



Executive Committee Meeting

May 11, 2017

9:00am



Alameda County Schools Insurance Group (ACSIG)
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

AGENDA Executive Committee

Date: Thursday, May 11, 2017
Time: 9:00 AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 9:00 AM

II. Roll call

Executive Committee Members

Dr. Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Allan Garde	Board Member	Albany USD
Annette Heldman	Board Member	San Lorenzo USD
Akur Varadarajan	Board Member	New Haven USD
Bryan Richards	Board Member	Newark USD

Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Celina Flotte	Executive Assistant	Alameda County Schools Insurance

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Bill Poland	Guest	Keenan & Associates
Hesam Fayaz	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. Acceptance of the Agenda

The Executive Committee will vote on the acceptance of the agenda.

IV. Public Comment on Closed Session Agenda Items

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is on the agency's agenda for that meeting. The Board of Directors allows speakers to speak on agendized and non-agendized matters under public comment. Comments are limited to no more than 3 minutes per speaker. By law, no action may be taken on any item raised during the public comment periods and matters may be referred to staff for placement on a future agenda of the Board of Directors

Closed Session

Pursuant to Government code section 54956.95, the Executive Committee is empowered to conduct a closed session to discuss matters affecting the JPA or a member of the JPA

A. Settlement Authorization

- Claim Numbers:

B. Settlement Notification

- Claims Numbers:

VanDenburg	428895	He Wu	492720	Eldridge	506931
Dailey	431755	Su	493766	Angoco	507133
Carey	445375	Saunders	495310	Cohlman	509238
Merlin	449478	He Wu	495488	Nese-Forte	509323
VanDenburg	452199	Spitzack	496690	Rodriguez	512820
Merlin	453030	Tomasic	496691	Davila	513157
Mendoza	465082	Uribe	497557	Mirts	515922
Daniello	471869	Arnold	499299	Chacon	518021
Holm	472916	Youngs	499538	Grasseschi	518802
He Wu	473771	Demarest	499688	Burns	519085
Hounshell	479922	Salcedo	500633	Waste	524849
Chacon	482321	Badie	501509	Cosgrove	525159
Torrez	482532	Pence	503237	Kirk	525561
Spitzack	483293	Coldani	504161	Baldridge	529833
Fulford	489924	Schenker	504553	Mirts	536059
Chacon	491259	Schenker	504610		

Open Session

V. Public Comment on Open Session Agenda Items

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is on the agency's agenda for that meeting. The Board of Directors allows speakers to speak on agendaized and non-agendaized matters under public comment. Comments are limited to no more than 3 minutes per speaker. By law, no action may be taken on any item raised during the public comment periods and matters may be referred to staff for placement on a future agenda of the Board of Directors

VI. Report of Action Taken in Closed Session

VII. Approval of Minutes

The Executive Committee will review/approve the meeting minutes from February 16, 2017.

Workers Compensation

VIII. Loss Portfolio Transfer Report

Bill Poland from Keenan will discuss further opportunity for Loss Portfolio Transfer for the old, ACSIG claim inventory.

Recommendation: For discussion

Dental

IX. Dental Rates 2017/2018

The Executive Director will present the 2017/2018 Dental rate recommendations. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

X. Dental Actuarial Study

The Executive Director will present the dental study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

Vision

XI. Vision Rates 2017/2018

The Executive Director will present the 2017/18 Vision rate recommendations. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

XII. Vision Actuarial Study

The Executive Director will present the vision study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

Property & Liability

XIII. Property & Liability Rates 2017/2018

The Executive Director will present the 2017/18 Property and Liability rates. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

XIV. PLCA Amendment

The Executive Director will present an amendment to the PLCA contract.

Recommendation: For action

XV. P&L Actuarial Study

The Executive Director will present the P&L study. The Executive Committee will be asked to recommend approval to the Full Board.

Recommendation: For action

General

XVI. Third Quarter Financial Report

Hesam Fayaz from SETECH will present the 2016/2017 third quarter financial report. The Executive Committee will be asked for a recommendation to the Full Board.

Recommendation: For action

XVII. Third Quarter Investment Report

Cary Allison from Morgan Stanley will review the 2016/17 third quarter investment report. The Executive Committee will be asked for a recommendation to the Full Board.

Recommendation: For action

XVIII. 2017/2018 Budget

The Executive Director will review the 2017/18 Budget. The Executive Committee will be asked for a recommendation to the Full Board.

Recommendation: For action

XIX. ACSIG Salaries & Benefits

The Executive Director will present a cost of living increase proposal for the ACSIG staff.

Recommendation: For action

XX. Strategic Plan 2017

The Executive Director will review the date and location for the Strategic Planning Session.
Recommendation: For discussion and/or action

Administrative

XXI. Investment Policy

The Executive Committee will conduct the annual review of the written investment policy and will be asked for a recommendation to the Full Board.

Recommendation: For action

XXII. Conflict of Interest Code

The Executive Committee will conduct the annual review of the conflict of interest policy and will be asked for a recommendation to the Full Board.

Recommendation: For action

XXIII. Authorization of Signatures

The Executive Committee will conduct the annual review of the authorization of signatures and will be asked for a recommendation to the Full Board.

Recommendation: For action

XXIV. Meeting Calendar

The Executive Committee will review the 2017/18 calendar and will be asked for a recommendation to the Full Board.

Recommendation: For action

XXV. Posting and Mailing Address

The Executive Committee will conduct the annual review of the posting and mailing address for ACSIG will be asked for a recommendation to the Full Board.

Recommendation: For action

XXVI. Future Planning

XXVII. Adjournment



Alameda County Schools Insurance Group (ACSIG)
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

MINUTES Executive Committee

Date: Thursday, February 16, 2017
Time: 9:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

Conference call dial-in 510-670-7776

I. Call to order 9:00 AM

II. Roll call

Executive Committee Members Present

Dr. Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Allan Garde	Board Member	Albany USD
Annette Heldman	Board Member	San Lorenzo USD
Bryan Richards	Board Member	Newark USD
Akur Varadarajan	Board Member	New Haven USD

Kimberly Dennis	Executive Director	Alameda County Schools Insurance Group
Celina Flotte	Executive Assistant	Alameda County Schools Insurance Group

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. Acceptance of the Agenda

It was moved by Raul Parungao and seconded by Bryan Richards to approve the agenda as presented.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:36am.

A. Settlement Authorization

- Claim Numbers: N/A

B. Settlement Notification

- Claim Numbers:

Weber 449928	Kauzlarich 502616	Slack 517746
Loeser 450037	Gupta 503348	Malaca 518437
Crosby-Hogg 454362	Peters 503413	Allen 521678
Strother 455473	Reavis 505097	English 523903
Meyer 467418	Scott 510832	Klein-Horejsi 2202027
Balatayo 476898	Oliveira 511229	Lavin 2203289
Williams 477145	Cuenca 512378	Raley 2506815
Williams 481674	Gordon 517314	Sanders 2509076

C. Executive Director Evaluation

Open Session

Open session began at 9:48am.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

The Committee delivered the Executive Director Evaluation.

VII. Approval of Minutes

It was moved by Raul Parungao and seconded by Bryan Richards to approve the November 3, 2016 Executive Committee and November 9, 2016 Full Board Meetings.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

Workers Compensation

VIII. Loss Portfolio Transfer Report

Ron Martin of Keenan presented the Loss Portfolio Transfer Report to the Executive Committee. It was decided to bring this discussion back to the Executive Committee after next years actuarial study for further review.

IX. Keenan TPA Contract

The Executive Director presented the Keenan TPA Contract.

It was moved by Dr. Candi Clark and seconded by Bryan Richards to approve the Keenan TPA Contract with an exception of one clerical correction on Exhibit B on page 12.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

X. CastlePoint/ Reinsurance Update

Ron Martin of Keenan updated the Committee on CastlePoint Reinsurance receivership and the potential exposure to the pool on 2 open claims.

XI. Actuarial Study - Ex Mod

The Executive Director presented the Ex-Mods as determined by the Actuary, Jack Joyce.

Ex-Mods have a minimum of .75 and a maximum of 1.25. There is not a limit to the amount that a member can change between years. The amounts are averaged to 1.00 and based on a member's experience within the pool. Positive risk management procedures will not have an immediate effect due to the numbers being based on a 3 year average, but will show positively in the future.

MEMBER	NEW EX-MOD 12/31/16	OLD EX-MOD 12/31/15
ACOE	0.750	0.750
ALAMEDA	1.188	1.009
ALBANY	0.989	1.206
CASTRO VALLEY	1.078	0.998
DUBLIN	0.768	0.864
EDEN ROP	0.750	0.983
EMERY	0.750	0.750
FREMONT	0.917	0.988
LIVERMORE	1.092	1.114
MISSION ROP	0.750	0.750
MT. HOUSE	1.250	1.250
NEWARK	1.000	1.250
NEW HAVEN	1.076	0.938
PIEDMONT	0.750	0.750
PLEASANTON	0.920	0.750
SAN LEANDRO	1.115	1.197
SAN LORENZO	1.250	1.250
SUNOL GLEN	0.750	0.782
TRI VALLEY ROP	0.750	1.085

It was moved by Bryan Richards and seconded by Raul Parungao to approve the Actuarial Study Ex-Mods.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

XII. Actuarial Study - Ultimate Loss

The Executive Director presented the Ultimate Loss report prepared by Jack Joyce of Bay Actuarial. It was estimated that ACSIG's liability for unpaid losses are \$18,514,000 on December 31, 2016 and project that it will be \$17,109,000 on June 30, 2017. The corresponding discounted values (at 1.5% interest) are \$16,403,000 and \$15,738,000.

It was moved by Raul Parungao and seconded by Bryan Richards to approve the Actuarial Study Ultimate Loss.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

XIII. Preliminary 2017-2018 Workers' Compensation Rates

The Executive Director reviewed the changes proposed to the base rate. 2017-2018 base rate uses a calculation of PIPS rate + Administrative Costs + Self Insurance Fee + an Adjustment of \$1,500,000. The +\$0.35 has been removed from the calculation due to the surplus. The adjustment is for the payroll adjustment to accommodate the variance between payroll numbers used for ACSIG billing (2015-2016 audited payroll) versus the amount paid to PIPS (2017-2018 actual payroll). This payroll adjustment resulted in a 7.65% increase to the Worker's Comp rate.

2017/2018 Workers' Compensation Rates

	2014/2015 Actual Payroll	2015/2016 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2017/2018 PREMIUM
ACOE	\$24,650,909	\$25,061,341	2.75	0.7500	2.06	\$516,890
ALAMEDA	\$63,724,582	\$68,660,947	2.75	1.1880	3.27	\$2,243,153
ALBANY	\$26,634,210	\$27,672,524	2.75	0.9890	2.72	\$752,623
CASTRO VALLEY	\$57,098,359	\$61,699,837	2.75	1.0780	2.96	\$1,829,092
DUBLIN	\$57,362,013	\$66,582,268	2.75	0.7680	2.11	\$1,406,218
EDEN ROP	\$3,457,372	\$3,885,140	2.75	0.7500	2.06	\$80,131
EMERY	\$5,862,048	\$5,695,727	2.75	0.7500	2.06	\$117,474
FREMONT	\$216,697,574	\$242,522,930	2.75	0.9170	2.52	\$6,115,822
LIVERMORE	\$74,245,093	\$78,864,191	2.75	1.0920	3.00	\$2,368,292
MISSION ROP	\$3,864,371	\$3,996,482	2.75	0.7500	2.06	\$82,427
MT. HOUSE	\$235,401	\$174,844	2.75	1.2500	3.44	\$6,010
NEWARK	\$40,748,743	\$43,428,226	2.75	1.0000	2.75	\$1,194,276
NEW HAVEN	\$80,611,552	\$82,394,985	2.75	1.0760	2.96	\$2,438,068
PIEDMONT	\$22,993,262	\$23,943,792	2.75	0.7500	2.06	\$493,841
PLEASANTON *	\$94,213,075	\$100,602,848	2.75	0.9200	2.53	\$2,545,252
SAN LEANDRO	\$57,484,959	\$60,732,865	2.75	1.1150	3.07	\$1,862,221
SAN LORENZO	\$73,608,462	\$74,342,651	2.75	1.2500	3.44	\$2,555,529
SUNOL GLEN	\$1,807,540	\$1,912,229	2.75	0.7500	2.06	\$39,440
TRI VALLEY ROP	\$2,659,030	\$3,200,723	2.75	0.7500	2.06	\$66,015
TOTAL PREMIUMS	\$907,958,555	\$975,374,549				\$26,712,774
Average Ex Mod				1.00000		

Payrolls based upon 2015/2016 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

Rate Build UP					
PIPS K-12 Rate	2.610195 (assume 5% increase in rate and 10% ex-mod)				
ACSIG Ex-mod	0.87714	2.2895	\$	24,040,240.68	0.024647189
Claims Admin	154,000		\$	154,000.00	0.000169611
ACSIG Admin	\$ 219,150.00		\$	219,150.00	0.000241366
Self-Insurance Fee	\$ 250,000.00		\$	250,000.00	0.000275343
PIPS Adj	\$ 2,000,000.00		\$	2,000,000.00	0.002202744
			\$	26,663,390.68	0.027536252
est. 17/18 payroll	\$ 1,050,018,477				
percentage due to growth in payroll	7.65%				
overall increase in costs	-10.61%				

It was moved by Raul Parungao and seconded by Bryan Richards to approve the Workers Compensation Rates.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

XIV. Information Report for the Fiscal Year End

Laurena Grabert from SETECH presented the Financial Management Information Report Ended June 30, 2016. The following numbers reflect each member's portion of the unfunded liability.

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2016

Members	Sub-Total From Page II	Program Years								Total
		2012/2013		2013/2014		2014/2015		2015/2016		
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	
Alameda CCH	\$ (276,716)	2.00 %	\$ 44,180	2.29 %	\$ 25,525	2.28 %	\$ 48,889	2.18 %	\$ 122,485	\$ (35,637)
Alameda	(1,159,923)	5.85	129,226	6.71	74,791	6.80	145,809	7.26	407,909	(401,288)
Albany	(333,428)	2.41	53,237	2.76	30,764	2.78	59,610	2.65	148,893	(40,924)
Castro Valley	(710,882)	5.31	117,298	4.72	52,610	4.77	102,281	5.21	292,728	(145,965)
Dublin	(315,399)	5.65	80,628	3.85	42,913	4.68	100,351	5.03	282,615	191,108
Eden ROP	(177,637)	0.37	8,173	0.28	3,121	0.36	7,719	0.38	21,351	(137,273)
Emery	(166,542)	0.67	14,800	0.80	8,917	0.54	11,579	0.54	36,340	(100,906)
Freemont	(1,688,865)	28.86	637,517	29.82	332,381	28.74	616,258	26.46	1,486,678	1,383,969
Livermore	(1,011,396)	9.10	201,019	9.31	103,772	9.50	203,704	9.91	556,802	53,901
Mission ROP	(107,141)	0.39	8,615	0.39	4,347	0.40	8,577	0.39	21,912	(63,699)
Mt. Diablo	(7,849)	0.03	663	0.04	446	0.03	643	0.03	1,686	(4,411)
Newark	(877,387)	4.36	96,312	4.46	49,712	5.80	124,367	5.76	323,631	(283,365)
New Haven	(1,520,017)	9.28	204,995	8.18	91,176	7.06	151,384	8.17	499,038	(613,424)
Piedmont	(325,710)	1.91	42,192	1.90	21,178	1.95	41,813	1.86	104,506	(116,621)
Pleasanton	(1,044,700)	9.71	214,494	9.50	105,889	8.42	180,546	8.00	449,487	(84,284)
San Leandro	(543,444)	6.13	135,412	5.15	57,403	6.25	133,587	6.84	384,311	167,269
San Lorenzo	(1,740,171)	9.42	208,088	9.22	102,768	9.10	195,127	8.81	494,997	(739,191)
Sonoma Glen	(27,834)	0.13	2,872	0.13	1,449	0.13	2,788	0.14	7,866	(12,859)
Tri Valley ROP	(38,316)	0.42	9,278	0.49	5,463	0.43	9,221	0.38	21,351	6,997
Pleasanton Apprentice										
Totals	\$(12,072,457)	100.00 %	\$ 2,388,999	100.00 %	\$ 1,114,625	100.00 %	\$ 2,144,253	100.00 %	\$ 5,618,386	\$ (985,994)

Dental/ Vision

XV. Actuarial Report

The Executive Director presented the actuarial report completed by Healthcare Actuaries for ACSIG Dental and Vision Program.

It was moved by Bryan Richards and seconded by Raul Parungao to approve the Actuarial Report.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

General

XVI. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2016/2017 Second Quarter Financial Report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2016 and 12/31/2016

	Audited As of 06/30/2016	Activity 07/01/2015 - 12/31/2016	As of 12/31/2016
Assets:			
Current Assets			
Workers Compensation	\$ 8,758,964	4,539,146	\$ 13,298,111
Dental	3,019,012	1,735,328	4,754,340
Vision	1,175,897	(70,458)	1,105,439
Property and Liability	1,206,795	(384,794)	822,001
Operations	169,423	(62,155)	107,268
Cash and Cash Equivalents	\$ 14,330,091	5,757,067	\$ 20,087,159
Investments Morgan Stanley - current	1,701,027	(168,865)	1,532,162
Accounts Receivable	7,965,408	34,868	8,000,276
Prepaid Expense	--	542,148	542,148
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	23,996,526	6,165,218	30,161,744
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	48,329	14,418,349
Capital - Equipment, net of depreciation	3,555	--	3,555
Total Assets	\$ 38,370,101	\$ 6,213,547	\$ 44,583,648
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	--	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,414,640	\$ 4,440,360	\$ 9,855,000
Prefunding deposits (2)	3,418,159	252,000	3,670,159
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,542,657	283,861	3,826,518
Subtotal Current Liabilities	12,375,456	4,976,221	17,351,677
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(1,250,479)	14,899,312
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	(192,000)	1,378,819
Subtotal Noncurrent Claim Liabilities	17,720,610	(1,442,479)	16,278,131
Net Pension Liability (NPL)	525,511	--	525,511
Total Liabilities	\$ 30,621,577	\$ 3,533,742	\$ 34,155,319
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	--	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	2,679,805	10,405,494
Designated - Capital Assets	3,555	--	3,555
Total Net Position	\$ 7,729,244	\$ 2,679,805	\$ 10,409,049
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 38,370,101	\$ 6,213,547	\$ 44,583,648

It was moved by Raul Parungao and seconded by Bryan Richards to approve the Second Quarter Financial Report.

Ayes: Clark, Kinder, Parungao, Heldman, Richards

Nays: None

Abstain: None

Allan Garde joined meeting at 11:00am.

XVII. Second Quarter Investment Report

Cary Allison from Morgan Stanley presented the 2016/17 Second Quarter Investment Report.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	12/31/16
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,050,105.12
Total Ending Value	\$16,082,980.87
Current Quarter	-0.97%
Year to Date	0.99%
Since Inception (annualized % per year)	1.13%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	0.95%
Last 5 Years (annualized % per year)	1.05%
Since Inception (annualized % per year)	1.15%
Year 2016	0.99%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	28.89%

It was moved by Raul Parungao and seconded by Bryan Richards to approve the Second Quarter Investment Report.

Ayes: Clark, Kinder, Parungao, Heldman, Richards, Garde

Nays: None

XVIII. 2017/2018 Budget

The Executive Director reviewed the tentative 2017/18 Budget. The budget was developed using year-to-date 2016/2017 data and preliminary estimates for 2017/2018 rates and costs. The Executive Committee asks that any operations increase should be written as subject to Board approval.

It was moved by Bryan Richards and seconded by Raul Parungao to approve the Budget.

Ayes: Clark, Kinder, Parungao, Heldman, Richards, Garde

Nays: None

XIX. Strategic Planning Update

The Executive Director reviewed the progress to date of the strategies established at the 2016-17 strategic planning session held in October 2016.

XX. CAJPA Fall Conference 2017

The dates for the 2017 CAJPA Fall Conference will be September 12 -15 in Lake Tahoe. All Executive Committee Members/ or Designees and new Board Members are invited to attend.

XXI. Future Planning

XXII. Dr. Candi Clark adjourned the meeting at 11:13AM.



LOCATION CALL- IN SHEET

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

EXECUTIVE COMMITTEE MEETING

February 16, 2017 9:00 AM

Conference Call Instruction:

1) Enter call-in number 510-670-7776 2) State your name

This meeting will be conducted by teleconferencing in accordance with Government Code Section 54953(b). Members of the public may address the Committee from any teleconference location shown below:

Albany Unified School District

1051 Monroe Street Albany, CA 94706

Castro Valley Unified School District

4400 Alma Avenue Castro Valley, CA 94546

Fremont Unified School District

4210 Technology Drive Fremont, CA 94539

Livermore Unified School District

685 East Jack London Blvd. Livermore, CA 94501

New Haven Unified School District

34200 Alvarado-Niles Rd. Union City, CA 94587

Newark Unified School District

5715 Musick Avenue Newark, CA 94560

San Lorenzo Unified School District

15510 Usher Street San Lorenzo, CA 94580



Alameda County Schools Insurance Group

P.O. Box 2487
Dublin, CA 94568
Phone (925) 225-1030
Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Loss Portfolio Transfer

As the ACSIG Board has identified the workers' compensation program deficit and strategized on ways of decreasing and limiting the exposure to the JPA, every opportunity available is being investigated. One possibility is a loss portfolio transfer (LPT). With an LPT, ACSIG would be able to transfer all future exposure for existing claims to a reinsurer for a price.

The easiest and most efficient mechanism for LPT is by completing the transaction through a transfer of cash. As the insurance market changes, there are new opportunities. Therefore, additional options are being explored. One option was explored in February and new information has been submitted by an interested carrier.

The Executive Director and a representative from Keenan & Associates will give a full report at the meeting.

ACSIG
Alameda County Schools
Insurance Group

Loss Portfolio Transfer Proposal

ACSIG Loss Portfolio Transfer

Definition and Goals

Loss Portfolio Transfer (LPT) – a Loss Portfolio Transfer is a method by which future claim liabilities are transferred from one entity (ACSIG) to another entity in exchange for premium.

- Transfer future liabilities for all known open and incurred, but not reported claims
- Improve balance sheet by eliminating claims liability
- Obtain coverage limit higher than available by retaining risk
- Eliminate credit risk

ACSIG Loss Portfolio Transfer

Actuarial Projected Liability at December 31, 2016
Based on Bay Actuarial Report
Dated - January 31, 2017

Probability Level	Undiscounted	Discounted (1.5%)
Central Estimate	\$ 18,514,000	\$ 16,403,000
60%	\$ 18,884,000	\$ 16,731,000
70%	\$ 19,625,000	\$ 17,387,000
80%	\$ 20,550,000	\$ 18,207,000
90%	\$ 21,846,000	\$ 19,356,000

ACSIG Loss Portfolio Transfer

Proposed Loss Portfolio Transfer Summary

- Reinsurer – CHUBB Tempest Re 100% – A.M. Best rating of A+ XV
- Consideration - \$18,500,000
- Aggregate Limit - \$27,000,000 (150% of Reinsurance Premium)
- Terms:
 - Excess insurance per schedule (with \$1,000,000 SIR assigned to program year 04-05) deemed to be in place and no credit risk assumed
 - Covers 147 open claims as of 12.31.16 and re-open exposure on 26,659 closed claims to be scheduled
 - Payments from 12.31.16 to effective date of transaction to be deducted from consideration
 - Follows the coverage of the ACSIG Coverage Document
 - Excluding ECO and XPL payments
 - Keenan to continue as the claims administrator and consideration does not include fees for this service
 - Keenan lifetime marketing and servicing compensation \$500,000
 - 100% of consideration due within 30 days of effective date

ACSIG Loss Portfolio Transfer

Proposed Loss Portfolio Transfer Summary

- Consideration equal to Bay Actuary's undiscounted central estimate
- Protection \$5M above Bay Actuary's 90% undiscounted Probability Level estimate
- Reinsurer A.M. Best rating A+ XV – Highest You Can Get
- Eliminate credit risk
- Eliminate uncertainty of ultimate liability for program year 04-05 when no excess coverage was purchased
- Eliminate economic uncertainty of claims that may re-open



Alameda County Schools Insurance Group

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Phone (925) 225-1030
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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2017/2018 Dental Rates

Enclosed are the proposed 2017/2018 Dental rate changes for ACSIG members. The program has been performing exceptionally well and efficiently. The past three years have seen flat rates and rebates in this program. ACSIG has recognized a downward trend by keeping rates flat from year to year. This positive claims experience has continued in 2016/2017 and we are recommending a 2% decrease in rates for 2017/2018.

These rates will be reviewed by the Executive Director at the meeting and will be asking for approval of the 2017/2018 dental rates.

Administration Fee History

Dental Program

Period	Enrollment	Delta Dental Admin Fee / ACSIG Eligibility Fee	Renewal Action
10/1/2011 – 9/30/2012	87,836	6.44% / \$0.65 PEPM	0.00%
10/1/2012 – 9/30/2013	87,497	6.37% / \$0.65 PEPM	2.08%
10/1/2013 – 9/30/2014	88,573	5.87% / \$0.65 PEPM	0.00%
10/1/2014 – 9/30/2015	93,398	5.87% / \$0.60 PEPM	0.00%
10/1/2015 – 9/30/2016	97,857	5.86% / \$0.60 PEPM	0.00%
10/1/2016 – 9/30/2017	99,828*	5.86% / \$0.60 PEPM	0.00%
10/1/2017 – 9/30/2018	100,000*	5.85% / \$0.60 PEPM	TBD

Vision Program

Period	VSP Admin Fee	Vision Admin Fee to Members	Renewal Action
10/1/2013 – 9/30/2014	13.0%	15.0%	0.00%
10/1/2014 – 9/30/2015	10.5%	12.5%	-5.20%
10/1/2015 – 9/30/2016	10.5%	12.5%	0.00%
10/1/2016 – 9/30/2017	10.5%	12.5%	0.00%
10/1/2017 – 9/30/2018	10.5%	12.5%	TBD

*Enrollment as of April 2017. Projected enrollment should reach 100,000 prior to 10/1/17.

Fixed Rated Dental

Dental Renewal Action and History

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Underwriting Results	0.08%	-1.80%	-1.70%	-0.9%	-6.1%
Actual Applied to Members	0.00%	0.00%	0.00%	0.00%	-2.00% (Proposed)



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Actuarial Report for Dental

Enclosed please find the actuarial report completed by Healthcare Actuaries for the ACSIG Dental Program. These ACSIG programs must have an actuarial report at a minimum of every 2 years to meet CAJPA accreditation standards.

Healthcare Actuaries has completed these reports for ACSIG for the past three reporting cycles. The information shows that due to the growth in the Dental program, more reserve is required.

The specifics of the report will be reviewed by the Executive Director at the meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

December 31, 2016
Estimated Incurred Claim Liability
Fixed-Rate Dental and Self-Funded Vision Plans

January 31, 2017



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Executive Summary

Summary

A summary of the incurred claim liability estimates as of December 31, 2016 follows. We show the prior and current results, for March 31, 2015 and December 31, 2016.

The estimates below include margin for claims fluctuation and administrative costs.

Incurred Claim Liability Estimates, Prior and Current Estimates

Coverage	Mar. 31, 2015	Dec. 31, 2016	Change	% Change
Dental	\$1,709,000	\$1,899,000	\$190,000	11.1%
Vision	\$142,000	\$300,000	\$158,000	111.3%
Total	\$1,851,000	\$2,199,000	\$348,000	18.8%

We also show revised year-end estimates for 2014 and 2015, followed by the current estimate for December 31, 2016. The 2016 estimate includes a 5% margin, but the 2014 and 2015 estimates do not. The amounts include claims paid through December 31, 2016.

Incurred Claims Liability Estimates, Revised Year-End Estimates

Coverage	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016
Dental	\$1,275,000	\$1,475,000	\$1,899,000
Vision	\$140,000	\$223,000	\$300,000
Total	\$1,415,000	\$1,698,000	\$2,199,000

Purpose of Report

The report presents the estimated liability for claims incurred but not reported ("IBNR") as of December 31, 2016 for ACSIG's fixed-rate dental and self-funded vision plans.

Basis of Estimates

In preparing this report, we relied on enrollment, plan design, and claims data provided either directly or indirectly by ACSIG and its third-party carriers, Delta Dental and VSP. We reviewed the information for consistency and reasonableness, but we did not audit it.

This report includes estimates based on our understanding of ACSIG's current fixed-rate dental and self-funded vision plans.

Overall, our goal is to provide accurate estimates based on a thorough actuarial analysis. Our analyses depend on the availability of complete and accurate information about the plans.

Description, Results, and Analysis

Description

This section of the report provides an overview of the analyses completed based on historical information, the actuarial methods and assumptions used, and the estimates of incurred but unpaid claim liabilities for dental and vision coverage.

The liability represents claims incurred under the plans, but unpaid as of a specific date due to the lag between the date when a participant incurs charges (the “date of service”) and the date when the plan pays the claim. This liability must include estimates since the plan will not know the final liability until the plan pays all claims for all dates of service to-date in full, which can, in some cases, take years.

We derived estimated liabilities solely to meet employer financial accounting requirements that are consistent with generally accepted accounting principles (GAAP). Determination of such liabilities for other purposes may produce results different from the results in this report. In particular, these estimates are insufficient for use in connection with the funding of a 501(c)(9) trust or VEBA, since the Internal Revenue Code requires additional calculations for use in such funding.

Results

Exhibit A is a summary of the results of the incurred claim liability analysis. The summary shows the prior and current estimates, as well as revised estimates for year-end 2014 and year-end 2015 using data through December 31, 2016.

The first section shows the change in reserve from the last estimate as of March 31, 2015, to the current estimate. It shows the dollar and percentage change in the estimate also. These numbers include a margin for claims fluctuation and estimated administrative costs for paying claims processing costs during run-out should the plan terminate.

The second section shows the change in reserve from year-end 2014 to year-end 2015, as well as the dollar and percentage change from year-end to year-end. These figures include administrative costs, and include claims paid through December 31, 2016. The December 31, 2016 estimates also include margin.

Finally, the last section compares the original March 31, 2015 estimates to the run-out to-date, which will be nearly one-hundred percent complete at this time. The run-out is the claims paid after March 31, 2015 for claims incurred prior to or on March 31, 2015. These figures do not include margin or administrative costs to give a more accurate comparison to the claims run-out.

Analysis

Dental Claims

Exhibit B illustrates the **completion method** applied to dental claims. The top of the exhibit shows the reported incurred claims, based on claims incurred and paid from January 2014 through December 2016 (column A). We then estimate complete incurred claims (column C) by “completing” the incomplete incurred claims using actuarial completion factors (column B). We developed the completion factors from historical lag data. Finally, we calculated the liability as of December 31, 2016 by subtracting incurred and paid claims from the projected complete incurred claims.

To develop fully the estimated incurred claim liability, we added an estimate of the administrative costs, based on a rate of 5.86% of paid claims plus 60¢ per employee. We converted the 5.86% to a per employee basis for our estimate. These costs anticipate that ACSIG will incur additional administrative costs to pay run-out claims if the plan terminates. The first section of the bottom part of the exhibit shows this development. We add a 5% margin to account for unexpected increases in claims over the year. This section also shows the average lag to payment, which represents the average time to pay a claim. This number is **20.9** days for ACSIG’s dental claims. This means that it takes just under three weeks, on average, to pay the dental claims after the date of service.

The second section of the exhibit shows the incurred claim liability for year-end 2015, including a separate calculation for margin and administrative costs developed as of year-end 2015.

Vision Claims

Exhibit C illustrates the completion method for vision claims. The development of the vision incurred claim liability is the same as for the dental claims. The average number of lag days for vision claims is currently 16.6. This means that it takes just over two weeks, on average, to pay the vision claims after the incurred date of the claim.

Actuarial Certification

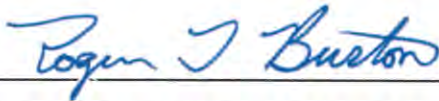
The preparation of this report accords with generally recognized and accepted actuarial principles and practices, and it is consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" of the American Academy of Actuaries

Healthcare Actuaries' work is prepared solely for the internal business use of the Alameda County Schools Insurance Group. To the extent that Healthcare Actuaries' work is not subject to disclosure under applicable public record laws, the Alameda County Schools Insurance Group and its agents may not provide our work to third parties without Healthcare Actuaries' prior written consent.

There is no relationship between Healthcare Actuaries, its owner, subcontractors, or staff, and the Alameda County Schools Insurance Group beyond the contractual services that we perform for the Alameda County Schools Insurance Group.

No third-party recipient of Healthcare Actuaries' work product should rely on Healthcare Actuaries' work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs. One must present this report in its entirety for it to be a valid report.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein, and is available to answer any questions with respect to the information contained in this report.



Roger T. Burton, FSA, MAAA, FCA

January 31, 2017

Date

Alameda County Schools Insurance Group

Claim Liability Summary

Estimated Incurred Claim Liability as of December 31, 2016

Prior and Current Estimates¹

Coverage	<i>Prior</i> March 31, 2015	<i>Current</i> December 31, 2016	Change in Reserve	% Change
Dental	\$1,709,000	\$1,899,000	\$190,000	11.1%
Vision	\$142,000	\$300,000	\$158,000	111.3%
Total	\$1,851,000	\$2,199,000	\$348,000	18.8%

Year-End Estimates as of December 31, 2016²

Coverage	<i>Revised</i> December 31, 2014	<i>Revised</i> December 31, 2015	<i>Current</i> December 31, 2016
Dental	\$1,275,000	\$1,474,000	\$1,899,000
Vision	\$140,000	\$223,000	\$300,000
Total	\$1,415,000	\$1,697,000	\$2,199,000

Prior Estimate Compared to Actual Run-Out To-Date³

Coverage	March 31, 2015	Actual Runout	Difference over Runout	% Difference
Dental	\$1,552,000	\$1,509,383	\$42,617	2.8%
Vision	\$123,000	\$100,332	\$22,668	22.6%
Total	\$1,675,000	\$1,609,715	\$65,285	4.1%

¹ Includes margin and administrative costs

² Includes administrative costs. The most current estimate also includes margin.

³ Excludes margin and administrative costs

Alameda County Schools Insurance Group

Dental Claims for Active Employees, COBRA Participants, and Retirees

Estimated Incurred Claim Liability as of December 31, 2016 – Completion Method

Estimated Completed Dental Claims

Mo-Yr	Employees	A Incurred Claims Paid Through	B Percent Complete	C = A ÷ B Projected Completed Incurred Claims	D = C - A Liability
		12/31/2016			
Jan-15	17,105	\$2,100,220	100.0%	\$2,100,220	\$0
Feb-15	17,155	\$1,682,418	100.0%	\$1,682,418	(\$0)
Mar-15	17,210	\$1,818,478	100.0%	\$1,818,478	\$0
Apr-15	15,543	\$1,811,599	100.0%	\$1,811,599	\$0
May-15	15,514	\$1,441,768	100.0%	\$1,441,768	\$0
Jun-15	15,473	\$2,046,316	100.0%	\$2,046,316	(\$0)
Jul-15	15,444	\$2,209,529	100.0%	\$2,209,529	(\$0)
Aug-15	15,403	\$1,840,196	100.0%	\$1,840,222	\$26
Sep-15	15,517	\$1,478,366	100.0%	\$1,478,387	\$21
Oct-15	15,889	\$1,556,299	100.0%	\$1,556,504	\$205
Nov-15	15,978	\$1,573,630	100.0%	\$1,573,837	\$207
Dec-15	15,955	\$2,126,737	100.0%	\$2,126,895	\$158
Jan-16	16,012	\$2,437,138	99.9%	\$2,439,446	\$2,308
Feb-16	16,054	\$2,057,058	99.8%	\$2,061,036	\$3,978
Mar-16	16,055	\$2,036,692	99.7%	\$2,042,563	\$5,871
Apr-16	16,057	\$1,697,788	99.6%	\$1,704,062	\$6,274
May-16	15,987	\$1,535,661	99.6%	\$1,542,402	\$6,741
Jun-16	15,976	\$2,121,136	99.5%	\$2,131,036	\$9,900
Jul-16	15,924	\$2,001,895	99.4%	\$2,014,909	\$13,014
Aug-16	15,803	\$1,915,584	99.2%	\$1,931,560	\$15,976
Sep-16	16,010	\$1,378,327	98.6%	\$1,398,166	\$19,839
Oct-16	16,131	\$1,396,485	91.3%	\$1,528,995	\$132,510
Nov-16	16,155	\$1,441,845	86.2%	\$1,673,584	\$231,739
Dec-16	16,147	\$933,476	42.9%	\$2,176,430	\$1,242,954
Total	384,497	\$42,638,639	n/a	\$44,330,362	\$1,691,723

Estimated Dental Incurred Claim Liability

Projected completed claims for the period ending 12/31/2016	\$44,330,362
Incurred claims paid through 12/31/2016	- \$42,638,639
Estimated liability as of 12/31/2016	= \$1,691,723
Estimated liability as of 12/31/2016, rounded	= \$1,692,000
Claim fluctuation margin at 5%	+ \$85,000
Estimated administrative costs of \$7.63 per employee for 1 month(s)*	+ \$122,000
Estimated liability at 12/31/2016 (including margin & administrative costs)	= \$1,899,000
Average Lag Days	20.9
Estimated liability as of 12/31/2015, rounded	\$1,337,000
Estimated administrative costs of \$8.74 per employee for 1 month(s)*	+ \$137,000
Estimated liability at 12/31/2015 (including margin & administrative costs)	= \$1,474,000
Estimated liability as of 12/31/2014, rounded	\$1,168,000
Estimated administrative costs of \$6.33 per employee for 1 month(s)*	+ \$107,000
Estimated liability at 12/31/2014 (including margin & administrative costs)	= \$1,275,000

*Estimated administration based on administrative costs of 5.86% of paid claims (converted to an estimated per employee rate) plus 60¢ per employee.

