

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

AGENDA
Executive Committee

Date: Thursday, May 19, 2016
Time: 9:00 AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 12:00 PM

II. Roll call

Executive Committee Members

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

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

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

III. Acceptance of the Agenda

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

IV. Public Comment on Closed Session Agenda Items

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

Closed Session

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

A. Settlement Authorization

- **Claim Numbers:** None

B. Settlement Notification

- **Claims Number:** 439197 Tomaryn; 448686 Duque; 457008 Kaye; 457276 Anastassiou; 458091 Hintze; 464418 Ortega; 472776 Promes; 473905 Perez; 476692 Vong; 480853 Hintze; 481012 Anastassiou; 481475 Miramontes; 482303 Supnet; 487730 Fregoso; 490109 Grasseschi-Robertson; 492283 Klindt; 498780 Martinez; 502042 Anastassiou; 502315 Shooter-Bilodeau; 507874 Matsumoto-Kim; 510601 Alexander; 516946 Costa; 2201229 Reichhoff; 2201862 Hazlett; 2205557 Cabanas

C. Executive Director Evaluation

The Executive Committee will discuss the Executive Director's Annual Job Performance Review.

Open Session

V. Public Comment on Open Session Agenda Items

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

VI. Report of Action Taken in Closed Session

VII. Approval of Minutes
The Executive Committee will review/approve the meeting minutes from March 3, 2016.

Workers Compensation

VIII. Result of Wells Fargo Independent Audit
The Executive Director will present the results of the Wells Fargo Independent Audit.
Recommendation: For action

Dental

IX. Dental Rates 2016/2017
The Executive Director will present the 2016/2017 Dental rate recommendations. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

Vision

X. Vision Rates 2016/2017
The Executive Director will present the 2016/17 Vision rate recommendations. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

Property & Liability

XI. Property & Liability Rates 2016/2017
The Executive Director will present the 2016/17 Property and Liability rates. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

XII. PLCA Fee Amendment
The Executive Director will present a fee amendment to the PLCA contract.

Recommendation: For action

General

XIII. Third Quarter Financial Report
A representative from SETECH will present the 2015/2016 third quarter financials report. The Executive Committee will be asked for a recommendation to the Full Board.
Recommendation: For action

XIV. Third Quarter Investment Report
The Executive Committee will review the 2015/16 third quarter investment report. The Executive Committee will be asked for a recommendation to the Full Board.
Recommendation: For action

XV. 2016/2017 Budget
The Executive Director will review the 2016/17 Budget with requested Workers Compensation changes. The Executive Committee will be asked for a recommendation to the Full Board.
Recommendation: For action

XVI. ACSIG Salaries & Benefits
The Executive Director will present a cost of living increase proposal for the ACSIG staff.
Recommendation: For action

XVII. Strategic Plan 2016
The Executive Director will review the date and location for the Strategic Planning Session.
Recommendation: For discussion and/or action

XVIII. Executive Committee Membership
The Executive Director will review the Executive Committee Membership.
Recommendation: For discussion and/or action

Administrative

XIX. Investment Policy
The Executive Committee will conduct the annual review of the written investment policy and will be asked for a recommendation to the Full Board.
Recommendation: For action

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

Recommendation: For action

XXI. Authorization of Signatures

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

Recommendation: For action

XXII. Meeting Calendar

The Executive Committee will review the 2016/17 calendar and will be asked for a recommendation to the Full Board.

Recommendation: For action

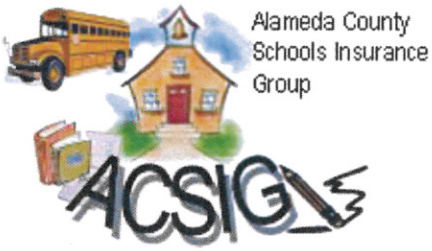
XXIII. Posting and Mailing Address

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

Recommendation: For action

XXIV. Future Planning

XXV. Adjournment



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

MINUTES
Executive Committee

Date: Thursday, March 3, 2016
Time: 10:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. **Dr. Candi Clark called the meeting to order at 10:05am, with a quorum of members present.**

II. **Roll call**

Executive Committee Members

Dr. Candi Clark	President	Castro Valley USD
Raul Parungao	Vice President	Fremont USD
Susan Kinder	Secretary	Livermore USD
Allan Garde	Board Member	Albany USD (Joined this meeting at 10:35am)
Annette Heldman	Board Member	San Lorenzo USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Celina Flotte	Executive Assistant	Alameda County Schools Insurance
Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Kyle McGibbin	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

III. **Acceptance of the Agenda**

It was moved by Susan Kinder and seconded by Raul Parungao to approve the agenda as presented.
Ayes: Clark, Kinder, Parungao, Heldman
Nays: None
Abstain: None

IV. **Public Comment on Closed Session Agenda Items**
No public present to comment.

Closed Session
Closed session began at 10:06am.

Open Session
Open session began at 10:10am.

The claims notifications were reviewed in closed session but no action was taken.

V. **Public comment on Open Session Agenda Items**
No public present to comment.

VI. **Approval of Minutes**
It was moved by Raul Parangao and seconded by Annette Heldman to approve the November 5, 2015 Executive Committee and Full Board Meeting minutes as presented.
Ayes: Clark, Parangao, Kinder, Heldman
Nays: None
Abstain: None

Workers Compensation

VII. **Introduction of New Service Team Members**
The Executive Director introduced the new Risk Management Analyst, Michael Clark & Loss Control Consultant, Dave Kundert.

VIII. **Results of PARS Audit**
The Executive Director presented the results of the State Workers Compensation PARS Audit, with the Keenan/ ACSIG claims team receiving an outstanding score.
Recommendation: For discussion

IX. **Forms Issue (DWC-1 Form Oversight)**
The Executive Director has informed the Executive Committee of the new form change that has taken effect January 1, 2016.

