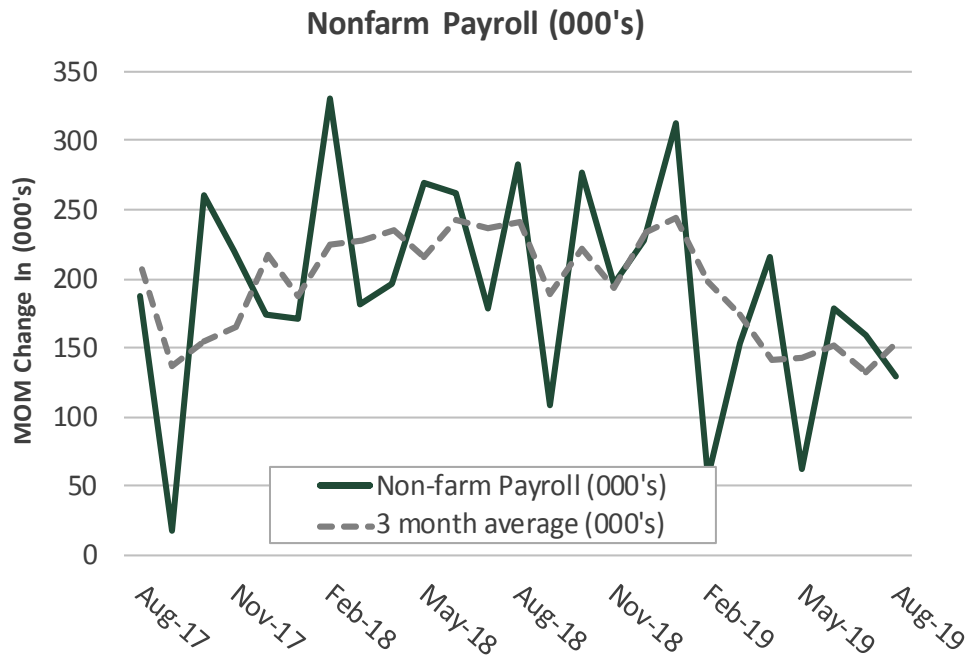
Section 1 | Economic Update

Economic Update

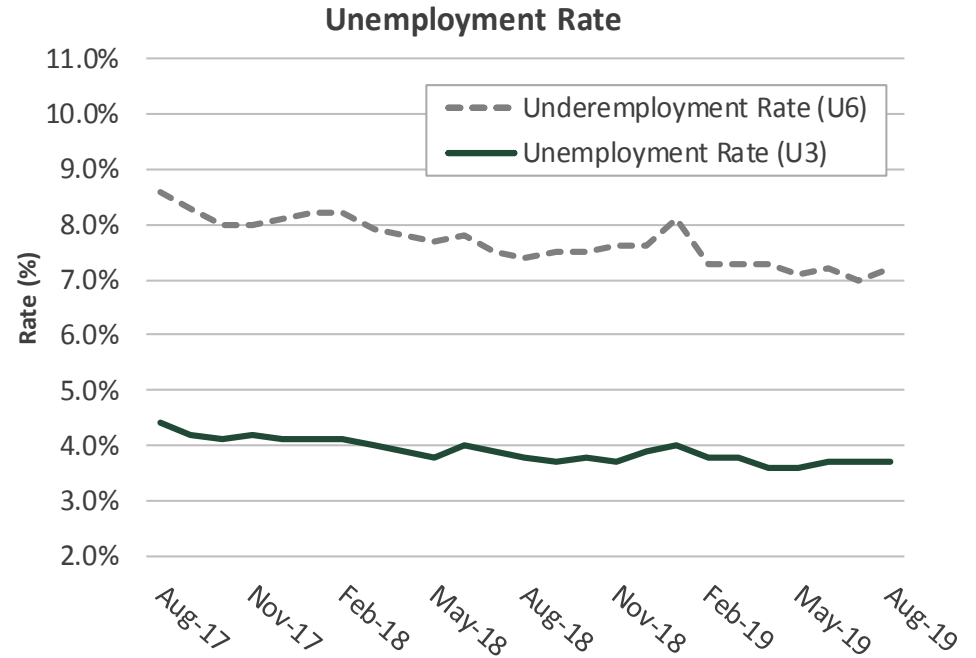
- In our view, US domestic economic data remains consistent with a slow growth environment but downside risks to the outlook have increased. The US labor market is strong, wages are growing modestly, and inflation remains contained. However, headwinds from trade disputes, slowing global economic growth, an uncertain outlook for Brexit, and geopolitical tensions have increased. The trajectory of economic growth is likely to hinge on the outcome of ongoing trade negotiations as well as policy action by the major global central banks. We believe there is a high level of political pressure to make progress toward a trade agreement with China before the election cycle heats up. We also believe a dovish collective stance by major global central banks should help to combat the headwinds to global economic growth.
- The Federal Open Market Committee (FOMC) cut the target fed funds rate by 25 basis points on July 31 to a range of 2.00%-2.25%, as widely expected. The Fed also decided to end their balance sheet normalization program two months early (as of August 1st). There were two dissenting votes from policymakers who preferred to keep the fed funds rate unchanged. Fed Chair Powell indicated that the impetus for the rate cut was threefold; a decline in the neutral fed funds rate, global economic weakness, and the desire to reset inflation expectations. Powell referred to the cut as a “mid-cycle adjustment to policy” and said that he did not believe it was the beginning of a long rate-cutting cycle. We believe Fed Chair Powell left the door open for further monetary policy accommodation but tempered expectations for a series of future rate cuts. We believe another rate cut before year-end is likely, particularly in light of ongoing global trade tensions and an uncertain outlook for Brexit.
- Treasury yields declined in August. The 3-month T-bill yield declined nearly nine basis points to 1.976%, the 2-year Treasury yield declined nearly 37 basis points to 1.504%, and the 10-year Treasury yield declined about 52 basis points to 1.496%. An inversion of the yield curve in which the 10-year Treasury yield is lower than both the 3-month T-bill yield and the 2-year Treasury yield is generally viewed as a powerful predictive signal of an upcoming recession. We believe downside risks to the economy are elevated. However, we believe increased short-term Treasury issuance to fund the deficit, and negative sovereign bond yields in other countries may be distorting the US Treasury yield curve. German sovereign bond yields from 1-month out to 30-years were all negative at August month-end.

Source: Bloomberg

Employment



Source: US Department of Labor

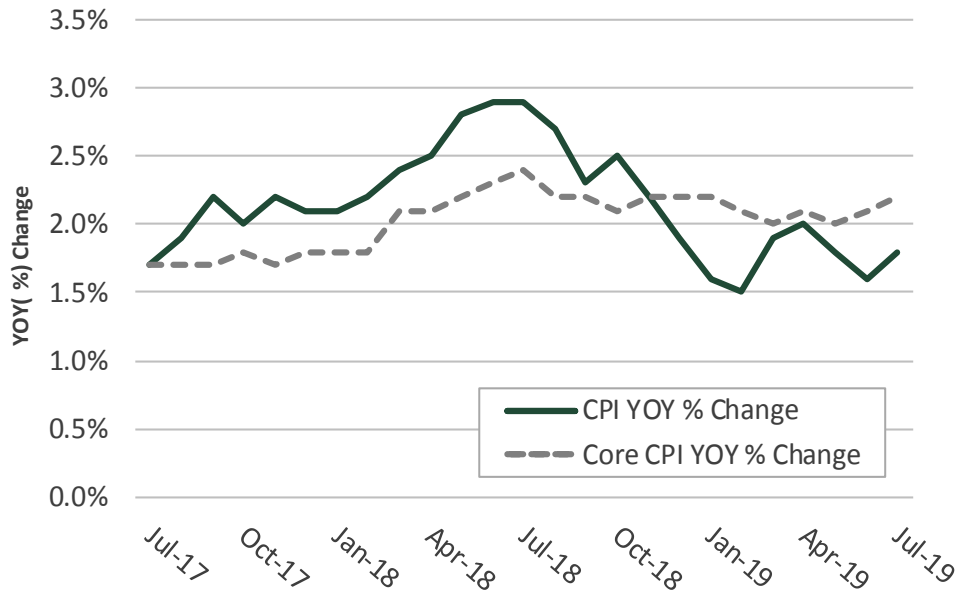


Source: US Department of Labor

U.S. nonfarm payrolls rose by 130,000 in August, below expectations of 160,000. On a trailing 3-month and 6-month average basis, payrolls increased an average of about 156,000 and 150,000 per month, respectively, which represents a moderate decline from the 12-month average of 173,000. The unemployment rate was unchanged at 3.7% in August, despite an increase in the participation rate to 63.2% from 63.0% in July. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, increased to 7.2% in August after declining to 7.0% in July (the lowest level since December 2000). Wages rose 0.4% in August on a month-over-month basis (slightly above expectations), following a 0.3% increase in July. On a year-over-year basis, wages were up 3.2% in August, versus up 3.3% in July. The August employment report suggests that the pace of job growth is slowing but wages are rising, which is consistent with a tight labor market.

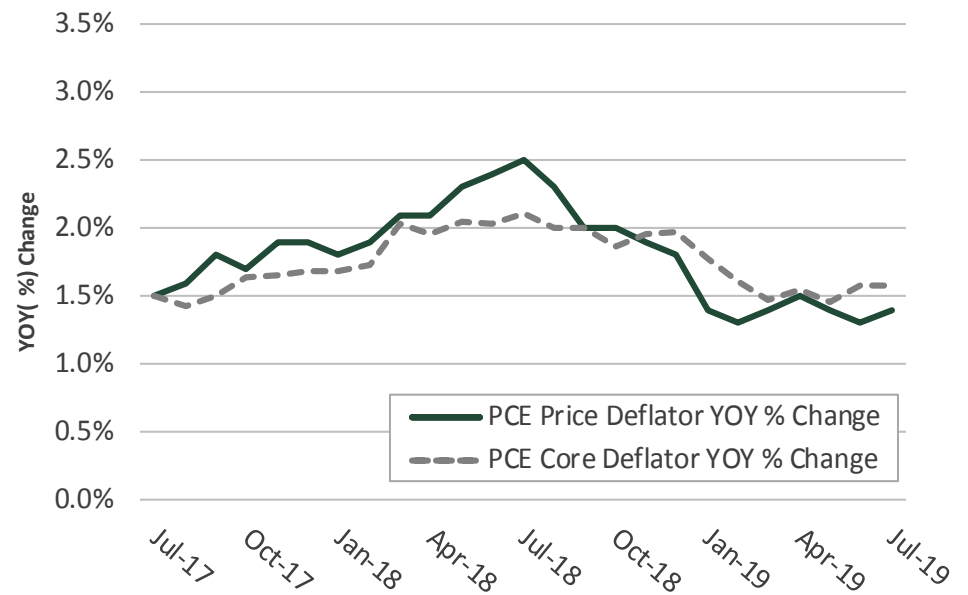
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

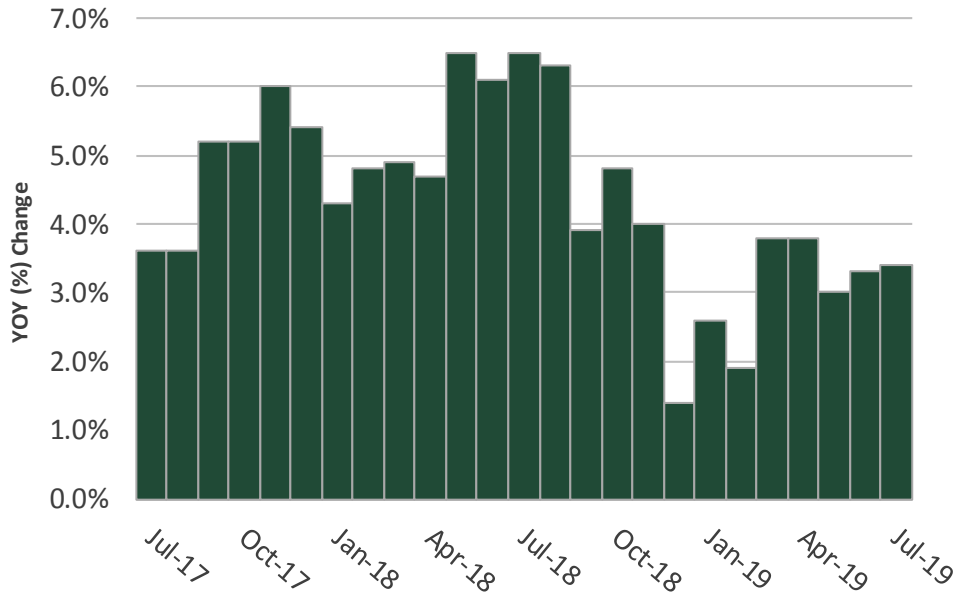


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.8% year-over-year in July, versus up 1.6% year-over-year in June. Core CPI (CPI less food and energy) was up 2.2% year-over-year in July, versus up 2.1% year-over-year in June. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in July, up slightly from 1.3% in June. Core PCE, which is the Fed's primary inflation gauge, was unchanged at 1.6% year-over-year in July. Core PCE remains below the Fed's 2.0% inflation target.

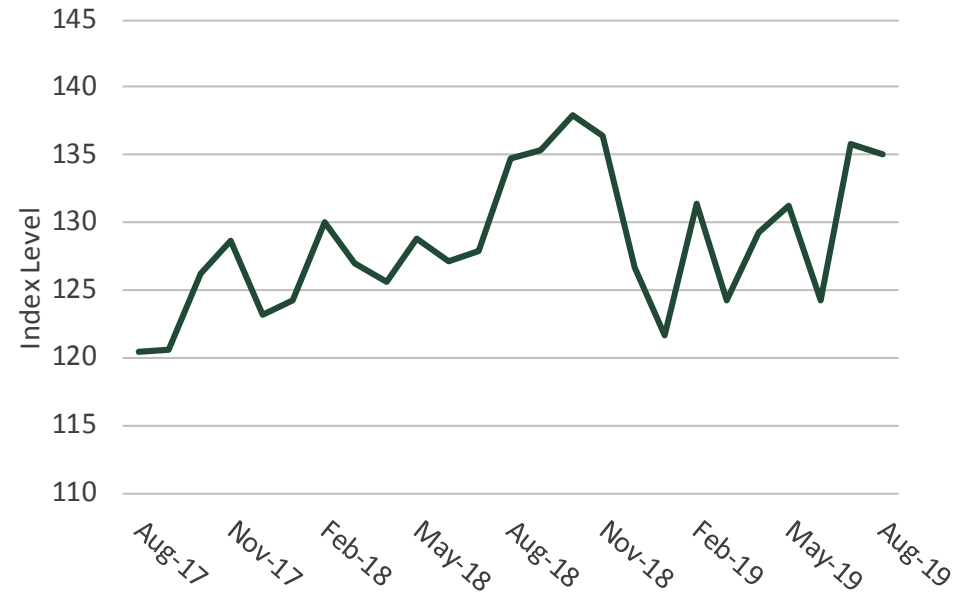
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

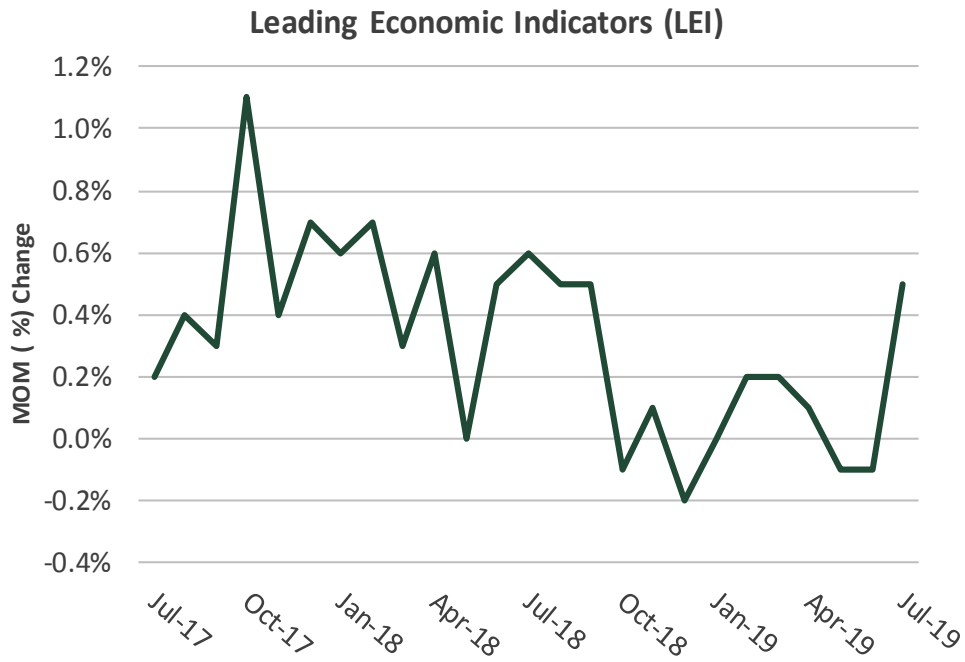
Consumer Confidence



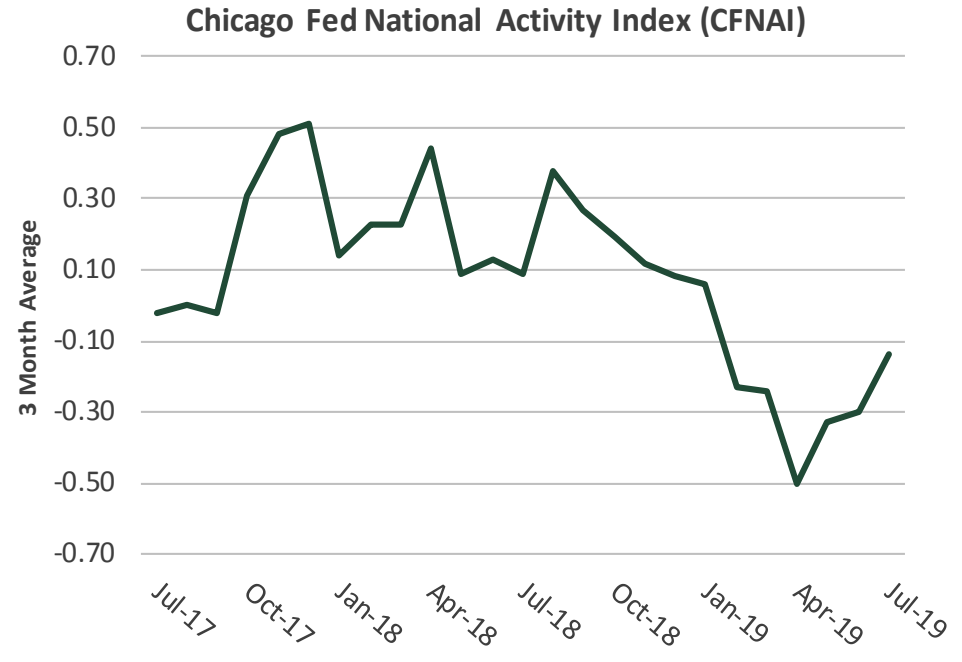
Source: The Conference Board

Retail sales in July were stronger than expected, up 0.7% in the month versus expectations of 0.3%, following an increase of 0.3% in June. Excluding autos and gas, retail sales were even stronger in July, up 0.9% (outpacing expectations of 0.5%). On a year-over-year basis, total retail sales were up 3.4% year-over-year in July, versus 3.3% year-over-year in June. The Consumer Confidence Index was relatively unchanged in August at 135.1 versus 135.8 in July. The index suggests that consumers' assessment of the economy remains favorable despite recent financial market volatility.

Economic Activity



Source: The Conference Board

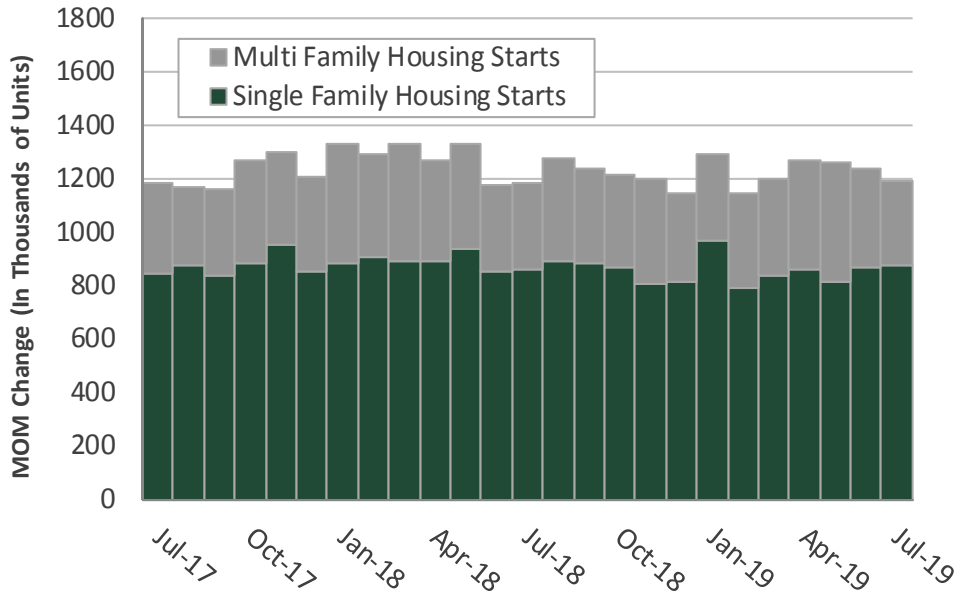


Source: Federal Reserve Bank of Chicago

The Leading Economic Index (LEI) increased 0.5% in July, exceeding the consensus forecast of 0.2%, following a 0.1% decline in June. The LEI also remains positive on a year-over-year basis (although the pace of year-over-year growth has slowed), which is consistent with ongoing economic growth. Year-over-year, the index was up just 1.6% in July versus up 1.7% in June. The Conference Board believes that economic growth will remain slow in the second half of the year. The Chicago Fed National Activity Index (CFNAI) declined in July to -0.36 from +0.03 in June. On a 3-month moving average basis, the index remained negative at -0.14 in July versus -0.30 in June. Negative values are generally consistent with below-average growth. Periods of economic contraction have historically been associated with values below -0.70 on a 3-month moving average basis.

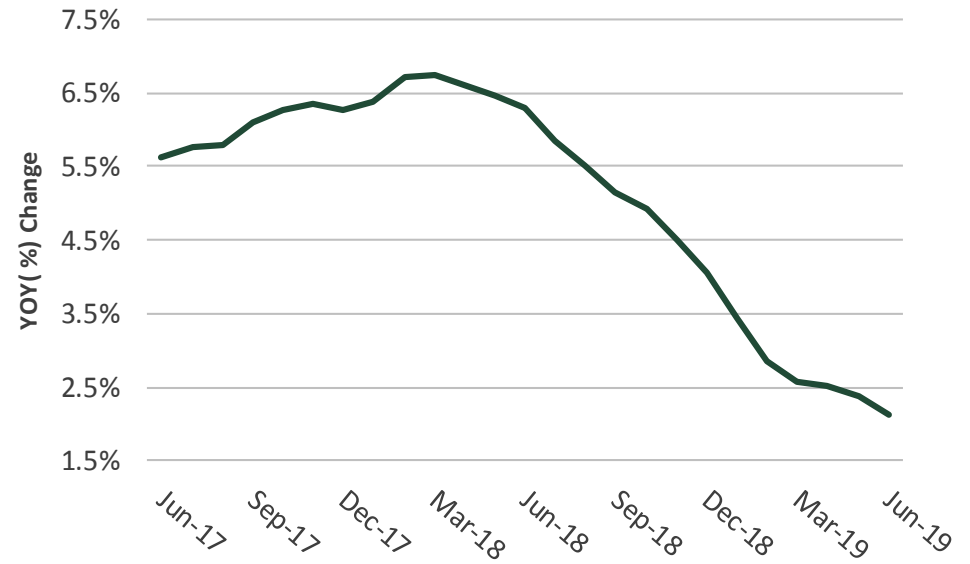
Housing

Housing Starts



Source: US Department of Commerce

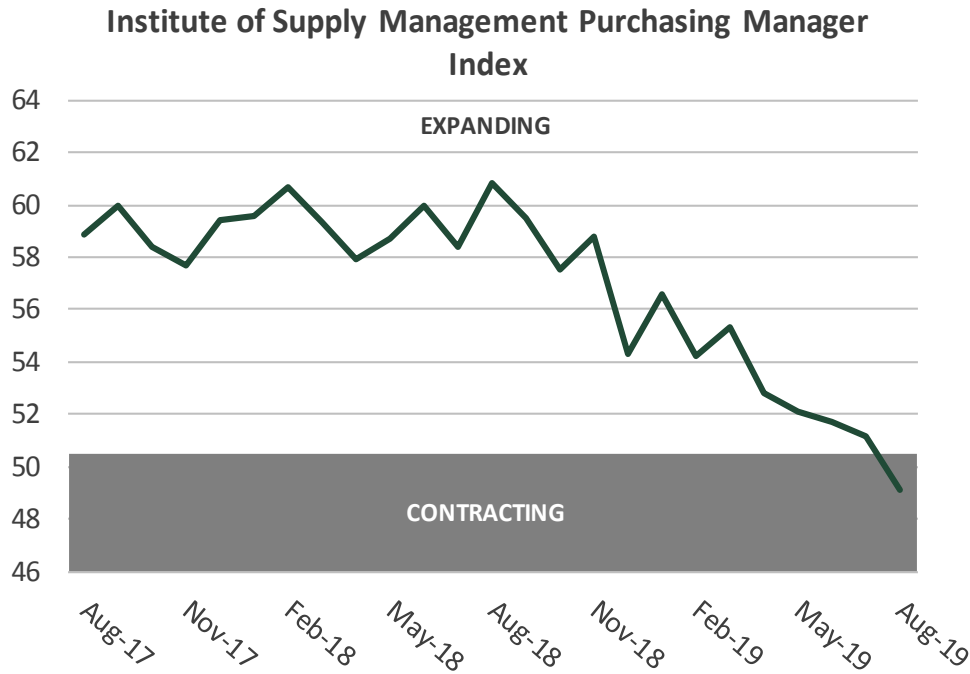
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Housing starts were lower than expected in July, down 4.0% month-over-month to a 1.191 million annualized rate. Multi-family starts fell 16.2% month-over-month to an annualized rate of 315,000, while single-family starts rose 1.3% to an annualized rate of 876,000. On a year-over-year basis, total housing starts were roughly flat. According to the Case-Shiller 20-City home price index, home prices were up just 2.2% year-over-year in June, versus up 2.4% in May. The year-over-year pace of price appreciation is at a 7-year low.

Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

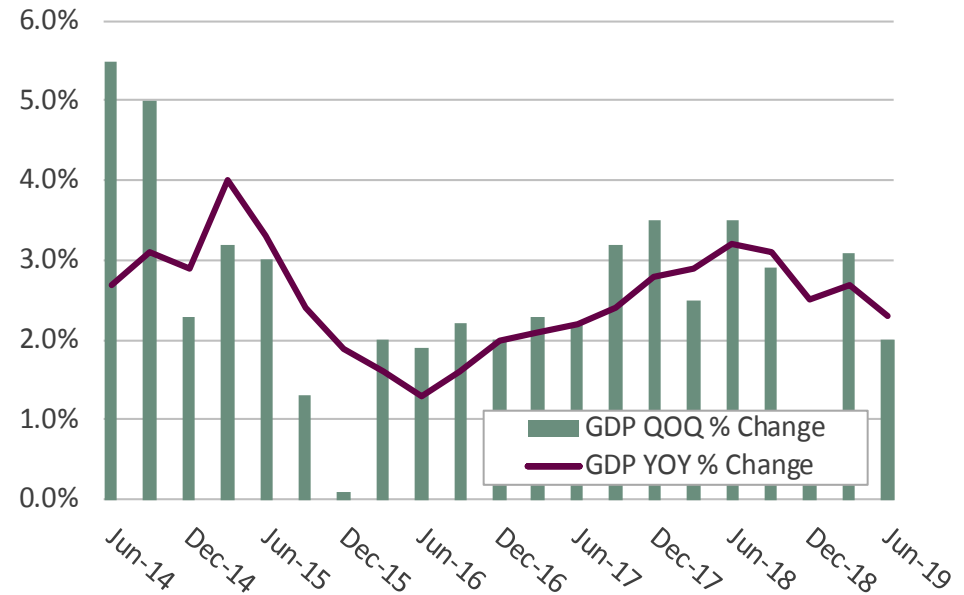
The Institute for Supply Management (ISM) manufacturing index declined to 49.1 in August, below expectations of 51.3, from 51.2 in July. A reading below 50.0 suggests the manufacturing sector is contracting. New orders also fell below 50.0 in August. Overall, the ISM Manufacturing report suggests that the outlook for the manufacturing sector is weak. The Industrial Production index was up 0.5% year-over-year in July versus up 1.2% year-over-year in June. On a month-over-month basis, production declined 0.2% in July, below the consensus forecast for a 0.1% increase. The manufacturing component of the index declined 0.4% in July, lower than the estimated 0.1% decline, following a 0.6% increase in June. Capacity Utilization decreased to 77.5% in July from 77.8% in June, and remains below the long-run average of 79.8% indicating there is still excess capacity for growth.

Gross Domestic Product (GDP)

Components of GDP	9/18	12/18	3/19	6/19
Personal Consumption Expenditures	2.3%	1.0%	0.8%	3.1%
Gross Private Domestic Investment	2.3%	0.5%	1.1%	-1.1%
Net Exports and Imports	-2.1%	-0.4%	0.7%	-0.7%
Federal Government Expenditures	0.2%	0.1%	0.1%	0.5%
State and Local (Consumption and Gross Investment)	0.2%	-0.1%	0.4%	0.3%
Total	2.9%	1.1%	3.1%	2.0%

Source: US Department of Commerce

Gross Domestic Product (GDP)

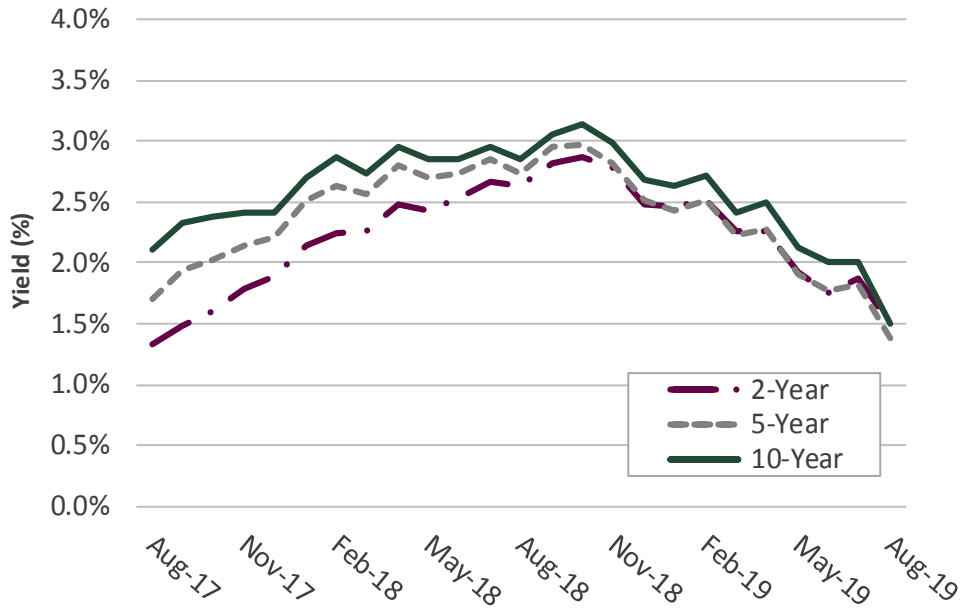


Source: US Department of Commerce

Second quarter GDP growth was revised down slightly to 2.0% from the advance estimate of 2.1% on an annualized basis. This follows growth of 3.1% in the first quarter. Although the overall pace of GDP growth slowed in the second quarter (as expected), personal consumption expenditures accelerated and were up 4.7% in Q2, following sluggish growth of just 1.1% in Q1. Personal consumption expenditures contributed 3.10 percentage points to Q2 GDP, federal government spending contributed 0.52 percentage points, and state & local government spending contributed 0.25 percentage points. Meanwhile, gross private domestic investment and net exports were a drag on Q2 GDP growth. The consensus forecast now calls for GDP growth of 1.8% in the current quarter and 1.9% in 4Q, for full year growth of about 2.0-2.5% versus 2.9% growth in 2018.

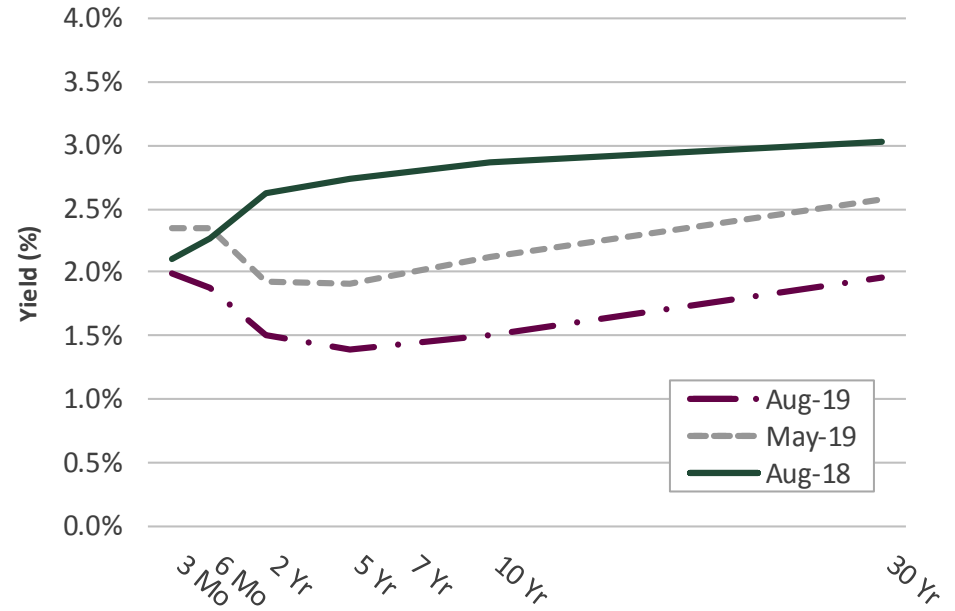
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



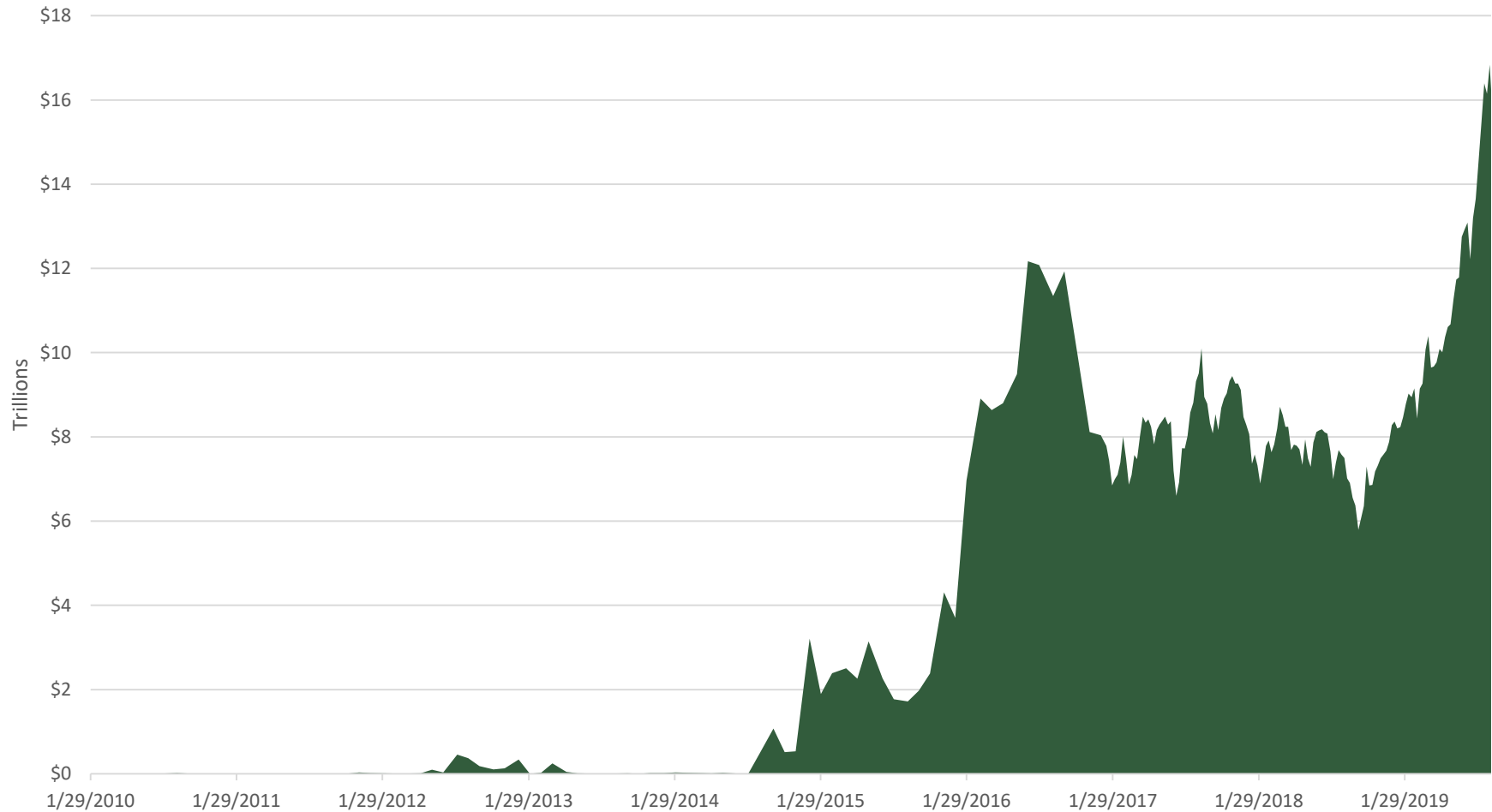
Source: Bloomberg

The shape of the Treasury yield curve has changed significantly on a year-over-year basis. As of August month-end, the 3-month T-bill yield was down 12 basis points, the 2-Year Treasury yield was down nearly 115 basis points, and the 10-Year Treasury yield was down nearly 136 basis points, year-over-year. The current shape of the yield curve implies that market participants are pricing-in additional rate cuts. We believe the year-over-year decline in long-term Treasury yields reflects a high level of market participants' nervousness about the outlook for global economic growth and a decline in global inflation expectations.

Global Negative Rate Debt Growing

\$16 Trillion Negative Yielding Debt

**Bloomberg Barclays Global Aggregate Negative Yielding Debt Index
(Market Capitalization)**



Source: Bloomberg. Index returns assume reinvestment of all distributions. It is not possible to invest directly in an index.

Yields Going Negative on a Global Basis

Yield Curves of Select Developed Nations as of September 2, 2019

Region	2 Year	3 Year	5 Year	7 Year	10 Year	15 Year	30 Year
Switzerland	-1.199	-1.215	-1.151	-1.092	-1.056	-0.842	-0.609
Denmark	-0.954		-0.897		-0.682		
Germany	-0.940	-0.969	-0.937	-0.888	-0.705	-0.551	-0.167
Netherlands	-0.911	-0.938	-0.845	-0.737	-0.559	-0.428	-0.180
Finland	-0.898	-0.843	-0.812	-0.655	-0.426	-0.250	0.041
Austria	-0.854	-0.841	-0.755	-0.619	-0.456	-0.209	0.159
France	-0.847	-0.878	-0.776	-0.634	-0.402	-0.088	0.452
Belgium	-0.841	-0.842	-0.679	-0.565	-0.345	-0.053	0.538
Sweden	-0.677		-0.739		-0.365	-0.203	
Portugal	-0.676	-0.519	-0.363	-0.132	0.123	0.518	1.047
Spain	-0.578	-0.568	-0.364	-0.148	0.119	0.546	1.019
Japan	-0.295	-0.308	-0.342	-0.376	-0.267	-0.083	0.124
Italy	-0.257	0.001	0.367	0.654	0.961	1.484	2.001
Israel	0.210	0.210	0.380		0.920		2.130
United Kingdom	0.311	0.260	0.261	0.236	0.409	0.630	0.926
Australia	0.741	0.696	0.697	0.816	0.938	1.147	1.501
New Zealand	0.766		0.817	0.943	1.036	1.212	
Norway	1.073		1.058	1.047	1.095		
Canada	1.348	1.282	1.184	1.160	1.158		1.424
United States	1.522	1.446	1.411	1.479	1.532		2.006
Hong Kong	1.621	1.316	1.099	1.006	1.027		
Singapore	1.630		1.639		1.719	1.846	2.020
Iceland	3.510				3.610		

Section 2 | Account Profile

Investment Objectives

The investment objectives of the Redwood Empire Municipal Insurance Fund are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet disbursement requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives. The portfolio will also be diversified in order to avoid incurring unreasonable and avoidable risks.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the ICE BAML Index of 1-5 Year Government securities.

Strategy

In order to achieve this objective, the portfolio invests in high quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities with a maximum maturity of five years.

Redwood Empire Municipal Insurance Fund - REMIF

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Local Agency Bonds	California local agencies and national state obligations	Complies
Banker's Acceptances	40% maximum; <180 days maturity	Complies
Time Deposits	5 years maximum maturity	Complies
Negotiable Certificates of Deposit	30% maximum; 5 years maximum maturity	Complies
Commercial Paper	25% maximum; <270 days maturity; A-1/P-1/F-1, minimum of two ratings	Complies
Medium Term Notes	30% maximum; 5 years maximum maturity; A-rated or better by 2 NRSROs	Complies
Money Market Mutual Funds	20% maximum; "AAA" rated or SEC-registered with \$500M in assets	Complies
Sonoma County Pool	Currently not used by investment adviser	Complies
Local Agency Investment Fund - L.A.I.F.	Currently not used by investment adviser	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Callable Securities	15% maximum	Complies
Maximum maturity	5 years	Complies

Portfolio Characteristics

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF)

	8/31/2019		5/31/2019
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.62	2.52	2.51
Average Modified Duration	2.50	2.38	2.37
Average Purchase Yield	n/a	2.07%	2.10%
Average Market Yield	1.53%	1.66%	2.15%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		12,233,377	12,039,325

*ICE BAML 1-5 Yr US Treasury/Agency Index

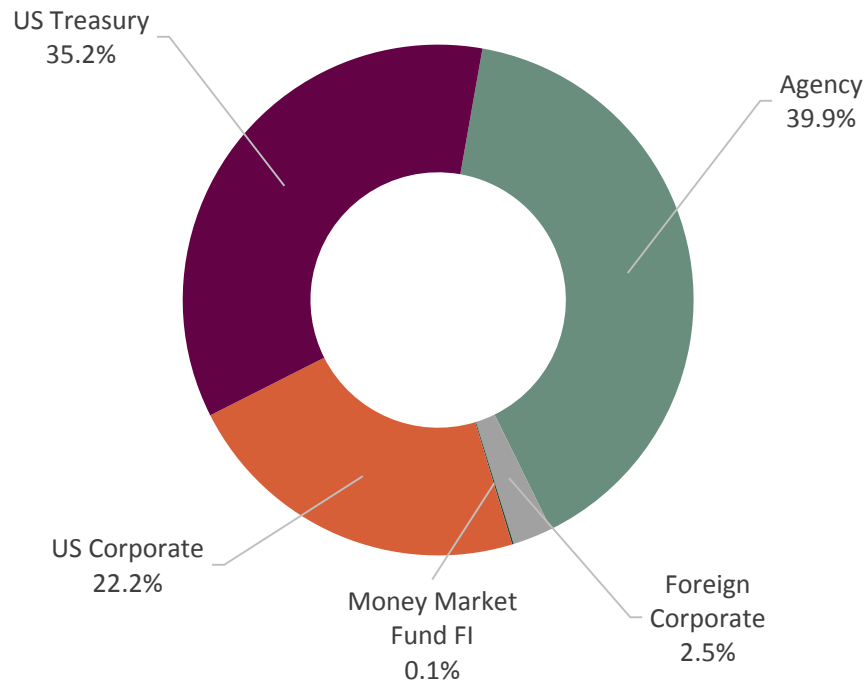
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

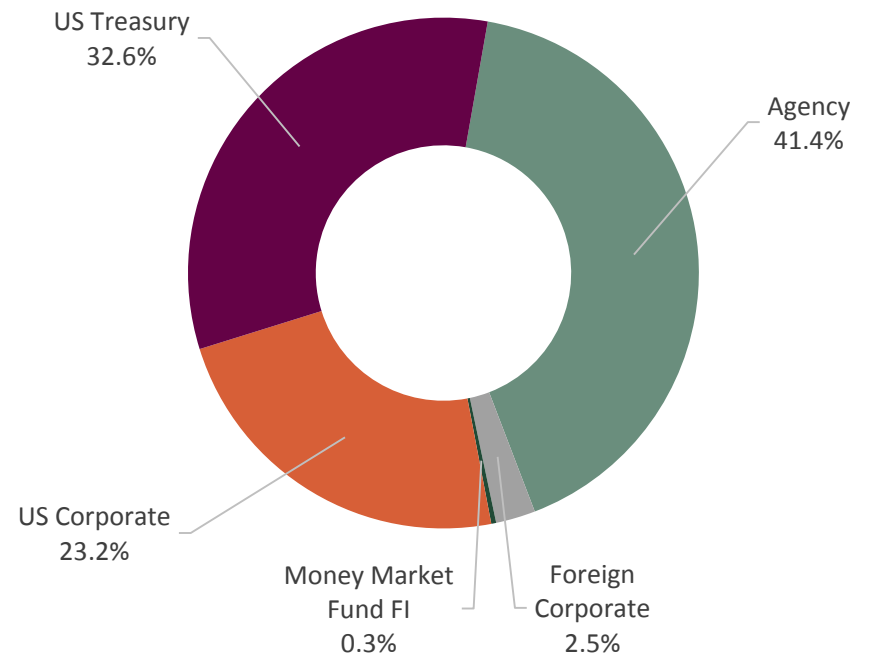
As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF)

August 31, 2019



May 31, 2019



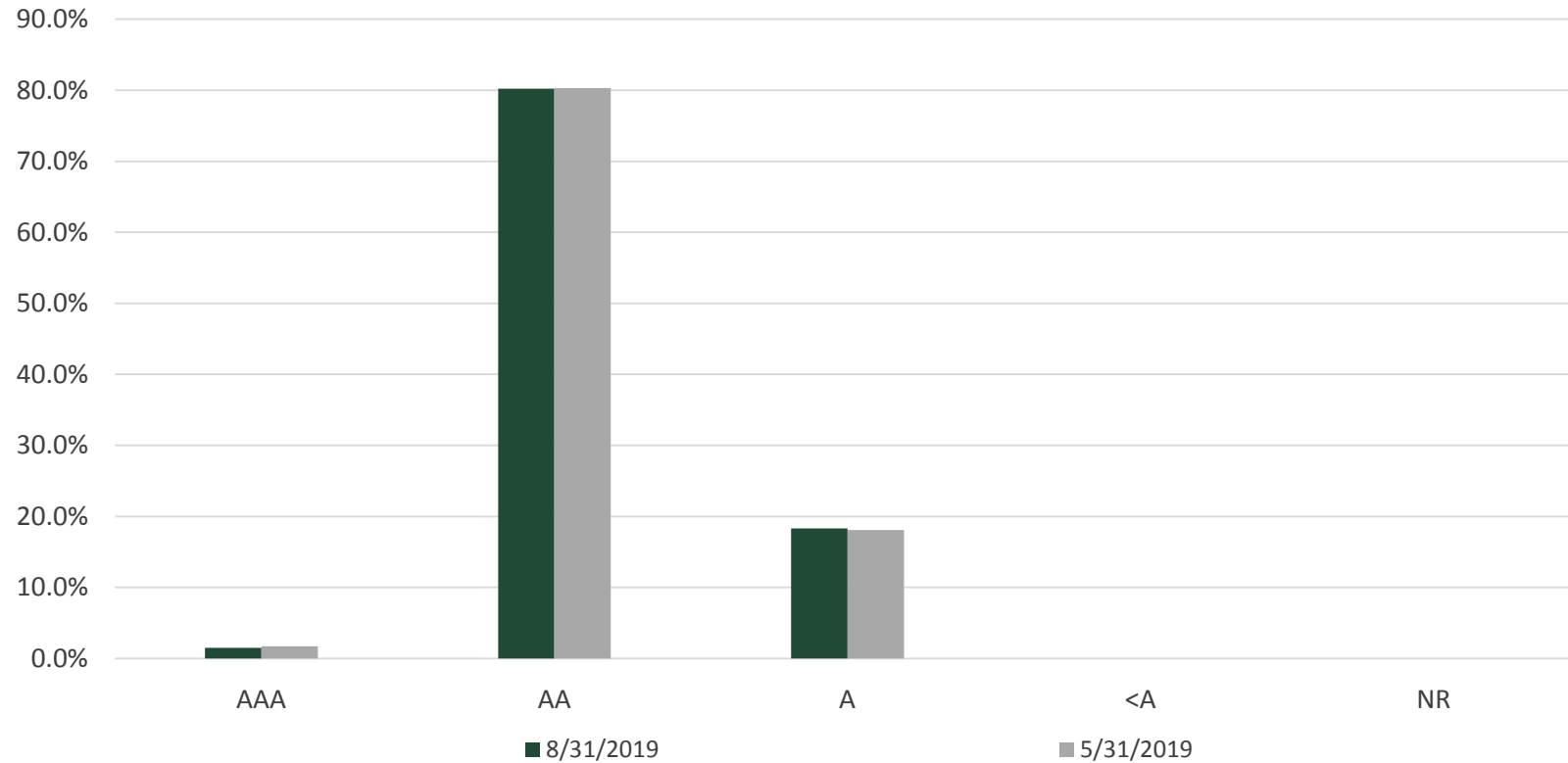
Redwood Empire Municipal Insurance Fund (REMIF) – Account #10140

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	35.23%
Federal National Mortgage Association	Agency	19.74%
Federal Home Loan Bank	Agency	12.41%
Federal Home Loan Mortgage Corp	Agency	7.78%
Paccar Financial	US Corporate	1.42%
Wells Fargo Corp	US Corporate	1.39%
Honda Motor Corporation	US Corporate	1.36%
Microsoft	US Corporate	1.35%
Deere & Company	US Corporate	1.34%
Bank of New York	US Corporate	1.29%
Toronto Dominion Holdings	Foreign Corporate	1.27%
General Dynamics Corp	US Corporate	1.26%
Bank of America Corp	US Corporate	1.26%
Exxon Mobil Corp	US Corporate	1.25%
IBM Corp	US Corporate	1.25%
Royal Bank of Canada	Foreign Corporate	1.24%
Qualcomm Inc	US Corporate	1.24%
Toyota Motor Corp	US Corporate	1.21%
Oracle Corp	US Corporate	1.20%
JP Morgan Chase & Co	US Corporate	1.05%
Boeing Company	US Corporate	0.90%
Costco Wholesale Corporation	US Corporate	0.86%
Berkshire Hathaway	US Corporate	0.85%
State Street Bank	US Corporate	0.66%
US Bancorp	US Corporate	0.58%
Apple Inc	US Corporate	0.50%
First American Govt Oblig Fund	Money Market Fund FI	0.12%
TOTAL		100.00%

Quality Distribution

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) August 31, 2019 vs. May 31, 2019



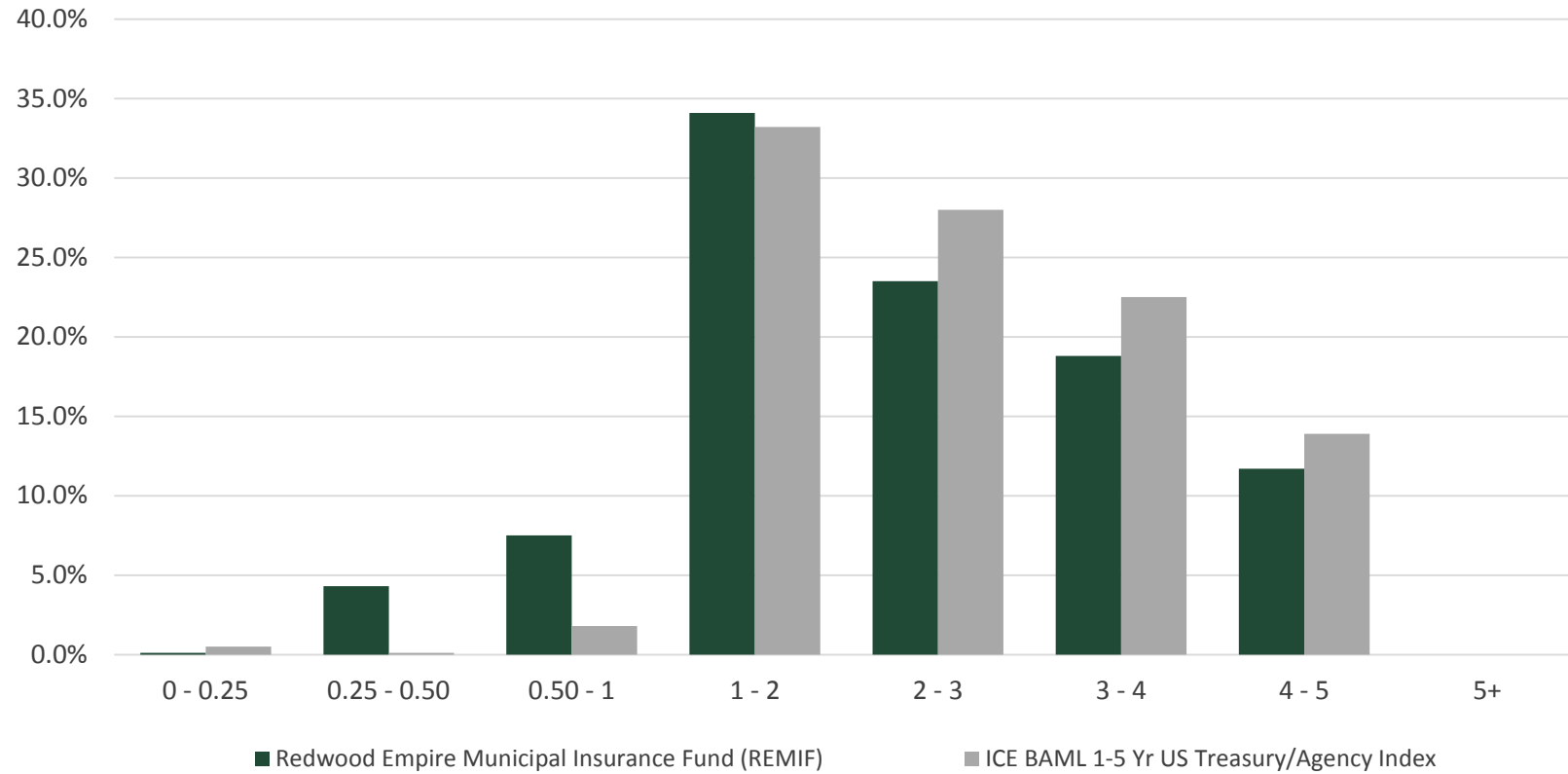
	AAA	AA	A	<A	NR
08/31/19	1.5%	80.2%	18.3%	0.0%	0.0%
05/31/19	1.7%	80.3%	18.1%	0.0%	0.0%

Source: S&P Ratings

Duration Distribution

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) Portfolio Compared to the Benchmark as of August 31, 2019



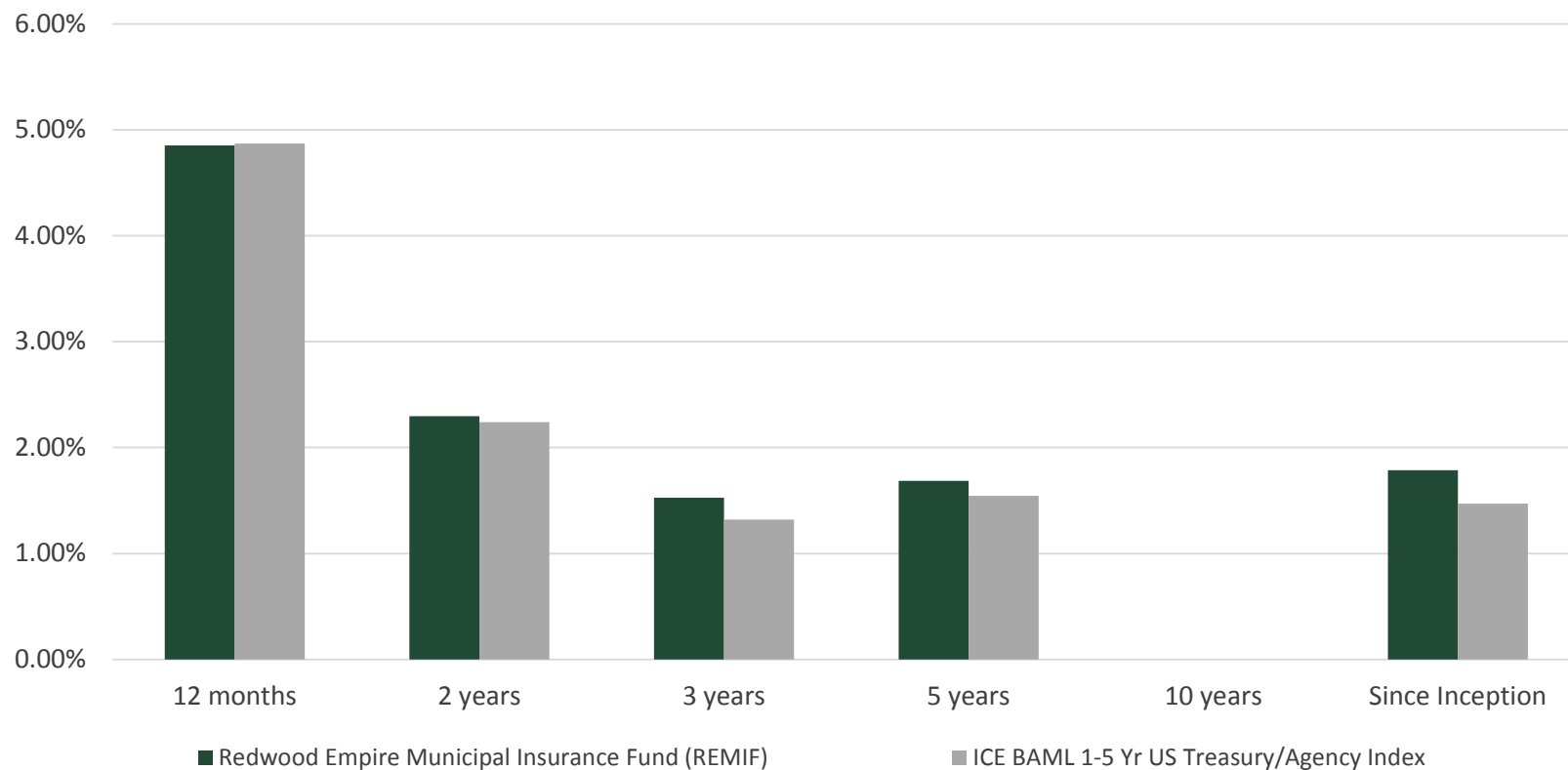
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	0.1%	4.3%	7.5%	34.1%	23.5%	18.8%	11.7%	0.0%
Benchmark*	0.5%	0.1%	1.8%	33.2%	28.0%	22.5%	13.9%	0.0%

*ICE BAML 1-5 Yr US Treasury/Agency Index

Investment Performance

As of June 30, 2019

Redwood Empire Municipal Insurance Fund (REMIF) Total Rate of Return Annualized Since Inception 12/31/2010



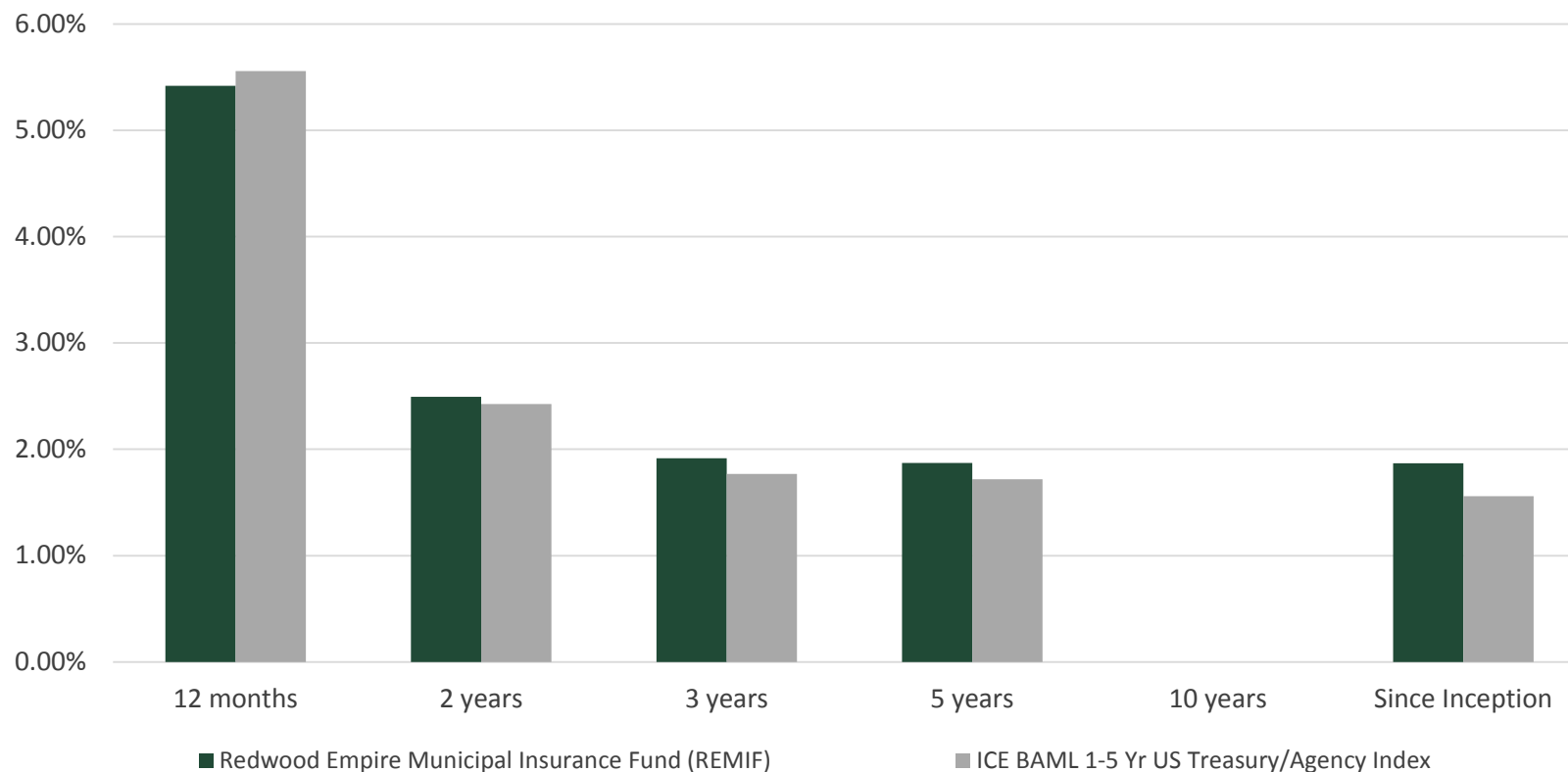
TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Redwood Empire Municipal Insurance Fund (REMIF)	1.72%	4.85%	2.30%	1.53%	1.69%	N/A	1.79%
ICE BAML 1-5 Yr US Treasury/Agency Index	1.81%	4.87%	2.24%	1.32%	1.54%	N/A	1.47%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Investment Performance

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) Total Rate of Return Annualized Since Inception 12/31/2010



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Redwood Empire Municipal Insurance Fund (REMIF)	1.65%	5.42%	2.49%	1.92%	1.87%	N/A	1.87%
ICE BAML 1-5 Yr US Treasury/Agency Index	1.64%	5.56%	2.43%	1.77%	1.72%	N/A	1.56%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Section 3 | Account Profile (OPEB Account)

Investment Objectives

The Redwood Empire Municipal Fund Other Post-Employment Benefits (OPEB) Trust investment objective is to grow the portfolio over the long-term. The OPEB Trust will assume an appropriate level of risk to preserve, grow and pay benefits to the beneficiaries.

Chandler Asset Management Performance Objective

The performance objective of the OPEB Trust is to achieve an annual rate of return on its portfolio which meets the long-term actuarial liability.

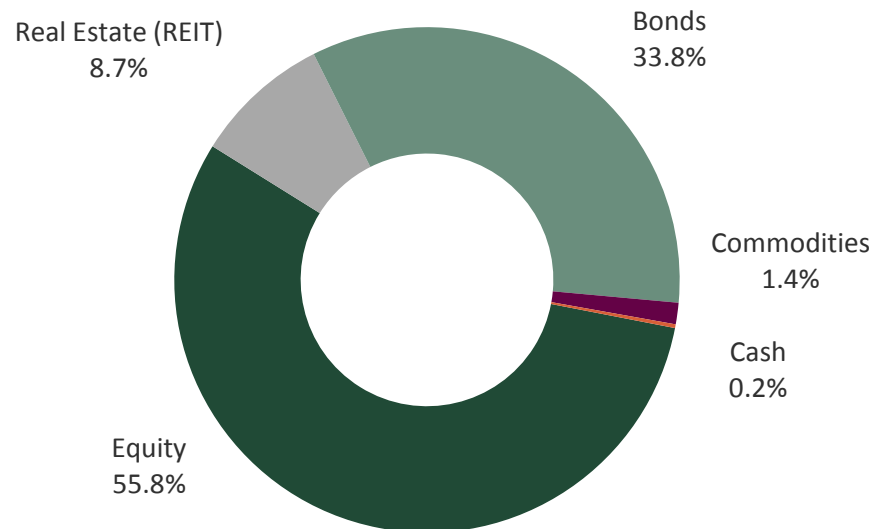
Strategy

In order to achieve this objective, the portfolio invests in a well diversified portfolio of assets including, but not limited to, stocks, bonds, commodities and REITs.