Alameda County Schools Insurance Group

Vision Claims for Active Employees, COBRA Participants, and Retirees

Estimated Incurred Claim Liability as of December 31, 2016 – Completion Method

Estimated Completed Vision Claims

Mo-Yr	Employees	A Incurred Claims Paid Through 12/31/2016	B Percent Complete	C = A ÷ B Projected Completed Incurred Claims	D = C - A Liability
Jan-15	11,246	\$185,114	100.0%	\$185,114	\$0
Feb-15	11,258	\$155,133	100.0%	\$155,133	\$0
Mar-15	11,221	\$182,179	100.0%	\$182,179	\$0
Apr-15	11,228	\$177,627	100.0%	\$177,627	\$0
May-15	11,308	\$151,828	100.0%	\$151,828	\$0
Jun-15	11,272	\$211,651	100.0%	\$211,651	\$0
Jul-15	12,969	\$326,625	100.0%	\$326,625	\$0
Aug-15	13,028	\$296,087	100.0%	\$296,087	\$0
Sep-15	13,285	\$208,011	100.0%	\$208,011	\$0
Oct-15	14,014	\$235,282	100.0%	\$235,282	\$0
Nov-15	14,079	\$239,640	100.0%	\$239,644	\$4
Dec-15	14,127	\$313,775	100.0%	\$313,775	\$0
Jan-16	14,122	\$226,793	100.0%	\$226,796	\$3
Feb-16	14,149	\$207,628	100.0%	\$207,658	\$30
Mar-16	14,185	\$230,251	100.0%	\$230,251	\$0
Apr-16	14,184	\$212,892	100.0%	\$212,898	\$6
May-16	14,204	\$185,397	100.0%	\$185,431	\$34
Jun-16	14,220	\$275,828	99.9%	\$276,139	\$311
Jul-16	15,760	\$354,188	99.8%	\$354,930	\$742
Aug-16	15,722	\$325,993	99.6%	\$327,363	\$1,370
Sep-16	16,054	\$245,984	99.2%	\$247,850	\$1,866
Oct-16	16,509	\$254,786	92.0%	\$277,029	\$22,243
Nov-16	16,484	\$252,852	89.6%	\$282,193	\$29,341
Dec-16	16,484	\$181,165	48.4%	\$374,477	\$193,312
Total	331,112	\$5,636,709	n/a	\$5,885,971	\$249,262

Estimated Vision Incurred Claim Liability

Projected completed claims for the period ending 12/31/2016		\$5,885,971
Incurred claims paid through 12/31/2016	-	\$5,636,709
Estimated liability as of 12/31/2016	=	\$249,262
Estimated liability as of 12/31/2016, rounded	=	\$249,000
Claim fluctuation margin at 5%	+	\$12,000
Estimated administrative costs of \$2.39 per employee for 1 month(s)*	+	\$39,000
Estimated liability at 12/31/2016 (including margin & administrative costs)	=	\$300,000
Average Lag Days		16.6
Estimated liability as of 12/31/2015, rounded		\$188,000
Estimated administrative costs of \$2.55 per employee for 1 month(s)*	+	\$35,000
Estimated liability at 12/31/2015 (including margin & administrative costs)	=	\$223,000
Estimated liability as of 12/31/2014, rounded		\$116,000
Estimated administrative costs of \$2.41 per employee for 1 month(s)*	+	\$24,000
Estimated liability at 12/31/2014 (including margin & administrative costs)	=	\$140,000

*Estimated administration based on administrative costs of 10.50% of paid claims (converted to an estimated per employee rate) plus 60¢ per employee.

Appendix

The appendix includes recent lag data used in establishing estimated incurred claim liabilities for the dental and vision benefits.

- Dental Claims Lag Data
- Vision Claims Lag Data

Alameda County Schools Insurance Group
Dental Claims for Active Employees, COBRA Participants, and Retirees
Claims Lag Data

Delta Dental of California Dental Claims

Month Incurred	Month Paid ==>												Total*	Runout To-Date*	Enrollment (employees)
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16			
Jan-14						(\$811)							\$2,232,619	\$983,685	17,136
Feb-14						\$47	\$19						\$1,706,681	\$969,886	17,173
Mar-14			\$1,080				\$84						\$1,643,528	\$1,056,825	16,984
Apr-14				\$57			(\$92)						\$1,637,887	\$1,185,761	17,004
May-14													\$1,338,923	\$801,768	16,997
Jun-14					(\$196)								\$1,740,242	\$1,112,862	16,967
Jul-14													\$1,913,070	\$979,446	16,940
Aug-14						\$31							\$1,575,201	\$958,041	16,762
Sep-14		\$52					\$900						\$1,313,616	\$1,098,821	17,059
Oct-14								(\$139)				\$88	\$1,376,283	\$909,908	16,938
Nov-14	\$646			\$15						\$149			\$1,312,468	\$942,192	17,006
Dec-14	\$589	\$45	\$52				(\$11)				(\$2,845)		\$1,788,832	\$1,169,730	17,052
Jan-15	\$4,330		\$712										\$2,100,220	\$1,444,959	17,105
Feb-15	\$1,218	\$916				\$33	(\$160)	\$318					\$1,682,418	\$1,288,860	17,155
Mar-15	\$823	\$4,960	\$99		\$134		(\$1,282)						\$1,818,478	\$1,509,383	17,210
Apr-15	\$2,616	\$1,984	\$940			\$210							\$1,811,599	\$1,061,355	15,543
May-15	\$1,741	\$1,872	\$1,064	\$730	\$100				\$1,000				\$1,441,768	\$1,038,092	15,514
Jun-15	\$4,174	\$6,283	\$2,434	\$969	\$107	\$448							\$2,046,316	\$1,442,083	15,473
Jul-15	\$6,730	\$3,719	\$7,003	\$1,523	\$2,476	\$1,294	\$2,349	\$372				\$125	\$2,209,529	\$1,237,620	15,444
Aug-15	\$9,542	\$8,058	\$6,326	\$3,357	\$2,418	\$4,171	\$1,760	\$911			\$864		\$1,840,196	\$1,174,771	15,403
Sep-15	\$9,687	\$6,870	\$13,048	\$1,173	\$1,452	\$3,355	\$1,254	\$698	\$1,706				\$1,478,366	\$1,247,859	15,517
Oct-15	\$19,454	\$17,199	\$13,732	\$11,134	\$6,369	\$3,069	\$1,427	\$1,582	\$1,909	\$1,866			\$1,556,299	\$984,051	15,889
Nov-15	\$56,029	\$18,066	\$23,914	\$8,223	\$6,274	\$9,486	(\$753)	\$8,505	\$2,868	\$3,981	\$381	\$113	\$1,573,630	\$1,200,368	15,978
Dec-15	\$738,326	\$105,605	\$51,317	\$33,348	\$14,932	\$10,831	\$5,246	\$7,575	\$6,436	\$4,954	\$2,724	\$995	\$2,126,737	\$1,337,887	15,955
Jan-16	\$1,345,410	\$886,051	\$107,130	\$36,126	\$23,002	\$15,967	\$6,676	\$7,572	\$4,003	\$1,536	\$2,544	\$1,122	\$2,437,138	\$1,573,710	16,012
Feb-16		\$1,030,060	\$891,877	\$63,968	\$22,991	\$21,357	\$9,561	\$4,004	\$8,505	\$3,391	\$1,833	(\$488)	\$2,057,058	\$1,539,031	16,054
Mar-16			\$1,190,616	\$705,686	\$73,796	\$30,301	\$15,320	\$6,022	\$7,374	\$3,885	\$1,389	\$2,304	\$2,036,692	\$1,264,379	16,055
Apr-16				\$933,555	\$632,912	\$76,121	\$24,419	\$17,119	\$4,544	\$6,946	\$1,365	\$807	\$1,697,788	\$1,162,303	16,057
May-16					\$806,017	\$638,667	\$45,006	\$17,257	\$14,035	\$7,398	\$4,911	\$2,369	\$1,535,661	\$1,105,179	15,987
Jun-16						\$1,315,286	\$695,497	\$55,586	\$30,011	\$13,925	\$3,798	\$7,032	\$2,121,136	\$1,096,451	15,976
Jul-16							\$1,149,522	\$746,118	\$73,686	\$15,944	\$6,253	\$10,372	\$2,001,895	\$1,141,605	15,924
Aug-16								\$1,045,142	\$771,960	\$58,082	\$22,899	\$17,501	\$1,915,584	\$1,138,547	15,803
Sep-16									\$820,100	\$501,181	\$33,324	\$23,723	\$1,378,327	\$768,737	16,010
Oct-16										\$787,255	\$554,778	\$54,452	\$1,396,485	\$754,730	16,131
Nov-16											\$641,296	\$800,548	\$1,441,845	\$921,061	16,155
Dec-16												\$933,476	\$933,476	n/a	16,147
Total*	\$2,201,315	\$2,091,737	\$2,311,345	\$1,799,864	\$1,592,784	\$2,129,863	\$1,956,742	\$1,918,641	\$1,748,137	\$1,410,493	\$1,275,514	\$1,854,537	\$20,953,083	n/a	n/a

Notes:

* Includes all paid months, even for months not shown in the exhibit.

Alameda County Schools Insurance Group
Vision Claims for Active Employees, COBRA Participants, and Retirees
Claims Lag Data

VSP Vision Claims

Month Incurred	Month Paid ==>												Total*	Runout To-Date*	Enrollment (employees)
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16			
Jan-14													\$182,417	\$81,559	10,125
Feb-14													\$134,626	\$67,199	10,136
Mar-14													\$160,884	\$96,414	10,115
Apr-14													\$153,040	\$73,330	10,074
May-14													\$145,006	\$86,163	10,083
Jun-14													\$190,647	\$96,513	10,071
Jul-14					\$10								\$236,659	\$124,922	10,063
Aug-14													\$225,948	\$112,103	10,016
Sep-14													\$153,762	\$71,526	10,151
Oct-14													\$180,802	\$101,336	10,185
Nov-14													\$157,986	\$93,375	10,220
Dec-14	(\$15)												\$200,425	\$116,022	10,244
Jan-15													\$185,114	\$110,424	11,246
Feb-15													\$155,133	\$78,634	11,258
Mar-15													\$182,179	\$100,332	11,221
Apr-15	\$200			\$45									\$177,627	\$95,382	11,228
May-15									\$10				\$151,828	\$87,191	11,308
Jun-15	\$589	(\$70)		\$165									\$211,651	\$105,567	11,272
Jul-15	\$2,168	\$191			\$410	\$59	\$16						\$326,625	\$191,912	12,969
Aug-15	\$1,576	\$712	\$182				\$105				\$66		\$296,087	\$161,123	13,028
Sep-15	\$559	\$1,824	\$436	\$814	\$172								\$208,011	\$114,925	13,285
Oct-15	\$1,397	\$568	\$323	\$114	\$142								\$235,282	\$133,570	14,014
Nov-15	\$6,050	\$2,544	\$210	(\$60)	\$246	\$267	\$135						\$239,640	\$150,017	14,079
Dec-15	\$147,415	\$11,889	\$3,290	\$1,953	\$206	\$613	\$254		\$194		\$317		\$313,775	\$188,291	14,127
Jan-16	\$113,331	\$100,910	\$9,862	\$955	\$733	\$509	\$446	\$120			(\$73)		\$226,793	\$141,814	14,122
Feb-16		\$108,135	\$92,229	\$3,864	\$1,659	\$1,106	\$269	\$70	\$251		\$45		\$207,628	\$122,739	14,149
Mar-16			\$106,778	\$111,467	\$8,166	\$1,216	\$674	\$654	\$955	\$350	\$15	(\$24)	\$230,251	\$139,680	14,185
Apr-16				\$110,923	\$91,875	\$7,315	\$1,435	\$788	\$266	\$23	\$267		\$212,892	\$122,332	14,184
May-16					\$95,744				\$321	\$661	\$501	\$64	\$185,397	\$108,366	14,204
Jun-16						\$148,019	\$115,566	\$8,355	\$401	\$2,258	\$849	\$380	\$275,828	\$140,799	14,220
Jul-16							\$190,844	\$149,897	\$9,314	\$2,696	\$1,136	\$301	\$354,188	\$181,983	15,760
Aug-16								\$216,371	\$98,072	\$7,807	\$2,820	\$923	\$325,993	\$131,166	15,722
Sep-16									\$126,169	\$108,524	\$6,955	\$4,336	\$245,984	\$141,197	16,054
Oct-16										\$148,058	\$96,913	\$9,815	\$254,786	\$125,540	16,509
Nov-16											\$132,204	\$120,648	\$252,852	\$136,443	16,484
Dec-16												\$181,165	\$181,165	n/a	16,484
Total*	\$273,270	\$226,703	\$213,310	\$230,240	\$199,363	\$243,395	\$313,004	\$376,810	\$235,953	\$270,443	\$241,949	\$317,608	\$2,953,757	n/a	n/a

Notes:

* Includes all paid months, even for months not shown in the exhibit.



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2017/2018 Vision Rates

Enclosed are the proposed 2017/2018 Vision rate changes for ACSIG members. The underwriting model shows a slight decrease in claim development within the past several years.

Because of the increasing growth within the program, it is our recommendation that rates remain flat for 2017/2018.

This rate recommendation and the underwriting information will be reviewed by the Executive Director at the meeting and will be asking for approval of the 2017/2018 vision rates.

Administration Fee History

Dental Program

Period	Enrollment	Delta Dental Admin Fee / ACSIG Eligibility Fee	Renewal Action
10/1/2011 – 9/30/2012	87,836	6.44% / \$0.65 PEPM	0.00%
10/1/2012 – 9/30/2013	87,497	6.37% / \$0.65 PEPM	2.08%
10/1/2013 – 9/30/2014	88,573	5.87% / \$0.65 PEPM	0.00%
10/1/2014 – 9/30/2015	93,398	5.87% / \$0.60 PEPM	0.00%
10/1/2015 – 9/30/2016	97,857	5.86% / \$0.60 PEPM	0.00%
10/1/2016 – 9/30/2017	99,828*	5.86% / \$0.60 PEPM	0.00%
10/1/2017 – 9/30/2018	100,000*	5.85% / \$0.60 PEPM	TBD

Vision Program

Period	VSP Admin Fee	Vision Admin Fee to Members	Renewal Action
10/1/2013 – 9/30/2014	13.0%	15.0%	0.00%
10/1/2014 – 9/30/2015	10.5%	12.5%	-5.20%
10/1/2015 – 9/30/2016	10.5%	12.5%	0.00%
10/1/2016 – 9/30/2017	10.5%	12.5%	0.00%
10/1/2017 – 9/30/2018	10.5%	12.5%	TBD

*Enrollment as of April 2017. Projected enrollment should reach 100,000 prior to 10/1/17.

Fixed Rate Vision

Vision Renewal Action and History

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Underwriting Results	-10.3%	-8.2%	-1.8%	0.2%	-2.3%
Actual Applied to Members	0.0%	-5.2%	0.0%	0.00%	0.00% (Proposed)



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Actuarial Report for Vision

Enclosed please find the actuarial report completed by Healthcare Actuaries for the ACSIG Vision Program. These ACSIG programs must have an actuarial report at a minimum of every 2 years to meet CAJPA accreditation standards.

Healthcare Actuaries has completed these reports for ACSIG for the past three reporting cycles. The information shows that due to the growth in the Vision program, more reserve is required.

The specifics of the report will be reviewed by the Executive Director at the meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

December 31, 2016
Estimated Incurred Claim Liability
Fixed-Rate Dental and Self-Funded Vision Plans

January 31, 2017



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Executive Summary

Summary

A summary of the incurred claim liability estimates as of December 31, 2016 follows. We show the prior and current results, for March 31, 2015 and December 31, 2016.

The estimates below include margin for claims fluctuation and administrative costs.

Incurred Claim Liability Estimates, Prior and Current Estimates

Coverage	Mar. 31, 2015	Dec. 31, 2016	Change	% Change
Dental	\$1,709,000	\$1,899,000	\$190,000	11.1%
Vision	\$142,000	\$300,000	\$158,000	111.3%
Total	\$1,851,000	\$2,199,000	\$348,000	18.8%

We also show revised year-end estimates for 2014 and 2015, followed by the current estimate for December 31, 2016. The 2016 estimate includes a 5% margin, but the 2014 and 2015 estimates do not. The amounts include claims paid through December 31, 2016.

Incurred Claims Liability Estimates, Revised Year-End Estimates

Coverage	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016
Dental	\$1,275,000	\$1,475,000	\$1,899,000
Vision	\$140,000	\$223,000	\$300,000
Total	\$1,415,000	\$1,698,000	\$2,199,000

Purpose of Report

The report presents the estimated liability for claims incurred but not reported ("IBNR") as of December 31, 2016 for ACSIG's fixed-rate dental and self-funded vision plans.

Basis of Estimates

In preparing this report, we relied on enrollment, plan design, and claims data provided either directly or indirectly by ACSIG and its third-party carriers, Delta Dental and VSP. We reviewed the information for consistency and reasonableness, but we did not audit it.

This report includes estimates based on our understanding of ACSIG's current fixed-rate dental and self-funded vision plans.

Overall, our goal is to provide accurate estimates based on a thorough actuarial analysis. Our analyses depend on the availability of complete and accurate information about the plans.

Description, Results, and Analysis

Description

This section of the report provides an overview of the analyses completed based on historical information, the actuarial methods and assumptions used, and the estimates of incurred but unpaid claim liabilities for dental and vision coverage.

The liability represents claims incurred under the plans, but unpaid as of a specific date due to the lag between the date when a participant incurs charges (the “date of service”) and the date when the plan pays the claim. This liability must include estimates since the plan will not know the final liability until the plan pays all claims for all dates of service to-date in full, which can, in some cases, take years.

We derived estimated liabilities solely to meet employer financial accounting requirements that are consistent with generally accepted accounting principles (GAAP). Determination of such liabilities for other purposes may produce results different from the results in this report. In particular, these estimates are insufficient for use in connection with the funding of a 501(c)(9) trust or VEBA, since the Internal Revenue Code requires additional calculations for use in such funding.

Results

Exhibit A is a summary of the results of the incurred claim liability analysis. The summary shows the prior and current estimates, as well as revised estimates for year-end 2014 and year-end 2015 using data through December 31, 2016.

The first section shows the change in reserve from the last estimate as of March 31, 2015, to the current estimate. It shows the dollar and percentage change in the estimate also. These numbers include a margin for claims fluctuation and estimated administrative costs for paying claims processing costs during run-out should the plan terminate.

The second section shows the change in reserve from year-end 2014 to year-end 2015, as well as the dollar and percentage change from year-end to year-end. These figures include administrative costs, and include claims paid through December 31, 2016. The December 31, 2016 estimates also include margin.

Finally, the last section compares the original March 31, 2015 estimates to the run-out to-date, which will be nearly one-hundred percent complete at this time. The run-out is the claims paid after March 31, 2015 for claims incurred prior to or on March 31, 2015. These figures do not include margin or administrative costs to give a more accurate comparison to the claims run-out.

Analysis

Dental Claims

Exhibit B illustrates the **completion method** applied to dental claims. The top of the exhibit shows the reported incurred claims, based on claims incurred and paid from January 2014 through December 2016 (column A). We then estimate complete incurred claims (column C) by “completing” the incomplete incurred claims using actuarial completion factors (column B). We developed the completion factors from historical lag data. Finally, we calculated the liability as of December 31, 2016 by subtracting incurred and paid claims from the projected complete incurred claims.

To develop fully the estimated incurred claim liability, we added an estimate of the administrative costs, based on a rate of 5.86% of paid claims plus 60¢ per employee. We converted the 5.86% to a per employee basis for our estimate. These costs anticipate that ACSIG will incur additional administrative costs to pay run-out claims if the plan terminates. The first section of the bottom part of the exhibit shows this development. We add a 5% margin to account for unexpected increases in claims over the year. This section also shows the average lag to payment, which represents the average time to pay a claim. This number is **20.9** days for ACSIG’s dental claims. This means that it takes just under three weeks, on average, to pay the dental claims after the date of service.

The second section of the exhibit shows the incurred claim liability for year-end 2015, including a separate calculation for margin and administrative costs developed as of year-end 2015.

Vision Claims

Exhibit C illustrates the completion method for vision claims. The development of the vision incurred claim liability is the same as for the dental claims. The average number of lag days for vision claims is currently 16.6. This means that it takes just over two weeks, on average, to pay the vision claims after the incurred date of the claim.

Actuarial Certification

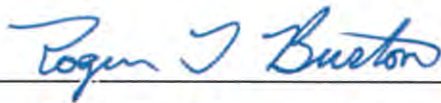
The preparation of this report accords with generally recognized and accepted actuarial principles and practices, and it is consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" of the American Academy of Actuaries

Healthcare Actuaries' work is prepared solely for the internal business use of the Alameda County Schools Insurance Group. To the extent that Healthcare Actuaries' work is not subject to disclosure under applicable public record laws, the Alameda County Schools Insurance Group and its agents may not provide our work to third parties without Healthcare Actuaries' prior written consent.

There is no relationship between Healthcare Actuaries, its owner, subcontractors, or staff, and the Alameda County Schools Insurance Group beyond the contractual services that we perform for the Alameda County Schools Insurance Group.

No third-party recipient of Healthcare Actuaries' work product should rely on Healthcare Actuaries' work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs. One must present this report in its entirety for it to be a valid report.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein, and is available to answer any questions with respect to the information contained in this report.



Roger T. Burton, FSA, MAAA, FCA

January 31, 2017

Date

Alameda County Schools Insurance Group

Claim Liability Summary

Estimated Incurred Claim Liability as of December 31, 2016

Prior and Current Estimates¹

<u>Coverage</u>	<u>Prior March 31, 2015</u>	<u>Current December 31, 2016</u>	<u>Change in Reserve</u>	<u>% Change</u>
Dental	\$1,709,000	\$1,899,000	\$190,000	11.1%
Vision	\$142,000	\$300,000	\$158,000	111.3%
Total	\$1,851,000	\$2,199,000	\$348,000	18.8%

Year-End Estimates as of December 31, 2016²

<u>Coverage</u>	<u>Revised December 31, 2014</u>	<u>Revised December 31, 2015</u>	<u>Current December 31, 2016</u>
Dental	\$1,275,000	\$1,474,000	\$1,899,000
Vision	\$140,000	\$223,000	\$300,000
Total	\$1,415,000	\$1,697,000	\$2,199,000

Prior Estimate Compared to Actual Run-Out To-Date³

<u>Coverage</u>	<u>March 31, 2015</u>	<u>Actual Runout</u>	<u>Difference over Runout</u>	<u>% Difference</u>
Dental	\$1,552,000	\$1,509,383	\$42,617	2.8%
Vision	\$123,000	\$100,332	\$22,668	22.6%
Total	\$1,675,000	\$1,609,715	\$65,285	4.1%

¹ Includes margin and administrative costs

² Includes administrative costs. The most current estimate also includes margin.

³ Excludes margin and administrative costs

Alameda County Schools Insurance Group

Dental Claims for Active Employees, COBRA Participants, and Retirees

Estimated Incurred Claim Liability as of December 31, 2016 – Completion Method

Estimated Completed Dental Claims

Mo-Yr	Employees	A Incurred Claims Paid Through 12/31/2016	B Percent Complete	C = A ÷ B Projected Completed Incurred Claims	D = C - A Liability
Jan-15	17,105	\$2,100,220	100.0%	\$2,100,220	\$0
Feb-15	17,155	\$1,682,418	100.0%	\$1,682,418	(\$0)
Mar-15	17,210	\$1,818,478	100.0%	\$1,818,478	\$0
Apr-15	15,543	\$1,811,599	100.0%	\$1,811,599	\$0
May-15	15,514	\$1,441,768	100.0%	\$1,441,768	\$0
Jun-15	15,473	\$2,046,316	100.0%	\$2,046,316	(\$0)
Jul-15	15,444	\$2,209,529	100.0%	\$2,209,529	(\$0)
Aug-15	15,403	\$1,840,196	100.0%	\$1,840,222	\$26
Sep-15	15,517	\$1,478,366	100.0%	\$1,478,387	\$21
Oct-15	15,889	\$1,556,299	100.0%	\$1,556,504	\$205
Nov-15	15,978	\$1,573,630	100.0%	\$1,573,837	\$207
Dec-15	15,955	\$2,126,737	100.0%	\$2,126,895	\$158
Jan-16	16,012	\$2,437,138	99.9%	\$2,439,446	\$2,308
Feb-16	16,054	\$2,057,058	99.8%	\$2,061,036	\$3,978
Mar-16	16,055	\$2,036,692	99.7%	\$2,042,563	\$5,871
Apr-16	16,057	\$1,697,788	99.6%	\$1,704,062	\$6,274
May-16	15,987	\$1,535,661	99.6%	\$1,542,402	\$6,741
Jun-16	15,976	\$2,121,136	99.5%	\$2,131,036	\$9,900
Jul-16	15,924	\$2,001,895	99.4%	\$2,014,909	\$13,014
Aug-16	15,803	\$1,915,584	99.2%	\$1,931,560	\$15,976
Sep-16	16,010	\$1,378,327	98.6%	\$1,398,166	\$19,839
Oct-16	16,131	\$1,396,485	91.3%	\$1,528,995	\$132,510
Nov-16	16,155	\$1,441,845	86.2%	\$1,673,584	\$231,739
Dec-16	16,147	\$933,476	42.9%	\$2,176,430	\$1,242,954
Total	384,497	\$42,638,639	n/a	\$44,330,362	\$1,691,723

Estimated Dental Incurred Claim Liability

Projected completed claims for the period ending 12/31/2016		\$44,330,362
Incurred claims paid through 12/31/2016	-	\$42,638,639
Estimated liability as of 12/31/2016	=	\$1,691,723
Estimated liability as of 12/31/2016, rounded	=	\$1,692,000
Claim fluctuation margin at 5%	+	\$85,000
Estimated administrative costs of \$7.63 per employee for 1 month(s)*	+	\$122,000
Estimated liability at 12/31/2016 (including margin & administrative costs)	=	\$1,899,000
Average Lag Days		20.9
Estimated liability as of 12/31/2015, rounded		\$1,337,000
Estimated administrative costs of \$8.74 per employee for 1 month(s)*	+	\$137,000
Estimated liability at 12/31/2015 (including margin & administrative costs)	=	\$1,474,000
Estimated liability as of 12/31/2014, rounded		\$1,168,000
Estimated administrative costs of \$6.33 per employee for 1 month(s)*	+	\$107,000
Estimated liability at 12/31/2014 (including margin & administrative costs)	=	\$1,275,000

*Estimated administration based on administrative costs of 5.86% of paid claims (converted to an estimated per employee rate) plus 60¢ per employee.

Alameda County Schools Insurance Group

Vision Claims for Active Employees, COBRA Participants, and Retirees

Estimated Incurred Claim Liability as of December 31, 2016 – Completion Method

Estimated Completed Vision Claims

Mo-Yr	Employees	A Incurred Claims Paid Through	B Percent Complete	C = A ÷ B Projected Completed Incurred Claims	D = C - A Liability
		12/31/2016			
Jan-15	11,246	\$185,114	100.0%	\$185,114	\$0
Feb-15	11,258	\$155,133	100.0%	\$155,133	\$0
Mar-15	11,221	\$182,179	100.0%	\$182,179	\$0
Apr-15	11,228	\$177,627	100.0%	\$177,627	\$0
May-15	11,308	\$151,828	100.0%	\$151,828	\$0
Jun-15	11,272	\$211,651	100.0%	\$211,651	\$0
Jul-15	12,969	\$326,625	100.0%	\$326,625	\$0
Aug-15	13,028	\$296,087	100.0%	\$296,087	\$0
Sep-15	13,285	\$208,011	100.0%	\$208,011	\$0
Oct-15	14,014	\$235,282	100.0%	\$235,282	\$0
Nov-15	14,079	\$239,640	100.0%	\$239,644	\$4
Dec-15	14,127	\$313,775	100.0%	\$313,775	\$0
Jan-16	14,122	\$226,793	100.0%	\$226,796	\$3
Feb-16	14,149	\$207,628	100.0%	\$207,658	\$30
Mar-16	14,185	\$230,251	100.0%	\$230,251	\$0
Apr-16	14,184	\$212,892	100.0%	\$212,898	\$6
May-16	14,204	\$185,397	100.0%	\$185,431	\$34
Jun-16	14,220	\$275,828	99.9%	\$276,139	\$311
Jul-16	15,760	\$354,188	99.8%	\$354,930	\$742
Aug-16	15,722	\$325,993	99.6%	\$327,363	\$1,370
Sep-16	16,054	\$245,984	99.2%	\$247,850	\$1,866
Oct-16	16,509	\$254,786	92.0%	\$277,029	\$22,243
Nov-16	16,484	\$252,852	89.6%	\$282,193	\$29,341
Dec-16	16,484	\$181,165	48.4%	\$374,477	\$193,312
Total	331,112	\$5,636,709	n/a	\$5,885,971	\$249,262

Estimated Vision Incurred Claim Liability

Projected completed claims for the period ending 12/31/2016	\$5,885,971
Incurred claims paid through 12/31/2016	-
Estimated liability as of 12/31/2016	= \$5,636,709
Estimated liability as of 12/31/2016, rounded	= \$249,262
Claim fluctuation margin at 5%	= \$249,000
Estimated administrative costs of 5%	+ \$12,000
Estimated administrative costs of \$2.39 per employee for 1 month(s)*	+ \$39,000
Estimated liability at 12/31/2016 (including margin & administrative costs)	= \$300,000
Average Lag Days	16.6
Estimated liability as of 12/31/2015, rounded	\$188,000
Estimated administrative costs of \$2.55 per employee for 1 month(s)*	+ \$35,000
Estimated liability at 12/31/2015 (including margin & administrative costs)	= \$223,000
Estimated liability as of 12/31/2014, rounded	\$116,000
Estimated administrative costs of \$2.41 per employee for 1 month(s)*	+ \$24,000
Estimated liability at 12/31/2014 (including margin & administrative costs)	= \$140,000

*Estimated administration based on administrative costs of 10.50% of paid claims (converted to an estimated per employee rate) plus 60¢ per employee.

Appendix

The appendix includes recent lag data used in establishing estimated incurred claim liabilities for the dental and vision benefits.

- Dental Claims Lag Data
- Vision Claims Lag Data

Alameda County Schools Insurance Group
Dental Claims for Active Employees, COBRA Participants, and Retirees
Claims Lag Data

Delta Dental of California Dental Claims

Month Incurred	Month Paid ==>												Total*	Runout To-Date*	Enrollment (employees)
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16			
Jan-14						(\$811)							\$2,232,619	\$983,685	17,136
Feb-14						\$47	\$19						\$1,706,681	\$969,886	17,173
Mar-14			\$1,080				\$84						\$1,643,528	\$1,056,825	16,984
Apr-14				\$57			(\$92)						\$1,637,887	\$1,185,761	17,004
May-14													\$1,338,923	\$801,768	16,997
Jun-14					(\$196)								\$1,740,242	\$1,112,862	16,967
Jul-14													\$1,913,070	\$979,446	16,940
Aug-14						\$31							\$1,575,201	\$958,041	16,762
Sep-14		\$52					\$900						\$1,313,616	\$1,098,821	17,059
Oct-14								(\$139)				\$88	\$1,376,283	\$909,908	16,938
Nov-14	\$646			\$15						\$149			\$1,312,468	\$942,192	17,006
Dec-14	\$589	\$45	\$52				(\$11)				(\$2,845)		\$1,788,832	\$1,169,730	17,052
Jan-15	\$4,330		\$712										\$2,100,220	\$1,444,959	17,105
Feb-15	\$1,218	\$916				\$33	(\$160)	\$318					\$1,682,418	\$1,288,860	17,155
Mar-15	\$823	\$4,960	\$99		\$134		(\$1,282)						\$1,818,478	\$1,509,383	17,210
Apr-15	\$2,616	\$1,984	\$940			\$210							\$1,811,599	\$1,061,355	15,543
May-15	\$1,741	\$1,872	\$1,064	\$730	\$100				\$1,000				\$1,441,768	\$1,038,092	15,514
Jun-15	\$4,174	\$6,283	\$2,434	\$969	\$107	\$448							\$2,046,316	\$1,442,083	15,473
Jul-15	\$6,730	\$3,719	\$7,003	\$1,523	\$2,476	\$1,294	\$2,349	\$372				\$125	\$2,209,529	\$1,237,620	15,444
Aug-15	\$9,542	\$8,058	\$6,326	\$3,357	\$2,418	\$4,171	\$1,760	\$911					\$1,840,196	\$1,174,771	15,403
Sep-15	\$9,687	\$6,870	\$13,048	\$1,173	\$1,452	\$3,355	\$1,254	\$698	\$1,706		\$864		\$1,478,366	\$1,247,859	15,517
Oct-15	\$19,454	\$17,199	\$13,732	\$11,134	\$6,369	\$3,069	\$1,427	\$1,582	\$1,909	\$1,866			\$1,556,299	\$984,051	15,889
Nov-15	\$56,029	\$18,066	\$23,914	\$8,223	\$6,274	\$9,486	(\$753)	\$8,505	\$2,868	\$3,981	\$381	\$113	\$1,573,630	\$1,200,368	15,978
Dec-15	\$738,326	\$105,605	\$51,317	\$33,348	\$14,932	\$10,831	\$5,246	\$7,575	\$6,436	\$4,954	\$2,724	\$995	\$2,126,737	\$1,337,887	15,955
Jan-16	\$1,345,410	\$886,051	\$107,130	\$36,126	\$23,002	\$15,967	\$6,676	\$7,572	\$4,003	\$1,536	\$2,544	\$1,122	\$2,437,138	\$1,573,710	16,012
Feb-16		\$1,030,060	\$891,877	\$63,968	\$22,991	\$21,357	\$9,561	\$4,004	\$8,505	\$3,391	\$1,833	(\$488)	\$2,057,058	\$1,539,031	16,054
Mar-16			\$1,190,616	\$705,686	\$73,796	\$30,301	\$15,320	\$6,022	\$7,374	\$3,885	\$1,389	\$2,304	\$2,036,692	\$1,264,379	16,055
Apr-16				\$933,555	\$632,912	\$76,121	\$24,419	\$17,119	\$4,544	\$6,946	\$1,365	\$807	\$1,697,788	\$1,162,303	16,057
May-16					\$806,017	\$638,667	\$45,006	\$17,257	\$14,035	\$7,398	\$4,911	\$2,369	\$1,535,661	\$1,105,179	15,987
Jun-16						\$1,315,286	\$695,497	\$55,586	\$30,011	\$13,925	\$3,798	\$7,032	\$2,121,136	\$1,096,451	15,976
Jul-16							\$1,149,522	\$746,118	\$73,686	\$15,944	\$6,253	\$10,372	\$2,001,895	\$1,141,605	15,924
Aug-16								\$1,045,142	\$771,960	\$58,082	\$22,899	\$17,501	\$1,915,584	\$1,138,547	15,803
Sep-16									\$820,100	\$501,181	\$33,324	\$23,723	\$1,378,327	\$768,737	16,010
Oct-16										\$787,255	\$554,778	\$54,452	\$1,396,485	\$754,730	16,131
Nov-16											\$641,296	\$800,548	\$1,441,845	\$921,061	16,155
Dec-16												\$933,476	\$443,476	n/a	16,147
Total*	\$2,201,315	\$2,091,737	\$2,311,345	\$1,799,864	\$1,592,784	\$2,129,863	\$1,956,742	\$1,918,641	\$1,748,137	\$1,410,493	\$1,275,514	\$1,854,537	\$20,953,083	n/a	n/a

Notes:

* Includes all paid months, even for months not shown in the exhibit.