X. Actuarial Study - Ex Mod

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

MEMBER	NEW EX-MOD 12/31/15	OLD EX-MOD 12/31/14
ACOE	0.750	0.750
ALAMEDA	1.009	0.993
ALBANY	1.206	0.901
CASTRO VALLEY	0.998	0.826
DUBLIN	0.864	0.858
EDEN ROP	0.983	1.018
EMERY	0.750	0.750
FREMONT	0.988	1.139
LIVERMORE	1.114	1.174
MISSION ROP	0.750	0.815
MT. HOUSE	1.250	1.239
NEWARK	1.250	1.250
NEW HAVEN	0.938	0.901
PIEDMONT	0.750	0.750
PLEASANTON	0.750	0.750
SAN LEANDRO	1.197	1.065
SAN LORENZO	1.250	1.133
SUNOL GLEN	0.782	0.763
TRI VALLEY ROP	1.085	1.250

It was moved by Raul Parungao and seconded by Susan Kinder to approve the Actuarial Study Ex-Mods.
Ayes: Clark, Kinder, Parungao, Heldman
Nays: None
Abstain: None

XI. 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 $21,053,000 on December 31, 2015 and project that it will be $20,109,000 on June 30, 2016. The corresponding discounted values (at 1.5% interest) are $18,590,000 and $17,758,000. Last year it was estimated that the 12/31/14 liability would be $25.808 million. The new estimate of the 12/31/15 liability is $21.053 million.

XII. Preliminary 2016-2017 Workers' Compensation Rates

The Executive Director reviewed the changes proposed to the base rate. 2016-2017 base rate uses a calculation of PIPS rate + Administrative Costs + Self Insurance Fee + an Adjustment of $1,500,000 + $0.35 for the deficit. The adjustment is for the payroll adjustment to accommodate the variance between payroll numbers used for ACSIG billing (2014-2015 audited payroll) versus the amount paid to PIPS (2016-2017 actual payroll). This payroll adjustment resulted in a 7.24% increase to the Worker's Comp rate.

2016/2017
Workers' Compensation Rates

	2013/2014 Actual Payroll	2014/2015 Actual Payroll	Base Rate	Ex Mod	Rate per $100 Payroll	2016/2017 PREMIUM
ACOE	$24,636,551	$24,650,909	3.11	0.7500	2.33	$574,982
ALAMEDA	$61,967,305	$63,724,582	3.11	1.0090	3.14	$1,999,671
ALBANY	$24,982,608	$26,634,210	3.11	1.2060	3.75	$998,959
CASTRO VALLEY	$53,460,195	$57,098,359	3.11	0.9980	3.10	$1,772,207
DUBLIN	$49,742,372	$57,362,013	3.11	0.8640	2.69	$1,541,340
EDEN ROP	$3,146,268	$3,457,372	3.11	0.9830	3.06	$105,696
EMERY	$6,144,058	$5,862,048	3.11	0.7500	2.33	$136,732
FREMONT	$197,019,408	$216,697,574	3.11	0.9880	3.07	$6,658,423
LIVERMORE	$71,551,054	$74,245,093	3.11	1.1140	3.46	$2,572,251
MISSION ROP	$4,077,930	$3,864,371	3.11	0.7500	2.33	$90,136
MT. HOUSE	$207,725	$235,401	3.11	1.2500	3.89	$9,151
NEWARK	$39,066,489	$40,748,743	3.11	1.2500	3.89	$1,584,107
NEW HAVEN	$76,911,670	$80,611,552	3.11	0.9380	2.92	$2,351,584
PIEDMONT	$21,060,384	$22,993,262	3.11	0.7500	2.33	$536,318
PLEASANTON *	$90,406,310	$94,213,075	3.11	0.7500	2.33	$2,197,520
SAN LEANDRO	$54,476,887	$57,484,959	3.11	1.1970	3.72	$2,139,975
SAN LORENZO	$65,949,277	$73,608,462	3.11	1.2500	3.89	$2,861,529
SUNOL GLEN	$1,562,931	$1,807,540	3.11	0.7820	2.43	$43,960
TRI VALLEY ROP	$2,552,972	$2,659,030	3.11	1.0850	3.37	$89,725
TOTAL PREMIUMS	$848,922,394	$907,958,555				$28,264,268
Average Ex Mod				1.00000		

Payrolls based upon 2014/2015 Unaudited Actuals Reports provided by ACOE
* includes apprentice program

Rate Build UP

	PIPS K-12 Rate		2.53155	(assumes a 5% increase and 2% change to ex-mod)		
	ACSIG Ex-mod		0.919428	2.327577953	$ 22,758,486.25	0.025065556
	Claims Admin		176,000		$ 176,000.00	0.000193841
	Deficit		0.35		$ 3,422,214.14	0.00376913
(assumes 5% inc)	ACSIG Admin	$	165,243.75		$ 165,243.75	0.000181995
	Self-Insurance Fee	$	245,000.00		$ 245,000.00	0.000269836
	PIPS Adj	$	1,500,000.00		$ 1,500,000.00	0.001652058
					$ 28,266,944.14	0.031132417
	est. 16/17 payroll	$	977,775,469.00			
percentage due to growth in payroll			6.95%			
overall increase in costs			7.24%			

It was moved by Annette Heldman and seconded by Susan Kinder to approve the Preliminary 2016-2017 Worker's Compensation Rates.
Ayes: Clark, Kinder, Parungao, Heldman
Nays: None
Abstain: None

XIII. Claims Audit Proposal

The Executive Director reviewed a proposal from Wells Fargo for completion of an independent claims audit. In Spring 2016, ACSIG is requesting to contract with Wells Fargo to complete an independent claims audit of the ACSIG Worker's Compensation claim operation.

It was moved by Raul Parungao and seconded by Annette Heldman to approve the Claims Audit Proposal.
Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

General

XIV. Financial Audit Proposal

The Executive Director reviewed a proposal from Christy White Associates for 2016/17. ACSIG changed audit firms from Crowe Horwath (previously Perry=-Smith) to Christy White & Associates. They have successfully completed our audit for the past 2 years. The audit fee for fiscal year ending June 30, 2016 is $13,250.

It was moved by Raul Parungao and seconded by Allan Garde to approve the Financial Audit Proposal.
Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

XV. SETECH Contract

The Executive Director reviewed the proposed contract for SETECH, extending a 3-year service contract.