Current Asset Allocation

As of August 31, 2019

Asset Class	8/31/2019	
	Market Value	% Held
Equity	1,598,458	55.8%
Real Estate (REIT)	250,163	8.7%
Bonds	969,312	33.8%
Commodities	39,321	1.4%
Cash	6,817	0.2%
Total Portfolio	2,864,071	100.0%



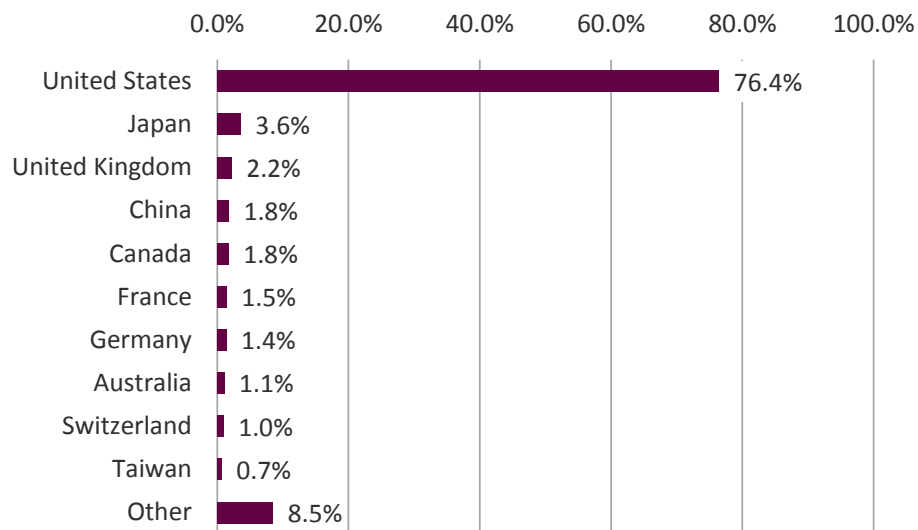
Current Asset Allocation

As of August 31, 2019

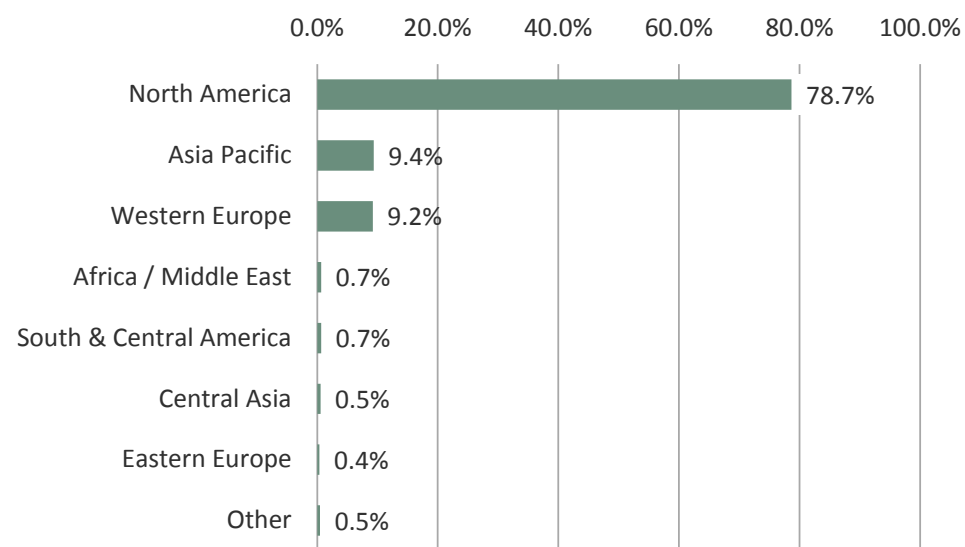
Country Allocation as of 8/31/2019		
Country	Region	% Held
United States	North America	76.4%
Japan	Asia	3.6%
United Kingdom	Europe	2.2%
China	Asia	1.8%
Canada	North America	1.8%
France	Europe	1.5%
Germany	Europe	1.4%
Australia	Australia	1.1%
Switzerland	Europe	1.0%
Taiwan	Asia	0.7%
Other	Various	8.5%
Total		100.0%

Regional Allocation as of 8/31/2019	
Region	% Held
North America	78.7%
Asia Pacific	9.4%
Western Europe	9.2%
Africa / Middle East	0.7%
South & Central America	0.7%
Central Asia	0.5%
Eastern Europe	0.4%
Other	0.5%
Total	100.0%

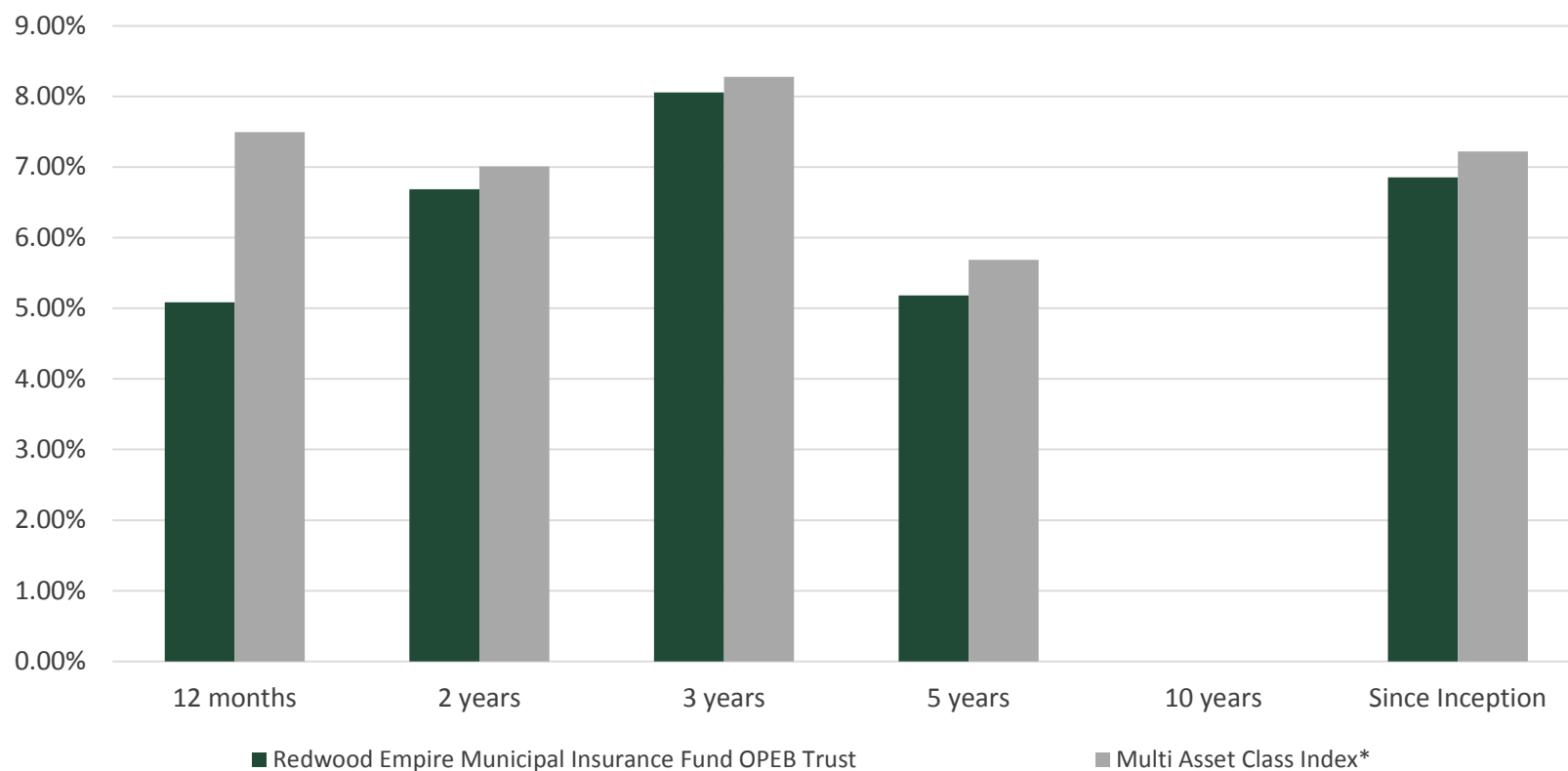
Country Allocation



Regional Allocation



Redwood Empire Municipal Insurance Fund OPEB Trust Total Rate of Return Annualized Since Inception 12/31/2010

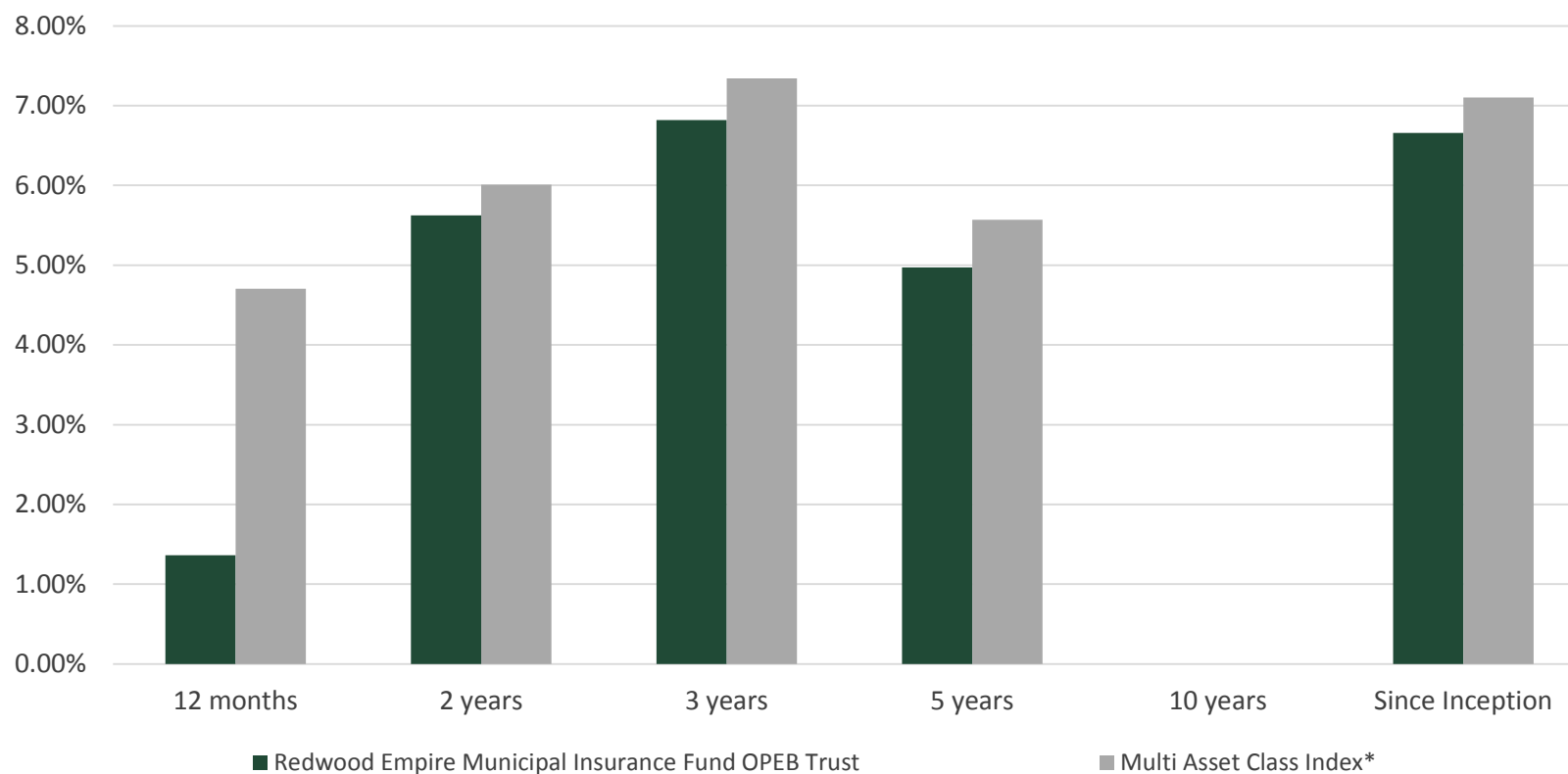


TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Redwood Empire Municipal Insurance Fund OPEB Trust	2.81%	5.08%	6.68%	8.06%	5.18%	N/A	6.85%
Multi Asset Class Index	3.82%	7.49%	7.01%	8.28%	5.69%	N/A	7.22%

*35% Standard & Poors' 500, 25% MSCI EAFE (Europe, Australasia, Israel and the Far East), 40% ICE BAML US Corporate, Govt, Mortgage Index

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Redwood Empire Municipal Insurance Fund OPEB Trust Total Rate of Return Annualized Since Inception 12/31/2010



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Redwood Empire Municipal Insurance Fund OPEB Trust	3.95%	1.36%	5.63%	6.82%	4.97%	N/A	6.66%
Multi Asset Class Index	4.67%	4.70%	6.01%	7.34%	5.57%	N/A	7.10%

*35% Standard & Poors' 500, 25% MSCI EAFE (Europe, Australasia, Israel and the Far East), 40% ICE BAML US Corporate, Govt, Mortgage Index

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Section 4 | Portfolio Holdings

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3137EAEE5	FHLMC Note 1.500% Due 01/17/2020	250,000.00	03/28/2017 1.57%	249,512.50 249,512.50	99.83 1.94%	249,584.75 458.33	2.04% 72.25	Aaa / AA+ AAA	0.38 0.38
3135G0D75	FNMA Note 1.500% Due 06/22/2020	230,000.00	09/29/2015 1.49%	230,124.20 230,124.20	99.71 1.86%	229,331.16 661.25	1.88% (793.04)	Aaa / AA+ AAA	0.81 0.80
3137EA EK1	FHLMC Note 1.875% Due 11/17/2020	250,000.00	11/21/2017 1.96%	249,352.21 249,352.21	100.23 1.68%	250,577.00 1,354.17	2.06% 1,224.79	Aaa / AA+ AAA	1.22 1.19
3135G0F73	FNMA Note 1.500% Due 11/30/2020	230,000.00	12/16/2015 1.90%	225,653.00 225,653.00	99.80 1.66%	229,543.45 872.08	1.88% 3,890.45	Aaa / AA+ AAA	1.25 1.23
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	245,000.00	Various 1.39%	244,764.70 244,764.70	99.74 1.56%	244,357.12 121.65	2.00% (407.58)	Aaa / AA+ AAA	1.47 1.44
3135G0J20	FNMA Note 1.375% Due 02/26/2021	230,000.00	03/30/2016 1.43%	229,374.86 229,374.86	99.68 1.59%	229,265.61 43.92	1.87% (109.25)	Aaa / AA+ AAA	1.49 1.46
3135G0K69	FNMA Note 1.250% Due 05/06/2021	255,000.00	06/29/2016 1.18%	255,867.00 255,867.00	99.52 1.54%	253,763.25 1,018.23	2.08% (2,103.75)	Aaa / AA+ AAA	1.68 1.65
313379RB7	FHLB Note 1.875% Due 06/11/2021	70,000.00	10/17/2017 1.88%	69,993.00 69,993.00	100.52 1.58%	70,361.55 291.67	0.58% 368.55	Aaa / AA+ AAA	1.78 1.74
3135G0U35	FNMA Note 2.750% Due 06/22/2021	160,000.00	06/28/2018 2.70%	160,236.80 160,236.80	102.16 1.54%	163,449.76 843.33	1.34% 3,212.96	Aaa / AA+ AAA	1.81 1.76
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	230,000.00	10/04/2016 1.33%	227,874.80 227,874.80	99.25 1.53%	228,285.58 337.81	1.87% 410.78	Aaa / AA+ AAA	1.87 1.84
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	215,000.00	Various 1.29%	213,356.40 213,356.40	99.28 1.50%	213,445.98 127.66	1.75% 89.58	Aaa / AA+ AAA	1.95 1.92
3135G0N82	FNMA Note 1.250% Due 08/17/2021	190,000.00	10/04/2016 1.37%	188,972.67 188,972.67	99.41 1.55%	188,887.93 92.36	1.54% (84.74)	Aaa / AA+ AAA	1.96 1.93
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	60,000.00	10/27/2016 1.50%	59,634.60 59,634.60	99.63 1.55%	59,780.52 330.00	0.49% 145.92	Aaa / AA+ AAA	2.10 2.05
3135G0S38	FNMA Note 2.000% Due 01/05/2022	225,000.00	Various 1.96%	225,389.25 225,389.25	101.01 1.56%	227,261.70 700.00	1.86% 1,872.45	Aaa / AA+ AAA	2.35 2.28
3135G0T45	FNMA Note 1.875% Due 04/05/2022	235,000.00	06/19/2017 1.88%	234,964.52 234,964.52	101.01 1.48%	237,380.08 1,786.98	1.96% 2,415.56	Aaa / AA+ AAA	2.60 2.51
3135G0T78	FNMA Note 2.000% Due 10/05/2022	235,000.00	10/17/2017 2.04%	234,530.00 234,530.00	101.59 1.47%	238,734.15 1,906.11	1.97% 4,204.15	Aaa / AA+ AAA	3.10 2.97
3135G0T94	FNMA Note 2.375% Due 01/19/2023	100,000.00	04/11/2018 2.71%	98,526.00 98,526.00	102.92 1.49%	102,920.90 277.08	0.84% 4,394.90	Aaa / AA+ AAA	3.39 3.24

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	225,000.00	07/20/2018 2.86%	223,870.50 223,870.50	104.62 1.49%	235,405.35 1,237.50	1.93% 11,534.85	Aaa / AA+ AAA	3.80 3.59
313383YJ4	FHLB Note 3.375% Due 09/08/2023	215,000.00	10/29/2018 3.08%	217,822.95 217,822.95	107.38 1.48%	230,870.23 3,487.03	1.92% 13,047.28	Aaa / AA+ NR	4.02 3.72
3135G0U43	FNMA Note 2.875% Due 09/12/2023	230,000.00	09/12/2018 2.96%	229,057.00 229,057.00	105.53 1.46%	242,724.75 3,104.20	2.01% 13,667.75	Aaa / AA+ AAA	4.04 3.77
3130A0F70	FHLB Note 3.375% Due 12/08/2023	225,000.00	Various 2.75%	231,460.50 231,460.50	107.85 1.47%	242,666.78 1,750.78	2.00% 11,206.28	Aaa / AA+ AAA	4.27 3.97
3130A0XE5	FHLB Note 3.250% Due 03/08/2024	200,000.00	03/28/2019 2.27%	209,082.00 209,082.00	107.31 1.57%	214,618.20 3,123.61	1.78% 5,536.20	Aaa / AA+ NR	4.52 4.16
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	35,000.00	04/29/2019 2.37%	35,002.45 35,002.45	104.03 1.45%	36,411.17 399.46	0.30% 1,408.72	Aaa / AA+ NR	4.52 4.24
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	225,000.00	06/18/2019 1.96%	234,733.55 234,733.55	106.37 1.49%	239,330.03 1,383.59	1.97% 4,596.48	Aaa / AA+ NR	4.79 4.46
TOTAL Agency		4,765,000.00	1.98%	4,779,155.46	1.57%	4,858,957.00 25,708.80	39.93% 79,801.54	Aaa / AA+ Aaa	2.50 2.38
Foreign Corporate									
78012KKU0	Royal Bank of Canada Note 2.500% Due 01/19/2021	150,000.00	12/11/2017 2.37%	150,568.50 150,568.50	100.83 1.89%	151,245.30 437.50	1.24% 676.80	Aa2 / AA- AA	1.39 1.35
89114QCB2	Toronto Dominion Bank Note 3.250% Due 03/11/2024	145,000.00	03/26/2019 2.97%	146,835.70 146,835.70	105.20 2.04%	152,543.19 2,225.35	1.27% 5,707.49	Aa3 / A AA-	4.53 4.15
TOTAL Foreign Corporate		295,000.00	2.68%	297,404.20	1.97%	303,788.49 2,662.85	2.51% 6,384.29	Aa3 / A+ AA-	2.98 2.77
Money Market Fund FI									
31846V203	First American Govt Obligation Fund Class Y	15,244.15	Various 1.71%	15,244.15 15,244.15	1.00 1.71%	15,244.15 0.00	0.12% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		15,244.15	1.71%	15,244.15	1.71%	15,244.15 0.00	0.12% 0.00	Aaa / AAA Aaa	0.00 0.00
US Corporate									
94974BGF1	Wells Fargo Corp Note 2.150% Due 01/30/2020	170,000.00	01/26/2015 2.17%	169,816.40 169,816.40	100.03 2.08%	170,047.10 314.74	1.39% 230.70	A2 / A- A+	0.42 0.41
22160KAGO	Costco Wholesale Corp Note 1.750% Due 02/15/2020	105,000.00	02/05/2015 1.77%	104,889.75 104,889.75	99.83 2.13%	104,819.09 81.67	0.86% (70.66)	Aa3 / A+ NR	0.46 0.45

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
747525AD5	Qualcomm Inc Note 2.250% Due 05/20/2020	150,000.00	06/11/2015 2.49%	148,338.75 148,338.75	100.12 2.08%	150,177.00 946.88	1.24% 1,838.25	A2 / A- NR	0.72 0.71
594918BG8	Microsoft Callable Note Cont. 10/3/2020 2.000% Due 11/03/2020	60,000.00	10/29/2015 2.02%	59,952.00 59,952.00	100.23 1.78%	60,135.84 393.33	0.49% 183.84	Aaa / AAA AA+	1.18 1.07
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	150,000.00	05/16/2016 1.84%	152,629.50 152,629.50	100.61 1.81%	150,912.75 1,666.50	1.25% (1,716.75)	Aaa / AA+ NR	1.50 1.45
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	150,000.00	Various 3.25%	148,947.10 148,947.10	101.92 1.84%	152,875.36 1,375.00	1.26% 3,928.26	A2 / A+ NR	1.70 1.64
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	80,000.00	05/16/2016 1.96%	79,958.40 79,958.40	100.00 1.95%	79,998.08 442.00	0.66% 39.68	A1 / A AA-	1.72 1.67
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	105,000.00	Various 1.57%	104,875.35 104,875.35	99.70 1.71%	104,683.95 103.98	0.86% (191.40)	Aaa / AAA AA+	1.94 1.90
69371RN44	Paccar Financial Corp Note 1.650% Due 08/11/2021	145,000.00	05/23/2018 3.15%	138,421.35 138,421.35	99.30 2.02%	143,985.00 132.92	1.18% 5,563.65	A1 / A+ NR	1.95 1.90
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	145,000.00	11/29/2016 2.40%	141,753.45 141,753.45	99.99 1.90%	144,989.42 1,270.36	1.20% 3,235.97	A1 / A+ A	2.04 1.90
24422ETL3	John Deere Capital Corp Note 2.650% Due 01/06/2022	160,000.00	01/03/2017 2.66%	159,955.20 159,955.20	101.90 1.82%	163,037.76 647.78	1.34% 3,082.56	A2 / A A	2.35 2.26
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	145,000.00	03/14/2018 3.04%	142,711.98 142,711.98	101.61 1.90%	147,341.32 523.61	1.21% 4,629.34	Aa3 / AA- A+	2.37 2.28
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 01/24/2022	70,000.00	01/19/2017 2.66%	69,879.60 69,879.60	101.66 1.89%	71,159.69 188.85	0.58% 1,280.09	A1 / A+ AA-	2.40 2.23
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	150,000.00	11/29/2017 2.58%	147,462.00 147,462.00	100.58 2.00%	150,863.70 1,585.83	1.25% 3,401.70	A2 / A NR	3.02 2.88
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	125,000.00	02/09/2018 3.19%	123,793.75 123,793.75	102.05 2.08%	127,561.75 474.69	1.05% 3,768.00	A2 / A- AA-	3.38 2.73
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	100,000.00	11/26/2018 3.51%	97,009.00 97,009.00	103.19 1.77%	103,187.30 1,268.06	0.85% 6,178.30	Aa2 / AA A+	3.54 3.18
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	60,000.00	11/28/2018 3.54%	57,227.40 57,227.40	102.11 1.80%	61,263.84 472.00	0.50% 4,036.44	Aa1 / AA+ NR	3.67 3.48
097023BQ7	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 06/15/2023	110,000.00	02/13/2019 2.98%	105,112.70 105,112.70	99.44 2.03%	109,380.92 435.42	0.90% 4,268.22	A2 / A A	3.79 3.62
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	45,000.00	07/11/2018 3.49%	44,922.15 44,922.15	105.37 2.00%	47,414.43 202.69	0.39% 2,492.28	A2 / A NR	3.87 3.61
06406RAJ6	Bank of NY Mellon Corp Note 3.450% Due 08/11/2023	150,000.00	05/16/2019 2.79%	153,945.00 153,945.00	105.31 2.04%	157,966.65 287.50	1.29% 4,021.65	A1 / A AA-	3.95 3.68

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	110,000.00	10/03/2018 3.64%	109,909.80 109,909.80	106.30 2.02%	116,928.02 1,561.77	0.97% 7,018.22	A2 / A NR	4.11 3.78
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	145,000.00	03/06/2019 3.37%	145,594.50 145,594.50	104.51 2.20%	151,545.45 2,516.56	1.26% 5,950.95	A2 / A- A+	4.52 3.25
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	30,000.00	08/08/2019 2.20%	29,933.70 29,933.70	100.48 2.05%	30,144.00 28.67	0.25% 210.30	A1 / A+ NR	4.96 4.68
TOTAL US Corporate		2,660,000.00	2.71%	2,637,038.83	1.96%	2,700,418.42 16,920.81	22.21% 63,379.59	A1 / A+ A+	2.45 2.24
US Treasury									
912828J84	US Treasury Note 1.375% Due 03/31/2020	80,000.00	10/23/2015 1.35%	80,078.39 80,078.39	99.70 1.89%	79,762.48 462.84	0.66% (315.91)	Aaa / AA+ AAA	0.58 0.57
912828VF4	US Treasury Note 1.375% Due 05/31/2020	230,000.00	Various 1.62%	227,359.76 227,359.76	99.65 1.85%	229,191.32 803.59	1.88% 1,831.56	Aaa / AA+ AAA	0.75 0.74
912828L32	US Treasury Note 1.375% Due 08/31/2020	230,000.00	09/29/2015 1.37%	230,072.65 230,072.65	99.59 1.79%	229,065.74 8.69	1.87% (1,006.91)	Aaa / AA+ AAA	1.00 0.99
912828L99	US Treasury Note 1.375% Due 10/31/2020	230,000.00	11/23/2015 1.71%	226,398.04 226,398.04	99.59 1.73%	229,047.57 1,065.63	1.88% 2,649.53	Aaa / AA+ AAA	1.17 1.15
912828N89	US Treasury Note 1.375% Due 01/31/2021	230,000.00	03/09/2016 1.40%	229,776.16 229,776.16	99.59 1.67%	229,056.54 275.00	1.87% (719.62)	Aaa / AA+ AAA	1.42 1.39
912828B90	US Treasury Note 2.000% Due 02/28/2021	230,000.00	04/26/2016 1.40%	236,460.54 236,460.54	100.55 1.63%	231,257.87 12.64	1.89% (5,202.67)	Aaa / AA+ AAA	1.50 1.47
912828Q37	US Treasury Note 1.250% Due 03/31/2021	240,000.00	Various 1.57%	236,789.86 236,789.86	99.43 1.62%	238,621.92 1,262.30	1.96% 1,832.06	Aaa / AA+ AAA	1.58 1.55
912828S27	US Treasury Note 1.125% Due 06/30/2021	165,000.00	12/13/2016 1.87%	159,676.72 159,676.72	99.20 1.57%	163,685.12 317.78	1.34% 4,008.40	Aaa / AA+ AAA	1.83 1.80
912828T34	US Treasury Note 1.125% Due 09/30/2021	235,000.00	11/09/2016 1.48%	231,025.99 231,025.99	99.19 1.52%	233,099.79 1,112.40	1.91% 2,073.80	Aaa / AA+ AAA	2.08 2.04
912828F96	US Treasury Note 2.000% Due 10/31/2021	245,000.00	08/15/2017 1.73%	247,642.23 247,642.23	101.04 1.51%	247,536.24 1,651.09	2.04% (105.99)	Aaa / AA+ AAA	2.17 2.10
912828G87	US Treasury Note 2.125% Due 12/31/2021	245,000.00	08/15/2017 1.75%	248,809.81 248,809.81	101.45 1.49%	248,560.10 891.29	2.04% (249.71)	Aaa / AA+ AAA	2.34 2.26
912828J43	US Treasury Note 1.750% Due 02/28/2022	245,000.00	03/13/2017 2.14%	240,569.77 240,569.77	100.70 1.47%	246,703.49 11.78	2.02% 6,133.72	Aaa / AA+ AAA	2.50 2.44
912828XG0	US Treasury Note 2.125% Due 06/30/2022	210,000.00	07/31/2017 1.84%	212,789.77 212,789.77	101.93 1.43%	214,052.37 763.96	1.76% 1,262.60	Aaa / AA+ AAA	2.83 2.74

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828L57	US Treasury Note 1.750% Due 09/30/2022	250,000.00	10/17/2017 1.99%	247,226.56 247,226.56	100.95 1.43%	252,373.00 1,840.85	2.08% 5,146.44	Aaa / AA+ AAA	3.08 2.97
912828N30	US Treasury Note 2.125% Due 12/31/2022	235,000.00	01/25/2018 2.46%	231,346.48 231,346.48	102.26 1.43%	240,315.00 854.91	1.97% 8,968.52	Aaa / AA+ AAA	3.34 3.20
912828T91	US Treasury Note 1.625% Due 10/31/2023	235,000.00	04/29/2019 2.31%	228,161.13 228,161.13	100.82 1.42%	236,936.87 1,286.75	1.95% 8,775.74	Aaa / AA+ AAA	4.17 4.00
912828B66	US Treasury Note 2.750% Due 02/15/2024	235,000.00	04/29/2019 2.31%	239,644.92 239,644.92	105.72 1.42%	248,448.35 298.54	2.03% 8,803.43	Aaa / AA+ AAA	4.46 4.20
912828X70	US Treasury Note 2.000% Due 04/30/2024	245,000.00	Various 1.58%	249,631.05 249,631.05	102.62 1.42%	251,412.14 1,651.09	2.07% 1,781.09	Aaa / AA+ AAA	4.67 4.42
912828D56	US Treasury Note 2.375% Due 08/15/2024	235,000.00	08/29/2019 1.45%	245,418.95 245,418.95	104.56 1.42%	245,721.88 257.83	2.01% 302.93	Aaa / AA+ AAA	4.96 4.67
TOTAL US Treasury		4,250,000.00	1.77%	4,248,878.78	1.55%	4,294,847.79	35.23% 45,969.01	Aaa / AA+ Aaa	2.55 2.46
TOTAL PORTFOLIO		11,985,244.15	2.09%	11,977,721.42	1.66%	12,173,255.85	100.00% 195,534.43	Aa1 / AA Aaa	2.52 2.38
TOTAL MARKET VALUE PLUS ACCRUALS						12,233,377.27			

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund OPEB Trust - Account #10141

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Commodities									
46428R107	IShares S&P GSCI Commodity-Indexed 0.000% Due 08/31/2019	1,225.00	Various 0.00%	40,798.95 40,798.95	14.82 0.00%	18,154.50 0.00	0.63% (22,644.45)	NR / NR NR	0.00 0.00
97718W108	WisdomTree Investments Continuous Commodity Index 0.000% Due 08/31/2019	1,240.00	01/01/2016 0.00%	37,056.41 37,056.41	17.07 0.00%	21,166.80 0.00	0.74% (15,889.61)	NR / NR NR	0.00 0.00
TOTAL Commodities		2,465.00	0.00%	77,855.36	0.00%	39,321.30	1.37% (38,534.06)	NR / NR NR	0.00 0.00
Emerging Market Equity									
922042858	Vanguard FTSE Emerging Markets ETF 0.000% Due 08/31/2019	3,625.00	Various 0.61%	155,190.43 155,190.43	40.40 0.00%	146,450.00 0.00	5.11% (8,740.43)	NR / NR NR	0.00 0.00
TOTAL Emerging Market Equity		3,625.00	0.61%	155,190.43	0.00%	146,450.00	5.11% (8,740.43)	NR / NR NR	0.00 0.00
International Bonds									
92203J407	Vanguard Total Intl Bond ETF 0.000% Due 08/31/2019	1,350.00	03/27/2018 2.23%	73,816.79 73,816.79	59.13 0.00%	79,825.50 0.00	2.79% 6,008.71	NR / NR NR	0.00 0.00
TOTAL International Bonds		1,350.00	2.23%	73,816.79	0.00%	79,825.50	2.79% 6,008.71	NR / NR NR	0.00 0.00
International Equity									
921943858	Vanguard ETF FTSE Developed Mkts ETF 0.000% Due 08/31/2019	7,435.00	Various 0.75%	270,354.80 270,354.80	40.09 0.00%	298,069.15 0.00	10.41% 27,714.35	NR / NR NR	0.00 0.00
TOTAL International Equity		7,435.00	0.75%	270,354.80	0.00%	298,069.15	10.41% 27,714.35	NR / NR NR	0.00 0.00
International Real Estate									
464288489	ISHARES Intl Developed Real Estate ETF 0.000% Due 08/31/2019	2,355.00	Various 0.00%	71,461.27 71,461.27	29.67 0.00%	69,872.85 0.00	2.44% (1,588.42)	NR / NR NR	0.00 0.00
TOTAL International Real Estate		2,355.00	0.00%	71,461.27	0.00%	69,872.85	2.44% (1,588.42)	NR / NR NR	0.00 0.00

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund OPEB Trust - Account #10141

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Large Cap US Equity									
464287200	ISHARES S&P 500 Index ETF	1,080.00	Various 0.00%	150,746.84 150,746.84	294.27 0.00%	317,811.60 0.00	11.10% 167,064.76	NR / NR NR	0.00 0.00
TOTAL Large Cap US Equity		1,080.00	0.00%	150,746.84	0.00%	317,811.60	11.10%	NR / NR	0.00
Mid Cap US Equity									
464287507	ISHARES S&P Midcap ETF 0.000% Due 08/31/2019	1,915.00	Various 0.16%	204,856.23 204,856.23	188.17 0.00%	360,345.55 0.00	12.58% 155,489.32	NR / NR NR	0.00 0.00
TOTAL Mid Cap US Equity		1,915.00	0.16%	204,856.23	0.00%	360,345.55	12.58%	NR / NR	0.00
Money Market Fund FI									
31846V203	First American Govt Obligation Fund Class Y	6,816.92	Various 1.71%	6,816.92 6,816.92	1.00 1.71%	6,816.92 0.00	0.24% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		6,816.92	1.71%	6,816.92	1.71%	6,816.92	0.24%	Aaa / AAA	0.00
Real Estate									
922908553	Vanguard ETF REIT 0.000% Due 08/31/2019	1,955.00	Various 1.07%	118,957.18 118,957.18	92.22 0.00%	180,290.10 0.00	6.29% 61,332.92	NR / NR NR	0.00 0.00
TOTAL Real Estate		1,955.00	1.07%	118,957.18	0.00%	180,290.10	6.29%	NR / NR	0.00
Small Cap US Equity									
922908751	Vanguard ETF Small Cap 0.000% Due 08/31/2019	3,125.00	Various 0.63%	277,321.97 277,321.97	152.25 0.00%	475,781.25 0.00	16.61% 198,459.28	NR / NR NR	0.00 0.00
TOTAL Small Cap US Equity		3,125.00	0.63%	277,321.97	0.00%	475,781.25	16.61%	NR / NR	0.00
US Core Bonds									
921937835	Vanguard ETF Total Bond Index 0.000% Due 08/31/2019	8,620.00	Various 1.28%	703,317.24 703,317.24	85.10 0.00%	733,562.00 0.00	25.61% 30,244.76	NR / NR NR	0.00 0.00
TOTAL US Core Bonds		8,620.00	1.28%	703,317.24	0.00%	733,562.00	25.61%	NR / NR	0.00

Holdings Report

As of August 31, 2019

Redwood Empire Municipal Insurance Fund OPEB Trust - Account #10141

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US High Yield Bonds									
78468R622	Barclays Capital High Yield Bond ETF 0.000% Due 08/31/2019	1,433.00	05/07/2019 0.00%	167,972.64 167,972.64	108.81 0.00%	155,924.74 0.00	5.44% (12,047.90)	NR / NR NR	0.00 0.00
TOTAL US High Yield Bonds		1,433.00	0.00%	167,972.64	0.00%	0.00	(12,047.90)	NR	0.00
TOTAL PORTFOLIO				2,278,667.67	0.00%	2,864,070.96	100.00%	Aaa / AAA	0.00
		42,174.92	0.70%	2,278,667.67	0.00%	0.00	585,403.29	Aaa	0.00
TOTAL MARKET VALUE PLUS ACCRUALS						2,864,070.96			



Section 5 | Transactions

Transaction Ledger

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

May 31, 2019 through August 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/19/2019	3130A1XJ2	85,000.00	FHLB Note 2.875% Due: 06/14/2024	104.331	1.96%	88,681.35	33.94	88,715.29	0.00
Purchase	06/19/2019	3130A1XJ2	140,000.00	FHLB Note 2.875% Due: 06/14/2024	104.323	1.96%	146,052.20	55.90	146,108.10	0.00
Purchase	06/27/2019	912828X70	95,000.00	US Treasury Note 2% Due: 04/30/2024	100.934	1.80%	95,886.91	299.46	96,186.37	0.00
Purchase	08/15/2019	69371RQ25	30,000.00	Paccar Financial Corp Note 2.15% Due: 08/15/2024	99.779	2.20%	29,933.70	0.00	29,933.70	0.00
Purchase	08/30/2019	912828D56	235,000.00	US Treasury Note 2.375% Due: 08/15/2024	104.434	1.45%	245,418.95	227.50	245,646.45	0.00
Purchase	08/30/2019	912828X70	150,000.00	US Treasury Note 2% Due: 04/30/2024	102.496	1.44%	153,744.14	994.57	154,738.71	0.00
Subtotal			735,000.00				759,717.25	1,611.37	761,328.62	0.00
TOTAL ACQUISITIONS			735,000.00				759,717.25	1,611.37	761,328.62	0.00
DISPOSITIONS										
Sale	06/13/2019	674599CK9	50,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due: 04/15/2022	99.475	2.79%	49,737.50	209.44	49,946.94	930.50
Sale	06/19/2019	3135G0ZG1	150,000.00	FNMA Note 1.75% Due: 09/12/2019	99.874	2.29%	149,811.00	707.29	150,518.29	201.00
Sale	06/24/2019	674599CK9	45,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due: 04/15/2022	100.232	2.51%	45,104.40	224.25	45,328.65	1,178.10
Sale	06/25/2019	674599CK9	45,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due: 04/15/2022	100.072	2.57%	45,032.40	227.50	45,259.90	1,106.10

Transaction Ledger

As of August 31, 2019

Redwood Empire Municipal Insurance Fund (REMIF) - Account #10140

May 31, 2019 through August 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	08/30/2019	3137EADM8	240,000.00	FHLMC Note 1.25% Due: 10/02/2019	99.923	2.11%	239,815.20	1,233.33	241,048.53	5,688.00
Sale	08/30/2019	912828J84	150,000.00	US Treasury Note 1.375% Due: 03/31/2020	99.723	1.85%	149,583.98	856.56	150,440.54	-563.01
Subtotal			680,000.00				679,084.48	3,458.37	682,542.85	8,540.69
TOTAL DISPOSITIONS			680,000.00				679,084.48	3,458.37	682,542.85	8,540.69

Important Disclosures

As of August 31, 2019

2019 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Training and Education Disclosures

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Any forecasts, forward-looking statements and assumptions are inherently limited and should not be relied upon as an indicator of future results. Any opinions or views constitute judgments made by the author at the date of this presentation and may become outdated or superseded at any time without notice. Any statements concerning financial market trends are based on current market conditions, which will fluctuate.

Economic factors, market conditions and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark. The data contained in this presentation is the property of those providers, which was obtained from sources believed to be reliable, but are subject to change at any time at the provider's discretion. Unless otherwise noted, Chandler is the source of data contained in this presentation.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

ICE BAML 1-5 Yr US Treasury/Agency Index

The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVAO. Please visit www.mlindex.ml.com for more information)

Multi Asset Class Index*

The S&P 500 is a market value weighted index of 500 large capitalization stocks. The 500 companies included in the index capture approximately 80% of available U.S. market capitalization.

The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.

The ICE BofAML US Corporate, Government & Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from the Index, as are all collateralized mortgage obligations. With the exception of local currency sovereign debt, qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Qualifying US Treasuries must have a minimum amount outstanding of \$1 billion. Qualifying US agencies, foreign governments, supranationals, corporates and covered bonds must have a minimum amount outstanding of \$250 million. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30-year, 20-year and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250 million per production year within each generic coupon. (Index: DOAO. Please visit www.mlindex.ml.com for more information)

Asset Class 10-Year Snapshot Disclosure

As of June 30, 2019

- **US Small Cap Stocks – Morgan Stanley Capital International (MSCI) Small Cap 1750** – The MSCI Small Cap 1750 is a market capitalization weighted index that measures the performance of small capitalization U.S. stocks.
- **US Mid Cap Stocks – Morgan Stanley Capital International (MSCI) Mid Cap 450** – The MSCI Mid Cap 450 is a market capitalization weighted index that measures the performance of mid-capitalization U.S. stocks.
- **US Large Cap Stocks – Standard & Poor's 500** – The S&P 500 is a market value weighted index of 500 large capitalization stocks. The 500 companies included in the index capture approximately 80% of available U.S. market capitalization.
- **International Stocks – Morgan Stanley Capital International (MSCI) EAFE** – The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.
- **Emerging Market Stocks – Morgan Stanley Capital International (MSCI) Emerging Markets** – The MSCI Emerging Markets Index is a market capitalization weighted index that captures equity performance of large and mid-cap stocks across emerging market countries.
- **U.S. Real Estate – Morgan Stanley Capital International (MSCI) REIT** – The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. It represents about 99% of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard (GICS®). It excludes Mortgage REITs and selected Specialized REITs.
- **International Real Estate – S&P Developed Ex-US Property** – The S&P Developed Ex-US Property Index is a market capitalization weighted index that captures the performance of a universe of publicly traded property companies based in developing countries outside of the US. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **US Core Bonds – ICE BAML US Corporate, Government, Mortgage** – The ICE BAML US Corporate, Government, Mortgage index is a broad measure of US investment grade bond performance, including US Treasuries, agencies, investment-grade corporates and mortgage securities.
- **US High Yield Bonds – ICE BAML US High Yield** – The ICE BAML High Yield Bond Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.
- **International Bonds – S&P Citigroup International Govt Bond** – Index from 1/1/2009 – 1/31/2013. This index measures the performance of sovereign bonds of non-U.S. developed countries. Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value Unhedged USD from 2/1/2013 – current. This index measures the performance of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
- **Diversified Commodities – S&P GSCI Commodity Index** – The S&P GSCI Commodity Index is a world production-weighted measure of general commodity price movements and inflation in the world economy. It consists of a basket of physical commodity futures contracts.

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All investments contain risk and may lose value. Fixed income investments are subject to interest rate, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates. International: Non-US markets may be more volatile due to a variety of factors including less liquidity, transparency and oversight of companies and assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries. Equities: Investments on equities are subject to risks from stock market fluctuations that occur in response to economic and business developments.

August 26, 2019

Amy Northam, General Manager
Redwood Empire Municipal Insurance Fund
414 W. Napa Street, 2nd Floor, Suite C
Sonoma, CA 95476

Dear Amy,

We have completed our annual review of Redwood Empire Municipal Insurance Fund's ("REMIF") investment policy. Our review focuses on compliance with the statutes of California Government Code ("Code") that govern the investment of public funds, as well as on inclusion of current industry best practices. REMIF's policy is well written and continues to be effective. We do, however, recommend minor modifications that we believe will:

- Update the policy with the latest changes to Code
- Update the policy with the latest California best practices
- Enhance the clarity and readability of the policy

Please find a summary of the recommended changes below, organized by the sections in the policy:

II. Operational and Procedural matters

C. Authorized Financial Dealers and Institutions

- Paragraph 2: Inclusion of language that allows for REMIF to rely on its investment adviser for the selection of brokers.
- Paragraph 4: Inclusion of a more robust requirement for efficient execution of trades to replace language currently in Section D.

D. Deliver vs. Payment

- Removal of language requiring competitive trades, to be replaced by language added to Section C, Paragraph 4.

E. Safekeeping of Securities

- Additional requirements for the reporting of trades, as well as custodial reporting of positions.

III. Permitted investments and portfolio risk management

A. Authorized Investments

- **Introductory Paragraph:** Addition of language to address discrepancies between the policy and Code—if there is a discrepancy, the more restrictive language applies. Additionally, the

augmented paragraph provides a procedure for handling securities that no longer meet the standards of the policy upon any update.

- Paragraph 2, Federal Agencies: Additional restrictions on Federal Agencies, including a 25% per issuer limit, and a maximum maturity of five years.
- Paragraph 3, Municipal Securities: Addition of more descriptive language of what is allowed as it pertains to California or municipal bonds from the other 49 states. Moreover, inclusion of a minimum credit rating requirement of “A,” a 30% concentration limit, and an issuer limit of 5%.
- Paragraph 4, Bankers’ Acceptances: Change of credit requirement from either Moody’s or Standard & Poor’s to simply “at least one Nationally Recognized Statistical Rating Organization (NRSRO).”
- Paragraph 6, Negotiable Certificates of Deposit (NCDs): Update of language to reflect Code requirements that eligible NCDs be issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Moreover, a waiver of credit quality for amounts within the FDIC limits.
- Paragraph 10, Corporate Medium Term Notes: change to the number of NRSRO ratings required from two to one to better align with Code.
- Paragraph 12, Asset-Backed, Mortgage-Backed, Mortgage Passthrough securities, et. al.: Addition of asset class new to REMIF but long allowed by Code. This asset class comprises pools of receivables that periodically pay both principal and interest payments to the investor. Inclusion of this asset class may provide REMIF with enhanced diversification and return.
- Paragraph 13, Supranational securities: Addition of asset class new to REMIF but allowed by Code since 2014. This asset class comprises high credit quality debt obligations from World Bank entities domiciled in the United States and denominated in dollars. Inclusion of this asset class may provide REMIF with enhanced diversification and return.

B. Investments Pools

- Inclusion of questionnaire requirement for any investment pools utilized by REMIF to provide enhanced risk management. The questionnaire is designed to provide clarity on a pool’s investment policies and practices which may impact REMIF’s safety and liquidity.

C. Collateralization

- Inclusion of collateral requirements for certificates of deposit and bank deposits as provided for by Code.

D. Portfolio Risk Management

- Subsection B, Paragraph 3: Removal of references to Moody's and Standard & Poor's, as there are other NRSROs utilized by issuers.
- Subsection C, Paragraph 2: Addition of language exempting bonds with make-whole call provisions from the callable limit concentration limit.

We have additionally conducted a review of REMIF's investment policy that governs the management of REMIF's Other Post-Employment Benefits Trust funds ("OPEB Trust"). At this time, we recommend no changes to the OPEB Trust policy. Please do not hesitate to contact us with any questions you may have, or if further review is needed.

Sincerely,

Carlos Oblites,
Senior Vice President, Portfolio Strategist
Chandler Asset Management

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

INVESTMENT POLICY

ADOPTED ~~October 28, 2014~~ **October 28, 2019**

I. Investment Philosophy

A. Policy

- I. This Investment Policy is set forth by the Redwood Empire Municipal Insurance Fund (hereinafter referred to as "REMIF" or "Fund"), for the following purposes:
 - a. To establish a clear understanding for the governing body, management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of REMIF's idle and surplus funds;
 - b. To offer guidance to the Board, Finance Director and any external investment advisers on the investment of REMIF funds; and
 - c. To establish a basis for evaluating investment results.
2. REMIF establishes investment policies that meet its current investment goals. The Fund shall review this policy annually, and may change its policies as its investment objectives change.

B. Objectives

All investment management decisions and activities must assure ongoing compliance with all Federal, State and local laws governing the investment of moneys under the control of the Board. The primary objectives, in priority order, of REMIF's investment activities shall be:

1. *Safety*: The primary objective of this policy is to protect, preserve and maintain cash and investments of the Fund.
2. *Liquidity*: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash, as necessary, to meet disbursement requirements. The liquidity percentage will be determined, from time to time, from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.

3. *Return:* Within the constraints of safety and liquidity and in compliance with state and federal regulations and this investment policy, the portfolio will be designed to attain a "market average rate of return" consistent with the agreed upon benchmark.
4. *Diversification:* The portfolio will be diversified in order to avoid incurring unreasonable and avoidable risks regarding specific types of securities or individual financial institutions.
5. *Public trust:* All participants in the investment process shall act as custodians of the public trust, and shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with the degree of professionalism that is worthy of public trust.

C. Prudence and Indemnification

- I. **Prudent Investor Standard:** Management of REMIF's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

2. **Indemnification:** Officers and employees of REMIF responsible for managing REMIF funds, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

D. Ethics and Conflicts of Interest

Officers and employees of REMIF involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

II. Operational and Procedural matters

A. Scope

This investment policy applies to all financial assets and investment activities under the control of the Fund with the following exceptions:

1. Retirement funds and other post-employment benefits (OPEB) funds that are governed by other investment policies and objectives; and
2. Bond proceeds whose investments shall be governed by the provisions of the related bond indentures.

B. Delegation of Authority

California Government Code Sections 53600 through 53601.6 provide legal authorization for investment of the funds of local agencies. All investments of REMIF shall conform to the restrictions of those laws.

Management responsibility is here by delegated to General Manager and the Finance Director, who shall establish procedures for the operation of the investment program. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. The responsibility for investment transactions may be delegated to staff personnel or an outside professional service.

C. Authorized Financial Dealers and Institutions

1. REMIF's Finance Director shall determine which financial institutions are authorized to provide investment services to the Fund. Institutions eligible to transact investment business with the Fund include:
 - a. Primary government dealers as designated by the Federal Reserve Bank;
 - b. Nationally or state-chartered banks;
 - c. The Federal Reserve Bank; and
 - d. Direct issuers of securities eligible for purchase by the Fund.
2. Selection of financial institutions and broker/dealers authorized to engage in transactions with the Fund shall be at the sole discretion of

REMIF, except where the REMIF utilizes an external investment adviser in which case the REMIF may rely on the adviser for selection.

3. All financial institutions that are or desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the REMIF Finance Director with a statement certifying that the individual responsible for the account has reviewed and understands the California Government Code Section 53600 *et seq.* and the Fund's Investment Policy and intends to present only those transactions appropriate under the policy.
4. Selection of broker/dealers used by an external investment adviser retained by the Fund shall be at the sole discretion of the investment adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.
5. Public deposits shall be made only in qualified public depositories within the State of California as established by State law. Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

D. Delivery vs. payment

~~All investment transactions of REMIF shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.~~ Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.

E. Safekeeping of securities

All securities owned by REMIF shall be held in safekeeping by a third party bank trust department, acting as agent for the Fund under the terms of a custody agreement executed by the bank and by REMIF. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by REMIF from the custodian listing all securities held in safekeeping with current market data and other information.

III. Permitted investments and portfolio risk management

A. Authorized Investments

All investments shall be made in accordance with Sections 53600 *et seq.* of the Government Code of California and as described within this Investment Policy. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in

this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

Permitted investments under this policy shall include:

- 1) U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Fund may invest in U.S. Treasuries.
- 2) Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Fund may invest in government- sponsored enterprises, provided that-:
 - a. No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
 - b. The maximum maturity does not exceed five (5) years.

2)3) Municipal securities provided that:

- a. They are an obligation of any of the 50 states in the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California; or,
- b. They are an obligation of a local agency within the State of California;
- c. The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- d. No more than 5% of the portfolio may be invested in any single issuer.
- e. No more than 30% of the portfolio may be in Municipal Securities.
- ~~b. and~~
- e.f. Their maturity does not exceed 5 years.

3)4) Bankers' acceptances provided that:

- a. They are issued by institutions the short term obligations of which are rated a minimum of ~~PI by Moody's or A-1~~ or its equivalent or better by S&Pat least one NRSRO; or, if the short term obligations are unrated, the long-term obligations of which are rated a minimum of the rating category of A or its equivalent or better by Moody's and S&Pat least one NRSRO;
- b. The maturity does not exceed 180 days; and
- c. No more than 40% of the total portfolio may be invested in bankers' acceptances and no more than 5% per issuer.

4)5) Time deposits (Non-negotiable certificates of deposit) in a nationally or state-chartered bank or a state or federal association, or a state-licensed branch of a foreign bank to the extent that deposits are insured by the Federal Deposit Insurance Corporation (FDIC), provided that:

- a. No more than 30% of the portfolio shall be invested in a combination of federally insured and collateralized time deposits; and,
- b. The maturity of such deposits does not exceed 5 years.

5)6) Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- a. The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- a.b. Any amount above the FDIC insured limit must be ~~They are~~ issued by institutions which have long-term obligations which are rated in a rating category of "A" or its equivalent or higher by at least ~~two~~ one ~~nationally recognized statistical rating organization~~ NRSRO; and/or have short term debt obligations rated "A-1" or higher, or the equivalent, by at least ~~two nationally recognized statistical rating organization~~ one NRSRO;
- b.c. The maturity does not exceed 5 years; and
- e.d. No more than 30% of the total portfolio may be invested in NCDs and no more than 5% per issuer.

6)7) Commercial paper provided that:

- a. The maturity does not exceed 270 days from the date of purchase;
- b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;

- c. They are issued by institutions whose short term obligations are rated "A-1" or higher, or the equivalent, by at least ~~two-one nationally recognized statistical rating organization~~NRSRO; and whose long-term obligations are rated ~~'in the rating category of "A" or its equivalent~~ or higher by at least ~~two-one nationally recognized statistical rating organization~~NRSRO; and,
- d. No more than 25% of the portfolio is invested in commercial paper and no more than 5% per issuer.

7)8) State of California Local Agency Investment Fund (LAIF), provided that:

- a. the Fund may invest up to the maximum permitted amount in LAIF; and,
- b. LAIF's investments in instruments prohibited by or not specified in the Fund's policy do not exclude it from the Fund's list of allowable investments, provided that the fund's reports allow the Fund's Finance Director to adequately judge the risk inherent in LAIF's portfolio.

8)9) Sonoma County Pooled Investment Fund, provided that:

- a. the Fund does not exceed 10% of the portfolio in the County Pool.

9)10) Corporate medium term notes, provided that:

- a. such notes have a maximum maturity of five years;
- b. are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;
- c. shall be rated "A" category or better by at least ~~two-one~~ nationally recognized statistical rating organization; and,
- d. holdings of medium-term notes may not exceed 30 percent of the portfolio and no more than 5% per issuer.

~~10~~11) **Money market mutual funds** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940:

- a. Provided that such funds meet either of the following criteria:
 - i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two ~~nationally recognized statistical rating organizations~~ NRSROs; or,
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 (a through ~~jk~~) and with assets under management in excess of \$500 million.
- b. purchases of securities authorized by this subdivision may not exceed 20% of the portfolio.

12) Asset-Backed, Mortgage-Backed, Mortgage Passthrough securities, and collateralized Mortgage Obligations From Issuers Not Defined in Sections 1 and 2 of the Permitted Investments Section of this Policy, provided that:

- a. The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- b. No more than 20% of the total portfolio may be invested in these securities
- c. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer
- d. The maximum legal final maturity does not exceed five (5) years

13) Supranationals, provided that:

- a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- b. No more than 20% of the total portfolio may be invested in these securities.
- c. No more than 30% of the total portfolio may be invested in these securities.
- d. No more than 10% of the portfolio may be invested in any single issuer.

e. The maximum maturity does not exceed five (5) years.

B. Investment Pools

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

C. Collateralization

Certificates of Deposit (CDS). REMIF shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. REMIF shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

B.D. Portfolio Risk Management

A. Prohibited investment vehicles and practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options. This does not apply to securities with embedded call options (see Section VIII C 2).
2. In accordance with Government Code Section 53601.6, investment in inverse

floaters, range notes, or mortgage derived interest-only strips is prohibited.

3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. The purchase of foreign currency denominated securities is prohibited.

B. Mitigating credit risk in the portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. REMIF shall mitigate credit risk by adopting the following strategies:

1. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities;
2. REMIF may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Fund's risk preferences; and,
3. If securities owned by the Fund are downgraded ~~by either Moody's or S&P~~ to a level below the quality required by this Investment Policy, it shall be REMIF's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to the REMIF Board.

C. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. REMIF recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. REMIF shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. REMIF further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. REMIF, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. REMIF shall maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
2. The maximum percent of callable securities (excluding make-whole calls) in the portfolio shall be 15%;

3. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy; and,
4. The duration of the portfolio shall at all times be approximately equal to the duration of a Market Benchmark Index selected by REMIF based on the Fund's investment objectives, constraints and risk tolerances.

IV. Specific objectives and expectations

Specific objective The investment portfolio shall be designed commensurate with the investment risk, constraints and cash flow needs of the Fund and with the overall investment performance objective of earning a total rate of return throughout economic and market cycles which is approximately equal to the return on the Benchmark Index selected by REMIF.

V. Reporting, internal controls and Policy review

A. Monthly reports

Monthly investment reports shall be submitted by the portfolio manager to the Treasurer/Finance Officer. These reports shall disclose, at a minimum, the following information about the risk characteristics of the Fund's portfolio:

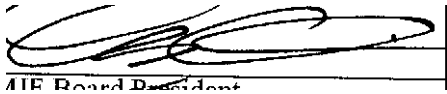
1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate;
2. A one-page summary report which shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and
 - d. Time-weighted total rate of return for the portfolio for the prior three months, twelve months, year to date, and since inception compared to the Benchmark Index returns for the same periods;
3. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution; and

4. A statement that the Fund has adequate funds to meet its cash flow requirements for the next six months.

B. Internal controls

A system of internal controls shall be established and maintained in written form designed to ensure that the assets of the Fund are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The most important controls are: control of collusion, separation of duties, separation of transaction authority from accounting and bookkeeping, custodial safekeeping, delegation of authority, limitations regarding losses and remedial action, written confirmation of telephone transactions, minimization of the number of authorized investment officials, documentation of transactions and strategies, and annual review of controls by the Finance Director.

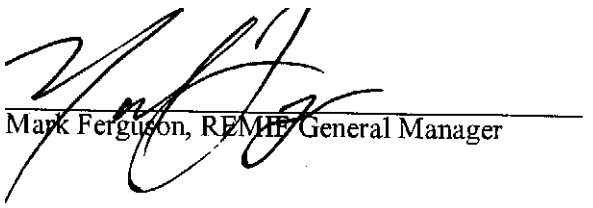
Approved by:



REMIF Board President

9/29/16

Date



Mark Ferguson, REMIF General Manager

9/29/16

Date



AGENDA ITEM SUMMARY

ITEM 10.0

TITLE: SELF-INSURED HEALTH PLAN

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

Changes to the REMIF health care plan require ratification by the Board of Directors. A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provide recommendations to the Board of Directors for ratification. There are six (6) items that require ratification by the Board of Directors.

BACKGROUND

The Board of Directors has contracted with RealCare/NFP as the broker for health care and other benefits. A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provides recommendations to the Board of Directors for consideration.

REMIF has offered a self-insured health plan since 2015. The plan uses the Anthem network and is administered through our TPA, Health Comp, and we work with our brokers, RealCare/NFP, on the plan.

The Health Care Committee provides recommendations to the Board of Directors for consideration and ratification.

ITEMS THAT REQUIRE RATIFICATION:

1. Transamerica/Express Scripts Retiree Medical Renewal for 01/01/20

The retiree medical benefits (Medicare Supplement and Prescription Drug Program) are tied to Medicare and renew January 1st each year. The proposed renewal is between 3.99% and 4.24%, depending on the prescription plan chosen. Transamerica requires a minimum of 2 enrollees for an agency to participate. An outline of proposed renewal rates is provided below.

- a. **Medical w/PDP % = +4.14%**
Fort Bragg
- b. **Medical w/PDP Flat = +4.24%**
Arcata, Cloverdale, Cotati, Fortuna, Lakeport, Rohnert Park, Town of Windsor
- c. **Medical w/Option B = +3.99%**
REMIF Staff Office, Sebastopol, Sonoma, Ukiah
- d. **Entities with no enrollment**
Eureka, Healdsburg, St. Helena, Willits

Informal marketing research showed that there are no other plans with similar benefits that would be more cost effective.

Recommendation: The Health Care Committee recommends the Board of Directors approve the renewal of Transamerica and Express Scripts for 2020. Attached is a copy of the renewal information.

2. Benefit Satisfaction Survey

Staff received 5 proposals from 5 different vendors to complete a Benefit Satisfaction Survey for the REMIF medical plan. The approach of each vendor is quite different, and the differences were discussed with the committee. Below please find a quick summary of the proposals, which were discussed at the committee meeting (vendor/cost/summary):

a. Beyond Feedback **\$5,000**
Text messaging option
Easy to use Filter results Export to Excel Sort & search
Click to drill down

b. NBRI **\$19,475**
Text messaging
Provides suggestions for next steps
Question development through collaboration with an Organizational Psychologist at NBRI.
Industry-level benchmarking.
Survey design branded with your logo and hosted by NBRI.
Data reports containing the number of responses, mean scores, benchmarking scores, and distribution of responses for your preferred reporting groups.
Comment reports containing verbatim responses to open-ended questions.
ClearPath Portal for project management, DIY reports, and taking action.
Executive Summary including recommended action items for improvement.
Executive Results Presentation delivered by your NBRI Organizational Psychologist.
Action training and handbooks to ensure your organization's success and continuous improvement.
Professional assistance from beginning to end by your NBRI Organizational Psychologist and Project Team.

c. NFP **\$14,220**
HR specialty
Enhanced employee perception of the confidentiality and anonymity of their responses;
Higher employee participation rates; and
Enhanced employee perception of the objectivity of the data collection process, results, and recommendations.

d. Fidello **\$2,500**
Specializes in human performance
Conduct a discovery phase – this is a time where our consultants will host a virtual meeting. Here we will discuss the goals of the survey and review sample questions as well as gather information to create additional questions.
Customize demographic and survey questions specific to your output needs.
Enable multiple question types using the most appropriate to get usable data for your output needs and internal discussions– e.g., Likert scale, open-ended, conditional, check-all that apply, etc.
Single URL to capture anonymous feedback
Optional "giveaway" lottery to increase participation. This would require an email or some other way to identify people, but it would be after the survey is completed and is 100% optional. Any giveaway would be a cost in addition to this survey).
Edit our report tool to enable the results to be broken out by your demographic questions. E.g., community, county, or by plan – others may be added during our discovery phase.
Review your results and provide some a general virtual debrief session.
Enable the survey to occur annually.

e. REMESH **\$11,300**
Combo of focus group/traditional survey
Quantitative data Audience segmentation
Affordability at Scale Qualitative Insights Freedom to Improvise
Quick Time to Insight

Discussion: After review and discussion of all the responding vendors, Fidello was selected as the Health Care Committee's recommended vendor. Fidello's proposal is attached to this agenda. Other proposals will be provided upon request. If approved by the Board of Directors, staff will be working with the Health Care Committee on the questions and a timeline for completion of the survey.

Recommendation: The Health Care Committee recommends the Board of Directors select Fidello as the vendor to help complete an employee benefits survey.

3. Contract with broker, RealCare/NFP

RealCare/NFP has been the broker of record for REMIF since January 1, 2008. The current contract between REMIF and RealCare/NFP is set to expire on December 31, 2019.

Staff reached out to three vendors and asked those vendors to provide a proposal for brokerage services. At the time of the Health Care Committee meeting, only one proposal had been received.

As indicated in the proposal, RealCare/NFP has proposed increases for the medical plan to (current pricing is \$20.96 per employee per month or PEPM):

Year 1: \$22.00 PEPM Year 2: \$22.50 PEPM Year 3: \$23.00 PEPM

They have proposed all other services to remain at current rates.

A copy of their proposal is not attached to this agenda item but will be provided upon request. After discussion, the Health Care Committee recommends we enter into a three-year extension of the contract with RealCare, at the costs outlined above. The Health Care Committee expressed their appreciation in RealCare and the high level of customer service they provide to the REMIF members.

Recommendation: The Health Care Committee recommends the Board of Directors extend the contract with RealCare for three years to pricing as outlined above.

4. Medical claims audit

Pursuant to REMIF's Board Policy and pursuant to best practice, it is prudent to regularly perform audits, including audits on the medical claims for the self-funded plan. The purpose of a claims audit is to:

- Provide oversight of claims administrators and processes
- Confirm accuracy of claims payments
- Exercise due diligence and fiduciary responsibility
- Identify problems with Plan language or interpretation
- Confirm hierarchy of priorities in paying claims
- Assure compliance with regulations
- Identify recovery opportunities
- Identify opportunities for increased accuracy and efficiency in claims processing

This has been identified as a priority for the Self-Funded Medical Plan and the General Manager sought bids from several vendors to ascertain the cost of an audit. The Health Insurance Committee recommended the General Manager and broker representatives from RealCare to review the proposals and make a recommendation for a vendor to the Committee.

Four proposals from vendors were received for a medical claims audit. Each vendor quoted the project with similar scope, utilizing methods to measure accuracy and timeliness of claims. Each vendor has a separate and unique process for auditing claims. Assuming REMIF would want to include an onsite audit, and compare all potential expenses including travel, the estimated costs would be:

BMI - \$28,000 (includes \$3,000 travel expense)
Claim Tech, Inc. - \$22,800 (includes estimated \$3,000 travel expense)
J. Graham, Inc. - \$34,000
TMDG - \$32,500 - \$35,500 (depending on travel)

Staff recommended to the Health Care Committee to award the contract for the medical claims audit to BMI, and the Health Care Committee agreed. This recommendation is based on their proposal, which outlined:

- Thorough, detailed, and timely proposal for audit services
- Reasonable cost
- Good experience with vendor during Dependent Audit

A copy of their proposal is not attached to this agenda item but will be provided upon request.

Discussion: After review and discussion of all the responding vendors, BMI was selected as the Health Care Committee's recommended vendor. BMI's proposal is attached to this agenda. Other proposals will be provided upon request. If approved by the Board of Directors, staff will be working with the Health Care Committee on the timeline for completion of the audit.

Recommendation: The Health Care Committee recommends the Board of Directors approve BMI as the vendor to complete the medical claims audit at an estimated cost of \$22,800. BMI's proposal is attached to this agenda item.

5. LiveHealth Online

LiveHealth Online was implemented July 1, 2017 and is an Anthem Blue Cross service that gives a participating member access to a doctor 24 hours a day, 7 days a week. This benefit is particularly valuable for those members who live in rural areas with limited access to Urgent Care facilities. It is also valuable to members who experience an urgent care issue but don't want to go to the emergency room and incur a large copay.

Members have found LiveHealth Online to be quick and easy. Doctors using LiveHealth Online can answer your questions, assess your condition and even provide prescriptions (in some situations) if needed. Most members will pay a \$10 Copay for general physician services, and a \$20 Copay for mental health services. Members on an HSA Compatible plan will be required to pay the full cost of the doctor visit (usually \$49 for a general practitioner or up to \$95 for a mental health provider) which will be applied to the deductible. All payments are counted toward the member's out of pocket maximum.

Medical visits to obtain care from a doctor through LiveHealth Online will increase from \$49 to \$59 per visit. Although there will be an increase on LiveHealth Online's medical visits, there will be no change in cost for therapist, psychologist or psychiatrist.

While the increase in medical visit cost from \$49 to \$59 is not insignificant, the \$49 visit cost has been in place since 2013 and represents a 2.7% annual trend over the past 7 years. There are several variables driving the visit cost increase, such as:

Maintaining credentialed quality doctors around the clock, 24/7, 365 days per year in 50 states; maintaining medical on-demand wait times to average less than 10 minutes; providing Spanish speaking doctors with appointment availability in 50 states, and 7 days/week.

RealCare reviewed utilization data on LiveHealth Online at the last Committee meeting. Committee members gave feedback on their own personal experiences with the program and all agreed that it is a worthwhile benefit that needs to be promoted to employees.

The Health Care Committee considered the relatively low cost of claims for the LiveHealth Online services and the potential savings from avoiding unnecessary Emergency Room visits, and is recommending to the Board of Directors that the Board keep the current Copays in place and have the plan absorb the additional cost of the visits effective January 1, 2020.

Recommendation: The Health Care Committee recommends the Board of Directors continue the current Copays for LiveHealth Online as-is and absorb the additional cost of visits effective January 1, 2020.

6. Items that the Health Care Committee is reviewing/considering for future action to enhance services (including but not limited to):
 - a. Ombudsman services;
 - b. Updates to plan documents;
 - c. Quarterly communications to members to promote services.

FISCAL IMPACT

1. Renewals for Medicare/Medicare Supplemental retiree plans between 3.99% and 4.24% (members pay these costs, minimal impact to REMIF budget due to REMIF retirees);
2. \$2,500 - \$19,475 for employee benefit survey, program fund to pay;
3. Increase to \$22.00 PEPM for broker fees (effective 07/01/20);
4. \$22,800 - \$35,500 for medical claims audit, program fund to pay;
5. Absorb increased cost in co-pay, estimated impact to budget of less than \$1,000 per year;
6. N/a

RECOMMENDED ACTIONS

The Health Care Committee recommends the Board of Directors vote to:

1. **approve the renewal of Transamerica and Express Scripts for 2020;**
2. **select Fidello as the vendor to help complete an employee benefits survey;**
3. **extend the contract with RealCare for three years to pricing as outlined above;**
4. **approve BMI as the vendor to complete the medical claims audit at an estimated cost of \$22,800;**
5. **continue the current Copays for LiveHealth Online as-is and absorb the additional cost of visits effective January 1, 2020.**
6. N/a

ATTACHMENT

- 10.1 Income and Expense report PY 19-20 thru 8/31/19 (unaudited)
- 10.2 Transamerica/Express Scripts Carrier Options
- 10.2a Transamerica/Express Scripts Rate Comparison
- 10.2b Transamerica/Express Scripts Renewal Summary
- 10.3 Proposal for benefit survey from Fidello
- 10.4 Proposal for medical claims audit from BMI

REMIF SELF-FUNDED HEALTH PLAN

Income and Expenses

7-1-19 through 8-31-19

PREMIUM INCOME	JULY	AUGUST	Totals
Total Medical Premium Collected	\$ 1,148,776	\$ 1,170,582	\$ 2,319,358
Premium Collected YTD	\$ 1,148,776	\$ 2,319,358	
PLAN ADMINISTRATIVE EXPENSES	JULY	AUGUST	
Fees & Stop Loss Expenses			
Voya Specific Stop Loss	\$ 140,223	\$ 141,498	\$ 281,721
Voya Aggregate Stop Loss	\$ 2,407	\$ 2,422	\$ 4,829
Broker Fees	\$ 17,061	\$ 17,145	\$ 34,207
TPA Fees	\$ 19,895	\$ 20,027	\$ 39,922
PPO/UR Fees	\$ 18,403	\$ 18,499	\$ 36,902
REMIF Admin Fee	\$ 11,290	\$ 11,389	\$ 22,679
Other Fees			\$ -
Total Fees & Stop Loss	\$ 209,279	\$ 210,980	\$ 420,259
Total Fees YTD	\$ 209,279	\$ 420,259	
CLAIMS EXPENSES	JULY	AUGUST	
Medical	\$ 800,630	\$ 436,217	\$ 1,236,847
Rx	\$ 132,425	\$ 216,270	\$ 348,695
Total Claims Paid	\$ 933,055	\$ 652,487	\$ 1,585,542
Claims Paid YTD	\$ 933,055	\$ 1,585,542	
RESERVE ACCOUNTING	JULY	AUGUST	
Beginning Reserve Balance	\$ 5,673,601	\$ 5,680,043	\$ 5,987,158
INCOME			\$ -
Monthly Premium Income	\$ 1,148,776	\$ 1,170,582	\$ 2,319,358
Recovered Stop Loss Claims			\$ -
Recovered Workers' Comp Claims			
Recovered Subrogation & Refunds			
Interest Income			\$ -
Other Income			\$ -
Total Income	\$ 1,148,776	\$ 1,170,582	\$ 2,319,358
EXPENSES			
Total Fees & Stop Loss	\$ 209,279	\$ 210,980	\$ 420,259
Total Claims	\$ 933,055	\$ 652,487	\$ 1,585,542
Other Expenses			\$ -
Total Expenses Paid	\$ 1,142,334	\$ 863,467	\$ 2,005,801
ENDING RESERVE BALANCE	\$ 5,680,043	\$ 5,987,158	\$ 5,987,158
# of REMIF Plan Members	803	810	

ON YOUR TEAM.

2020 Renewal Summary:
Redwood Empire Municipal Insurance Fund

AmWINS
Group Benefits

PRESENTED BY:

Don Sheehan
AmWINS Group Benefits, Inc.
Senior Vice President & National Practice Leader
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Redwood Empire Municipal Insurance Fund 2020 Retiree Medical & Rx Plan Market Options

Renewal Plan and Carrier Options

We are pleased to provide the 2020 Group Retiree Medical and Prescription Drug Program Renewal options for Redwood Empire Municipal Insurance Fund.

Medical Plan

Effective January 1, 2020 – December 31, 2020

Plan F	2020	% Increase
Current Medical Carrier	\$215.16	---
Alternative Carrier 1	\$229.00	5.97%
Alternative Carrier 2	\$244.59	13.68%

Prescription Drug Plans

Effective January 1, 2020 – December 31, 2020

Rx Plan Option 1 (PDP %)	2020	% Increase	# of Lives
Current Prescription Drug Carrier	\$205.00	---	35
Alternative Carrier 1	\$225.54	10.02%	35

Current Design: \$0 CYD: Copays: \$5/\$10/\$25/\$60/33%

Alternative Design: \$0 CYD: Copays: \$5/\$5/\$25/\$60/33%

Rx Plan Option 2 (Flat Plan)	2020	% Increase	# of Lives
Current Prescription Drug Carrier	\$220.00	---	129
Alternative Carrier 1	\$260.61	18.46%	129

Current Design: \$0 CYD: Copays: \$5/\$10/\$25/\$60/\$60

Alternative Design: \$0 CYD: Copays: \$5/\$5/\$25/\$60/\$60

Rx Plan Option 3 (Option B)	2020	% Increase	# of Lives
Current Prescription Drug Carrier	\$324.00	---	
Alternative Carrier 1	\$339.65	4.83%	23

Current Design: \$0 CYD: Copays: \$0/\$5/\$30/\$60/\$60

Alternative Design: \$0 CYD: Copays: \$0/\$5/\$10/\$15/\$15

Transamerica/ESI Renewal
Effective 1-1-20/21

	Current 1-1-19/20	Renewal 1-1-20/21
Rx % plan	\$198.00	\$205.00
Medical	\$205.46	\$215.16
Total	\$403.46	\$420.16
Rx Flat plan	\$212.00	\$220.00
Medical	\$205.46	\$215.16
Total	\$417.46	\$435.16
Option B plan	\$313.00	\$324.00
Medical	\$205.46	\$215.16
Total	\$518.46	\$539.16

9/4/2019

ON YOUR TEAM.

2020 Renewal Summary:
Redwood Empire Municipal Insurance Fund



AmWINS
Group Benefits

PRESENTED BY:

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AmWINS Group Benefits, Inc.
Senior Vice President
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Redwood Empire Municipal Insurance Fund 2020 Retiree Medical & Rx Plan Renewal

Renewal Summary

We are pleased to provide the 2020 Group Retiree Medical and Prescription Drug Program Renewal for Redwood Empire Municipal Insurance Fund. Other than the annual Medicare deductible and co-insurance adjustments for Parts A, B, and D, the plan designs will remain unchanged for 2020. Please review the program details enclosed in this summary.

As always, AmWINS Group Benefits will continue to provide our extensive administrative services including:

Eligibility Management	Program Administration
Annual and Monthly Enrollments	Billing and Collection of Premiums
Retiree Communications	Retiree Specialty Contact Center
Customer Service	Ongoing Retiree Advocacy and Support

Medical Plan

Underwritten by Transamerica Premier Life Insurance Company

Effective January 1, 2020 – December 31, 2020

	2019	2020	% Increase	# of Lives
Medical Plan	\$205.46	\$215.16	4.72%	187

Prescription Drug Plan

Underwritten by Express Scripts

Effective January 1, 2020 – December 31, 2020

	2019	2020	% Increase	# of Lives
Option 1 (PDP %)	\$198.00	\$205.00	3.54%	35
Option 2 (PDP Flat)	\$212.00	\$220.00	3.77%	129
Option B	\$313.00	\$324.00	3.51%	23

Overall Combined Program: Medical, & Prescription Drug

	2019	2020	% Increase	# of Lives
Medical w/ PDP %	\$403.46	\$420.16	4.14%	35
Medical w/ PDP Flat	\$417.46	\$435.16	4.24%	129
Medical w/ Option B	\$518.46	\$539.16	3.99%	23

Amounts are inclusive of all services performed by AmWINS Group Benefits, insurance premiums and non-insurance costs. Administration services are provided by AmWINS Group Benefits, Inc., a division of AmWINS Group, Inc.

Redwood Empire Municipal Insurance Fund 2020 Retiree Medical & Rx Plan Renewal

Retiree Program Plan Designs

Medical Plan

Underwritten by Transamerica Premier Life Insurance Company

2020	<i>Fully Insured Medical Plan</i>
Calendar Year Deductible	\$0.00
Part B Co-Insurance	N/A
Out-of-Pocket Maximum	\$0.00
Lifetime Maximum	Unlimited

Prescription Drug Plans

Underwritten by Express Scripts

2020	PDP %	PDP Flat	Option B
Deductible	\$0	\$0	\$0
Tier 1 – Pref. Generic	\$5	\$5	\$5
Tier 2 – Non-Pref. Generic	\$10	\$10	\$5
Tier 3 – Pref. Brand	\$25	\$25	\$30
Tier 4 Non-Pref. Brand	\$60	\$60	\$60
Tier 5 - Specialty	33%	\$60	\$60
Coverage in Gap*	Same copay schedule as above		
Catastrophic Coverage (OOP over \$6,350)	Greater of 5% of the cost of the drug or co-pay of \$3.64 for Generics or \$8.95 for Brands		

*After your total yearly drug costs reach \$4,020, you will pay the same co-payment schedule as noted above. The co-payments shown already include the manufacturer discounts on brand name drugs provided by the Medicare Coverage Gap Discount Program.

Redwood Empire Municipal Insurance Fund 2020 Retiree Medical & Rx Plan Renewal

Group Retiree Program Renewal Acceptance 2020

Please review and confirm the 2020 subsidy and billing summary. Please return the signed electronic copy to jennifer.waterman@amwins.com

Subsidy Summary

Group	2019 Subsidy	2020 Subsidy (please provide)
All Members	Varies	<please attach>

Billing Modes

Group	2019 Billing Mode	2020 Billing Mode (please provide)
All Members	Varies	<please attach>

Please be advised, we have reviewed the proposed plans, rates, subsidy levels, and billing modes. We authorize AmWINS to mail these renewal communications to our retirees, advising them of the 2020 changes.

Please check box to approve

This attests that all retirees, and/or their Medicare-eligible dependents, enrolling in Group Sponsored Medicare Part D plan for the upcoming plan year were covered under prior medical and prescription drug coverage through our employer-sponsored group plan. This prescription drug coverage was deemed as creditable coverage, being equal to or better than Medicare Part D coverage. This attestation also applies to all eligible retirees, and/or their Medicare-eligible dependents, enrolling in the plan throughout the 2020 plan year.

Print Name

Print Title

Signature

Date

Fidello, Inc. Proposal for: Redwood Empire Municipal Insurance Fund

Fidello, Inc. (Fidello) is a consulting and solutions firm specializing in improving human performance. Fidello has over thirty years of experience in using our consulting services and products to help clients design, develop, and implement strategic, integrated Talent Management processes and systems. These processes are as complete as the cradle to grave employee experience. They help in individual processes such as survey assessments, recruitment, performance management, competency development and management, succession and career management, learning management, developmental planning, employee engagement, and others.

Redwood Empire Municipal Insurance Fund (REMIF) has requested Fidello to provide a proposal to modify Fidello's survey assessment instrument to conduct a Medical Plan satisfaction survey for its audience. This survey will focus on perceptions of the four current plans. This document represents a proposal to address this request.

Statement of Need

REMIF has identified the need to survey their 15 communities in five different counties. Approximately 810 individuals or their family members. This survey is to be the following:

- Online – computer or handheld device
- Anonymous
- Easy to use
- Short and simple
- Use of a simple Likert scale – e.g., 1-10 or least happy to most happy, etc.
- Comment section for each question
- If possible, a way to increase participation

The conclusion of this will result in a report, and a virtual debrief of the findings.

Additionally, REMIF would like to look at the option of performing this survey annually.

Fidello Proposed Solution

Fidello will do the following:

- Conduct a discovery phase – this is a time where our consultants will host a virtual meeting. Here we will discuss the goals of the survey and review sample questions as well as gather information to create additional questions.
- Customize demographic and survey questions specific to your output needs.

- Enable multiple question types using the most appropriate to get usable data for your output needs and internal discussions– e.g., Likert scale, open-ended, conditional, check-all that apply, etc.
- Single URL to capture anonymous feedback
- Optional "giveaway" lottery to increase participation. This would require an email or some other way to identify people, but it would be after the survey is completed and is 100% optional. Any giveaway would be a cost in addition to this survey).
- Edit our report tool to enable the results to be broken out by your demographic questions. E.g., community, county, or by plan – others may be added during our discovery phase.
- Review your results and provide some a general virtual debrief session.
- Enable the survey to occur annually.

Sample Survey Items

The following are examples of an introduction and possible questions we may look to ask in your survey. We will finalize a listing after the award of a contract and in conjunction with our discovery meeting.

Sample Intro Text...

We are currently reviewing health insurance renewal options. Your feedback is important in this process. Please take a few minutes to complete this survey by **[date]**.

Demographic Questions...

1. Type of health coverage elected:

REMIF EPO 250	REMIF EPO 500	REMIF PPO 500	REMIF HSA 1350
<input type="checkbox"/> Employee Only	<input type="checkbox"/> Employee Only	<input type="checkbox"/> Employee Only	<input type="checkbox"/> Employee Only
<input type="checkbox"/> Employee + 1	<input type="checkbox"/> Employee + 1	<input type="checkbox"/> Employee + 1	<input type="checkbox"/> Employee + 1
<input type="checkbox"/> Employee + Family	<input type="checkbox"/> Employee + Family	<input type="checkbox"/> Employee + Family	<input type="checkbox"/> Employee + Family

If "None" of the above apply, please complete this section:

- I am covered through Kaiser Permanente
- I am covered through Sutter Health
- I am covered by a different plan
- I cannot afford coverage at this time
- Coverage is affordable but not elected

2. Which community do you work for?

- Arcata
- Cloverdale
- Cotati
- Eureka
- Fort Bragg
- Fortuna
- Healdsburg
- Lakeport
- Rohnert Park
- Sebastopol
- Sonoma
- St. Helena
- Ukiah
- Willits

- Windsor

Sample questions... (This would use the scale or scales we decide upon)

1. I am happy with our current network of doctors/hospitals through the current plan.
2. My benefits meet my (and my family's) needs well.
3. I understand our benefits program.
4. I know who to talk to if I don't understand my benefits.
5. Our organization provides competitive benefits packages compared to others in our area.
6. I would like to know more about the benefits packages available to me.
7. Approximate amount you have paid out of pocket this calendar year for health claims (office visit co-pays, deductibles, co-insurance and prescription costs):
 - \$0 - \$500
 - \$501 - \$1,000
 - \$1,001 - \$1,500
 - \$1,501 - \$2,000
 - \$2,001 or more
8. Overall, how satisfied are you with your current health insurance plan?

(Based upon the Likert scale we will look to break a positive branch and a negative branch).

If viewed as a positive response, question set would be something like:

What is the main reason you personally feel satisfied with your current health insurance plan?

