



Alameda County Schools Insurance Group

Full Board Meeting

May 17, 2018

12:00PM – 3:00PM

Alameda County Office of Education

313 W. Winton Ave.

Hayward, CA 94544



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

AGENDA Full Board

Date: Thursday, May 17, 2018
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

Conference Call

Dial-in instructions: 888-240-3210, access code 5912465#

I. Call to order 12:00 PM

II. Roll call

Board Members

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Bryan Richards	Secretary	Newark USD
Teresa Kapellas	Board Member	Alameda County Office of Education
Shariq Khan	Board Member	Alameda Unified School District
Douglas Crancer	Board Member	Albany Unified School District
Suzy Chan	Board Member	Castro Valley USD
Joe Sorrera	Board Member	Dublin Unified School District
Marites Fermin	Board Member	Eden Area ROP
Dora Siu	Board Member	Emery Unified School District
Raul Parungao	Board Member	Fremont USD
Joyce Veasley	Board Member	Mission Valley ROP
Vicki Hu	Board Member	Mountain House USD
Song Chin-Bendib	Board Member	Piedmont Unified School District
Micaela Ochoa	Board Member	Pleasanton Unified School District
Kevin Collins	Board Member	San Leandro Unified School District
Madeline Gabel	Board Member	San Lorenzo Unified School District
Miki Whetfield	Board Member	Sunol Glen Unified School District
Julie Duncan	Board Member	Tri-Valley ROP

Kimberly Dennis	Executive Director	ACSIG
Celina Flotte	Executive Assistant	ACSIG
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
Laurena Grabert	Guest	SETECH

III. Acceptance of the Agenda

The Full Board will vote on the acceptance of the agenda.

IV. 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

Consent Calendar

Review Items listed on the consent agenda for any adjustments and adoptions.

- Executive Committee Minutes from February 8, 2018
- 2nd Quarter Financials
- 2nd Quarter Investment Report
- Investment Policy
- Conflict of Interest Code
- Authorization of Signatures
- Posting and Mailing Address

General

V. Third Quarter Financials

Laurena Grabert from SETECH will present the 2017/18 Third Quarter Financial statements.

Recommendation: For action

VI. Third Quarter Investment Report

The Executive Director will review the 2017/18 Third Quarter Investment Report with the Board.

Recommendation: For action

VII. 2018/2019 Budget

The Executive Director will present the 2018/19 Budget.

Recommendation: For action

Dental

VIII. Dental Rates 2018/2019

The Executive Director will present the 2018/19 Dental program proposed rate changes.

Recommendation: For action

Vision

IX. Vision Rates 2018/2019

The Executive Director will present the 2018/19 Vision program proposed rate changes.

Recommendation: For action

Property & Liability

X. Property & Liability Rates 2018/2019

The Executive Director will present 2018/19 Property and Liability rates.

Recommendation: For action

XI. PLCA Agreement Renewal

The Executive Director will present the renewal contract for Property and Casualty Claims Administration Services.

Recommendation: For action

Workers Compensation

XII. Claims Audit

The Executive Director will present the 2018 results from the USI claims audit.

Recommendation: For action

XIII. Actuarial Study - Ultimate Loss

The Executive Director will present the February 2018 Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program.

Recommendation: For action

XIV. Actuarial Study – Ex-Mods

The Executive Director will present the February 2018 Actuarial Study that determines the 2018/19 program year experience modification factor.

Recommendation: For action

XV. Workers Compensation Rates 2018/2019

The Executive Director will present 2018/19 Workers Compensation rates.

Recommendation: For action

XVI. Informational Report for Fiscal Year End

Laurena Grabert from SETECH will present the 2018/2019 Informational Report for the Fiscal Year Ended June 30, 2017.

Recommendation: For information

XVII. 5 Year Point in Time Comparison

A representative from Keenan & Associates will discuss the top 10% of claim frequency filing districts and any challenges presently in the workers compensation world.

Recommendation: For discussion

Administrative

XVIII. Election of Executive Committee

Due to Allan Garde, Annette Heldman, Susan Kinder, and Bryan Richard's terms expiring, the Full Board will vote on the election of four representatives to the Executive Committee.

Recommendation: For action

XIX. ACSIG Salaries & Benefits

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

Recommendation: For action

XX. Meeting Calendar

The Full Board will review the 2018/19 calendar and will be asked for a recommendation to the Full Board.

Recommendation: For action

XXI. Future Planning

XXII. Adjournment



LOCATION CALL- IN SHEET
ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
FULL BOARD MEETING

May 17, 2018
8:45 AM

1) Enter call-in number (888) 240-3210 2) Enter Participation Code 5912465# 3) 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:

Alameda County Office of Education

313 W Winton Ave.
Hayward, CA 94544
Teresea Kapellas (510) 670-4270

Alameda Unified School District

2060 Challenger Drive #100
Alameda, CA 94501
Shariq Khan (510) 337-7066

Albany Unified School District

1051 Monroe Street
Albany, CA 94706
Douglas Crancer (510) 558-3751

Castro Valley Unified School District

4400 Alma Avenue
Castro Valley, CA 94546
Suzy Chan (510) 537-3000

Dublin Unified School District

7471 Lakedale Avenue
Dublin, CA 94568
Joe Sorrera (925) 828-2551

Eden Area ROP

26316 Hesperian Blvd.
Hayward, CA 94545
Marites Fermin (510) 293-2906

Emery Unified School District

1275 61st Street
Emeryville, CA 94608
Dora Siu (510) 601-4905

Fremont Unified School District

4210 Technology Drive
Fremont, CA 94539
Raul Parungao (510) 659-2572

Livermore Unified School District

685 East Jack London Blvd.
Livermore, CA 94501
Susan Kinder (925) 606-3255

Mission Valley ROP

5019 Stevenson Blvd.
Fremont, CA 94538
Joyce Veasley (510) 657-1865

Mountain House School District

3950 Mountain House Road
Byron, CA 94546
Vickie Chang (510) 670-4192

New Haven Unified School District

34200 Alvarado-Niles Rd.
Union City, CA 94587
Annette Heldman (510) 471-1100

Newark Unified School District

5715 Musick Avenue
Newark, CA 94560
Bryan Richards (510) 818-4115

Piedmont Unified School District

760 Magnolia Ave
Piedmont, CA 94611
Song Chin-Bendib (510) 594-2608

Pleasanton Unified School District

4665 Bernal Ave
Pleasanton, CA 94566
Micaela Ochoa (925) 426-4307

San Leandro Unified School District

14735 Juniper Street
San Leandro, CA 94579
Kevin Collins (510) 667-3504

San Lorenzo Unified School District

15510 Usher Street
San Lorenzo, CA 94580
Madeline Gabel (510) 317-4641

Sunol Glen School District

11601 Main Street
Sunol, CA 94586
Miki Whetfield (925) 862-2026

Tri-Valley ROP

1040 Florence Road
Livermore, CA 94550
Julie Duncan (925) 455-4800

Consent Calendar



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

MINUTES Executive Committee

Date: Thursday, February 8, 2018
Time: 9:30AM
Location: Alameda County Office of Education
 313 W. Winton Ave.
 Hayward, CA 94544

I. Annette Heldman called the meeting to order at 9:28am

II. Roll call

Executive Committee Members

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Bryan Richards	Secretary	Newark USD
Joe Sorrrera	Board Member	Dublin USD
Raul Parungao	Board Member	Fremont USD
Kevin Collins	Board Member	San Leandro USD
Mei Chan	Educator	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
Hesam Fayaz	Guest	SETECH

III. Acceptance of the Agenda

It was moved by Kevin Collins and seconded by Bryan Richards to approve the agenda as presented.

Ayes: Heldman, Kinder, Richards, Sorrera Parungao, Collins

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:30am.

A. Settlement Authorization

- **Claim Numbers:**

2203078 Olson

B. Settlement Notification

- **Claim Numbers:**

428895	VanDenburg	517263	Elliott	527510	Compton
436007	Ulloa	518456	Henry-Ellis	529346	Abuhwaidi
458936	Carrion	519257	Zupo	529439	Stanley
487842	Flores	520623	Friend	530484	Benzien
501334	Cunha	521363	Spranza	531352	North
501349	Sablan	522573	Lockwood w	536343	Abuhwaidi
502269	Navarro	524581	Wagner	539136	Canlas
509544	Samson	525487	Cilibrasi	2509361	Galvan

Open Session

Open session began at 9:42am.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

The Committee approved adding an addition \$50,000 to claim number 2203078 for negotiations — making the total settlement amount up to \$200,000.

It was moved by Susan Kinder and seconded by Raul Parungao to approve the new settlement amount.

Ayes: Heldman, Kinder, Richards, Sorrer, Parungao, Collins

Nays: None

Abstain: None

VII. Approval of Minutes

It was moved by Susan Kinder and Bryan Richards to approve the meeting minutes from the November 2, 2017 Executive Committee and November 9, 2017 Full Board Meetings.

It was moved by Susan Kinder and seconded by Bryan Richards to approve the meeting minutes.

Ayes: Heldman, Kinder, Richards, Parungao, Collins

Nays: None

Abstain: Sorrer

Workers Compensation

VIII. USI Consulting Agreement

The Executive Director presented the USI Agreement to the Executive Committee.

It was moved by Raul Parungao and seconded by Susan Kinder to approve the agreement.

Ayes: Heldman, Kinder, Richards, Sorrer, Parungao, Collins

Nays: None

Abstain: None

IX. Keenan Loss Control Contract

The Executive Director will presented the Loss Control Contract to the Committee.

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

Ayes: Heldman, Kinder, Richards, Sorrer, Parungao, Collins

Nays: None

Abstain: None

X. CastlePoint/ Reinsurance Update

Ron Martin of Keenan discussed the CastlePoint update with the Executive Committee. There are 4 claims that have paid amounts over the SIR. There are 2 claims that have been denied with paid amounts within ACSIGS's \$250,000 SIR and will exceed the SIR. Additionally there are 3 corresponding claimants that also have open claim files under PIPS for the same body part which could be constructed by CIGA that other coverage exists which may result in denial of coverage. There are 8 claims that are reserved more than the \$250,000 SIR for specific injuries and reimbursement is anticipated if the SIR is exceeded. The Committee suggests that names and claim numbers are removed for the public eye.

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.

MEMBER	NEW EX-MOD 12/31/17	OLD EX-MOD 12/31/16
ACOE	0.750	0.750
ALAMEDA	1.250	1.188
ALBANY	1.003	0.989
CASTRO VALLEY	0.884	1.078
DUBLIN	0.750	0.768
EDEN ROP	0.750	0.750
EMERY	0.750	0.750
FREMONT	0.836	0.917
LIVERMORE	1.109	1.092
MISSION ROP	0.750	0.750
MT. HOUSE	0.750	1.250
NEWARK	0.932	1.000
NEW HAVEN	1.128	1.076
PIEDMONT	0.750	0.750
PLEASANTON	1.134	0.920
SAN LEANDRO	1.250	1.115
SAN LORENZO	1.250	1.250
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	0.750	0.750

It was moved by Raul Parungao and seconded by Bryan Richards to approve the ex-mods.
Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins
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 \$17,088,000 on

December 31, 2017 and project that it will be \$16,219,000 on June 30, 2018. The corresponding discounted values (at 1.75% interest) are \$14,850,000 and \$14,090,000.

It was moved by Bryan Richards and seconded by Kevin Collins to approve actuarial study.

Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins

Nays: None

Abstain: None

XIII. Preliminary 2018-2019 Workers' Compensation Rates

The Executive Director reviewed the changes proposed to the base rate. 2018-2019 base rate uses a calculation of PIPS rate + Administrative Costs + Self Insurance Fee + an Adjustment of \$1,500,000. The Committee recommends that the base rate be changed to 2.65.

This payroll adjustment resulted in a 6.31% increase to the Worker's Comp rate.

2018/2019 Workers' Compensation Rates

	2015/2016 Actual Payroll	2016/2017 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2018/2019 PREMIUM
ACOE	\$25,061,341	\$23,717,493	2.65	0.7500	1.99	\$471,385
ALAMEDA	\$68,660,947	\$70,301,878	2.65	1.2500	3.31	\$2,328,750
ALBANY	\$27,672,524	\$27,858,715	2.65	1.0030	2.66	\$740,471
CASTRO VALLEY	\$61,699,837	\$64,078,083	2.65	0.8840	2.34	\$1,501,093
DUBLIN	\$66,582,268	\$68,658,689	2.65	0.7500	1.99	\$1,364,591
EDEN ROP	\$3,885,140	\$4,583,000	2.65	0.7500	1.99	\$91,087
EMERY	\$5,695,727	\$5,808,634	2.65	0.7500	1.99	\$115,447
FREMONT	\$242,522,930	\$255,927,440	2.65	0.8360	2.22	\$5,669,817
LIVERMORE	\$78,864,191	\$84,264,612	2.65	1.1090	2.94	\$2,476,411
MISSION ROP	\$3,996,482	\$4,351,284	2.65	0.7500	1.99	\$86,482
MT. HOUSE	\$174,844	\$183,365	2.65	0.7500	1.99	\$3,644
NEWARK	\$43,428,226	\$43,509,192	2.65	0.9320	2.47	\$1,074,590
NEW HAVEN	\$82,394,985	\$89,658,169	2.65	1.1280	2.99	\$2,680,062
PIEDMONT	\$23,943,792	\$24,365,158	2.65	0.7500	1.99	\$484,258
PLEASANTON *	\$100,602,848	\$102,590,453	2.65	1.1340	3.01	\$3,082,946
SAN LEANDRO	\$60,732,865	\$63,320,230	2.65	1.2500	3.31	\$2,097,483
SAN LORENZO	\$74,342,651	\$78,240,528	2.65	1.2500	3.31	\$2,591,717
SUNOL GLEN	\$1,912,229	\$2,031,253	2.65	0.7500	1.99	\$40,371
TRI VALLEY ROP	\$3,200,723	\$2,121,140	2.65	0.7500	1.99	\$42,158
TOTAL PREMIUMS	\$975,374,549	\$1,015,569,318				\$26,942,761

Average Ex Mod	1.00000
-----------------------	----------------

Payrolls based upon 2016/2017 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

It was moved by Susan Kinder and seconded by Bryan Richards to approve preliminary workers compensation rates.

Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins

Nays: None

Abstain: None

XIV. Information Report for the Fiscal Year End

Hesam Feyaz from SETECH presented the Financial Management Information Report Ended June 30, 2017. 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 06/30/2017

Members	Sub-Total From Page 12	Program Years								Total
		2016/2017								
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	
Alameda COE	\$ (59,906)	2.03 %	\$ 168,226	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 108,320
Alameda	(500,101)	7.07	585,891	--	--	--	--	--	--	85,790
Albany	(78,329)	3.53	292,531	--	--	--	--	--	--	214,202
Castro Valley	(209,303)	6.27	519,595	--	--	--	--	--	--	310,292
Dublin	109,914	5.45	451,642	--	--	--	--	--	--	561,556
Eden ROP	(141,731)	0.37	30,662	--	--	--	--	--	--	(111,069)
Emery	(105,976)	0.48	39,778	--	--	--	--	--	--	(66,198)
Fremont	1,031,642	23.56	1,952,418	--	--	--	--	--	--	2,984,060
Livermore	(96,640)	9.10	754,117	--	--	--	--	--	--	657,477
Mission ROP	(66,772)	0.32	26,518	--	--	--	--	--	--	(40,254)
Mt. House	(4,698)	0.03	2,486	--	--	--	--	--	--	(2,212)
Newark	(363,411)	5.60	464,072	--	--	--	--	--	--	100,661
New Haven	(692,289)	8.32	689,479	--	--	--	--	--	--	(2,810)
Piedmont	(137,956)	1.90	157,453	--	--	--	--	--	--	19,497
Pleasanton	(192,168)	7.77	643,900	--	--	--	--	--	--	451,732
San Leandro	64,696	7.57	627,326	--	--	--	--	--	--	692,022
San Lorenzo	(850,125)	10.12	838,645	--	--	--	--	--	--	(11,480)
Sunol Glen	(14,166)	0.16	13,259	--	--	--	--	--	--	(907)
Tri Valley ROP	2,579	0.35	29,006	--	--	--	--	--	--	31,585
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
Totals	\$ (2,304,740)	100.00 %	\$ 8,287,004	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 5,982,264

General

XV. Second Quarter Financial Report

Hesam Fayaz from SETECH presented the 2017/2018 Second Quarter Financial Report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Workers Compensation	\$ 13,726,737	1,250,805	\$ 14,977,542
Dental	2,073,984	1,643,707	3,717,691
Vision	1,251,024	45,635	1,296,659
Property and Liability	1,234,912	(547,591)	687,321
Operations	238,251	(35,632)	202,619
Cash and Cash Equivalents	<u>\$ 18,524,908</u>	<u>2,356,924</u>	<u>\$ 20,881,832</u>
Investments Morgan Stanley - current	2,032,238	(1,463,395)	568,843
Accounts Receivable	7,827,985	1,247,705	9,075,690
Prepaid Expense	9,948	3,887,584	3,897,532
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>28,395,079</u>	<u>6,028,818</u>	<u>34,423,897</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,018,468	1,315,027	15,333,495
Capital - Equipment, net of depreciation	2,963	--	2,963
	<u>14,021,431</u>	<u>1,315,027</u>	<u>15,336,458</u>
Total Assets	<u>\$ 42,416,510</u>	<u>\$ 7,343,845</u>	<u>\$ 49,760,355</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>217,668</u>	<u>--</u>	<u>217,668</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,053,398	\$ 3,522,412	\$ 6,575,810
Prefunding deposits (2)	3,817,300	--	3,817,300
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,832,965	74	3,833,039
Subtotal Current Liabilities	<u>10,703,663</u>	<u>3,522,486</u>	<u>14,226,149</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,245,110	(321,661)	13,923,449
Unallocated Loss Adjustment Expense (ULAE)	1,365,838	--	1,365,838
Subtotal Noncurrent Claim Liabilities	<u>15,610,948</u>	<u>(321,661)</u>	<u>15,289,287</u>
Net Pension Liability (NPL)	586,196	--	586,196
Total Liabilities	<u>\$ 26,900,807</u>	<u>\$ 3,200,825</u>	<u>\$ 30,101,632</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>128,507</u>	<u>--</u>	<u>128,507</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	15,601,901	4,143,020	19,744,921
Designated - Capital Assets	2,963	--	2,963
Total Net Position	<u>\$ 15,604,864</u>	<u>\$ 4,143,020</u>	<u>\$ 19,747,884</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 42,416,510</u>	<u>\$ 7,343,845</u>	<u>\$ 49,760,355</u>

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is an 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)
Workers' Compensation
2018/2019 Budget**

	Budget 2018/2019 0	Allocations	Change in Accruals	Balance Year to Date	2018/2019 Budget	2017/2018 Budget	2016/2017 Actuals
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	13,726,737
Operating Revenue:							
Premiums Paid by Members	\$ 26,942,761	\$ --	\$ --	\$ 26,942,761	\$ 26,942,761	\$ 26,712,774	28,264,266
PIPS Contribution Adjustment	--	--	--	--	--	--	247
Total Operating Revenue	26,942,761	--	--	26,942,761	26,942,761	26,712,774	28,264,513
Operating Expenditures:							
Classified Salaries	67,417	--	--	67,417	67,417	61,053	61,858
Statutory Benefits	24,985	--	--	24,985	24,985	14,246	23,208
Health & Welfare	15,800	--	--	15,800	15,800	7,800	14,111
Employer Tax Expense	1,121	--	--	1,121	1,121	876	934
Net Pension Expense	15,787	--	--	15,787	15,787	8,547	14,326
Telephone & Internet	1,050	--	--	1,050	1,050	1,050	957
Supplies Office	600	--	--	600	600	600	251
Supplies - Other	375	--	--	375	375	375	292
Utility - Rent	6,077	--	--	6,077	6,077	5,627	5,048
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	3,300	--	--	3,300	3,300	3,300	3,414
Mileage	1,275	--	--	1,275	1,275	1,275	805
Dues & Memberships	1,050	--	--	1,050	1,050	225	995
Postage & Meter	100	--	--	100	100	100	121
Insurance Expense-PIPS	23,583,087	--	--	23,583,087	23,583,087	24,040,241	19,382,444
PIPS Contribution Adjustment	2,000,000	--	--	2,000,000	2,000,000	2,000,000	2,212,707
Advertising	300	--	--	300	300	300	--
Contract Services - Actuarial	10,000	--	--	10,000	10,000	8,426	8,150
Contract Services -Claims Audit	--	--	--	--	--	--	--
Contract Services-PL-Legal	--	--	--	--	--	--	--
Audit Fees	2,325	--	--	2,325	2,325	2,220	1,988
Other Services/Operating Expenses	1,500	--	--	1,500	1,500	1,500	375
Capital Equipment/Depreciation	600	--	--	600	600	375	--
Repairs & Maintenance	525	--	--	525	525	525	--
Legal	300	--	--	300	300	300	--
Accounting Services	2,250	--	--	2,250	2,250	2,500	2,100
County Courier	600	--	--	600	600	600	--
Shredding	300	--	--	300	300	300	117
Copier & Scanner	250	--	--	250	250	300	183
Claims Administration Services	154,000	--	--	154,000	154,000	154,000	170,000
Self-Insurance Fee	325,000	--	--	325,000	325,000	290,000	261,221
Claims Paid-WC	1,750,000	--	--	1,750,000	1,750,000	2,500,000	1,280,507
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	35,000	--	--	35,000	35,000	25,000	10,045
Training	40,000	--	--	40,000	40,000	40,000	--
First-Aid Program	30,000	--	--	30,000	30,000	10,000	23,945
Risk Management Prevention Program	30,000	--	--	30,000	30,000	--	--
Bank Charge & WC Penalty Reimb	1,000	--	--	1,000	1,000	--	875
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	(2,000,000)	--	--	(2,000,000)	(2,000,000)	(2,500,000)	2,211,298
Prior Year Adjustment	--	--	--	--	--	--	--
Total Operating Expenditures	26,105,973	--	--	26,105,973	26,105,973	26,681,661	21,267,929
Net Increase/(Decrease) from Operations	836,788	--	--	836,788	836,788	31,113	6,996,584
Non Operating Income/(Expense)							
Interest Income	250,000	--	--	250,000	250,000	150,000	210,784
Change in FMV	--	--	--	--	--	--	279,057
Realized Gain/(Loss)	--	--	--	--	--	--	11,295
GASB 68	--	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	250,000	\$ --	\$ --	250,000	250,000	150,000	(56,978)
Ending Cash	\$ 22,231,150						
Net Increase/(Decrease) in Net Position				1,086,788	1,086,788	181,113	6,939,606
				-- \$ 22,231,150	\$ 22,231,150	\$ 17,502,128	<u>20,666,343</u>

It was moved by Raul Parungao and seconded by Susan Kinder to approve second quarter financials.

Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins

Nays: None

Abstain: None

XVI. Second Quarter Investment Report

The Executive Director presented the 2017/18 Second Quarter Investment Report.

Time Weighted Performance Summary (Net of fees) – December 31, 2017

Total Ending Value	\$16,178,410.09
---------------------------	------------------------

Rolling Periods

Quarter to Date	-0.40%
Year to Date	0.59%
Last 12 Months	0.59%
Last 3 Years	0.82%
Last 5 Years	0.69%
Since Inception (annualized %)	1.08%

Calendar Years

2018	-
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2017-18	-0.12%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

It was moved by Kevin Collins and seconded by Raul Parungao to approve second quarter investment report.

Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins

Nays: None

Abstain: None

XVII. 2018/2019 Budget

The Executive Director reviewed the tentative 2018/19 Budget. The budget was developed using year-to-date 2017/2018 data and preliminary estimates for 2018/2019 rates and costs. There have been funds allocated to support the release time for regional trainings for Special Education and Food Service staffing.

It was moved by Bryan Richards and seconded by Raul Parungao to approve second quarter investment report.

Ayes: Heldman, Kinder, Richards, Sorerra, Parungao, Collins

Nays: None
Abstain: None

XVIII. Strategic Planning Update

The Executive Director asked the Committee to surface ideas for strategic planning. The Committee recommends that there is no need for a facilitator, instead to plan a targeted discussion highlighting strengths and weaknesses. Recapping on goals, focusing on opportunities, and getting district participation for a meeting this end of June 2018.

XIX. CAJPA Fall Conference 2018

The dates for the 2017 CAJPA Fall Conference will be September 11 -14 in Lake Tahoe. All Executive Committee Members/ or Designees and new Board Members are invited to attend.

XX. Future Planning

XXI. This meeting was adjourned at 11:03am.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 Second Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2017/2018 Second Quarter financial statements for review. These financial statements reflect the 2016/2017 audited balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

A representative from SETECH has reviewed these financial statements in detail with the Executive Committee. The Executive Committee is recommending approval by the full Board.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF DECEMBER 31, 2017 AND FOR THE SIX 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)

Client Confidential Use Only



Innovative Solutions. Enduring Principles.

License No. 0451271

For the Full Board Meeting of May 17, 2018

Alameda County Schools Insurance Group (ACSIG)

Table of Contents

	Page
Distribution and Use of Report.	I
<u>Financial Statements by Program:</u>	
By Program:	
Consolidated.	1
Workers Compensation.	2
Dental.	3
Vision.	4
Property and Liability.	5
Operations.	6
A) Statement of Net Position	
As of 06/30/2017 and 12/31/2017	
B) Statement of Revenues, Expenditures and Changes in Net Position	
Adopted Budget Versus Actual	
For The Six Months Ended 12/31/2017 -	
Schedule of Discounted Claim Liabilities	
For The Six Months Ended 12/31/2017 -	
Workers Compensation.	7, 7A, 7B
Property Liability.	8

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 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Workers Compensation	\$ 13,726,737	1,250,805	\$ 14,977,542
Dental	2,073,984	1,643,707	3,717,691
Vision	1,251,024	45,635	1,296,659
Property and Liability	1,234,912	(547,591)	687,321
Operations	238,251	(35,632)	202,619
Cash and Cash Equivalents	\$ 18,524,908	2,356,924	\$ 20,881,832
Investments Morgan Stanley - current	2,032,238	(1,463,395)	568,843
Accounts Receivable	7,827,985	1,247,705	9,075,690
Prepaid Expense	9,948	3,887,584	3,897,532
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	28,395,079	6,028,818	34,423,897
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,018,468	1,315,027	15,333,495
Capital - Equipment, net of depreciation	2,963	--	2,963
	14,021,431	1,315,027	15,336,458
Total Assets	\$ 42,416,510	\$ 7,343,845	\$ 49,760,355
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	217,668	--	217,668
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,053,398	\$ 3,522,412	\$ 6,575,810
Prefunding deposits (2)	3,817,300	--	3,817,300
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	3,832,965	74	3,833,039
Subtotal Current Liabilities	10,703,663	3,522,486	14,226,149
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,245,110	(321,661)	13,923,449
Unallocated Loss Adjustment Expense (ULAE)	1,365,838	--	1,365,838
Subtotal Noncurrent Claim Liabilities	15,610,948	(321,661)	15,289,287
Net Pension Liability (NPL)	586,196	--	586,196
Total Liabilities	\$ 26,900,807	\$ 3,200,825	\$ 30,101,632
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	128,507	--	128,507
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	15,601,901	4,143,020	19,744,921
Designated - Capital Assets	2,963	--	2,963
Total Net Position	\$ 15,604,864	\$ 4,143,020	\$ 19,747,884
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 42,416,510	\$ 7,343,845	\$ 49,760,355

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 Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 12/31/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 147,391,011	\$ 158,165,112	\$ 156,427,872	\$ 76,524,051	\$ 79,903,821	48.92 %
Other Income	--	247	--	--	--	--
Total Operating Revenue	147,391,011	158,165,359	156,427,872	76,524,051	79,903,821	48.92
Operating Expenditures:						
Classified Salaries	236,778	237,143	251,051	131,191	119,860	52.26
Statutory Benefits	55,498	70,823	56,552	11,600	44,952	20.51
Health & Welfare	39,000	47,037	39,000	24,248	14,752	62.17
Employer Tax Expense	3,411	3,915	3,477	2,068	1,409	59.47
Net Pension Expense	--	(47,757)	39,345	24,455	14,891	62.15
Telephone & Internet	5,250	6,380	7,350	2,202	5,148	29.96
Supplies Office	5,250	1,675	4,200	615	3,585	14.65
Supplies - Other	5,250	1,946	2,625	1,159	1,466	44.13
Eligibility Processing	252,000	208,279	240,000	104,976	135,024	43.74
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	119,620	168,380	41.53
Brokerage Fees-Dental-MD	300,000	402,435	350,000	203,659	146,341	58.19
Travel and Conferences	21,000	22,759	23,100	3,692	19,408	15.98
Mileage	8,925	5,370	8,925	3,882	5,043	43.50
Dues & Memberships	1,575	6,635	1,575	835	740	53.02
Postage & Meter	3,400	7,265	8,350	1,506	6,844	18.03
Insurance Expense-PIPS&NCR	23,989,931	20,585,426	25,192,893	8,859,583	16,333,310	35.17
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	749,186	1,250,814	37.46
Utility - Operating-Rent	35,420	33,655	39,388	17,655	21,733	44.82
Advertising	2,100	--	600	--	600	--
Contract Services	8,426	17,650	26,275	--	26,275	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	10,000	--	6,375	--	6,375	--
Audit Fees	14,175	13,250	15,540	6,625	8,915	42.63
Other Services/Operating Expenses	5,250	2,499	10,500	4,362	6,138	41.54
Capital Equipment/Depreciation	2,550	592	2,625	--	2,625	--
Repairs & Maintenance	4,800	--	3,675	--	3,675	--
Legal	2,550	--	2,100	--	2,100	--
Accounting Services	15,750	14,000	15,750	7,210	8,540	45.78
County Courier	3,675	--	4,200	3,568	632	84.94
Shredding	1,575	782	1,574	274	1,300	17.42
Copier & Scanner	15,000	10,928	15,000	4,149	10,851	27.66
Claims Administration Services	190,000	179,067	154,000	127,541	26,459	82.82
Self-Insurance Fee	245,000	261,221	290,000	297,811	(7,811)	102.69
Claims Paid-WC	3,000,000	1,280,507	2,500,000	372,845	2,127,155	14.91
Claims Paid-PL	80,000	27,495	50,000	43,125	6,875	86.25
Physical Abilities Testing	10,000	10,045	25,000	5,880	19,120	23.52
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	8,928	1,072	89.28
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	15,000	26,826	17,200	12,439	4,761	72.32
Cobra Premiums	250,000	188,075	242,000	115,067	126,933	47.55
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	59,500,166	63,499,834	48.37
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	2,003,836	1,336,164	60.00
Claim Development Expense	(2,430,000)	(1,819,353)	(2,510,000)	(321,587)	(2,188,413)	12.81
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	144,867,892	150,309,757	155,850,690	72,454,370	83,396,320	46.49 %
Net Increase/(Decrease) from Operations	2,523,119	7,855,602	577,182	4,069,681	(3,492,499)	705.09 %
Non Operating Income/(Expense)						
Interest Income	218,250	338,231	231,500	230,429	1,070	99.54
Net Increase/(Decrease) in Fair Value	--	(337,414)	--	(157,661)	157,661	--
Realized Gain/(Loss) on Investments	--	19,201	--	571	(571)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	20,018	231,500	73,339	158,160	31.68 %
Net Increase/(Decrease) in Net Position	\$ 2,741,369	\$ 7,875,620	808,682	\$ 4,143,020	\$ (3,334,339)	512.32 %
Beginning Balance Prior Year End	\$ 7,729,244	\$ 7,729,244	15,604,864	\$ 15,604,864	\$ --	100.00 %
Unaudited Ending Balance, as of 12/31/2017	\$ 10,470,613	\$ 15,604,864	\$ 16,413,546	\$ 19,747,884	\$ (3,334,339)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 10,087,244	676,540	\$ 10,763,784
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,517	119	17,636
Union Bank Claims - #0129	55,746	429,459	485,205
Union Bank Claims Trust Account - #0600	332,381	20,611	352,992
Local Agency Investment Funds (L.A.I.F.)	3,177,362	7,317	3,184,679
Money Market - Morgan Stanley	56,487	116,759	173,246
Cash and Cash Equivalents	<u>\$ 13,726,737</u>	<u>1,250,805</u>	<u>\$ 14,977,542</u>
Investments Morgan Stanley - current	2,032,238	(1,463,395)	568,843
Accounts Receivable	188,678	(107,871)	80,807
Prepaid Expense	--	3,309,658	3,309,658
Interfund Receivable/(payable)	<u>(68,669)</u>	<u>(24,488)</u>	<u>(93,157)</u>
Subtotal Current Assets	<u>15,878,984</u>	<u>2,964,709</u>	<u>18,843,693</u>
Noncurrent Assets			
Investments Morgan Stanley	7,386,420	1,328,042	8,714,462
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>7,386,420</u>	<u>1,328,042</u>	<u>8,714,462</u>
Total Assets	<u>\$ 23,265,404</u>	<u>\$ 4,292,751</u>	<u>\$ 27,558,155</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>65,300</u>	<u>--</u>	<u>65,300</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,073	\$ 747,594	\$ 752,667
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	1,591,000	--	1,591,000
Subtotal Current Liabilities	<u>1,596,073</u>	<u>747,594</u>	<u>2,343,667</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,209,957	(321,721)	13,888,236
Unallocated Loss Adjustment Expense (ULAE)	1,328,000	--	1,328,000
Subtotal Noncurrent Claim Liabilities	<u>15,537,957</u>	<u>(321,721)</u>	<u>15,216,236</u>
Net Pension Liability (NPL)	<u>175,858</u>	<u>--</u>	<u>175,858</u>
Total Liabilities	<u>\$ 17,309,888</u>	<u>\$ 425,873</u>	<u>\$ 17,735,761</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>38,552</u>	<u>--</u>	<u>38,552</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	5,982,264	3,866,878	9,849,142
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 5,982,264</u>	<u>\$ 3,866,878</u>	<u>\$ 9,849,142</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 23,265,404</u>	<u>\$ 4,292,751</u>	<u>\$ 27,558,155</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 12/31/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 28,264,268	\$ 28,264,266	\$ 26,712,774	\$ 13,356,391	\$ 13,356,383	50.00 %
Other Income	--	247	--	--	--	--
Total Operating Revenue	28,264,268	28,264,513	26,712,774	13,356,391	13,356,383	50.00
Operating Expenditures:						
Classified Salaries	59,432	61,858	61,053	30,041	31,012	49.21
Statutory Benefits	13,930	23,208	14,246	3,021	11,225	21.21
Health & Welfare	7,800	14,111	7,800	7,275	525	93.27
Employer Tax Expense	856	934	876	443	433	50.57
Net Pension Expense	--	(14,326)	8,547	7,336	1,211	85.83
Telephone & Internet	750	957	1,050	330	720	31.43
Supplies Office	750	251	600	92	508	15.33
Supplies - Other	750	292	375	174	201	46.40
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,000	3,414	3,300	554	2,746	16.79
Mileage	1,275	805	1,275	582	693	45.67
Dues & Memberships	225	995	225	125	100	55.56
Postage & Meter	100	121	100	25	75	25.00
Insurance Expense-PIPS	22,758,486	19,382,444	24,040,241	8,274,146	15,766,095	34.42
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	749,186	1,250,814	37.46
Utility - Operating-Rent	5,060	5,048	5,627	2,648	2,979	47.06
Advertising	300	--	300	--	300	--
Contract Services - Actuarial	8,426	8,150	10,000	--	10,000	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
CAJPA Dues/Accreditation	--	--	--	--	--	--
Audit Fees	2,025	1,988	2,220	994	1,226	44.77
Other Services/Operating Expenses	750	375	1,500	654	846	43.60
Capital Equipment/Depreciation	750	--	375	--	375	--
Repairs & Maintenance	300	--	525	--	525	--
Legal	750	--	300	--	300	--
Accounting Services	2,250	2,100	2,250	1,082	1,168	48.09
County Courier	525	--	600	535	65	89.17
Shredding	675	117	225	41	184	18.22
Copier & Scanner	250	183	250	69	181	27.60
Claims Administration Services	170,000	170,000	154,000	115,500	38,500	75.00
Self-Insurance Fee	245,000	261,221	290,000	297,811	(7,811)	102.69
Claims Paid-WC	3,000,000	1,280,507	2,500,000	372,845	2,127,155	14.91
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	10,000	10,045	25,000	5,880	19,120	23.52
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	8,928	1,072	89.28
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	(875)	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,400,000)	(2,211,298)	(2,500,000)	(321,721)	(2,178,279)	12.87
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	25,429,415	21,239,277	26,702,860	9,558,597	17,144,263	35.80 %
Net Increase/(Decrease) from Operations	2,834,853	7,025,236	9,914	3,797,794	(3,787,880)	38,307.39 %
Non Operating Income/(Expense)						
Interest Income	150,000	210,784	150,000	161,493	(11,493)	107.66
Net Increase/(Decrease) in Fair Value	--	(279,057)	--	(92,745)	92,745	--
Realized Gain/(Loss) on Investments	--	11,295	--	336	(336)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	(56,978)	150,000	69,084	80,916	46.06 %
Net Increase/(Decrease) in Net Position	2,984,853	6,968,258	159,914	3,866,878	(3,706,964)	2,418.10 %
Beginning Balance Prior Year End	(985,994)	(985,994)	5,982,264	5,982,264	--	100.00 %
Unaudited Ending Balance, as of 12/31/2017	\$ 1,998,859	\$ 5,982,263	\$ 6,142,178	\$ 9,849,142	\$ (3,706,964)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 432,292	714,777	\$ 1,147,069
Union Bank - Eligibility #9938	1,574,501	917,682	2,492,183
Union Bank - Expense #2064	10,044	16,680	26,724
Union Bank - Cobra Trust #0273	57,147	(5,432)	51,715
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 2,073,984</u>	<u>1,643,707</u>	<u>\$ 3,717,691</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,458,388	1,301,194	8,759,582
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>888,258</u>	<u>61,518</u>	<u>949,776</u>
Subtotal Current Assets	<u>10,420,630</u>	<u>3,006,419</u>	<u>13,427,049</u>
Noncurrent Assets			
Investments - Morgan Stanley	5,558,235	(10,907)	5,547,328
Capital - Equipment, net of depreciation	--	--	--
	<u>5,558,235</u>	<u>(10,907)</u>	<u>5,547,328</u>
Total Assets	<u>\$ 15,978,865</u>	<u>\$ 2,995,512</u>	<u>\$ 18,974,377</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>108,834</u>	<u>--</u>	<u>108,834</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 2,740,033	\$ 2,740,034	\$ 5,480,067
Prefunding deposits	3,693,230	--	3,693,230
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	<u>1,899,000</u>	<u>--</u>	<u>1,899,000</u>
Subtotal Current Liabilities	<u>8,332,263</u>	<u>2,740,034</u>	<u>11,072,297</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>293,098</u>	<u>--</u>	<u>293,098</u>
Total Liabilities	<u>\$ 8,625,361</u>	<u>\$ 2,740,034</u>	<u>\$ 11,365,395</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>64,253</u>	<u>--</u>	<u>64,253</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,398,085	255,478	7,653,563
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 7,398,085</u>	<u>\$ 255,478</u>	<u>\$ 7,653,563</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 15,978,865</u>	<u>\$ 2,995,512</u>	<u>\$ 18,974,377</u>

Alameda County Schools Insurance Group (ACSIG)

Dental

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 12/31/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 115,000,000	\$ 124,773,696	\$ 125,000,000	\$ 60,469,464	\$ 64,530,536	48.38 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	115,000,000	124,773,696	125,000,000	60,469,464	64,530,536	48.38
Operating Expenditures:						
Classified Salaries	135,791	132,102	146,919	80,167	66,752	54.57
Statutory Benefits	31,828	31,989	32,355	6,540	25,815	20.21
Health & Welfare	25,350	23,519	25,350	12,124	13,226	47.83
Employer Tax Expense	1,956	2,322	1,989	1,313	676	66.01
Net Pension Expense	--	(23,879)	24,767	12,227	12,540	49.37
Telephone & Internet	3,750	4,467	5,250	1,541	3,709	29.35
Supplies Office	3,750	1,173	3,000	431	2,569	14.37
Supplies - Other	3,750	1,361	1,875	811	1,064	43.25
Eligibility Processing	252,000	208,279	240,000	104,976	135,024	43.74
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	119,620	168,380	41.53
Brokerage Fees-Dental-MID	300,000	402,435	350,000	203,659	146,341	58.19
Travel and Conferences	15,000	15,930	16,500	2,584	13,916	15.66
Mileage	6,375	3,759	6,375	2,718	3,657	42.64
Dues & Memberships	1,125	4,645	1,125	585	540	52.00
Postage & Meter	3,150	6,901	8,100	1,430	6,670	17.65
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Net, Operating-Rent	25,300	23,558	28,134	12,358	15,776	43.93
Advertising	1,500	--	--	--	--	--
Contract Services - Actuarial	--	5,000	15,000	--	15,000	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contracted Services	10,000	--	6,375	--	6,375	--
Audit Fees	10,125	9,274	11,100	4,638	6,462	41.78
Other Services/Operating Expenses	3,750	1,749	7,500	3,053	4,447	40.71
Capital Equipment/Depreciation	1,500	--	1,875	--	1,875	--
Repairs & Maintenance	3,750	--	2,625	--	2,625	--
Legal	1,500	--	1,500	--	1,500	--
Accounting Services	11,250	9,800	11,250	5,047	6,203	44.86
County Courier	2,625	--	3,000	2,497	503	83.24
Shredding	750	547	1,124	192	932	17.08
Copier & Scanner	14,250	10,381	14,250	3,942	10,308	27.66
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	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge	15,000	27,701	17,200	12,439	4,761	72.32
Cobra Premiums	250,000	188,075	242,000	115,067	126,933	47.55
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	59,500,166	63,499,834	48.37
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	190,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	115,289,033	123,869,931	124,514,538	60,210,125	64,304,413	48.36 %
Net Increase/(Decrease) from Operations	(289,033)	903,765	485,462	259,339	226,123	53.42 %
Non Operating Income/(Expense)						
Interest Income	50,000	100,706	60,000	50,347	9,653	83.91
Net Increase/(Decrease) in Fair Value	--	(35,863)	--	(54,405)	54,405	--
Realized Gain/(Loss) on Investments	--	6,626	--	197	(197)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
I Transfer, YE Close, Rebate	--	--	--	--	--	--
Total Non Operating Income/(Expense)	50,000	71,469	60,000	(3,861)	63,861	(6.43) %
Net Increase/(Decrease) in Net Position	(239,033)	975,234	545,462	255,478	289,984	46.84 %
Beginning Balance Prior Year End	6,422,851	6,422,851	7,398,085	7,398,085	--	100.00 %
Unaudited Ending Balance, as of 12/31/2017	\$ 6,183,818	\$ 7,398,085	\$ 7,943,547	\$ 7,653,563	\$ 289,984	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Cash with County #44902	\$ 1,251,024	45,635	\$ 1,296,659
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	<u>1,251,024</u>	<u>45,635</u>	<u>1,296,659</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	156,508	41,231	197,739
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>299,118</u>	<u>(23,395)</u>	<u>275,723</u>
Subtotal Current Assets	<u>1,706,650</u>	<u>63,471</u>	<u>1,770,121</u>
Noncurrent Assets			
Investments - Morgan Stanley	1,073,813	(2,108)	1,071,705
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,073,813</u>	<u>(2,108)</u>	<u>1,071,705</u>
Total Assets	<u>\$ 2,780,463</u>	<u>\$ 61,363</u>	<u>\$ 2,841,826</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 281,884	\$ 42,351	\$ 324,235
Prefunding deposits	124,070	--	124,070
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	300,000	--	300,000
Subtotal Current Liabilities	<u>705,954</u>	<u>42,351</u>	<u>748,305</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)	58,620	--	58,620
Total Liabilities	<u>\$ 764,574</u>	<u>\$ 42,351</u>	<u>\$ 806,925</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,024,805	19,012	2,043,817
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 2,024,805</u>	<u>\$ 19,012</u>	<u>\$ 2,043,817</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 2,780,463</u>	<u>\$ 61,363</u>	<u>\$ 2,841,826</u>

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 12/31/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 2,800,000	\$ 3,800,407	\$ 3,400,000	\$ 2,040,203	\$ 1,359,797	60.01 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	2,800,000	3,800,407	3,400,000	2,040,203	1,359,797	60.01
Operating Expenditures:						
Classified Salaries	23,678	24,508	25,105	11,926	13,179	47.51
Statutory Benefits	5,550	8,045	5,655	1,059	4,596	18.73
Health & Welfare	3,900	4,704	3,900	2,425	1,475	62.18
Employer Tax Expense	341	385	348	182	166	52.30
Net Pension Expense	--	(4,776)	3,515	2,445	1,070	69.56
Telephone & Internet	500	638	700	220	480	31.43
Supplies Office	500	167	400	62	338	15.50
Supplies - Other	500	195	250	116	134	46.40
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,000	2,276	2,200	369	1,831	16.77
Mileage	850	537	850	388	462	45.65
Dues & Memberships	150	664	150	84	66	56.00
Postage & Meter	150	194	150	40	110	26.67
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	3,373	3,366	3,751	1,765	1,986	47.05
Advertising	200	--	200	--	200	--
Contract Services - Actuarial	--	--	850	--	850	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	1,350	1,325	1,480	663	817	44.80
Other Services/Operating Expenses	500	250	1,000	436	564	43.60
Capital Equipment/Depreciation	200	--	250	--	250	--
Repairs & Maintenance	500	--	350	--	350	--
Legal	200	--	200	--	200	--
Accounting Services	1,500	1,400	1,500	721	779	48.07
County Courier	350	--	400	357	43	89.25
Shredding	100	78	150	27	123	18.00
Copier & Scanner	400	292	400	111	289	27.75
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	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	2,003,836	1,336,164	60.00
Claim Development Expense	--	158,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	2,804,792	3,879,937	3,393,754	2,027,232	1,366,522	59.73 %
Net Increase/(Decrease) from Operations	(4,792)	(79,530)	6,246	12,971	(6,725)	207.66 %
Non Operating Income/(Expense)						
Interest Income	17,500	23,999	20,000	16,514	3,486	82.57
Net Increase/(Decrease) in Fair Value	--	(22,494)	--	(10,511)	10,511	--
Realized Gain/(Loss) on Investments	--	1,280	--	38	(38)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	17,500	2,785	20,000	6,041	13,959	30.21 %
Net Increase/(Decrease) in Net Position	12,708	(76,745)	26,246	19,012	7,234	72.44 %
Beginning Balance Prior Year End	2,101,550	2,101,550	2,024,805	2,024,805	--	100.00 %
Unaudited Ending Balance, as of 12/31/2017	\$ 2,114,258	\$ 2,024,805	\$ 2,051,051	\$ 2,043,817	\$ 7,234	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	As of 12/31/2017
Assets:			
Current Assets			
Cash with County - #44903	\$ 38,710	255,303	\$ 294,013
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	1,180,272	(806,209)	374,063
Union Bank - Claims Trust #1186	15,930	3,315	19,245
Cash and Cash Equivalents	<u>\$ 1,234,912</u>	<u>(547,591)</u>	<u>\$ 687,321</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	15,000	13,151	28,151
Prepaid Expense	--	585,436	585,436
Interfund Receivable/(payable)	<u>(877,223)</u>	<u>(49,209)</u>	<u>(926,432)</u>
Subtotal Current Assets	<u>372,689</u>	<u>1,787</u>	<u>374,476</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>\$ 372,689</u>	<u>\$ 1,787</u>	<u>\$ 374,476</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 4,952	\$ --	\$ 4,952
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	42,965	74	43,039
Subtotal Current Liabilities	<u>47,917</u>	<u>74</u>	<u>47,991</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	35,153	60	35,213
Unallocated Loss Adjustment Expense (ULAE)	37,838	--	37,838
Subtotal Noncurrent Claim Liabilities	<u>72,991</u>	<u>60</u>	<u>73,051</u>
Net Pension Liability (NPL)	<u>58,620</u>	<u>--</u>	<u>58,620</u>
Total Liabilities	<u>\$ 179,528</u>	<u>\$ 134</u>	<u>\$ 179,662</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	202,077	1,653	203,730
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 202,077</u>	<u>\$ 1,653</u>	<u>\$ 203,730</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 372,689</u>	<u>\$ 1,787</u>	<u>\$ 374,476</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Actuals		Percentage	
			Budget	07/01/2017 - 12/31/2017	Variance	of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 1,326,743	\$ 1,326,743	\$ 1,315,098	\$ 657,993	\$ 657,105	50.03 %
Other Income	--	--	--	--	--	--
Total Operating Revenue	1,326,743	1,326,743	1,315,098	657,993	657,105	50.03
Operating Expenditures:						
Classified Salaries	17,877	18,675	17,974	9,057	8,917	50.39
Statutory Benefits	4,190	7,581	4,296	980	3,316	22.81
Health & Welfare	1,950	4,704	1,950	2,424	(474)	124.31
Employer Tax Expense	258	274	264	130	134	49.20
Net Pension Expense	--	(4,776)	2,516	2,447	70	97.24
Telephone & Internet	250	318	350	111	239	31.73
Supplies Office	250	84	200	30	170	15.08
Supplies - Other	250	97	125	58	67	46.02
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,000	1,139	1,100	185	915	16.81
Mileage	425	268	425	194	231	45.64
Dues & Memberships	75	332	75	41	34	54.67
Postage & Meter	--	49	--	11	(11)	--
Insurance Expense-NCR	1,231,445	1,202,982	1,152,652	585,437	567,215	50.79
Insurance Expense-PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	1,687	1,683	1,876	884	992	47.12
Advertising	100	--	100	--	100	--
Contract Services - Actuarial	--	4,500	425	--	425	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--
Audit Fees	675	663	740	330	410	44.59
Other Services/Operating Expenses	250	125	500	219	281	43.73
Capital Equipment/Depreciation	100	--	125	--	125	--
Repairs & Maintenance	250	--	175	--	175	--
Legal	100	--	100	--	100	--
Accounting Services	750	700	750	360	390	48.00
County Courier	175	--	200	178	22	89.13
Shredding	50	40	75	14	61	18.91
Copier & Scanner	100	72	100	27	73	27.23
Claims Administration Services	20,000	9,067	--	12,041	(12,041)	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	80,000	27,495	50,000	43,125	6,875	86.25
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(30,000)	43,945	(10,000)	134	(10,134)	(1.34)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	1,344,652	1,320,019	1,239,538	658,416	581,122	53.12 %
Net Increase/(Decrease) from Operations	(17,909)	6,724	75,560	(423)	75,983	(0.56) %
Non Operating Income/(Expense)						
Interest Income	750	2,740	1,500	2,076	(576)	138.40
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	750	2,740	1,500	2,076	(576)	138.40 %
Net Increase/(Decrease) in Net Position	(17,159)	9,464	77,060	1,653	75,407	2.15 %
Beginning Balance Prior Year End	192,613	192,613	202,077	202,077	--	100.00 %
Unaudited Ending Balance, as of 12/31/2017	\$ 175,454	\$ 202,077	\$ 279,137	\$ 203,730	\$ 75,407	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2017 and 12/31/2017

	Audited As of 06/30/2017	Activity 07/01/2017 - 12/31/2017	Unaudited As of 12/31/2017
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 39,841	16,597	\$ 56,438
Union Bank Checking Account #1521	198,410	(52,229)	146,181
Cash and Cash Equivalents	<u>\$ 238,251</u>	<u>(35,632)</u>	<u>\$ 202,619</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	9,411	--	9,411
Prepaid Expense	9,948	(7,510)	2,438
Interfund Receivable/(payable)	<u>(241,484)</u>	<u>35,574</u>	<u>(205,910)</u>
Subtotal Current Assets	<u>16,126</u>	<u>(7,568)</u>	<u>8,558</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>2,963</u>	<u>--</u>	<u>2,963</u>
	<u>2,963</u>	<u>--</u>	<u>2,963</u>
Total Assets	<u>\$ 19,089</u>	<u>\$ (7,568)</u>	<u>\$ 11,521</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 21,455	\$ (7,566)	\$ 13,889
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>21,455</u>	<u>(7,566)</u>	<u>13,889</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 21,455</u>	<u>\$ (7,566)</u>	<u>\$ 13,889</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>2,963</u>	<u>--</u>	<u>2,963</u>
Total Net Position	<u>\$ (2,368)</u>	<u>\$ --</u>	<u>\$ (2,368)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 19,087</u>	<u>\$ (7,566)</u>	<u>\$ 11,521</u>

Alameda County Schools Insurance Group (ACSIG)

Operations

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Six Months Ended 12/31/2017

	2016/2017		2017/2018			
	Budget	Audited Actuals	Actuals 07/01/2017 - 12/31/2017		Variance	Percentage of Budget
			Budget	Actuals		
Operating Revenue:						
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	-- %
Offset to Rent - Sub Lease	--	--	--	--	--	--
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries	--	--	--	--	--	--
Statutory Benefits	--	--	--	--	--	--
Health & Welfare	--	--	--	--	--	--
Employer Tax Expense	--	--	--	--	--	--
Net Pension Expense	--	--	--	--	--	--
Telephone & Internet	--	--	--	--	--	--
Supplies Office	--	--	--	--	--	--
Supplies - Other	--	--	--	--	--	--
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MID	--	--	--	--	--	--
Travel and Conferences	--	--	--	--	--	--
Mileage	--	--	--	--	--	--
Dues & Memberships	--	--	--	--	--	--
Postage & Meter	--	--	--	--	--	--
Insurance Expense	--	--	--	--	--	--
Utility - Operating-Rent	--	--	--	--	--	--
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	--	--	--	--	--	--
Other Services/Operating Expenses	--	--	--	--	--	--
Capital Equipment/Depreciation	--	592	--	--	--	--
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	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	--	592	--	--	--	-- %
Net Increase/(Decrease)						
from Operations	--	(592)	--	--	--	-- %
Non Operating Income/(Expense)						
Interest Income	--	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer & YE Close	--	--	--	--	--	--
Total Non Operating						
Income/(Expense)	--	--	--	--	--	-- %
Net Increase/(Decrease)						
in Net Position	--	(592)	--	--	--	-- %
Beginning Balance Prior						
Year End	(1,776)	(1,776)	(2,368)	(2,368)	--	100.00 %
Unaudited Ending						
Balance, as of 12/31/2017	\$ (1,776)	\$ (2,368)	\$ (2,368)	\$ (2,368)	\$ --	

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 12/31/2017

	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	\$ 916,273	\$ 1,828,378	\$ 2,852,970	\$ 2,805,672	\$ 2,870,126	\$ 4,015,579	\$ 2,924,411	\$ 5,554,526	\$ 5,166,388	\$ 4,073,264	\$ 3,710,323	\$ 4,766,958	\$ 41,484,868
Reserves	--	--	25,228	68,315	37,266	33,051	29,117	91,989	59,299	203,467	123,195	205,235	876,162
Incurred Claims	916,273	1,828,378	2,878,198	2,873,987	2,907,392	4,048,630	2,953,528	5,646,515	5,225,687	4,276,731	3,833,518	4,972,193	42,361,030
Incurred But Not Reported (IBNR)	32,669	--	(22)	86,013	2,608	41,370	36,472	103,485	104,313	163,269	136,482	217,807	924,466
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)	(1,633)	--	(1,260)	(7,716)	(2,313)	(5,061)	(4,919)	(15,638)	(13,743)	(31,173)	(22,852)	(38,074)	(144,382)
Discounted Estimated Ultimate (1-2)	947,309	1,828,378	2,876,916	2,952,284	2,907,687	4,084,939	2,985,081	5,734,362	5,316,257	4,408,827	3,947,148	5,151,926	43,141,114
Paid Claims	(916,273)	(1,828,378)	(2,852,970)	(2,805,672)	(2,870,126)	(4,015,579)	(2,924,411)	(5,554,526)	(5,166,388)	(4,073,264)	(3,710,323)	(4,766,958)	(41,484,868)
Remaining Estimated Unpaid Claim Liabilities	\$ 31,036	\$ --	\$ 23,946	\$ 146,612	\$ 37,561	\$ 69,360	\$ 60,670	\$ 179,836	\$ 149,869	\$ 335,563	\$ 236,825	\$ 384,968	\$ 1,656,246

(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, 2016, 2017 & 09/30/2017.