It was moved by Susan Kinder and seconded by Raul Parungao to approve the SETECH Contract.
Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

XVI. Information Report for the Fiscal Year End

Laurena Grabert from SETECH presented the Financial Management Information Report Ended June 30, 2015. 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 06/30/2015

		Program Years								
		2002/2013		2013/2014		2014/2015				
Members	Sub-Total From Page 4d	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %		Total
Alameda COE	$ (307,696)	2.00 %	$ 43,798	2.29 %	$ 25,305	2.28 %	$ 84,456	-- %	$ --	$ (154,137)
Alameda	(1,251,580)	5.85	128,110	6.71	74,146	6.80	251,886	--	--	(797,438)
Albany	(365,951)	2.41	52,777	2.76	30,498	2.78	102,977	--	--	(179,699)
Castro Valley	(783,233)	5.31	116,285	4.72	52,156	4.77	176,691	--	--	(438,101)
Dublin	(361,819)	3.65	79,932	3.85	42,543	4.68	173,357	--	--	(65,987)
Eden ROP	(183,062)	0.37	8,103	0.28	3,094	0.36	13,335	--	--	(158,530)
Emery	(177,015)	0.67	14,672	0.80	8,840	0.54	20,003	--	--	(133,500)
Fremont	(2,027,921)	28.86	632,010	29.82	329,511	28.74	1,064,589	--	--	(1,811)
Livermore	(1,104,582)	9.10	199,282	9.31	102,876	9.50	351,900	--	--	(450,524)
Mission ROP	(115,384)	0.39	8,541	0.39	4,310	0.40	14,817	--	--	(87,716)
Mt. House	(8,361)	0.03	657	0.04	442	0.03	1,111	--	--	(6,151)
Newark	(943,094)	4.36	95,480	4.46	49,283	5.80	214,844	--	--	(583,487)
New Haven	(1,653,919)	9.28	203,224	8.18	90,389	7.06	261,517	--	--	(1,098,789)
Piedmont	(351,929)	1.91	41,827	1.90	20,995	1.95	72,232	--	--	(216,875)
Pleasanton	(1,159,828)	9.71	212,641	9.50	104,975	8.42	311,894	--	--	(530,318)
San Leandro	(615,939)	6.13	134,242	5.15	56,908	6.23	230,772	--	--	(194,017)
San Lorenzo	(1,861,176)	9.42	206,290	9.22	101,881	9.10	337,083	--	--	(1,215,922)
Sunol Glen	(30,116)	0.13	2,847	0.13	1,437	0.13	4,815	--	--	(21,017)
Tri Valley ROP	(44,118)	0.42	9,198	0.49	5,411	0.43	15,928	--	--	(13,581)
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
Totals	$ (13,346,723)	100.00 %	$ 2,189,916	100.00 %	$ 1,105,000	100.00 %	$ 3,704,207	-- %	$ --	$ (6,347,600)

XVII. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2015/2016 Second Quarter Financial Report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2015 and 12/31/2015

	Audited As of 06/30/2015	Activity 07/01/2015 - 12/31/2015	Unaudited As of 12/31/2015
Assets:			
Current Assets			
Workers Compensation	$ 5,329,735	3,814,090	$ 9,143,825
Dental	2,596,127	196,545	2,792,672
Vision	1,228,583	(192,330)	1,036,253
Property and Liability	1,135,222	(485,155)	650,067
Operations	289,482	(43,423)	246,059
Cash and Cash Equivalents	$ 10,579,149	3,289,727	$ 13,868,876
Investments Morgan Stanley - current	608,107	89,549	697,656
Accounts Receivable	5,582,053	449,313	6,031,366
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable) (1)	- -	- -	- -
Subtotal Current Assets	16,769,309	3,828,589	20,597,898
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	15,133,468	(75,645)	15,057,823
Capital - Equipment,net of depreciation	4,147	- -	4,147
	15,137,615	(75,645)	15,061,970
Total Assets	**$ 31,906,924**	**$ 3,752,944**	**$ 35,659,868**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,721,576	$ 3,354,129	$ 6,075,705
Prefunding deposits (2)	3,116,431	- -	3,116,431
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	3,665,741	(7,466)	3,658,276
Subtotal Current Liabilities	9,503,748	3,346,663	12,850,412
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,586,125	(2,756,988)	16,829,136
Unallocated Loss Adjustment Expense (ULAE)	1,559,819	83,000	1,642,819
Subtotal Claim Liabilities	21,145,944	(2,673,988)	18,471,955
Total Liabilities	$ 30,649,692	$ 672,675	$ 31,322,367
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,253,085	3,080,269	4,333,354
Designated - Capital Assets	4,147	- -	4,147
Total Net Position	$ 1,257,232	$ 3,080,269	$ 4,337,501
Total Liabilities and Ending Net Position	**$ 31,906,924**	**$ 3,752,944**	**$ 35,659,868**

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, accured interest shown as accounts receivable.

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

Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

XVIII. Second Quarter Investment Report

Cary Allison from Morgan Stanley presented the 2015/16 Second Quarter Investment Report.

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

Investment Summary Dollar Weighted Return % (Net of fees)	
Date of Report	12/31/15
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$893,207.66
Total Ending Value	$15,926,083.41
Current Quarter	-0.52%
Year to Date	0.87%
Since Inception (annualized % per year)	1.16%

Time Weighted Return % by Period (Net of fees)	
Last 3 Years (annualized % per year)	0.62%
Last 5 Years (annualized % per year)	1.24%
Since Inception (annualized % per year)	1.18%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.12%

It was moved by Susan Kinder and seconded by Raul Parungao to approve the Second Quarter Investment Report.
Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