- Comprehensive coverage. The benefits, care, and treatment that are important to me are covered.
- Affordable coverage. The premium, deductible, and co-pays associated with my plan are reasonable and affordable.
- Choice of providers. I'm able to choose from many quality doctors, specialists, physicians assistants, nurses, and hospitals in my area to receive care.
- Consistency. I'm familiar with and comfortable with my plan and have had access to the same doctors and benefits.
- Free preventive services. My plan covers preventive care services like annual physical, screenings, and exams at no extra cost.
- Wellness incentives. My plan includes incentives for me to stay healthy, like covering part or all of my gym membership.
- Local. My health insurance provider has offices in my area, understands my community, and partners with other local care providers.
- Customer service. I can rely on my health insurance company to help me when I have questions or need help 24/7.
- A partner in my health. My plan sends me information about how I can improve my health, and I can speak with medical professionals at no extra cost to assess symptoms and get medical advice.
- Innovation. My plan offers tools and technology to improve my health and understand my coverage.

If viewed as a negative response: Question set would be something like:

What is the main reason you personally feel dissatisfied with your current health insurance plan?

- Costs. I'm paying more and more every year, but I seem to be getting less and less.
- Inadequate coverage. There are many necessary treatments and benefits that aren't covered by my insurance plan.

- Out-of-network costs. Sometimes doctors or hospitals that appear to be in my network simply aren't, so I have to pay out-of-pocket.
- Too confusing. I often do not understand my benefits, how much I really owe, or how to use my plan.
- Not enough choices. There are too few doctors or hospitals in my network.
- Denied claims. Even if a treatment is covered, my plan finds reasons to deny my claim.
- Lack of innovation. While the rest of the world is changing, my insurance plan has the same coverage it's always had.
- Too much paperwork. I have to fill out a great deal of paperwork even to receive routine health care services
- Poor customer service. Dealing with customer service is frustrating and difficult
- Losing my doctor. Changes in my insurance plan make me change my doctor or hospital

9. What aspect of the insurance coverage provided by REMIF do you value most?

- I couldn't afford to get coverage on my own
- The benefits covered
- The insurance company my employer partners with is good
- It's a good value for my money
- The choice and options

Conclusion

We feel we are uniquely qualified to assist you in this work. We think this way based upon the quality of our consultants' preparation and our experience helping other clients with similar initiatives. We will fit our solution precisely to your needs, exceed your expectations, and present all deliverables on time and within budget.

We look forward to working with you.

Cost estimates

Item	Cost
Setup charges for survey questions and online tool – This is a one-time charge. We estimate this will take three to five days of time to implement. This includes survey discussions, system preparation, testing, report search engine and output generation.	\$ 1,750
Survey administration with virtual debrief – this is a flat fee per occurrence. This is the fee that would be applied annually to run the same survey – modifications annually may require an additional charge.	\$ 750
Optional activities – this can include an on-site debrief with greater detail understanding of the results, an action planning session or tool to help with changes and monitoring them, etc. This may also include a “give away” to entice increased participation.	\$ TBD based upon request
<i>Plus, any travel charges at cost and agree upon before traveling through email.</i>	

Assumptions

The following assumptions qualify the scope of the project.

- Fidello will receive requested information and have access to key personnel on schedule as negotiated as the project proceeds.
- Fidello will have access to REMIF existing materials and such as required to create appropriate modifications and to validate assumptions.
- The virtual debrief will occur within two weeks of the close of the survey.
- Pricing is based upon a 2/10 net 30 model after receipt of invoice. Extended payment plans or plans without a discount period may require a change in cost.



Pricing and Terms

Fidello will invoice at the conclusion of the virtual debrief meeting.

REMIF may discontinue the development phase of this project at any time by providing two weeks' notice and will only be responsible for hours worked and costs incurred to that point.

Very truly yours,

Confirmed and accepted,

Signature: *Christopher L. Bjorling*

Signature: _____

Date: August 14, 2019

Date: _____

Christopher Bjorling
President
Fidello, Inc.



HEALTH CARE CLAIMS AUDIT PROPOSAL

06/12, 2019

Prepared for

Redwood Empire
Municipal Insurance Fund

Prepared by

Connor De Mill
National Accounts Executive
cdemill@bmiaudit.com

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6/12/19

Dear Prospective Customer:

Thank you for the opportunity and privilege to introduce the claims audit services offered by BMI Audit Services.

At BMI, we are uniquely positioned to provide the proposed claims auditing services in a manner that not only meets your organization's unique objectives, but exceeds them through our proven technology, expertise of assigned staff, and success with similar engagements. Key audit objectives BMI will identify for REMIF include:

- Improvement of payment accuracy and compliance with plan design.
- Evaluation of the effectiveness of Administrator controls in place.
- Identification and corrective action of error root causes preventing wasted dollars.
- Detection of claim payment errors made by HealthComp.
- Uncover areas of potential fraud, waste and abuse.

We are experts in our field. In fact, health care benefits auditing is the only thing we do. Our firm's proposed services provide value far beyond what you'd expect. We consider this part of our **VALUE FORWARD** approach.

Our Firm's Audit and **VALUE FORWARD** Approach Ensures You Receive:

- An independent and objective audit free of any bias or outside influence.
- A proven process that produces practical and usable results.
- An experienced team of professionals and project managers who are in close contact with REMIF and HealthComp throughout and following the audit process.
- Consultative plan design analysis and recommendations to handle audit outcomes.
- Post-audit support for dispute/resolution handling.
- Expert advice, recommendations, and guidance on recovery/reimbursement and corrective action.

We encourage our customers to visit our office to meet our staff and to observe our work environment, security and strong commitment to customer service. We look forward to hosting you or answering any questions you may have during your decision process.

Sincerely,

Connor De Mill

INTRODUCTION TO BMI

BMI Audit Services (“BMI”) is a premier health care benefits auditing firm. Founded in 1998 and based in South Bend, Indiana, BMI has become one of nation’s leading audit firms specializing in health care cost containment through benefits auditing. Our national client base ranges in size from those with less than 100 employees to Fortune 500 firms and public entities. BMI is one of the few firms who specialize in providing **both** claims audits of third-party administrators/carriers and dependent eligibility audits. By remaining true to our firm’s principles, BMI’s clients have saved millions of dollars as a direct result our audits.

We appreciate the opportunity to provide the enclosed proposal for medical claims audit services for REMIF. REMIF will receive an independent and objective assessment of how accurately HealthComp is paying its claims.

Key Benefits of the Claims Audit:

- Identification of measurable cost savings.
- Confirmation of payment and records accuracy.
- Assurance that systems and processes are in place that will optimize claim paying performance.
- Fulfillment of due diligence and fiduciary responsibility.
- Identification of any human misinterpretation of plan language.
- Enhancement of HealthComp’s understanding of the plan.
- Confirmation that internal HealthComp policies do not prevail over plan language.

Our Differentiators:

INDEPENDENCE

We are completely independent and objective. Health care benefits auditing is all we do. We don’t sell other insurance products or are biased by potential income resulting from a contingency audit.

EXPERTISE

We employ only skilled professionals who understand group benefits. On average, our auditors have well over 25 years of expertise in their respective fields. We do not subcontract any part of the audit process which allows us a great deal of control and flexibility. BMI has audited hundreds of insurance carriers and third-party Administrators both large and small nationwide.

REPUTATION

With over a decade of auditing experience, our clients reward us with repeat business. Based on post-audit surveys, 99% of our clients have either agreed or strongly agreed that they have a positive impression of our firm and would recommend our services to other organizations.

INNOVATION

AUDiT iQ™ is a proprietary, internally-developed technology tool born from our initiative to revolutionize a methodology to produce more meaningful and actionable information for our clients. We constantly are improving our software and technical capabilities to ensure each audit is better than the last.

VALUE FORWARD

Our new **Value Forward** approach to audits assures that you receive more. This means more useful information, more ways to control health care costs, more post-audit support, and more overall included value.



AREAS OF INDUSTRY SPECIALIZATION

Below is an example of the industries we continue to serve:

- Automotive
- Aviation
- Banking/Finance
- Construction
- Distribution
- Education/School Systems
- Energy
- Food/Beverage
- Government
- Healthcare
- Hospitality
- Insurance/Risk Management
- Labor Organizations/Associations
- Manufacturing
- Mining
- Non-Profit
- Real Estate
- Religious Institutions
- Retail
- Service
- Technology/Communications
- Transportation/Logistics

SCOPE OF SERVICES – MEDICAL CLAIMS

BMI's experience indicates that a successful audit pivots on a well-planned approach with mutual understanding of the project by both auditor and employer.

Preliminary Planning & Implementation

- After receiving the necessary materials and prior to commencing any audit functions, hold a conference call with REMIF personnel, and/or its representatives to obtain a full and complete understanding of all concerns of REMIF and to establish project milestones.
- Contact HealthComp to review audit process and data needs.
- Review all pertinent plan design documents in order to customize our electronic auditing tool, AUDiT iQ™.

Comprehensive Data Analysis

- Electronically analyze 100% of the medical claims paid by HealthComp for the audit period by utilizing **over 130 categories** such as:

Plan Design – SPD Driven.....

These category edits cover a broad range of services that are typically excluded or limited in benefit plans. AUDiT iQ™ can be configured to accommodate most plan design language which addresses these exclusions and limitations such as maximum visits per month, prior authorization, dollar limits, and others.

- ✓ Chiropractic, Infertility, Sleep Disorders, Physical Therapy, Vision, Dental, Timely Filing, etc.

Fraud, Waste, and Abuse (FWA)

- | | |
|------------------------------|----------------------------|
| ✓ Ambulance – No Destination | ✓ Upcoding |
| ✓ Duplicate Payments | ✓ Upcoding Chiro |
| ✓ Evaluation and Management | ✓ Upcoding Eye Refractions |

Standard Industry Practices.....

- | | |
|----------------------------|------------------------|
| ✓ Add-On and Invalid Codes | ✓ Multiple Procedures |
| ✓ Age and Gender Indicator | ✓ Modifier Not Covered |
| ✓ Global Days | ✓ Same Day |
| ✓ Medical Unlikely Edits | ✓ Unbundling |



Financial Impact.....

- | | |
|---------------------|----------------------------------|
| ✓ Large Claims | ✓ Provider Discounts |
| ✓ Medical Necessity | ✓ Reimbursement Review |
| ✓ Overpayment | ✓ Reimbursement Review – J codes |
| ✓ Price Outliers | ✓ Transplants |

Other Party Liability.....

- ✓ Coordination of Benefits
- ✓ Potential Other Party Liability
- ✓ End Stage Renal Disease

Eligibility.....

Electronically compare 100% of REMIF’s eligibility versus 100% of paid claims for the audit period.

Edits include:

- ✓ Dependent Eligibility
- ✓ Ineligible Members
- ✓ Paid After Termination

Audit Selections, Operational Assessment & On-site Review

- Review the entire patient histories for each potential error and validate the findings in order to choose a more practical onsite sample.
- Judgmentally select a “validation sample” of medical claims that will provide the necessary information to support related claims (those claims that are for the same patient and/or same services as the onsite claim) within each error category of the electronic analysis.
- Perform an on-site audit of those judgmentally selected claims at HealthComp’s claims payment location. Each on-site audited claim will be entered onto an electronic spreadsheet detailing the reason for which we consider the claim to be paid in error.
- BMI’s audit staff will complete an operational review and assessment of HealthComp’s operations and procedures that have an impact on the administration of REMIF’s claims. The operational review and assessment will include, but not be limited to the following areas:
 - Claims System (software edits and controls, hardware, upgrades, security, disaster recovery)
 - Eligibility Maintenance
 - Claim Adjudication
 - Third Party Liability/Subrogation
 - Internal Auditing / Quality Assurance
 - Training
 - Staffing
 - Customer Service
 - Appeal Process of Claims
 - Coordination of benefits
 - Further exploration of operational weaknesses identified as potential sources of error trends.

Reporting

- HealthComp will be provided all of the audit reviews in a spreadsheet format in order for them to reply to our findings. HealthComp will then return their responses back to us within a reasonable amount of time. All responses will be published verbatim in the Final Report.
- Prepare and deliver the Final Report using detailed spreadsheets, narrative findings, and recommendations based on the electronic analysis, plan design analysis, on-site audit reviews, and HealthComp’s responses.



Value Forward Post-Audit Support

- BMI will provide a consultative analysis of the audit findings and engage REMIF and HealthComp to obtain resolution to any identified processing errors. BMI includes 16 hours of time for a period of up to ninety (90) days following release of the Final Report. Any time exceeding 16 hours or past 90 days will be billed at an hourly rate of \$200/hr.

VALUE FORWARD

Simply defined, Value Forward means audit value realized today and tomorrow.

BMI Plan Design Analysis

- Combining vast experience and cutting-edge technology, BMI will provide a Plan Design Analysis that reveals potential savings available by making changes to plan language.

Plan Design Analysis			
Plan Benefit Category	Current Plan Description	Potential Plan Language Revisions	Potential Plan Savings (Audit Period)
Dependent Pregnancy	No specific language in the SPD to limit / exclude this benefit.	Add language that no benefits are payable for routine pregnancy services for dependent children.	\$520,000
Genetic Testing	No specific language in the SPD to limit / exclude this benefit.	Add language to restrict benefits to only those at risk of inheritable disease.	\$138,000
Sleep Studies	No specific language in the SPD to limit benefits for sleep studies.	Add language to limit sleep study benefits to \$3,000 per calendar year.	\$83,500
Total Potential Plan Savings:			\$741,500

BMI Post-Audit Support

- BMI's Post-Audit Support will include, but not be limited to:
 - ✓ A dedicated point person to serve REMIF
 - ✓ A consultative analysis and walk-through of BMI's audit findings and HealthComp responses
 - ✓ Recommendations on steps to obtain resolution to identified claim processing errors
 - ✓ Analysis and interpretation of total potential financial impact
 - ✓ Identification and correction of conflicting plan language without impact to quality of care
 - ✓ Facilitation of communication between REMIF and HealthComp to review and discuss audit results

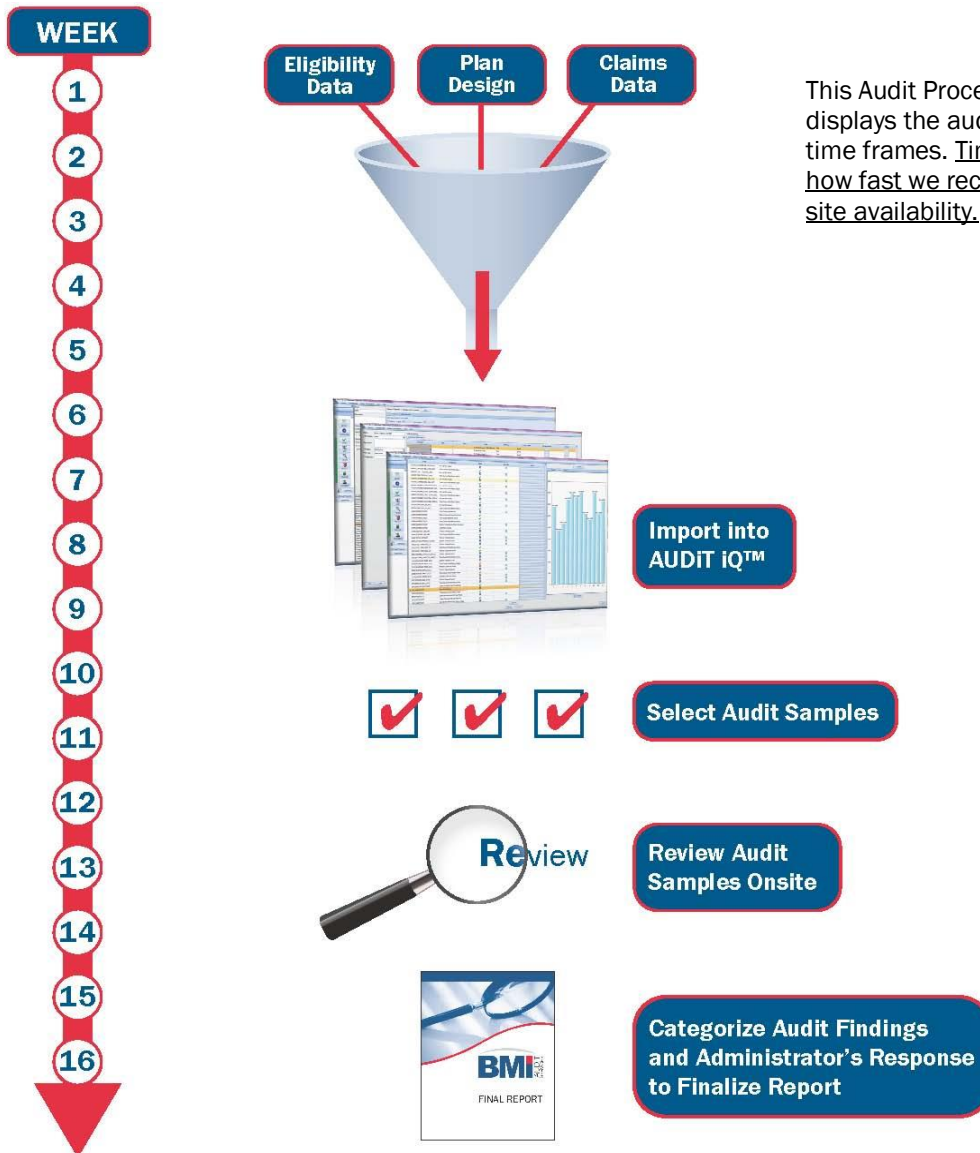


REMIF AUDIT SUPPORT

With strong project coordination tools, BMI has an excellent reputation for finishing projects with minimal client support. REMIF, or its representative, will support BMI by:

- Providing HealthComp with written notification (template provided by BMI) of the audit authorizing BMI to conduct the audit on its behalf and to have access to all documentation necessary to complete the scope of services provided. A copy of the notification letter should be provided to BMI at the time it is sent to HealthComp.
- Providing BMI an eligibility file, if available, containing all participants eligible to receive benefits at any time during the audit period.
- Providing BMI current plan documentation, if available, in effect at any time during the audit period including Summary Plan Description(s), plan amendments, Administrative Service Agreements, and any other correspondence or directives prepared for the purpose of interpreting and/or clarifying plan provision.

AUDIT PROCESS WORKFLOW



This Audit Process Workflow graphically displays the audit steps along with estimated time frames. Timing is ultimately based on how fast we receive documents, data and on-site availability.

PROFESSIONAL FEES

We bill on a professional fee basis. Contingency fees, guarantees, or any other financial biases compromise the objectivity and integrity of the audit process and can adversely affect the REMIF/HealthComp relationship. Our fees/services are priced independently:

Assumptions

- REMIF has approximately 804 subscribers enrolled in its self-insured medical plans with an annual claims spend of roughly \$9.22M.
- All claims were paid by HealthComp.
- BMI's review will include up to 6 unique plan designs.
- Eligibility data, if provided by REMIF, will be in a single historical electronic file conforming to BMI's data layout request.

Professional Audit Fees:

\$25,000.00

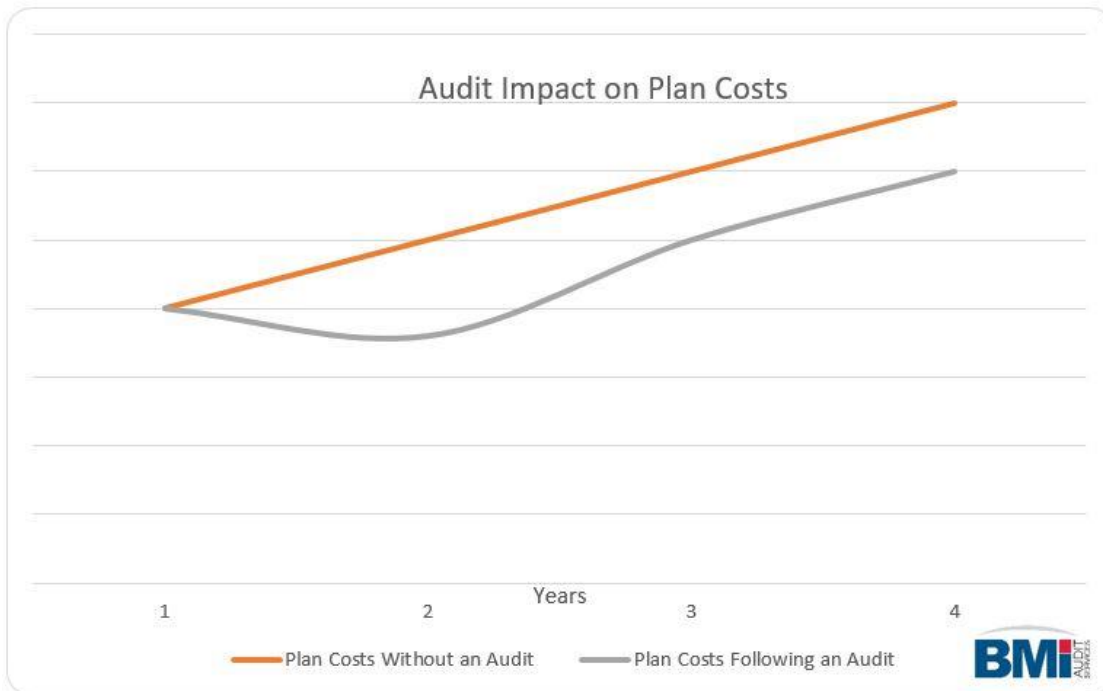
(Includes Plan Design Analysis & Post-Audit Support)

Reimbursement for reasonable travel-related expenses for individuals assigned to this engagement, including the on-site visit to HealthComp's claims payment center, will be billed in addition to Professional Fees. Travel-related expenses are estimated to be \$3,000.

Fees stated in this proposal are valid for 90 days.

DIRECT AND INDIRECT SAVINGS

The graphic below depicts plan cost increases each year as a result of not conducting an audit compared to plan costs after conducting an audit resulting in direct (immediate) and indirect (future) savings opportunities combined with corrective action.



BMI'S PRIVACY, SECURITY AND INSURANCE

BMI Audit Services is dedicated to protecting the privacy and security of your Protected Health Information (PHI) and Personal Identifiable Information (PII). We have a number of internal and external policies and practices in place to help safeguard this sensitive data. We keep your oral, written, and electronic PHI/PII safe using physical, electronic, and procedural means in addition to our extensive insurance coverages.

Physical Security

- BMI is located at a facility that maintains restricted, off-hours, access. Additionally, the offices of BMI are protected by a 24/7 security and alarm system maintained by a leading provider for security monitoring services.
- Access to the BMI offices are controlled electronically through a keypad access system; only authorized BMI personnel have accounts to gain entry.
- Our computer and phone equipment are further secured in a locked and restricted area.
- BMI utilizes a leading provider for secure Document Shredding: any physical printouts containing PHI/PII data are either destroyed using this service or stored securely on-site.

Information Technology Safeguards

- BMI uses the latest in Information Technology to electronically secure your data.
- All PHI/PII data is stored on our central servers and raw data files are encrypted using AES-256 encryption technology. In addition, laptop computers, utilized by BMI personnel, are password-protected at the hard drive level; any data residing on a laptop's hard drive cannot be accessed without the appropriate password even if that hard drive is placed in a different computer.
- Only authorized BMI personnel have accounts to gain access to our servers. A strong, complex password policy is employed by our server software.
- Backups are performed on a 24/7 basis. Data that is backed up is first encrypted using AES encryption technology and then delivered to a remote location electronically for Business Continuity purposes.
- Remote access to the BMI network and servers is controlled using state-of-the-art firewall and SSL networking technology.

Procedural Safeguards

- All BMI personnel undergo an extensive background check prior to employment.
- On-going training is provided relative to privacy and security issues that occur in a fast-changing data security external environment.

Insurance Coverages

- Cyber liability insurance coverage including errors and omissions, data privacy and network security liability, internet and electronic media liability, professional services liability, business interruption, cyber extortion, data and identity theft, intellectual property, and expenses related to responding to a privacy event.

SOC 2 Certified

- BMI is a certified SOC 2 service organization as defined by the AICPA which is widely recognized as the worldwide standard for secure and confidential information handling. – aicpa.org/soc





AGENDA ITEM SUMMARY

ITEM 11.0

TITLE: **STRATEGIC PARTNERSHIP BETWEEN REMIF AND THE PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA (PARSAC)**

PRESENTED BY: **AMY NORTHAM, GENERAL MANAGER**

ISSUE

Exploring a partnership with another JPA/Pool requires ratification by the Board of Directors. The REMIF Board of Directors directed staff to explore a strategic partnership with PARSAC, which included having an actuarial study of the workers' compensation funding to be completed. The actuarial study has been completed and presented to the REMIF Executive Committee. Kin Ong, General Manager from PARSAC, and Mike Harrington, Actuary from Bickmore Actuarial Services will present findings.

BACKGROUND

As the Board of Directors is aware, the Redwood Empire Municipal Insurance Fund (REMIF), representing 15 small to medium sized cities/towns, is a self-insured joint powers authority. It was formed in 1976 with a mission to provide workers' compensation coverage and to handle the insurance claims, benefit programs, and risk management needs of the members. Coverage was expanded in the mid-1980s to include liability coverage and other lines.

The Public Agency Risk Sharing Authority of California (PARSAC), representing 36 small to medium sized cities/towns, is also a self-insured joint powers authority. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities.

Like REMIF, PARSAC provides a self-funded liability program for general liability, public officials' errors and omissions, auto liability and employment practices liability coverage. They have additional coverage programs including self-funded workers' compensation, group purchase property, special events, fidelity bonds, cyber liability and ancillary benefits, as does REMIF.

PARSAC focuses on managing and maintaining a financially stable risk sharing pool for members, and their board of directors has a conservative funding and investment philosophy, which has given them programs that are funded in excess of the 90% confidence level. Their (PARSAC's) philosophy is to embrace diverse opinions, have discussions that are constructive and collaborative, encourage participation from the members, balance member interests with those of the pool and work together towards a greater good.

REMIF and PARSAC share a similar culture in that both believe the pool is member owned, member governed, member driven and exists to serve the members. REMIF and PARSAC are similar in that they serve small to medium sized cities/towns. REMIF and PARSAC share similar footprints in that they have Clearlake, we have Lakeport; they have Calistoga and Yountville, we have St. Helena; they have Ferndale, Trinidad, and Blue Lake; we have Eureka, Arcata and Fortuna; although PARSAC does have member cities located in other areas as well. REMIF and PARSAC are also similar in that we both provide value added services (Lexipol, LCW, trainings, etc.), in addition to multiple lines of coverage.

PARSAC's president, John Gillison, says of PARSAC: "PARSAC is unique in my experience because of the shared governance structure and our collective values which place good governance and sound fiscal policy first, above individual self-interests. We work well together because we share risk in a partnership, not merely a business relationship. As member agencies, we can exchange knowledge, learn from one another, work together in unique ways that span the distances between our agencies and tailor the services the pool provides to the greatest common good while preserving our unique individuality." It should be noted that PARSAC appears to be fiscally stable and adequately funded.

When I met with the REMIF member agencies, a few members expressed an interest in the want to "grow" REMIF out of a need to add more stability to the programs, as well as to spread both the risk and the costs amongst more members. Of course, that growth would need to be strategic, with careful consideration and intentional actions.

At the REMIF Board of Directors meeting in April of 2019, the Board directed staff to explore a strategic partnership with PARSAC.

At the REMIF Board of Directors direction, REMIF has entered into an exploratory partnership agreement with PARSAC with the concept of exploring the feasibility and practicability of a strategic partnership, as well as explore the benefits in sharing resources, sharing expenses and drawing on strengths. While exploring this partnership, consideration is being given to everything from succession planning to more robust, stable programs to long term program sustainability to redundancies. This agreement does not obligate either side to anything other than an exploratory exercise with recommendations that would be brought forth from there. The recommendations might be to proceed, or not.

The intent of a partnership between PARSAC and REMIF is long-term sustainability and a partnership that would result in a win-win for both agencies. The partnership could range from sharing training resources, a sharing of programs (such as allowing the PARSAC members to participate in our medical program) to a merger of the two agencies.

One of the first steps was to have an actuarial analysis completed on the workers' compensation program, which has been completed. The actuarial report was presented at a joint Executive Committee meeting. It was requested this information be presented to the REMIF Board of Directors. Kin Ong from PARSAC will present information on PARSAC, and Mike Harrington will present on the actuarial report. It was also requested the parties prepare a joint communique, that outlines the potential strategic partnership, for distribution to members, as needed, which was completed. Attached is a copy of that joint communique.

Staff seeks recommendations for next steps.

FISCAL IMPACT

None

RECOMMENDED ACTION

Continue exploration of partnership with PARSAC, discuss combining workers' compensation funding for 07/01/20 (this will NOT affect TPA relationships or claims handling).

ATTACHMENT

11.1 Joint communique



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Members: Arcata Cloverdale Cotati Eureka Fort Bragg Fortuna Healdsburg Lakeport
Rohnert Park St. Helena Sebastopol Sonoma Ukiah Willits Windsor

TO: Board of Directors for PARSAC, Board of Directors for REMIF, PARSAC member agencies, REMIF member agencies

FROM: Amy Northam, General Manager for REMIF; Kin Ong, General Manager for PARSAC

DATE: September 4, 2019

SUBJECT: Joint Communique re Strategic Partnership between PARSAC and REMIF

The Redwood Empire Municipal Insurance Fund (REMIF) is a self-insured joint powers authority (JPA) representing 15 small to medium sized cities/towns. It was formed in 1976 with a mission to provide workers' compensation coverage in response to increasing and unaffordable commercial rates. Coverage was expanded in the mid-1980s to include liability coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

The Public Agency Risk Sharing Authority of California (PARSAC) is a self-insured joint powers authority (JPA) representing 34 small to medium sized cities/towns and one fire district. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities. Coverage was expanded in 1990 to include workers' compensation coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

PARSAC and REMIF (JPAs) provide a self-funded liability program, self-funded workers' compensation program, and coverage for group purchased property, Board of Directors public officials' errors and omissions, auto physical damage, special events, fidelity bonds, cyber liability and other ancillary benefits.

REMIF has a self-funded medical/health program.

Through PARSAC's fiscally conservative approach, their liability and workers' compensation programs are funded in excess of the 90% confidence level.

Our JPAs focus on managing and maintaining a financially stable risk sharing pool for members, and our board of directors have a conservative funding and investment philosophy. We both share a similar philosophy to embrace diverse opinions, have discussions that are constructive and collaborative, encourage participation from the members, balance member interests with those of the pool and work together towards a greater good.

Our JPAs share a similar culture in that we believe the pool is member owned, member governed, member driven and exists to serve its members. We are similar in that we serve small to medium sized cities/towns. Both share a similar footprint in Northern California, while PARSAC has presence

throughout the State. We provide value added services (Lexipol, LCW, trainings, etc.), in addition to multiple lines of coverage.

A comparison matrix of the lines of coverage and services offered by both JPAs are attached to this communicate.

Given the similarities between the two agencies, REMIF and PARSAC are exploring a strategic partnership. There may be benefit in sharing resources, sharing expenses and drawing on strengths. While exploring such a partnership, consideration will be given to everything from succession planning to more robust, stable programs, shared training resources, long term program sustainability, eliminating redundancies to a merger of the two agencies and rebranding. A partnership could have realized savings to the members of both pools. **The intent of a partnership between PARSAC and REMIF would simply be long term stability, sustainability and adding depth and breadth to the agencies, with the singular goal of better serving our members.**

REMIF and PARSAC have entered into an agreement to explore this strategic partnership. Both JPAs require approval from their respective Board of Directors before a decision to proceed (or not proceed) is taken.

Lines of coverage	PARSAC	REMIF
Liability	✓	✓
Employment Practices Liability	✓	✓
Automobile Liability	✓	✓
Property Damage (3 rd party)	✓	✓
Workers' Compensation	✓	✓
Auto Physical Damage	✓	✓
Public Official Errors and Omissions	✓	✓
Property Damage (for members' property)	✓	✓
Special Events Coverage	✓	✓
Fidelity Bond	✓	✓
Employee Benefits (dental, vision, LTD, life)	✓	✓
Medical benefits (actives, retirees)	⊘	✓

Services Offered	PARSAC	REMIF
Safety Program	✓	✓
Grants	✓	⊘
Consultation and referral services	✓	✓
Customized risk management presentations	✓	⊘
Video and print resource library	✓	⊘
Regional and onsite risk management training	✓	✓
Web-based OSHA safety courses	✓	✓
In person OSHA safety courses	⊘	✓
Web-based employment practices courses	✓	✓
On site risk assessments	✓	✓
Post-accident assistance and mitigation	✓	✓
Operational Best Practices Templates	✓	⊘

Lexipol Fire and LE	✓	✓
Consultation with employment law firms	✓	✓
Liebert Cassidy Whitmore (LCW) Consortium Membership	✓	✓
DMV pull program	✓	⊘
DOT Drug Screening Program	✓	✓
Defensive Driver Training	✓	✓
Pre-employment physicals	⊘	✓

Anticipated timeline:

PARSAC/REMIF: Enter into MOU. (Original expected completion date: 06/30/19; status: completed on June 3, 2019)

PARSAC/REMIF: Joint meeting with respective Executive Committees of each party. (Original expected completion date: 09/30/19; status: completed on August 29, 2019)

PARSAC/REMIF: Contract with Bickmore Actuarial Services and have actuarial study completed to determine outstanding liabilities and to determine funding on the workers' compensation program (general liability to follow) for a combined program, using claims data from both parties. The parties understand that the self-insured retention (SIR) layers differ between the parties. The parties will consult with the actuary to advise of the differences. The parties may request the actuary to perform an SIR analysis to determine the appropriate SIR's for each member. (Original expected completion date: 09/30/19; status: completed June-August 2019)

PARSAC/REMIF: Review/analyze actuarial results, to include outstanding liabilities and funding. Prepare options and recommendations for a funding model and methodology for potential Partnership. Review options and recommendations with respective Finance Committee, Executive Committee or Board of Directors, as determined by the respective agency, as to what a Partnership might look like from a financial perspective. (Expected completion date: 11/30/19)

PARSAC/REMIF: Prepare options and recommendations as to what a potential Partnership may look like for risk management and safety programs, self-insured medical coverage program, property and auto physical damage programs. (Expected completion date: 03/31/20)

PARSAC/REMIF: Review each party's Memoranda of Coverage to identify coverage gaps and prepare options and recommendations. (Expected completion date: 06/30/20)

PARSAC/REMIF: Prepare options and recommendations as to what a potential Partnership may look like for the excess liability and excess workers' compensation coverage, our respective service providers (to include third party administrators) and governance models. (Expected completion date: 06/30/20)



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AGENDA ITEM SUMMARY

ITEM 12.0

TITLE: DRAFT ACTUARIAL REPORT, LIABILITY STUDY FOR FINANCIAL LIABILITY/AUDIT PURPOSES FY 18-19

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The liability and automobile liability actuarial report require ratification by the Board of Directors. The attached liability and automobile liability actuarial report was completed for purposes of booking the outstanding financial liability on the financial statement (for 18/19 fiscal year, outstanding liability as of 06/30/19).

BACKGROUND

Annually, REMIF provides the Board of Directors with an actuarial report that is used to book outstanding liability on the financial statements. The actuarial report incorporates annual fiscal information. We have our report completed by AON, a member of the American Academy of Actuaries.

The General Liability and Automobile Liability program is self-funded and administered by a third-party administrator for the 15-member cities. Since July 1, 2017, George Hills is our third-party administrator, and Cameron Dewey has been assigned to REMIF as our Claims Manager.

The purpose of the actuarial report is basically twofold: (1) to estimate outstanding losses and (2) to project future losses. Using June 30, 2019, as the point in time for purposes of this report, the estimated outstanding losses are the losses from June 30, 2019 looking backward and the projected future losses is the projected funding needed from June 30, 2019, going forward. The report is necessary to book the proper liability to the financial statement.

The actuary determined that the outstanding liability decreased by \$57,000 from \$5,686,102 to \$5,629,438 (undiscounted). The change reflects an additional policy year of \$1.6M, claim payments in 18/19 (\$3.4M) and upward adjustments to prior year ultimate losses of \$1.8M.

A second actuarial report, using 12/31/19 data, will outline the actuary's recommended contribution level for FY 2019/2020, to be collected in FY 2020/2021.

FISCAL IMPACT

Claims Liabilities recording of \$5,465,259 as of June 30, 2019.

RECOMMENDED ACTION

Staff recommends the Board approve the attached automobile and general liability actuarial report and allow staff to book the outstanding financial liability on the financial statement (for 18/19 fiscal year, outstanding liability as of 06/30/19) an amount of \$5,465,259.

ATTACHMENTS

12.1 Draft Automobile/General Liability Actuarial report (62 pages)

**Redwood Empire Municipal
Insurance Fund**

**Actuarial Study of the
Automobile and General Liability Program
as of June 30, 2019**

DRAFT

September 18, 2019

September 18, 2019

Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

Attn: Ms. Amy Northam
General Manager

**Actuarial Study of the
Automobile and General Liability Program
as of June 30, 2019**

This study has been completed for the Redwood Empire Municipal Insurance Fund for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with the Redwood Empire Municipal Insurance Fund that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Global Risk Consulting

By _____
Mujtaba Datoo, ACAS, MAAA, FCA
Actuarial Practice Leader

Brenda Craigmyle
Senior Actuarial Analyst

MD:bc

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I.	Background	1
II.	Objectives	2
III.	Conclusions	3

Appendices

- A Conditions and Limitations
- B Glossary of Actuarial Terms
- C Exhibits

DRAFT

I. Background

The Redwood Empire Municipal Insurance Fund (REMIF) automobile and general liability program was formed on July 1, 1978. It provides a means for pooling risks and purchasing excess insurance on a collective basis. The original seven member cities consist of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma and Ukiah. The following cities joined later: Arcata, Crescent City, Eureka, Fort Bragg, Fortuna, Lakeport, St. Helena, Willits and Windsor. Crescent City ended its membership in REMIF on June 30, 1989.

REMIF is a member of the California Joint Powers Risk Management Authority with a retention of \$500,000 per occurrence.

The individual members of REMIF maintain deductibles.

Data

Loss data valued as of June 30, 2019 was provided to us by REMIF. REMIF previously provided payroll for years through 2020/21.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by REMIF or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

II. Objectives

The specific objectives of this study are:

1. **Estimate Net Outstanding Losses.** Estimate net outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2019.

The estimated net outstanding losses are the cost of unpaid claims. The estimated net outstanding losses include case reserves, the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct settlement expenses for specific claims, primarily legal expenses.

Net refers to net of member deductibles. The amounts are limited to the self-insured retention.

2. **Project Financial Position.** Project the financial position of the program as of June 30, 2019.

The projected financial position is a comparison of the (present value of) estimated net outstanding losses with projected funds available (approximate and unaudited) to meet them.

3. **Project Ultimate Net Limited Losses.** Project ultimate net limited losses (including ALAE) for 2020/21.

The projected ultimate net limited losses are the accrual value of losses with accident dates in 2020/21, regardless of report or payment date.

Net refers to net of member deductibles. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding for 2020/21.

The recommended funding is based on the (present value of) projected ultimate net limited losses and expenses at various confidence levels.

5. **Comparison to Previous Actuarial Studies.** Compare to the previous five actuarial studies.

III. Conclusions

We have reached the following conclusions:

1. Estimate Net Outstanding Losses

We estimate net outstanding losses as of June 30, 2019 to be as shown in Table III-1.

**Table III-1
Estimated Net Outstanding Losses
June 30, 2019**

Item (1)	Amount (2)
(A) Estimated net outstanding losses	\$5,629,438
(B) Present value of estimated net outstanding losses	5,465,259

Note: (2) is from Exhibit LI-16.

The estimated outstanding losses decreased by about \$57,000, from our prior estimate of \$5,686,102 as of June 30, 2018 to \$5,629,438 as of June 30, 2019. The decrease consists of:

- +\$1.6 million from the additional year (2018/19) of exposure,
- -\$3.4 million for claim payments made during 2018/19, and
- +\$1.8 million due to an increase in projected ultimate losses for claim periods 2015/16 and prior. This change is due to greater than expected development since the prior study (discussed further in Section 5, beginning on page 9 of this study).

The present value of outstanding losses is the amount of money, discounted for anticipated investment income, required to meet estimated outstanding losses. It is calculated based on a 2.25% yield on investments, as provided by REMIF.

The amounts in Table III-1 are net of deductibles and limited to the self-insured retention.

Outstanding unallocated loss adjustment expenses (ULAE) are primarily composed of future claims administration for open claims. The implementation guide for Governmental Accounting Standards Board (GASB) Statement No. 10 specifies that pools must recognize outstanding ULAE in financial statements. The outstanding ULAE are typically estimated as 5% to 10% of the net outstanding losses (based on similar programs).

2. Project Financial Position

We project the financial position of the program as of June 30, 2019 to be as shown in Table III-2.

**Table III-2
Projected Financial Position
at Various Confidence Levels
June 30, 2019**

Confidence Level (1)	Projected Funds Available (2)	Present Value of Estimated Net Outstanding Losses (3)	Projected Financial Position (2) - (3) (4)
(A) Expected	\$3,218,700	\$5,465,259	(\$2,246,559)
(B) 75%	3,218,700	6,285,048	(3,066,348)
(C) 90%	3,218,700	7,378,100	(4,159,400)

Note: (2) was provided by REMIF (approximate and unaudited).
(3) is from Exhibit LI-17.

3. Project Ultimate Net Limited Losses

We project ultimate net limited losses for 2020/21 to be as shown in Table III-3.

**Table III-3
Projected Ultimate Net Limited Losses
2020/21**

Item (1)	Projected Payroll (000) (2)	Loss Rate per \$100 of Payroll (3)	Projected Ultimate Losses (4)
(A) Full Value	\$119,509	\$2.15	\$2,567,000
(B) Present Value	119,509	2.04	2,441,000

Note: (2) through (4) are from Exhibit LI-15.

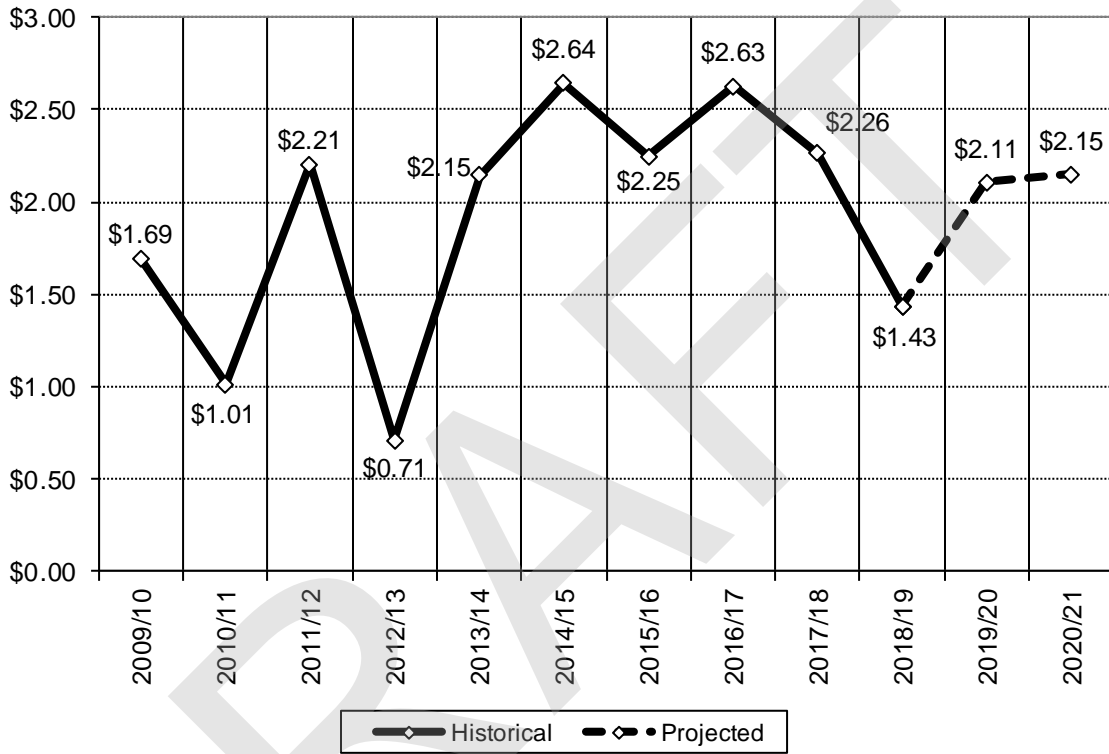
The present value of the projected ultimate net limited losses is the amount of money, discounted for anticipated investment income, required to meet claims. It is calculated based on a 2.25% yield on investments.

The amounts in Table III-3 are net of member deductibles and limited to the self-insured retention.

All costs other than claims are additional.

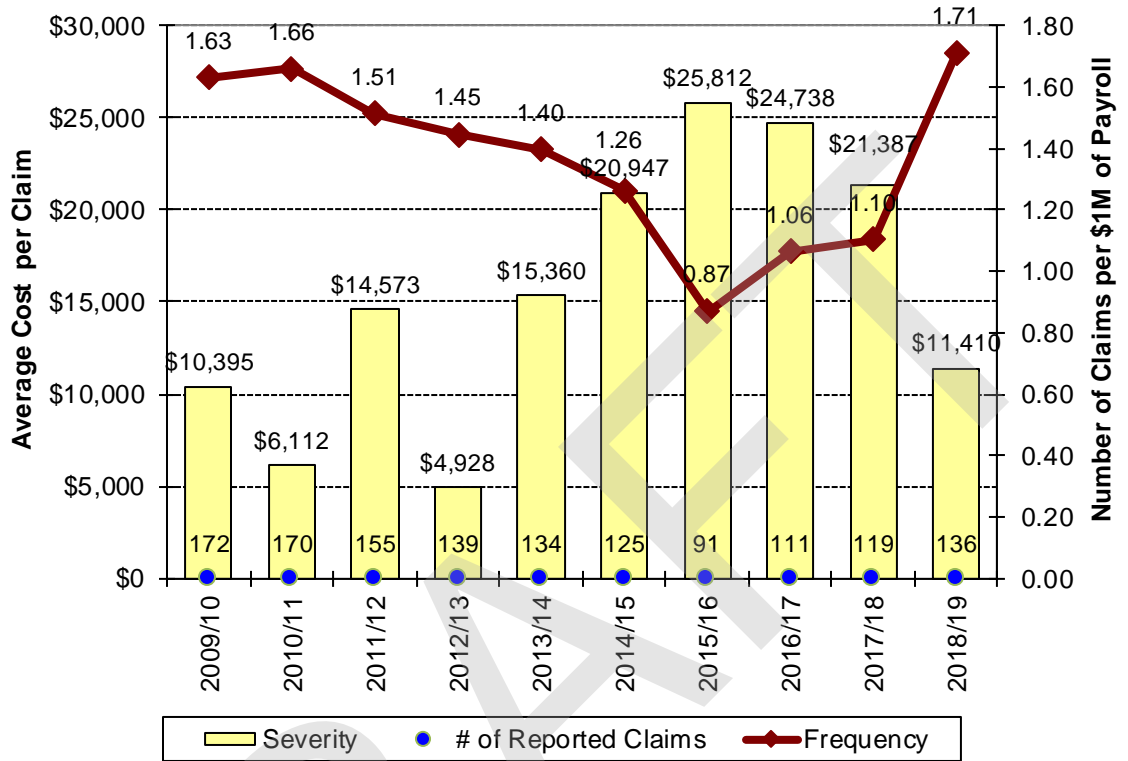
Graphs III-1 and III-2 show loss experience trends for liability as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

Graph III-1
Loss Rate per \$100 of Payroll
(Liability)



Note: Loss rates are from Exhibit LI-15, columns (4) and (7).

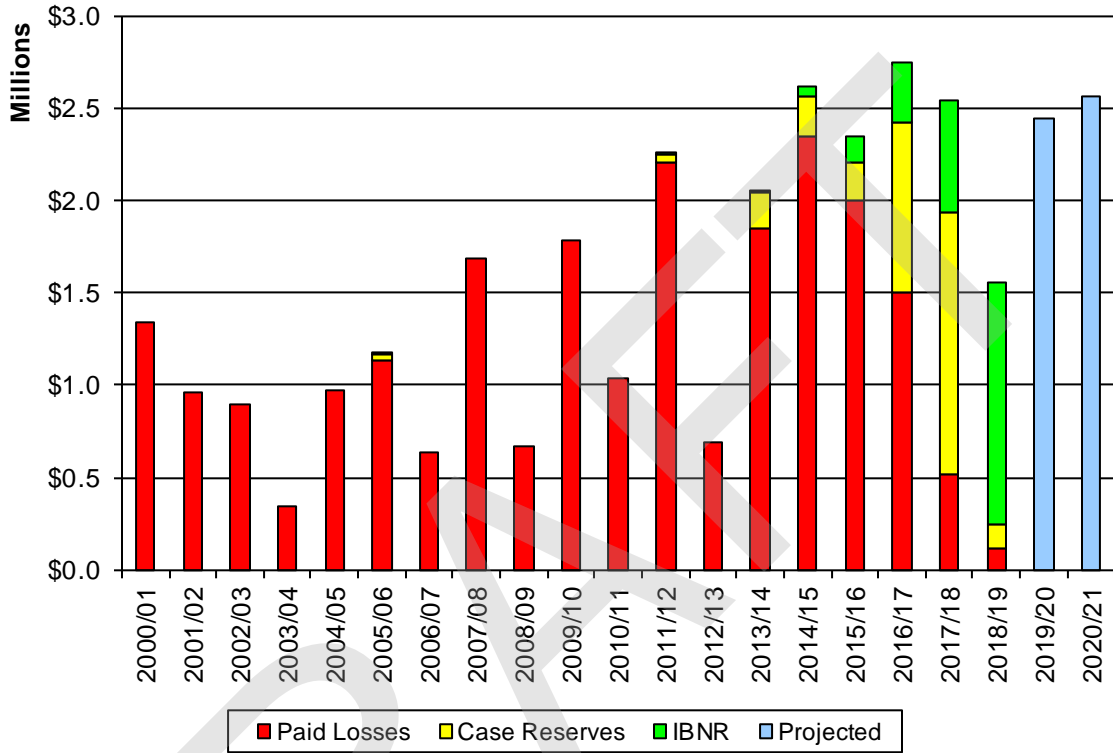
**Graph III-2
Frequency and Severity
(Liability)**



Note: Frequency amounts are from Exhibit LI-8, Section I, column (7).
Severity amounts are based on the projected claim counts in Exhibit LI-8 and the projected ultimate net losses in Exhibit LI-13.

Graph III-3 shows the composition of the projected ultimate net limited losses for liability.

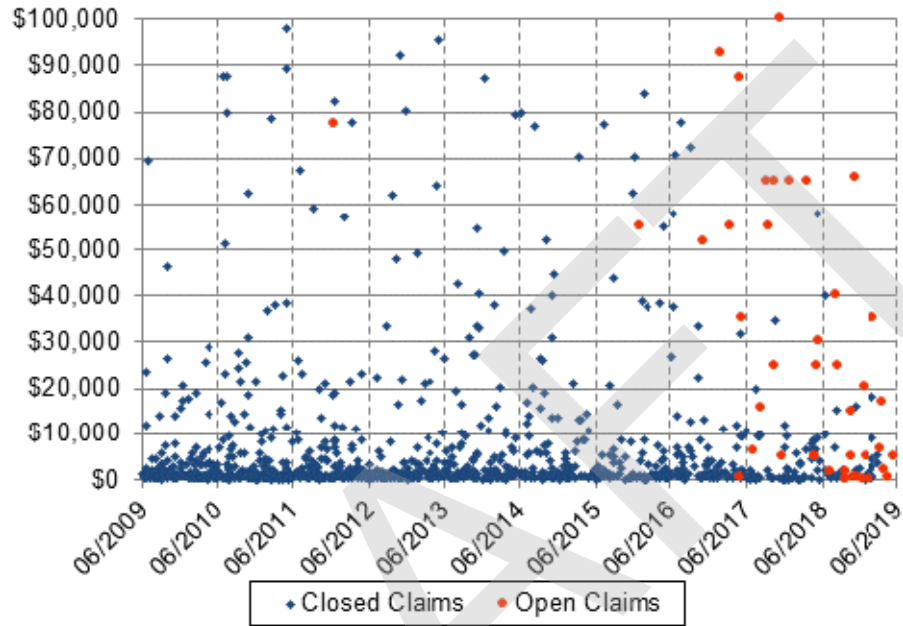
Graph III-3
Composition of Projected Ultimate Net Limited Losses
(Liability)



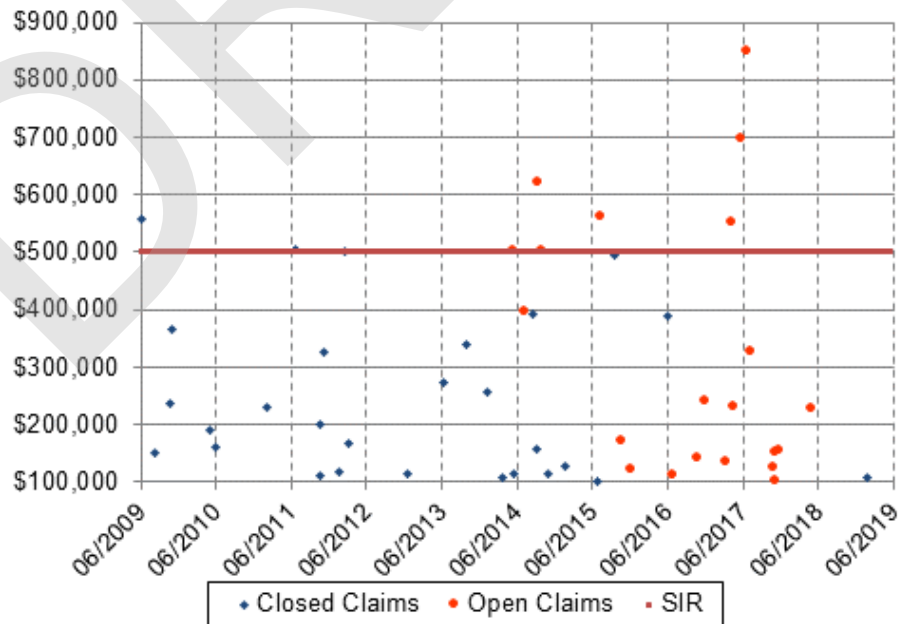
Note: Amounts through 2018/19 are from Exhibit LI-15.
Amounts for 2019/20 and 2020/21 are from Exhibit LI-14.

The reported liability claim experience underlying our analysis is shown below in Graphs III-4 and III-5, with each point representing one claim. The amounts are gross of excess insurance.

**Graph III-4
Distribution of Liability Losses
Incurred Less Than \$100,000
2009/10 through 2018/19**



**Graph III-5
Distribution of Liability Losses
Incurred Greater Than \$100,000
2009/10 through 2018/19**



4. Recommend Funding

We recommend funding for 2020/21 to be as shown in Table III-4.

**Table III-4
Recommended Funding
at Various Confidence Levels
2020/21**

Confidence Level (1)	Recommended Funding (2)
(A) Expected	<i>will fill in</i>
(B) 75%	<i>will fill in</i>
(C) 90%	<i>will fill in</i>

Note: (2) is from REMIF Chart 3.

5. Comparison to Previous Actuarial Studies

The conclusions of this actuarial study compared to five previous actuarial studies are shown in Table III-5A.

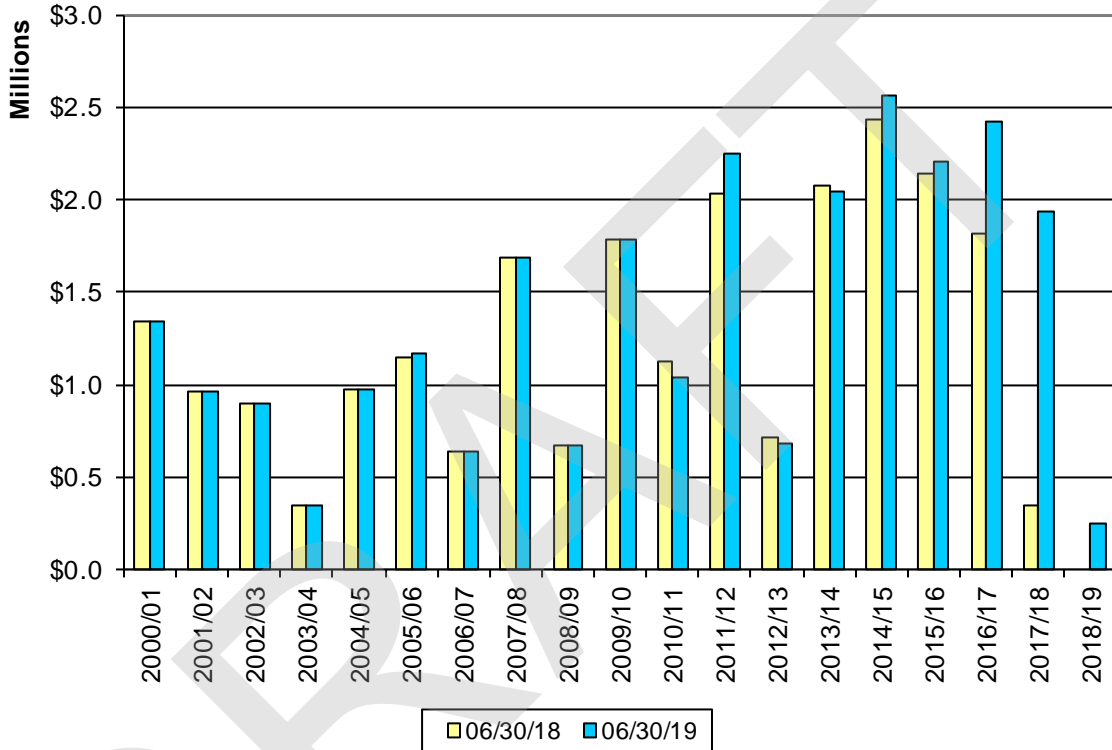
**Table III-5A
Comparison of Actuarial Study Conclusions**

Comparison Item (1)	2019 Actuarial Study (2)	2018 Actuarial Study (3)	2017 Actuarial Study (3)	2016 Actuarial Study (4)	2015 Actuarial Study (5)
(A) Present value of estimated net outstanding losses at 75% confidence	\$6,285,048	\$6,070,447	\$6,022,098	\$3,057,403	\$2,067,033
(B) Recommended funding for the upcoming claim period at 75% confidence		3,657,057	2,937,872	2,378,035	2,233,913

Note: (A2) is from REMIF Chart 1.
 (B2) is from REMIF Chart 3.
 (3) is from the actuarial study as of June 30, 2018.
 (4) is from the actuarial study as of June 30, 2017.
 (5) is from the actuarial study as of June 30, 2016.
 (6) is from the actuarial study as of June 30, 2015.

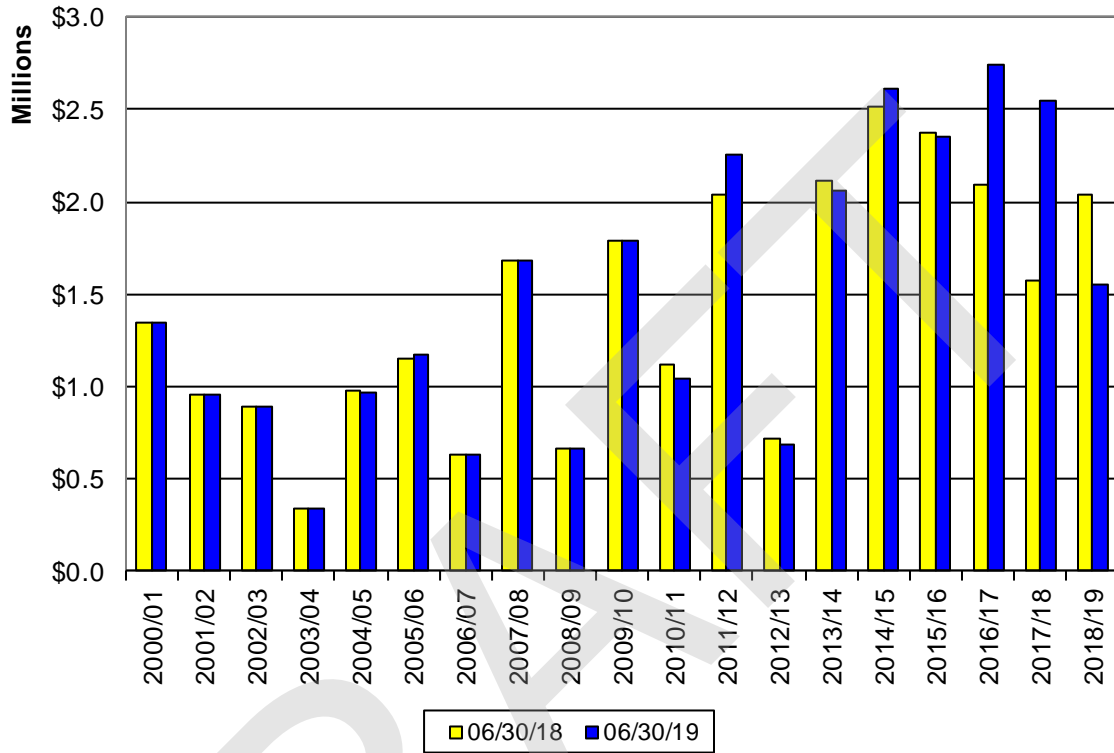
Graphs III-6 and III-7 are graphical comparisons of the net limited reported incurred losses and projected ultimate net limited losses, respectively, by fiscal year of occurrence of the liability program from the previous study to the current study.

Graph III-6
Comparison of Net Limited Reported Incurred Losses
as of June 30, 2018 and June 30, 2019
(Liability)



Note: Amounts as of June 30, 2018 are from the previous actuarial study.
Amounts as of June 30, 2019 are from Exhibit LI-12.

Graph III-7
Comparison of Projected Ultimate Net Limited Losses
as of June 30, 2018 and June 30, 2019
(Liability)



Note: Amounts as of June 30, 2018 are from the previous actuarial study.
Amounts as of June 30, 2019 are from Exhibit LI-13.

For all claims through 2017/18, the change in the projected ultimate net limited losses from June 30, 2018 to June 30, 2019 was 4.9%.

We compare the projected ultimate limited losses (gross of member deductible) by year as of June 30, 2018 and June 30, 2019 as shown in Table III-5B.

Table III-5B
Comparison of Projected Ultimate Limited Losses
as of June 30, 2018 and June 30, 2019

Claim Period (1)	Projected Ultimate Limited Losses as of 6/30/18 (2)	Projected Ultimate Limited Losses as of 6/30/19 (3)	Change (3) - (2) (4)	Percentage Change (4) / (2) (5)
to 1999/00	\$10,763,949	\$10,762,259	(\$1,690)	0.0%
2000/01	1,343,998	1,343,998	(0)	0.0%
2001/02	959,598	959,598	(0)	0.0%
2002/03	894,846	894,846	0	0.0%
2003/04	344,208	344,208	0	0.0%
2004/05	975,131	968,387	(6,744)	-0.7%
2005/06	1,149,840	1,172,840	23,000	2.0%
2006/07	634,045	634,045	0	0.0%
2007/08	1,687,784	1,687,784	(0)	0.0%
2008/09	666,776	666,776	(0)	0.0%
2009/10	1,787,857	1,787,857	0	0.0%
2010/11	1,121,323	1,039,065	(82,259)	-7.3%
2011/12	2,040,861	2,258,760	217,898	10.7%
2012/13	716,116	684,974	(31,142)	-4.3%
2013/14	2,118,221	2,058,224	(59,997)	-2.8%
2014/15	2,518,198	2,618,388	100,190	4.0%
2015/16	2,375,154	2,348,935	(26,220)	-1.1%
2016/17	2,095,296	2,745,889	650,593	31.1%
2017/18	1,575,714	2,545,034	969,320	61.5%
Total	\$35,768,913	\$37,521,863	\$1,752,950	4.9%

Note: (2) is from the prior actuarial study.
(3) is from Exhibit LI-9.

For 2011/12, 2016/17, and 2017/18, actual incurred development has been greater than anticipated (see Table III-5C on the next page for further discussion). We note that each of these years have had one to three claims that had an incurred increase in the \$100,000 to \$400,000 range per claim.

Actual loss experience versus expected experience in the prior actuarial study, for both paid and incurred losses, is as shown in Table III-5C.

**Table III-5C
Comparison of Actual and Expected Experience
June 30, 2018 to June 30, 2019**

Claim Period (1)	Paid Losses in the Period			Incurred Losses in the Period		
	Paid Expected (2)	Paid Actual (3)	Difference (3) - (2) (4)	Incurred Expected (5)	Incurred Actual (6)	Difference (6) - (5) (7)
to 1999/00	\$0	(\$17,613)	(\$17,613)	\$0	(\$17,613)	(\$17,613)
2000/01	0	(1,039)	(1,039)	0	(1,039)	(1,039)
2001/02	0	(0)	(0)	0	(0)	(0)
2002/03	0	0	0	0	0	0
2003/04	0	0	0	0	(12,000)	(12,000)
2004/05	0	(12,136)	(12,136)	0	(12,136)	(12,136)
2005/06	0	19,084	19,084	0	22,500	22,500
2006/07	0	0	0	0	0	0
2007/08	0	(1,290)	(1,290)	0	(1,290)	(1,290)
2008/09	0	(195)	(195)	0	(195)	(195)
2009/10	0	(421)	(421)	0	(421)	(421)
2010/11	8,239	(71,830)	(80,069)	0	(95,228)	(95,228)
2011/12	12,881	220,663	207,782	0	216,147	216,147
2012/13	9,813	(2,525)	(12,337)	4,980	(26,816)	(31,796)
2013/14	50,128	(8,109)	(58,237)	38,350	(69,876)	(108,226)
2014/15	138,071	629,120	491,049	72,137	110,176	38,038
2015/16	414,167	850,811	436,644	261,533	37,477	(224,057)
2016/17	711,635	1,187,942	476,307	493,819	645,801	151,982
2017/18	458,516	585,889	127,373	495,350	1,766,837	1,271,487
Total	\$1,803,450	\$3,378,353	\$1,574,902	\$1,366,169	\$2,562,324	\$1,196,154

Note: (2) and (5) are the expected amounts from June 30, 2018 to June 30, 2019.
(3) and (6) are actual experience from June 30, 2018 to June 30, 2019.

As part of our analysis, we project ultimate losses by year using paid loss development and incurred loss development (these are defined in the attached Glossary). Table III-5C shows how the paid and incurred claims emerged 12 months later based on loss development factors we selected in the actuarial study valued as of June 30, 2018. This analysis provides a peek into how the claims are actually emerging compared to the expected emergence which is based on historical development patterns. Incurred development was greater than anticipated 2011/12, 2016/17, and 2017/18. Paid development was greater than anticipated for 2011/12 and 2014/15 through 2017/18.

Table III-5D reconciles the estimated net outstanding losses as of June 30, 2018 to June 30, 2019.

**Table III-5D
Reconciliation of Estimated Net Outstanding Losses
June 30, 2018 to June 30, 2019**

Claim Period (1)	Item (2)	Amount (3)
(A) Through 2017/18	(i) Estimated outstanding losses as of 6/30/18	\$5,686,102
	(ii) Losses paid during 2018/19	(3,242,658)
	(iii) Change in projected ultimate limited losses for claim periods 2017/18 and prior: • (Aiii) is 4.9% of the total projected ultimate losses	1,752,950
	(iv) Estimated outstanding losses as of 6/30/19 (Ai) + (Aii) + (Aiii)	\$4,196,394
(B) 2018/19	(i) Projected ultimate limited losses	\$1,551,781
	(ii) Losses paid during 2018/19	(118,737)
	(iii) Estimated outstanding losses as of 06/30/19 (Bi) + (Bii)	\$1,433,045
(C) Total (Aiv) + (Biii)	(i) Estimated outstanding losses as of 06/30/19	\$5,629,439

Note: (Ai) is from the previous actuarial study.
(Aii) is based on data provided as of June 30, 2018 and June 30, 2019.
(Aiii) is based on Exhibit LI-15 and the previous actuarial study.
(Bi) and (Bii) are from Exhibit LI-16.
Amounts are net of member deductibles.

Conditions and Limitations

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact Aon for clarification.

- **Data Quality** In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the organization or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** Use of this report is limited to the organization for the specific purpose described in the Introduction section. Other uses are prohibited without an executed release with Aon.

Distribution by the organization is unrestricted. The report should only be distributed in its entirety including all supporting exhibits.

- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain written permission from Aon prior to use of this study.

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Glossary of Actuarial Terms

Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** A case reserve is an estimate of the unpaid amount established by claims adjusters for which a particular claim will ultimately be settled or adjudicated. The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.

4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

Actuary

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

Allocated Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

Benefits

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

Casualty Actuarial Society

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

Claim

Demand by an individual or entity to recover for a loss.

Claims Made

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

Composite Rate

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

Confidence Level

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

Coverage

The scope of the protection provided under a contract of insurance.

Credibility

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

Dates

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. Aon recommends this additional level of detail, especially if the data is to be used for litigation management.

Deductible

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

Disability

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

Dividend (Policyholder)

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

Estimated Outstanding Losses

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Exposure Data

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. Aon suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.
- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

Incurred But Not Reported

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

Insurance Services Office (ISO)

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

Investment Income

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on

assets that have actually been sold for more than their purchase price.

Limited

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. “Limited” refers to an estimate or projection being limited to the self-insured retention. In contrast, “unlimited” means a loss projection not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

Loss Development

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

Manual Rates

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the “unit.”

National Council on Compensation Insurance (NCCI)

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

Net

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. “Net” refers to a loss estimate or projection that excludes amounts below member deductibles.

Occurrence

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

Pool

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

Premium

The price of insurance protection for a specified risk for a specified period of time.

Present Value

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

Probability

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

Projected Losses Paid

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

Rate

The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

Retrospective Rating

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured's own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

Salvage

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

Schedule Rating

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

Self-Insurance Retention (SIR)

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

Society of Actuaries (SOA)

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance. It is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

State Fund

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

Statutory Accounting Principles (SAP)

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

Unallocated Loss Adjustment Expenses

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

GASB Statement No. 10 requires that ULAE be included in financial statements and that they be calculated by actuarial methods.

Exhibits

The attached exhibits detail our analysis.

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Estimated Net Outstanding Losses as of June 30, 2019 at Various Confidence Levels

Claim Period (1)	Estimated Net Outstanding Losses 6/30/19 (2)	Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (2)X1.15 (3)	Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (2)X1.35 (4)	Present Value of Estimated Net Outstanding Losses 6/30/19 (5)	Present Value of Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (5)X1.15 (6)	Present Value of Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (5)X1.35 (7)
to 1999/00	\$0	\$0	\$0	\$0	\$0	\$0
2000/01	0	0	0	0	0	0
2001/02	0	0	0	0	0	0
2002/03	0	0	0	0	0	0
2003/04	0	0	0	0	0	0
2004/05	0	0	0	0	0	0
2005/06	44,333	50,983	59,850	44,333	50,983	59,850
2006/07	0	0	0	0	0	0
2007/08	0	0	0	0	0	0
2008/09	0	0	0	0	0	0
2009/10	0	0	0	0	0	0
2010/11	0	0	0	0	0	0
2011/12	47,540	54,671	64,179	47,014	54,066	63,469
2012/13	0	0	0	0	0	0
2013/14	205,126	235,895	276,920	199,510	229,437	269,339
2014/15	273,498	314,523	369,222	265,247	305,034	358,083
2015/16	351,593	404,332	474,651	341,770	393,036	461,390
2016/17	1,243,848	1,430,425	1,679,195	1,212,788	1,394,706	1,637,264
2017/18	2,030,456	2,335,024	2,741,116	1,974,601	2,270,791	2,665,711
2018/19	1,433,044	1,648,001	1,934,609	1,379,996	1,586,995	1,862,995
Total	\$5,629,438	\$6,473,854	\$7,599,742	\$5,465,259	\$6,285,048	\$7,378,101

(8) Projected funds available at June 30, 2019 (approximate and unaudited)	\$3,218,700		
(9) Equity/(Shortfall)	-\$2,246,559 (a)	-\$3,066,348 (b)	-\$4,159,401 (c)

All amounts include loss and ALAE.

(2) to (7) are from Exhibit LI-17.

(8) was provided by REMIF.

(9a) is (8)-Total(5).

(9b) is (8)-Total(6).

(9c) is (8)-Total(7).

Development of Projected Pooled Liabilities at June 30, 2019

Claim Period (1)	Projected Ultimate Limited Losses (2)	Limited Paid Losses 6/30/19 (3)	Estimated Outstanding Losses 6/30/19 (2)-(3) (4)	Case Reserves Within Deductibles 6/30/19 (5)	IBNR Within Deductibles 6/30/19 (4)-(5)-(7) (6)	Estimated Net Outstanding Losses 6/30/19 (7)
to 1999/00	\$16,215,953	\$16,215,953	\$0	\$0	\$0	\$0
2000/01	1,744,802	1,744,802	0	0	0	0
2001/02	1,403,682	1,403,682	0	0	0	0
2002/03	1,375,797	1,375,797	0	0	0	0
2003/04	708,641	708,641	0	0	0	0
2004/05	1,360,107	1,360,107	0	0	0	0
2005/06	1,666,000	1,621,667	44,333	0	0	44,333
2006/07	987,497	987,497	0	0	0	0
2007/08	2,241,538	2,241,538	0	0	0	0
2008/09	1,055,159	1,055,159	0	0	0	0
2009/10	2,221,669	2,221,669	0	0	0	0
2010/11	1,558,189	1,558,189	0	0	0	0
2011/12	2,818,000	2,770,459	47,541	0	1	47,540
2012/13	967,070	967,070	0	0	0	0
2013/14	2,520,000	2,314,874	205,126	0	0	205,126
2014/15	3,097,000	2,823,502	273,498	0	0	273,498
2015/16	2,661,000	2,309,407	351,593	0	0	351,593
2016/17	3,178,000	1,925,054	1,252,946	9,010	88	1,243,848
2017/18	2,889,000	763,355	2,125,645	90,922	4,267	2,030,456
2018/19	1,919,000	270,239	1,648,761	107,711	108,006	1,433,044
Total	\$52,588,104	\$46,638,662	\$5,949,443	\$207,644	\$112,361	\$5,629,438

All amounts include loss and ALAE.

(2) is from Exhibit LI-9.

(3) is from Exhibit LI-1 (page 1).

(5) is based on Exhibit LI-1 (page 1) and Exhibit LI-16.

(7) is from Exhibit LI-16.