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	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
As of 09/30/2017	947,309	1,828,378	2,876,916	2,952,284	2,907,687	4,084,939	2,985,081	5,734,362	5,316,257	4,408,827	3,947,148	5,151,926	43,141,114
Increase/Decrease	(9)	--	21	(58)	37	42	18	176	12	546	72	406	1,263

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 12/31/2017

	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	\$ 41,484,868	\$ 5,320,255	\$ 7,105,460	\$ 6,796,340	\$ 9,145,326	\$ 7,324,989	\$ 10,715,784	\$ 11,822,988	\$ 99,716,010
Reserves	876,162	203,517	327,236	592,740	1,192,590	601,933	687,456	695,881	5,177,515
Incurred Claims	<u>42,361,030</u>	<u>5,523,772</u>	<u>7,432,696</u>	<u>7,389,080</u>	<u>10,337,916</u>	<u>7,926,922</u>	<u>11,403,240</u>	<u>12,518,869</u>	<u>104,893,525</u>
Incurred But Not Reported (IBNR)	<u>924,466</u>	<u>86,228</u>	<u>337,304</u>	<u>380,920</u>	<u>572,084</u>	<u>493,078</u>	<u>696,760</u>	<u>761,131</u>	<u>4,251,971</u>
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)	(144,382)	(26,367)	(63,131)	(98,340)	(187,055)	(119,356)	(150,880)	(157,357)	(946,868)
Discounted Estimated Ultimate (1-2)	<u>43,141,114</u>	<u>5,583,633</u>	<u>7,706,869</u>	<u>7,671,660</u>	<u>10,722,945</u>	<u>8,300,644</u>	<u>11,949,120</u>	<u>13,122,643</u>	<u>108,198,628</u>
Paid Claims	<u>(41,484,868)</u>	<u>(5,320,255)</u>	<u>(7,105,460)</u>	<u>(6,796,340)</u>	<u>(9,145,326)</u>	<u>(7,324,989)</u>	<u>(10,715,784)</u>	<u>(11,822,988)</u>	<u>(99,716,010)</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ 1,656,246</u>	<u>\$ 263,378</u>	<u>\$ 601,409</u>	<u>\$ 875,320</u>	<u>\$ 1,577,619</u>	<u>\$ 975,655</u>	<u>\$ 1,233,336</u>	<u>\$ 1,299,655</u>	<u>\$ 8,482,618</u>

(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, 2016, 2017 & 09/30/2017.

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	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
As of 09/30/2017	43,141,114	5,583,633	7,706,869	7,671,660	10,722,945	8,300,644	11,949,120	13,122,643	108,198,628
Increase/Decrease	1,263	433	1,057	1,134	5,927	1,513	2,001	1,120	14,448

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 12/31/2017

		Self-Insured Program Years								As of 12/31/2017 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2017 Totals		07/01/2017 - 12/31/2017	
Totals From Page 7A												
Paid Claims	\$ 99,716,010	\$ 9,920,458	\$ 5,947,884	\$ 5,481,873	\$ 8,584,890	\$ 8,277,711	\$ 8,403,649	\$ 8,725,452	\$ 155,057,927	\$ 154,692,381	\$ 365,546	
Reserves	5,177,515	297,842	386,152	176,708	900,732	583,456	737,599	363,363	8,623,367	8,909,881	(286,514)	
Incurred Claims	104,893,525	10,218,300	6,334,036	5,658,581	9,485,622	8,861,167	9,141,248	9,088,815	163,681,294	163,602,262	79,032	
Incurred But Not Reported (IBNR)	4,251,971	601,700	605,964	301,419	984,378	488,833	558,752	1,051,185	8,844,202	8,923,234	(79,032)	
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	172,525,496	- -	
Anticipated Investment Income (Discount) (2)	(946,868)	(100,749)	(121,038)	(60,244)	(252,605)	(143,687)	(175,007)	(188,135)	(1,988,333)	(2,032,158)	43,825	
Discounted Estimated Ultimate (1-2)	108,198,628	10,719,251	6,818,962	5,899,756	10,217,395	9,206,313	9,524,993	9,951,865	170,537,163	170,493,338	43,825	
Paid Claims	(99,716,010)	(9,920,458)	(5,947,884)	(5,481,873)	(8,584,890)	(8,277,711)	(8,403,649)	(8,725,452)	(155,057,927)	(154,692,381)	(365,546)	
Remaining Estimated Unpaid Claim Liabilities \$	8,482,618	\$ 798,793	\$ 871,078	\$ 417,883	\$ 1,632,505	\$ 928,602	\$ 1,121,344	\$ 1,226,413	\$ 15,479,236	\$ 15,800,957	\$ (321,721)	
(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, 2016, 2017 & 09/30/2017.						Estimated Non-Current portion of Claim Liabilities		\$ 13,888,236				
Historical Discounted Estimated Ultimate Incurred:										Claim Development Expense		
As of 06/30/2006	N/A	6,787,000	4,378,000	2,665,000	1,943,000	- -	- -	- -	N/A	Claim Liabilities	\$ (321,721)	
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	- -	- -	N/A	and ULAE	- -	
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	Decrease	\$ (321,721)	
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			
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	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
As of 09/30/2017	108,198,628	10,719,251	6,818,962	5,899,756	10,217,395	9,206,313	9,524,993	9,951,865	170,537,163			
Increase/Decrease	14,448	2,333	1,207	3,107	2,420	7,317	4,503	8,490	43,825			

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 12/31/2017

	Self-Insured Program Years										As of 12/31/2017	Activity	
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018		As of 06/30/2017	07/01/2017 - 09/30/2017
Paid Claims	\$ 45,000	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 46,229	\$ 20,000	\$ --	\$ 443,084	\$ 403,293	\$ 39,791
Reserves	--	--	--	--	--	--	--	27,415	20,000	--	47,415	67,206	(19,791)
Incurred Claims	45,000	39,048	33,141	96,543	125,045	20,000	18,078	73,644	40,000	--	490,499	470,499	20,000
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	--	(22,299)	14,069	40,000	31,770	11,770	20,000
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	40,000	522,269	482,269	40,000
Anticipated Investment Income (Discount) (2)	--	--	--	--	--	--	--	(43)	(409)	(480)	(932)	(857)	(75)
Discounted Estimated Ultimate (1-2)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,302	53,660	39,520	521,337	481,412	39,925
Paid Claims	(45,000)	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(46,229)	(20,000)	--	(443,084)	(403,293)	(39,791)
Remaining Estimated Unpaid Claim Liabilities \$	--	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,073	\$ 33,660	\$ 39,520	\$ 78,253	\$ 78,119	\$ 134
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65											(43,039)		
Estimated Non-Current portion of Claim Liabilities											\$ 35,214		
(1) Per Bay Actuarial Consultants actuarial study dated February 2017. 2017/2018 Estimated based upon budget. (2) Discounted at 1.0%. (3) Not adjusted for negative IBNR, based upon Actuarial report, maybe adjusted at year end 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		
As of 09/30/2017	45,000	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	40,000	522,269		
Increase/Decrease	--	--	--	--	--	--	--	--	--	40,000	40,000		

Claim Development Expense	
Claim Liabilities	\$ 134
and ULAE	--
Increase	\$ 134



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 Second 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 second quarterly investment report. Cary Allison from Morgan Stanley Wealth Management reviewed this report in detail with the Executive Committee and they are recommending approval by the full Board.

Morgan Stanley

January 9, 2018

ACSIG – Alameda County Schools Insurance Group

Dear Board:

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

Time Weighted Performance Summary (Net of fees) – December 31, 2017

Total Ending Value \$16,178,410.09

Rolling Periods

Quarter to Date	-0.40%
Year to Date	0.59%
Last 12 Months	0.59%
Last 3 Years	0.82%
Last 5 Years	0.69%
Since Inception (annualized %)	1.08%

Calendar Years

2018	-
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2017-18	-0.12%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

Morgan Stanley uses Interactive Data Concepts (IDC) for its bond pricing services. More details on the portfolio summary are attached and can also be found in the monthly statements.

Please contact me with any questions.

Sincerely,



Cary M. Allison, CIMA®

Senior Institutional Consultant, U.S. Government Entity Specialist

www.morganstanley.com

cary.allison@morganstanley.com

Fixed Income Report

Prepared on January 09, 2018 for:

ACSIG - Alameda County Schools Ins Group

Account No. 171-XXX349

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

TABLE OF CONTENTS

Account(s) Included In This Report	3
Investment Summary	4
Time Weighted Performance Summary	5
Time Weighted Performance By Period - Advisory Assets Only	6
Risk Vs. Return	8
Positions: Fixed Income Detail	9
Disclosures	15

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-XXX349 - 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-XXX349	04/27/10	-

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.
All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

INVESTMENT SUMMARY

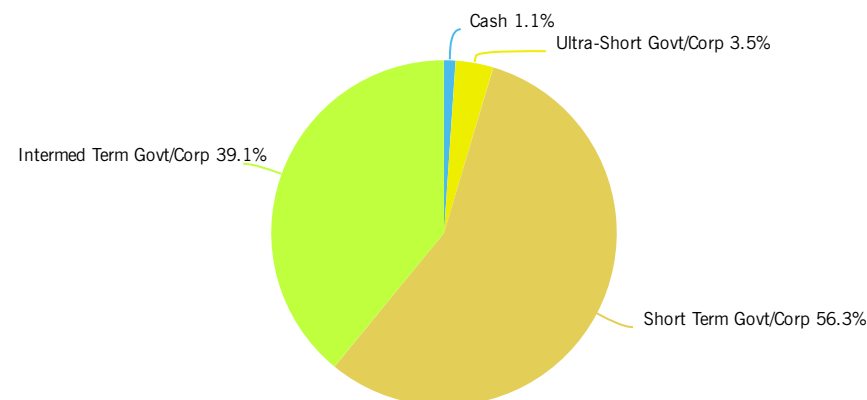
Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 31, 2017 | Reporting Currency: USD

TIME-WEIGHTED RETURN % (NET OF FEES)

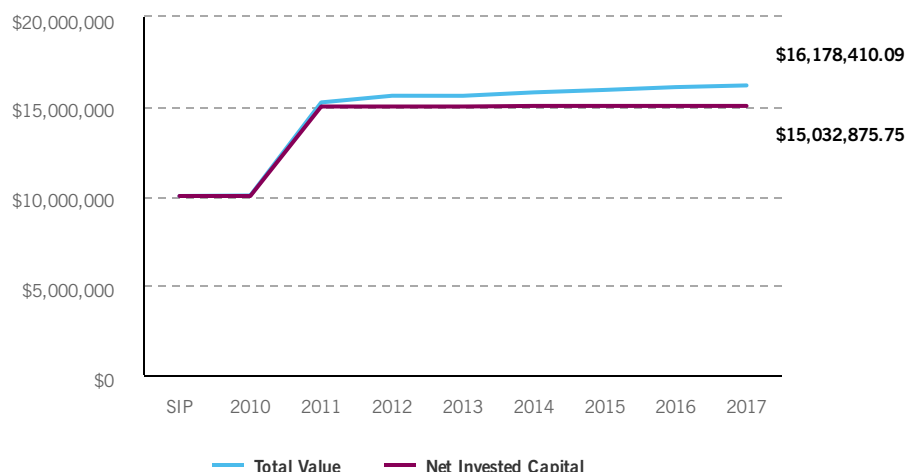
	Quarter to Date 09/30/17-12/31/17	Custom Period 06/30/17-12/31/17	Performance Inception 07/12/10-12/31/17
Beginning Total Value	\$16,243,278.19	\$16,198,635.43	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	-64,868.10	-20,225.34	1,145,534.34
Ending Total Value	\$16,178,410.09	\$16,178,410.09	\$16,178,410.09
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	-0.40%	-0.12%	1.08%
BC Gov 1-3 Yr	-0.27	-0.03	0.74
BC Gov/Cr 1-5 yr	-0.30	0.13	1.59
Citi CD 6 Month	0.07	0.14	0.33

ASSET ALLOCATION



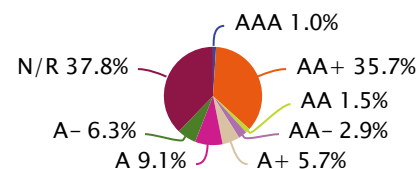
Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL

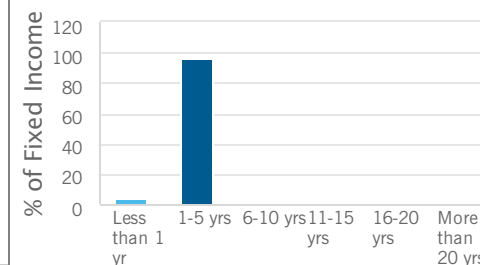


Does not include Performance Ineligible Assets.

FIXED INCOME QUALITY AND MATURITY



S&P Rating	Total Value
AAA	\$161,444.64
AA+	5,718,642.47
AA	236,218.76
AA-	459,391.95
A+	918,094.32
A	1,453,253.16
A-	1,007,140.24
N/R	6,043,113.89
Total	\$15,997,299.42



	Par Value
Less than 1 yr	\$573,695.47
1-5 yrs	15,423,603.95
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	\$15,997,299.42

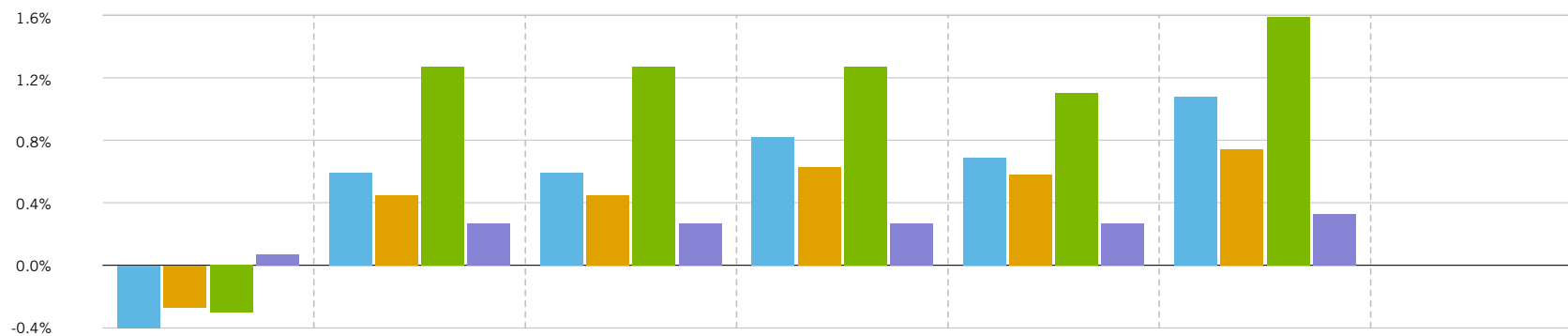
The Maturity Schedule only includes securities with a stated maturity date. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Allocations prior to Jan 2014 do not reflect interest and dividend accruals and may be different from Total Values for performance purposes.

TIME WEIGHTED PERFORMANCE SUMMARY

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 09/30/17 - 12/31/17	Year to Date 12/31/16 - 12/31/17	Last 12 Months 12/31/16 - 12/31/17	Last 3 Years 12/31/14 - 12/31/17	Last 5 Years 12/31/12 - 12/31/17	Performance Inception 07/12/10 - 12/31/17
Beginning Total Value	\$16,243,278.19	\$16,082,980.87	\$16,082,980.87	\$15,789,357.87	\$15,600,964.10	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	32,875.75	5,033,025.75
Investment Earnings	-64,868.10	95,429.22	95,429.22	389,052.22	544,570.24	1,145,534.34
Ending Total Value	\$16,178,410.09	\$16,178,410.09	\$16,178,410.09	\$16,178,410.09	\$16,178,410.09	\$16,178,410.09
Return % (Net of Fees)	-0.40	0.59	0.59	0.82	0.69	1.08
BC Gov 1-3 Yr	-0.27	0.45	0.45	0.63	0.58	0.74
BC Gov/Cr 1-5 yr	-0.30	1.27	1.27	1.27	1.10	1.59
Citi CD 6 Month	0.07	0.27	0.27	0.27	0.27	0.33

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-XXX349 - Western Asset - Gov...

As of December 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

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

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	\$16,082,980.87	\$0.00	\$95,429.22	\$16,178,410.09	0.59%	0.45%	1.27%	0.27%
4QTR	16,243,278.19	0.00	-64,868.10	16,178,410.09	-0.40	-0.27	-0.30	0.07
3QTR	16,198,635.43	0.00	44,642.77	16,243,278.19	0.28	0.24	0.43	0.07
2QTR	16,137,758.08	0.00	60,877.35	16,198,635.43	0.38	0.20	0.56	0.07
1QTR	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%
4QTR	16,240,430.74	0.00	-157,449.87	16,082,980.87	-0.97	-0.45	-1.05	0.07
3QTR	16,255,106.57	0.00	-14,675.83	16,240,430.74	-0.09	-0.10	0.04	0.07
2QTR	16,150,162.43	0.00	104,944.15	16,255,106.57	0.65	0.52	0.98	0.07
1QTR	15,926,083.41	0.00	224,079.02	16,150,162.43	1.41	0.89	1.61	0.07
2015	\$15,789,357.87	\$0.00	\$136,725.54	\$15,926,083.41	0.87%	0.57%	0.97%	0.27%
4QTR	16,009,547.07	0.00	-83,463.67	15,926,083.41	-0.52	-0.43	-0.57	0.07
3QTR	15,915,884.25	0.00	93,662.82	16,009,547.07	0.59	0.32	0.60	0.07
2QTR	15,924,833.29	0.00	-8,949.04	15,915,884.25	-0.06	0.15	-0.02	0.07
1QTR	15,789,357.87	0.00	135,475.42	15,924,833.29	0.86	0.54	0.96	0.07
2014	\$15,597,806.94	\$32,875.75	\$158,675.18	\$15,789,357.87	1.01%	0.64%	1.42%	0.27%
4QTR	15,731,323.54	0.00	58,034.33	15,789,357.87	0.37	0.19	0.41	0.07
3QTR	15,711,381.44	32,875.75	-12,933.65	15,731,323.54	-0.08	0.03	-0.05	0.07
2QTR	15,638,820.00	0.00	72,561.44	15,711,381.44	0.46	0.27	0.65	0.07
1QTR	15,597,806.94	0.00	41,013.06	15,638,820.00	0.26	0.14	0.40	0.07
2013	\$15,600,964.10	\$0.00	-\$3,157.16	\$15,597,806.94	-0.03%	0.37%	0.28%	0.27%
4QTR	15,588,728.38	0.00	9,078.56	15,597,806.94	0.06	0.07	0.14	0.07
3QTR	15,506,118.74	0.00	82,609.64	15,588,728.38	0.53	0.29	0.63	0.07
2QTR	15,618,935.48	0.00	-112,816.74	15,506,118.74	-0.72	-0.11	-0.75	0.07
1QTR	15,600,964.10	0.00	17,971.38	15,618,935.48	0.11	0.12	0.27	0.07
2012	\$15,229,289.11	\$0.00	\$371,674.99	\$15,600,964.10	2.44%	0.51%	2.24%	0.49%
4QTR	15,574,837.84	0.00	26,126.26	15,600,964.10	0.17	0.07	0.20	0.10
3QTR	15,431,234.53	0.00	143,603.31	15,574,837.84	0.93	0.26	0.89	0.12
2QTR	15,363,956.06	0.00	67,278.47	15,431,234.53	0.43	0.20	0.59	0.14
1QTR	15,229,289.11	0.00	134,666.95	15,363,956.06	0.88	-0.02	0.54	0.14
2011	\$10,028,996.97	\$5,000,000.00	\$200,292.14	\$15,229,289.11	1.91%	1.56%	3.14%	0.39%
4QTR	10,184,368.27	5,000,000.00	44,920.84	15,229,289.11	0.36	0.21	0.43	0.11

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-XXX349 - Western Asset - Gov...

As of December 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS (Continued)

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

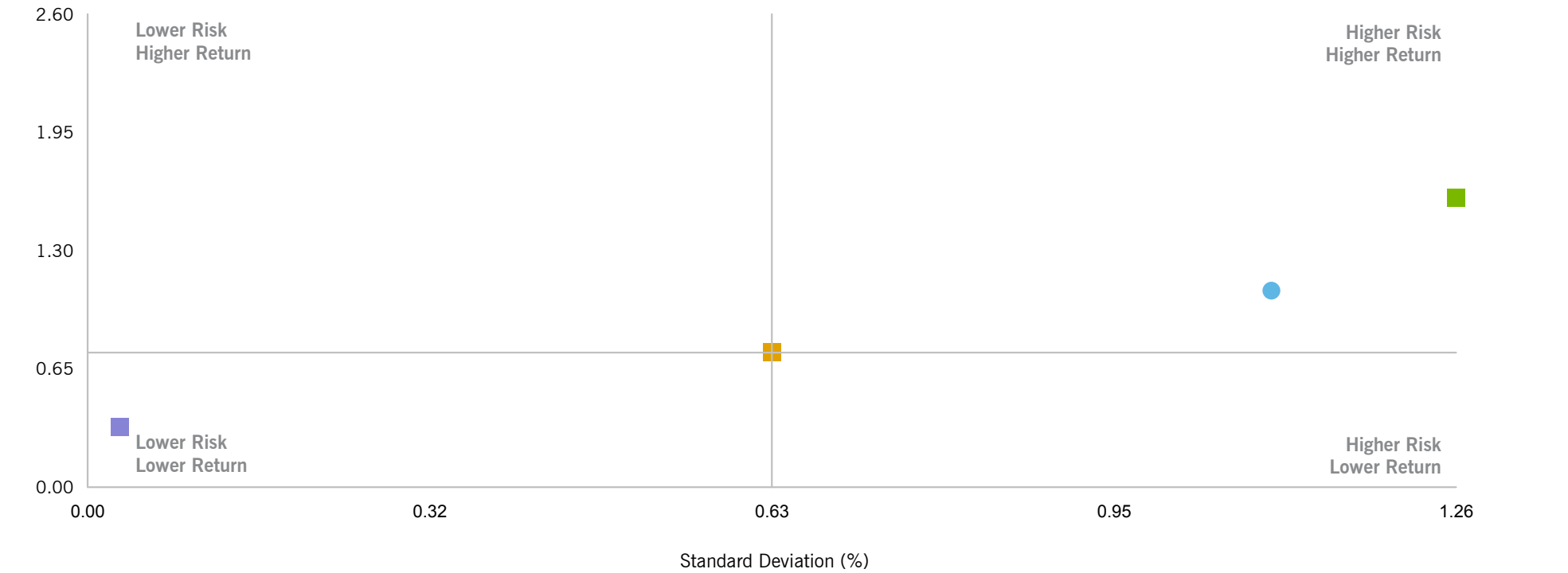
Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
3QTR	10,177,172.05	0.00	7,196.22	10,184,368.27	0.07	0.47	0.91	0.09
2QTR	10,049,163.76	0.00	128,008.29	10,177,172.05	1.27	0.81	1.49	0.09
1QTR	10,028,996.97	0.00	20,166.79	10,049,163.76	0.20	0.06	0.27	0.10
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%
4QTR	10,078,017.02	0.00	-49,020.05	10,028,996.97	-0.49	-0.13	-0.60	0.13
3QTR Performance Inception: 07/12/10	9,999,850.00	150.00	78,017.02	10,078,017.02	0.78	0.66	1.64	0.12

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.

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

Annualized Return (%)



	Return % (Net of Fees) 07/12/10-12/31/17	Standard Deviation 07/12/10-12/31/17 (%)
● Portfolio	1.08%	1.09%
■ BC Gov 1-3 Yr	0.74	0.63
■ BC Gov/Cr 1-5 yr	1.59	1.26
■ Citi CD 6 Month	0.33	0.03

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.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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	\$81,099.63	\$81,000.00	\$97.56	\$79,026.84	-\$2,048.12	1.66%	0.50%
	\$81,074.96			\$79,399.78		1.62%	
<i>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: \$372.937</i>							
ACE INA HOLDINGS INC	123,061.95	121,000.00	99.84	120,807.61	-1,626.15	2.30	0.76
	122,433.76			121,255.98		2.26	
<i>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: \$448.372</i>							
AMERICAN EXPRESS CREDIT	162,308.79	159,000.00	100.32	159,515.16	-2,572.13	2.69	1.01
	162,087.29			160,922.31		2.64	
<i>Cusip: 0258MOEG0, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/3/2022, Coupon: 2.700, Call Date: 2/1/2022, Call Price: 100.000, Accrued Interest: \$1407.150</i>							
APPLE INC	161,204.46	157,000.00	100.73	158,147.67	-2,786.57	2.68	0.99
	160,934.24			158,712.87		2.63	
<i>Cusip: 037833BF6, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/13/2022, Coupon: 2.700, Accrued Interest: \$565.198</i>							
BANK OF AMERICA CORP	161,382.40	160,000.00	100.84	161,344.00	-16.09	2.60	1.01
	161,360.09			162,184.00		2.60	
<i>Cusip: 06051GFT1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 10/19/2020, Coupon: 2.625, Accrued Interest: \$840.000</i>							
BANK OF NEW YORK MELLON	158,589.34	158,000.00	99.97	157,946.28	-241.36	2.10	1.00
	158,187.64			159,476.25		2.09	
<i>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: \$1529.966</i>							
BB&T CORPORATION	80,095.73	79,000.00	100.33	79,261.49	-594.97	2.44	0.50
	79,856.46			80,153.97		2.42	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$892.480</i>							
BERKSHIRE HATHAWAY INC	158,767.82	157,000.00	100.05	157,075.36	-662.41	2.09	0.99
	157,737.77			158,330.05		2.07	
<i>Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$1254.691</i>							
BOEING CAPITAL CORPORATION	79,472.44	76,000.00	100.59	76,445.36	-332.49	2.88	0.48
	76,777.85			77,277.98		2.77	
<i>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: \$832.622</i>							
BURLINGTON NORTH SANTA FE	79,962.19	77,000.00	102.09	78,610.07	-1,164.84	2.98	0.50
	79,774.91			79,301.57		2.93	
<i>Cusip: 12189LAH4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 3/15/2022, Coupon: 3.050, Call Date: 12/15/2021, Call Price: 100.000, Accrued Interest: \$691.502</i>							
CATERPILLAR FINANCIAL SE	79,058.21	77,000.00	100.05	77,036.96	-979.42	2.09	0.48
	78,016.38			77,135.78		2.04	
<i>Cusip: 14912L6B2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: \$98.816</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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
CHEVRON CORP	72,897.83	71,000.00	100.60	71,428.84	-821.33	2.40	0.45
	72,250.17			71,638.76		2.35	
<i>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: \$209.915</i>							
COCA-COLA CO/THE	81,082.40	80,000.00	99.48	79,586.40	-1,117.45	1.88	0.50
	80,703.85			79,853.07		1.85	
<i>Cusip: 191216BT6, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$266.666</i>							
COMCAST CORP	156,366.66	139,000.00	105.98	147,314.98	64.14	4.85	0.94
	147,250.84			149,701.15		4.57	
<i>Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: \$2386.166</i>							
COSTCO WHOLESALE CORP	81,574.40	80,000.00	99.36	79,487.20	-1,438.00	1.71	0.50
	80,925.20			79,547.64		1.67	
<i>Cusip: 22160KAF2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$60.444</i>							
EXXON MOBIL CORPORATION	162,744.45	159,000.00	99.78	158,643.84	-2,918.20	2.22	1.00
	161,562.04			159,821.50		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: \$1177.659</i>							
GENERAL ELEC CAP CORP	159,406.14	141,000.00	106.09	149,579.85	-3,455.84	4.35	0.96
	153,035.69			152,731.79		4.08	
<i>Cusip: 36962G4Y7, Moody's Rating: A2, S & P Rating: A, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: \$3151.937</i>							
HOME DEPOT INC	80,576.84	79,000.00	100.04	79,033.18	-533.14	1.99	0.49
	79,566.32			79,103.40		1.95	
<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: \$70.222</i>							
HONEYWELL INTERNATIONAL	80,569.08	81,000.00	98.92	80,122.77	-446.31	1.41	0.50
	80,569.08			80,311.77		1.40	
<i>Cusip: 438516BJ4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/30/2019, Coupon: 1.400, Accrued Interest: \$189.000</i>							
INTEL CORP	79,932.20	79,000.00	101.09	79,861.10	353.50	2.42	0.50
	79,507.60			80,678.31		2.42	
<i>Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: \$817.211</i>							
JOHN DEERE CAPITAL CORP	80,480.46	79,000.00	100.12	79,094.80	-464.88	2.24	0.50
	79,559.68			79,460.18		2.20	
<i>Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: \$365.375</i>							
JOHNSON & JOHNSON	81,111.78	81,000.00	99.53	80,616.87	-490.04	1.95	0.51
	81,106.91			80,840.63		1.94	
<i>Cusip: 478160CH5, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/10/2020, Coupon: 1.950, Accrued Interest: \$223.762</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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
JP MORGAN CHASE & CO.	160,541.52	148,000.00	106.77	158,015.16	-1,245.48	4.33	0.99
	159,260.64			158,984.87		4.26	
<i>Cusip: 46625HHZ6, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 5/10/2021, Coupon: 4.625, Accrued Interest: \$969.708</i>							
KIMBERLY-CLARK CORP	80,443.20	80,000.00	99.29	79,428.80	-789.87	1.41	0.50
	80,218.67			79,851.91		1.39	
<i>Cusip: 494368BT9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 2/15/2019, Coupon: 1.400, Accrued Interest: \$423.110</i>							
MASTERCARD INC	159,790.89	161,000.00	98.72	158,937.59	-853.30	2.02	1.00
	159,790.89			159,295.37		2.01	
<i>Cusip: 57636QAF1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 11/21/2021, Coupon: 2.000, Call Date: 10/21/2021, Call Price: 100.000, Accrued Interest: \$357.777</i>							
METLIFE INC	150,589.80	135,000.00	102.93	138,956.85	-576.12	6.62	0.89
	139,532.97			142,433.52		6.11	
<i>Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: \$3476.670</i>							
MICROSOFT CORP	80,922.40	80,000.00	99.84	79,870.40	-1,003.39	2.37	0.50
	80,873.79			80,604.01		2.34	
<i>Cusip: 594918BA1, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 2/12/2022, Coupon: 2.375, Call Date: 1/12/2022, Call Price: 100.000, Accrued Interest: \$733.610</i>							
OCCIDENTAL PETROLEUM CORP	80,446.14	74,000.00	104.73	77,503.16	-799.46	3.91	0.49
	78,302.62			78,767.33		3.77	
<i>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: \$1264.166</i>							
ORACLE CORP	80,280.59	79,000.00	100.16	79,124.82	-1,092.20	2.49	0.50
	80,217.02			79,377.18		2.45	
<i>Cusip: 68389XBB0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 5/15/2022, Coupon: 2.500, Call Date: 3/15/2022, Call Price: 100.000, Accrued Interest: \$252.361</i>							
PACCAR FINANCIAL CORP	80,148.69	81,000.00	98.49	79,780.14	-368.55	1.21	0.50
	80,148.69			80,155.44		1.20	
<i>Cusip: 69371RN36, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/12/2019, Coupon: 1.200, Accrued Interest: \$375.300</i>							
PEPSICO INC	161,270.40	160,000.00	100.28	160,454.40	-608.43	2.24	1.01
	161,062.83			162,194.40		2.23	
<i>Cusip: 713448CK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 1/7/2019, Coupon: 2.250, Call Date: 12/7/2018, Call Price: 100.000, Accrued Interest: \$1739.998</i>							
PNC FUNDING CORP	158,731.86	142,000.00	105.54	149,869.64	-314.66	4.85	0.96
	150,184.30			152,760.42		4.58	
<i>Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$2890.783</i>							
PROCTER & GAMBLE CO/THE	151,176.89	149,000.00	99.77	148,651.34	-1,205.98	1.90	0.93
	149,857.32			149,123.17		1.87	
<i>Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$471.832</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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
QUALCOMM INC	81,332.10	81,000.00	99.58	80,658.99	-609.32	2.10	0.51
	81,268.31			80,852.71		2.08	
<i>Cusip: 747525AP8, Moody's Rating: A1, S & P Rating: A, Maturity Date: 5/20/2020, Coupon: 2.100, Accrued Interest: \$193.724</i>							
STATE STREET CORP STT	72,450.70	70,000.00	100.66	70,464.10	-1,097.49	2.53	0.45
	71,561.59			71,123.56		2.46	
<i>Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$659.458</i>							
TARGET CORP	79,705.05	73,000.00	104.11	76,003.22	-1,144.75	3.72	0.48
	77,147.97			77,307.59		3.55	
<i>Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$1304.368</i>							
THE WALT DISNEY COMPANY	78,557.70	78,000.00	99.90	77,919.66	-401.39	2.15	0.49
	78,321.05			78,404.13		2.13	
<i>Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$484.467</i>							
UNITED PARCEL SERVICE	80,722.90	74,000.00	103.72	76,751.32	-750.78	4.94	0.49
	77,502.10			77,699.45		4.70	
<i>Cusip: 911312AK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/1/2019, Coupon: 5.125, Accrued Interest: \$948.125</i>							
UNITEDHEALTH GROUP INC	120,699.04	118,000.00	101.16	119,364.08	-380.26	2.66	0.76
	119,744.34			120,833.18		2.63	
<i>Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$1469.099</i>							
US BANCORP	80,945.77	79,000.00	100.28	79,223.57	-678.90	2.19	0.50
	79,902.47			79,542.20		2.14	
<i>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: \$318.633</i>							
VISA INC	160,184.55	159,000.00	99.92	158,874.39	-1,105.38	2.20	0.99
	159,979.77			159,039.57		2.18	
<i>Cusip: 92826CAB8, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$165.182</i>							
WAL-MART STORES INC	80,517.18	74,000.00	103.51	76,599.62	-1,712.66	3.50	0.49
	78,312.28			77,888.71		3.33	
<i>Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$1289.090</i>							
Corporate Fixed Income Total	\$4,621,202.57	\$4,466,000.00		\$4,516,437.88	-\$41,030.47		28.47%
	\$4,557,468.35			\$4,554,077.43			

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
----------------------	----------------------------------	------------	------------------	-------------------------------	-------------------------	----------------------------------	----------------------

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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 HOME LN BK	\$650,447.75	\$655,000.00	\$96.68	\$633,240.90	-\$17,206.85	1.16%	3.98%
	\$650,447.75			\$636,659.18		1.13%	
<i>Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$3418.281</i>							
FED HOME LN MTG CORP	955,279.00	950,000.00	99.02	940,709.00	-11,888.04	1.26	5.91
	952,597.04			945,656.91		1.24	
<i>Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: \$4947.914</i>							
FED HOME LN MTG CORP	505,965.00	500,000.00	98.51	492,525.00	-11,232.32	1.39	3.09
	503,757.32			493,670.83		1.35	
<i>Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$1145.830</i>							
FED HOME LN MTG CORP	485,131.79	481,000.00	98.81	475,271.29	-8,147.89	1.26	2.98
	483,419.18			476,757.71		1.23	
<i>Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$1486.420</i>							
FED HOME LN MTG CORP MED TERM NOTE	687,579.85	673,000.00	100.90	679,050.27	-7,140.08	2.35	4.29
	686,190.35			686,509.35		2.32	
<i>Cusip: 3137EADB2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/13/2022, Coupon: 2.375, Accrued Interest: \$7459.081</i>							
FED NATL MTG ASSN	557,590.42	557,000.00	99.35	553,351.65	-4,049.69	1.63	3.48
	557,401.34			557,374.43		1.62	
<i>Cusip: 3135GOA78, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/21/2020, Coupon: 1.625, Accrued Interest: \$4022.777</i>							
FED NATL MTG ASSN	363,955.48	355,000.00	99.46	353,090.10	-7,770.08	1.88	2.21
	360,860.18			353,145.57		1.82	
<i>Cusip: 3135GOH55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$55.465</i>							
FED NATL MTG ASSN	353,214.12	354,000.00	99.84	353,440.68	226.56	1.62	2.21
	353,214.12			353,983.97		1.62	
<i>Cusip: 3135GOYT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: \$543.291</i>							
FED NATL MTG ASSN	899,005.51	890,000.00	100.03	890,231.40	-2,138.36	1.87	5.60
	892,369.76			896,350.15		1.85	
<i>Cusip: 3135GOZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: \$6118.750</i>							
UNITED STATES TREASURY NOTE	640,803.39	641,000.00	98.54	631,634.99	-7,827.85	1.39	3.97
	639,462.84			634,621.06		1.37	
<i>Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$2986.073</i>							
UNITED STATES TREASURY NOTE	405,395.68	405,000.00	99.21	401,788.35	-3,473.37	1.25	2.52
	405,261.72			402,641.42		1.24	
<i>Cusip: 912828ST8, Moody's Rating: AAA, Maturity Date: 4/30/2019, Coupon: 1.250, Accrued Interest: \$853.072</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of December 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
UNITED STATES TREASURY NOTE	970,043.87 969,583.60	968,000.00	99.48	962,937.36 962,980.57	-6,646.24	1.63 1.62	6.02
<i>Cusip: 912828G95, Moody's Rating: AAA, Maturity Date: 12/31/2019, Coupon: 1.625, Accrued Interest: \$43.212</i>							
UNITED STATES TREASURY NOTE	968,772.49 968,772.49	974,000.00	98.65	960,802.30 968,395.13	-7,970.19	1.90 1.88	6.05
<i>Cusip: 9128282P4, Moody's Rating: AAA, Maturity Date: 7/31/2022, Coupon: 1.875, Accrued Interest: \$7592.827</i>							
UNITED STATES TREASURY NOTE	727,207.86 727,003.53	723,000.00	99.94	722,573.43 727,446.69	-4,430.10	2.00 1.99	4.55
<i>Cusip: 912828B90, Moody's Rating: AAA, Maturity Date: 2/28/2021, Coupon: 2.000, Accrued Interest: \$4873.259</i>							
UNITED STATES TREASURY NOTE	393,843.60 393,843.60	400,000.00	98.68	394,704.00 396,782.80	860.40	1.26 1.26	2.48
<i>Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$2078.804</i>							
UNITED STATES TREASURY NOTE	486,515.63 486,454.82	485,000.00	99.57	482,914.50 484,566.70	-3,540.32	2.00 1.99	3.03
<i>Cusip: 912828F96, Moody's Rating: AAA, Maturity Date: 10/31/2021, Coupon: 2.000, Accrued Interest: \$1652.196</i>							
UNITED STATES TREASURY NOTE	524,384.70 524,384.70	525,000.00	98.28	515,954.25 517,502.42	-8,430.45	1.78 1.75	3.24
<i>Cusip: 912828WZ9, Moody's Rating: AAA, Maturity Date: 4/30/2022, Coupon: 1.750, Accrued Interest: \$1548.167</i>							
UNITED STATES TREASURY NOTE	961,541.57 960,411.41	961,000.00	98.09	942,683.34 948,177.10	-17,728.07	1.40 1.37	5.93
<i>Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$5493.758</i>							
Government Securities Total	\$11,536,677.71 \$11,515,435.75	\$11,497,000.00		\$11,386,902.81 \$11,443,221.99	-\$128,532.94		71.53%

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

DISCLOSURES

Explanatory Notes and Disclosures : 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 or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. 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.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

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, 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 and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of 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.

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 : Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

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

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.

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 and annuities as well as Manually Added and External accounts, assets and liabilities.

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 Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

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.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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 was reviewed by the Executive Director and they are recommending approval by the full Board.

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

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

EXECUTIVE SUMMARY

TO: ACSIG Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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 Board. No changes are proposed to this policy.

The policy was reviewed by the Executive Committee and they are recommending approval by the full Board.



Alameda County Schools Insurance Group

CONFLICT OF INTEREST CODE

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 resolution, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and which 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 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Alameda County Schools Insurance Group.

Pursuant to Section 4 (A) of the standard Code, designated employees shall file Statements of Economic Interests with the Agency. Upon receipt of the statements of the members of the Board, the agency will retain the original statements.

APPENDIX A

DESIGNATED EMPLOYEES

DISCLOSURE CATEGORIES

Members of the Board	All
Alternates	All
Administrator	All
Consultants *	All
General Counsel	All
Insurance Broker	All
Claims Manager	All
Risk Manager	All

DISCLOSURE CATEGORIES

1. Investments and business positions in business entities, and sources of income, of the type to contract with the agency to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the agency.
2. Investments and business positions in business entities, and sources of income, which are contractors, or subcontractors, engaged in the performance of work or services of the type utilized by the agency, 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, which have filed claims, or have claims pending against the agency.
4. Investments and business positions in business entities, and sources of income, from banks or savings and loans.
5. Investments and business positions in, and income from, entities in which the Authority is empowered to invest its funds.
6. Interests in commercial real property (or interests in real property used for commercial leasing purposes).
 - With respect to Consultants, the Chairperson of the Board, in the absence of an Administrator, however, 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 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.

WRITTEN EXPLANATION OF REASONS FOR DESIGNATIONS AND DISCLOSURE RESPONSIBILITIES

DESIGNATIONS

The position of Board Member, Administrator 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 that have any substantial responsibility relative to the Alameda County Schools Insurance Group decision making process or policy. The term consultant includes the insurance brokers, the general counsel, and the risk manager and the claims administrator 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 interests relevant to the ACSIG business, which is confined to providing various types of insurance coverage to local public entities.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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 was reviewed by the Executive Committee and they are recommending approval by the full Board.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 Third Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2017/2018 Third Quarter financial statements for review. These financial statements reflect the 2016/2017 audited balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

Laurena Grabert from SETECH will review the financial statements with the the Board. These financials were reviewed in detail with the Executive Committee last week and they are recommending approval.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF MARCH 31, 2018 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)

Client Confidential Use Only



A Keenan Solution

Innovative Solutions. Enduring Principles.

License No. 0451271

For the Executive Committee Meeting of May 10, 2018

Alameda County Schools Insurance Group (ACSIG)

Table of Contents

	Page
Distribution and Use of Report.	I
<u>Financial Statements by Program:</u>	
By Program:	
Consolidated.	1
Workers Compensation.	2
Dental.	3
Vision.	4
Property and Liability.	5
Operations.	6
 A) Statement of Net Position	
As of 06/30/2017 and 03/31/2018	
B) Statement of Revenues, Expenditures and Changes in Net Position	
Adopted Budget Versus Actual	
For The Nine Months Ended 03/31/2018 -	
 Schedule of Discounted Claim Liabilities	
For The Nine Months Ended 03/31/2018 -	
Workers Compensation.	7, 7A, 7B
Property Liability.	8

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 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	As of 03/31/2018
Assets:			
Current Assets			
Workers Compensation	\$ 13,726,737	7,519,898	\$ 21,246,635
Dental	2,073,984	381,945	2,455,929
Vision	1,251,024	120,486	1,371,510
Property and Liability	1,234,912	57,774	1,292,686
Operations	238,251	(129,225)	109,026
Cash and Cash Equivalents	<u>\$ 18,524,908</u>	<u>7,950,878</u>	<u>\$ 26,475,786</u>
Investments Morgan Stanley - current	2,032,238	(1,069,778)	962,460
Accounts Receivable	7,827,985	2,701,156	10,529,141
Prepaid Expense	9,948	11,732	21,680
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>28,395,079</u>	<u>9,593,988</u>	<u>37,989,067</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,018,468	776,230	14,794,698
Capital - Equipment, net of depreciation	2,963	--	2,963
	<u>14,021,431</u>	<u>776,230</u>	<u>14,797,661</u>
Total Assets	<u>\$ 42,416,510</u>	<u>\$ 10,370,218</u>	<u>\$ 52,786,728</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	217,668	--	217,668
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,053,398	\$ 3,916,423	\$ 6,969,821
Prefunding deposits (2)	3,817,300	--	3,817,300
Advance Contributions	--	3,978,019	3,978,019
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	--	923,183	923,183
Current Portion of claims and claim adjustment	3,832,965	160,875	3,993,841
Subtotal Current Liabilities	<u>10,703,663</u>	<u>8,978,500</u>	<u>19,682,164</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,245,110	(1,287,456)	12,957,654
Unallocated Loss Adjustment Expense (ULAE)	1,365,838	12,000	1,377,838
Subtotal Noncurrent Claim Liabilities	<u>15,610,948</u>	<u>(1,275,456)</u>	<u>14,335,492</u>
Net Pension Liability (NPL)	586,196	--	586,196
Total Liabilities	<u>\$ 26,900,807</u>	<u>\$ 7,703,044</u>	<u>\$ 34,603,851</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	128,507	--	128,507
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	15,601,901	2,667,174	18,269,075
Designated - Capital Assets	2,963	--	2,963
Total Net Position	<u>\$ 15,604,864</u>	<u>\$ 2,667,174</u>	<u>\$ 18,272,038</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 42,416,510</u>	<u>\$ 10,370,218</u>	<u>\$ 52,786,728</u>

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 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 147,391,011	\$ 158,165,112	\$ 156,427,872	\$ 125,816,929	\$ 30,610,943	80.43 %
Return of Premiums	--	--	--	(1,143,270)	--	--
Other Income	--	247	--	--	--	--
Total Operating Revenue	147,391,011	158,165,359	156,427,872	124,673,659	30,610,943	79.70
Operating Expenditures:						
Classified Salaries	236,778	237,143	251,051	198,502	52,549	79.07
Statutory Benefits	55,498	70,823	56,552	18,021	38,531	31.87
Health & Welfare	39,000	47,037	39,000	36,255	2,745	92.96
Employer Tax Expense	3,411	3,915	3,477	3,120	357	89.72
Net Pension Expense	--	(47,757)	39,345	39,127	218	99.45
Telephone & Internet	5,250	6,380	7,350	4,753	2,597	64.67
Supplies Office	5,250	1,675	4,200	1,259	2,941	29.98
Supplies - Other	5,250	1,946	2,625	2,716	(91)	103.47
Eligibility Processing	252,000	208,279	240,000	159,057	80,943	66.27
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	218,665	69,335	75.93
Brokerage Fees-Dental-MD	300,000	402,435	350,000	302,569	47,431	86.45
Travel and Conferences	21,000	22,759	23,100	6,517	16,583	28.21
Mileage	8,925	5,370	8,925	5,579	3,346	62.51
Dues & Memberships	1,575	6,635	1,575	835	740	53.02
Postage & Meter	3,400	7,265	8,350	2,847	5,503	34.09
Insurance Expense-PIPS&NCR	23,989,931	20,585,426	25,192,893	15,780,951	9,411,942	62.64
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	749,186	1,250,814	37.46
Utility - Operating-Rent	35,420	33,655	39,388	33,435	5,953	84.89
Advertising	2,100	--	600	--	600	--
Contract Services	8,426	17,650	26,275	8,273	18,002	31.49
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	10,000	--	6,375	--	6,375	--
Audit Fees	14,175	13,250	15,540	13,500	2,040	86.87
Other Services/Operating Expenses	5,250	2,499	10,500	2,093	8,407	19.93
Capital Equipment/Depreciation	2,550	592	2,625	--	2,625	--
Repairs & Maintenance	4,800	--	3,675	--	3,675	--
Legal	2,550	--	2,100	--	2,100	--
Accounting Services	15,750	14,000	15,750	10,815	4,935	68.67
County Courier	3,675	--	4,200	3,568	632	84.94
Shredding	1,575	782	1,574	557	1,017	35.36
Copier & Scanner	15,000	10,928	15,000	7,464	7,536	49.76
Claims Administration Services	190,000	179,067	154,000	166,911	(12,911)	108.38
Self-Insurance Fee	245,000	261,221	290,000	297,811	(7,811)	102.69
Claims Paid-WC	3,000,000	1,280,507	2,500,000	779,122	1,720,878	31.16
Claims Paid-PL	80,000	27,495	50,000	43,731	6,269	87.46
Physical Abilities Testing	10,000	10,045	25,000	7,940	17,060	31.76
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	14,304	(4,304)	143.04
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Incentives	--	--	--	23,726	(23,726)	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	15,000	26,826	17,200	16,796	404	97.65
Cobra Premiums	250,000	188,075	242,000	186,837	55,163	77.21
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	99,971,913	23,028,087	81.28
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	3,142,109	197,891	94.08
Claim Development Expense	(2,430,000)	(1,819,353)	(2,510,000)	(191,398)	(2,318,602)	7.63
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	144,867,892	150,309,757	155,850,690	122,069,465	33,781,225	78.32 %
Net Increase/(Decrease) from Operations	2,523,119	7,855,602	577,182	2,604,194	(3,170,282)	451.19 %
Non Operating Income/(Expense)						
Interest Income	218,250	338,231	231,500	364,963	(133,463)	157.65
Net Increase/(Decrease) in Fair Value	--	(337,414)	--	(302,554)	302,554	--
Realized Gain/(Loss) on Investments	--	19,201	--	571	(571)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	20,018	231,500	62,980	168,518	27.21 %
Net Increase/(Decrease) in Net Position	\$ 2,741,369	\$ 7,875,620	808,682	\$ 2,667,174	\$ (3,001,764)	329.82 %
Beginning Balance Prior Year End	\$ 7,729,244	\$ 7,729,244	15,604,864	\$ 15,604,864	\$ --	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ 10,470,613	\$ 15,604,864	\$ 16,413,546	\$ 18,272,038	\$ (3,001,764)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	As of 03/31/2018
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 10,087,244	4,750,689	\$ 14,837,933
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,517	164	17,681
Union Bank Claims - #0129	55,746	2,549,415	2,605,161
Union Bank Claims Trust Account - #0600	332,381	(20,247)	312,134
Local Agency Investment Funds (L.A.I.F.)	3,177,362	25,632	3,202,994
Money Market - Morgan Stanley	56,487	214,245	270,732
Cash and Cash Equivalents	<u>\$ 13,726,737</u>	<u>7,519,898</u>	<u>\$ 21,246,635</u>
Investments Morgan Stanley - current	2,032,238	(1,069,778)	962,460
Accounts Receivable	188,678	(104,035)	84,643
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(68,669)</u>	<u>(78,715)</u>	<u>(147,384)</u>
Subtotal Current Assets	<u>15,878,984</u>	<u>6,267,370</u>	<u>22,146,354</u>
Noncurrent Assets			
Investments Morgan Stanley	7,386,420	808,882	8,195,302
Capital - Equipment, net of depreciation	--	--	--
	<u>7,386,420</u>	<u>808,882</u>	<u>8,195,302</u>
Total Assets	<u>\$ 23,265,404</u>	<u>\$ 7,076,252</u>	<u>\$ 30,341,656</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>65,300</u>	<u>--</u>	<u>65,300</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 5,073	\$ (1,592)	\$ 3,481
Prefunding deposits	--	--	--
Advance Contributions	--	3,978,019	3,978,019
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	--	923,183	923,183
Current Portion of claims and claim adjustment	1,591,000	149,000	1,740,000
Subtotal Current Liabilities	<u>1,596,073</u>	<u>5,048,610</u>	<u>6,644,683</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	14,209,957	(1,297,172)	12,912,785
Unallocated Loss Adjustment Expense (ULAE)	1,328,000	12,000	1,340,000
Subtotal Noncurrent Claim Liabilities	<u>15,537,957</u>	<u>(1,285,172)</u>	<u>14,252,785</u>
Net Pension Liability (NPL)	175,858	--	175,858
Total Liabilities	<u>\$ 17,309,888</u>	<u>\$ 3,763,438</u>	<u>\$ 21,073,326</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>38,552</u>	<u>--</u>	<u>38,552</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	5,982,264	3,312,814	9,295,078
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 5,982,264</u>	<u>\$ 3,312,814</u>	<u>\$ 9,295,078</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 23,265,404</u>	<u>\$ 7,076,252</u>	<u>\$ 30,341,656</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 28,264,268	\$ 28,264,266	\$ 26,712,774	\$ 20,034,580	\$ 6,678,194	75.00 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	247	--	--	--	--
Total Operating Revenue	28,264,268	28,264,513	26,712,774	20,034,580	6,678,194	75.00
Operating Expenditures:						
Classified Salaries	59,432	61,858	61,053	45,292	15,761	74.18
Statutory Benefits	13,930	23,208	14,246	4,593	9,653	32.24
Health & Welfare	7,800	14,111	7,800	10,876	(3,076)	139.44
Employer Tax Expense	856	934	876	665	211	75.91
Net Pension Expense	--	(14,326)	8,547	11,738	(3,191)	137.33
Telephone & Internet	750	957	1,050	713	337	67.90
Supplies Office	750	251	600	189	411	31.50
Supplies - Other	750	292	375	407	(32)	108.53
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,000	3,414	3,300	978	2,322	29.64
Mileage	1,275	805	1,275	837	438	65.64
Dues & Memberships	225	995	225	125	100	55.56
Postage & Meter	100	121	100	142	(42)	142.00
Insurance Expense-PIPS	22,758,486	19,382,444	24,040,241	14,893,462	9,146,779	61.95
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	749,186	1,250,814	37.46
Utility - Operating-Rent	5,060	5,048	5,627	5,015	612	89.12
Advertising	300	--	300	--	300	--
Contract Services - Actuarial	8,426	8,150	10,000	8,273	1,727	82.73
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
CAJPA Dues/Accreditation	--	--	--	--	--	--
Audit Fees	2,025	1,988	2,220	2,025	195	91.22
Other Services/Operating Expense:	750	375	1,500	314	1,186	20.93
Capital Equipment/Depreciation	750	--	375	--	375	--
Repairs & Maintenance	300	--	525	--	525	--
Legal	750	--	300	--	300	--
Accounting Services	2,250	2,100	2,250	1,622	628	72.09
County Courier	525	--	600	535	65	89.17
Shredding	675	117	225	83	142	36.89
Copier & Scanner	250	183	250	373	(123)	149.20
Claims Administration Services	170,000	170,000	154,000	154,000	--	100.00
Self-Insurance Fee	245,000	261,221	290,000	297,811	(7,811)	102.69
Claims Paid-WC	3,000,000	1,280,507	2,500,000	779,122	1,720,878	31.16
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	10,000	10,045	25,000	7,940	17,060	31.76
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	14,304	(4,304)	143.04
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Incentives	--	--	--	23,726	(23,726)	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	(875)	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,400,000)	(2,211,298)	(2,500,000)	(212,989)	(2,287,011)	8.52
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	25,429,415	21,239,277	26,702,860	16,801,357	9,901,503	62.92 %
Net Increase/(Decrease) from Operations	2,834,853	7,025,236	9,914	3,233,223	(3,223,309)	32,612.70 %
Non Operating Income/(Expense)						
Interest Income	150,000	210,784	150,000	257,236	(107,236)	171.49
Net Increase/(Decrease) in Fair Value	--	(279,057)	--	(177,980)	177,980	--
Realized Gain/(Loss) on Investments	--	11,295	--	336	(336)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	(56,978)	150,000	79,592	70,408	53.06 %
Net Increase/(Decrease) in Net Position	2,984,853	6,968,258	159,914	3,312,815	(3,152,901)	2,071.62 %
Beginning Balance Prior Year End	(985,994)	(985,994)	5,982,264	5,982,264	--	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ 1,998,859	\$ 5,982,264	\$ 6,142,178	\$ 9,295,078	\$ (3,152,901)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	As of 03/31/2018
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 432,292	373,825	\$ 806,117
Union Bank - Eligibility #9938	1,574,501	(165,581)	1,408,920
Union Bank - Expense #2064	10,044	204,396	214,440
Union Bank - Cobra Trust #0273	57,147	(30,695)	26,452
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 2,073,984</u>	<u>381,945</u>	<u>\$ 2,455,929</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,458,388	2,816,983	10,275,371
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>888,258</u>	<u>44,833</u>	<u>933,091</u>
Subtotal Current Assets	<u>10,420,630</u>	<u>3,243,761</u>	<u>13,664,391</u>
Noncurrent Assets			
Investments - Morgan Stanley	5,558,235	(27,365)	5,530,870
Capital - Equipment, net of depreciation	--	--	--
	<u>5,558,235</u>	<u>(27,365)</u>	<u>5,530,870</u>
Total Assets	<u>\$ 15,978,865</u>	<u>\$ 3,216,396</u>	<u>\$ 19,195,261</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>108,834</u>	<u>--</u>	<u>108,834</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 2,740,033	\$ 3,883,304	\$ 6,623,337
Prefunding deposits	3,693,230	--	3,693,230
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	1,899,000	--	1,899,000
Subtotal Current Liabilities	<u>8,332,263</u>	<u>3,883,304</u>	<u>12,215,567</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	293,098	--	293,098
Total Liabilities	<u>\$ 8,625,361</u>	<u>\$ 3,883,304</u>	<u>\$ 12,508,665</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>64,253</u>	<u>--</u>	<u>64,253</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	7,398,085	(666,908)	6,731,177
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 7,398,085</u>	<u>\$ (666,908)</u>	<u>\$ 6,731,177</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 15,978,865</u>	<u>\$ 3,216,396</u>	<u>\$ 19,195,261</u>

Alameda County Schools Insurance Group (ACSIG)