XIX. 2016/2017 Budget

The Executive Director reviewed the tentative 2016/17 Budget. The budget was developed using year-to-date 2015/2016 data and preliminary estimates for 2016/2017 rates and costs.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals		2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 29,375,762		
Beginning Cash	$ 29,375,762				$ 29,375,762	$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	$ 147,362,498	$ --	$ --	$ 147,362,498	$ 147,362,498	$ 136,126,495
Total Operating Revenue	147,362,498	--	--	147,362,498	147,362,498	136,126,495
Operating Expenditures:						
Classified Salaries	236,778		--	236,778	236,778	227,675
Statutory Benefits	55,498		--	55,498	55,498	81,308
Health & Welfare	39,000		--	39,000	39,000	39,000
Employer Tax Expense	3,411		--	3,411	3,411	69,977
Telephone & Internet	5,250		--	5,250	5,250	10,500
Supplies Office	5,250		--	5,250	5,250	10,500
Supplies - Other	5,250		--	5,250	5,250	10,500
Eligibility Processing	257,060		--	257,060	257,060	185,808
Brokerage Fees-Dental-ACSIG	276,000		--	276,000	276,000	284,000
Brokerage Fees-Dental-MD	300,000		--	300,000	300,000	276,000
Travel and Conferences	21,000		--	21,000	21,000	19,500
Mileage	8,925		--	8,925	8,925	7,350
Dues & Memberships	1,575		--	1,575	1,575	1,300
Postage & Meter	3,400		--	3,400	3,400	2,750
Insurance Expense-PIPS&NCR	23,944,270		--	23,944,270	23,944,270	21,125,746
PIPS payroll adjustment	1,500,000			1,500,000	1,500,000	
Utility - Operating-Rent	30,359		--	30,359	30,359	527,647
Advertising	2,100		--	2,100	2,100	2,100
Contract Services	8,426		--	8,426	8,426	19,025
Contract Services -PL-Investigation	--		--	--	--	--
Contract Services-PL-Legal	10,000		--	10,000	10,000	10,000
Audit Fees	14,175		--	14,175	14,175	16,350
Other Services/Operating Expenses	5,250		--	5,250	5,250	7,125
Capital Equipment/Depreciation	2,550		--	2,550	2,550	5,250
Repairs & Maintenance	4,800		--	4,800	4,800	5,250
Legal	2,550		--	2,550	2,550	5,250
Accounting Services	15,750		--	15,750	15,750	15,750
County Courier	3,675		--	3,675	3,675	3,575
Shredding	1,575		--	1,575	1,575	2,200
Copier & Scanner	15,000		--	15,000	15,000	14,999
Claims Administration Services	190,000		--	190,000	190,000	193,429
Self-Insurance Fee	245,000		--	245,000	245,000	246,610
Claims Paid-WC	3,000,000		--	3,000,000	3,000,000	4,000,000
Claims Paid-PL	80,000		--	80,000	80,000	100,000
Physical Abilities Testing	22,500		--	22,500	22,500	22,500
Training	5,000		--	5,000	5,000	5,000
First-Aid Program	10,000		--	10,000	10,000	25,000
Food Service Training	10,000		--	10,000	10,000	10,000
Special Ed Training	10,000		--	10,000	10,000	10,000
Bank Charge & WC Penalty Reimb	15,000		--	15,000	15,000	--
Cobra Premiums	250,000	--	--	250,000	250,000	235,000
Dental Insurance Premiums	113,877,908	--	--	113,877,908	113,877,908	106,632,000
Vision Insurance Premiums	2,758,000	--	--	2,758,000	2,758,000	2,550,000
Claim Development Expense	(2,430,000)	--	--	(2,430,000)	(2,430,000)	(3,050,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	144,822,285	--	--	144,822,285	144,822,285	133,985,974
Net Increase/(Decrease) from Operations	2,540,213	--	--	2,540,213	2,540,213	2,140,521
Non Operating Income/(Expense)						
Interest Income	218,250	--	--	218,251	218,250	218,250
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
Net, Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	--	--	218,251	218,250	218,250
Ending Cash	$ 32,134,225	--				
Net Increase/(Decrease) in Net Position		$ --	$ --	2,758,464	$ 2,758,463	$ 2,358,771

XX. Strategic Planning

The Executive Director reviewed options for 2016/17 strategic planning. We will begin to brainstorm on future planning and program growth.

XXI. CAJPA Fall Conference 2016

The dates for the 2016 CAJPA Fall Conference will be September 13 -16 in Lake Tahoe. All Executive Committee Members and new Board Members are invited to attend.

XXII. Safety Inspection Contract

The Executive Director reviewed the proposal from Keenan & Associates for safety inspections services that extends our term though June 30, 2018.

It was moved by Raul Parungao and seconded by Allan Garde to approve the Safety Inspection Contract.
Ayes: Clark, Kinder, Parungao, Heldman, Garde
Nays: None
Abstain: None

XXIII. Executive Director Quarterly Goals and Objectives

The Executive Director updated the Executive Committee on the progress of her Quarterly Goals and Objectives.

XXIV. Future Planning

XXV. Dr. Candi Clark adjourned the meeting at 11:33AM.

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Wells Fargo Workers' Compensation Claims Audit

In Spring 2016, ACSIG contracted with 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 and 2014 Claims audits was used to provide consistency in review.

The overall score given to the Keenan & Associate Pleasanton claims team was 4.0 out of 5. This score is an improvement from the score of 3.5 received in 2014. 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.

WELLS FARGO INSURANCE

Alameda County Schools Insurance Authority

2016 Claims Audit

Self-Insured, Administration by Keenan and Associates

Prepared By:

Jennet Horder – Vice-President Workers' Compensation
JoAnn Gamoras – Assistant Vice-President Workers' Compensation
Diana Blake, Senior Workers' Compensation Claims Consultant

DRAFT

Version Date: May 4, 2016
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AUDITORS BIOS AND PARAMETERS OF AUDIT

Auditors:

JoAnn Gamoras – Wells Fargo Insurance Services, Assistant Vice-President

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 --- Wells Fargo Insurance Services, Vice President Claims

Jennet has been with Wells Fargo Insurance Services since 2001 and currently acts as the Team Leader for the Workers' Compensation Unit of the Petaluma, CA branch of WFIS. Her experience includes over 10 years of claims handling experience 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 Blake --- Wells Fargo Insurance Services, Senior Claims Consultant

Diana has been with Wells Fargo Insurance Services since 2004 and currently oversees the claims of large and complex accounts for the Bay Area Claims Unit. Her experience includes over 15 years of claims handling with a wide variety of industries both self-insured and fully insured and a total of 12 years as a consultant. She provides ongoing consulting services by assisting employers with case mitigation and conducts claims reviews for coordinating strategies for case closures and settlements.

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Audit Parameters:

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

TYPE OF CLAIM	CLOSED	OPEN	RE-OPEN	GRAND TOTAL
INDEMNITY	17	35	13	65
MEDICAL ONLY	5	3	2	10
GRAND TOTAL	22	38	14	75

Audit #	Claim Status	Type of Claim
1	CLOSED	MEDICAL ONLY
2	OPEN	MEDICAL ONLY
3	OPEN	MEDICAL ONLY
4	CLOSED	MEDICAL ONLY
5	RE-OPEN	MEDICAL ONLY
6	RE-OPEN	INDEMNITY
7	OPEN	INDEMNITY
8	RE-OPEN	INDEMNITY
9	OPEN	INDEMNITY
10	OPEN	INDEMNITY
11	OPEN	INDEMNITY
12	OPEN	INDEMNITY
13	OPEN	INDEMNITY
14	OPEN	INDEMNITY
15	OPEN	INDEMNITY
16	CLOSED	INDEMNITY
17	CLOSED	INDEMNITY
18	OPEN	INDEMNITY
19	OPEN	MEDICAL ONLY
20	OPEN	INDEMNITY
21	OPEN	INDEMNITY
22	OPEN	INDEMNITY
23	OPEN	INDEMNITY
24	OPEN	INDEMNITY
25	OPEN	INDEMNITY
26	RE-OPEN	INDEMNITY
27	RE-OPEN	INDEMNITY
28	RE-OPEN	INDEMNITY
29	RE-OPEN	INDEMNITY