Alameda County Schools Insurance Group
Vision Claims for Active Employees, COBRA Participants, and Retirees
Claims Lag Data

VSP Vision Claims

Month Incurred	Month Paid ==>												Total*	Runout To-Date*	Enrollment (employees)
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16			
Jan-14													\$182,417	\$81,559	10,125
Feb-14													\$134,626	\$67,199	10,136
Mar-14													\$160,884	\$96,414	10,115
Apr-14													\$153,040	\$73,330	10,074
May-14													\$145,006	\$86,163	10,083
Jun-14													\$190,647	\$96,513	10,071
Jul-14					\$10								\$236,659	\$124,922	10,063
Aug-14													\$225,948	\$112,103	10,016
Sep-14													\$153,762	\$71,526	10,151
Oct-14													\$180,802	\$101,336	10,185
Nov-14													\$157,986	\$93,375	10,220
Dec-14	(\$15)												\$200,425	\$116,022	10,244
Jan-15													\$185,114	\$110,424	11,246
Feb-15													\$155,133	\$78,634	11,258
Mar-15													\$182,179	\$100,332	11,221
Apr-15	\$200			\$45									\$177,627	\$95,382	11,228
May-15									\$10				\$151,828	\$87,191	11,308
Jun-15	\$589	(\$70)		\$165									\$211,651	\$105,567	11,272
Jul-15	\$2,168	\$191			\$410	\$59	\$16						\$326,625	\$191,912	12,969
Aug-15	\$1,576	\$712	\$182				\$105			\$66			\$296,087	\$161,123	13,028
Sep-15	\$559	\$1,824	\$436	\$814	\$172								\$208,011	\$114,925	13,285
Oct-15	\$1,397	\$568	\$323	\$114	\$142								\$235,282	\$133,570	14,014
Nov-15	\$6,050	\$2,544	\$210	(\$60)	\$246	\$267	\$135						\$239,640	\$150,017	14,079
Dec-15	\$147,415	\$11,889	\$3,290	\$1,953	\$206	\$613	\$254		\$194		\$317		\$313,775	\$188,291	14,127
Jan-16	\$113,331	\$100,910	\$9,862	\$955	\$733	\$509	\$446	\$120			(\$73)		\$226,793	\$141,814	14,122
Feb-16		\$108,135	\$92,229	\$3,864	\$1,659	\$1,106	\$269	\$70	\$251		\$45		\$207,628	\$122,739	14,149
Mar-16			\$106,778	\$111,467	\$8,166	\$1,216	\$674	\$654	\$955	\$350	\$15	(\$24)	\$230,251	\$139,680	14,185
Apr-16				\$110,923	\$91,875	\$7,315	\$1,435	\$788	\$266	\$23	\$267		\$212,892	\$122,332	14,184
May-16					\$95,744	\$84,291	\$3,260	\$555	\$321	\$661	\$501	\$64	\$185,397	\$108,366	14,204
Jun-16						\$148,019	\$115,566	\$8,355	\$401	\$2,258	\$849	\$380	\$275,828	\$140,799	14,220
Jul-16							\$190,844	\$149,897	\$9,314	\$2,696	\$1,136	\$301	\$354,188	\$181,983	15,760
Aug-16								\$216,371	\$98,072	\$7,807	\$2,820	\$923	\$325,993	\$131,166	15,722
Sep-16									\$126,169	\$108,524	\$6,955	\$4,336	\$245,984	\$141,197	16,054
Oct-16										\$148,058	\$96,913	\$9,815	\$254,786	\$125,540	16,509
Nov-16											\$132,204	\$120,648	\$252,852	\$136,443	16,484
Dec-16												\$181,165	\$181,165	n/a	16,484
Total*	\$273,270	\$226,703	\$213,310	\$230,240	\$199,363	\$243,395	\$313,004	\$376,810	\$235,953	\$270,443	\$241,949	\$317,608	\$2,953,757	n/a	n/a

Notes:

* Includes all paid months, even for months not shown in the exhibit.



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Property/Liability Program 2017/2018 Rates

The Alameda County Schools Insurance Group participates in the Northern California ReLiEF Property/Liability JPA. The ReLiEF Board met on Friday, May 5, 2017 to approve rates. NCR Property rates and Liability rates showed very little change in 2017/2018. Due to positive claims experience, ACSIG has seen a decrease in both its Property and Liability experience modification factors programs.

We have included the adjusted property valuations and ADA estimates. The rates have been estimated using the latest NCR and SAFER rate estimates.

The Executive Director will review and recommend action for the rate schedule at the meeting.

DRAFT

2017/2018 Property & Liability Program Rates

ACSIG	Property	Liability	Total
ACOE	\$29,199	\$25,874	\$55,073
Albany	\$71,667	\$183,147	\$254,814
Dublin	\$213,777	\$491,363	\$705,140
Emery	\$57,509	\$35,562	\$93,071
Piedmont	\$70,320	\$136,680	\$207,000
ACSIG TOTAL	\$442,474	\$872,625	\$1,315,098

\$50,000 loss fund funding included for Property

\$100,000 loss funding included for Liability

Safety Inspection fee of \$12, 446 Included

2017/2018
Property Program Rates

Member	EDP	Total Values	Rate \$225,000 x \$25,000	Rate PER TIV excess layers above \$250,000	Loss Fund	Safety Inspection	Total Premium
ACSIG							
	ACOE	40,509,528	0.01274940	0.0492	\$25,078	\$3,300 \$ 821.32	\$29,199
	Albany	99,427,355	0.01274940	0.0492	\$61,553	\$8,098 \$ 2,015.87	\$71,667
	Dublin	296,583,245	0.01274940	0.0492	\$183,607	\$24,157 \$ 6,013.18	\$213,777
	Emery	79,785,462	0.01274940	0.0492	\$49,393	\$6,499 \$ 1,617.64	\$57,509
	Piedmont	97,558,493	0.01274940	0.0492	\$60,396	\$7,946 \$ 1,977.98	\$70,320
ACSIG TOTAL	1,625,438	613,864,083			\$380,028	\$50,000 \$ 12,446.00	\$442,474
		NCR Premium	0.06190748				
ACSIG							
	ACOE	29,199		0.05522 (not applicable because ex-mod only applied to 4 x 1 layer)			
	Albany	71,667					
	Dublin	213,777					
	Emery	57,509					
	Piedmont	70,320					
ACSIG TOTAL		442,474					

MRL \$25,000

New Values w/Marshall Swift Factor
NCR property rates at 1.35
SAFER property rate at .03288878 x NCR ex-mod of 167.9
ACSIG ex-mod at .9444
Actual TIV

2017/2018 Liability Program Rates

MEMBER		SIR	Risk Factor ADA	ADA to \$1 m	NCR to \$1 million	SAFER \$24 mil x \$1 mil	additional liability \$25 mil X \$25 mil			Cyber	EDP	Crime	Equipment Breakdown	Total Liability	Loss Fund	Total Premium
					\$29.55	\$12.52	\$1/ADA			.002713/\$100						
ACS	\$25,000															
ACOE	\$5,000	727	394	\$11,642	\$12.52	\$4,933	\$21,535	\$370	\$55	\$1,099	\$67	\$1,099	\$24,226	\$1,647	25,874	
Albany	\$5,000	4,728	4,017	\$118,693	\$12.52	\$50,298	\$162,014	\$3,776	\$562	\$2,697	\$687	\$2,697	\$172,434	\$10,713	183,147	
Dublin	\$5,000	12,241	10,432	\$308,241	\$12.52	\$130,622	\$434,484	\$9,806	\$1,460	\$8,046	\$1,784	\$8,046	\$463,627	\$27,736	491,363	
Emery	\$5,000	848	695	\$20,536	\$12.52	\$8,702	\$28,442	\$653	\$97	\$2,165	\$119	\$2,165	\$33,640	\$1,921	35,562	
Piedmont	\$5,000	3,523	2,878	\$85,038	\$12.52	\$36,036	\$119,803	\$2,705	\$403	\$2,647	\$492	\$2,647	\$128,697	\$7,983	136,680	
	\$25,000	22,067	18,416	\$544,149		\$230,591	\$766,278	\$17,311	\$2,578	\$16,654	\$3,149	\$16,654	\$822,625	\$50,000	872,625	

NCR layer to \$1 million is multiplied by the rates and then adjusted by the Risk Factor ADA as calculated by the actuary.

27,979	571	28,550
144,254	4,020	148,274
314,093	8,681	322,774
26,249	721	26,970
102,890	2,776	105,666

assumptions:

1 % increase in ADA
Actual NCR Rate 22.93
Ex-mod reduced to 128.86
actual SAFER Rates

Actual renewal - Cyber
Actual renewal for EDP
Actual renewal in crime
Actual renewal Equipment Breakdown
Actual ADA



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Proposal for Claims Administration

Beginning in July 2008, ACSIG joined Northern California ReLiEF (NCR) for Property/Liability coverage. Keenan & Associates is the administrator contracted by NCR. In an effort to keep consistency, ACSIG also utilizes Keenan & Associates for claims administration from \$1 to our SIR of \$25,000. Keenan & Associates provide expertise in claims handling and negotiations.

The contract for the Claims Administration services with Keenan & Associates was approved in 2015-2016 for the subsequent 3 years. Enclosed is a proposed extension of terms with no fee increase. The Executive Committee will be asked to review and recommend approval to the full Board in May.

**AMENDMENT No 2 to
PROPERTY AND CASUALTY CLAIMS ADMINISTRATION
SERVICES AGREEMENT**

This Amendment modifies the **Property and Casualty Claims Administration Services Agreement** ("Agreement") effective on **July 1, 2015** by and between **Alameda County Schools Insurance Group** ("Client") and **Keenan & Associates** ("Keenan").

1. The effective date of this Amendment is **July 1, 2017**.
2. This Amendment amends **Exhibit B Compensation** of the Agreement for the period from **July 1, 2017** through **June 30, 2018** to read as outlined below. This Amendment supersedes any and all prior understanding between the Parties as to this matter.

For the period **July 1, 2017– June 30, 2018**:

V.P./A.V.P./Claims Manager -	\$ 92.75 per hour
Senior Claims Examiner -	\$ 87.50 per hour
Claims Examiner -	\$ 77.50 per hour
Expenses -	42% of hourly billings
Minimum per file charge	One hour

3. All other terms and conditions of the Agreement remain unchanged.
4. Each person signing this Amendment on behalf of a Party represents and warrants that he or she has the necessary authority to bind such Party and that this Amendment is binding on and enforceable against such Party.

<u>Alameda County Schools Insurance Group</u>		<u>Keenan & Associates</u>	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>	Kimberly Dennis	<u>By:</u>	Steven V. Moccardini
<u>Title:</u>	Executive Director	<u>Title:</u>	Vice President
<u>Address:</u>		<u>Address:</u>	2355 Crenshaw Blvd., Ste. 200
			Torrance, CA 90501
<u>Attention:</u>		<u>Attention:</u>	Ron Martin
<u>E-mail:</u>		<u>E-mail:</u>	rmartin@keenand.com



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Property/Liability Actuarial Study

Enclosed please find the draft of the 2016/2017 Actuarial study of the ACSIG property/liability program. This report was completed by Jack Joyce of Bay Actuarial.

Due to adverse claims experience, the reserve for incurred losses, the reserve for the P/L program needs to be increased. This is the fourth annual actuarial report ACSIG has commissioned for the P/L program. As a condition of accreditation, actuarial studies must be completed on an annual basis.

The Executive Director will review this report at the meeting.

Alameda County Schools Self Insurance Group

An Actuarial Review of the Property and Liability Program

DRAFT

BAY ACTUARIAL CONSULTANTS
Moraga, California
February 16, 2017

Bay Actuarial Consultants

February 16, 2017

Ms. Kimberly Dennis
Executive Director
Alameda County Schools Insurance Group
P.O. Box 2487
Dublin, CA 94568

Dear Ms. Dennis:

This report documents our actuarial review of the Alameda County Schools Insurance Group's property and liability program. We appreciate the opportunity to serve the Authority.

If you have any questions, please call me at (925) 377-5269.

Respectfully,

BAY ACTUARIAL CONSULTANTS

A handwritten signature in green ink that reads "Jack Joyce".

Jack Joyce, FCAS, MAAA
Principal

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

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Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Introduction

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Introduction

Background & Purpose

The Alameda County Schools Insurance Group ("ACSIG") self-insures its members' auto, general liability, and property claims up to a limit of \$25,000 per loss. The portion of any loss that exceeds these limits is covered by the Northern California Regional Liability Excess Fund ("NCR"). The Group has asked Bay Actuarial Consultants to provide an actuarial report on program, using data evaluated as of December 31, 2016. The specific topics covered in this report include the following:

- 1) Expected 2017-18 Losses.** A projection of the losses expected to be incurred during 2017-18, and a recommended level of funding, expressed both as a dollar amount and in terms of funding rates per ADA and per \$1,000 of TIV.
- 2) Balance Sheet Liability.** A Projection of the program's balance sheet liability for unpaid losses as of June 30, 2017. We also recommend levels of funding to finance this liability at expected value and at various "probability levels."

Conditions & Limitations

We prepared this report for the Group's internal use. The Group may provide a copy to its financial auditors. Bay Actuarial Consultants does not authorize any other use. In particular, anyone considering selling insurance to the Group must perform his own actuarial analysis and may not rely upon our work.

Keenan & Associates provided the data. We did not audit this data and are not responsible for its accuracy. In any actuarial analysis the accuracy and relevance of the conclusions and the reasonableness of the recommendations depend upon the accuracy and relevance of the underlying data.

The term "losses" refers to all costs that can be tied to a specific claim. These include loss payments, attorney's fees, and other expenses linked to a specific claim. We did not estimate the liability for unpaid ULAE. Keenan & Associates estimates this for the

Group.

We assumed that the Group will continue to purchase “excess” coverage attaching at \$25,000 per loss in 2017-18.

The actuarial projections in this report are uncertain. Uncertainty is unavoidable because many of events that will determine the actual claims costs will take place in the future. These future events include the outcomes of future claims litigation and the amounts of future claims settlements, changes in the law and its interpretation, future rates of inflation, and the numbers and severity of the losses that will occur in 2017-18. Our projections are based upon the Group’s past claims experience. We used actuarial methods that should produce reasonable results given current information. We did not anticipate any extraordinary changes in the various factors that might affect the future cost of claims. There is no guarantee, express or implied, that losses will develop as projected in this report.

Organization of the Report

We have divided the remainder of this report into seven sections:

- the *Management Summary*,
- the *Technical Approach* section,
- the *Property & Liability Summary*,
- the *Liability Summary*,
- the *Property Summary*,
- the *Liability Exhibits*, and
- the *Property Exhibits*.

The *Management Summary* provides an overview of the results of the analysis. We discuss and explain the assumptions and details that underlie the calculations in the *Technical Approach* section. Detailed results are displayed in the *Combined Property & Liability Summary*. The *Liability Summary* and the *Property Summary* provide summary exhibits for these two programs individually. The *Liability Exhibits* and the *Property Exhibits* document the actual calculations used in developing our results.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Management Summary

DRAFT

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Management Summary

Recommended Funding for 2017-18

We project that the Group will incur losses of **\$81,500** during 2017-18, net of deductibles. The discounted value is **\$80,200**. We used a 1.0% interest rate to calculate the expected discount. This “discounted” value is our estimate of the amount the Group would need to invest at 1.0% interest on July 1, 2017 to pay for the claims that will be incurred during 2017-18. We assumed that the Group will continue to self-insure property and liability claims up to a limit of \$25,000 per loss and that claims that exceed this amount will be covered by the Northern California Regional Liability Excess Fund (“NCR”).

These are “actuarial central estimates.” These are our “best” estimates of the actual costs. There is roughly a 45% probability that the actual costs will turn out to be higher, and a 55% probability that they will be lower. Many self-insurers go beyond funding the actuarial “expected” losses, and appropriate supplemental funds in the form of contingency, or “probability level”, reserves. We recommend that the Group fund at the discounted 70% probability level, or **\$94,300**. Table 1 shows this and other funding options.

Table 1: Projected 2017-18 Funding Needs
(Dollars in Thousands) - \$25K Retention – Net of Deductibles

Probability Level	Undiscounted	Discounted at 1.0% Interest
Central Estimate	\$81.5	\$80.2
70%	95.9	\$94.3
80%	109.3	107.5
90%	129.8	127.6

Projected average daily attendance (“ADA”) for 2017-18 is 17,716. Projected total insured value (“TIV”) is \$570.7 million.

2017-18 Funding Rates

The amounts in Table 1 were calculated by multiplying the Group's projected 2017-18 ADA and TIV by the rates in Tables 2 and 3. We highlighted the recommended discounted 70% probability level funding rates.

Table 2: Projected 2017-18 Liability Funding Rates
Dollars per ADA, \$25,000 Retention, \$5,000 Deductible

Probability Level	Undiscounted	Discounted @ 1.0%
Central Estimate	\$3.08	\$3.01
70%	3.62	\$3.55
80%	4.12	4.04
90%	4.90	4.80

Table 3 shows the projected property rates for 2017-18.

Table 3: Projected 2017-18 Property Funding Rates
Cents per \$1,000 TIV, \$25,000 Retention, \$5,000 Deductible

Probability Level	Undiscounted	Discounted @ 1.0%
Central Estimate	4.74¢	4.69¢
70%	5.58	5.52¢
80%	6.36	6.29
90%	7.55	7.47

Two years ago we projected an undiscounted central estimate liability rate of \$3.66 for 2015-16. Therefore the projected rate of **\$3.08** for 2017-18 is roughly a reduction of 15.8%. On the property side the projected rate of **4.74¢** is an increase of 22.5% from the 3.87¢ rate that we projected for 2015-16.

Rates at \$50,000 and \$100,000 Retention

We calculated the rates in Tables 2 and 3 assuming a retention of \$25,000. The following tables show rates at the \$50,000 and \$100,000 retention.

**Table 4: Projected 2017-18 Liability Funding Rates
Dollars per ADA, \$50,000 Retention, \$5,000 Deductible**

Probability Level	Undiscounted	Discounted @ 1.0%
Central Estimate	\$5.83	\$5.72
70%	6.96	\$6.82
80%	8.08	7.92
90%	9.82	9.63

**Table 5: Projected 2017-18 Property Funding Rates
Cents per \$1,000 TIV, \$50,000 Retention, \$5,000 Deductible**

Probability Level	Undiscounted	Discounted
Central Estimate	7.76¢	7.68¢
70%	9.26	9.16¢
80%	10.75	10.64
90%	13.07	12.94

**Table 6: Projected 2017-18 Liability Funding Rates
Dollars per ADA, \$100,000 Retention, \$5,000 Deductible**

Probability Level	Undiscounted	Discounted
Central Estimate	\$9.70	\$9.50
70%	11.73	\$11.49
80%	13.99	13.71
90%	17.57	17.22

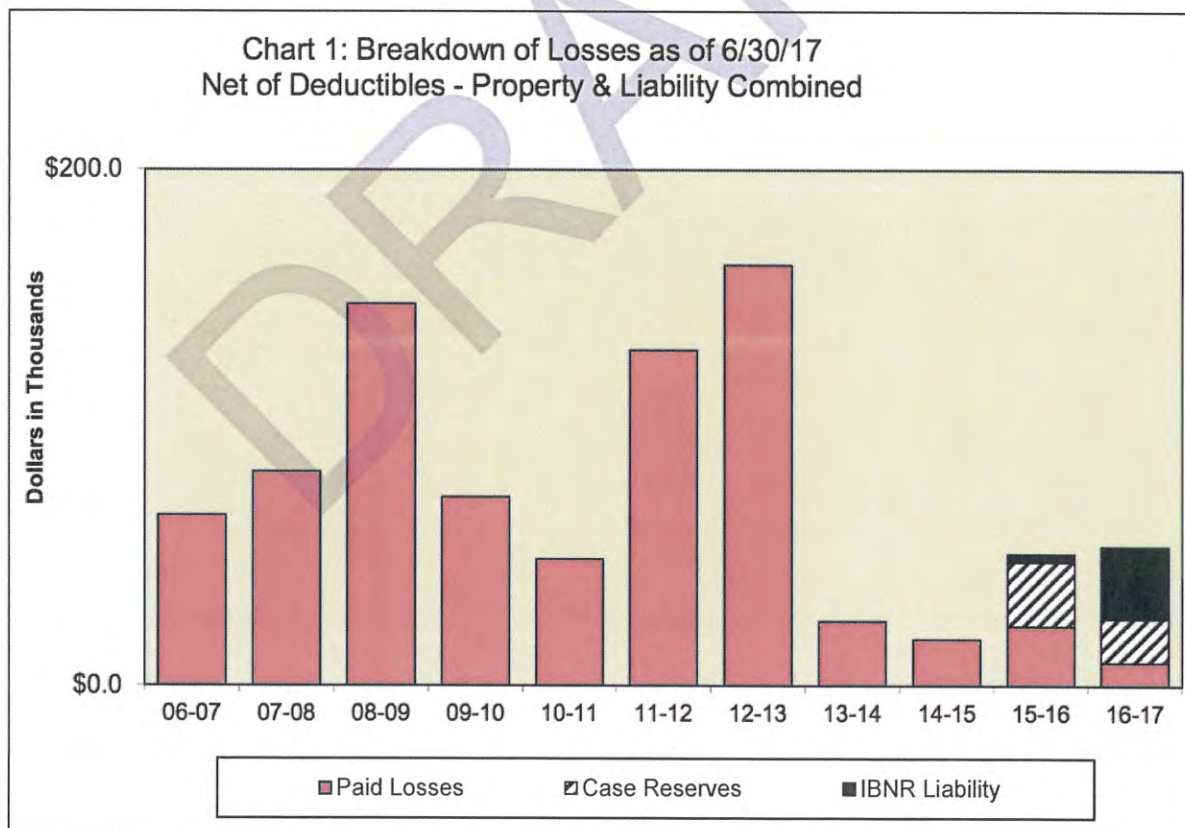
Table 7: Projected 2017-18 Property Funding Rates
Cents per \$1,000 TIV, \$100,000 Retention, \$5,000 Deductible

Probability Level	Undiscounted	Discounted
Central Estimate	11.31¢	11.20¢
70%	13.68	13.54¢
80%	16.32	16.16
90%	20.50	20.29

Projected Liability as of June 30, 2017

We project that the Group's liability for unpaid losses will be **\$72,800** on June 30, 2017. The corresponding discounted value is **\$72,000**, assuming a 1.0% interest rate. The discounted estimate represents the amount that the Group would need to invest on June 30, 2017, at 1.0% interest, to pay off the claims incurred through that date.

Chart 1 shows the estimated ultimate losses in terms of paid losses, case reserves, and IBNR liabilities for program years 2006-07 through 2016-17.



There is 71¢ of IBNR liability for every \$1.00 of case reserves.

Probability Levels – Capital target

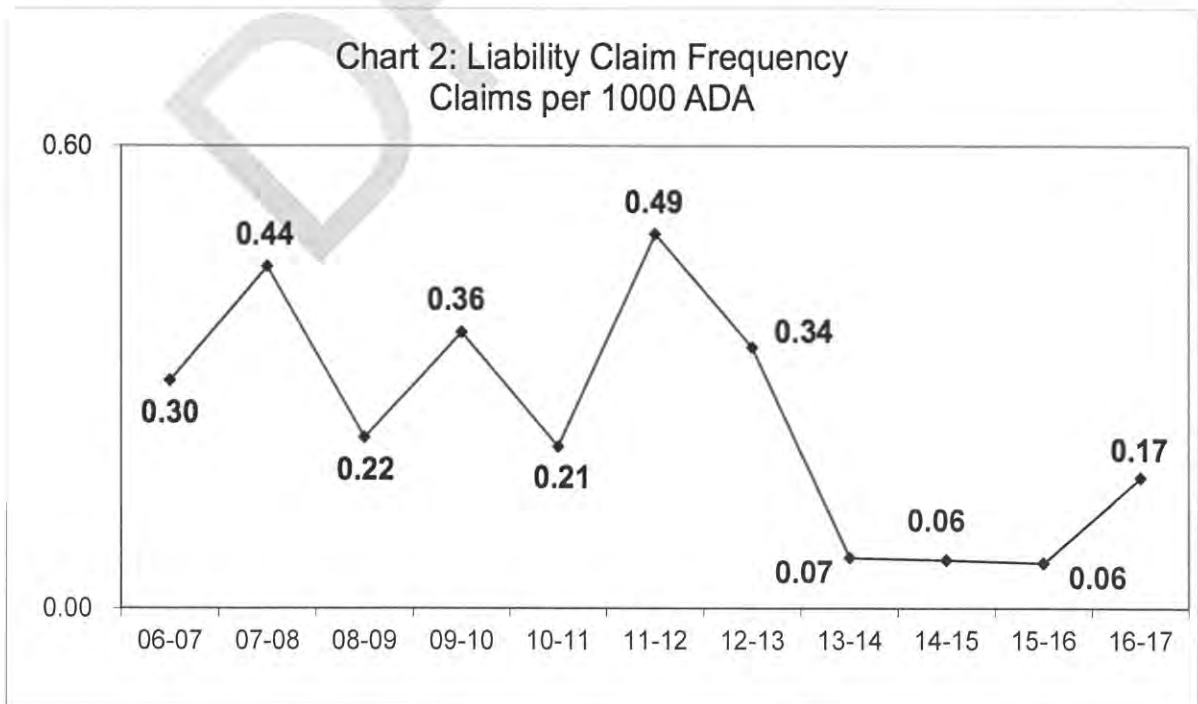
These estimates of the liability are “actuarial central estimates.” A higher level of funding would increase the probability that the funds will be adequate. We estimate that funds of **\$80,100** on June 30, 2017 will provide a 70% probability of being adequate, assuming that these funds are invested earning 1.0% interest. The equivalent undiscounted estimate is **\$81,000**. Table 8 shows these and other probability levels of funding. The difference between the 90% probability level funding and the central estimate of the liability is **\$27,600**. This is the amount of capital projected to provide 90% probability in claims paying ability as of June 30, 2017.

**Table 8: Projected Liability for Unpaid Losses as of June 30, 2017
(Dollars in Thousands), Net of Deductibles**

Probability Level	Undiscounted	Discounted @ 1.0%
Central Estimate	\$72.8	\$72.0
70%	81.0	\$80.1
80%	88.7	87.8
90%	100.7	99.6

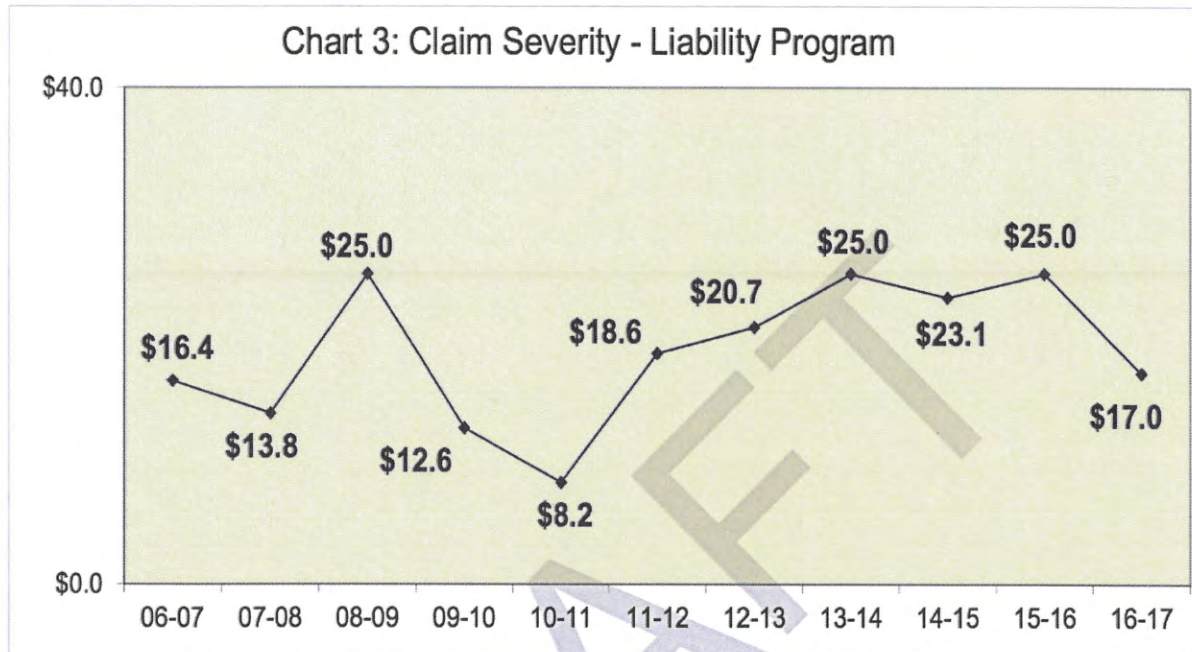
Claim Frequency – Liability Claims

Chart 2 shows that claim frequency has been excellent. The projection for 2016-17 suggests that three claims will eventually be reported (none so far through 12/31/16).



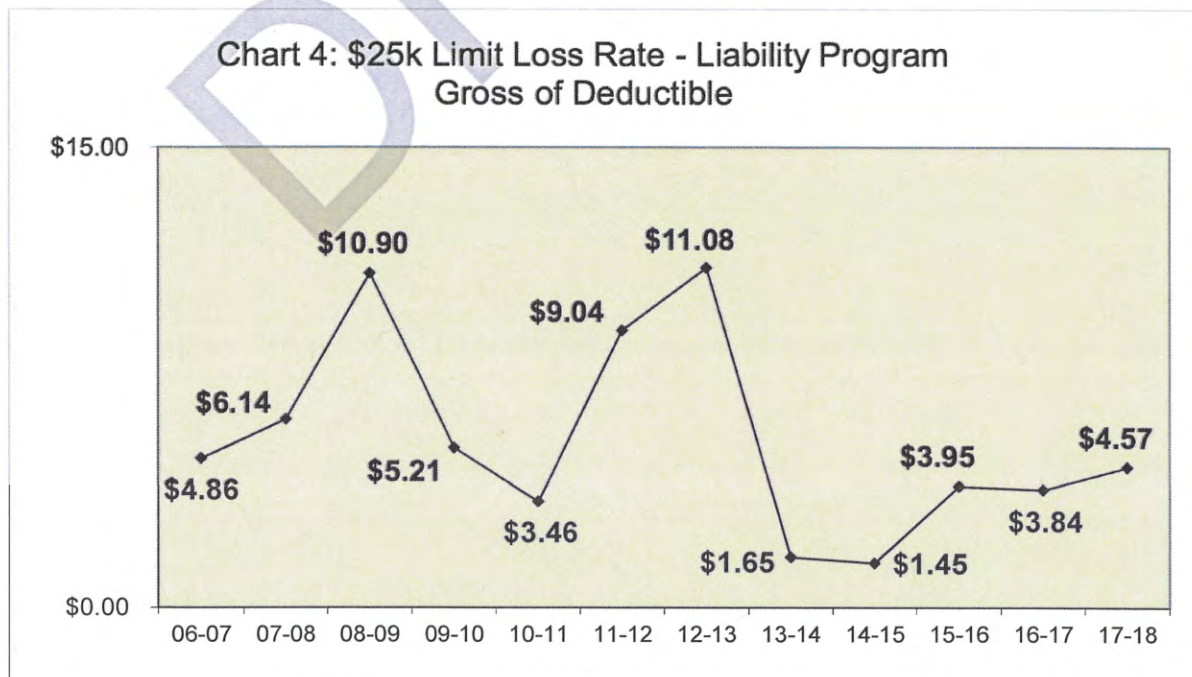
Claim Severity – Liability Claims

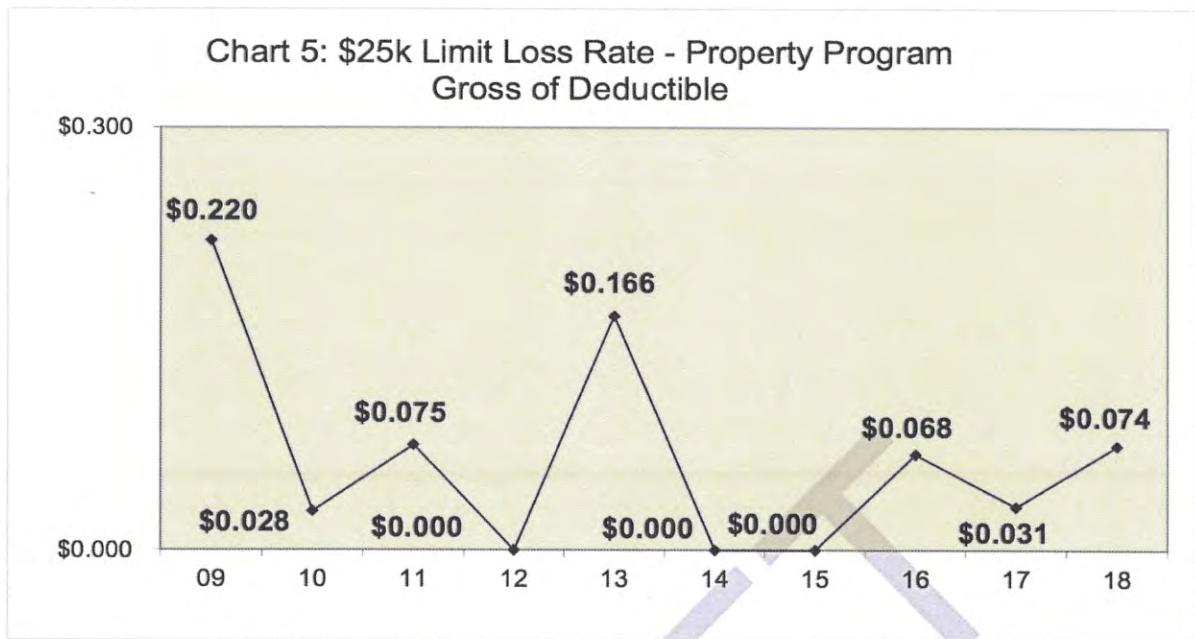
Chart 2 displays claim severity (average claim size). Claims are limited to the current \$25,000 SIR.



Past Rates of Loss

The following charts show how the Group's basic loss costs have changed over time. Chart 5 shows the past history in the liability program (average liability loss per ADA).





Interest Rates

The discounted liabilities and rates in this report were calculated using a 1.0% interest rate. Table 9 provides factors to adjust them for different interest rates:

Table 9: Factors to Adjust for Alternative Interest Rates

Interest Rate	0.75%	1.0%	1.03%	1.24%
Liability Rates	+0.5%	+0.0%	-0.1%	-0.5%
Property Rates	+0.3%	+0.0%	-0.0%	-0.2%
Liabilities	+0.3%	+0.0%	-0.0%	-0.3%

The Table includes columns for 1.03% and 1.24% interest rates. Those are the “risk-free buy-and-hold” interest rates obtained by calculating the overall yield on a hypothetical portfolio of US Treasuries selected to mature to match the future claims expenditures. The portfolio that matches the payments on the 2017-18 losses yields 1.24% and the portfolio matching the 6/30/17 liability expenditures yields 1.03%. We use these benchmark interest rates to evaluate the reasonableness the rate that is actually used in the discounting.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Technical Approach

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Technical Approach

This section describes the actuarial calculations.