Dental

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Nine Months Ended 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 115,000,000	\$ 124,773,696	\$ 125,000,000	\$ 101,597,473	\$ 23,402,527	81.28 %
Return of Premiums	--	--	--	(1,143,270)	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	115,000,000	124,773,696	125,000,000	100,454,203	23,402,527	80.36
Operating Expenditures:						
Classified Salaries	135,791	132,102	146,919	121,553	25,366	82.73
Statutory Benefits	31,828	31,989	32,355	10,307	22,048	31.86
Health & Welfare	25,350	23,519	25,350	18,128	7,222	71.51
Employer Tax Expense	1,956	2,322	1,989	1,983	6	99.70
Net Pension Expense	--	(23,879)	24,767	19,564	5,203	78.99
Telephone & Internet	3,750	4,467	5,250	3,327	1,923	63.37
Supplies Office	3,750	1,173	3,000	881	2,119	29.37
Supplies - Other	3,750	1,361	1,875	1,901	(26)	101.39
Eligibility Processing	252,000	208,279	240,000	159,057	80,943	66.27
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	218,665	69,335	75.93
Brokerage Fees-Dental-MD	300,000	402,435	350,000	302,569	47,431	86.45
Travel and Conferences	15,000	15,930	16,500	4,562	11,938	27.65
Mileage	6,375	3,759	6,375	3,906	2,469	61.27
Dues & Memberships	1,125	4,645	1,125	585	540	52.00
Postage & Meter	3,150	6,901	8,100	2,563	5,537	31.64
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Net, Operating-Rent	25,300	23,558	28,134	23,404	4,730	83.19
Advertising	1,500	--	--	--	--	--
Contract Services - Actuarial	--	5,000	15,000	--	15,000	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contracted Services	10,000	--	6,375	--	6,375	--
Audit Fees	10,125	9,274	11,100	9,450	1,650	85.14
Other Services/Operating Expense:	3,750	1,749	7,500	1,465	6,035	19.53
Capital Equipment/Depreciation	1,500	--	1,875	--	1,875	--
Repairs & Maintenance	3,750	--	2,625	--	2,625	--
Legal	1,500	--	1,500	--	1,500	--
Accounting Services	11,250	9,800	11,250	7,571	3,679	67.30
County Courier	2,625	--	3,000	2,497	503	83.24
Shredding	750	547	1,124	390	734	34.70
Copier & Scanner	14,250	10,381	14,250	6,718	7,532	47.15
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	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge	15,000	27,701	17,200	16,796	404	97.65
Cobra Premiums	250,000	188,075	242,000	186,837	55,163	77.21
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	99,971,913	23,028,087	81.28
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	190,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	115,289,033	123,869,931	124,514,538	101,096,592	23,417,946	81.19 %
Net Increase/(Decrease) from Operations	(289,033)	903,765	485,462	(642,389)	(15,419)	(132.33) %
Non Operating Income/(Expense)						
Interest Income	50,000	100,706	60,000	79,689	(19,689)	132.81
Net Increase/(Decrease) in Fair Value	--	(35,863)	--	(104,404)	104,404	--
Realized Gain/(Loss) on Investments	--	6,626	--	197	(197)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
I Transfer, YE Close, Rebate	--	--	--	--	--	--
Total Non Operating Income/(Expense)	50,000	71,469	60,000	(24,518)	84,518	(40.86) %
Net Increase/(Decrease) in Net Position	(239,033)	975,234	545,462	(666,908)	69,100	(122.26) %
Beginning Balance Prior Year End	6,422,851	6,422,851	7,398,085	7,398,085	--	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ 6,183,818	\$ 7,398,085	\$ 7,943,547	\$ 6,731,177	\$ 69,100	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	As of 03/31/2018
Assets:			
Current Assets			
Cash with County #44902	\$ 1,251,024	120,486	\$ 1,371,510
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	<u>1,251,024</u>	<u>120,486</u>	<u>1,371,510</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	156,508	(11,792)	144,716
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>299,118</u>	<u>(36,560)</u>	<u>262,558</u>
Subtotal Current Assets	<u>1,706,650</u>	<u>72,134</u>	<u>1,778,784</u>
Noncurrent Assets			
Investments - Morgan Stanley	1,073,813	(5,287)	1,068,526
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,073,813</u>	<u>(5,287)</u>	<u>1,068,526</u>
Total Assets	<u>\$ 2,780,463</u>	<u>\$ 66,847</u>	<u>\$ 2,847,310</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 281,884	\$ 42,351	\$ 324,235
Prefunding deposits	124,070	--	124,070
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	300,000	--	300,000
Subtotal Current Liabilities	<u>705,954</u>	<u>42,351</u>	<u>748,305</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Pension Liability (NPL)	58,620	--	58,620
Total Liabilities	<u>\$ 764,574</u>	<u>\$ 42,351</u>	<u>\$ 806,925</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,024,805	24,496	2,049,301
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 2,024,805</u>	<u>\$ 24,496</u>	<u>\$ 2,049,301</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 2,780,463</u>	<u>\$ 66,847</u>	<u>\$ 2,847,310</u>

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Nine Months Ended 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 2,800,000	\$ 3,800,407	\$ 3,400,000	\$ 3,198,552	\$ 201,448	94.08 %
Retrun of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	2,800,000	3,800,407	3,400,000	3,198,552	201,448	94.08
Operating Expenditures:						
Classified Salaries	23,678	24,508	25,105	18,020	7,085	71.78
Statutory Benefits	5,550	8,045	5,655	1,650	4,005	29.18
Health & Welfare	3,900	4,704	3,900	3,626	274	92.97
Employer Tax Expense	341	385	348	274	74	78.74
Net Pension Expense	--	(4,776)	3,515	3,913	(398)	111.32
Telephone & Internet	500	638	700	475	225	67.86
Supplies Office	500	167	400	126	274	31.50
Supplies - Other	500	195	250	272	(22)	108.80
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,000	2,276	2,200	652	1,548	29.64
Mileage	850	537	850	558	292	65.65
Dues & Memberships	150	664	150	84	66	56.00
Postage & Meter	150	194	150	142	8	94.67
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	3,373	3,366	3,751	3,343	408	89.12
Advertising	200	--	200	--	200	--
Contract Services - Actuarial	--	--	850	--	850	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	1,350	1,325	1,480	1,350	130	91.22
Other Services/Operating Expense	500	250	1,000	209	791	20.90
Capital Equipment/Depreciation	200	--	250	--	250	--
Repairs & Maintenance	500	--	350	--	350	--
Legal	200	--	200	--	200	--
Accounting Services	1,500	1,400	1,500	1,082	418	72.13
County Courier	350	--	400	357	43	89.25
Shredding	100	78	150	56	94	37.33
Copier & Scanner	400	292	400	373	27	93.25
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	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	3,142,109	197,891	94.08
Claim Development Expense	--	158,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	2,804,792	3,879,937	3,393,754	3,178,671	215,083	93.66 %
Net Increase/(Decrease) from Operations	(4,792)	(79,530)	6,246	19,881	(13,635)	318.30 %
Non Operating Income/(Expense)						
Interest Income	17,500	23,999	20,000	24,747	(4,747)	123.74
Net Increase/(Decrease) in Fair Value	--	(22,494)	--	(20,170)	20,170	--
Realized Gain/(Loss) on Investments	--	1,280	--	38	(38)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	17,500	2,785	20,000	4,615	15,385	23.08 %
Net Increase/(Decrease) in Net Position	12,708	(76,745)	26,246	24,496	1,750	93.33 %
Beginning Balance Prior Year End	2,101,550	2,101,550	2,024,805	2,024,805	--	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ 2,114,258	\$ 2,024,805	\$ 2,051,051	\$ 2,049,301	\$ 1,750	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	As of 03/31/2018
Assets:			
Current Assets			
Cash with County - #44903	\$ 38,710	874,580	\$ 913,290
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	1,180,272	(814,944)	365,328
Union Bank - Claims Trust #1186	15,930	(1,862)	14,068
Cash and Cash Equivalents	<u>\$ 1,234,912</u>	<u>57,774</u>	<u>\$ 1,292,686</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	15,000	--	15,000
Prepaid Expense	--	19,242	19,242
Interfund Receivable/(payable)	<u>(877,223)</u>	<u>(58,652)</u>	<u>(935,875)</u>
Subtotal Current Assets	<u>372,689</u>	<u>18,364</u>	<u>391,053</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>\$ 372,689</u>	<u>\$ 18,364</u>	<u>\$ 391,053</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>21,767</u>	<u>--</u>	<u>21,767</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 4,952	\$ --	\$ 4,952
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	42,965	11,875	54,841
Subtotal Current Liabilities	<u>47,917</u>	<u>11,875</u>	<u>59,793</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	35,153	9,716	44,869
Unallocated Loss Adjustment Expense (ULAE)	37,838	--	37,838
Subtotal Noncurrent Claim Liabilities	<u>72,991</u>	<u>9,716</u>	<u>82,707</u>
Net Pension Liability (NPL)	<u>58,620</u>	<u>--</u>	<u>58,620</u>
Total Liabilities	<u>\$ 179,528</u>	<u>\$ 21,591</u>	<u>\$ 201,119</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>12,851</u>	<u>--</u>	<u>12,851</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	202,077	(3,227)	198,850
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 202,077</u>	<u>\$ (3,227)</u>	<u>\$ 198,850</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 372,689</u>	<u>\$ 18,364</u>	<u>\$ 391,053</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 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 1,326,743	\$ 1,326,743	\$ 1,315,098	\$ 986,324	\$ 328,774	75.00 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	1,326,743	1,326,743	1,315,098	986,324	328,774	75.00
Operating Expenditures:						
Classified Salaries	17,877	18,675	17,974	13,636	4,338	75.87
Statutory Benefits	4,190	7,581	4,296	1,471	2,825	34.24
Health & Welfare	1,950	4,704	1,950	3,625	(1,675)	185.90
Employer Tax Expense	258	274	264	198	66	74.81
Net Pension Expense	--	(4,776)	2,516	3,912	(1,396)	155.49
Telephone & Internet	250	318	350	238	112	68.03
Supplies Office	250	84	200	63	137	31.62
Supplies - Other	250	97	125	136	(11)	108.96
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,000	1,139	1,100	325	775	29.52
Mileage	425	268	425	278	147	65.51
Dues & Memberships	75	332	75	41	34	54.67
Postage & Meter	--	49	--	--	--	--
Insurance Expense-NCR	1,231,445	1,202,982	1,152,652	887,489	265,163	77.00
Insurance Expense-PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	1,687	1,683	1,876	1,673	203	89.18
Advertising	100	--	100	--	100	--
Contract Services - Actuarial	--	4,500	425	--	425	--
Contract Services - Claim Audit	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--
Audit Fees	675	663	740	675	65	91.22
Other Services/Operating Expenses	250	125	500	105	395	20.94
Capital Equipment/Depreciation	100	--	125	--	125	--
Repairs & Maintenance	250	--	175	--	175	--
Legal	100	--	100	--	100	--
Accounting Services	750	700	750	540	210	72.00
County Courier	175	--	200	178	22	89.13
Shredding	50	40	75	28	47	36.79
Copier & Scanner	100	72	100	--	100	--
Claims Administration Services	20,000	9,067	--	12,911	(12,911)	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	80,000	27,495	50,000	43,731	6,269	87.46
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(30,000)	43,945	(10,000)	21,591	(31,591)	(215.91)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	1,344,652	1,320,019	1,239,538	992,844	246,694	80.10 %
Net Increase/(Decrease) from Operations	(17,909)	6,724	75,560	(6,520)	82,080	(8.63) %
Non Operating Income/(Expense)						
Interest Income	750	2,740	1,500	3,293	(1,793)	219.53
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	750	2,740	1,500	3,293	(1,793)	219.53 %
Net Increase/(Decrease) in Net Position	(17,159)	9,464	77,060	(3,227)	80,287	(4.19) %
Beginning Balance Prior Year End	192,613	192,613	202,077	202,077	--	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ 175,454	\$ 202,077	\$ 279,137	\$ 198,850	\$ 80,287	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2017 and 03/31/2018

	Audited As of 06/30/2017	Activity 07/01/2017 - 03/31/2018	Unaudited As of 03/31/2018
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 39,841	(15,069)	\$ 24,772
Union Bank Checking Account #1521	198,410	(114,156)	84,254
Cash and Cash Equivalents	<u>\$ 238,251</u>	<u>(129,225)</u>	<u>\$ 109,026</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	9,411	--	9,411
Prepaid Expense	9,948	(7,510)	2,438
Interfund Receivable/(payable)	<u>(241,484)</u>	<u>129,094</u>	<u>(112,390)</u>
Subtotal Current Assets	<u>16,126</u>	<u>(7,641)</u>	<u>8,485</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>2,963</u>	<u>--</u>	<u>2,963</u>
	<u>2,963</u>	<u>--</u>	<u>2,963</u>
Total Assets	<u>\$ 19,089</u>	<u>\$ (7,641)</u>	<u>\$ 11,448</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 21,455	\$ (7,639)	\$ 13,816
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>21,455</u>	<u>(7,639)</u>	<u>13,816</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 21,455</u>	<u>\$ (7,639)</u>	<u>\$ 13,816</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>2,963</u>	<u>--</u>	<u>2,963</u>
Total Net Position	<u>\$ (2,368)</u>	<u>\$ --</u>	<u>\$ (2,368)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 19,087</u>	<u>\$ (7,639)</u>	<u>\$ 11,448</u>

Alameda County Schools Insurance Group (ACSIG)

Operations

Statement of Revenues, Expenditures and Changes in Net Fund Assets

For The Nine Months Ended 03/31/2018

	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 3/31/2018	Variance	Percentage of Budget
Operating Revenue:						
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	-- %
Offset to Rent - Sub Lease	--	--	--	--	--	--
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries	--	--	--	--	--	--
Statutory Benefits	--	--	--	--	--	--
Health & Welfare	--	--	--	--	--	--
Employer Tax Expense	--	--	--	--	--	--
Net Pension 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 -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	--	--	--	--	--	--
Other Services/Operating Expense:	--	--	--	--	--	--
Capital Equipment/Depreciation	--	592	--	--	--	--
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	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	--	592	--	--	--	-- %
Net Increase/(Decrease) from Operations	--	(592)	--	--	--	-- %
Non Operating Income/(Expense)						--
Interest Income	--	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer & YE Close	--	--	--	--	--	--
Total Non Operating Income/(Expense)	--	--	--	--	--	-- %
Net Increase/(Decrease) in Net Position	--	(592)	--	--	--	-- %
Beginning Balance Prior Year End	(1,776)	(1,776)	(2,368)	(2,368)	--	100.00 %
Unaudited Ending Balance, as of 03/31/2018	\$ (1,776)	\$ (2,368)	\$ (2,368)	\$ (2,368)	\$ --	

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2018

	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	\$ 916,273	\$ 1,828,378	\$ 2,852,970	\$ 2,809,093	\$ 2,870,353	\$ 4,015,851	\$ 2,924,479	\$ 5,555,200	\$ 5,166,494	\$ 4,076,535	\$ 3,711,210	\$ 4,769,237	\$ 41,496,073
Reserves	--	--	25,228	64,894	37,039	12,779	29,049	91,315	59,193	200,196	142,608	202,956	865,257
Incurred Claims	916,273	1,828,378	2,878,198	2,873,987	2,907,392	4,028,630	2,953,528	5,646,515	5,225,687	4,276,731	3,853,818	4,972,193	42,361,330
Incurred But Not Reported (IBNR)	32,669	--	--	126,013	42,608	71,370	46,472	113,485	104,313	183,269	96,182	177,807	994,188
Non- Discounted Estimated Ultimate Incurred (1)	948,942	1,828,378	2,878,198	3,000,000	2,950,000	4,100,000	3,000,000	5,760,000	5,330,000	4,460,000	3,950,000	5,150,000	43,355,518
Anticipated Investment Income (Discount) (2)	(1,927)	--	(1,488)	(11,264)	(5,018)	(5,722)	(5,589)	(16,384)	(14,716)	(37,580)	(24,118)	(39,980)	(163,786)
Discounted Estimated Ultimate (1-2)	947,015	1,828,378	2,876,710	2,988,736	2,944,982	4,094,278	2,994,411	5,743,616	5,315,284	4,422,420	3,925,882	5,110,020	43,191,732
Paid Claims	(916,273)	(1,828,378)	(2,852,970)	(2,809,093)	(2,870,353)	(4,015,851)	(2,924,479)	(5,555,200)	(5,166,494)	(4,076,535)	(3,711,210)	(4,769,237)	(41,496,073)
Remaining Estimated Unpaid Claim Liabilities	\$ 30,742	\$ --	\$ 23,740	\$ 179,643	\$ 74,629	\$ 78,427	\$ 69,932	\$ 188,416	\$ 148,790	\$ 345,885	\$ 214,672	\$ 340,783	\$ 1,695,659

(1) Per Bay Actuarial Consultants actuarial study dated February 2018.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017. Effective 2018 1.75%.

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	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
As of 06/30/2018	947,015	1,828,378	2,876,710	2,988,736	2,944,982	4,094,278	2,994,411	5,743,616	5,315,284	4,422,420	3,925,882	5,110,020	43,191,732
Increase/Decrease	(303)	--	(185)	36,394	37,332	9,381	9,348	9,430	(961)	14,139	(21,194)	(41,500)	51,881

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2018

	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	\$ 41,496,073	\$ 5,326,840	\$ 7,111,100	\$ 6,812,340	\$ 9,153,999	\$ 7,332,727	\$ 10,721,850	\$ 11,835,666	\$ 99,790,595
Reserves	865,257	201,613	265,194	511,250	1,261,565	541,070	543,297	638,650	4,827,896
Incurred Claims	<u>42,361,330</u>	<u>5,528,453</u>	<u>7,376,294</u>	<u>7,323,590</u>	<u>10,415,564</u>	<u>7,873,797</u>	<u>11,265,147</u>	<u>12,474,316</u>	<u>104,618,491</u>
Incurred But Not Reported (IBNR)	<u>994,188</u>	<u>281,547</u>	<u>453,706</u>	<u>506,410</u>	<u>444,436</u>	<u>646,203</u>	<u>734,853</u>	<u>675,684</u>	<u>4,737,027</u>
Non- Discounted Estimated Ultimate Incurred (1)	43,355,518	5,810,000	7,830,000	7,830,000	10,860,000	8,520,000	12,000,000	13,150,000	109,355,518
Anticipated Investment Income (Discount) (2)	(163,786)	(53,148)	(83,392)	(124,155)	(218,368)	(155,533)	(168,716)	(176,121)	(1,143,219)
Discounted Estimated Ultimate (1-2)	<u>43,191,732</u>	<u>5,756,852</u>	<u>7,746,608</u>	<u>7,705,845</u>	<u>10,641,632</u>	<u>8,364,467</u>	<u>11,831,284</u>	<u>12,973,879</u>	<u>108,212,299</u>
Paid Claims	<u>(41,496,073)</u>	<u>(5,326,840)</u>	<u>(7,111,100)</u>	<u>(6,812,340)</u>	<u>(9,153,999)</u>	<u>(7,332,727)</u>	<u>(10,721,850)</u>	<u>(11,835,666)</u>	<u>(99,790,595)</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ 1,695,659</u>	<u>\$ 430,012</u>	<u>\$ 635,508</u>	<u>\$ 893,505</u>	<u>\$ 1,487,633</u>	<u>\$ 1,031,740</u>	<u>\$ 1,109,434</u>	<u>\$ 1,138,213</u>	<u>\$ 8,421,704</u>

(1) Per Bay Actuarial Consultants actuarial study dated February 2018.

(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017. Effective 2018 1.75%.

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	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
As of 06/30/2018	43,191,732	5,756,852	7,746,608	7,705,845	10,641,632	8,364,467	11,831,284	12,973,879	108,212,299
Increase/Decrease	51,881	173,652	40,796	35,319	(75,386)	65,336	(115,835)	(147,644)	28,119

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2018

		Self-Insured Program Years								As of 03/31/2018 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2017 Totals		07/01/2017 - 03/31/2018	
Totals From Page 7A												
Paid Claims	\$ 99,790,595	\$ 9,922,353	\$ 6,006,360	\$ 5,487,434	\$ 8,599,186	\$ 8,357,078	\$ 8,412,670	\$ 8,837,342	\$ 155,413,018	\$ 154,692,381	\$ 720,637	
Reserves	4,827,896	349,434	337,676	222,605	701,985	512,882	734,133	243,629	7,930,240	8,909,881	(979,641)	
Incurred Claims	104,618,491	10,271,787	6,344,036	5,710,039	9,301,171	8,869,960	9,146,803	9,080,971	163,343,258	163,602,262	(259,004)	
Incurred But Not Reported (IBNR)	4,737,027	548,213	455,964	409,961	1,088,829	540,040	513,197	639,029	8,932,260	8,923,234	9,026	
Non- Discounted Estimated Ultimate Incurred (1)	109,355,518	10,820,000	6,800,000	6,120,000	10,390,000	9,410,000	9,660,000	9,720,000	172,275,518	172,525,496	(249,978)	
Anticipated Investment Income												
(Discount) (2)	(1,143,219)	(123,875)	(110,316)	(92,355)	(263,250)	(161,097)	(185,852)	(129,751)	(2,209,715)	(2,032,158)	(177,557)	
Discounted Estimated Ultimate (1-2)	108,212,299	10,696,125	6,689,684	6,027,645	10,126,750	9,248,903	9,474,148	9,590,249	170,065,803	170,493,338	(427,535)	
Paid Claims	(99,790,595)	(9,922,353)	(6,006,360)	(5,487,434)	(8,599,186)	(8,357,078)	(8,412,670)	(8,837,342)	(155,413,018)	(154,692,381)	(720,637)	
Remaining Estimated Unpaid Claim Liabilities	\$ 8,421,704	\$ 773,772	\$ 683,324	\$ 540,211	\$ 1,527,564	\$ 891,825	\$ 1,061,478	\$ 752,907	\$ 14,652,785	\$ 15,800,957	\$ (1,148,172)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2018.									Estimated Current Portion /Short-Term Liability (1)	(1,740,000)		
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017. Effective 2018-1-1									Non-Current portion of Claim Liabilities	\$ 12,912,785		
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	\$ (1,148,172)	
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	12,000	
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	\$ (1,136,172)	
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	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
As of 06/30/2018	108,212,299	10,696,125	6,689,684	6,027,645	10,126,750	9,248,903	9,474,148	9,590,249	170,065,803			
Increase/Decrease	28,119	(20,793)	(128,071)	130,996	(88,225)	49,907	(46,342)	(353,126)	(427,535)			

Claim Development Expense		
Claim Liabilities	\$	(1,148,172)
and ULAE		12,000
Decrease	\$	(1,136,172)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 03/31/2018

	Self-Insured Program Years											As of 03/31/2018	Activity	
													07/01/2017 -	
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	As of 06/30/2017		09/30/2017	
Paid Claims	\$ 45,000	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 52,676	\$ 20,000	\$ 3,221	\$ 452,752	\$ 403,293	\$ 49,459	
Reserves	--	--	--	--	--	--	--	20,000	20,000	36,779	76,779	67,206	9,573	
Incurred Claims	45,000	39,048	33,141	96,543	125,045	20,000	18,078	72,676	40,000	40,000	529,531	470,499	59,032	
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	--	(0)	14,069	10,000	24,069	11,770	12,299	
Non- Discounted Estimated Ultimate Incurred (1)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	72,676	(3 54,069	50,000	553,600	482,269	71,331	
Anticipated Investment Income (Discount) (2)	--	--	--	--	--	--	--	(168)	(409)	(561)	(1,138)	(857)	(281)	
Discounted Estimated Ultimate (1-2)	45,000	39,048	33,141	96,543	125,045	20,000	18,078	72,508	53,660	49,439	552,462	481,412	71,050	
Paid Claims	(45,000)	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(52,676)	(20,000)	(3,221)	(452,752)	(403,293)	(49,459)	
Remaining Estimated Unpaid Claim Liabilities:	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 19,832	\$ 33,660	\$ 46,218	\$ 99,710	\$ 78,119	\$ 21,591	
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65											(54,841)			
Estimated Non-Current portion of Claim Liabilities											\$ 44,870			
(1) Per Bay Actuarial Consultants actuarial study dated February 2017. 2017/2018 Estimated based upon budget.														
(2) Discounted at 1.0%.														
(3) Not adjusted for negative IBNR, based upon Actuarial report, maybe adjusted at year end 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			
As of 06/30/2018	45,000	39,048	33,141	96,543	125,045	20,000	18,078	72,676	54,069	50,000	553,600			
Increase/Decrease	--	--	--	--	--	--	--	21,331	--	50,000	71,331			

Claim Development Expense	
Claim Liabilities and ULAE	\$ 21,591
Increase	\$ 21,591

Claim Development Expense	
Claim Liabilities and ULAE	\$ 21,591
Increase	\$ 21,591



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 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 Allison from Morgan Stanley Wealth Management reviewed this report in detail with the Executive Committee. The Executive Director will review this report with the full Board. Action will be requested.

Morgan Stanley

April 6, 2018

ACSIG – Alameda County Schools Insurance Group

Dear Board:

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

Time Weighted Performance Summary (Net of fees) – March 31, 2018

Total Ending Value \$16,101,608.63

Rolling Periods

Quarter to Date	-0.47%
Year to Date	-0.47%
Last 12 Months	-0.22%
Last 3 Years	0.37%
Last 5 Years	0.57%
Since Inception (annualized %)	0.98%

Calendar Years

2018 YTD	-0.47%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2017-18	-0.60%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

Morgan Stanley uses Interactive Data Concepts (IDC) for its bond pricing services. More details on the portfolio summary are attached and can also be found in the monthly statements.

Please contact me with any questions.

Sincerely,



Cary M. Allison, CIMA®
Senior Institutional Consultant, U.S. Government Entity Specialist
www.morganstanley.com
cary.allison@morganstanley.com

Fixed Income Report

Prepared on April 06, 2018 for:

ACSIG - Alameda County Schools Ins Group

Account No. 171-XXX349

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

TABLE OF CONTENTS

Account(s) Included In This Report	3
Investment Summary	4
Time Weighted Performance Summary	5
Time Weighted Performance By Period - Advisory Assets Only	6
Risk Vs. Return	8
Positions: Fixed Income Detail	9
Disclosures	15

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-XXX349 - Western Asset - Gov... Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

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-XXX349	04/27/10	-

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.
All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

INVESTMENT SUMMARY

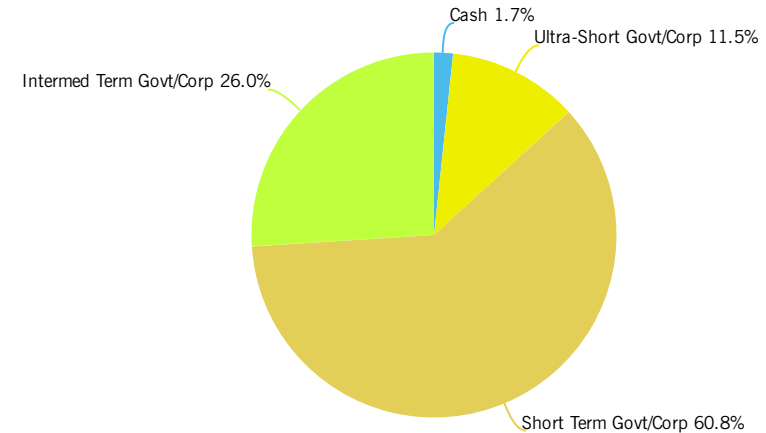
Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | Reporting Currency: USD

TIME-WEIGHTED RETURN % (NET OF FEES)

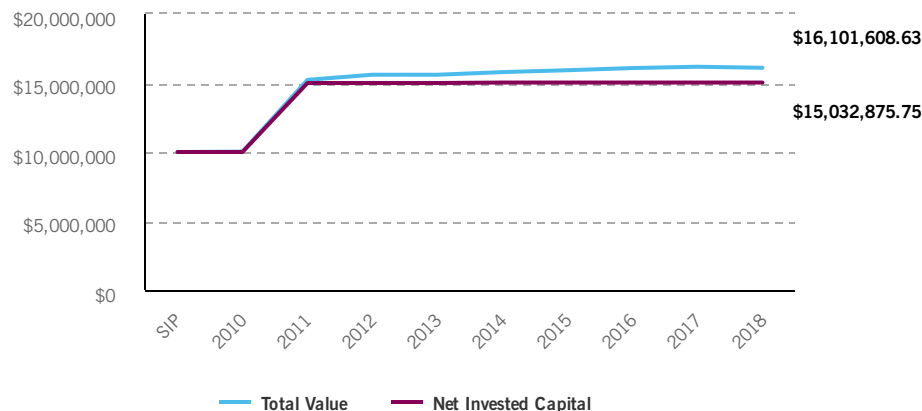
	Quarter to Date (\$) 12/31/17-03/31/18	Custom Period (\$) 06/30/17-03/31/18	Performance Inception (\$) 07/12/10-03/31/18
Beginning Total Value	16,178,410.09	16,198,635.43	9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	-76,801.46	-97,026.80	1,068,732.88
Ending Total Value	16,101,608.63	16,101,608.63	16,101,608.63
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	-0.47	-0.60	0.98
BC Gov 1-3 Yr	-0.15	-0.18	0.69
BC Gov/Cr 1-5 yr	-0.50	-0.37	1.47
Citi CD 6 Month	0.07	0.20	0.33

ASSET ALLOCATION



Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL

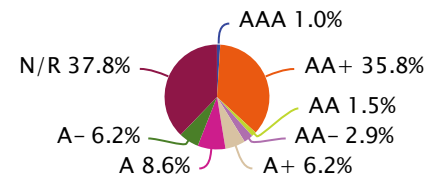


Does not include Performance Ineligible Assets.

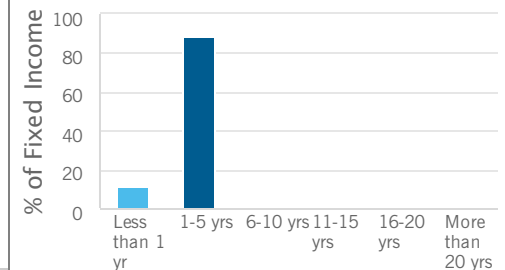
The Maturity Schedule only includes securities with a stated maturity date.

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 QUALITY AND MATURITY



S&P Rating	Total Value (\$)
AAA	159,016.16
AA+	5,673,105.54
AA	233,134.95
AA-	455,332.28
A+	985,327.95
A	1,357,587.87
A-	984,237.36
N/R	5,983,134.64
Total	15,830,876.74



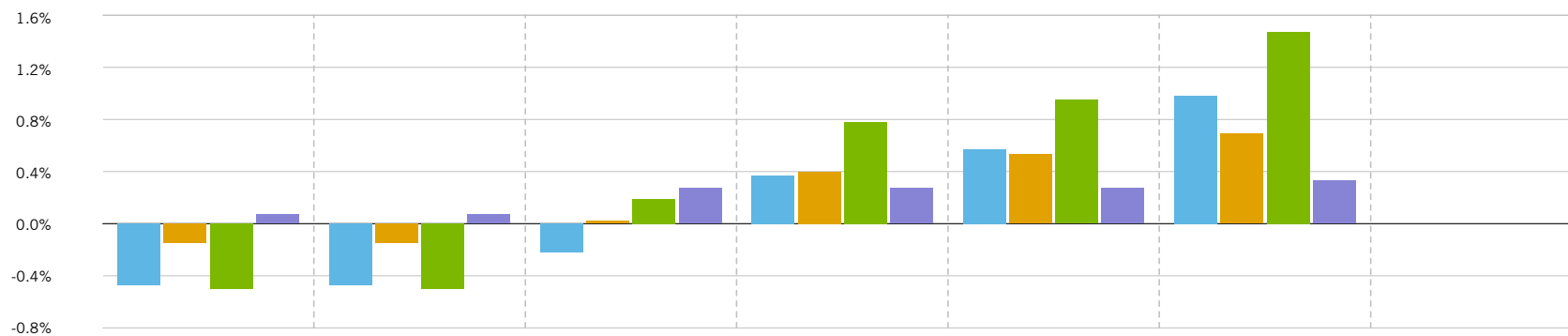
	Par Value (\$)
Less than 1 yr	1,857,544.72
1-5 yrs	13,973,332.02
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	15,830,876.73

TIME WEIGHTED PERFORMANCE SUMMARY

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 12/31/17 - 03/31/18	Year to Date 12/31/17 - 03/31/18	Last 12 Months 03/31/17 - 03/31/18	Last 3 Years 03/31/15 - 03/31/18	Last 5 Years 03/31/13 - 03/31/18	Performance Inception 07/12/10 - 03/31/18
Beginning Total Value	\$16,178,410.09	\$16,178,410.09	\$16,137,758.08	\$15,924,833.29	\$15,618,935.48	\$9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	32,875.75	5,033,025.75
Investment Earnings	-76,801.46	-76,801.46	-36,149.45	176,775.34	449,797.40	1,068,732.88
Ending Total Value	\$16,101,608.63	\$16,101,608.63	\$16,101,608.63	\$16,101,608.63	\$16,101,608.63	\$16,101,608.63
Return % (Net of Fees)	-0.47	-0.47	-0.22	0.37	0.57	0.98
BC Gov 1-3 Yr	-0.15	-0.15	0.02	0.40	0.53	0.69
BC Gov/Cr 1-5 yr	-0.50	-0.50	0.19	0.78	0.95	1.47
Citi CD 6 Month	0.07	0.07	0.27	0.27	0.27	0.33

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-XXX349 - Western Asset - Gov...

As of March 31, 2018 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 03/31/18

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
2018 (YTD)	\$16,178,410.09	\$0.00	-\$76,801.46	\$16,101,608.63	-0.47%	-0.15%	-0.50%	0.07%
2017	\$16,082,980.87	\$0.00	\$95,429.22	\$16,178,410.09	0.59%	0.45%	1.27%	0.27%
4QTR	16,243,278.19	0.00	-64,868.10	16,178,410.09	-0.40	-0.27	-0.30	0.07
3QTR	16,198,635.43	0.00	44,642.77	16,243,278.19	0.28	0.24	0.43	0.07
2QTR	16,137,758.08	0.00	60,877.35	16,198,635.43	0.38	0.20	0.56	0.07
1QTR	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%
4QTR	16,240,430.74	0.00	-157,449.87	16,082,980.87	-0.97	-0.45	-1.05	0.07
3QTR	16,255,106.57	0.00	-14,675.83	16,240,430.74	-0.09	-0.10	0.04	0.07
2QTR	16,150,162.43	0.00	104,944.15	16,255,106.57	0.65	0.52	0.98	0.07
1QTR	15,926,083.41	0.00	224,079.02	16,150,162.43	1.41	0.89	1.61	0.07
2015	\$15,789,357.87	\$0.00	\$136,725.54	\$15,926,083.41	0.87%	0.57%	0.97%	0.27%
4QTR	16,009,547.07	0.00	-83,463.67	15,926,083.41	-0.52	-0.43	-0.57	0.07
3QTR	15,915,884.25	0.00	93,662.82	16,009,547.07	0.59	0.32	0.60	0.07
2QTR	15,924,833.29	0.00	-8,949.04	15,915,884.25	-0.06	0.15	-0.02	0.07
1QTR	15,789,357.87	0.00	135,475.42	15,924,833.29	0.86	0.54	0.96	0.07
2014	\$15,597,806.94	\$32,875.75	\$158,675.18	\$15,789,357.87	1.01%	0.64%	1.42%	0.27%
4QTR	15,731,323.54	0.00	58,034.33	15,789,357.87	0.37	0.19	0.41	0.07
3QTR	15,711,381.44	32,875.75	-12,933.65	15,731,323.54	-0.08	0.03	-0.05	0.07
2QTR	15,638,820.00	0.00	72,561.44	15,711,381.44	0.46	0.27	0.65	0.07
1QTR	15,597,806.94	0.00	41,013.06	15,638,820.00	0.26	0.14	0.40	0.07
2013	\$15,600,964.10	\$0.00	-\$3,157.16	\$15,597,806.94	-0.03%	0.37%	0.28%	0.27%
4QTR	15,588,728.38	0.00	9,078.56	15,597,806.94	0.06	0.07	0.14	0.07
3QTR	15,506,118.74	0.00	82,609.64	15,588,728.38	0.53	0.29	0.63	0.07
2QTR	15,618,935.48	0.00	-112,816.74	15,506,118.74	-0.72	-0.11	-0.75	0.07
1QTR	15,600,964.10	0.00	17,971.38	15,618,935.48	0.11	0.12	0.27	0.07
2012	\$15,229,289.11	\$0.00	\$371,674.99	\$15,600,964.10	2.44%	0.51%	2.24%	0.49%
4QTR	15,574,837.84	0.00	26,126.26	15,600,964.10	0.17	0.07	0.20	0.10
3QTR	15,431,234.53	0.00	143,603.31	15,574,837.84	0.93	0.26	0.89	0.12
2QTR	15,363,956.06	0.00	67,278.47	15,431,234.53	0.43	0.20	0.59	0.14
1QTR	15,229,289.11	0.00	134,666.95	15,363,956.06	0.88	-0.02	0.54	0.14
2011	\$10,028,996.97	\$5,000,000.00	\$200,292.14	\$15,229,289.11	1.91%	1.56%	3.14%	0.39%

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-XXX349 - Western Asset - Gov...

As of March 31, 2018 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS (Continued)

From 07/12/10 - 03/31/18

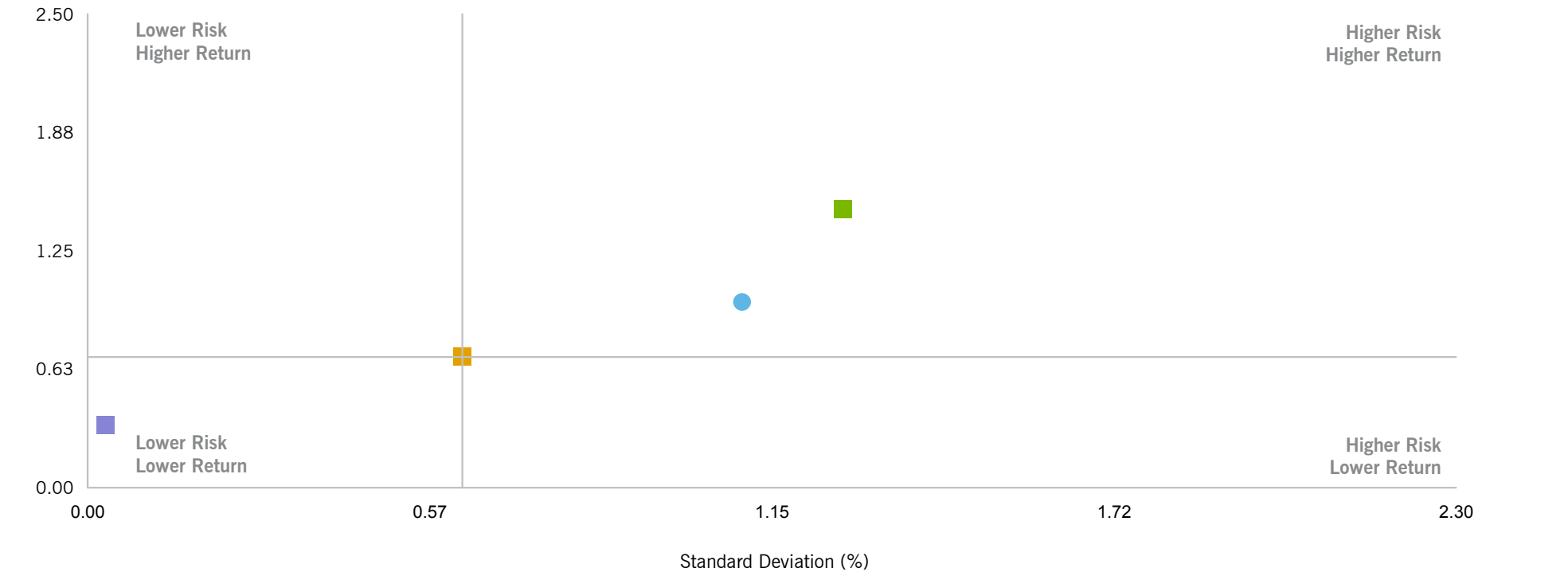
Period	Beginning Total Value	Net Contributions/ Withdrawals	Investment Earnings	Ending Total Value	Period Returns%			
					Portfolio (Net of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi CD 6 Month
4QTR	10,184,368.27	5,000,000.00	44,920.84	15,229,289.11	0.36	0.21	0.43	0.11
3QTR	10,177,172.05	0.00	7,196.22	10,184,368.27	0.07	0.47	0.91	0.09
2QTR	10,049,163.76	0.00	128,008.29	10,177,172.05	1.27	0.81	1.49	0.09
1QTR	10,028,996.97	0.00	20,166.79	10,049,163.76	0.20	0.06	0.27	0.10
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%
4QTR	10,078,017.02	0.00	-49,020.05	10,028,996.97	-0.49	-0.13	-0.60	0.13
3QTR Performance Inception: 07/12/10	9,999,850.00	150.00	78,017.02	10,078,017.02	0.78	0.66	1.64	0.12

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.

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

Annualized Return (%)



	Return % (Net of Fees) 07/12/10-03/31/18	Standard Deviation 07/12/10-03/31/18 (%)
● Portfolio	0.98 %	1.10 %
■ BC Gov 1-3 Yr	0.69	0.63
■ BC Gov/Cr 1-5 yr	1.47	1.27
■ Citi CD 6 Month	0.33	0.03

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.

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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	\$81,099.63	\$81,000.00	\$96.12	\$77,854.77	-\$3,215.18	1.69%	0.49%
	\$81,069.95			\$77,898.64		1.62%	
<i>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</i>							
ACE INA HOLDINGS INC	123,061.95	121,000.00	98.49	119,171.69	-3,136.13	2.33	0.76
	122,307.82			120,315.81		2.26	
<i>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: \$1144.122</i>							
AMERICAN EXPRESS CREDIT CORP	162,308.79	159,000.00	97.85	155,586.27	-6,320.05	2.75	0.99
	161,906.32			155,920.17		2.64	
<i>Cusip: 0258MOEG0, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/3/2022, Coupon: 2.700, Call Date: 2/1/2022, Call Price: 100.000, Accrued Interest: \$333.900</i>							
APPLE INC	161,204.46	157,000.00	98.87	155,218.05	-5,495.70	2.73	0.99
	160,713.75			156,843.00		2.63	
<i>Cusip: 037833BF6, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/13/2022, Coupon: 2.700, Accrued Interest: \$1624.948</i>							
BANK OF AMERICA CORP	161,382.40	160,000.00	99.31	158,896.00	-2,343.36	2.64	1.02
	161,239.36			160,786.00		2.60	
<i>Cusip: 06051GFT1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 10/19/2020, Coupon: 2.625, Accrued Interest: \$1890.000</i>							
BANK OF NEW YORK MELLON	158,589.34	158,000.00	99.56	157,296.90	-844.86	2.10	1.00
	158,141.76			157,997.37		2.08	
<i>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</i>							
BB&T CORPORATION	80,095.73	79,000.00	99.17	78,342.72	-1,408.02	2.47	0.50
	79,750.74			78,751.33		2.42	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$408.605</i>							
BERKSHIRE HATHAWAY INC	158,767.82	157,000.00	99.67	156,478.76	-1,143.96	2.10	0.99
	157,622.72			156,909.20		2.07	
<i>Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$430.441</i>							
BOEING CAPITAL CORPORATION	79,472.44	76,000.00	100.12	76,088.16	-370.77	2.89	0.48
	76,458.93			76,369.78		2.77	
<i>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</i>							
BURLINGTON NORTH SANTA FE	79,962.19	77,000.00	100.11	77,086.24	-2,527.31	3.04	0.49
	79,613.55			77,190.62		2.93	
<i>Cusip: 12189LAH4, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 3/15/2022, Coupon: 3.050, Call Date: 12/15/2021, Call Price: 100.000, Accrued Interest: \$104.377</i>							
CATERPILLAR FINANCIAL SE	79,058.21	77,000.00	99.43	76,559.56	-1,277.40	2.11	0.49
	77,836.96			77,062.63		2.04	
<i>Cusip: 14912L6B2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 6/9/2019, Coupon: 2.100, Accrued Interest: \$503.066</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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
CHEVRON CORP	72,897.83	71,000.00	99.26	70,476.73	-1,664.98	2.43	0.45
	72,141.71			71,116.02		2.35	
<i>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</i>							
COCA-COLA CO/THE	81,082.40	80,000.00	98.07	78,452.80	-2,188.62	1.91	0.50
	80,641.42			79,094.47		1.85	
<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	156,366.66	139,000.00	104.05	144,632.28	-1,667.27	4.94	0.92
	146,299.55			145,228.82		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	81,574.40	80,000.00	98.58	78,864.00	-1,941.31	1.72	0.50
	80,805.31			79,264.44		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	162,744.45	159,000.00	98.51	156,632.49	-4,727.92	2.25	0.99
	161,360.41			156,926.90		2.17	
<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	159,406.14	141,000.00	103.61	146,090.10	-5,947.95	4.46	0.93
	152,038.05			147,611.72		4.09	
<i>Cusip: 36962G4Y7, Moody's Rating: A2, S & P Rating: A, Maturity Date: 1/7/2021, Coupon: 4.625, Accrued Interest: \$1521.624</i>							
HOME DEPOT INC	80,576.84	79,000.00	99.49	78,594.73	-872.93	2.01	0.50
	79,467.66			79,059.95		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	98.19	79,534.71	-1,034.37	1.42	0.51
	80,569.08			80,007.21		1.40	
<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	79,932.20	79,000.00	99.43	78,550.49	-907.99	2.46	0.50
	79,458.48			78,883.83		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	80,480.46	79,000.00	99.72	78,779.59	-670.67	2.25	0.50
	79,450.26			79,589.34		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>							
JOHNSON & JOHNSON	81,111.78	81,000.00	98.37	79,680.51	-1,417.08	1.98	0.51
	81,097.59			80,299.15		1.95	
<i>Cusip: 478160CH5, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/10/2020, Coupon: 1.950, Accrued Interest: \$618.638</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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
JP MORGAN CHASE & CO.	160,541.52	148,000.00	104.24	154,270.76	-4,162.76	4.43	0.99
	158,433.52			156,951.72		4.26	
<i>Cusip: 46625HHZ6, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 5/10/2021, Coupon: 4.625, Accrued Interest: \$2680.958</i>							
KIMBERLY-CLARK CORP	80,443.20	80,000.00	98.90	79,121.60	-1,047.51	1.41	0.50
	80,169.11			79,264.71		1.39	
<i>Cusip: 494368BT9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 2/15/2019, Coupon: 1.400, Accrued Interest: \$143.110</i>							
MASTERCARD INC	159,790.89	161,000.00	97.27	156,606.31	-3,184.58	2.05	1.00
	159,790.89			157,769.09		2.01	
<i>Cusip: 57636QAF1, Moody's Rating: A2, S & P Rating: A, Maturity Date: 11/21/2021, Coupon: 2.000, Call Date: 10/21/2021, Call Price: 100.000, Accrued Interest: \$1162.777</i>							
METLIFE INC	150,589.80	135,000.00	101.49	137,014.20	-660.61	6.71	0.87
	137,674.81			138,190.13		6.11	
<i>Cusip: 59156RAR9, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 8/15/2018, Coupon: 6.817, Accrued Interest: \$1175.932</i>							
MICROSOFT CORP	80,922.40	80,000.00	98.07	78,458.40	-2,363.18	2.42	0.50
	80,821.58			78,717.01		2.35	
<i>Cusip: 594918BA1, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 2/12/2022, Coupon: 2.375, Call Date: 1/12/2022, Call Price: 100.000, Accrued Interest: \$258.610</i>							
OCCIDENTAL PETROLEUM CORP	80,446.14	74,000.00	102.90	76,148.96	-1,807.33	3.98	0.48
	77,956.29			76,654.63		3.77	
<i>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</i>							
ORACLE CORP	80,280.59	79,000.00	98.04	77,449.23	-2,699.72	2.55	0.49
	80,148.95			78,195.34		2.46	
<i>Cusip: 68389XBB0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 5/15/2022, Coupon: 2.500, Call Date: 3/15/2022, Call Price: 100.000, Accrued Interest: \$746.111</i>							
PACCAR FINANCIAL CORP	80,148.69	81,000.00	98.15	79,501.50	-647.19	1.22	0.50
	80,148.69			79,633.80		1.21	
<i>Cusip: 69371RN36, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/12/2019, Coupon: 1.200, Accrued Interest: \$132.300</i>							
PEPSICO INC	161,270.40	160,000.00	99.91	159,856.00	-940.76	2.25	1.02
	160,796.76			160,696.00		2.23	
<i>Cusip: 713448CK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 1/7/2019, Coupon: 2.250, Call Date: 12/7/2018, Call Price: 100.000, Accrued Interest: \$839.998</i>							
PNC FUNDING CORP	158,731.86	142,000.00	103.76	147,337.78	-1,871.99	4.93	0.94
	149,209.77			148,409.19		4.58	
<i>Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$1071.408</i>							
PROCTER & GAMBLE CO/THE	151,176.89	149,000.00	99.23	147,848.23	-1,891.13	1.91	0.94
	149,739.36			149,027.81		1.87	
<i>Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$1179.582</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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
QUALCOMM INC	81,332.10	81,000.00	98.86	80,076.60	-1,163.55	2.12	0.51
	81,240.15			80,695.57		2.09	
<i>Cusip: 747525AP8, Moody's Rating: A1, S & P Rating: A, Maturity Date: 5/20/2020, Coupon: 2.100, Accrued Interest: \$618.974</i>							
STATE STREET CORP STT	72,450.70	70,000.00	99.42	69,591.90	-1,820.95	2.56	0.44
	71,412.85			69,805.11		2.46	
<i>Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$213.208</i>							
TARGET CORP	79,705.05	73,000.00	102.45	74,787.77	-1,949.58	3.78	0.48
	76,737.35			75,384.95		3.55	
<i>Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$597.180</i>							
THE WALT DISNEY COMPANY	78,557.70	78,000.00	98.29	76,668.54	-1,623.02	2.18	0.49
	78,291.56			76,733.76		2.13	
<i>Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$65.217</i>							
UNITED PARCEL SERVICE	80,722.90	74,000.00	102.74	76,025.38	-766.17	4.98	0.49
	76,791.55			77,921.63		4.69	
<i>Cusip: 911312AK2, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 4/1/2019, Coupon: 5.125, Accrued Interest: \$1896.250</i>							
UNITEDHEALTH GROUP INC	120,699.04	118,000.00	99.56	117,477.26	-2,095.25	2.71	0.75
	119,572.51			118,149.86		2.64	
<i>Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$672.599</i>							
US BANCORP	80,945.77	79,000.00	99.46	78,573.40	-1,155.21	2.21	0.50
	79,728.61			79,326.53		2.15	
<i>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</i>							
VISA INC	160,184.55	159,000.00	98.42	156,487.80	-3,409.28	2.23	1.00
	159,897.08			157,527.48		2.18	
<i>Cusip: 92826CAB8, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$1039.682</i>							
WAL-MART STORES INC	80,517.18	74,000.00	102.17	75,607.28	-2,273.25	3.54	0.48
	77,880.53			76,225.75		3.32	
<i>Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$618.465</i>							
Corporate Fixed Income Total	\$4,621,202.57	\$4,466,000.00		\$4,457,776.45	-\$88,656.85		28.35%
	\$4,546,433.30			\$4,488,406.45			

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
----------------------	----------------------------------	------------	------------------	-------------------------------	-------------------------	----------------------------------	----------------------

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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 HOME LN BK	\$650,447.75	\$655,000.00	\$95.81	\$627,542.40	-\$22,905.35	1.17%	3.97%
	\$650,447.75			\$629,118.49		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	955,279.00	950,000.00	98.71	937,735.50	-14,444.89	1.26	5.94
	952,180.39			939,714.66		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	505,965.00	500,000.00	98.05	490,255.00	-13,095.40	1.40	3.12
	503,350.40			493,119.58		1.36	
<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	485,131.79	481,000.00	98.50	473,789.81	-9,279.52	1.26	3.01
	483,069.33			476,779.36		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	687,579.85	673,000.00	99.29	668,214.97	-17,167.05	2.39	4.24
	685,382.02			671,678.11		2.32	
<i>Cusip: 3137EADB2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/13/2022, Coupon: 2.375, Accrued Interest: \$3463.144</i>							
FED NATL MTG ASSN	557,590.42	557,000.00	98.84	550,527.66	-6,824.43	1.64	3.49
	557,352.09			552,287.62		1.62	
<i>Cusip: 3135GOA78, 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	363,955.48	355,000.00	98.56	349,891.55	-10,476.17	1.90	2.22
	360,367.72			351,611.08		1.83	
<i>Cusip: 3135GOH55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$1719.528</i>							
FED NATL MTG ASSN	353,214.12	354,000.00	99.74	353,083.14	-130.98	1.62	2.24
	353,214.12			355,064.56		1.62	
<i>Cusip: 3135GOYT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: \$1981.416</i>							
FED NATL MTG ASSN	899,005.51	890,000.00	99.78	888,015.30	-3,823.71	1.87	5.62
	891,839.01			889,962.18		1.85	
<i>Cusip: 3135GOZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: \$1946.875</i>							
UNITED STATES TREASURY NOTE	640,803.39	641,000.00	97.71	626,327.51	-12,865.19	1.40	3.96
	639,192.70			627,069.97		1.37	
<i>Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$742.457</i>							
UNITED STATES TREASURY NOTE	405,395.68	405,000.00	99.03	401,075.55	-4,136.44	1.26	2.55
	405,211.99			403,187.25		1.25	
<i>Cusip: 912828ST8, Moody's Rating: AAA, Maturity Date: 4/30/2019, Coupon: 1.250, Accrued Interest: \$2111.702</i>							

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

POSITIONS: FIXED INCOME DETAIL

Alameda County Schools Ins Group 171-XXX349 - Western Asset - Gov...

As of March 31, 2018 | 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
UNITED STATES TREASURY NOTE	970,043.87	968,000.00	98.91	957,410.08	-11,929.96	1.64	6.07
	969,340.04			961,320.85		1.62	
<i>Cusip: 912828G95, Moody's Rating: AAA, Maturity Date: 12/31/2019, Coupon: 1.625, Accrued Interest: \$3910.768</i>							
UNITED STATES TREASURY NOTE	968,772.49	974,000.00	97.32	947,857.84	-20,914.65	1.92	6.01
	968,772.49			950,834.32		1.88	
<i>Cusip: 9128282P4, Moody's Rating: AAA, Maturity Date: 7/31/2022, Coupon: 1.875, Accrued Interest: \$2976.476</i>							
UNITED STATES TREASURY NOTE	727,207.86	723,000.00	98.89	714,953.01	-11,738.41	2.02	4.52
	726,691.42			716,171.11		1.99	
<i>Cusip: 912828B90, Moody's Rating: AAA, Maturity Date: 2/28/2021, Coupon: 2.000, Accrued Interest: \$1218.096</i>							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	98.16	392,656.00	-1,187.60	1.27	2.49
	393,843.60			393,470.92		1.27	
<i>Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$814.916</i>							
UNITED STATES TREASURY NOTE	486,515.63	485,000.00	98.39	477,196.35	-9,165.23	2.03	3.04
	486,361.58			481,242.48		1.99	
<i>Cusip: 912828F96, Moody's Rating: AAA, Maturity Date: 10/31/2021, Coupon: 2.000, Accrued Interest: \$4046.132</i>							
UNITED STATES TREASURY NOTE	524,384.70	525,000.00	97.06	509,538.75	-14,845.95	1.80	3.24
	524,384.70			513,371.10		1.75	
<i>Cusip: 912828WZ9, Moody's Rating: AAA, Maturity Date: 4/30/2022, Coupon: 1.750, Accrued Interest: \$3832.353</i>							
UNITED STATES TREASURY NOTE	961,541.57	961,000.00	97.22	934,313.03	-25,869.42	1.41	5.92
	960,182.45			936,466.65		1.37	
<i>Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$2153.620</i>							
Government Securities Total	\$11,536,677.71	\$11,497,000.00		\$11,300,383.45	-\$210,800.35		71.65%
	\$11,511,183.80			\$11,342,470.28			

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

DISCLOSURES

Explanatory Notes and Disclosures: 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 or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. 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.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

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, 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 and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of 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.

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: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

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

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.

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 and annuities as well as Manually Added and External accounts, assets and liabilities.

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 Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

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.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2018/2019 Budget

The ACSIG budget is enclosed for your review. This budget was developed using year-to-date 2017/2018 data and preliminary estimates for 2018/2019 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. Because there continues to be a need for trainings, I have continued to allocate funds to support release time for continued regional trainings for Special Education and Food Service staffing. Additionally, I have added a risk management incentive component to the budget that will allow members to try pilot programs to assist in the reduction of work related injuries.