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30	OPEN	INDEMNITY
31	OPEN	INDEMNITY
32	OPEN	INDEMNITY
33	OPEN	INDEMNITY
34	OPEN	INDEMNITY
35	OPEN	INDEMNITY
36	OPEN	INDEMNITY
37	OPEN	INDEMNITY
38	OPEN	INDEMNITY
39	RE-OPEN	INDEMNITY
40	RE-OPEN	INDEMNITY
41	RE-OPEN	INDEMNITY
43	RE-OPEN	INDEMNITY
44	CLOSED	INDEMNITY
45	OPEN	INDEMNITY
46	RE-OPEN	INDEMNITY
47	OPEN	INDEMNITY
48	RE-OPEN	INDEMNITY
49	OPEN	INDEMNITY
50	RE-OPEN	INDEMNITY
51	OPEN	INDEMNITY
52	CLOSED	INDEMNITY
53	CLOSED	INDEMNITY
54	CLOSED	INDEMNITY
55	OPEN	INDEMNITY
56	OPEN	INDEMNITY
57	OPEN	INDEMNITY
58	CLOSED	INDEMNITY
59	CLOSED	INDEMNITY
60	CLOSED	INDEMNITY
61	CLOSED	MEDICAL ONLY
62	CLOSED	INDEMNITY
63	CLOSED	INDEMNITY
64	CLOSED	MEDICAL ONLY
65	CLOSED	INDEMNITY
66	CLOSED	INDEMNITY
67	CLOSED	MEDICAL ONLY
68	CLOSED	INDEMNITY
69	CLOSED	INDEMNITY

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70	CLOSED	INDEMNITY
71	CLOSED	INDEMNITY
72	RE-OPEN	INDEMNITY
73	OPEN	INDEMNITY
74	OPEN	INDEMNITY
75	OPEN	INDEMNITY
76	OPEN	INDEMNITY

For the purposes of this report, only the file audit # will be indicated. Please note that file audit #42 was replaced (no longer shown on this list) with file audit # 76. At the time of the physical audit the wrong file number was pulled. However, in reviewing the file it was determined to be the same claimant to #42 and connected as such it was accepted as an alternative case. File audit # 42 was briefly reviewed to determine any overlapping information.

- *The following information and opinions formed by the auditors were based on a review of the claims management system, iVOS, and document imaging system, Collybus, 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:

1. Review overall claims management of files with incorporated emphasis on the work completed since April 2014 to avoid an overlapping of findings from the previous audit conducted in 2014. The audit considers claims management using the following categories:

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

The audit was further detailed to include a general review of the following:

- *Staffing Adequacy based on current caseloads*
- *Utilization of Claims System including Organization and Tools*

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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: 4

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	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%		

Individual Overall Case Ratings is 4 based on a total ratings score of 324.5 out of a possible 370 equaling 87.7%.

Summary of Ratings by Category:

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

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Given the Summary of Ratings by Category performance of 4, 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. In wrap up we were informed that there was another system that documents could be found. Unfortunately, Keenan was unable to get us access to that system. However, as auditors we must advise when documents could not be located and scores were reduced if the documents were not found. If they exist in this system then *we recommend that the vital documentation like 5021s, DWC-1s, and doctor's reports be placed in an obvious manner in iVOS. We believe this could help and assist individuals who are either new to the case and/or who are providing oversight with efficiencies in reviewing the file and insuring detailed knowledge of the case history.*

Although Keenan and Associates appears to be effective on their claims management as illustrated by their summary of ratings by category and individual claims ratings, we did find some opportunities to improve regarding claims documentation, supervisory oversight, and communications.

We found the staffing stability did contribute to the consistency of work on the files. We found significantly less issues on diaries and a reduced number of gaps in review of claims.

Claim ratings were reduced for a variety of reasons and are outlined in section II -Findings on Claims Management section of this report.

The overall score for Keenan and Associates (ACSIG) is a 4 based on the Individual Claims Ratings percentage of 87.7% and the Category Ratings of 86%.

The detailed description of this score is:

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

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

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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 proper 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. Fifty-two claims were applicable for review in this category and of the 52 claims 43 were managed at an excellent level.

Keenan used the type of injury indicator as either Indemnity and/or Medical Only. It was still unclear whether or not previous audit discussions concerning the conversion back to exposure based claims types was being completed as we found a couple of files where there was that opportunity but it did not take place. It is an accepted practice to use the claim type identifier as a means to identify who is working on the claim. However, we continue to recommend that claim type be distinguished by case exposure in accordance with OSIP guidelines although scoring was not impacted by the lack of conversion.

Note: The Office of Self Insurance Plans defines indemnity claims under section 15201(x):

Indemnity Claim - A work-injury case which has or may result in any of the following benefits:
(1) Temporary Disability or salary in lieu thereof
(2) Permanent Disability
(3) Life Pension
(4) Death Benefits
(5) Vocational Rehabilitation
(6) Supplemental Job Displacement Benefit Voucher

Audit #	CLAIM IDENTIFICATION COMMENTS
4	Case was open at time of target list completion. Case closed before audit. Very nice documentation on file and use of IVOS system tabs/ windows. Everything filled out.
13	This is a second companion file set up as the Same CT period as the initial companion. Not sure why claim was established. Unable to confirm DOL. No DWC-1 or application found in file.
18	Claim is noted as Indemnity, but there was no known exposure to time off. In fact EE insisted she could not take time off due to financial needs. Was RRTWMD and accommodated. Only known possible disability was 1 day TTD for attendance at PQME. Exposure is not indemnity exposure.
19	Marked as indemnity but no exposure to TTD or PD indicated. Can this be recoded back to medical only?
20	Initially placed on indemnity file. But case has no current indemnity exposure. Unknown injury as EE comorbidities and unknown nonindustrial conditions could be at play. IF studies are negative and ultimately if case is deemed not work related, maybe consider recoding as medical only.
22	EE contact not noted.