Development of 2020/21 Funding Indications

(1) Projected 2020/21 payroll (000)	\$119,509
(2) Projected net limited loss rate per \$100 of payroll	\$2.15
(3) Projected ultimate net limited losses	\$2,567,000
(4) Risk margin	
(a) 75% confidence	\$513,000
(b) 90% confidence	\$1,284,000
(5) Projected ultimate net limited losses at risk margin	
(a) Expected	\$2,567,000
(b) 75% confidence	\$3,080,000
(c) 90% confidence	\$3,851,000
(6) Present value factor	0.95
(7) Present value of projected ultimate net limited losses	
(a) Expected	\$2,441,000
(b) 75% confidence	\$2,929,000
(c) 90% confidence	\$3,662,000
(8) Budgeted expenses	
(a) Excess insurance premiums	<i>will fill in</i>
(b) Insurance consultants	
(c) Safety training expenses	
(d) Total G & A expense	
(e) Total budgeted expenses	
(a)...(e)	
(9) Recommended funding	
(a) Expected	
(b) 75% confidence	
(c) 90% confidence	

(1), (2), (3) and (6) are from Exhibit LI-15.

(4a) is (3)X0.20.

(4b) is (3)X0.50.

(5a) is (3).

(5b) is (3)+(4a). (5c) is (3)+(4b).

(7) is (5)X(6).

(8) was provided by REMIF.

(9) is (7)+(8).

Selection of Ultimate Loss and ALAE at June 30, 2019

Claim Period (1)	Projected Ultimate Net Limited Losses 6/30/18 Report (2)	Projected Ultimate Net Limited Losses this Report (3)	Percentage Change (3)/(2)-100.0% (4)
to 1999/00	\$10,763,949	\$10,762,259	0.0%
2000/01	1,343,998	1,343,998	0.0%
2001/02	959,598	959,598	0.0%
2002/03	894,846	894,846	0.0%
2003/04	344,208	344,208	0.0%
2004/05	975,131	968,387	-0.7%
2005/06	1,149,840	1,172,840	2.0%
2006/07	634,045	634,045	0.0%
2007/08	1,687,784	1,687,784	0.0%
2008/09	666,776	666,776	0.0%
2009/10	1,787,857	1,787,857	0.0%
2010/11	1,121,323	1,039,065	-7.3%
2011/12	2,040,861	2,258,760	10.7%
2012/13	716,116	684,974	-4.3%
2013/14	2,118,221	2,058,224	-2.8%
2014/15	2,518,198	2,618,388	4.0%
2015/16	2,375,154	2,348,935	-1.1%
2016/17	2,095,296	2,745,889	31.1%
2017/18	1,575,714	2,545,034	61.5%
2018/19	2,036,000	1,551,781	-23.8%
Total	\$37,804,913	\$39,073,644	3.4%

All amounts include loss and ALAE.

(2) is from the previous actuarial report.

(3) is from Exhibit LI-14.

Selection of Loss and ALAE at June 30, 2019

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Limited Case Reserves 6/30/19 (3)	Limited Reported Incurred Losses 6/30/19 (4)	Projected Ultimate Limited Losses (5)
to 1999/00	\$16,215,953	\$0	\$16,215,953	\$16,215,953
2000/01	1,744,802	0	1,744,802	1,744,802
2001/02	1,403,682	0	1,403,682	1,403,682
2002/03	1,375,797	0	1,375,797	1,375,797
2003/04	708,641	0	708,641	708,641
2004/05	1,360,107	0	1,360,107	1,360,107
2005/06	1,621,667	39,900	1,661,567	1,666,000
2006/07	987,497	0	987,497	987,497
2007/08	2,241,538	0	2,241,538	2,241,538
2008/09	1,055,159	0	1,055,159	1,055,159
2009/10	2,221,669	0	2,221,669	2,221,669
2010/11	1,558,189	0	1,558,189	1,558,189
2011/12	2,770,459	42,958	2,813,418	2,818,000
2012/13	967,070	0	967,070	967,070
2013/14	2,314,874	186,301	2,501,175	2,520,000
2014/15	2,823,502	219,901	3,043,403	3,097,000
2015/16	2,309,407	212,922	2,522,329	2,661,000
2016/17	1,925,054	929,587	2,854,641	3,178,000
2017/18	763,355	1,507,482	2,270,837	2,889,000
2018/19	270,239	234,808	505,046	1,919,000
Total	\$46,638,662	\$3,373,858	\$50,012,520	\$52,588,104

(2) to (4) are from Exhibit LI-1 (page 1).

(5) is from Exhibit LI-9.

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2014/15 (3)	2015/16 (4)	2016/17 (5)	2017/18 (6)	2018/19 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	676	8	3	7	43	86	823		
0.01 - 5,000	4,517	74	59	66	43	33	4,792	4,792	82.4%
5,000 - 10,000	296	13	11	11	12	5	348	5,140	88.4%
10,000 - 25,000	280	13	2	7	6	7	315	5,455	93.8%
25,000 - 50,000	126	6	4	5	2	3	146	5,601	96.3%
50,000 - 100,000	90	4	6	8	7	1	116	5,717	98.3%
100,000 - 250,000	45	3	3	5	4	1	61	5,778	99.4%
250,000 - 500,000	24	3	2	0	1	0	30	5,808	99.9%
500,000 - 750,000	2	1	1	2	0	0	6	5,814	100.0%
750,000 - 1,000,000	0	0	0	0	1	0	1	5,815	100.0%
Over 1,000,000	0	0	0	0	0	0	0	5,815	100.0%
Total	6,056	125	91	111	119	136	6,638	5,815	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2014/15 (3)	2015/16 (4)	2016/17 (5)	2017/18 (6)	2018/19 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	4,434,870	86,107	75,602	93,143	54,848	52,111	4,796,681	4,796,681	9.4%
5,000 - 10,000	2,079,685	90,540	72,137	78,463	92,525	38,155	2,451,504	7,248,185	14.3%
10,000 - 25,000	4,412,341	198,522	37,129	95,999	107,520	126,522	4,978,034	12,226,219	24.0%
25,000 - 50,000	4,390,030	205,614	158,868	165,254	64,571	115,000	5,099,338	17,325,556	34.1%
50,000 - 100,000	6,302,672	278,916	403,938	565,282	472,723	65,693	8,089,224	25,414,781	50.0%
100,000 - 250,000	6,775,161	396,743	391,208	856,500	653,650	107,566	9,180,827	34,595,608	68.0%
250,000 - 500,000	9,421,504	1,286,961	883,447	0	325,000	0	11,916,912	46,512,520	91.5%
500,000 - 750,000	1,063,867	620,109	562,502	1,248,000	0	0	3,494,478	50,006,998	98.3%
750,000 - 1,000,000	0	0	0	0	850,000	0	850,000	50,856,998	100.0%
Over 1,000,000	0	0	0	0	0	0	0	50,856,998	100.0%
Total	\$38,880,130	\$3,163,512	\$2,584,832	\$3,102,641	\$2,620,837	\$505,046	\$50,856,998	\$50,856,998	

Amounts are gross of excess insurance and other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Limited Paid Losses 6/30/19 (8)	Limited Case Reserves 6/30/19 (9)	Limited Reported Incurred Losses 6/30/19 (10)
to 1999/00	See Note	None	240.0	Not Provided	3,607	0	\$16,215,953	\$0	\$16,215,953
2000/01	500,000	None	228.0	70,073	159	0	1,744,802	0	1,744,802
2001/02	500,000	None	216.0	76,295	170	0	1,403,682	0	1,403,682
2002/03	500,000	None	204.0	81,844	208	0	1,375,797	0	1,375,797
2003/04	500,000	None	192.0	82,701	181	0	708,641	0	708,641
2004/05	500,000	None	180.0	84,780	181	0	1,360,107	0	1,360,107
2005/06	500,000	None	168.0	88,395	229	1	1,621,667	39,900	1,661,567
2006/07	500,000	None	156.0	96,065	165	0	987,497	0	987,497
2007/08	500,000	None	144.0	103,315	213	0	2,241,538	0	2,241,538
2008/09	500,000	None	132.0	107,153	173	0	1,055,159	0	1,055,159
2009/10	500,000	None	120.0	105,497	172	0	2,221,669	0	2,221,669
2010/11	500,000	None	108.0	102,382	170	0	1,558,189	0	1,558,189
2011/12	500,000	None	96.0	102,361	155	1	2,770,459	42,958	2,813,418
2012/13	500,000	None	84.0	96,088	139	0	967,070	0	967,070
2013/14	500,000	None	72.0	95,884	134	1	2,314,874	186,301	2,501,175
2014/15	500,000	None	60.0	99,061	125	3	2,823,502	219,901	3,043,403
2015/16	500,000	None	48.0	104,572	91	4	2,309,407	212,922	2,522,329
2016/17	500,000	None	36.0	104,447	111	13	1,925,054	929,587	2,854,641
2017/18	500,000	None	24.0	112,482	119	20	763,355	1,507,482	2,270,837
2018/19	500,000	None	12.0	108,170	136	20	270,239	234,808	505,046
Total					6,638	63	\$46,638,662	\$3,373,858	\$50,012,520

* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/74	\$500,000

(8), (9) and (10) are net of the specific self-insured retention and other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Net Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Net Unlimited Paid Losses 6/30/19 (8)	Net Unlimited Case Reserves 6/30/19 (9)	Net Unlimited Reported Incurred Losses 6/30/19 (10)
to 1999/00	Unlimited	None	240.0	Not Provided	3,607	0	\$16,215,953	\$0	\$16,215,953
2000/01	Unlimited	None	228.0	70,073	159	0	1,744,802	0	1,744,802
2001/02	Unlimited	None	216.0	76,295	170	0	1,403,682	0	1,403,682
2002/03	Unlimited	None	204.0	81,844	208	0	1,375,797	0	1,375,797
2003/04	Unlimited	None	192.0	82,701	181	0	708,641	0	708,641
2004/05	Unlimited	None	180.0	84,780	181	0	1,360,107	0	1,360,107
2005/06	Unlimited	None	168.0	88,395	229	1	1,621,667	39,900	1,661,567
2006/07	Unlimited	None	156.0	96,065	165	0	987,497	0	987,497
2007/08	Unlimited	None	144.0	103,315	213	0	2,241,538	0	2,241,538
2008/09	Unlimited	None	132.0	107,153	173	0	1,055,159	0	1,055,159
2009/10	Unlimited	None	120.0	105,497	172	0	2,280,396	0	2,280,396
2010/11	Unlimited	None	108.0	102,382	170	0	1,558,189	0	1,558,189
2011/12	Unlimited	None	96.0	102,361	155	1	2,775,598	42,958	2,818,557
2012/13	Unlimited	None	84.0	96,088	139	0	967,070	0	967,070
2013/14	Unlimited	None	72.0	95,884	134	1	2,314,874	186,301	2,501,175
2014/15	Unlimited	None	60.0	99,061	125	3	2,941,918	221,594	3,163,512
2015/16	Unlimited	None	48.0	104,572	91	4	2,371,909	212,923	2,584,832
2016/17	Unlimited	None	36.0	104,447	111	13	2,075,651	1,026,990	3,102,641
2017/18	Unlimited	None	24.0	112,482	119	20	763,355	1,857,482	2,620,837
2018/19	Unlimited	None	12.0	108,170	136	20	270,239	234,808	505,046
Total					6,638	63	\$47,034,043	\$3,822,954	\$50,856,998

(8), (9) and (10) are gross of the specific self-insured retention and net of other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Gross Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Gross Unlimited Paid Losses 6/30/19 (8)	Gross Unlimited Case Reserves 6/30/19 (9)	Gross Unlimited Reported Incurred Losses 6/30/19 (10)
to 1999/00	Unlimited	None	240.0	Not Provided	3,607	0	\$16,215,953	\$0	\$16,215,953
2000/01	Unlimited	None	228.0	70,073	159	0	1,744,802	0	1,744,802
2001/02	Unlimited	None	216.0	76,295	170	0	1,403,682	0	1,403,682
2002/03	Unlimited	None	204.0	81,844	208	0	1,375,797	0	1,375,797
2003/04	Unlimited	None	192.0	82,701	181	0	708,641	0	708,641
2004/05	Unlimited	None	180.0	84,780	181	0	1,360,107	0	1,360,107
2005/06	Unlimited	None	168.0	88,395	229	1	1,621,667	39,900	1,661,567
2006/07	Unlimited	None	156.0	96,065	165	0	987,497	0	987,497
2007/08	Unlimited	None	144.0	103,315	213	0	2,241,538	0	2,241,538
2008/09	Unlimited	None	132.0	107,153	173	0	1,055,159	0	1,055,159
2009/10	Unlimited	None	120.0	105,497	172	0	2,280,396	0	2,280,396
2010/11	Unlimited	None	108.0	102,382	170	0	1,558,189	0	1,558,189
2011/12	Unlimited	None	96.0	102,361	155	1	2,775,598	42,958	2,818,557
2012/13	Unlimited	None	84.0	96,088	139	0	967,070	0	967,070
2013/14	Unlimited	None	72.0	95,884	134	1	2,314,874	186,301	2,501,175
2014/15	Unlimited	None	60.0	99,061	125	3	2,941,918	221,594	3,163,512
2015/16	Unlimited	None	48.0	104,572	91	4	2,371,909	212,923	2,584,832
2016/17	Unlimited	None	36.0	104,447	111	13	2,075,651	1,026,990	3,102,641
2017/18	Unlimited	None	24.0	112,482	119	20	763,355	1,857,482	2,620,837
2018/19	Unlimited	None	12.0	108,170	136	20	270,239	234,808	505,046
Total					6,638	63	\$47,034,043	\$3,822,954	\$50,856,998

(8), (9) and (10) are gross of the specific self-insured retention and other recoveries.

Data was provided by REMIF.

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)
360.0	100.0%	100.0%	100.0%
348.0	100.0%	100.0%	100.0%
336.0	100.0%	100.0%	100.0%
324.0	100.0%	100.0%	100.0%
312.0	100.0%	100.0%	100.0%
300.0	100.0%	100.0%	100.0%
288.0	100.0%	100.0%	100.0%
276.0	100.0%	100.0%	100.0%
264.0	100.0%	100.0%	100.0%
252.0	100.0%	100.0%	100.0%
240.0	100.0%	100.0%	100.0%
228.0	100.0%	100.0%	100.0%
216.0	100.0%	100.0%	100.0%
204.0	100.0%	100.0%	100.0%
192.0	100.0%	100.0%	100.0%
180.0	100.0%	100.0%	100.0%
168.0	100.0%	100.0%	100.0%
156.0	100.0%	100.0%	100.0%
144.0	100.0%	100.0%	100.0%
132.0	100.0%	100.0%	100.0%
120.0	100.0%	100.0%	100.0%
108.0	100.0%	100.0%	100.0%
96.0	99.5%	100.0%	100.0%
84.0	99.0%	100.0%	100.0%
72.0	98.0%	99.5%	100.0%
60.0	96.1%	98.0%	99.9%
48.0	90.7%	95.2%	99.9%
36.0	74.3%	86.5%	99.6%
24.0	44.8%	66.6%	95.6%
12.0	19.5%	37.5%	73.6%

(2) is from Exhibit LI-2 (page 2).

(3) is from Exhibit LI-2 (page 3).

(4) is from Exhibit LI-2 (page 4).

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
AUTOMOBILE AND GENERAL LIABILITY

Historical Limited Paid Losses (\$000) and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1999/00																				
2000/01	314	539	876	1,649	1,699	1,717	1,724	1,724	1,724	1,724	1,727	1,733	1,733	1,733	1,742	1,745	1,746	1,746	1,745	
2001/02	367	580	725	1,340	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	
2002/03	377	574	1,199	1,369	1,359	1,368	1,368	1,368	1,368	1,368	1,368	1,368	1,372	1,375	1,376	1,376	1,376			
2003/04	306	566	660	695	709	709	709	709	709	709	714	709	709	709	709	709				
2004/05	257	762	1,287	1,338	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,360					
2005/06	269	962	1,384	1,432	1,465	1,497	1,550	1,556	1,573	1,586	1,586	1,589	1,603	1,622						
2006/07	232	490	749	806	878	958	980	987	987	987	987	987	987							
2007/08	333	661	1,189	1,820	2,021	2,064	2,068	2,070	2,243	2,243	2,243	2,242								
2008/09	382	785	934	1,027	1,052	1,055	1,055	1,055	1,055	1,055	1,055									
2009/10	322	985	1,555	2,045	2,084	2,098	2,117	2,118	2,222	2,222										
2010/11	416	1,036	1,495	1,559	1,582	1,595	1,597	1,630	1,558											
2011/12	430	774	1,614	2,254	2,321	2,387	2,550	2,770												
2012/13	239	492	724	935	989	970	967													
2013/14	395	1,150	1,705	1,845	2,323	2,315														
2014/15	483	1,085	1,942	2,194	2,824															
2015/16	379	724	1,459	2,309																
2016/17	281	737	1,925																	
2017/18	177	763																		
2018/19	270																			

II. Limited Paid Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1999/00																				
2000/01	1.718	1.624	1.883	1.030	1.011	1.004	1.000	1.000	1.000	1.002	1.003	1.000	1.000	1.005	1.002	1.000	1.000	0.999		
2001/02	1.580	1.250	1.849	1.048	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2002/03	1.523	2.090	1.141	0.993	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.003	1.000	1.000	1.000	1.000			
2003/04	1.851	1.166	1.053	1.020	1.000	1.000	1.000	1.000	1.000	1.008	0.992	1.000	1.000	1.000	1.000					
2004/05	2.962	1.690	1.039	1.026	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.991	1.000					
2005/06	3.571	1.440	1.034	1.023	1.022	1.036	1.004	1.011	1.008	1.000	1.002	1.009	1.012							
2006/07	2.115	1.528	1.076	1.088	1.092	1.023	1.007	1.000	1.000	1.000	1.000	1.000								
2007/08	1.984	1.800	1.530	1.110	1.021	1.002	1.001	1.084	1.000	1.000	0.999									
2008/09	2.056	1.190	1.099	1.025	1.003	1.000	1.000	1.000	1.000	1.000										
2009/10	3.056	1.579	1.315	1.019	1.007	1.009	1.000	1.049	1.000											
2010/11	2.493	1.443	1.043	1.015	1.008	1.002	1.021	0.956												
2011/12	1.800	2.084	1.397	1.030	1.028	1.068	1.087													
2012/13	2.060	1.472	1.292	1.058	0.980	0.997														
2013/14	2.915	1.482	1.082	1.259	0.997															
2014/15	2.247	1.791	1.130	1.287																
2015/16	1.912	2.014	1.583																	
2016/17	2.619	2.612																		
2017/18	4.301																			
2018/19																				
Average																				
All	2.376	1.662	1.284	1.069	1.012	1.011	1.010	1.009	1.001	1.001	1.000	1.002	1.002	0.999	1.001	1.000	1.000	0.999		
Wtd 3	2.856	2.092	1.244	1.233	1.007	1.033	1.041	1.007	1.000	1.000	1.000	1.004	1.005	0.997	1.000	1.000				
Last 3	2.944	2.139	1.265	1.201	1.002	1.022	1.036	1.002	1.000	1.000	1.000	1.003	1.004	0.997	1.000	1.000				
Last 5	2.594	1.762	1.273	1.116	1.004	1.004	1.007	1.016	1.000	1.000	1.000	1.001	1.001	1.000						
x-hi,low																				
Similar	2.650	1.730	1.400	1.230	1.120	1.050	1.046	1.035	1.025	1.115										
Previous	2.225	1.600	1.200	1.050	1.020	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.300	1.660	1.220	1.060	1.020	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	5.138	2.234	1.346	1.103	1.041	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	19.5%	44.8%	74.3%	90.7%	96.1%	98.0%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
AUTOMOBILE AND GENERAL LIABILITY

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1999/00																				
2000/01	1,001	1,285	1,635	1,806	1,725	1,729	1,729	1,724	1,724	1,724	1,734	1,734	1,733	1,733	1,743	1,746	1,759	1,746	1,745	
2001/02	798	1,147	1,072	1,509	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	
2002/03	1,085	1,113	1,300	1,403	1,372	1,373	1,368	1,368	1,368	1,368	1,368	1,368	1,374	1,377	1,379	1,376	1,376			
2003/04	760	943	824	767	709	709	709	709	709	709	714	709	709	709	721	709				
2004/05	1,230	1,424	1,389	1,377	1,377	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,360					
2005/06	1,355	1,542	1,473	1,467	1,486	1,506	1,568	1,563	1,575	1,586	1,586	1,637	1,639	1,662						
2006/07	935	872	938	902	932	969	982	987	987	987	987	987	987							
2007/08	983	1,154	1,416	2,036	2,266	2,261	2,240	2,242	2,243	2,243	2,243	2,242								
2008/09	794	953	1,041	1,058	1,063	1,055	1,055	1,055	1,055	1,055	1,055									
2009/10	841	1,380	1,781	2,082	2,090	2,128	2,134	2,191	2,222	2,222										
2010/11	817	1,261	1,594	1,564	1,605	1,608	1,648	1,653	1,558											
2011/12	682	1,115	1,738	2,319	2,380	2,721	2,597	2,813												
2012/13	388	757	900	965	1,017	994	967													
2013/14	646	1,434	1,788	2,142	2,571	2,501														
2014/15	970	1,522	2,372	2,933	3,043															
2015/16	751	1,645	2,485	2,522																
2016/17	1,206	2,209	2,855																	
2017/18	504	2,271																		
2018/19	505																			

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1999/00																				
2000/01	1.284	1.272	1.104	0.955	1.003	1.000	0.997	1.000	1.000	1.006	1.000	0.999	1.000	1.006	1.002	1.007	0.993	0.999		
2001/02	1.437	0.935	1.407	0.930	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2002/03	1.025	1.168	1.080	0.978	1.000	0.997	1.000	1.000	1.000	1.000	1.000	1.004	1.002	1.002	0.997	1.000				
2003/04	1.241	0.874	0.931	0.924	1.000	1.000	1.000	1.000	1.000	1.008	0.992	1.000	1.000	1.017	0.983					
2004/05	1.158	0.976	0.991	1.000	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.991					
2005/06	1.137	0.956	0.996	1.012	1.013	1.041	0.997	1.007	1.007	1.000	1.032	1.002	1.014							
2006/07	0.932	1.076	0.962	1.033	1.040	1.014	1.005	1.000	1.000	1.000	1.000	1.000								
2007/08	1.174	1.227	1.438	1.113	0.998	0.991	1.001	1.000	1.000	1.000	0.999									
2008/09	1.200	1.092	1.016	1.004	0.993	1.000	1.000	1.000	1.000	1.000										
2009/10	1.641	1.290	1.169	1.004	1.018	1.003	1.027	1.014	1.000											
2010/11	1.544	1.264	0.981	1.026	1.002	1.025	1.004	0.942												
2011/12	1.634	1.559	1.334	1.026	1.144	0.954	1.083													
2012/13	1.951	1.189	1.072	1.053	0.977	0.973														
2013/14	2.221	1.247	1.198	1.200	0.973															
2014/15	1.568	1.559	1.237	1.038																
2015/16	2.190	1.511	1.015																	
2016/17	1.831	1.292																		
2017/18	4.506																			
2018/19																				
Average																				
All	1.649	1.205	1.121	1.020	1.011	1.000	1.010	0.997	1.001	1.002	1.003	1.001	1.003	1.003	0.996	1.002	0.996	0.999		
Wtd 3	2.488	1.435	1.143	1.098	1.042	0.979	1.044	0.987	1.000	1.000	1.010	1.001	1.006	1.001	0.996	1.003				
Last 3	2.842	1.454	1.150	1.097	1.031	0.984	1.038	0.986	1.000	1.000	1.011	1.001	1.005	1.003	0.994	1.002				
Last 5	2.081	1.350	1.169	1.039	0.999	0.992	1.010	1.000	1.000	1.000	1.000	1.001	1.001	1.003						
x-hi,low																				
Similar	1.850	1.400	1.215	1.110	1.063	1.041	1.025	1.023	1.014	1.070										
Previous	1.750	1.300	1.112	1.025	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.775	1.300	1.100	1.030	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	2.667	1.502	1.156	1.051	1.020	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	37.5%	66.6%	86.5%	95.2%	98.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
AUTOMOBILE AND GENERAL LIABILITY

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1999/00																					
2000/01	126	158	212	212	212	212	212	212	212	212	213	213	213	213	214	214	214	213	214		
2001/02	151	206	206	206	206	206	206	206	206	206	206	206	206	206	206	206	206	203			
2002/03	202	241	244	247	245	245	245	245	245	245	245	245	245	246	246	239	239				
2003/04	197	219	219	219	219	219	219	219	219	219	220	219	219	219	220	220					
2004/05	164	197	202	203	203	203	203	203	203	203	203	203	203	203	203						
2005/06	204	252	252	252	253	253	253	253	253	253	253	254	254	254							
2006/07	158	193	194	194	194	195	195	195	195	195	195	195	195	195							
2007/08	199	231	236	236	236	236	236	236	236	236	236	236	236								
2008/09	157	179	181	181	181	181	181	181	181	181	181	181									
2009/10	150	181	182	183	183	183	183	183	183	183											
2010/11	155	191	192	192	192	192	192	192	194	194											
2011/12	138	159	162	163	163	164	164	165													
2012/13	119	139	144	144	144	145	145														
2013/14	110	136	138	139	140	140															
2014/15	106	125	131	131	131																
2015/16	68	88	94	94																	
2016/17	74	109	119																		
2017/18	91	129																			
2018/19	149																				

II. Reported Claim Development

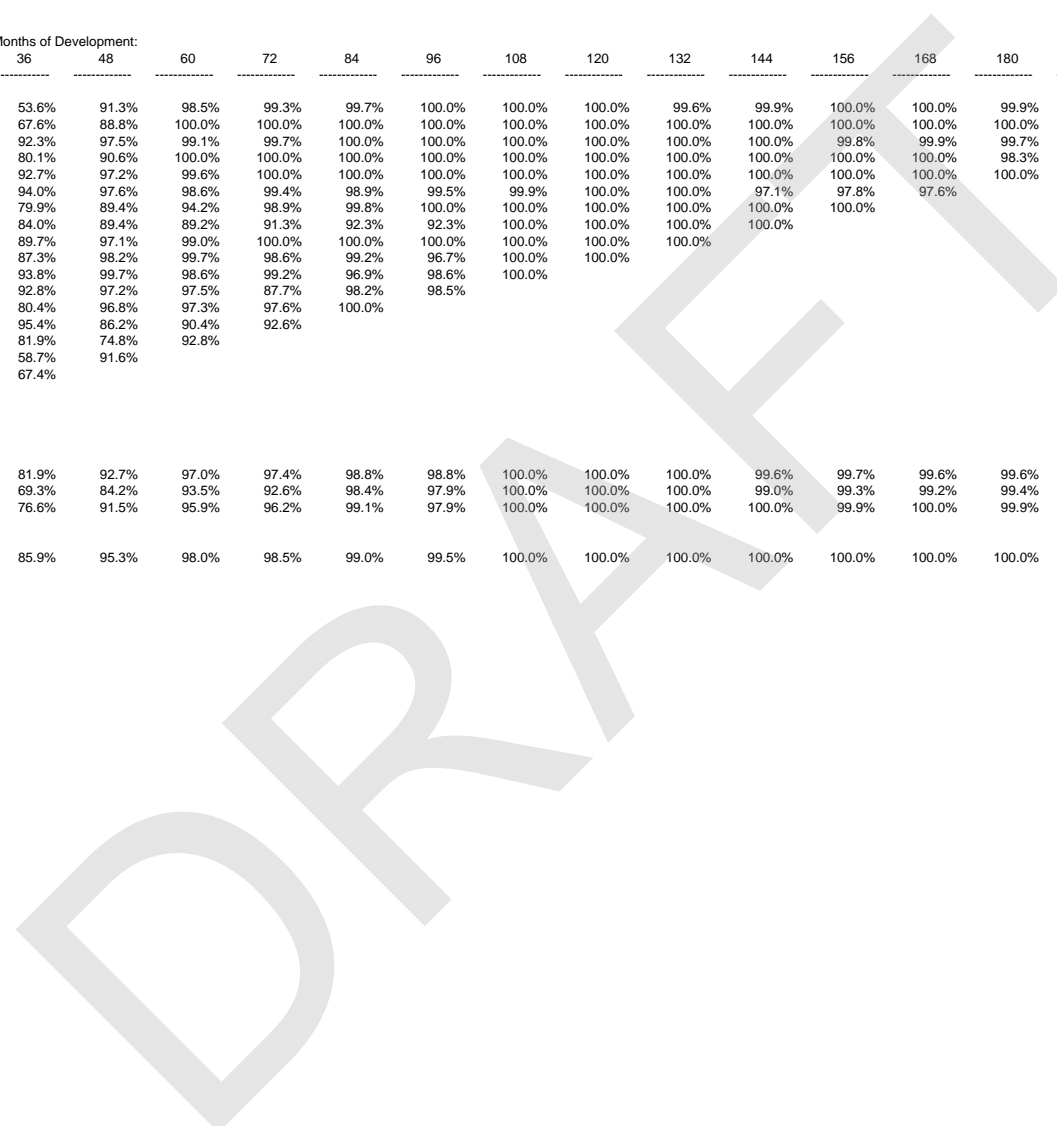
Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1999/00																					
2000/01	1.251	1.342	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.005	1.000	1.000	1.000	1.005	1.000	1.000	0.995	1.005			
2001/02	1.364	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.985	1.000				
2002/03	1.193	1.012	1.012	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.004	1.000	1.000	0.972	1.000					
2003/04	1.112	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.005	0.995	1.000	1.000	1.005	1.000						
2004/05	1.201	1.025	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000						
2005/06	1.235	1.000	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.004	1.000	1.000								
2006/07	1.222	1.005	1.000	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2007/08	1.161	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2008/09	1.140	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2009/10	1.207	1.006	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2010/11	1.232	1.005	1.000	1.000	1.000	1.000	1.010	1.000	1.000	1.000	1.000	1.000	1.000								
2011/12	1.152	1.019	1.006	1.000	1.006	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000								
2012/13	1.168	1.036	1.000	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2013/14	1.236	1.015	1.007	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2014/15	1.179	1.048	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2015/16	1.294	1.068	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2016/17	1.473	1.092	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
2017/18	1.418																				
2018/19																					
Average																					
All	1.235	1.042	1.002	1.000	1.001	1.000	1.001	1.000	1.000	1.001	1.000	1.001	1.000	1.002	0.993	0.995	0.998	1.005			
Wtd 3	1.399	1.068	1.003	1.002	1.004	1.000	1.006	1.000	1.000	1.000	1.001	1.000	1.000	1.001	0.990	0.995					
Last 3	1.395	1.069	1.002	1.002	1.004	1.000	1.006	1.000	1.000	1.000	1.001	1.000	1.000	1.002	0.991	0.995					
Last 5	1.316	1.051	1.002	1.000	1.002	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.002							
x-hi,low																					
Similar	1.219	1.047	1.026	1.015	1.012	1.011	1.012	1.013	1.017	1.003	1.003	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.001
Previous	1.250	1.030	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.300	1.042	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.359	1.046	1.004	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	73.6%	95.6%	99.6%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
AUTOMOBILE AND GENERAL LIABILITY

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1999/00																				
2000/01	31.3%	41.9%	53.6%	91.3%	98.5%	99.3%	99.7%	100.0%	100.0%	100.0%	99.6%	99.9%	100.0%	100.0%	99.9%	100.0%	99.3%	100.0%	100.0%	
2001/02	46.0%	50.5%	67.6%	88.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2002/03	34.7%	51.6%	92.3%	97.5%	99.1%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	99.9%	99.7%	100.0%	100.0%	100.0%	
2003/04	40.2%	60.0%	80.1%	90.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2004/05	20.9%	53.5%	92.7%	97.2%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
2005/06	19.9%	62.4%	94.0%	97.6%	98.6%	99.4%	98.9%	99.5%	99.9%	100.0%	100.0%	100.0%	100.0%	97.1%	97.8%	97.6%				
2006/07	24.8%	56.2%	79.9%	89.4%	94.2%	98.9%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%				
2007/08	33.9%	57.3%	84.0%	89.4%	89.2%	91.3%	92.3%	92.3%	100.0%	100.0%	100.0%	100.0%	100.0%							
2008/09	48.1%	82.4%	89.7%	97.1%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%								
2009/10	38.3%	71.3%	87.3%	98.2%	99.7%	98.6%	99.2%	96.7%	100.0%	100.0%										
2010/11	50.9%	82.2%	93.8%	99.7%	98.6%	99.2%	96.9%	98.6%	100.0%											
2011/12	63.0%	69.4%	92.8%	97.2%	97.5%	87.7%	98.2%	98.5%												
2012/13	61.5%	65.0%	80.4%	96.8%	97.3%	97.6%	100.0%													
2013/14	61.1%	80.2%	95.4%	86.2%	90.4%	92.6%														
2014/15	49.7%	71.3%	81.9%	74.8%	92.8%															
2015/16	50.4%	44.0%	58.7%	91.6%																
2016/17	23.3%	33.4%	67.4%																	
2017/18	35.2%	33.6%																		
2018/19	53.5%																			
Average																				
All	41.4%	59.2%	81.9%	92.7%	97.0%	97.4%	98.8%	98.8%	100.0%	100.0%	100.0%	99.6%	99.7%	99.6%	99.6%	100.0%	99.8%	100.0%	100.0%	
Last 3	37.4%	37.0%	69.3%	84.2%	93.5%	92.6%	98.4%	97.9%	100.0%	100.0%	100.0%	99.0%	99.3%	99.2%	99.4%	100.0%	99.8%			100.0%
Last 5	45.1%	49.6%	76.6%	91.5%	95.9%	96.2%	99.1%	97.9%	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%	99.9%					
x-hi,low																				
Implicit	51.9%	67.3%	85.9%	95.3%	98.0%	98.5%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Developed Limited Paid Losses
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Limited Paid Losses 6/30/19 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1999/00	240.0	\$16,215,953	100.0%	\$16,215,953
2000/01	228.0	1,744,802	100.0%	1,744,802
2001/02	216.0	1,403,682	100.0%	1,403,682
2002/03	204.0	1,375,797	100.0%	1,375,797
2003/04	192.0	708,641	100.0%	708,641
2004/05	180.0	1,360,107	100.0%	1,360,107
2005/06	168.0	1,621,667	100.0%	1,621,667
2006/07	156.0	987,497	100.0%	987,497
2007/08	144.0	2,241,538	100.0%	2,241,538
2008/09	132.0	1,055,159	100.0%	1,055,159
2009/10	120.0	2,221,669	100.0%	2,221,669
2010/11	108.0	1,558,189	100.0%	1,558,189
2011/12	96.0	2,770,459	99.5%	2,779,312 *
2012/13	84.0	967,070	99.0%	976,764
2013/14	72.0	2,314,874	98.0%	2,361,462
2014/15	60.0	2,823,502	96.1%	2,917,669 *
2015/16	48.0	2,309,407	90.7%	2,448,635 *
2016/17	36.0	1,925,054	74.3%	2,417,568 *
2017/18	24.0	763,355	44.8%	1,699,148 *
2018/19	12.0	270,239	19.5%	1,388,363
Total		\$46,638,662		\$49,483,621

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* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-20.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Reported Incurred Losses
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Limited Reported Incurred Losses 6/30/19 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1999/00	240.0	\$16,215,953	100.0%	\$16,215,953
2000/01	228.0	1,744,802	100.0%	1,744,802
2001/02	216.0	1,403,682	100.0%	1,403,682
2002/03	204.0	1,375,797	100.0%	1,375,797
2003/04	192.0	708,641	100.0%	708,641
2004/05	180.0	1,360,107	100.0%	1,360,107
2005/06	168.0	1,661,567	100.0%	1,661,567
2006/07	156.0	987,497	100.0%	987,497
2007/08	144.0	2,241,538	100.0%	2,241,538
2008/09	132.0	1,055,159	100.0%	1,055,159
2009/10	120.0	2,221,669	100.0%	2,221,669
2010/11	108.0	1,558,189	100.0%	1,558,189
2011/12	96.0	2,813,418	100.0%	2,813,418
2012/13	84.0	967,070	100.0%	967,070
2013/14	72.0	2,501,175	99.5%	2,511,181 *
2014/15	60.0	3,043,403	98.0%	3,084,424 *
2015/16	48.0	2,522,329	95.2%	2,603,680 *
2016/17	36.0	2,854,641	86.5%	3,143,492 *
2017/18	24.0	2,270,837	66.6%	3,160,627 *
2018/19	12.0	505,046	37.5%	1,346,899
Total		\$50,012,520		\$52,165,390

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-20.

(3) is from Exhibit LI-1.

(4) is from Exhibit LI-2.

Developed Limited Case Reserves
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/19 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1999/00	240.0	100.0%	100.0%	100.0%	\$16,215,953	\$0	\$16,215,953
2000/01	228.0	100.0%	100.0%	100.0%	1,744,802	0	1,744,802
2001/02	216.0	100.0%	100.0%	100.0%	1,403,682	0	1,403,682
2002/03	204.0	100.0%	100.0%	100.0%	1,375,797	0	1,375,797
2003/04	192.0	100.0%	100.0%	100.0%	708,641	0	708,641
2004/05	180.0	100.0%	100.0%	100.0%	1,360,107	0	1,360,107
2005/06	168.0	100.0%	100.0%	100.0%	1,621,667	39,900	1,661,567
2006/07	156.0	100.0%	100.0%	100.0%	987,497	0	987,497
2007/08	144.0	100.0%	100.0%	100.0%	2,241,538	0	2,241,538
2008/09	132.0	100.0%	100.0%	100.0%	1,055,159	0	1,055,159
2009/10	120.0	100.0%	100.0%	100.0%	2,221,669	0	2,221,669
2010/11	108.0	100.0%	100.0%	100.0%	1,558,189	0	1,558,189
2011/12	96.0	99.5%	100.0%	100.0%	2,770,459	42,958	2,813,418
2012/13	84.0	99.0%	100.0%	100.0%	967,070	0	967,070
2013/14	72.0	98.0%	99.5%	74.8%	2,314,874	186,301	2,501,175 *
2014/15	60.0	96.1%	98.0%	49.5%	2,823,502	219,901	3,105,703 *
2015/16	48.0	90.7%	95.2%	48.3%	2,309,407	212,922	2,749,965
2016/17	36.0	74.3%	86.5%	47.5%	1,925,054	929,587	3,591,922 *
2017/18	24.0	44.8%	66.6%	39.4%	763,355	1,507,482	3,888,268 *
2018/19	12.0	19.5%	37.5%	22.4%	270,239	234,808	1,318,924
Total					\$46,638,662	\$3,373,858	\$53,471,046

* - Indicates large claim(s) limited to retention. For details, see Exhibit LI-20.

(3) and (4) are from Exhibit LI-2.

(6) and (7) are from Exhibit LI-1.

Preliminary Projected Ultimate Limited Losses to 2018/19
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1999/00	\$16,215,953	\$16,215,953	\$16,215,953	\$16,215,953
2000/01	1,744,802	1,744,802	1,744,802	1,744,802
2001/02	1,403,682	1,403,682	1,403,682	1,403,682
2002/03	1,375,797	1,375,797	1,375,797	1,375,797
2003/04	708,641	708,641	708,641	708,641
2004/05	1,360,107	1,360,107	1,360,107	1,360,107
2005/06	1,621,667	1,661,567	1,661,567	1,665,557
2006/07	987,497	987,497	987,497	987,497
2007/08	2,241,538	2,241,538	2,241,538	2,241,538
2008/09	1,055,159	1,055,159	1,055,159	1,055,159
2009/10	2,221,669	2,221,669	2,221,669	2,221,669
2010/11	1,558,189	1,558,189	1,558,189	1,558,189
2011/12	2,779,312	2,813,418	2,813,418	2,817,713
2012/13	976,764	967,070	967,070	967,070
2013/14	2,361,462	2,511,181	2,501,175	2,519,805
2014/15	2,917,669	3,084,424	3,105,703	3,097,192
2015/16	2,448,635	2,603,680	2,749,965	2,661,318
2016/17	2,417,568	3,143,492	3,591,922	3,177,679
2017/18	1,699,148	3,160,627	3,888,268	3,159,388
2018/19	1,388,363	1,346,899	1,318,924	1,339,856
Total	\$49,483,621	\$52,165,390	\$53,471,046	\$52,278,611

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(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) is based on (2) to (4) and actuarial judgment.

Bornhuetter - Ferguson Analysis
Limited to Self-Insured Retention and Gross of Member Deductibles

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2009/10	\$2,221,669	\$105,497	\$2.11	1.219	\$2.57	\$2.08
2010/11	1,558,189	102,382	1.52	1.195	1.82	2.12
2011/12	2,817,713	102,361	2.75	1.172	3.23	2.16
2012/13	967,070	96,088	1.01	1.149	1.16	2.21
2013/14	2,519,805	95,884	2.63	1.126	2.96	2.25
2014/15	3,097,192	99,061	3.13	1.104	3.45	2.30
2015/16	2,661,318	104,572	2.54	1.082	2.75	2.34
2016/17	3,177,679	104,447	3.04	1.061	3.23	2.39
2017/18	3,159,388	112,482	2.81	1.040	2.92	2.44
2018/19	1,339,856	108,170	1.24	1.020	1.26	2.49

(7) Projected 2019/20 a-priori loss rate per \$100 of Payroll

\$2.53

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2014/15	\$2,823,502	96.1%	\$2.30	\$99,061	\$88,581	\$2,912,083
2015/16	2,309,407	90.7%	2.34	104,572	228,593	2,538,000
2016/17	1,925,054	74.3%	2.39	104,447	640,772	2,565,826
2017/18	763,355	44.8%	2.44	112,482	1,513,600	2,276,955
2018/19	270,239	19.5%	2.49	108,170	2,164,884	2,435,122

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/19 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2014/15	\$3,043,403	98.0%	\$2.30	\$99,061	\$44,757	\$3,088,160
2015/16	2,522,329	95.2%	2.34	104,572	118,113	2,640,443
2016/17	2,854,641	86.5%	2.39	104,447	336,192	3,190,833
2017/18	2,270,837	66.6%	2.44	112,482	916,490	3,187,327
2018/19	505,046	37.5%	2.49	108,170	1,680,152	2,185,198

Section I, (2) is from Exhibit LI-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit LI-15.

Section I, (5) is based on a 2% trend.

Section I, (7) is based on Section I, (6) and actuarial judgment.

Sections II and III, (2) are from Exhibit LI-1.

Sections II and III, (3) are from Exhibit LI-2.

Sections II and III, (4) are from Section I, (8).

Frequency Times Severity Analysis
Limited to Self-Insured Retention and Gross of Member Deductibles

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/19 (2)	Reported Claims 6/30/19 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2009/10	120.0	172	100.0%	172	\$105,497	1.63
2010/11	108.0	170	100.0%	170	102,382	1.66
2011/12	96.0	155	100.0%	155	102,361	1.51
2012/13	84.0	139	100.0%	139	96,088	1.45
2013/14	72.0	134	100.0%	134	95,884	1.40
2014/15	60.0	125	99.9%	125	99,061	1.26
2015/16	48.0	91	99.9%	91	104,572	0.87
2016/17	36.0	111	99.6%	111	104,447	1.06
2017/18	24.0	119	95.6%	124	112,482	1.10
2018/19	12.0	136	73.6%	185	108,170	1.71

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2019/20 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2019/20 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2009/10	\$2,221,669	172	\$12,917	1.638	\$21,160	\$14,273	\$2,454,922
2010/11	1,558,189	170	9,166	1.559	14,292	14,995	2,549,151
2011/12	2,817,713	155	18,179	1.484	26,981	15,754	2,441,832
2012/13	967,070	139	6,957	1.413	9,829	16,551	2,300,574
2013/14	2,519,805	134	18,805	1.345	25,286	17,388	2,330,042
2014/15	3,097,192	125	24,778	1.280	31,714	18,268	2,283,528
2015/16	2,661,318	91	29,245	1.218	35,629	19,193	1,746,526
2016/17	3,177,679	111	28,628	1.160	33,197	20,164	2,238,175
2017/18	3,159,388	124	25,479	1.104	28,123	21,184	2,626,819
2018/19	1,339,856	185	7,242	1.051	7,609	22,256	4,117,348

(7) Projected 2019/20 average claim severity \$23,382

Section I, (3) is from Exhibit LI-1.

Section I, (4) is from Exhibit LI-2.

Section I, (6) is from Exhibit LI-15.

Section II, (2) is from Exhibit LI-6.

Section II, (3) is from Section I, (5).

Section II, (5) is based on a 5.1% trend.

Section II, (7) is based on (6) and actuarial judgment.

Projected Ultimate Limited Losses to 2018/19
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1999/00	\$16,215,953	\$16,215,953	\$16,215,953				\$16,215,953
2000/01	1,744,802	1,744,802	1,744,802				1,744,802
2001/02	1,403,682	1,403,682	1,403,682				1,403,682
2002/03	1,375,797	1,375,797	1,375,797				1,375,797
2003/04	708,641	708,641	708,641				708,641
2004/05	1,360,107	1,360,107	1,360,107				1,360,107
2005/06	1,621,667	1,661,567	1,661,567				1,666,000
2006/07	987,497	987,497	987,497				987,497
2007/08	2,241,538	2,241,538	2,241,538				2,241,538
2008/09	1,055,159	1,055,159	1,055,159				1,055,159
2009/10	2,221,669	2,221,669	2,221,669				2,221,669
2010/11	1,558,189	1,558,189	1,558,189				1,558,189
2011/12	2,779,312	2,813,418	2,813,418				2,818,000
2012/13	976,764	967,070	967,070				967,070
2013/14	2,361,462	2,511,181	2,501,175				2,520,000
2014/15	2,917,669	3,084,424	3,105,703	2,912,083	3,088,160	2,283,528	3,097,000
2015/16	2,448,635	2,603,680	2,749,965	2,538,000	2,640,443	1,746,526	2,661,000
2016/17	2,417,568	3,143,492	3,591,922	2,565,826	3,190,833	2,238,175	3,178,000
2017/18	1,699,148	3,160,627	3,888,268	2,276,955	3,187,327	2,626,819	2,889,000
2018/19	1,388,363	1,346,899	1,318,924	2,435,122	2,185,198	4,117,348	1,919,000

(2) is from Exhibit LI-3.

(3) is from Exhibit LI-4.

(4) is from Exhibit LI-5.

(5) and (6) are from Exhibit LI-7.

(7) is from Exhibit LI-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 2019/20 and Subsequent
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2009/10	\$2,221,669	\$105,497	\$2.11	1.219	\$2.57
2010/11	1,558,189	102,382	1.52	1.195	1.82
2011/12	2,818,000	102,361	2.75	1.172	3.23
2012/13	967,070	96,088	1.01	1.149	1.16
2013/14	2,520,000	95,884	2.63	1.126	2.96
2014/15	3,097,000	99,061	3.13	1.104	3.45
2015/16	2,661,000	104,572	2.54	1.082	2.75
2016/17	3,178,000	104,447	3.04	1.061	3.23
2017/18	2,889,000	112,482	2.57	1.040	2.67
2018/19	1,919,000	108,170	1.77	1.020	1.81
Total	\$23,828,927	\$1,030,946	\$2.31		\$2.56

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2019/20	\$2.56	\$116,029	\$2,975,000	0.95	\$2.44	\$2,830,000
2020/21	2.62	119,509	3,126,000	0.95	2.49	2,973,000

(2) is from Exhibit LI-9.

(3) was provided by REMIF.

(5) is based on a 2% trend.

(7) 2019/20 is based on (6) and actuarial judgment.
Other period(s) based on 2019/20 plus a 2% trend.

(8) to 2020/21 was provided by REMIF. Other claim periods are based on a 0% trend.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit LI-2.

Determination of Losses Within Deductibles

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Months of Development 6/30/19 (4)	Deductible or Deductible Received (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Limited Reported Incurred Losses 6/30/19 (8)	Percent Case Reserve Adequacy (9)	Limited Paid Losses Within Deductibles Min[(5),(6)] (10)	Limited Reported Incurred Losses Within Deductibles Min[(5),(8)] (11)	Projected Ultimate Losses Within Deductibles Min[(5),(6)+ (7)/(9)] (12)
All Closed	Various	to 1999/00	240.0	\$5,453,694	\$16,215,953	\$0	\$16,215,953	100.0%	\$5,453,694	\$5,453,694	\$5,453,694
All Closed	Various	2000/01	228.0	400,804	1,744,802	0	1,744,802	100.0%	400,804	400,804	400,804
All Closed	Various	2001/02	216.0	444,085	1,403,682	0	1,403,682	100.0%	444,085	444,085	444,085
All Closed	Various	2002/03	204.0	480,951	1,375,797	0	1,375,797	100.0%	480,951	480,951	480,951
All Closed	Various	2003/04	192.0	364,433	708,641	0	708,641	100.0%	364,433	364,433	364,433
All Closed	Various	2004/05	180.0	391,720	1,360,107	0	1,360,107	100.0%	391,720	391,720	391,720
17-7147	01/01/06	2005/06	168.0	25,000	36,100	39,900	76,000	90.0%	25,000	25,000	25,000
All Closed	Various	2005/06	168.0	468,160	1,585,567	0	1,585,567	90.0%	468,160	468,160	468,160
All Closed	Various	2006/07	156.0	353,452	987,497	0	987,497	100.0%	353,452	353,452	353,452
All Closed	Various	2007/08	144.0	553,755	2,241,538	0	2,241,538	100.0%	553,755	553,755	553,755
All Closed	Various	2008/09	132.0	388,383	1,055,159	0	1,055,159	100.0%	388,383	388,383	388,383
All Closed	Various	2009/10	120.0	433,812	2,221,669	0	2,221,669	100.0%	433,812	433,812	433,812
All Closed	Various	2010/11	108.0	519,124	1,558,189	0	1,558,189	100.0%	519,124	519,124	519,124
16-6471	01/19/12	2011/12	96.0	25,000	34,542	42,958	77,500	90.4%	25,000	25,000	25,000
All Closed	Various	2011/12	96.0	534,240	2,735,918	0	2,735,918	90.4%	534,240	534,240	534,240
All Closed	Various	2012/13	84.0	282,096	967,070	0	967,070	100.0%	282,096	282,096	282,096
15-5409	06/11/14	2013/14	72.0	5,000	313,699	186,301	500,000	90.8%	5,000	5,000	5,000
All Closed	Various	2013/14	72.0	456,776	2,001,175	0	2,001,175	90.8%	456,776	456,776	456,776
15-5449	08/10/14	2014/15	60.0	5,000	334,000	61,000	395,000	80.4%	5,000	5,000	5,000
15-5677	10/15/14	2014/15	60.0	25,000	500,000	0	500,000	80.4%	25,000	25,000	25,000
15-5389	11/04/14	2014/15	60.0	5,000	341,100	158,900	500,000	80.4%	5,000	5,000	5,000
All Closed	Various	2014/15	60.0	443,612	1,648,403	0	1,648,403	80.4%	443,612	443,612	443,612
18-7254	08/13/15	2015/16	48.0	5,000	500,000	0	500,000	60.6%	5,000	5,000	5,000
17-6919	11/20/15	2015/16	48.0	5,000	52,131	117,868	169,999	60.6%	5,000	5,000	5,000
16-6503	01/05/16	2015/16	48.0	25,000	69,925	50,076	120,001	60.6%	25,000	25,000	25,000
GHC0021172	01/29/16	2015/16	48.0	10,000	10,021	44,979	55,000	60.6%	10,000	10,000	10,000
All Closed	Various	2015/16	48.0	267,065	1,677,329	0	1,677,329	60.6%	267,065	267,065	267,065
GHC0022488	07/29/16	2016/17	36.0	10,000	28,251	81,749	110,000	74.2%	10,000	10,000	10,000
17-7323	11/28/16	2016/17	36.0	5,000	70,637	69,363	140,000	74.2%	5,000	5,000	5,000
17-6847	12/07/16	2016/17	36.0	25,000	16,240	35,505	51,745	74.2%	16,240	25,000	25,000
GHC0023663	12/29/16	2016/17	36.0	15,000	20,126	219,874	240,000	74.2%	15,000	15,000	15,000
18-7366	02/25/17	2016/17	36.0	10,000	23,363	69,137	92,500	74.2%	10,000	10,000	10,000
GHC0021693	04/13/17	2016/17	36.0	5,000	32,369	22,631	55,000	74.2%	5,000	5,000	5,000
GHC0020957	04/15/17	2016/17	36.0	10,000	33,664	101,336	135,000	74.2%	10,000	10,000	10,000
17-7131	05/12/17	2016/17	36.0	5,000	238,367	261,633	500,000	74.2%	5,000	5,000	5,000
18-7513	05/17/17	2016/17	36.0	5,000	214,989	16,511	231,500	74.2%	5,000	5,000	5,000
GHC0023532	06/01/17	2016/17	36.0	10,000	0	250	250	74.2%	0	250	337
GHC0021009	06/04/17	2016/17	36.0	5,000	51,214	36,286	87,500	74.2%	5,000	5,000	5,000
GHC0020908	06/09/17	2016/17	36.0	10,000	19,689	15,311	35,000	74.2%	10,000	10,000	10,000
18-7514	06/21/17	2016/17	36.0	10,000	500,000	0	500,000	74.2%	10,000	10,000	10,000
All Closed	Various	2016/17	36.0	316,774	676,146	0	676,146	74.2%	316,774	316,774	316,774
18-7419	07/24/17	2017/18	24.0	25,000	226,515	273,485	500,000	70.9%	25,000	25,000	25,000
18-7378	08/08/17	2017/18	24.0	5,000	0	6,000	6,000	70.9%	0	5,000	5,000
18-7482	08/10/17	2017/18	24.0	5,000	30,774	294,226	325,000	70.9%	5,000	5,000	5,000
18-7309	09/09/17	2017/18	24.0	5,000	4,286	11,214	15,500	70.9%	4,286	5,000	5,000
GHC0020825	10/13/17	2017/18	24.0	25,000	1,242	63,758	65,000	70.9%	1,242	25,000	25,000
18-7412	10/21/17	2017/18	24.0	5,000	8,885	46,115	55,000	70.9%	5,000	5,000	5,000
GHC0023316	11/15/17	2017/18	24.0	5,000	6,380	58,620	65,000	70.9%	5,000	5,000	5,000
GHC0021392	11/16/17	2017/18	24.0	10,000	0	25,000	25,000	70.9%	0	10,000	10,000
18-7524	11/24/17	2017/18	24.0	5,000	33,065	89,585	122,650	70.9%	5,000	5,000	5,000
GHC0021572	12/05/17	2017/18	24.0	15,000	61,120	88,880	150,000	70.9%	15,000	15,000	15,000
GHC0021608	12/09/17	2017/18	24.0	10,000	27,631	72,369	100,000	70.9%	10,000	10,000	10,000
GHC0021982	12/21/17	2017/18	24.0	25,000	4,149	851	5,000	70.9%	4,149	5,000	5,349
18-7442	12/26/17	2017/18	24.0	5,000	68,097	86,903	155,000	70.9%	5,000	5,000	5,000
GHC0022006	01/28/18	2017/18	24.0	10,000	0	65,000	65,000	70.9%	0	10,000	10,000
GHC0022252	04/21/18	2017/18	24.0	25,000	2,352	62,648	65,000	70.9%	2,352	25,000	25,000
GHC0021984	05/29/18	2017/18	24.0	25,000	447	4,554	5,000	70.9%	447	5,000	6,867
GHC0023125	05/29/18	2017/18	24.0	25,000	0	5,000	5,000	70.9%	0	5,000	7,050
GHC0021773	06/04/18	2017/18	24.0	5,000	26,124	199,876	226,000	70.9%	5,000	5,000	5,000
GHC0023355	06/04/18	2017/18	24.0	5,000	0	25,000	25,000	70.9%	0	5,000	5,000
GHC0023492	06/16/18	2017/18	24.0	5,000	1,603	28,398	30,000	70.9%	1,603	5,000	5,000
All Closed	Various	2017/18	24.0	154,699	260,687	0	260,687	70.9%	154,699	154,699	154,699
GHC0023177	08/11/18	2018/19	12.0	25,000	395	1,105	1,500	14.2%	395	1,500	8,154
GHC0022533	09/10/18	2018/19	12.0	5,000	0	40,000	40,000	14.2%	0	5,000	5,000
GHC0024397	09/13/18	2018/19	12.0	25,000	0	25,000	25,000	14.2%	0	25,000	25,000
GHC0024315	10/17/18	2018/19	12.0	25,000	0	1	1	14.2%	0	1	7
GHC0024289	10/24/18	2018/19	12.0	25,000	0	1,700	1,700	14.2%	0	1,700	11,937
GHC0025628	11/18/18	2018/19	12.0	25,000	0	5,000	5,000	14.2%	0	5,000	25,000
GHC0023491	11/22/18	2018/19	12.0	25,000	0	15,000	15,000	14.2%	0	15,000	25,000
GHC0023576	11/23/18	2018/19	12.0	5,000	0	250	250	14.2%	0	250	1,755
GHC0024614	12/10/18	2018/19	12.0	5,000	0	65,693	65,693	14.2%	0	5,000	5,000
GHC0024651	12/20/18	2018/19	12.0	5,000	0	300	300	14.2%	0	300	2,107
GHC0024823	01/16/19	2018/19	12.0	5,000	0	2	2	14.2%	0	2	14
GHC0024929	01/24/19	2018/19	12.0	25,000	4,346	15,714	20,060	14.2%	4,346	20,060	25,000
GHC0024644	01/27/19	2018/19	12.0	25,000	0	5,000	5,000	14.2%	0	5,000	25,000
GHC0024729	02/16/19	2018/19	12.0	10,000	0	2	2	14.2%	0	2	14
GHC0024620	03/11/19	2018/19	12.0	5,000	4,608	30,392	35,000	14.2%	4,608	5,000	5,000
GHC0025357	04/17/19	2018/19	12.0	5,000	0	6,404	6,404	14.2%	0	5,000	5,000
GHC0025337	04/22/19	2018/19	12.0	25,000	1,059	15,941	17,000	14.2%	1,059	17,000	25,000
GHC0025433	04/30/19	2018/19	12.0	5,000	0	2,000	2,000	14.2%	0	2,000	5,000
GHC0025714	05/20/19	2018/19	12.0	5,000	196	304	500	14.2%	196	500	2,332
GHC0026136	06/15/19	2018/19	12.0	25,000	0	5,000	5,000	14.2%	0	5,000	25,000
All Closed	Various	2018/19	12.0	140,898	259,635	0	259,635	14.2%	140,898	140,898	140,898
Total				\$13,658,535	\$46,638,662	\$3,373,858	\$50,012,520		\$13,194,457	\$13,402,100	\$13,514,459

Determination of Losses Within Deductibles

Footnotes:

Data was provided by REMIF.

(9) was calculated as follows:

Claim Period (a)	Limited Paid Losses 6/30/19 (b)	Limited Case Reserves 6/30/19 (c)	Projected Ultimate Limited Losses (d)	Case Reserve Adequacy (c)/[(d)-(b)] (e)
to 1999/00	\$16,215,953	\$0	\$16,215,953	100.0%
2000/01	1,744,802	0	1,744,802	100.0%
2001/02	1,403,682	0	1,403,682	100.0%
2002/03	1,375,797	0	1,375,797	100.0%
2003/04	708,641	0	708,641	100.0%
2004/05	1,360,107	0	1,360,107	100.0%
2005/06	1,621,667	39,900	1,666,000	90.0%
2006/07	987,497	0	987,497	100.0%
2007/08	2,241,538	0	2,241,538	100.0%
2008/09	1,055,159	0	1,055,159	100.0%
2009/10	2,221,669	0	2,221,669	100.0%
2010/11	1,558,189	0	1,558,189	100.0%
2011/12	2,770,459	42,958	2,818,000	90.4%
2012/13	967,070	0	967,070	100.0%
2013/14	2,314,874	186,301	2,520,000	90.8%
2014/15	2,823,502	219,901	3,097,000	80.4%
2015/16	2,309,407	212,922	2,661,000	60.6%
2016/17	1,925,054	929,587	3,178,000	74.2%
2017/18	763,355	1,507,482	2,889,000	70.9%
2018/19	270,239	234,808	1,919,000	14.2%

(b) and (c) are from Exhibit LI-1 (page 1), and (d) is from Exhibit LI-9.

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Calculation of Net Limited Paid Losses as of June 30, 2019

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Limited Paid Losses Within Deductibles 6/30/19 (3)	Net Limited Paid Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$16,215,953	\$5,453,694	\$10,762,259	33.6%
2000/01	1,744,802	400,804	1,343,998	23.0%
2001/02	1,403,682	444,085	959,598	31.6%
2002/03	1,375,797	480,951	894,846	35.0%
2003/04	708,641	364,433	344,208	51.4%
2004/05	1,360,107	391,720	968,387	28.8%
2005/06	1,621,667	493,160	1,128,507	30.4%
2006/07	987,497	353,452	634,045	35.8%
2007/08	2,241,538	553,755	1,687,784	24.7%
2008/09	1,055,159	388,383	666,776	36.8%
2009/10	2,221,669	433,812	1,787,857	19.5%
2010/11	1,558,189	519,124	1,039,065	33.3%
2011/12	2,770,459	559,240	2,211,219	20.2%
2012/13	967,070	282,096	684,974	29.2%
2013/14	2,314,874	461,776	1,853,098	19.9%
2014/15	2,823,502	478,612	2,344,890	17.0%
2015/16	2,309,407	312,065	1,997,342	13.5%
2016/17	1,925,054	423,014	1,502,040	22.0%
2017/18	763,355	248,777	514,578	32.6%
2018/19	270,239	151,502	118,737	56.1%
Total	\$46,638,662	\$13,194,457	\$33,444,205	28.3%

(2) is from Exhibit LI-1 (page 1).

(3) is from Exhibit LI-11.

Calculation of Net Limited Reported Incurred Losses as of June 30, 2019

Claim Period (1)	Limited Reported Incurred Losses 6/30/19 (2)	Limited Reported Incurred Losses Within Deductibles 6/30/19 (3)	Net Limited Reported Incurred Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$16,215,953	\$5,453,694	\$10,762,259	33.6%
2000/01	1,744,802	400,804	1,343,998	23.0%
2001/02	1,403,682	444,085	959,598	31.6%
2002/03	1,375,797	480,951	894,846	35.0%
2003/04	708,641	364,433	344,208	51.4%
2004/05	1,360,107	391,720	968,387	28.8%
2005/06	1,661,567	493,160	1,168,407	29.7%
2006/07	987,497	353,452	634,045	35.8%
2007/08	2,241,538	553,755	1,687,784	24.7%
2008/09	1,055,159	388,383	666,776	36.8%
2009/10	2,221,669	433,812	1,787,857	19.5%
2010/11	1,558,189	519,124	1,039,065	33.3%
2011/12	2,813,418	559,240	2,254,177	19.9%
2012/13	967,070	282,096	684,974	29.2%
2013/14	2,501,175	461,776	2,039,399	18.5%
2014/15	3,043,403	478,612	2,564,791	15.7%
2015/16	2,522,329	312,065	2,210,264	12.4%
2016/17	2,854,641	432,024	2,422,617	15.1%
2017/18	2,270,837	339,699	1,931,138	15.0%
2018/19	505,046	259,213	245,833	51.3%
Total	\$50,012,520	\$13,402,100	\$36,610,419	26.8%

(2) is from Exhibit LI-1 (page 1).

(3) is from Exhibit LI-11.

Calculation of Projected Ultimate Net Limited Losses as of June 30, 2019

Claim Period (1)	Projected Ultimate Limited Losses (2)	Projected Ultimate Limited Losses Within Deductibles 6/30/19 (3)	Projected Ultimate Net Limited Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$16,215,953	\$5,453,694	\$10,762,259	33.6%
2000/01	1,744,802	400,804	1,343,998	23.0%
2001/02	1,403,682	444,085	959,598	31.6%
2002/03	1,375,797	480,951	894,846	35.0%
2003/04	708,641	364,433	344,208	51.4%
2004/05	1,360,107	391,720	968,387	28.8%
2005/06	1,666,000	493,160	1,172,840	29.6%
2006/07	987,497	353,452	634,045	35.8%
2007/08	2,241,538	553,755	1,687,784	24.7%
2008/09	1,055,159	388,383	666,776	36.8%
2009/10	2,221,669	433,812	1,787,857	19.5%
2010/11	1,558,189	519,124	1,039,065	33.3%
2011/12	2,818,000	559,240	2,258,760	19.8%
2012/13	967,070	282,096	684,974	29.2%
2013/14	2,520,000	461,776	2,058,224	18.3%
2014/15	3,097,000	478,612	2,618,388	15.5%
2015/16	2,661,000	312,065	2,348,935	11.7%
2016/17	3,178,000	432,111	2,745,889	13.6%
2017/18	2,889,000	343,966	2,545,034	11.9%
2018/19	1,919,000	367,219	1,551,781	19.1%
Total	\$52,588,104	\$13,514,459	\$39,073,644	25.7%

(2) is from Exhibit LI-9.

(3) is from Exhibit LI-11.

Projected Ultimate Limited Losses for 2019/20 and Subsequent
Limited to Self-Insured Retention and Net of Member Deductibles

Claim Period (1)	Projected Ultimate Net Limited Losses (2)	Payroll (000) (3)	Net Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Net Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2009/10	\$1,787,857	\$105,497	\$1.69	1.219	2.07
2010/11	1,039,065	102,382	1.01	1.195	1.21
2011/12	2,258,760	102,361	2.21	1.172	2.59
2012/13	684,974	96,088	0.71	1.149	0.82
2013/14	2,058,224	95,884	2.15	1.126	2.42
2014/15	2,618,388	99,061	2.64	1.104	2.92
2015/16	2,348,935	104,572	2.25	1.082	2.43
2016/17	2,745,889	104,447	2.63	1.061	2.79
2017/18	2,545,034	112,482	2.26	1.040	2.35
2018/19	1,551,781	108,170	1.43	1.020	1.46
Total	\$19,638,905	\$1,030,946	\$1.90		\$2.11

Claim Period (1)	Projected Net Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Net Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Net Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Net Limited Losses (8)X(11)X10 (12)
2019/20	\$2.11	\$116,029	\$2,443,000	0.95	\$2.00	\$2,323,000
2020/21	2.15	119,509	2,567,000	0.95	2.04	2,441,000

(2) is from Exhibit LI-14.

(3) was provided by REMIF.

(5) is based on a 2% trend.

(7) 2019/20 is based on (6) and actuarial judgment.
Other period(s) based on 2019/20 plus a 2% trend.

(8) to 2020/21 was provided by REMIF. Other claim periods are based on a 0% trend.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit LI-2.

Estimated Outstanding Losses as of June 30, 2019

Claim Period (1)	Net Limited Paid Losses 6/30/19 (2)	Net Limited Case Reserves 6/30/19 (4)-(2) (3)	Net Limited Reported Incurred Losses 6/30/19 (4)	Projected Ultimate Net Limited Losses (5)	Estimated Net IBNR 6/30/19 (5)-(4) (6)	Estimated Net Outstanding Losses 6/30/19 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Net Outstanding Losses 6/30/19 (7)X(8) (9)
to 1999/00	\$10,762,259	\$0	\$10,762,259	\$10,762,259	\$0	\$0	1.00	\$0
2000/01	1,343,998	0	1,343,998	1,343,998	0	0	1.00	0
2001/02	959,598	0	959,598	959,598	0	0	1.00	0
2002/03	894,846	0	894,846	894,846	0	0	1.00	0
2003/04	344,208	0	344,208	344,208	0	0	1.00	0
2004/05	968,387	0	968,387	968,387	0	0	1.00	0
2005/06	1,128,507	39,900	1,168,407	1,172,840	4,433	44,333	1.00	44,333
2006/07	634,045	0	634,045	634,045	0	0	1.00	0
2007/08	1,687,784	0	1,687,784	1,687,784	0	0	1.00	0
2008/09	666,776	0	666,776	666,776	0	0	1.00	0
2009/10	1,787,857	0	1,787,857	1,787,857	0	0	1.00	0
2010/11	1,039,065	0	1,039,065	1,039,065	0	0	1.00	0
2011/12	2,211,219	42,958	2,254,177	2,258,760	4,582	47,540	0.99	47,014
2012/13	684,974	0	684,974	684,974	0	0	0.98	0
2013/14	1,853,098	186,301	2,039,399	2,058,224	18,825	205,126	0.97	199,510
2014/15	2,344,890	219,901	2,564,791	2,618,388	53,597	273,498	0.97	265,247
2015/16	1,997,342	212,922	2,210,264	2,348,935	138,671	351,593	0.97	341,770
2016/17	1,502,040	920,576	2,422,617	2,745,889	323,272	1,243,848	0.98	1,212,788
2017/18	514,578	1,416,559	1,931,138	2,545,034	613,897	2,030,456	0.97	1,974,601
2018/19	118,737	127,096	245,833	1,551,781	1,305,948	1,433,044	0.96	1,379,996
Total	\$33,444,205	\$3,166,214	\$36,610,419	\$39,073,644	\$2,463,225	\$5,629,438		\$5,465,259

(2), (3) and (4) are net of specific self-insured retention and aggregate retention.

(5) is from Exhibit LI-14.

(8) is based on a 2.25% interest rate and the payout pattern in Exhibit LI-2.

Estimated Net Outstanding Losses as of June 30, 2019 at Various Confidence Levels

Claim Period (1)	Estimated Net Outstanding Losses 6/30/19 (2)	Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (2)X1.15 (3)	Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (2)X1.35 (4)	Present Value of Estimated Net Outstanding Losses 6/30/19 (5)	Present Value of Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (5)X1.15 (6)	Present Value of Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (5)X1.35 (7)
to 1999/00	\$0	\$0	\$0	\$0	\$0	\$0
2000/01	0	0	0	0	0	0
2001/02	0	0	0	0	0	0
2002/03	0	0	0	0	0	0
2003/04	0	0	0	0	0	0
2004/05	0	0	0	0	0	0
2005/06	44,333	50,983	59,850	44,333	50,983	59,850
2006/07	0	0	0	0	0	0
2007/08	0	0	0	0	0	0
2008/09	0	0	0	0	0	0
2009/10	0	0	0	0	0	0
2010/11	0	0	0	0	0	0
2011/12	47,540	54,671	64,179	47,014	54,066	63,469
2012/13	0	0	0	0	0	0
2013/14	205,126	235,895	276,920	199,510	229,437	269,339
2014/15	273,498	314,523	369,222	265,247	305,034	358,083
2015/16	351,593	404,332	474,651	341,770	393,036	461,390
2016/17	1,243,848	1,430,425	1,679,195	1,212,788	1,394,706	1,637,264
2017/18	2,030,456	2,335,024	2,741,116	1,974,601	2,270,791	2,665,711
2018/19	1,433,044	1,648,001	1,934,609	1,379,996	1,586,995	1,862,995
Total	\$5,629,438	\$6,473,854	\$7,599,742	\$5,465,259	\$6,285,048	\$7,378,101

(2) and (5) are from Exhibit LI-18.

The factors for (3), (4), (6) and (7) are based on actuarial judgment.

Projected Losses Paid July 1, 2019 to June 30, 2020

Claim Period (1)	Months of Development 6/30/19 (2)	Percent Losses Paid (3)	Months of Development 6/30/20 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/19 to 6/30/20 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/19 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/20 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/20 (9)X(10) (11)
to 1999/00	240.0	100.0%	252.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
2000/01	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	168.0	100.0%	180.0	100.0%	100.0%	44,333	44,333	0	1.00	0
2006/07	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2007/08	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2008/09	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2009/10	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.00	0
2010/11	108.0	100.0%	120.0	100.0%	100.0%	0	0	0	1.00	0
2011/12	96.0	99.5%	108.0	100.0%	100.0%	47,540	47,540	0	1.00	0
2012/13	84.0	99.0%	96.0	99.5%	49.9%	0	0	0	0.99	0
2013/14	72.0	98.0%	84.0	99.0%	49.7%	205,126	101,925	103,201	0.98	100,934
2014/15	60.0	96.1%	72.0	98.0%	49.3%	273,498	134,968	138,530	0.97	134,737
2015/16	48.0	90.7%	60.0	96.1%	58.3%	351,593	204,892	146,701	0.97	142,275
2016/17	36.0	74.3%	48.0	90.7%	63.7%	1,243,848	791,777	452,071	0.97	439,440
2017/18	24.0	44.8%	36.0	74.3%	53.5%	2,030,456	1,086,234	944,222	0.98	920,644
2018/19	12.0	19.5%	24.0	44.8%	31.4%	1,433,044	450,257	982,787	0.97	955,752
2019/20	0.0	0.0%	12.0	19.5%	19.5%	2,443,000	475,519	1,967,481	0.96	1,894,650
Total						\$8,072,438	\$3,337,445	\$4,734,993		\$4,588,432

(3) and (5) are from Exhibit LI-2.

(7) to 2018/19 is from Exhibit LI-16. The amount for 2019/20 is from Exhibit LI-15.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit LI-2.

Projected Losses Paid July 1, 2020 to June 30, 2021

Claim Period (1)	Months of Development 6/30/20 (2)	Percent Losses Paid (3)	Months of Development 6/30/21 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/20 to 6/30/21 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/20 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/21 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/21 (9)X(10) (11)
to 1999/00	252.0	100.0%	264.0	100.0%	100.0%	\$0	\$0	\$0	1.00	\$0
2000/01	240.0	100.0%	252.0	100.0%	100.0%	0	0	0	1.00	0
2001/02	228.0	100.0%	240.0	100.0%	100.0%	0	0	0	1.00	0
2002/03	216.0	100.0%	228.0	100.0%	100.0%	0	0	0	1.00	0
2003/04	204.0	100.0%	216.0	100.0%	100.0%	0	0	0	1.00	0
2004/05	192.0	100.0%	204.0	100.0%	100.0%	0	0	0	1.00	0
2005/06	180.0	100.0%	192.0	100.0%	100.0%	0	0	0	1.00	0
2006/07	168.0	100.0%	180.0	100.0%	100.0%	0	0	0	1.00	0
2007/08	156.0	100.0%	168.0	100.0%	100.0%	0	0	0	1.00	0
2008/09	144.0	100.0%	156.0	100.0%	100.0%	0	0	0	1.00	0
2009/10	132.0	100.0%	144.0	100.0%	100.0%	0	0	0	1.00	0
2010/11	120.0	100.0%	132.0	100.0%	100.0%	0	0	0	1.00	0
2011/12	108.0	100.0%	120.0	100.0%	100.0%	0	0	0	1.00	0
2012/13	96.0	99.5%	108.0	100.0%	100.0%	0	0	0	1.00	0
2013/14	84.0	99.0%	96.0	99.5%	49.9%	103,201	51,472	51,729	0.99	51,157
2014/15	72.0	98.0%	84.0	99.0%	49.7%	138,530	68,834	69,696	0.98	68,165
2015/16	60.0	96.1%	72.0	98.0%	49.3%	146,701	72,395	74,306	0.97	72,272
2016/17	48.0	90.7%	60.0	96.1%	58.3%	452,071	263,446	188,625	0.97	182,935
2017/18	36.0	74.3%	48.0	90.7%	63.7%	944,222	601,049	343,173	0.97	333,585
2018/19	24.0	44.8%	36.0	74.3%	53.5%	982,787	525,762	457,025	0.98	445,613
2019/20	12.0	19.5%	24.0	44.8%	31.4%	1,967,481	618,175	1,349,306	0.97	1,312,189
2020/21	0.0	0.0%	12.0	19.5%	19.5%	2,567,000	499,655	2,067,345	0.96	1,990,817
Total						\$7,301,993	\$2,700,788	\$4,601,205		\$4,456,733

(3) and (5) are from Exhibit LI-2.