The budget will be reviewed by the Executive Director.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2018/2019 Budget

	Budget 2018/2019	Allocations	Change in Accruals		2018/2019 Budget	2017/2018 Budget	2016/2017 ACTUAL
Audited - Beginning Net Position, as of 07/01/2017				\$ 29,375,762			
Beginning Cash	\$ 29,375,762				\$ 29,375,762	\$ 24,927,031	21,332,753
Operating Revenue:							
Premiums Paid by Members	\$ 158,439,211	\$ --	\$ --	\$ 158,439,211	\$ 158,439,211	\$ 146,427,872	158,165,112
Total Operating Revenue	158,439,211	--	--	158,439,211	158,439,211	146,427,872	158,165,112
Operating Expenditures:							
Classified Salaries	251,917	--	--	251,917	251,917	251,051	237,143
Statutory Benefits	88,316	--	--	88,316	88,316	56,532	70,823
Health & Welfare	51,190	--	--	51,190	51,190	39,000	47,038
Employer Tax Expense	4,769	--	--	4,769	4,769	3,477	3,915
Net Pension Expense	51,787	--	--	51,787	51,787	39,345	47,757
Telephone & Internet	7,350	--	--	7,350	7,350	7,350	6,380
Supplies Office	4,200	--	--	4,200	4,200	4,200	1,675
Supplies - Other	4,200	--	--	4,200	4,200	2,625	1,945
Eligibility Processing	246,077	--	--	246,077	246,077	245,627	213,327
Brokerage Fees-Dental-ACSIG	294,000	--	--	294,000	294,000	288,000	271,257
Brokerage Fees-Dental-MD	425,000	--	--	425,000	425,000	350,000	402,435
Travel and Conferences	23,100	--	--	23,100	23,100	23,100	22,759
Mileage	8,925	--	--	8,925	8,925	8,925	5,369
Dues & Memberships	7,350	--	--	7,350	7,350	1,575	6,636
Postage & Meter	10,000	--	--	10,000	10,000	8,350	7,265
Insurance Expense-PIPS&NCR	24,950,383	--	--	24,950,383	24,950,383	25,192,893	20,585,426
PIPS payroll adjustment	2,000,000	--	--	2,000,000	2,000,000	2,000,000	2,241,314
Utility - Operating-Rent	36,461	--	--	36,461	36,461	33,761	--
Advertising	600	--	--	600	600	600	--
Contract Services	31,275	--	--	31,275	31,275	24,701	17,650
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contract Services-PL-Legal	6,375	--	--	6,375	6,375	6,375	--
Audit Fees	16,275	--	--	16,275	16,275	15,540	13,250
Other Services/Operating Expenses	10,500	--	--	10,500	10,500	10,500	2,499
Capital Equipment/Depreciation	4,200	--	--	4,200	4,200	2,625	--
Repairs & Maintenance	3,675	--	--	3,675	3,675	3,675	--
Legal	2,100	--	--	2,100	2,100	2,100	--
Accounting Services	15,750	--	--	15,750	15,750	16,000	14,000
County Courier	4,200	--	--	4,200	4,200	4,200	--
Shredding	2,100	--	--	2,100	2,100	1,649	782
Copier & Scanner	15,000	--	--	15,000	15,000	15,050	10,928
Claims Administration Services	174,000	--	--	174,000	174,000	154,000	179,067
Self-Insurance Fee	325,000	--	--	325,000	325,000	290,000	261,221
Claims Paid-WC	1,750,000	--	--	1,750,000	1,750,000	2,500,000	1,280,507
Claims Paid-PL	100,000	--	--	100,000	100,000	50,000	27,495
Physical Abilities Testing	35,000	--	--	35,000	35,000	10,000	10,045
Safety Inspection	12,445	--	--	12,445	12,445	12,445	--
Training	40,000	--	--	40,000	40,000	40,000	--
First-Aid Program	30,000	--	--	30,000	30,000	10,000	23,945
Risk Management Prevention Program	30,000	--	--	30,000	30,000	--	--
	--	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	41,000	--	--	41,000	41,000	17,200	36,826
Cobra Premiums	250,000	--	--	250,000	250,000	242,000	188,075
Dental Insurance Premiums	123,120,000	--	--	123,120,000	123,120,000	123,000,000	122,317,587
Vision Insurance Premiums	3,950,000	--	--	3,950,000	3,950,000	3,340,000	3,677,690
Claim Development Expense	(2,000,000)	--	--	(2,000,000)	(2,000,000)	(2,510,000)	(1,819,353)
Prior Year Adjustment	--	--	--	--	--	--	--
Total Operating Expenditures	156,434,519	--	--	156,434,519	156,434,519	155,814,471	150,414,678
Net Increase/(Decrease)							
from Operations	2,004,692	--	--	2,004,692	2,004,692	(9,386,599)	7,750,434
Non Operating Income/(Expense)							
Interest Income	376,500	--	--	376,500	379,200	240,750	338,229
Change in FMV	--	--	--	--	--	--	(337,414)
Realized Gain/(Loss)	--	--	--	--	--	--	19,201
GASB 68	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	376,500	--	--	376,500	379,200	240,750	20,016
Ending Cash	\$ 31,756,954	--	--				
Net Increase/(Decrease) in Net Position		\$ --	\$ --	2,381,192	\$ 2,383,892	\$ (9,145,849)	7,770,450

**Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
2018/2019 Budget**

	<u>Budget</u> <u>2018/2019</u> <u>0</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2018/2019</u> <u>Budget</u>	<u>2017/2018</u> <u>Budget</u>	<u>2016/2017</u> <u>Actuals</u>
Audited - Beginning Net Position, as of 07/01/2017				<u>\$ 21,144,362</u>			
Beginning Cash and Investments	\$ 21,144,362				\$ 21,144,362	\$ 17,321,015	13,726,737
Operating Revenue:							
Premiums Paid by Members	\$ 27,959,469	\$ --	\$ --	\$ 27,959,469	\$ 27,959,469	\$ 26,712,774	28,264,266
PIPS Contribution Adjustmrt	--	--	--	--	--	--	247
Total Operating Revenue	27,959,469	--	--	27,959,469	27,959,469	26,712,774	28,264,513
Operating Expenditures:							
Classified Salaries	63,149	--	--	63,149	63,149	61,053	61,858
Statutory Benefits	24,985	--	--	24,985	24,985	14,246	23,208
Health & Welfare	15,800	--	--	15,800	15,800	7,800	14,111
Employer Tax Expense	1,121	--	--	1,121	1,121	876	934
Net Pension Expense	15,104	--	--	15,104	15,104	8,547	14,326
Telephone & Internet	1,050	--	--	1,050	1,050	1,050	957
Supplies Office	600	--	--	600	600	600	251
Supplies - Other	600	--	--	600	600	375	292
Utility - Rent	6,077	--	--	6,077	6,077	5,627	5,048
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	3,300	--	--	3,300	3,300	3,300	3,414
Mileage	1,275	--	--	1,275	1,275	1,275	805
Dues & Memberships	1,050	--	--	1,050	1,050	225	995
Postage & Meter	300	--	--	300	300	100	121
Insurance Expense-PIPS	23,583,087	--	--	23,583,087	23,583,087	24,040,241	19,382,444
PIPS Contribution Adjustmrt	2,000,000	--	--	2,000,000	2,000,000	2,000,000	2,212,707
Advertising	300	--	--	300	300	300	--
Contract Services - Actuarial	10,000	--	--	10,000	10,000	8,426	8,150
Contract Services -Claims Audit	--	--	--	--	--	--	--
Contract Services-PL-Legal	--	--	--	--	--	--	--
Audit Fees	2,325	--	--	2,325	2,325	2,220	1,988
Other Services/Operating Expenses	1,500	--	--	1,500	1,500	1,500	375
Capital Equipment/Depreciation	600	--	--	600	600	375	--
Repairs & Maintenance	525	--	--	525	525	525	--
Legal	300	--	--	300	300	300	--
Accounting Services	2,250	--	--	2,250	2,250	2,500	2,100
County Courier	600	--	--	600	600	600	--
Shredding	300	--	--	300	300	300	117
Copier & Scanner	250	--	--	250	250	300	183
Claims Administration Services	154,000	--	--	154,000	154,000	154,000	170,000
Self-Insurance Fee	325,000	--	--	325,000	325,000	290,000	261,221
Claims Paid-WC	1,750,000	--	--	1,750,000	1,750,000	2,500,000	1,280,507
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	35,000	--	--	35,000	35,000	25,000	10,045
Training	40,000	--	--	40,000	40,000	40,000	--
First-Aid Program	30,000	--	--	30,000	30,000	10,000	23,945
Risk Management Prevention Program	30,000	--	--	30,000	30,000	--	--
Bank Charge & WC Penalty Reimb	1,000	--	--	1,000	1,000	--	875
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	(2,000,000)	--	--	(2,000,000)	(2,000,000)	(2,500,000)	2,211,298
Prior Year Adjustment	--	--	--	--	--	--	--
Total Operating Expenditures	26,101,448	--	--	26,101,448	26,101,448	26,681,661	21,267,929
Net Increase/(Decrease) from Operations	1,858,021	--	--	1,858,021	1,858,021	31,113	6,996,584
Non Operating Income/(Expense)							
Interest Income	250,000	--	--	250,000	250,000	150,000	210,784
Change in FMV	--	--	--	--	--	--	279,057
Realized Gain/(Loss)	--	--	--	--	--	--	11,295
GASB 68	--	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	250,000	\$ --	\$ --	250,000	250,000	150,000	(56,978)
Ending Cash	<u>\$ 23,252,383</u>						
Net Increase/(Decrease) in Net Position				<u>2,108,021</u>	<u>2,108,021</u>	<u>181,113</u>	<u>6,939,606</u>
				-- \$ 23,252,383	\$ 23,252,383	\$ 17,502,128	20,666,343

Alameda County Schools Insurance Group (ACSIG)

Dental

2018/2019 Budget

	<u>Budget</u>			<u>Balance</u>			
	<u>2018/2019</u>			<u>Year</u>	<u>2018/2019</u>	<u>2017/2018</u>	<u>2016/2017</u>
		<u>Allocations</u>	<u>Change in</u>	<u>to Date</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>
			<u>Accruals</u>				
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	5,318,251
Operating Revenue:							
Premiums Paid by Members	\$ 125,000,000	\$ --	\$ --	\$ 125,000,000	\$ 125,000,000	\$ 115,000,000	124,773,696
Total Operating Revenue	125,000,000	--	--	125,000,000	125,000,000	115,000,000	124,773,696
Operating Expenditures:							
Classified Salaries	144,597			144,597	144,597	146,919	132,102
Statutory Benefits	47,272			47,272	47,272	32,335	31,989
Health & Welfare	25,350			25,350	25,350	25,350	23,519
Employer Tax Expense	2,849			2,849	2,849	1,989	2,322
Net Pension Expense	27,316			27,316	27,316	24,767	23,879
Telephone & Internet	5,250			5,250	5,250	5,250	4,467
Supplies Office	3,000			3,000	3,000	3,000	1,173
Supplies - Other	3,000			3,000	3,000	1,875	1,361
Eligibility Processing	240,000			240,000	240,000	240,000	208,279
Brokerage Fees-Dental-ACSIG	294,000			294,000	294,000	288,000	271,257
Brokerage Fees-Dental-MD	425,000			425,000	425,000	350,000	402,435
Travel and Conferences	16,500			16,500	16,500	16,500	15,930
Mileage	6,375			6,375	6,375	6,375	3,759
Dues & Memberships	5,250			5,250	5,250	1,125	4,645
Postage & Meter	9,250			9,250	9,250	8,100	6,901
Insurance Expense	--			--	--	--	--
Net, Operating-Rent	30,384			30,384	30,384	28,134	23,558
Advertising	--			--	--	--	--
Contract Services - Actuarial	15,000			15,000	15,000	15,000	5,000
Contract Services -PL-Investigation	--			--	--	--	--
Contract Services	6,375			6,375	6,375	6,375	--
Audit Fees	11,625			11,625	11,625	11,100	9,274
Other Services/Operating Expenses	7,500			7,500	7,500	7,500	1,749
Capital Equipment/Depreciation	3,000			3,000	3,000	1,875	--
Repairs & Maintenance	2,625			2,625	2,625	2,625	--
Legal	1,500			1,500	1,500	1,500	--
Accounting Services	11,250			11,250	11,250	11,250	9,800
County Courier	3,000			3,000	3,000	3,000	--
Shredding	1,500			1,500	1,500	1,124	547
Copier & Scanner	14,250			14,250	14,250	14,250	10,381
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	40,000	--	--	40,000	40,000	17,200	37,701
Cobra Premiums	250,000	--	--	250,000	250,000	242,000	188,075
Dental Insurance Premiums	123,120,000	--	--	123,000,000	123,120,000	123,000,000	122,317,587
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--	190,000
Prior Year Adjustment	--	--	--	--	--	--	--
Total Operating Expenditures	124,773,018	--	--	124,653,018	124,773,018	124,514,518	123,927,690
Net Increase/(Decrease)							
from Operations	226,982	--	--	346,982	226,982	(9,514,518)	846,006
Non Operating Income/(Expense)							
Interest Income	100,000	--	--	100,000	100,000	60,000	100,706
Change in FMV	--	--	--	--	--	--	35,863
Realized Gain/(Loss)	--	--	--	--	--	--	6,626
GASB 68	--	--	--	--	--	--	--
Interfund Transfer & YE Close Oper	--	--	--	--	--	--	--
Total Non Operating							
Income/(Expense)	100,000	\$ --	\$ --	100,000	100,000	60,000	71,469
Ending Cash	\$ 5,815,046						
Net Increase/(Decrease) in							
Net Position				446,982	326,982	(9,454,518)	917,475
				\$ 5,935,046	\$ 5,815,046	\$ (4,136,267)	\$ 6,235,726

Alameda County Schools Insurance Group (ACSIG)

Vision

2018/2019 Budget

	<u>Budget</u> <u>2018/2019</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2018/2019</u> <u>Budget</u>	<u>2017/2018</u> <u>Budget</u>	<u>2016/2017</u> <u>Actual</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	2,094,297
Operating Revenue:							
Premiums Paid by Members	\$ 4,000,000	\$ --	\$ --	\$ 4,000,000	\$ 4,000,000	\$ 3,400,000	3,800,407
Total Operating Revenue	4,000,000	--	--	4,000,000	4,000,000	3,400,000	3,800,407
Operating Expenditures:							
Classified Salaries	25,192	--	--	25,192	25,192	25,105	24,508
Statutory Benefits	8,132	--	--	8,132	8,132	5,655	8,045
Health & Welfare	4,890	--	--	4,890	4,890	3,900	4,704
Employer Tax Expense	477	--	--	477	477	348	385
Net Pension Expense	4,531	--	--	4,531	4,531	3,515	4,776
Telephone & Internet	700	--	--	700	700	700	638
Supplies Office	400	--	--	400	400	400	167
Supplies - Other	400	--	--	400	400	250	195
Eligibility Processing	--	--	--	--	--	0	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	0	
Brokerage Fees-Dental-MD	--	--	--	--	--	0	
Travel and Conferences	2,200	--	--	2,200	2,200	2,200	2,276
Mileage	850	--	--	850	850	850	537
Dues & Memberships	700	--	--	700	700	150	664
Postage & Meter	450	--	--	450	450	150	194
Insurance Expense	--	--	--	--	--		
Utility - Operating-Rent	4,051	--	--	4,051	4,051	3,751	3,366
Advertising	200	--	--	200	200	200	
Contract Services - Actuarial	850	--	--	850	850	850	
Contract Services -PL-Investigation	--	--	--	--	--	0	
Contract Services-PL-Legal	--	--	--	--	--	0	
Audit Fees	1,550	--	--	1,550	1,550	1,480	1,325
Other Services/Operating Expenses	1,000	--	--	1,000	1,000	1,000	250
Capital Equipment/Depreciation	400	--	--	400	400	250	
Repairs & Maintenance	350	--	--	350	350	350	
Legal	200	--	--	200	200	200	
Accounting Services	1,500	--	--	1,500	1,500	1,500	1,400
County Courier	400	--	--	400	400	400	
Shredding	200	--	--	200	200	150	78
Copier & Scanner	400	--	--	400	400	400	292
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	3,950,000	--	--	3,950,000	3,950,000	3,340,000	3,677,690
Claim Development Expense	--	--	--	--	--		158,000
Prior Year Adjustment	--	--	--	--	--	0	
Total Operating Expenditures	4,010,022	--	--	4,010,022	4,010,022	3,393,754	3,889,490
Net Increase/(Decrease)							
from Operations	(10,022)	--	--	(10,022)	(10,022)	6,246	89,083
Non Operating Income/(Expense)							
Interest Income	25,000	--	--	25,000	25,000	30,000	23,999
Change in FMV	--	--	--	--	--		22,494
Realized Gain/(Loss)	--	--	--	--	--		1,280
GASB 68	--	--	--	--	--		
Interfund Transfer	--	--	--	--	--	0	
Total Non Operating Income/(Expense)	25,000	\$ --	\$ --	25,000	25,000	30,000	2,785
Ending Cash	\$ 2,108,247						
Net Increase/(Decrease) in							
Net Position				14,978	\$ 14,978	\$ 36,246	-86,298

0 \$ 2,108,247 \$ 2,108,247 \$ 2,130,543 2,007,999

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
2018/2019 Budget

	<u>Budget</u> <u>2018/2019</u>	<u>Allocations</u>	<u>Change in</u> <u>Accruals</u>	<u>Balance</u> <u>Year</u> <u>to Date</u>	<u>2018/2019</u> <u>Budget</u>	<u>2017/2018</u> <u>Budget</u>	<u>2016/2017</u> <u>Actuals</u>
Audited - Beginning Net Position, as of 07/01/2017				\$ 650,067			
Beginning Cash and Investments	\$ 650,067				\$ 650,067	\$ 193,468	\$ 193,468
Operating Revenue:							
Premiums Paid by Members	\$ 1,479,742	\$ --	\$ --	\$ 1,479,742	\$ 1,479,742	\$ 1,315,098	\$ 1,326,743
Total Operating Revenue	1,479,742	--	--	1,479,742	1,479,742	1,315,098	\$ 1,326,743
Operating Expenditures:							
Classified Salaries	18,979	--	--	18,979	18,979	17,974	\$ 18,675
Statutory Benefits	7,927	--	--	7,927	7,927	4,296	\$ 7,581
Health & Welfare	5,150	--	--	5,150	5,150	1,950	\$ 4,704
Employer Tax Expense	322	--	--	322	322	264	\$ 274
Net Pension Expense	4,837	--	--	4,837	4,837	2,516	\$ 4,776
Telephone & Internet	350	--	--	350	350	350	\$ 318
Supplies Office	200	--	--	200	200	200	\$ 84
Supplies - Other	200	--	--	200	200	125	\$ 97
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	1,100	--	--	1,100	1,100	1,100	\$ 1,139
Mileage	425	--	--	425	425	425	\$ 268
Dues & Memberships	350	--	--	350	350	75	\$ 332
Postage & Meter	--	--	--	--	--	--	\$ 49
Insurance Expense-NCR	1,367,296	--	--	1,367,296	1,367,296	1,152,652	\$ 1,202,982
Utility - Operating-Rent	2,026	--	--	2,026	2,026	1,876	\$ 1,683
Advertising	100	--	--	100	100	100	
Contract Services - Actuarial	5,425	--	--	5,425	5,425	425	\$ 4,500
Contract Services -PL-Investigation	--	--	--	--	--	--	
Contract Services-PL-Legal	--	--	--	--	--	--	
Audit Fees	775	--	--	775	775	740	\$ 663
Other Services/Operating Expenses	500	--	--	500	500	500	\$ 125
Capital Equipment/Depreciation	200	--	--	200	200	125	
Repairs & Maintenance	175	--	--	175	175	175	
Legal	100	--	--	100	100	100	
Accounting Services	750	--	--	750	750	750	\$ 700
County Courier	200	--	--	200	200	200	
Shredding	100	--	--	100	100	75	\$ 40
Copier & Scanner	100	--	--	100	100	100	\$ 72
Claims Administration Services	20,000	--	--	20,000	20,000		\$ 9,067
Self-Insurance Fee	--	--	--	--	--	--	
Claims Paid-WC	--	--	--	--	--	--	
Claims Paid-PL	100,000	--	--	100,000	100,000	50,000	\$ 27,495
Safety Inspection	12,446	--	--	12,446	12,446	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)	\$ 43,945
Prior Year Adjustment	--	--	--	--	--	--	
Total Operating Expenditures	1,550,032	--	--	1,550,032	1,550,032	1,239,538	\$ 1,329,569
Net Increase/(Decrease) from Operations	(70,290)	--	--	(70,290)	(70,290)	75,560	(2,826)
Non Operating Income/(Expense)							
Interest Income	1,500	--	--	1,500	4,200	750	\$ 2,740
Change in FMV	--	--	--	--	--	--	
Realized Gain/(Loss)	--	--	--	--	--	--	
GASB 68	--	--	--	--	--	--	
Interfund Transfer	--	--	--	--	--	--	
Total Non Operating Income/(Expense)	1,500	\$ --	\$ --	1,500	4,200	750	2,740
Ending Cash	\$ 581,277						
Net Increase/(Decrease) in Net Position				(68,790)	(66,090)	76,310	(86)

Alameda County Schools Insurance Group (ACSIG)
Operations
2018/2019 Budget

	Cash Activity				Balance	2018/2019	2017/2018
	2018/2019	Allocations	Change in	Year	to Date	Budget	Budget
	1/0/00		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 III)	salary & benefits	\$ 189,786.29	\$ 19,500.00	\$ 59,266.72	\$ 3,220.98
	50% dental	\$ 94,893.15	\$ 9,750.00	\$ 29,633.36	\$ 1,610.49
	30% wc	\$ 56,935.89	\$ 5,850.00	\$ 17,780.02	\$ 966.29
	10% vision	\$ 18,978.63	\$ 1,950.00	\$ 5,926.67	\$ 322.10
	10% p/l	\$ 18,978.63	\$ 1,950.00	\$ 5,926.67	\$ 322.10
Celina	salary & benefits	\$ 62,130.38	\$ 19,500.00	\$ 22,048.90	\$ 1,547.96
	80 % dental	\$ 49,704.30	\$ 15,600.00	\$ 17,639.12	\$ 1,238.37
	10% wc	\$ 6,213.04	\$ 1,950.00	\$ 2,204.89	\$ 154.80
	10% vision	\$ 6,213.04	\$ 1,950.00	\$ 2,204.89	\$ 154.80
Amy	100% COBRA Dental	\$ 26,125.71	\$ 9,750.00	\$ 7,169.22	\$ 740.68
Telephone & Internet	\$ 7,000.00				
Supplies Office	\$ 4,000.00				
Supplies - Other	\$ 4,000.00				
Eligibility Processing					
Brokerage Fees-Dental-ACSIG					
Brokerage Fees-Dental-MD					
Travel and Conferences	\$ 22,000.00				
Mileage	\$ 8,500.00				
Dues & Memberships	\$ 7,000.00				
Postage & Meter	\$ 10,000.00				
Insurance Expense-PIPS&NCR					
PIPS payroll adjustment					
Utility - Operating-Rent	\$ 40,512.00				
Advertising	\$ 2,000.00				
Contract Services	\$ 8,500.00				
Contract Services -PL-Investigation					
Contract Services-PL-Legal					
Audit Fees	\$ 15,500.00				
Other Services/Operating Expenses	\$ 10,000.00				

(this is 90% dental)

Capital Equipment/Depreciation	\$ 4,000.00	
Repairs & Maintenance	\$ 3,500.00	
Legal	\$ 2,000.00	
Accounting Services	\$ 15,000.00	
County Courier	\$ 4,000.00	
Shredding	\$ 2,000.00	
Copier & Scanner	\$ 15,000.00	(this is 90% dental)

pension
liability
\$ 30,365.81

WC	DENTAL	VISION	PL
\$ 102,158.75	\$ 273,467.41	\$ 41,730.79	\$ 30,213.98

\$ 15,182.90
\$ 9,109.74
\$ 3,036.58
\$ 3,036.58

\$ 9,940.86
\$ 7,952.69
\$ 994.09
\$ 994.09

\$ 4,180.11

	15%	75%	10%	5%
\$ 1,050.00	\$ 5,250.00	\$ 700.00	\$ 350.00	
\$ 600.00	\$ 3,000.00	\$ 400.00	\$ 200.00	
\$ 600.00	\$ 3,000.00	\$ 400.00	\$ 200.00	
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	
\$ 3,300.00	\$ 16,500.00	\$ 2,200.00	\$ 1,100.00	
\$ 1,275.00	\$ 6,375.00	\$ 850.00	\$ 425.00	
\$ 1,050.00	\$ 5,250.00	\$ 700.00	\$ 350.00	
\$ 300.00	\$ 9,250.00	\$ 450.00		
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	
\$ 6,076.80	\$ 30,384.00	\$ 4,051.20	\$ 2,025.60	
\$ 300.00	\$ 1,500.00	\$ 200.00	\$ 100.00	
\$ 1,275.00	\$ 6,375.00	\$ 850.00	\$ 425.00	
\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	
\$ 2,325.00	\$ 11,625.00	\$ 1,550.00	\$ 775.00	
\$ 1,500.00	\$ 7,500.00	\$ 1,000.00	\$ 500.00	

\$	600.00	\$	3,000.00	\$	400.00	\$	200.00
\$	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
\$	300.00	\$	1,500.00	\$	200.00	\$	100.00
\$	250.00	\$	14,250.00	\$	400.00	\$	100.00



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2018/2019 Dental Rates

Enclosed are the proposed 2018/2019 Dental rate changes for ACSIG members. The program continues to perform well. Last year, ACSIG decreased rates by 2%. The program has leveled off and we are recommending a flat renewal for 2018/2019

These rates will be reviewed by the Executive Director at the meeting and will be asking for approval of the 2018/2019 dental rates.

Administration Fee History

Dental Program

Period	Enrollment	Delta Dental Admin Fee / ACSIG Eligibility Fee	Renewal Action
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	-2.00%
10/1/2018 – 9/30/2019	106,055	5.85% / \$0.60 PEPM	TBD

Enrollment as of February 2018.

Vision Program

Period	VSP Admin Fee	Vision Admin Fee to Members	Renewal Action
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%	0.00%
10/1/2018 – 9/30/2019	10.5%	12.5%	TBD

Program Enrollment Summary

Dental Program

	Fixed Rate	Self-Funded	Total Dental
December 2016	15,298	84,186	99,484
December 2017	17,016	88,529	105,545
Difference	+11.2%	+5.2%	+6.1%

Enrollment provided by PBIA

Vision Program

	Fixed Rate	Self-Funded	Total Vision
December 2016	9,323	6,626	15,949
December 2017	10,052	8,586	18,638
Difference	+7.8%	+29.6%	+16.9%

Enrollment provided by VSP

Fixed Rated Dental

Current Trend Data

Delta Dental Trend

- Book of Business: 5.0%

Market Trend Data

Survey of national carriers including:

- Delta Dental entities, Aetna, Blue Cross/Blue Shield entities, CIGNA, and United Concordia
- Dental organizations: 4.1%
- Source: Segal 2018 Trend Survey

ACSIG Dental Trend – Fixed Rate Groups

- 24 Months of Claims Data
(January 2016 – December 2017): -0.9%

ACSIG Historical Performance

Calendar Year Claims PEPM
vs. Prior Calendar Year

- 2017 vs. 2016: -0.3%
- 2016 vs. 2015: -1.9%
- 2015 vs. 2014: -1.7%
- 2014 vs. 2013: -0.1%
- 2013 vs. 2012: -1.2%
- 2012 vs. 2011: -2.8%
- 2011 vs. 2010: +5.1%
- 2010 vs. 2009: -0.9%

Fixed Rated Dental

Dental Renewal Recommendation

	Trend	Renewal
Segal Trend	4.1%	0.5%
ACSIG 2017-2018 Trend	2.5%	-2.3%
ACSIG 2018-2019 Dental Renewal Trend	4.0%	0.4%
ACSIG 2016-2017 Trend	4.0%	0.4%
Delta Trend	5.0%	2.1%

2018-2019 Underwriting Assumptions/Recommendation

- Paid Claims: 24-months of claims data (January 2016 – December 2017)
- Alliant recommended trend of 4.0% was used
- Risk margin of 0.0%
- Alliant Recommends No Change in Rates

Fixed Rated Dental

Dental Renewal Action and History

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Underwriting Results	-1.80%	-1.70%	-0.9%	-6.1%	0.4%
Actual Applied to Members	0.00%	0.00%	0.00%	-2.00%	0.00% (Proposed)



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 Vision Rates

Enclosed are the proposed 2018/2019 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 2018/2019.

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 2018/2019 vision rates.

Administration Fee History

Dental Program

Period	Enrollment	Delta Dental Admin Fee / ACSIG Eligibility Fee	Renewal Action
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	-2.00%
10/1/2018 – 9/30/2019	106,055	5.85% / \$0.60 PEPM	TBD

Enrollment as of February 2018.

Vision Program

Period	VSP Admin Fee	Vision Admin Fee to Members	Renewal Action
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%	0.00%
10/1/2018 – 9/30/2019	10.5%	12.5%	TBD

Fixed Rate Vision

Current Trend Data

Vision Service Plan (VSP) Trend

- Book of Business: 1.5%

Market Trend Data

Survey of national vision carriers

- Survey of national vision carriers
- Schedule of Allowance Plans: 2.0%
- Source: Segal 2018 Trend Survey

ACSIG Vision Trend – Fixed Rate Groups

- 24 Months of Claims Data
(January 2016 – December 2017): -1.0%

ACSIG Historical Performance

Calendar Year Claims PEPM
vs. Prior Calendar Year

- 2017 vs. 2016: -1.9%
- 2016 vs. 2015: -1.7%
- 2015 vs. 2014: -0.9%
- 2014 vs. 2013: -2.9%
- 2013 vs. 2012: -5.2%
- 2012 vs. 2011: -14.0%
- 2011 vs. 2010: -3.1%
- 2010 vs. 2009: +3.5%

Fixed Rate Vision

Vision Renewal Recommendation

	Trend	Renewal
VSP Vision Trend	1.5%	-5.2%
ACSIG 2017-2018 Trend	1.5%	-5.2%
ACSIG 2018-2019 Vision Renewal Trend	1.5%	-5.2%
ACSIG 2016-2017 Trend	1.5%	-5.2%
Segal Trend	2.0%	-4.4%

2018-2019 Underwriting Assumptions/Recommendation

- Paid Claims: 24-months of claims data (January 2016 – December 2017)
- Alliant recommended trend of 1.5% was used
- Risk margin of 0.0%
- Alliant Recommends No Change in Rates**

Fixed Rate Vision

Vision Renewal Action and History

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Underwriting Results	-8.2%	-1.8%	0.2%	-2.3%	-5.2%
Actual Applied to Members	-5.2%	0.0%	0.00%	0.00%	0.00% (Proposed)



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: Property/Liability Program 2018/2019 Rates

The Alameda County Schools Insurance Group participates in the Northern California ReLiEF Property/Liability JPA. The ReLiEF Board met on Friday, May 4, 2018 to approve rates. NCR Property rates and Liability rates showed adverse development in the program. ACSIG has higher experience than the NCR average. These negative factors have resulted in an increase to the ACSIG property/liability rates.

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.

2018/2019 Property & Liability Program Rates

	Property	Liability	Total
ACSIG			
ACOE	\$31,868	\$28,067	\$59,935
Albany	\$78,218	\$207,877	\$286,096
Dublin	\$233,319	\$570,475	\$803,794
Emery	\$62,766	\$38,553	\$101,319
Piedmont	\$76,748	\$151,850	\$228,598
ACSIG TOTAL	\$482,920	\$996,822	\$1,479,742

\$50,000 loss fund funding included for Property
 \$50,000 loss fund funding included for Liability
 Safety Inspection fee of \$12, 446 Included

2018/2019
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	42,535,004	0.01344730	0.0518	\$27,748	\$3,300	\$ 821.32	\$31,868
	Albany	104,398,723	0.01344730	0.0518	\$68,104	\$8,098	\$ 2,015.87	\$78,218
	Dublin	311,412,407	0.01344730	0.0518	\$203,149	\$24,157	\$ 6,013.18	\$233,319
	Emery	83,774,735	0.01344730	0.0518	\$54,650	\$6,499	\$ 1,617.64	\$62,766
	Piedmont	102,436,418	0.01344730	0.0518	\$66,824	\$7,946	\$ 1,977.98	\$76,748
ACSIG TOTAL	1,625,438	644,557,287			\$420,474	\$50,000	\$ 12,446.00	\$482,920
		NCR Premium	0.06523460					
ACSIG								
	ACOE	31,868						
	Albany	78,218						
	Dublin	233,319						
	Emery	62,766						
	Piedmont	76,748		0				
ACSIG TOTAL		482,920						

MRL \$25,000

TIV's increased by 5% Marshall Swift factor
Estimated NCR rates at \$1.43
SAFER property rate at .05052748 with NCR ex-mod at .9274
ACSIG ex-mod reduced to .9271

2018/2019 Liability Program Rates

MEMBER	SIR	Risk Factor ADA	ADA to \$1 m	NCR to \$1 million	SAFER \$49 mil x \$1 mil			Cyber	EDP	Crime	Equipment Breakdown	Total Liability	Loss Fund	Total Premium
				\$37.22	\$11.66			.002713/\$100						
ACSI \$25,000														
ACOE	\$5,000	734	398	\$14,810	\$11.66	\$4,640	\$25,270	\$56		\$68	\$1,061	\$26,455	\$1,612	28,067
Albany	\$5,000	4,775	4,057	\$150,992	\$11.66	\$47,307	\$190,112	\$568	\$3,418	\$694	\$2,603	\$197,395	\$10,483	207,877
Dublin	\$5,000	12,853	10,954	\$407,651	\$11.66	\$127,719	\$531,089	\$1,534		\$1,873	\$7,765	\$542,260	\$28,215	570,475
Emery	\$5,000	856	702	\$26,124	\$11.66	\$8,185	\$33,374	\$98	\$991	\$120	\$2,089	\$36,673	\$1,880	38,553
Piedmont	\$5,000	3,558	2,907	\$108,179	\$11.66	\$33,893	\$140,581	\$407		\$497	\$2,554	\$144,039	\$7,811	151,850
	\$25,000	22,777	19,017	\$707,755		\$221,743	\$920,426	\$2,662	\$4,409	\$3,252	\$16,072	\$946,822	\$50,000	996,822

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

assumptions:

Estimated ADA used
Estimated NCR Rate \$25.23
Ex-mod increased at 141.56
estimated SAFER Rates at \$11.683

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



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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 2018-2019 for the subsequent 3 years. Enclosed is a proposed extension of terms with no fee increase. The Board will be asked to review and approve this contract.

**PROPERTY AND CASUALTY
CLAIMS ADMINISTRATION SERVICES AGREEMENT**

This **Property and Casualty Claims Administration Services Agreement** ("Agreement") is made and entered into by and between **Alameda County Schools Insurance Group** ("Client") and **Keenan & Associates** ("Keenan"), as of **July 1, 2018** ("Effective Date"). Client and Keenan are also referred to individually as a "party" and collectively as the "parties."

In consideration of the mutual obligations contained herein, the Parties agree as follows:

1. **TERM**

The term of this Agreement is from **July 1, 2018** through **June 30, 2021** ("Term") unless extended or terminated earlier as provided herein.

2. **KEENAN RESPONSIBILITIES AND SCOPE OF SERVICES**

A. Keenan shall provide Client with the services described in the attached Exhibits A that are checked below:

Exhibit A-1 – Administrative Services
Exhibit A-2 – Adjustment Services
Exhibit A-3 – Investigative Services
Exhibit A-4 – Additional Investigative Services

☒
☒
☒
☒

B. The Claims that are covered by this Agreement include all currently open claims and those accidents, incidents or claims reported to Keenan in writing on or after the effective date of this Agreement for which Client has financial responsibility as part of the coverage or insurance (the "Coverage") provided by the Insurance Policy or Memorandum of Coverage issued by **Northern California ReLiEF**. Such claims shall be referred to hereafter as "Claims."

C. Keenan shall perform its obligations hereunder as an independent contractor and Keenan shall at all times remain responsible for its own operational and personnel expenses. Under no circumstance shall any employee of one party look to the other party for any payment or the provision of any benefit, including without exception, workers' compensation coverage.

D. Keenan's services are limited to the specific obligations described herein and Keenan is authorized to act on behalf of Client as expressly stated in this Agreement. Except for Keenan's responsibilities with respect to funds obtained from or held on behalf of Client, Keenan shall not be a fiduciary of Client.

E. Keenan agrees to comply with all applicable State and Federal Laws that relate to the Coverage.

3. **CLIENT'S DUTIES AND RESPONSIBILITIES**

- A. Client shall retain final authority and responsibility to approve the resolution of all Claims that are within the member retained limits and is responsible for all other aspects of the Coverage, except for the services to be provided by Keenan under this Agreement.
- B. Client shall provide Keenan with all applicable information in a timely manner so that Keenan can fulfill its obligations under this Agreement. Client certifies that all information provided to Keenan shall be complete, accurate and timely and that Keenan may rely upon such information without further investigation or review. Client understands and agrees that such information has not been audited by Keenan and Client shall remain liable for its accuracy.
- C. To the extent Keenan requires the assistance of Client's staff or any third parties who are assisting, advising or representing Client to fulfill its obligations hereunder, Client shall have its staff and these third parties assist Keenan.
- D. If a trust account is opened by Keenan on behalf of the Client, Client hereby agrees to fund such trust account and to maintain a minimum balance, during the Term of this Agreement, of at least an amount sufficient to ensure that there are sufficient funds available to pay all appropriate and properly submitted Claims. If Claims exceed the balance in the trust account Client shall be responsible for covering those Claims. Keenan agrees to notify the Client if there are any deficiencies in the minimum balance of the trust account when Claims exceed the account balance. All deficiencies in the minimum balances in the trust account are due and payable upon receipt of notice from Keenan. Client hereby agrees to provide funds to sufficiently fund the trust account in a timely manner. Keenan shall not, under any circumstances or occurrences, be responsible for funding any deficiencies in the trust account; nor, shall it be responsible for the payment of any appropriate and properly submitted Claims.
- E. Client acknowledges and agrees that Keenan will use its discretion in its role as Claims administrator. In such capacity, Keenan shall have no responsibility or liability for actions taken or payments approved, unless it shall be determined that Keenan acted in willful misconduct or in a manner that was grossly negligent.
- F. Client understands that Keenan is not providing any legal, tax or accounting services or advice and agrees to seek the counsel of its own attorney on all legal issues or matters and consult with its own tax and accounting experts on all tax and accounting issues and matters relating to the Claims Services.

4. **COMPENSATION**

Keenan shall receive compensation for the services rendered under this Agreement as provided in the attached Exhibit B.

5. **INSURANCE**

Keenan shall procure and maintain during the term of this Agreement the following insurance coverages, and shall provide certificates of insurance to Client upon Client's request.

- A. Workers' Compensation: Coverage in conformance with the laws of the State of California and applicable federal laws;
- B. General Liability: Coverage (including motor vehicle operation) with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability; and
- C. Errors and Omissions: Coverage with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.
- D. Cyber Liability/Privacy: Coverage with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.

6. **INDEMNIFICATION**

If either party breaches this Agreement, then the breaching party shall defend, indemnify and hold harmless the non-breaching party, its officers, agents and employees against all claims, losses, demands, actions, liabilities, and costs (including, without limitation, reasonable attorneys' fees and expenses) arising from such breach. In addition, if Keenan (i) becomes the subject of a subpoena or is otherwise compelled to testify or (ii) becomes the subject of a claim, demand, action or liability brought or asserted by any individual or entity other than the Client ("Third-Party Demand") relating to the Services and such Third-Party Demand is not a direct result of Keenan's negligence or willful misconduct, then Client shall defend, indemnify and hold Keenan harmless from all losses, payments, and expenses incurred by Keenan in resolving such Third-Party Demand.

7. **LIMITATION OF LIABILITY**

Notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any punitive damages, fines, penalties, taxes or any indirect, incidental, or special

damages incurred by the other party, its officers, employees, agents, contractors or consultants whether or not foreseeable and whether or not based in contract or tort claims or otherwise, arising out of or in connection with this Agreement even if advised of the possibility of such damage. Keenan's liability under this Agreement shall further be limited to, and shall not exceed, the amount of its available insurance coverage, but not exceeding the limits of coverage outlined in Section 5.

8. **DISPUTE RESOLUTION**

- A. In the event of any dispute arising out of or relating to this Agreement, such dispute shall be resolved by submission to binding arbitration before Judicial Arbitration & Mediation Services ("JAMS") or ADR Services, at the claimant's choice, in Los Angeles County, California, before a retired judge or justice. If the parties are unable to agree on a retired judge or justice, the selected arbitration service (JAMS or ADR Services) will select the arbitrator.
- B. In any such arbitration, the parties shall be entitled to take discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.
- C. The prevailing party in any action, arbitration, or proceeding arising out of or to enforce any provision of this Agreement will be awarded reasonable attorneys' fees and costs incurred in that action, arbitration, or proceeding, or in the enforcement of any judgment or award rendered.

9. **TERMINATION**

- A. This Agreement may be terminated upon the occurrence of any of the following events:
 - i. By either party upon the dissolution or insolvency of either party;
 - ii. By either party following the filing of a bankruptcy petition by or against either party (if the petition is not dismissed within sixty (60) days in the case of an involuntary bankruptcy petition);
 - iii. If the application of any law, rule, regulation, or court or administrative decision prohibits the continuation of this Agreement or would cause a penalty to either party if the Agreement is continued, and if the Agreement cannot be amended to conform to such law, rule, regulation, or court or administrative decision in a manner that would preserve the original intent of the parties with respect to their rights and duties under this Agreement; or

- iv. By the non-breaching party if a breach of this Agreement is not cured within thirty (30) days following receipt of written notice of the breach from the non-breaching party.
 - v. Either party shall have the right to terminate at any time without cause or penalty upon sixty (60) days prior written notice to the other party.
- B. In the event of termination pursuant to Section 9A above, Keenan shall be paid for the full value of all services rendered through the date of termination.
- C. If Client requests that Keenan continue to provide services under this Agreement after its expiration, Keenan may agree to provide services and the Agreement shall be extended on a month-to-month basis until terminated by either party. In such case, compensation shall be paid to Keenan on a monthly basis, under the then current rates.

10. **DISPOSITION OF FILES**

- A. All files on each Claim shall be the property of Client. However, Keenan shall be entitled to keep a copy of such files and documents as may be necessary to demonstrate its performance under this Agreement.
- B. In the event of the expiration or termination of this Agreement, Keenan shall return all files to Client unless Client requests Keenan to continue to process any file(s), which file(s) Keenan will continue to process on a fee basis as negotiated.

11. **OWNERSHIP OF RECORDS**

- A. Records of the services provided under this Agreement shall be the property of Client. However, Keenan shall be entitled to keep a copy of such files and documents as may be necessary to demonstrate its performance under this Agreement.
- B. In the event of the expiration or termination of this Agreement, Keenan shall return all Client files except as may otherwise be agreed to, in writing, between Keenan and Client.

12. **SOLICITATION OF EMPLOYEES**

During the Term and for a period of twelve (12) months following any termination or expiration of the Agreement, neither party shall solicit the employment or engagement of any employee or agent of the other party that interacted directly with the soliciting party; provided, however, the foregoing provision shall not prevent either party from soliciting for employment or employing an employee who responds to general solicitations of advertisements in periodicals including newspapers and trade publications, so long as such solicitations or advertisements are not specifically directed at the employee(s) of the other party.

13. **MARKETING**

Keenan may use Client's name in its representative client list. Keenan shall obtain Client's written consent before using Client's name for any other purpose.

14. **OTHER RELATIONSHIPS**

- A. Client also understands that Keenan or its affiliates may provide services for other entities that also participate in the same pool as Client and or maintain Coverage with Keenan for similar insurance needs and that Keenan may be separately compensated for those additional services. Such services may include, without limitation, providing similar services for other members of the pool or providing other services for insurers or reinsurers that may provide coverage under the pool.
- B. Client understands that Keenan or its affiliates may provide Client with other services or insurance coverage not provided in this Agreement and receives compensation related to such other services including, without limitation, loss control services, joint powers administration, insurance brokerage services, reinsurance, obtaining other reinsurance coverage for Client, Claims administration, investigative services, financial processing and other related services.
- C. In the event a Claim is reported to Keenan and it is determined that the claimants or cross-complainants are also clients of Keenan to whom Keenan is also committed to serve by contract, Keenan shall notify the Client of the actual or potential conflict of interest. In such event, Client shall either waive the conflict or retain the services of another investigator/adjuster to administer the Claim, and Keenan shall assist the Client in obtaining such service.

15. **GENERAL**

- A. This Agreement, its recitals and all attached exhibits constitute the entire understanding of the parties related to the subject matter of the Agreement, and supersede all prior and collateral statements, presentations, communications, reports, agreements or understandings, if any, related to such matter(s).
- B. The obligations set forth in this Agreement other than Keenan's obligation to perform the Services and Client's responsibility to pay for the Services shall survive the expiration or termination of this Agreement. Nothing in this Section 14 shall, however, be interpreted as relieving Client of its obligation to pay for any Services rendered by Keenan prior to the termination date of this Agreement.
- C. If any person or entity attempts to pursue any claim or remedy based upon or arising in any way out of this agreement, to the extent such claim or remedy is permitted, then such person or entity shall be bound by the terms of this Agreement.

- D. No modifications or amendments to this Agreement shall be binding unless in writing and signed by authorized representatives from both parties. Any waiver or delay by a party in enforcing this Agreement shall not deprive that party of the right to take appropriate action at a later time or due to another breach. This Agreement shall be interpreted as if written jointly by the parties.
- E. Any provision determined by a court of competent jurisdiction to be partially or wholly invalid or unenforceable shall be severed from this Agreement and replaced by a valid and enforceable provision that most closely expresses the intention of the invalid or unenforceable provision. The severance of any such provision shall not affect the validity of the remaining provisions of this Agreement.
- F. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, power outages, failure of computer systems, machinery or supplies, vandalism, strikes, or other work interruptions or any similar or other cause beyond the reasonable control of either party. Each party shall make a good faith effort to perform under this Agreement in the event of any such circumstances, and shall resume full performance of its contract duties once the cause of the delay has abated.
- G. All payments and invoices are due and payable upon presentation by Keenan. In the event Client fails to pay any invoice within thirty days of presentation, Keenan shall be entitled to receive interest on such outstanding invoice from the date of presentation at the rate of (a) 1½ percent per month or (b) the maximum interest rate permitted by applicable law, whichever is lower.
- H. All notices hereunder shall be in writing and shall be sent to the parties at the addresses as set forth below, or to such other individual or address as a party may later designate. Notices shall be sent via personal delivery, courier service, United States mail (postage pre-paid, return receipt requested), express mail service, electronic mail, or fax. Notice shall be effective when delivered, or if refused, when delivery is attempted. Notices delivered during non-working hours shall be deemed to be effective as of the next business day.

If the notice relates to a legal matter or dispute, a copy shall be sent to:

Keenan and Associates
2355 Crenshaw Blvd., Ste. 200
Torrance, CA 90501
Attn: Legal Department
Fax: (310) 533-0573

I. This Agreement may be executed in counterparts and by fax signatures.

J. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the necessary authority to bind such party and that this Agreement 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>	5776 Stoneridge Mall Road	<u>Address:</u>	2355 Crenshaw Blvd., Ste. 200
	Pleasanton CA 94588		Torrance, CA 90501
<u>Telephone:</u>		<u>Telephone:</u>	(310) 212-0363 ext. 2624
<u>Attention:</u>		<u>Attention:</u>	Ron Martin
<u>E-mail:</u>		<u>E-mail:</u>	rmartin@keenan.com

EXHIBIT A-1
ADMINISTRATIVE SERVICES

1. Keenan agrees to provide, during the term of this Agreement, the following administrative services:
 - A. Provide Client a tabulated Monthly Status Report on all active Claims, indicating the open or closed status of each reported Claim assigned to Keenan, the details of each Claim, the payments during the month and the reserve status.
 - B. If requested by Client, Keenan shall establish a trust account from which Claims that are within the member retained limits are paid. If an account has already been established on the Client's behalf, Keenan shall continue to maintain the account upon renewal of services. Keenan will provide transaction registers of all such expenditures. The Client will maintain a balance adequate to pay bills and expenditures, on a monthly basis from the account and will reimburse said account promptly on a monthly basis in the amount the account is depleted, as outlined in the Agreement.
 - C. Provide for the payment of Claims, according to the guidelines given by Client, to the extent that there are funds available in Client's trust account.

EXHIBIT A-2
ADJUSTMENT SERVICES

1. Keenan agrees to provide, during the term of this Agreement, the following adjustment services on each Claim:
 - A. The maintenance of a file on each Claim reported to Keenan.
 - B. Periodic review and adjustment of reserves on all open Claims.
 - C. Whenever investigation results in a determination that Client sustained a liability to a third party, Keenan shall process any such Claim for settlement in accordance with the Coverage and instructions and policies of Client presented to Keenan in writing.
 - D. Investigate, evaluate and adjust all Claims by a covered party in accordance with the terms of the Coverage.
 - E. Notification of Client's primary and excess coverage providers of all Claims, which exceed Client's retained limit and maintenance of liaison between the Coverage providers and the Client on matters affecting the adjustment of such Claims and seek reimbursements for loss in excess of retention or deductible.
 - F. Pursue and direct subrogation/third-party recovery against any party responsible or partially responsible for loss incurred by Client, in accordance with the terms of the "Memorandum of Coverage" or "Insurance Policy" and, if a recovery is successful, the reimbursement of any amounts (net of subrogation effort expenses) shall be made in inverse order, to the extent of each party's disbursement: first to the reinsurer; then to the pool where the Client is a member and then to the Client.
 - G. Recommendation of rejection of Claims when appropriate pursuant to relevant provisions of Title 1, Division 3.6, Part 3, Chapter 2, of the Government Code of the State of California.
 - H. Attempt to obtain Release Agreements on behalf of Client in connection with the settlement of Claims.
 - I. Retain defense and coverage counsel in accordance with approved guidelines for the Coverage. Files referred to counsel will be sent with the appropriate instructions to advise counsel of the steps which are being authorized. All legal bills are to be reviewed for the nature of the work performed and reasonableness of the time charged.

EXHIBIT A-3
INVESTIGATIVE SERVICES

1. Keenan agrees to provide, during the term of this Agreement, the following investigative services:
 - A. Receipt and examination of all reports of Claims.
 - B. Initiate investigation through in-house review of Claims, where the nature of the Claim warrants such investigation or when requested by Client; such investigation to include telephonic or written contact with claimant, witnesses, or employees of Client.
 - C. Provide a report to Client with the findings of such investigation and information regarding any potential for subrogation/third-party recovery.
 - D. Assignment to and monitoring of all experts, consultants and field investigators appropriate for the type of Claim presented.
2. Client shall make available to Keenan all employees of Client who are witnesses to an incident or accident or who have knowledge of the event or incident, which is the subject matter of a Claim. If possible, Client shall provide Keenan with photographs and engineering drawings or other descriptive material of all conditions of Client property which are alleged to be dangerous or that were damaged in the events which produced the Claim under investigation.

EXHIBIT A-4
ADDITIONAL INVESTIGATIVE SERVICES

1. If necessary to determine probable liability/damage or deny coverage of a Claim and if a third-party recovery is pursued, Keenan shall conduct additional investigation of such Claims, where the nature of the Claim warrants such investigation or when requested by Client as follows:
 - A. Additional Investigative Services shall include additional contact with claimant, witnesses, or employees of Client, and other additional investigative services, such as professional photography, laboratory services, property damage appraisals, taking statements from witnesses away from the premises of Keenan, on-site investigation, copying material and other records, trial preparation and professional engineering services including, but not limited to, map preparation, accident reconstruction, material analysis and premises evaluation (collectively, "Additional Investigative Services").
2. Keenan agrees to manage and monitor the activities of any such vendors involved in the potential recovery and to assist them in the provision of such services.
3. Client agrees to pay for the cost of Additional Investigative Services. The invoice for such services shall be due and payable upon presentation. Client acknowledges that Additional Investigative Services may be provided by independent third-party vendors or by employees or affiliates of Keenan; provided that the rates charged by Keenan employees or affiliates shall be at market rates.

EXHIBIT A-5
SECTION 111 REPORTING SERVICES

1. Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (“Section 111”) requires the reporting of certain liability settlements and/or payments to the Center for Medicare Services (“CMS”). Client is the Responsible Reporting Entity (“RRE”), as defined under Section 111, for any liability payment or settlement made by it from its own funds.

For each claim managed by Keenan under the Agreement, Keenan shall, in its capacity as TPA, perform the following services:

- a. Determine whether or not a Section 111 report (“Report”) must be filed; and
 - b. File any required Reports on behalf of Client.
2. When a claim payment or settlement exceeds Client’s retained limit or deductible (“MRL/Deductible”), Keenan, as Client’s TPA, shall file a Report with respect to the portion of the payment made from the client’s MRL/Deductible. The coverage provider, **Northern California ReLiEF**, is responsible for submitting a Report with respect to any payments made by the coverage provider.
3. It is the Client’s responsibility to timely provide Keenan with all information in its possession that is required for the filing of a 111 Report. Keenan shall not be responsible for any penalty or fine that is assessed for a failure to file a timely, accurate and/or complete Report if such failure was the result of the failure of the Client or any third party to provide Keenan with all information necessary to file a timely, accurate, and complete Report.
4. Keenan cannot issue a payment to a claimant until all information required for the filing of a Report has been received.
5. Keenan shall have no responsibility to file a Report for any payment or settlement made by Client without the involvement of Keenan. In such cases, Client, or its designee, shall be solely responsible for its own Section 111 compliance. This includes, without limitation, the determination of whether or not a Report must be submitted, as well as the preparation and submission of all required Reports.

EXHIBIT B COMPENSATION

1. Client agrees to pay Keenan fees calculated as follows:

A. For the period of **July 1, 2018-June 30, 2019:**

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

2. Fees for subsequent contract years, as applicable, will be determined based upon Keenan's then-current hourly rate. Keenan shall provide Client notice of the rates for subsequent years at least sixty (60) days before the beginning of the applicable contract year.
3. Invoices will be issued quarterly for fees for time and expense actually accrued, if any, and are due and payable upon receipt of the invoice.
4. Any balance not paid within thirty (30) days following the date on the invoice shall be deemed late. Interest on any late payment shall accrue as of the date of Keenan's original invoice at the rate of (a) 1½ percent per month, or (b) the maximum interest rate permitted by applicable law, whichever is lower. Keenan shall have the right to suspend its Services if any balance owed by Client is more than sixty (60) days late.



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 10, 2018

SUBJECT: Wells Fargo/USI Workers' Compensation Claims Audit

In Spring 2018, ACSIG contracted with USI (formerly Wells Fargo) to complete an independent claims audit of the ACSIG Workers' Compensation claim operation. The same team that was utilized in the 2009, 2012, 2014 and 2016 Claims audits was used to provide consistency in review.

The overall score given to the Keenan & Associate Pleasanton claims team was 3.5 out of 5. The total score given was lower than the score of 4.0 received in 2016. Keenan staff recognizes that due an employee leave and a part-time, remote supervisor, deadlines were missed and this lower score is a result. In response, a full-time supervisor for the Pleasanton office has been hired and all claims staff are full time. Much work is being done with Keenan and ACSIG management to address the deficiencies identified. Additionally, we have asked Keenan & Associates to provide clarification on some of the findings and have enclosed that document for their review.

The Executive Director will review this report in detail at the Executive Committee meeting and representatives from Keenan & Associates will be available for questions. This report will be given to the Full Board at its May meeting as well.



PROTECT. MANAGE. GROW.

Alameda County Schools Insurance Authority

2018 Claims Audit

Self-Insured, Administration by Keenan and Associates

Prepared By:

Jennet Horder – VP, Commercial Lines Manager

JoAnn Gamoras – AVP, Claims Manager

Diana Rodriguez-Garcia -- Workers' Compensation Claims Advisor

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

1

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

TABLE OF CONTENTS

TITLE PAGE	1
TABLE OF CONTENTS	2
AUDITORS BIOS	3
AUDIT PARAMETERS	4
FINDINGS ON OVERALL PERFORMANCE	7
FINDINGS ON CLAIMS MANAGEMENT	9
Claim Identification	9
Disability Payment Management	9
Return to Work Management	10
Medical Management	11
Investigative Management	12
Litigation Management	13
Subrogation Management	14
Notices Management	14
Disposition Management	15
Cost Containment	16
Reserves Management	17
File Management and Oversight	19
Additional Considerations	
Staffing Adequacy	22
Utilization of Claims System	22
Comparison 2018 v 2016	23
RECOMMENDATIONS	24
FINAL COMMENTS	24

AUDITORS BIOS AND PARAMETERS OF AUDIT

Auditors:

JoAnn Gamoras – USI Insurance Services, AVP, Claims Manager

Jo Ann joined WFIS in 2004. She has over 24 years of experience in all aspects of Worker's Compensation including management, development and training. She has experience with employers in a wide variety of industries such as California Public entities; law enforcement; universities; construction; nursing homes; winery; transportation; retail; agriculture; and healthcare. As a manager, she was responsible for all levels of claims management for her assigned unit to insure best practices claims handling and OBAE compliance.

Jennet Horder --- USI Insurance Services, VP, Commercial Lines Manager

Jennet has been with USI Insurance Services since 2001 and is currently the Commercial Lines Manager for the North Bay office. Her experience includes over 10 years of claims handling with a wide variety of industries such as school districts, retail, hospitality, agriculture, winery, healthcare, etc., and a total of 20+ years managing and overseeing claims in general. Her primary goal in working with self-insured employers is to provide oversight of claims management of third party administrators.

Diana Rodriguez-Garcia --- USI Insurance Services, Workers' Compensation Claims Advisor

Diana joined the team in August of 2016 and offers 20+ years of claims experience including working as a claims adjuster and a claims manager. She is bilingual in English and Spanish and earned her Bachelor's degree in Criminal Justice Administration with a minor in Spanish from Cal State Hayward. She obtained her self-insurance certification and received a Workers' Compensation Claims Professional designation from the Insurance Education Association.