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36	Original DWC1 states 4/7/2014 (not signed by employer). Employee sought representation and DWC1 submitted along with APP both state 4/17/2014 date of injury. System continues to read 4/7/14. Medical legal notes 4/17/2014. 4/7/14 injury not addressed. Likely the same because of body parts but cannot make that assumption. Needed to clarify that no injury occurred on 4/7/14 or alternately that the claimed 4/17/2014 injury is in error. Noting that the employee per the examiner claimed injury to back one month after original injury? Does this open up to new injury for 4/17/2014. Language is a barrier.
39	DWC-1 gives a DOI 8/4/15. DOI changed to 11/13/14. The DWC-1 should have been addressed by either requesting EE amend the claim form or denying the original and completed another.
43	File re-opened on 4/10/15-as Employee experiencing issues with knee and wants treatment. No contact with ER to confirm employment and work status
76	This file was provided to us vs the requested 6/23/2013 claim # 482321. Claim was created after review of notation by supervisor of medical reports by treater dated 10/7 and 10/14 from the 491259 claim. Reports had been received in the office 10/19/15. New claim not opened until 12/15/2015. Noting that MD on other claim indicated on 10/7 that employee was stressed due to student becoming more combative and she is having increased amounts of stress and complained of increasing pain in her right Para cervical muscle and her right shoulder. He gave her work restrictions. IF this was to be recognized as a whole new injury then the claim was not opened timely. Additionally, the date of injury of 11/3/2015 does not have a corresponding DWC-1. An 11/11/15 report from treater indicates the employee was attacked and has "exacerbated" her condition and again disability is indicated as the EE had returned to work since 10/14. Again, if this was to have acted as the actual prima fascia evidence of a new injury this report was received on 11/18/2015 and the file although opened within 30 days missed the ability to make payment on TTD timely. (Acknowledging EE would be under new SC IDL). Examiner requested assistance from DA on 11/17 and the response was to request a supplemental from treater. A proposed letter was not indicated until 12/16/2015. The day before it was determined a new injury had occurred.

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor

Disability Payment Management rating is a 4.5.
Previous Audit: 3.5.

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 stop times, penalty and overpayment avoidance, and coordination of Ed Code benefits. Nineteen files were deemed as applicable for review in this category. Of the19 claims, 13 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 were several files where wages statements were not found. Many of them were a result of efforts by the examiner to obtain from the school district but without success. We understand that Keenan has already a planned training for the school districts on the importance of wage statements and this would be our recommendation as well.

Audit #	DISABILITY PAYMENT MANAGEMENT COMMENTS
7	Appears payment from 10/16/15-10/18/2015 paid late on 11/9/2015. Notation on file difficult to

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	determine if examiner should have known or not. Employee is on SC so no penalties. Work status tab does not show these dates as being TTD or RRTWMD. Wage statement calculation appears correct in spreadsheet but rate on letters are different along with actual payments. Please re-review.
22	No wage statement on file to verify AWW and confirm TD rate. TD rate determined based on the AWW indicated on the 5020 form. TD overpayment of $5325.86
26	Good work trying to get wage statement after reopen and recalculating benefits.
35	Noting dispute on TTD for period of about 6 months. Tried to locate efforts by examiner to obtain clarification from doctor on the TTD. Could not locate other than a 6/12/2014 inquiry on extent of injury but not necessarily questioning time off...inquired as to how it goes from minor to significant.
36	TTD delayed and denied for middle of 2014 based on lack of clarification on reason for time off. Noting 5021 had EE off work for 2 days with improved return to work indications on follow PR2s despite low back being added. When review of more current TTD is determined additional review for this disputed period of time will need to be made. No reduction in score. Just noting.
76	Again, assuming this was and should have been a new injury payment for disability even as a voucher would be late. ER had to request. Confusion on whether or not this was a new injury caused the delay.

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor

Return to Work Management rating is 4.
Previous Audit: 4.5

This category contemplates the coordination of return to work with medical providers, employee, and employer. We review 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. Seventeen claims were deemed applicable for review in this category and of the 17, 11 were managed at the excellent level. Documentation for return to work efforts was difficult to find in the files. There appeared to be decent communication between Keenan and the Districts, however, return to work seemed controlled by the District with little intervention by Keenan. *We recommend increased communication on return to work efforts to insure that everyone is aware of the work status and/or potential for return to work.*

Audit #	RETURN TO WORK MANAGEMENT COMMENTS
7	JD and/or JA would have been appropriate to keep pushing toward full duty. Requested from employee on 9/2015 but did not see receipt. Does employer have?
14	3/19/13-Still working. Recommend that Examiner make another follow up
21	Employer provided JD/ JA during issues with PTP aggressively pushing RTW. Not requested by examiner. Luckily this resolved.
31	Salary Continuation as of 3/1/16-Need to keep in contact with District.
43	Should call ER to confirm employment and work status
65	Only 1 contact made via email to district on 4/21/15 to confirm work status.
76	Restrictions on this file were initially noted by employer to examiner. Examiner was asked

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	specifically by employer on 11/17/15 whether or not there were permanent work restrictions. The report on the previous injury was received in April 2015, not sure why employer would need to be asking in November for this. Two claims appear to overlap and it was difficult to find what communication was had with the employer to prevent the employee from working with combative children even from report that was deemed to be related to this new injury starting on 10/7/2015.

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor; RTW = Return to Work

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. Forty-nine claims were applicable for review in this category. Of the 49 claims, 37 were deemed to be managed at the excellent level.

We again saw very consistent provision of the 9785.5 doctor direction to both initial physicians and subsequent physicians. We only saw a couple of questionable issues with utilization review with one being absolutely determined as late. *We recommend regular reviews of utilization review timing reports to identify late completions and to determine means of preventing in the future.* We did not note any excessive or unnecessary use of utilization review nor did we see unnecessary pursuits of the Panel Qualified Medical Examination process.

Audit #	MEDICAL MANAGEMENT COMMENTS
3	Excellent work by One Call on managing dental care. Very strong work.
5	PR-2 dated 3/9/16 and 3/24/16 from Dr. Azar states Ortho consult needed. RFA sent. No mention in the Plan of Action and no RFA found in the file.
7	Good use of NCM and efforts to push case along. Confusion over new treater who also was old treater for existing FM case. PTP refused to split the case but not sure if there was an effort to get him to address an aggravation of the previous condition and then push the benchmark from the old injury i.e. diagnostic studies like MRI (which EE was struggling to complete/ or refusing to complete.) Also would have liked to see UR usage on medications along with coordination with other case as EE mentioned using 2 narcotic drugs clearly identifying getting on the other case.
10	EE last seen by PTP on 2/19/16-pain worsen and is recommending consult with Pain Management Specialist. RFA sent on 2/19/16 and in file. However, I do not see any action in the file notes by examiner
14	No real medical management as the employee is treating with her private MD. Examiner did not review the prior medical records on 8/20/14-bullet points for back complaints
15	Confusion on UR determination received apparently on 3/14. Could not locate original RFA as one in file with date stamp received 3/18/2016 is indicated as a duplicate RFA. UR determined they were late and as a result were required to administratively approve 1 diagnostic study and 1 treatment plan. New Examiner attempted to dispute but items were approved. Uncertain if they would not have been approved in the first place.
18	Difficulty getting EE to treater...could be an issue for judge for delay in care. Issue was not in examiner who appeared to do a lot to provide some assistance but the lack of specialists in area in MPN. May need to continue to review specialist coverage in area to avoid difficulties with care.