Combined Summary

These exhibits provide an overall summary of our findings. They show the projected liabilities as of June 30, 2017 and projected funding for the 2017-18 program year. These estimates represent the sum of the totals from the *Property Summary* and the *Liability Summary*.

All estimates are shown 1) on a nominal value basis, 2) discounted for investment income, and 3) discounted for investment income at 70%, 80%, and 90% probability levels. Part 3 breaks out the liabilities between case reserves and the IBNR liability.

Liability Summary

These exhibits summarize our findings for the Liability Program only. Part 1 shows the projected liability for unpaid losses as of June 30, 2017. Part 2 details our projection of losses for 2017-18.

Property Summary

These exhibits summarize the statistics on the Property Program. The format is identical to that of the Liability Summary.

Liability Exhibits

Exhibit 1

Exhibit 1 shows the projection of the unpaid losses as of June 30, 2017. The liability is calculated as the sum of the case reserves and an estimated incurred-but-not-reported (IBNR) liability.

Exhibit 2

This exhibit shows the results (and the calculations) of the various actuarial projection methods and our estimates of what the total gross losses will be for each program year once all the claims are settled.

We used five different actuarial methods, to avoid placing too much reliance on any given set of judgments and assumptions. Each actuarial projection method involves a specific set of assumptions regarding the claims process. Each can yield spurious results when important underlying assumptions do not hold. Multiple methods serve to check each other.

We used five standard actuarial methods:

- 1) Reported loss projection method,
- 2) Paid loss projection method,
- 3) IBNR to case reserves ratio projection method,
- 4) Bornhuetter-Ferguson method using reported losses, and
- 5) Frequency times severity method.

For liability claims, the actual case reserves at any given time usually understate the ultimate cost of the corresponding claims. Although some claims will settle for less than their current case reserves, this effect is usually more than offset by larger increases in the case reserves for claims that have been underestimated. The result is that the estimated total cost of the claims incurred in a given year, when computed as the sum of the case reserves and paid claims, rises over time. This is known as *loss development*. In applying the *reported loss projection method* (Part 2), we have assumed that future loss development can be reasonably predicted by analyzing past loss development.

The *paid loss projection method* (Part 3) is similar. It has the advantage of not being based on the subjective judgments of claims administrators, as well as the disadvantage that the projections are more sensitive to random variations in experience.

The *IBNR to case reserves ratio method* (Part 4) estimates dollars of IBNR per dollar of case reserve, and often produces a reasonable result when the other methods fail to produce realistic outcomes.

The *Bornhuetter-Ferguson method using reported losses* (Part 5) uses assumptions about the underlying relationship between losses and Average Daily Attendance (ADA). They are based on the assumption that future loss payments or future loss reports can be estimated from this underlying relationship. For example, if we estimate that 46% of all losses for a given program year have been reported and that the loss rate is \$10 per ADA, then we would estimate the unreported losses as 54% times \$10 times the ADA for that year. This estimate of the unreported losses is then added to the losses that have been reported to produce an estimate of the total losses.

In the *frequency times severity method* (Part 9) we estimate an average claim size for each program year. The average claim amount, or *severity*, is multiplied by the projected ultimate number of claims (Exhibit 3) to produce an estimate of the total losses.

Exhibit 3

We used two actuarial techniques to project the ultimate number of claims: a *reported claim count projection technique* (Part 2), analogous to the projection methods for losses, and a *Bornhuetter-Ferguson method using the reported claim counts* (Part 3), corresponding to the Bornhuetter-Ferguson method using reported losses. Part 1 shows our selection of the ultimate claim counts based on these two techniques.

Exhibit 4

This exhibit documents our projection of the 2017-18 losses. First we estimated a loss rate for 2017-18. A loss rate is simply the expected ratio of ultimate losses to average daily attendance (ADA) for a given accident period. We estimated the loss rate on the basis of the past experience, adjusted for inflation and for the changes in the Group's retention over time. We then applied the selected rate to the projected ADA for 2017-18, after adjusting for inflation. This calculation is shown on Part 1.

Exhibit 5

These exhibits show our discounted value calculations for unpaid losses as of June 30, 2017, and for losses expected to be incurred during 2017-18. The calculations are based on the observed claims payment pattern and a 1.0% interest rate.

Exhibit 6

This exhibit contains historical statistics on ADA's and self-insured retentions.

Property Exhibits

Exhibit 1 - Part 1

Part 1 shows our estimates of the liability for unpaid losses as of June 30, 2017. As in the Liability exhibits, this is calculated as the sum of case basis reserves and estimated IBNR liability.

Exhibit 1 - Part 2

This exhibit documents our estimation of ultimate losses. Due to the short-tailed nature of property claims, we use only the Bornhuetter-Ferguson method to estimate ultimate losses.

Exhibit 1 - Part 3

This exhibit documents our projection of the 2017-18 losses. First we selected loss rate for 2017-18. A loss rate is simply the expected ratio of ultimate losses to TIV for a given program year. We estimated the loss rate on the basis of the past experience, adjusted for inflation and for the changes in the Group's retention. We then applied the selected rate to the projected TIV for 2017-18, after adjusting for inflation.

Exhibit 1 - Part 4

This exhibit contains historical information and lists the SIR and TIV for each program year.

Deductibles Exhibits

Exhibit 1

This exhibit shows our estimate of member deductibles paid and reported as of June 30, 2017.

Exhibit 2

This exhibit projects paid and reported deductibles to June 30, 2017.

Exhibit 3

This exhibit shows the calculation of ultimate member deductibles. We used deductible claims data evaluated as of December 31, 2016.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Property & Liability Summary

DRAFT

Alameda County Schools Insurance Group
Property & Liability Programs

Estimated Unpaid Losses as of June 30, 2017

	<u>Gross of Deductibles</u>	<u>Net of Deductibles</u>
(1) Estimated Unpaid Losses:	\$84,962	\$72,782
(2) Discounted Unpaid Losses: Assuming a 1.0% interest rate	\$84,056	\$72,006

Gross of Deductibles

Probability Level (3)	Gross Probability Factor (4)	<u>Undiscounted</u> (5)	<u>Discounted</u> (6)
Central Estimate	1.00	\$84,962	\$84,056
70%	1.11	94,503	93,495
80%	1.22	103,574	102,470
90%	1.38	117,524	116,270

Net of Deductibles

Probability Level (3)	Net Probability Factor (4)	<u>Undiscounted</u> (5)	<u>Discounted</u> (6)
Central Estimate	1.00	\$72,782	\$72,006
70%	1.11	80,955	80,091
80%	1.22	88,726	87,779
90%	1.38	100,675	99,601

Notes:

- (1) Gross: Page 22, Column (6).
Net: Page 24, Column (6).
- (2) Gross: [Page 26, Column (2)] + [Page 29, Column (2)].
Net: Estimated by BAC.
- (3) Estimated Probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (1) x (4).
- (6) (2) x (4).

Alameda County Schools Insurance Group
Property & Liability Programs

Projected Losses for 2017-18 at \$25K SIR

	<u>Gross of Deductibles</u>	<u>Net of Deductibles</u>
(1) Projected Ultimate Losses:	\$123,200	\$81,526
(2) Discounted Value of Losses: (as of 6/30/17, 1.0% interest)	\$121,154	\$80,172

		<u>Gross of Deductibles</u>	
<u>Probability Level (3)</u>	<u>Gross Probability Factor (4)</u>	<u>Undiscounted (5)</u>	<u>Discounted Value (6)</u>
Central Estimate	1.00	\$123,200	\$121,154
70%	1.18	144,981	142,573
80%	1.34	165,194	162,450
90%	1.59	196,131	192,873

		<u>Net of Deductibles</u>	
<u>Probability Level (3)</u>	<u>Net Probability Factor (4)</u>	<u>Undiscounted (5)</u>	<u>Discounted Value (6)</u>
Central Estimate	1.00	\$81,526	\$80,172
70%	1.18	95,940	94,346
80%	1.34	109,315	107,500
90%	1.59	129,787	127,632

Notes:

- (1) Gross: [Page 27, Item (1)] + [Page 30, Item (1)].
Net: (1), adjusted for 5K deductible.
- (2) Gross: [Page 27, Item (2)] + [Page 30, Item (2)].
Net: (2), adjusted for 5K deductible.
- (3) Estimated Probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (1) x (4).
- (6) (2) x (4).

Alameda County Schools Insurance Group
Property & Liability Programs

Projected Unpaid Losses
by Member and Program

Program Year	Undiscounted			Discounted at 1.0% interest			Estimated Ultimate Losses		
	Claims Liabilities as of 6/30/17 (1)	Members' Portion (2)	Program's Portion (3)	Claims Liabilities as of 6/30/17 (4)	Members' Portion (5)	Program's Portion (6)	Estimated Gross Ultimate Losses (7)	Members' Portion (8)	Program's Portion (9)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0	\$65,794	\$0	\$65,794
2007-08	0	0	0	0	0	0	83,044	0	83,044
2008-09	0	0	0	0	0	0	75,000	30,000	45,000
2009-10	0	0	0	0	0	0	62,961	23,913	39,048
2010-11	0	0	0	0	0	0	49,463	16,323	33,141
2011-12	0	0	0	0	0	0	130,315	33,772	96,543
2012-13	0	0	0	0	0	0	163,489	38,444	125,045
2013-14	0	0	0	0	0	0	25,000	5,000	20,000
2014-15	0	0	0	0	0	0	23,078	5,000	18,078
2015-16	31,134	2,923	28,211	30,874	2,899	27,975	66,926	15,581	51,345
2016-17	53,829	9,257	44,571	53,182	9,146	44,036	68,000	13,931	54,069
Total	\$84,962	\$12,180	\$72,782	\$84,056	\$12,045	\$72,011	\$813,070	\$181,964	\$631,106

Notes:

- (1) Page 22, Column (6).
- (2) Page 62, Column (6).
- (3) (1) - (2).
- (4) [Page 26, Column (2)] + [Page 29, Column (2)].
- (5) Estimated by BAC.
- (6) (4) - (5).
- (7) Page 64, Column (1).
- (8) Page 62, Column (1).
- (9) (7) - (8).

Alameda County Schools Insurance Group
Combined Property & Liability Programs

Projected Unpaid Losses as of 6/30/17
Gross of Deductibles

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/17 (2)	Projected Case Reserves 6/30/17 (3)	Projected Reported Losses as of 6/30/17 (4)	Projected IBNR as of 6/30/17 (5)	Projected Unpaid Losses as of 6/30/17 (6)
2006-07	\$65,794	\$65,794	\$0	\$65,794	\$0	\$0
2007-08	83,044	83,044	0	83,044	0	0
2008-09	147,507	147,507	0	147,507	0	0
2009-10	72,651	72,651	0	72,651	0	0
2010-11	49,463	49,463	0	49,463	0	0
2011-12	130,315	130,315	0	130,315	0	0
2012-13	163,489	163,489	0	163,489	0	0
2013-14	25,000	25,000	0	25,000	0	0
2014-15	23,078	23,078	0	23,078	0	0
2015-16	66,926	35,792	28,098	63,890	3,036	31,134
2016-17	68,000	14,171	20,502	34,673	33,327	53,829
Total	\$895,267	\$810,305	\$48,599	\$858,904	\$36,363	\$84,962

Notes:

(1) - (6) Sum of Page 32 + Page 55 entries.

Alameda County Schools Insurance Group
Combined Property & Liability Programs

Estimated Unpaid Losses as of 12/31/16
Gross of Deductibles

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 12/31/16 (2)	Case Reserves as of 12/31/16 (3)	Losses Reported as of 12/31/16 (4)	Estimated IBNR as of 12/31/16 (5)	Estimated Unpaid Losses as of 12/31/16 (6)
2006-07	\$65,794	\$65,794	\$0	\$65,794	\$0	\$0
2007-08	83,044	83,044	0	83,044	0	0
2008-09	147,507	147,507	0	147,507	0	0
2009-10	72,651	72,651	0	72,651	0	0
2010-11	49,463	49,463	0	49,463	0	0
2011-12	130,315	130,315	0	130,315	0	0
2012-13	163,489	163,489	0	163,489	0	0
2013-14	25,000	25,000	0	25,000	0	0
2014-15	23,078	23,078	0	23,078	0	0
2015-16	66,926	15,873	45,808	61,681	5,245	51,053
2016-17	34,000	0	0	0	34,000	34,000
Total	\$861,267	\$776,214	\$45,808	\$822,022	\$39,245	\$85,053

Notes:
(1) - (6) Sum of Page 34 + Page 57 entries.

Alameda County Schools Insurance Group
Combined Property & Liability Programs

Projected Unpaid Losses as of 6/30/17
Net of Deductibles

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/17 (2)	Projected Case Reserves 6/30/17 (3)	Projected Reported Losses as of 6/30/17 (4)	Projected IBNR as of 6/30/17 (5)	Projected Unpaid Losses as of 6/30/17 (6)
2006-07	\$65,794	\$65,794	\$0	\$65,794	\$0	\$0
2007-08	83,044	83,044	0	83,044	0	0
2008-09	147,507	147,507	0	147,507	0	0
2009-10	72,651	72,651	0	72,651	0	0
2010-11	49,463	49,463	0	49,463	0	0
2011-12	130,315	130,315	0	130,315	0	0
2012-13	163,489	163,489	0	163,489	0	0
2013-14	25,000	25,000	0	25,000	0	0
2014-15	18,078	18,078	0	18,078	0	0
2015-16	51,345	23,134	25,481	48,615	2,730	28,211
2016-17	54,069	9,498	16,966	26,463	27,606	44,571
Total	\$860,755	\$787,973	\$42,446	\$830,420	\$30,336	\$72,782

Notes:

(1) - (6) Page 22 entries - Page 62 entries.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Liability Summary

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Alameda County Schools Insurance Group
Liability Program

Estimated Unpaid Losses as of 6/30/17

Program Year	Undiscounted Claims Liabilities as of 6/30/17 (1)	Discounted (1.0% Interest) Liabilities as of 6/30/17 (2)	Estimated Gross Ultimate Losses (3)
2006-07	\$0	\$0	\$65,794
2007-08	0	0	83,044
2008-09	0	0	75,000
2009-10	0	0	62,961
2010-11	0	0	24,463
2011-12	0	0	130,315
2012-13	0	0	103,444
2013-14	0	0	25,000
2014-15	0	0	23,078
2015-16	16,274	16,117	30,000
2016-17	44,692	44,114	51,000
Total	\$60,966	\$60,231	\$674,099

Notes:

- (1) Page 32, Column (6).
- (2) Page 51, Column (3).
- (3) Page 35, Column (6).

Alameda County Schools Insurance Group
Liability Program

Projected Losses for 2017-18

\$25,000 SIR

	Gross of \$5K Deductible	Net of \$5K Deductible
(1) Projected Losses:	\$81,000	\$54,500
(2) Discounted Value of Projected Losses: (as of July 1, 2017, 1.0% interest rate)	\$79,380	\$53,410

Notes:

- (1) Gross: Page 49, Column (3).
Net: Adjusted for \$5K Deductible.
- (2) Gross: (1) x [Page 52, Item (4)].
Net: (1) x [Page 52, Item (4)].

Alameda County Schools Insurance Group

**Actuarial Analysis of the
Property & Liability Self-Insurance Program**

Property Summary

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Alameda County Schools Insurance Group
Property Program

Estimated Unpaid Losses
Individual Claims Limited to SIR

Program Year	Undiscounted Claims Liabilities as of 6/30/17 (1)	Discounted (1.0% Interest) Liabilities as of 6/30/17 (2)	Estimated Ultimate Losses (3)
2006-07	\$0	\$0	\$0
2007-08	0	0	0
2008-09	0	0	72,507
2009-10	0	0	9,690
2010-11	0	0	25,000
2011-12	0	0	0
2012-13	0	0	60,045
2013-14	0	0	0
2014-15	0	0	0
2015-16	14,860	14,757	36,926
2016-17	9,136	9,068	17,000
Total	\$23,996	\$23,825	\$221,168

Notes:

- (1) Page 55, Column (6).
- (2) Estimated by BAC assuming a 1.0% interest rate.
- (3) Page 58, Column (6).

Alameda County Schools Insurance Group
Property Program

Projected Losses for 2017-18 at \$25K SIR

(1) Projected Losses:	\$42,200
(2) Discounted Value of Losses: (as of July 1, 2017, 1.0% interest rate)	\$41,774

Notes:

- (1) Page 59, Item (6).
- (2) Estimated by BAC.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Liability Exhibits

Alameda County Schools Insurance Group
Liability Program

Projected Unpaid Losses as of 6/30/17
Limited to the SIR

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/17 (2)	Projected Case Reserves 6/30/17 (3)	Projected Reported Losses as of 6/30/17 (4)	Projected IBNR as of 6/30/17 (5)	Projected Unpaid Losses as of 6/30/17 (6)
2006-07	\$65,794	\$65,794	\$0	\$65,794	\$0	\$0
2007-08	83,044	83,044	0	83,044	0	0
2008-09	75,000	75,000	0	75,000	0	0
2009-10	62,961	62,961	0	62,961	0	0
2010-11	24,463	24,463	0	24,463	0	0
2011-12	130,315	130,315	0	130,315	0	0
2012-13	103,444	103,444	0	103,444	0	0
2013-14	25,000	25,000	0	25,000	0	0
2014-15	23,078	23,078	0	23,078	0	0
2015-16	30,000	13,726	13,361	27,087	2,913	16,274
2016-17	51,000	6,308	18,936	25,244	25,756	44,692
Total	\$674,099	\$613,133	\$32,297	\$645,430	\$28,669	\$60,966

Notes:

- (1) Page 35, Column (6).
- (2) Page 33, Column (3).
- (3) (4) - (2).
- (4) Page 33, Column (6).
- (5) (1) - (4).
- (6) (1) - (2).

Alameda County Schools Insurance Group
Liability Program

Projected Losses Paid and Reported between 1/1/17 and 6/30/17
Individual Claims Limited to SIR

Program Year	Losses Paid as of 12/31/16 (1)	Projected Losses Paid 1/1/17 - 6/30/17 (2)	Projected Losses Paid as of 6/30/17 (3)	Losses Reported as of 12/31/16 (4)	Projected Losses Reported 1/1/17 - 6/30/17 (5)	Projected Losses Reported as of 6/30/17 (6)
2006-07	\$65,794	\$0	\$65,794	\$65,794	\$0	\$65,794
2007-08	83,044	0	83,044	83,044	0	83,044
2008-09	75,000	0	75,000	75,000	0	75,000
2009-10	62,961	0	62,961	62,961	0	62,961
2010-11	24,463	0	24,463	24,463	0	24,463
2011-12	130,315	0	130,315	130,315	0	130,315
2012-13	103,444	0	103,444	103,444	0	103,444
2013-14	25,000	0	25,000	25,000	0	25,000
2014-15	23,078	0	23,078	23,078	0	23,078
2015-16	4,192	9,534	13,726	25,000	2,087	27,087
2016-17	0	6,308	6,308	0	25,244	25,244
Total	\$597,291	\$15,842	\$613,133	\$618,099	\$27,331	\$645,430

Notes:

- (1) Page 34, Column (2).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Page 34, Column (4).
- (5) Projected by BAC.
- (6) (4) + (5).

Alameda County Schools Insurance Group
Liability Program

Estimated Unpaid Losses as of 12/31/16
Gross of Deductibles

Program Year	Estimated Ultimate Losses (1)	Paid Losses as of 12/31/16 (2)	Case Reserves 12/31/16 (3)	Reported Losses as of 12/31/16 (4)	IBNR as of 12/31/16 (5)	Unpaid Losses as of 12/31/16 (6)
2006-07	\$65,794	\$65,794	\$0	\$65,794	\$0	\$0
2007-08	83,044	83,044	0	83,044	0	0
2008-09	75,000	75,000	0	75,000	0	0
2009-10	62,961	62,961	0	62,961	0	0
2010-11	24,463	24,463	0	24,463	0	0
2011-12	130,315	130,315	0	130,315	0	0
2012-13	103,444	103,444	0	103,444	0	0
2013-14	25,000	25,000	0	25,000	0	0
2014-15	23,078	23,078	0	23,078	0	0
2015-16	30,000	4,192	20,808	25,000	5,000	25,808
2016-17	25,500	0	0	0	25,500	25,500
Total	\$648,599	\$597,291	\$20,808	\$618,099	\$30,500	\$51,308

Notes:

- (1) Page 35, Column (6).
2016-17 value adjusted for partial year through 12/31/16.
- (2) Page 33, Column (3).
- (3) (4) - (2).
- (4) Page 33, Column (6).
- (5) (1) - (4).
- (6) (1) - (2).

Alameda County Schools Insurance Group
Liability Program

Estimated Ultimate Losses
Individual Claims Limited to SIR

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	Frequency Times Severity (5)	Selected Ultimate Losses (6)
2006-07	\$65,794	\$65,794	\$65,794	\$65,794	\$87,060	\$65,794
2007-08	83,044	83,044	83,044	83,044	135,444	83,044
2008-09	75,000	75,000	75,000	75,000	26,583	75,000
2009-10	62,961	62,961	62,961	62,961	45,165	62,961
2010-11	24,463	24,463	24,463	24,463	27,615	24,463
2011-12	130,367	130,315	130,315	130,315	65,653	130,315
2012-13	103,549	106,063	103,444	103,497	47,765	103,444
2013-14	25,232	27,046	25,000	25,501	9,728	25,000
2014-15	23,534	30,936	23,078	24,206	9,906	23,078
2015-16	27,967	16,414	28,454	31,830	10,085	30,000
2016-17	0	0	0	50,761	30,801	51,000
Total	\$621,911	\$622,036	\$621,553	\$677,372	\$495,805	\$674,099

Notes:

- (1) Page 36, Column (3).
- (2) Page 37, Column (3).
- (3) Page 38, Column (6).
- (4) Page 39, Column (6).
- (5) Page 43, Column (5).
- (6) Selected on the basis of (1) - (5).

Alameda County Schools Insurance Group
Liability Program

Reported Loss Projection Method
Individual Claims Limited to SIR

Program Year	Cumulative Reported Losses as of 12/31/16 (1)	Reported Development Factor as of 12/31/16 (2)	Projected Ultimate Losses (3)
2006-07	\$65,794	1.000	\$65,794
2007-08	83,044	1.000	83,044
2008-09	75,000	1.000	75,000
2009-10	62,961	1.000	62,961
2010-11	24,463	1.000	24,463
2011-12	130,315	1.000	130,367
2012-13	103,444	1.001	103,549
2013-14	25,000	1.009	25,232
2014-15	23,078	1.020	23,534
2015-16	25,000	1.119	27,967
2016-17	0	3.839	0
Total	\$618,099		\$621,911

Notes:

- (1) Provided by Keenan & Associates.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Liability Program

Paid Loss Projection Method
Individual Claims Limited to SIR

Program Year	Cumulative Paid Losses as of 12/31/16 (1)	Paid Development Factor as of 12/31/16 (2)	Projected Ultimate Losses (3)
2006-07	\$65,794	1.000	\$65,794
2007-08	83,044	1.000	83,044
2008-09	75,000	1.000	75,000
2009-10	62,961	1.000	62,961
2010-11	24,463	1.000	24,463
2011-12	130,315	1.000	130,315
2012-13	103,444	1.025	106,063
2013-14	25,000	1.082	27,046
2014-15	23,078	1.341	30,936
2015-16	4,192	3.916	16,414
2016-17	0	35.958	0
Total	\$597,290		\$622,036

Notes:

- (1) Provided by Keenan & Associates.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Liability Program

IBNR to Case Reserves Ratio Method
Individual Claims Limited to SIR

Program Year	Reported Development Factor as of 12/31/16 (1)	Paid Development Factor as of 12/31/16 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves as of 12/31/16 (4)	Estimated IBNR Losses as of 12/31/16 (5)	Estimated Ultimate Losses (6)
2006-07	1.000	1.000	0.000	\$0	\$0	\$65,794
2007-08	1.000	1.000	0.000	0	0	83,044
2008-09	1.000	1.000	0.000	0	0	75,000
2009-10	1.000	1.000	0.000	0	0	62,961
2010-11	1.000	1.000	0.000	0	0	24,463
2011-12	1.000	1.000	0.000	0	0	130,315
2012-13	1.001	1.025	0.043	0	0	103,444
2013-14	1.009	1.082	0.138	0	0	25,000
2014-15	1.020	1.341	0.083	0	0	23,078
2015-16	1.119	3.916	0.166	20,808	3,454	28,454
2016-17	3.839	35.958	3.178	0	0	0
Total				\$20,808	\$3,454	\$621,553

Notes:

- (1) Page 36, Column (2).
- (2) Page 37, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) [Page 36, Column (1)] - [Page 37, Column (1)], rounded.
- (5) (3) x (4), rounded.
- (6) (5) + Page 36, Column (1).

Alameda County Schools Insurance Group
Liability Program

Bornhuetter-Ferguson Method Using Reported Losses
Individual Claims Limited to SIR

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/16 (5)	Estimated Ultimate Losses (6)
2006-07	\$111,043	1.000	0.0%	\$0	\$65,794	\$65,794
2007-08	115,169	1.000	0.0%	0	83,044	83,044
2008-09	45,207	1.000	0.0%	0	75,000	75,000
2009-10	47,538	1.000	0.0%	0	62,961	62,961
2010-11	49,642	1.000	0.0%	0	24,463	24,463
2011-12	50,986	1.000	0.0%	0	130,315	130,315
2012-13	53,159	1.001	0.1%	53	103,444	103,497
2013-14	55,706	1.009	0.9%	501	25,000	25,501
2014-15	59,343	1.020	1.9%	1,128	23,078	24,206
2015-16	64,436	1.119	10.6%	6,830	25,000	31,830
2016-17	68,596	3.839	74.0%	50,761	0	50,761
Total	\$720,825			\$59,273	\$618,099	\$677,372

Notes:

- (1) Page 40, Column (5).
- (2) Page 36, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 36, Column (1).
- (6) $(4) + (5)$.

Alameda County Schools Insurance Group
Liability Program

A Priori Loss Rate for Bornhuetter-Ferguson Method
Individual Claims Limited to SIR

Program Year	Selected Loss Rate (1)	Factor from 2017-18 Cost Levels (2)	Detrended SIR-Adjusted Loss Rate (3)	Average Daily Attendance (ADA) (4)	Expected Ultimate Losses (5)
2006-07	\$3.94	2.082	\$8.209	13,527	\$111,043
2007-08	3.94	2.160	8.514	13,527	115,169
2008-09	3.94	0.848	3.342	13,527	45,207
2009-10	3.94	0.864	3.407	13,953	47,538
2010-11	3.94	0.881	3.471	14,302	49,642
2011-12	3.94	0.897	3.537	14,415	50,986
2012-13	3.94	0.914	3.603	14,754	53,159
2013-14	3.94	0.931	3.669	15,183	55,706
2014-15	3.94	0.948	3.736	15,884	59,343
2015-16	3.94	0.965	3.804	16,939	64,436
2016-17	3.94	0.982	3.872	17,716	68,596
Total				163,727	\$720,825

Notes:

- (1) Page 41, Item (7).
- (2) Estimated using a 6.0% first dollar trend.
- (3) (1) x (2).
- (4) Page 53, Column (1).
- (5) (3) x (4).

Alameda County Schools Insurance Group
Liability Program

A Priori Loss Rate for Bornhuetter-Ferguson Method
Individual Claims Limited to SIR

Program Year	<i>A Priori</i> Ultimate Losses (1)	Factor to 2017-18 Cost Level (2)	Constant \$ <i>A Priori</i> Losses (3)	Average Daily Attendance (ADA) (4)	Indicated Loss Rate (5)
2006-07	65,794	0.480	\$31,596	13,527	\$2.34
2007-08	83,044	0.463	38,451	13,527	2.84
2008-09	75,000	1.180	88,464	13,527	6.54
2009-10	62,961	1.157	72,849	13,953	5.22
2010-11	24,463	1.136	27,779	14,302	1.94
2011-12	130,341	1.114	145,248	14,415	10.08
2012-13	104,791	1.094	114,654	14,754	7.77
2013-14	26,107	1.074	28,051	15,183	1.85
2014-15	26,732	1.055	28,207	15,884	1.78
2015-16	25,400	1.036	26,324	16,939	1.55
2016-17	26,080	1.018	26,550	17,716	1.50
Total	\$650,713		\$628,173	163,727	\$3.95
			(6) NCR 2017-18 \$25K Loss Rate:		\$3.94
			(7) Selected 2017-18 \$25K Loss Rate:		\$3.94

Notes:

- (1) Page 42, Column (3).
- (2) Estimated using a 6.0% first dollar trend.
- (3) (1) x (2), rounded.
- (4) Page 53, Column (1).
- (5) (3) / (4).
- (6) Estimated by BAC.
- (7) Selected on the basis of (5) & (6).

Alameda County Schools Insurance Group
Liability Program

A Priori Ultimate losses
Individual Claims Limited to SIR

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
2006-07	\$65,794	\$65,794	\$65,794
2007-08	83,044	83,044	83,044
2008-09	75,000	75,000	75,000
2009-10	62,961	62,961	62,961
2010-11	24,463	24,463	24,463
2011-12	130,367	130,315	130,341
2012-13	103,549	106,063	104,791
2013-14	25,232	27,046	26,107
2014-15	23,534	30,936	26,732
2015-16	27,967	16,414	25,400
2016-17	0	0	26,080
Total	\$621,911	\$622,036	\$650,713

Notes:

- (1) Page 36, Column (3).
- (2) Page 37, Column (3).
- (3) Selected on the basis of (1) and (2).

Alameda County Schools Insurance Group
Liability Program

Frequency Times Severity Method
Individual Claims Limited to SIR

Program Year	Selected Claim Severity (1)	Factor to Remove Severity Trend (2)	De-Trended Severity (3)	Estimated Ultimate Claims (4)	Estimated Ultimate Losses (5)
2006-07	\$10,452	2.082	\$21,765	4	\$87,060
2007-08	10,452	2.160	22,574	6	135,444
2008-09	10,452	0.848	8,861	3	26,583
2009-10	10,452	0.864	9,033	5	45,165
2010-11	10,452	0.881	9,205	3	27,615
2011-12	10,452	0.897	9,379	7	65,653
2012-13	10,452	0.914	9,553	5	47,765
2013-14	10,452	0.931	9,728	1	9,728
2014-15	10,452	0.948	9,906	1	9,906
2015-16	10,452	0.965	10,085	1	10,085
2016-17	10,452	0.982	10,267	3	30,801
Total				39	\$495,805

Notes:

- (1) Page 44, Item (6).
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.
- (4) Page 45, Column (3).
- (5) (3) x (4).

Alameda County Schools Insurance Group
Liability Program

Calculation of Expected Claim Severity
Frequency Times Severity Method

Program Year	<i>A Priori</i> Ultimate Losses (1)	Severity Trend Factor to 2017-18 (2)	Estimated Ultimate Claim Counts (3)	Constant \$ Claim Severity (4)
2006-07	\$65,794	0.480	4	\$0
2007-08	83,044	0.463	6	0
2008-09	75,000	1.180	3	29,488
2009-10	62,961	1.157	5	14,570
2010-11	24,463	1.136	3	9,260
2011-12	130,341	1.114	7	20,750
2012-13	104,791	1.094	5	22,931
2013-14	26,107	1.074	1	28,051
2014-15	26,732	1.055	1	28,207
2015-16	25,400	1.036	1	0
2016-17	26,080	1.018	3	8,850
Total	\$650,713		39	\$21,894

(5) NCR \$25k SIR 2017-18 Severity: \$10,452

(6) Selected \$25k SIR 2017-18 Severity: \$10,452

Notes:

- (1) Page 42, Column (3).
- (2) Estimated by BAC.
- (3) Page 45, Column (3).
- (4) $[(1) \times (2)] / (3)$.
- (5) Estimated by BAC.
- (6) Selected on the basis of (4) & (5).

Alameda County Schools Insurance Group
Liability Program

Selected Claim Counts

Program Year	Reported Claim Count Projection (1)	Bornhuetter- Ferguson Method (2)	Selected Claim Count (3)
2006-07	4		4
2007-08	6		6
2008-09	3		3
2009-10	5		5
2010-11	3		3
2011-12	7		7
2012-13	5		5
2013-14	1		1
2014-15	1		1
2015-16	1		1
2016-17	0	3	3
Total	36		39

Notes:

- (1) Page 46, Column (3).
- (2) Page 47, Column (6).
- (3) Selected on the basis of (1) and (2).

Alameda County Schools Insurance Group
Liability Program

Projection of Ultimate Claim Counts
Reported Claim Development Method

Program Year	Total Claims Reported 12/31/16 (1)	Development Factors as of 12/31/16 (2)	Projected Ultimate Claims (3)
2006-07	4	1.000	4
2007-08	6	1.000	6
2008-09	3	1.000	3
2009-10	5	1.000	5
2010-11	3	1.000	3
2011-12	7	1.000	7
2012-13	5	1.004	5
2013-14	1	1.004	1
2014-15	1	1.009	1
2015-16	1	0.902	1
2016-17	0	3.234	0
Total	36		36

Notes:

- (1) Provided by Keenan & Associates.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Liability Program

Projection of Ultimate Claim Counts
Method 2: Bornhuetter-Ferguson Method

Program Year	A Priori Claim Count (1)	Claim Development Factor (2)	Percentage of Claims Unreported (3)	Estimated Unreported Claims (4)	Claims as of 12/31/16 (5)	Projected Ultimate Claims (6)
2016-17	4	3.234	69.1%	3	0	3

Notes:

- (1) Page 48, Item (6).
- (2) Page 46, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 46, Column (1).
- (6) $(4) + (5)$.

Alameda County Schools Insurance Group
Liability Program

Projection of Ultimate Claim Counts
Bornhuetter-Ferguson Method
Calculation of Expected 2016-17 Claim Counts

Program Year	Projected Ultimate Claim Counts (1)	Average Daily Attendance (ADA) (2)	Indicated Claim Frequency (3)
2006-07	4	14,302	2.8
2007-08	6	14,302	4.2
2008-09	3	14,302	2.1
2009-10	5	14,302	3.5
2010-11	3	14,302	2.1
2011-12	7	14,415	4.9
2012-13	5	14,754	3.4
2013-14	1	15,183	0.7
2014-15	1	15,884	0.6
2015-16	1	16,939	0.6
2016-17	0	17,716	0.0
Total	36	166,401	2.2

(4) Selected Claim Frequency: 2.2

(5) 2016-17 ADA: 17,716

(6) 2016-17 Expected Claim Count: 4

Notes:

- (1) Page 46, Column (3).
- (2) Page 53, Column (1).
- (3) $(1) \times 10,000 / (2)$.
- (4) Selected on the basis of (3).
- (5) Page 53, Column (1).
- (6) $(4) \times (5) / 10,000$.

Alameda County Schools Insurance Group
Liability Program

Projected 2017-18 Ultimate Losses at \$25K SIR

Program Year	2017-18 Level Loss Rate (1)	Projected Average Daily Attendance (ADA) (2)	Projected \$25K SIR Ultimate Losses (3)
2017-18	\$4.57	17,716	\$81,000

(4) Ratio of Net Losses to Gross Losses: 67.3%

(5) Projected Net Losses: \$54,500

(6) Indicated Net Loss Rate: \$3.08

Notes:

- (1) Page 50, Item (7).
- (2) Projected by BAC.
- (3) (1) x (2), rounded.
- (4) Estimated by BAC.
- (5) (3) x (4), rounded.
- (6) (5) / (2), rounded.