Audit Parameters:

This audit included a comprehensive review of 75 claims classified as follows:

TYPE OF CLAIM	CLOSED	OPEN	RE-OPEN	GRAND TOTAL
INDEMNITY	10	55	0	65
MEDICAL ONLY	3	6	1	10
GRAND TOTAL	13	61	1	75

**25 of the 65 Indemnity claims reviewed were litigated.*

Some cases noted below were closed during the audit period which equals the time frame between the valued date of the loss data report and the actual audit which took place during the week of March 5-9, 2018.

Audit #	Claim Status	Type of Claim	Closed during Audit Period
1	Open	Indemnity	
2	Open	Indemnity	
3	Open	Indemnity	
4	Open	Indemnity	
5	Open	Indemnity	
6	Open	Indemnity	
7	Open	Indemnity	
8	Open	Indemnity	
9	Open	Indemnity	
10	Open	Medical Only	
11	CLOSED	Medical Only	Yes
12	Open	Medical Only	
13	Open	Indemnity	
14	Open	Indemnity	
15	Open	Indemnity	
16	Open	Medical Only	
17	Open	Indemnity	
18	Closed	Indemnity	
19	Closed	Medical Only	
20	Closed	Indemnity	
21	Closed	Medical Only	
22	Open	Indemnity	
23	Open	Indemnity	

24	Open	Medical Only	
25	Open	Indemnity	
26	Open	Indemnity	
27	Open	Medical Only	
28	Open	Indemnity	
29	Open	Indemnity	
30	Closed	Indemnity	
31	Closed	Medical Only	
32	Open	Indemnity	
33	CLOSED	Indemnity	Yes
34	Open	Indemnity	
35	Open	Indemnity	
36	Open	Indemnity	
37	Open	Indemnity	
38	Open	Indemnity	
39	Closed	Indemnity	
40	Open	Indemnity	
41	Open	Indemnity	Yes
42	Open	Indemnity	
43	Open	Indemnity	
44	Open	Indemnity	
45	Re-Open	Medical Only	
46	Open	Indemnity	
47	Closed	Indemnity	
48	Open	Indemnity	
49	Open	Indemnity	
50	Open	Indemnity	
51	Open	Indemnity	
52	Open	Indemnity	
53	Closed	Indemnity	
54	Open	Indemnity	
55	Open	Indemnity	
56	Open	Indemnity	
57	Open	Indemnity	
58	Open	Indemnity	
59	Open	Indemnity	
60	Closed	Indemnity	

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

5

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

61	Open	Indemnity	
62	Open	Indemnity	
63	Open	Indemnity	Yes
64	Open	Indemnity	
65	Open	Indemnity	
66	Open	Indemnity	
67	Open	Indemnity	
68	Open	Indemnity	
69	Open	Indemnity	
70	Open	Indemnity	
71	Closed	Indemnity	
72	Open	Indemnity	
73	Closed	Indemnity	
74	Open	Indemnity	
75	Closed	Indemnity	

For the purposes of this report, only the file audit # will be indicated. Please note that a few claims reviewed were PIP conflict files. If the Master was not targeted for review, the auditor did review the Master for overall case management understanding that there were two different examiners on such designated files.

- *The following information and opinions formed by the auditors were based on a review of the claims management system, iVOS, used by Keenan and Associates for the Alameda County Schools Insurance Authority, the hard copy files, and the additional information provided by the administrator and wrap up discussion.*

Audit Goals:

Review overall claims management of files with emphasis on the work completed since April 2016 to avoid an overlapping of findings from the previous audit conducted in 2016. The audit considers claims management using the following categories:

- A. *Claim Identification*
- B. *Disability*
- C. *Return to Work*
- D. *Medical Management*
- E. *Investigation*
- F. *Subrogation*
- G. *Litigation*
- H. *Notices Compliance*
- I. *Case Disposition*
- J. *Cost Containment*
- K. *Reserves*

I. Findings on Overall Performance

The following scale was used (descriptions provided are abbreviated).

- 1 = poor management: little or no work being done (or inappropriately handled)
- 2 = fair management: work being done but no actual management
- 3 = average management: good but not consistent
- 4 = good management: consistent management; good outcomes
- 5 = excellent management; always consistent

Based on the above audit criteria, Alameda County Schools Insurance Authority (ACSIG) administered by Keenan and Associates was scored by these auditors as follows:

General Overall Claims Management: 3.5

CLAIMS MANAGEMENT ASSESSMENT

Individual claims case management ratings are as follows:

Individual Claims Ratings	Indemnity	Medical Only	Grand Total	Percentage by Total	Percentage by Indemnity	Percentage by Medical
1-1.5	5	1	6	8%	83%	17%
2-2.5	2	1	3	4%	67%	33%
3-3.5	7		7	10%*	100%	0%
4-4.5	34		34	45%	100%	0%
5	17	8	25	33%	68%	32%
Grand Total	65	10	75	100%		

*Rounded up.

Individual Overall Case Ratings is 3.5 based on a total score of 304.5 out of a possible 375 equaling 81%.

Summary of Ratings by Category:

Category	Rating
Claim Identification	4.5
Disability Payment Management	4
Return to Work Management	4
Medical Management	4.5
Investigation Management	4.5
Litigation Management	4
Subrogation Management	5
Notices Management	4.5
Disposition Management	3.5
File Management	3
Cost Containment	4.5
Reserves Management	4.5
Total	50.5
Total Possible Points	60
Score	84% or 3.5

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

7

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

Given the Summary of Ratings by Category performance of 3.5, we believe that Keenan and Associates is effective in their claims management. It should be noted that things like roundtables with supervisors, conversations with districts, and the Schools Insurance Group may have been made without notation in the file.

Since the last audit we did note some gaps in plan of actions, case movement, and oversight which were not present in the last review to the level discovered in this review. We confirmed with the Claims Manager that staffing was stable, however, there may have been some coverage issues due to staff leaves. Unfortunately, the gaps found impacted some cases significantly as they impacted multiple categories measuring the need for action on the files. We believe the lower score in this review was directly related to those gaps.

The overall score for Keenan and Associates (ACSIG) is a 3.5 based on the Individual Claims Ratings percentage of 81% and the Category Ratings of 84%.

The detailed description of this score is:

3 = “satisfactory” – Managed, but not consistently. Some inconsistencies found. Some technical issues discovered. Some timeliness issues. Appropriate vendor usage. Some litigation management. Reserves are adequate.

4 = good: managed consistently with good outcomes; very little technical issues; timely case movement; good vendor usage; good litigation management; reserves appropriate.

with 3.5 Keenan is between satisfactory and good.

Rating Key:

97-100	5
91-96	4.5
85-90	4
80-84	3.5
73-79	3
65-72	2.5
58-64	2
50-57	1.5
<49	1

II. Findings on Claims Management

Claim Identification rating is a 4.5.

Previous Audit: 4.5.

This category contemplates whether or not the administrator has properly identified the type of claim for accurate assignment; conversion of claims are timely to insure proper claims handling and reserving; coding in the system for dates of injury and body parts are accurate; and a thorough three point contact is completed in order to insure the previous factors were discerned within the first 24-72 hours of the claims receipt with 24 hours being the best claims practice based on the experience of the auditors.

Keenan's Standards and Accountabilities were also reviewed for compliance in conjunction with the above which includes 3 points of contact 24 hours from notice date with documentation in claims notes. File set up is to be completed 72 hours from notice date with proper reserves, claim documentation, and coding. Plan of actions and issues should be identified in the same time frame.

Forty-six claims were applicable for review in this category and of the 46 claims 40 were managed at an excellent level.

Audit #	CLAIM IDENTIFICATION COMMENTS
4	Need DWC-1 to change and or medical doctor to say injury is 11/2. Good work trying to get changed.
16	Late contact to injured worker and when done finally appears to be instigated by employee. Gross Wages and Average Weekly wages on injury tab are both listed as \$11,780. One is wrong.
25	Late 3-point contact to employee with no contact letter sent.
30	CT companion file set up per AA Application. No contacts made. Claim Manager noted that Claims Examiner review was needed.
45	Claim conversion/ reopen not timely. Coded as minor permanent disability but no permanent disability is indicated. Loss data shows as medical only.
56	Coded as Minor Perm but permanent disability is over 24.75%

CT = Cumulative Trauma; AA = Applicant Attorney

Disability Payment Management rating is a 4.

Previous Audit: 4.5

This category contemplates all indemnity payments plus mileage reimbursements and we reviewed for timeliness of payments and/or advances, accuracy of compensation rates, identification of payment termination timelines, penalty and overpayment avoidance, and coordination of Ed Code benefits. Thirty files were deemed as applicable for review in this category. Of the 30 claims, 19 claims were deemed to be excellently managed. We have no specific recommendations but to continue to regularly review the penalties and overpayments report for cause and prevention. There was approximately \$1482 in overpayments found. Although most were

already discovered by Keenan and reimbursements were made during salary continuation periods, we do reduce if they are preventable.

Audit #	DISABILITY PAYMENT MANAGEMENT COMMENTS
3	TD overpayment \$16.53 for pay period 10/11/17 TPA fault
5	Varying monthly payments on Wage Statement. Does employee work fluctuating hours or are they full time/full duty? It appears they were made permanent on 8/31/2017. Would like to see explanation of salary when using full 11 months or any months with differing numbers. Noting employee was released to mod work 2/6-2/8 and worked 8-12; was off 2/9; worked 8-12noon 2/12-2/16 and then worked 8 hours 2/5 & 2/6 per Employer email of 2/8/2018. Need to review wage loss reimbursements.
13	Initial TD Check issued late. TD overpayment as EE returned to work 11/17/17. TD overpayment \$304.16
15	TD overpayment as EE returned to work to modified duty and TD payments continued. Overpayment = \$ 719.12
22	Duplicate payment of TD on 9/28/17 resulted in overpayment of \$ 93.27.
25	Overpayment of \$349.11. TPA fault as employer advised on 1/10/2018.
26	Wage statement not calculated upon receipt which resulted in incorrect calculation of wage loss. Mileage received on 4/21/17 and not paid timely.
28	Timing of coordination of Ed Code and modified work should to be stronger to avoid retro payment from 4/3 to 4/30/2017.
29	Did not see Ed Code coordination. Noting full value of permanent disability was reserved without commutation although calculation was completed. Could not see where stop date is noted in instructions.
45	Wage statement on master file has anomalies on pay that should be identified and explained.
59	Permanent and stationary report received 9/12/2015 not noted as reviewed until 4/8/2016. Efforts to obtain employment status not noted. Advances not started timely.
62	Permanent Disability advances not started timely.

TD = Temporary Disability; TPA=Third Party Administrator; Ed Code = Educational Code

Return to Work Management rating is 4.

Previous Audit: 4

This category contemplates the coordination of return to work with medical providers, employee, and employer. We reviewed for use of job descriptions/job analysis/functional capacity evaluations in the efforts to get the employee back to modified or full duties. In addition, there is consideration on the timeliness of providing permanent work restrictions to the employer to insure the employer is afforded the opportunity to conduct the interactive process. Twenty-one claims were deemed applicable for review in this category and of the 21, 15 were managed at the excellent level. We still found some opportunities where communication between the examiner and the district could improve in confirming work status which could have prevented some of the overpayments.

Audit #	RETURN TO WORK MANAGEMENT COMMENTS
10	Need to confirm with District if EE still performing full or modified work
17	ADA accommodation letter referenced work restrictions not noted on any permanent and stationary report and primary treater says released to full duties with the PQME agreeing.
28	8/10/2017 there was no employer contact and notes simply state that the employer has not been accommodating. Unknown if this was ever confirmed.
35	Work status not confirmed.
37	Examiner followed up on Education Code and confirmed EE returned to full work on 7/5/16 - nicely done!
43	Perm/Alt Offer Not Found

EE = Employee; PQME = Panel Qualified Medical Evaluator; ADA = American Disabilities Act

Medical Management rating is 4.5.

Previous Audit: 4.5

This category contemplates the management of the medical aspect of the claims from consistency of Medical Provider notifications to medical legal use. In addition, we conduct a review of randomly chosen requests for treatment and how they run through the mandatory state utilization review process. Fifty claims were applicable for review in this category. Of the 50 claims, 39 were deemed to be managed at the excellent level.

We saw much better consistency with the issuance of the 9785.5 letter. We found that excellent work was being done in medical management, but some of the gaps of time found in the overall claims handling contributed to reducing some of the scores in this category – note cases where the medical providers required 45 days of reporting was missed. ***We recommend a review of the diary timeline standards on cases at least where an employee is on modified work or off work to avoid continued delays in medical care review.***

Audit #	MEDICAL MANAGEMENT COMMENTS
4	Good coordination on Ergo Evaluation Referral
6	Good follow up with employee to return to doctor after missing appointments.
16	Case continued without reports and being over 45 days. Noted doctor retired on 10/2/17 and the employee was not seen since then with the replacement doctor for that clinic not taking workers' compensation. Examiner did not discover this until 3/5/2018 despite file reviews noted on 3/1/2018, 2/1/2018, 12/28/2017 and calls to the doctor noted on 12/28/2017.
17	Cover letter and records sent on day of appointment 12/7/2016 when the date of knowledge of the appointment was 10/31/2016. Primary treaters PR4 received on 10/25/2016. ADA accommodation letter sent 12/8/2016.
22	9785 letters not found

25	Invasive care completed 9/2017. Plan of action for push to permanent and stationary not noted. ODG should be reviewed. 45-day gap in medical was discovered by examiner but not until well past 45 days - 10/23/17 to 1/8/18.
28	6/30/2017 RFA received. Submitted to UR 7/3 with a noted due date of 7/10/2017.
29	Utilization Review approved disputed body parts treatment from RFA.
37	Good work in directing all prescriptions and medical requests to Nurse/UR. Nurse closed her file timely as Employee retained counsel.
42	EE last seen on 9/11/17 with no follow up medical treatment for 6 months. Adjuster did not push for MMI.
43	Late UR decisions completed for Lumbar Epidural request rec'd 1/12/17, 9/7/17, 10/20/2017.
47	Late referral to utilization review for 7/29/2016 RFA. Delay sent late but timely determination of 14 days.
52	Good letter to Dr. Rovner
72	Medical legal conclusion appeared to not be further pursued for clarification as causation remained unclear. Permanent and Stationary status not timely pursued.

UR = Utilization Review; EE = Employee; RFA = Request for Authorization; ODG = Occupational Disability Guidelines; ADA = American Disabilities Act; MMI = Maximum Medical Improvement

Investigation Management rating is a 4.5.

Previous Audit: 4

This category concentrates on AOE/COE identification (Arising Out Of / In the Course Of – qualification for benefits under workers' compensation) and thoroughness of investigation throughout the claim including the use of vendors, the examiner's evaluations of investigation reports, timing and frequency of index/edex searches, supervisory reviews, timeliness of delays and denials as well as efforts to communicate with injured workers when applicable regarding the delay/denial. Twenty-six claims were reviewed in this category and of the 26, 19 were considered handled at an excellent level.

Claims were generally delayed and denied properly. The examiners seem to have a good sense of identifying AOE/COE issues. We found good effort with communication with employees when cases were delayed and denied. There were no actual issues found as trends, but we did find on a couple of files that cumulative trauma injuries were determined by the examiner and not investigated as we would expect. Cumulative trauma injuries although difficult to dispute should still meet the burden of proof. We do know that examiners recognize this fact as a couple of cases found clearly show the examiner identifying the issues of the claims cumulative trauma and properly investigating/ disputing it. Cumulative trauma injuries should include a clear injurious exposure and injury should be established by application of labor code 5412 and medical record. ***We recommend ongoing training on investigating and establishment of cumulative trauma injuries.*** We did find some missed opportunities as listed below but in general this category had high scores.

Audit #	INVESTIGATION MANAGEMENT COMMENTS
6	Would have liked to have seen more questions to employer to see if any non-industrial "noises" the employee could have been exposed caused the condition.
16	Claim was late reported but I could not see that a thorough investigation of AOE/COE was appropriately made. Could not see index completed or medical release requested even though employee had

	previous injury and was pre-designated. Noting a 1/17/2017 injury which the doctor confused this injury initially and the examiner advised to have the doctor just use the 3/2/2017 date. The doctor's chart notes seem to imply the employee has had issues from both losses.
30	No investigation completed other than QME report from Dr. Retondo of 1/1/17 that found CT injury. 50% due to Target 50% due to another School District.
32	No Medical evidence to support CT found in file. Report from DR. Besh dated 6/5/17, released to regular work, apportionment when MMI.
36	No supervisor review/approval on delay

QME = Qualified Medical Evaluation; CT = cumulative trauma; MMI = Maximum Medical Improvement

Litigation Management rating is 4.

Previous Audit: 4

This category contemplates how the examiners and defense attorneys manage the file to resolution with the expectation that the examiners maintain the lead role in the process. For the purposes of this audit litigated cases are described as those claims where the claimant and/or Keenan retain an attorney for the entirety of the claim. This category also contemplates those cases where limited referrals to defense attorneys are made with the intent to accomplish a single legal objective such as “walk-throughs” – the practice of having a vendor/attorney take a settlement to a judge by appointment to assist with any necessary explanations, etc. Although 25 of the 65 indemnity claims were indicated as litigated only 18 had actual reviewable activities and were applicable for review in this category. Of the 18, 13 were deemed to be managed at an excellent level.

We found continued partnering with defense attorneys and clear directions provided initially. Patrice continued to have clear focus on the litigated claims. We did not find any unnecessary referrals or deferral of work to the attorneys. We really appreciated the referral form which provides clear instructions to the Defense Attorneys of the work they should not perform and should be completed by the examiners. This is an excellent practice and we hope is maintained. There were some timeliness issues both from pursuit by the examiners and responses from the attorneys. *We recommend continued vigilance in following up with attorneys to insure case movement should be made and the oversight by the claims manager, Patrice, should continue.*

Audit #	LITIGATION MANAGEMENT COMMENTS
29	Good directions to defense attorney.
51	District provided settlement authority up to \$125K. Last legal correspondence noted in file is dated 6/20/17. Structure quote requested in 12/19/17. Efforts to settle not timely.
60	Manager involved and provided settlement direction to DA. Nicely done!
67	10/10/17-Manager requested Defense Attorney to provide our assertion regarding apportionment. Still no response.
69	No direction on who is drawing up settlement?
72	Communication between examiner and defense attorney not frequent. Needed to create plan of action.

D/A or DA = Defense Attorney

Subrogation Management rating is a 5.

Previous Audit: 4.5

This category contemplates whether the examiners are initially ruling in or out the potential for subrogation on all cases. Where applicable we review for the timeliness of identifying third parties, noticing third parties, and follow up with pursuit of recovery via lien or filing a petition of intervention. We believe that subrogation should be aggressively pursued as recovery serves the interest of ACSIG from a financial standpoint. As such, we do deduct for failure to rule in or out the possibility of whether this ruling in or out process has an outlined thought process to show examiners grasp of the matter. Fourteen claims were reviewed in this category (although many other claims were reviewed to determine if proper rule in/out was detailed somewhere in the file) and of the 14, 14 were deemed to be managed at an excellent level.

There was generally consistent effort to rule in or out subrogation potential. The auditors were extremely happy to see detailed reasoning behind the rule out descriptions and appropriate pursuit when applicable.

Notices Management rating is a 4.5.

Previous Audit: 4

Reviews of the notices were made to determine compliance with Rules and Regulations established by the State of California. We found Keenan and Associates to be good with both timeliness and appropriateness of notice issuance. Fifty-two claims were applicable for this review and of the 52, 35 were managed at an excellent level.

We did find cases with missing DWC-1s or no effort to obtain. We also saw the use of a six-month delay period for permanent disability notices which we believe may go back to some historical practices. Given the gaps in file management and timeliness of settlements, ***we recommend that permanent disability be managed in accordance with the file needs. Not all permanent disability will be determined in six months. Some will likely be sooner and some possibly even later. The reasoning behind six months was not apparent and should be.***

Audit #	NOTICES MANAGEMENT COMMENTS
1	PD delay issued on 12/18/17 but the employee was back on TD as of 10/31/17
2	PD delay issued 2/27/18 with decision date of 8/28/18. No indication why that long.
3	PD delay issued 9/29/17 with decision date "3/29/17". Should be corrected-and reviewed for why that long to make the decision.
13	Initial TD notice issued late. (11/21/17)
16	Could not find DWC-1 or requests. This was a fall with multiple body parts so should make sure to get in writing the alleged body parts.
17	Permanent disability notice has 6-month delay with no real reason for why it would take 6 months. DWC-1 not found in file and not requested.
18	Application of Adjudication not in file.
19	No DWC-1 in file/No request noted
21	No DWC-1 but request made
22	Wage statement rec'd on 8/25/17. No documentation of calculation.

25	Permanent disability delay notice says 6 months delay with no reason given but then sent monthly? TD/SC resume letter confusing with wrong wages, rate, etc.
26	P&S Report rec'd 5/23/17. PD Notice issued late on 8/23/17.
28	DWC-1 not found in file and appears to have been requested only 1 time.
32	Claim was on error report for company nurse payment. Master file #537454-DWC-1 list DOI as 10/13/16. Claim is set up with DOI as 4/5/17. Examiner needs to request an amended DWC-1.
35	MMI report received on 9/5/17. PD delay notice issued on 11/2/17 with Decision date of 5/2/18
38	DWC-1 not found on file. PQME report rec'd 12/8/16 and PD notice issued on 12/28/16. Notice was not issued within 14 days & is considered late.
43	P&S 12/1/15 with permanent work restrictions. An offer of perm/alt work was not found in the file.
49	Adjuster notes indicate VR Voucher offered but it was not located in the claim file.
56	PD Delay notice is 6 months with no indication why so long. Temporary disability termination notice shows incorrect start date.
62	Permanent disability delay notices sent after permanent disability was medically determined.
73	PD Delay notice sent late and did not make sense on file.

PD = permanent disability; VR = Vocational/ Learning Voucher; PQME = Panel Qualified Medical Evaluation; DOI = Date of Injury; TD/SC = temporary disability/salary continuation; P&S = permanent and stationary; TD = temporary disability

Disposition Management rating is a 3.5.

Previous Audit: 4

In this category, the auditors contemplated the speed of closures for medical only claims. For indemnity claims the review included whether all settlement types were considered. We reviewed for the use of independent raters and for efforts to settle and/or close the cases timely. Future medical claims are reviewed for adherence to the Office of Self Insurance Plans (OSIP) requirements on closing. Forty-one claims were applicable for review in this category and of the 41, 23 were deemed managed at an excellent level. We did find slow closures/ settlement efforts and believe this can improve. ***We recommend better adherence to plans of action and more frequent supervisor reviews.*** Gaps in overall case management impacted this category.

Audit #	DISPOSITION MANAGEMENT COMMENTS
17	Type of settlement was not evaluated or negotiated timely with a gap in review of the claim.
22	Case should be on diary for closure.
35	MMI report with ratable PD received on 9/5/17. Efforts to settle not timely.
38	Settlement documents sent on 12/28/16 and no follow up until 3/13/17.
43	Good Follow up with DEU for rating
46	Employee was permanent and stationary 9/5/2013. Case not stipulated until 2/24/2016. Start pay date noted inaccurate. Failed to offer compromise and release 11/2017; not done till 2/28/2018.
47	Authority for 80k given on 10/2016. By 1/2017 could not see where Defense Attorney pursued.
49	Adjuster paid out all accrued PD on 7/2017 and to date has not sent the injured worker a formal offer to settle.
50	Efforts to settle not timely.

51	Last noted settlement offer sent 1/26/17. Case resolution not being pursued or efforts not being documented.
54	Employee represented for years and permanent and stationary with no efforts to settle noted not even in master file. Examiner should connect with other examiner on master file to get case moving.
57	Efforts to settle not timely.
58	Examiner has made only 4 attempts since 11/14/16 to settle claim with employee.
59	Employee permanent and stationary since 9/2/2015. Examiner references other file but they are older claims and no work done on those cases either. Efforts to settle case have not been made timely.
60	Great work up by claims manager
62	Permanent and stationary status received on 12/19/2015. Examiner appears to have spoken to employee on 8/10/2017 and did not get employment status. Settlement efforts not timely.
63	C&R of future medical approved 12/20/17. Not closed until 3/1/2018.
66	Estimated PD paid Sept 2012 & WCAB rejected as no WPI provided. No follow up to obtain an official rating. MSA needed.
69	No activity noted in 2017. 1/15/18-Employee called to let examiner know her attorney retired and she now wants to C&R her claim.
73	2 months to get structured settlement number to defense attorney delaying settlement a little bit.
75	Settlement efforts not timely.

C&R = Compromise and Release; CMS = Medicare; EE = Employee; ER = Employer; MD = Doctor; MSA = Medicare Set Aside; AA = Applicant Attorney; PD = permanent disability; STIP = Stipulate with Request for Award settlement; MMI = maximum medical improvement; DA = Defense attorney; D/C = discharged; WPI = whole person impairment; WCAB = Workers' Comp Appeals Board

Cost Containment rating is a 4.5.

Previous Audit: 4.5

This category contemplates a random review of bills for timely payments (60 days from date of receipt of billing for public entities) and documentation of the reasons for reduction of the bill i.e. corresponding explanation of benefits letter. We do not review for accuracy of scheduled fee billing and/or reductions by contract terms. And only a minimal random sampling is reviewed within each file. Keenan Standards and Accountability require treatment bills to either be objected to within 15 days or paid within 20. We found this to be generally adhered to despite this standard being significantly condensed when compared to legal requirements. We note that in reviewing other administrators, those administrators who have a practice of paying providers in a condensed timeline tend to have better outcomes. We have no empirical data to support the correlation but felt it worthwhile to note here. Fifty-two claims were applicable to this review and of the 52, 43 were deemed to be managed at an excellent level.

Audit #	COST CONTAINMENT COMMENTS
5	Duplicate payments are noted and flagged for review. Appears to be within 30 days.
16	Duplicate payments not checked despite case review.
17	PR4 received with bill on 10/25/2016 and not paid until 12/19/2016 with no objections? Within legal required 60 days but late for service agreement.

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

16

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

25	1 day late pay for Kaiser 1/10/2017 bill received on 6/1 and paid 6/22. Within legal timeframe but not service agreement.
53	File reopened as lien claimant called on 1/28/18 as STIP for lien approved on 2/27/15 not paid. Lien amount \$7733.12. Penalty \$ 1,159.99, Interest \$2254.26. \$7733.12 paid on 1/26/18. Interest paid on 2254.26 on 1/29/18. Could not determine if coded as TPA fault with no requirement for District to pay.
55	2/22/18 Duplicate bill review \$30.51
59	Examiner indicates on notes that no care since 9/2/2015 but bills paid for physical therapy 10/3/2017 and 2/23/16. Do they belong to this file?
62	Could not coordinate payments to specific bills only explanation of benefit as non-reviewable paid.
65	Bill from Ortho Sports DOS: 4/25/17. Rec'd 5/22/17 and paid 7/5/17.

PR4 = final primary treater report; DOS = dates of service; STIP = stipulated agreement

Reserves Management rating is a 4.5.

Previous Audit: 4.5

This category concentrates on: initial reserve appropriateness; timeliness of reserve changes; number of reserve changes; and current reserves accuracy. Seventy-one claims were applicable for review in this category. Of the 71, 56 were deemed to be managed at an excellent level. We found no unnecessary stair-stepping.

For reserve accuracy, we reviewed whether the examiners contemplated all the appropriate probabilities. We note the Office of Self-Insurance Program (OSIP) requires that no reductions to reserves be made for consideration of apportionment or subrogation, etc. Keenan was compliant with these requirements. We also note that reserves under OSIP requirements dictated by Rule 15300(4) and states:

(4) In estimating future medical costs where the injured worker's injury has reached maximum medical improvement or permanent and stationary status, the estimate shall be based on average annual costs over the past three years since the injury reached maximum medical improvement or permanent and stationary status, or a lesser period if three years have not passed since the injury reached maximum medical improvement or permanent and stationary status, projected over the life expectancy of the injured worker. Estimates shall include any additional costs such as medical procedures or surgeries that can reasonably be expected over the life of the claim.

We found that Keenan was compliant with this requirement as well. The Keenan service standard for adjustments in reserves due to a significant event is 14 days. We reviewed a total of \$8,939,882.48 in reserves and recommend overall changes resulting in an overall decrease of \$65,787.08 or 1% noting that there were files we suspect will have significant increases (greater than \$25k) but no recommendations were made due to relevant information which would determine the need for an increase was still pending. We do anticipate there would be an overall increase of reserves on the files reviewed once this information is received. Some reserve changes were made during the audit period.

Audit #	RESERVES COMMENTS
2	Employee full work as of 2/28/18. Suggest reducing disability reserves down to one week and PD down to 10%=8772.50

7	Recommend Close File or decrease outstanding reserves.
15	Recommend reduce PD reserves \$5220 as EE is not surgical.
16	Reserves need to be increased giving ongoing exposure. Lack of appropriate reserves may be keeping this case under appropriate level of review.
17	Permanent disability value of 8% known on 12/2016 but reserves not reduced until 7/24/2017.
21	Initial reserves too high at \$14,453.64
22	PD Denial Issued 1/10/18. EE was discharged from care with no disability or need for future medical care on 11/10/17. No objection received to date. File should be closed or medical reserves reduced.
26	PD reserves should be reduced given DEU rating \$3480, medical outstanding should be reviewed for reduction based on current exposure.
32	24% exposure based on what evidence? Reserves are currently at \$11,450.22 vs. \$8653.40. Reserves don't contemplate the 24% if evidence based.
37	Need to reduce outstanding disability reserves as employee returned to work 7/5/16 and retired on 7//14/16
45	Reserves late in being assessed.
49	There is \$2042 in TD reserves that should be removed. Current Total Incurred \$ 105,285
54	Reserve on master is \$123,899.24. Reserves on this case should be \$16,106.77 based on exposure. Increase is needed.
62	Same reserve placed on this file as found on 41512? Need to review own file on its own exposure/merit. Loss data had different reserves reflected on it than in system which showed \$71,459.95 vs. \$48,269.52.
69	5/10/16-Supervisor noted permanent disability should be reduced to paid. Permanent disability not reduced until 2/20/18.

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor; MMI = Maximum Medical Improvement; PD = permanent disability; D/C = discharge; TD = temporary disability

We note the overall reserve activity with this caveat. There were cases pending information which would alter the findings on reserves. However, since the information was not yet available no reductions in scores were made on those cases. We do anticipate that there would be an overall increase in claims once the information on these cases are received.

The following cases require reserve activity review:

Audit #	RECOMMEND RESERVE INCREASE OR DECREASE
2	\$(52,866.52)
7	\$(10,000.00)
15	\$(5,220.00)
16	\$21,300.00
22	\$(6,528.48)
26	\$(16,569.91)
49	\$11,731.57

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

18

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

51	\$117,928.50
54	\$6,011.92

File Management and Oversight rating is a 3.

Previous Audit: 4

This category contemplated the general file management including diary systems, frequency of reviews and communication with the districts, claimant, and doctors, detail of plan of actions, documentation, the level of urgency displayed in actions taken, supervisory oversight, and whether the examiners used all resources available to them. We also reviewed for excess reporting and reimbursement timeliness. Seventy-two files were applicable for review in this category and of the 72, 23 were considered as managed at an excellent level.

Under the best file management practice experienced by these auditors, supervisor or manager reviews are completed at 90 days intervals and no greater than 120 days. Although we do not believe that a rigid timeline be kept for supervisor oversight, the standard of 90 days did produce the highest ratings and scores from these auditors. We strongly believe that the additional set of eyes produces a fresh view to the claim and provides a good checks and balances for insuring the case is being properly managed.

In this round of reviews, we noted significantly reduced supervisor oversight on files. Manager oversight was still illustrated but in a couple of cases for instance the manager asked more than once for plan of actions to be updated and settlement efforts to be made with no response. We did find that on some cases the Manager had to jump in to move the case forward into settlement efforts. That was effective and helped case resolution. Unfortunately, the gaps in clear plan of actions and actual review of files at times impacted the overall movement of the cases. Many claims did have excellent claims handling as noted in the table found on page seven of this report. However, there were just enough claims where lack of consistency in file management impacted the overall scores.

We recommend avoiding plan of actions that are just cut and paste and that there be a diary set for the examiner to respond to manager and supervisor recommendations when applicable.

Audit #	FILE MANAGEMENT COMMENTS
1	Last POA is 1/31/18. Last TD/Med status 1/26/18. Not meeting 30 days standard
6	Late 2/17/2018 diary. Plan of action did not have clear directions.
8	Adjuster only had one Plan of Action entered on 11/16/17.
14	Adjuster plan of action more than 60 days apart 12/13/17 gap to 3/2/18.
15	Adjuster plan of action more than 60 days apart. 10/9/17 to 12/11/17. Two Manager Entries 1/22/18 & 2/23/18. No Supervisor entries.
16	1 year into this multiple body parts injury should have a supervisor review especially with the doctor confusion/ issues. None found. Plan of action not clear and level of urgency not displayed.
17	Late 3/6/2018 Examiner diary but with-in 14 days leniency period. 12/22/2016 wrong note on the file. Gap in review of claim 4/21/2017 to 2/27/2018 although there is a status report dated 7/2017 which appears to show some work but not backed up by documented activity on the file. Last manager review 6/28/2017 and Supervisor review 11/2/2017.

18	No application of adjudication or Compromise and Release found in this file. Had to look at the other file. Primary documents should be in each claim.
22	Adjuster plan of action more than 60 days apart. 8/31/17 to 1/8/18.
23	No supervisor entries or oversight.
24	Great work by examiner in issuing closing notice timely for no show appt.
25	No documented check on return to work on 1/10 prior to issuing disability check. File review sheet not completed. Noting that the system says 100k SIR, but not reported?
26	Adjuster plan of action more than 60 days apart. 8/23/17 to 3/4/18
29	2 years gap for supervisor review. Case did not stipulate until 7/11/2016 and was still active so review would have been expected. Could not locate application for adjudication.
30	Only one note entered under Plan of Action. Entered by the adjuster stating, "AA no longer is pursuing CT".
32	CT not established by medical file. Supervisor initial review not done until 12/12/17.
34	Diary not within 30 days standard due to TD benefits and only one supervisor's note in 2016.
35	No supervisor review in 2017. File not properly documented and plan of action is not current.
36	5 months gap in POA. Last POA is dated 12/12/17. Examiner diary due 2/12/18. Manager last reviewed file on 2/23/18- provided direction to request contribution and updated POA.
37	Good documentation by claims manager in monitoring claim and providing direction
38	Adjuster plan of action more than 60 days apart. No documentation of Excess reporting.
41	Adjuster plan of action more than 60 days apart. 5/26/16 TO 11/17/16. Manager entries also had a gap from 7/29/16 to 5/27/17. No supervisory entries noted.
42	Adjuster plan of action more than 60 days apart. 5/30/16 to 3/31/17.
43	Gap in manager review from 2/24/16 to 2/9/18. No supervisor review noted.
45	A 5/23/2016 diary for the manager still shows in system. Late Diary on Master file for examiner due on 2/9/2018. PIPs reimbursement demand of 9/30/2017 not addressed until 2/2018 and still unpaid or rejected.
46	Plan of action on 3/10/2017 continues to mention 2015 annual usage. Plan of action 3/8/2018 was a cut and paste and still shows last offered C&R 11/15 even though done recently and prior to date of plan of action.
47	Plan of action gap from 3/18/2016 to 4/20/2017. Other gaps found in file with no clear plan of action despite manager requests.
48	Gaps in POA: 6, 4, 7 & 11 months/Supervisor: 5, 4 & 6 month.
49	Adjuster review exceeded 60 days. No supervisor reviews noted during the audit period. Manager did have a consistent diary in place.
51	Examiner has received settlement authority from district and direction provided to defense counsel. Supervisor or manager oversight needed.
52	Gap in the supervisor review and last contribution from 3rd party was requested on 4/11/17.
54	PIPs contribution not completed consistently until 10/2017. Gap from 3/2017 to 10/2017. Master has late diary from 2/12/2018 beyond 14 days leniency.
55	8/24/16 POA not documented properly. Last Manager review on 9/21/17. Last PIPS dated 8/2/17 and listed as Draft. Current PIPS due.

56	Plan of action 1/24/2018 references information 9/8/2017. Plan of actions being done by manager. Date of PQME appointment noted incorrectly on POA. PIPS recovery request not done.
58	Gaps in review. Examiner: 5/16/17 to 3/2/18. Manager/ Supervisor no review in 2017
59	No supervisor review only Manager review with examiner failing to respond to manager who made requests for the examiner to move to settle case. Level of urgency not displayed. Gap in documentation of activity from 4/8/16 to 8/10/2017. If on conflict file, this case should stand alone for documentation.
60	Manager worked up this file for settlement and obtained settlement authorization from reinsurance - nicely done!
61	Adjuster plan of action more than 60 days apart. 8/15/16 to 2/15/17. There was also a gap in Supervisor Review from 11/11/2016 to 6/26/2017.
62	Plan of action gap from 5/2015 to 3/4/2018. Manager reviewed 7/27/16, 1/23/17, 7/25/2017 where she requested a plan of action and movement to settlement with no response. Level of urgency not displayed.
63	No plan action documented from adjuster since 9/20/16. Sent update to AIG for re-insurance reporting on 2/28/17.
64	Adjuster plan of action more than 60 days apart. 8/16/16 to 12/19/16.
65	Adjuster plan of action more than 60 days apart. 7/29/16 to 11/8/16.
66	Adjuster plan of action more than 60 days apart. 12/28/16 to 4/4/17. There was a supervisory gap from 4/5/17 to 12/11/17.
67	Excess reports 8/31/16, 3/12/17 and 9/17/17 typos. Finally updated 3/2/18. Examiner POAs for 1/9/17, 3/2/17 & 5/4/17-no change noted. Late Excess report 1/5/16.
68	6 months gap in POA and 5 months gap in supervisor review.
69	Gap in POA.
70	Only 1/23/18 plan of action reflects this claim. No supervisor /manager review.
72	Late 2/21/18 diary. 6/27/17 same plan of action with 12 psyche therapy visits pending since 4/2017
73	Slow in paying legal bill.
74	6 months gap in POA. Late with excess reporting only one report filed in 2017. Good work from Claims Manager contacting Applicant's counsel to extend settlement offer and monitoring 3 years usage.
75	6 months gap in POA and only one manager review in 2016.

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor; POA = plan of action; C&R = compromise and release

Staffing Adequacy:

The industry goal for caseloads continues to be 140. However, these auditors find the reality to be more in the range 150-165 claims per examiner. ¹ We are aware of some carriers whose examiner caseloads are at 100 claims and at least one self-administered program with caseloads achieving the 140-caseload goal. The current caseloads for Alameda County Schools Insurance Authority manager, supervisor, examiners, and support staff are:

Name	Title	Case Load Indemnity	Case Load Medical Only	Schedule
Patrice Grant	Claims Manager	1	0	FT
Rebecca Enisco	Claims Supervisor	0	0	FT
Carrie Dantzig	Sr. Claims Examiner	126	2	FT
Cinde Hagelberg	Sr. Claims Examiner	121	3	FT
Kirsten Fisher	Sr. Claims Examiner	111	4	FT
Nina Drake	Sr. Claims Examiner	145	1	FT
Omolara DaSilva	Sr. Claims Examiner	119	0	FT
Heather Doyle	Medical Only/ Claims Assistant	0	31	FT
Jhandel Cabrera	Medical Only/ Claims Assistant	0	36	FT

The breakdown of oversight is as follows:

Patrice Grant: 359 Indemnity Files and 64 Medical Only

Rebecca Enisco: 264 Indemnity Files and 1 Medical Only

The ratio of examiner to assistant is 2:5 or 1:2.5 and has not changed since the last review. The best we have seen is .67:1. We found that ratio to be able to produce excellent claims management practices and claims results. The ratio appears for ACSIG is within industry standards.

The stability of the staff is good with this being our second audit in 2 years with the same staff.

Utilization of Claims System including Organization and Tools:

iVOS is a very user-friendly system that allows the examiners to execute the processing portion of the claims administration in an organized and timely manner.

Comparison of 2016 and 2018 Audits

We found a reduced percentage of claims handled at the excellent level in 2018 (33%) vs. 2016 (44%). This appears to stem from the gaps in plan of actions and not adhering to the standard diary time frames.

2018

Individual Claims Ratings	Indemnity	Medical Only	Grand Total	Percentage by Total	Percentage by Indemnity	Percentage by Medical
1-1.5	5	1	6	8%	83%	17%
2-2.5	2	1	3	4%	67%	33%
3-3.5	7		7	10%*	100%	0%
4-4.5	34		34	45%	100%	0%
5	17	8	25	33%	68%	32%
Grand Total	65	10	75	100%		

*Rounded

2016

Individual Claims Ratings	Indemnity	Medical Only	Grand Total	Percentage by Total	Percentage by Indemnity	Percentage by Medical
1-1.5	2		2	3%	100%	0%
2-2.5	3		3	4%	100%	0%
3-3.5	9		5	7%	100%	0%
4-4.5	25	3	28	37%	89%	11%
5	27	6	33	44%	82%	18%
Grand Total	66	9	75	100%		

Category	Rating 2016	Rating 2018
Claim Identification	4.5	4.5
Disability Payment Management	4.5	4
Return to Work Management	4	4
Medical Management	4.5	4.5
Investigation Management	4	4.5
Litigation Management	4	4
Subrogation Management	4.5	5
Notices Management	4	4.5
Disposition Management	4	3.5
File Management	4	3
Cost Containment	5	4.5
Reserves Management	4.5	4.5
Total	51.5	50.5
Total Possible Points	60	60
Score	86% or 4	84% or 3.5

Alameda County Schools Insurance Authority
2018 Claims Audit
Self-Insured, administered by Keenan and Associates

23

Version Date: April 19, 2018

This FINAL audit report has been authored and prepared by USI Insurance Services. No alterations shall be made to this report without the express consent of an authorized representative of USI Insurance Services.

Green = score improvement vs. last audit. Red = score reduction since vs. last audit.

RECOMMENDATIONS:

We recommend the following areas for improvement to Keenan and Associates to increase overall rating:

1. *We recommend a review of the diary timeline standards on cases at least where an employee is on modified work or off work to avoid delays in medical care review.*
2. *We recommend ongoing training on investigating and establishment of cumulative trauma injuries.*
3. *We recommend continued vigilance in following up with attorneys to insure case movement should be made and the oversight by the claims manager, Patrice, should continue.*
4. *We recommend that permanent disability notices be managed in accordance with the file needs. Not all permanent disability will be determined in six months. Some will likely be sooner and some possibly even later. The reasoning behind six months was not apparent.*
5. *We recommend better adherence to plans of action and more frequent supervisor reviews.*
6. *We recommend avoiding plan of actions that are just cut and paste and that there be a diary set for the examiner to respond to manager and supervisor recommendations when applicable.*

FINAL COMMENTS:

This audit was conducted as a general review of compliance with the reforms and claims management and was not audited with the same detail used for the auditing of OBAE compliance or State audits. The parameters of the audit have been previously stated. The findings of the audits are based on the information available at the time of the audit and on the experience of the auditors.

April 27, 2018

Kimberly Dennis
Executive Director, ACSIG
5776 Stoneridge Mall Road
Pleasanton, CA 94588

Dear Ms. Dennis:

I would like to take the opportunity to address Draft Audit issued by the USI Insurance Services you provided for review. The audit resulted in a Claims Score of 81% and the Category Rating of 84% which equates to an overall performance score of 3.5% which indicates satisfactory to good claim management.

The audit findings are as follows:

Category	Ranking 2018	Ranking 2016
Claim Identification	4.5	4.5
Return to Work Management	4	4
Medical Management	4.5	4.5
Investigation Management	4.5	4
Subrogation Management	5	4.5
Notices Management	4.5	4
Disposition Management	3.5	4
Cost Containment	4.5	5
Reserves Management	4.5	4.5
Disability Payment Management	4	4.5
Litigation Management	4	4
File Management	3	4

The following is a discussion of findings and any warranted corrective action plans:

CLAIMS IDENTIFICATION

40 out of 46 claims were managed at an excellent level. The findings were primarily coding issues. The coding has been addressed and corrected.

RETURN TO WORK

There were 21 claims reviewed in this area, 15 were managed at an excellent level. Primary issue is documentation of communication between the examiner and the district with confirming work status and documenting these efforts. Staff will be counseled to make sure that there is documentation of contact with the employer regarding return to work efforts.

MEDICAL MANAGEMENT

We have shown better consistency with the issuance of 9785.5 letters and excellent work being done in medical management. The area where opportunities exist to improve is the Standard review of the file every 60 days to avoid gaps in claim handling. The office did experience some backlog on diary which was identified prior to the audit and a plan was in place to get current. We are currently trending within goal with regards to diary and improvement is anticipated in this area to ensure no significant gaps in the handling of the claim.

INVESTIGATION MANAGEMENT

Claims were found to be generally delayed and denied properly. We have a good sense of identifying AOE/CEO issues. There was good effort with communication with the employees when cases were delay. The auditors noted some problem noted, but not a trend, was identification of cumulative trauma claims. This is a training issue and we will hold refresher training with regards to cumulative trauma injuries which will be conducted within the next 45-90 days.

SUBROGATION MANAGEMENT

There were 14 claims evaluated and 14 claims were managed at an excellent level. The staff does a great job with subrogation. This was also noted in our internal operational audit that a handling of subrogation was commended.

NOTICES MANGEMENT

We are good with both timeliness and appropriateness of notices issuance. The observation regarding permanent disability determinations dates set at 6 months is within our best practice to ensure sufficient amount of time to gather information to make a decision regarding entitlement to permanent disability. We typically obtain information and make a decision well within the 6-month period. We also want to avoid having to send multiple benefit notices to the injured worker as these notices are sometimes confusing and prompt injured workers to seek legal representation. Further, there is no State mandated period to make a determination.

DISPOSITION MANAGEMENT

This area showed improvement is warranted as their issues with slow closures, settlement efforts, and adherence to plans of action as well as the need for more frequent supervisor reviews. These finding were primarily impacted by examiners being off diary; the 60-day diary review cycle. The staff is aware of the standard in this area and improved adherence is anticipated with the addition of the supervisor to our office as well as monitoring on a weekly basis with the staff as well as Target Audits for file not under supervisory oversight. There were also issues found with supervisory oversight. Three of the examiner's report to the Manager and in those instances, would not have a supervisor review. Those claims in which there was significant gaps noted for supervisory oversight were on claims below \$75,000 which do not require ongoing supervisor after 90 days. Diary management is within our best practices and with the experience level of the adjusters ongoing supervisor oversight is not always indicated. Supervisors also have discretion on placing files on diary up to 180 days based on the issues of the claims, and less active files will be placed on longer diary review cycles.

DISABILITY PAYMENT MANAGEMENT

The issue noted as the primary driver is overpayments on the file, the majority of which have been reimbursed from the district. There are times when we are not able to confirm and we will issue the

benefits to avoid being subject to penalty. However, the claims examiners and claims assistants have been instructed to make sure that they confirm with the employer at each payment cycle if the injured worker has returned to work and document efforts in the file accordingly.

LITIGATION MANAGEMENT

It is noted that we are partnering with defense attorney and provided clear directions. We are managing litigation with no unnecessary referrals or deferrals to the attorney. Litigation management is evaluated quarterly for the office. We have good results with regards to litigation management and legal expenses are within budget. We will continue our efforts in this area and make sure that we are following up appropriately with defense attorney to ensure that we are pushing claims towards resolution.

COST CONTAINMENT

There were 52 claims reviewed in this area and 43 were deemed to be managed at an excellent level. As noted by the auditors we routinely pay bills well within the statutory time. It is noted that the auditors indicated objected to within 15 days or paid within 20. The standard is to pay treatment bills or object within 30 working days or paid within 45 working days. Medical-Legal bills must be paid or objected to within 60 days. We routinely approve and process bills within 5 days of receipts. The payments of bills are monitored on a weekly basis and no issues have been noted.

RESERVE MANAGEMENT

There was only a 1% reduction was recommended. This is an excellent finding and demonstrates that we have sound reserving practices. We will evaluate all the files were reserves were deemed either over or under reserved and make the appropriate adjustments.

FILE MANAGEMENT

The findings that impacted this score is primarily driven by gaps in timely reviewing claims. A concerted effort has been made by the entire staff to address diaries and bring files current so we avoid delays in claim resolution. It was recognized prior to audit improvement was needed in this area and the office began addressing it in January to get claims current and back on diary. Some of the lag time did arise when we were down a claims examiner and the staff absorbed the caseload. We are now fully staffed and with an addition to an onsite claims supervisor. Our focus over the next 90 days is to make demonstrable improvement in this area. The goal is to have no more than 10% of the office inventory two weeks in the arrears. We are currently within Goal.

OTHER ACTION ITEMS

A team meeting was held on April 13, 2018 to preliminary go over the audit findings.

Meeting will be held with each claim examiners to go over their individual results and to develop individual improvement plans and identify training opportunities.

The claims examiners were given a copy of their audit report findings to review and address any issues found. This is to be completed by May 18, 2018.

Training will be scheduled for any training opportunities identified in the next 45 -90 days.

We appreciate the opportunity to provide a response. If you have any questions or comments, please feel free to contact me.

Sincerely,
Patrice D. Grant

Patrice D. Grant
Claims Manager
Workers' Compensation

Cc: Tara Schilling
Tracy Gold
Carmella Harrison



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2017/2018 Actuarial Report for Workers' Compensation Ultimate Loss

There are many things that the actuary looks at when determining the ultimate loss calculation. Essentially, the prior years' information regarding ultimate claim value, payout patterns, pending litigation changes and other known or anticipated changes within the market are considered when determining estimate, ultimate loss numbers. This estimation is then applied as a per \$100/payroll calculation to current reserves.

The assumptions used in this report are:

- 1.5% Discount
- Funding at Expected

These assumptions are unchanged from the previous study.

In an effort to get the most accurate information reflected upon on financial statements and for discussions on the Workers' Compensation deficit, Bay Actuarial has provided a new actuarial study using actual claims data through December 31, 2017.

The Executive Director will review this report with the Board.

Alameda County Schools Self Insurance Group

An Actuarial Review of the Workers' Compensation Program

BAY ACTUARIAL CONSULTANTS

Moraga, California

January 31, 2017

Bay Actuarial Consultants

January 31, 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 workers' compensation program. We appreciate the opportunity to serve the Group.

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

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA
Principal

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Table of Contents

	<u>Page</u>
Introduction	2
<i>Background & Purpose</i>	3
<i>Conditions & Limitations</i>	3
<i>Organization of the Report</i>	4
Management Summary	5
<i>Unpaid Losses @ 12/31/16 & 6/30/17</i>	6
<i>Short-Term Liability</i>	7
<i>Reconciling the 12/31/15 & 12/31/16 Liabilities</i>	8
<i>Projected 2017-18 Loss Funding Rates</i>	8
<i>ACSIG's Past Rates of Loss</i>	9
<i>Indemnity Claim Frequency</i>	10
<i>Average Indemnity Claim Amount ("Severity")</i>	10
<i>Comparison with Prior Estimates</i>	11
<i>Lifetime Medical Claim Exposure</i>	11
<i>Interest Rates</i>	12
Technical Approach	13
Summary Exhibits	16
ULAE Exhibits	20
Fiscal Year End Exhibits	25
Limited Loss Exhibits	29
Gross Loss Exhibits	36
Future Loss Exhibits	51
Discounting Exhibits	53
Claims Data	60

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Introduction

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Introduction

Background & Purpose

The Alameda County Schools Insurance Group ("ACSIG") self-insured its workers' compensation claims until June 30, 2009. ACSIG joined the Protected Insurance Program for Schools ("PIPS") on July 1, 2009, and is not directly self-insuring new claims.

ACSIG has asked Bay Actuarial Consultants to provide an actuarial report on its workers' compensation program. The specific topics covered in this report include the following:

- 1) **Unpaid Losses.** We estimated the unpaid self-insured losses as of December 31, 2016 and projected the June 30, 2017 liability.
- 2) **2017-18 Rates.** We projected the losses expected to be incurred during 2017-18, expressed as a rate of loss per \$100 of payroll.
- 3) **Discounting.** We discounted the estimated liabilities and the projected 2017-18 loss rate. Discounting takes into account the fact that workers' compensation losses are incurred whenever an accident happens but are paid out over thirty or forty years.
- 4) **Variability of Estimated Losses.** An analysis of items (1) and (2) above, in terms of "probability levels."

Conditions & Limitations

We prepared this report for ACSIG's internal use. ACSIG may provide a copy to its financial auditors. Bay Actuarial does not authorize any other use. In particular, those interested in providing insurance to ACSIG must perform their own actuarial analysis and may not rely upon our work.

Keenan & Associates ("K&A") and ACSIG provided the loss and payroll 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. The actuarial projections in this report are estimates. Uncertainty is unavoidable because many of the events that will determine future claims costs have not yet taken place. These events include, but are not limited to, future legislation or ballot initiatives that may change statutory benefit levels or the workers' compensation laws, changes in the rate of inflation, and the outcomes of future administrative proceedings and litigation. Our projections are based upon ACSIG's historical experience. We did not anticipate any extraordinary changes in the various factors that might affect the future cost of claims. We used methods that should produce reasonable results given current information. There is no guarantee, express or implied, that losses will develop as projected in this report.

The term "limited losses" means that any claims that exceeded the stated SIR have been limited in this analysis exactly to the stated amount of the SIR. The data that the TPA provided does not indicate whether or not the excess insurer has actually paid the full amount of every claim that has exceeded the SIR. We assume, of necessity, that they have reimbursed, and will continue to reimburse, the full amount of each claim that exceeds the SIR. In addition, the data was provided on a per-claim basis and not on a per-occurrence basis. Therefore it was necessary to assume that each claim will be treated as a single occurrence in applying the SIR. The SIR normally applies to each occurrence and not to each claim. This is a very mildly conservative assumption because multi-claimant losses are extremely rare.

Organization of the Report

We have divided the remainder of this report into ten sections: the *Management Summary*, the *Technical Approach* section, the *Summary Exhibits*, the *ULAE Exhibits*, the *Fiscal Year End Exhibits*, the *Limited Loss Exhibits*, the *Gross Loss Exhibits*, the *Future Loss Exhibits*, the *Discounting Exhibits*, and the *Claims Data*.

The *Management Summary* gives an overview of the results of our analysis. The *Technical Approach* section explains and discusses the assumptions and details underlying our calculations. The *Exhibits* document the actual calculations used in developing our results.

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Management Summary

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Management Summary

Unpaid Losses @ 12/31/16 & 6/30/17

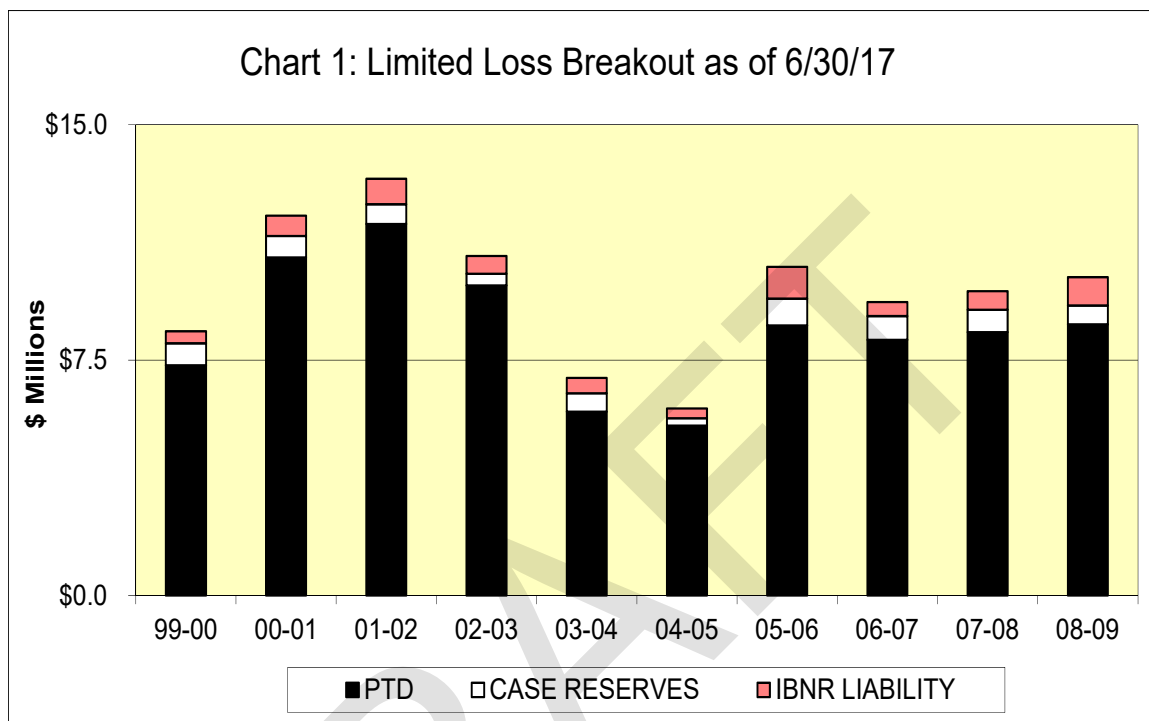
We estimate that ACSIG's liability for unpaid losses was **\$18,514,000** on December 31, 2016 and project that it will be **\$17,771,000** on June 30, 2017. The corresponding discounted values (at 1.5% interest) are **\$16,403,000** and **\$15,738,000**. In estimating the liability we limited the individual losses to the self-insured retention ("SIR") that was in place at the time of the loss. Table I shows these values and some higher "probability levels."