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20	Good work on ongoing efforts to push medical. One small gap of 2 months where MD did request in a report for diagnostic studies but no RFA. Examiner did push after 2nd report but might have pushed after first receipt of noted request. Not late and no technical issue for lack of an RFA was fault of treater, but for case mitigation timeliness could have been improved. In addition, I could not see any effort for questioning MD on ongoing work relatedness given pre-existing conditions noted on reports. EE refusing to go to own physician and get work up down.
21	Good and appropriate use of Nurse Case Managers. Although not an issue of the examiner's work, there was quite a bit of issues with the MPN list which delayed treatment to the injured worker. Both examiner and nurse worked diligently to resolve but still took weeks. Exposed case to unnecessary litigation.
31	In reviewing the medical reports-Employee is reporting anxiety and slight depression due to wound care-Need to watch closely for psyche overlay. Nurse case manager needed on this file vs. TCM. Also recommend NCM do a home assessment.
35	Good effort to question treater on continuing care on this case being related to older injury.
38	Good communication by examiner with EE regarding medical treatment
76	Employee was already treating on an older claim with new treater. Given the confusion on whether or not a new injury was sustained no MPN notices indicated or 9785. No medical controls either. Despite the work restrictions care has remained the same. Would have liked to push for issue of permanent work restrictions and baseline.

DOI = Date of Injury; UR = Utilization Review; EE = Employee; ER = Employer; MD = Doctor; RTW = Return to Work

Investigation Management rating is a 4.
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. Thirty-one claims were reviewed in this category and of the 31, 20 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. We did find some missed opportunities including obtaining medical records sooner vs. later, conducting full detailed investigations for subsequent injuries, etc. It was difficult to locate supervisor oversight between the delay and denial period of the files. *We recommend that supervisor oversight be more enhanced and frequent for delayed cases to insure proper acceptance of a claim as well as proper denial.*

Audit #	INVESTIGATION MANAGEMENT COMMENTS
2	No supervisor notes documented
11	Issue with not sending out PQME panel information with delay notice initially, but corrected.
15	ISOs run timely and appropriately. Noting that the examiner seemed to note multiple times that the treater was under the wrong impression that the employee only had one prior injury to the body

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	parts involved. Could not see an effort by the examiner to straighten the physician out on this misconception. Needed past medical records which do not have to wait till MMI to obtain. Especially once EE was litigated. Also noting POA indicates to proceed possibly with a deposition. Records obtainable through ISO data might be helpful to provide a good deposition. Lastly, EE doing work for new employer noted examiner questioned if new injury but did not see letter go out to doctor to inquire about this despite issuing a letter to the treater on 5/22/2015 denying ergo eval.
18	Nicely done investigation including communication frequency with injured worker who needed help with medical care during delay process as well as discussion and description of thresholds of compensability. I would caution, however, in advising an injured worker that all psyche injuries are investigated. Hoping that was just paraphrasing conversation.
20	File needs medical history. Examiner has tried several times to get from EE, but with no return. Could not see where examiner reached out to EE to question him on pre-existing conditions and request for medical release. Manager appropriately indicated need to address pre-existing conditions on this case. EE clearly not going to help out with that.
21	Noting that field investigation referral was completed, however, detailed directions were not provided at least on the referral form.
22	No supervisor review noted timely.
26	Work being done on other files, however, concurrent to work on those files was ongoing investigation including a deposition. The POA was developed by the examiner but not followed. Could not see any reason why even with other cases this could not take place.
34	Nice review of waiver of 3600a10 Post Term defense on file. Good recognition of defense and working with district given compounding concerns.
37	EE amended application to from CT 7/18/12-7/18/13-This claim denied as it is a different PIPS year but not able to locate denial notice
53	Good work by examiner in explaining the delay process with the employee.
62	Conditional denial issued on 1/27/15 pending results of PQME. Employee failed to follow through with PQME. No further denial notice issued
76	New injury. Presumed issue with student becoming combative. Can only guess examiner and employer spoke to confirm this was in fact the case and there are no other issues with the injured worker. There is no notice of representation on this file so contact efforts were made with employee but not successfully. Would have liked to have seen full investigation on case. Should a delay have been sent on TTD for the old injury first and clarification obtained first?

DOI = Date of Injury; CT = Cumulative Trauma; EE = Employee; ER = Employer; MD = Doctor; RTW = Return to Work

Litigation Management rating is 4.
Previous Audit: 3.5

This category contemplates how the examiners and defense attorney's 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

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any necessary explanations, etc. Twenty claims were applicable for review in this category and of the 20, 15 were deemed to be managed at an excellent level.

We found improved partnering with defense attorneys and more clear directions provided. We also note that manager, Patrice, has a clear focus on the litigated claims. We did not find any unnecessary referrals or deferral of work to the attorneys. There were some timeliness issues caught by Patrice and eventually corrected; however, the scores did reflect some of the missed opportunities for follow up with the attorneys and pushing case mitigation. No specific recommendation in this area, however, 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
7	Case just referred to legal at Manager recommendation to obtain deposition. Referral is good.
10	MGR referred file to defense counsel on 1/6/16 to obtain 3rd party C&R and Petition for Credit.
26	Defense attorney assigned but not timely per POA. Examiner wanted rush work to be done as PQME "crept" up. DA requested information and noted in correspondence with manager that she did not get. She appeared a little lost on the file, but quickly caught up.
29	No real drive or direction to defense counsel noted. Not able to locate the depo summary of Dr. Pang 1/25/16
34	Good communication with attorney on working out defenses for this case.
36	Manager was also pushing litigation management which was good.
51	Based on severity of claim defense attorney is warranted. Depo needed ASAP to address multiple prior claims to same body parts. . EE retained counsel on 10/14/15
58	Good work up by new examiner O. DaSilva in his settlement discussion with defense counsel in seeking clarification on outstanding issues with TD/EDD
76	Urgency on getting response from DA needed to address TTD issue. Took 1 month to get a response on the matter. Follow Up efforts by examiner to push response from DA not documented.