Alameda County Schools Insurance Group
Liability Program

Projected 2017-18 Loss Rate

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Trended Losses (3)	Average Daily Attendance (ADA) (4)	Indicated Loss Rate (5)
2006-07	\$65,794	0.480	\$31,596	13,527	\$2.34
2007-08	83,044	0.463	38,451	13,527	2.84
2008-09	75,000	1.180	88,464	13,527	6.54
2009-10	62,961	1.157	72,849	13,953	5.22
2010-11	24,463	1.136	27,779	14,302	1.94
2011-12	130,315	1.114	145,220	14,415	10.07
2012-13	103,444	1.094	113,180	14,754	7.67
2013-14	25,000	1.074	26,862	15,183	1.77
2014-15	23,078	1.055	24,351	15,884	1.53
2015-16	30,000	1.036	31,091	16,939	1.84
2016-17	51,000	1.018	51,920	17,716	2.93
Total	\$674,099		\$651,763	163,727	\$4.06
(6) NCR 2017-18 Level Loss Rate - Limited to \$25,000 per Loss:					\$3.94
(7) Selected 2017-18 Level Loss Rate - Limited to \$25,000 per Loss:					\$4.57

Notes:

- (1) Page 35, Column (6).
- (2) Estimated using a 6.0% first dollar trend.
- (3) (1) x (2).
- (4) Page 53, Column (1).
- (5) (3) / (4).
- (6) Estimated by BAC.
- (7) Selected on the basis of (5) & (6).

Alameda County Schools Insurance Group
Liability Program

Discounted Value of Unpaid Losses as of June 30, 2017
Assuming a 1.0% Interest Rate

Program Year	Estimated Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
2006-07	\$0	1.000	\$0
2007-08	0	1.000	0
2008-09	0	1.000	0
2009-10	0	1.000	0
2010-11	0	1.000	0
2011-12	0	1.000	0
2012-13	0	0.995	0
2013-14	0	0.993	0
2014-15	0	0.991	0
2015-16	16,274	0.990	16,117
2016-17	44,692	0.987	44,114
Total	\$60,966		\$60,231

(4) Indicated Discount Factor: 0.988

Notes:

- (1) Page 32, Column (6).
- (2) Estimated by BAC.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Liability Program

Discounted Value of 2017-18 Losses as of July 1, 2017
Assuming a 1.0% Interest rate

\$25,000 SIR

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2017-18	\$11,992	0.995	\$11,933
2018-19	30,975	0.985	30,516
2019-20	25,003	0.975	24,388
2020-21	8,992	0.966	8,685
2021-22	3,043	0.956	2,910
2022-23	994	0.947	941
2023-24	0	0.937	0
2024-25	0	0.928	0
2025-26	0	0.919	0
2026-27	0	0.910	0
2027-28	0	0.901	0
2028-29	0	0.892	0
Total	\$81,000		\$79,373

(4) Indicated Discount Factor: 0.980

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.0% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Liability Program

Program Information

Program Year	Average Daily Attendance (ADA) (1)	Self-Insured Retention (SIR) (2)
2006-07	13,527	\$150,000
2007-08	13,527	150,000
2008-09	13,527	25,000
2009-10	13,953	25,000
2010-11	14,302	25,000
2011-12	14,415	25,000
2012-13	14,754	25,000
2013-14	15,183	25,000
2014-15	15,884	25,000
2015-16	16,939	25,000
2016-17	17,716	25,000
2017-18	17,716	25,000

Notes:

- (1) - (2) Provided by Keenan & Associates.
2017-18 ADA projected by BAC.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Property Exhibits

Alameda County Schools Insurance Group
Property Program

Projected Unpaid Losses as of June 30, 2017
Individual Claims Limited to SIR

Program Year	Estimated Ultimate Losses (1)	Projected Losses Paid as of 6/30/17 (2)	Projected Case Reserves as of 6/30/17 (3)	Projected Losses Reported as of 6/30/17 (4)	Projected IBNR as of 6/30/17 (5)	Projected Losses Unpaid as of 6/30/17 (6)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0
2007-08	0	0	0	0	0	0
2008-09	72,507	72,507	0	72,507	0	0
2009-10	9,690	9,690	0	9,690	0	0
2010-11	25,000	25,000	0	25,000	0	0
2011-12	0	0	0	0	0	0
2012-13	60,045	60,045	0	60,045	0	0
2013-14	0	0	0	0	0	0
2014-15	0	0	0	0	0	0
2015-16	36,926	22,066	14,737	36,803	123	14,860
2016-17	17,000	7,864	1,566	9,429	7,571	9,136
Total	\$221,168	\$197,172	\$16,303	\$213,474	\$7,694	\$23,996

Notes:

- (1) Page 58, Column (6).
- (2) Page 56, Column (3).
- (3) (4) - (2).
- (4) Page 56, Column (6).
- (5) (1) - (4).
- (6) (3) + (5).

Alameda County Schools Insurance Group
Property Program

Projected Losses Paid and Reported as of June 30, 2017
Individual Claims Limited to SIR

Program Year	Losses Paid as of 12/31/16 (1)	Projected Payments 1/1/17 - 6/30/17 (2)	Projected Losses Paid as of 6/30/17 (3)	Losses Reported as of 12/31/16 (4)	Projected Losses Reported 1/1/17 - 6/30/17 (5)	Projected Losses Reported as of 6/30/17 (6)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0
2007-08	0	0	0	0	0	0
2008-09	72,507	0	72,507	72,507	0	72,507
2009-10	9,690	0	9,690	9,690	0	9,690
2010-11	25,000	0	25,000	25,000	0	25,000
2011-12	0	0	0	0	0	0
2012-13	60,045	0	60,045	60,045	0	60,045
2013-14	0	0	0	0	0	0
2014-15	0	0	0	0	0	0
2015-16	11,681	10,385	22,066	36,681	122	36,803
2016-17	0	7,864	7,864	0	9,429	9,429
Total	\$178,923	\$18,249	\$197,172	\$203,923	\$9,551	\$213,474

Notes:

- (1) Provided by Keenan & Associates.
- (2) Based upon the observed payment pattern.
- (3) (1) + (2).
- (4) Page 58, Column (5).
- (5) Based upon the observed reporting pattern.
- (6) (4) + (5).

Alameda County Schools Insurance Group
Property Program

Estimated Unpaid Losses as of December 31, 2016
Individual Claims Limited to SIR

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 12/31/16 (2)	Case Reserves as of 12/31/16 (3)	Losses Reported as of 12/31/16 (4)	Estimated IBNR as of 12/31/16 (5)	Estimated Losses Unpaid as of 12/31/16 (6)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0
2007-08	0	0	0	0	0	0
2008-09	72,507	72,507	0	72,507	0	0
2009-10	9,690	9,690	0	9,690	0	0
2010-11	25,000	25,000	0	25,000	0	0
2011-12	0	0	0	0	0	0
2012-13	60,045	60,045	0	60,045	0	0
2013-14	0	0	0	0	0	0
2014-15	0	0	0	0	0	0
2015-16	36,926	11,681	25,000	36,681	245	25,245
2016-17	8,500	0	0	0	8,500	8,500
Total	\$212,668	\$178,923	\$25,000	\$203,923	\$8,745	\$33,745

Notes:

- (1) Page 58, Column (6), adjusted for incomplete program year.
- (2) Provided by Keenan & Associates.
- (3) (4) - (2).
- (4) Provided by Keenan & Associates.
- (5) (1) - (4).
- (6) (1) - (2).

Alameda County Schools Insurance Group
Property Program

Estimated Ultimate Losses
Individual Claims Limited to SIR

Program Year	Trended TIV (\$000's) (1)	Expected Loss Rate per \$1,000 Trended TIV (2)	Estimated Percentage of Losses Unreported (3)	Estimated Unreported Losses (4)	Reported Losses as of 12/31/16 (5)	Estimated Ultimate Losses (6)
2006-07	\$435,764	\$0.0068	0.0%	\$0	\$0	\$0
2007-08	435,764	0.0068	0.0%	0	0	0
2008-09	435,764	0.1664	0.0%	0	72,507	72,507
2009-10	449,488	0.0929	0.0%	0	9,690	9,690
2010-11	460,731	0.0796	0.0%	0	25,000	25,000
2011-12	464,371	0.0592	0.0%	0	0	0
2012-13	475,291	0.0732	0.0%	0	60,045	60,045
2013-14	489,111	0.0603	0.0%	0	0	0
2014-15	511,694	0.0509	0.0%	0	0	0
2015-16	545,680	0.0509	0.9%	245	36,681	36,926
2016-17	570,711	0.0533	55.7%	16,923	0	17,000
Total	\$5,274,369			\$17,168	\$203,923	\$221,168

Notes:

- (1) Page 60, Column (2).
- (2) Estimated by BAC.
- (3) Estimated by BAC.
- (4) (1) x (2) x (3).
- (5) Provided by Keenan & Associates.
- (6) (4) + (5).

Alameda County Schools Insurance Group
Property Program

Projected Loss Rate and Losses for 2017-18
Individual Claims Limited to SIR

Program Year	Estimated Ultimate Losses at \$25K MRL (1)	Adjusted Insured Value (\$000's) (2)	Indicated \$25K MRL Loss Rate (3)
2006-07	\$0	\$435,764	\$0.000
2007-08	0	435,764	0.000
2008-09	26,630	435,764	0.061
2009-10	3,556	449,488	0.008
2010-11	25,000	460,731	0.054
2011-12	0	464,371	0.000
2012-13	60,045	475,291	0.126
2013-14	0	489,111	0.000
2014-15	0	511,694	0.000
2015-16	36,926	545,680	0.068
2016-17	17,000	570,711	0.030
Total	\$169,158	\$5,274,369	\$0.039
(4) Selected 2017-18 Loss Rate:			\$0.074
(5) Projected 2017-18 TIV (\$000's):			\$570,711
(6) Projected 2017-18 \$25K MRL Losses:			\$42,200
(7) Ratio of Net to Gross Losses:			64.1%
(8) Projected 2017-18 Net Losses:			\$27,000

Notes:

- (1) Page 58, Column (6).
- (2) Page 60, Column (1).
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) Projected by BAC from program history.
- (6) (4) x (5), rounded.
- (7) Estimated by BAC.
- (8) (6) x (7), rounded.

Alameda County Schools Insurance Group
Property Program

Historical Summary

Program Year	Total Insured Value (\$000's) (1)	Trended Total Insured Value (\$000's) (2)	Self-Insured Retention (SIR) (3)
2006-07	\$0	\$435,764	\$0
2007-08	0	435,764	0
2008-09	329,809	435,764	25,000
2009-10	350,297	449,488	25,000
2010-11	335,308	460,731	25,000
2011-12	350,784	464,371	25,000
2012-13	361,534	475,291	25,000
2013-14	392,314	489,111	25,000
2014-15	502,027	511,694	25,000
2015-16	543,377	545,680	25,000
2016-17	554,088	570,711	25,000
2017-18	570,711	570,711	?

Notes:

- (1) - (3) Provided by Keenan & Associates.
TIV back-trended from 2016-17
in proportion to ADA.
2017-18 TIV projected by BAC.

Alameda County Schools Insurance Group

An Actuarial Review of the Property & Liability Self-Insurance Program

Deductibles Exhibits

DRAFT

Alameda County Schools Insurance Group
Deductibles

Estimated Unpaid Deductibles as of June 30, 2017

Program Year	Estimated Ultimate Deductibles (1)	Projected Deductibles Paid as of 6/30/17 (2)	Projected Deductible Reserves as of 6/30/17 (3)	Projected Deductibles Reported as of 6/30/17 (4)	Projected Deductibles IBNR as of 6/30/17 (5)	Projected Deductibles Unpaid as of 6/30/17 (6)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0
2007-08	0	0	0	0	0	0
2008-09	30,000	30,000	30,000	30,000	0	0
2009-10	23,913	23,913	23,913	23,913	0	0
2010-11	16,323	16,323	16,323	16,323	0	0
2011-12	33,772	33,772	33,772	33,772	0	0
2012-13	38,444	38,444	38,444	38,444	0	0
2013-14	5,000	5,000	5,000	5,000	0	0
2014-15	5,000	5,000	0	5,000	0	0
2015-16	15,581	12,658	2,617	15,275	306	2,923
2016-17	13,931	4,674	3,536	8,210	5,721	9,257
Total	\$34,512	\$22,332	\$6,153	\$28,485	\$6,027	\$12,180

Notes:

- (1) Page 64, Column (6).
- (2) Page 63, Column (3).
- (3) (4) - (2).
- (4) Page 63, Column (6).
- (5) (1) - (4).
- (6) (1) - (2).

Alameda County Schools Insurance Group
Deductibles

Projected Deductibles Paid and Reported as of June 30, 2017

Program Year	Deductibles Paid as of 12/31/16 (1)	Projected Payments 1/1/17 - 6/30/17 (2)	Projected Deductibles Paid as of 6/30/17 (3)	Deductibles Reported as of 12/31/16 (4)	Projected Reported 1/1/17 - 6/30/17 (5)	Projected Deductibles Reported as of 6/30/17 (6)
2006-07	\$0	\$0	\$0	\$0	\$0	\$0
2007-08	0	0	0	0	0	0
2008-09	30,000	0	30,000	30,000	0	30,000
2009-10	23,913	0	23,913	23,913	0	23,913
2010-11	16,323	0	16,323	16,323	0	16,323
2011-12	33,772	0	33,772	33,772	0	33,772
2012-13	38,444	0	38,444	38,444	0	38,444
2013-14	5,000	0	5,000	5,000	0	5,000
2014-15	5,000	0	5,000	5,000	0	5,000
2015-16	9,192	3,466	12,658	15,000	275	15,275
2016-17	0	4,674	4,674	0	8,210	8,210
Total	\$161,644	\$8,140	\$169,784	\$167,452	\$8,485	\$175,937

Notes:

- (1) Provided by Keenan & Associates.
- (2) Based upon the observed payment pattern.
- (3) (1) + (2).
- (4) Page 64, Column (5).
- (5) Based upon the assumed reporting pattern.
- (6) (4) + (5).

Alameda County Schools Insurance Group
Deductibles

Estimated Ultimate Losses Limited to Member Deductibles

Program Year	Estimated Gross Ultimate Losses (1)	Expected Percentage of Losses Below Deductible (2)	Estimated Deductible Percentage Unreported (3)	Estimated Unreported Deductibles (4)	Reported Deductibles as of 12/31/16 (5)	Estimated Ultimate Losses Below Deductible (6)
2006-07	\$65,794	34.2%	0.0%	\$0	\$0	\$0
2007-08	83,044	34.2%	0.0%	0	0	0
2008-09	75,000	34.1%	0.0%	0	30,000	30,000
2009-10	62,961	34.1%	0.0%	0	23,913	23,913
2010-11	49,463	34.1%	0.0%	0	16,323	16,323
2011-12	130,315	34.0%	0.0%	0	33,772	33,772
2012-13	163,489	34.0%	0.0%	0	38,444	38,444
2013-14	25,000	34.0%	0.0%	0	5,000	5,000
2014-15	23,078	33.9%	0.0%	0	5,000	5,000
2015-16	66,926	33.9%	2.6%	581	15,000	15,581
2016-17	68,000	33.9%	60.5%	13,931	0	13,931
Total	\$813,070			\$14,512	\$167,452	\$181,964

Notes:

- (1) Page 35, Column (6) + Page 58, Column (6).
- (2) Estimated by BAC.
- (3) Estimated by BAC.
- (4) (1) x (2) x (3).
- (5) Provided by Keenan & Associates.
- (6) (4) + (5).



Alameda County Schools Insurance Group

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2016/2017 Third Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2016/2017 Third Quarter financial statements for review. These financial statements reflect the 2015/2016 audited, annual balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

A representative from SETECH will review the financial statements with the Executive Committee.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF MARCH 31, 2017 AND FOR THE NINE MONTHS THEN ENDED

As mandated by Section 53646 of the California Government Code, Alameda County Schools Insurance Group is required to disclose that it is able to meet its pool's expenditure requirements for the next six months and is in complete compliance with the current Investment Policy as of the date of this report.



President

SETECH (Service Enhancement Technologies)

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For the Executive Committee Meeting of May 11, 2017

Alameda County Schools Insurance Group (ACSIG)

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Distribution and Use of Report

This financial management information report (Report) prepared by Service Enhancement Technologies (SETECH), a Division of Keenan & Associates, is intended solely for internal use by the Authority's Officers, Board Members, Advisory Committee Members, and for internal decision making purposes only in regards to the Authority's insurance program.

SETECH makes no representations or warranties regarding the use of this Report for any other purpose other than for the Authority's insurance program. The official version of the Report is finalized only upon approval by the Authority's Board of Directors and/or Advisory Committee in accordance with the Authority's Agreement and Bylaws following presentation by SETECH or Keenan & Associates. We understand that members may wish to provide a copy of this Report to auditors and regulatory authorities on the conditions that:

- A) The official approved Report is used,
- B) The entire Report be distributed rather than any excerpts,
- C) All recipients be made aware that a SETECH staff member is available to answer any questions regarding the contents of the Report,
- D) The recipients recognize that the furnishing of this Report is not a substitute for their own due diligence, and they place no undue reliance on the Report or the data for purposes other than for which it was created. No creation of any duty or liability of SETECH to the recipient is owed if the Report is used for purposes other than for which it was created.

SETECH may utilize actuarial projections as an integral component of this Report, as provided by the Authority's actuary and in the case of some Benefit Groups, by a staff member of the Keenan & Associates Technical Department. We may also rely upon financial data provided by the Authority's Treasurer, Accountant or County Office of Education. We have not audited this data and are not responsible for its accuracy. With any financial analysis, the accuracy and relevance of the conclusions as well as the reasonableness of the recommendations depend upon the accuracy and relevance of the underlying data. Financial information provided in this Report is subject to an annual independent financial audit.

SETECH strives to maintain the strictest confidentiality of any information for our clients. The pages of this Report indicate that the information contained in the Report is for "Client Confidential Use Only." This indicates that SETECH will only disclose information contained in these Reports to our intended clients, their members or their contracted parties.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Workers Compensation	\$ 8,758,964	8,628,721	\$ 17,387,685
Dental	3,019,012	(985,573)	2,033,439
Vision	1,175,897	(42,145)	1,133,752
Property and Liability	1,206,795	(547,095)	659,700
Operations	169,423	121,512	290,935
Cash and Cash Equivalents	\$ 14,330,091	7,175,420	\$ 21,505,511
Investments Morgan Stanley - current	1,701,027	1,228,709	2,929,736
Accounts Receivable	7,965,408	201,373	8,166,781
Prepaid Expense	-	246,731	246,731
Interfund Receivable/(payable) (1)	-	-	-
Subtotal Current Assets	23,996,526	8,852,233	32,848,758
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,370,020	(1,360,526)	13,009,494
Capital - Equipment, net of depreciation	3,555	-	3,555
	14,373,575	(1,360,526)	13,013,049
Total Assets	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	44,203	-	44,203
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,414,640	\$ (1,168,595)	\$ 4,246,045
Prefunding deposits (2)	3,418,159	252,000	3,670,159
Advance Contributions	-	6,330,255	6,330,255
Current Portion of claims and claim adjustment	3,542,657	296,705	3,839,361
Subtotal Current Liabilities	12,375,456	5,710,365	18,085,820
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,149,791	(1,685,667)	14,464,125
Unallocated Loss Adjustment Expense (ULAE)	1,570,819	(192,000)	1,378,819
Subtotal Noncurrent Claim Liabilities	17,720,610	(1,877,667)	15,842,944
Net Pension Liability (NPL)	525,511	-	525,511
Total Liabilities	\$ 30,621,577	\$ 3,832,698	\$ 34,454,275
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	63,483	-	63,483
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,725,689	3,659,008	11,384,697
Designated - Capital Assets	3,555	-	3,555
Total Net Position	\$ 7,729,244	\$ 3,659,008	\$ 11,388,252
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 38,370,101	\$ 7,491,706	\$ 45,861,807

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is a internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
- (2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
- (3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Nine Months Ended 03/31/2017

	Cash Activity			Balance			Percentage
	07/01/2015		Change in	Year			of
	03/31/2017	Allocations	Accruals	to Date	2016/2017	Variance	Budget
					Budget		
Audited - Beginning Net Position, as of 07/01/2016				\$ 7,729,244			
Beginning Cash	\$ 30,401,138				\$ 7,729,244		
Operating Revenue:							
Premiums Paid by Members	\$ 125,108,623	\$ --	\$ (5,985,709)	\$ 119,122,914	\$ 147,408,159	\$ (28,285,245)	80.81 %
Other Income	25,925	(25,925)	--	--	--	--	--
Total Operating Revenue	125,134,548	(25,925)	(5,985,709)	119,122,914	147,408,159	(28,285,245)	80.81
Operating Expenditures:							
Classified Salaries	80,639	109,559	(185)	190,014	236,778	(46,764)	80.25
Statutory Benefits	11,725	44,982	(4,948)	51,760	55,498	(3,738)	93.26
Health & Welfare	8,160	5,213	--	13,373	39,000	(25,627)	34.29
Employer Tax Expense	--	2,721	--	2,721	3,411	(690)	79.77
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	3,569	--	(108)	3,461	5,250	(1,789)	65.92
Supplies Office	995	--	--	995	5,250	(4,255)	18.95
Supplies - Other	1,883	--	(107)	1,776	5,250	(3,474)	33.82
Eligibility Processing	180,409	--	--	180,409	252,000	(71,591)	71.59
Brokerage Fees-Dental-ACSIG	177,808	--	--	177,808	276,000	(98,192)	64.42
Brokerage Fees-Dental-MD	252,256	--	--	252,256	300,000	(47,744)	84.09
Travel and Conferences	13,717	5,695	(430)	18,982	21,000	(2,018)	90.39
Mileage	4,170	--	--	4,170	8,925	(4,755)	46.72
Dues & Memberships	6,635	--	--	6,635	1,575	5,060	421.27
Postage & Meter	6,320	--	--	6,320	3,400	2,920	185.88
Insurance Expense-PIPS&NCR	15,707,148	--	(246,731)	15,460,417	23,989,931	(8,529,514)	64.45
Insurance Expense-PIPS Adj	2,963,955	--	--	2,963,955	1,500,000	1,463,955	197.60
Utility - Operating-Rent	61,705	(37,035)	--	24,670	35,420	(10,750)	69.65
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	12,650	5,000	--	17,650	8,426	9,224	209.47
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,250	--	--	13,250	14,175	(925)	93.47
Other Services/Operating Expenses	1,281	--	--	1,281	5,250	(3,969)	24.40
Capital Equipment/Depreciation	--	--	--	--	2,550	(2,550)	--
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	7,350	3,150	--	10,500	15,750	(5,250)	66.67
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	519	132	--	651	1,575	(924)	41.33
Copier & Scanner	7,790	150	(1,455)	6,485	15,000	(8,515)	43.23
Claims Administration Services	129,603	--	(227)	129,376	190,000	(60,624)	68.09
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,012,801	--	130,727	1,143,528	3,000,000	(1,856,472)	38.12
Claims Paid-PL	20,241	--	--	20,241	80,000	(59,759)	25.30
Physical Abilities Testing	6,125	--	(1,225)	4,900	22,445	(17,545)	21.83
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	16,334	--	(553)	15,781	10,000	5,781	157.81
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	20,209	--	--	20,209	15,000	5,209	134.73
Cobra Premiums	148,564	--	--	148,564	250,000	(101,436)	59.43
Dental Insurance Premiums	94,152,542	--	(1,162,585)	92,989,957	113,877,908	(20,887,951)	81.66
Vision Insurance Premiums	2,850,842	--	3,230	2,854,072	2,758,000	96,072	103.48
Claim Development Expense	--	--	(1,580,962)	(1,580,962)	(2,430,000)	849,038	65.06
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	118,142,416	139,568	(2,865,560)	115,416,424	144,867,892	(29,451,468)	79.67 %
Net Increase/(Decrease) from Operations	6,992,132	(165,493)	(3,120,149)	3,706,490	2,540,267	1,166,223	145.91 %
Non Operating Income/(Expense)							
Interest Income	279,778	(11)	(12,444)	267,322	218,250	49,072	122.48
Net Increase/(Decrease) in Fair Value	(334,932)	--	--	(334,932)	--	(334,932)	--
Realized Gain/(Loss) on Investments	20,128	--	--	20,128	--	20,128	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	86,496	--	(86,496)	--	--	--	--
Total Non Operating Income/(Expense)	51,470	(11)	(98,940)	(47,482)	218,250	(265,732)	(21.76) %
Ending Cash	\$ 37,444,740	(165,504)					
Net Increase/(Decrease) in Net Position		\$ (165,504)	\$ (3,219,089)	3,659,008	\$ 2,758,517	\$ 900,491	132.64 %
Unaudited - Ending Net Position, as of 03/31/2017				\$ 11,388,252	\$ 10,487,761	\$ 900,491	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 4,265,592	9,554,643	\$ 13,820,235
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,411	106	17,517
Union Bank Claims - #0129	564,239	(458,005)	106,234
Union Bank Claims Trust Account - #0600	648,218	(511,204)	137,014
Local Agency Investment Funds (L.A.I.F.)	3,156,805	14,490	3,171,295
Money Market - Morgan Stanley	106,699	28,691	135,390
Cash and Cash Equivalents	<u>\$ 8,758,964</u>	<u>8,628,721</u>	<u>\$ 17,387,685</u>
Investments Morgan Stanley - current	1,701,027	1,228,709	2,929,736
Accounts Receivable	240,872	(142,612)	98,260
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(997,048)</u>	<u>997,048</u>	<u>--</u>
Subtotal Current Assets	<u>9,703,815</u>	<u>10,711,866</u>	<u>20,415,680</u>
Noncurrent Assets			
Investments Morgan Stanley	8,815,661	(2,424,802)	6,390,859
Capital - Equipment, net of depreciation	--	--	--
	<u>8,815,661</u>	<u>(2,424,802)</u>	<u>6,390,859</u>
Total Assets	<u>\$ 18,519,476</u>	<u>\$ 8,287,063</u>	<u>\$ 26,806,539</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>13,261</u>	<u>--</u>	<u>13,261</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 1,778	\$ (1,778)	\$ --
Prefunding deposits	--	--	--
Advance Contributions	--	6,330,255	6,330,255
Current Portion of claims and claim adjustment	1,680,000	(89,000)	1,591,000
Subtotal Current Liabilities	<u>1,681,778</u>	<u>6,239,477</u>	<u>7,921,255</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	16,140,255	(1,716,516)	14,423,739
Unallocated Loss Adjustment Expense (ULAE)	1,520,000	(192,000)	1,328,000
Subtotal Noncurrent Claim Liabilities	<u>17,660,255</u>	<u>(1,908,516)</u>	<u>15,751,739</u>
Net Pension Liability (NPL)	<u>157,653</u>	<u>--</u>	<u>157,653</u>
Total Liabilities	<u>\$ 19,499,686</u>	<u>\$ 4,330,961</u>	<u>\$ 23,830,647</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>19,045</u>	<u>--</u>	<u>19,045</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(985,994)	3,956,102	2,970,108
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ (985,994)</u>	<u>\$ 3,956,102</u>	<u>\$ 2,970,108</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 18,519,476</u>	<u>\$ 8,287,063</u>	<u>\$ 26,806,539</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2017

	<u>Cash Activity</u> <u>07/01/2015</u> <u>03/31/2017</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2016/2017</u> <u>Budget</u>	<u>Variance</u>	<u>Percentage</u> <u>of</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016				\$ (985,994)			
Beginning Cash and Investments	\$ 19,275,652				\$ (985,994)		
Operating Revenue:							
Premiums Paid by Members	\$ 27,528,456	\$ --	\$ (6,330,255)	\$ 21,198,201	\$ 28,264,268	\$ (7,066,067)	75.00 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	27,528,456	--	(6,330,255)	21,198,201	28,264,268	(7,066,067)	75.00
Operating Expenditures:	--						
Classified Salaries	--	45,978	--	45,978	59,432	(13,454)	77.36
Statutory Benefits	--	15,281	--	15,281	13,930	1,351	109.70
Health & Welfare	--	4,012	--	4,012	7,800	(3,788)	51.44
Employer Tax Expense	--	655	--	655	856	(201)	76.55
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	519	--	519	750	(231)	69.20
Supplies Office	--	149	--	149	750	(601)	19.87
Supplies - Other	--	266	--	266	750	(484)	35.47
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	2,847	--	2,847	3,000	(153)	94.90
Mileage	--	625	--	625	1,275	(650)	49.06
Dues & Memberships	--	995	--	995	225	770	442.22
Postage & Meter	--	106	--	106	100	6	106.00
Insurance Expense-PIPS	14,536,833	--	--	14,536,833	22,758,486	(8,221,653)	63.87
PIPS Contribution Adjustment	2,963,955	--	--	2,963,955	1,500,000	1,463,955	197.60
Utility - Operating-Rent	--	3,701	--	3,701	5,060	(1,359)	73.14
Advertising	--	--	--	--	300	(300)	--
Contract Services - Actuarial	8,150	--	--	8,150	8,426	(276)	96.72
Contract Services -Claim Audit	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	1,988	--	1,988	2,025	(37)	98.17
Other Services/Operating Expenses	--	192	--	192	750	(558)	25.60
Capital Equipment/Depreciation	--	--	--	--	750	(750)	--
Repairs & Maintenance	--	--	--	--	300	(300)	--
Legal	--	--	--	--	750	(750)	--
Accounting Services	--	1,575	--	1,575	2,250	(675)	70.00
County Courier	--	--	--	--	525	(525)	--
Shredding	--	98	--	98	675	(577)	14.52
Copier & Scanner	--	108	--	108	250	(142)	43.20
Claims Administration Services	127,500	--	--	127,500	170,000	(42,500)	75.00
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,012,801	--	130,727	1,143,528	3,000,000	(1,856,472)	38.12
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	6,125	--	(1,225)	4,900	10,000	(5,100)	49.00
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	16,334	--	(553)	15,781	10,000	5,781	157.81
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	(871)	--	--	(871)	--	(871)	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(1,997,516)	(1,997,516)	(2,400,000)	402,484	83.23
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	18,932,047	79,096	(1,868,566)	17,142,577	25,429,415	(8,286,838)	67.41 %
Net Increase/(Decrease) from Operations	8,596,409	(79,096)	(4,461,689)	4,055,624	2,834,853	1,220,771	143.06 %
Non Operating Income/(Expense)							
Interest Income	178,119	--	(11,885)	166,234	150,000	16,234	110.82
Net Increase/(Decrease) in Fair Value	(277,596)	--	--	(277,596)	--	(277,596)	--
Realized Gain/(Loss) on Investments	11,840	--	--	11,840	--	11,840	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer, Other Income	(1,076,144)	--	1,076,144	--	--	--	--
Total Non Operating Income/(Expense)	(1,163,782)	\$ --	\$ 1,064,260	(99,522)	150,000	(249,522)	(66.35) %
Ending Cash	\$ 26,708,279						
Net Increase/(Decrease) in Net Position				3,956,102	2,984,853	971,249	
Unaudited - Ending Net Position, as of 03/31/2017				\$ 2,970,108	\$ 1,998,859	\$ 971,249	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 212,879	635,745	\$ 848,624
Union Bank - Eligibility #9938	2,706,607	(1,661,747)	1,044,860
Union Bank - Expense #2064	564	71,615	72,179
Union Bank - Cobra Trust #0273	98,962	(31,186)	67,776
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 3,019,012</u>	<u>(985,573)</u>	<u>\$ 2,033,439</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,584,385	388	7,584,773
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>1,780,181</u>	<u>(920,150)</u>	<u>860,031</u>
Subtotal Current Assets	<u>12,383,578</u>	<u>(1,905,335)</u>	<u>10,478,243</u>
Noncurrent Assets			
Investments - Morgan Stanley	4,475,843	1,071,151	5,546,994
Capital - Equipment, net of depreciation	--	--	--
	<u>4,475,843</u>	<u>1,071,151</u>	<u>5,546,994</u>
Total Assets	<u>\$ 16,859,421</u>	<u>\$ (834,184)</u>	<u>\$ 16,025,237</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>22,102</u>	<u>--</u>	<u>22,102</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,117,585	\$ (1,162,586)	\$ 3,954,999
Prefunding deposits	3,337,589	252,000	3,589,589
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	<u>1,709,000</u>	<u>190,000</u>	<u>1,899,000</u>
Subtotal Current Liabilities	<u>10,164,174</u>	<u>(720,586)</u>	<u>9,443,588</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>262,756</u>	<u>--</u>	<u>262,756</u>
Total Liabilities	<u>\$ 10,426,930</u>	<u>\$ (720,586)</u>	<u>\$ 9,706,344</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>31,742</u>	<u>--</u>	<u>31,742</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	6,422,851	(113,598)	6,309,253
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 6,422,851</u>	<u>\$ (113,598)</u>	<u>\$ 6,309,253</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 16,859,421</u>	<u>\$ (834,184)</u>	<u>\$ 16,025,237</u>

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2017

	<u>Cash Activity</u>			<u>Balance</u>	<u>Percentage</u>		
	<u>07/01/2015</u>	<u>03/31/2017</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Year</u> <u>to Date</u>	<u>2016/2017</u> <u>Budget</u>	<u>Variance</u> <u>of</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016					<u>\$ 6,422,851</u>		
Beginning Cash and Investments	\$ 7,494,855					\$ 6,422,851	
Operating Revenue:							
Premiums Paid by Members	\$ 94,019,558	\$ --	\$ (0)	\$ 94,019,558	\$ 115,000,000	\$ (20,980,442)	81.76 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	94,019,558	--	(0)	94,019,558	115,000,000	(20,980,442)	81.76
Operating Expenditures:							
Classified Salaries	--	111,466	--	111,466	135,791	(24,325)	82.09
Statutory Benefits	--	26,223	--	26,223	31,828	(5,605)	82.39
Health & Welfare	--	6,687	--	6,687	25,350	(18,663)	26.38
Employer Tax Expense	--	1,602	--	1,602	1,956	(354)	81.90
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	2,423	--	2,423	3,750	(1,327)	64.62
Supplies Office	--	697	--	697	3,750	(3,053)	18.58
Supplies - Other	--	1,242	--	1,242	3,750	(2,508)	33.13
Eligibility Processing	180,409	--	--	180,409	252,000	(71,591)	71.59
Brokerage Fees-Dental-ACSIG	177,808	--	--	177,808	276,000	(98,192)	64.42
Brokerage Fees-Dental-MD	252,256	--	--	252,256	300,000	(47,744)	84.09
Travel and Conferences	--	13,287	--	13,287	15,000	(1,713)	88.58
Mileage	--	2,919	--	2,919	6,375	(3,456)	45.79
Dues & Memberships	--	4,645	--	4,645	1,125	3,520	412.84
Postage & Meter	--	6,003	--	6,003	3,150	2,853	190.56
Insurance Expense	--	--	--	--	--	--	--
Net, Operating-Rent	--	17,269	--	17,269	25,300	(8,031)	68.26
Advertising	--	--	--	--	1,500	(1,500)	--
Contract Services - Actuarial	--	5,000	--	5,000	--	5,000	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	9,274	--	9,274	10,125	(851)	91.60
Other Services/Operating Expenses	--	897	--	897	3,750	(2,853)	23.92
Capital Equipment/Depreciation	--	--	--	--	1,500	(1,500)	--
Repairs & Maintenance	--	--	--	--	3,750	(3,750)	--
Legal	--	--	--	--	1,500	(1,500)	--
Accounting Services	--	7,350	--	7,350	11,250	(3,900)	65.33
County Courier	--	--	--	--	2,625	(2,625)	--
Shredding	--	454	--	454	750	(296)	60.51
Copier & Scanner	--	6,162	--	6,162	14,250	(8,088)	43.24
Claims Administration Services	--	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--	--
Training	--	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--	--
Bank Charge	21,080	--	--	21,080	15,000	6,080	140.53
Cobra Premiums	148,564	--	--	148,564	250,000	(101,436)	59.43
Dental Insurance Premiums	94,152,542	--	(1,162,585)	92,989,957	113,877,908	(20,887,951)	81.66
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	190,000	190,000	--	190,000	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	94,932,659	223,599	(972,585)	94,183,673	115,289,033	(21,105,360)	81.69 %
Net Increase/(Decrease)							
from Operations	(913,101)	(223,599)	972,585	(164,115)	(289,033)	124,918	56.78 %
Non Operating Income/(Expense)							
Interest Income	78,189	--	388	78,578	50,000	28,578	157.16
Net Increase/(Decrease) in Fair Value	(35,007)	--	--	(35,007)	--	(35,007)	--
Realized Gain/(Loss) on Investments	6,946	--	--	6,946	--	6,946	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
I Transfer, YE Close, Rebate	948,551	--	(948,551)	--	--	--	--
Total Non Operating							
Income/(Expense)	998,679	\$ --	\$ (948,163)	50,517	50,000	517	101.03 %
Ending Cash	\$ 7,580,433						
Net Increase/(Decrease)							
in Net Position				(113,598)	(239,033)	125,435	%
Unaudited - Ending Net Position, as of 03/31/2017				\$ 6,309,233	\$ 6,183,818	\$ 125,435	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2016 and 03/31/2017