**Table I: Estimated/Projected Liability at 12/31/16 & 6/30/17
(Dollars in Thousands – excluding ULAE)**

Probability Level	Undiscounted		Discounted (1.5% Interest)	
	12/31/16	6/30/17	12/31/16	6/30/17
Central Estimate	\$18,514	\$17,771	\$16,403	\$15,738
60%	18,884	18,127	16,731	16,053
70%	19,625	18,838	17,387	16,682
80%	20,550	19,726	18,207	17,469
90%	21,846	20,970	19,356	18,571

This estimate covers the liability for losses and allocated loss adjustment expenses ("ALAE"). There was also a liability for future claims handling costs ("unallocated loss adjustment expense," or "ULAE"). We estimate the undiscounted ULAE liability at \$1,567,000 on December 31 and project \$1,499,000 on June 30. The discounted ULAE liabilities (discounted at a 1.5% interest rate) are \$1,389,000 and \$1,328,000 on those dates.

Chart 1 breaks down the losses from the self-insured 1999-00 through 2008-09 program years into their components: losses paid, case loss reserves, and the incurred-but-not-reported (“IBNR”) liability. There is roughly **89¢** of IBNR liability for every dollar in case reserves for known claims.



The term “Limited” in the Chart 1 title means that the data represent only the losses retained by ACSIG after the excess insurance pays for any “excess” losses. Excess losses are losses that exceed ACSIG’s stated self-insured retention (“SIR”), which was \$250,000 per loss when self-insurance ended on June 30, 2009. These estimates are based on the assumption that the excess insurer will fully pay the portion of any loss that exceeds the stated SIR.

Short-Term Liability

The short-term liability is the portion of the 6/30/17 liability that will be discharged during 2017-18. We estimate the short-term liability at \$1.591 million. The remaining \$16.180 million is long-term. Our previous report was based on 12/31/15 claims data. Claims expenditures on the self-insured claims during calendar year 2016 were \$1.693 million. Projected self-insured expenditures for the first six months of 2017 are \$742,000. \$671,000 of self-insurance “IBNR” emerged during calendar year 2016.

Reconciling the 12/31/15 & 12/31/16 Liability Estimates

Last year we estimated the 12/31/15 liability at \$21.053 million. Our new estimate of the 12/31/16 liability is \$18.514 million. Our estimates of the ultimate costs for all of the self-insured years fell by \$0.846 million. Claims expenditures were \$1.693 million during 2016. Starting with last year's \$21.053 million and subtracting the change in the estimates and the claims expenditures yields \$18.514 million, matching the direct calculation on page 28.

Projected 2017-18 Loss Funding Rates

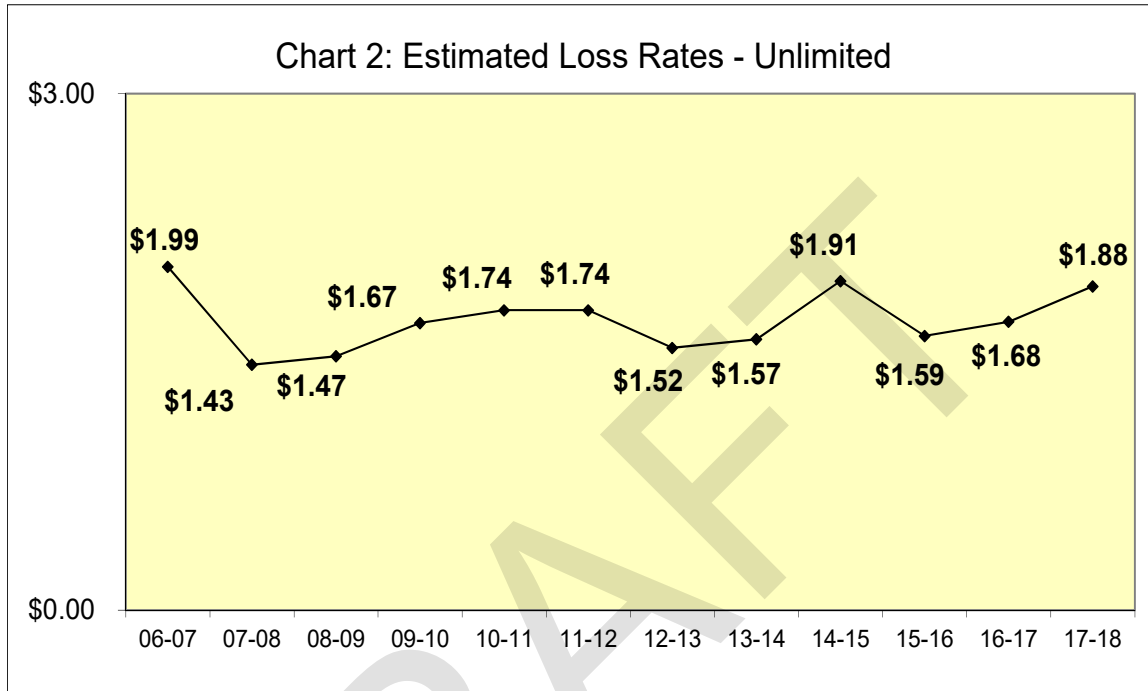
Table II shows ACSIG's projected rates of loss for 2017-18 at various self-insured retentions: \$250,000, \$500,000, \$1,000,000, and unlimited. These rates are discounted at 1.5% interest. The Table shows, in addition to the "actuarial central estimates," additional rows showing rates at higher probability levels. These higher probabilities mean that the corresponding rates are more likely to eventually turn out to have been adequate. For example, we estimate that there is a 70% probability that the actual 2017-18 unlimited loss rate will be less than **\$1.93**. Last year our corresponding projection for 2016-17 was **\$2.25**, so it has fallen by 14.2%. Last year the projected unlimited undiscounted central value rate for 2016-17 was \$2.20. This year the corresponding rate projected for 2017-18 is \$1.88.

Table II: Projected 2017-18 Discounted Loss Rates (1.5% Interest Rate)				
Probability <u>Level</u>	\$250K <u>SIR</u>	\$500K <u>SIR</u>	\$1,000K <u>SIR</u>	Unlimited <u>SIR</u>
Central Estimate	\$1.45	\$1.52	\$1.63	\$1.69
70%	1.61	1.70	1.83	\$1.93
80%	1.73	1.84	1.99	2.11
90%	1.92	2.05	2.23	2.39

Table III on page 12 contains multiplicative factors that convert the Table I and II entries to their equivalents when discounted at interest rates other than 1.5%. The Table II rates do not reflect the full cost of self-insurance because they do not include claims handling fees (ULAE), administrative costs, or the cost of excess insurance coverage.

ACSIG's Past Rates of Loss

Chart 2 shows the program's estimated past rates of loss. The loss rate is equal to the estimated total losses for the year divided by the payroll. These are unlimited undiscounted loss rates.

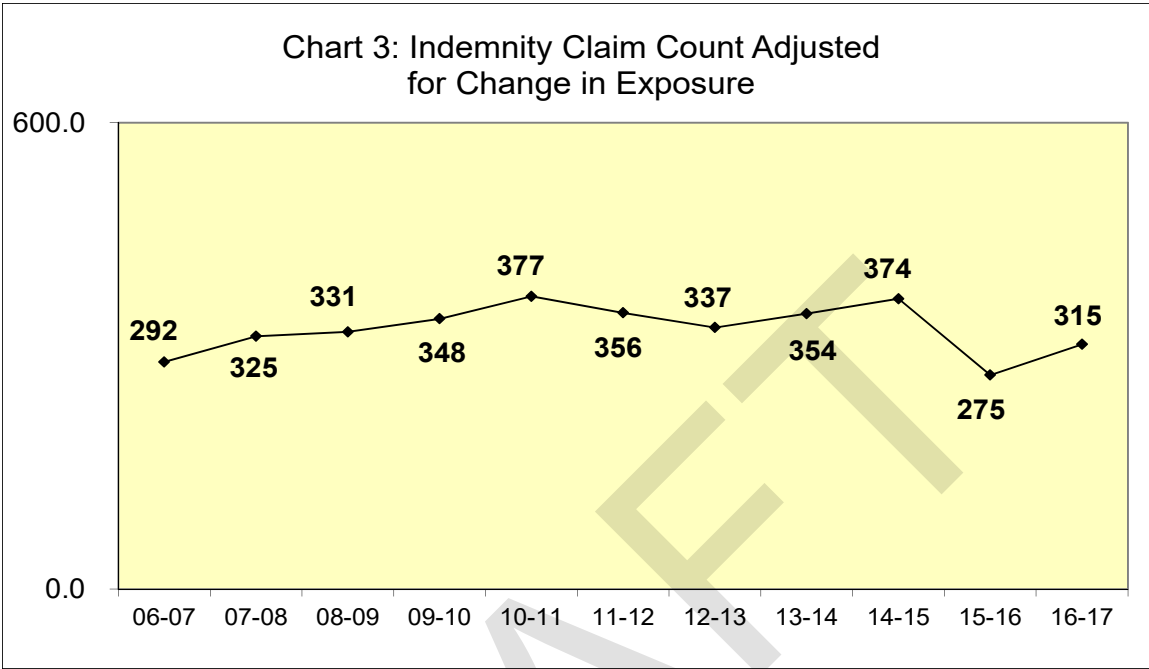


The *undiscounted* Chart 2 rate of **\$1.88** for 2017-18 corresponds to the *discounted* unlimited rate of **\$1.69** in Table II. The projected 2016-17 rate of \$1.68 is still a very rough estimate, since only 1/2 of the 2016-17 program year had elapsed through 12/31/16, the evaluation date of our data. However the first six months of 2016-17 have been promising.

Statewide, costs bottomed out in approximately 2006 and have been increasing ever since.

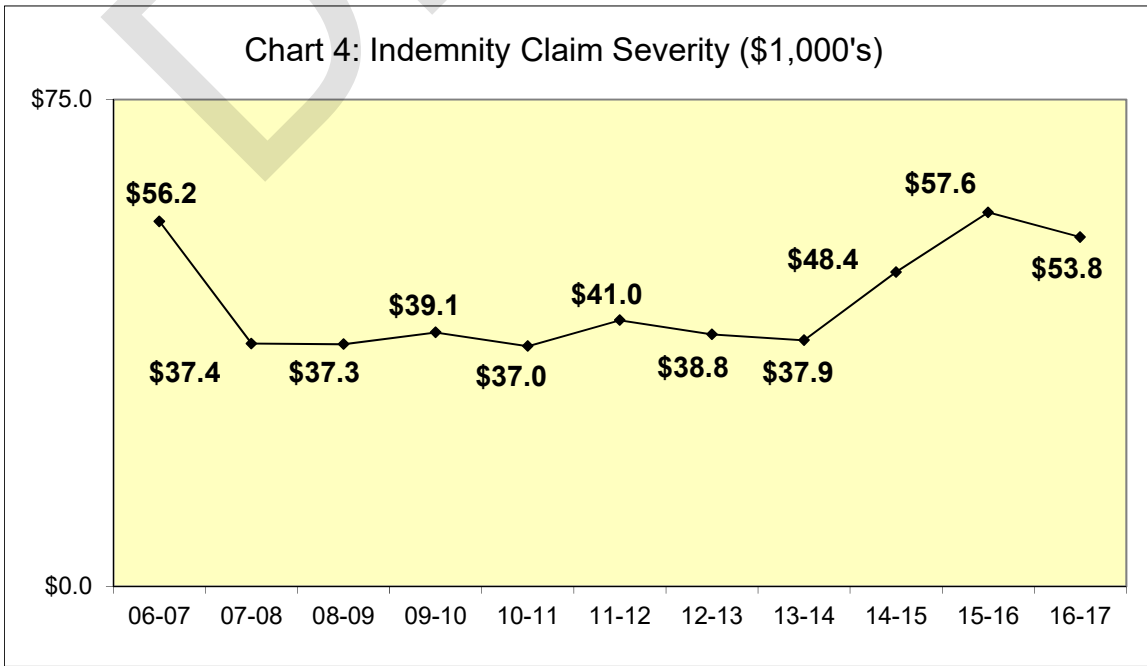
Indemnity Claim Frequency

We track the number of Indemnity claims, adjusting for changes in exposure to loss.



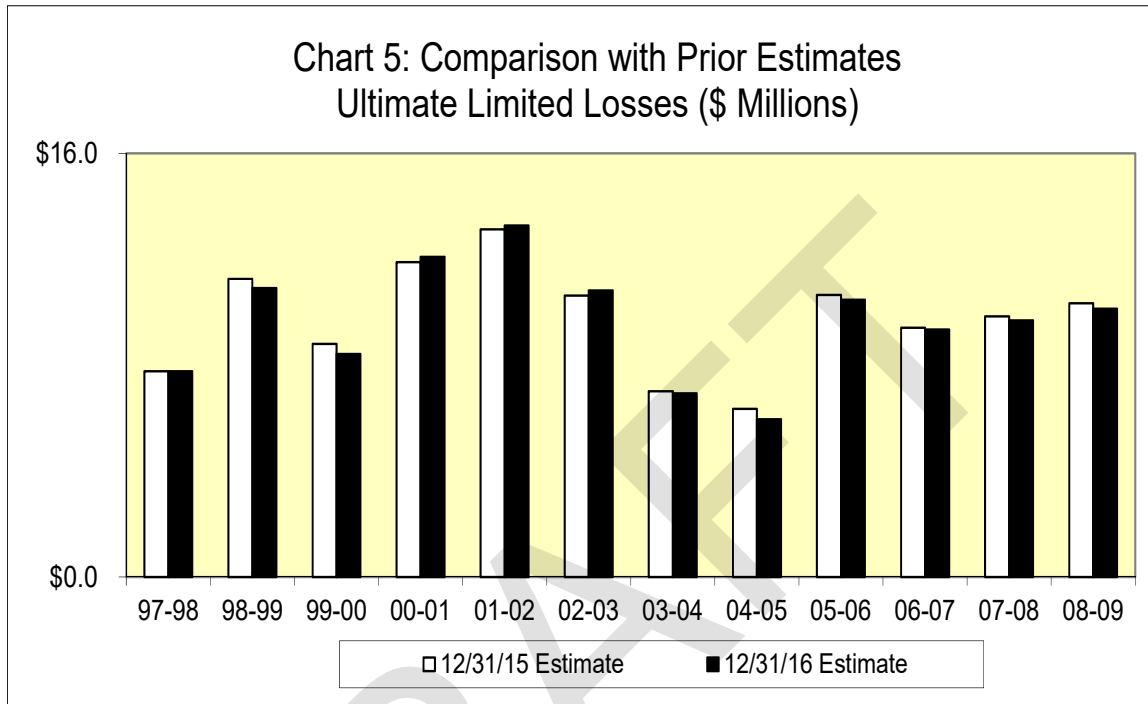
Average Indemnity Claim Amount (“Severity”)

Severity is the average indemnity claim amount at ultimate settlement value. We calculate severity by dividing our estimate of the total loss incurred in a year by the number of indemnity claims incurred that year. ACSIG’s indemnity claim severity is roughly average for California K-12’s.



Comparison with Prior Estimates

Chart 5 compares the current estimates of the ultimate limited losses for the self-insured years with those from the 2016 report. The estimates fell by \$846,000 in total.



Lifetime Medical Claim Exposure

One of the benefits that injured workers receive is lifetime medical coverage for their injuries. When the claims examiners do not foresee any future expense on a claim and there have been no expenditures on that claim over the past twelve months they “close” the claim. However, some of these claims do re-open and incur additional costs. There are currently 345 “future medical” claim files with potential future medical payments, \$0 in reserves, and total paid less than the SIR. At 12/31/15 there were 335 of these types of cases. To put these numbers in context, the total inventory of self-insured indemnity claims with active reserves was 142 on December 31, 2016.

When we estimate the IBNR liability our actuarial methods normally provide for potential lifetime medical claims, except in program years where no active claims exist. The 1979-80, 1980-81, and 1984-85 program years each have a potential future medical claim, so there is still a slight future medical exposure remaining in those self-insured program years.

Interest Rates

We discounted the rates and liabilities in Tables I and II at 1.5% interest. Table III provides factors to convert the rates and liabilities in this report to equivalent values at different interest rates. These are multiplicative factors, applicable to rates and liabilities discounted at 1.5% interest.

Table III: Interest Rate Adjustment Factors						
Interest Rate	0.0%	1.0%	1.5%	1.76%	2.0%	2.03%
UNL Rate	1.110	1.033	1.000	0.984	0.970	0.968
1M Rate	1.110	1.034	1.000	0.984	0.970	0.968
500K Rate	1.091	1.028	1.000	0.986	0.974	0.973
250K Rate	1.105	1.032	1.000	0.985	0.971	0.969
6/30/17 Liability	1.129	1.040	1.000	0.980	0.962	0.959

We included columns for interest rates of 1.76% and 2.03% in addition to columns for the “round number” values. Those were the “risk-free buy-and-hold” interest rates appropriate for discounting the rates and liabilities, respectively, as of 1/27/17. If one were to assemble a hypothetical portfolio of US Treasury bills, notes, and bonds selected to mature just as the expected claims payments on the 2017-18 losses come due, that portfolio would yield an overall interest rate of 1.76%. If one were to assemble a similar hypothetical portfolio with securities selected to mature just as the expected payments on the 6/30/17 liability come due, that portfolio would yield 2.03%. The “risk-free buy-and-hold” rates are useful benchmarks that anyone can calculate for themselves, given the timing of the projected claims payments.

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Technical Approach

Alameda County Schools Insurance Group

An Actuarial Review of the Workers' Compensation Program

Technical Approach

This section describes the actuarial calculations. This report is based on claims data evaluated as of December 31, 2016.

Exhibits

Summary Exhibits

These exhibits summarize the analysis and conclusions. Summary Exhibit 1 shows the projected liability for unpaid losses as of June 30, 2017. Summary Exhibit 2 shows projected loss funding rates for 2017-18. Summary Exhibit 3 shows the estimated unpaid losses by program year from the self-insurance program on both discounted and non-discounted bases, as of June 30, 2017.

ULAE Exhibits

These exhibits show the ULAE liability as of June 30, 2017.

Fiscal Year End Exhibits

These exhibits show the unpaid losses as of December 31, 2016 and June 30, 2017.

Limited Loss Exhibits

These exhibits show the estimation of the limited ultimate losses for each program year. We start with the gross (unlimited) loss estimates and adjust them to a limited basis to reflect the effect of excess insurance. We assume that excess insurance has in the past and will continue in the future to pay all losses that exceed the stated SIR.

Gross Loss Exhibits

These exhibits show the various actuarial projection methods and summarize the results for each program year, on a gross (unlimited loss) basis.

We used five different actuarial methods:

- 1) Reported loss projection method;
- 2) Paid loss projection method;
- 3) IBNR to Case Reserves Ratio method;
- 4) Bornhuetter-Ferguson method using reported losses; and
- 5) Frequency times Severity method.

Gross Loss Exhibit 1 summarizes the results of these methods.

Future Loss Exhibit

This exhibit shows the projection of the loss rate for 2017-18.

Discounting Exhibits

These exhibits show the discounting of the remaining unpaid losses and the projected future loss rate. They also include the Program Information Exhibit.

Claims Data

These exhibits show the gross development triangles for reported losses, paid losses, and number of claims reported. The latest data (lowest diagonal) is evaluated as of December 31, 2016.

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Summary Exhibits

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2017

Self-Insured Losses Limited to Stated SIR

(1) Projected Unpaid Losses:	\$17,771,231
(2) Discounted Value of Unpaid Losses: (Assuming 1.5% Interest Rate)	\$15,738,029

Probability Levels

Probability Level (3)	Probability Factor (4)	Discounted * Liability (5)
10%	0.84	\$13,219,944
20%	0.88	13,849,466
30%	0.92	14,478,987
40%	0.95	14,951,128
50%	0.99	15,580,649
Central Estimate	1.00	15,738,029
60%	1.02	16,052,790
70%	1.06	16,682,311
80%	1.11	17,469,212
90%	1.18	18,570,874

* Multiply by 1.129 to obtain undiscounted values.

Notes:

- (1) Page 54, Column (1).
- (2) Page 54, Column (3).
- (3) Estimated probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (2) x (4).

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Unlimited Rate for 2017-18

(1) Discounted Loss Rate:
(as of July 1, 2017, 1.5% interest rate)

Loss Rate
\$1.69

<u>Probability Levels</u>		
Probability Level (2)	Probability Factor (3)	Discounted * Rate (4)
0.30	0.87	\$1.47
0.40	0.93	1.58
0.50	0.98	1.66
Central Estimate	1.00	\$1.69
0.60	1.04	1.76
0.70	1.11	1.88
0.80	1.19	2.02
0.90	1.30	2.20
* Multiply by 1.110 to obtain undiscounted rates.		

Notes:

- (1) [, Column] x [Page 55, Item (4)].
- (2) Estimated probability that funding will be adequate.
- (3) Estimated by BAC.
- (4) (1) x (3).

Alameda County Schools Insurance Group
Workers' Compensation Program

June 30, 2017 Summary
Self-Insured Losses Limited to Stated SIR

Program Year	Undiscounted Value: Claims Liabilities as of 6/30/17 (1)	Discounted (1.5% Interest) Claims Liabilities as of 6/30/17 (2)	Estimated Ultimate Losses (3)
1986-87	\$142,261	\$135,209	\$2,960,000
1987-88	38,958	36,702	2,910,000
1988-89	73,031	68,059	4,090,000
1989-90	64,570	59,735	2,990,000
1990-91	190,278	174,993	5,750,000
1991-92	154,722	141,761	5,330,000
1992-93	356,222	325,812	4,440,000
1993-94	245,671	224,004	3,970,000
1994-95	407,405	370,778	5,190,000
1995-96	279,709	254,230	5,610,000
1996-97	677,776	613,146	7,770,000
1997-98	982,591	882,908	7,770,000
1998-99	1,780,425	1,590,912	10,910,000
1999-00	1,086,880	968,144	8,420,000
2000-01	1,333,207	1,187,794	12,100,000
2001-02	1,441,774	1,285,439	13,280,000
2002-03	944,432	838,900	10,820,000
2003-04	1,077,322	946,385	6,940,000
2004-05	543,721	475,120	5,960,000
2005-06	1,871,158	1,621,054	10,470,000
2006-07	1,205,125	1,043,324	9,350,000
2007-08	1,304,021	1,127,468	9,700,000
2008-09	1,504,041	1,303,490	10,140,000
1985-86 & prior	65,930	62,662	
Total	\$17,771,231	\$15,738,029	\$166,870,000

Notes:

- (1) Page 54, Column (1).
- (2) Page 54, Column (3).
- (3) Page 30, Column (6).

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Unallocated Loss Adjustment Expenses

Alameda County Schools Insurance Group Workers' Compensation Program

Estimated ULAE Ratio

(1) Selected Ratio of ULAE to Loss: 11.0%

	<u>Case Reserves</u>	<u>IBNR Liability</u>	<u>Total</u>
(2) Ratio of Unpaid ULAE to Unpaid Loss:	5.5%	11.0%	
(3) Unpaid Loss as of 6/30/17 (\$1,000's):	\$27,135	\$63	\$27,198
(4) Unpaid ULAE as of 6/30/17 (\$1,000's):	\$1,492	\$7	\$1,499
(5) Ratio for Different Evaluation Dates:			5.5%

Notes:

- (1) Estimated by BAC.
- (2) Case Reserves: 50% x (1); IBNR Liability: 100% x (1).
- (3) Gross Liability as of 06/30/17.
(Self-Insured years only.)
99.5% of IBNR was treated as Case Reserves.
- (4) (2) x (3).
- (5) [Sum of (4)] / [Sum of (3)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2017

Unlimited Losses

Program Year	Estimated Ultimate Losses (1)	Projected Losses Paid 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)
1986-87	\$2,960,000	\$2,817,739	\$117,284	\$2,935,023	\$24,977	\$142,261
1987-88	2,910,000	2,871,042	15,904	2,886,945	23,055	38,958
1988-89	4,090,000	4,016,969	34,650	4,051,619	38,381	73,031
1989-90	2,990,000	2,925,430	31,207	2,956,637	33,363	64,570
1990-91	5,750,000	5,559,722	95,778	5,655,500	94,500	190,278
1991-92	5,330,000	5,175,278	58,551	5,233,829	96,171	154,722
1992-93	4,440,000	4,083,778	201,342	4,285,119	154,881	356,222
1993-94	3,970,000	3,724,329	116,129	3,840,458	129,542	245,671
1994-95	5,190,000	4,782,595	223,393	5,005,988	184,012	407,405
1995-96	5,610,000	5,330,291	122,629	5,452,920	157,080	279,709
1996-97	7,770,000	7,092,224	343,303	7,435,527	334,473	677,776
1997-98	7,770,000	6,787,409	613,149	7,400,558	369,442	982,591
1998-99	11,010,000	9,133,445	1,233,166	10,366,611	643,389	1,876,555
1999-00	8,640,000	7,343,349	830,085	8,173,434	466,566	1,296,651
2000-01	12,210,000	10,773,202	682,942	11,456,144	753,856	1,436,798
2001-02	13,840,000	12,063,362	809,205	12,872,567	967,433	1,776,638
2002-03	10,940,000	9,881,528	374,830	10,256,358	683,642	1,058,472
2003-04	6,940,000	5,862,678	546,088	6,408,766	531,234	1,077,322
2004-05	5,960,000	5,422,899	234,686	5,657,586	302,414	537,101
2005-06	10,470,000	8,598,842	858,301	9,457,142	1,012,858	1,871,158
2006-07	15,800,000	9,571,833	4,104,344	13,676,177	2,123,823	6,228,167
2007-08	11,940,000	8,942,240	1,463,064	10,405,304	1,534,696	2,997,760
2008-09	12,360,000	8,997,400	1,329,816	10,327,216	2,032,784	3,362,600
Total	\$178,890,000	\$151,757,582	\$14,439,847	\$166,197,429	\$12,692,571	\$27,132,418
1985-86 & prior	\$11,681,086	\$11,615,156	\$65,930	\$11,681,086	\$0	\$65,930
Total	\$190,571,086	\$163,372,738	\$14,505,777	\$177,878,515	\$12,692,571	\$27,198,348

Notes:

- (1) Page 37, Column (6).
(2) Page 23, Column (3).
(3) (4) - (2).

- (4) Page 23, Column (6).
(5) (1) - (4).
(6) (1) - (2).

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/17 and 6/30/17
Unlimited Losses

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)
1986-87	\$2,805,094	\$12,645	\$2,817,739	\$2,932,778	\$2,245	\$2,935,023
1987-88	2,868,957	2,085	2,871,042	2,885,220	1,725	2,886,945
1988-89	4,014,776	2,193	4,016,969	4,048,631	2,988	4,051,619
1989-90	2,922,252	3,178	2,925,430	2,953,528	3,109	2,956,637
1990-91	5,549,553	10,169	5,559,722	5,646,113	9,387	5,655,500
1991-92	5,165,621	9,657	5,175,278	5,225,687	8,143	5,233,829
1992-93	4,058,369	25,408	4,083,778	4,276,708	8,411	4,285,119
1993-94	3,709,046	15,283	3,724,329	3,833,518	6,940	3,840,458
1994-95	4,755,400	27,195	4,782,595	4,996,805	9,183	5,005,988
1995-96	5,311,130	19,161	5,330,291	5,447,377	5,543	5,452,920
1996-97	7,058,560	33,665	7,092,224	7,423,018	12,509	7,435,527
1997-98	6,750,732	36,677	6,787,409	7,389,080	11,478	7,400,558
1998-99	9,057,897	75,548	9,133,445	10,350,583	16,028	10,366,611
1999-00	7,280,120	63,229	7,343,349	8,154,400	19,034	8,173,434
2000-01	10,684,317	88,885	10,773,202	11,416,204	39,940	11,456,144
2001-02	11,949,088	114,274	12,063,362	12,843,074	29,493	12,872,567
2002-03	9,833,524	48,004	9,881,528	10,244,798	11,560	10,256,358
2003-04	5,831,190	31,488	5,862,678	6,381,605	27,162	6,408,766
2004-05	5,404,587	18,312	5,422,899	5,628,677	28,909	5,657,586
2005-06	8,537,141	61,701	8,598,842	9,400,338	56,805	9,457,142
2006-07	9,284,326	287,507	9,571,833	13,400,926	275,251	13,676,177
2007-08	8,810,834	131,406	8,942,240	10,293,074	112,230	10,405,304
2008-09	8,808,892	188,508	8,997,400	10,044,965	282,251	10,327,216
Total	\$150,451,404	\$1,306,179	\$151,757,582	\$165,217,105	\$980,324	\$166,197,429

Notes:

- (1) Page 39, Column (1).
 (2) Projected by BAC.
 (3) (1) + (2).

- (4) Page 38, Column (1).
 (5) Projected by BAC.
 (6) (4) + (5).

Alameda County Schools Insurance Group
Workers' Compensation Program

Estimated Unpaid Losses as of December 31, 2016

Unlimited Losses

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 12/31/16 (2)	Case Reserves 12/31/16 (3)	Reported Losses as of 12/31/16 (4)	Estimated IBNR as of 12/31/16 (5)	Estimated Unpaid Losses as of 12/31/16 (6)
1986-87	\$2,960,000	\$2,805,094	\$127,685	\$2,932,778	\$27,222	\$154,906
1987-88	2,910,000	2,868,957	16,263	2,885,220	24,780	41,043
1988-89	4,090,000	4,014,776	33,855	4,048,631	41,369	75,224
1989-90	2,990,000	2,922,252	31,276	2,953,528	36,472	67,748
1990-91	5,750,000	5,549,553	96,560	5,646,113	103,887	200,447
1991-92	5,330,000	5,165,621	60,066	5,225,687	104,313	164,379
1992-93	4,440,000	4,058,369	218,339	4,276,708	163,292	381,631
1993-94	3,970,000	3,709,046	124,471	3,833,518	136,482	260,954
1994-95	5,190,000	4,755,400	241,405	4,996,805	193,195	434,600
1995-96	5,610,000	5,311,130	136,247	5,447,377	162,623	298,870
1996-97	7,770,000	7,058,560	364,459	7,423,018	346,982	711,440
1997-98	7,770,000	6,750,732	638,348	7,389,080	380,920	1,019,268
1998-99	11,010,000	9,057,897	1,292,686	10,350,583	659,417	1,952,103
1999-00	8,640,000	7,280,120	874,280	8,154,400	485,600	1,359,880
2000-01	12,210,000	10,684,317	731,887	11,416,204	793,796	1,525,684
2001-02	13,840,000	11,949,088	893,986	12,843,074	996,926	1,890,912
2002-03	10,940,000	9,833,524	411,274	10,244,798	695,202	1,106,476
2003-04	6,940,000	5,831,190	550,414	6,381,605	558,395	1,108,810
2004-05	5,960,000	5,404,587	224,090	5,628,677	331,323	555,413
2005-06	10,470,000	8,537,141	863,197	9,400,338	1,069,662	1,932,859
2006-07	15,800,000	9,284,326	4,116,600	13,400,926	2,399,074	6,515,674
2007-08	11,940,000	8,810,834	1,482,240	10,293,074	1,646,926	3,129,167
2008-09	12,360,000	8,808,892	1,236,072	10,044,965	2,315,035	3,551,108
SubTotal	\$178,890,000	\$150,451,404	\$14,765,701	\$165,217,105	\$13,672,895	\$28,438,596
1985-86 & prior	\$11,681,086	\$11,615,156	\$65,930	\$11,681,086	\$0	\$65,930
Total	\$190,571,086	\$162,066,559	\$14,831,631	\$176,898,190	\$13,672,895	\$28,504,527

Notes:

- (1) Page 37, Column (6).
 (2) Page 23, Column (1).
 (3) (4) - (2).

- (4) Page 23, Column (4).
 (5) (1) - (4).
 (6) (1) - (2).

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Fiscal Year End Exhibits

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2017

Self-Insured Losses Limited to Stated SIR

Program Year	Estimated Ultimate Losses (1)	Projected Limited Losses Paid as of 6/30/17 (2)	Projected Limited Case Reserves 6/30/17 (3)	Projected Limited Reported Losses as of 6/30/17 (4)	Projected Limited IBNR as of 6/30/17 (5)	Projected Limited Unpaid Losses as of 6/30/17 (6)
1986-87	\$2,960,000	\$2,817,739	\$122,027	\$2,939,766	\$20,234	\$142,261
1987-88	2,910,000	2,871,042	16,949	2,887,990	22,010	38,958
1988-89	4,090,000	4,016,969	34,650	4,051,619	38,381	73,031
1989-90	2,990,000	2,925,430	31,207	2,956,637	33,363	64,570
1990-91	5,750,000	5,559,722	95,778	5,655,500	94,500	190,278
1991-92	5,330,000	5,175,278	58,551	5,233,829	96,171	154,722
1992-93	4,440,000	4,083,778	201,342	4,285,119	154,881	356,222
1993-94	3,970,000	3,724,329	116,129	3,840,458	129,542	245,671
1994-95	5,190,000	4,782,595	218,644	5,001,239	188,761	407,405
1995-96	5,610,000	5,330,291	120,986	5,451,278	158,722	279,709
1996-97	7,770,000	7,092,224	343,339	7,435,563	334,437	677,776
1997-98	7,770,000	6,787,409	613,185	7,400,594	369,406	982,591
1998-99	10,910,000	9,129,575	1,226,382	10,355,957	554,043	1,780,425
1999-00	8,420,000	7,333,120	709,309	8,042,429	377,571	1,086,880
2000-01	12,100,000	10,766,793	684,088	11,450,882	649,118	1,333,207
2001-02	13,280,000	11,838,226	626,909	12,465,135	814,865	1,441,774
2002-03	10,820,000	9,875,568	377,334	10,252,901	567,099	944,432
2003-04	6,940,000	5,862,678	584,640	6,447,318	492,682	1,077,322
2004-05	5,960,000	5,416,279	231,358	5,647,637	312,363	543,721
2005-06	10,470,000	8,598,842	858,782	9,457,623	1,012,377	1,871,158
2006-07	9,350,000	8,144,875	759,265	8,904,140	445,860	1,205,125
2007-08	9,700,000	8,395,979	712,170	9,108,149	591,851	1,304,021
2008-09	10,140,000	8,635,959	608,517	9,244,475	895,525	1,504,041
Total	\$166,870,000	\$149,164,700	\$9,351,541	\$158,516,240	\$8,353,760	\$17,705,300
1985-86 & prior	\$11,673,127	\$11,607,197	\$65,930	\$11,673,127	\$0	\$65,930
Total	\$178,543,127	\$160,771,897	\$9,417,471	\$170,189,368	\$8,353,760	\$17,771,231

Notes:

- (1) Page 30, Column (6).
 (2) Page 27, Column (3).
 (3) (4) - (2).

- (4) Page 27, Column (6).
 (5) (1) - (4).
 (6) (1) - (2).

Alameda County Schools Insurance Group
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/17 and 6/30/17
Self-Insured Losses Limited to Stated 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)
1986-87	\$2,805,094	\$12,645	\$2,817,739	\$2,932,778	\$6,988	\$2,939,766
1987-88	2,868,957	2,085	2,871,042	2,885,220	2,770	2,887,990
1988-89	4,014,776	2,193	4,016,969	4,048,631	2,988	4,051,619
1989-90	2,922,252	3,178	2,925,430	2,953,528	3,109	2,956,637
1990-91	5,549,553	10,169	5,559,722	5,646,113	9,387	5,655,500
1991-92	5,165,621	9,657	5,175,278	5,225,687	8,143	5,233,829
1992-93	4,058,369	25,408	4,083,778	4,276,708	8,411	4,285,119
1993-94	3,709,046	15,283	3,724,329	3,833,518	6,940	3,840,458
1994-95	4,755,400	27,195	4,782,595	4,996,805	4,434	5,001,239
1995-96	5,311,130	19,161	5,330,291	5,447,377	3,901	5,451,278
1996-97	7,058,560	33,665	7,092,224	7,423,018	12,545	7,435,563
1997-98	6,750,732	36,677	6,787,409	7,389,080	11,514	7,400,594
1998-99	9,057,897	71,678	9,129,575	10,350,583	5,374	10,355,957
1999-00	7,280,120	53,000	7,333,120	8,037,782	4,648	8,042,429
2000-01	10,684,317	82,477	10,766,793	11,416,204	34,678	11,450,882
2001-02	11,745,491	92,735	11,838,226	12,441,202	23,933	12,465,135
2002-03	9,832,736	42,832	9,875,568	10,244,010	8,892	10,252,901
2003-04	5,831,190	31,488	5,862,678	6,381,605	65,713	6,447,318
2004-05	5,404,587	11,693	5,416,279	5,628,677	18,960	5,647,637
2005-06	8,537,141	61,701	8,598,842	9,400,338	57,286	9,457,623
2006-07	8,139,486	5,389	8,144,875	8,897,082	7,058	8,904,140
2007-08	8,362,661	33,318	8,395,979	9,074,336	33,814	9,108,149
2008-09	8,577,103	58,856	8,635,959	9,176,840	67,635	9,244,475
Total	\$148,422,216	\$742,483	\$149,164,700	\$158,107,120	\$409,120	\$158,516,240

Notes:

- (1) Page 32, Column (1).
 (2) Projected by BAC.
 (3) (1) + (2).

- (4) Page 31, Column (1).
 (5) Projected by BAC.
 (6) (4) + (5).

Alameda County Schools Insurance Group
Workers' Compensation Program

Estimated Unpaid Losses as of December 31, 2016

Self-Insured Losses Limited to Stated SIR

Program Year	Estimated Ultimate Losses (1)	Limited Losses Paid as of 12/31/16 (2)	Limited Case Reserves 12/31/16 (3)	Limited Reported Losses as of 12/31/16 (4)	Limited IBNR as of 12/31/16 (5)	Limited Unpaid Losses as of 12/31/16 (6)
1986-87	\$2,960,000	\$2,805,094	\$127,685	\$2,932,778	\$27,222	\$154,906
1987-88	2,910,000	2,868,957	16,263	2,885,220	24,780	41,043
1988-89	4,090,000	4,014,776	33,855	4,048,631	41,369	75,224
1989-90	2,990,000	2,922,252	31,276	2,953,528	36,472	67,748
1990-91	5,750,000	5,549,553	96,560	5,646,113	103,887	200,447
1991-92	5,330,000	5,165,621	60,066	5,225,687	104,313	164,379
1992-93	4,440,000	4,058,369	218,339	4,276,708	163,292	381,631
1993-94	3,970,000	3,709,046	124,471	3,833,518	136,482	260,954
1994-95	5,190,000	4,755,400	241,405	4,996,805	193,195	434,600
1995-96	5,610,000	5,311,130	136,247	5,447,377	162,623	298,870
1996-97	7,770,000	7,058,560	364,459	7,423,018	346,982	711,440
1997-98	7,770,000	6,750,732	638,348	7,389,080	380,920	1,019,268
1998-99	10,910,000	9,057,897	1,292,686	10,350,583	559,417	1,852,103
1999-00	8,420,000	7,280,120	757,662	8,037,782	382,218	1,139,880
2000-01	12,100,000	10,684,317	731,887	11,416,204	683,796	1,415,684
2001-02	13,280,000	11,745,491	695,711	12,441,202	838,798	1,534,509
2002-03	10,820,000	9,832,736	411,274	10,244,010	575,990	987,264
2003-04	6,940,000	5,831,190	550,414	6,381,605	558,395	1,108,810
2004-05	5,960,000	5,404,587	224,090	5,628,677	331,323	555,413
2005-06	10,470,000	8,537,141	863,197	9,400,338	1,069,662	1,932,859
2006-07	9,350,000	8,139,486	757,596	8,897,082	452,918	1,210,514
2007-08	9,700,000	8,362,661	711,675	9,074,336	625,664	1,337,339
2008-09	10,140,000	8,577,103	599,738	9,176,840	963,160	1,562,897
SubTotal	\$166,870,000	\$148,422,216	\$9,684,904	\$158,107,120	\$8,762,880	\$18,447,784
1985-86 & prior	\$11,673,127	\$11,607,197	\$65,930	\$11,673,127	\$0	\$65,930
Total	\$178,543,127	\$160,029,413	\$9,750,834	\$169,780,247	\$8,762,880	\$18,513,714

Notes:

- (1) Page 30, Column (6).
 (2) Page 32, Column (1).
 (3) (4) - (2).

- (4) Page 31, Column (1).
 (5) (1) - (4).
 (6) (1) - (2).

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Limited Losses

Alameda County Schools Insurance Group
Workers' Compensation Program

Selected Ultimate Losses

Self-Insured Losses Limited to Stated SIR

Program Year	Limited Reported Loss Development (1)	Lim Paid Loss Development (2)	Limited IBNR to Case Ratio (3)	B-F Method Using Limited Reported (4)	B-F Method Using Limited Paid (5)	Selected Ultimate Limited Losses (6)
1986-87	\$2,963,185	\$2,903,300	\$2,988,321	\$2,962,018	\$2,904,510	\$2,960,000
1987-88	2,923,854	2,983,486	2,893,758	2,923,050	2,979,537	2,910,000
1988-89	4,112,135	4,185,385	4,069,283	4,109,981	4,182,466	4,090,000
1989-90	3,009,549	3,059,882	2,975,609	3,010,338	3,056,802	2,990,000
1990-91	5,777,347	5,841,948	5,726,354	5,778,363	5,837,053	5,750,000
1991-92	5,370,212	5,476,130	5,279,926	5,369,597	5,469,431	5,330,000
1992-93	4,408,981	4,342,316	4,461,859	4,409,908	4,346,969	4,440,000
1993-94	3,965,957	4,005,644	3,935,709	3,964,528	4,002,826	3,970,000
1994-95	5,188,245	5,194,918	5,183,411	5,188,835	5,196,550	5,190,000
1995-96	5,655,281	5,881,685	5,530,488	5,654,055	5,852,962	5,610,000
1996-97	7,729,300	7,905,359	7,636,955	7,732,039	7,885,191	7,770,000
1997-98	7,714,429	7,631,441	7,756,769	7,713,099	7,637,927	7,770,000
1998-99	10,830,770	10,352,618	11,060,268	10,830,860	10,422,319	10,910,000
1999-00	8,408,350	8,435,559	8,396,914	8,407,143	8,430,177	8,420,000
2000-01	12,004,916	12,643,646	11,755,068	11,992,347	12,506,810	12,100,000
2001-02	13,123,697	14,260,863	12,732,009	13,138,705	14,106,269	13,280,000
2002-03	10,824,882	12,189,024	10,401,939	10,819,523	11,889,663	10,820,000
2003-04	6,862,605	7,285,848	6,679,379	6,867,405	7,219,190	6,940,000
2004-05	6,112,319	6,873,419	5,760,442	6,097,612	6,674,868	5,960,000
2005-06	10,314,089	10,985,502	9,970,048	10,328,127	10,861,827	10,470,000
2006-07	9,397,423	9,735,961	9,261,486	9,317,446	9,440,236	9,350,000
2007-08	9,725,706	10,301,433	9,467,180	9,649,054	9,975,303	9,700,000
2008-09	10,165,538	11,018,355	9,645,835	10,092,423	10,672,562	10,140,000
Total	\$166,588,770	\$173,493,722	\$163,569,008	\$166,356,454	\$171,551,445	\$166,870,000

Notes:

- (1) Page 31, Column (3).
 (2) Page 31, Column (3).
 (3) Page 33, Column (6).

- (4) Page 34, Column (6).
 (5) Page 35, Column (6).
 (6) Selected on the basis of (1) - (5).

Alameda County Schools Insurance Group
Workers' Compensation Program

Reported Loss Development
Self-Insured Losses Limited to Stated 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)
1986-87	\$2,932,778	1.010	\$2,963,185
1987-88	2,885,220	1.013	2,923,854
1988-89	4,048,631	1.016	4,112,135
1989-90	2,953,528	1.019	3,009,549
1990-91	5,646,113	1.023	5,777,347
1991-92	5,225,687	1.028	5,370,212
1992-93	4,276,708	1.031	4,408,981
1993-94	3,833,518	1.035	3,965,957
1994-95	4,996,805	1.038	5,188,245
1995-96	5,447,377	1.038	5,655,281
1996-97	7,423,018	1.041	7,729,300
1997-98	7,389,080	1.044	7,714,429
1998-99	10,350,583	1.046	10,830,770
1999-00	8,037,782	1.046	8,408,350
2000-01	11,416,204	1.052	12,004,916
2001-02	12,441,202	1.055	13,123,697
2002-03	10,244,010	1.057	10,824,882
2003-04	6,381,605	1.075	6,862,605
2004-05	5,628,677	1.086	6,112,319
2005-06	9,400,338	1.097	10,314,089
2006-07	8,897,082	1.056	9,397,423
2007-08	9,074,336	1.072	9,725,706
2008-09	9,176,840	1.108	10,165,538
Total	\$158,107,120		\$166,588,770

Notes:

- (1) Provided by Keenan & Associates.
- (2) Page 38, Column (2), tempered for SIR.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Workers' Compensation Program

Paid Loss Development
Self-Insured Losses Limited to Stated 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)
1986-87	\$2,805,094	1.035	\$2,903,300
1987-88	2,868,957	1.040	2,983,486
1988-89	4,014,776	1.042	4,185,385
1989-90	2,922,252	1.047	3,059,882
1990-91	5,549,553	1.053	5,841,948
1991-92	5,165,621	1.060	5,476,130
1992-93	4,058,369	1.070	4,342,316
1993-94	3,709,046	1.080	4,005,644
1994-95	4,755,400	1.092	5,194,918
1995-96	5,311,130	1.107	5,881,685
1996-97	7,058,560	1.120	7,905,359
1997-98	6,750,732	1.130	7,631,441
1998-99	9,057,897	1.143	10,352,618
1999-00	7,280,120	1.159	8,435,559
2000-01	10,684,317	1.183	12,643,646
2001-02	11,745,491	1.214	14,260,863
2002-03	9,832,736	1.240	12,189,024
2003-04	5,831,190	1.249	7,285,848
2004-05	5,404,587	1.272	6,873,419
2005-06	8,537,141	1.287	10,985,502
2006-07	8,139,486	1.196	9,735,961
2007-08	8,362,661	1.232	10,301,433
2008-09	8,577,103	1.285	11,018,355
Total	\$148,422,216		\$173,493,722

Notes:

- (1) Provided by Keenan & Associates.
- (2) Page 39, Column (2), tempered for SIR.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Workers' Compensation Program

IBNR to Case Reserves Ratio Method

Self-Insured Losses Limited to Stated SIR

Program Year	Cumulative Reported Loss Development Factors (1)	Cumulative Paid Loss Development Factors (2)	IBNR to Case Reserves Ratio (3)	Limited Case Reserves (4)	Estimated IBNR as of 12/31/16 (5)	Estimated Ultimate Losses (6)
1986-87	1.010	1.035	0.435	\$127,685	\$55,543	\$2,988,321
1987-88	1.013	1.040	0.525	16,263	8,538	2,893,758
1988-89	1.016	1.042	0.610	33,855	20,652	4,069,283
1989-90	1.019	1.047	0.706	31,276	22,081	2,975,609
1990-91	1.023	1.053	0.831	96,560	80,241	5,726,354
1991-92	1.028	1.060	0.903	60,066	54,239	5,279,926
1992-93	1.031	1.070	0.848	218,339	185,151	4,461,859
1993-94	1.035	1.080	0.821	124,471	102,191	3,935,709
1994-95	1.038	1.092	0.773	241,405	186,606	5,183,411
1995-96	1.038	1.107	0.610	136,247	83,111	5,530,488
1996-97	1.041	1.120	0.587	364,459	213,937	7,636,955
1997-98	1.044	1.130	0.576	638,348	367,689	7,756,769
1998-99	1.046	1.143	0.549	1,292,686	709,685	11,060,268
1999-00	1.046	1.159	0.474	757,662	359,132	8,396,914
2000-01	1.052	1.183	0.463	731,887	338,864	11,755,068
2001-02	1.055	1.214	0.418	695,711	290,807	12,732,009
2002-03	1.057	1.240	0.384	411,274	157,929	10,401,939
2003-04	1.075	1.249	0.541	550,414	297,774	6,679,379
2004-05	1.086	1.272	0.588	224,090	131,765	5,760,442
2005-06	1.097	1.287	0.660	863,197	569,710	9,970,048
2006-07	1.056	1.196	0.481	757,596	364,404	9,261,486
2007-08	1.072	1.232	0.552	711,675	392,844	9,467,180
2008-09	1.108	1.285	0.782	599,738	468,995	9,645,835
Total				\$9,684,904	\$5,461,888	\$163,569,008

- (1) Page 31, Column (2).
(2) Page 32, Column (2).
(3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
(4) $[\text{Page 31, Column (1)}] - [\text{Page 32, Column (1)}]$.
(5) (3) x (4), rounded.
(6) (5) + Page 31, Column (1).

Alameda County Schools Insurance Group
Workers' Compensation Program

Bornhuetter-Ferguson Using Reported Losses

Self-Insured Losses Limited to Stated SIR

Program Year	<i>A Priori</i> Ultimate Limited 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)
1986-87	\$2,924,010	1.010	1.0%	\$29,240	\$2,932,778	\$2,962,018
1987-88	2,910,000	1.013	1.3%	37,830	2,885,220	2,923,050
1988-89	4,090,000	1.016	1.5%	61,350	4,048,631	4,109,981
1989-90	2,990,000	1.019	1.9%	56,810	2,953,528	3,010,338
1990-91	5,750,000	1.023	2.3%	132,250	5,646,113	5,778,363
1991-92	5,330,000	1.028	2.7%	143,910	5,225,687	5,369,597
1992-93	4,440,000	1.031	3.0%	133,200	4,276,708	4,409,908
1993-94	3,970,000	1.035	3.3%	131,010	3,833,518	3,964,528
1994-95	5,190,000	1.038	3.7%	192,030	4,996,805	5,188,835
1995-96	5,585,897	1.038	3.7%	206,678	5,447,377	5,654,055
1996-97	7,725,520	1.041	4.0%	309,021	7,423,018	7,732,039
1997-98	7,714,737	1.044	4.2%	324,019	7,389,080	7,713,099
1998-99	10,915,376	1.046	4.4%	480,277	10,350,583	10,830,860
1999-00	8,394,579	1.046	4.4%	369,361	8,037,782	8,407,143
2000-01	11,758,020	1.052	4.9%	576,143	11,416,204	11,992,347
2001-02	13,413,514	1.055	5.2%	697,503	12,441,202	13,138,705
2002-03	10,657,653	1.057	5.4%	575,513	10,244,010	10,819,523
2003-04	6,940,000	1.075	7.0%	485,800	6,381,605	6,867,405
2004-05	5,935,891	1.086	7.9%	468,935	5,628,677	6,097,612
2005-06	10,424,600	1.097	8.9%	927,789	9,400,338	10,328,127
2006-07	7,931,404	1.056	5.3%	420,364	8,897,082	9,317,446
2007-08	8,577,881	1.072	6.7%	574,718	9,074,336	9,649,054
2008-09	9,439,003	1.108	9.7%	915,583	9,176,840	10,092,423
Total	\$163,008,086			\$8,249,334	\$158,107,120	\$166,356,454

Notes:

- (1) Page 37, Column (6), adjusted for SIR.
 (2) Page 31, Column (2).
 (3) $100\% - [1.000 / (2)]$.

- (4) $(1) \times (3)$.
 (5) Page 31, Column (1).
 (6) $(4) + (5)$.

Alameda County Schools Insurance Group
Workers' Compensation Program

Bornhuetter-Ferguson Using Paid Losses

Self-Insured Losses Limited to Stated SIR

Program Year	<i>A Priori</i> Ultimate Limited Losses (1)	Cumulative Paid Loss Development Factors (2)	Percentage of Losses Not Yet Paid (3)	Expected Unpaid Losses (4)	Limited Losses Paid as of 12/31/16 (5)	Estimated Ultimate Limited Losses (6)
1986-87	\$2,924,010	1.035	3.4%	\$99,416	\$2,805,094	\$2,904,510
1987-88	2,910,000	1.040	3.8%	110,580	2,868,957	2,979,537
1988-89	4,090,000	1.042	4.1%	167,690	4,014,776	4,182,466
1989-90	2,990,000	1.047	4.5%	134,550	2,922,252	3,056,802
1990-91	5,750,000	1.053	5.0%	287,500	5,549,553	5,837,053
1991-92	5,330,000	1.060	5.7%	303,810	5,165,621	5,469,431
1992-93	4,440,000	1.070	6.5%	288,600	4,058,369	4,346,969
1993-94	3,970,000	1.080	7.4%	293,780	3,709,046	4,002,826
1994-95	5,190,000	1.092	8.5%	441,150	4,755,400	5,196,550
1995-96	5,585,897	1.107	9.7%	541,832	5,311,130	5,852,962
1996-97	7,725,520	1.120	10.7%	826,631	7,058,560	7,885,191
1997-98	7,714,737	1.130	11.5%	887,195	6,750,732	7,637,927
1998-99	10,915,376	1.143	12.5%	1,364,422	9,057,897	10,422,319
1999-00	8,394,579	1.159	13.7%	1,150,057	7,280,120	8,430,177
2000-01	11,758,020	1.183	15.5%	1,822,493	10,684,317	12,506,810
2001-02	13,413,514	1.214	17.6%	2,360,778	11,745,491	14,106,269
2002-03	10,657,653	1.240	19.3%	2,056,927	9,832,736	11,889,663
2003-04	6,940,000	1.249	20.0%	1,388,000	5,831,190	7,219,190
2004-05	5,935,891	1.272	21.4%	1,270,281	5,404,587	6,674,868
2005-06	10,424,600	1.287	22.3%	2,324,686	8,537,141	10,861,827
2006-07	7,931,404	1.196	16.4%	1,300,750	8,139,486	9,440,236
2007-08	8,577,881	1.232	18.8%	1,612,642	8,362,661	9,975,303
2008-09	9,439,003	1.285	22.2%	2,095,459	8,577,103	10,672,562
Total	\$163,008,086			\$23,129,229	\$148,422,216	\$171,551,445

Notes:

- (1) Page 34, Column (1).
 (2) Page 32, Column (2).
 (3) $100\% - [1.000 / (2)]$.

- (4) $(1) \times (3)$.
 (5) Page 32, Column (1).
 (6) $(4) + (5)$.

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Gross Loss Exhibits

Alameda County Schools Insurance Group
Workers' Compensation Program

Selected Ultimate Losses
Unlimited Losses

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)
1986-87	\$2,966,521	\$2,905,304	\$2,995,599			\$2,960,000
1987-88	2,923,854	2,983,486	2,893,758			2,910,000
1988-89	4,112,135	4,185,385	4,069,283			4,090,000
1989-90	3,009,549	3,059,882	2,975,609			2,990,000
1990-91	5,777,347	5,841,948	5,726,354			5,750,000
1991-92	5,370,212	5,476,130	5,279,926			5,330,000
1992-93	4,408,981	4,342,316	4,461,859			4,440,000
1993-94	3,965,957	4,005,644	3,935,709			3,970,000
1994-95	5,188,245	5,194,918	5,183,411			5,190,000
1995-96	5,671,966	5,881,685	5,541,387			5,610,000
1996-97	7,753,881	7,905,359	7,664,290			7,770,000
1997-98	7,740,540	7,631,441	7,803,368			7,770,000
1998-99	10,869,307	10,352,618	11,148,171			11,010,000
1999-00	8,599,681	8,444,041	8,680,716			8,640,000
2000-01	12,113,493	12,658,030	11,844,358			12,210,000
2001-02	13,680,011	14,523,068	13,314,205			13,840,000
2002-03	10,936,920	12,200,351	10,443,855			10,940,000
2003-04	6,862,605	7,285,848	6,679,379			6,940,000
2004-05	6,150,490	6,873,419	5,776,128			5,960,000
2005-06	10,385,902	10,985,502	10,039,967			10,470,000
2006-07	15,278,666	12,286,027	17,566,925	\$14,553,788	\$9,671,982	15,800,000
2007-08	11,999,176	12,013,423	11,987,275	11,743,918	11,407,367	11,940,000
2008-09	12,360,922	12,547,802	12,138,872	12,175,503	12,579,513	12,360,000
2009-10	13,447,681	12,896,086	14,229,158	13,173,278	13,773,088	13,320,000
2010-11	13,654,959	13,077,507	14,769,716	13,495,061	15,539,127	13,410,000
2011-12	13,727,864	13,712,574	13,754,485	13,666,778	14,750,436	13,720,000
2012-13	12,132,471	11,431,434	13,151,092	12,684,613	14,046,316	12,080,000
2013-14	12,659,580	11,972,991	13,366,508	13,328,723	15,473,569	12,650,000
2014-15	18,219,203	16,718,883	19,586,065	16,808,524	17,060,057	17,360,000
2015-16	15,037,684	13,342,625	16,108,045	15,476,040	13,161,088	15,540,000
2016-17	19,613,622	14,754,818	21,038,072	16,952,615	15,750,000	16,950,000
Total	\$296,619,425	\$287,490,545	\$304,153,543			\$293,920,000
06/07-16/17	\$158,131,828	\$144,754,170	\$167,696,212	\$154,058,840	\$153,212,543	\$155,130,000

Notes:

- (1) Page 38, Column (3).
(2) Page 39, Column (3).
(3) Page 40, Column (6).