(7) to 2019/20 is from Exhibit LI-18, (9). The amount for 2020/21 is from Exhibit LI-15.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit LI-2.

List of Large Claims
Reported Incurred Losses Greater Than \$250,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/19 (5)	Unlimited Case Reserves 6/30/19 (6)	Unlimited Reported Incurred Losses 6/30/19 (7)
1002459-000	12/20/86	to 1999/00	\$500,000	\$294,218	\$0	\$294,218
1002800-000	11/06/88	to 1999/00	500,000	257,906	0	257,906
1003487-000	06/19/92	to 1999/00	500,000	361,699	0	361,699
1003961-000	03/16/95	to 1999/00	500,000	252,830	0	252,830
1004184-000	12/26/95	to 1999/00	500,000	500,000	0	500,000
1004453-000	08/01/96	to 1999/00	500,000	436,461	0	436,461
1004352-000	04/19/97	to 1999/00	500,000	500,000	0	500,000
1004417-000	10/16/97	to 1999/00	500,000	498,473	0	498,473
00-1951	12/26/99	to 1999/00	500,000	369,984	0	369,984
01-3059	02/28/01	2000/01	500,000	500,000	0	500,000
02-3527	05/02/01	2000/01	500,000	266,149	0	266,149
02-3664	09/27/01	2001/02	500,000	500,000	0	500,000
03-4440	09/21/02	2002/03	500,000	373,628	0	373,628
05-6361	11/16/04	2004/05	500,000	408,682	0	408,682
06-7413	12/31/05	2005/06	500,000	500,000	0	500,000
08-8665	08/09/07	2007/08	500,000	500,000	0	500,000
09-1106	03/03/08	2007/08	500,000	337,241	0	337,241
10-1258	07/03/09	2009/10	500,000	558,728	0	558,728
10-1622	11/28/09	2009/10	500,000	366,551	0	366,551
12-3475	07/19/11	2011/12	500,000	505,139 *	0	505,139
12-3246	12/09/11	2011/12	500,000	326,427	0	326,427
12-3437	03/16/12	2011/12	500,000	500,000 *	0	500,000
14-4435	07/07/13	2013/14	500,000	273,767	0	273,767
14-4665	10/31/13	2013/14	500,000	340,214	0	340,214
14-4849	02/08/14	2013/14	500,000	257,274	0	257,274
15-5409	06/11/14	2013/14	500,000	313,699	186,301 *	500,000 *
15-5449	08/10/14	2014/15	500,000	334,000	61,000	395,000
15-5311	09/17/14	2014/15	500,000	391,961	0	391,961
15-5677	10/15/14	2014/15	500,000	618,416 *	1,693	620,109 *
15-5389	11/04/14	2014/15	500,000	341,100	158,900 *	500,000 *
18-7254	08/13/15	2015/16	500,000	562,502 *	0	562,502 *
16-6087	10/20/15	2015/16	500,000	496,000 *	0	496,000 *
17-7100	06/30/16	2015/16	500,000	387,447	0	387,447
17-7131	05/12/17	2016/17	500,000	238,367	311,633 *	550,000 *
18-7514	06/21/17	2016/17	500,000	650,597 *	47,403	698,000 *
18-7419	07/24/17	2017/18	500,000	226,515 *	623,485 *	850,000 *
18-7482	08/10/17	2017/18	500,000	30,774	294,226 *	325,000

The claim(s) indicated by a "*" have been limited in development.

Amounts are gross of excess insurance.

(1) through (7) were provided by REMIF.



AGENDA ITEM SUMMARY

ITEM 13.0

TITLE: DRAFT ACTUARIAL REPORT, WORKERS' COMPENSATION STUDY FOR FINANCIAL LIABILITY/AUDIT PURPOSES FY 18-19

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The workers' compensation actuarial report require ratification by the Board of Directors. The attached workers' compensation actuarial study was completed for purposes of booking the outstanding financial liability on the financial statement (for 18/19 fiscal year, outstanding liability as of 06/30/19).

BACKGROUND

Annually, REMIF provides the Board of Directors with an actuarial report that is used to book outstanding liability on the financial statements. The actuarial report incorporates annual fiscal information. We have our report completed by AON, a member of the American Academy of Actuaries.

The Workers' Compensation program is self-funded and administered by a third-party administrator for the 15-member cities. Since May 1, 2018, Athens Administrators is our third-party administrator, and Jeanette Mason has been assigned to REMIF as our Claims Manager.

The purpose of the actuarial report is basically twofold: (1) to estimate outstanding losses and (2) to project future losses. Using June 30, 2019, as the point in time for purposes of this report, the estimated outstanding losses are the losses from June 30, 2019 looking backward and the projected future losses is the projected funding needed from June 30, 2019, going forward. The report is necessary to book the proper liability to the financial statement.

The actuary determined that the outstanding liability increased by \$2.2 million (or around 12%) from \$18,756,125 (as of June 30, 2018) to \$20,968,730 (as of June 30, 2019), undiscounted. The changes include a new program year (\$4.5 million), claim payments made during the fiscal year (\$4.6 million) and adjustments to the older policy years ultimate losses (\$2.3 million).

A second actuarial report, using 12/31/19 data, will outline the actuary's recommended contribution level for FY 2019/2020, to be collected in FY 2020/2021.

FISCAL IMPACT

Claims liabilities, recorded at \$18,747,591, as of June 30, 2019

RECOMMENDED ACTION

Staff recommend the Board approve the workers' compensation actuarial report and allow staff to book the outstanding financial liability on the financial statement (for 18/19 fiscal year, outstanding liability as of 06/30/19) an amount of \$18,747,591.

ATTACHMENTS

13.1 Draft Workers' Compensation Actuarial report (69 pages)

**Redwood Empire Municipal
Insurance Fund**

**Actuarial Study of the
Workers Compensation Program
as of June 30, 2019**

DRAFT

September 18, 2019

September 18, 2019

Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

Attn: Ms. Amy Northam
General Manager

**Actuarial Study of the
Workers Compensation Program
as of June 30, 2019**

This study has been completed for the Redwood Empire Municipal Insurance Fund for the specific objectives listed in the study. It contains the analysis and conclusions of our work.

Each section and appendix of the study is an integral part of the whole. We recommend a review of the entire study prior to reliance upon this study.

No key personnel have a relationship with the Redwood Empire Municipal Insurance Fund that may impair our objectivity.

Please call if you have any questions. Thank you for the opportunity to be of service.

Respectfully submitted,

Aon Global Risk Consulting

By _____
Mujtaba Dattoo, ACAS, MAAA, FCA
Actuarial Practice Leader

Brenda Craigmyle
Senior Actuarial Analyst

MD:bc

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I.	Background	1
II.	Objectives	3
III.	Conclusions	4

Appendices

- A Conditions and Limitations
- B Glossary of Actuarial Terms
- C Exhibits

DRAFT

I. Background

The Redwood Empire Municipal Insurance Fund (REMIF) workers compensation program was formed on July 1, 1976. It provides a means for pooling workers compensation risks and purchasing excess workers compensation insurance on a collective basis. The original seven member cities consist of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma and Ukiah. The following cities joined later: Arcata, Crescent City, Eureka, Fort Bragg, Fortuna, Lakeport, St. Helena, Willits and Windsor. Crescent City withdrew from REMIF on June 30, 1993 and maintained responsibility for its losses.

REMIF has purchased insurance to cover excess losses since the inception of the program. Table I-1 summarizes the self-insurance retentions. We have assumed the current self-insured retention will remain effective through 2020/21. We have not reviewed the collectability of the insurance.

**Table I-1
History of Self-Insured Retentions**

Period (1)	Self-Insured Retention (2)
07/01/78 to 06/30/81	\$150,000
07/01/81 to 06/30/82	100,000
07/01/82 to 06/30/86	150,000
07/01/86 to 06/30/87	200,000
07/01/87 to 06/30/91	250,000
07/01/91 to 06/30/03	300,000
07/01/03 to present	1,000,000

Note: No information was provided for June 30, 1978 and prior.

The individual members of REMIF maintain deductibles.

REMIF does not pay for salary continuation programs that are mandated by a city's MOU's or state law in lieu of temporary disability. This would include Labor Code Section '4850' benefits for safety officers that are state mandated salary continuations for up to one full year.

In the loss runs provided to us, payment amounts are established for temporary disability claims. Based on conversations with REMIF, we understand that these are not actual payments, but rather are vouchered amounts. REMIF provides us with a secondary loss run that lists the payments vouchers. We summarized these amounts by year of claim occurrence. We subtract the vouchered amounts from the data in the initial loss run, as these amounts are not the responsibility of REMIF.

Data

Loss data valued as of June 30, 2019 was provided to us by REMIF. REMIF previously provided payroll for years through 2020/21.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by REMIF or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

DRAFT

II. Objectives

The specific objectives of this study are:

1. **Estimate Net Outstanding Losses.** Estimate net outstanding losses (including allocated loss adjustment expenses [ALAE]) as of June 30, 2019.

The estimated net outstanding losses are the cost of unpaid claims. The estimated net outstanding losses include case reserves, the development of known claims and incurred but not reported (IBNR) claims. ALAE are the direct settlement expenses for specific claims, primarily legal expenses.

Net refers to net of member deductibles. The amounts are limited to the self-insured retention.

2. **Project Financial Position.** Project the financial position of the program as of June 30, 2019.

The projected financial position is a comparison of the (present value of) estimated net outstanding losses with projected funds available (approximate and unaudited) to meet them.

3. **Project Ultimate Net Limited Losses.** Project ultimate net limited losses (including ALAE) for 2020/21.

The projected ultimate net limited losses are the accrual value of losses with accident dates in 2020/21, regardless of report or payment date.

Net refers to net of member deductibles. The amounts are limited to the self-insured retention.

4. **Recommend Funding.** Recommend funding for 2020/21.

The recommended funding is based on the (present value of) projected ultimate net limited losses and expenses at various confidence levels.

5. **Comparison to Previous Actuarial Studies.** Compare to the previous five actuarial studies.

III. Conclusions

We have reached the following conclusions:

1. Estimate Net Outstanding Losses

We estimate net outstanding losses as of June 30, 2019 to be as shown in Table III-1.

**Table III-1
Estimated Net Outstanding Losses
June 30, 2019**

Item (1)	Amount (2)
(A) Estimated net outstanding losses	\$20,968,730
(B) Present value of estimated net outstanding losses	18,747,591

Note: (2) is from Exhibit WC-16.

For workers compensation, the estimated outstanding losses increased by about \$2.2 million, from \$18.8 million as of June 30, 2018 to \$21.0 million as of June 30, 2019. As shown in Table III-5F, this change consists of:

- +\$4.5 million from the additional year (2018/19) of exposure,
- -\$4.6 million for claim payments made during 2018/19, and
- +\$2.3 due to an increase in projected ultimate losses for claim periods 2017/18 and prior. Overall development for these years was greater than anticipated, as shown in Table III-5E.

The present value of outstanding losses is the amount of money, discounted for anticipated investment income, required to meet estimated outstanding losses. It is calculated based on a 2.25% yield on investments, as provided by REMIF.

The amounts in Table III-1 are net of deductibles and limited to the self-insured retention.

Outstanding unallocated loss adjustment expenses (ULAE) are primarily composed of future claims administration for open claims. The implementation guide for Governmental Accounting Standards Board (GASB) Statement No. 10 specifies that pools must recognize outstanding ULAE in financial statements. The outstanding ULAE are typically estimated as 5% to 10% of the net outstanding losses (based on similar programs).

2. Project Financial Position

We project the financial position of the program as of June 30, 2019 to be as shown in Table III-2.

**Table III-2
Projected Financial Position
at Various Confidence Levels
June 30, 2019**

Confidence Level (1)	Projected Funds Available (2)	Present Value of Estimated Net Outstanding Losses (3)	Projected Financial Position (2) - (3) (4)
(A) Expected	\$17,149,175	\$18,747,591	(\$1,598,416)
(B) 75%	17,149,175	20,622,350	(3,473,175)
(C) 90%	17,149,175	21,559,730	(4,410,555)

Note: (2) was provided by REMIF (approximate and unaudited).
(3) is from Exhibit WC-17.

3. Project Ultimate Net Limited Losses

We project ultimate net limited losses for 2020/21 to be as shown in Table III-3.

**Table III-3
Projected Ultimate Net Limited Losses
2020/21**

Item (1)	Projected Payroll (000) (2)	Loss Rate per \$100 of Payroll (3)	Projected Ultimate Losses (4)
(A) Full Value	\$119,509	\$4.11	\$4,915,000
(B) Present Value	119,509	3.71	4,431,000

Note: (2) is from Exhibit WC-15.

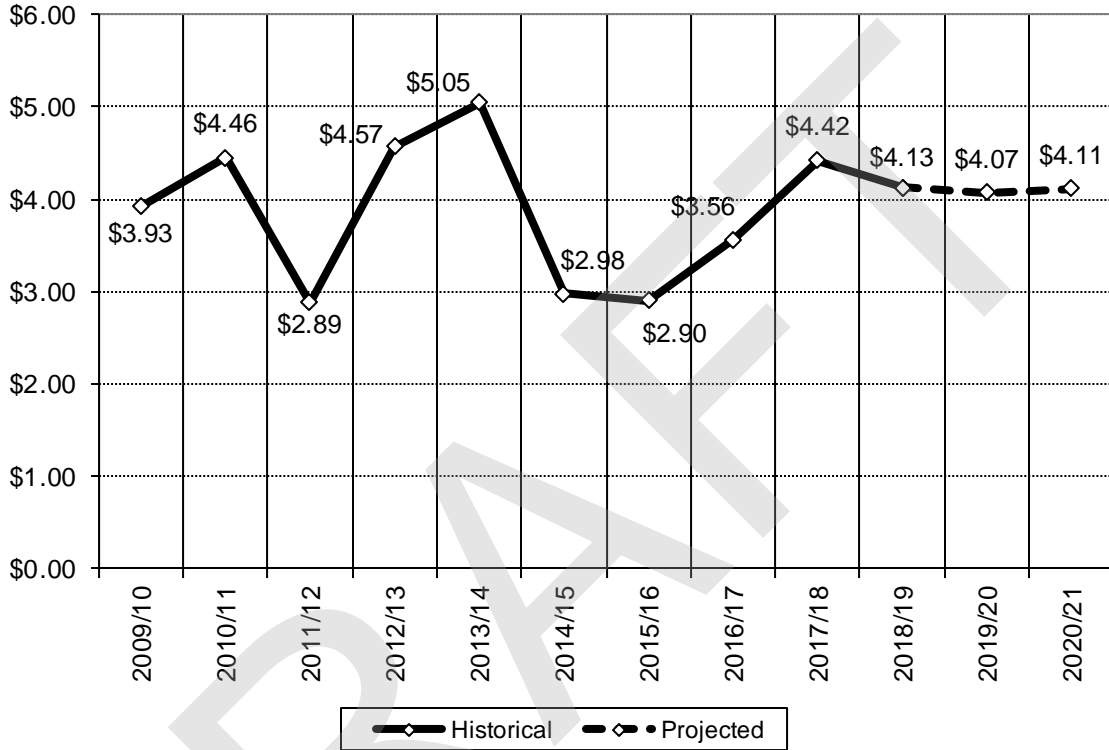
The present value of the projected ultimate net limited losses is the amount of money, discounted for anticipated investment income, required to meet claims. It is calculated based on a 2.25% yield on investments.

The amounts in Table III-3 are net of member deductibles and limited to the self-insured retention.

All costs other than claims are additional.

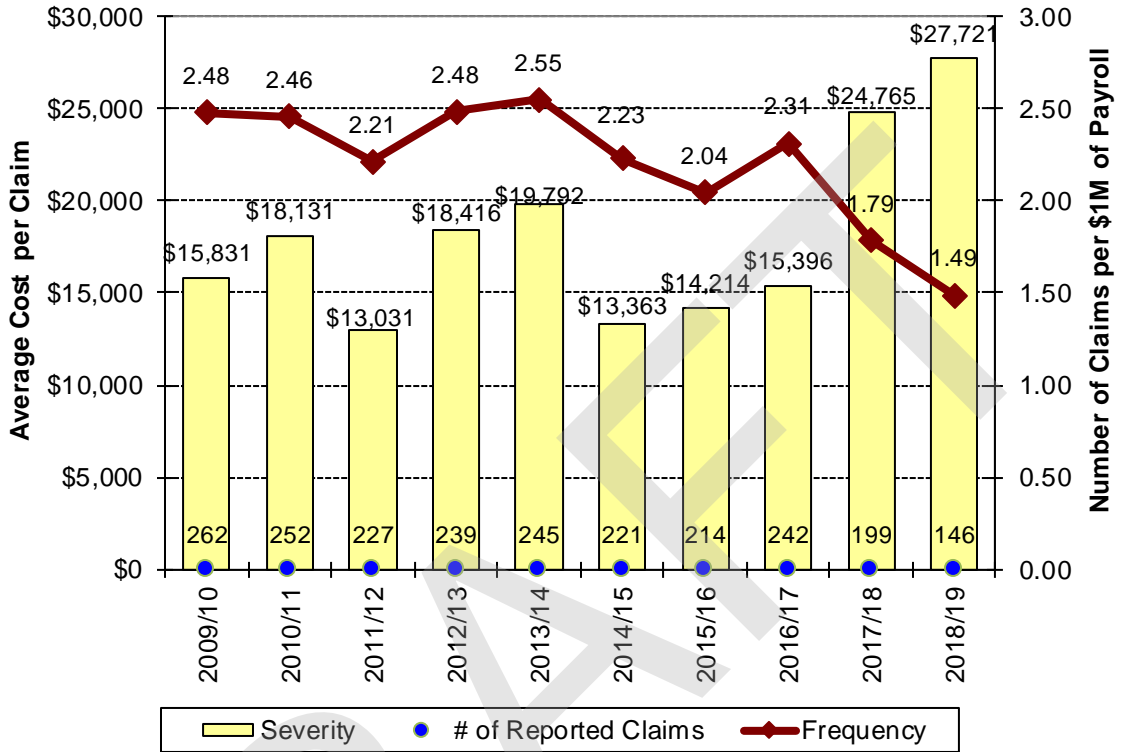
Graphs III-1 and III-2 show loss experience trends for workers compensation as measured by loss rate per \$100 of payroll and frequency and severity, respectively.

Graph III-1
Loss Rate per \$100 of Payroll
(Workers Compensation)



Note: Loss rates are from Exhibit WC-15, columns (4) and (7).

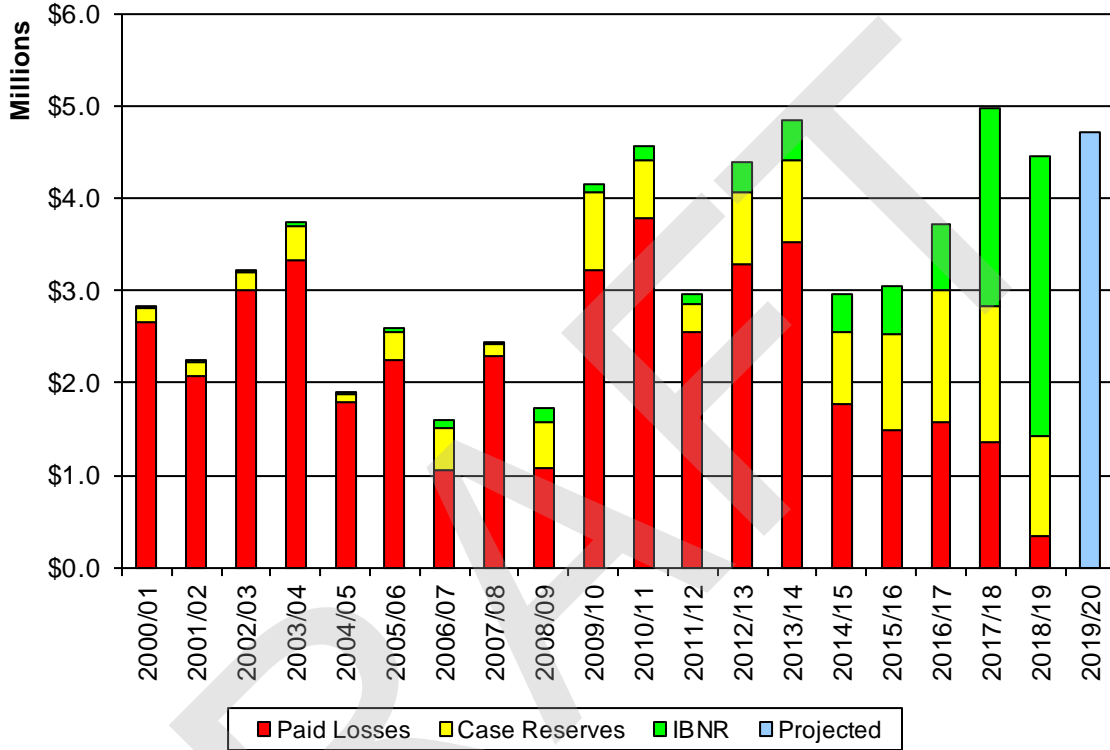
**Graph III-2
Frequency and Severity
(Workers Compensation)**



Note: Frequency amounts are from Exhibit WC-8, Section I, column (7).
Severity amounts are based on the projected claim counts in Exhibit WC-8 and the projected ultimate net losses in Exhibit WC-14.

Graph III-3 shows the composition of the projected ultimate net limited losses for workers compensation.

Graph III-3
Composition of Projected Ultimate Net Limited Losses
(Workers Compensation)



Note: Amounts through 2018/19 are from Exhibit WC-16.
Amounts for 2019/20 and 2020/21 are from Exhibit WC-15.

4. Recommend Funding

We recommend funding for 2019/20 to be as shown in Table III-4.

**Table III-4
Recommended Funding
at Various Confidence Levels
2019/20**

Confidence Level (1)	Recommended Funding (2)
(A) Expected	<i>will fill in</i>
(B) 75%	<i>will fill in</i>
(C) 90%	<i>will fill in</i>

Note: (2) is from REMIF Chart 3.

5. Comparison to Previous Actuarial Studies

The conclusions of this actuarial study compared to five previous actuarial studies are shown in Table III-5A.

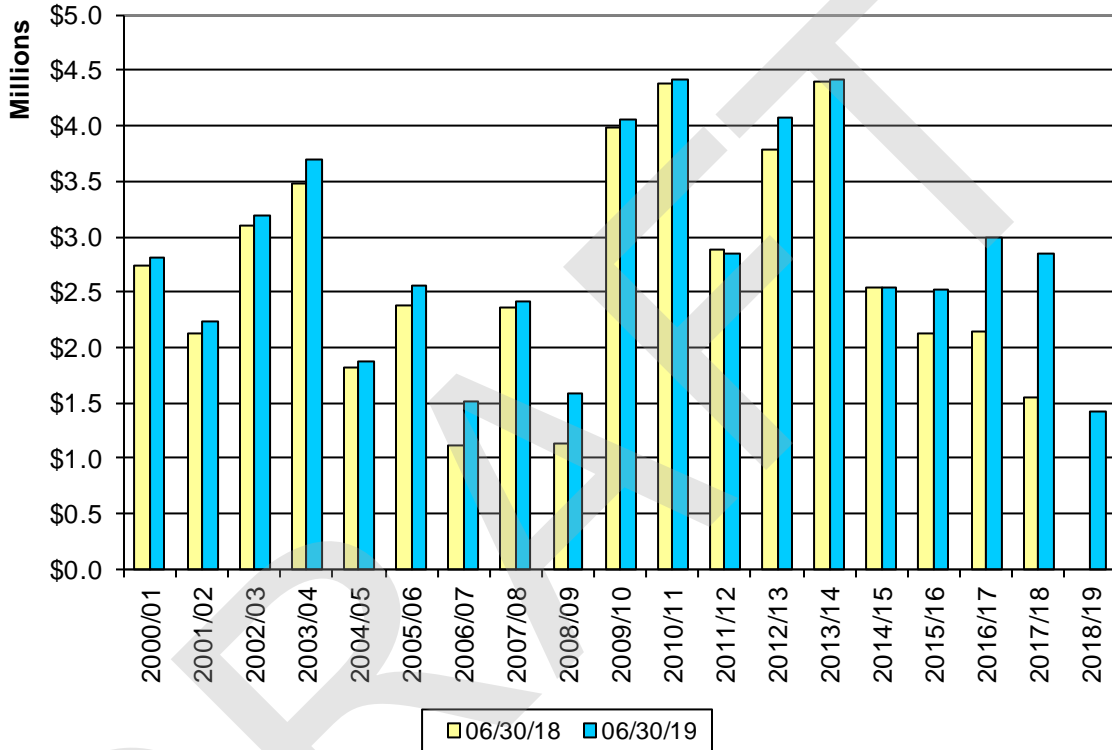
**Table III-5A
Comparison of Actuarial Study Conclusions**

Comparison Item (1)	2019 Actuarial Study (2)	2018 Actuarial Study (3)	2017 Actuarial Study (4)	2016 Actuarial Study (5)	2015 Actuarial Study (6)
(A) Present value of estimated net outstanding losses at 75% confidence	\$20,622,350	\$18,453,337	\$14,289,784	\$13,414,679	\$12,439,752
(B) Recommended funding for the upcoming claim period at 75% confidence		6,135,312	4,256,361	4,763,621	4,364,542

Note: (A2) is from REMIF Chart 1.
 (B2) is from REMIF Chart 3.
 (3) is from the actuarial study as of June 30, 2018.
 (4) is from the actuarial study as of June 30, 2017.
 (5) is from the actuarial study as of June 30, 2016.
 (6) is from the actuarial study as of June 30, 2015.

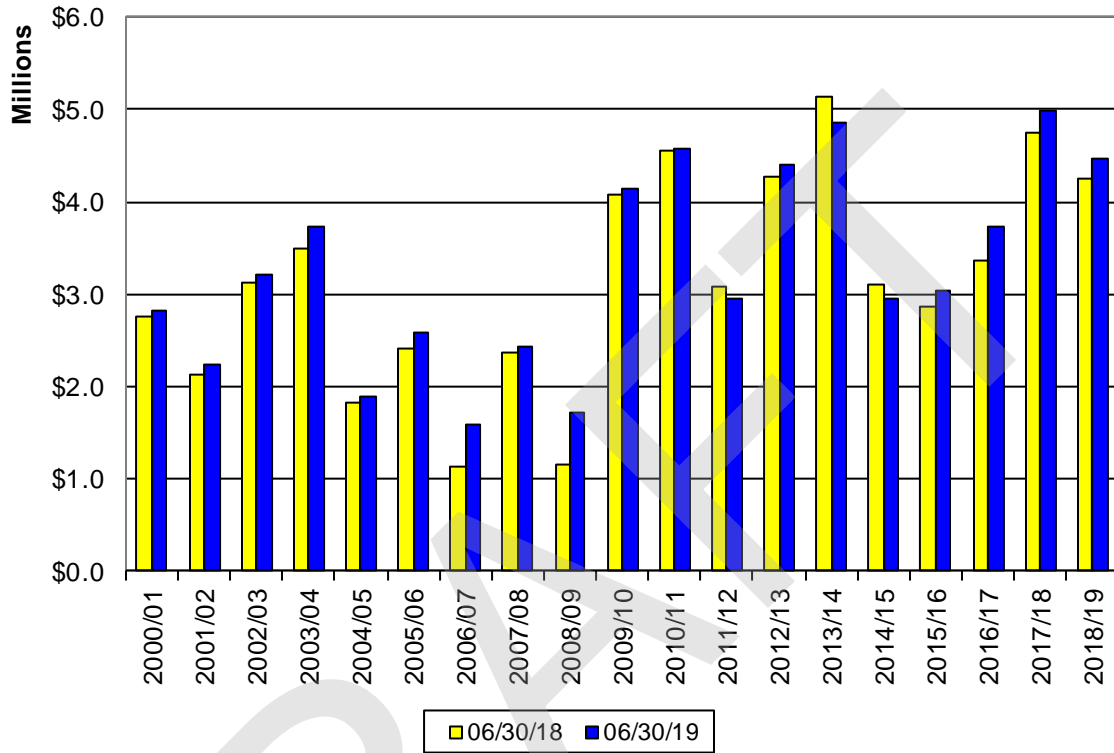
Graphs III-4 and III-5 are graphical comparisons of the limited reported incurred losses and projected ultimate limited losses, respectively, by fiscal year of occurrence of the workers compensation program from the previous study to the current study.

Graph III-4
Comparison of Net Limited Reported Incurred Losses
as of June 30, 2018 and June 30, 2019
(Workers Compensation)



Note: Amounts as of June 30, 2018 are from the previous actuarial study.
Amounts as of June 30, 2019 are from Exhibit WC-12.

Graph III-5
Comparison of Projected Ultimate Net Limited Losses
as of June 30, 2018 and June 30, 2019
(Workers Compensation)



Note: Amounts as of June 30, 2018 are from the previous actuarial study.
Amounts as of June 30, 2019 are from Exhibit WC-13.

For all claims through 2017/18, the change in the projected ultimate limited losses from June 30, 2018 to June 30, 2019 was 3.0%.

We compare the workers compensation net case reserves by year as of June 30, 2018 and June 30, 2019 as shown in Table III-5B.

Table III-5B
Net Case Reserve Comparison
as of June 30, 2018 and June 30, 2019
(Workers Compensation)

Claim Period (1)	Limited Case Reserves as of 6/30/18 (2)	Limited Case Reserves as of 6/30/19 (3)	Change (3) - (2) (4)
to 1999/00	\$913,942	\$933,517	\$19,575
2000/01	99,579	156,605	57,026
2001/02	100,409	158,682	58,273
2002/03	120,338	193,451	73,112
2003/04	256,924	373,730	116,806
2004/05	78,042	79,031	989
2005/06	223,457	318,646	95,189
2006/07	99,375	457,948	358,573
2007/08	88,946	127,703	38,756
2008/09	106,043	511,713	405,670
2009/10	698,106	847,599	149,493
2010/11	931,073	639,266	(291,806)
2011/12	391,459	302,646	(88,814)
2012/13	1,094,261	783,581	(310,681)
2013/14	1,381,325	893,983	(487,342)
2014/15	942,183	774,283	(167,900)
2015/16	900,029	1,038,545	138,516
2016/17	1,478,367	1,421,635	(56,732)
2017/18	1,190,970	1,473,806	282,835
2018/19		1,071,305	1,071,305
Total	\$11,094,829	\$12,557,674	\$1,462,845

Note: (2) is from the prior actuarial study.
(3) is from Exhibit WC-15.

The increase for 2003/04 is due to two claims which had an increase in case reserves of over \$75,000 each. The increase for 2006/07 is due to two claims which had a combined case reserve increase of about \$340,000. Similarly, 2008/09 had three claims with a combined case reserve increase of about \$400,000. There is a newly reported claim in 2018/19 with about \$400,000 of case reserves. A list of large claims is in Exhibit WC-21.

We compare the estimated workers compensation IBNR by year as of June 30, 2018 and June 30, 2019 as shown in Table III-4B.

Table III-5C
Estimated IBNR Comparison
as of June 30, 2018 and June 30, 2019
(Workers Compensation)

Claim Period (1)	Estimated IBNR as of 6/30/18 (2)	Estimated IBNR as of 6/30/19 (3)	Change (3) - (2) (4)
to 1999/00	\$91,594	\$93,352	\$1,758
2000/01	9,958	15,660	5,702
2001/02	10,041	15,957	5,916
2002/03	12,034	19,345	7,311
2003/04	26,138	37,373	11,235
2004/05	9,813	8,389	(1,424)
2005/06	22,476	32,146	9,670
2006/07	22,944	86,873	63,929
2007/08	23,893	29,731	5,838
2008/09	29,695	136,558	106,863
2009/10	83,662	84,849	1,187
2010/11	180,353	149,296	(31,057)
2011/12	194,670	102,916	(91,754)
2012/13	490,661	328,270	(162,391)
2013/14	739,224	439,894	(299,330)
2014/15	560,505	403,846	(156,659)
2015/16	740,106	515,560	(224,546)
2016/17	1,221,483	729,185	(492,298)
2017/18	3,192,047	2,137,292	(1,054,755)
2018/19		3,044,563	3,044,563
Total	\$7,661,296	\$8,411,055	\$749,759

Note: (2) is from the prior actuarial study.
(3) is from Exhibit WC-15.

We compare the workers compensation projected ultimate net limited losses by year as of June 30, 2018 and June 30, 2019 as shown in Table III-5D.

Table III-5D
Comparison of Projected Ultimate Net Limited Losses
as of June 30, 2018 and June 30, 2019
(Workers Compensation)

Claim Period (1)	Projected Ultimate Limited Losses as of 6/30/18 (2)	Projected Ultimate Limited Losses as of 6/30/19 (3)	Change (3) - (2) (4)	Percentage Change (4) / (2) (5)
to 1999/00	\$21,457,427	\$21,539,668	\$82,241	0.4%
2000/01	2,751,454	2,825,637	74,183	2.7%
2001/02	2,129,452	2,249,170	119,718	5.6%
2002/03	3,119,792	3,209,695	89,903	2.9%
2003/04	3,499,142	3,730,188	231,046	6.6%
2004/05	1,837,697	1,883,444	45,747	2.5%
2005/06	2,402,925	2,590,925	188,000	7.8%
2006/07	1,140,342	1,593,521	453,179	39.7%
2007/08	2,378,929	2,440,929	62,000	2.6%
2008/09	1,166,231	1,721,231	555,000	47.6%
2009/10	4,071,709	4,147,709	76,000	1.9%
2010/11	4,555,041	4,569,041	14,000	0.3%
2011/12	3,082,504	2,958,070	(124,434)	-4.0%
2012/13	4,274,021	4,401,321	127,300	3.0%
2013/14	5,136,796	4,849,143	(287,652)	-5.6%
2014/15	3,105,300	2,953,125	(152,174)	-4.9%
2015/16	2,866,629	3,041,863	175,234	6.1%
2016/17	3,372,508	3,725,898	353,389	10.5%
2017/18	4,743,969	4,977,865	233,896	4.9%
Total	\$77,091,867	\$79,408,442	\$2,316,575	3.0%

Note: (2) is from the prior actuarial study.
(3) is from Exhibit WC-13 and Exhibit WC-14.

The increases for 2006/07 and 2008/09 are due to two claims in each year. These claims each had an increase in reported incurred over \$150,000. A list of large claims is in Exhibit WC-21.

Actual workers compensation loss experience versus expected experience in the prior actuarial study, for both paid and incurred losses (gross of deductible), is as shown in Table III-5E.

Table III-5E
Comparison of Actual and Expected Experience
June 30, 2018 to June 30, 2019
(Workers Compensation)

Claim Period (1)	Paid Losses in the Period			Incurred Losses in the Period		
	Paid Expected (2)	Paid Actual (3)	Difference (3) - (2) (4)	Incurred Expected (5)	Incurred Actual (6)	Difference (6) - (5) (7)
to 1999/00	\$25,994	\$82,777	\$56,783	\$0	\$102,353	\$102,353
2000/01	3,089	11,586	8,497	0	68,612	68,612
2001/02	2,492	55,528	53,036	0	113,801	113,801
2002/03	15,758	9,479	(6,278)	0	82,592	82,592
2003/04	30,826	103,004	72,178	12,290	219,811	207,520
2004/05	21,300	46,182	24,882	11,379	45,424	34,045
2005/06	26,273	83,141	56,867	14,106	178,330	164,224
2006/07	21,316	31,120	9,804	7,705	389,070	381,365
2007/08	38,455	17,406	(21,049)	14,039	56,162	42,123
2008/09	28,082	42,467	14,385	7,804	448,137	440,333
2009/10	99,581	(79,680)	(179,261)	22,579	69,813	47,234
2010/11	126,234	336,864	210,630	72,614	45,057	(27,557)
2011/12	112,184	56,568	(55,616)	65,797	(32,246)	(98,043)
2012/13	221,846	615,866	394,020	112,132	301,431	189,299
2013/14	320,709	506,559	185,850	177,608	15,013	(162,595)
2014/15	272,850	201,740	(71,110)	109,009	23,384	(85,625)
2015/16	380,438	259,822	(120,616)	238,609	374,641	136,031
2016/17	661,653	952,448	290,795	702,286	861,232	158,946
2017/18	1,168,098	1,188,506	20,408	1,428,613	1,346,421	(82,192)
Total	\$3,577,177	\$4,521,385	\$944,208	\$2,996,571	\$4,709,038	\$1,712,467

Note: (2) and (5) are actual experience from June 30, 2018 to June 30, 2019.
(3) and (6) are the expected amounts from June 30, 2018 to June 30, 2019.

As part of our analysis, we project ultimate losses by year using paid loss development and incurred loss development (these are defined in the attached Glossary). Table III-5E shows how the paid and incurred claims emerged 12 months later based on loss development factors we selected in the actuarial study valued as of June 30, 2018. This analysis provides a peek into how the claims are actually emerging compared to the expected emergence which is based on historical development patterns.

Table III-5F reconciles the estimated net outstanding losses as of June 30, 2018 to June 30, 2019.

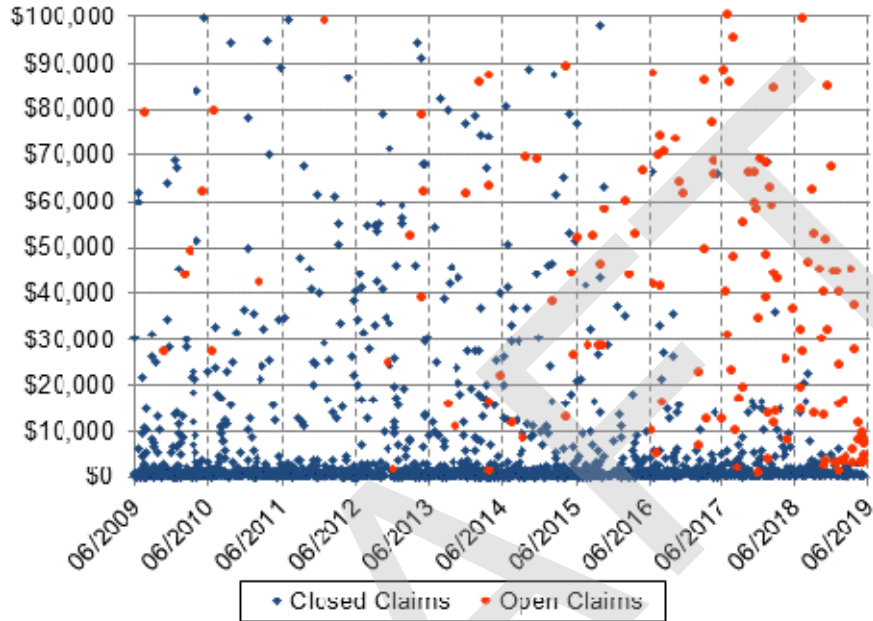
Table III-5F
Reconciliation of Estimated Net Outstanding Losses
June 30, 2018 to June 30, 2019

Claim Period (1)	Item (2)	Amount (3)
(A) Through 2017/18	(i) Estimated outstanding losses as of 6/30/18	\$18,756,125
	(ii) Losses paid during 2018/19	(4,219,838)
	(iii) Change in projected ultimate limited losses for claim periods 2017/18 and prior: • (Aiii) is 3.0% of the total projected ultimate losses	2,316,575
	(iv) Estimated outstanding losses as of 6/30/19 (Ai) + (Aii) + (Aiii)	\$16,852,863
(B) 2018/19	(i) Projected ultimate limited losses	\$4,463,024
	(ii) Losses paid during 2018/19	(347,156)
	(iii) Estimated outstanding losses as of 06/30/19 (Bi) + (Bii)	\$4,115,868
(C) Total (Aiv) + (Biii)	(i) Estimated outstanding losses as of 06/30/19	\$20,968,731

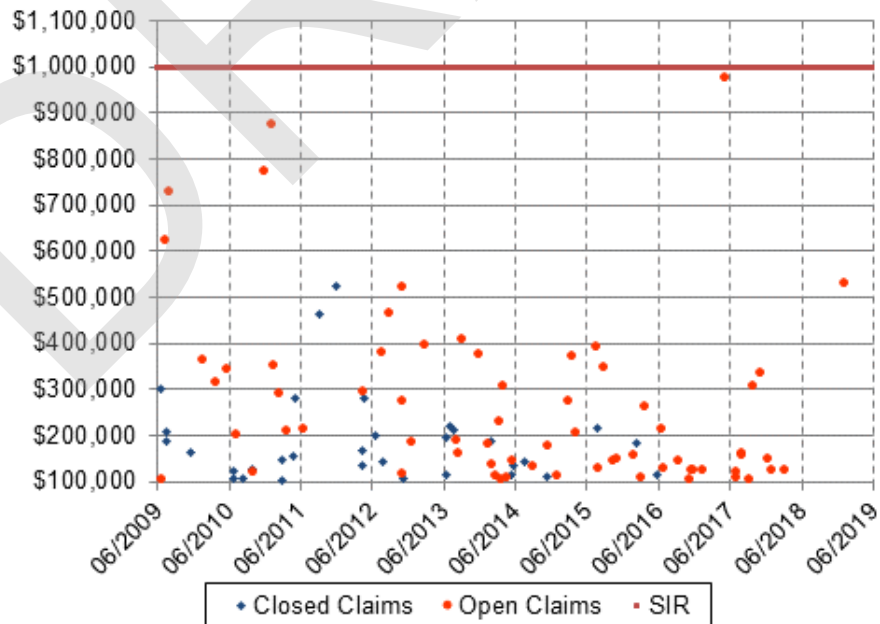
Note: (Ai) is from the previous actuarial study.
(Aii) is based on data provided as of June 30, 2018 and June 30, 2019.
(Aiii) is based on Exhibit WC-16 and the previous actuarial study.
(Bi) and (Bii) are from Exhibit WC-16.
Amounts are net of member deductibles.

The reported claim experience underlying our analysis is shown below in Graphs III-6 and III-7, with each point representing one claim.

Graph III-6
Distribution of Workers Compensation Losses
Incurred Less Than \$100,000
2008/09 through 2018/19



Graph III-7
Distribution of Workers Compensation Losses
Incurred Greater Than \$100,000
2008/09 through 2018/19



Conditions and Limitations

It is important to understand the conditions and limitations listed below. Each chapter and section is an integral part of the whole study. If there are questions, please contact Aon for clarification.

- **Data Quality** In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss data by the organization or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.
- **Economic Environment.** Unless otherwise stated, we assumed the current economic conditions will continue in the foreseeable future.
- **Insurance Coverage.** Unless otherwise stated, we assumed no insurance coverage changes (including coverage provided by the organization to others) subsequent to the date this study was prepared. This includes coverage language, self-insured retention, limitations and similar issues.
- **Insurance Solvency.** Unless otherwise stated, we assumed all insurance purchased by the organization is from solvent sources payable in accordance with terms of the coverage document.
- **Interest Rate.** The exhibits specify the annual interest rate used.
- **Methodology.** In this study, different actuarial methods were applied. In some instances, the methods yield significantly disparate results. The estimates, projections and recommendations in this study reflect our judgments as to the best method or combination of methods that are most reliable and reflective of the exposure to loss.
- **Reproduction.** Use of this report is limited to the organization for the specific purpose described in the Introduction section. Other uses are prohibited without an executed release with Aon.

Distribution by the organization is unrestricted. The report should only be distributed in its entirety including all supporting exhibits.

- **Risk and Variability.** Insurance is an inherently risky enterprise. Actual losses may vary significantly from our estimates, projections and recommendations. They may emerge higher or lower.

- **Statutory and Judicial Changes.** Legislatures and judiciaries may change statutes that govern indemnification. This includes benefit levels for workers compensation, immunities and limitations for liability, and other similar issues. Unless otherwise stated, we assumed no statutory changes subsequent to the date this study was prepared.
- **Supplemental Data.** In addition to the data provided by the organization, we supplemented our analysis with data from similar organizations and insurance industry statistics, as we deemed appropriate.
- **Usage.** This study has been prepared for the usage of the organization shown on the transmittal page. It was not prepared for and may not be appropriate for use by other organizations. Other organizations should obtain written permission from Aon prior to use of this study.

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Glossary of Actuarial Terms

Actuarial Methods (Most Common)

A major objective of an actuarial study is to statistically project ultimate losses. The following actuarial methods are the most common:

- Developed Paid Losses
- Developed Reported Incurred Losses
- Developed Case Reserves
- Frequency Times Severity Analysis
- Loss Rate Analysis

The following describes each method:

1. **Developed Paid Losses.** Paid losses represent the amounts actually paid to claimants (less excess insurance recoveries). As time goes on, loss payments continue until all claims are closed and there are no remaining payments expected. At this time, the ultimate losses for the claim period are known. This common process is called “paid loss development.”

Paid loss development is an extrapolation of actual dollars paid. It does not depend on case reserve estimates. A potential shortcoming of utilizing this method is that only a small fraction of total payments have been made for the most recent claim periods. Extrapolating ultimate losses based on small amounts of actual payments may be speculative. A second potential shortcoming is that payment patterns can change over time.

2. **Developed Reported Incurred Losses.** Reported incurred losses are paid losses plus case reserves. In most programs, total reported incurred losses underestimate the ultimate losses. Over time, as more information about a body of claims becomes known, they are adjusted either up or down until they are closed. Though many individual claims settle for less than what was estimated, these decreases are generally more than offset by increases in the cost of other claims for which new information has emerged.

The net effect is that total estimated costs are often revised upward over time. This normal process is called “reported incurred loss development.” Actuaries typically review the development patterns of the recent past to make projections of the expected future loss development and, therefore, estimations of ultimate losses.

3. **Developed Case Reserves.** A case reserve is an estimate of the unpaid amount established by claims adjusters for which a particular claim will ultimately be settled or adjudicated. The developed case reserves method is a hybrid of the paid loss development and reported incurred loss development methods. It relies on the historical adequacy of case reserves to predict ultimate losses.

4. **Frequency Times Severity Analysis.** The frequency times severity analysis is an actuarial method that uses a preliminary projection of ultimate losses to project claims severity. The claims severity times the number of claims is a predictor of ultimate losses. The focus of the frequency times severity analysis is that ultimate losses each period are dependent on the number of claims.
5. **Loss Rate Analysis.** The loss rate analysis is based on the historical loss rates per exposure unit (such as payroll, vehicles or property value). The loss rates (projected ultimate losses divided by exposure units) are trended to reflect the effect of claim cost inflation and retention changes. The trended loss rates represent the rates that one would see if all of the claims had been handled in the claim cost environment that will be present in the upcoming period. The trended loss rate times the projected exposure units is a predictor of losses.
6. **Bornhuetter-Ferguson Method (B-F).** The B-F method is an actuarial method that weights a preliminary projection of ultimate losses with projections of ultimate losses determined by other actuarial methods (usually the developed paid losses and developed reported incurred losses methods). For less mature claim periods, the B-F method leans more heavily to the preliminary projection. It gradually converges to the projections of ultimate losses determined by the other actuarial methods as the claim periods mature.

Actuary

A specialist trained in mathematics, statistics, and finance who is responsible for rate, reserve, and dividend calculations and other statistical studies.

Allocated Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are the direct expenses to settle specific claims. These expenses are primarily legal expenses.

Governmental Accounting Standards Board (GASB) Statement No. 10 requires that ALAE be included in financial statements and that they be calculated by actuarial methods.

American Academy of Actuaries

A society concerned with the development of education in the field of actuarial science and with the enhancement of standards in the actuarial field. Members may use the designation MAAA (Member, American Academy of Actuaries).

Benefits

The financial reimbursement and other services provided insureds by insurers under the terms of an insurance contract. An example would be the benefits listed under a life or health insurance policy or benefits as prescribed by a workers compensation law.

Casualty Actuarial Society

A professional society for actuaries in areas of property and casualty insurance work. This society grants the designation of Associate of the Casualty Actuarial Society (ACAS) and Fellow of the Casualty Actuarial Society (FCAS).

Claim

Demand by an individual or entity to recover for a loss.

Claims Made

A policy written on this basis covers only those claims that are made during the policy period. Coverage for prior acts is provided back to what is known as the retroactive date, which is the effective date of the original claims made policy with the same insurer.

Composite Rate

A single rate with a single basis of premium (e.g., payroll or sales). For this single rate the insured is covered for a variety of hazards, such as premises and operations, completed operations, products liability, and automobile. Its primary value is to compute premium simply.

Confidence Level

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.

Confidence levels are determined based on mathematical models. Coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

Coverage

The scope of the protection provided under a contract of insurance.

Credibility

Credibility is the belief that the sample data is an accurate reflection of the larger population. Credibility is highest when the sample data is large and the standard deviation (discussed later) of the larger population is low.

Dates

There are at least three milestone dates in a claim. They are the date of injury or accident, the date of report and the date of closure. It is best if each of these dates is recorded. Some organizations may also keep the date a claim becomes a lawsuit, as opposed to a demand. Aon recommends this additional level of detail, especially if the data is to be used for litigation management.

Deductible

The portion of an insured loss to be borne by the insured before he is entitled to recovery from the insurer. Deductibles may be expressed as a dollar amount, percentage or waiting period.

Disability

A condition that curtails a person's ability to carry on his normal pursuits. A disability may be partial or total, and temporary or permanent.

Dividend (Policyholder)

The return of part of the premium paid for a policy issued on a participating basis by either a mutual or a stock insurer.

Estimated Outstanding Losses

Estimated outstanding losses are the cost of claims that have occurred but have not yet been paid. They typically include indemnification and allocated loss adjustment expenses (ALAE), but not unallocated loss adjustment expenses (ULAE).

Estimated outstanding losses are calculated as projected ultimate losses less paid losses. Alternatively, they are the sum of case reserves and incurred but not reported (IBNR) claims.

Estimated outstanding losses are usually the largest single item listed as a liability on the balance sheet of a public entity's financial statement. GASB Statement No. 10 requires they be calculated by actuarial methods. Other common names for estimated outstanding losses are outstanding claims liabilities and unpaid claims.

Experience Rating

A method of adjusting the premium for a risk based on past loss experience for that risk compared to loss experience for an average risk.

Exposure Data

Exposure data refers to the activities of the organization. For example, payroll is the most common exposure measure for workers compensation. Aon suggests collecting exposure data with the following characteristics:

- **Readily Available.** The exposure data should be easily obtained. It is best if it is a byproduct of other activities, although this is not always possible. If getting data is arduous, it may discourage collection.
- **Vary With Losses.** The exposure data should correlate directly with losses. The ideal situation is where exposure and expected losses move in tandem. The exposure base needs to be fitting to the coverage. For example, the number of employees may vary with property losses (more employees = more office space = more losses), but property value is a clearly superior exposure base for property losses.

Generally Accepted Accounting Principles (GAAP)

These principles are intended to produce financial results (in the insurance industry) consistent with those of other industries and to assure consistency in financial reporting.

Incurred But Not Reported

IBNR is really comprised of two distinct items. These are the development of known case reserves (incurred but not enough reported [IBNER] and incurred but not yet reported [IBNYR]).

IBNER are the actuary's estimate of the inadequacy of case reserves. Most claims settle at amounts close to what is set by the claims administrator. Some claims close favorably and some emerge as more expensive. On balance, case reserves tend to be too low (especially for recent years). IBNER is the actuary's estimate of the amount total case reserves will rise upon closure.

IBNYR refers to those claims that have occurred, but have not yet been reported. A classic example is medical malpractice claim reported several years after the medical procedure was performed.

Insurance Services Office (ISO)

An organization of the property and casualty insurance business designed to gather statistics, promulgate rates, and develop policy forms.

Investment Income

The return received by entities from their investment portfolios, including interest, dividends and realized capital gains on stocks. Realized capital gains means the profit realized on

assets that have actually been sold for more than their purchase price.

Limited

Most programs purchase excess insurance for catastrophic claims. For example, they may purchase coverage for claims above a \$500,000 per occurrence self-insured retention. “Limited” refers to an estimate or projection being limited to the self-insured retention. In contrast, “unlimited” means a loss projection not limited to the self-insured retention.

Other common names for limited are net of excess insurance or capped losses.

Loss Development

The difference between the amount of losses initially estimated by the insurer and the amount reported in an evaluation on a later date. Loss development is typically measured for paid losses, reported incurred losses and claim counts.

Manual Rates

Usually, the published rate for some unit of insurance. An example is in the workers compensation manual, where the rates shown apply to each \$100 of the payroll of the insured, \$100 being the “unit.”

National Council on Compensation Insurance (NCCI)

An association of workers compensation insurance companies whose main functions are collecting statistics and calculating rates, establishing policy wording, developing experience and retrospective rating plans, and serving as the filing organization for member companies.

Net

Many pooling programs assign deductibles to members. For example, each member may have a \$5,000 per claim deductible. “Net” refers to a loss estimate or projection that excludes amounts below member deductibles.

Occurrence

An event that results in an insured loss. In some lines of insurance, such as general liability, it is distinguished from accident in that the loss does not have to be sudden and fortuitous and can result from continuous or repeated exposure that results in bodily injury or property damage neither expected nor intended by the insured.

Pool

An organization of entities through which particular types of risks are written with the premiums, losses, and expenses shared in agreed amounts among the members belonging to the organization.

Premium

The price of insurance protection for a specified risk for a specified period of time.

Present Value

The amount of money that future amounts receivable are currently worth. For example, a Life Insurance policy may provide for payments to be made monthly for ten years. The present value of that money would be less than the total amount of the regular periodic payments for 10 years because of the amount of interest that a present lump sum could earn during the term than the payments otherwise would have been made.

Probability

The probability is the likelihood of an event. It is a measure of how likely a value or event is to occur. It can be measured from data by calculating the number of occurrences of the value or event divided by the total number of occurrences. This calculation can be converted to a percentage. For example, tossing a coin has a 50% probability of heads or tails.

Projected Losses Paid

Projected losses paid are the projected claims disbursements in a period, regardless of when the claim occurred. They typically include indemnification and ALAE, but not unallocated loss adjustment expenses (ULAE).

“Projected losses paid” is a cash-flow analysis that can be used in making investment decisions.

Projected Ultimate Losses

Projected ultimate losses are the accrual value of claims. They are the total amount that is expected to be paid in a particular claim period after all claims are closed. Projected ultimate losses are the total loss costs for a particular period. They typically include indemnification and ALAE, but not ULAE.

Other common names for projected ultimate losses are expected losses, ultimate losses and total losses.

Rate

The cost of a given unit of insurance. For example, in life insurance, it is the price of \$1,000 of the face amount. In property insurance, it is the rate per \$100 of value to be insured. The premium is the rate multiplied by the number of units of insurance purchased.

Retrospective Rating

A method for which the final premium is not determined until the end of the coverage period, and is based on the insured's own loss experience for that same period. It is usually subject to a maximum and minimum premium. A plan of this type can be used in various types of insurance, especially workers compensation and liability, and is usually elected by only very large insureds.

Salvage

Property taken over by an entity to reduce its loss. Automobile physical damage losses can be reduced by the sale of recovered vehicles.

Schedule Rating

The application of debits or credits within established ranges for various characteristics of a risk according to an established schedule of items. Under liability and automobile insurance, the schedule rating plan allows credits and debits for various good or bad features of a particular commercial risk. An example in automobile schedule rating would be allowing credits for driver training classes or fleet maintenance programs.

Self-Insurance Retention (SIR)

That portion of a risk or potential loss assumed by an insured. It is often in the form of a per occurrence deductible.

Society of Actuaries (SOA)

A professional society for actuaries in areas of pensions, and life and health insurance work. The SOA grants the designation Associate of the Society of Actuaries (ASA) and Fellow of the Society of Actuaries (FSA).

Standard Premium

Most often used in connection with retrospective rating for Workers Compensation and General Liability Insurance. It is the premium of which the basic premium is a percentage and is developed by applying the regular rates to an insured's payroll.

State Fund

A fund set up by a state government to finance a mandatory insurance system, such as Workers Compensation or non-occupational disability benefits. Such a fund may be monopolistic, i.e., purchasers of the type of insurance required must place it in the state fund; or it may be competitive, i.e., an alternative to private insurance if the purchaser desires to use it.

Statutory Accounting Principles (SAP)

Those principles required by statute that must be followed by an insurance company or other similar entity when submitting its financial statement to the state insurance department. Such principles differ from (GAAP) in some important respects. For one thing SAP requires that expenses must be recorded immediately and cannot be deferred to track with premiums as they are earned and taken into revenue.

Unallocated Loss Adjustment Expenses

Unallocated loss adjustment expenses (ULAE) are the indirect expenses to settle claims. These expenses are primarily administration and claims handling expenses.

GASB Statement No. 10 requires that ULAE be included in financial statements and that they be calculated by actuarial methods.

Exhibits

The attached exhibits detail our analysis.

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Development of Indicated Funding at June 30, 2019

Claim Period (1)	Estimated Net Outstanding Losses 6/30/19 (2)	Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (2)X1.10 (3)	Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (2)X1.15 (4)	Present Value of Estimated Net Outstanding Losses 6/30/19 (5)	Present Value of Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (5)X1.10 (6)	Present Value of Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (5)X1.15 (7)
to 1999/00	\$1,026,869	\$1,129,556	\$1,180,899	\$967,035	\$1,063,739	\$1,112,090
2000/01	172,265	189,492	198,105	158,887	174,776	182,720
2001/02	174,639	192,103	200,835	157,823	173,605	181,496
2002/03	212,796	234,076	244,715	188,495	207,345	216,769
2003/04	411,103	452,213	472,768	360,061	396,067	414,070
2004/05	87,420	96,162	100,533	76,276	83,904	87,717
2005/06	350,792	385,871	403,411	305,517	336,069	351,345
2006/07	544,821	599,303	626,544	472,575	519,833	543,461
2007/08	157,434	173,177	181,049	136,742	150,416	157,253
2008/09	648,271	713,098	745,512	561,919	618,111	646,207
2009/10	932,448	1,025,693	1,072,315	808,862	889,748	930,191
2010/11	788,562	867,418	906,846	685,138	753,652	787,909
2011/12	405,562	446,118	466,396	352,806	388,087	405,727
2012/13	1,111,851	1,223,036	1,278,629	970,026	1,067,029	1,115,530
2013/14	1,333,877	1,467,265	1,533,959	1,176,996	1,294,696	1,353,545
2014/15	1,178,129	1,295,942	1,354,848	1,045,069	1,149,576	1,201,829
2015/16	1,554,105	1,709,516	1,787,221	1,381,062	1,519,168	1,588,221
2016/17	2,150,820	2,365,902	2,473,443	1,926,465	2,119,112	2,215,435
2017/18	3,611,098	3,972,208	4,152,763	3,270,749	3,597,824	3,761,361
2018/19	4,115,868	4,527,455	4,733,248	3,745,088	4,119,597	4,306,851
Total	\$20,968,730	\$23,065,604	\$24,114,039	\$18,747,591	\$20,622,354	\$21,559,727

(8) Projected funds available at June 30, 2019 (approximate and unaudited)

\$17,149,175

(9) Equity/(Shortfall)

-\$1,598,416
(a)

-\$3,473,179
(b)

-\$4,410,552
(c)

All amounts include loss and ALAE.

(2) to (7) are from Exhibit WC-17.

(8) was provided by REMIF.

(9a) is (8)-Total(5).

(9b) is (8)-Total(6).

(9c) is (8)-Total(7).

Development of Projected Pooled Liabilities at June 30, 2019

Claim Period (1)	Projected Ultimate Limited Losses (2)	Limited Paid Losses 6/30/19 (3)	Estimated Outstanding Losses 6/30/19 (2)-(3) (4)	Case Reserves Within Deductibles 6/30/19 (5)	IBNR Within Deductibles 6/30/19 (4)-(5)-(7) (6)	Estimated Net Outstanding Losses 6/30/19 (7)
to 1999/00	\$27,425,132	\$26,398,264	\$1,026,869	\$0	\$0	\$1,026,869
2000/01	3,324,374	3,152,109	172,265	0	0	172,265
2001/02	2,744,000	2,569,360	174,640	0	1	174,639
2002/03	3,794,293	3,581,497	212,796	0	0	212,796
2003/04	4,340,046	3,928,943	411,103	0	0	411,103
2004/05	2,338,000	2,250,580	87,420	0	0	87,420
2005/06	3,046,000	2,695,209	350,791	0	-1	350,792
2006/07	2,022,000	1,477,178	544,822	0	1	544,821
2007/08	2,935,000	2,777,566	157,434	0	0	157,434
2008/09	2,160,000	1,511,729	648,271	0	0	648,271
2009/10	4,738,000	3,805,552	932,448	0	0	932,448
2010/11	5,092,000	4,303,438	788,562	0	0	788,562
2011/12	3,396,000	2,990,438	405,562	0	0	405,562
2012/13	5,058,000	3,944,129	1,113,871	1,424	596	1,111,851
2013/14	5,476,000	4,131,756	1,344,244	10,050	317	1,333,877
2014/15	3,523,000	2,329,010	1,193,990	15,861	0	1,178,129
2015/16	3,542,000	1,983,872	1,558,128	4,022	1	1,554,105
2016/17	4,259,000	2,090,210	2,168,790	15,384	2,586	2,150,820
2017/18	5,565,000	1,909,684	3,655,316	37,485	6,733	3,611,098
2018/19	4,924,000	640,943	4,283,057	130,136	37,053	4,115,868
Total	\$99,701,845	\$78,471,466	\$21,230,379	\$214,361	\$47,288	\$20,968,730

All amounts include loss and ALAE.

(2) is from Exhibit WC-9.

(3) is from Exhibit WC-1 (page 1).

(5) is based on Exhibit WC-1 (page 1) and Exhibit WC-16.

(7) is from Exhibit WC-16.

Development of 2020/21 Funding Indications

(1) Projected 2020/21 payroll (000)	\$119,509
(2) Projected net limited loss rate per \$100 of payroll	\$4.11
(3) Projected ultimate net limited losses	\$4,915,000
(4) Risk margin	
(a) 75% confidence	\$737,000
(b) 90% confidence	\$1,720,000
(5) Projected ultimate net limited losses at risk margin	
(a) Expected	\$4,915,000
(b) 75% confidence	\$5,652,000
(c) 90% confidence	\$6,635,000
(6) Present value factor	0.90
(7) Present value of projected ultimate net limited losses	
(a) Expected	\$4,431,000
(b) 75% confidence	\$5,096,000
(c) 90% confidence	\$5,982,000
(8) Budgeted expenses	
(a) Excess insurance premiums	<i>will fill in</i>
(b) Claims administration fees	
(c) Professional services	
(d) Safety training	
(e) Salaries, wages and benefits	
(f) Administrative	
(g) Total budgeted expenses	
(a)...(f)	
(9) Recommended funding	
(a) Expected	
(b) 75% confidence	
(c) 90% confidence	

(1), (2), (3) and (6) are from Exhibit WC-15.

(4a) is (3)X0.15.

(4b) is (3)X0.35.

(5a) is (3).

(5b) is (3)+(4a). (5c) is (3)+(4b).

(7) is (5)X(6).

(8) was provided by REMIF.

(9) is (7)+(8).

Selection of Ultimate Loss and ALAE at June 30, 2019

Claim Period (1)	Projected Ultimate Net Limited Losses 6/30/18 Report (2)	Projected Ultimate Net Limited Losses this Report (3)	Percentage Change (3)/(2)-100.0% (4)
to 1999/00	\$21,457,427	\$21,539,668	0.4%
2000/01	2,751,454	2,825,637	2.7%
2001/02	2,129,452	2,249,170	5.6%
2002/03	3,119,792	3,209,695	2.9%
2003/04	3,499,142	3,730,188	6.6%
2004/05	1,837,697	1,883,444	2.5%
2005/06	2,402,925	2,590,925	7.8%
2006/07	1,140,342	1,593,521	39.7%
2007/08	2,378,929	2,440,929	2.6%
2008/09	1,166,231	1,721,231	47.6%
2009/10	4,071,709	4,147,709	1.9%
2010/11	4,555,041	4,569,041	0.3%
2011/12	3,082,504	2,958,070	-4.0%
2012/13	4,274,021	4,401,321	3.0%
2013/14	5,136,796	4,849,143	-5.6%
2014/15	3,105,300	2,953,125	-4.9%
2015/16	2,866,629	3,041,863	6.1%
2016/17	3,372,508	3,725,898	10.5%
2017/18	4,743,969	4,977,865	4.9%
2018/19	4,244,000	4,463,024	5.2%
Total	\$81,335,867	\$83,871,466	3.1%

All amounts include loss and ALAE.

(2) is from the previous actuarial report.

(3) is from Exhibit WC-14.

Selection of Loss and ALAE at June 30, 2019

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Limited Case Reserves 6/30/19 (3)	Limited Reported Incurred Losses 6/30/19 (4)	Projected Ultimate Limited Losses (5)
to 1999/00	\$26,398,264	\$933,517	\$27,331,781	\$27,425,132
2000/01	3,152,109	156,605	3,308,714	3,324,374
2001/02	2,569,360	158,682	2,728,043	2,744,000
2002/03	3,581,497	193,451	3,774,948	3,794,293
2003/04	3,928,943	373,730	4,302,673	4,340,046
2004/05	2,250,580	79,031	2,329,611	2,338,000
2005/06	2,695,209	318,646	3,013,854	3,046,000
2006/07	1,477,178	457,948	1,935,127	2,022,000
2007/08	2,777,566	127,703	2,905,269	2,935,000
2008/09	1,511,729	511,713	2,023,442	2,160,000
2009/10	3,805,552	847,599	4,653,151	4,738,000
2010/11	4,303,438	639,266	4,942,704	5,092,000
2011/12	2,990,438	302,646	3,293,084	3,396,000
2012/13	3,944,129	785,005	4,729,134	5,058,000
2013/14	4,131,756	904,033	5,035,790	5,476,000
2014/15	2,329,010	790,143	3,119,154	3,523,000
2015/16	1,983,872	1,042,568	3,026,440	3,542,000
2016/17	2,090,210	1,437,019	3,527,229	4,259,000
2017/18	1,909,684	1,511,290	3,420,974	5,565,000
2018/19	640,943	1,201,441	1,842,384	4,924,000
Total	\$78,471,466	\$12,772,036	\$91,243,502	\$99,701,845

(2) to (4) are from Exhibit WC-1 (page 1).

(5) is from Exhibit WC-9.

Size of Loss Distribution

I. Reported Claim Count

Layer (1)	Prior (2)	2014/15 (3)	2015/16 (4)	2016/17 (5)	2017/18 (6)	2018/19 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	894	14	17	18	8	12	963		
0.01 - 5,000	7,288	145	148	169	123	90	7,963	7,963	82.3%
5,000 - 10,000	313	12	9	13	15	10	372	8,335	86.1%
10,000 - 25,000	437	16	8	11	17	14	503	8,838	91.3%
25,000 - 50,000	298	14	12	9	11	13	357	9,195	95.0%
50,000 - 100,000	208	12	9	14	15	6	264	9,459	97.7%
100,000 - 250,000	126	6	8	7	8	0	155	9,614	99.3%
250,000 - 500,000	40	2	3	0	2	0	47	9,661	99.8%
500,000 - 750,000	12	0	0	0	0	1	13	9,674	99.9%
750,000 - 1,000,000	2	0	0	1	0	0	3	9,677	100.0%
Over 1,000,000	3	0	0	0	0	0	3	9,680	100.0%
Total	9,621	221	214	242	199	146	10,643	9,680	

II. Total Reported Incurred Losses

Layer (1)	Prior (2)	2014/15 (3)	2015/16 (4)	2016/17 (5)	2017/18 (6)	2018/19 (7)	Total (2)...(7) (8)	Non-Zero Claim Cumulative Total (9)	Non-Zero Claim Cumulative % of Total (10)
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
0.01 - 5,000	4,289,368	137,403	151,066	174,450	157,401	134,868	5,044,556	5,044,556	4.7%
5,000 - 10,000	2,241,555	92,361	72,115	90,264	103,722	72,763	2,672,779	7,717,335	7.2%
10,000 - 25,000	7,004,323	234,672	126,466	170,949	247,366	230,639	8,014,415	15,731,751	14.6%
25,000 - 50,000	10,457,695	510,254	420,595	322,418	425,380	491,771	12,628,113	28,359,863	26.3%
50,000 - 100,000	14,774,112	844,794	579,773	998,898	1,084,337	417,586	18,699,500	47,059,363	43.6%
100,000 - 250,000	19,488,250	871,280	1,194,126	946,872	1,032,951	0	23,533,479	70,592,842	65.4%
250,000 - 500,000	14,489,452	643,400	995,501	0	638,801	0	16,767,154	87,359,996	81.0%
500,000 - 750,000	7,087,283	0	0	0	0	530,198	7,617,481	94,977,477	88.0%
750,000 - 1,000,000	1,645,988	0	0	973,995	0	0	2,619,983	97,597,460	90.5%
Over 1,000,000	10,304,343	0	0	0	0	0	10,304,343	107,901,803	100.0%
Total	\$91,782,369	\$3,334,164	\$3,539,642	\$3,677,845	\$3,689,958	\$1,877,825	\$107,901,803	\$107,901,803	

Amounts are gross of excess insurance and other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Losses Limited to Self-Insured Retention

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Limited Paid Losses 6/30/19 (8)	Limited Case Reserves 6/30/19 (9)	Limited Reported Incurred Losses 6/30/19 (10)
to 1999/00	See Note	None	240.0	Not Provided	5,981	48	\$26,398,264	\$933,517	\$27,331,781
2000/01	300,000	None	228.0	70,146	327	9	3,152,109	156,605	3,308,714
2001/02	300,000	None	216.0	76,383	291	4	2,569,360	158,682	2,728,043
2002/03	300,000	None	204.0	81,927	323	9	3,581,497	193,451	3,774,948
2003/04	1,000,000	None	192.0	82,769	302	5	3,928,943	373,730	4,302,673
2004/05	1,000,000	None	180.0	84,865	268	4	2,250,580	79,031	2,329,611
2005/06	1,000,000	None	168.0	88,494	222	6	2,695,209	318,646	3,013,854
2006/07	1,000,000	None	156.0	96,170	215	4	1,477,178	457,948	1,935,127
2007/08	1,000,000	None	144.0	103,424	249	4	2,777,566	127,703	2,905,269
2008/09	1,000,000	None	132.0	107,276	218	8	1,511,729	511,713	2,023,442
2009/10	1,000,000	None	120.0	105,618	262	11	3,805,552	847,599	4,653,151
2010/11	1,000,000	None	108.0	102,514	252	10	4,303,438	639,266	4,942,704
2011/12	1,000,000	None	96.0	102,503	227	3	2,990,438	302,646	3,293,084
2012/13	1,000,000	None	84.0	96,217	239	13	3,944,129	785,005	4,729,134
2013/14	1,000,000	None	72.0	96,057	245	20	4,131,756	904,033	5,035,790
2014/15	1,000,000	None	60.0	99,197	221	16	2,329,010	790,143	3,119,154
2015/16	1,000,000	None	48.0	104,716	214	19	1,983,872	1,042,568	3,026,440
2016/17	1,000,000	None	36.0	104,606	242	33	2,090,210	1,437,019	3,527,229
2017/18	1,000,000	None	24.0	112,599	199	46	1,909,684	1,511,290	3,420,974
2018/19	1,000,000	None	12.0	108,170	146	50	640,943	1,201,441	1,842,384
Total					10,643	322	\$78,471,466	\$12,772,036	\$91,243,502

* The specific self-insured retention changes are as follows:

Effective Date	Retention
07/01/78	\$150,000
07/01/81	100,000
07/01/82	150,000
07/01/86	200,000
07/01/87	250,000
07/01/91	300,000
07/01/03	1,000,000

(8), (9) and (10) are net of the specific self-insured retention and other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Net Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Net Unlimited Paid Losses 6/30/19 (8)	Net Unlimited Case Reserves 6/30/19 (9)	Net Unlimited Reported Incurred Losses 6/30/19 (10)
to 1999/00	Unlimited	None	240.0	Not Provided	5,981	48	\$33,554,768	\$4,850,124	\$38,404,892
2000/01	Unlimited	None	228.0	70,146	327	9	3,286,165	415,237	3,701,402
2001/02	Unlimited	None	216.0	76,383	291	4	2,569,360	158,682	2,728,043
2002/03	Unlimited	None	204.0	81,927	323	9	3,979,516	518,559	4,498,075
2003/04	Unlimited	None	192.0	82,769	302	5	3,928,943	373,730	4,302,673
2004/05	Unlimited	None	180.0	84,865	268	4	2,250,580	79,031	2,329,611
2005/06	Unlimited	None	168.0	88,494	222	6	2,695,209	774,225	3,469,434
2006/07	Unlimited	None	156.0	96,170	215	4	1,477,178	457,948	1,935,127
2007/08	Unlimited	None	144.0	103,424	249	4	2,777,566	127,703	2,905,269
2008/09	Unlimited	None	132.0	107,276	218	8	1,511,729	511,713	2,023,442
2009/10	Unlimited	None	120.0	105,618	262	11	3,805,552	847,599	4,653,151
2010/11	Unlimited	None	108.0	102,514	252	10	4,303,438	639,266	4,942,704
2011/12	Unlimited	None	96.0	102,503	227	3	2,990,438	302,646	3,293,084
2012/13	Unlimited	None	84.0	96,217	239	13	3,944,129	785,005	4,729,134
2013/14	Unlimited	None	72.0	96,057	245	20	4,131,756	904,033	5,035,790
2014/15	Unlimited	None	60.0	99,197	221	16	2,329,010	790,143	3,119,154
2015/16	Unlimited	None	48.0	104,716	214	19	1,983,872	1,042,568	3,026,440
2016/17	Unlimited	None	36.0	104,606	242	33	2,090,210	1,437,019	3,527,229
2017/18	Unlimited	None	24.0	112,599	199	46	1,909,684	1,511,290	3,420,974
2018/19	Unlimited	None	12.0	108,170	146	50	640,943	1,201,441	1,842,384
Total					10,643	322	\$86,160,046	\$17,727,963	\$103,888,008

(8), (9) and (10) are gross of the specific self-insured retention and net of other recoveries.

Data was provided by REMIF.