	<u>Audited As of 06/30/2016</u>	<u>Activity 07/01/2015 - 03/31/2017</u>	<u>As of 03/31/2017</u>
Assets:			
Current Assets			
Cash with County #44902	\$ 1,175,897	(42,145)	\$ 1,133,752
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	<u>1,175,897</u>	<u>(42,145)</u>	<u>1,133,752</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	140,151	(949)	139,202
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>252,984</u>	<u>60,178</u>	<u>313,162</u>
Subtotal Current Assets	<u>1,569,032</u>	<u>17,084</u>	<u>1,586,116</u>
Noncurrent Assets			
Investments - Morgan Stanley	1,078,516	(6,875)	1,071,641
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,078,516</u>	<u>(6,875)</u>	<u>1,071,641</u>
Total Assets	<u>\$ 2,647,548</u>	<u>\$ 10,209</u>	<u>\$ 2,657,757</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>4,420</u>	<u>--</u>	<u>4,420</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 268,949	\$ 3,229	\$ 272,178
Prefunding deposits	80,570	--	80,570
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	142,000	158,000	300,000
Subtotal Current Liabilities	<u>491,519</u>	<u>161,229</u>	<u>652,748</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal Noncurrent Claim Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Pension Liability (NPL)	52,551	--	52,551
Total Liabilities	<u>\$ 544,070</u>	<u>\$ 161,229</u>	<u>\$ 705,299</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>6,348</u>	<u>--</u>	<u>6,348</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,101,550	(151,020)	1,950,530
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 2,101,550</u>	<u>\$ (151,020)</u>	<u>\$ 1,950,530</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 2,647,548</u>	<u>\$ 10,209</u>	<u>\$ 2,657,757</u>

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Nine Months Ended 03/31/2017

	<u>Cash Activity</u>				<u>Balance</u>			
	<u>07/01/2015</u>			<u>Change in</u>	<u>Year</u>	<u>2016/2017</u>		<u>Percentage</u>
	<u>03/31/2017</u>	<u>Allocations</u>		<u>Accruals</u>	<u>to Date</u>	<u>Budget</u>	<u>Variance</u>	<u>of</u>
								<u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016					\$ 2,101,550			
Beginning Cash and Investments	\$ 2,254,413					\$ 2,101,550		
Operating Revenue:								
Premiums Paid by Members	\$ 2,897,237	\$ --	\$ --	\$ --	\$ 2,897,237	\$ 2,800,000	\$ 97,237	103.47 %
Other Income	--	--	--	--	--	--	--	--
Total Operating Revenue	2,897,237	--	--	--	2,897,237	2,800,000	97,237	103.47
Operating Expenditures:								
Classified Salaries	--	19,160	--	--	19,160	23,678	(4,518)	80.92
Statutory Benefits	--	5,229	--	--	5,229	5,550	(321)	94.22
Health & Welfare	--	1,337	--	--	1,337	3,900	(2,563)	34.29
Employer Tax Expense	--	272	--	--	272	341	(69)	79.77
Net Pension Expense	--	--	--	--	--	--	--	--
Telephone & Internet	--	346	--	--	346	500	(154)	69.20
Supplies Office	--	99	--	--	99	500	(401)	19.80
Supplies - Other	--	178	--	--	178	500	(322)	35.60
Eligibility Processing	--	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--	--
Travel and Conferences	--	1,898	--	--	1,898	2,000	(102)	94.90
Mileage	--	417	--	--	417	850	(433)	49.06
Dues & Memberships	--	664	--	--	664	150	514	442.67
Postage & Meter	--	169	--	--	169	150	19	112.67
Insurance Expense	--	--	--	--	--	--	--	--
Utility - Operating-Rent	--	2,467	--	--	2,467	3,373	(906)	73.14
Advertising	--	--	--	--	--	200	(200)	--
Contract Services - Actuarial	--	--	--	--	--	--	--	--
Contract Services - Claim Audit	--	--	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--	--	--
Audit Fees	--	1,325	--	--	1,325	1,350	(25)	98.15
Other Services/Operating Expenses	--	128	--	--	128	500	(372)	25.60
Capital Equipment/Depreciation	--	--	--	--	--	200	(200)	--
Repairs & Maintenance	--	--	--	--	--	500	(500)	--
Legal	--	--	--	--	--	200	(200)	--
Accounting Services	--	1,050	--	--	1,050	1,500	(450)	70.00
County Courier	--	--	--	--	--	350	(350)	--
Shredding	65	--	--	--	65	100	(35)	65.00
Copier & Scanner	173	--	--	--	173	400	(227)	43.25
Claims Administration Services	--	--	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--	--	--
Training	--	--	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--	--
Vision Insurance Premiums	2,850,842	--	3,230	--	2,854,072	2,758,000	96,072	103.48
Claim Development Expense	--	--	158,000	--	158,000	--	158,000	--
ACA Fees	--	--	--	--	--	--	--	--
Total Operating Expenditures	2,851,080	34,740	161,230	--	3,047,050	2,804,792	242,258	108.64 %
Net Increase/(Decrease) from Operations	46,157	(34,740)	(161,230)	--	(149,813)	(4,792)	(145,021)	%
Non Operating Income/(Expense)								
Interest Income	20,728	--	(949)	--	19,780	17,500	2,280	113.03
Net Increase/(Decrease) in Fair Value	(22,329)	--	--	--	(22,329)	--	(22,329)	--
Realized Gain/(Loss) on Investments	1,342	--	--	--	1,342	--	1,342	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--	--
Interfund Transfer	(94,918)	--	94,918	--	--	--	--	--
Total Non Operating Income/(Expense)	(95,177)	--	93,969	--	(1,207)	17,500	(18,707)	(6.90) %
Ending Cash	<u>\$ 2,205,393</u>							
Net Increase/(Decrease) in Net Position					(151,020)	\$ 12,708	\$ (163,728)	%
Unaudited - Ending Net Position, as of 03/31/2017					<u>\$ 1,950,530</u>	<u>\$ 2,114,258</u>	<u>\$ (163,728)</u>	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	As of 03/31/2017
Assets:			
Current Assets			
Cash with County - #44903	\$ 342,818	254,084	\$ 596,902
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	850,669	(802,822)	47,847
Union Bank - Claims Trust #1186	13,308	1,643	14,951
Cash and Cash Equivalents	<u>\$ 1,206,795</u>	<u>(547,095)</u>	<u>\$ 659,700</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	344,546	344,546
Prepaid Expense	--	246,731	246,731
Interfund Receivable/(payable)	<u>(887,464)</u>	<u>(8,331)</u>	<u>(895,795)</u>
Subtotal Current Assets	<u>319,331</u>	<u>35,851</u>	<u>355,182</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 319,331</u>	<u>\$ 35,851</u>	<u>\$ 355,182</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>4,420</u>	<u>--</u>	<u>4,420</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 227	\$ (227)	\$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	11,657	37,705	49,361
Subtotal Current Liabilities	<u>11,884</u>	<u>37,478</u>	<u>49,361</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	9,536	30,849	40,386
Unallocated Loss Adjustment Expense (ULAE)	50,819	--	50,819
Subtotal Noncurrent Claim Liabilities	<u>60,355</u>	<u>30,849</u>	<u>91,205</u>
Net Pension Liability (NPL)	<u>52,551</u>	<u>--</u>	<u>52,551</u>
Total Liabilities	<u>\$ 124,790</u>	<u>\$ 68,327</u>	<u>\$ 193,117</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>6,348</u>	<u>--</u>	<u>6,348</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	192,613	(32,476)	160,137
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 192,613</u>	<u>\$ (32,476)</u>	<u>\$ 160,137</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 319,331</u>	<u>\$ 35,851</u>	<u>\$ 355,182</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2017

	<u>Cash Activity</u>			<u>Balance</u>	<u>Percentage</u>		
	<u>07/01/2015</u>	<u>Allocations</u>	<u>Change in</u>	<u>Year</u>	<u>2016/2017</u>	<u>Variance</u>	<u>of</u>
	<u>03/31/2017</u>		<u>Accruals</u>	<u>to Date</u>	<u>Budget</u>		<u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2016				<u>\$ 192,613</u>			
Beginning Cash and Investments	<u>\$ 1,206,795</u>				<u>\$ 192,613</u>		
Operating Revenue:							
Premiums Paid by Members	\$ 663,372	\$ --	\$ 344,546	\$ 1,007,918	\$ 1,343,891	\$ (335,973)	75.00 %
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	<u>663,372</u>	<u>--</u>	<u>344,546</u>	<u>1,007,918</u>	<u>1,343,891</u>	<u>(335,973)</u>	<u>75.00</u>
Operating Expenditures:							
Classified Salaries	--	13,409	--	13,409	17,877	(4,468)	75.01
Statutory Benefits	--	5,026	--	5,026	4,190	836	119.95
Health & Welfare	--	1,337	--	1,337	1,950	(613)	68.58
Employer Tax Expense	--	192	--	192	258	(66)	74.28
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	--	172	--	172	250	(78)	68.91
Supplies Office	--	50	--	50	250	(200)	19.98
Supplies - Other	--	89	--	89	250	(161)	35.78
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	950	--	950	1,000	(50)	94.96
Mileage	--	208	--	208	425	(217)	49.06
Dues & Memberships	--	332	--	332	75	257	442.00
Postage & Meter	--	42	--	42	--	42	--
Insurance Expense-NCR	1,170,315	--	(246,731)	923,584	1,231,445	(307,861)	75.00
Utility - Operating-Rent	--	1,233	--	1,233	1,687	(454)	73.09
Advertising	--	--	--	--	100	(100)	--
Contract Services - Actuarial	4,500	--	--	4,500	--	4,500	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--	--
Audit Fees	--	663	--	663	675	(12)	98.22
Other Services/Operating Expenses	--	64	--	64	250	(186)	25.74
Capital Equipment/Depreciation	--	--	--	--	100	(100)	--
Repairs & Maintenance	--	--	--	--	250	(250)	--
Legal	--	--	--	--	100	(100)	--
Accounting Services	--	525	--	525	750	(225)	70.00
County Courier	--	--	--	--	175	(175)	--
Shredding	--	34	--	34	50	(16)	67.74
Copier & Scanner	--	42	--	42	100	(58)	42.34
Claims Administration Services	2,103	--	(227)	1,876	20,000	(18,124)	9.38
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	20,241	--	--	20,241	80,000	(59,759)	25.30
Physical Abilities Testing	--	--	--	--	12,445	(12,445)	--
Training	--	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	68,554	68,554	(30,000)	98,554	(228.51)
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	<u>1,197,159</u>	<u>24,369</u>	<u>(178,404)</u>	<u>1,043,124</u>	<u>1,344,652</u>	<u>(301,528)</u>	<u>77.58 %</u>
Net Increase/(Decrease)							
from Operations	<u>(533,787)</u>	<u>(24,369)</u>	<u>522,950</u>	<u>(35,206)</u>	<u>(761)</u>	<u>(34,445)</u>	<u>-- %</u>
Non Operating Income/(Expense)							
Interest Income	2,730	--	--	2,730	750	1,980	364.00
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer, Other Income	(16,038)	--	16,038	--	--	--	--
Total Non Operating							
Income/(Expense)	<u>(13,308)</u>	<u>\$ --</u>	<u>\$ 16,038</u>	<u>2,730</u>	<u>750</u>	<u>1,980</u>	<u>364.00 %</u>
Ending Cash	<u>\$ 659,700</u>						
Net Increase/(Decrease)							
in Net Position				<u>(32,476)</u>	<u>(11)</u>	<u>(32,465)</u>	<u>-- %</u>
Unaudited - Ending Net Position, as of 03/31/2017	<u>\$ 160,137</u>			<u>\$ 160,137</u>	<u>\$ 192,602</u>	<u>\$ (32,465)</u>	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2016 and 03/31/2017

	Audited As of 06/30/2016	Activity 07/01/2015 - 03/31/2017	Unaudited As of 03/31/2017
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 34,482	24,691	\$ 59,173
Union Bank Checking Account #1521	134,941	96,821	231,762
Cash and Cash Equivalents	<u>\$ 169,423</u>	<u>121,512</u>	<u>\$ 290,935</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	--	--
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(148,653)</u>	<u>(128,745)</u>	<u>(277,398)</u>
Subtotal Current Assets	<u>20,770</u>	<u>(7,233)</u>	<u>13,537</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>3,555</u>	<u>--</u>	<u>3,555</u>
	<u>3,555</u>	<u>--</u>	<u>3,555</u>
Total Assets	<u>\$ 24,325</u>	<u>\$ (7,233)</u>	<u>\$ 17,092</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 26,101	\$ (7,233)	\$ 18,868
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>26,101</u>	<u>(7,233)</u>	<u>18,868</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal Noncurrent Claim Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Pension Liability (NPL)	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>\$ 26,101</u>	<u>\$ (7,233)</u>	<u>\$ 18,868</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	<u>3,555</u>	<u>--</u>	<u>3,555</u>
Total Net Position	<u>\$ (1,776)</u>	<u>\$ --</u>	<u>\$ (1,776)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 24,325</u>	<u>\$ (7,233)</u>	<u>\$ 17,092</u>

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2017

	Cash Activity 07/01/2015 03/31/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2016				\$ (1,776)			
Beginning Cash and Investments	\$ 169,423				\$ (1,776)		
Operating Revenue:							
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	%
Offset to Rent - Sub Lease	25,925	(25,925)	--	--	--	--	
Total Operating Revenue	25,925	(25,925)	--	--	--	--	--
Operating Expenditures:							
Classified Salaries	80,639	(80,455)	(185)	--	--	--	
Statutory Benefits	11,725	(6,778)	(4,948)	--	--	--	
Health & Welfare	8,160	(8,160)	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Net Pension Expense	--	--	--	--	--	--	
Telephone & Internet	3,569	(3,460)	(108)	--	--	--	--
Supplies Office	995	(995)	--	--	--	--	
Supplies - Other	1,883	(1,776)	(107)	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	13,717	(13,287)	(430)	--	--	--	
Mileage	4,170	(4,170)	--	--	--	--	
Dues & Memberships	6,635	(6,635)	--	--	--	--	
Postage & Meter	6,320	(6,320)	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
Utility - Operating-Rent	61,705	(61,705)	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -Claim Audit	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	13,250	(13,250)	--	--	--	--	
Other Services/Operating Expense:	1,281	(1,281)	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	7,350	(7,350)	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	454	(454)	--	--	--	--	
Copier & Scanner	7,617	(6,162)	(1,455)	--	--	--	
Claims Administration Services	--	--	--	--	--	--	
Self-Insurance Fee	--	--	--	--	--	--	
Claims Paid-WC	--	--	--	--	--	--	
Claims Paid-PL	--	--	--	--	--	--	
Physical Abilities Testing	--	--	--	--	--	--	
Training	--	--	--	--	--	--	
First-Aid Program	--	--	--	--	--	--	
Food Service Training	--	--	--	--	--	--	
Special Ed Training	--	--	--	--	--	--	
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	
Cobra Premiums	--	--	--	--	--	--	
Dental Insurance Premiums	--	--	--	--	--	--	
Insurance - Vision	--	--	--	--	--	--	
Claim Development Expense	--	--	--	--	--	--	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	229,470	(222,236)	(7,234)	--	--	--	%
Net Increase/(Decrease) from Operations	(203,545)	196,311	7,234	--	--	--	%
Non Operating Income/(Expense)							
Interest Income	11	(11)	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Transfer & YE Close	325,045	--	(325,045)	--	--	--	--
Total Non Operating Income/(Expense)	325,056	\$ (11)	\$ (325,045)	--	--	--	%
Ending Cash	\$ 290,934						
Net increase/(Decrease) in Net Position				\$ --	\$ --	\$ --	%
Unaudited - Ending Net Position, as of 03/31/2017				\$ (1,776)	\$ (1,776)	\$ --	

1) Percentage Variance calculated using cash activity, prior to allocation. 144

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2017

	Self-Insured Program Years												Totals to Page 7A
	1978/1979	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	
Paid Claims	\$ 916,460	\$ 1,828,378	\$ 2,852,328	\$ 2,801,987	\$ 2,869,368	\$ 4,014,775	\$ 2,924,176	\$ 5,551,171	\$ 5,166,253	\$ 4,063,364	\$ 3,709,502	\$ 4,758,759	\$ 41,456,521
Reserves	28,969	--	25,848	72,000	15,852	33,855	29,352	94,942	59,434	213,344	124,016	238,055	935,667
Incurred Claims	945,429	1,828,378	2,878,176	2,873,987	2,885,220	4,048,630	2,953,528	5,646,113	5,225,687	4,276,708	3,833,518	4,996,814	42,392,188
Incurred But Not Reported (IBNR)	3,513	--	--	86,013	24,780	41,370	36,472	103,887	104,313	163,292	136,482	193,186	893,308
Non- Discounted Estimated Ultimate Incurred (1)	948,942	1,828,378	2,878,176	2,960,000	2,910,000	4,090,000	2,990,000	5,750,000	5,330,000	4,440,000	3,970,000	5,190,000	43,285,496
Anticipated Investment Income (Discount) (2)	(1,624)	--	(1,292)	(7,901)	(2,357)	(5,115)	(4,937)	(15,906)	(13,755)	(32,014)	(22,924)	(38,812)	(146,637)
Discounted Estimated Ultimate (1-2)	947,318	1,828,378	2,876,884	2,952,099	2,907,643	4,084,885	2,985,063	5,734,094	5,316,245	4,407,986	3,947,076	5,151,188	43,138,859
Paid Claims	(916,460)	(1,828,378)	(2,852,328)	(2,801,987)	(2,869,368)	(4,014,775)	(2,924,176)	(5,551,171)	(5,166,253)	(4,063,364)	(3,709,502)	(4,758,759)	(41,456,521)
Remaining Estimated Unpaid Claim Liabilities	\$ 30,858	\$ --	\$ 24,556	\$ 150,112	\$ 38,275	\$ 70,110	\$ 60,887	\$ 182,923	\$ 149,992	\$ 344,622	\$ 237,574	\$ 392,429	\$ 1,682,338

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.

Historical Discounted Estimated Ultimate Incurred:													
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2010	793,059	1,889,004	2,789,731	2,944,000	2,906,506	4,017,275	2,912,254	5,524,202	5,140,647	4,323,930	3,718,595	5,137,560	42,096,763
As of 06/30/2011	852,621	1,886,310	2,800,604	2,899,286	2,949,183	4,029,712	2,912,357	5,687,163	5,154,464	4,316,645	3,706,533	5,171,358	42,366,236
As of 06/30/2012	865,386	1,891,056	2,829,735	2,939,513	2,664,915	3,978,682	2,914,559	5,840,572	5,219,982	4,364,052	3,687,860	5,166,611	42,362,923
As of 06/30/2013	954,963	1,828,378	2,917,252	3,003,200	2,674,593	4,009,091	2,922,237	5,789,363	5,200,522	4,331,119	3,639,169	5,209,906	42,479,793
As of 06/30/2014	959,089	1,828,378	2,943,554	2,948,967	2,906,382	4,010,866	2,993,154	5,793,307	5,156,348	4,321,092	3,728,346	5,145,562	42,735,045
As of 06/30/2015	959,745	1,828,378	2,944,649	2,957,392	2,916,153	4,077,607	2,993,338	5,759,425	5,259,555	4,304,405	3,847,149	5,130,367	42,978,163
As of 06/30/2016	919,585	1,828,378	2,935,792	2,958,911	2,907,220	4,065,869	2,966,210	5,750,806	5,315,636	4,278,349	3,855,186	5,114,027	42,895,969
As of 06/30/2017	947,318	1,828,378	2,876,884	2,952,099	2,907,643	4,084,885	2,985,063	5,734,094	5,316,245	4,407,986	3,947,076	5,151,188	43,138,859
Increase/Decrease	27,733	--	(58,908)	(6,812)	423	19,016	18,853	(16,712)	609	129,637	91,890	37,161	242,890

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2017

	Totals From Page 7	Self-Insured Program Years							Totals To Page 7B
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,456,521	\$ 5,313,194	\$ 7,062,525	\$ 6,776,795	\$ 9,069,881	\$ 7,302,508	\$ 10,690,729	\$ 11,805,668	\$ 99,477,821
Reserves	935,667	134,613	360,493	612,285	1,280,993	721,519	656,721	670,549	5,372,840
Incurred Claims	42,392,188	5,447,807	7,423,018	7,389,080	10,350,874	8,024,027	11,347,450	12,476,217	104,850,661
Incurred But Not Reported (IBNR)	893,308	162,193	346,982	380,920	559,126	395,973	752,550	803,783	4,294,835
Non- Discounted Estimated Ultimate Incurred (1)	43,285,496	5,610,000	7,770,000	7,770,000	10,910,000	8,420,000	12,100,000	13,280,000	109,145,496
Anticipated Investment Income (Discount) (2)	(146,637)	(27,009)	(67,210)	(100,314)	(195,053)	(121,807)	(153,611)	(159,228)	(970,869)
Discounted Estimated Ultimate (1-2)	43,138,859	5,582,991	7,702,790	7,669,686	10,714,947	8,298,193	11,946,389	13,120,772	108,174,627
Paid Claims	(41,456,521)	(5,313,194)	(7,062,525)	(6,776,795)	(9,069,881)	(7,302,508)	(10,690,729)	(11,805,668)	(99,477,821)
Remaining Estimated Unpaid Claim Liabilities	\$ 1,682,338	\$ 269,797	\$ 640,265	\$ 892,891	\$ 1,645,066	\$ 995,685	\$ 1,255,660	\$ 1,315,104	\$ 8,696,806

(1) Per Bay Actuarial Consultants actuarial study dated February 2017.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	6,333,000	8,381,000	7,897,000	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	6,651,000	9,924,000	9,258,000	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	7,464,000	11,199,000	10,319,000	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	7,691,266	12,739,081	11,713,580	N/A
As of 06/30/2010	42,096,763	5,727,741	7,172,192	6,843,071	10,750,070	7,983,737	13,184,486	12,525,480	106,283,540
As of 06/30/2011	42,366,236	5,721,425	7,145,019	7,440,306	11,250,829	8,670,787	13,295,238	12,326,440	108,216,280
As of 06/30/2012	42,362,923	5,641,456	7,470,783	7,427,596	11,162,085	8,724,801	11,904,345	13,678,790	108,372,779
As of 06/30/2013	42,479,793	5,833,514	7,743,609	7,798,325	11,018,070	9,598,230	12,098,931	13,618,383	110,188,855
As of 06/30/2014	42,735,045	5,738,160	7,577,599	7,714,653	11,132,297	8,733,944	11,771,811	13,128,192	108,531,701
As of 06/30/2015	42,978,163	5,752,631	7,584,812	7,808,635	10,993,497	8,806,657	11,818,771	13,083,683	108,826,849
As of 06/30/2016	42,895,969	5,607,306	7,562,358	7,660,593	11,011,641	8,642,537	11,753,128	12,959,861	108,093,393
As of 06/30/2017	43,138,859	5,582,991	7,702,790	7,669,686	10,714,947	8,298,193	11,946,389	13,120,772	108,174,627
Increase/Decrease	160,696	(24,315)	140,432	9,093	(296,694)	(344,344)	193,261	160,911	(960)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2017

		Self-Insured Program Years								As of 03/31/2017 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2016 Totals		07/01/2016 - 03/31/2017	
Totals From Page 7A												
Paid Claims	\$ 99,477,821	\$ 9,885,250	\$ 5,987,437	\$ 5,448,582	\$ 8,546,706	\$ 8,100,523	\$ 8,354,149	\$ 8,648,921	\$ 154,449,389	\$ 153,212,401	\$ 1,236,988	
Reserves	5,372,840	338,066	394,168	198,027	853,854	857,448	706,226	502,698	9,223,327	10,453,729	(1,230,402)	
Incurred Claims	104,850,661	10,223,316	6,381,605	5,646,609	9,400,560	8,957,971	9,060,375	9,151,619	163,672,716	163,666,130	6,586	
Incurred But Not Reported (IBNR)	4,294,835	596,684	558,395	313,391	1,069,440	392,029	639,625	988,381	8,852,780	9,722,140	(869,360)	
Non- Discounted Estimated Ultimate Incurred (1)	109,145,496	10,820,000	6,940,000	5,960,000	10,470,000	9,350,000	9,700,000	10,140,000	172,525,496	173,388,270	(862,774)	
Anticipated Investment Income (Discount) (2)	(970,869)	(104,692)	(116,213)	(64,439)	(257,721)	(167,430)	(181,690)	(198,314)	(2,061,368)	(2,355,614)	294,246	
Discounted Estimated Ultimate (1-2)	108,174,627	10,715,308	6,823,787	5,895,561	10,212,279	9,182,570	9,518,310	9,941,686	170,464,128	171,032,656	(568,528)	
Paid Claims	(99,477,821)	(9,885,250)	(5,987,437)	(5,448,582)	(8,546,706)	(8,100,523)	(8,354,149)	(8,648,921)	(154,449,389)	(153,212,401)	(1,236,988)	
Remaining Estimated Unpaid Claim Liabilities	\$ 8,696,806	\$ 830,058	\$ 836,350	\$ 446,979	\$ 1,665,573	\$ 1,082,047	\$ 1,164,161	\$ 1,292,765	\$ 16,014,739	\$ 17,820,255	\$ (1,805,516)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2017.						Estimated Current Portion /Short-Term Liability (1)		(1,591,000)				
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 06/30/2016 & 06/30/2017.						Estimated Non-Current portion of Claim Liabilities		\$ 14,423,739				
Historical Discounted Estimated Ultimate Incurred:												
As of 06/30/2006	N/A	6,787,000	4,378,000	2,665,000	1,943,000	--	--	--	N/A	Claim Development Expense		
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A	Claim Liabilities	\$ (1,805,516)	
As of 06/30/2008	N/A	8,867,000	5,704,000	4,776,000	6,673,000	6,867,000	6,117,000	--	N/A	and ULAE	(192,000)	
As of 06/30/2009	N/A	9,952,286	6,342,724	5,888,070	8,380,255	9,209,624	10,474,925	8,012,622	N/A	Decrease	\$ (1,997,516)	
As of 06/30/2010	106,283,540	9,857,770	7,326,142	6,233,943	8,159,431	9,705,395	11,525,318	10,768,305	169,859,844			
As of 06/30/2011	108,216,280	9,806,352	7,347,756	6,873,035	9,276,212	9,956,828	10,929,748	10,770,204	173,176,415			
As of 06/30/2012	108,372,779	11,103,705	7,180,516	6,779,730	9,113,232	10,061,847	10,833,352	11,378,258	174,823,419			
As of 06/30/2013	110,188,855	10,710,077	7,136,860	6,043,782	8,435,497	9,522,890	10,141,142	10,501,500	172,680,603			
As of 06/30/2014	108,531,701	10,454,102	6,798,117	6,067,506	10,203,448	9,772,238	10,362,281	10,585,137	172,774,530			
As of 06/30/2015	108,826,849	10,457,705	6,920,842	6,214,866	10,347,509	9,539,023	9,859,233	10,469,961	172,635,988			
As of 06/30/2016	108,093,393	10,531,877	6,860,336	6,223,567	10,366,713	9,216,061	9,639,692	10,101,017	171,032,656			
As of 06/30/2017	108,174,627	10,715,308	6,823,787	5,895,561	10,212,279	9,182,570	9,518,310	9,941,686	170,464,128			
Increase/Decrease	(960)	183,431	(36,549)	(328,006)	(154,434)	(33,491)	(121,382)	(159,331)	(650,722)			

Claim Development Expense		
Claim Liabilities	\$	(1,805,516)
and ULAE		(192,000)
Decrease	\$	(1,997,516)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 03/31/2017

	Self-Insured Program Years										As of 03/31/2017	Activity	
												As of 06/30/2016	07/01/2016 - 09/30/2016
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017				
Paid Claims	\$ 45,000	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 14,710	\$ --	\$ 391,565	\$ 454,426	\$ (62,861)	
Reserves	--	--	--	--	--	--	--	71,971	--	71,971	--	71,971	
Incurred Claims	45,000	39,048	33,141	96,543	125,045	20,000	18,078	86,681	--	463,536	454,426	9,110	
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	--	(35,336)	54,069	18,733	21,770	(3,037)	
Non- Discounted Estimated Ultimate Incurred (1)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345 (3)	54,069	482,269	476,197	6,072	
Anticipated Investment Income (Discount) (2)	--	--	--	--	--	--	--	(307)	(649)	(956)	(577)	(379)	
Discounted Estimated Ultimate (1-2)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,038	53,420	481,313	475,620	5,693	
Paid Claims	(45,000)	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(14,710)	--	(391,565)	(454,426)	62,861	
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 36,328	\$ 53,420	\$ 89,748	\$ 21,194	\$ 68,554	
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65										(49,361)			
Estimated Non-Current portion of Claim Liabilities										\$ 40,387			
(1) Per Bay Actuarial Consultants actuarial study dated February 2017.													
(2) Discounted at 1.0%.													
(3) Not adjusted for negative IBNR, based upon Actuarial report, will be adjusted at 06/30/2017 if incurred has not been reduced.													
Historical Estimated Ultimate Incurred:													
As of 06/30/2011	117,441	63,001	80,193	--	--	--	--	--	--	260,635			
As of 06/30/2012	117,441	63,001	80,193	77,802	--	--	--	--	--	338,437			
As of 06/30/2013	117,507	49,777	62,638	115,793	108,539	--	--	--	--	454,254			
As of 06/30/2014	117,507	49,777	37,638	100,792	148,539	111,900	--	--	--	566,153			
As of 06/30/2015	117,507	48,738	33,141	96,543	126,562	20,863	32,843	--	--	566,153			
As of 06/30/2016	45,000	39,048	33,141	96,543	126,562	20,863	7,843	25,000	--	394,000			
As of 06/30/2017	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	482,269			
Increase/Decrease	--	--	--	--	(1,517)	(863)	10,235	26,345	54,069	88,269			

Claim Development Expense	
Claim Liabilities and ULAE	\$ 68,554
Increase	\$ 68,554

Claim Development Expense	
Claim Liabilities	\$ 68,554
and ULAE	--
Increase	\$ 68,554

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001 

www.treasurer.ca.gov/pmia-laif/laif.asp

April 03, 2017

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

RISK MANAGER
P.O. BOX 2487
DUBLIN, CA 94568

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

March 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,171,295.13
Total Withdrawal:	0.00	Ending Balance:	3,171,295.13



April 25, 2017

State Controller's Office
Division of Accounting & Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

RE: Special Districts Compensation Report

To Whom It May Concern:

By notice received by Alameda County Schools Insurance Group (ACSIG) regarding the filing of the Calendar Year 2016 Special Districts Compensation Report. The actual report was filed electronically via File Transfer Protocol.

If you have any questions regarding information in this report, please call me at (916) 859-7160 extension 4250.

Sincerely,

Laurena Grabert
Assistant Vice President

LG/jbm
Enclosures

cc: ACSIG Board of Directors

*P.O. Box 4328
Torrance, CA 90510
Phone: (310) 212-2550
Fax: (310) 212-0300
License No. 0451271*



Alameda County Schools Insurance Group

P.O. Box 2487
Dublin, CA 94568
Phone (925) 225-1030
Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2016/2017 Third Quarter Investment Report

In an effort to improve ACSIG's interest earnings, the Executive Committee amended its investment policy and selected Morgan Stanley Smith Barney as its investment advisor effective July 1, 2010. 2010-2011 was the first full year that ACSIG invested funds outside of the Alameda County Treasurer. I am pleased to say, although returns were low due to market conditions, the portfolio has yielded over \$1 million in revenue.

Enclosed is ACSIG's third quarterly investment report. Cary Alison from Morgan Stanley Wealth Management will be in attendance at the full Board meeting to address this item and outline the current investment strategy.

Morgan Stanley

April 4, 2017

Kimberly Dennis, Executive Director
ACSIG – Alameda County Schools Insurance Group
PO Box 2487
Dublin, CA 94568-0710

Dear Board:

Please find attached your most recent portfolio summary. I certify that your portfolio is in compliance with California government code sections 53600 and 53601 as well as your current investment policy statement as of the date of this report.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	03/31/2017
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,104,882.33
Total Ending Value	\$16,137,758.08
Current Quarter	0.34%
Fiscal Year to Date	-0.72%
Since Inception (annualized % per year)	1.14%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	0.98%
Last 5 Years (annualized % per year)	0.94%
Since Inception (annualized % per year)	1.16%
Year 2017 (YTD)	0.34%
Year 2016	0.99%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.05%

More details on the portfolio summary are attached. Please contact me with any questions.

Sincerely,



Cary M. Allison, CIMA®
Senior Institutional Consultant
www.morganstanley.com
cary.allison@morganstanley.com

Fixed Income Report

Prepared on April 04, 2017

Prepared For: **ACSIG - Alameda County Schools Ins Group**

Account No. 171-041349

ALAMEDA COUNTY SCHOOLS INS GROUP
ATTENTION: KIMBERLY DENNIS
P O BOX 2487
DUBLIN CA 94568-0710

Cary Allison

Financial Advisor

Senior Vice President

Tel: +1 916 797-7742

Cary.Allison@morganstanley.com

<http://www.morganstanleyfa.com/cary.allison>

Your Branch:

1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661

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Investment Summary Dollar Weighted Returns - Advisory Assets Only	4
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Fixed Income & Preferreds Quality, Maturity And Asset Allocation	8
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Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

Reporting Currency: USD

ACCOUNT(S) DETAIL					
Account Name and Address	Account Type/Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
Alameda County Schools Ins Group P O Box 2487 DUBLIN	Western Asset - Gov Sec Mgmt 3 year CES	Advisory	171-041349	04/27/10	

INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CHANGE IN VALUE AND RETURN % (NET OF FEES)

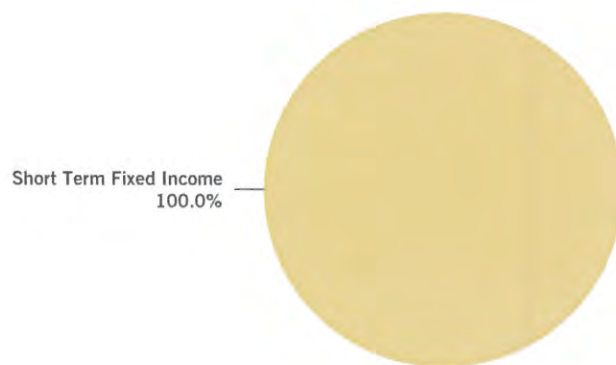
	Quarter to Date 12/31/16-03/31/17	Custom Period 06/30/16-03/31/17	Performance Inception 07/12/10-03/31/17
Beginning Total Value	\$16,082,980.87	\$16,255,106.57	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	54,777.20	-117,348.49	1,104,882.33
Ending Total Value	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08
DOLLAR WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.34%	-0.72%	1.14%

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

ASSET ALLOCATION



— Total Value — Net Invested Capital

Does not include Performance Ineligible Assets.

INCOME SUMMARY

	Year To Date 01/01/17-04/03/17	Projected Remaining Year (Until 12/31) 04/04/17-12/31/17	Projected Next 12 Months 05/01/17-04/30/18
INCOME BY ASSET CLASS			
Cash	\$2.82	\$0.00	-
Fixed Income & Preferreds	112,468.99	184,820.00	293,020.00
Total Income	\$112,471.81	\$184,820.00	\$293,020.00
INCOME BY TAX CATEGORY			
Taxable	112,471.81	184,820.00	293,020.00
Non Taxable	-	-	-
Tax Deferred	-	-	-
Total Income	\$112,471.81	\$184,820.00	\$293,020.00

Income Summary does not include income from external assets.