- (4) Page 41, Column (6).
(5) Page 45, Column (4).
(6) Selected on the basis of (1) - (5).

Alameda County Schools Insurance Group
Workers' Compensation Program

Reported Loss Development
Unlimited Losses

Program Year	Cumulative Reported Losses as of 12/31/16 (1)	Reported Development Factor as of 12/31/16 (2)	Projected Ultimate Losses (3)
1986-87	\$2,932,778	1.012	\$2,966,521
1987-88	2,885,220	1.013	2,923,854
1988-89	4,048,631	1.016	4,112,135
1989-90	2,953,528	1.019	3,009,549
1990-91	5,646,113	1.023	5,777,347
1991-92	5,225,687	1.028	5,370,212
1992-93	4,276,708	1.031	4,408,981
1993-94	3,833,518	1.035	3,965,957
1994-95	4,996,805	1.038	5,188,245
1995-96	5,447,377	1.041	5,671,966
1996-97	7,423,018	1.045	7,753,881
1997-98	7,389,080	1.048	7,740,540
1998-99	10,350,583	1.050	10,869,307
1999-00	8,154,400	1.055	8,599,681
2000-01	11,416,204	1.061	12,113,493
2001-02	12,843,074	1.065	13,680,011
2002-03	10,244,798	1.068	10,936,920
2003-04	6,381,605	1.075	6,862,605
2004-05	5,628,677	1.093	6,150,490
2005-06	9,400,338	1.105	10,385,902
2006-07	13,400,926	1.140	15,278,666
2007-08	10,293,074	1.166	11,999,176
2008-09	10,044,965	1.231	12,360,922
2009-10	10,413,518	1.291	13,447,681
2010-11	9,948,174	1.373	13,654,959
2011-12	9,537,312	1.439	13,727,864
2012-13	8,113,721	1.495	12,132,471
2013-14	7,968,424	1.589	12,659,580
2014-15	9,975,771	1.826	18,219,203
2015-16	6,587,391	2.283	15,037,684
2016-17	2,539,436	7.724	19,613,622
Total	\$230,300,852		\$296,619,425

Notes:

- (1) Provided by Keenan & Associates.
- (2) Page 61.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Workers' Compensation Program

Paid Loss Projection
Unlimited Losses

Program Year	Cumulative Paid Losses as of 12/31/16 (1)	Paid Development Factor as of 12/31/16 (2)	Projected Ultimate Losses (3)
1986-87	\$2,805,094	1.036	\$2,905,304
1987-88	2,868,957	1.040	2,983,486
1988-89	4,014,776	1.042	4,185,385
1989-90	2,922,252	1.047	3,059,882
1990-91	5,549,553	1.053	5,841,948
1991-92	5,165,621	1.060	5,476,130
1992-93	4,058,369	1.070	4,342,316
1993-94	3,709,046	1.080	4,005,644
1994-95	4,755,400	1.092	5,194,918
1995-96	5,311,130	1.107	5,881,685
1996-97	7,058,560	1.120	7,905,359
1997-98	6,750,732	1.130	7,631,441
1998-99	9,057,897	1.143	10,352,618
1999-00	7,280,120	1.160	8,444,041
2000-01	10,684,317	1.185	12,658,030
2001-02	11,949,088	1.215	14,523,068
2002-03	9,833,524	1.241	12,200,351
2003-04	5,831,190	1.249	7,285,848
2004-05	5,404,587	1.272	6,873,419
2005-06	8,537,141	1.287	10,985,502
2006-07	9,284,326	1.323	12,286,027
2007-08	8,810,834	1.363	12,013,423
2008-09	8,808,892	1.424	12,547,802
2009-10	8,615,384	1.497	12,896,086
2010-11	8,353,221	1.566	13,077,507
2011-12	8,086,117	1.696	13,712,574
2012-13	6,224,943	1.836	11,431,434
2013-14	5,543,408	2.160	11,972,991
2014-15	6,114,665	2.734	16,718,883
2015-16	3,093,573	4.313	13,342,625
2016-17	481,517	30.642	14,754,818
Total	\$196,964,232		\$287,490,545

Notes:

(1) Provided by Keenan & Associates.

(2) Page 62.

(3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Workers' Compensation Program

IBNR to Case Reserves Ratio Method
Unlimited Losses

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 as of 12/31/16 (5)	Estimated Ultimate Losses (6)
1986-87	1.012	1.036	0.492	\$127,685	\$62,821	\$2,995,599
1987-88	1.013	1.040	0.525	16,263	8,538	2,893,758
1988-89	1.016	1.042	0.610	33,855	20,652	4,069,283
1989-90	1.019	1.047	0.706	31,276	22,081	2,975,609
1990-91	1.023	1.053	0.831	96,560	80,241	5,726,354
1991-92	1.028	1.060	0.903	60,066	54,239	5,279,926
1992-93	1.031	1.070	0.848	218,339	185,151	4,461,859
1993-94	1.035	1.080	0.821	124,471	102,191	3,935,709
1994-95	1.038	1.092	0.773	241,405	186,606	5,183,411
1995-96	1.041	1.107	0.690	136,247	94,010	5,541,387
1996-97	1.045	1.120	0.662	364,459	241,272	7,664,290
1997-98	1.048	1.130	0.649	638,348	414,288	7,803,368
1998-99	1.050	1.143	0.617	1,292,686	797,588	11,148,171
1999-00	1.055	1.160	0.602	874,280	526,316	8,680,716
2000-01	1.061	1.185	0.585	731,887	428,154	11,844,358
2001-02	1.065	1.215	0.527	893,986	471,131	13,314,205
2002-03	1.068	1.241	0.484	411,274	199,057	10,443,855
2003-04	1.075	1.249	0.541	550,414	297,774	6,679,379
2004-05	1.093	1.272	0.658	224,090	147,451	5,776,128
2005-06	1.105	1.287	0.741	863,197	639,629	10,039,967
2006-07	1.140	1.323	1.012	4,116,600	4,165,999	17,566,925
2007-08	1.166	1.363	1.143	1,482,240	1,694,201	11,987,275
2008-09	1.231	1.424	1.694	1,236,072	2,093,907	12,138,872
2009-10	1.291	1.497	2.122	1,798,134	3,815,640	14,229,158
2010-11	1.373	1.566	3.023	1,594,953	4,821,542	14,769,716
2011-12	1.439	1.696	2.906	1,451,195	4,217,173	13,754,485
2012-13	1.495	1.836	2.667	1,888,778	5,037,371	13,151,092
2013-14	1.589	2.160	2.226	2,425,015	5,398,084	13,366,508
2014-15	1.826	2.734	2.489	3,861,106	9,610,294	19,586,065
2015-16	2.283	4.313	2.725	3,493,818	9,520,654	16,108,045
2016-17	7.724	30.642	8.989	2,057,919	18,498,636	21,038,072
Total				\$33,336,620	\$73,852,691	\$304,153,543

(1) Page 38, Column (2).

(2) Page 39, Column (2).

(3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.

(4) Page 38, Column (1) - Page 39, Column (1).

(5) (3) x (4), rounded.

(6) (5) + Page 38, Column (1).

Alameda County Schools Insurance Group
Workers' Compensation Program

Bornhuetter-Ferguson Using Reported Losses
Unlimited Losses

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	\$9,372,865	1.140	12.3%	\$1,152,862	\$13,400,926	\$14,553,788
2007-08	10,217,209	1.166	14.2%	1,450,844	10,293,074	11,743,918
2008-09	11,393,254	1.231	18.7%	2,130,538	10,044,965	12,175,503
2009-10	12,211,328	1.291	22.6%	2,759,760	10,413,518	13,173,278
2010-11	13,088,143	1.373	27.1%	3,546,887	9,948,174	13,495,061
2011-12	13,539,232	1.439	30.5%	4,129,466	9,537,312	13,666,778
2012-13	13,809,341	1.495	33.1%	4,570,892	8,113,721	12,684,613
2013-14	14,448,246	1.589	37.1%	5,360,299	7,968,424	13,328,723
2014-15	15,116,710	1.826	45.2%	6,832,753	9,975,771	16,808,524
2015-16	15,816,102	2.283	56.2%	8,888,649	6,587,391	15,476,040
2016-17	16,547,852	7.724	87.1%	14,413,179	2,539,436	16,952,615
Total	\$145,560,282			\$55,236,129	\$98,822,711	\$154,058,840

Notes:

- (1) Page 42, Column (4).
- (2) Page 38, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 38, Column (1).
- (6) $(4) + (5)$.

Alameda County Schools Insurance Group
Workers' Compensation Program

A Priori Losses for Bornhuetter-Ferguson
Unlimited Losses

Program Year	<i>A Priori</i> Loss Rate (1)	Factor to Remove Trend (2)	Exposure Index (3)	<i>A Priori</i> Ultimate Losses (4)
2006-07	\$16,547,852	0.589	0.961	\$9,372,865
2007-08	16,547,852	0.630	0.980	10,217,209
2008-09	16,547,852	0.689	1.000	11,393,254
2009-10	16,547,852	0.753	0.980	12,211,328
2010-11	16,547,852	0.823	0.961	13,088,143
2011-12	16,547,852	0.868	0.942	13,539,232
2012-13	16,547,852	0.903	0.924	13,809,341
2013-14	16,547,852	0.927	0.942	14,448,246
2014-15	16,547,852	0.950	0.961	15,116,710
2015-16	16,547,852	0.975	0.980	15,816,102
2016-17	16,547,852	1.000	1.000	16,547,852
Total				\$145,560,282

Notes:

- (1) Page 43, Item (5).
- (2) Estimated by BAC.
- (3) Page 43, Column (3).
- (4) (1) x (2) x (3).

Alameda County Schools Insurance Group
Workers' Compensation Program

A Priori Loss Rate for Bornhuetter-Ferguson Method
Unlimited Losses

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Exposure Index (3)	Constant Dollar, Constant Exposure Losses (4)
2006-07	\$13,893,618	1.697	0.961	\$24,529,270
2007-08	12,005,742	1.588	0.980	19,444,570
2008-09	12,447,538	1.452	1.000	18,079,121
2009-10	13,192,210	1.329	0.980	17,877,067
2010-11	13,385,194	1.215	0.961	16,923,425
2011-12	13,720,844	1.152	0.942	16,769,820
2012-13	11,817,838	1.107	0.924	14,161,416
2013-14	12,368,591	1.079	0.942	14,165,983
2014-15	17,618,379	1.052	0.961	19,286,360
2015-16	14,451,027	1.026	0.980	15,119,620
2016-17	18,635,476	1.000	1.000	18,635,476
Total	\$153,536,457			\$17,726,557
08/09-15/16	\$109,001,621			\$17,635,665
(5) Selected A Priori 2016-17 Loss Level:				\$16,547,852

Notes:

- (1) Page 44, Column (3).
- (2) Estimated by BAC.
- (3) Page 50, Column (2).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Alameda County Schools Insurance Group
Workers' Compensation Program

A Priori Ultimate losses
Unlimited Losses

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
1986-87	\$2,966,521	\$2,905,304	\$2,936,274
1987-88	2,923,854	2,983,486	2,953,285
1988-89	4,112,135	4,185,385	4,148,283
1989-90	3,009,549	3,059,882	3,034,373
1990-91	5,777,347	5,841,948	5,809,190
1991-92	5,370,212	5,476,130	5,422,348
1992-93	4,408,981	4,342,316	4,376,268
1993-94	3,965,957	4,005,644	3,985,375
1994-95	5,188,245	5,194,918	5,191,496
1995-96	5,671,966	5,881,685	5,773,595
1996-97	7,753,881	7,905,359	7,826,982
1997-98	7,740,540	7,631,441	7,688,067
1998-99	10,869,307	10,352,618	10,621,897
1999-00	8,599,681	8,444,041	8,525,560
2000-01	12,113,493	12,658,030	12,370,771
2001-02	13,680,011	14,523,068	14,073,769
2002-03	10,936,920	12,200,351	11,521,253
2003-04	6,862,605	7,285,848	7,058,380
2004-05	6,150,490	6,873,419	6,484,580
2005-06	10,385,902	10,985,502	10,662,894
2006-07	15,278,666	12,286,027	13,893,618
2007-08	11,999,176	12,013,423	12,005,742
2008-09	12,360,922	12,547,802	12,447,538
2009-10	13,447,681	12,896,086	13,192,210
2010-11	13,654,959	13,077,507	13,385,194
2011-12	13,727,864	13,712,574	13,720,844
2012-13	12,132,471	11,431,434	11,817,838
2013-14	12,659,580	11,972,991	12,368,591
2014-15	18,219,203	16,718,883	17,618,379
2015-16	15,037,684	13,342,625	14,451,027
2016-17	19,613,622	14,754,818	18,635,476
Total	\$296,619,425	\$287,490,545	\$294,001,097

Notes:

- (1) Page 38, Column (3).
- (2) Page 39, Column (3).
- (3) Selected on the basis of (1) and (2).

Alameda County Schools Insurance Group
Workers' Compensation Program

Frequency Times Severity Method
Unlimited Losses

Program Year	Selected Indemnity Claim Severity (1)	Factor to Remove Trend (2)	Selected Ultimate Indemnity Claims (3)	Estimated Ultimate Losses (4)
2006-07	\$50,000	0.688	281	\$9,671,982
2007-08	50,000	0.715	319	11,407,367
2008-09	50,000	0.760	331	12,579,513
2009-10	50,000	0.808	341	13,773,088
2010-11	50,000	0.859	362	15,539,127
2011-12	50,000	0.881	335	14,750,436
2012-13	50,000	0.903	311	14,046,316
2013-14	50,000	0.927	334	15,473,569
2014-15	50,000	0.950	359	17,060,057
2015-16	50,000	0.975	270	13,161,088
2016-17	50,000	1.000	315	15,750,000
Total				\$153,212,543

Notes:

- (1) Page 46, Item (5).
- (2) Estimated by BAC.
- (3) Page 47, Column (3).
- (4) (1) x (2) x (3).

Alameda County Schools Insurance Group
Workers' Compensation Program

Calculation of Expected Indemnity Claim Severity
Frequency Times Severity Method
Unlimited Losses

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Severity Trend (2)	Selected Indemnity Claim Count (3)	Trended Indemnity Claim Severity (4)
2006-07	\$13,893,618	1.453	281	\$71,824
2007-08	12,005,742	1.398	319	52,623
2008-09	12,447,538	1.316	331	49,475
2009-10	13,192,210	1.238	341	47,891
2010-11	13,385,194	1.165	362	43,069
2011-12	13,720,844	1.136	335	46,510
2012-13	11,817,838	1.107	311	42,067
2013-14	12,368,591	1.079	334	39,967
2014-15	17,618,379	1.052	359	51,636
2015-16	14,451,027	1.026	270	54,901
2016-17	18,635,476	1.000	315	59,160
Total	\$153,536,457		3,558	\$50,829
06/07-15/16	\$134,900,981		3,243	\$49,996
			(5) Selected Severity:	\$50,000

Notes:

- (1) Page 44, Column (3).
- (2) Estimated by BAC.
- (3) Page 47, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Alameda County Schools Insurance Group
Workers' Compensation Program

Selected # of Indemnity Claims

Program Year	Reported Indemnity Claim Count Projection (1)	Bornhuetter- Ferguson Method (2)	Selected Indemnity Claim Count (3)
1986-87	314		314
1987-88	320		320
1988-89	397		397
1989-90	350		350
1990-91	396		396
1991-92	424		424
1992-93	397		397
1993-94	408		408
1994-95	405		405
1995-96	416		416
1996-97	382		382
1997-98	304		304
1998-99	324		324
1999-00	321		321
2000-01	319		319
2001-02	318		318
2002-03	326		326
2003-04	255		255
2004-05	213		213
2005-06	250		250
2006-07	281		281
2007-08	319		319
2008-09	331		331
2009-10	341		341
2010-11	362		362
2011-12	335		335
2012-13	311		311
2013-14	334		334
2014-15	359		359
2015-16	270		270
2016-17	268	315	315
Total	10,350		10,397

Notes:

- (1) Page 48, Column (3).
- (2) Page 49, Column (6).
- (3) Selected on the basis of (1) and (2).

Alameda County Schools Insurance Group
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims
Projection of Reported Claims

Program Year	Total Indemnity Claims Reported 12/31/16 (1)	Development Factors as of 12/31/16 (2)	Projected Ultimate Indemnity Claims (3)
1991-92	397	1.000	397
1992-93	408	1.000	408
1993-94	405	1.000	405
1994-95	416	1.000	416
1995-96	382	1.000	382
1996-97	304	1.000	304
1997-98	324	1.000	324
1998-99	321	1.000	321
1999-00	319	1.000	319
2000-01	318	1.000	318
2001-02	326	1.000	326
2002-03	255	1.001	255
2003-04	213	1.001	213
2004-05	250	1.001	250
2005-06	280	1.002	281
2006-07	318	1.004	319
2007-08	329	1.006	331
2008-09	337	1.011	341
2009-10	357	1.014	362
2010-11	328	1.022	335
2011-12	302	1.031	311
2012-13	321	1.040	334
2013-14	339	1.060	359
2014-15	243	1.113	270
2015-16	86	3.121	268
Total	7,878		8,149

Notes:

- (1) Provided by Keenan & Associates.
- (2) Page 63.
- (3) (1) x (2), rounded.

Alameda County Schools Insurance Group
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims
Bornhuetter-Ferguson Method

Program Year	A Priori Claim Count (1)	Claim Development Factor (2)	Estimated Percentage of Claims Unreported (3)	Estimated Unreported Claims (4)	Reported Claims as of 12/31/16 (5)	Projected Ultimate Claims (6)
2016-17	337	3.121	68.0%	229	86	315

Notes:

- (1) Page 50, Item (6).
- (2) Page 48, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 48, Column (1).
- (6) $(4) + (5)$.

Alameda County Schools Insurance Group
Workers' Compensation Program

Calculation of Expected # of Indemnity Claims
A Priori Claim Count

Program Year	Projected Ultimate Indemnity Claims (1)	Exposure Index (2)	Indicated Indemnity Claim Frequency (3)
2006-07	281	0.961	292
2007-08	319	0.980	325
2008-09	331	1.000	331
2009-10	341	0.980	348
2010-11	362	0.961	377
2011-12	335	0.942	356
2012-13	311	0.924	337
2013-14	334	0.942	354
2014-15	359	0.961	374
2015-16	270	0.980	275
2016-17	268	1.000	268
Total	3,511	10.633	331
10/11-15/16	1,971	5.711	337
(4) Selected Claim Frequency:			337
(5) 2016-17 Exposure Index:			1.000
(6) 2016-17 A Priori Claim Count:			337

Notes:

- (1) Page 48, Column (3).
- (2) Estimated by BAC.
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) (2).
- (6) (4) x (5).

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Future Loss Exhibits

**Alameda County Schools Insurance Group
Workers' Compensation Program**

Projected 2017-18 Loss Rate

Unlimited Losses

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Exposure Indexed to 2017-18 (3)	Trended Loss @ 2017-18 Exposure Level (4)
2004-05	\$5,960,000	1.816	0.906	\$11,947,424
2005-06	10,470,000	1.860	0.924	21,082,304
2006-07	15,800,000	1.741	0.942	29,185,593
2007-08	11,940,000	1.629	0.961	20,232,792
2008-09	12,360,000	1.490	0.980	18,782,547
2009-10	13,320,000	1.363	0.961	18,885,353
2010-11	13,410,000	1.247	0.942	17,739,220
2011-12	13,720,000	1.181	0.924	17,544,615
2012-13	12,080,000	1.136	0.906	15,145,296
2013-14	12,650,000	1.107	0.924	15,158,603
2014-15	17,360,000	1.079	0.942	19,882,739
2015-16	15,540,000	1.052	0.961	17,011,215
2016-17	16,950,000	1.026	0.980	17,734,211
Total	\$171,560,000			\$18,487,070
05/06-14/15	\$133,110,000			\$19,363,906

(5) Selected 2017-18 Level Losses: \$19,363,906

Program Year	Maximum Claim (6)	LDF (7)	Sev trend (8)	Trended Developed (9)
2007-08	\$935,975	1.166	1.398	\$1,525,618
2008-09	671,447	1.231	1.316	1,087,048
2009-10	555,381	1.291	1.238	887,838
2010-11	618,333	1.373	1.165	988,601
2011-12	601,285	1.439	1.136	982,805

(10) Factor for Unlimited Retention: 1.020

(11) Unlimited 2017-18 Level Losses: **\$19,750,425**

(12) Unlimited 2017-18 Level Rate: **\$1.88**

Notes:

- | | |
|--------------------------------------|-----------------------------|
| (1) Page 37, Column (6). | (7) Page 38, Column (2). |
| (2) Estimated by BAC. | (8) Page 46, Column (2). |
| (3) Estimated by BAC. | (9) (6) x (7) x (8). |
| (4) (1) x (2) / (3). | (10) Estimated by BAC. |
| (5) Selected on the basis of (4). | (11) (5) x (10). |
| (6) Provided by Keenan & Associates. | (12) (6) / 2017-18 payroll. |

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Discounting Exhibits

Alameda County Schools Insurance Group
Workers' Compensation Program

Discounted Value of Unpaid Losses as of June 30, 2017
Assuming a 1.5% Interest Rate

Self-Insured Losses Limited to Stated SIR

Program Year	Projected Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1986-87	\$142,261	0.950	\$135,209
1987-88	38,958	0.942	36,702
1988-89	73,031	0.932	68,059
1989-90	64,570	0.925	59,735
1990-91	190,278	0.920	174,993
1991-92	154,722	0.916	141,761
1992-93	356,222	0.915	325,812
1993-94	245,671	0.912	224,004
1994-95	407,405	0.910	370,778
1995-96	279,709	0.909	254,230
1996-97	677,776	0.905	613,146
1997-98	982,591	0.899	882,908
1998-99	1,780,425	0.894	1,590,912
1999-00	1,086,880	0.891	968,144
2000-01	1,333,207	0.891	1,187,794
2001-02	1,441,774	0.892	1,285,439
2002-03	944,432	0.888	838,900
2003-04	1,077,322	0.878	946,385
2004-05	543,721	0.874	475,120
2005-06	1,871,158	0.866	1,621,054
2006-07	1,205,125	0.866	1,043,324
2007-08	1,304,021	0.865	1,127,468
2008-09	1,504,041	0.867	1,303,490
1985-86 & prior	\$65,930	0.950	62,662
Total	\$17,771,231		\$15,738,029

(4) Indicated Discount Factor: 0.886

Notes:

- (1) Page 26, Column (6).
- (2) Based upon a 1.5% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Discounted Value of 2016-17 Losses as of July 1, 2017
Assuming a 1.5% Interest rate

Unlimited Losses

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2017-18	\$2,134,828	0.993	\$2,118,995
2018-19	3,493,897	0.978	3,416,733
2019-20	1,956,706	0.963	1,885,213
2020-21	2,509,795	0.949	2,382,358
2021-22	1,551,034	0.935	1,450,521
2022-23	1,031,346	0.921	950,257
2023-24	667,417	0.908	605,854
2024-25	752,807	0.894	673,269
2025-26	352,846	0.881	310,902
2026-27	218,950	0.868	190,071
2027-28	37,710	0.855	32,252
2028-29	432,658	0.843	364,574
2029-30	134,280	0.830	111,477
2030-31	214,597	0.818	175,522
2031-32	236,286	0.806	190,405
2032-33	411,433	0.794	326,644
2033-34	413,759	0.782	323,636
2034-35	287,832	0.771	221,811
2035-36	207,513	0.759	157,552
2036-37	166,669	0.748	124,671
2037-38	154,371	0.737	113,766
2038-39	236,819	0.726	171,948
39-40 & later	1,760,355	0.656	1,154,499
Total	\$19,363,906		\$17,452,930

(4) Indicated Discount Factor: 0.901

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Discounted Value of 2016-17 Losses as of July 1, 2017
Assuming a 1.5% Interest rate

\$1,000,000 SIR

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2017-18	\$2,053,138	0.993	\$2,037,911
2018-19	3,360,202	0.978	3,285,991
2019-20	1,881,832	0.963	1,813,074
2020-21	2,413,757	0.949	2,291,196
2021-22	1,491,683	0.935	1,395,016
2022-23	991,881	0.921	913,895
2023-24	641,878	0.908	582,671
2024-25	724,001	0.894	647,506
2025-26	339,344	0.881	299,005
2026-27	210,571	0.868	182,798
2027-28	36,267	0.855	31,018
2028-29	416,103	0.843	350,623
2029-30	133,665	0.830	110,966
2030-31	210,557	0.818	172,218
2031-32	230,986	0.806	186,135
2032-33	398,347	0.794	316,255
2033-34	399,704	0.782	312,643
2034-35	275,354	0.771	212,195
2035-36	198,479	0.759	150,693
2036-37	159,391	0.748	119,227
2037-38	147,612	0.737	108,785
2038-39	226,417	0.726	164,395
39-40 & later	1,681,770	0.656	1,102,824
Total	\$18,622,938		\$16,787,040

(4) Indicated Discount Factor: 0.901

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Discounted Value of 2016-17 Losses as of July 1, 2017
Assuming a 1.5% Interest rate

\$500,000 SIR

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2017-18	\$1,902,757	0.993	\$1,888,645
2018-19	3,114,086	0.978	3,045,310
2019-20	1,743,998	0.963	1,680,277
2020-21	2,248,639	0.949	2,134,463
2021-22	1,462,371	0.935	1,367,604
2022-23	989,177	0.921	911,404
2023-24	656,789	0.908	596,206
2024-25	717,969	0.894	642,111
2025-26	363,123	0.881	319,957
2026-27	243,443	0.868	211,335
2027-28	88,778	0.855	75,930
2028-29	409,007	0.843	344,644
2029-30	109,247	0.830	90,695
2030-31	173,865	0.818	142,207
2031-32	190,695	0.806	153,667
2032-33	330,064	0.794	262,044
2033-34	329,738	0.782	257,916
2034-35	227,925	0.771	175,645
2035-36	163,692	0.759	124,281
2036-37	131,093	0.748	98,060
2037-38	121,119	0.737	89,260
2038-39	185,247	0.726	134,503
39-40 & later	1,356,091	0.648	879,420
Total	\$17,258,913		\$15,625,584

(4) Indicated Discount Factor: 0.905

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Discounted Value of 2016-17 Losses as of July 1, 2017
Assuming a 1.5% Interest rate

\$250,000 SIR

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2017-18	\$1,680,024	0.993	\$1,667,564
2018-19	2,974,907	0.978	2,909,205
2019-20	1,644,644	0.963	1,584,553
2020-21	2,024,671	0.949	1,921,867
2021-22	1,337,592	0.935	1,250,911
2022-23	903,383	0.921	832,356
2023-24	607,310	0.908	551,291
2024-25	627,512	0.894	561,212
2025-26	339,723	0.881	299,339
2026-27	240,896	0.868	209,123
2027-28	124,871	0.855	106,800
2028-29	334,924	0.843	282,219
2029-30	65,905	0.830	54,713
2030-31	108,725	0.818	88,928
2031-32	119,655	0.806	96,422
2032-33	210,420	0.794	167,056
2033-34	208,771	0.782	163,298
2034-35	146,356	0.771	112,786
2035-36	104,344	0.759	79,222
2036-37	83,106	0.748	62,165
2037-38	76,424	0.737	56,322
2038-39	48,965	0.726	35,552
39-40 & later	894,455	0.643	574,983
Total	\$14,907,585		\$13,667,887

(4) Indicated Discount Factor: 0.917

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Alameda County Schools Insurance Group
Workers' Compensation Program

Program Information

Program Year	SIR (1)	Payroll (\$00's) (2)	Total Exposure Indexed to 2016-17 (3)	Potential Future Medical Reopenings Under SIR (4)
1986-87	\$500,000	\$0	0.647	6
1987-88	10,000,000	0	0.660	0
1988-89	10,000,000	0	0.673	2
1989-90	10,000,000	0	0.686	1
1990-91	10,000,000	0	0.700	5
1991-92	10,000,000	0	0.714	5
1992-93	10,000,000	0	0.728	3
1993-94	10,000,000	0	0.743	3
1994-95	10,000,000	0	0.758	6
1995-96	2,000,000	0	0.773	7
1996-97	2,000,000	0	0.788	9
1997-98	2,000,000	0	0.804	8
1998-99	2,000,000	5,217,298	0.820	17
1999-00	1,000,000	5,809,776	0.837	12
2000-01	1,000,000	6,457,665	0.853	21
2001-02	1,000,000	6,791,261	0.871	22
2002-03	1,000,000	6,878,794	0.888	24
2003-04	10,000,000	6,804,882	0.906	23
2004-05	3,000,000	7,298,747	0.924	22
2005-06	3,000,000	7,967,892	0.942	29
2006-07	250,000	7,924,497	0.961	35
2007-08	250,000	8,373,523	0.980	50
2008-09	250,000	8,379,779	1.000	34
2009-10	PIPS	7,983,289	0.980	
2010-11	PIPS	7,698,192	0.961	
2011-12	PIPS	7,873,713	0.942	
2012-13	PIPS	7,928,199	0.924	
2013-14	PIPS	8,039,488	0.942	
2014-15	PIPS	9,079,586	0.961	
2015-16	PIPS	9,753,745	0.980	
2016-17	PIPS	10,118,366	1.000	
2017-18	?	10,500,185	1.020	

Notes:

- (1) Provided by Keenan & Associates.
- (2) Provided by Keenan & Associates.
- (3) Estimated by BAC.
- (4) Provided by Keenan & Associates. 1986-87 includes older years.

**Alameda County Schools Insurance Group
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Claims Data Exhibits

Alameda County Schools Insurance Group
Workers' Compensation Program

Cumulative Reported Losses - Unlimited (\$000's)

Program	Months of Development														
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>	<u>150</u>	<u>162</u>	<u>174</u>
1992															4,559
1993														3,939	3,946
1994													3,584	3,526	3,600
1995												4,458	4,440	4,626	4,932
1996											4,767	4,863	5,152	5,311	5,536
1997										5,711	5,884	6,435	6,728	6,877	6,719
1998									5,742	5,923	6,548	6,420	6,465	7,402	7,185
1999								7,696	8,065	9,823	9,884	10,287	10,497	10,818	10,672
2000							6,224	6,409	7,200	7,162	7,465	8,278	8,284	8,446	8,480
2001						7,909	8,710	11,125	10,953	13,502	13,997	13,873	11,154	11,281	11,384
2002					7,525	8,186	10,233	11,254	11,695	11,853	11,938	14,419	14,614	14,435	14,444
2003				6,070	7,110	9,059	8,593	8,775	8,504	10,093	10,236	9,873	10,052	10,009	10,245
2004			3,527	4,604	5,652	5,700	6,236	6,346	6,147	6,297	6,174	6,335	6,350	6,382	
2005		2,278	3,069	4,738	5,249	5,021	5,794	5,518	5,457	5,419	5,470	5,651	5,629		
2006	647	2,754	6,344	6,936	6,441	7,085	6,960	7,811	9,259	9,219	9,463	9,400			
2007	1,014	5,880	7,487	8,423	9,310	8,770	9,098	11,194	12,933	13,014	13,401				
2008	2,355	7,633	8,644	9,340	8,524	8,755	9,056	9,421	9,999	10,293					
2009	2,843	7,418	7,830	8,612	8,778	9,120	9,190	9,347	10,045						
2010	1,627	5,942	7,779	9,403	9,807	10,367	10,540	10,414							
2011	3,232	6,935	8,678	9,125	9,352	9,851	9,948								
2012	2,238	6,594	7,919	8,706	9,348	9,537									
2013	1,615	5,128	6,306	7,455	8,114										
2014	1,674	5,369	6,920	7,968											
2015	1,954	8,202	9,976												
2016	2,080	6,587													
2017	2,539														
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - 138</u>	<u>138 - 150</u>	<u>150 - 162</u>	<u>162 - 174</u>	<u>174 - Ult.</u>
ALL YR VOL	3.216	1.262	1.145	1.051	1.050	1.051	1.077	1.057	1.069	1.025	1.044	0.983	1.021	1.005	
3 YR VOL	3.532	1.241	1.141	1.060	1.044	1.012	1.014	1.101	1.010	1.025	1.013	1.008	0.994	1.010	
EX HI LO	3.383	1.250	1.150	1.062	1.039	1.049	1.063	1.049	1.056	1.022	1.032	1.011	1.016	1.007	
REFERENCE	2.872	1.314	1.163	1.116	1.062	1.029	1.011	1.009	1.007	1.004	1.008	1.007	1.002	1.002	1.068
SELECT	3.383	1.250	1.150	1.062	1.039	1.049	1.063	1.049	1.056	1.022	1.032	1.011	1.016	1.007	1.068
CUMULATIVE	7.724	2.283	1.826	1.589	1.495	1.439	1.373	1.291	1.231	1.166	1.140	1.105	1.093	1.075	1.068

Alameda County Schools Insurance Group
Workers' Compensation Program

Cumulative Paid Losses - Unlimited (\$000's)

Program	Months of Development														
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>	<u>150</u>	<u>162</u>	<u>174</u>
1992															4,457
1993														3,925	3,938
1994													3,491	3,500	3,513
1995												4,472	4,502	4,555	4,603
1996											4,758	4,886	4,932	4,980	5,015
1997										5,579	5,671	5,836	5,930	6,152	6,318
1998									5,495	5,632	5,881	5,946	6,017	6,340	6,387
1999								7,206	7,505	7,816	8,053	8,200	8,559	8,650	8,755
2000							5,899	6,067	6,310	6,466	6,544	6,724	6,808	6,905	6,962
2001						7,245	7,872	8,443	9,060	9,523	9,888	10,176	10,269	10,551	10,581
2002					6,922	7,442	8,167	8,716	9,134	9,439	9,632	11,042	11,173	11,464	11,551
2003				5,218	6,109	6,836	7,033	7,265	7,573	8,479	9,325	9,430	9,644	9,802	9,834
2004			3,009	3,693	4,254	4,720	4,959	5,271	5,496	5,644	5,731	5,755	5,791	5,831	
2005		1,826	2,408	2,993	3,685	3,962	4,368	4,513	4,755	4,890	4,974	5,374	5,405		
2006	209	1,697	2,912	3,826	4,642	5,006	5,904	6,525	6,893	7,999	8,358	8,537			
2007	254	2,003	3,945	5,021	6,004	6,564	7,436	7,704	8,444	8,877	9,284				
2008	244	2,909	5,028	6,166	6,851	7,496	7,807	8,108	8,593	8,811					
2009	463	3,335	4,881	6,133	7,477	7,838	8,177	8,513	8,809						
2010	439	3,070	4,873	6,411	7,061	7,563	8,376	8,615							
2011	607	3,403	5,458	6,424	7,115	7,686	8,353								
2012	531	3,826	5,019	5,994	7,566	8,086									
2013	831	2,414	3,752	5,254	6,225										
2014	367	2,680	4,123	5,543											
2015	593	3,626	6,115												
2016	413	3,094													
2017	482														
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - 138</u>	<u>138 - 150</u>	<u>150 - 162</u>	<u>162 - 174</u>	<u>174 - Ult.</u>
ALL YR VOL	6.477	1.576	1.265	1.172	1.081	1.084	1.049	1.054	1.054	1.037	1.039	1.015	1.021	1.008	
3 YR VOL	6.849	1.604	1.302	1.183	1.073	1.079	1.036	1.063	1.073	1.039	1.032	1.014	1.018	1.005	
EX HI LO	7.105	1.577	1.266	1.176	1.083	1.083	1.046	1.051	1.045	1.030	1.028	1.012	1.018	1.007	
REFERENCE	3.815	1.674	1.339	1.226	1.118	1.069	1.055	1.040	1.020	1.009	1.016	1.019	1.011	1.015	1.241
SELECT	7.105	1.577	1.266	1.176	1.083	1.083	1.046	1.051	1.045	1.030	1.028	1.012	1.018	1.007	1.241
CUMULATIVE	30.642	4.313	2.734	2.160	1.836	1.696	1.566	1.497	1.424	1.363	1.323	1.287	1.272	1.249	1.241

Alameda County Schools Insurance Group
Workers' Compensation Program

Cumulative # of Indemnity Losses Reported

Program	Months of Development														
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>	<u>150</u>	<u>162</u>	<u>174</u>
1992															423
1993														397	397
1994													406	406	408
1995												403	403	404	405
1996											416	416	416	416	416
1997										377	377	379	380	380	381
1998									302	302	303	303	304	304	304
1999								317	320	323	324	324	324	324	324
2000							306	308	315	316	321	321	321	321	321
2001						290	293	312	314	316	317	318	319	319	319
2002					282	284	307	309	313	314	316	318	318	318	318
2003				283	286	316	322	324	326	326	326	326	326	326	326
2004			215	220	244	249	253	253	255	255	255	255	255	255	
2005		160	166	196	201	212	213	213	213	213	213	213	213	213	
2006	74	187	238	247	248	249	248	249	250	250	250	250			
2007	85	257	274	280	279	278	280	280	280	280	280				
2008	95	303	314	316	316	316	316	317	317	318					
2009	123	309	321	322	327	326	329	329	329						
2010	97	310	326	336	338	336	336	337							
2011	116	330	351	353	355	356	357								
2012	135	314	325	328	328	328									
2013	98	278	294	301	302										
2014	106	298	314	321											
2015	113	326	339												
2016	93	243													
2017	86														
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - 138</u>	<u>138 - 150</u>	<u>150 - 162</u>	<u>162 - 174</u>	<u>174 - Ult.</u>
ALL YR VOL	2.780	1.062	1.026	1.013	1.014	1.013	1.009	1.007	1.002	1.003	1.001	1.001	1.000	1.001	
3 YR VOL	2.779	1.050	1.018	1.003	0.999	1.004	1.002	1.000	1.001	1.000	1.000	1.000	1.000	1.000	
EX HI LO	2.805	1.049	1.020	1.008	1.009	1.008	1.003	1.005	1.002	1.002	1.001	1.001	1.000	1.001	
SELECT	2.805	1.049	1.020	1.008	1.009	1.008	1.003	1.005	1.002	1.002	1.001	1.001	1.000	1.001	1.000
CUMULATIVE	3.121	1.113	1.060	1.040	1.031	1.022	1.014	1.011	1.006	1.004	1.002	1.001	1.001	1.001	1.000



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: Draft Actuarial Report for Workers' Compensation Ex-mods.

Enclosed please find the draft actuarially determined experience modification factors as calculated by Jack Joyce of Bay Actuarial Services, within the workers' compensation program. This is our sixth year having these rates determined by an actuary. It is the goal of ACSIG to continue to use an actuary to determine ex-mods and, therefore, consistency should be achieved after the first few years.

Historically, ACSIG experience modification factors were not "re-benched" to 1.00. The result was program underfunding. In 2008, the Executive Committee and Board agreed to begin a multi-year funding model to begin "re-benching" ex-mods to 1.00. Program year 2009/2010 was the first year of this process. It was the expectation that the rates would become more consistent due to the use of actuarially determined experience-modification rates. Prior to 2013/2014, the ACSIG Board imposed a cap in the amount an ex-mod could increase/decrease in any one program year. Beginning in 2013/14 the actuarially determined ex-mod will be used with no maximum change cap. The assumption that all ex-mods will remain between 0.75 – 1.25 continues.

The Executive Director will review this report with the Board. The Board will be asked to approve this report.

MEMBER	NEW EX-MOD 12/31/17	OLD EX-MOD 12/31/16
ACOE	0.750	0.750
ALAMEDA	1.250	1.188
ALBANY	1.003	0.989
CASTRO VALLEY	0.884	1.078
DUBLIN	0.750	0.768
EDEN ROP	0.750	0.750
EMERY	0.750	0.750
FREMONT	0.836	0.917
LIVERMORE	1.109	1.092
MISSION ROP	0.750	0.750
MT. HOUSE	0.750	1.250
NEWARK	0.932	1.000
NEW HAVEN	1.128	1.076
PIEDMONT	0.750	0.750
PLEASANTON	1.134	0.920
SAN LEANDRO	1.250	1.115
SAN LORENZO	1.250	1.250
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	0.750	0.750



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2018-19 Workers' Compensation Rates.

Enclosed please find the workers' compensation rates for 2018-2019. These rates have been adjusted to incorporate the actuary's estimate for experience modification factors.

Historically, ACSIG experience modification factors were not "re-benched" to 1.00. The result was program underfunding. In 2007, the Board began addressing this underfunding by incrementally increasing the ex-mods toward the actuarially determined amount. This deficit was finally eliminated in 2016/2017. Beginning in 2013-14, the pure ex-mod as calculated by the actuary was applied to rates. This model continues into 2017-2018.

The Workers' Compensation program continues to maintain a positive fund balance. This is projected to continue into 2018-2019.

The Executive Director will review this report with the Board and they will be asked to approve these rates.

2018/2019
Workers' Compensat

	2015/2016 Actual Payroll	2016/2017 Actual Payroll	Base Rate	Ex Mod
ACOE	\$25,061,341	\$23,717,493	2.65	0.7500
ALAMEDA	\$68,660,947	\$70,301,878	2.65	1.2500
ALBANY	\$27,672,524	\$27,858,715	2.65	1.0030
CASTRO VALLEY	\$61,699,837	\$64,078,083	2.65	0.8840
DUBLIN	\$66,582,268	\$68,658,689	2.65	0.7500
EDEN ROP	\$3,885,140	\$4,583,000	2.65	0.7500
EMERY	\$5,695,727	\$5,808,634	2.65	0.7500
FREMONT	\$242,522,930	\$255,927,440	2.65	0.8360
LIVERMORE	\$78,864,191	\$84,264,612	2.65	1.1090
MISSION ROP	\$3,996,482	\$4,351,284	2.65	0.7500
MT. HOUSE	\$174,844	\$183,365	2.65	0.7500
NEWARK	\$43,428,226	\$43,509,192	2.65	0.9320
NEW HAVEN	\$82,394,985	\$89,658,169	2.65	1.1280
PIEDMONT	\$23,943,792	\$24,365,158	2.65	0.7500
PLEASANTON *	\$100,602,848	\$102,590,453	2.65	1.1340
SAN LEANDRO	\$60,732,865	\$63,320,230	2.65	1.2500
SAN LORENZO	\$74,342,651	\$78,240,528	2.65	1.2500
SUNOL GLEN	\$1,912,229	\$2,031,253	2.65	0.7500
TRI VALLEY ROP	\$3,200,723	\$2,121,140	2.65	0.7500
TOTAL PREMIUMS	\$975,374,549	\$1,015,569,318		

Average Ex Mod	1.00000
----------------	---------

Payrolls based upon 2016/2017 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

ion Rates

Rate per \$100 Payroll	2018/2019 PREMIUM
1.99	\$471,385
3.31	\$2,328,750
2.66	\$740,471
2.34	\$1,501,093
1.99	\$1,364,591
1.99	\$91,087
1.99	\$115,447
2.22	\$5,669,817
2.94	\$2,476,411
1.99	\$86,482
1.99	\$3,644
2.47	\$1,074,590
2.99	\$2,680,062
1.99	\$484,258
3.01	\$3,082,946
3.31	\$2,097,483
3.31	\$2,591,717
1.99	\$40,371
1.99	\$42,158
	\$26,942,761



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: Workers' Compensation Program Surplus/(Deficit) by Member

The ACSIG Board has spent considerable time identifying and quantifying the deficit within the Workers' Compensation program. While years of underfunding led to an overall deficit, through aggressive claims handling and funding, the program now shows a small surplus. Even though the program is currently in a surplus, there were years when that wasn't the case. It is important remind all members of the unfunded liability and each member's portion of that liability.

This information will be reviewed by the Executive Director and a representative from SETECH at the meeting.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

WORKERS' COMPENSATION PROGRAM

A FINANCIAL MANAGEMENT INFORMATION REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2017

Full Board Meeting on May 17, 2018

Prepared by:



Innovative Solutions. Enduring Principles.

License No. 0451271



**Alameda County Schools Insurance Group
Workers Compensation
Table of Contents**

	Page Number
Distribution and Use of Report	I
 <u>Financial Statements</u> 	
Statement of Net Position - As of 06/30/2016 and 06/30/2017	1
Statement of Revenues, Expenditures and Changes in Net Position Adopted Budget Versus Actual - For The Fiscal Years Ended 06/30/2016 and 06/30/2017	2
Calculation of Net Position by Program Year - As of 06/30/2016 and 06/30/2017	3, 4, 5, 6
Allocation of Net Position - Assets/(Deficit) by Member - As of 06/30/2017 Program Years Prior to 07/01/1993, 1992/1993, 1993/1994, 1994/1995, 1995/1996	7
Program Years 1996/1997, 1997/1998, 1998/1999, 1999/2000	8
Program Years 2000/2001, 2001/2002, 2002/2003, 2003/2004	9
Program Years 2004/2005, 2005/2006, 2006/2007, 2007/2008	10
Program Years 2008/2009, 2009/2010, 2010/2011, 2011/2012	11
Program Years 2012/2013, 2013/2014, 2014/2015, 2015/2016	12
Program Years 2016/2017	13
 <u>Other Financial Information</u> 	
Schedule of Discounted Claim Liabilities As of 06/30/2017	14, 15, 16
Investment Income Allocation by Program Year - For The Fiscal Year Ended 06/30/2017	17, 18, 19
Member Contributions - For The Program Year Ended 06/30/2016	20
For The Program Year Ended 06/30/2017	21

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.

FINANCIAL STATEMENTS

**Alameda County Schools Insurance Group
Workers' Compensation
Statement of Net Position
As of 06/30/2016 and 06/30/2017**

	Audited Balance 06/30/2016	Activity 7/1/2016 Through 06/30/2017	Audited Balance 06/30/2017
ASSETS:			
Current Assets			
Cash and Cash Equivalents	\$ 8,758,964	\$ 4,967,773	\$ 13,726,737
Investments - maturing within one year	1,701,027	331,211	2,032,238
Accounts Receivable	240,872	(52,194)	188,678
Prepaid Expense	--	--	--
Interfund Receivable, net	(997,048)	928,379	(68,669)
Total Current Assets	<u>9,703,815</u>	<u>6,175,169</u>	<u>15,878,984</u>
Non Current Assets			
Capital Assets, net of depreciation	--	--	--
Investments - maturing over one year	8,815,661	(1,429,241)	7,386,420
Total Non Current Assets	<u>8,815,661</u>	<u>(1,429,241)</u>	<u>7,386,420</u>
Total Assets	<u>18,519,476</u>	<u>4,745,928</u>	<u>23,265,404</u>
Deferred Outflow of Resources			
Deferred outflow of resources - pension	13,261	52,039	65,300
LIABILITIES:			
Current Liabilities			
Accounts Payable and Due to Members			
Accounts Payable	1,778	3,295	5,073
Deferred revenue	--	--	--
Subtotal	<u>1,778</u>	<u>3,295</u>	<u>5,073</u>
Current Portion of Discounted Claim Liabilities	1,680,000	(89,000)	1,591,000
Subtotal Current Liabilities	<u>1,681,778</u>	<u>(85,705)</u>	<u>1,596,073</u>
Noncurrent Liabilities			
Discounted Claim Liabilities	16,140,255	(1,930,298)	14,209,957
Unallocated Loss Adjustment Expense (ULAE)	1,520,000	(192,000)	1,328,000
Subtotal Noncurrent Liabilities	<u>17,660,255</u>	<u>(2,122,298)</u>	<u>15,537,957</u>
Net Pension Liability (NPL)	157,653	18,205	175,858
Total Liabilities	<u>19,499,686</u>	<u>(2,189,798)</u>	<u>17,309,888</u>
Deferred Inflow of Resources			
Deferred inflow of resources - pension	19,045	19,507	38,552
NET POSITION			
Undesignated	(985,994)	6,968,258	5,982,264
Designated - Capital Assets	--	--	--
Total Net Position	<u>(985,994)</u>	<u>6,968,258</u>	<u>5,982,264</u>
Total Liabilities, Deferred Pension, and Net Position	<u>\$ 18,519,476</u>	<u>\$ 4,745,928</u>	<u>\$ 23,265,404</u>

**Alameda County Schools Insurance Group
Workers' Compensation**

**Statement of Revenues, Expenditures
And Changes In Net Position**

Adopted Budget Versus Actual

For The Fiscal Years Ended 06/30/2016 and 06/30/2017

	2015/2016				2016/2017			
	Adopted Budget	Audited Actuals	Variance \$	%	Adopted Budget	Audited Actuals	Variance \$	%
REVENUES:								
Operating Revenues								
Member Contributions	\$ 24,592,230	\$ 24,592,229	\$ (1)	100.00%	\$ 28,264,268	\$ 28,264,266	\$ (2)	100.00%
Other-Transfer from Dental Program	- -	5,798	5,798	- -	- -	247	247	- -
Total Operating Revenues	24,592,230	24,598,027	5,797	100.02%	28,264,268	28,264,513	245	100.00%
EXPENDITURES:								
Operating Expenses								
Administrative:	615,975	588,457	27,518	95.53%	570,929	574,917	(3,988)	100.70%
Insurance Premiums	20,103,731	18,321,853	1,781,878	91.14%	22,758,486	19,382,444	3,376,042	85.17%
Insurance Premiums-Prior Year Audit	500,000	1,578,491	(1,078,491)	315.70%	1,500,000	2,212,707	(712,707)	147.51%
Subtotal	21,219,706	20,488,801	730,905	96.56%	24,829,415	22,170,068	2,659,347	89.29%
Claims Paid	4,000,000	2,316,835	1,683,165	57.92%	3,000,000	1,280,507	1,719,493	42.68%
Change in Claim Liabilities	(3,000,000)	(3,539,263)	(980,702)	67.31%	(2,400,000)	(2,019,298)	(380,702)	84.14%
Change in ULAE	- -	11,000	192,000	- -	- -	(192,000)	192,000	- -
Total Other Insurance	1,000,000	(1,211,428)	702,463	-121.14%	600,000	(930,791)	1,338,791	-155.13%
Total Operating Expenses	22,219,706	19,277,373	1,433,368	86.76%	25,429,415	21,239,277	3,998,138	83.52%
Operating Income/(Loss) from Operations	2,372,524	5,320,654	(1,427,571)	224.26%	2,834,853	7,025,236	(3,997,893)	247.82%
Non Operating Revenues/(Expense)								
Investment Income	150,000	178,565	28,565	119.04%	150,000	210,784	60,784	140.52%
Net Increase/(Decrease) in the fair value of investments	- -	(42,324)	(42,324)		- -	(279,057)	(279,057)	
Realized Gain/(Loss)	- -	20,305	20,305		- -	11,295	11,295	
Cumulative effect of GASB 68 - pension	- -	(115,594)	(115,594)		- -	- -	- -	
Total Non Operating Revenues/(Expense)	150,000	40,952	(109,048)	27.30%	150,000	(56,978)	(206,978)	-37.99%
Change in Net Position	2,522,524	5,361,606			2,984,853	6,968,258		
Beginning Net Position	(6,347,600)	(6,347,600)			(985,994)	(985,994)		
Ending Net Position	\$ (3,825,076)	\$ (985,994)			\$ 1,998,859	\$ 5,982,264		

**Alameda County Schools Insurance Group
Workers' Compensation**

Calculation of Net Position - By Program Year

As of 06/30/2017

	Program Years								Totals Forward to Page 4
	Prior to 07/01/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	
Cash Balance, Including Current Period Investment Income Allocation	\$ (17,348,886)	\$ 813,732	\$ 1,483,921	\$ 574,956	\$ 483,028	\$ (1,990,824)	\$ (1,527,435)	\$ (3,792,025)	\$ (21,303,533)
Accounts Receivable	--	--	--	--	--	--	--	--	--
Accounts Payable	--	--	--	--	--	--	--	--	--
Discounted Claim Liabilities	(701,549)	(341,442)	(237,574)	(389,079)	(267,706)	(611,476)	(885,418)	(1,627,600)	(5,061,844)
Unallocated Loss Adjustment Expense (ULAE)	(58,962)	(28,697)	(19,967)	(32,700)	(22,499)	(51,392)	(74,415)	(136,793)	(425,425)
Net Position	<u>\$ (18,109,397)</u>	<u>\$ 443,593</u>	<u>\$ 1,226,380</u>	<u>\$ 153,177</u>	<u>\$ 192,823</u>	<u>\$ (2,653,692)</u>	<u>\$ (2,487,268)</u>	<u>\$ (5,556,418)</u>	<u>\$ (26,790,802)</u>

As of 06/30/2016									
Net Position	<u>\$ (18,211,229)</u>	<u>\$ 579,757</u>	<u>\$ 1,324,379</u>	<u>\$ 187,830</u>	<u>\$ 159,181</u>	<u>\$ (2,516,570)</u>	<u>\$ (2,494,061)</u>	<u>\$ (5,908,681)</u>	<u>\$ (26,879,394)</u>
Increase/(Decrease) Net Position	<u>\$ 101,832</u>	<u>\$ (136,164)</u>	<u>\$ (97,999)</u>	<u>\$ (34,653)</u>	<u>\$ 33,642</u>	<u>\$ (137,122)</u>	<u>\$ 6,793</u>	<u>\$ 352,263</u>	<u>\$ 88,592</u>

**Alameda County Schools Insurance Group
Workers' Compensation**

Calculation of Net Position - By Program Year

As of 06/30/2017

	Totals From Page 3	Program Years						Totals Forward to Page 5
		1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	
Cash Balance, Including Current Period Investment Income Allocation	\$ (21,303,533)	\$ (556,940)	\$ (4,644,326)	\$ (1,186,574)	\$ (1,056,146)	\$ 7,035,054	\$ 7,089,164	\$ (14,623,301)
Accounts Receivable	--	--	--	--	--	--	--	--
Accounts Payable	--	--	--	--	--	--	--	--
Discounted Claim Liabilities	(5,061,844)	(988,021)	(1,249,701)	(1,308,904)	(817,296)	(879,763)	(439,436)	(10,744,965)
Unallocated Loss Adjustment Expense (ULAE)	(425,425)	(83,039)	(105,032)	(110,008)	(68,690)	(73,940)	(36,934)	(903,068)
Net Position	<u>\$ (26,790,802)</u>	<u>\$ (1,628,000)</u>	<u>\$ (5,999,059)</u>	<u>\$ (2,605,486)</u>	<u>\$ (1,942,132)</u>	<u>\$ 6,081,351</u>	<u>\$ 6,612,794</u>	<u>\$ (26,271,334)</u>

As of 06/30/2016								
Net Position	<u>\$ (26,879,394)</u>	<u>\$ (2,017,047)</u>	<u>\$ (5,821,642)</u>	<u>\$ (2,468,829)</u>	<u>\$ (1,764,511)</u>	<u>\$ 6,032,772</u>	<u>\$ 6,262,402</u>	<u>\$ (26,656,249)</u>
Increase/(Decrease) Net Position	<u>\$ 88,592</u>	<u>\$ 389,047</u>	<u>\$ (177,417)</u>	<u>\$ (136,657)</u>	<u>\$ (177,621)</u>	<u>\$ 48,579</u>	<u>\$ 350,392</u>	<u>\$ 384,915</u>

**Alameda County Schools Insurance Group
Workers' Compensation**

Calculation of Net Position - By Program Year

As of 06/30/2017

	Totals From Page 4	Program Years							Totals Forward to Page 6
		2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	
Cash Balance, Including Current Period Investment Income Allocation	\$ (14,623,301)	\$ 3,510,452	\$ (698,751)	\$ 4,869,926	\$ 5,128,974	\$ 692,119	\$ 2,610,390	\$ 4,482,652	\$ 5,972,461
Accounts Receivable	--	--	--	--	--	--	--	--	--
Accounts Payable	--	--	--	--	--	--	--	--	--
Discounted Claim Liabilities	(10,744,965)	(1,648,148)	(975,895)	(1,150,194)	(1,281,755)	--	--	--	(15,800,957)
Unallocated Loss Adjustment Expense (ULAE)	<u>(903,068)</u>	<u>(138,519)</u>	<u>(82,020)</u>	<u>(96,669)</u>	<u>(107,724)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,328,000)</u>
Net Position	<u>\$ (26,271,334)</u>	<u>\$ 1,723,785</u>	<u>\$ (1,756,666)</u>	<u>\$ 3,623,063</u>	<u>\$ 3,739,495</u>	<u>\$ 692,119</u>	<u>\$ 2,610,390</u>	<u>\$ 4,482,652</u>	<u>\$ (11,156,496)</u>

As of 06/30/2016									
Net Position	<u>\$ (26,656,249)</u>	<u>\$ 1,550,933</u>	<u>\$ (1,816,895)</u>	<u>\$ 3,489,678</u>	<u>\$ 3,555,565</u>	<u>\$ 693,840</u>	<u>\$ 2,616,880</u>	<u>\$ 4,493,791</u>	<u>\$ (12,072,457)</u>
Increase/(Decrease) Net Position	<u>\$ 384,915</u>	<u>\$ 172,852</u>	<u>\$ 60,229</u>	<u>\$ 133,385</u>	<u>\$ 183,930</u>	<u>\$ (1,721)</u>	<u>\$ (6,490)</u>	<u>\$ (11,139)</u>	<u>\$ 915,961</u>

**Alameda County Schools Insurance Group
Workers' Compensation**

Calculation of Net Position - By Program Year

As of 06/30/2017

	Totals From Page 6	Program Years								Totals
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017				
Cash Balance, Including Current Period Investment Income Allocation	\$ 5,972,461	\$ 2,203,523	\$ 1,111,859	\$ 2,138,939	\$ 3,397,435	\$ 8,103,399	\$ --	\$ --	\$ --	\$ 22,927,616
Accounts Receivable	--	--	--	--	--	188,678	--	--	--	188,678
Accounts Payable	--	--	--	--	--	(5,073)	--	--	--	(5,073)
Discounted Claim Liabilities	(15,800,957)	--	--	--	--	--	--	--	--	(15,800,957)
Unallocated Loss Adjustment Expense (ULAE)	(1,328,000)	--	--	--	--	--	--	--	--	(1,328,000)
Net Position	<u>\$ (11,156,496)</u>	<u>\$ 2,203,523</u>	<u>\$ 1,111,859</u>	<u>\$ 2,138,939</u>	<u>\$ 3,397,435</u>	<u>\$ 8,287,004</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,982,264</u>
As of 06/30/2016										
Net Position	<u>\$ (12,072,457)</u>	<u>\$ 2,208,999</u>	<u>\$ 1,114,625</u>	<u>\$ 2,144,253</u>	<u>\$ 5,618,586</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (985,994)</u>
Increase/(Decrease) Net Position	<u>\$ 915,961</u>	<u>\$ (5,476)</u>	<u>\$ (2,766)</u>	<u>\$ (5,314)</u>	<u>\$ (2,221,151)</u>	<u>\$ 8,287,004</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,968,258</u>

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Program Years										Sub-Total To Page 8
	Prior to 07/01/1992		1992/1993		1993/1994		1994/1995		1995/1996		
	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	
Alameda COE	2.44	% \$ (441,869)	2.44	% \$ 10,824	2.44	% \$ 29,924	2.44	% \$ 3,738	2.44	% \$ 4,705	(392,678)
Alameda	7.86	(1,423,399)	7.86	34,866	7.86	96,393	7.86	12,040	7.86	15,156	(1,264,944)
Albany	2.47	(447,302)	2.47	10,957	2.47	30,292	2.47	3,783	2.47	4,763	(397,507)
Castro Valley	5.80	(1,050,345)	5.80	25,728	5.80	71,130	5.80	8,884	5.80	11,184	(933,419)
Dublin	3.29	(595,799)	3.29	14,594	3.29	40,348	3.29	5,040	3.29	6,344	(529,473)
Eden ROP	0.74	(134,010)	0.74	3,283	0.74	9,075	0.74	1,134	0.74	1,427	(119,091)
Emery	0.95	(172,039)	0.95	4,214	0.95	11,651	0.95	1,455	0.95	1,832	(152,887)
Fremont	22.63	(4,098,157)	22.63	100,385	22.63	277,530	22.63	34,664	22.63	43,636	(3,641,942)
Livermore	7.84	(1,419,777)	7.84	34,778	7.84	96,148	7.84	12,009	7.84	15,117	(1,261,725)
Mission ROP	0.67	(121,333)	0.67	2,972	0.67	8,217	0.67	1,026	0.67	1,292	(107,826)
Mt. House	0.05	(9,055)	0.05	222	0.05	613	0.05	77	0.05	96	(8,047)
Newark	5.72	(1,035,858)	5.72	25,374	5.72	70,149	5.72	8,762	5.72	11,029	(920,544)
New Haven	11.10	(2,010,143)	11.10	49,239	11.10	136,128	11.10	17,003	11.10	21,403	(1,786,370)
Piedmont	2.29	(414,705)	2.29	10,158	2.29	28,084	2.29	3,508	2.29	4,416	(368,539)
Pleasanton	9.22	(1,669,686)	9.22	40,899	9.22	113,072	9.22	14,123	9.22	17,778	(1,483,814)
San Leandro	5.39	(976,096)	5.39	23,910	5.39	66,102	5.39	8,256	5.39	10,393	(867,435)
San Lorenzo	10.96	(1,984,790)	10.96	48,618	10.96	134,411	10.96	16,788	10.96	21,133	(1,763,840)
Sunol Glen	0.19	(34,408)	0.19	843	0.19	2,330	0.19	291	0.19	366	(30,578)
Tri Valley ROP	0.39	(70,626)	0.39	1,729	0.39	4,783	0.39	596	0.39	753	(62,765)
Pleasanton Apprentic	--	--	--	--	--	--	--	--	--	--	--
Totals	100.00	% \$ (18,109,397)	100.00	% \$ 443,593	100.00	% \$ 1,226,380	100.00	% \$ 153,177	100.00	% \$ 192,823	\$ (16,093,424)

Note: Pro Rata shares prior to 06/30/1997 based upon a three year average.