Data Summary as of June 30, 2019
Gross Unlimited Losses

Claim Period (1)	Specific Self-Insured Retention (2)	Aggregate Retention (3)	Months of Development 6/30/19 (4)	Payroll (000) (5)	Reported Claims 6/30/19 (6)	Open Claims 6/30/19 (7)	Gross Unlimited Paid Losses 6/30/19 (8)	Gross Unlimited Case Reserves 6/30/19 (9)	Gross Unlimited Reported Incurred Losses 6/30/19 (10)
to 1999/00	Unlimited	None	240.0	Not Provided	5,981	48	\$33,554,768	\$4,850,124	\$38,404,892
2000/01	Unlimited	None	228.0	70,146	327	9	3,286,165	415,237	3,701,402
2001/02	Unlimited	None	216.0	76,383	291	4	2,569,360	158,682	2,728,043
2002/03	Unlimited	None	204.0	81,927	323	9	3,979,516	518,559	4,498,075
2003/04	Unlimited	None	192.0	82,769	302	5	3,928,943	373,730	4,302,673
2004/05	Unlimited	None	180.0	84,865	268	4	2,250,580	79,031	2,329,611
2005/06	Unlimited	None	168.0	88,494	222	6	2,695,209	774,225	3,469,434
2006/07	Unlimited	None	156.0	96,170	215	4	1,477,178	457,948	1,935,127
2007/08	Unlimited	None	144.0	103,424	249	4	2,777,566	127,703	2,905,269
2008/09	Unlimited	None	132.0	107,276	218	8	1,511,729	511,713	2,023,442
2009/10	Unlimited	None	120.0	105,618	262	11	3,805,552	847,599	4,653,151
2010/11	Unlimited	None	108.0	102,514	252	10	4,303,438	639,266	4,942,704
2011/12	Unlimited	None	96.0	102,503	227	3	2,990,438	302,646	3,293,084
2012/13	Unlimited	None	84.0	96,217	239	13	3,944,129	785,005	4,729,134
2013/14	Unlimited	None	72.0	96,057	245	20	4,131,756	904,033	5,035,790
2014/15	Unlimited	None	60.0	99,197	221	16	2,329,010	790,143	3,119,154
2015/16	Unlimited	None	48.0	104,716	214	19	1,983,872	1,042,568	3,026,440
2016/17	Unlimited	None	36.0	104,606	242	33	2,090,210	1,437,019	3,527,229
2017/18	Unlimited	None	24.0	112,599	199	46	1,909,684	1,511,290	3,420,974
2018/19	Unlimited	None	12.0	108,170	146	50	640,943	1,201,441	1,842,384
Total					10,643	322	\$86,160,046	\$17,727,963	\$103,888,008

(8), (9) and (10) are gross of the specific self-insured retention and other recoveries.

Data was provided by REMIF.

Summary of Percent Losses Paid, Losses Reported and Claims Reported

Months of Development (1)	Percent Losses Paid (2)	Percent Losses Reported (3)	Percent Claims Reported (4)
360.0	99.9%	100.0%	100.0%
348.0	99.8%	100.0%	100.0%
336.0	99.7%	100.0%	100.0%
324.0	99.6%	100.0%	100.0%
312.0	99.4%	100.0%	100.0%
300.0	99.2%	100.0%	100.0%
288.0	98.9%	100.0%	100.0%
276.0	98.4%	100.0%	100.0%
264.0	97.7%	100.0%	100.0%
252.0	96.7%	100.0%	100.0%
240.0	95.2%	100.0%	100.0%
228.0	95.1%	100.0%	100.0%
216.0	95.0%	100.0%	100.0%
204.0	95.0%	100.0%	100.0%
192.0	94.5%	100.0%	100.0%
180.0	93.8%	99.7%	100.0%
168.0	92.8%	99.2%	100.0%
156.0	91.9%	98.7%	100.0%
144.0	90.6%	98.2%	100.0%
132.0	89.2%	97.7%	100.0%
120.0	87.5%	97.2%	100.0%
108.0	85.3%	96.8%	100.0%
96.0	82.9%	95.8%	100.0%
84.0	79.7%	93.9%	100.0%
72.0	74.1%	91.6%	100.0%
60.0	68.0%	89.0%	100.0%
48.0	61.3%	86.0%	100.0%
36.0	50.2%	78.1%	100.0%
24.0	32.4%	60.1%	99.0%
12.0	11.8%	33.4%	90.8%

DRAFT

(2) is from Exhibit WC-2 (page 2).

(3) is from Exhibit WC-2 (page 3).

(4) is from Exhibit WC-2 (page 4).

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
WORKERS' COMPENSATION

Exhibit WC-2 (page 2)

Historical Limited Paid Losses (\$000) and Limited Paid Loss Development

I. Historical Limited Paid Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1999/00																				
2000/01	234	875	1,392	1,805	2,082	2,331	2,466	2,541	2,634	2,710	2,805	2,857	2,965	3,026	3,090	3,114	3,135	3,035	3,152	
2001/02	252	883	1,358	1,700	1,812	1,970	2,039	2,092	2,158	2,262	2,287	2,309	2,380	2,418	2,442	2,463	2,514	2,569		
2002/03	424	1,449	1,970	2,453	2,671	2,810	2,782	2,910	3,002	3,077	3,172	3,255	3,336	3,352	3,456	3,572	3,581			
2003/04	544	1,543	1,876	2,374	2,503	2,918	3,224	3,298	3,446	3,554	3,593	3,664	3,730	3,787	3,826	3,929				
2004/05	319	752	1,028	1,181	1,313	1,624	1,791	1,919	2,097	2,142	2,159	2,177	2,194	2,204	2,251					
2005/06	328	1,007	1,298	1,530	1,700	1,883	1,970	2,038	2,144	2,246	2,306	2,434	2,612	2,695						
2006/07	359	733	954	1,105	1,182	1,214	1,276	1,295	1,333	1,364	1,394	1,446	1,477							
2007/08	195	1,328	1,674	2,161	2,328	2,467	2,615	2,684	2,695	2,732	2,760	2,778								
2008/09	316	735	998	1,153	1,286	1,341	1,378	1,414	1,445	1,469	1,512									
2009/10	497	1,352	2,106	2,623	2,837	3,163	3,541	3,799	3,885	3,806										
2010/11	436	1,224	1,893	2,472	2,788	3,086	3,434	3,967	4,303											
2011/12	313	1,204	1,869	2,278	2,513	2,710	2,934	2,990												
2012/13	618	1,465	2,337	2,701	3,086	3,328	3,944													
2013/14	558	1,618	2,412	3,070	3,625	4,132														
2014/15	418	1,176	1,655	2,127	2,329															
2015/16	381	1,107	1,724	1,984																
2016/17	488	1,138	2,090																	
2017/18	721	1,910																		
2018/19	641																			

II. Limited Paid Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1999/00																				
2000/01	3.730	1.592	1.296	1.153	1.120	1.058	1.030	1.037	1.029	1.035	1.019	1.038	1.020	1.021	1.008	1.007	0.968	1.039		
2001/02	3.509	1.538	1.253	1.066	1.087	1.035	1.026	1.032	1.048	1.011	1.010	1.030	1.016	1.010	1.008	1.021	1.022			
2002/03	3.417	1.359	1.246	1.089	1.052	0.990	1.046	1.032	1.025	1.031	1.026	1.025	1.005	1.031	1.034	1.003				
2003/04	2.838	1.216	1.266	1.054	1.166	1.105	1.023	1.045	1.031	1.011	1.020	1.018	1.015	1.010	1.027					
2004/05	2.356	1.368	1.149	1.111	1.237	1.102	1.072	1.093	1.021	1.008	1.008	1.008	1.005	1.021						
2005/06	3.071	1.288	1.178	1.111	1.107	1.047	1.034	1.052	1.048	1.027	1.056	1.073	1.032							
2006/07	2.039	1.302	1.159	1.070	1.027	1.051	1.015	1.029	1.023	1.022	1.037	1.022								
2007/08	6.807	1.260	1.291	1.077	1.060	1.060	1.026	1.004	1.014	1.010	1.006									
2008/09	2.326	1.357	1.156	1.115	1.043	1.027	1.027	1.021	1.017	1.029										
2009/10	2.721	1.558	1.245	1.081	1.115	1.119	1.073	1.023	0.979											
2010/11	2.811	1.546	1.306	1.128	1.107	1.113	1.155	1.085												
2011/12	3.847	1.552	1.219	1.103	1.078	1.083	1.019													
2012/13	2.371	1.596	1.156	1.143	1.078	1.185														
2013/14	2.899	1.491	1.273	1.181	1.140															
2014/15	2.811	1.407	1.285	1.095																
2015/16	2.903	1.557	1.151																	
2016/17	2.331	1.837																		
2017/18	2.648																			
2018/19																				
Average																				
All	3.080	1.460	1.227	1.105	1.101	1.075	1.045	1.041	1.024	1.020	1.023	1.031	1.016	1.019	1.019	1.010	0.995	1.039		
Wtd 3	2.612	1.599	1.240	1.145	1.103	1.130	1.086	1.049	0.998	1.018	1.031	1.037	1.018	1.020	1.025	1.009				
Last 3	2.627	1.600	1.236	1.139	1.099	1.127	1.082	1.043	1.003	1.020	1.033	1.034	1.017	1.021	1.023	1.010				
Last 5	2.786	1.548	1.216	1.125	1.100	1.105	1.042	1.024	1.018	1.020	1.022	1.021	1.012	1.017						
x-hi,low																				
Similar	2.799	1.547	1.265	1.151	1.096	1.068	1.051	1.041	1.035	1.029	1.022	1.017	1.016	1.014	1.012	1.012	1.011	1.010	1.091	
Previous	2.800	1.500	1.220	1.120	1.080	1.060	1.040	1.030	1.025	1.020	1.015	1.015	1.010	1.010	1.008	1.005	1.001	1.001	1.001	
Selected	2.750	1.550	1.220	1.110	1.090	1.075	1.040	1.030	1.025	1.020	1.015	1.015	1.010	1.010	1.008	1.005	1.001	1.001	1.001	
Cumulative	8.489	3.087	1.992	1.632	1.471	1.349	1.255	1.207	1.172	1.143	1.121	1.104	1.088	1.077	1.066	1.058	1.053	1.052	1.051	
Percent	11.8%	32.4%	50.2%	61.3%	68.0%	74.1%	79.7%	82.9%	85.3%	87.5%	89.2%	90.6%	91.9%	92.8%	93.8%	94.5%	95.0%	95.0%	95.1%	

Amounts are limited (net of excess insurance).

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
WORKERS' COMPENSATION

Exhibit WC-2 (page 3)

Historical Limited Reported Incurred Losses (\$000) and Limited Reported Incurred Loss Development

I. Historical Limited Reported Incurred Losses (\$000)

Claim Period	Months of Development:																			
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
to 1999/00																				
2000/01	795	1,882	2,287	2,427	2,519	2,601	2,832	2,819	2,842	3,031	3,099	3,169	3,182	3,218	3,236	3,255	3,235	3,240	3,309	
2001/02	1,023	1,600	2,059	2,058	2,148	2,235	2,258	2,242	2,269	2,396	2,415	2,423	2,474	2,588	2,683	2,741	2,614	2,728		
2002/03	1,438	2,598	2,887	2,984	3,049	3,190	3,132	3,154	3,348	3,348	3,464	3,472	3,552	3,583	3,652	3,692	3,775			
2003/04	1,447	2,452	2,817	3,404	3,303	3,326	3,730	3,885	3,906	3,895	3,931	4,053	4,104	4,125	4,083	4,303				
2004/05	757	1,321	1,533	1,483	1,469	1,758	1,997	2,138	2,358	2,271	2,284	2,299	2,262	2,284	2,330					
2005/06	913	1,957	1,941	1,968	2,038	2,186	2,174	2,258	2,470	2,495	2,509	2,735	2,836	3,014						
2006/07	910	1,224	1,304	1,310	1,274	1,297	1,333	1,351	1,451	1,459	1,501	1,546	1,935							
2007/08	1,394	2,326	2,356	2,697	2,704	2,760	2,802	2,868	2,856	2,843	2,849	2,905								
2008/09	867	1,127	1,358	1,439	1,461	1,546	1,586	1,598	1,582	1,575	2,023									
2009/10	1,380	2,261	2,995	3,270	3,434	3,889	4,487	4,650	4,583	4,653										
2010/11	1,236	2,133	3,329	4,017	4,045	4,232	4,403	4,898	4,943											
2011/12	925	2,530	2,892	3,109	2,969	3,047	3,325	3,293												
2012/13	1,385	2,318	3,239	3,572	3,842	4,428	4,729													
2013/14	1,352	2,553	3,753	4,071	5,021	5,036														
2014/15	979	1,862	2,606	3,096	3,119															
2015/16	1,155	1,920	2,652	3,026																
2016/17	1,085	2,666	3,527																	
2017/18	2,075	3,421																		
2018/19	1,842																			

II. Limited Reported Incurred Loss Development

Claim Period	Months of Development:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult
to 1999/00																				
2000/01	2.366	1.215	1.061	1.038	1.033	1.089	0.995	1.008	1.067	1.022	1.023	1.004	1.011	1.006	1.006	0.994	1.001	1.021		
2001/02	1.563	1.287	0.999	1.044	1.040	1.010	0.993	1.012	1.056	1.008	1.003	1.021	1.046	1.037	1.022	0.954	1.044			
2002/03	1.807	1.111	1.034	1.022	1.046	0.982	1.007	1.061	1.000	1.035	1.002	1.023	1.009	1.019	1.011	1.022				
2003/04	1.694	1.149	1.208	0.970	1.007	1.122	1.042	1.005	0.997	1.009	1.031	1.013	1.005	0.990	1.054					
2004/05	1.745	1.160	0.968	0.990	1.197	1.136	1.071	1.103	0.963	1.006	1.007	0.984	1.010	1.020						
2005/06	2.143	0.992	1.014	1.036	1.073	0.994	1.039	1.094	1.010	1.006	1.090	1.037	1.063							
2006/07	1.345	1.065	1.005	0.973	1.018	1.028	1.014	1.074	1.006	1.028	1.030	1.252								
2007/08	1.669	1.013	1.145	1.003	1.021	1.015	1.024	0.996	0.996	1.002	1.020									
2008/09	1.300	1.205	1.059	1.016	1.058	1.025	1.008	0.990	0.996	1.284										
2009/10	1.638	1.325	1.092	1.050	1.133	1.154	1.036	0.986	1.015											
2010/11	1.725	1.561	1.207	1.007	1.046	1.040	1.112	1.009												
2011/12	2.734	1.143	1.075	0.955	1.026	1.091	0.990													
2012/13	1.674	1.397	1.103	1.076	1.153	1.068														
2013/14	1.888	1.470	1.085	1.233	1.003															
2014/15	1.902	1.400	1.188	1.008																
2015/16	1.662	1.381	1.141																	
2016/17	2.458	1.323																		
2017/18	1.649																			
2018/19																				
Average																				
All	1.831	1.247	1.086	1.028	1.061	1.058	1.028	1.031	1.011	1.044	1.026	1.048	1.024	1.014	1.023	0.990	1.023	1.021		
Wtd 3	1.856	1.363	1.131	1.116	1.057	1.064	1.051	0.997	1.006	1.084	1.048	1.069	1.024	1.007	1.031	0.993				
Last 3	1.923	1.368	1.138	1.105	1.061	1.067	1.046	0.995	1.002	1.105	1.047	1.091	1.026	1.010	1.029	0.990				
Last 5	1.818	1.393	1.110	1.030	1.068	1.067	1.023	0.998	1.004	1.013	1.027	1.024	1.022	1.015						
x-hi,low																				
Similar	1.713	1.200	1.105	1.067	1.046	1.028	1.024	1.016	1.017	1.010	1.009	1.007	1.006	1.005	1.003	1.004	1.003	0.999	1.037	
Previous	1.800	1.300	1.090	1.035	1.035	1.025	1.020	1.015	1.005	1.005	1.005	1.005	1.005	1.005	1.003	1.000	1.000	1.000	1.000	1.000
Selected	1.800	1.300	1.100	1.035	1.030	1.025	1.020	1.010	1.005	1.005	1.005	1.005	1.005	1.005	1.003	1.000	1.000	1.000	1.000	1.000
Cumulative	2.995	1.664	1.280	1.163	1.124	1.091	1.065	1.044	1.033	1.028	1.023	1.018	1.013	1.008	1.003	1.000	1.000	1.000	1.000	1.000
Percent	33.4%	60.1%	78.1%	86.0%	89.0%	91.6%	93.9%	95.8%	96.8%	97.2%	97.7%	98.2%	98.7%	99.2%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%

Amounts are limited (net of excess insurance).

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
WORKERS' COMPENSATION

Historical Reported Claims and Reported Claim Development

I. Historical Reported Claims

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1999/00																					
2000/01	309	325	327	329	330	331	332	332	327	327	327	327	327	327	327	327	327	327	327	327	327
2001/02	271	291	291	291	295	296	296	291	291	291	291	291	291	291	291	291	291	291	291	291	291
2002/03	305	323	323	327	327	328	323	323	323	323	323	323	323	323	323	323	323	323	323	323	323
2003/04	284	305	305	307	306	304	301	301	301	301	302	302	302	302	302	302	302	302	302	302	302
2004/05	292	302	302	303	303	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268
2005/06	243	255	256	255	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222
2006/07	234	251	248	214	214	214	214	215	215	215	215	215	215	215	215	215	215	215	215	215	215
2007/08	261	275	246	250	250	249	250	249	249	249	249	249	249	249	249	249	249	249	249	249	249
2008/09	241	216	217	218	218	219	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
2009/10	246	261	262	262	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263	263
2010/11	234	251	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252
2011/12	198	222	226	226	226	227	227	227	227	227	227	227	227	227	227	227	227	227	227	227	227
2012/13	210	233	235	235	238	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
2013/14	220	241	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245
2014/15	188	214	220	221	221	221	221	221	221	221	221	221	221	221	221	221	221	221	221	221	221
2015/16	197	215	215	214																	
2016/17	221	241	242																		
2017/18	183	199																			
2018/19	146																				

II. Reported Claim Development

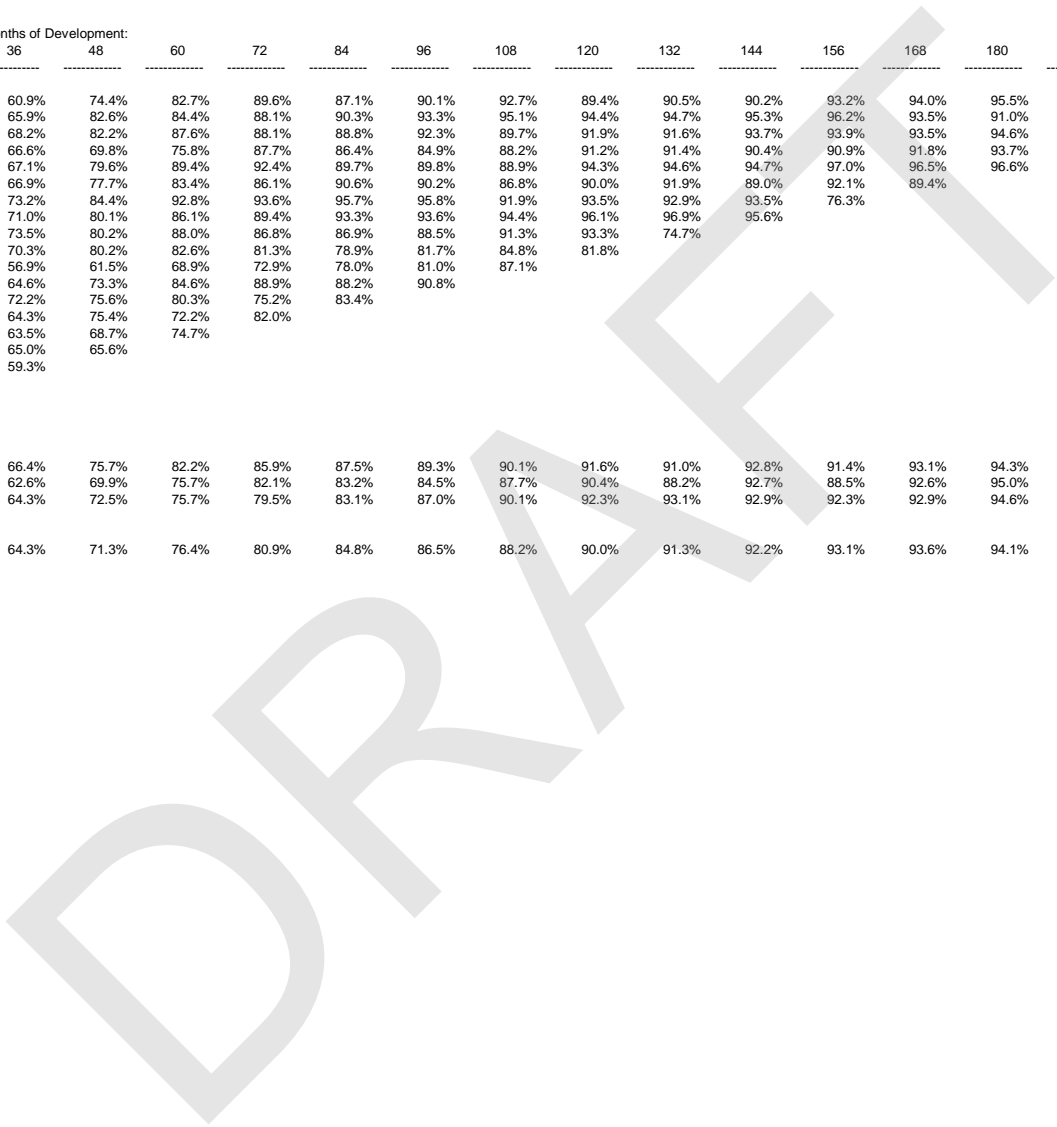
Claim Period	Months of Development:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-Ult	
to 1999/00																					
2000/01	1.052	1.006	1.006	1.003	1.003	1.003	1.000	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001/02	1.074	1.000	1.000	1.014	1.003	1.000	0.983	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002/03	1.059	1.000	1.012	1.000	1.003	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003/04	1.074	1.000	1.007	0.997	0.993	0.990	1.000	1.000	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004/05	1.034	1.000	1.003	1.000	0.884	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005/06	1.049	1.004	0.996	0.871	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006/07	1.073	0.988	0.863	1.000	1.000	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007/08	1.054	0.895	1.016	1.000	0.996	1.004	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008/09	0.896	1.005	1.005	1.000	1.005	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009/10	1.061	1.004	1.000	1.004	1.000	1.000	1.000	1.000	1.000	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010/11	1.073	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011/12	1.121	1.018	1.000	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012/13	1.110	1.009	1.000	1.013	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013/14	1.095	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014/15	1.138	1.028	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015/16	1.091	1.000	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016/17	1.090	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017/18	1.087	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2018/19	1.087	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average																					
All	1.068	0.999	0.994	0.993	0.993	0.998	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd 3	1.090	1.010	1.000	1.004	1.003	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3	1.090	1.011	1.000	1.004	1.003	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5	1.092	1.010	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
x-hi,low																					
Similar	1.131	1.019	1.010	1.007	1.007	1.005	1.005	1.006	1.006	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Previous	1.100	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.090	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.101	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Percent	90.8%	99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data was provided by REMIF.

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
WORKERS' COMPENSATION

Historical Ratio of Limited Paid Losses and Limited Reported Incurred Losses

Claim Period	Months of Development:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	
to 1999/00																					
2000/01	29.5%	46.5%	60.9%	74.4%	82.7%	89.6%	87.1%	90.1%	92.7%	89.4%	90.5%	90.2%	93.2%	94.0%	95.5%	95.7%	96.9%	93.7%	95.3%		
2001/02	24.6%	55.2%	65.9%	82.6%	84.4%	88.1%	90.3%	93.3%	95.1%	94.4%	94.7%	95.3%	96.2%	93.5%	91.0%	89.9%	96.2%	94.2%			
2002/03	29.5%	55.8%	68.2%	82.2%	87.6%	88.1%	88.8%	92.3%	89.7%	91.9%	91.6%	93.7%	93.9%	93.5%	94.6%	96.7%	94.9%				
2003/04	37.6%	62.9%	66.6%	69.8%	75.8%	87.7%	86.4%	84.9%	88.2%	91.2%	91.4%	90.4%	90.9%	91.8%	93.7%	91.3%					
2004/05	42.1%	56.9%	67.1%	79.6%	89.4%	92.4%	89.7%	89.8%	88.9%	94.3%	94.6%	94.7%	97.0%	96.5%	96.6%						
2005/06	35.9%	51.5%	66.9%	77.7%	83.4%	86.1%	90.6%	90.2%	86.8%	90.0%	91.9%	89.0%	92.1%	89.4%							
2006/07	39.5%	59.9%	73.2%	84.4%	92.8%	93.6%	95.7%	95.8%	91.9%	93.5%	92.9%	93.5%	92.1%	76.3%							
2007/08	14.0%	57.1%	71.0%	80.1%	86.1%	89.4%	93.3%	93.6%	94.4%	96.1%	96.9%	95.6%									
2008/09	36.5%	65.2%	73.5%	80.2%	88.0%	86.8%	86.9%	88.5%	91.3%	93.3%	74.7%										
2009/10	36.0%	59.8%	70.3%	80.2%	82.6%	81.3%	78.9%	81.7%	84.8%	81.8%											
2010/11	35.2%	57.4%	56.9%	61.5%	68.9%	72.9%	78.0%	81.0%	87.1%												
2011/12	33.8%	47.6%	64.6%	73.3%	84.6%	88.9%	88.2%	90.8%													
2012/13	44.6%	63.2%	72.2%	75.6%	80.3%	75.2%	83.4%														
2013/14	41.3%	63.4%	64.3%	75.4%	72.2%	82.0%															
2014/15	42.7%	63.2%	63.5%	68.7%	74.7%																
2015/16	33.0%	57.7%	65.0%	65.6%																	
2016/17	45.0%	42.7%	59.3%																		
2017/18	34.8%	55.8%																			
2018/19	34.8%																				
Average																					
All	35.3%	56.8%	66.4%	75.7%	82.2%	85.9%	87.5%	89.3%	90.1%	91.6%	91.0%	92.8%	91.4%	93.1%	94.3%	93.4%	96.0%	93.9%	95.3%		
Last 3	38.2%	52.1%	62.6%	69.9%	75.7%	82.1%	83.2%	84.5%	87.7%	90.4%	88.2%	92.7%	88.5%	92.6%	95.0%	92.6%	96.0%				
Last 5	37.4%	58.9%	64.3%	72.5%	75.7%	79.5%	83.1%	87.0%	90.1%	92.3%	93.1%	92.9%	92.3%	92.9%	94.6%						
x-hi,low																					
Implicit	35.3%	53.9%	64.3%	71.3%	76.4%	80.9%	84.8%	86.5%	88.2%	90.0%	91.3%	92.2%	93.1%	93.6%	94.1%	94.5%	95.0%	95.0%	95.1%	95.2%	



Developed Limited Paid Losses
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Limited Paid Losses 6/30/19 (3)	Percent Losses Paid (4)	Developed Limited Paid Losses (3)/(4) (5)
to 1999/00	240.0	\$26,398,264	95.2%	\$27,542,556 *
2000/01	228.0	3,152,109	95.1%	3,282,394 *
2001/02	216.0	2,569,360	95.0%	2,703,227
2002/03	204.0	3,581,497	95.0%	3,708,081 *
2003/04	192.0	3,928,943	94.5%	4,156,399
2004/05	180.0	2,250,580	93.8%	2,399,918
2005/06	168.0	2,695,209	92.8%	2,902,791
2006/07	156.0	1,477,178	91.9%	1,606,859
2007/08	144.0	2,777,566	90.6%	3,066,727
2008/09	132.0	1,511,729	89.2%	1,694,146
2009/10	120.0	3,805,552	87.5%	4,350,054
2010/11	108.0	4,303,438	85.3%	5,017,052 *
2011/12	96.0	2,990,438	82.9%	3,608,884
2012/13	84.0	3,944,129	79.7%	4,950,197
2013/14	72.0	4,131,756	74.1%	5,574,612
2014/15	60.0	2,329,010	68.0%	3,425,136
2015/16	48.0	1,983,872	61.3%	3,238,494
2016/17	36.0	2,090,210	50.2%	4,068,746 *
2017/18	24.0	1,909,684	32.4%	5,894,981
2018/19	12.0	640,943	11.8%	5,287,137 *
Total		\$78,471,466		\$98,478,388

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-21.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Reported Incurred Losses
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Limited Reported Incurred Losses 6/30/19 (3)	Percent Losses Reported (4)	Developed Limited Reported Incurred Losses (3)/(4) (5)
to 1999/00	240.0	\$27,331,781	100.0%	\$27,331,781
2000/01	228.0	3,308,714	100.0%	3,308,714
2001/02	216.0	2,728,043	100.0%	2,728,043
2002/03	204.0	3,774,948	100.0%	3,774,948
2003/04	192.0	4,302,673	100.0%	4,302,673
2004/05	180.0	2,329,611	99.7%	2,336,600
2005/06	168.0	3,013,854	99.2%	3,029,995 *
2006/07	156.0	1,935,127	98.7%	1,960,390
2007/08	144.0	2,905,269	98.2%	2,957,913
2008/09	132.0	2,023,442	97.7%	2,070,408
2009/10	120.0	4,653,151	97.2%	4,784,961
2010/11	108.0	4,942,704	96.8%	5,108,130
2011/12	96.0	3,293,084	95.8%	3,437,332
2012/13	84.0	4,729,134	93.9%	5,035,011
2013/14	72.0	5,035,790	91.6%	5,495,539
2014/15	60.0	3,119,154	89.0%	3,506,039
2015/16	48.0	3,026,440	86.0%	3,520,889
2016/17	36.0	3,527,229	78.1%	4,267,409 *
2017/18	24.0	3,420,974	60.1%	5,691,230
2018/19	12.0	1,842,384	33.4%	4,929,380 *
Total		\$91,243,502		\$99,577,383

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-21.

(3) is from Exhibit WC-1.

(4) is from Exhibit WC-2.

Developed Limited Case Reserves
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Months of Development 6/30/19 (2)	Percent Losses Paid (3)	Percent Losses Reported (4)	Percent Losses Reserved 6/30/19 [(4)-(3)]/ [100.0%-(3)] (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Developed Limited Case Reserves (6)+(7)/(5) (8)
to 1999/00	240.0	95.2%	100.0%	100.0%	\$26,398,264	\$933,517	\$27,331,781
2000/01	228.0	95.1%	100.0%	100.0%	3,152,109	156,605	3,308,714
2001/02	216.0	95.0%	100.0%	100.0%	2,569,360	158,682	2,728,043
2002/03	204.0	95.0%	100.0%	100.0%	3,581,497	193,451	3,774,948
2003/04	192.0	94.5%	100.0%	100.0%	3,928,943	373,730	4,302,673
2004/05	180.0	93.8%	99.7%	95.2%	2,250,580	79,031	2,333,601
2005/06	168.0	92.8%	99.2%	88.9%	2,695,209	318,646	3,040,025 *
2006/07	156.0	91.9%	98.7%	84.0%	1,477,178	457,948	2,022,147
2007/08	144.0	90.6%	98.2%	81.1%	2,777,566	127,703	2,934,982
2008/09	132.0	89.2%	97.7%	78.9%	1,511,729	511,713	2,160,021
2009/10	120.0	87.5%	97.2%	78.0%	3,805,552	847,599	4,892,318
2010/11	108.0	85.3%	96.8%	77.9%	4,303,438	639,266	5,124,108
2011/12	96.0	82.9%	95.8%	75.5%	2,990,438	302,646	3,391,231
2012/13	84.0	79.7%	93.9%	70.1%	3,944,129	785,005	5,063,823
2013/14	72.0	74.1%	91.6%	67.7%	4,131,756	904,033	5,467,549
2014/15	60.0	68.0%	89.0%	65.5%	2,329,010	790,143	3,534,990
2015/16	48.0	61.3%	86.0%	63.8%	1,983,872	1,042,568	3,619,255
2016/17	36.0	50.2%	78.1%	56.1%	2,090,210	1,437,019	4,345,474 *
2017/18	24.0	32.4%	60.1%	41.0%	1,909,684	1,511,290	5,596,226
2018/19	12.0	11.8%	33.4%	24.5%	640,943	1,201,441	4,799,510 *
Total					\$78,471,466	\$12,772,036	\$99,771,419

* - Indicates large claim(s) limited to retention. For details, see Exhibit WC-21.

(3) and (4) are from Exhibit WC-2.

(6) and (7) are from Exhibit WC-1.

Preliminary Projected Ultimate Limited Losses to 2018/19
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	Preliminary Projected Ultimate Limited Losses (5)
to 1999/00	\$27,542,556	\$27,331,781	\$27,331,781	\$27,425,132
2000/01	3,282,394	3,308,714	3,308,714	3,324,374
2001/02	2,703,227	2,728,043	2,728,043	2,743,911
2002/03	3,708,081	3,774,948	3,774,948	3,794,293
2003/04	4,156,399	4,302,673	4,302,673	4,340,046
2004/05	2,399,918	2,336,600	2,333,601	2,337,514
2005/06	2,902,791	3,029,995	3,040,025	3,045,719
2006/07	1,606,859	1,960,390	2,022,147	2,022,147
2007/08	3,066,727	2,957,913	2,934,982	2,934,982
2008/09	1,694,146	2,070,408	2,160,021	2,160,021
2009/10	4,350,054	4,784,961	4,892,318	4,737,911
2010/11	5,017,052	5,108,130	5,124,108	5,091,512
2011/12	3,608,884	3,437,332	3,391,231	3,395,841
2012/13	4,950,197	5,035,011	5,063,823	5,058,060
2013/14	5,574,612	5,495,539	5,467,549	5,475,946
2014/15	3,425,136	3,506,039	3,534,990	3,523,410
2015/16	3,238,494	3,520,889	3,619,255	3,541,832
2016/17	4,068,746	4,267,409	4,345,474	4,258,903
2017/18	5,894,981	5,691,230	5,596,226	5,693,979
2018/19	5,287,137	4,929,380	4,799,510	4,948,984
Total	\$98,478,388	\$99,577,383	\$99,771,419	\$99,854,516

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(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) is based on (2) to (4) and actuarial judgment.

Bornhuetter - Ferguson Analysis
Limited to Self-Insured Retention and Gross of Member Deductibles

I. A-priori Loss Rate

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)	Projected A-priori Loss Rate per \$100 of Payroll (7)/(5) (8)
2009/10	\$4,737,911	\$105,618	\$4.49	1.053	\$4.72	\$4.41
2010/11	5,091,512	102,514	4.97	1.050	5.21	4.43
2011/12	3,395,841	102,503	3.31	1.056	3.50	4.40
2012/13	5,058,060	96,217	5.26	1.072	5.64	4.33
2013/14	5,475,946	96,057	5.70	1.073	6.12	4.33
2014/15	3,523,410	99,197	3.55	1.056	3.75	4.40
2015/16	3,541,832	104,716	3.38	1.044	3.53	4.45
2016/17	4,258,903	104,606	4.07	1.032	4.20	4.50
2017/18	5,693,979	112,599	5.06	1.021	5.16	4.55
2018/19	4,948,984	108,170	4.58	1.010	4.62	4.60

(7) Projected 2019/20 a-priori loss rate per \$100 of Payroll

\$4.65

II. Bornhuetter - Ferguson Analysis Based on Limited Paid Losses

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Percent Losses Paid (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unpaid Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Paid Losses (2)+(6) (7)
2014/15	\$2,329,010	68.0%	\$4.40	\$99,197	\$1,396,733	\$3,725,743
2015/16	1,983,872	61.3%	4.45	104,716	1,805,460	3,789,332
2016/17	2,090,210	50.2%	4.50	104,606	2,343,600	4,433,810
2017/18	1,909,684	32.4%	4.55	112,599	3,463,493	5,373,177
2018/19	640,943	11.8%	4.60	108,170	4,389,683	5,030,626

III. Bornhuetter - Ferguson Analysis Based on Limited Reported Incurred Losses

Claim Period (1)	Limited Reported Incurred Losses 6/30/19 (2)	Percent Losses Reported (3)	Projected A-priori Loss Rate per \$100 of Payroll (4)	Payroll (000) (5)	B-F Unreported Losses [100.0%-(3)] X(4)X(5)X10 (6)	B-F Ultimate Limited Reported Losses (2)+(6) (7)
2014/15	\$3,119,154	89.0%	\$4.40	\$99,197	\$481,611	\$3,600,764
2015/16	3,026,440	86.0%	4.45	104,716	654,466	3,680,907
2016/17	3,527,229	78.1%	4.50	104,606	1,028,877	4,556,106
2017/18	3,420,974	60.1%	4.55	112,599	2,043,641	5,464,615
2018/19	1,842,384	33.4%	4.60	108,170	3,314,197	5,156,580

Section I, (2) is from Exhibit WC-6.

Section I, (3), Section II, (5) and Section III, (5) are from Exhibit WC-15.

Section I, (5) is from Exhibit WC-20.

Section I, (7) is based on Section I, (6) and actuarial judgment.

Sections II and III, (2) are from Exhibit WC-1.

Sections II and III, (3) are from Exhibit WC-2.

Sections II and III, (4) are from Section I, (8).

Frequency Times Severity Analysis
Limited to Self-Insured Retention and Gross of Member Deductibles

I. Projected Ultimate Claims

Claim Period (1)	Months of Development 6/30/19 (2)	Reported Claims 6/30/19 (3)	Percent Claims Reported (4)	Projected Ultimate Claims (3)/(4) (5)	Payroll (000) (6)	Frequency (per \$1M of Payroll) (5)/(6)X1,000 (7)
2009/10	120.0	262	100.0%	262	\$105,618	2.48
2010/11	108.0	252	100.0%	252	102,514	2.46
2011/12	96.0	227	100.0%	227	102,503	2.21
2012/13	84.0	239	100.0%	239	96,217	2.48
2013/14	72.0	245	100.0%	245	96,057	2.55
2014/15	60.0	221	100.0%	221	99,197	2.23
2015/16	48.0	214	100.0%	214	104,716	2.04
2016/17	36.0	242	100.0%	242	104,606	2.31
2017/18	24.0	199	99.0%	201	112,599	1.79
2018/19	12.0	146	90.8%	161	108,170	1.49

II. Frequency Times Severity

Claim Period (1)	Preliminary Projected Ultimate Limited Losses (2)	Projected Ultimate Claims (3)	Average Severity (2)/(3) (4)	Severity Trend (2019/20 = 1.000) (5)	Trended Average Claim Severity (4)X(5) (6)	De-Trended Projected 2019/20 Average Claim Severity (7)/(5) (8)	Frequency Times Severity (3)X(8) (9)
2009/10	\$4,737,911	262	\$18,084	1.415	\$25,595	\$17,755	\$4,651,882
2010/11	5,091,512	252	20,204	1.369	27,668	18,351	4,624,555
2011/12	3,395,841	227	14,960	1.337	20,002	18,795	4,266,503
2012/13	5,058,060	239	21,163	1.319	27,909	19,057	4,554,534
2013/14	5,475,946	245	22,351	1.282	28,648	19,607	4,803,600
2014/15	3,523,410	221	15,943	1.224	19,517	20,529	4,536,953
2015/16	3,541,832	214	16,551	1.175	19,446	21,389	4,577,153
2016/17	4,258,903	242	17,599	1.128	19,855	22,275	5,390,557
2017/18	5,693,979	201	28,328	1.083	30,688	23,198	4,662,816
2018/19	4,948,984	161	30,739	1.040	31,978	24,157	3,889,311

(7) Projected 2019/20 average claim severity \$25,131

Section I, (3) is from Exhibit WC-1.

Section I, (4) is from Exhibit WC-2.

Section I, (6) is from Exhibit WC-15.

Section II, (2) is from Exhibit WC-6.

Section II, (3) is from Section I, (5).

Section II, (5) is from Exhibit WC-20.

Section II, (7) is based on (6) and actuarial judgment.

Projected Ultimate Limited Losses to 2018/19
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Developed Limited Paid Losses (2)	Developed Limited Reported Incurred Losses (3)	Developed Limited Case Reserves (4)	B-F Ultimate Limited Paid Losses (5)	B-F Ultimate Limited Reported Losses (6)	Frequency Times Severity (7)	Projected Ultimate Limited Losses (8)
to 1999/00	\$27,542,556	\$27,331,781	\$27,331,781				\$27,425,132
2000/01	3,282,394	3,308,714	3,308,714				3,324,374
2001/02	2,703,227	2,728,043	2,728,043				2,744,000
2002/03	3,708,081	3,774,948	3,774,948				3,794,293
2003/04	4,156,399	4,302,673	4,302,673				4,340,046
2004/05	2,399,918	2,336,600	2,333,601				2,338,000
2005/06	2,902,791	3,029,995	3,040,025				3,046,000
2006/07	1,606,859	1,960,390	2,022,147				2,022,000
2007/08	3,066,727	2,957,913	2,934,982				2,935,000
2008/09	1,694,146	2,070,408	2,160,021				2,160,000
2009/10	4,350,054	4,784,961	4,892,318				4,738,000
2010/11	5,017,052	5,108,130	5,124,108				5,092,000
2011/12	3,608,884	3,437,332	3,391,231				3,396,000
2012/13	4,950,197	5,035,011	5,063,823				5,058,000
2013/14	5,574,612	5,495,539	5,467,549				5,476,000
2014/15	3,425,136	3,506,039	3,534,990	3,725,743	3,600,764	4,536,953	3,523,000
2015/16	3,238,494	3,520,889	3,619,255	3,789,332	3,680,907	4,577,153	3,542,000
2016/17	4,068,746	4,267,409	4,345,474	4,433,810	4,556,106	5,390,557	4,259,000
2017/18	5,894,981	5,691,230	5,596,226	5,373,177	5,464,615	4,662,816	5,565,000
2018/19	5,287,137	4,929,380	4,799,510	5,030,626	5,156,580	3,889,311	4,924,000

(2) is from Exhibit WC-3.

(3) is from Exhibit WC-4.

(4) is from Exhibit WC-5.

(5) and (6) are from Exhibit WC-7.

(7) is from Exhibit WC-8.

(8) is based on (2) to (7) and actuarial judgment.

Projected Ultimate Limited Losses for 2019/20 and Subsequent
Limited to Self-Insured Retention and Gross of Member Deductibles

Claim Period (1)	Projected Ultimate Limited Losses (2)	Payroll (000) (3)	Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2009/10	\$4,738,000	\$105,618	\$4.49	1.053	\$4.72
2010/11	5,092,000	102,514	4.97	1.050	5.21
2011/12	3,396,000	102,503	3.31	1.056	3.50
2012/13	5,058,000	96,217	5.26	1.072	5.64
2013/14	5,476,000	96,057	5.70	1.073	6.12
2014/15	3,523,000	99,197	3.55	1.056	3.75
2015/16	3,542,000	104,716	3.38	1.044	3.53
2016/17	4,259,000	104,606	4.07	1.032	4.20
2017/18	5,565,000	112,599	4.94	1.021	5.05
2018/19	4,924,000	108,170	4.55	1.010	4.60
Total	\$45,573,000	\$1,032,197	\$4.42		\$4.63

Claim Period (1)	Projected Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Limited Losses (8)X(11)X10 (12)
2019/20	\$4.63	\$116,029	\$5,375,000	0.90	\$4.18	\$4,845,000
2020/21	4.68	119,509	5,591,000	0.90	4.22	5,041,000

(2) is from Exhibit WC-9.

(3) was provided by REMIF.

(5) is from Exhibit WC-20.

(7) 2019/20 is based on (6) and actuarial judgment.
Other period(s) based on 2019/20 plus the trend in Exhibit WC-20.

(8) to 2020/21 was provided by REMIF. Other claim periods are based on a 0% trend.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit WC-2.

Determination of Losses Within Deductibles

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Months of Development 6/30/19 (4)	Deductible or Deductible Received (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Limited Reported Incurred Losses 6/30/19 (8)	Percent Case Reserve Adequacy (9)	Limited Paid Losses Within Deductibles Min[(5),(6)] (10)	Limited Reported Incurred Losses Within Deductibles Min[(5),(8)] (11)	Projected Ultimate Losses Within Deductibles Min[(5),(6)]+ (7)/(9) (12)
1000607	06/15/79	to 1999/00	240.0	\$1,000	\$25,086	\$11,700	\$36,786	90.9%	\$1,000	\$1,000	\$1,000
1000203	10/17/80	to 1999/00	240.0	5,000	150,000	0	150,000	90.9%	5,000	5,000	5,000
1000769	07/26/82	to 1999/00	240.0	10,000	150,000	0	150,000	90.9%	10,000	10,000	10,000
1001234	06/03/83	to 1999/00	240.0	10,000	46,015	2,259	48,275	90.9%	10,000	10,000	10,000
1000851	05/05/84	to 1999/00	240.0	1,000	150,000	0	150,000	90.9%	1,000	1,000	1,000
1004940	02/22/85	to 1999/00	240.0	5,000	43,549	7,678	51,227	90.9%	5,000	5,000	5,000
1005814	04/18/86	to 1999/00	240.0	5,000	128,360	21,640	150,000	90.9%	5,000	5,000	5,000
1006284	12/31/86	to 1999/00	240.0	5,000	200,000	0	200,000	90.9%	5,000	5,000	5,000
1006652	08/05/87	to 1999/00	240.0	5,000	27,273	23,763	51,036	90.9%	5,000	5,000	5,000
1006807	11/09/87	to 1999/00	240.0	5,000	72,358	44,569	116,927	90.9%	5,000	5,000	5,000
1006824	11/13/87	to 1999/00	240.0	10,000	131,245	118,755	250,000	90.9%	10,000	10,000	10,000
6000020	02/29/88	to 1999/00	240.0	5,000	105,870	19,427	125,297	90.9%	5,000	5,000	5,000
6000232	12/16/88	to 1999/00	240.0	5,000	250,000	0	250,000	90.9%	5,000	5,000	5,000
6000296	04/05/89	to 1999/00	240.0	5,000	140,603	26,272	166,875	90.9%	5,000	5,000	5,000
6000315	05/17/89	to 1999/00	240.0	5,000	120,881	26,681	147,562	90.9%	5,000	5,000	5,000
6000389	07/31/89	to 1999/00	240.0	5,000	194,460	16,505	210,966	90.9%	5,000	5,000	5,000
6000557	12/12/89	to 1999/00	240.0	10,000	250,000	0	250,000	90.9%	10,000	10,000	10,000
6000629	06/03/90	to 1999/00	240.0	5,000	73,999	27,945	101,945	90.9%	5,000	5,000	5,000
6000736	10/22/90	to 1999/00	240.0	5,000	34,064	7,300	41,364	90.9%	5,000	5,000	5,000
6001316	09/27/92	to 1999/00	240.0	5,000	39,822	15,273	55,095	90.9%	5,000	5,000	5,000
6001486	06/07/93	to 1999/00	240.0	5,000	198,555	41,606	240,162	90.9%	5,000	5,000	5,000
6002138	01/07/95	to 1999/00	240.0	5,000	83,288	11,483	94,771	90.9%	5,000	5,000	5,000
6002363	01/04/96	to 1999/00	240.0	5,000	83,444	8,673	92,117	90.9%	5,000	5,000	5,000
6002367	02/15/96	to 1999/00	240.0	10,000	71,197	12,225	83,422	90.9%	10,000	10,000	10,000
6002386	02/28/96	to 1999/00	240.0	5,000	120,382	113,386	233,768	90.9%	5,000	5,000	5,000
6002431	04/24/96	to 1999/00	240.0	5,000	225,924	10,687	236,611	90.9%	5,000	5,000	5,000
6002574	05/28/96	to 1999/00	240.0	5,000	10,535	9,265	19,800	90.9%	5,000	5,000	5,000
6002488	06/17/96	to 1999/00	240.0	5,000	300,000	0	300,000	90.9%	5,000	5,000	5,000
6002495	06/18/96	to 1999/00	240.0	5,000	33,370	6,611	39,981	90.9%	5,000	5,000	5,000
6002570	08/06/96	to 1999/00	240.0	5,000	18,810	7,417	26,226	90.9%	5,000	5,000	5,000
6002555	09/04/96	to 1999/00	240.0	10,000	23,912	16,956	40,868	90.9%	10,000	10,000	10,000
6002599	10/24/96	to 1999/00	240.0	5,000	168,238	3,453	171,692	90.9%	5,000	5,000	5,000
6002688	01/20/97	to 1999/00	240.0	5,000	12,119	4,806	16,925	90.9%	5,000	5,000	5,000
6002765	05/01/97	to 1999/00	240.0	5,000	21,709	5,997	27,706	90.9%	5,000	5,000	5,000
6002910	10/30/97	to 1999/00	240.0	5,000	65,972	60,826	126,798	90.9%	5,000	5,000	5,000
6003180	07/09/98	to 1999/00	240.0	5,000	146,459	48,429	194,887	90.9%	5,000	5,000	5,000
99-1006	11/25/98	to 1999/00	240.0	5,000	27,330	13,405	40,735	90.9%	5,000	5,000	5,000
00-1544	06/30/99	to 1999/00	240.0	5,000	12,301	19,665	31,966	90.9%	5,000	5,000	5,000
00-1581	07/05/99	to 1999/00	240.0	5,000	300,000	0	300,000	90.9%	5,000	5,000	5,000
00-1589	07/19/99	to 1999/00	240.0	5,000	119,917	52,597	172,514	90.9%	5,000	5,000	5,000
00-1699	08/20/99	to 1999/00	240.0	5,000	33,445	13,982	47,427	90.9%	5,000	5,000	5,000
00-1793	10/09/99	to 1999/00	240.0	10,000	300,000	0	300,000	90.9%	10,000	10,000	10,000
00-2203	11/09/99	to 1999/00	240.0	5,000	23,427	17,907	41,334	90.9%	5,000	5,000	5,000
00-2067	02/01/00	to 1999/00	240.0	10,000	64,351	38,734	103,085	90.9%	10,000	10,000	10,000
00-2298	05/11/00	to 1999/00	240.0	10,000	300,000	0	300,000	90.9%	10,000	10,000	10,000
00-2293	05/13/00	to 1999/00	240.0	5,000	174,151	25,896	200,047	90.9%	5,000	5,000	5,000
00-2304	05/15/00	to 1999/00	240.0	10,000	22,584	14,096	36,680	90.9%	10,000	10,000	10,000
00-2350	05/23/00	to 1999/00	240.0	10,000	52,407	5,646	58,053	90.9%	10,000	10,000	10,000
All Closed	Various	to 1999/00	240.0	5,598,465	21,055,102	0	21,055,102	90.9%	5,598,465	5,598,465	5,598,465
01-2597	08/14/00	2000/01	228.0	5,000	300,000	0	300,000	90.9%	5,000	5,000	5,000
01-2592	09/05/00	2000/01	228.0	10,000	300,000	0	300,000	90.9%	10,000	10,000	10,000
02-3544	10/24/00	2000/01	228.0	5,000	122,376	15,859	138,235	90.9%	5,000	5,000	5,000
01-2773	11/04/00	2000/01	228.0	5,000	45,787	40,002	85,789	90.9%	5,000	5,000	5,000
01-2844	12/18/00	2000/01	228.0	5,000	66,155	16,292	82,447	90.9%	5,000	5,000	5,000
01-2965	02/05/01	2000/01	228.0	5,000	48,915	3,143	52,058	90.9%	5,000	5,000	5,000
01-2996	02/11/01	2000/01	228.0	5,000	64,859	19,973	84,832	90.9%	5,000	5,000	5,000
01-3231	04/12/01	2000/01	228.0	5,000	55,948	28,482	84,430	90.9%	5,000	5,000	5,000
01-3290	05/20/01	2000/01	228.0	5,000	102,774	32,855	135,629	90.9%	5,000	5,000	5,000
All Closed	Various	2000/01	228.0	448,737	2,061,600	0	2,061,600	90.9%	448,737	448,737	448,737
02-3744	11/20/01	2001/02	216.0	5,000	153,318	85,541	238,859	90.9%	5,000	5,000	5,000
02-3852	01/29/02	2001/02	216.0	10,000	209,382	28,029	237,411	90.9%	10,000	10,000	10,000
02-3896	02/18/02	2001/02	216.0	5,000	136,838	31,715	168,553	90.9%	5,000	5,000	5,000
02-4082	04/19/02	2001/02	216.0	5,000	86,428	13,398	99,826	90.9%	5,000	5,000	5,000
All Closed	Various	2001/02	216.0	469,830	2,005,215	0	2,005,215	90.9%	469,830	469,830	469,830
03-4526	07/19/02	2002/03	204.0	5,000	300,000	0	300,000	90.9%	5,000	5,000	5,000
03-5374	07/22/02	2002/03	204.0	5,000	41,072	21,718	62,791	90.9%	5,000	5,000	5,000
03-4272	07/25/02	2002/03	204.0	5,000	74,267	20,333	94,600	90.9%	5,000	5,000	5,000
03-4419	09/18/02	2002/03	204.0	5,000	13,387	6,013	19,400	90.9%	5,000	5,000	5,000
03-4401	09/19/02	2002/03	204.0	10,000	300,000	0	300,000	90.9%	10,000	10,000	10,000
03-4838	03/12/03	2002/03	204.0	10,000	300,000	0	300,000	90.9%	10,000	10,000	10,000
03-4850	03/18/03	2002/03	204.0	10,000	66,694	53,974	120,668	90.9%	10,000	10,000	10,000
03-5039	05/30/03	2002/03	204.0	5,000	91,826	17,021	108,846	90.9%	5,000	5,000	5,000
04-5197	06/20/03	2002/03	204.0	10,000	17,984	74,392	92,376	90.9%	10,000	10,000	10,000
All Closed	Various	2002/03	204.0	519,597	2,480,881	0	2,480,881	90.9%	519,597	519,597	519,597
04-5251	08/16/03	2003/04	192.0	10,000	93,061	86,537	179,598	90.9%	10,000	10,000	10,000
04-5489	12/15/03	2003/04	192.0	10,000	314,423	120,354	434,777	90.9%	10,000	10,000	10,000
04-5741	03/30/04	2003/04	192.0	5,000	369,181	100,926	470,107	90.9%	5,000	5,000	5,000
04-5753	04/05/04	2003/04	192.0	5,000	444,069	36,220	480,290	90.9%	5,000	5,000	5,000
04-5898	06/03/04	2003/04	192.0	10,000	106,275	29,693	135,968	90.9%	10,000	10,000	10,000
All Closed	Various	2003/04	192.0	569,858	2,797,738	0	2,797,738	90.9%	569,858	569,858	569,858
05-6548	02/15/05	2004/05	180.0	5,000	36,998	10,551	47,549	90.4%	5,000	5,000	5,000
05-6624	03/23/05	2004/05	180.0	5,000	31,885	15,577	47,462	90.4%	5,000	5,000	5,000
05-6726	05/05/05	2004/05	180.0	5,000	18,801	22,482	41,283	90.4%	5,000	5,000	5,000
05-6860	06/25/05	2004/05	180.0	5,000	95,732	30,421	126,153	90.4%	5,000	5,000	5,000
All Closed	Various	2004/05	180.0	434,556	2,224,394	0	2,224,394	90.4%	434,556	434,556	434,556
06-6969	08/17/05	2005/06	168.0	10,000	890,558	109,442	1,000,000	90.8%	10,000	10,000	10,000
06-7061	09/15/05	2005/06	168.0	5,000	81,414	48,124	129,538	90.8%	5,000	5,000	5,000

Determination of Losses Within Deductibles

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Months of Development 6/30/19 (4)	Deductible or Deductible Received (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Limited Reported Incurred Losses 6/30/19 (8)	Percent Case Reserve Adequacy (9)	Limited Paid Losses Within Deductibles Min[(5),(6)] (10)	Limited Reported Incurred Losses Within Deductibles Min[(5),(8)] (11)	Projected Ultimate Losses Within Deductibles Min[(5),(6)+ (7)/(9)] (12)
08-8625	09/23/05	2005/06	168.0	\$5,000	\$140,683	\$7,549	\$148,232	90.8%	\$5,000	\$5,000	\$5,000
06-7139	10/26/05	2005/06	168.0	5,000	7,667	7,955	15,622	90.8%	5,000	5,000	5,000
06-7421	11/26/05	2005/06	168.0	5,000	74,514	98,737	173,251	90.8%	5,000	5,000	5,000
06-7349	12/07/05	2005/06	168.0	5,000	58,850	46,838	105,688	90.8%	5,000	5,000	5,000
All Closed	Various	2005/06	168.0	420,075	1,685,340	0	1,685,340	90.8%	420,075	420,075	420,075
07-7936	09/26/06	2006/07	156.0	5,000	139,539	233,946	373,486	84.1%	5,000	5,000	5,000
07-7937	10/02/06	2006/07	156.0	5,000	105,142	187,291	292,433	84.1%	5,000	5,000	5,000
14-4441	01/16/07	2006/07	156.0	10,000	18,426	24,403	42,830	84.1%	10,000	10,000	10,000
07-8359	01/30/07	2006/07	156.0	10,000	22,330	12,308	34,638	84.1%	10,000	10,000	10,000
All Closed	Various	2006/07	156.0	398,479	1,454,270	0	1,454,270	84.1%	398,479	398,479	398,479
08-8953	11/14/07	2007/08	144.0	5,000	142,752	29,700	172,452	81.1%	5,000	5,000	5,000
08-9405	04/04/08	2007/08	144.0	5,000	11,719	16,482	28,201	81.1%	5,000	5,000	5,000
08-9228	04/09/08	2007/08	144.0	10,000	170,962	65,166	236,128	81.1%	10,000	10,000	10,000
11-2416	06/04/08	2007/08	144.0	5,000	14,063	16,355	30,417	81.1%	5,000	5,000	5,000
All Closed	Various	2007/08	144.0	469,071	2,612,638	0	2,612,638	81.1%	469,071	469,071	469,071
09-9657	07/06/08	2008/09	132.0	10,000	39,556	18,038	57,594	78.9%	10,000	10,000	10,000
09-9601	08/11/08	2008/09	132.0	5,000	124,874	168,825	293,699	78.9%	5,000	5,000	5,000
09-9599	09/02/08	2008/09	132.0	5,000	72,002	89,056	161,058	78.9%	5,000	5,000	5,000
09-9621	09/15/08	2008/09	132.0	5,000	11,507	14,521	26,027	78.9%	5,000	5,000	5,000
09-9765	10/02/08	2008/09	132.0	5,000	128,098	149,504	277,602	78.9%	5,000	5,000	5,000
09-9944	02/18/09	2008/09	132.0	5,000	19,078	39,422	58,500	78.9%	5,000	5,000	5,000
09-1192	02/18/09	2008/09	132.0	5,000	5,928	19,013	24,941	78.9%	5,000	5,000	5,000
09-1171	05/27/09	2008/09	132.0	10,000	28,158	13,335	41,493	78.9%	10,000	10,000	10,000
All Closed	Various	2008/09	132.0	388,769	1,217,205	0	1,217,205	78.9%	388,769	388,769	388,769
10-1362	07/25/09	2009/10	120.0	5,000	98,477	4,931	103,408	90.9%	5,000	5,000	5,000
10-1347	08/11/09	2009/10	120.0	5,000	507,434	112,768	620,202	90.9%	5,000	5,000	5,000
10-1378	08/21/09	2009/10	120.0	5,000	29,087	49,755	78,842	90.9%	5,000	5,000	5,000
11-2329	09/01/09	2009/10	120.0	5,000	552,166	173,634	725,800	90.9%	5,000	5,000	5,000
10-1593	11/22/09	2009/10	120.0	5,000	14,499	12,751	27,250	90.9%	5,000	5,000	5,000
10-1793	02/22/10	2009/10	120.0	5,000	274,008	89,674	363,682	90.9%	5,000	5,000	5,000
10-1807	03/10/10	2009/10	120.0	10,000	37,238	6,329	43,567	90.9%	10,000	10,000	10,000
10-1905	03/31/10	2009/10	120.0	5,000	22,836	26,302	49,138	90.9%	5,000	5,000	5,000
10-1921	04/29/10	2009/10	120.0	5,000	137,989	173,619	311,608	90.9%	5,000	5,000	5,000
11-2128	06/10/10	2009/10	120.0	10,000	54,187	7,664	61,851	90.9%	10,000	10,000	10,000
11-2078	06/28/10	2009/10	120.0	5,000	152,004	190,173	342,177	90.9%	5,000	5,000	5,000
All Closed	Various	2009/10	120.0	525,291	2,242,072	0	2,242,072	90.9%	525,291	525,291	525,291
11-2119	07/21/10	2010/11	108.0	10,000	19,574	7,445	27,020	81.1%	10,000	10,000	10,000
11-2181	08/05/10	2010/11	108.0	5,000	38,342	41,088	79,430	81.1%	5,000	5,000	5,000
11-2144	08/09/10	2010/11	108.0	5,000	176,536	21,539	198,075	81.1%	5,000	5,000	5,000
11-2352	11/02/10	2010/11	108.0	5,000	111,397	7,111	118,508	81.1%	5,000	5,000	5,000
11-2457	01/04/11	2010/11	108.0	5,000	456,291	314,699	770,990	81.1%	5,000	5,000	5,000
11-2558	02/05/11	2010/11	108.0	5,000	874,919	79	874,998	81.1%	5,000	5,000	5,000
11-2556	02/16/11	2010/11	108.0	10,000	260,288	89,042	349,330	81.1%	10,000	10,000	10,000
11-2656	03/17/11	2010/11	108.0	5,000	15,814	26,149	41,963	81.1%	5,000	5,000	5,000
11-2614	03/18/11	2010/11	108.0	5,000	190,133	99,974	290,107	81.1%	5,000	5,000	5,000
11-2722	04/28/11	2010/11	108.0	10,000	177,526	32,139	209,665	81.1%	10,000	10,000	10,000
All Closed	Various	2010/11	108.0	457,959	2,343,192	0	2,343,192	81.1%	457,959	457,959	457,959
12-2912	07/24/11	2011/12	96.0	10,000	130,394	81,000	211,394	74.6%	10,000	10,000	10,000
15-5762	01/31/12	2011/12	96.0	5,000	80,909	17,886	98,795	74.6%	5,000	5,000	5,000
17-6623	05/15/12	2011/12	96.0	5,000	89,258	203,760	293,018	74.6%	5,000	5,000	5,000
All Closed	Various	2011/12	96.0	417,930	2,858,541	0	2,858,541	74.6%	417,930	417,930	417,930
13-3769	08/24/12	2012/13	84.0	5,000	336,591	43,535	380,126	70.5%	5,000	5,000	5,000
17-7132	10/01/12	2012/13	84.0	5,000	341,574	123,426	465,000	70.5%	5,000	5,000	5,000
18-7183	12/03/12	2012/13	84.0	5,000	59,829	211,620	271,449	70.5%	5,000	5,000	5,000
13-3958	12/04/12	2012/13	84.0	5,000	66,858	49,523	116,381	70.5%	5,000	5,000	5,000
13-3961	12/06/12	2012/13	84.0	5,000	445,677	74,985	520,662	70.5%	5,000	5,000	5,000
13-3998	12/18/12	2012/13	84.0	5,000	22,093	2,371	24,465	70.5%	5,000	5,000	5,000
15-5345	01/15/13	2012/13	84.0	5,000	76	1,424	1,500	70.5%	76	1,500	2,097
13-4119	01/23/13	2012/13	84.0	5,000	146,658	38,018	184,675	70.5%	5,000	5,000	5,000
13-4184	03/28/13	2012/13	84.0	5,000	261,879	132,550	394,429	70.5%	5,000	5,000	5,000
13-4205	04/03/13	2012/13	84.0	10,000	35,937	16,378	52,315	70.5%	10,000	10,000	10,000
17-6733	06/01/13	2012/13	84.0	5,000	20,715	57,997	78,712	70.5%	5,000	5,000	5,000
14-4523	06/04/13	2012/13	84.0	10,000	23,347	15,584	38,931	70.5%	10,000	10,000	10,000
13-4343	06/13/13	2012/13	84.0	10,000	44,299	17,595	61,894	70.5%	10,000	10,000	10,000
All Closed	Various	2012/13	84.0	579,583	2,432,555	0	2,432,555	70.5%	579,583	579,583	579,583
14-4521	09/04/13	2013/14	72.0	5,000	160,067	25,857	185,924	67.3%	5,000	5,000	5,000
14-4547	09/16/13	2013/14	72.0	5,000	124,037	36,441	160,478	67.3%	5,000	5,000	5,000
16-6027	10/04/13	2013/14	72.0	5,000	255,712	152,285	407,997	67.3%	5,000	5,000	5,000
16-6383	10/12/13	2013/14	72.0	10,000	5,683	9,892	15,575	67.3%	5,683	10,000	10,000
14-4667	11/13/13	2013/14	72.0	10,000	4,917	6,083	11,000	67.3%	4,917	10,000	10,000
14-4960	01/01/14	2013/14	72.0	10,000	275,522	98,962	374,484	67.3%	10,000	10,000	10,000
16-6052	01/15/14	2013/14	72.0	5,000	46,422	15,078	61,500	67.3%	5,000	5,000	5,000
14-4840	02/14/14	2013/14	72.0	5,000	162,031	18,510	180,542	67.3%	5,000	5,000	5,000
14-4979	03/04/14	2013/14	72.0	5,000	64,873	68,175	133,049	67.3%	5,000	5,000	5,000
14-4893	03/14/14	2013/14	72.0	5,000	58,160	27,474	85,634	67.3%	5,000	5,000	5,000
14-4914	03/24/14	2013/14	72.0	10,000	67,891	42,849	110,740	67.3%	10,000	10,000	10,000
14-4973	04/17/14	2013/14	72.0	5,000	94,251	132,228	226,479	67.3%	5,000	5,000	5,000
14-4974	04/21/14	2013/14	72.0	5,000	31,041	70,568	101,610	67.3%	5,000	5,000	5,000
15-5094	04/30/14	2013/14	72.0	10,000	57,298	29,722	87,020	67.3%	10,000	10,000	10,000
14-4999	05/02/14	2013/14	72.0	5,000	11,176	5,114	16,290	67.3%	5,000	5,000	5,000
14-5003	05/04/14	2013/14	72.0	10,000	48,150	15,090	63,240	67.3%	10,000	10,000	10,000
14-4994	05/05/14	2013/14	72.0	5,000	216,421	88,998	305,419	67.3%	5,000	5,000	5,000
14-4983	05/05/14	2013/14	72.0	5,000	497	650	1,147	67.3%	497	1,147	1,463
14-5041	05/26/14	2013/14	72.0	5,000	69,546	35,580	105,126	67.3%	5,000	5,000	5,000
15-5129	06/16/14	2013/14	72.0	10,000	118,822	24,475	143,297	67.3%	10,000	10,000	10,000
All Closed	Various	2013/14	72.0	495,394	2,634,520	0	2,634,520	67.3%	495,394	495,394	495,394
15-5130	07/02/14	2014/15	60.0	5,000	12,648	9,202	21,850	66.2%	5,000	5,000	5,000

Determination of Losses Within Deductibles

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Months of Development 6/30/19 (4)	Deductible or Deductible Received (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Limited Reported Incurred Losses 6/30/19 (8)	Percent Case Reserve Adequacy (9)	Limited Paid Losses Within Deductibles Min[(5),(6)] (10)	Limited Reported Incurred Losses Within Deductibles Min[(5),(8)] (11)	Projected Ultimate Losses Within Deductibles Min[(5),(6)+ (7)/(9)] (12)
15-5232	08/24/14	2014/15	60.0	\$10,000	\$104	\$11,380	\$11,484	66.2%	\$104	\$10,000	\$10,000
15-5352	10/05/14	2014/15	60.0	5,000	100,733	29,119	129,853	66.2%	5,000	5,000	5,000
15-5365	10/16/14	2014/15	60.0	5,000	687	7,801	8,488	66.2%	687	5,000	5,000
15-5408	11/06/14	2014/15	60.0	10,000	42,925	26,220	69,145	66.2%	10,000	10,000	10,000
15-5447	12/17/14	2014/15	60.0	10,000	110,486	64,254	174,740	66.2%	10,000	10,000	10,000
17-6500	12/31/14	2014/15	60.0	10,000	27,834	41,178	69,012	66.2%	10,000	10,000	10,000
15-5576	02/05/15	2014/15	60.0	10,000	26,572	84,866	111,438	66.2%	10,000	10,000	10,000
15-5651	03/18/15	2014/15	60.0	10,000	29,452	8,614	38,066	66.2%	10,000	10,000	10,000
15-5668	04/03/15	2014/15	60.0	5,000	72,137	200,824	272,961	66.2%	5,000	5,000	5,000
15-5756	04/23/15	2014/15	60.0	10,000	219,900	150,539	370,439	66.2%	10,000	10,000	10,000
15-5720	05/13/15	2014/15	60.0	5,000	143,563	59,803	203,366	66.2%	5,000	5,000	5,000
17-7116	05/20/15	2014/15	60.0	5,000	17,497	71,583	89,080	66.2%	5,000	5,000	5,000
15-5749	05/20/15	2014/15	60.0	10,000	8,348	4,575	12,923	66.2%	8,348	10,000	10,000
15-5796	06/12/15	2014/15	60.0	5,000	38,762	5,333	44,095	66.2%	5,000	5,000	5,000
16-5836	06/25/15	2014/15	60.0	5,000	11,623	14,854	26,477	66.2%	5,000	5,000	5,000
All Closed	Various	2014/15	60.0	449,875	1,680,749	0	1,680,749	66.2%	449,875	449,875	449,875
17-6788	07/13/15	2015/16	48.0	5,000	8,512	43,518	52,030	66.9%	5,000	5,000	5,000
16-5939	08/19/15	2015/16	48.0	5,000	218,765	170,047	388,812	66.9%	5,000	5,000	5,000
16-5985	08/31/15	2015/16	48.0	10,000	88,274	38,494	126,768	66.9%	10,000	10,000	10,000
16-6028	09/09/15	2015/16	48.0	5,000	978	27,523	28,500	66.9%	978	5,000	5,000
16-6009	09/27/15	2015/16	48.0	5,000	237,903	109,800	347,703	66.9%	5,000	5,000	5,000
16-6049	10/08/15	2015/16	48.0	10,000	36,692	15,661	52,352	66.9%	10,000	10,000	10,000
16-6110	11/02/15	2015/16	48.0	10,000	16,966	11,470	28,436	66.9%	10,000	10,000	10,000
16-6132	11/09/15	2015/16	48.0	5,000	20,004	26,048	46,052	66.9%	5,000	5,000	5,000
16-6142	11/16/15	2015/16	48.0	5,000	80,304	63,739	144,043	66.9%	5,000	5,000	5,000
17-7038	11/19/15	2015/16	48.0	10,000	16,718	11,782	28,500	66.9%	10,000	10,000	10,000
16-6160	12/01/15	2015/16	48.0	5,000	19,625	127,948	147,572	66.9%	5,000	5,000	5,000
16-6136	12/02/15	2015/16	48.0	5,000	21,090	36,682	57,773	66.9%	5,000	5,000	5,000
16-6267	02/25/16	2015/16	48.0	10,000	77,074	77,215	154,290	66.9%	10,000	10,000	10,000
16-6320	03/13/16	2015/16	48.0	5,000	31,600	28,474	60,074	66.9%	5,000	5,000	5,000
16-6337	03/28/16	2015/16	48.0	5,000	5,294	38,564	43,858	66.9%	5,000	5,000	5,000
16-6363	04/06/16	2015/16	48.0	5,000	8,357	99,310	107,666	66.9%	5,000	5,000	5,000
16-6406	04/29/16	2015/16	48.0	5,000	13,770	39,047	52,817	66.9%	5,000	5,000	5,000
16-6410	04/30/16	2015/16	48.0	10,000	217,965	41,021	258,985	66.9%	10,000	10,000	10,000
16-6455	06/03/16	2015/16	48.0	5,000	30,250	36,225	66,475	66.9%	5,000	5,000	5,000
All Closed	Various	2015/16	48.0	375,137	1,346,935	0	1,346,935	66.9%	375,137	375,137	375,137
17-6545	07/19/16	2016/17	36.0	10,000	76,337	137,167	213,504	66.3%	10,000	10,000	10,000
17-6571	07/21/16	2016/17	36.0	5,000	5,000	5,000	10,000	66.3%	5,000	5,000	5,000
17-6573	07/29/16	2016/17	36.0	10,000	16,890	70,488	87,378	66.3%	10,000	10,000	10,000
17-6871	08/01/16	2016/17	36.0	10,000	98,126	26,900	125,026	66.3%	10,000	10,000	10,000
17-6587	08/01/16	2016/17	36.0	5,000	11,047	30,757	41,803	66.3%	5,000	5,000	5,000
17-6621	08/14/16	2016/17	36.0	5,000	1,744	3,256	5,000	66.3%	1,744	5,000	5,000
17-6648	08/24/16	2016/17	36.0	5,000	54,452	15,110	69,562	66.3%	5,000	5,000	5,000
17-6660	09/01/16	2016/17	36.0	10,000	45,539	28,678	74,217	66.3%	10,000	10,000	10,000
17-6641	09/06/16	2016/17	36.0	5,000	29,426	11,674	41,100	66.3%	5,000	5,000	5,000
17-6755	09/14/16	2016/17	36.0	5,000	4,600	11,365	15,965	66.3%	4,600	5,000	5,000
17-6671	09/20/16	2016/17	36.0	5,000	53,490	16,990	70,480	66.3%	5,000	5,000	5,000
17-6805	10/11/16	2016/17	36.0	5,000	76,706	64,338	141,044	66.3%	5,000	5,000	5,000
17-6827	11/21/16	2016/17	36.0	10,000	38,003	35,154	73,157	66.3%	10,000	10,000	10,000
17-6874	12/05/16	2016/17	36.0	10,000	35,294	28,538	63,832	66.3%	10,000	10,000	10,000
17-6829	12/06/16	2016/17	36.0	5,000	66,030	34,535	100,565	66.3%	5,000	5,000	5,000
17-6908	12/15/16	2016/17	36.0	10,000	78,404	45,381	123,784	66.3%	10,000	10,000	10,000
16014502	12/26/16	2016/17	36.0	10,000	78,088	44,150	122,238	66.3%	10,000	10,000	10,000
17-6877	12/30/16	2016/17	36.0	5,000	52,188	9,223	61,411	66.3%	5,000	5,000	5,000
17013158	02/13/17	2016/17	36.0	5,000	25,299	95,411	120,710	66.3%	5,000	5,000	5,000
17-6975	02/26/17	2016/17	36.0	5,000	6,337	30,098	36,435	66.3%	5,000	5,000	5,000
17-6992	03/03/17	2016/17	36.0	10,000	28,536	3,109	31,644	66.3%	10,000	10,000	10,000
17-6995	03/07/17	2016/17	36.0	10,000	15,250	7,403	22,653	66.3%	10,000	10,000	10,000
17-7009	03/11/17	2016/17	36.0	5,000	45,755	23,927	69,682	66.3%	5,000	5,000	5,000
17-7062	03/13/17	2016/17	36.0	10,000	1,591	5,079	6,670	66.3%	1,591	6,670	9,256
17-7029	03/25/17	2016/17	36.0	5,000	13,487	2,522	16,009	66.3%	5,000	5,000	5,000
17-7214	04/05/17	2016/17	36.0	10,000	32,637	53,108	85,745	66.3%	10,000	10,000	10,000
17-7051	04/11/17	2016/17	36.0	5,000	17,798	31,706	49,504	66.3%	5,000	5,000	5,000
17-7105	04/19/17	2016/17	36.0	10,000	7,275	5,285	12,560	66.3%	7,275	10,000	10,000
17-7088	04/25/17	2016/17	36.0	5,000	1,077	8,751	9,828	66.3%	1,077	5,000	5,000
17-7150	05/15/17	2016/17	36.0	5,000	40,279	36,696	76,975	66.3%	5,000	5,000	5,000
18-7435	05/23/17	2016/17	36.0	10,000	32,573	33,080	65,653	66.3%	10,000	10,000	10,000
17013154	05/23/17	2016/17	36.0	5,000	11,129	57,464	68,593	66.3%	5,000	5,000	5,000
17-7185	06/12/17	2016/17	36.0	5,000	549,320	424,675	973,995	66.3%	5,000	5,000	5,000
All Closed	Various	2016/17	36.0	298,847	591,124	0	591,124	66.3%	298,847	298,847	298,847
18-7233	07/13/17	2017/18	24.0	5,000	5,330	7,020	12,350	41.3%	5,000	5,000	5,000
18-7236	07/19/17	2017/18	24.0	5,000	39,597	48,619	88,216	41.3%	5,000	5,000	5,000
18017408	08/01/17	2017/18	24.0	5,000	19,457	20,633	40,090	41.3%	5,000	5,000	5,000
18-7253	08/04/17	2017/18	24.0	5,000	64,282	53,365	117,647	41.3%	5,000	5,000	5,000
18-7322	08/05/17	2017/18	24.0	10,000	14,531	16,389	30,920	41.3%	10,000	10,000	10,000
18-7263	08/09/17	2017/18	24.0	5,000	72,444	34,052	106,496	41.3%	5,000	5,000	5,000
18-7262	08/09/17	2017/18	24.0	5,000	86,860	13,133	99,993	41.3%	5,000	5,000	5,000
18-7287	08/17/17	2017/18	24.0	10,000	46,990	38,352	85,341	41.3%	10,000	10,000	10,000
18-7332	08/23/17	2017/18	24.0	5,000	3,647	19,253	22,900	41.3%	3,647	5,000	5,000
18-7297	08/31/17	2017/18	24.0	5,000	69,004	26,094	95,098	41.3%	5,000	5,000	5,000
18-7292	09/01/17	2017/18	24.0	5,000	55,905	99,220	155,125	41.3%	5,000	5,000	5,000
18-7306	09/05/17	2017/18	24.0	10,000	7,005	40,940	47,945	41.3%	7,005	10,000	10,000
18-7338	09/06/17	2017/18	24.0	5,000	137,114	22,002	159,116	41.3%	5,000	5,000	5,000
18-7300	09/12/17	2017/18	24.0	10,000	5,196	4,975	10,171	41.3%	5,196	10,000	10,000
18-7517	09/19/17	2017/18	24.0	5,000	18	1,982	2,000	41.3%	18	2,000	4,812
18-7370	10/04/17	2017/18	24.0	10,000	3,774	13,161	16,935	41.3%	3,774	10,000	10,000
18-7364	10/09/17	2017/18	24.0	5,000	35,286	68,561	103,848	41.3%	5,000	5,000	5,000