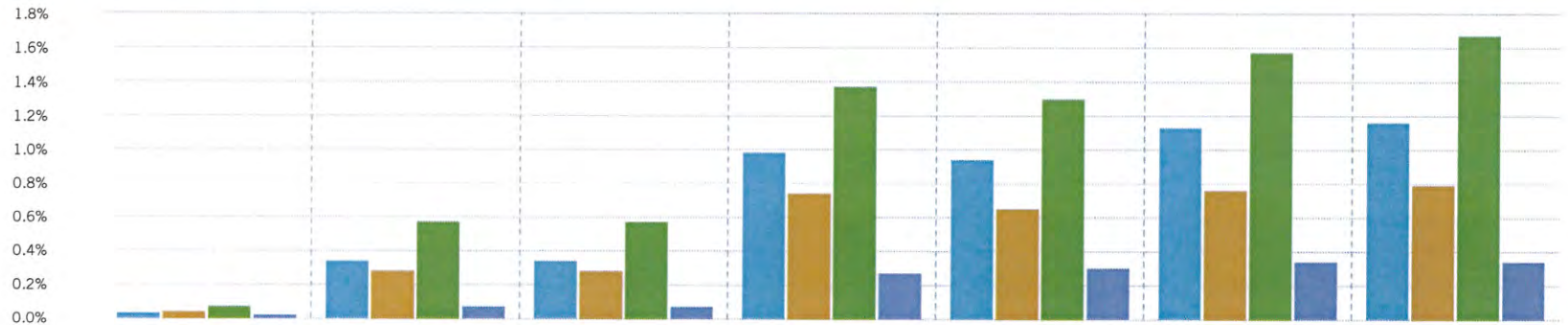
Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Month to Date 02/28/17 - 03/31/17	Quarter to Date 12/31/16 - 03/31/17	Year to Date 12/31/16 - 03/31/17	Last 3 Years 03/31/14 - 03/31/17	Last 5 Years 03/31/12 - 03/31/17	Performance Inception Month End 07/31/10 - 03/31/17	Performance Inception 07/12/10 - 03/31/17
Beginning Total Value	\$16,132,625.18	\$16,082,980.87	\$16,082,980.87	\$15,638,820.00	\$15,363,956.06	\$10,025,516.38	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	32,875.75	32,875.75	5,032,875.75	5,033,025.75
Investment Earnings	5,132.90	54,777.20	54,777.20	466,062.33	740,926.27	1,079,365.95	1,104,882.33
Ending Total Value	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08	\$16,137,758.08
Return % (Net of Fees)	0.03	0.34	0.34	0.98	0.94	1.13	1.16
BC Gov 1-3 Yr	0.04	0.28	0.28	0.74	0.65	0.76	0.79
BC Gov/Cr 1-5 yr	0.07	0.57	0.57	1.37	1.30	1.57	1.67
Citi CD 6 Month	0.02	0.07	0.07	0.27	0.30	0.34	0.34

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 03/31/17

Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
2017 (YTD)	\$16,082,980.87	\$0.00	\$54,777.20	\$16,137,758.08	0.34%	0.28%	0.57%	0.07%
2016	\$15,926,083.41	\$0.00	\$156,897.47	\$16,082,980.87	0.99%	0.87%	1.56%	0.27%
2015	\$15,789,357.87	\$0.00	\$136,725.54	\$15,926,083.41	0.87%	0.57%	0.97%	0.27%
2014	\$15,597,806.94	\$32,875.75	\$158,675.18	\$15,789,357.87	1.01%	0.64%	1.42%	0.27%
2013	\$15,600,964.10	\$0.00	-\$3,157.16	\$15,597,806.94	-0.03%	0.37%	0.28%	0.27%
2012	\$15,229,289.11	\$0.00	\$371,674.99	\$15,600,964.10	2.44%	0.51%	2.24%	0.49%
2011	\$10,028,996.97	\$5,000,000.00	\$200,292.14	\$15,229,289.11	1.91%	1.56%	3.14%	0.39%
2010 Performance Inception: 07/12/10	\$9,999,850.00	\$150.00	\$28,996.97	\$10,028,996.97	0.29%	0.53%	1.03%	0.25%

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

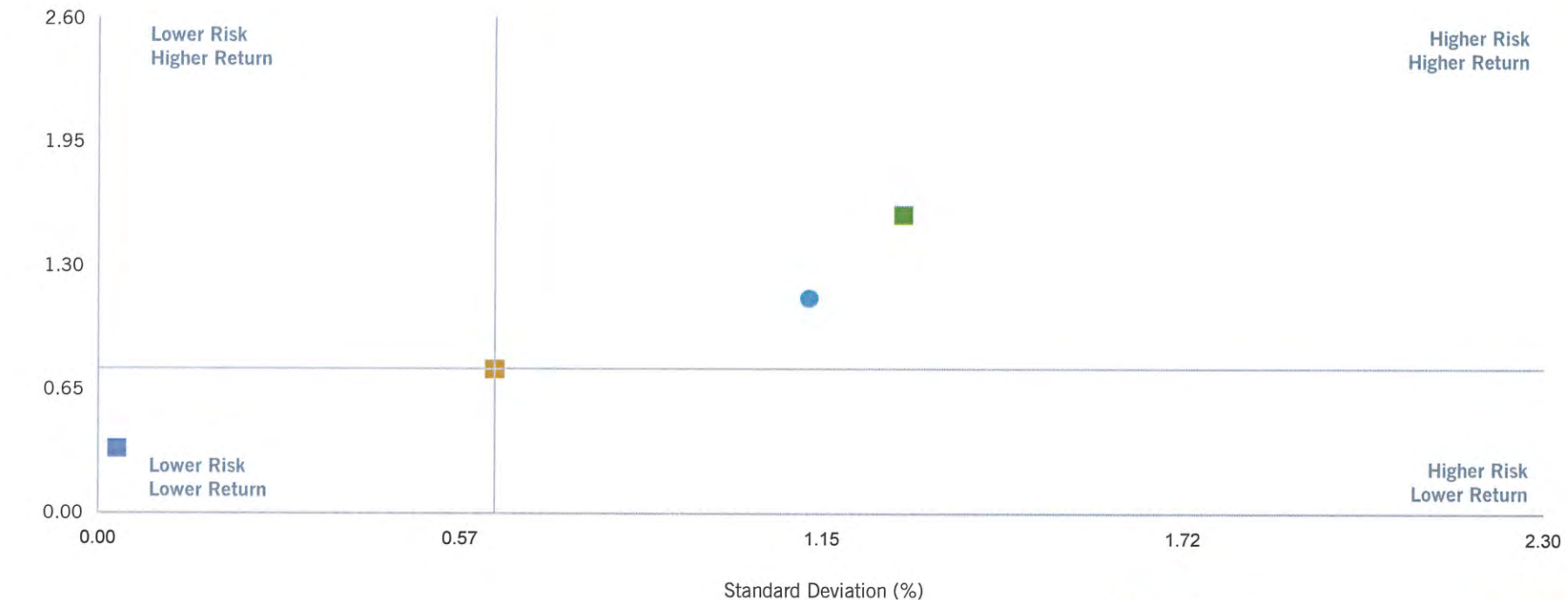
RISK VS. RETURN - ADVISORY ASSETS ONLY

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS

Annualized Return (%)



	Return % (Net of Fees) 07/31/10-03/31/17	Standard Deviation 07/31/10-03/31/17 (%)
● Portfolio	1.13 %	1.13 %
■ BC Gov 1-3 Yr	0.76	0.63
■ BC Gov/Cr 1-5 yr	1.57	1.28
■ Citi CD 6 Month	0.34	0.03

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

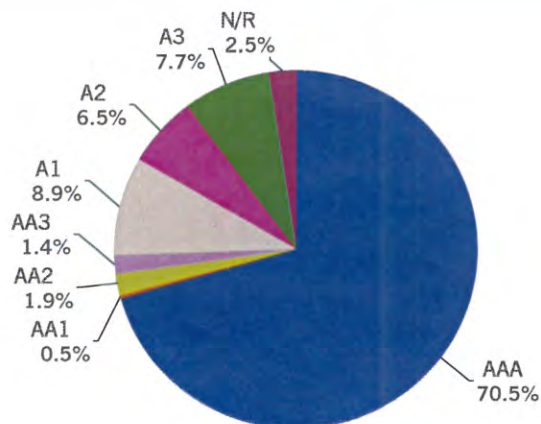
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

FIXED INCOME & PREFERRED QUALITY, MATURITY AND ASSET ALLOCATION

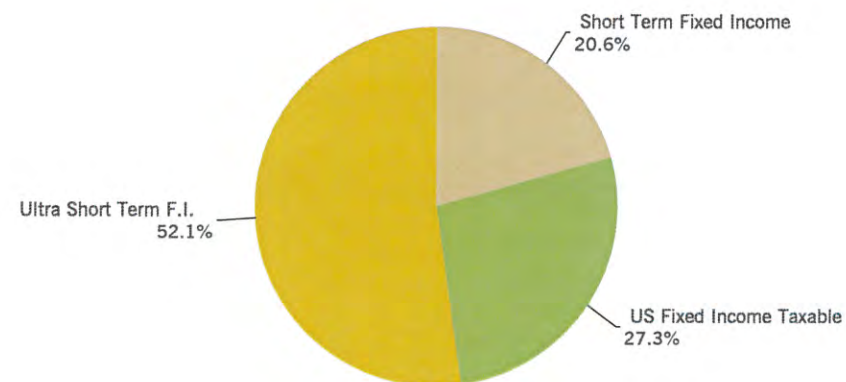
Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

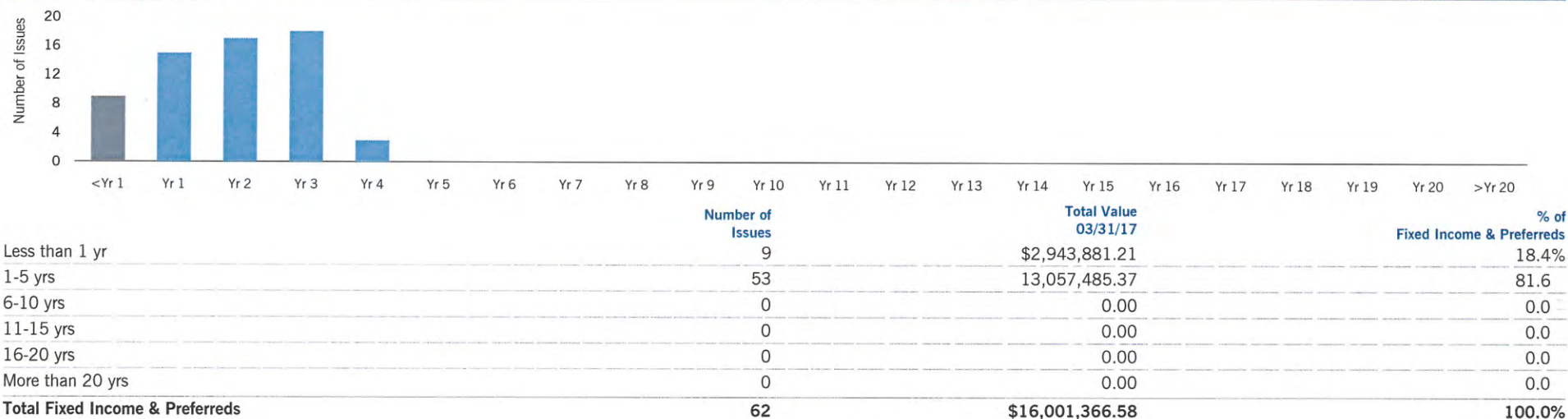
FIXED INCOME AND PREFERRED QUALITY ANALYSIS



FIXED INCOME AND PREFERRED ASSET ALLOCATION



MATURITY SCHEDULE



The Maturity Schedule only includes securities with a stated maturity date.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
3M CO	\$81,089.40 \$81,089.40	\$81,000.00	\$97.71	\$79,144.29 \$79,188.16	-\$1,945.11	1.66% 1.62%	0.50%
Cusip: 88579YAU5, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/19/2021, Coupon: 1.625, Call Date: 8/19/2021, Call Price: 100.000, Accrued Interest: \$43.874							
ACE INA HOLDINGS INC	80,279.14 80,279.14	79,000.00	100.36	79,283.61 80,030.60	-995.53	2.29 2.25	0.50
Cusip: 00440EAT4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/3/2020, Coupon: 2.300, Call Date: 10/3/2020, Call Price: 100.000, Accrued Interest: \$746.988							
AMERICAN EXPRESS CREDIT	161,577.18 161,577.18	162,000.00	100.42	162,680.40 163,140.47	1,103.22	1.64 1.65	1.02
Cusip: 0258MODW6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/31/2018, Coupon: 1.649, Call Date: 6/30/2018, Call Price: 100.000, Accrued Interest: \$460.070							
APPLE INC	80,961.12 80,961.12	81,000.00	100.33	81,263.25 81,430.88	302.13	1.28 1.29	0.51
Cusip: 037833AG5, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/3/2018, Coupon: 1.284, Accrued Interest: \$167.627							
BANK OF NEW YORK MELLON	158,319.21 158,319.21	158,000.00	100.74	159,170.78 159,871.25	851.57	2.08 2.09	1.00
Cusip: 06406HCP2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 1/15/2019, Coupon: 2.100, Call Date: 12/15/2018, Call Price: 100.000, Accrued Interest: \$700.466							
BB&T CORPORATION	161,163.86 161,163.86	161,000.00	99.99	160,975.85 161,488.14	-188.01	1.45 1.45	1.01
Cusip: 05531FAM5, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/12/2018, Coupon: 1.450, Call Date: 12/12/2017, Call Price: 100.000, Accrued Interest: \$512.292							
BERKSHIRE HATHAWAY INC	158,068.61 158,068.61	157,000.00	100.98	158,537.03 158,967.47	468.42	2.07 2.07	0.99
Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$430.441							
BOEING CAPITAL CORPORATION	77,697.62 77,697.62	76,000.00	101.84	77,399.92 77,681.54	-297.70	2.84 2.77	0.49
Cusip: 097014AM6, Moody's Rating: A2, S & P Rating: A, Maturity Date: 8/15/2018, Coupon: 2.900, Call Date: 7/15/2018, Call Price: 100.000, Accrued Interest: \$281.622							
BURLINGTON NORTH SANTA FE	77,297.88 77,297.88	74,000.00	103.93	76,908.20 77,097.31	-389.68	5.53 5.35	0.48
Cusip: 12189TBA1, Moody's Rating: A3, S & P Rating: A, Maturity Date: 3/15/2018, Coupon: 5.750, Accrued Interest: \$189.111							
CATERPILLAR FINANCIAL SE	78,533.56 78,533.56	77,000.00	100.45	77,343.42 77,846.49	-1,190.14	2.09 2.05	0.49
Cusip: 14912L6B2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: \$503.066							
CHEVRON CORP	72,562.17 72,562.17	71,000.00	100.97	71,690.12 72,329.41	-872.05	2.39 2.35	0.45
Cusip: 166764AY6, Moody's Rating: AA2, S & P Rating: AA-, Maturity Date: 11/17/2020, Coupon: 2.419, Call Date: 10/17/2020, Call Price: 100.000, Accrued Interest: \$639.288							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
CISCO SYSTEMS INC	159,116.73	159,000.00	101.47	161,330.94	2,214.21	2.41	1.02
	159,116.73			162,477.95		2.44	
<i>Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: \$1147.007</i>							
COCA-COLA CO/THE	80,883.86	80,000.00	99.97	79,972.00	-911.86	1.87	0.50
	80,883.86			80,613.67		1.84	
<i>Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$641.666</i>							
COMCAST CORP	149,983.18	139,000.00	108.93	151,412.70	1,429.52	4.72	0.95
	149,983.18			152,009.24		4.57	
<i>Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: \$596.541</i>							
COSTCO WHOLESALE CORP	81,270.84	80,000.00	100.18	80,145.60	-1,125.24	1.69	0.50
	81,270.84			80,546.04		1.66	
<i>Cusip: 22160KAF2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$400.444</i>							
EXXON MOBIL CORPORATION	162,142.74	159,000.00	100.19	159,306.87	-2,835.87	2.21	1.00
	162,142.74			159,601.28		2.16	
<i>Cusip: 30231GAV4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 3/1/2021, Coupon: 2.222, Call Date: 2/1/2021, Call Price: 100.000, Accrued Interest: \$294.414</i>							
GENERAL ELEC CAP CORP	155,899.57	141,000.00	108.49	152,963.85	-2,935.72	4.26	0.97
	155,899.57			154,485.47		4.09	
<i>Cusip: 36962G4Y7, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: \$1521.624</i>							
GILEAD SCIENCES INC	79,391.43	79,000.00	100.31	79,243.32	-148.11	1.84	0.50
	79,391.43			79,352.93		1.83	
<i>Cusip: 375558BE2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/4/2018, Coupon: 1.850, Accrued Interest: \$109.612</i>							
HOME DEPOT INC	79,850.10	79,000.00	100.78	79,613.04	-237.06	1.98	0.50
	79,850.10			80,078.26		1.96	
<i>Cusip: 437076BE1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 6/15/2019, Coupon: 2.000, Call Date: 5/15/2019, Call Price: 100.000, Accrued Interest: \$465.222</i>							
HONEYWELL INTERNATIONAL	80,569.08	81,000.00	99.24	80,385.21	-183.87	1.41	0.51
	80,569.08			80,857.71		1.41	
<i>Cusip: 438516BJ4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/30/2019, Coupon: 1.400, Accrued Interest: \$472.500</i>							
INTEL CORP	79,648.40	79,000.00	101.61	80,270.32	621.92	2.41	0.50
	79,648.40			80,603.66		2.42	
<i>Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: \$333.336</i>							
JOHN DEERE CAPITAL CORP	79,875.16	79,000.00	100.97	79,763.93	-111.23	2.22	0.50
	79,875.16			80,573.68		2.20	
<i>Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: \$809.750</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
JOHNSON & JOHNSON	79,563.45	79,000.00	100.51	79,401.32	-162.13	1.64	0.50
	79,563.45			79,821.34		1.63	
Cusip: 478160BG8, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 12/5/2018, Coupon: 1.650, Accrued Interest: \$420.016							
JP MORGAN CHASE & CO	155,358.19	155,000.00	100.60	155,931.55	573.36	1.92	0.98
	155,358.19			156,490.55		1.91	
Cusip: 46625HJF8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 1/25/2018, Coupon: 1.938, Accrued Interest: \$559.001							
KIMBERLY-CLARK CORP	80,361.68	80,000.00	99.66	79,728.80	-632.88	1.40	0.50
	80,361.68			79,871.91		1.39	
Cusip: 494368BT9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 2/15/2019, Coupon: 1.400, Accrued Interest: \$143.110							
MASTERCARD INC	79,618.71	79,000.00	100.72	79,571.17	-47.54	1.98	0.50
	79,618.71			80,361.17		1.98	
Cusip: 57636QAA2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/1/2019, Coupon: 2.000, Accrued Interest: \$790.000							
METLIFE INC	144,888.39	135,000.00	106.61	143,923.50	-964.89	6.39	0.91
	144,888.39			145,099.43		6.11	
Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: \$1175.932							
MICROSOFT CORP	80,349.95	80,000.00	99.98	79,982.40	-367.55	1.30	0.50
	80,349.95			80,409.96		1.29	
Cusip: 594918BF0, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/3/2018, Coupon: 1.300, Accrued Interest: \$427.555							
OCCIDENTAL PETROLEUM CORP	79,295.91	74,000.00	105.90	78,368.96	-926.95	3.87	0.49
	79,295.91			78,874.63		3.77	
Cusip: 674599BY0, Moody's Rating: A3, S & P Rating: A, Maturity Date: 2/1/2021, Coupon: 4.100, Call Date: 11/1/2020, Call Price: 100.000, Accrued Interest: \$505.666							
ORACLE CORP	79,570.24	79,000.00	101.38	80,087.04	516.80	2.34	0.50
	79,570.24			80,483.14		2.33	
Cusip: 68389XAQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: \$396.097							
PACCAR FINANCIAL CORP	80,148.69	81,000.00	98.58	79,846.56	-302.13	1.21	0.50
	80,148.69			79,978.86		1.21	
Cusip: 69371RN36, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/12/2019, Coupon: 1.200, Accrued Interest: \$132.300							
PEPSICO INC	160,070.28	160,000.00	100.17	160,270.40	200.12	1.36	1.01
	160,070.28			160,745.92		1.36	
Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A, Maturity Date: 10/13/2017, Coupon: 1.372, Accrued Interest: \$475.522							
PNC FUNDING CORP	152,978.40	142,000.00	108.07	153,452.30	473.90	4.74	0.97
	152,978.40			154,523.71		4.58	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$1071.408							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
PROCTER & GAMBLE CO/THE	150,197.35	149,000.00	100.84	150,245.64	48.29	1.88	0.95
	150,197.35			151,425.22		1.87	
Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$1179.582							
STATE STREET CORP STT	71,989.66	70,000.00	101.34	70,940.10	-1,049.56	2.51	0.45
	71,989.66			71,153.31		2.46	
Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$213.208							
TARGET CORP	78,328.21	73,000.00	105.47	76,994.56	-1,333.65	3.67	0.49
	78,328.21			77,591.74		3.55	
Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$597.180							
THE WALT DISNEY COMPANY	78,405.97	78,000.00	100.50	78,386.10	-19.87	2.13	0.49
	78,405.97			78,451.32		2.13	
Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$65.217							
TRAVELERS COMPANIES INC	79,416.64	77,000.00	102.98	79,296.14	-120.50	5.58	0.50
	79,416.64			80,599.79		5.50	
Cusip: 89417EAC3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 12/15/2017, Coupon: 5.750, Accrued Interest: \$1303.652							
UNITED PARCEL SERVICE	79,555.16	74,000.00	106.86	79,075.66	-479.50	4.79	0.51
	79,555.16			80,971.91		4.69	
Cusip: 911312AK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/1/2019, Coupon: 5.125, Accrued Interest: \$1896.250							
UNITED TECHNOLOGIES CORP	151,176.44	151,000.00	100.10	151,147.98	-28.46	1.79	0.95
	151,176.44			152,053.98		1.74	
Cusip: 913017BU2, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 6/1/2017, Coupon: 1.800, Accrued Interest: \$905.998							
UNITEDHEALTH GROUP INC	78,142.76	77,000.00	102.01	78,547.70	404.94	2.64	0.49
	78,142.76			78,986.60		2.64	
Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$438.899							
US BANCORP	80,404.25	79,000.00	100.80	79,631.21	-773.04	2.18	0.50
	80,404.25			80,384.34		2.15	
Cusip: 91159HHH6, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/25/2019, Coupon: 2.200, Call Date: 3/25/2019, Call Price: 100.000, Accrued Interest: \$753.133							
VISA INC	160,417.32	160,000.00	99.91	159,849.60	-567.72	1.20	1.00
	160,417.32			160,420.27		1.19	
Cusip: 92826CAA0, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2017, Coupon: 1.200, Accrued Interest: \$570.666							
WAL-MART STORES INC	79,555.25	74,000.00	105.56	78,115.14	-1,440.11	3.43	0.49
	79,555.25			78,733.61		3.33	
Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$618.465							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

CORPORATE FIXED INCOME TOTAL (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
Corporate Fixed Income Total	\$4,635,973.74	\$4,538,000.00		\$4,621,598.48	-\$14,375.26		29.05%
	\$4,635,973.74			\$4,647,704.30			

GOVERNMENT SECURITIES

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK	\$650,447.75	\$655,000.00	\$96.87	\$634,518.15	-\$15,929.60	1.16%	3.98%
	\$650,447.75			\$636,094.24		1.13%	
<i>Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$1576.094</i>							
FED HOME LN MTG CORP	953,799.59	950,000.00	99.63	946,504.00	-7,295.59	1.25	5.93
	953,799.59			948,483.16		1.24	
<i>Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: \$1979.164</i>							
FED HOME LN MTG CORP	504,932.89	500,000.00	99.21	496,040.00	-8,892.89	1.38	3.12
	504,932.89			498,904.58		1.35	
<i>Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$2864.580</i>							
FED HOME LN MTG CORP	484,431.22	481,000.00	99.44	478,316.02	-6,115.20	1.25	3.01
	484,431.22			481,305.57		1.23	
<i>Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$2989.545</i>							
FED HOME LN MTG CORP MED TERM NOTE	398,340.00	400,000.00	99.61	398,420.00	80.00	0.75	2.50
	398,340.00			399,853.33		0.75	
<i>Cusip: 3137EAEA3, S & P Rating: AA+, Maturity Date: 4/9/2018, Coupon: 0.750, Accrued Interest: \$1433.332</i>							
FED NATL MTG ASSN	557,542.92	557,000.00	100.18	558,024.88	481.96	1.62	3.50
	557,542.92			559,784.84		1.62	
<i>Cusip: 3135G0A78, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/21/2020, Coupon: 1.625, Accrued Interest: \$1759.964</i>							
FED NATL MTG ASSN	479,570.68	493,000.00	97.56	480,951.08	1,380.40	1.40	3.03
	479,570.68			484,227.47		1.40	
<i>Cusip: 3135G0Q89, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/7/2021, Coupon: 1.375, Accrued Interest: \$3276.394</i>							
FED NATL MTG ASSN	320,059.47	321,000.00	99.94	320,797.77	738.30	1.12	2.01
	320,059.47			321,509.99		1.12	
<i>Cusip: 3135G0E33, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/20/2018, Coupon: 1.125, Accrued Interest: \$712.216</i>							
FED NATL MTG ASSN	721,917.04	733,000.00	98.24	720,091.87	-1,825.17	1.39	4.51
	721,917.04			721,071.74		1.39	
<i>Cusip: 3135G0J20, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/26/2021, Coupon: 1.375, Accrued Interest: \$979.874</i>							

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

As of March 31, 2017 | Reporting Currency: USD

GOVERNMENT SECURITIES (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED NATL MTG ASSN	362,277.23	355,000.00	100.47	356,657.85	-5,619.38	1.86	2.24
	362,277.23			358,377.38		1.82	
Cusip: 3135G0H55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$1719.528							
FED NATL MTG ASSN	353,214.12	354,000.00	100.61	356,166.48	2,952.36	1.61	2.24
	353,214.12			358,147.90		1.62	
Cusip: 3135G0YT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: \$1981.416							
FED NATL MTG ASSN	893,898.02	890,000.00	101.01	898,962.30	5,064.28	1.85	5.63
	893,898.02			900,909.18		1.85	
Cusip: 3135G0ZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: \$1946.875							
FED NATL MTG ASSN	703,719.85	699,000.00	100.97	705,808.26	2,088.41	1.85	4.41
	703,719.85			706,281.54		1.84	
Cusip: 3135G0YM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: \$473.279							
UNITED STATES TREASURY NOTE	640,255.50	641,000.00	99.07	635,064.34	-5,191.16	1.38	3.97
	640,255.50			635,806.80		1.37	
Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$742.457							
UNITED STATES TREASURY NOTE	1,240,430.16	1,221,000.00	101.48	1,239,034.17	-1,395.99	2.70	7.76
	1,240,430.16			1,241,862.70		2.53	
Cusip: 912828PY0, Moody's Rating: AAA, Maturity Date: 2/28/2018, Coupon: 2.750, Accrued Interest: \$2828.532							
UNITED STATES TREASURY NOTE	746,121.11	744,000.00	100.31	746,321.28	200.17	2.74	4.71
	746,121.11			753,122.54		2.61	
Cusip: 912828NG1, Moody's Rating: AAA, Maturity Date: 5/31/2017, Coupon: 2.750, Accrued Interest: \$6801.261							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	99.36	397,424.00	3,580.40	1.25	2.49
	393,843.60			398,238.92		1.26	
Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$814.916							
UNITED STATES TREASURY NOTE	961,081.61	961,000.00	98.60	947,526.78	-13,554.83	1.39	5.94
	961,081.61			949,680.40		1.37	
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$2153.620							
Government Securities Total	\$11,365,882.76	\$11,355,000.00		\$11,316,629.23	-\$49,253.53		70.95%
	\$11,365,882.76			\$11,353,662.28			

Unrealized Gain/Loss value does not reflect interest and dividend accruals.

DISCLOSURES

Explanatory Notes and Disclosure: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us. Furthermore, the information included in this document may not include all asset classes/securities held by you at the firm. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

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Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-".

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Money Market Fund: An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information. Past performance is not a guarantee of future results.

Market values used for performance calculation do not include performance ineligible assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible

Assets include life insurance, Manually Added assets and some annuities and Externally Held accounts. Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include brokerage and investment advisory accounts, as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, Performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. We are not responsible for any gain and loss information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Projected 12 Month Income: Projected Next 12 Months income includes cash income such as interest and cash dividends, based on current yields and may include income from Morgan Stanley & Co. and Externally Held accounts where data is available. These are projections based on historical data and the actual income may be lower or higher than the projections. Projected income for Morgan Stanley & Co. and Externally Held accounts is calculated based upon data obtained from sources that we believe to be reliable, however, Morgan Stanley Wealth Management does not guarantee its accuracy or timeliness. As such, Morgan Stanley Wealth Management recommends confirming projected income information with the custodian institution prior to taking any action. Projections will not include income from Manually Added assets.

Bank Deposit Program: Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (<https://www.fdic.gov/deposit/deposits/>). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

GENERAL DEFINITIONS

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

Prepared on April 04, 2017 | Reporting Currency: USD

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

Accrued Interest: The interest earned but not yet received at both the beginning and end of each reporting period.

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA) reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

Gross Accumulated Value (\$): Gross Accumulated Value is the most current market value provided by carriers of the Annuity or Life insurance product.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Alameda County Schools Ins Group 171-041349 - Western Asset - Gov...

Prepared on April 04, 2017 | Reporting Currency: USD

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance, Manually Added assets and some annuities and Externally Held accounts.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Value: Total Value represents the Market Value of the portfolio or of a given Asset Class inclusive of interest and dividend accruals. Total Value for Asset Allocation before January 2014 does not include accruals. Total Value for Morgan Stanley & Co. and Externally Held accounts may not include accruals.

BENCHMARK DEFINITIONS

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

BC Gov/Cr 1-5 yr: The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index is the 1-5 Yr component of the U.S. Government/Credit index.

Citi CD 6 Month: The Citigroup Certificate-of-Deposit indexes measure the monthly return equivalents of yield averages that are not marked to market. The CD rate is a rotating sample (collected by the New York Federal Reserve Bank) of five banks and dealers surveyed daily about secondary-market dealer offer rates for jumbo certificates of deposit. Returns for these indexes are calculated on a monthly basis only.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2017/2018 Budget

The ACSIG budget is enclosed for your review. This budget was developed using year-to-date 2016/2017 data and preliminary estimates for 2017/2018 rates and costs. Because all rates are not firm at this time, estimates were used for this report. Salaries have been distributed to each program based upon a time-study.

The assumptions are listed on the final pages of the budget. Some assumptions are being made because actual information is unavailable at this time. Because there continues to be a need for trainings, I have continued to allocate funds to support release time for regional trainings for Special Education and Food Service staffing.