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 7	Program Years								Sub-Total To Page 9
		1996/1997		1997/1998		1998/1999		1999/2000		
		Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net (Deficit)	
Alameda COE	\$ (392,678)	2.44	% \$ (64,750)	2.57	% \$ (63,923)	2.48	% \$ (137,799)	2.42	%\$ (39,398)	(698,548)
Alameda	(1,264,944)	7.86	(208,580)	7.10	(176,596)	7.42	(412,286)	7.69	(125,193)	(2,187,599)
Albany	(397,507)	2.47	(65,546)	2.55	(63,425)	2.51	(139,466)	2.47	(40,212)	(706,156)
Castro Valley	(933,419)	5.80	(153,914)	6.78	(168,637)	6.18	(343,387)	5.61	(91,331)	(1,690,688)
Dublin	(529,473)	3.29	(87,306)	3.60	(89,542)	3.34	(185,584)	3.15	(51,282)	(943,187)
Eden ROP	(119,091)	0.74	(19,637)	0.83	(20,644)	0.75	(41,673)	0.69	(11,233)	(212,278)
Emery	(152,887)	0.95	(25,210)	0.95	(23,629)	0.93	(51,675)	0.90	(14,652)	(268,053)
Fremont	(3,641,942)	22.63	(600,530)	22.92	(570,082)	22.59	(1,255,195)	22.20	(361,416)	(6,429,165)
Livermore	(1,261,725)	7.84	(208,049)	7.96	(197,987)	8.09	(449,514)	8.29	(134,961)	(2,252,236)
Mission ROP	(107,826)	0.67	(17,780)	0.61	(15,172)	0.64	(35,561)	0.68	(11,070)	(187,409)
Mt. House	(8,047)	0.05	(1,327)	0.05	(1,244)	0.05	(2,778)	0.04	(651)	(14,047)
Newark	(920,544)	5.72	(151,791)	6.79	(168,885)	6.20	(344,498)	5.56	(90,517)	(1,676,235)
New Haven	(1,786,370)	11.10	(294,560)	12.14	(301,954)	11.54	(641,211)	10.96	(178,429)	(3,202,524)
Piedmont	(368,539)	2.29	(60,770)	2.38	(59,197)	2.33	(129,465)	2.28	(37,118)	(655,089)
Pleasanton	(1,483,814)	9.22	(244,670)	8.17	(203,210)	8.93	(496,188)	9.60	(156,288)	(2,584,170)
San Leandro	(867,435)	5.39	(143,034)	5.66	(140,779)	5.44	(302,269)	5.22	(84,982)	(1,538,499)
San Lorenzo	(1,763,840)	10.96	(290,845)	8.48	(210,920)	10.00	(555,642)	11.57	(188,360)	(3,009,607)
Sunol Glen	(30,578)	0.19	(5,042)	0.18	(4,477)	0.20	(11,113)	0.21	(3,419)	(54,629)
Tri Valley ROP	(62,765)	0.39	(10,351)	0.28	(6,965)	0.38	(21,114)	0.46	(7,488)	(108,683)
Pleasanton Apprentice	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Totals	\$ (16,093,424)	100.00	% \$ (2,653,692)	100.00	% \$ (2,487,268)	100.00	% \$ (5,556,418)	100.00	%\$ (1,628,000)	\$ (28,418,802)

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 8	Program Years								Sub-Total To Page 10
		2000/2001		2001/2002		2002/2003		2003/2004		
		Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net Assets	
Alameda COE	\$ (698,548)	2.36 %	\$ (141,578)	2.06 %	\$ (53,673)	2.20 %	\$ (42,727)	2.39 %	\$ 145,344	(791,182)
Alameda	(2,187,599)	8.49	(509,320)	8.10	(211,044)	7.61	(147,796)	7.60	462,183	(2,593,576)
Albany	(706,156)	2.42	(145,177)	2.42	(63,053)	2.59	(50,301)	2.16	131,357	(833,330)
Castro Valley	(1,690,688)	5.31	(318,550)	5.61	(146,168)	6.20	(120,412)	6.19	376,436	(1,899,382)
Dublin	(943,187)	3.21	(192,570)	3.33	(86,763)	3.34	(64,867)	3.42	207,982	(1,079,405)
Eden ROP	(212,278)	0.73	(43,793)	0.58	(15,112)	0.42	(8,157)	0.42	25,542	(253,798)
Emery	(268,053)	0.99	(59,391)	0.76	(19,802)	0.80	(15,537)	0.65	39,529	(323,254)
Fremont	(6,429,165)	22.78	(1,366,586)	23.35	(608,381)	23.32	(452,905)	24.91	1,514,865	(7,342,172)
Livermore	(2,252,236)	7.40	(443,930)	7.64	(199,059)	8.25	(160,226)	8.13	494,414	(2,561,037)
Mission ROP	(187,409)	0.70	(41,993)	0.64	(16,675)	0.57	(11,070)	0.52	31,623	(225,524)
Mt. House	(14,047)	0.05	(3,000)	0.05	(1,303)	0.05	(971)	0.05	3,041	(16,280)
Newark	(1,676,235)	5.16	(309,551)	5.23	(136,267)	5.16	(100,214)	5.01	304,676	(1,917,591)
New Haven	(3,202,524)	10.53	(631,701)	10.74	(279,829)	10.49	(203,730)	10.37	630,636	(3,687,148)
Piedmont	(655,089)	2.25	(134,979)	2.24	(58,363)	2.19	(42,533)	2.19	133,182	(757,782)
Pleasanton	(2,584,170)	9.60	(575,910)	10.37	(270,189)	10.78	(209,362)	10.11	614,825	(3,024,806)
San Leandro	(1,538,499)	5.36	(321,550)	5.72	(149,034)	5.83	(113,226)	6.16	374,611	(1,747,698)
San Lorenzo	(3,009,607)	12.08	(724,686)	10.54	(274,618)	9.54	(185,279)	9.08	552,187	(3,642,003)
Sunol Glen	(54,629)	0.19	(11,398)	0.19	(4,950)	0.18	(3,496)	0.18	10,946	(63,527)
Tri Valley ROP	(108,683)	0.39	(23,396)	0.43	(11,203)	0.48	(9,323)	0.46	27,972	(124,633)
Pleasanton Apprentice	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Totals	\$ (28,418,802)	100.00 %	\$ (5,999,059)	100.00 %	\$ (2,605,486)	100.00 %	\$ (1,942,132)	100.00 %	\$ 6,081,351	\$ (32,884,128)

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 9	Program Years								Sub-Total To Page 11
		2004/2005		2005/2006		2006/2007		2007/2008		
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net (Deficit)	Pro Rata Share %	Net Assets	
Alameda COE	\$ (791,182)	2.51 %	\$ 165,981	2.74 %	\$ 47,232	2.26 %	\$ (39,701)	2.62 %	\$ 94,924	(522,746)
Alameda	(2,593,576)	7.02	464,218	7.74	133,421	7.48	(131,399)	7.16	259,411	(1,867,925)
Albany	(833,330)	2.21	146,143	2.18	37,579	2.57	(45,146)	2.66	96,373	(598,381)
Castro Valley	(1,899,382)	6.18	408,671	4.59	79,122	5.47	(96,090)	5.70	206,515	(1,301,164)
Dublin	(1,079,405)	3.46	228,803	2.79	48,094	3.45	(60,605)	3.78	136,952	(726,161)
Eden ROP	(253,798)	0.36	23,806	0.38	6,550	0.37	(6,500)	0.38	13,768	(216,174)
Emery	(323,254)	0.66	43,644	0.77	13,273	0.86	(15,107)	0.84	30,434	(251,010)
Fremont	(7,342,172)	25.85	1,709,407	27.25	469,731	26.97	(473,773)	27.11	982,212	(4,654,595)
Livermore	(2,561,037)	7.81	516,459	6.89	118,769	7.04	(123,669)	7.27	263,397	(1,786,081)
Mission ROP	(225,524)	0.55	36,370	0.63	10,860	0.70	(12,297)	0.65	23,550	(167,041)
Mt. House	(16,280)	0.05	3,306	0.05	862	0.04	(703)	0.04	1,449	(11,366)
Newark	(1,917,591)	4.78	316,092	4.97	85,672	5.22	(91,698)	4.93	178,617	(1,428,908)
New Haven	(3,687,148)	11.24	743,278	11.58	199,614	10.66	(187,261)	10.32	373,900	(2,557,617)
Piedmont	(757,782)	2.15	142,175	2.13	36,717	1.95	(34,255)	2.04	73,910	(539,235)
Pleasanton	(3,024,806)	9.78	646,731	8.97	154,624	8.74	(153,533)	9.03	327,163	(2,049,821)
San Leandro	(1,747,698)	5.54	366,349	5.87	101,186	5.86	(102,941)	5.56	201,442	(1,181,662)
San Lorenzo	(3,642,003)	9.27	613,006	9.78	168,586	9.65	(169,518)	9.30	336,945	(2,692,984)
Sunol Glen	(63,527)	0.20	13,226	0.17	2,930	0.18	(3,162)	0.17	6,159	(44,374)
Tri Valley ROP	(124,633)	0.38	25,129	0.52	8,963	0.53	(9,308)	0.44	15,942	(83,907)
Pleasanton Apprentice	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Totals	\$ (32,884,128)	100.00 %	\$ 6,612,794	100.00 %	\$ 1,723,785	100.00 %	\$ (1,756,666)	100.00 %	\$ 3,623,063	\$ (22,681,152)

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 10	Program Years								Sub-Total To Page 12
		2008/2009		2009/2010		2010/2011		2011/2012		
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	
Alameda COE	\$ (522,746)	2.46 %	\$ 91,992	2.58 %	\$ 17,857	2.53 %	\$ 66,043	2.11 %	\$ 94,584	\$ (252,270)
Alameda	(1,867,925)	7.18	268,496	6.59	45,611	6.37	166,282	6.51	291,821	(1,095,715)
Albany	(598,381)	2.65	99,097	2.71	18,756	2.71	70,742	2.19	98,170	(311,616)
Castro Valley	(1,301,164)	5.64	210,908	5.88	40,697	6.06	158,190	5.21	233,546	(657,823)
Dublin	(726,161)	3.76	140,605	3.97	27,477	4.46	116,423	3.51	157,341	(284,315)
Eden ROP	(216,174)	0.38	14,210	0.37	2,561	0.37	9,658	0.36	16,138	(173,607)
Emery	(251,010)	0.82	30,664	0.88	6,091	0.86	22,449	0.72	32,275	(159,531)
Fremont	(4,654,595)	27.20	1,017,143	26.87	185,972	26.96	703,761	28.96	1,298,176	(1,449,543)
Livermore	(1,786,081)	7.20	269,244	6.64	45,957	6.99	182,466	7.76	347,854	(940,560)
Mission ROP	(167,041)	0.64	23,933	0.72	4,983	0.63	16,445	0.45	20,172	(101,508)
Mt. House	(11,366)	0.04	1,496	0.04	277	0.03	783	0.03	1,345	(7,465)
Newark	(1,428,908)	4.95	185,105	4.99	34,537	5.49	143,310	5.29	237,132	(828,824)
New Haven	(2,557,617)	10.26	383,672	10.31	71,357	9.41	245,638	9.83	440,645	(1,416,305)
Piedmont	(539,235)	2.04	76,286	1.96	13,566	2.09	54,557	1.98	88,757	(306,069)
Pleasanton	(2,049,821)	9.15	342,164	9.36	64,782	9.38	244,855	9.69	434,369	(963,651)
San Leandro	(1,181,662)	5.58	208,664	5.99	41,458	5.73	149,575	6.44	288,683	(493,282)
San Lorenzo	(2,692,984)	9.41	351,886	9.49	65,682	9.34	243,810	8.42	377,439	(1,654,167)
Sunol Glen	(44,374)	0.18	6,731	0.17	1,177	0.16	4,177	0.14	6,276	(26,013)
Tri Valley ROP	(83,907)	0.46	17,199	0.48	3,321	0.43	11,226	0.40	17,929	(34,232)
Pleasanton Apprentice	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Totals	\$ (22,681,152)	100.00 %	\$ 3,739,495	100.00 %	\$ 692,119	100.00 %	\$ 2,610,390	100.00 %	\$ 4,482,652	\$ (11,156,496)

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 11	Program Years								Sub-Total To Page 13
		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 COE	\$ (252,270)	2.00 %	\$ 44,070	2.29 %	\$ 25,462	2.28 %	\$ 48,768	2.18 %	\$ 74,064	\$ (59,906)
Alameda	(1,095,715)	5.85	128,906	6.71	74,606	6.80	145,448	7.26	246,654	(500,101)
Albany	(311,616)	2.41	53,105	2.76	30,687	2.78	59,463	2.65	90,032	(78,329)
Castro Valley	(657,823)	5.31	117,007	4.72	52,480	4.77	102,027	5.21	177,006	(209,303)
Dublin	(284,315)	3.65	80,429	3.85	42,807	4.68	100,102	5.03	170,891	109,914
Eden ROP	(173,607)	0.37	8,153	0.28	3,113	0.36	7,700	0.38	12,910	(141,731)
Emery	(159,531)	0.67	14,764	0.80	8,895	0.54	11,550	0.54	18,346	(105,976)
Fremont	(1,449,543)	28.86	635,937	29.82	331,556	28.74	614,731	26.46	898,961	1,031,642
Livermore	(940,560)	9.10	200,521	9.31	103,514	9.50	203,199	9.91	336,686	(96,640)
Mission ROP	(101,508)	0.39	8,594	0.39	4,336	0.40	8,556	0.39	13,250	(66,772)
Mt. House	(7,465)	0.03	661	0.04	445	0.03	642	0.03	1,019	(4,698)
Newark	(828,824)	4.36	96,074	4.46	49,589	5.80	124,058	5.76	195,692	(363,411)
New Haven	(1,416,305)	9.28	204,487	8.18	90,950	7.06	151,009	8.17	277,570	(692,289)
Piedmont	(306,069)	1.91	42,087	1.90	21,125	1.95	41,709	1.86	63,192	(137,956)
Pleasanton	(963,651)	9.71	213,962	9.50	105,627	8.42	180,099	8.00	271,795	(192,168)
San Leandro	(493,282)	6.13	135,076	5.15	57,261	6.23	133,256	6.84	232,385	64,696
San Lorenzo	(1,654,167)	9.42	207,572	9.22	102,513	9.10	194,643	8.81	299,314	(850,125)
Sunol Glen	(26,013)	0.13	2,865	0.13	1,445	0.13	2,781	0.14	4,756	(14,166)
Tri Valley ROP	(34,232)	0.42	9,253	0.49	5,448	0.43	9,198	0.38	12,912	2,579
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
Totals	\$ (11,156,496)	100.00 %	\$ 2,203,523	100.00 %	\$ 1,111,859	100.00 %	\$ 2,138,939	100.00 %	\$ 3,397,435	\$ (2,304,740)

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2017

Members	Sub-Total From Page 12	Program Years										Total
		2016/2017										
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets			
Alameda COE	\$ (59,906)	2.03 %	\$ 168,226	-- %	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 108,320
Alameda	(500,101)	7.07	585,891	--	--	--	--	--	--	--	--	85,790
Albany	(78,329)	3.53	292,531	--	--	--	--	--	--	--	--	214,202
Castro Valley	(209,303)	6.27	519,595	--	--	--	--	--	--	--	--	310,292
Dublin	109,914	5.45	451,642	--	--	--	--	--	--	--	--	561,556
Eden ROP	(141,731)	0.37	30,662	--	--	--	--	--	--	--	--	(111,069)
Emery	(105,976)	0.48	39,778	--	--	--	--	--	--	--	--	(66,198)
Fremont	1,031,642	23.56	1,952,418	--	--	--	--	--	--	--	--	2,984,060
Livermore	(96,640)	9.10	754,117	--	--	--	--	--	--	--	--	657,477
Mission ROP	(66,772)	0.32	26,518	--	--	--	--	--	--	--	--	(40,254)
Mt. House	(4,698)	0.03	2,486	--	--	--	--	--	--	--	--	(2,212)
Newark	(363,411)	5.60	464,072	--	--	--	--	--	--	--	--	100,661
New Haven	(692,289)	8.32	689,479	--	--	--	--	--	--	--	--	(2,810)
Piedmont	(137,956)	1.90	157,453	--	--	--	--	--	--	--	--	19,497
Pleasanton	(192,168)	7.77	643,900	--	--	--	--	--	--	--	--	451,732
San Leandro	64,696	7.57	627,326	--	--	--	--	--	--	--	--	692,022
San Lorenzo	(850,125)	10.12	838,645	--	--	--	--	--	--	--	--	(11,480)
Sunol Glen	(14,166)	0.16	13,259	--	--	--	--	--	--	--	--	(907)
Tri Valley ROP	2,579	0.35	29,006	--	--	--	--	--	--	--	--	31,585
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--	--	--
Totals	\$ (2,304,740)	100.00 %	\$ 8,287,004	-- %	\$ --	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 5,982,264

OTHER FINANCIAL INFORMATION

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

	Self-Insured Program Years												Totals to Page 15
	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	\$ 2,852,551	\$ 2,806,837	\$ 2,869,489	\$ 4,014,955	\$ 2,924,176	\$ 5,552,326	\$ 5,166,253	\$ 4,066,839	\$ 3,709,502	\$ 4,762,441	\$ 41,470,207
Reserves	28,969	--	25,625	67,150	15,731	33,675	29,352	93,787	59,434	209,869	124,016	234,373	921,981
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)	--	(1,281)	(7,658)	(2,350)	(5,103)	(4,937)	(15,814)	(13,755)	(31,719)	(22,924)	(38,480)	(145,645)
Discounted Estimated Ultimate (1-2)	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
Paid Claims	(916,460)	(1,828,378)	(2,852,551)	(2,806,837)	(2,869,489)	(4,014,955)	(2,924,176)	(5,552,326)	(5,166,253)	(4,066,839)	(3,709,502)	(4,762,441)	(41,470,207)
Remaining Estimated Unpaid Claim Liabilities	\$ 30,858	\$ --	\$ 24,344	\$ 145,505	\$ 38,161	\$ 69,942	\$ 60,887	\$ 181,860	\$ 149,992	\$ 341,442	\$ 237,574	\$ 389,079	\$ 1,669,644

(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	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
Increase/Decrease	27,733	--	(58,897)	(6,569)	430	19,028	18,853	(16,620)	609	129,932	91,890	37,493	243,882

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

	Totals From Page 14	Self-Insured Program Years							Totals To Page 16
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,470,207	\$ 5,315,494	\$ 7,094,336	\$ 6,785,108	\$ 9,089,418	\$ 7,311,110	\$ 10,697,418	\$ 11,812,619	\$ 99,575,710
Reserves	921,981	132,313	334,682	603,972	1,225,272	628,581	650,281	649,760	5,146,842
Incurred Claims	<u>42,392,188</u>	<u>5,447,807</u>	<u>7,429,018</u>	<u>7,389,080</u>	<u>10,314,690</u>	<u>7,939,691</u>	<u>11,347,699</u>	<u>12,462,379</u>	<u>104,722,552</u>
Incurred But Not Reported (IBNR)	893,308	162,193	340,982	380,920	595,310	480,309	752,301	817,621	4,422,944
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)	(145,645)	(26,800)	(64,188)	(99,474)	(192,982)	(120,869)	(152,881)	(158,477)	(961,316)
Discounted Estimated Ultimate (1-2)	<u>43,139,851</u>	<u>5,583,200</u>	<u>7,705,812</u>	<u>7,670,526</u>	<u>10,717,018</u>	<u>8,299,131</u>	<u>11,947,119</u>	<u>13,121,523</u>	<u>108,184,180</u>
Paid Claims	<u>(41,470,207)</u>	<u>(5,315,494)</u>	<u>(7,094,336)</u>	<u>(6,785,108)</u>	<u>(9,089,418)</u>	<u>(7,311,110)</u>	<u>(10,697,418)</u>	<u>(11,812,619)</u>	<u>(99,575,710)</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ 1,669,644</u>	<u>\$ 267,706</u>	<u>\$ 611,476</u>	<u>\$ 885,418</u>	<u>\$ 1,627,600</u>	<u>\$ 988,021</u>	<u>\$ 1,249,701</u>	<u>\$ 1,308,904</u>	<u>\$ 8,608,470</u>

(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	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
Increase/Decrease	243,882	(24,106)	143,454	9,933	(294,623)	(343,406)	193,991	161,662	90,787

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2017

		Self-Insured Program Years								As of 06/30/2017 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 - 06/30/2017	
Totals From Page 15												
Paid Claims	\$ 99,575,710	\$ 9,899,622	\$ 5,937,992	\$ 5,457,213	\$ 8,566,827	\$ 8,223,101	\$ 8,370,296	\$ 8,661,620	\$ 154,692,381	\$ 153,212,401	\$ 1,479,980	
Reserves	5,146,842	323,694	433,465	218,211	834,011	725,767	733,679	494,212	8,909,881	10,453,729	(1,543,848)	
Incurred Claims	104,722,552	10,223,316	6,371,457	5,675,424	9,400,838	8,948,868	9,103,975	9,155,832	163,602,262	163,666,130	(63,868)	
Incurred But Not Reported (IBNR)	4,422,944	596,684	568,543	284,576	1,069,162	401,132	596,025	984,168	8,923,234	9,722,140	(798,906)	
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)	(961,316)	(103,082)	(122,245)	(63,351)	(255,025)	(151,004)	(179,510)	(196,625)	(2,032,158)	(2,355,614)	323,456	
Discounted Estimated Ultimate (1-2)	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338	171,032,656	(539,318)	
Paid Claims	(99,575,710)	(9,899,622)	(5,937,992)	(5,457,213)	(8,566,827)	(8,223,101)	(8,370,296)	(8,661,620)	(154,692,381)	(153,212,401)	(1,479,980)	
Remaining Estimated Unpaid Claim Liabilities	\$ 8,608,470	\$ 817,296	\$ 879,763	\$ 439,436	\$ 1,648,148	\$ 975,895	\$ 1,150,194	\$ 1,281,755	\$ 15,800,957	\$ 17,820,255	\$ (2,019,298)	
(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			\$ 14,209,957			
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	\$ (2,019,298)	
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	\$ (2,211,298)	
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	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
Increase/Decrease	90,787	185,041	(42,581)	(326,918)	(151,738)	(17,065)	(119,202)	(157,642)	(539,318)			

Claim Development Expense		
Claim Liabilities	\$	(2,019,298)
and ULAE		(192,000)
Decrease	\$	(2,211,298)

**Alameda County Schools Insurance Group
Workers' Compensation
Investment Income Allocation By Program Year
For The Fiscal Year Ended 06/30/2017**

	Program Years										Totals Forward to Page 18
	Prior to 7/1/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	
Beginning Cash Balance	\$ 17,085,506										\$ 17,085,506
Operating Revenues:											
Contributions	N/A	4,551,288	4,798,760	5,124,660	5,472,693	5,030,753	5,176,921	5,643,688	6,629,228	6,629,228	49,057,219
Other	N/A	22,275	24,239	31,298	40,413	260,258	285,341	237,002	308,147	308,147	1,517,120
Subtotal	--	4,573,563	4,822,999	5,155,958	5,513,106	5,291,011	5,462,262	5,880,690	6,937,375	6,937,375	50,574,339
Operating Expenses:											
Salaries and Benefits	N/A	(226,598)	(246,291)	(227,420)	(234,243)	(233,373)	(255,153)	(246,251)	(279,403)	(279,403)	(2,228,135)
Supplies	N/A	(3,793)	(9,686)	(9,359)	(9,733)	(9,088)	(9,674)	(6,574)	(6,929)	(6,929)	(71,765)
Depreciation &* Cap Outlay	N/A	(5,343)	(5,599)	(6,388)	(7,288)	(3,239)	(3,773)	(9,608)	(13,975)	(13,975)	(69,188)
Services and Other	N/A	(287,597)	(435,419)	(401,397)	(413,439)	(356,711)	(369,039)	(305,576)	(427,305)	(427,305)	(3,423,788)
Insurance	N/A	--	--	--	--	--	--	--	--	--	--
Subtotal	--	(523,331)	(696,995)	(644,564)	(664,703)	(602,411)	(637,639)	(568,009)	(727,612)	(727,612)	(5,792,876)
Net Contributions Available for Pool Operations	--	4,050,232	4,126,004	4,511,394	4,848,403	4,688,600	4,824,623	5,312,681	6,209,763	6,209,763	44,781,463
Investment Income/(Expense) Allocated											
From Prior Periods	(5,751,429)	803,497	1,044,776	793,631	913,593	359,612	381,102	(89,226)	491,130	(244,148)	(1,297,462)
Subtotal	11,334,077	4,853,729	5,170,780	5,305,025	5,761,996	5,048,212	5,205,725	5,223,455	6,700,893	5,965,615	60,569,507
Accounts Receivable	--	--	--	--	--	--	--	--	--	--	--
Accounts Payable	--	--	--	--	--	--	--	--	--	--	--
Trust Timing Difference	205,347	28,865	26,329	33,802	37,728	50,354	48,159	64,514	51,892	75,927	622,917
Cumulative Claims Paid	(28,931,425)	(4,066,839)	(3,709,502)	(4,762,441)	(5,315,494)	(7,094,336)	(6,785,108)	(9,089,418)	(7,311,110)	(10,697,418)	(87,763,091)
Cash Balance Prior to Current Year Investment Income Allocation	\$ (17,392,001)	\$ 815,755	\$ 1,487,607	\$ 576,386	\$ 484,230	\$ (1,995,770)	\$ (1,531,224)	\$ (3,801,449)	\$ (558,325)	\$ (4,655,876)	\$ (26,570,667)
Percentage Based on Cash Balance	-75.67%	3.55%	6.47%	2.51%	2.11%	-8.68%	-6.65%	-16.54%	-2.43%	-20.27%	-115.60%
Investment Income Earned, net change in FMV on Investments	\$ 43,115	\$ (2,023)	\$ (3,686)	\$ (1,430)	\$ (1,202)	\$ 4,946	\$ 3,789	\$ 9,424	\$ 1,385	\$ 11,550	\$ 65,868
Cash Balance, Including Current Year Investment Income Allocation	\$ (17,348,886)	\$ 813,732	\$ 1,483,921	\$ 574,956	\$ 483,028	\$ (1,990,824)	\$ (1,527,435)	\$ (3,792,025)	\$ (556,940)	\$ (4,644,326)	\$ (26,504,799)
Cumulative Investment Income/ (Expense) Allocated	\$ (5,708,314)	\$ 801,474	\$ 1,041,090	\$ 792,201	\$ 912,391	\$ 364,558	\$ 384,891	\$ (79,802)	\$ 492,515	\$ (232,598)	\$ (1,231,594)

**Alameda County Schools Insurance Group
Workers' Compensation
Investment Income Allocation By Program Year
For The Fiscal Year Ended 06/30/2017**

	Totals Forward Page 17	Program Years								Totals Forward to Page 19
		2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	
Beginning Cash Balance	\$ 17,085,506									\$ 17,085,506
Operating Revenues:										
Contributions	49,057,219	10,572,276	8,953,336	12,649,046	12,281,869	11,716,171	10,781,648	16,270,929	16,223,575	148,506,069
Other	1,517,120	--	452,491	478,978	493,347	469,436	351,917	115,583	201,412	4,080,284
Subtotal	50,574,339	10,572,276	9,405,827	13,128,024	12,775,216	12,185,607	11,133,565	16,386,512	16,424,987	152,586,353
Operating Expenses:										
Salaries and Benefits	(2,228,135)	(287,785)	(409,512)	(331,821)	(341,776)	(482,981)	(478,846)	--	--	(4,560,856)
Supplies	(71,765)	(7,137)	(10,135)	(14,068)	(14,490)	(9,360)	(44,028)	(1,282)	(4,729)	(176,994)
Depreciation &* Cap Outlay	(69,188)	(14,394)	(13,423)	(12,292)	(12,661)	(7,089)	(6,003)	(7,882)	(7,916)	(150,848)
Services and Other	(3,423,788)	(440,124)	(774,043)	(912,896)	(940,283)	(482,716)	(625,064)	(776,530)	(1,084,843)	(9,460,287)
Insurance	--	--	--	(623,937)	(642,655)	(491,417)	(2,970,761)	(3,310,804)	(2,187,413)	(10,226,987)
Subtotal	(3,492,976)	(749,440)	(1,207,113)	(1,895,014)	(1,951,865)	(1,473,563)	(4,124,702)	(4,096,498)	(3,284,901)	(24,575,972)
Net Contributions Available for Pool Operations	41,288,487	9,822,836	8,198,714	11,233,010	10,823,351	10,712,044	7,008,863	12,290,014	13,140,086	128,010,381
Investment Income/(Expense) Allocated From Prior Periods	(1,297,462)	716,415	571,870	1,715,371	1,701,911	1,313,153	455,378	902,900	601,776	6,681,312
Subtotal	57,076,531	10,539,251	8,770,584	12,948,381	12,525,262	12,025,197	7,464,241	13,192,914	13,741,862	151,777,199
Accounts Receivable	--	--	--	--	--	--	--	--	--	--
Accounts Payable	--	--	--	--	--	--	--	--	--	--
Trust Timing Difference	622,917	83,843	70,265	42,146	38,734	60,805	58,365	59,410	61,477	1,097,962
Cumulative Claims Paid	(87,763,091)	(11,812,619)	(9,899,622)	(5,937,992)	(5,457,213)	(8,566,827)	(8,223,101)	(8,370,296)	(8,661,620)	(154,692,381)
Cash Balance Prior to Current Year Investment										
Income Allocation	\$ (26,570,667)	\$ (1,189,525)	\$ (1,058,773)	\$ 7,052,535	\$ 7,106,783	\$ 3,519,175	\$ (700,495)	\$ 4,882,028	\$ 5,141,719	\$ (1,817,220)
Percentage Based on Cash Balance	-115.60%	-5.18%	-4.61%	30.68%	30.92%	15.31%	-3.06%	21.24%	22.37%	-7.93%
Investment Income Earned, net change in FMV on Investments	\$ 65,868	\$ 2,951	\$ 2,627	\$ (17,481)	\$ (17,619)	\$ (8,723)	\$ 1,744	\$ (12,102)	\$ (12,745)	\$ 4,520
Cash Balance, Including Current Year Investment										
Income Allocation	\$ (26,504,799)	\$ (1,186,574)	\$ (1,056,146)	\$ 7,035,054	\$ 7,089,164	\$ 3,510,452	\$ (698,751)	\$ 4,869,926	\$ 5,128,974	\$ (1,812,700)
Cumulative Investment Income/ (Expense) Allocated	\$ (1,231,594)	\$ 719,366	\$ 574,497	\$ 1,697,890	\$ 1,684,292	\$ 1,304,430	\$ 457,122	\$ 890,798	\$ 589,031	\$ 6,685,832

**Alameda County Schools Insurance Group
Workers' Compensation
Investment Income Allocation By Program Year
For The Fiscal Year Ended 06/30/2017**

	Totals Forward Page 18	Program Years								Total
		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
Beginning Cash Balance	\$ 17,085,506									\$ 17,085,506
Operating Revenues:										
Contributions	148,506,069	17,732,079	18,355,131	19,814,161	19,135,522	19,607,187	20,019,868	24,592,229	28,264,266	-- 316,026,512
Other	4,080,284	13,094	--	--	--	--	2,450,000	5,798	247	-- 6,549,423
Subtotal	152,586,353	17,745,173	18,355,131	19,814,161	19,135,522	19,607,187	22,469,868	24,598,027	28,264,513	-- 322,575,935
Operating Expenses:										
Salaries and Benefits	(4,560,856)	--	--	--	--	--	--	--	--	-- (4,560,856)
Supplies	(176,994)	(6,037)	(1,246)	(1,682)	(1,933)	--	--	--	--	-- (187,892)
Depreciation &* Cap Outlay	(150,848)	(10,925)	--	--	--	--	--	--	--	-- (161,773)
Services and Other	(9,460,287)	(772,920)	(602,382)	(537,827)	(486,726)	(453,830)	(427,285)	(704,051)	(574,917)	-- (14,020,225)
Insurance	(10,226,987)	(16,302,424)	(15,273,424)	(14,963,471)	(16,512,219)	(18,073,558)	(19,975,089)	(20,534,560)	(19,382,444)	-- (151,244,176)
Subtotal	(19,838,122)	(17,092,306)	(15,877,052)	(15,502,980)	(17,000,878)	(18,527,388)	(20,402,374)	(21,238,611)	(19,957,361)	-- (170,174,922)
Net Contributions Available										
for Pool Operations	108,172,259	652,867	2,478,079	4,311,181	2,134,644	1,079,799	2,067,494	3,359,416	8,307,152	-- 152,401,013
Investment Income/(Expense) Allocated										
From Prior Periods	6,681,312	40,973	138,801	182,610	74,355	34,826	76,759	46,463	--	-- 7,276,099
Subtotal	131,939,077	693,840	2,616,880	4,493,791	2,208,999	1,114,625	2,144,253	3,405,879	8,307,152	-- 176,762,618
Accounts Receivable	--	--	--	--	--	--	--	--	(188,678)	-- (188,678)
Accounts Payable	--	--	--	--	--	--	--	--	5,073	-- 5,073
Trust Timing Difference	1,097,962	--	--	--	--	--	--	--	--	-- 1,097,962
Cumulative Claims Paid	(154,692,381)	--	--	--	--	--	--	--	--	-- (154,692,381)
Cash Balance Prior to Current										
Year Investment										
Income Allocation	\$ (1,817,220)	\$ 693,840	\$ 2,616,880	\$ 4,493,791	\$ 2,208,999	\$ 1,114,625	\$ 2,144,253	\$ 3,405,879	\$ 8,123,547	\$ -- \$ 22,984,594
Percentage Based on										
Cash Balance	-7.93%	3.02%	11.39%	19.55%	9.61%	4.85%	9.33%	14.82%	35.36%	0.00% 100.00%
Investment Income Earned, net change in FMV on										
Investments	\$ 4,520	\$ (1,721)	\$ (6,490)	\$ (11,139)	\$ (5,476)	\$ (2,766)	\$ (5,314)	\$ (8,444)	\$ (20,148)	\$ -- \$ (56,978)
Cash Balance, Including Current										
Year Investment										
Income Allocation	\$ (1,812,700)	\$ 692,119	\$ 2,610,390	\$ 4,482,652	\$ 2,203,523	\$ 1,111,859	\$ 2,138,939	\$ 3,397,435	\$ 8,103,399	\$ -- \$ 22,927,616
Net Assets/(Deficit):										
									AP and AR	183,605
									Claim Liabilities Current	(1,591,000)
									Claim Liabilities Net of Current	(14,209,957)
									ULAE	(1,328,000)
									Net Assets/(Deficit)	\$ 5,982,264
Cumulative Investment Income/ (Expense) Allocated	\$ 6,685,832	\$ 39,252	\$ 132,311	\$ 171,471	\$ 68,879	\$ 32,060	\$ 71,445	\$ 38,019	\$ (20,148)	\$ -- \$ 7,219,121

Alameda County Schools Insurance Group
Workers' Compensation
Member Contributions and Calculation of Pro Rata Share Percentage
For The Program Year Ended 06/30/2016

Members	2013/2014 Actual Payroll	Base Rate	Ex Mod	Deposit Rate Per \$100/ Payroll	Net Member Contribution	Pro Rata Share %
Alameda COE	\$ 24,636,551	2.90	0.7500	\$ 2.18	\$ 535,845	2.18 %
Alameda USD	61,967,305	2.90	0.9930	2.88	1,784,472	7.26
Albany USD	24,982,608	2.90	0.9010	2.61	652,771	2.65
Castro Valley USD	53,460,195	2.90	0.8260	2.40	1,280,586	5.21
Dublin USD	49,742,372	2.90	0.8580	2.49	1,237,690	5.03
Eden ROP	3,146,268	2.90	1.0180	2.95	92,884	0.38
Emery USD	6,144,058	2.90	0.7500	2.18	133,633	0.54
Fremont USD	197,019,408	2.90	1.1390	3.30	6,507,748	26.46
Livermore USD	71,551,054	2.90	1.1740	3.41	2,436,027	9.91
Mission ROP	4,077,930	2.90	0.8150	2.36	96,382	0.39
Mt. House SD	207,725	2.90	1.2390	3.59	7,464	0.03
Newark USD	39,066,489	2.90	1.2500	3.63	1,416,160	5.76
New Haven USD	76,911,670	2.90	0.9010	2.61	2,009,625	8.17
Piedmont USD	21,060,384	2.90	0.7500	2.18	458,063	1.86
Pleasanton USD	90,406,310	2.90	0.7500	2.18	1,966,337	8.00
San Leandro USD	54,476,887	2.90	1.0650	3.09	1,682,519	6.84
San Lorenzo USD	65,949,277	2.90	1.1330	3.29	2,166,895	8.81
Sunol Glen SD	1,562,931	2.90	0.7630	2.21	34,583	0.14
Tri Valley ROP	2,552,972	2.90	1.2500	3.63	92,545	0.38
Pleasanton Apprentice (1)	--	--	--	--	--	--
Totals	<u>\$ 848,922,394</u>				<u>\$ 24,592,229</u>	<u>100.00 %</u>

(1) Included in Pleasanton totals.

Alameda County Schools Insurance Group
Workers' Compensation
Member Contributions and Calculation of Pro Rata Share Percentage
For The Program Year Ended 06/30/2017

Members	2014/2015 Actual Payroll	Base Rate	Ex Mod	Deposit Rate Per \$100/ Payroll	Net Member Contribution	Pro Rata Share %
Alameda COE	\$ 24,650,909	3.11	0.7500	\$ 2.33	\$ 574,982	2.03 %
Alameda USD	63,724,582	3.11	1.0090	3.14	1,999,671	7.07
Albany USD	26,634,210	3.11	1.2060	3.75	998,959	3.53
Castro Valley USD	57,098,359	3.11	0.9980	3.10	1,772,207	6.27
Dublin USD	57,362,013	3.11	0.8640	2.69	1,541,340	5.45
Eden ROP	3,457,372	3.11	0.9830	3.06	105,696	0.37
Emery USD	5,862,048	3.11	0.7500	2.33	136,732	0.48
Fremont USD	216,697,571	3.11	0.9880	3.07	6,658,423	23.56
Livermore USD	74,245,093	3.11	1.1140	3.47	2,572,251	9.10
Mission ROP	3,864,371	3.11	0.7500	2.33	90,136	0.32
Mt. House SD	235,401	3.11	1.2500	3.89	9,151	0.03
Newark USD	40,748,743	3.11	1.2500	3.89	1,584,107	5.60
New Haven USD	80,611,552	3.11	0.9380	2.92	2,351,584	8.32
Piedmont USD	22,993,262	3.11	0.7500	2.33	536,318	1.90
Pleasanton USD	94,213,075	3.11	0.7500	2.33	2,197,520	7.77
San Leandro USD	57,484,959	3.11	1.1970	3.72	2,139,975	7.57
San Lorenzo USD	73,608,462	3.11	1.2500	3.89	2,861,529	10.12
Sunol Glen SD	1,807,540	3.11	0.7820	2.43	43,960	0.16
Tri Valley ROP	2,659,030	3.11	1.0850	3.37	89,725	0.35
Pleasanton Apprentice (1)	--	--	--	--	--	--
Totals	<u>\$ 907,958,552</u>				<u>\$ 28,264,266</u>	<u>100.00 %</u>

(1) Included in Pleasanton totals.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 5-year Point-in-Time Comparison

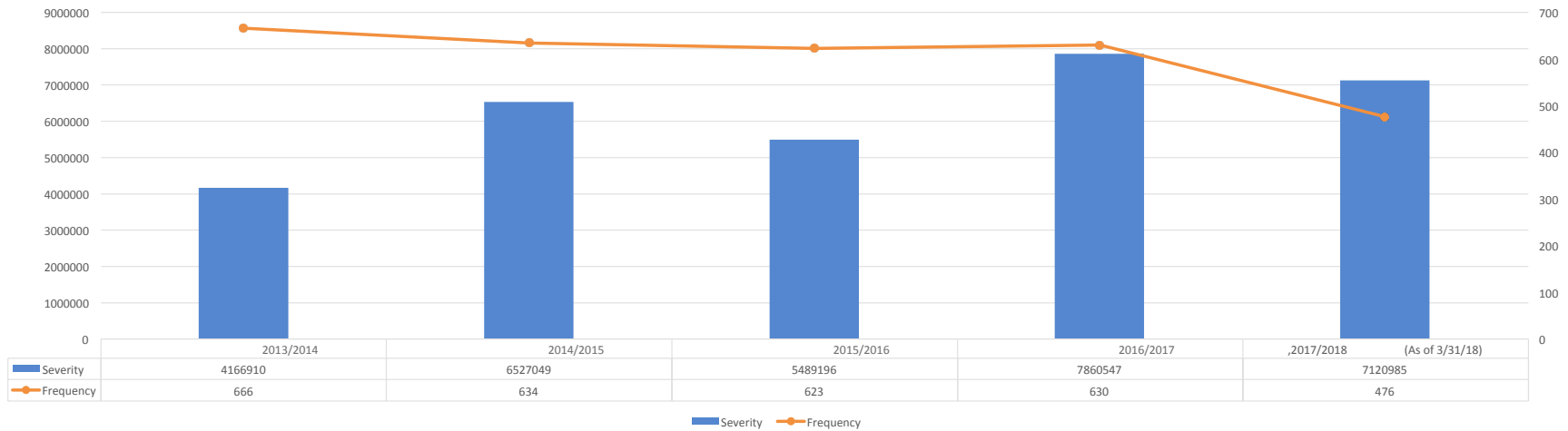
As resources are dedicated to improve frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs. Through analysis, we can identify trends within Districts. Additionally, we can identify if there are any abnormalities between program years within Districts so resources can be targeted when necessary.

Enclosed is the latest 5-year comparative using fiscal year data. Michael Clark, our Risk Management Analyst, will be in attendance at the May 17, 2018 meeting to review this information with the Board. This information is for review and no action is required.

ACSIG 5 Year Workers' Compensation Frequency / Severity

	2013/2014 FY As of 6/30/14		2014/2015 FY As of 6/30/15		FY 2015/2016 As of 6/30/16		FY 2016/2017 As of 6/30/17		FY 2017/2018 As of 3/31/18	
	Frequency	Severity	Frequency	Severity	Frequency	Severity	Frequency	Severity	Frequency	Severity
Alameda County Office of Education	6	\$ 3,108.18	5	\$ 245,761.27	7	\$ 132,585.95	0	\$ -	4	\$ 85,296.72
Alameda Unified School District	48	\$ 285,686.10	58	\$ 708,696.83	53	\$ 499,039.37	56	\$ 449,298.19	29	\$ 781,341.52
Albany Unified School District	20	\$ 216,007.97	17	\$ 69,264.20	17	\$ 183,032.87	14	\$ 352,831.25	12	\$ 248,755.20
Castro Valley Unified School District	41	\$ 255,827.06	55	\$ 586,919.46	33	\$ 176,976.24	43	\$ 522,336.05	27	\$ 290,968.73
Dublin Unified School District	27	\$ 96,189.88	32	\$ 128,121.34	27	\$ 117,677.63	59	\$ 434,165.78	37	\$ 255,747.16
Eden Area ROP	3	\$ 3,060.39	3	\$ 2,078.41	4	\$ 13,313.38	5	\$ 88,665.52	3	\$ 3,786.13
Emery Unified School District	9	\$ 37,385.98	2	\$ 312.27	5	\$ 92,826.89	8	\$ 87,388.51	4	\$ 71,070.12
Fremont Unified School District	142	\$ 988,023.09	112	\$ 1,339,750.12	129	\$ 1,179,715.35	119	\$ 2,172,400.23	112	\$ 1,990,950.88
Livermore Valley Joint Unified School District	58	\$ 612,008.82	56	\$ 663,929.55	60	\$ 760,827.73	59	\$ 653,589.78	33	\$ 529,915.39
Mission Valley ROP	2	\$ 1,826.46	0	\$ -	1	\$ 531.38	8	\$ 222,087.58	3	\$ 34,281.46
New Haven Unified School District	56	\$ 358,623.24	64	\$ 416,916.09	70	\$ 431,612.03	53	\$ 623,189.03	41	\$ 417,140.55
Newark Unified School District	44	\$ 199,530.19	32	\$ 228,604.81	29	\$ 290,531.11	26	\$ 310,594.99	26	\$ 500,233.43
Piedmont Unified School District	11	\$ 35,731.40	12	\$ 101,511.17	14	\$ 168,071.30	13	\$ 323,790.60	12	\$ 19,075.83
Pleasanton Unified School District	79	\$ 498,530.45	72	\$ 828,819.49	50	\$ 817,013.28	66	\$ 873,096.56	52	\$ 759,385.89
San Leandro Unified School District	43	\$ 213,643.22	46	\$ 503,938.34	47	\$ 344,359.69	34	\$ 219,659.70	35	\$ 654,808.12
San Lorenzo Unified School District	72	\$ 359,175.55	66	\$ 699,105.60	71	\$ 274,373.11	64	\$ 489,323.30	44	\$ 474,494.46
Sunol Glen School District	0	\$ -	0	\$ -	2	\$ 1,933.89	0	\$ -	1	\$ 33.17
Tri Valley Regional Occupational Program	5	\$ 2,551.60	2	\$ 3,315.98	4	\$ 4,774.99	3	\$ 38,129.68	1	\$ 3,700.00
Grand Total	666	\$ 4,166,909.59	634	\$ 6,527,044.93	623	\$ 5,489,196.19	630	\$ 7,860,546.75	476	\$ 7,120,984.76

ACSIG 5 Year Workers' Compensation
Frequency/Severity





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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2018/2019 Executive Committee Vacancy

The Alameda County Schools Insurance Group (ACSIG) has a seven member Executive Committee that works directly with the Executive Director to manage the operations of ACSIG. The Committee members serve a 2-year term and the expiration of term is on a cycle so that 3 seats are up in one year and the remaining 4 seats expire the subsequent year. This year we have three (4) seats available on the Executive Committee

Annette Heldman	President
Susan Kinder	Vice-President
Allan Garde	Member
Bryan Richards	Member

We currently have 4 seats up due to the rotation. These members will serve through June 2020. The Board will be asked to make appointments to the Executive Committee.

Alameda County Schools Insurance Group
Executive Committee Officers and Terms

MEMBER	OFFICE	TERM EXPIRES
Annette Heldman	President	2018
Susan Kinder	Vice President	2018
Bryan Richards	Secretary	2018
Allan Garde	Member	2018
Raul Parungao	Member	2019
Kevin Collins	Member	2019
Joe Sorrera	Member	2019

**Officers serve a one year term.

**Committee members are elected for 2 years.



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

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. The average of the Districts that have settled for 2017/2018 is 2.0% on schedule and .75% off schedule.

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 and an additional 1% off schedule. The total cost of this would be \$9,758.

This item will be discussed at the meeting and action taken as necessary.

ACSIG Salary Schedule 2016/2017

	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 \$20.16

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

ACSIG Salary Schedule 2017/2018 with 2.0% increase

	1	2	3	4	5
Claims Assistant	\$42,778	\$44,917	\$47,164	\$49,521	\$51,997
Claims Examiner	\$67,072	\$70,426	\$73,947	\$77,645	\$81,529
Executive Assistant to Executive Director	\$52,783	\$54,968	\$57,203	\$59,489	\$61,827

Clerical/Office Assistant	\$20.57				
Claims Asst. Hourly	\$20.57	\$21.59	\$22.67	\$23.81	\$25.00
Claims Exam. Hourly	\$32.25	\$33.86	\$35.55	\$37.33	\$39.20
Admin Asst. Hourly	\$25.38	\$26.43	\$27.50	\$28.60	\$29.72

Alameda County Schools Insurance Group

Executive Director Pay Schedule

2016/2017

	Step 1	Step 2	Step 3	Step 4	Longevity I	Longevity II	Longevity III
Annual	\$143,067	\$147,655	\$152,243	\$156,832	\$166,426	\$171,442	\$176,585
Monthly	\$11,922.25	\$12,304.58	\$12,686.92	\$13,069.33	\$13,868.84	\$14,286.81	\$14,715.39

Effective July 1, 2016

Move to Longevity I after 3 years on Step 4

Move to Longevity II after 3 years on Longevity I

Move to Longevity III after 3 years on Longevity II

2017/2018
with 2% increase

	Step 1	Step 2	Step 3	Step 4	Longevity I	Longevity II	Longevity III
Annual	\$145,928	\$150,608	\$155,288	\$159,969	\$169,755	\$174,871	\$180,117
Monthly	\$12,160.70	\$12,550.68	\$12,940.66	\$13,330.72	\$14,146.22	\$14,572.55	\$15,009.70

1% off schedule 2017/2018

Total Salaries		\$ 265,843.56
	1%	\$ 2,658.44
benefits		\$ 594.16
		\$ 3,252.60

10 of the members have settled negotiations for the 2017-18 Fiscal Year.
The average increase of these members was 2.01% on the schedule
and 0.75% off the schedule

The ACSIG Staff respectfully request a 2.0% on the salary schedule and
1% off the salary schedule increase for 2017-2018.

Annual Cost of 2.0% On-Schedule Salary Increase

	Salary	Benefits	Total
Kimberly	\$ 3,594.80	\$ 803.44	\$ 4,398.24
Celina	\$ 1,212.30	\$ 270.95	\$ 1,483.25
Amy	\$ 509.77	\$ 113.93	\$ 623.70
TOTAL	<u>\$ 5,316.87</u>	<u>\$ 1,188.32</u>	<u>\$ 6,505.19</u>

Annual Cost of 1.0% On-Schedule Salary Increase

Kimberly	\$ 1,797.40	\$ 401.72	\$ 2,199.12
Celina	\$ 606.15	\$ 135.47	\$ 741.62
Amy	\$ 254.88	\$ 56.97	\$ 311.85
TOTAL	<u>\$ 2,658.44</u>	<u>\$ 594.16</u>	<u>\$ 3,252.60</u>

Grand Total

Salary	\$ 7,975.31
Benefits	\$ 1,782.48
Total	<u>\$ 9,757.79</u>

ALAMEDA COUNTY OFFICE OF EDUCATION
Negotiations Update - CONFIDENTIAL
2003/04 - through - 2010/11

District	Negotiations 2017-18	Negotiations 2018-19	Negotiations
	3.5% certificated on schedule 1.35% classified on schedule		
Alameda COE			
Alameda USD	no response		
Albany	no response		
Castro Valley	2% on schedule		
Dublin	1% on 1.5% off		
Emery	3% on schedule	1.75 on schedule w potential of 1% more	
Fremont	impasse		
Livermore	3% on schedule		
Mtn. House	no response		
New Haven	2% on 1/1/2018 2% off schedule		
Newark	1.56 % on 2% off		
	0% + \$300/yr increase in medical cap		
Piedmont			
Pleasanton	2% on 1% off		
San Leandro	2% on schedule		
San Lorenzo	1% off schedule		
Sunol	no response		
Average on-schedule	2.01%		
Average off-schedule	0.75%		
for averaging, used 10 districts who have reported and settled			



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 Board

FROM: Kimberly Dennis

DATE: May 17, 2018

SUBJECT: 2018/2019 Draft Calendar

Enclosed is a draft calendar for the 2018/2019 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.



2018/ 2019 Calendar (DRAFT)

November 1, 2018	Executive Committee	9:30am – 12:00pm
November 8, 2018	Joint Full Board Lunch will be served	12:00pm – 3:00pm
December 13, 2018	Executive Committee	9:30am – 12:00pm
February 7, 2019	Executive Committee	9:30am – 12:00pm
May 9, 2019	Executive Committee	9:30am – 12:00pm
May 16, 2019	Joint Full Board Lunch will be served	12:00pm – 3:00pm