Determination of Losses Within Deductibles

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Months of Development 6/30/19 (4)	Deductible or Deductible Received (5)	Limited Paid Losses 6/30/19 (6)	Limited Case Reserves 6/30/19 (7)	Limited Reported Incurred Losses 6/30/19 (8)	Percent Case Reserve Adequacy (9)	Limited Paid Losses Within Deductibles Min[(5),(6)] (10)	Limited Reported Incurred Losses Within Deductibles Min[(5),(8)] (11)	Projected Ultimate Losses Within Deductibles Min[(5),(6)]+(7)+(9)] (12)
18019519	10/21/17	2017/18	24.0	\$5,000	\$46,443	\$8,683	\$55,126	41.3%	\$5,000	\$5,000	\$5,000
19001260	10/21/17	2017/18	24.0	5,000	5,402	14,122	19,524	41.3%	5,000	5,000	5,000
18-7361	11/01/17	2017/18	24.0	5,000	93,676	211,138	304,814	41.3%	5,000	5,000	5,000
18-7379	11/14/17	2017/18	24.0	5,000	57,201	8,977	66,178	41.3%	5,000	5,000	5,000
18-7397	12/11/17	2017/18	24.0	5,000	185,650	148,338	333,987	41.3%	5,000	5,000	5,000
18-7403	12/11/17	2017/18	24.0	5,000	24,875	34,726	59,600	41.3%	5,000	5,000	5,000
18-7411	12/14/17	2017/18	24.0	5,000	54,131	11,738	65,868	41.3%	5,000	5,000	5,000
18-7438	12/26/17	2017/18	24.0	10,000	27,732	30,256	57,989	41.3%	10,000	10,000	10,000
18-7428	12/29/17	2017/18	24.0	10,000	7,964	26,536	34,500	41.3%	7,964	10,000	10,000
18022176	12/30/17	2017/18	24.0	10,000	0	650	650	41.3%	0	650	1,572
18-7430	01/14/18	2017/18	24.0	5,000	96,934	52,040	148,974	41.3%	5,000	5,000	5,000
18-7449	01/14/18	2017/18	24.0	5,000	49,546	19,172	68,718	41.3%	5,000	5,000	5,000
18-7473	01/30/18	2017/18	24.0	10,000	57,286	63,761	121,047	41.3%	10,000	10,000	10,000
18-7467	02/10/18	2017/18	24.0	10,000	4,079	63,994	68,073	41.3%	4,079	10,000	10,000
18-7508	02/12/18	2017/18	24.0	10,000	32,692	6,070	38,761	41.3%	10,000	10,000	10,000
18-7475	02/13/18	2017/18	24.0	10,000	19,692	28,463	48,155	41.3%	10,000	10,000	10,000
18-7502	02/16/18	2017/18	24.0	5,000	3,572	10,038	13,610	41.3%	3,572	5,000	5,000
18021073	02/21/18	2017/18	24.0	5,000	860	3,140	4,000	41.3%	860	4,000	5,000
18-7509	02/28/18	2017/18	24.0	5,000	19,978	42,816	62,795	41.3%	5,000	5,000	5,000
18-7543	03/08/18	2017/18	24.0	5,000	36,835	21,774	58,609	41.3%	5,000	5,000	5,000
18-7541	03/20/18	2017/18	24.0	5,000	44,193	40,214	84,407	41.3%	5,000	5,000	5,000
18-7529	03/22/18	2017/18	24.0	5,000	28,425	15,823	44,248	41.3%	5,000	5,000	5,000
17013293	03/22/18	2017/18	24.0	5,000	0	11,720	11,720	41.3%	0	5,000	5,000
18-7532	03/29/18	2017/18	24.0	5,000	7,079	6,941	14,020	41.3%	5,000	5,000	5,000
18016655	04/07/18	2017/18	24.0	5,000	19,301	23,454	42,756	41.3%	5,000	5,000	5,000
18-7548	04/12/18	2017/18	24.0	5,000	62,551	58,147	120,698	41.3%	5,000	5,000	5,000
18019043	05/18/18	2017/18	24.0	10,000	9,942	15,558	25,500	41.3%	9,942	10,000	10,000
18015476	05/31/18	2017/18	24.0	10,000	6,109	1,891	8,000	41.3%	6,109	8,000	10,000
18016706	06/29/18	2017/18	24.0	5,000	32,967	3,357	36,324	41.3%	5,000	5,000	5,000
All Closed	Various	2017/18	24.0	295,751	477,114	0	477,114	41.3%	295,751	295,751	295,751
19001461	08/01/18	2018/19	12.0	5,000	9,290	22,665	31,955	28.1%	5,000	5,000	5,000
18017363	08/02/18	2018/19	12.0	10,000	9,649	4,946	14,596	28.1%	9,649	10,000	10,000
18018384	08/03/18	2018/19	12.0	5,000	9,890	9,313	19,203	28.1%	5,000	5,000	5,000
18017793	08/14/18	2018/19	12.0	10,000	70,137	29,003	99,140	28.1%	10,000	10,000	10,000
18017939	08/16/18	2018/19	12.0	10,000	15,620	11,439	27,059	28.1%	10,000	10,000	10,000
19000531	09/09/18	2018/19	12.0	10,000	34,524	12,010	46,534	28.1%	10,000	10,000	10,000
18020125	09/25/18	2018/19	12.0	5,000	20,370	42,169	62,539	28.1%	5,000	5,000	5,000
19001108	10/11/18	2018/19	12.0	10,000	5,953	46,575	52,528	28.1%	5,953	10,000	10,000
18019612	10/12/18	2018/19	12.0	5,000	4,858	8,802	13,660	28.1%	4,858	5,000	5,000
19001221	11/01/18	2018/19	12.0	5,000	3,544	41,367	44,911	28.1%	3,544	5,000	5,000
19001214	11/14/18	2018/19	12.0	5,000	9,779	20,287	30,066	28.1%	5,000	5,000	5,000
19002083	11/22/18	2018/19	12.0	5,000	20,870	19,396	40,266	28.1%	5,000	5,000	5,000
18020931	11/27/18	2018/19	12.0	5,000	462	2,038	2,500	28.1%	462	2,500	5,000
19001387	11/28/18	2018/19	12.0	10,000	3,361	10,074	13,435	28.1%	3,361	10,000	10,000
18021509	12/02/18	2018/19	12.0	10,000	2,702	798	3,500	28.1%	2,702	3,500	5,547
19008664	12/06/18	2018/19	12.0	10,000	12,253	39,000	51,253	28.1%	10,000	10,000	10,000
18021535	12/12/18	2018/19	12.0	10,000	3,667	28,133	31,800	28.1%	3,667	10,000	10,000
18021576	12/17/18	2018/19	12.0	10,000	4,712	80,100	84,812	28.1%	4,712	10,000	10,000
19003539	01/04/19	2018/19	12.0	5,000	8,647	58,667	67,314	28.1%	5,000	5,000	5,000
19001675	01/08/19	2018/19	12.0	5,000	21,822	22,825	44,647	28.1%	5,000	5,000	5,000
19003178	01/23/19	2018/19	12.0	5,000	610	2,390	3,000	28.1%	610	3,000	5,000
19002389	01/30/19	2018/19	12.0	5,000	15,889	28,819	44,708	28.1%	5,000	5,000	5,000
19002579	02/04/19	2018/19	12.0	5,000	135,917	394,281	530,198	28.1%	5,000	5,000	5,000
19002758	02/04/19	2018/19	12.0	5,000	6,079	34,160	40,239	28.1%	5,000	5,000	5,000
19002853	02/04/19	2018/19	12.0	5,000	12,752	11,385	24,137	28.1%	5,000	5,000	5,000
19002625	02/05/19	2018/19	12.0	10,000	1,118	7	1,124	28.1%	1,118	1,124	1,141
19002917	02/05/19	2018/19	12.0	5,000	8,152	7,420	15,572	28.1%	5,000	5,000	5,000
19002989	02/12/19	2018/19	12.0	10,000	1,928	1,572	3,500	28.1%	1,928	3,500	7,533
19004328	03/06/19	2018/19	12.0	5,000	905	15,595	16,500	28.1%	905	5,000	5,000
19004396	03/06/19	2018/19	12.0	5,000	1,096	2,404	3,500	28.1%	1,096	3,500	5,000
19005546	03/18/19	2018/19	12.0	10,000	663	3,837	4,500	28.1%	663	4,500	10,000
19006277	04/13/19	2018/19	12.0	5,000	22,811	22,203	45,014	28.1%	5,000	5,000	5,000
19007628	04/23/19	2018/19	12.0	5,000	0	3,000	3,000	28.1%	0	3,000	5,000
19006920	04/23/19	2018/19	12.0	10,000	0	5,900	5,900	28.1%	0	5,900	10,000
19007297	04/30/19	2018/19	12.0	5,000	7,383	29,689	37,072	28.1%	5,000	5,000	5,000
19009714	05/01/19	2018/19	12.0	5,000	0	27,500	27,500	28.1%	0	5,000	5,000
19008587	05/21/19	2018/19	12.0	5,000	490	7,510	8,000	28.1%	490	5,000	5,000
19009055	05/24/19	2018/19	12.0	10,000	0	11,500	11,500	28.1%	0	10,000	10,000
19009040	06/03/19	2018/19	12.0	5,000	747	8,253	9,000	28.1%	747	5,000	5,000
19009329	06/06/19	2018/19	12.0	5,000	0	3,000	3,000	28.1%	0	3,000	5,000
19009632	06/11/19	2018/19	12.0	5,000	0	3,000	3,000	28.1%	0	3,000	5,000
19009672	06/11/19	2018/19	12.0	5,000	0	3,750	3,750	28.1%	0	3,750	5,000
19009540	06/11/19	2018/19	12.0	10,000	0	3,750	3,750	28.1%	0	3,750	10,000
19009946	06/11/19	2018/19	12.0	10,000	0	9,643	9,643	28.1%	0	9,643	10,000
19009922	06/13/19	2018/19	12.0	5,000	135	7,309	7,444	28.1%	135	5,000	5,000
19009926	06/14/19	2018/19	12.0	5,000	433	6,933	7,367	28.1%	433	5,000	5,000
19009855	06/19/19	2018/19	12.0	5,000	0	3,750	3,750	28.1%	0	3,750	5,000
19010026	06/21/19	2018/19	12.0	5,000	0	4,750	4,750	28.1%	0	4,750	5,000
19010040	06/23/19	2018/19	12.0	5,000	0	14,208	14,208	28.1%	0	5,000	5,000
19022329	06/25/19	2018/19	12.0	10,000	0	14,312	14,312	28.1%	0	10,000	10,000
All Closed	Various	2018/19	12.0	136,755	187,168	0	187,168	28.1%	136,755	136,755	136,755
Total				\$15,861,958	\$82,485,261	\$12,772,036	\$95,257,297		\$15,568,731	\$15,783,092	\$15,830,379

Determination of Losses Within Deductibles

Footnotes:

Data was provided by REMIF.

(9) was calculated as follows:

Claim Period (a)	Limited Paid Losses 6/30/19 (b)	Limited Case Reserves 6/30/19 (c)	Projected Ultimate Limited Losses (d)	Case Reserve Adequacy (c)/[(d)-(b)] (e)
to 1999/00	\$26,398,264	\$933,517	\$27,425,132	90.9%
2000/01	3,152,109	156,605	3,324,374	90.9%
2001/02	2,569,360	158,682	2,744,000	90.9%
2002/03	3,581,497	193,451	3,794,293	90.9%
2003/04	3,928,943	373,730	4,340,046	90.9%
2004/05	2,250,580	79,031	2,338,000	90.4%
2005/06	2,695,209	318,646	3,046,000	90.8%
2006/07	1,477,178	457,948	2,022,000	84.1%
2007/08	2,777,566	127,703	2,935,000	81.1%
2008/09	1,511,729	511,713	2,160,000	78.9%
2009/10	3,805,552	847,599	4,738,000	90.9%
2010/11	4,303,438	639,266	5,092,000	81.1%
2011/12	2,990,438	302,646	3,396,000	74.6%
2012/13	3,944,129	785,005	5,058,000	70.5%
2013/14	4,131,756	904,033	5,476,000	67.3%
2014/15	2,329,010	790,143	3,523,000	66.2%
2015/16	1,983,872	1,042,568	3,542,000	66.9%
2016/17	2,090,210	1,437,019	4,259,000	66.3%
2017/18	1,909,684	1,511,290	5,565,000	41.3%
2018/19	640,943	1,201,441	4,924,000	28.1%

(b) and (c) are from Exhibit WC-1 (page 1), and (d) is from Exhibit WC-9.

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Calculation of Net Limited Paid Losses as of June 30, 2019

Claim Period (1)	Limited Paid Losses 6/30/19 (2)	Limited Paid Losses Within Deductibles 6/30/19 (3)	Net Limited Paid Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$26,398,264	\$5,885,465	\$20,512,799	22.3%
2000/01	3,152,109	498,737	2,653,372	15.8%
2001/02	2,569,360	494,830	2,074,530	19.3%
2002/03	3,581,497	584,597	2,996,900	16.3%
2003/04	3,928,943	609,858	3,319,085	15.5%
2004/05	2,250,580	454,556	1,796,024	20.2%
2005/06	2,695,209	455,075	2,240,133	16.9%
2006/07	1,477,178	428,479	1,048,699	29.0%
2007/08	2,777,566	494,071	2,283,495	17.8%
2008/09	1,511,729	438,769	1,072,960	29.0%
2009/10	3,805,552	590,291	3,215,261	15.5%
2010/11	4,303,438	522,959	3,780,479	12.2%
2011/12	2,990,438	437,930	2,552,508	14.6%
2012/13	3,944,129	654,658	3,289,470	16.6%
2013/14	4,131,756	616,490	3,515,266	14.9%
2014/15	2,329,010	554,014	1,774,996	23.8%
2015/16	1,983,872	496,114	1,487,758	25.0%
2016/17	2,090,210	515,133	1,575,077	24.6%
2017/18	1,909,684	542,916	1,366,768	28.4%
2018/19	640,943	293,787	347,156	45.8%
Total	\$78,471,466	\$15,568,731	\$62,902,735	19.8%

(2) is from Exhibit WC-1 (page 1).

(3) is from Exhibit WC-11.

Calculation of Net Limited Reported Incurred Losses as of June 30, 2019

Claim Period (1)	Limited Reported Incurred Losses 6/30/19 (2)	Limited Reported Incurred Losses Within Deductibles 6/30/19 (3)	Net Limited Reported Incurred Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$27,331,781	\$5,885,465	\$21,446,316	21.5%
2000/01	3,308,714	498,737	2,809,977	15.1%
2001/02	2,728,043	494,830	2,233,212	18.1%
2002/03	3,774,948	584,597	3,190,350	15.5%
2003/04	4,302,673	609,858	3,692,815	14.2%
2004/05	2,329,611	454,556	1,875,055	19.5%
2005/06	3,013,854	455,075	2,558,779	15.1%
2006/07	1,935,127	428,479	1,506,648	22.1%
2007/08	2,905,269	494,071	2,411,197	17.0%
2008/09	2,023,442	438,769	1,584,673	21.7%
2009/10	4,653,151	590,291	4,062,860	12.7%
2010/11	4,942,704	522,959	4,419,746	10.6%
2011/12	3,293,084	437,930	2,855,153	13.3%
2012/13	4,729,134	656,083	4,073,051	13.9%
2013/14	5,035,790	626,540	4,409,249	12.4%
2014/15	3,119,154	569,875	2,549,279	18.3%
2015/16	3,026,440	500,137	2,526,303	16.5%
2016/17	3,527,229	530,516	2,996,712	15.0%
2017/18	3,420,974	580,401	2,840,574	17.0%
2018/19	1,842,384	423,923	1,418,461	23.0%
Total	\$91,243,502	\$15,783,092	\$75,460,410	17.3%

(2) is from Exhibit WC-1 (page 1).

(3) is from Exhibit WC-11.

Calculation of Projected Ultimate Net Limited Losses as of June 30, 2019

Claim Period (1)	Projected Ultimate Limited Losses (2)	Projected Ultimate Limited Losses Within Deductibles 6/30/19 (3)	Projected Ultimate Net Limited Losses 6/30/19 (2)-(3) (4)	Percent Within Deductibles 6/30/19 (3)/(2) (5)
to 1999/00	\$27,425,132	\$5,885,465	\$21,539,668	21.5%
2000/01	3,324,374	498,737	2,825,637	15.0%
2001/02	2,744,000	494,830	2,249,170	18.0%
2002/03	3,794,293	584,597	3,209,695	15.4%
2003/04	4,340,046	609,858	3,730,188	14.1%
2004/05	2,338,000	454,556	1,883,444	19.4%
2005/06	3,046,000	455,075	2,590,925	14.9%
2006/07	2,022,000	428,479	1,593,521	21.2%
2007/08	2,935,000	494,071	2,440,929	16.8%
2008/09	2,160,000	438,769	1,721,231	20.3%
2009/10	4,738,000	590,291	4,147,709	12.5%
2010/11	5,092,000	522,959	4,569,041	10.3%
2011/12	3,396,000	437,930	2,958,070	12.9%
2012/13	5,058,000	656,680	4,401,321	13.0%
2013/14	5,476,000	626,857	4,849,143	11.4%
2014/15	3,523,000	569,875	2,953,125	16.2%
2015/16	3,542,000	500,137	3,041,863	14.1%
2016/17	4,259,000	533,102	3,725,898	12.5%
2017/18	5,565,000	587,135	4,977,865	10.6%
2018/19	4,924,000	460,976	4,463,024	9.4%
Total	\$99,701,845	\$15,830,379	\$83,871,466	15.9%

(2) is from Exhibit WC-9.

(3) is from Exhibit WC-11.

Projected Ultimate Limited Losses for 2019/20 and Subsequent
Limited to Self-Insured Retention and Net of Member Deductibles

Claim Period (1)	Projected Ultimate Net Limited Losses (2)	Payroll (000) (3)	Net Limited Loss Rate per \$100 of Payroll (2)/(3)/10 (4)	Loss Rate Trend (2019/20 = 1.000) (5)	Trended Net Limited Loss Rate per \$100 of Payroll (4)X(5) (6)
2009/10	\$4,147,709	\$105,618	\$3.93	1.053	\$4.14
2010/11	4,569,041	102,514	4.46	1.050	4.68
2011/12	2,958,070	102,503	2.89	1.056	3.05
2012/13	4,401,321	96,217	4.57	1.072	4.90
2013/14	4,849,143	96,057	5.05	1.073	5.42
2014/15	2,953,125	99,197	2.98	1.056	3.14
2015/16	3,041,863	104,716	2.90	1.044	3.03
2016/17	3,725,898	104,606	3.56	1.032	3.68
2017/18	4,977,865	112,599	4.42	1.021	4.51
2018/19	4,463,024	108,170	4.13	1.010	4.17
Total	\$40,087,058	\$1,032,197	\$3.88		\$4.07

Claim Period (1)	Projected Net Limited Loss Rate per \$100 of Payroll (7)	Projected Payroll (000) (8)	Projected Ultimate Net Limited Losses (7)X(8)X10 (9)	Present Value Factor (10)	Present Value of Projected Net Limited Loss Rate per \$100 of Payroll (7)X(10) (11)	Present Value of Projected Ultimate Net Limited Losses (8)X(11)X10 (12)
2019/20	\$4.07	\$116,029	\$4,725,000	0.90	\$3.67	\$4,259,000
2020/21	4.11	119,509	4,915,000	0.90	3.71	4,431,000

(2) is from Exhibit WC-14.

(3) was provided by REMIF.

(5) is from Exhibit WC-20.

(7) 2019/20 is based on (6) and actuarial judgment.
Other period(s) based on 2019/20 plus the trend in Exhibit WC-20.

(8) to 2020/21 was provided by REMIF. Other claim periods are based on a 0% trend.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit WC-2.

Estimated Outstanding Losses as of June 30, 2019

Claim Period (1)	Net Limited Paid Losses 6/30/19 (2)	Net Limited Case Reserves 6/30/19 (4)-(2) (3)	Net Limited Reported Incurred Losses 6/30/19 (4)	Projected Ultimate Net Limited Losses (5)	Estimated Net IBNR 6/30/19 (5)-(4) (6)	Estimated Net Outstanding Losses 6/30/19 (3)+(6) (7)	Present Value Factor (8)	Present Value of Estimated Net Outstanding Losses 6/30/19 (7)X(8) (9)
to 1999/00	\$20,512,799	\$933,517	\$21,446,316	\$21,539,668	\$93,352	\$1,026,869	0.94	\$967,035
2000/01	2,653,372	156,605	2,809,977	2,825,637	15,660	172,265	0.92	158,887
2001/02	2,074,530	158,682	2,233,212	2,249,170	15,957	174,639	0.90	157,823
2002/03	2,996,900	193,451	3,190,350	3,209,695	19,345	212,796	0.89	188,495
2003/04	3,319,085	373,730	3,692,815	3,730,188	37,373	411,103	0.88	360,061
2004/05	1,796,024	79,031	1,875,055	1,883,444	8,389	87,420	0.87	76,276
2005/06	2,240,133	318,646	2,558,779	2,590,925	32,146	350,792	0.87	305,517
2006/07	1,048,699	457,948	1,506,648	1,593,521	86,873	544,821	0.87	472,575
2007/08	2,283,495	127,703	2,411,197	2,440,929	29,731	157,434	0.87	136,742
2008/09	1,072,960	511,713	1,584,673	1,721,231	136,558	648,271	0.87	561,919
2009/10	3,215,261	847,599	4,062,860	4,147,709	84,849	932,448	0.87	808,862
2010/11	3,780,479	639,266	4,419,746	4,569,041	149,296	788,562	0.87	685,138
2011/12	2,552,508	302,646	2,855,153	2,958,070	102,916	405,562	0.87	352,806
2012/13	3,289,470	783,581	4,073,051	4,401,321	328,270	1,111,851	0.87	970,026
2013/14	3,515,266	893,983	4,409,249	4,849,143	439,894	1,333,877	0.88	1,176,996
2014/15	1,774,996	774,283	2,549,279	2,953,125	403,846	1,178,129	0.89	1,045,069
2015/16	1,487,758	1,038,545	2,526,303	3,041,863	515,560	1,554,105	0.89	1,381,062
2016/17	1,575,077	1,421,635	2,996,712	3,725,898	729,185	2,150,820	0.90	1,926,465
2017/18	1,366,768	1,473,806	2,840,574	4,977,865	2,137,292	3,611,098	0.91	3,270,749
2018/19	347,156	1,071,305	1,418,461	4,463,024	3,044,563	4,115,868	0.91	3,745,088
Total	\$62,902,735	\$12,557,674	\$75,460,410	\$83,871,466	\$8,411,055	\$20,968,730		\$18,747,591

(2), (3) and (4) are net of specific self-insured retention and aggregate retention.

(5) is from Exhibit WC-14.

(8) is based on a 2.25% interest rate and the payout pattern in Exhibit WC-2.

Estimated Net Outstanding Losses as of June 30, 2019 at Various Confidence Levels

Claim Period (1)	Estimated Net Outstanding Losses 6/30/19 (2)	Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (2)X1.10 (3)	Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (2)X1.15 (4)	Present Value of Estimated Net Outstanding Losses 6/30/19 (5)	Present Value of Estimated Net Outstanding Losses at 75% Confidence 6/30/19 (5)X1.10 (6)	Present Value of Estimated Net Outstanding Losses at 90% Confidence 6/30/19 (5)X1.15 (7)
to 1999/00	\$1,026,869	\$1,129,556	\$1,180,899	\$967,035	\$1,063,739	\$1,112,090
2000/01	172,265	189,492	198,105	158,887	174,776	182,720
2001/02	174,639	192,103	200,835	157,823	173,605	181,496
2002/03	212,796	234,076	244,715	188,495	207,345	216,769
2003/04	411,103	452,213	472,768	360,061	396,067	414,070
2004/05	87,420	96,162	100,533	76,276	83,904	87,717
2005/06	350,792	385,871	403,411	305,517	336,069	351,345
2006/07	544,821	599,303	626,544	472,575	519,833	543,461
2007/08	157,434	173,177	181,049	136,742	150,416	157,253
2008/09	648,271	713,098	745,512	561,919	618,111	646,207
2009/10	932,448	1,025,693	1,072,315	808,862	889,748	930,191
2010/11	788,562	867,418	906,846	685,138	753,652	787,909
2011/12	405,562	446,118	466,396	352,806	388,087	405,727
2012/13	1,111,851	1,223,036	1,278,629	970,026	1,067,029	1,115,530
2013/14	1,333,877	1,467,265	1,533,959	1,176,996	1,294,696	1,353,545
2014/15	1,178,129	1,295,942	1,354,848	1,045,069	1,149,576	1,201,829
2015/16	1,554,105	1,709,516	1,787,221	1,381,062	1,519,168	1,588,221
2016/17	2,150,820	2,365,902	2,473,443	1,926,465	2,119,112	2,215,435
2017/18	3,611,098	3,972,208	4,152,763	3,270,749	3,597,824	3,761,361
2018/19	4,115,868	4,527,455	4,733,248	3,745,088	4,119,597	4,306,851
Total	\$20,968,730	\$23,065,604	\$24,114,039	\$18,747,591	\$20,622,354	\$21,559,727

(2) and (5) are from Exhibit WC-16.

The factors for (3), (4), (6) and (7) are based on actuarial judgment.

Projected Losses Paid July 1, 2019 to June 30, 2020

Claim Period (1)	Months of Development 6/30/19 (2)	Percent Losses Paid (3)	Months of Development 6/30/20 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/19 to 6/30/20 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/19 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/20 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/20 (9)X(10) (11)
to 1999/00	240.0	95.2%	252.0	96.7%	30.0%	\$1,026,869	\$308,061	\$718,808	0.94	\$677,286
2000/01	228.0	95.1%	240.0	95.2%	2.0%	172,265	3,374	168,891	0.94	159,050
2001/02	216.0	95.0%	228.0	95.1%	1.9%	174,639	3,352	171,287	0.92	157,985
2002/03	204.0	95.0%	216.0	95.0%	1.9%	212,796	4,003	208,793	0.90	188,689
2003/04	192.0	94.5%	204.0	95.0%	7.8%	411,103	31,955	379,148	0.89	335,850
2004/05	180.0	93.8%	192.0	94.5%	12.1%	87,420	10,540	76,880	0.88	67,335
2005/06	168.0	92.8%	180.0	93.8%	13.0%	350,792	45,546	305,246	0.87	266,336
2006/07	156.0	91.9%	168.0	92.8%	11.4%	544,821	62,060	482,761	0.87	420,454
2007/08	144.0	90.6%	156.0	91.9%	14.4%	157,434	22,684	134,750	0.87	116,881
2008/09	132.0	89.2%	144.0	90.6%	12.4%	648,271	80,586	567,685	0.87	493,074
2009/10	120.0	87.5%	132.0	89.2%	14.0%	932,448	130,338	802,110	0.87	695,266
2010/11	108.0	85.3%	120.0	87.5%	14.6%	788,562	114,845	673,717	0.87	584,423
2011/12	96.0	82.9%	108.0	85.3%	14.5%	405,562	58,832	346,730	0.87	301,254
2012/13	84.0	79.7%	96.0	82.9%	15.7%	1,111,851	174,353	937,498	0.87	815,548
2013/14	72.0	74.1%	84.0	79.7%	21.5%	1,333,877	286,477	1,047,400	0.87	913,796
2014/15	60.0	68.0%	72.0	74.1%	19.1%	1,178,129	225,292	952,837	0.88	840,771
2015/16	48.0	61.3%	60.0	68.0%	17.4%	1,554,105	270,317	1,283,788	0.89	1,138,795
2016/17	36.0	50.2%	48.0	61.3%	22.2%	2,150,820	477,217	1,673,603	0.89	1,487,255
2017/18	24.0	32.4%	36.0	50.2%	26.4%	3,611,098	951,706	2,659,392	0.90	2,381,987
2018/19	12.0	11.8%	24.0	32.4%	23.4%	4,115,868	961,787	3,154,081	0.91	2,856,806
2019/20	0.0	0.0%	12.0	11.8%	11.8%	4,725,000	556,606	4,168,394	0.91	3,792,883
Total						\$25,693,730	\$4,779,931	\$20,913,799		\$18,691,724

(3) and (5) are from Exhibit WC-2.

(7) to 2018/19 is from Exhibit WC-16. The amount for 2019/20 is from Exhibit WC-15.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit WC-2.

Projected Losses Paid July 1, 2020 to June 30, 2021

Claim Period (1)	Months of Development 6/30/20 (2)	Percent Losses Paid (3)	Months of Development 6/30/21 (4)	Percent Losses Paid (5)	Percent Outstanding Losses Paid 7/1/20 to 6/30/21 [(5)-(3)]/[100.0%-(3)] (6)	Estimated Outstanding Losses 6/30/20 (7)	Projected Losses Paid (6)X(7) (8)	Estimated Outstanding Losses 6/30/21 (7)-(8) (9)	Present Value Factor (10)	Present Value of Estimated Outstanding Losses 6/30/21 (9)X(10) (11)
to 1999/00	252.0	96.7%	264.0	97.7%	30.0%	\$718,808	\$215,642	\$503,166	0.94	\$474,470
2000/01	240.0	95.2%	252.0	96.7%	30.0%	168,891	50,667	118,224	0.94	111,395
2001/02	228.0	95.1%	240.0	95.2%	2.0%	171,287	3,355	167,932	0.94	158,147
2002/03	216.0	95.0%	228.0	95.1%	1.9%	208,793	4,007	204,786	0.92	188,882
2003/04	204.0	95.0%	216.0	95.0%	1.9%	379,148	7,133	372,015	0.90	336,194
2004/05	192.0	94.5%	204.0	95.0%	7.8%	76,880	5,976	70,904	0.89	62,807
2005/06	180.0	93.8%	192.0	94.5%	12.1%	305,246	36,801	268,445	0.88	235,116
2006/07	168.0	92.8%	180.0	93.8%	13.0%	482,761	62,681	420,080	0.87	366,532
2007/08	156.0	91.9%	168.0	92.8%	11.4%	134,750	15,349	119,401	0.87	103,991
2008/09	144.0	90.6%	156.0	91.9%	14.4%	567,685	81,794	485,891	0.87	421,459
2009/10	132.0	89.2%	144.0	90.6%	12.4%	802,110	99,709	702,401	0.87	610,085
2010/11	120.0	87.5%	132.0	89.2%	14.0%	673,717	94,173	579,544	0.87	502,346
2011/12	108.0	85.3%	120.0	87.5%	14.6%	346,730	50,497	296,233	0.87	256,971
2012/13	96.0	82.9%	108.0	85.3%	14.5%	937,498	135,996	801,502	0.87	696,380
2013/14	84.0	79.7%	96.0	82.9%	15.7%	1,047,400	164,246	883,154	0.87	768,273
2014/15	72.0	74.1%	84.0	79.7%	21.5%	952,837	204,641	748,196	0.87	652,758
2015/16	60.0	68.0%	72.0	74.1%	19.1%	1,283,788	245,497	1,038,291	0.88	916,174
2016/17	48.0	61.3%	60.0	68.0%	17.4%	1,673,603	291,103	1,382,500	0.89	1,226,358
2017/18	36.0	50.2%	48.0	61.3%	22.2%	2,659,392	590,058	2,069,334	0.89	1,838,923
2018/19	24.0	32.4%	36.0	50.2%	26.4%	3,154,081	831,259	2,322,822	0.90	2,080,525
2019/20	12.0	11.8%	24.0	32.4%	23.4%	4,168,394	974,061	3,194,333	0.91	2,893,264
2020/21	0.0	0.0%	12.0	11.8%	11.8%	4,915,000	578,988	4,336,012	0.91	3,945,401
Total						\$25,828,799	\$4,743,633	\$21,085,166		\$18,846,451

(3) and (5) are from Exhibit WC-2.

(7) to 2019/20 is from Exhibit WC-18, (9). The amount for 2020/21 is from Exhibit WC-15.

(10) is based on a 2.25% interest rate and the payout pattern in Exhibit WC-2.

Loss Rate and Severity Trend

I. Benefit Level Changes

Effective Date (1)	Benefit Level Change (2)	Cumulative Benefit Level Change (3)
01/01/10	1.001	1.001
01/01/11	0.987	0.988
01/01/12	0.982	0.970
01/01/13	0.967	0.938
01/01/14	1.012	0.949
01/01/15	1.001	0.950
01/01/16	1.002	0.952
01/01/17	1.000	0.952
01/01/18	1.002	0.954

II. Loss Rate and Severity Trend

Claim Period (1)	Benefit Trend (2019/20 = 1.000) (2)	Residual Trend (2019/20 = 1.000) (3)	Retention Index (2019/20 = 1.000) (4)	Loss Rate Trend (2019/20 = 1.000) (2)X(3)X(4) (5)	Wage Trend (2019/20 = 1.000) (6)	Severity Trend (2019/20 = 1.000) (5)X(6) (7)
2009/10	0.953	1.105	1.000	1.053	1.344	1.415
2010/11	0.960	1.094	1.000	1.050	1.305	1.369
2011/12	0.975	1.083	1.000	1.056	1.267	1.337
2012/13	1.000	1.072	1.000	1.072	1.230	1.319
2013/14	1.011	1.062	1.000	1.073	1.194	1.282
2014/15	1.005	1.051	1.000	1.056	1.159	1.224
2015/16	1.003	1.041	1.000	1.044	1.126	1.175
2016/17	1.002	1.030	1.000	1.032	1.093	1.128
2017/18	1.001	1.020	1.000	1.021	1.061	1.083
2018/19	1.000	1.010	1.000	1.010	1.030	1.040
2019/20	1.000	1.000	1.000	1.000	1.000	1.000
2020/21	1.000	0.990	1.000	0.990	0.971	0.961

Section I, (2) and (3) reflect data published by the NCCI.

Section II, (2) is based on Section I, (2).

Section II, (3) is based on 1% trend per actuarial judgment.

Section II, (4) is based on industry statistics and actuarial judgment.

Section II, (6) is based on 3% trend.

List of Large Claims
Reported Incurred Losses Greater Than \$250,000

Claim Number (1)	Date of Loss (2)	Claim Period (3)	Specific Self-Insured Retention (4)	Unlimited Paid Losses 6/30/19 (5)	Unlimited Case Reserves 6/30/19 (6)	Unlimited Reported Incurred Losses 6/30/19 (7)
1000203	10/17/80	to 1999/00	\$150,000	\$266,292 *	\$34,421	\$300,713
1000769	07/26/82	to 1999/00	150,000	567,610 *	179,645	747,255
1000851	05/05/84	to 1999/00	150,000	2,324,356 *	534,242	2,858,598
1006067	07/11/86	to 1999/00	200,000	348,763 *	0	348,763
1006824	11/13/87	to 1999/00	250,000	131,245	118,755	250,000
6000232	12/16/88	to 1999/00	250,000	424,930 *	69,863	494,793
6000557	12/12/89	to 1999/00	250,000	476,627 *	76,673	553,300
6000513	01/29/90	to 1999/00	250,000	391,041 *	0	391,041
6001721	02/20/94	to 1999/00	300,000	351,359 *	0	351,359
6001813	05/20/94	to 1999/00	300,000	286,306 *	0	286,306
6001912	08/25/94	to 1999/00	300,000	374,490 *	0	374,490
6002244	08/30/95	to 1999/00	300,000	343,532 *	0	343,532
6002488	06/17/96	to 1999/00	300,000	3,459,256 *	2,530,911	5,990,166
00-1581	07/05/99	to 1999/00	300,000	363,485 *	106,452	469,937
00-1793	10/09/99	to 1999/00	300,000	335,897 *	155,847	491,744
00-2298	05/11/00	to 1999/00	300,000	492,794 *	153,378	646,171
01-2597	08/14/00	2000/01	300,000	369,558 *	131,983	501,541
01-2592	09/05/00	2000/01	300,000	364,498 *	126,650	491,148
02-4062	03/11/02	2001/02	300,000	254,551	0	254,551
03-4526	07/19/02	2002/03	300,000	481,543 *	84,040	565,584
03-4366	07/22/02	2002/03	300,000	309,130 *	0	309,130
03-4401	09/19/02	2002/03	300,000	494,669 *	134,934	629,603
03-4838	03/12/03	2002/03	300,000	312,677 *	106,134	418,811
04-5798	10/23/03	2003/04	1,000,000	400,496	0	400,496
04-5489	12/15/03	2003/04	1,000,000	314,423	120,354	434,777
04-5741	03/30/04	2003/04	1,000,000	369,181	100,926	470,107
04-5753	04/05/04	2003/04	1,000,000	444,069	36,220	480,290
04-5765	04/05/04	2003/04	1,000,000	262,280	0	262,280
05-6380	11/30/04	2004/05	1,000,000	519,395	0	519,395
06-6969	08/17/05	2005/06	1,000,000	890,558	565,022 *	1,455,579 *
07-7936	09/26/06	2006/07	1,000,000	139,539	233,946	373,486
07-7937	10/02/06	2006/07	1,000,000	105,142	187,291	292,433
08-9170	03/03/08	2007/08	1,000,000	532,414	0	532,414
09-9601	08/11/08	2008/09	1,000,000	124,874	168,825	293,699
09-9765	10/02/08	2008/09	1,000,000	128,098	149,504	277,602
10-1293	07/21/09	2009/10	1,000,000	301,563	0	301,563
10-1347	08/11/09	2009/10	1,000,000	507,434	112,768	620,202
11-2329	09/01/09	2009/10	1,000,000	552,166	173,634	725,800
10-1793	02/22/10	2009/10	1,000,000	274,008	89,674	363,682
10-1921	04/29/10	2009/10	1,000,000	137,989	173,619	311,608
11-2078	06/28/10	2009/10	1,000,000	152,004	190,173	342,177
11-2457	01/04/11	2010/11	1,000,000	456,291	314,699	770,990
11-2558	02/05/11	2010/11	1,000,000	874,919 *	79	874,998
11-2556	02/16/11	2010/11	1,000,000	260,288	89,042	349,330
11-2614	03/18/11	2010/11	1,000,000	190,133	99,974	290,107
11-2782	06/07/11	2010/11	1,000,000	282,212	0	282,212
12-3052	10/06/11	2011/12	1,000,000	464,316	0	464,316
12-3436	01/01/12	2011/12	1,000,000	525,356	0	525,356
17-6623	05/15/12	2011/12	1,000,000	89,258	203,760	293,018
12-3522	05/15/12	2011/12	1,000,000	281,050	0	281,050
13-3769	08/24/12	2012/13	1,000,000	336,591	43,535	380,126
17-7132	10/01/12	2012/13	1,000,000	341,574	123,426	465,000
18-7183	12/03/12	2012/13	1,000,000	59,829	211,620	271,449
13-3961	12/06/12	2012/13	1,000,000	445,677	74,985	520,662
13-4184	03/28/13	2012/13	1,000,000	261,879	132,550	394,429
16-6027	10/04/13	2013/14	1,000,000	255,712	152,285	407,997
14-4960	01/01/14	2013/14	1,000,000	275,522	98,962	374,484
14-4994	05/05/14	2013/14	1,000,000	216,421	88,998	305,419
15-5668	04/03/15	2014/15	1,000,000	72,137	200,824	272,961
15-5756	04/23/15	2014/15	1,000,000	219,900	150,539	370,439
16-5939	08/19/15	2015/16	1,000,000	218,765	170,047	388,812
16-6009	09/27/15	2015/16	1,000,000	237,903	109,800	347,703
16-6410	04/30/16	2015/16	1,000,000	217,965	41,021	258,985
17-7185	06/12/17	2016/17	1,000,000	549,320 *	424,675 *	973,995 *
18-7361	11/01/17	2017/18	1,000,000	93,676	211,138	304,814
18-7397	12/11/17	2017/18	1,000,000	185,650	148,338	333,987
19002579	02/04/19	2018/19	1,000,000	135,917 *	394,281 *	530,198 *

The claim(s) indicated by a "*" have been limited in development.

Amounts are gross of excess insurance.

(1) through (7) were provided by REMIF.

AGENDA ITEM SUMMARY

ITEM 14.0

TITLE: UPDATE ON WORKERS' COMPENSATION PROGRAM

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The General Manager is responsible for providing reports on REMIF's workers' compensation program to the Governing Board. Changes to the program require ratification by the Board of Directors.

BACKGROUND

At the January 26, 2018 Board of Directors meeting, the Board voted to move the workers' compensation administration to a third-party administrator, Athens Administrators. On May 1, 2018, the transition occurred to Athens Administration.

An ad hoc committee was formed from a group of REMIF members to review various items of issue for the REMIF workers' compensation program.

1. Recommendations from the workers' compensation committee (ad hoc)

There are some components to the administration of the workers' compensation program, aside from the administration of the claim. These services can be "bundled" (meaning the third-party administrator, like Athens, provides those services) or "unbundled" (meaning the client selects the provider separately). There are pros and cons to having services bundled and unbundled, including costs and checks and balances.

Some of the pieces of these services include:

- Bill review (where each medical bill is reviewed and may be adjusted to properly reflect charges allowed pursuant to a fee schedule)
- Utilization review or UR (where a critical evaluation is made by a physician or nurse of health-care services provided to injured workers. This evaluation is made for the purposes of controlling costs and monitoring the quality of care an injured worker receives.)
- Pharmacy benefit manager or PBM (a third-party administrator for prescription drug programs. They are used in commercial health plans, self-insured health plans, and can be used in a self-insured workers compensation program. PBMs are primarily responsible for following the workers' compensation approved formulary, contracting with pharmacies, negotiating discounts and/or rebates with drug manufacturers, and processing and paying prescription drug claims.

PBMs reduce drug costs by offering delivery of medications to the injured worker's home, creating a select network of more affordable pharmacies, encouraging the use of generics and more affordable brand medications, negotiating rebates from drug manufacturers and discounts from drugstores and managing high-cost specialty medications. One key piece of consideration for using a PBM is the adherence of the PBM to the UR approved medications. If UR approves a medication for 14 days, it is critical a 14-day supply be issued by the pharmacy. A PBM that follows UR will help with that.

- Medical Provide Network or MPN (a group of health care providers approved by the Division of Workers' Compensation (DWC) to treat workers injured on the job). Under state regulations, each MPN must include a mix of doctors specializing in work-related injuries and doctors with expertise in general areas of medicine. MPNs are required to meet access to care standards for common occupational injuries and work-related illnesses. The regulations also require MPNs to follow all medical treatment guidelines established by the DWC and allow employees a choice of a provider in the network to see, after their first visit. Additionally, MPNs must offer an opportunity for second and third opinions if the injured worker disagrees with the diagnosis or treatment offered by the treating physician. If a disagreement still exists after the second and third opinion, an injured worker in the MPN may request an independent medical review (IMR).
- Alternative Dispute Resolution or ADR (a program that allows employers who have signed specific collective bargaining agreements, also called "carve-out" agreements, with their employees' union to utilize ADR to provide medical benefits and adjust and settle claims for workplace injuries. The carve-out agreement(s) negotiated by a union with a group of employers will have customized procedures for resolving disputes that vary from the statutory procedures for settling claims for injured workers that are set forth in the CA Labor Code. ADR is an alternative to the traditional approach to resolving workers' compensation claims.)

The committee was interested in exploring the following, in no particular order:

1. Options for a Pharmacy Benefit Program (PBM);
2. Options for a Medical Provider Network (MPN);
3. Options for telehealth medical providers and telehealth physical therapist; and
4. Options for Nurse triage.

Based on staff's recommendation, the Committee reviewed the first three items, with the following recommendations to the REMIF Board of Directors:

1. Options for a PBM: The committee heard from two different PBMs, one that works with Athens and one that also provides similar services. One provided cost at formulary, and the other was over formulary pricing. The provider that provided cost at formulary (and works with Athens) is a company named MyMatrixx, and the Committee is recommending we implement MyMatrixx as the PBM for the REMIF plan.
2. Options for a MPN: The committee heard from two different MPNs. Neither had providers that would significantly open the options for providers in the members' service area. Currently, the committee is recommending that we not implement a MPN.
3. Options for telehealth medical providers and telephone physical therapist: The committee heard from two telehealth providers (one medical provider, Concentra, and one physical therapy provider). Telehealth is a new and emerging area for workers' compensation, so there's not a significant number of options now, but staff suspects that will change in the future. Telehealth options will expand our access to care, which is such an important concern for our cities. At this time, the committee is recommending we add telehealth to the list of medical providers available for use in our program.
4. Options for Nurse triage: will be explored next.

2. Open file numbers

Athens Administrators began administering the REMIF claims on 05/01/18:

On 05/01/18, there were 548 claims.

As of 08/31/18, the total inventory was 377 claims.

As of 12/31/18, the total inventory was 341 claims.

As of 03/31/19, the total inventory was 339 claims.

As of 09/16/19, the total inventory was 330 claims (37 medical only, 292 indemnity/future medical, 1 pending claim).

3. Staffing

Given the reduction in claims numbers, Athens and REMIF examined staffing levels (the staffing at Athens to administer the REMIF claims). Given the reduction in claims, we eliminated one partial FTE with Athens, and realized a reduction in the contract with Athens.

4. File Reviews

We will have file reviews two times a year for future medical and two times a year for indemnity claims. Future medical claims file reviews will occur in February and August and indemnity claims file reviews will occur in April and October.

5. Future items the Workers' Compensation Ad Hoc Committee will review:

Claims auditor

Nurse triage

Bill review

FISCAL IMPACT

None

RECOMMENDED ACTION

The Workers' Compensation Committee recommends that the Board adopt the following:

1. Utilize the services of MyMatrixx, as the vendor for PBM services;
2. Do not proceed with a MPN at this time;
3. Add telehealth options for medical (Concentra) and physical therapy to the list of available providers.

ATTACHMENTS

None



AGENDA ITEM SUMMARY

ITEM 15.0

TITLE: NEW REMIF BOARD POLICIES

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

The Board of Directors has requested that necessary and relevant Board Policies be drafted, reviewed and adopted as REMIF Board policies. Board Policies require ratification by the Board of Directors.

This item is being presented for approval.

BACKGROUND

It is important to organizations to have up to date, relevant and applicable policies that are followed. Policies clarify roles and responsibilities, which promote positive working relationships among the Board, the General Manager, and staff.

Policies foster more consistent decisions, thus improving understanding and morale. Policies also save the Board time, money, and effort by settling questions that might otherwise repeatedly surface, improve relations because expectations are clarified, reduce pressure on the Board and curtail criticism when decisions are based on established policy. They also give the Board, the General Manager and staff a sense of direction based upon a solid policy foundation, promote continuity of action, which is especially important when members from the Board of Directors and staff change, help ensure a better-informed Board, General Manager and staff, and assist in the orientation of newcomers.

Below please find a listing of a new recommended Board Policies to be adopted (**changes to existing policies or new policies are highlighted in yellow**). A copy of each DRAFT policy is attached. Changes to the investment policy come at the recommendation of our investment manager. The IT policy and the Target Equity Policy were provided to the Board of Directors for review/comment at a prior meeting. The Underwriting Policy is being provided to the Board of Directors (first viewing) as a discussion item. The Credit Card policy is being provided to the Board of Directors (first viewing) as a discussion item.

POLICY #	NAME OF POLICY	DATE ORIGINAL POLICY WAS BOARD APPROVED and DATE BOARD CONFIRMED POLICY	RECOMMENDATIONS	NEEDED FOR CAJPA ACCREDITATION?
1	REMIF Records Retention	01/28/94; 09/27/18	n/a	Yes
2	Legal Fees to Obtain Coverage Opinions	04/06/94; 09/27/18	n/a	No
3	Automobile Purchase	Repealed on 09/27/18	n/a	No
4	Pre-Employment Physical	01/31/97; 09/27/18	n/a	No
5	Flood and/or Earthquake Insurance Funds Allocation	10/02/97; 09/27/18	n/a	No
6	Mileage Reimbursement Rate	06/29/98; 09/27/18	n/a	No

POLICY #	NAME OF POLICY	DATE ORIGINAL POLICY WAS BOARD APPROVED and DATE BOARD CONFIRMED POLICY	RECOMMENDATIONS	NEEDED FOR CAJPA ACCREDITATION?
7	Refund Policy for the Workers' Compensation and General/Auto Liability Coverage Programs	06/29/98; 09/27/18	n/a	Yes
8	Handling of Late Claims by City Attorneys	06/29/98; 09/27/18	n/a	No
9	Use of Vehicles for City Business/Use of City-Owned Vehicles	09/27/18	n/a	No
10	Assignment of Defense Attorneys to REMIF Covered Claims/Lawsuits Filed Against the Covered Member Entities	10/27/05; 09/27/18	n/a	No
11	Training Seminar Participation	06/24/14; 09/27/18	n/a	No
12	REMIF's Defense Attorneys	08/16; 09/27/18	n/a	No
13	REMIF Investment	09/29/16; 09/27/18; FIRST DRAFT of recommended changes provided to Board of Directors on 09/26/19 (changes at recommendation from investment manager)	Being presented for adoption at 09/26/19 Board of Directors meeting	Yes
14	OPEB Investment	10/31/17; 09/27/18	n/a	Yes
15	Conflict of Interest	09/27/18; 09/27/18	n/a	Yes
16	Frequency of Actuarial Studies and Claims Audits	09/27/18; 09/27/18	n/a	Yes
17	Sexual Harassment	09/27/18	n/a	No
18	Non-Discrimination	09/27/18	n/a	No
19	Qualifications of REMIF Board Treasurer	09/27/18	n/a	Yes
20	Written Documentation of Investment Controls	01/25/19	n/a	Yes
21	Target Equity	FIRST DRAFT provided to Board of Directors on 04/25/19 SECOND DRAFT is attached (substantive changes incorporated)	Being presented for adoption at 09/26/19 Board of Directors meeting	Yes

POLICY #	NAME OF POLICY	DATE ORIGINAL POLICY WAS BOARD APPROVED and DATE BOARD CONFIRMED POLICY	RECOMMENDATIONS	NEEDED FOR CAJPA ACCREDITATION?
22	IT Policy	FIRST DRAFT provided to Board of Directors on 06/20/19 SECOND DRAFT is attached (no substantive changes made)	Being presented for adoption at 09/26/19 Board of Directors meeting	Yes
23	Underwriting Policy	FIRST DRAFT provided to Board of Directors on 09/26/19	Being presented for review at 09/26/19 Board of Directors meeting	Yes
24	Credit Card Policy	FIRST DRAFT provided to Board of Directors on 09/26/19	Being presented for review at 09/26/19 Board of Directors meeting	No
*	Loss Control		Adopt policy at future meeting	Yes
*	Coverage and Claims Dispute		Adopt policy at future meeting	Yes
Bylaws	Settlement Authority	In REMIF bylaws	Keep in place as currently worded	Yes

FISCAL IMPACT

None

RECOMMENDED ACTION

Adopt changes to Policy #13 – REMIF investment policy
 Adopt Policy #21 – Target equity policy
 Adopt Policy #22 – IT policy

(Policy #23 – Underwriting policy and Policy #24 – credit card policy are provided for review only)

ATTACHMENTS

- 15.1 Policy #13 – Investment Policy
- 15.2 Policy #21 – Target Equity Policy
- 15.3 Policy #22 – IT Policy
- 15.4 Policy #23 – Underwriting Policy
- 15.5 Policy #24 – Credit Card Policy

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

INVESTMENT POLICY

ADOPTED ~~October 28, 2014~~ **October 28, 2019**

I. Investment Philosophy

A. Policy

- I. This Investment Policy is set forth by the Redwood Empire Municipal Insurance Fund (hereinafter referred to as "REMIF" or "Fund"), for the following purposes:
 - a. To establish a clear understanding for the governing body, management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of REMIF's idle and surplus funds;
 - b. To offer guidance to the Board, Finance Director and any external investment advisers on the investment of REMIF funds; and
 - c. To establish a basis for evaluating investment results.
2. REMIF establishes investment policies that meet its current investment goals. The Fund shall review this policy annually, and may change its policies as its investment objectives change.

B. Objectives

All investment management decisions and activities must assure ongoing compliance with all Federal, State and local laws governing the investment of moneys under the control of the Board. The primary objectives, in priority order, of REMIF's investment activities shall be:

1. *Safety*: The primary objective of this policy is to protect, preserve and maintain cash and investments of the Fund.
2. *Liquidity*: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash, as necessary, to meet disbursement requirements. The liquidity percentage will be determined, from time to time, from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.

3. *Return:* Within the constraints of safety and liquidity and in compliance with state and federal regulations and this investment policy, the portfolio will be designed to attain a "market average rate of return" consistent with the agreed upon benchmark.
4. *Diversification:* The portfolio will be diversified in order to avoid incurring unreasonable and avoidable risks regarding specific types of securities or individual financial institutions.
5. *Public trust:* All participants in the investment process shall act as custodians of the public trust, and shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with the degree of professionalism that is worthy of public trust.

C. Prudence and Indemnification

- I. **Prudent Investor Standard:** Management of REMIF's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

2. **Indemnification:** Officers and employees of REMIF responsible for managing REMIF funds, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

D. Ethics and Conflicts of Interest

Officers and employees of REMIF involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

II. Operational and Procedural matters

A. Scope

This investment policy applies to all financial assets and investment activities under the control of the Fund with the following exceptions:

1. Retirement funds and other post-employment benefits (OPEB) funds that are governed by other investment policies and objectives; and
2. Bond proceeds whose investments shall be governed by the provisions of the related bond indentures.

B. Delegation of Authority

California Government Code Sections 53600 through 53601.6 provide legal authorization for investment of the funds of local agencies. All investments of REMIF shall conform to the restrictions of those laws.

Management responsibility is here by delegated to General Manager and the Finance Director, who shall establish procedures for the operation of the investment program. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. The responsibility for investment transactions may be delegated to staff personnel or an outside professional service.

C. Authorized Financial Dealers and Institutions

1. REMIF's Finance Director shall determine which financial institutions are authorized to provide investment services to the Fund. Institutions eligible to transact investment business with the Fund include:
 - a. Primary government dealers as designated by the Federal Reserve Bank;
 - b. Nationally or state-chartered banks;
 - c. The Federal Reserve Bank; and
 - d. Direct issuers of securities eligible for purchase by the Fund.
2. Selection of financial institutions and broker/dealers authorized to engage in transactions with the Fund shall be at the sole discretion of

REMIF, except where the REMIF utilizes an external investment adviser in which case the REMIF may rely on the adviser for selection.

3. All financial institutions that are or desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the REMIF Finance Director with a statement certifying that the individual responsible for the account has reviewed and understands the California Government Code Section 53600 *et seq.* and the Fund's Investment Policy and intends to present only those transactions appropriate under the policy.
4. Selection of broker/dealers used by an external investment adviser retained by the Fund shall be at the sole discretion of the investment adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.
5. Public deposits shall be made only in qualified public depositories within the State of California as established by State law. Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

D. Delivery vs. payment

~~All investment transactions of REMIF shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.~~ Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.

E. Safekeeping of securities

All securities owned by REMIF shall be held in safekeeping by a third party bank trust department, acting as agent for the Fund under the terms of a custody agreement executed by the bank and by REMIF. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by REMIF from the custodian listing all securities held in safekeeping with current market data and other information.

III. Permitted investments and portfolio risk management

A. Authorized Investments

All investments shall be made in accordance with Sections 53600 *et seq.* of the Government Code of California and as described within this Investment Policy. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in

this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

Permitted investments under this policy shall include:

- 1) U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Fund may invest in U.S. Treasuries.
- 2) Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Fund may invest in government- sponsored enterprises, provided that-:
 - a. No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
 - b. The maximum maturity does not exceed five (5) years.

2)3) Municipal securities provided that:

- a. They are an obligation of any of the 50 states in the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California; or,
- b. They are an obligation of a local agency within the State of California;
- c. The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
- d. No more than 5% of the portfolio may be invested in any single issuer.
- e. No more than 30% of the portfolio may be in Municipal Securities.
- ~~b. and~~
- e.f. Their maturity does not exceed 5 years.

3)4) Bankers' acceptances provided that:

- a. They are issued by institutions the short term obligations of which are rated a minimum of ~~PI by Moody's or A-1~~ or its equivalent or better by S&Pat least one NRSRO; or, if the short term obligations are unrated, the long-term obligations of which are rated a minimum of the rating category of A or its equivalent or better by Moody's and S&Pat least one NRSRO;
- b. The maturity does not exceed 180 days; and
- c. No more than 40% of the total portfolio may be invested in bankers' acceptances and no more than 5% per issuer.

4)5) Time deposits (Non-negotiable certificates of deposit) in a nationally or state-chartered bank or a state or federal association, or a state-licensed branch of a foreign bank to the extent that deposits are insured by the Federal Deposit Insurance Corporation (FDIC), provided that:

- a. No more than 30% of the portfolio shall be invested in a combination of federally insured and collateralized time deposits; and,
- b. The maturity of such deposits does not exceed 5 years.

5)6) Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- a. The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- a.b. Any amount above the FDIC insured limit must be ~~They are~~ issued by institutions which have long-term obligations which are rated in a rating category of "A" or its equivalent or higher by at least ~~two~~ one ~~nationally recognized statistical rating organization~~ NRSRO; and/or have short term debt obligations rated "A-1" or higher, or the equivalent, by at least ~~two nationally recognized statistical rating organization~~ one NRSRO;
- b.c. The maturity does not exceed 5 years; and
- e.d. No more than 30% of the total portfolio may be invested in NCDs and no more than 5% per issuer.

6)7) Commercial paper provided that:

- a. The maturity does not exceed 270 days from the date of purchase;
- b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;

- c. They are issued by institutions whose short term obligations are rated "A-1" or higher, or the equivalent, by at least ~~two-one nationally recognized statistical rating organization~~NRSRO; and whose long-term obligations are rated ~~'in the rating category of "A" or its equivalent~~ or higher by at least ~~two-one nationally recognized statistical rating organization~~NRSRO; and,
- d. No more than 25% of the portfolio is invested in commercial paper and no more than 5% per issuer.

7)8) State of California Local Agency Investment Fund (LAIF), provided that:

- a. the Fund may invest up to the maximum permitted amount in LAIF; and,
- b. LAIF's investments in instruments prohibited by or not specified in the Fund's policy do not exclude it from the Fund's list of allowable investments, provided that the fund's reports allow the Fund's Finance Director to adequately judge the risk inherent in LAIF's portfolio.

8)9) Sonoma County Pooled Investment Fund, provided that:

- a. the Fund does not exceed 10% of the portfolio in the County Pool.

9)10) Corporate medium term notes, provided that:

- a. such notes have a maximum maturity of five years;
- b. are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;
- c. shall be rated "A" category or better by at least ~~two-one~~ nationally recognized statistical rating organization; and,
- d. holdings of medium-term notes may not exceed 30 percent of the portfolio and no more than 5% per issuer.

~~10~~11) **Money market mutual funds** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940:

- a. Provided that such funds meet either of the following criteria:
 - i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two ~~nationally recognized statistical rating organizations~~ NRSROs; or,
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 (a through ~~jk~~) and with assets under management in excess of \$500 million.
- b. purchases of securities authorized by this subdivision may not exceed 20% of the portfolio.

12) Asset-Backed, Mortgage-Backed, Mortgage Passthrough securities, and collateralized Mortgage Obligations From Issuers Not Defined in Sections 1 and 2 of the Permitted Investments Section of this Policy, provided that:

- a. The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- b. No more than 20% of the total portfolio may be invested in these securities
- c. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer
- d. The maximum legal final maturity does not exceed five (5) years

13) Supranationals, provided that:

- a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- b. No more than 20% of the total portfolio may be invested in these securities.
- c. No more than 30% of the total portfolio may be invested in these securities.
- d. No more than 10% of the portfolio may be invested in any single issuer.

e. The maximum maturity does not exceed five (5) years.

B. Investment Pools

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

C. Collateralization

Certificates of Deposit (CDS). REMIF shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. REMIF shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

B.D. Portfolio Risk Management

A. Prohibited investment vehicles and practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options. This does not apply to securities with embedded call options (see Section VIII C 2).
2. In accordance with Government Code Section 53601.6, investment in inverse

floaters, range notes, or mortgage derived interest-only strips is prohibited.

3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. The purchase of foreign currency denominated securities is prohibited.

B. Mitigating credit risk in the portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. REMIF shall mitigate credit risk by adopting the following strategies:

1. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities;
2. REMIF may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Fund's risk preferences; and,
3. If securities owned by the Fund are downgraded ~~by either Moody's or S&P~~ to a level below the quality required by this Investment Policy, it shall be REMIF's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to the REMIF Board.

C. Mitigating market risk in the portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. REMIF recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. REMIF shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. REMIF further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. REMIF, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. REMIF shall maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
2. The maximum percent of callable securities (excluding make-whole calls) in the portfolio shall be 15%;

3. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy; and,
4. The duration of the portfolio shall at all times be approximately equal to the duration of a Market Benchmark Index selected by REMIF based on the Fund's investment objectives, constraints and risk tolerances.

IV. Specific objectives and expectations

Specific objective The investment portfolio shall be designed commensurate with the investment risk, constraints and cash flow needs of the Fund and with the overall investment performance objective of earning a total rate of return throughout economic and market cycles which is approximately equal to the return on the Benchmark Index selected by REMIF.

V. Reporting, internal controls and Policy review

A. Monthly reports

Monthly investment reports shall be submitted by the portfolio manager to the Treasurer/Finance Officer. These reports shall disclose, at a minimum, the following information about the risk characteristics of the Fund's portfolio:

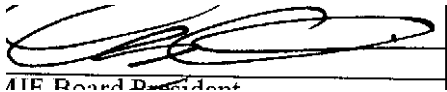
1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate;
2. A one-page summary report which shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and
 - d. Time-weighted total rate of return for the portfolio for the prior three months, twelve months, year to date, and since inception compared to the Benchmark Index returns for the same periods;
3. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution; and

4. A statement that the Fund has adequate funds to meet its cash flow requirements for the next six months.

B. Internal controls

A system of internal controls shall be established and maintained in written form designed to ensure that the assets of the Fund are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The most important controls are: control of collusion, separation of duties, separation of transaction authority from accounting and bookkeeping, custodial safekeeping, delegation of authority, limitations regarding losses and remedial action, written confirmation of telephone transactions, minimization of the number of authorized investment officials, documentation of transactions and strategies, and annual review of controls by the Finance Director.

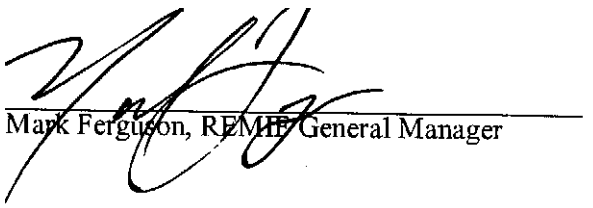
Approved by:



REMIF Board President

9/29/16

Date



Mark Ferguson, REMIF General Manager

9/29/16

Date

Policy #21.0
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
TARGET EQUITY POLICY STATEMENT

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I.

PURPOSE

The purpose of this policy statement is to give guidance to the Board of Directors in making annual funding, dividend and assessment decisions for the REMIF programs, which include the self-funded portions of Workers' Compensation, Liability, Property, Auto Physical Damage (APD), Medical, Dental and Vision programs.

By adoption of this policy statement, the Board of Directors acknowledges the long-term financial strength of the REMIF programs are of utmost importance.

The Board of Directors acknowledges there is a degree of uncertainty in the annual actuarial estimates due to the possibility of catastrophic claims and inconsistent or inaccurate case reserving and the variability of claim frequency. Therefore, the Board of Directors desires to fund the REMIF programs in a cautious and prudent manner and return equity to its members in an equally cautious and prudent manner.

It is the policy of REMIF to conservatively fund its programs to maintain sufficient assets to pay all losses and avoid substantial fluctuations to contributions.

REMIF will create and maintain a Rate Stabilization Fund in order to mitigate the effect of rate increases.

Before any decision on an equity distribution is made, the Board of Directors desire to have a comprehensive review of REMIF's financial position, ~~before deciding on an equity distribution~~. REMIF has determined that the establishment and monitoring of ~~four~~ benchmarks (to include the following benchmarks: net contribution to equity, claim reserves and IBNR to net equity, prior year loss development, changes in equity attached as Appendix A) in conjunction with the Retrospective Premium Adjustment (RPA) calculation will enhance the Board's understanding of REMIF's overall financial position.

Commented [RS1]: I don't think we have this policy.

Commented [AN2]: We don't, but I think we can do a RPA calculation outside of a policy. Do you agree?

Commented [RS3]: While I agree, I think it would make sense to have a policy that documents how it is being calculated. The policy can come later.

II.

DEFINITIONS

"Claims Paid to Date" is the amount actually paid on reported claims at the date of valuation.

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"Confidence Level" is a statistical term used to express the degree to which an actuarial projection (usually "Ultimate Net Loss" or "IBNR") will be an accurate prediction of the dollar losses ultimately paid for a given program year or combination of years. The higher a "Confidence Level" the greater certainty the actuary has that losses will not exceed the dollar value used to attain that "Confidence Level".

"Equity" is the amount of funds remaining, after deducting all administrative and excess insurance costs, available to pay claims in excess of actuarial expected losses discounted for investment income

at the actuarially determined “Expected” or “Confidence Level”. Rate stabilization funds, if any, are not included in equity or target equity calculations.

~~“Expected Liabilities” is the total of all “Outstanding Reserves”, “IBNR”, and Unallocated Losses Adjustment Expense “ULAE”, discounted, at the “expected” confidence level, which by industry standard translates roughly to the 50% to 56% “Confidence Level” as determined by the independent actuary.~~

“Incurred But Not Reported (IBNR)” is the estimate of the funds needed to pay for covered losses that have occurred but have not yet been reported to the member and/or REMIF. “IBNR” includes (a) known and unknown loss events that are expected to be claims; and (b) expected future development on claims already reported.

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“Monthly Billing” is the total amount billed to the members for the Health Benefits program.

~~“Net Contribution” includes the total contributions from members less the excess insurance cost.~~

~~“Net Present Value” is the discounting of future cash flows to current values by taking into account the time value of money.~~

“Self Insured Retention” or “SIR” is the maximum amount of exposure to a single loss retained by REMIF.

“Outstanding Reserves” are the sum total of unpaid case reserves in the “Self Insured Retention” as provided by the loss run report.

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“Retrospective Premium Adjustment” is a funding method in which the contributions are directly affected by losses that occur during a fiscal year. The member pays provisional contributions based on projected losses. After the fiscal year has ended, the contributions are adjusted up or down to reflect the member’s actual loss experience during the period of coverage. General administrative and administrative costs will be considered in determining retrospective premium adjustments.

“Target equity” is the desired equity the Board of Directors wants to achieve in each program.

“Ultimate Net Loss” is the sum of “Claims Paid to Date”, “Outstanding Reserves” and “IBNR”, all within REMIF’s “Self Insured Retention”. It is the estimate of the total value of all claims that will ultimately be made against members for which REMIF is responsible.

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~~Unallocated Loss Adjustment Expense “ULAE” are expenses that are not attributed to the processing of a specific claim.~~

III.

RATIOS

“Net Contribution” to “Equity” ratio:

This ratio is a measure of how “Equity” is leveraged against possible pricing inaccuracies. A low ratio is desirable.

“Expected Liabilities” to “Equity” ratio: _____

~~This ratio is a measure of flexibility the pool has to absorb development of expected losses. A low ratio is desirable.~~

~~“Equity” to “Self Insured Retention” ratio: _____~~

~~This ratio is a measure of the maximum amount that “Equity” could decline due to a single loss. A high ratio is desirable.~~

~~“Equity” to “Monthly Billing” ratio: _____~~

~~This ratio is a benchmark for the minimum fund balance. A high ratio is desirable.~~

~~Operating ratio: _____~~

~~This ratio is a measure of the inflows versus the outflows in each program year. An operating ratio of less than 100% is desirable.~~

~~Reserve Development: _____~~

~~This is a measure of the change in aggregate ultimate losses from one valuation period to the prior valuation(s). Generally, the one year and two year reserve development to “Equity” threshold should be less than 20%.~~

~~Change in Equity: _____~~

~~This ratio measures if a decline in equity in excess of 10% warrants an increase in annual contribution or an assessment.~~

III.V.

TARGET EQUITY POLICY FOR WORKERS' COMPENATION PROGRAM

The Workers' Compensation Program Target Funding shall be adopted as follows:

1. Funding for the self-insured retention layer (which is currently at \$1,000,000) each year will be at the 75% confidence level (to be determined annually by an actuary) or at the Board of Director's discretion.
2. After funding at the 75% confidence level, t-he target equity goal is set at five times the self-insured retention layer (which is currently \$1,000,000, so five times the SIR would be \$5,000,000). SIR or \$5 million.
3. After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed \$750,000 shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The Fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of the \$750,000 fund.
4. After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, funding in the equity balance in excess of the 90% confidence level, excluding the target equity and the Rate Stabilization Fund, will be available for distribution, at the Board of Director's discretion.
5. If funding the equity falls below the 70% confidence level, according to actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.
6. Before any decision on an equity distribution is made, the Board of Directors will have a comprehensive review of REMIF's financial position before deciding on an equity distribution.

Commented [RS4]: If the SIR changes, we will have to change the document. Maybe, we can say “for example, the current SIR is \$1M, so 5 times SIR is \$5M)

Commented [ANSR4]: Good point – thank you!

Commented [RS6]:

76. ___ If there is a distribution, the distribution shall be applied using a Retrospective Premium Adjustment (RPA). —After seven years have passed, and if there is a distribution, a program year shall be available for Retrospective Premium Adjustments (RPA).

87. If distributions are declared by the Board of Directors, RPA distributions will be made in the following percentages:

50% of equity in year 8

60% of equity in year 9

70% of equity in year 10

80% of equity in year 11

90% of equity in year 12

98. Program years may be considered for closure 15 years after the year-end, and it has been at least one year since closure of the last claim in the proposed year(s). Once declared closed, 100% of remaining equity may be distributed to members through the RPA, if applicable.

109. If a claim is reported or reopened after a year has been closed and equity returned, the Target Equity reserve will be used first to cover the deficit.

~~10. — Before any decision on an equity distribution is made, the Board of Directors will have a comprehensive review of REMIF's financial position before deciding on an equity distribution. The four benchmarks in Appendix A will be reviewed before distributions are made.~~

IV.

TARGET EQUITY POLICY FOR LIABILITY PROGRAM

The Liability Program Target Funding shall be adopted as follows:

1. ___ Funding for the self-insured retention layer (which is currently at -\$500,000) each year will be at the 75% confidence level (to be determined annually by an actuary) or at the Board of Director's discretion.

2. ___ After funding at the 75% confidence level, the target equity goal is set at five times the \$500,000 SIR or \$2.5 million.

3. ___ After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed ~~\$375,500,000~~ shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The Fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of the ~~\$375,500,000~~ fund.

4. ___ After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, ~~funding in excess~~ the equity balance in excess of the 90% confidence level, excluding the target equity and the Rate Stabilization Fund, will be available for distribution, at the Board of Director's discretion.

5. ___ If ~~funding the equity~~ falls below the 70% confidence level, according to actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.

6. ___ If there is a distribution, the distribution shall be applied using a Retrospective Premium Adjustment (RPA). After five years have passed, and if there is a distribution, a program year shall be available for Retrospective Premium Adjustments (RPA).

7. ___ If distributions are declared by the Board of Directors, RPA distributions will be made in the following percentages:

50% of equity in year 6

60% of equity in year 7

70% of equity in year 8

80% of equity in year 9

Commented [RS7]: How are we getting this number and is it enough?

Commented [AN8R7]: ¼ of the SIR. Same as WC. Think those should be higher?

Commented [RS9]: Yes I do think it needs to be higher. For the liability program, we are funding about \$2.8M. \$375K won't make a dent in a program that is susceptible to volatility. Maybe \$1M.

90% of equity in year 10

8. ___ Program years may be considered for closure 15 years after the year-end, and it has been at least one year since closure of the last claim in the proposed year(s). Once declared closed, 100% of remaining equity may be distributed to members through the RPA, if applicable.

9. Before any decision on an equity distribution is made, the Board of Directors will have a comprehensive review of REMIF's financial position before deciding on an equity distribution. The four benchmarks in Appendix A will be reviewed before distributions are made.

VI.

TARGET EQUITY POLICY FOR PROPERTY PROGRAM

While the property program is primarily covered through Alliant's APIP program (coverage obtained through CJPRMA, ~~with a \$100,000 deductible) and with a flood deductible buy down (from a \$250,000 to a \$100,000 deductible)~~, REMIF does retain a layer of self-insured retention coverage between the member's deductible (~~\$5,000 or \$10,000~~) and the APIP coverage through CJPRMA.

[It should be noted that DIC (earthquake) coverage is also available to members, and the member's deductible for the DIC coverage is \$100,000 or 5% of the claim. REMIF does not retain a layer of with DIC coverage.]

1. ___ Funding for the self-insured retention layer (~~which is \$100,000~~) each year will be at the 75% confidence level (to be determined annually by an actuary, if needed) or at the Board of Director's discretion.