The budget will be reviewed by the Executive Director.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2017/2018 Budget

	Budget 2017/2018	Allocations	Change in Accruals		2017/2018 Budget	2016/2017 Budget
Audited - Beginning Net Position, as of 07/01/2017				\$ 29,375,762		
Beginning Cash	\$ 29,375,762				\$ 29,375,762	\$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	\$ 156,427,872	\$ --	\$ --	\$ 156,427,872	\$ 156,427,872	\$ 147,408,159
Total Operating Revenue	156,427,872	--	--	156,427,872	156,427,872	147,408,159
Operating Expenditures:						
Classified Salaries	251,052	--	--	251,052	251,052	236,778
Statutory Benefits	56,552	--	--	56,552	56,552	55,498
Health & Welfare	39,000	--	--	39,000	39,000	39,000
Employer Tax Expense	3,476	--	--	3,476	3,476	3,411
Net Pension Expense	39,345	--	--	39,345	39,345	--
Telephone & Internet	7,350	--	--	7,350	7,350	7,500
Supplies Office	4,200	--	--	4,200	4,200	5,775
Supplies - Other	2,625	--	--	2,625	2,625	4,725
Eligibility Processing	245,627	--	--	245,627	245,627	257,060
Brokerage Fees-Dental-ACSIG	288,000	--	--	288,000	288,000	276,000
Brokerage Fees-Dental-MD	350,000	--	--	350,000	350,000	300,000
Travel and Conferences	23,100	--	--	23,100	23,100	21,000
Mileage	8,925	--	--	8,925	8,925	8,925
Dues & Memberships	1,575	--	--	1,575	1,575	1,575
Postage & Meter	5,200	--	--	5,200	5,200	3,400
Insurance Expense-PIPS&NCR	25,192,893	--	--	25,192,893	25,192,893	23,989,931
PIPS payroll adjustment	2,000,000	--	--	2,000,000	2,000,000	1,500,000
Utility - Operating-Rent	33,761	--	--	33,761	33,761	1,530,360
Advertising	600	--	--	600	600	6,860
Contract Services	26,275	--	--	26,275	26,275	8,426
Contract Services -PL-Investigation	20,000	--	--	20,000	20,000	--
Contract Services-PL-Legal	6,375	--	--	6,375	6,375	10,000
Audit Fees	15,540	--	--	15,540	15,540	14,175
Other Services/Operating Expenses	10,500	--	--	10,500	10,500	5,250
Capital Equipment/Depreciation	2,625	--	--	2,625	2,625	2,550
Repairs & Maintenance	3,675	--	--	3,675	3,675	4,800
Legal	2,100	--	--	2,100	2,100	2,550
Accounting Services	15,750	--	--	15,750	15,750	15,750
County Courier	4,200	--	--	4,200	4,200	3,675
Shredding	1,575	--	--	1,575	1,575	1,575
Copier & Scanner	15,000	--	--	15,000	15,000	15,000
Claims Administration Services	154,000	--	--	154,000	154,000	190,000
Self-Insurance Fee	250,000	--	--	250,000	250,000	245,000
Claims Paid-WC	2,500,000	--	--	2,500,000	2,500,000	3,000,000
Claims Paid-PL	50,000	--	--	50,000	50,000	80,000
Physical Abilities Testing	25,000	--	--	25,000	25,000	10,000
Safety Inspection	12,445	--	--	12,445	12,445	12,445
Training	20,000	--	--	20,000	20,000	5,000
First-Aid Program	10,000	--	--	10,000	10,000	10,000
Food Service Training	5,000	--	--	5,000	5,000	10,000
Special Ed Training	15,000	--	--	15,000	15,000	10,000
Bank Charge & WC Penalty Reimb	17,200	--	--	17,200	17,200	15,000
Cobra Premiums	242,000	--	--	242,000	242,000	250,000
Dental Insurance Premiums	123,000,000	--	--	123,000,000	123,000,000	113,877,908
Vision Insurance Premiums	3,340,000	--	--	3,340,000	3,340,000	2,550,000
Claim Development Expense	(2,510,000)	--	--	(2,510,000)	(2,510,000)	(2,430,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	155,807,540	--	--	155,807,540	155,807,540	146,166,902
Net Increase/(Decrease) from Operations	620,332	--	--	620,332	620,332	1,241,257
Non Operating Income/(Expense)						
Interest Income	231,500	--	--	231,500	231,500	218,250
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
GASB 68	--	--	--	--	--	--
Total Non Operating Income/(Expense)	231,500	--	--	231,500	231,500	218,250
Ending Cash	\$ 30,227,594	--	--			
Net Increase/(Decrease) in Net Position		\$ --	\$ --	851,832	\$ 851,832	\$ 1,459,507

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
2017/2018 Budget

	Budget 2017/2018 0	Allocations	Change in Accruals	Balance Year to Date	2017/2018 Budget	2016/2017 Budget
Audited - Beginning Net Position, as of 07/01/2017				\$ 21,144,362		
Beginning Cash and Investments	\$ 21,144,362				\$ 21,144,362	\$ 17,321,015
Operating Revenue:						
Premiums Paid by Members	\$ 26,712,774	\$ --	\$ --	\$ 26,712,774	\$ 26,712,774	\$ 28,264,268
PIPS Contribution Adjustmrt	--	--	--	--	--	--
Total Operating Revenue	26,712,774	--	--	26,712,774	26,712,774	28,264,268
Operating Expenditures:						
Classified Salaries	61,053	--	--	61,053	61,053	59,432
Statutory Benefits	14,246	--	--	14,246	14,246	13,930
Health & Welfare	7,800	--	--	7,800	7,800	7,800
Employer Tax Expense	876	--	--	876	876	856
Net Pension Expense	8,547	--	--	8,547	8,547	--
Telephone & Internet	1,050	--	--	1,050	1,050	3,000
Supplies Office	600	--	--	600	600	1,275
Supplies - Other	375	--	--	375	375	225
Utility - Rent	5,627	--	--	5,627	5,627	5,060
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,300	--	--	3,300	3,300	3,000
Mileage	1,275	--	--	1,275	1,275	1,275
Dues & Memberships	225	--	--	225	225	225
Postage & Meter	100	--	--	100	100	100
Insurance Expense-PIPS	24,040,241	--	--	24,040,241	24,040,241	22,758,486
PIPS Contribution Adjustmrt	2,000,000	--	--	2,000,000	2,000,000	1,500,000
Advertising	300	--	--	300	300	5,060
Contract Services - Actuarial	10,000	--	--	10,000	10,000	8,426
Contract Services -Claims Audit	20,000	--	--	20,000	20,000	--
Contract Services-PL-Legal	--	--	--	--	--	--
Audit Fees	2,220	--	--	2,220	2,220	2,025
Other Services/Operating Expenses	1,500	--	--	1,500	1,500	750
Capital Equipment/Depreciation	375	--	--	375	375	750
Repairs & Maintenance	525	--	--	525	525	300
Legal	300	--	--	300	300	750
Accounting Services	2,250	--	--	2,250	2,250	2,250
County Courier	600	--	--	600	600	525
Shredding	225	--	--	225	225	675
Copier & Scanner	250	--	--	250	250	250
Claims Administration Services	154,000	--	--	154,000	154,000	170,000
Self-Insurance Fee	250,000	--	--	250,000	250,000	245,000
Claims Paid-WC	2,500,000	--	--	2,500,000	2,500,000	3,000,000
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	25,000	--	--	25,000	25,000	10,000
Training	20,000	--	--	20,000	20,000	5,000
First-Aid Program	10,000	--	--	10,000	10,000	10,000
Food Service Training	5,000	--	--	5,000	5,000	10,000
Special Ed Training	15,000	--	--	15,000	15,000	10,000
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,500,000)	--	--	(2,500,000)	(2,500,000)	(2,400,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	26,662,860	--	--	26,662,860	26,662,860	25,436,425
Net Increase/(Decrease) from Operations	49,914	--	--	49,914	49,914	2,827,843
Non Operating Income/(Expense)						
Interest Income	150,000	--	--	150,000	150,000	150,000
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	\$ --	\$ --	150,000	150,000	150,000
Ending Cash	\$ 21,344,276					
Net Increase/(Decrease) in Net Position				199,914	199,914	2,977,843

Alameda County Schools Insurance Group (ACSIG)

Dental

2017/2018 Budget

	Budget 2017/2018	Allocations	Change in Accruals	Balance Year to Date	2017/2018 Budget	2016/2017 Budget
Audited - Beginning Net Position, as of 07/01/2017				\$ 5,488,064		
Beginning Cash and Investments	\$ 5,488,064				\$ 5,488,064	\$ 5,318,251
Operating Revenue:						
Premiums Paid by Members	\$ 125,000,000	\$ --	\$ --	\$ 125,000,000	\$ 125,000,000	\$ 115,000,000
Total Operating Revenue	125,000,000	--	--	125,000,000	125,000,000	115,000,000
Operating Expenditures:						
Classified Salaries	146,919			146,919	146,919	135,791
Statutory Benefits	32,355			32,355	32,355	31,828
Health & Welfare	25,350			25,350	25,350	25,350
Employer Tax Expense	1,989			1,989	1,989	1,956
Net Pension Expense	24,767			24,767	24,767	
Telephone & Internet	5,250			5,250	5,250	3,750
Supplies Office	3,000			3,000	3,000	3,750
Supplies - Other	1,875			1,875	1,875	3,750
Eligibility Processing	240,000			240,000	240,000	252,000
Brokerage Fees-Dental-ACSIG	288,000			288,000	288,000	276,000
Brokerage Fees-Dental-MD	350,000			350,000	350,000	300,000
Travel and Conferences	16,500			16,500	16,500	15,000
Mileage	6,375			6,375	6,375	6,375
Dues & Memberships	1,125			1,125	1,125	1,125
Postage & Meter	4,950			4,950	4,950	3,150
Insurance Expense	--			--	--	--
Net, Operating-Rent	28,134			28,134	28,134	25,300
Advertising	--			--	--	1,500
Contract Services - Actuarial	15,000			15,000	15,000	--
Contract Services -PL-Investigation	--			--	--	--
Contract Services	6,375			6,375	6,375	10,000
Audit Fees	11,100			11,100	11,100	10,125
Other Services/Operating Expenses	7,500			7,500	7,500	3,750
Capital Equipment/Depreciation	1,875			1,875	1,875	1,500
Repairs & Maintenance	2,625			2,625	2,625	3,750
Legal	1,500			1,500	1,500	1,500
Accounting Services	11,250			11,250	11,250	11,250
County Courier	3,000			3,000	3,000	2,625
Shredding	1,125			1,125	1,125	750
Copier & Scanner	14,250			14,250	14,250	14,250
Claims Administration Services	--			--	--	--
Self-Insurance Fee	--			--	--	--
Claims Paid-WC	--			--	--	--
Claims Paid-PL	--			--	--	--
Physical Abilities Testing	--			--	--	--
Training	--			--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Bank Charge	17,200	--	--	17,200	17,200	15,000
Cobra Premiums	242,000	--	--	242,000	242,000	250,000
Dental Insurance Premiums	123,000,000	--	--	123,000,000	123,000,000	113,877,908
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	124,511,388	--	--	124,511,388	124,511,388	115,289,033
Net Increase/(Decrease)						
from Operations	488,612	--	--	488,612	488,612	(289,033)
Non Operating Income/(Expense)						
Interest Income	60,000	--		60,000	60,000	50,000
Change in FMV	--	--		--	--	--
Realized Gain/(Loss)	--	--		--	--	--
GASB 68	--			--	--	--
Interfund Transfer & YE Close Oper	--	--		--	--	--
Total Non Operating						
Income/(Expense)	60,000	\$ --	\$ --	60,000	60,000	50,000
Ending Cash	\$ 6,036,676					
Net Increase/(Decrease) in						
Net Position				548,612	548,612	(239,033)
				\$ 6,036,676	\$ 6,036,676	\$ 5,079,218

Alameda County Schools Insurance Group (ACSIG)

Vision

2017/2018 Budget

	<u>Budget</u> <u>2017/2018</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2017/2018</u> <u>Budget</u>	<u>2016/2017</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2017				\$ 2,093,269		
Beginning Cash and Investments	\$ 2,093,269				\$ 2,093,269	\$ 2,094,297
Operating Revenue:						
Premiums Paid by Members	\$ 3,400,000	\$ --	\$ --	\$ 3,400,000	\$ 3,400,000	\$ 2,800,000
Total Operating Revenue	3,400,000	--	--	3,400,000	3,400,000	2,800,000
Operating Expenditures:						
Classified Salaries	25,105	--	--	25,105	25,105	23,678
Statutory Benefits	5,655	--	--	5,655	5,655	5,550
Health & Welfare	3,900	--	--	3,900	3,900	3,900
Employer Tax Expense	348	--	--	348	348	341
Net Pension Expense	3,515	--	--	3,515	3,515	
Telephone & Internet	700	--	--	700	700	500
Supplies Office	400	--	--	400	400	500
Supplies - Other	250	--	--	250	250	500
Eligibility Processing	--	--	--	--	--	0
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	0
Brokerage Fees-Dental-MD	--	--	--	--	--	0
Travel and Conferences	2,200	--	--	2,200	2,200	2,000
Mileage	850	--	--	850	850	850
Dues & Memberships	150	--	--	150	150	150
Postage & Meter	150	--	--	150	150	150
Insurance Expense	--	--	--	--	--	
Utility - Operating-Rent	3,751	--	--	3,751	3,751	3,373
Advertising	200	--	--	200	200	200
Contract Services - Actuarial	850	--	--	850	850	0
Contract Services -PL-Investigation	--	--	--	--	--	0
Contract Services-PL-Legal	--	--	--	--	--	0
Audit Fees	1,480	--	--	1,480	1,480	1,350
Other Services/Operating Expenses	1,000	--	--	1,000	1,000	500
Capital Equipment/Depreciation	250	--	--	250	250	200
Repairs & Maintenance	350	--	--	350	350	500
Legal	200	--	--	200	200	200
Accounting Services	1,500	--	--	1,500	1,500	1,500
County Courier	400	--	--	400	400	350
Shredding	150	--	--	150	150	100
Copier & Scanner	400	--	--	400	400	400
Claims Administration Services	--	--	--	--	--	0
Self-Insurance Fee	--	--	--	--	--	0
Claims Paid-WC	--	--	--	--	--	0
Claims Paid-PL	--	--	--	--	--	0
Physical Abilities Testing	--	--	--	--	--	0
Training	--	--	--	--	--	0
First-Aid Program	--	--	--	--	--	0
Food Service Training	--	--	--	--	--	0
Special Ed Training	--	--	--	--	--	0
Bank Charge & WC Penalty Reimb	--	--	--	--	--	0
Cobra Premiums	--	--	--	--	--	0
Dental Insurance Premiums	--	--	--	--	--	0
Vision Insurance Premiums	3,340,000	--	--	3,340,000	3,340,000	2,550,000
Claim Development Expense	--	--	--	--	--	0
Prior Year Adjustment	--	--	--	--	--	0
Total Operating Expenditures	3,393,754	--	--	3,393,754	3,393,754	2,596,792
Net Increase/(Decrease)						
from Operations	6,246	--	--	6,246	6,246	203,208
Non Operating Income/(Expense)						
Interest Income	20,000	--	--	20,000	20,000	17,500
Change in FMV	--	--	--	--	--	0
Realized Gain/(Loss)	--	--	--	--	--	0
GASB 68	--	--	--	--	--	
Interfund Transfer	--	--	--	--	--	0
Total Non Operating						
Income/(Expense)	20,000	\$ --	\$ --	20,000	20,000	17,500
Ending Cash	\$ 2,119,515					
Net Increase/(Decrease) in						
Net Position				26,246	\$ 26,246	\$ 220,708
				0 \$ 2,119,515	\$ 2,119,515	\$ 2,315,005

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
2017/2018 Budget

	<u>Budget</u> <u>2017/2018</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2017/2018</u> <u>Budget</u>	<u>2016/2017</u> <u>Budget</u>
Audited - Beginning Net Position, as of 07/01/2017				\$ 650,067		
Beginning Cash and Investments	\$ 650,067				\$ 650,067	\$ 193,468
Operating Revenue:						
Premiums Paid by Members	\$ 1,315,098	\$ --	\$ --	\$ 1,315,098	\$ 1,315,098	\$ 1,343,891
Total Operating Revenue	1,315,098	--	--	1,315,098	1,315,098	1,343,891
Operating Expenditures:						
Classified Salaries	17,974	--	--	17,974	17,974	17,877
Statutory Benefits	4,296	--	--	4,296	4,296	4,190
Health & Welfare	1,950	--	--	1,950	1,950	1,950
Employer Tax Expense	264	--	--	264	264	258
Net Pension Expense	2,516	--	--	2,516	2,516	
Telephone & Internet	350	--	--	350	350	250
Supplies Office	200	--	--	200	200	250
Supplies - Other	125	--	--	125	125	250
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,100	--	--	1,100	1,100	1,000
Mileage	425	--	--	425	425	425
Dues & Memberships	75	--	--	75	75	75
Postage & Meter	--	--	--	--	--	--
Insurance Expense-NCR	1,152,652	--	--	1,152,652	1,152,652	1,231,445
Utility - Operating-Rent	1,876	--	--	1,876	1,876	1,687
Advertising	100	--	--	100	100	100
Contract Services - Actuarial	425	--	--	425	425	
Contract Services -PL-Investigation	--	--	--	--	--	--
Contract Services-PL-Legal	--	--	--	--	--	--
Audit Fees	740	--	--	740	740	675
Other Services/Operating Expenses	500	--	--	500	500	250
Capital Equipment/Depreciation	125	--	--	125	125	100
Repairs & Maintenance	175	--	--	175	175	250
Legal	100	--	--	100	100	100
Accounting Services	750	--	--	750	750	750
County Courier	200	--	--	200	200	175
Shredding	75	--	--	75	75	50
Copier & Scanner	100	--	--	100	100	100
Claims Administration Services	--	--	--	--	--	20,000
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	50,000	--	--	50,000	50,000	80,000
Safety Inspection	12,445	--	--	12,445	12,445	12,445
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(10,000)	--	--	(10,000)	(10,000)	(30,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	1,239,538	--	--	1,239,538	1,239,538	1,344,652
Net Increase/(Decrease)						
from Operations	75,560	--	--	75,560	75,560	(761)
Non Operating Income/(Expense)						
Interest Income	1,500	--	--	1,500	1,500	750
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating						
Income/(Expense)	1,500	\$ --	\$ --	1,500	1,500	750
Ending Cash	\$ 727,127					
Net Increase/(Decrease) in						
Net Position				77,060	77,060	(11)
				0 \$ 727,127	\$ 727,127	\$ 193,457

Alameda County Schools Insurance Group (ACSIG)
Operations
2017/2018 Budget

	Cash Activity			Balance		
	2017/2018			Year	2017/2018	2016/2017
	1/0/00	Allocations	Change in	to Date	Budget	Budget
			Accruals			
Audited - Beginning Net Position, as of 07/01/2017				\$ --		
Beginning Cash and Investments	\$				\$ --	\$ --
Operating Revenue:						
Offset to Rent - Sub Lease	\$	\$	\$ --	\$ --	\$	\$
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries						--
Statutory Benefits						--
Health & Welfare						--
Employer Tax Expense						--
Telephone & Internet						--
Supplies Office						
Supplies - Other						
Eligibility Processing						--
Brokerage Fees-Dental-ACSIG						--
Brokerage Fees-Dental-MD						--
Travel and Conferences						--
Mileage						--
Dues & Memberships						--
Postage & Meter						--
Insurance Expense						--
Utility - Operating-Rent						--
Advertising						--
Contract Services - Actuarial						--
Contract Services -PL-Investigation						--
Contract Services-PL-Legal						--
Audit Fees						--
Other Services/Operating Expenses						--
Capital Equipment/Depreciation						
Repairs & Maintenance						
Legal						
Accounting Services						
County Courier						
Shredding						--
Copier & Scanner						--
Claims Administration Services						--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	--	--	--	--	--	--
Net Increase/(Decrease)						
from Operations	--	--	--	--	--	--
Non Operating Income/(Expense)						
Interest Income					--	
Change in FMV					--	
Realized Gain/(Loss)					--	
Interfund Transfer & YE Close						
Total Non Operating						
Income/(Expense)	--	\$ --	\$ --	--		--
Ending Cash	\$ --					
Net Increase/(Decrease) in						
Net Position				\$ --	\$ --	\$ --
				0 \$ --	\$ --	\$ --

				Statutory	Employer Tax Expense
Kimberly (moves to Longevity II)	salary & benefits	\$ 179,740.36	\$ 19,500.00	\$ 42,955.08	\$ 2,640.35
	50% dental	\$ 89,870.18	\$ 9,750.00	\$ 21,477.54	\$ 1,320.18
	30% wc	\$ 53,922.11	\$ 5,850.00	\$ 12,886.53	\$ 792.11
	10% vision	\$ 17,974.04	\$ 1,950.00	\$ 4,295.51	\$ 264.04
	10% p/l	\$ 17,974.04	\$ 1,950.00	\$ 4,295.51	\$ 264.04
Celina	salary & benefits	\$ 71,311.20	\$ 19,500.00	\$ 13,596.44	\$ 835.74
	80 % dental	\$ 57,048.96	\$ 15,600.00	\$ 10,877.15	\$ 668.59
	10% wc	\$ 7,131.12	\$ 1,950.00	\$ 1,359.64	\$ 83.57
	10% vision	\$ 7,131.12	\$ 1,950.00	\$ 1,359.64	\$ 83.57
Amy	100% COBRA Dental	\$ 29,986.80	\$ 9,750.00	\$ 5,941.96	\$ 365.24
***assumes 3.5% salary increase					
Telephone & Internet	\$ 7,000.00				
Supplies Office	\$ 4,000.00				
Supplies - Other	\$ 2,500.00				
Eligibility Processing					
Brokerage Fees-Dental-ACSIG					
Brokerage Fees-Dental-MD					
Travel and Conferences	\$ 22,000.00				
Mileage	\$ 8,500.00				
Dues & Memberships	\$ 1,500.00				
Postage & Meter	\$ 5,500.00				
Insurance Expense-PIPS&NCR					
PIPS payroll adjustment					
Utility - Operating-Rent	\$ 37,512.00				
Advertising	\$ 2,000.00				
Contract Services	\$ 8,500.00				
Contract Services -PL-Investigation					
Contract Services-PL-Legal					
Audit Fees	\$ 14,800.00				
Other Services/Operating Expenses	\$ 10,000.00				

(this is 95% dental)

Capital Equipment/Depreciation	\$ 2,500.00
Repairs & Maintenance	\$ 3,500.00
Legal	\$ 2,000.00
Accounting Services	\$ 15,000.00
County Courier	\$ 4,000.00
Shredding	\$ 1,500.00
Copier & Scanner	\$ 15,000.00

(this is 95% dental)

\$ 167,312.00

pensionn liability	WC	DENTAL	VISION	PL
\$ 25,163.65				
\$ 12,581.83	\$ 92,522.53	\$ 259,686.58	\$ 38,522.64	\$ 26,999.94
\$ 7,549.10				
\$ 2,516.37				
\$ 2,516.37				
\$ 9,983.57				
\$ 7,986.85				
\$ 998.36				
\$ 998.36				
\$ 4,198.15				

	15%		75%		10%		5%
\$	1,050.00	\$	5,250.00	\$	700.00	\$	350.00
\$	600.00	\$	3,000.00	\$	400.00	\$	200.00
\$	375.00	\$	1,875.00	\$	250.00	\$	125.00
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	3,300.00	\$	16,500.00	\$	2,200.00	\$	1,100.00
\$	1,275.00	\$	6,375.00	\$	850.00	\$	425.00
\$	225.00	\$	1,125.00	\$	150.00	\$	75.00
\$	100.00	\$	4,950.00	\$	150.00		
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	5,626.80	\$	28,134.00	\$	3,751.20	\$	1,875.60
\$	300.00	\$	1,500.00	\$	200.00	\$	100.00
\$	1,275.00	\$	6,375.00	\$	850.00	\$	425.00
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	2,220.00	\$	11,100.00	\$	1,480.00	\$	740.00
\$	1,500.00	\$	7,500.00	\$	1,000.00	\$	500.00

\$ 375.00	\$ 1,875.00	\$ 250.00	\$ 125.00
\$ 525.00	\$ 2,625.00	\$ 350.00	\$ 175.00
\$ 300.00	\$ 1,500.00	\$ 200.00	\$ 100.00
\$ 2,250.00	\$ 11,250.00	\$ 1,500.00	\$ 750.00
\$ 600.00	\$ 3,000.00	\$ 400.00	\$ 200.00
\$ 225.00	\$ 1,125.00	\$ 150.00	\$ 75.00
\$ 250.00	\$ 14,250.00	\$ 400.00	\$ 100.00



Alameda County Schools Insurance Group

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Employee Compensation

Enclosed please find the existing salary schedule for the Alameda County Schools Insurance Group (ACSIG). ACSIG currently has an Executive Director, one (1) full time Administrative Assistant Position and a .5 FTE Benefit Technician.

ACSIG staff salary requests are annually reviewed in conjunction with the salary increases negotiated throughout Alameda County. Attached is a worksheet that shows those Alameda County districts that have settled and the increases negotiated.

With the financial picture for many within California and Alameda County continuing to improve this year, the staff is requesting consideration of a 2.0% salary schedule increase. The total cost of this would be \$6,615.

This item will be discussed at the meeting.

8 of the members have settled negotiations for the 2016-17 Fiscal Year.
 The average increase of these members was 2.00%
 The ACSIG Staff respectfully request a 2.0% salary increase for 2016-17.

Annual Cost of 2.0% Salary Increase

	Salary	Benefits	Total
Kimberly	\$ 3,263.26	\$ 729.34	\$ 3,992.60
Celina	\$ 1,143.59	\$ 255.59	\$ 1,399.18
Amy	\$ 999.55	\$ 223.40	\$ 1,222.95
TOTAL	<u>\$ 5,406.40</u>	<u>\$ 1,208.33</u>	<u>\$ 6,614.74</u>

ALAMEDA COUNTY OFFICE OF EDUCATION

Negotiations Update - CONFIDENTIAL

2003/04 - through - 2010/11

District	Negotiations 2016-17	Negotiations 2017-18	Negotiations
<i>Alameda</i>			
<i>Albany</i>	.52083% annualized (1.25% effective 2/1/17)		
<i>Castro Valley</i>			
<i>Dublin</i>			
<i>Emery</i>			
<i>Fremont</i>	2%		
<i>Livermore</i>	3.25%		
<i>Mtn. House</i>			
<i>New Haven</i>	5%		
<i>Newark</i>			
<i>Piedmont</i>	1.50%		
<i>Pleasanton</i>	.85% off schedule		
<i>San Leandro</i>	2.50%		
<i>San Lorenzo</i>	0.4167% annualized (1% effective 2/1/17)		
<i>Sunol</i>			
Average	2.00%		

ACSIG Salary Schedule
2015/2016

	1	2	3	4	5
Claims Assistant	\$41,117	\$43,173	\$45,332	\$47,598	\$49,978
Claims Examiner	\$64,468	\$67,691	\$71,076	\$74,630	\$78,363
Executive Assistant to Executive Director	\$50,733	\$52,833	\$54,981	\$57,180	\$59,426
Clerical/Office Assistant	\$16.00				
Claims Asst. Hourly	\$19.77	\$20.76	\$21.79	\$22.88	\$24.03
Claims Exam. Hourly	\$30.99	\$32.54	\$34.17	\$35.88	\$37.67
Admin Asst. Hourly	\$24.39	\$25.40	\$26.43	\$27.49	\$28.57

ACSIG Salary Schedule
2016/2017
with 2.0% increase

	1	2	3	4	5
Claims Assistant	\$41,939	\$44,036	\$46,239	\$48,550	\$50,977
Claims Examiner	\$65,757	\$69,045	\$72,497	\$76,123	\$79,930
Executive Assistant to Executive Director	\$51,748	\$53,890	\$56,081	\$58,323	\$60,615

Clerical/Office Assistant	\$16.32				
Claims Asst. Hourly	\$20.16	\$21.17	\$22.23	\$23.34	\$24.51
Claims Exam. Hourly	\$31.61	\$33.19	\$34.85	\$36.60	\$38.43
Admin Asst. Hourly	\$24.88	\$25.91	\$26.96	\$28.04	\$29.14

Alameda County Schools Insurance Group

Executive Director Pay Schedule

2015/2016

	Step 1	Step 2	Step 3	Step 4
Annual	\$140,262	\$144,760	\$149,258	\$153,756
Monthly	\$11,688.51	\$12,063.29	\$12,438.17	\$12,813.04

Effective July 1, 2014

Move to Longevity I after 3 years on Step 4

Move to Longevity II after 3 years on Longevity II

Move to Longevity III after 3 years on Longevity II

2016/17

with 2% increase

	Step 1	Step 2	Step 3	Step 4
Annual	\$143,067	\$147,655	\$152,243	\$156,832
Monthly	\$11,922.28	\$12,304.56	\$12,686.93	\$13,069.30

Longevity I	Longevity II	Longevity III
\$158,389	\$163,163	\$168,081
\$13,199.12	\$13,596.90	\$14,006.66

Longevity I	Longevity II	Longevity III
\$161,557	\$166,426	\$171,442
\$13,463.11	\$13,868.84	\$14,286.79



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Strategic Planning 2017

The Executive Committee will discuss options for the 2017 Strategic Planning session.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Investment Policy

In order to stay in compliance with CAJPA accreditation standards, the written investment policy must be reviewed annually by the Executive Committee. No changes are proposed to this policy.

The policy will be reviewed by the Executive Director at the meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: INVESTMENT OF FUNDS

1.0 POLICY

It shall be the policy of Alameda County Schools Insurance Group (Authority), that the Executive Committee shall have the power to invest or cause to be invested in compliance with Section 6509.5 of the California Government Code such funds as are not necessary for the immediate operation of the Schools Insurance Group in such securities as allowed by Section 53601 of the California Government Code.

The amount of money to be retained for the day-to-day operation of the Schools Insurance Group shall be determined by the Executive Committee.

All funds shall be invested in a manner which will 1) preserve principal; 2) meet the Authority's daily cash flow needs; and 3) optimize returns while conforming to all federal, state, and local statutes governing the investment of public funds. The Authority's investment portfolio shall be a suitable blend of investment strategies which achieve the desired objectives of the Authority as stated above.

2.0 SCOPE

This investment policy applies to all financial assets of the Authority. These funds are accounted for in the Authority's annual financial report and include:

2.1 Funds

- 2.1.1 Dental
- 2.1.2 Operations
- 2.1.3 Property/Liability
- 2.1.4 Workers' Compensation
- 2.1.5 Vision

3.0 PRUDENCE

Investments shall be made with same judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

The standard of prudence to be used by the Authority's investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Investment Committee, acting in accordance with written procedures and their 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 in a timely fashion and appropriate action is taken to control adverse developments. The Executive Committee serves as the Investment Committee.

4.0 OBJECTIVE

The primary objectives, in priority order, of the Authority's investment activities shall be:

4.1 Liquidity

The Authority's investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which can be reasonably anticipated.

4.2 Safety

Safety of principal is a primary objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.3 Return on Investment

The Authority's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the Authority's investment program is derived from Government Code Sections 53601 & 53601.1. In accordance with Government Code Section 53607, Management responsibility for the investment program is hereby delegated to the Executive Committee, subject to annual review. The Executive Committee shall establish written investment program consistent with this investment policy.

Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such

procedures shall include explicit delegation of authority to persons responsible for investment transactions, except as provided under the terms of this

POLICY: 3.2
Investment Policy
Page 3 of 5

policy, and the procedures established by the Executive Committee. The Executive Committee shall be responsible for all transactions undertaken and shall establish a system of control to regulate the activities of subordinate officials.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees 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. Employees and investment officials shall disclose to the Governing Board of Directors, any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Authority particularly with regard to the time of purchases and sales.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The ACSIG treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1. No public deposit shall be made except in a qualified public depository as established by state laws. All financial institutions and/or broker/dealers who desire to be placed on the list of financial institutions for investment transactions must supply the Treasurer with the following: 1.) audited financial statements, 2.) proof of National Association of Security Dealers certification, 3.) trading resolution, 4.) proof of state registrations, 5.) complete broker/dealer questionnaire, 6.) certification of having read Authority's investment policy and depository contracts). A current audited financial statement is required to be on file for each financial institution and broker/dealer through which ACSIG invests.

8.0 AUTHORIZED & SUITABLE INVESTMENTS

Deposit up to a maximum of 30% of the portfolio, b.) Repurchase Agreements, c.) Reverse Repurchase Agreement, d.) Corporate Obligations up to a maximum of 30% of the portfolio, e.) Money Market Accounts, f.) Local Agency Investment Fund, g.) County Treasurer. Securities eligible for investment shall be rated "A" or better at the time of

purchase. *If an investment is subsequently downgraded below "A" the Executive Director shall notify the Executive Committee upon learning of the downgrade. After review, the Executive Director shall make a recommendation to the

POLICY: 3.2
Investment Policy
Page 4 of 5

Executive Committee and a determination shall be made as to the action to be taken at either a special meeting or regular Executive Committee meeting.

9.0 COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. The entity chooses to limit collateral to the following:

- Treasuries under ten years
- Agencies under ten years
- A1/P1 Commercial Paper/Bankers Acceptance

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Authority and retained. The right of collateral substitution is granted.

10.0 SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Executive Committee and evidenced by safekeeping receipts.

11.0 DIVERSIFICATION

The Authority will diversify its investments by security type, maturity, and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution.

12.0 MAXIMUM MATURITIES

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. In accordance with Government Code Section 53601, the Board of

Directors authorizes investments in U.S. Treasuries or Agencies of up to 20% of the investment portfolio in maturities over 5 years but not over 7 years. Any investment with a maturity over 5 years must be approved by two members of the Executive Committee.

POLICY: 3.2
Investment Policy
Page 5 of 5

13.0 INTERNAL CONTROL

A system of internal controls shall be established and documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, misrepresentation of third parties, or imprudent actions by ACSIG employees or officers.

14.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the Authority's investment risk constraints and cash flow needs.

14.1 Market Yield (Benchmark)

The Authority's investment strategy is passive. Given this strategy, the basis used by the Executive Committee to determine whether market yields are being achieved shall be the six-month U.S. Treasury Bill and the average Fed Funds rate.

15.0 REPORTING

The Executive Director shall submit a quarterly report to the Board which complies with the requirements of Government Code Sections 53646 (b) and (c). Reports will include performance, market sector breakdown, interest earnings, portfolio market value, etc.

16.0 INVESTMENT POLICY ADOPTION

The Authority's investment policy shall be adopted by the Board of Directors. The Policy shall be reviewed on an annual basis by the Executive Committee and any modifications made thereto must be approved by the Board of Directors.

APPROVED: 12/11/08
REVISED:
REVIEWED: 05/22/14



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Conflict of Interest

In order to stay in compliance with CAJPA accreditation standards, the written conflict of interest policy must be reviewed annually by the Executive Committee. No changes are proposed to this policy.

The policy will be reviewed by the Executive Director at the meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
POLICY AND PROCEDURES MANUAL

SUBJECT: CONFLICT OF INTEREST

POLICY

The Political Reform Act, Government Code Sections 81000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of a standard Conflict of Interest Code, that can be incorporated by reference in an agency's code and that may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, shall constitute the Conflict of Interest Code of the Alameda County Schools Insurance Group.

Designated employees shall file their statements with the Executive Director of Alameda County Schools Insurance Group who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008). Statements for all designated employees will be retained by the agency.

CONFLICT OF INTEREST CODE FOR
ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

APPENDIX

DESIGNATED OFFICERS/EMPLOYEES
CATEGORIES

DISCLOSURE

Board of Directors (Except Executive Committee)	All
Board Alternates	All
All Agency Management Staff:	All
General Counsel	All
Insurance Broker	All
Claims Examiner(s)	All

DISCLOSURE CATEGORIES

1. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) of the type to contract with the Authority to supply materials, services, commodities, supplies, books, machinery, vehicles or equipment utilized by the Authority.
2. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) which are contractors or subcontractors, engaged in the performance of work or services of the type utilized by the Authority, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents, or accounting firms.
3. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) which have filed claims, or have claims pending against the Authority.
4. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) from banks or savings and loans.

5. Investments and business positions in, and income (including gifts, loans and travel payments) from, entities in which the Authority is empowered to invest its funds.
6. Interest in commercial real property (or interests in real property used for commercial leasing purposes).

*With respect to Consultants, the Executive Director may determine in writing that a particular consultant, although a "designated person," is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirements described in this Section. Such determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. A copy of this determination shall be retained by Alameda County Schools Insurance Group. Nothing herein excuses any such consultant from any other provision of the Conflict of Interest Code.

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

The following positions are not covered by the code because they must file under section 87200 and, therefore, are listed for informational purposes only:

Executive Director
Executive Committee of the Board

An individual holding one of the above listed positions may contact Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

WRITTEN EXPLANATION OF REASONS FOR
DESIGNATIONS AND DISCLOSURE RESPONSIBILITIES
ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

DESIGNATIONS

The position of Board of Directors including Executive Committee, Board Alternate, Executive Director, all Agency Managers, and Consultants have been designated as those positions subject to the provisions of the Conflict of Interest Code in that those positions are the only positions which have any substantial responsibility relative to the Alameda County Schools Insurance Group (hereinafter referred to as ACSIG) decision-making process or policy. The term consultant includes the insurance brokers and the general counsel even though said positions are separately specified as well.

DISCLOSURE RESPONSIBILITIES

The categories relative to the types of interests that must be disclosed are based upon the types of financial interest relevant to the ACSIG business which is confined to providing various types of insurance coverage to local public entities.

DECLARATION OF CHIEF EXECUTIVE OFFICER FOR
Alameda County Schools Insurance Group

The proposed Conflict of Interest Code specifically enumerates each of the positions within the agency which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest.

Date

Signature on File
Executive Director

Approved
Revised

12/11/08

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
PRIMARY PROPERTY/LIABILITY PROGRAM
SELF-INSURED LAYER (MRL)
CERTIFICATE OF COVERAGE

ITEM 1....COVERED PARTY: ALAMEDA COUNTY OFFICE OF EDUCATION
ALBANY UNIFIED SCHOOL DISTRICT
DUBLIN UNIFIED SCHOOL DISTRICT
EMERY UNIFIED SCHOOL DISTRICT
PIEDMONT UNIFIED SCHOOL DISTRICT

ITEM 2....COVERAGE PERIOD: From 12:01 am, July 1 local time to 12:00 am
June 30 local time of the coverage year as dictated in Excess Layer MOC.

ITEM 3...STATE: California

ITEM 4...LIMITS OF INDEMNITY: \$25,000 per occurrence

The Authority's limit of indemnity, includes pooled limits that apply to all Members and all Covered Parties combined for all losses as a result of any one occurrence.

ITEM 5...RETENTION AND INDEMNITY:

As respects loss which the Covered Party sustains as a result of each occurrence, the Primary Property/Liability Program shall be responsible for all covered losses and agrees to pay on behalf of the Covered Party for losses within the amount of the limits stated under Item 4. The Primary Property/Liability Program agrees to satisfy, on behalf of the Covered Party, all Terms and Limitations of Coverage and General Conditions as defined within the NCR Memorandum of Coverage.

ITEM 6...COVERAGE AFFORDED:

Coverage is provided for the Covered Party in accordance with the NCR Memorandum of Coverage adopted by the Covered Party including any subsequent amendments thereto. Terms and Conditions of coverage in the Program are identical to that which is provided to NCR members as outlined in the NCR Memorandum of Coverage unless otherwise expressly stated herein.

ITEM 7...ADMINISTRATION OF CLAIMS

The administration of claims is the responsibility of the Primary Property/Liability Program. The responsibilities of the Covered Party are outlined in the ACSIG Policy and Procedure Manual.

ITEM 8...CANCELLATION

Cancellation of this coverage shall be in accordance with the terms and conditions set forth in the ACSIG Bylaws and the applicable provisions of the Joint Powers Agreement.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Authorization of Signatures

In order to stay in compliance with CAJPA accreditation standards, the ACSIG Executive Committee must designate those authorized to sign documents on behalf of the JPA. Currently, only the Executive Director is the only authorized signer. No changes are proposed to this procedure.

The procedure will be reviewed by the Executive Director at the meeting.



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: 2017/2018 Draft Calendar

Enclosed is a draft calendar for the 2017/2018 fiscal year. We try to coordinate our full Board meetings with the monthly CBO meeting, however, that calendar has not been finalized. We have coordinated with the County Office of Education to avoid duplicating meeting dates and any foreseen conflicts.

Please check these dates at your earliest convenience and notify Celina Flotte of any conflicts.



2017/ 2018 Calendar (DRAFT)

November 2, 2017	Executive Committee	9:00am – 12:00pm
November 9, 2017	Joint Full Board Lunch will be served	12:00pm – 3:00pm
December 14, 2017	Executive Committee	9:00am – 12:00pm
February 15, 2018	Executive Committee	9:00am – 12:00pm
May 10, 2018	Executive Committee	9:00am – 12:00pm
May 17, 2018	Joint Full Board Lunch will be served	12:00pm – 3:00pm



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 11, 2017

SUBJECT: Posting and Mailing Address

As a matter of administration and in order to stay in compliance with CAJPA accreditation standards, the official ACSIG mailing and posting address must be reviewed and approved annually. No changes are proposed to this policy. The mailing and posting address for the JPA are:

Alameda County Schools Insurance Group
5776 Stoneridge Mall Road, Suite 130
Pleasanton, CA 94588