2. ___ After funding at the 75% confidence level or at Board of Director's discretion, the target equity goal is set at five times the ~~SIR, \$100,000 SIR or \$500,000~~.

3. ___ After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed ~~\$75250,000~~ shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of ~~\$75250,000~~.

4. ___ After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, funding the equity balance in excess of the 90% confidence level will be considered excess.

5. ___ Excess funding equity, as mentioned in #4, can be used, at the Board of Director's discretion, as credits towards the following fiscal year's contributions (a "premium holiday"), rather than distributions.

6. ___ If the overall confidence level falls below 70% according to actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.

VII.

TARGET EQUITY POLICY FOR AUTO-PROPERTY DAMAGE (APD) PROGRAM

~~While the property program is primarily covered through a commercial insurer (coverage obtained through CJPRMA, with a \$10,000 deductible), REMIF does retain a layer of self-insured retention coverage between the member's deductible (\$5,000 or \$10,000) and the coverage through CJPRMA. In addition, only vehicles valued over \$25,000 are reported to CJPRMA. REMIF retains the layer of self retention up to \$25,000 valued vehicles.~~

Commented [RS10]: If we change carriers, SIR or deductible, this paragraph may not work.

Commented [RS11]: This will change

Commented [RS12]: We should update this;

Commented [RS13]: This may not be enough

Commented [AN14R13]: It's that ¾ number. What do you suggest? I used ¾ off another JPA.

Commented [RS15]: Now that we are funding \$300K for 2 claims in the property program, maybe \$150K. 1 claim.

Commented [RS16]: This means we will have to get an actuarial study.

Commented [AN17R16]: I think that's ok. Do you have any objection? The tail on property claims is so small - I don't think it would be expensive to have an actuary run numbers real quick.

Commented [RS18]: I don't have an objection.

1. ~~_____ Funding for the self-insured retention layer (which is up to \$25,000) each year will be at the 75% confidence level (to be determined annually by an actuary, if needed) or at the Board of Director's discretion.~~
2. ~~_____ After funding at the 75% confidence level, the target equity goal is set at five times the \$25,000 SIR or \$125,000.~~
3. ~~_____ After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed \$17,50025,000 shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of \$17,50025,000.~~
4. ~~_____ After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, the equity balance funding in excess of the 90% confidence level will be considered excess.~~
5. ~~_____ Excess funding equity, as mentioned above, can be used, at the Board of Director's discretion, as credits towards the following fiscal year's contributions (a "premium holiday"), rather than distributions.~~
6. ~~_____ If the overall confidence level falls below 70% according to actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.~~

VIII.

TARGET EQUITY POLICY FOR MEDICAL PROGRAM

1. _____ Funding for self-insured ~~health program includes consideration of the self-insured~~ retention layer (which is ~~currently at \$175250,000~~) and ~~various other costs associated with the~~for the program (~~stop loss, prescription, network costs, etc~~). ~~The funding~~ each year will be determined by an actuary or at the Board of Director's discretion.
2. _____ After funding at the actuary's determination or the Board of Director's discretion, the target equity is set at six times the average monthly ~~total member medical premium billing~~ (monthly ~~billing is an~~ average of the previous 12-month period).
3. _____ After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed ~~3 times the average monthly billing (monthly billing is an average of the previous 12-month period)~~ ~~\$1 million~~ shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of ~~three times the average monthly billing~~ ~~\$1 million~~.
4. _____ After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, ~~funding the equity balance~~ in excess of the actuary's recommendations level will be considered excess.
5. _____ Excess ~~funding equity, as mentioned above~~ can be used, at the Board of Director's discretion, as credits towards the following fiscal year's contributions (a "premium holiday"), rather than distributions.
6. _____ If the funding falls below actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.

VIII.

TARGET EQUITY POLICY FOR DENTAL PROGRAM

- Commented [RS19]: this may not be enough as we are doing monthly billing for \$1M per month
- Commented [AN20R19]: See changes
- Commented [RS21]: Love it!

1. Funding for dental program includes consideration of the self-insured retention layer and is primarily determined by the average cost of claims (which is \$250,000) and various other costs associated with for the program each year. The funding will be determined by an actuary or at the Board of Director's discretion.
2. After funding at the actuary's determination or the Board of Director's discretion, the target equity is set at six times the average monthly billing (monthly billing is an average of the previous 12-month period).
3. After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed \$30,000+ million shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of \$30,000+ million.
4. After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, funding the equity balance in excess of the actuary's recommendations level will be considered excess.
5. Excess funding equity, as mentioned above, can be used, at the Board of Director's discretion, as credits towards the following fiscal year's contributions (a "premium holiday"), rather than distributions.
6. If the funding falls below actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.

IXVIII.

TARGET EQUITY POLICY FOR VISION PROGRAM

1. Funding for vision program includes consideration of the self-insured retention layer and is primarily determined by the average cost of claims (which is \$250,000) and various other costs associated with for the program each year. The funding will be determined by an actuary or at the Board of Director's discretion.
2. After funding at the actuary's determination or the Board of Director's discretion, the target equity is set at six times the average monthly billing (monthly billing is an average of the previous 12-month period).
3. After the target equity goal is reached, a Rate Stabilization Fund in an amount not to exceed \$25,000+ million shall be maintained to off-set pool and excess rate increases as determined by the Board of Directors. The fund will be replenished prospectively at the Board of Director's discretion when the fund falls below 50% of \$25,000+ million.
4. After the target equity goal is reached and after the Rate Stabilization Fund is established and fully funded, funding the equity balance in excess of the actuary's recommendations level will be considered excess.
5. Excess funding equity, as mentioned above, can be used, at the Board of Director's discretion, as credits towards the following fiscal year's contributions (a "premium holiday"), rather than distributions.
6. If the funding falls below actuarial projections, the Board of Directors may declare an assessment to be shared by all program participants.

APPENDIX A – FINANCIAL BENCHMARKS

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Net Contribution to Equity

Calculation: — (Contribution – Excess Insurance) / Equity

Measures the impact of pricing inaccuracies on equity (a low ratio is desirable). A low ratio indicates that more equity is available to cover under-charged years. The target is less than 200%.

Claim Reserves and IBNR to Equity

Calculation: — (Claim Reserves + IBNR + ULAE) / Equity

Measures the impact of reserves inaccuracies on equity (a low ratio is desirable). A low ratio indicates more equity available to cover years with large losses. The target is less than 300%.

Prior Year Loss Development

Calculation: — (Year 1 Loss reserves / Year 2 Loss reserves) / (Yr 2 / Yr 3) /

Measures the change in loss reserves from one year to the prior year. A lower ratio indicates not much change in reserves between years. Target of less than 20% is desirable.

Change in Equity

Calculation: — (Year 2 Equity / Year 1 Equity) /

Measures the change in equity. Any increase is desirable. The target is less than 10%.

END.

Policy #22.0
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
INFORMATION TECHNOLOGY POLICIES AND PROCEDURES

Introduction

Welcome to the Information Technology Policies and Procedures document for REMIF. Proper use of Information Technology is vital to our ability to provide high quality and high value services to our members.

These policies and procedures have been developed to standardize the approach to the use of Information Technology. More specifically, they are designed to protect such resources as we would other core assets and to maximize the value and usefulness of these assets.

Purpose

This technology services policies and procedures manual exists to communicate accepted methods dealing with the use of technology in our organization in a clear and organized manner.

Scope

Unless otherwise stated, these policies apply to all employees, management, contractors, vendors, business partners and any other parties who have access to the technology tools in use at REMIF.

Non-compliance

Any employee found to have violated these policies may be subject to disciplinary action, up to and including termination of employment. Deliberate violation could include civil and/or criminal prosecution.

Acceptable Use

Purpose

The purpose of Acceptable Use policies and procedures is to inform employees of REMIF of the rules and procedures that exist for appropriate use of the various technological tools and applications within the organization.

In general, all technological resources owned, leased, licensed or otherwise in use at REMIF are to be used for business purposes and in a safe and professional manner. Specific lists of acceptable and unacceptable uses exist in individual policies when appropriate.

Ownership and Privacy

All data, messages, files and other content created or stored on our organization's technology resources are the property of REMIF. Users of our resources cannot expect privacy rights to extend to information stored on or traveling through our systems.

REMIF reserves the right to inspect all data on any system as a normal course of business.

Outside Parties

Contractors, vendors, business partners and any other parties who have access to the technology tools in use at REMIF are required to review and acknowledge these policies prior to being provided access to our resources.

Security/Privacy

Data Classification and Disclosure

Public/Unclassified: Information that is generally available to anyone within or outside of the company. Access to this data is unrestricted, may already be available and can be distributed as needed. Examples of Public/Unclassified data are promotional materials, financial audits, agendas, minutes, newsletters and handouts. Employees may send or communicate a public/unclassified piece of data with anyone inside or outside of the organization.

Private: This is defined as information that is to be kept within the organization. Access to this data may be limited to specific departments and cannot be distributed outside of the workplace. Examples of Private data are claims data and communications related to specific claims. Employees may not disclose private data to anyone who is not a current employee of the company.

Confidential: This is defined as personal or organization information that may be considered potentially damaging if released and is only accessible to specific groups (HR, WC claims department, etc.). Examples of Confidential data are social security numbers, contact information, communications and other specific claims related data. Employees may only share confidential data within the department or named distribution list.

Data Protection Compliance

HIPAA: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) sets requirements for employers and health service providers in the handling of personal and medical related information. Workers' compensation carriers, including self-insured employers and administrative agencies, are not covered entities under HIPAA. Health-related information being exchanged in conjunction with a workers' compensation claim or appeal is exempted from HIPAA.

SB 1386 & AB 1298: The California Information Practice Act (SB 1386) requires companies that own or have access to personal information of California residents to notify them if their data has (or may have) been accessed illegally. Personal information is defined as an

individual's first name or initial and last name in combination with one or more of the following: a social security number, driver's license number (or CA ID number), financial account number and/or credit or debit card information including numbers and passwords, PINs and access codes. AB 1298 expands the definition of personal information to include medical information and health insurance information such as policy number or subscriber identification number or any information in an individual's application and claims history. The General Manager will as the sensitive data security and incident coordinator as it relates to this Act. The coordinator should ensure adequate training in the organization as to the extent of the coverage of the Act and what might constitute a breach. The coordinator will oversee the identification of databases and documents that contain applicable information and ensure adequate controls and security measures are in place. Suspected breaches should be reported to the coordinator who will conduct an assessment. Based on this assessment, the coordinator, with the concurrence of the appropriate law enforcement representatives (so the investigation might not be impeded), will arrange for the communication of the incident to affected individuals, using the communication approach deemed most appropriate. The coordinator should also review arrangements with third parties who store such data to insure they have adopted equivalent policies and procedures.

Anti-Virus: Any device that may be attached to REMIF's network(s) must have effective antivirus protection. This protection must be in working condition and updated with the most current pattern files. All email, incoming and outgoing, will be scanned by the anti-virus application. Any user that suspects that their anti-virus is not working properly or suspects that they may have contracted a virus on their computer should notify the General Manager immediately.

Software: Any software used for REMIF business must be appropriately licensed and installed. Any software, including upgrades and downloads, must be installed under the direction of the General Manager.

Removable Media: Removable media includes portable USB-based memory sticks, also known as flash drives, or thumb drives, jump drives, or key drives, memory cards in SD, CompactFlash, Memory Stick, or any related flashbased supplemental storage media, USB card readers that allow connectivity to a PC, portable MP3 and MPEG-playing music and media player-type devices such as iPods with internal flash or hard drive-based memory that support a data storage function, PDAs, cell phone handsets, and smartphones with internal flash or hard drive-based memory that support a data storage function, digital cameras with internal or external memory supportm removable memory-based media, such as rewritable DVDs, CDs, and floppy disks, any hardware that provides connectivity to USB devices through means such as wireless (WiFi, WiMAX, irDA, Bluetooth, among others) or wired network access. The policy applies to any hardware and related software that could be used to access corporate resources, even if said equipment is not corporately sanctioned, owned, or supplied. The overriding goal of this policy is to protect the integrity of the private and confidential data that resides within REMIF's technology infrastructure. This policy intends to prevent this data from being deliberately or inadvertently moved outside the enterprise network and/or the physical premises where it can potentially be accessed by unsanctioned resources. A breach of this type could result in loss of information, damage to critical applications, loss of revenue, and damage to our organization's public image. Therefore, all users employing removable media and/or USB-based technology to

backup, store, and otherwise access data of any type must adhere to these processes for doing so. Some of the threats that exist from the use removable media are: Loss Devices used to transfer or transport work files could be lost or stolen; Sensitive data is deliberately stolen and sold by an employee; Copyright Software copied onto portable memory device could violate licensing; Spyware Spyware or tracking code enters the network via memory media; Malware Viruses, Trojans, Worms, and other threats could be introduced via external media; Compliance Loss or theft of financial and/or personal and confidential data could expose the enterprise to the risk of non-compliance with various identity theft and privacy laws. Addition of new hardware, software, and/or related components to provide additional USB-related connectivity within corporate facilities will be managed at the sole discretion of the General Manager. Non-sanctioned use of USB-based hardware, software, and/or related components to back up, store, and otherwise access any enterprise-related data is strictly forbidden. It is the responsibility of any employee who is connecting a USB-based memory device to the organizational network to ensure that all security protocols normally used in the management of data on conventional storage infrastructure are also applied here.

Based on this, the following rules must be observed:

Access Control

1. IT reserves the right to refuse, by physical and non-physical means, the ability to connect removable media and USB devices to our network infrastructure. IT will engage in such action if it feels such equipment is being used in such a way that puts systems, data, users, or members at risk.
2. Prior to initial use on the network or related infrastructure, all USB-related hardware and related software must be registered with IT. A list of approved USB devices and related software is available from IT.

Security

3. Employees using removable media and USB-related devices and related software for data storage, back up, transfer, or any other action within REMIF's technology infrastructure will, without exception, use secure data management procedures. Employees agree to never disclose their passwords to anyone, particularly to family members if business work is conducted from home.
4. All USB-based devices that are used for business interests must be preapproved by IT, and must employ reasonable physical security measures. End users are expected to secure all such devices used for this activity whether they are actually in use and/or being carried. This includes, but is not limited to, passwords, encryption, and physical control of such devices whenever they contain enterprise data. Any outside computers used to synchronize with these devices will have installed whatever anti-virus and anti-malware software deemed necessary by our IT department. Anti-virus signature files on any additional client machines – such as a home PC – on which this media will be used must be updated in accordance with existing company policy.
5. All removable media will be subject to quarantine upon return to the office before they can be fully utilized on enterprise infrastructure.

6. Passwords and other confidential data as defined by our IT department are not to be stored on portable storage devices.

7. Any USB-based memory device that is being used to store our data must adhere to the authentication requirements of our IT department. In addition, all hardware security configurations (personal or company-owned) must be pre-approved by our IT department before any data-carrying memory can be connected to it.

8. Employees, contractors, and temporary staff will follow all enterprise sanctioned data removal procedures to permanently erase company-specific data from such devices once their use is no longer required.

9. Employees, contractors, and temporary staff will make no modifications of any kind to company-owned and installed hardware or software without the express approval of our IT department. This includes, but is not limited to, reconfiguration of USB ports.

10. IT may restrict the use of Universal Plug and Play on any client PCs that it deems to be particularly sensitive. IT also reserves the right to disable this feature on PCs used by employees in specific roles.

11. IT reserves the right to summarily ban the use of these devices at any time. IT need not provide a reason for doing so, as protection of confidential data is the highest and only priority.

12. IT reserves the right to physically disable USB ports to limit physical and virtual access.

13. IT reserves the right, through policy enforcement and any other means it deems necessary, to limit the ability of end users to transfer data to and from specific resources on the network.

14. Users agrees to immediately report to his/her manager and our IT department any incident or suspected incidents of unauthorized data access, data loss, and/or disclosure of company resources, databases, networks, etc.

Hardware Disposal

To protect software license agreements and the confidentiality of personal information, REMIF has a policy of pre-disposal hardware sanitation. This applies to all hardware that will be transferred externally including that which is:

- Transferred to the private ownership of employees
- Donated to charitable organizations
- Returned to vendor for servicing or maintenance
- Released to an external agency for disposal

This applies to all hardware that is being retired or disposed including servers, workstations, PDA's and cell phones and removable storage media.

For Servers, PCs and notebooks, hard drives must be “wiped” using a process meeting U.S. Department of Defense specifications or destroyed. For computers where operating systems or applications will be donated or transferred with the system, the hard drive must still be wiped. The applications may be re-installed after wiping and reformatting.

Other devices such as PDA and cell phones must be wiped of data and reset to factory settings. They may also be destroyed prior to disposal.

Removable storage such as flash memory devices, CD and DVD media, tape or other storage media should be destroyed prior to disposal.

Physical

Physical security is an important facet of any system security plan. Physical access must be regulated and an acceptable environment must be maintained as follows:

Server, Router and Wiring Closet

1. Servers, routers and the wiring closet will be located in a secure location in which access can be limited to those employees approved by the IT Manager or the Executive Director.
2. Non-employees that have been approved by the IT Manager or the Executive Director (e.g. technicians) will be accompanied by an approved IT employee while they have access to the servers.
3. Power backup systems should be in place and adequate for 10 minutes of operation during a power loss. Servers should be configured for auto shutdown if power loss is longer than 5 minutes.
4. A fire extinguisher designed for use with electronics (e.g. a carbon dioxidebased unit) will be present and visible in these locations.
5. All equipment will be either solidly on the floor, installed in secured racks or secured to a wall.
6. All units will be stored in an area of adequate environmental controls including temperature not greater than 78 degrees F. Adequate ventilation and/or fans will be provided to help dissipate heat around units including power supplies.

Workstations and Printers

All workstations will be connected to power through an uninterruptible power supply – preferably to one that provides power conditioning or, at the least, power surge protection.

Printers and Copiers

All printers and copiers will be connected to power through a surge protector.

Print and copy jobs should be picked up immediately upon completion. Printed and copied jobs containing non-public information should be observed and removed by the appropriate employee.

Passwords

Passwords are an important component of our security systems. Passwords are used to authenticate any user which can then dictate what systems and information they are authorized to access.

Therefore, passwords must be created, used and protected appropriately to insure that our security requirements are being met.

Password Construction and Modification

1. Passwords must be a minimum of 8 characters in length and use at least 3 of 4 character types (lower case letters, uppercase letters, numbers and special characters.)
2. For general applications such as workstation login, passwords must be changed annually.
3. For confidential or private data or applications vulnerable to fraud (such as the claims processing program or the accounting system), passwords must be changed quarterly.

Password Protection

4. Passwords are to be treated as confidential information. Under no circumstances is an employee to give, tell, or hint at their password to another person, including IT staff, administrators, superiors, other coworkers, friends, and family members.
5. Under no circumstances will any member of the organization request a password without the request coming from both a representative of the IT department and the user's direct manager. Should a request be made that does not conform to this standard, immediately inform both the IT department and your direct manager.
6. Passwords are not to be transmitted electronically over the unprotected Internet, such as via e-mail. However, passwords may be used to gain remote access to company resources via the company's Virtual Private Network or SSL-protected Web site.
7. No employee is to keep an unsecured written record of his or her passwords, either on paper or in an electronic file. If it proves necessary to keep a record of a password, then it must be kept in a controlled access safe if in hardcopy form or in an encrypted file if in electronic form.
8. Do not use the "Remember Password" feature of applications.

9. Passwords used to gain access to company systems are not to be used as passwords to access non-company accounts or information. Similarly, passwords used to access personal, non-work related accounts are not to be used to access company accounts.

10. Each application, system and data point should be protected by a different password where possible. The use of the same password to protect all access is strongly discouraged.

11. If an employee either knows or suspects that his/her password has been compromised, it must be reported to the IT Department and the password changed immediately. If the minimum aging requirement has not been met for the password, the IT department will reset the minimum aging for the account allowing the user to create a new password.

12. The IT Department may attempt to crack or guess users' passwords as part of its ongoing security vulnerability auditing process. If a password is cracked or guessed during one of these audits, the user will be required to change his or her password immediately.

Backup and Recovery

This section focuses on the day-to-day operational need for backup and recovery.

Data Backup and Recovery

Local Systems Backup

The local systems backup policy governs how and when data residing at REMIF's facility will be backed up and stored for the purpose of providing restoration capability. In addition, it addresses methods for requesting that backed up data be restored.

What Is Backed Up

Some programs and all data that reside on REMIF's servers are backed up. Data that resides on individual PCs, workstations or notebooks are not backed up. Data should not be stored on these devices except temporarily or as required due to circumstances. End users are strongly encouraged to save their data to the appropriate server so that their data is backed up regularly in accordance with this policy.

In addition, files that are left open at the time the backup procedure is initiated may not be backed up. End users should save and close all files, as well as all related applications, prior to the backup procedure window.

It is the responsibility of server administrators to ensure that all new servers be added to the backup routine. Prior to deploying a new server, a full backup must be performed and the ability to perform a full restoration from that backup confirmed.

Prior to retiring a server, a full backup must be performed and placed in permanent storage.

Backups are conducted automatically and routinely.

The ultimate goal of any backup process is to ensure that a restorable copy of data exists. If the data cannot be restored, then the process is useless. As a result, it's essential to regularly test one's ability to restore data from its storage media.

Much of REMIF's most critical data is stored remotely as part of hosted applications. Though these applications and related data is maintained by a third party, the data belongs to REMIF and it is our responsibility to make sure the data is protected.

The following must be considered as they relate to data stored off-site:

Third party hosts of REMIF data must be held to documented standards based on the importance of the specific system and data as follows.

Claims Application

Annually: Vendor must show proof of a comprehensive security approach. Mirrored co-location is a requirement. A documented Disaster Recovery Plan must be available for viewing by our representative. Adequate system and support including hacking and virus prevention must be demonstrated.

Web site (static)

The static and public portion of REMIF's Website should be hosted on service with demonstrated down time prevention processes including anti-hacking and anti-virus.

Systems

A system for the purposes of this section refers to individual or combined hardware or components that make up the whole of organizational technology. This can include individual workstations, servers, routers, switches, printers, battery backup systems, etc.

All systems used in REMIF should have a readily identifiable source for repair or replacement.

The General Manager is responsible for maintaining an inventory of systems and availability required of each system. The General Manager must have a process by which each system can be repaired or replaced within the parameters of the availability requirements.

Email and Messaging

Email is critical for business communication at REMIF. Messaging, including texting and Instant Messaging, may also be valuable for some communication scenarios.

Therefore, email and texting should be used in a manner consistent with other essential business communication methods.

General Expectations

Employees are expected to check their email in a consistent and timely manner. If they are not available to do so, they should set up an auto-reply so that those attempting to communicate with them in this manner will know when they should expect a reply or how they should proceed if the item is more pressing.

Users are responsible for mailbox management including organization and cleaning. They are also responsible for managing those emails marked as spam by any one of our spam filters.

Users are expected to remember that any electronic communication sent from REMIF reflects on our organization and even our members. All such communication should comply with normal standards of professional and personal courtesy and conduct.

Appropriate Use

Individuals are encouraged to use e-mail and messaging to further the goals and objectives of our organization. The types of activities that are encouraged include:

1. Communicating with fellow employees, business partners of REMIF, and clients within the context of an individual's assigned responsibilities.
2. Acquiring or sharing information necessary or related to the performance of an individual's assigned responsibilities.
3. Participating in educational or professional development activities.

Inappropriate Use

Our e-mail systems and services are not to be used for purposes that could be reasonably expected to strain storage or bandwidth (e.g. e-mailing large attachments instead of pointing to a location on a shared drive). Individual e-mail use will not interfere with others' use of our e-mail system and services.

E-mail use must comply with all applicable laws and all organizational policies.

The following activities are deemed inappropriate uses of our email and messaging systems and services and are prohibited:

1. Use of e-mail for illegal or unlawful purposes, including copyright infringement, obscenity, libel, slander, fraud, defamation, plagiarism, harassment, intimidation, forgery, impersonation, soliciting for illegal pyramid schemes, and computer tampering (e.g. spreading of computer viruses).
2. Use of e-mail in any way that violates REMIF's policies, rules, or administrative orders.

3. Viewing, copying, altering, or deletion of e-mail accounts or files belonging to our organization or another individual without authorized permission.
4. Sending of unreasonably large e-mail attachments.
5. Opening e-mail attachments from unknown or unsigned sources. Attachments are the primary source of computer viruses and should be treated with utmost caution.
6. Sharing e-mail account passwords with another person or attempting to obtain another person's e-mail account password. E-mail accounts are only to be used by the registered user.
7. Excessive personal use of REMIF's e-mail resources. REMIF allows limited personal use for communication with family and friends, independent learning, and community service so long as it does not interfere with staff productivity, pre-empt any business activity, or consume more than a trivial amount of resources. REMIF prohibits personal use of its e-mail systems and services for unsolicited mass mailings, commercial activity, political campaigning, dissemination of chain letters, and use by non-employees.

Monitoring and Confidentiality

The e-mail systems and services used at REMIF are owned by the organization, and are, therefore, its property. This gives REMIF the right to monitor any and all e-mail traffic passing through its e-mail system. This monitoring may include, but is not limited to, inadvertent reading by IT staff during the normal course of managing the e-mail system, review by the legal team during the e-mail discovery phase of litigation, observation by management in cases of suspected abuse or to monitor employee efficiency.

In addition, archival and backup copies of e-mail messages may exist, despite end user deletion, in compliance with our records retention policy. The goals of these backup and archiving procedures are to ensure system reliability, prevent business data loss, meet regulatory and litigation needs, and to provide business intelligence. Backup copies exist primarily to restore service in case of failure. Archival copies are designed for quick and accurate access for a variety of management and legal needs.

Both backups and archives are governed by our document retention policies.

If REMIF discovers or has good reason to suspect activities that do not comply with applicable laws or this policy, e-mail records may be retrieved and used to document the activity in accordance with due process. All reasonable efforts will be made to notify an employee if his or her e-mail records are to be reviewed. Notification may not be possible, however, if the employee cannot be contacted, as in the case of employee absence due to vacation.

Employees are directed to: Use extreme caution when communicating confidential or sensitive information via email. Keep in mind that all e-mail messages sent outside of our organization become the property of the receiver. A good rule is to not communicate anything that you wouldn't feel comfortable being made public. Demonstrate particular care when using the

“Reply” command during e-mail correspondence to ensure the resulting message is not delivered to unintended recipients.

Remote Computing

Remote Access

Purpose and Scope

Any and all work performed for REMIF on said computers by any and all employees, through a remote access connection of any kind is covered by the following policy. Work can include but is not limited to email, Web browsing, intranet resources and any other company application used over a remote connection.

Remote access is defined as any connection to REMIF’s network and/or other company sponsored applications from off-site locations such as employee homes, hotel rooms, airports, café’s, satellite offices, wireless devices, etc.

All remote access will be centrally managed by REMIF’s IT department and will utilize encryption and strong authentication measures. External devices used must meet a minimum requirement for performance, security and safety as decided by the IT department. Those who do not meet these requirements may be denied remote access privileges.

Employees, contractors or other agents requiring the use of remote access for business purposes must be approved by the IT department and Executive Management. The reason for the need for remote access including the extent of system access and level of service should be submitted in writing and approved by

Executive Management prior to the IT department providing such access.

Appropriate Use

It is the responsibility of any employee of REMIF with remote access privileges to ensure that their remote access connection remains as secure as his or her network access within the office. It is imperative that any remote access connection used to conduct REMIF business be utilized appropriately, responsibly, and ethically. Therefore, the following rules must be observed:

1. Employees will use secure remote access procedures. This will be enforced through public/private key encrypted strong passwords in accordance with REMIF’s password policy. Employees agree to never disclose their passwords to anyone, particularly to family members if business work is conducted from home.
2. All remote computer equipment and devices used for business interests, whether personal- or company-owned, must display reasonable physical security measures. Computers will have installed whatever antivirus software deemed necessary by REMIF’s IT department.

3. Remote users using public hotspots for wireless Internet access must employ for their devices a company-approved personal firewall, VPN, and any other security measure deemed necessary by the IT department. VPNs supplied by the wireless service provider should also be used, but only in conjunction with REMIF's additional security measures.
4. Hotspot and remote users must disconnect wireless cards when not in use in order to mitigate attacks by hackers, eavesdroppers and other outsiders.
5. All hardware security configurations (personal or company-owned) must be approved by REMIF's IT department.
6. Employees, contractors, and temporary staff will make no modifications of any kind to the remote access connection without the express approval of REMIF's IT department. This includes, but is not limited to, split tunneling, and any non-standard hardware or security configurations, etc.
7. Employees, contractors, and temporary staff with remote access privileges must ensure that their computers are not connected to any other network while connected to REMIF's network via remote access, with the exception of Internet connectivity.
8. In order to avoid confusing official company business with personal communications, employees, contractors, and temporary staff with remote access privileges must never use non-company e-mail accounts (eg. Hotmail, Yahoo, etc.) to conduct REMIF's business.
9. No employee is to use Internet access through company networks via remote connection for the purpose of illegal transactions, harassment, competitor interests, or obscene behavior, in accordance with other existing employee policies.
10. All remote access connections must include a "time-out" system. In accordance with REMIF's security policies, remote access sessions will time out after a set time of inactivity. Time-outs will require the user to reconnect and re-authenticate in order to re-enter company networks.
11. If a personally- or company-owned computer or related equipment used for remote access is damaged, lost, or stolen, the authorized user will be responsible for notifying their manager and REMIF's IT department immediately.
12. The remote access user also agrees to immediately report to their manager and REMIF's IT department any incident or suspected incidents of unauthorized access and/or disclosure of company resources, databases, networks, etc.
13. The remote access user also agrees to and accepts that his or her access and/or connection to REMIF's networks may be monitored to record dates, times, duration of access, etc., in order to identify unusual usage patterns or other suspicious activity. As with in-house computers, this is done in order to identify accounts/computers that may have been compromised by external parties.

Mobile Computing

Mobile devices are important to the efficiency and productivity of REMIF. However, since they are most often used outside of the local office environment, they represent a significant risk both in data security and risk of damage and theft.

Email, voicemail and phone messages

Telephones and Cellular devices

Telephone communication is an essential part of the day-to-day operations of REMIF. Telephone and voicemail services are provided to employees to facilitate performance of REMIF's work.

Basic Policy

The use of telephones and voicemail should be as cost effectively as possible and in keeping with the best interests of REMIF. All employees must operate within the following basic policy guidelines. Further information on appropriate and inappropriate use follows this section.

1. All telephones, telephony equipment, voicemail boxes, and messages contained within voicemail boxes are the property of REMIF.
2. The number of telephone calls made should be limited in number and duration to that necessary for effective conduct of business.
3. All voicemail boxes will be protected with a PIN (personal identification number). PINs must not be shared with others.
4. Read voicemail messages should be automatically deleted after 30 days.
5. Voicemail is to be used as a backup in the event you are not available to answer a call, and should not be used to "screen" calls. Each user is expected to respond to voicemail messages in a timely manner.
6. If you will be away from the office for more than one business day, you are expected to change your voicemail greeting to reflect this fact and direct callers to alternate contacts if applicable.
7. Use of directory assistance (i.e. 411) should be avoided since a fee is incurred with each use. If you are unsure of a number, please consult print or online telephone directories first.

Unacceptable Use

REMIF telephone and voicemail services may not be used for the following:

1. Transmitting obscene, profane, or offensive messages.
2. Transmitting messages or jokes that violate our harassment policy or create an intimidating or hostile work environment.
3. Using the telephone system or breaking into a voicemail box via unauthorized use of a PIN or other password.
4. Broadcasting unsolicited personal views on social, political, or other nonbusiness related matters.
5. Soliciting to buy or sell goods or services unrelated to REMIF.
6. Calling 1-900 phone numbers.
7. Making personal long-distance phone calls without supervisor permission.

Limited Personal Acceptable Use

In general, personal use of telephone and voicemail services is allowable, but must be limited in number and duration and must not interfere with performance of official business duties. Limited personal acceptable use is allowed under the following circumstances:

1. An employee's work schedule changes without advance notice and the employee must notify a family member or make alternate transportation or childcare arrangements.
2. Brief local calls to a spouse, minor child, or elderly parent, or to those responsible for them (e.g. school, daycare center, nursing home).
3. The employee needs to make a call that can only be made during regular working hours, such as to a doctor or local government agency.
4. The employee needs to make arrangements for emergency repairs to his or her residence or automobile.
5. A call that reasonably could not be made at another time and is of moderate duration.

Monitoring

REMIF reserves the right to monitor telephone and voicemail use, including telephone conversations and the contents of voicemail boxes. Monitoring of telephone and voicemail use will only be done for legitimate reasons, such as to assess customer service quality assurance, retrieve lost messages, recover from system failure, or comply with investigations of wrongful acts.

Internet Usage

Purpose

The goal of this policy are to outline appropriate and inappropriate use of REMIF's Internet resources, including the use of browsers, electronic mail and instant messaging, file uploads and downloads, and voice communications.

Internet access is controlled through individual accounts and passwords. Department managers are responsible for defining appropriate Internet access levels for the people in their department.

Appropriate Use

Individuals are encouraged to use the Internet to further the goals and objectives of REMIF. The types of activities that are encouraged include:

1. Communicating with fellow employees, business partners and members within the context of an individual's assigned responsibilities;
2. Acquiring or sharing information necessary or related to the performance of an individual's assigned responsibilities; and
3. Participating in educational or professional development activities.

Inappropriate Use

Individual Internet use shall not interfere with others' productive use of Internet resources. Users will not violate the network policies of any network accessed through their account. Internet use at REMIF will comply with all Federal and State laws, all organizational policies, and all contracts. This includes, but is not limited to, the following:

1. The Internet may not be used for illegal or unlawful purposes, including, but not limited to, copyright infringement, obscenity, libel, slander, fraud, defamation, plagiarism, harassment, intimidation, forgery, impersonation, illegal gambling, soliciting for illegal pyramid schemes, and computer tampering (e.g. spreading computer viruses).
2. The Internet may not be used in any way that violates our organization's policies, rules, or administrative orders. Use of the Internet in a manner that is not consistent with the mission of REMIF, misrepresents REMIF, or violates any organizational policy is prohibited.
3. Individuals should limit their personal use of the Internet. REMIF allows limited personal use for communication with family and friends, independent learning, and community service. We prohibits use for mass unsolicited mailings, access for non-employees to REMIF's resources or network facilities, uploading and downloading of files for personal use, access to pornographic sites, gaming, un-related commercial activity, and the dissemination of chain letters.

4. Individuals may not establish company computers as participants in any peerto-peer network, unless approved by management.

5. Individuals may not view, copy, alter, or destroy data, software, documentation, or data communications belonging to Our Company or another individual without authorized permission.

6. In the interest of maintaining network performance, users should not send unreasonably large electronic mail attachments or video files not needed for business purposes.

7. Individuals will only use organization-approved services for voice communication over the Internet.

Security

For security purposes, users may not share account or password information with another person. Internet accounts are to be used only by the assigned user of the account for authorized purposes. Attempting to obtain another user's account password is strictly prohibited. A user must contact the IT department to obtain a password reset if they have reason to believe that any unauthorized person has learned their password. Users must take all necessary precautions to prevent unauthorized access to Internet services.

Monitoring and Filtering

REMIF may monitor any Internet activity occurring on its equipment or accounts. We may employ filtering software to limit access to sites on the Internet. If we discover activities which do not comply with applicable law or departmental policy, records retrieved may be used to document the wrongful content in accordance with due process.

Disclaimer

REMIF assumes no liability for any direct or indirect damages arising from the user's connection to the Internet. We are not responsible for the accuracy of information found on the Internet and only facilitate the accessing and dissemination of information through its systems. Users are solely responsible for any material that they access and disseminate through the Internet.

Policy #23.0

Redwood Empire Municipal Insurance Fund

Pooled Programs Underwriting Procedures

Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.

PURPOSE:

The Redwood Empire Municipal Insurance Fund (hereinafter referred to as “REMIF”) may develop and implement Coverage Programs which REMIF deems necessary, advisable and beneficial to its Members. REMIF has established underwriting rules and other qualifying conditions for its Coverage Programs. Underwriting information is used for determination of rates and Member pool contributions as well as deductible selection and dividends. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, By-Laws and REMIF Policies and Procedures.

POLICY:

1. Underwriting Function/Mission

Establishing underwriting criteria ensures that all REMIF Coverage Programs are analyzed for risk exposures, funding requirements, dividend and deductible selection.

Adherence to these underwriting standards and guidelines provides confidence for Members regarding the continued financial viability and security of REMIF.

2. New Members

The guidelines for admittance of new members to REMIF are set forth in the Joint Powers Agreement and By-Laws. Membership eligibility requires the entity to participate in certain programs, as outlined in the documents referenced above. Approval by the REMIF Board of Directors may be contingent upon the proposed Member’s ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any Coverage Program.

3. Underwriting Guidelines / Rate Setting / Funding Requirements

Rates/contributions are established based upon multiple factors including, but not limited to, the following:

Payroll Exposure

Loss Rates

Excess Insurance Rates

Administrative Expenses

Contingency Margin

4. Periodic Review

The Underwriting Guidelines are reviewed by the Board of Directors at least every three years. This review may be delegated to the Executive Committee or other ad hoc committee established for the sole purpose of addressing underwriting issues.

DEFINITIONS:

“Board of Directors” or “Board” shall mean the governing body of REMIF.

“Coverage Programs” shall consist of Coverages Programs provided directly by REMIF under a Risk Pooling Program pursuant to a memorandum of Coverage and/or provided by a Purchased Insurance Program. These may include, but are not limited to Property, Workers’ Compensation and Liability coverage as may be determined by the Board of Directors.

“Member” shall mean the signatory to the REMIF Joint Powers Authority.

“Purchased Insurance Programs” shall mean those Coverage Programs in which members do not share risk of loss.

“Risk Pooling Programs” shall mean those Coverage Programs in which participating members share risk of loss.

END.

Policy #24.0
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
CREDIT CARD USE POLICY

Any and all employees issued a credit card will obtain such under the responsibility and oversight of the Finance Manager. Credit cards may be assigned to the appropriate REMIF representatives (authorized cardholders) as needed. These representatives may include the General Manager and designees of the General Manager.

Authorized cardholders can also authorize the use of their REMIF credit card for the purchase of supplies, services or equipment items in emergency situations if the vendor does not accept standard REMIF payment methods. REMIF credit cards cannot be used to circumvent the prior approval process required for all purchases. In all cases credit cards will be used for official business only and will not be used for any unauthorized or personal purchases. If in possession of a REMIF credit card, authorized cardholders and authorized users will immediately surrender the credit card upon termination of employment, whether for retirement, voluntary or involuntary reasons, or if requested to do so by the Finance Department.

Procedures:

1. Authorized users will obtain REMIF Business Credit Cards through REMIF's authorized bank/financial institution.
2. All authorized cardholders and authorized users will be required to complete the Use of REMIF Credit Cards Acknowledgment Form (see attached).
3. Credit cards can be checked out from Finance Department. The checkout log will include the date the credit card is being checked out, the person checking out the card and the purpose of the intended credit card transactions.
4. Authorized cardholders shall provide prior approval when their REMIF credit card is used for making travel arrangements or emergency purchases of supplies, services or equipment.
7. All itemized receipts for travel expenses, supplies, services or equipment purchases must be submitted to the Finance Department within 10 days.
8. The Accounting Specialist will compare the detailed monthly credit card statement with the receipts received and the reconciliation will be reviewed by the Finance Department.
9. Once the purchases have been verified as "okay to pay," the Accounts Payable procedures will be followed to complete the processing of the payments due.

Lost or Stolen Cards:

If a REMIF credit card is lost or stolen, the authorized user will notify the Finance Department immediately and will provide assistance to report the lost or stolen card to the bank.

END.

Use of REMIF Credit Card/s Acknowledgment Form

All authorized cardholders and authorized users are required to read and sign this form regarding the use of REMIF credit cards.

Authorized Cardholder: _____ [name]

I understand and agree that I, as an authorized user of a REMIF credit card:

- If a REMIF credit card is lost or stolen, I will immediately notify Finance Department and the REMIF bank/financial institution;
- REMIF credit cards are for authorized purchases only, and I agree that, under no circumstances, will I use the REMIF's credit card to make personal or non-work-related purchases for others or myself;
- REMIF credit cards cannot be used to circumvent the prior approval process required for any or all purchases. I will use the prior approval process in all cases, unless it is a situation that is beyond my control and requires immediate payment.
- I have read and agree to follow the REMIF's Credit Card Use Policy.
- If in possession of an REMIF credit card, I will surrender the credit card immediately up on termination of employment, whether for retirement, voluntary or involuntary reasons or as requested by Management or the Board of Directors.
- Misuse or fraudulent use of the credit card may result in disciplinary actions and may be grounds for dismissal.

I have read the above information and agree to abide by the terms of this form and the REMIF Credit Card Use Policy.

Dated: _____

Printed Name: _____

Signature: _____

END.



414 W. Napa St. • 2nd Floor, Suite C • Sonoma, CA 95476 • 707.938.2388 • Fax 707.938.0374

Members: Arcata Cloverdale Cotati Eureka Fort Bragg Fortuna Healdsburg Lakeport
Rohnert Park St. Helena Sebastopol Sonoma Ukiah Willits Windsor

AGENDA ITEM SUMMARY

ITEM 16.0

TITLE: REMIF SAFETY PROGRAM

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE/BACKGROUND

Mark Hemmendinger with Acceptable Risk provides the following services for REMIF and the REMIF members:

- 1) Assessments of city occupational injury and illness exposures and recommendations mitigating exposures through changes to facilities, equipment, or practices.
- 2) Assistance to cities by the drafting and implementation of new or revised safety policy and procedure that address Cal/OSHA requirements and injury prevention.
- 3) Provide safety training for members as appropriate.
- 4) Coordinate outside safety training or consulting services as required.
- 5) Fulfill the role of REMIF safety manager for both REMIF and its members.
- 6) Respond to member requests for safety consulting, training, problem solving, emergency response, Cal/OSHA defense, accident prevention, or ergonomic interventions as needed.
- 7) Any other safety and health services and consulting as needed and consistent with experience and knowledge of Consultant.

At the June of 2019 Board of Directors meeting, the Board of Directors heard an update on the safety program from Mr. Hemmendinger, and he provided a list of programs that he's drafted/completed for other members. At that time, he was also asked to put together an audit type list for the members. He is working on that list. In addition, he put together a wildfire safety protocol, which is attached.

FISCAL IMPACT

None

RECOMMENDED ACTION

None

ATTACHMENT

16.1 Wildfire Safety Protocol

Wildfire Smoke Prevention

This section will apply when wildfire smoke reaches a level of 151 or greater as measured by Air Quality Index or AQI. This policy and procedures apply to City employees who work outdoors.

Identification of Exposure

The City Manager's office or their designee is required to check the AQI on days when wildfire smoke is predicted, there are wildfire events in the vicinity, or smoke plumes are visible and likely to travel over the City prior to the end of shift. AQI is best identified for the City through accessing any of the following:

1. US EPA AirNow website: <https://airnow.gov/>
2. U.S. Forest Service Wildland Air Quality Response website: <https://sites.google.com/firenet.gov/wfaqrp-external/home>
3. California Air Resources Board website: <https://ww3.arb.ca.gov/html/ds.htm>

The air quality index or AQI is a measure of particulate matter in the air often referred to as PM2.5 (those particles below 2.5 microns). The index below illustrates the PM2.5 index and the description tied to that measure as well as color coding normally associated with that AQI level.

Figure 1 - AQI Particulate Matter Index

Air Quality Index - Particulate Matter	
301 – 500	Hazardous
201 – 300	Very Unhealthy
151 – 200	Unhealthy
101 – 150	Unhealthy for Sensitive Groups
51 – 100	Moderate
0 – 50	Good

Communication of Exposure

The following steps will be taken to communicate with employees regarding wildfire smoke exposure and prevention:

1. Training for City Directors, Managers, lead personnel and employees regarding the requirements of this Cal/OSHA standard and City policy and procedure meeting the standard,

2. Verbal communication with all City employees working outdoors on any day that wildfire smoke may become a health issue, AQI > 150 <500 (PM2.5). This communication will reiterate the potential exposure, hazard, recommendation for protection (N95 masks) and their location in the Department, and recommendations on limiting outdoor exposure.
3. For those City employees with discretion as to work outdoors, recommendations will be made to delay outdoor work on those days with AQI exceeding 150 PM2.5 but below an AQI of 500.
4. At an **AQI ≥ than 500 PM2.5** the City employees whose work requires them to be outdoors **are required to wear respirators**, either half or full face depending upon necessary fit (AQI>500 below) with the appropriate APF factor to reduce exposure inside the respirators to less than 151 (measured as PM2.5) or similar.
5. Employees will also be reminded that they can contact their supervisor or Human Resources should they believe conditions are worsening and additional actions should be taken regarding job exposures.
6. Employees should contact their supervisor Human Resources should they have a health condition is aggravated by wildfire smoke.

Control of Exposure

AQI Equals 151 Less Than 500

During those working days when the exposure to AQI is equal to or greater than 151 PM 2.5, but less than 500 PM 2.5, the following steps are taken:

1. Employees are encouraged to perform as much work as possible indoor environments which have filtered air. This includes taking additional breaks from outside work as needed. Those employees whose work is performed from vehicles with filtered air systems, breaks or work from vehicles will be used to assist in controlling exposure.
2. The City provides N95 filtering facepieces approved by NIOSH. These respirators are disposable and are maintained in sanitary packages prior to use. Employees are encouraged and trained to voluntarily use such protection when working outdoors under the above defined conditions. See the page 4 for guidance.

AQI Greater Than 500

When the AQI is equal to or exceeds 500 PM2.5, the City will limit employee exposures and do the following to control employee exposure:

1. Employees working outdoors for less than 1 hour during their entire shift can do so with recommended use of N95 masks.
2. Any employees who are required to work beyond the single hour during their shift are required to wear respirators that will reduce particulate matter exposure at the users breathing zone to less than 151 PM2.5.
 - a. Respirators meeting the above standard, based upon APF rating for the respirators are:
 - i. Half or full face on-demand respirators
 - ii. Half or full face powered air purifying respirators

3. The type of respirators chosen may be determined by exposure, nature of work performed during exposure, facial hair or facial structure.
4. Reference the City respiratory protection program documents for type of respirators provided and for medical clearance, training, and fit testing requirements.

Note: Employees who are required to wear respirators under this Program must have prior medical clearance, fit testing and training.

Training

Employees who work outdoors are trained in the content and implementation of these Wildfire Smoke Prevention policy and procedures. In addition the wild smoke prevention training also covers the following topics:

The Health Effects of Wildfire Smoke

Although there are many hazardous chemicals in wildfire smoke, the main harmful pollutant for people who are not very close to the fire is “particulate matter,” the tiny particles suspended in the air. Particulate matter can irritate the lungs and cause persistent coughing, phlegm, wheezing, or difficulty breathing. Particulate matter can also cause more serious problems, such as reduced lung function, bronchitis, worsening of asthma, heart failure, and early death. People over 65 and people who already have heart and lung problems are the most likely to suffer from serious health effects. The smallest—and usually the most harmful—particulate matter is called PM2.5 because it has a diameter of 2.5 micrometers or smaller.

Right to obtain medical treatment without fear of reprisal

Employees who show signs of injury or illness due to wildfire smoke exposure allowed to seek medical treatment cannot be punished for seeking such treatment. City employees should reference the “medical services” posting in workplace for reference to the closest medical provider. Should an employee become seriously ill from wildfire smoke inhalation, they will be taken to the medical provider or first responders are notified.

Access to Air Quality Index Information

Various government agencies monitor the air at locations throughout California and report the current AQI for those places. The AQI is a measurement of how polluted the air is. An AQI over 100 is unhealthy for sensitive people and an AQI over 150 is unhealthy for everyone. Although there are AQIs for several pollutants, Title 8, section 5141.1 about wildfire smoke only uses the AQI for PM2.5. The easiest way to find the current and forecasted AQI for PM2.5 is to go to www.AirNow.gov and enter the zip code of the location where you will be working. The current AQI is also available from the U.S. Forest Service at <https://tools.airfire.org/> or a local air district, which can be located at www.arb.ca.gov/capcoa/dismap.htm Employees who do not have access to the internet can contact their employer for the current AQI. The EPA website www.enviroflash.info can transmit daily and forecasted AQIs by text or email for particular cities or zip codes.

City Communication

City employees are alerted to air quality that may be harmful to them and the protective measures recommended based upon the AQI.

Should employees notice that the air quality is worsening during the shift, they are encouraged to report such shifts to their supervisor, or, in their absence, directly to Human Resources, without fear of reprisal.

The importance, limitations, and benefits of respirator protection from wildfire smoke

Respirators can be an effective way to protect employee health by reducing exposure to wildfire smoke, when they are properly selected and worn. Respirator use can be beneficial even when the AQI for PM2.5 is less than 151, to provide additional protection. When the current AQI for PM2.5 is 151 or greater, the City provides employees with N95 respirators for voluntary use. If the current AQI is greater than 500, respirator use is required. A respirator should be used properly and kept clean. The following precautions have been taken:

1. The City will select respirators certified for protection against the specific air contaminants at the workplace. NIOSH, the National Institute for Occupational Safety and Health of the U.S. Center for Disease Control and Prevention certifies respirators. A label or statement of certification should appear on the respirator or respirator packaging. It will list what the respirator is designed for (particulates, for example).

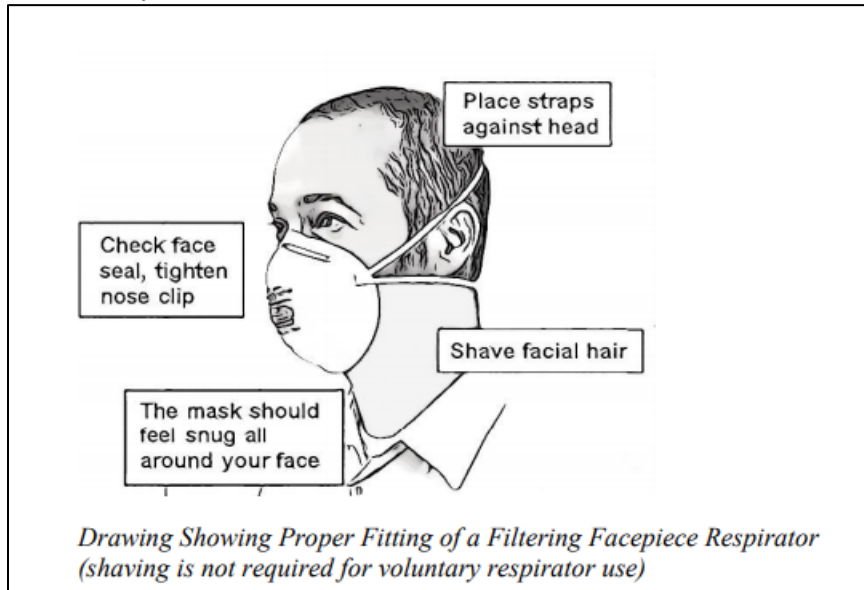
Surgical masks or items worn over the nose and mouth such as scarves, T-shirts, and bandannas will not provide protection against wildfire smoke. An N95 filtering facepiece respirator, shown in Figure 2 below, is the minimum level of protection for wildfire smoke.
2. Read and follow the manufacturer's instructions on the respirator's use, maintenance, cleaning and care, along with any warnings regarding the respirator's limitations. **The manufacturer's instructions for medical evaluations, fit testing, and shaving should also be followed, although doing so is not required** by Title 8, section 5141.1 for voluntary use of filtering facepiece respirators.
3. Do not wear respirators in areas where the air contains contaminants for which the respirator is not designed. A respirator designed to filter particles will not protect employees against gases or vapors, and it will not supply oxygen.
4. Employees should keep track of their respirator so that they do not mistakenly use someone else's respirator.
5. Employees who have a heart or lung problem should ask their doctor before using a respirator
6. Respirator training and fit testing for other than N95 filtering facepieces is covered in the City's *Respiratory Protection Program*.

How to properly put on, use, and maintain the N95 respirators provided

To get the most protection from a respirator, there must be a tight seal around the face. A respirator will provide much less protection if facial hair interferes with the seal. Loose-fitting powered air purifying respirators may be worn by people with facial hair since they do not have seals that are affected by facial hair. The proper way to put on a respirator depends on the type and model of the respirator. For those who use an N95 or other filtering facepiece respirator mask that is made of filter material:

1. Place the mask over the nose and under the chin, with one strap placed below the ears and one strap above.
2. Pinch the metal part (if there is one) of the respirator over the top of the nose so it fits securely.

Figure 2 - N95 Respirator



For a respirator that relies on a tight seal to the face, check how well it seals to the face by following the manufacturer's instructions for user seal checks. Adjust the respirator if air leaks between the seal and the face. The more air leaks under the seal, the less protection the user receives.

Respirator filters should be replaced if they get damaged, deformed, dirty, or difficult to breathe through. Filtering facepiece respirators are disposable respirators that cannot be cleaned or disinfected. A best practice is to replace filtering facepiece respirators at the beginning of each shift.

If you have symptoms such as difficulty breathing, dizziness, or nausea, go to an area with cleaner air, take off the respirator, and get medical help.

AGENDA ITEM SUMMARY

ITEM 17.0

TITLE: ALLOCATION PLAN FOR UNFUNDED PERS LIABILITY (AB 1912)

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

An allocation plan to address the unfunded PERS liability needs ratification by the Board of Directors. This item is presented for discussion only. Staff is not requesting action at this time.

BACKGROUND

In recent years several public entities have defaulted on their obligation to PERS after dissolving or terminating their contract with PERS. As a result, the retired employees of those entities saw their retirement benefits significantly reduced. In response, the California Legislature was recently passed to a bill to help ensure the retirement benefits are fully funded to protect employees and retirees. The Legislature empowered agencies to develop an allocation plan to fully fund the PERS liability should the organization dissolve or no longer participate in the retirement plan. Staff is presenting options for consideration to comply with this new law.

What is AB 1912?

- AB 1912 was approved by Governor Brown on September 29, 2018. It amends sections of, and adds sections to, the California Government Code. It became effective January 1, 2019.
- A JPA's retirement liabilities (e.g., PERS unfunded actuarial liability) are the member agencies' liabilities. The member agencies may not agree otherwise.
- Before filing a notice to voluntarily terminate participation in PERS pursuant to Government Code Sections 20570 and 20571, a JPA's member agencies must agree to apportion 100% of the JPA's retirement obligations among themselves. If the member agencies cannot agree, the PERS Board will apportion the retirement liabilities of the JPA among the member agencies based on their share of service received from the JPA or member agency population. If a member agency disagrees with the PERS Board's apportionment, it has 30 days to challenge the apportionment. The challenge will then be referred to an arbitrator whose decision will be binding on all members. Arbitration costs will be equally shared by the member agencies the arbitrator determines must share the retirement liability. The JPA will not be allowed to terminate its contract with PERS until the retirement liabilities have been apportioned between the members.
- These rules are nearly the same for a JPA that receives a notice of potential termination from PERS pursuant to Government Code Section 20572.
- If a JPA that does not contract with PERS decides to dissolve or cease operations, the member agencies must agree to apportion 100% of the JPA's retirement obligations among themselves. If the member agencies cannot agree, the retirement board will apportion the retirement liabilities of the JPA among the member agencies based on their share of service received from the JPA or member agency population. If a member agency disagrees with the retirement board's apportionment, it has 30 days to challenge the apportionment. The challenge will then be referred to an arbitrator whose decision will be binding on all members. Arbitration costs will be equally

shared by the member agencies the arbitrator determines must share the retirement liability. The JPA will not be able to dissolve or cease operations until the retirement liabilities have been apportioned between the members.

- A JPA's retirement liabilities can be apportioned between current and former members. Though the PERS Board can apportion liability to former members, it's unclear whether it will impose a look-back period and only consider former members who have left the JPA within a fixed number of years.
- If the member agencies fail to pay their liabilities, before the PERS Board exercises its authority to reduce benefits, the Board must consider and exhaust all other options—including a civil action against the member agencies.
- AB 1912 applies to all JPAs except those that dissolved before January 1, 2019 or whose retirement contract was terminated prior to January 1, 2019. However, extreme caution should be exercised before any action is taken that results in the termination of a retirement contract since the resulting liabilities on a termination basis could be far more substantial than ongoing liabilities.

Outstanding unfunded liabilities:

As of 06/30/19, the estimated PERS unfunded liability is \$2.293 million.

REMIF Assets:

Two story commercial building located at 414 W. Napa Street, estimated preliminary approximate value at current market rates as of 07/01/19 is \$2,250,000;

Equipment, computers, property within 414 W. Napa Street, approximate value as of 07/01/19 is \$25,000

Options for an allocation plan include (but are not limited to):

1. Fully pay for the unfunded liability.

Since REMIF will cease to function, the REMIF building and REMIF's contents within the building will no longer be needed. The property will be sold and all proceeds from the sale will be used to "buy down" the outstanding unfunded liability.

The remaining unfunded liability will then be allocated to the members, current or not, based on a pro rata share of each member's contributions for the liability and workers' compensation programs (only). The allocation will be applied to all members, current or not, from 01/01/19 (effective date of AB 1912) forward.

2. "Pay as you go" approach to the unfunded liability.

Since REMIF will cease to function, yet the REMIF building is fully owned and can be rented out, rent payments collected from tenants for the REMIF building can be used for a "pay as you go" approach to the REMIF building. This will, however, require management of the building from a REMIF member. Once the unfunded liability is "paid down," the building can then be sold to pay the remaining unfunded liability. If there is still a remaining liability, the remaining unfunded liability will then be allocated to the members, current or not, based on a pro rata share of each member's contributions to the liability and workers' compensation programs. The allocation will be applied to all members, current or not, from the start of REMIF forward.

Staff requests discussion on this item and direction from the Board on proceeding. Should the Board elect option #1, attached are sample agreements and resolutions that could be implemented to address the unfunded PERS liability.

FISCAL IMPACT

None

RECOMMENDED ACTION

None

ATTACHMENTS

- 17.1 AB 1912 allocation – sample agreement
- 17.2 AB 1912 allocation – sample resolution

REMIF

AGREEMENT FOR APPORTIONMENT OF RETIREMENT OBLIGATIONS

Redwood Empire Municipal Insurance Fund

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND [REMIF]

AGREEMENT FOR APPORTIONMENT OF RETIREMENT OBLIGATIONS

THIS AGREEMENT is made in the State of California by and among those municipalities organized and existing under the laws of the State of California, hereinafter referred to as "Member Entity[ies]," which are parties' signatory to the Joint Powers Authority Agreement (hereafter "JPA Agreement"). All such Member Entities are listed in Appendix "A," which is attached hereto and made a part hereof.

RECITALS

Whereas REMIF is an entity formed under California Government Code § 6500 which permits two or more public agencies by agreement to jointly exercise any power common to the contracting parties.

Whereas California Government Code § 6508.2 requires that the member agencies of a joint powers agency ("AGENCY") mutually agree to a 100% apportionment of the AGENCY's retirement liability prior to either a dissolution of the AGENCY or the termination of the AGENCY's participation in a public retirement system.

Now, therefore, in consideration of the above facts and the mutual benefits, promises and agreements set forth below, the Member Entities hereby agree as follow:

AGREEMENT

ARTICLE I

DEFINITIONS

The following terms shall have the following definitions:

- A. **"Agreement"** shall mean this Agreement for the Apportionment of Retirement Obligations.
- B. **"Board"** or **"Board of Directors"** shall mean the governing body of REMIF.

- C. “**REMIF**” shall mean the Redwood Empire Municipal Insurance Fund created by this Agreement.
- D. “**Deposit Premium**” shall mean the estimated amount determined for each Member Entity necessary to fund each layer of coverage for each Policy Year of each Program of REMIF, also known as contributions.
- E. “**Member Entity**” shall mean any California public entity which is a party signatory to this Agreement including any other agency for which the City Council sits as the Governing board.
- F. “**Program Year**” shall mean a period of time, usually 12 months, for which each Program is to determine Deposit Premiums (or contributions), Retrospective Premiums, and Retrospective Premium Adjustments.
- G. “**Program**” shall mean arrangements to cover specific types of claims which may include, but not be limited to, property, workers' compensation, and comprehensive liability claims.
- H. “**Public Entity**” shall mean a county, city, whether general law or chartered, city and county, town, district, political subdivision, joint powers authority, or any board, commission, or agency thereof providing a municipal service, excluding school districts.
- I. “**Public Retirement System**” shall mean CalPERS or any other Public Entity retirement program established or operated by a California Public Entity available to public employees as to which current or former employees of REMIF participated.
- J. “**Retirement Liability**” shall mean the liability that REMIF possesses to all former or current employees of REMIF for retirement benefits owed to them pursuant to a contract between REMIF and a Public Retirement System and arising by reason of those employees participation in the Public Retirement System.

K. **“Retrospective Premium”** shall mean, the amount determined retrospectively as each Member Entity's share of losses, reserves, expenses and interest income as may be determined periodically for any Program.

L. **“Retrospective Premium Adjustment”** shall mean the amount necessary to periodically adjust the Deposit Premium, or prior Retrospective Premiums if any, to the newly calculated Retrospective Premium amount.

ARTICLE II

PARTIES TO THE AGREEMENT

Each Member Entity is a party to this Agreement and agrees that it intends to, and does contract with, all other parties who are signatories of this Agreement and with such other parties as may later be added. Each Member Entity also agrees that the expulsion or withdrawal of any Member Entity from this Agreement shall not affect this Agreement nor the remaining parties as to the other Member Entities then remaining.

ARTICLE III

PURPOSE

This Agreement is entered into by the Member Entities in order to:

A. Provide for an apportionment among current and former REMIF Member Entities of 100% of REMIF's Retirement Liability consistent with the requirements of Government Code §§ 6508.1 and 6508.2 as enacted and amended effective January 1, 2019. The current Member Entities of REMIF are set forth in Appendix A. The former Member Entities of REMIF as of the date of this Agreement are set forth in Appendix B.

ARTICLE IV

METHOD OF APPORTIONMENT OF RETIREMENT LIABILITY

A. In the event of a decision by the governing Board of REMIF to dissolve and cease all operations, or in the event of a decision by the governing Board of REMIF to terminate REMIF's contract with a Public Retirement System, the Member Entities agree that 100% of REMIF's Retirement Liability shall be funded by all current and former REMIF Member Entities based on a pro rata share of the former and current Member Entities' historical Deposit Premium (or contributions) in the Workers' Compensation and Liability self-funded Programs. The apportionment of the Retirement Liability shall be calculated as set forth above, and the unfunded Retirement Liability then existing shall be paid as follows: The unfunded Retirement Liability then existing shall be paid prior to any distribution of assets and prior to the payment of any equity that may be determined as the result of the Retrospective Premium Adjustment. (For example, should a Member Entity have remaining equity in either the Workers' Compensation or Liability program, at the time of REMIF's dissolution or REMIF's termination of REMIF's contract with a public retirement system, the Member Entity's equity shall first be applied to reduce that Member Entity's share of the apportionment of the Unfunded Retirement Liability.)

B. In the event that REMIF disposes of the real property identified as 414 W. Napa Street, Sonoma, CA 95476 (the "Property"), any unfunded Retirement Liability of REMIF shall first be reduced by applying the proceeds from the sale of the Property as provided in Resolution xx, attached hereto as Exhibit A, prior to the determination of the amounts owed by the former or current Member Entities under the apportionment provided herein.

C. The apportionment of the Retirement Liability of REMIF among the former and current Member Entities of REMIF and the obligation of the former and current Member Entities

to pay such apportionment of the REMIF Retirement Liability as provided herein shall be a separate and independent obligation from the obligation of the Member Entities arising upon termination, expulsion or withdrawal of a Member Entity.

ARTICLE V

TERM OF AGREEMENT

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for the purpose of paying 100% of the Retirement Liability of REMIF pursuant to the apportionment among former and current Member Entities as provided for herein.

ARTICLE VI

SEVERABILITY

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ARTICLE VII

AGREEMENT COMPLETE

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in writing herein, except as noted with respect to the Bylaws and Memoranda of Coverage. If any provision of this Agreement conflicts with a provision of the Bylaws, Memoranda of Coverage or other document, such conflicting provisions shall be interpreted to avoid any such conflict, but this Agreement shall govern.

ARTICLE VIII
AMENDMENTS

This Agreement may be amended by a two-thirds vote of the Board present and voting at any duly convened regular or special meeting; provided that, any such amendment has been submitted to the directors and the Member Entities at least thirty [30] days in advance of such meeting. Member Entities may, by resolution or ordinance, grant their director and alternate on the Board explicit authorization to approve and execute amendments to this Agreement on behalf of the Member Entity without the necessity of a resolution or ordinance of the legislative body of the Member Entity confirming or ratifying such amendment. Any such amendment shall become effective immediately, unless otherwise stated therein.

ARTICLE IX
EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but altogether shall constitute one and the same Agreement.

Redwood Empire Municipal Insurance Fund [“REMIF”]

Date: _____ By: _____

Name/Title

Attest: _____

Deputy Secretary, REMIF

Member Entity: _____

Date:

By: _____

Name/Title

Attest: _____

City/Town Clerk

DRAFT

APPENDIX “A”

**REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
[REMIF]**

MEMBER ENTITIES

City of Arcata
City of Cloverdale
City of Cotati
City of Eureka
City of Fortuna
City of Ft. Bragg
City of Healdsburg
City of Lakeport
City of Rohnert Park
City of Sebastopol
City of Sonoma
City of St. Helena
City of Ukiah
City of Willits
Town of Windsor

APPENDIX “B”

**REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
[REMIF]**

FORMER MEMBER ENTITIES

City of Crescent City

DRAFT

RESOLUTION NO. xx

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDWOOD EMPIRE MUNICIPAL INSURANCE FUND ESTABLISHING PROCEDURES FOR DISPOSITION OF REAL PROPERTY

WHEREAS, REMIF owns real property located at 414 W. Napa Street, Sonoma, CA 95476 (the "Property"); and

WHEREAS, the Target Equity Policy provides the Retrospective Premium Adjustment as the sole process for distributing assets to members; and

WHEREAS, the Retrospective Premium Adjustment calculation does not consider the value of the Property; and

WHEREAS, AB 1912 requires the member agencies of a Joint Powers Authority ("JPA") that participate in a public retirement system to reach mutual agreement on the apportionment of 100% of the JPA's retirement obligations prior to the termination of its retirement contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redwood Empire Municipal Insurance Fund (the "Authority") that, in the event the Authority terminates its retirement contract in the public retirement system:

- A. Should the Authority dissolve, prior to dissolution, the Authority shall sell the Property and all proceeds from the sale shall be applied on a pro rata basis to reduce the unfunded pension liability of those members participating in the Authority at the time of the sale of the Property. After application of the funds from the proceeds of the sale, 100% of the remaining unfunded pension liability of the Authority will be allocated to members pursuant to the mutual agreement of the members required under AB 1912.
- B. Should the Authority decide to terminate its contract with the public retirement system but continue in existence, the Authority may elect not to sell the Property. In such event, 100% of the unfunded pension liability of the Authority will be allocated to members pursuant to the mutual agreement of the members required under AB 1912.

Effective Date. This Resolution shall become effective upon approval by two-thirds of the Board of Directors present and voting.

ADOPTED: xx

ATTEST: xx



REMIF
REDWOOD
EMPIRE
MUNICIPAL
INSURANCE
FUND

414 W. Napa St. • 2nd Floor, Suite C • Sonoma, CA 95476 • 707.938.2388 • Fax 707.938.0374

Members: Arcata Cloverdale Cotati Eureka Fort Bragg Fortuna Healdsburg Lakeport
Rohnert Park St. Helena Sebastopol Sonoma Ukiah Willits Windsor

AGENDA ITEM SUMMARY

ITEM 18.0

TITLE: UPDATES TO COST ALLOCATION PLAN (CAP)

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

Changes to the methodology for the allocation of the general and administrative costs to the various REMIF programs require ratification by the Board of Directors.

BACKGROUND

A Cost Allocation Plan (CAP) was completed by MGR consulting and adopted by the Board of Directors at the October 2017 Board of Directors' meeting. Staff is recommending that the methodology for the allocation of the general and administrative costs to the various REMIF programs be updated, based on changes in REMIF staffing.

There are several ways that the general and administrative costs can be allocated to the REMIF members, including but not limited to:

Cost allocation based on time spent by staff;

Cost allocation based on premiums/contributions;

Cost allocation based on member payroll.

The Board of Directors expressed an interest in obtaining a quote from MGR consulting for an updated cost allocation report based on time spent by staff and associated administrative costs before proceeding with considering changes to the allocation. Attached please find a proposal from MGR for updating the cost allocation plan based on time spent by staff and associated administrative costs, at \$15,900.

Staff is seeking direction on exploration of changes to the allocation of general and administrative costs and a cost allocation plan.

FISCAL IMPACT

\$15,900

RECOMMENDED ACTION

Direct staff to explore changes to cost allocation outside of a cost allocation plan.

ATTACHMENT

18.0 Proposal for updates to the Cost Allocation Plan

July 11, 2019

Amy Northam
General Manager
REMIF
414 W. Napa Street, 2nd Floor, Suite C
Sonoma, CA 95476
Phone: 707- 931-6076

Subject: Proposal to provide cost allocation plan services to REMIF

Dear Ms. Northam:

MGT Consulting Group (MGT) is pleased to present this proposal based on our communication this week regarding an update to REMIF's cost allocation study from August 2017.

We propose to assign the same two professionals to this project as in 2017, Mr. Patrick Dyer and Mr. Ruben Rivas. They will undergo the same process to understand the changes in REMIF staffing, functions and allocations. They will also consider the current membership and mix of municipalities served by REMIF. The final cost allocation plan will be the deliverable for this project.

We are prepared to start this project at your earliest convenience and complete it within 2-3 months depending on schedules.

The professional fee for this engagement will be \$15,900, which includes one site visit to the REMIF offices and one presentation to the board in Ukiah. Any other additional requested trips or travel will be billed on a time and expenses basis.

Thank you for the opportunity to present this proposal to REMIF. Should you have questions on any aspect of it, please contact me at 916.595.2646 or at bburgess@mgtconsulting.com. We look forward to working with the Fund on this project.

Regards,

A handwritten signature in blue ink, appearing to read "J. Bradley Burgess", written over a white background.

J. Bradley Burgess
Executive Vice President



AGENDA ITEM SUMMARY

ITEM 19.0

TITLE: OFF DUTY PEACE OFFICERS (AB 1749)

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

Changes to the workers’ compensation coverage require ratification by the Board of Directors. This item is presented for discussion only. Staff is not requesting action at this time.

BACKGROUND

AB 1749 amends the Labor Code to provide public employers the option to cover peace officers injured out-of-state in performance of their duty under workers’ compensation.

California Labor Code Section 3600.2(a) provides workers’ compensation coverage for injuries sustained by a peace officer while off duty within the State. Following the 2017 Las Vegas shooting, several peace officers filed workers’ compensation claims for injuries arising from their off-duty conduct, but their claims were denied because the California Labor Code did not extend workers’ compensation coverage for out-of-state injuries. In response, Assembly Bill (AB) 1749 was introduced to amend the California Labor Code governing workers’ compensation benefits.

In September 2018, Governor Brown signed the bill into law effective January 1, 2019. The law specifically amends the Labor Code to permit public agencies to accept liability for workers’ compensation of a peace officer, if the peace officer “is injured, dies, or is disabled from performing his or her duties as a peace officer by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace, outside the state of California, but was not at the time acting under the immediate direction of his or her employer....”.

AB 1749 does not create a mandate that a public employer accept workers’ compensation liability under the circumstances described above. Rather, the law expressly states that an employer may accept liability and provide benefits at its discretion or in accordance with an adopted resolution, as long as the employer decides that providing benefits serves the public purpose of the employer.

Although each member may determine whether it wishes to extend coverage under the new law (sample resolutions are provided for your consideration), staff recommends amending REMIF’s workers’ compensation Memorandum of Coverage (MOC) to allow for these, should members adopt a resolution to allow this coverage. Sample language that can be added to the MOC is an exclusion, such as:

“C. Exclusions

This Memorandum of Coverage does not cover:

...
of bodily injury or occupational disease sustained by a peace officer, as defined in Section 50620 of the California Government Code, when he or she was off-duty, not acting under the immediate direction or his or her employer, and outside the State of California. However, this exclusion shall not apply to bodily injury or occupational disease sustained by a peace officer under such circumstances if:

1. the peace officer, at the time of sustaining the injury or illness, was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, the protection or preservation of life or property, or the preservation of the peace; and
2. prior to the occurrence, the governing board of the Participating Member has adopted a resolution, as provided for in the California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such bodily injury and occupational illness under the Workers' Compensation Act.”

FISCAL IMPACT

Unknown at this time. Staff is not aware of any claims where LC 3600.2(a) have applied. However, changes to the MOC will increase the pool's exposure.

RECOMMENDED ACTION

Discuss changes to the MOC to allow for additional coverage, should a member city adopt a resolution to cover peace officers injured out-of-state in performance of their duties under workers' compensation.

ATTACHMENT

19.1 Sample resolution for off duty peace officers

RESOLUTION NUMBER _____

RESOLUTION OF THE CITY OF _____ AUTHORIZING WORKERS' COMPENSATION
COVERAGE FOR OFF-DUTY PEACE OFFICERS INJURED OUT OF STATE

WHEREAS, Labor Code Section 3600.2 was amended by Assembly Bill 1749 in 2018, to allow a peace officer employer to accept liability for workers' compensation liability and provide benefits for an injury or illness sustained by a peace officer by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace, outside the state of California, but who was not at the time acting under the immediate direction of his or her employer, if the employer determines that providing compensation serves the public purposes of the employer;

WHEREAS, the City's workers' compensation insurance carrier has amended [or plans to amend] its Memorandum of Coverage to provide coverage for peace officers who sustain a bodily injury or occupational illness while out of state under the circumstances described in Section 3600.2, but only if, prior to the occurrence, the governing board of the covered member has adopted a resolution under Section 3600.2, subsection (b)(4), accepting liability for such injury and or illness under the California workers' compensation law; and,

WHEREAS, the City desires to accept workers' compensation liability for peace officers who sustain an injury or illness while out of state in accordance with Labor Code Section 3600.2 and the REMIF Memorandum of Coverage;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of _____ as follows:

1. The City authorizes and agrees to accept liability for workers' compensation benefits under California Labor Code, Division 4 for an injury or illness sustained by a peace officer by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace, outside the state of California, but who was not at the time acting under the immediate direction of the City. This resolution is adopted pursuant to Labor Code Section 3600.2, subsection (b)(4).
2. The City finds and determines that providing workers' compensation benefits in the circumstances described in paragraph 1 serves the public purposes of the City.
3. This coverage shall not apply if, at the time of the occurrence, the peace officer was suspended from peace officer duty or otherwise not in good standing as a peace officer.
4. This coverage applies only to a peace officer as defined at Government Code Section 50920.
5. This coverage applies to occurrences that happen on or after July 1, 2019.

PASSED AND ADOPTED by the City Council of the City of _____ at its regular meeting on _____, by the following vote:

AYES: _____
 NOES: _____
 ABSTAIN: _____
 ABSENT: _____

Mayor

ATTEST:

City Clerk