DOI = Date of Injury; D/A = Defense Attorney; EE = Employee; ER = Employer; AA = Applicant Attorney; POA = Plan of Action

Subrogation Management rating is a 4.5.
Previous Audit: 5

This category contemplates whether or not 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 and whether or not this ruling in or out process has an outlined thought process to show examiners grasp of the matter. Sixteen 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 16, 14 were deemed to be managed at an excellent level.

There was generally consistent effort to rule in or out subrogation potential. The process of "ruling out" should be noted on every claim and should include why exactly subrogation is not viable. The accuracy of detail is needed at the initial onset of the claim given the statutory limits to pursue. We recommend ongoing effort to

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detail the rule in/out process to insure ACSIG's right to subrogation has been thoroughly vetted. We found just a few cases where a full detail on the reasoning was not provided.

Audit #	SUBROGATION COMMENTS
10	District and ACSIG was not aware that the EE was involved in a class action suit against Sketchers. Case referred to Mark Susson to file a lien. $100K recovered and now going to assert credit for $110,870.74. Very nicely done!
23	Referral made 3 months after settlement. Not aggressively pursuing subro.
27	Notes reflect subrogation was ruled out. However, there are no details as to why it was ruled out. Door hit EE causing fall.
35	No rule in or out completed. Report from employer received dated 2/12/2014 and signed by a supervisor indicated 4 aides had reported the chair as malfunctioning and that the supervisor herself had had an issue. Possible the chair is old but none of this is ruled out on the file.
75	EE signed release form on 8/24/15 which included language to waive her rights to WC. However, Release language states claims, event, injuries, etc... this occurred on or about the 2nd of February. This DOI is 2/20/15. Amount is $2207.00

Notices Management rating is a 4.
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 in regards to both timeliness and appropriateness of notice issuance. Forty-seven claims were applicable for this review and of the 47, 25 were managed at an excellent level.

There was no trend resulting in the reduction in rating only those things found missing which individually impacted the scoring including missing DWC-1s or no effort to obtain, missing wage statements with missed opportunities to obtain, inconsistent permanent disability delay periods with no reason indicated. *We did find some inconsistencies in our ability to find the required return to work notices for injuries post 1/1/2013 and recommend that those be appropriately sent out as well as documented in the file.*

Audit #	NOTICES MANAGEMENT COMMENTS
7	Could not locate return to work notices although appropriate TTD and PD notices were sent out.
11	DWC1 and 5021 not in file. 5021 not expected as EE treated with PTP. But could not locate efforts to obtain DWC1.
12	Still need to obtain DWC1. Need to have for settlement to go through at WCAB,
15	PD Delay notices sent at 6 months vs. 90 days between 3/9/2015 and 9/2015. Then every 90 days.
20	5020 missing from file. Noting examiner attempted to obtain multiple times with no response. No reduction in audit scoring due to efforts to obtain.
21	Could not locate DWC1 or wage statement in file. 1 RTW notice sent.
22	Wage statement requested. Never received and no follow ups noted.
24	EE MMI on 9/2/15. PD delay issued 11/24/15, 2/22/16. On 4/8/16-PD Advice letter issued
30	Unable to locate DWC-1 on file. File not noted it was requested twice.

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35	Wage statement requested one time. not in file.
36	TTD Notice to employee in 6/2014 confusing. As there was no TTD payment issued not sure why a first and final was sent out at the same time as a delay and denial. uncertain if actually mailed.
39	DWC-1 in file completed by EE only. Adjuster didn't obtain completed form from ER.
49	Wage statement requested once on 11/6/15. No DWC-1 found; no notes reflecting efforts made to obtain DWC-1.
50	Notes don't reflect efforts made to obtain DWC-1. Unable to locate DWC-1 or 5021 in file.
51	Wage statement requested.
59	Unable to locate 5021 in file.
64	No 5021 in file only the Emergency report
70	Delay with getting out PD notice
76	No DWC1 on file. Wage loss requested but not in file.

DOI = Date of Injury; PD = permanent disability; EE = Employee; ER = Employer; MD = Doctor; RTW = Return to Work

Disposition Management rating is a 4.
Previous Audit: 4

In this category the auditors contemplated the speed of closures for medical only claims. For indemnity claims the review included whether or not all settlement types were considered. We reviewed for the use of independent raters and for efforts to settle and/or close the cases timely. For future medical cases we review for adherence to the Office of Self Insurance Plans (OSIP) requirements on closing. Thirty-four claims were applicable for review in this category and of the 34, 24 were deemed managed at an excellent level. In our last audit the medical only claims skewed the findings so we separated the scores for illustration of the impact. This review had half the number of medical only files reviewed and we did not find a significant difference in findings between the two types of claims and so the score reflects the overall findings in this category. We did find some slow closures, and believe this can improve with better adherence to plans of action and more frequent supervisor reviews. On the service standards for diary management it indicates that active files remain on diary up to 60 days including permanent disability awards. In reviewing settlement best practices for turn-around of receipt of a permanent and stationary report, 30 days is the standard we use. The standards written for evaluation, negotiation, and settlement for Keenan follow this standard. Although the former standard of a 60 day diary may have been followed, the 30 day evaluation standard was not necessarily executed.

Audit #	DISPOSITION MANAGEMENT COMMENTS
10	Need to confirm with defense counsel on Petition for Credit.
14	PQME report received 9/26/14-Not MMI but it took over a year and half to approach AA with settlement discussion of $15K
15	MMI report received 2/19/2016. Examiner reviewed reserves 3/29/2016. No indicated effort to review for settlement. It is likely AA would object although the MD report is fairly thorough and even contemplates Almarez/Guzman.
21	Offer to settle reviewed for types and reasoning given future medical eligibility described by Panel Medical Legal. However, report was received in the office on 11/21/2015 and not acted on until April. Required prompting by Manager on 3/1/2016 to make movement on case.
24	MMI report received on 9/10/15-no action to evaluate settlement
41	Noting from master file: Contribution request should have been done within a reasonable time

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	period after verification of settlement. Also noting that lien claimant on file and known at time of settlement. DA made an effort to resolve via a letter in 11/2015. No follow up. Case was to be closed but prevented due to lien issues. Additional efforts to resolve lien could have been made. No reduction made on this case, but noting delay on master file.
43	No real action taken to reclose file
45	D/C 2/29/16. PD Denial issued on 3/3/16. Do not know why the examiner sent a contact letter to EE on 4/6/16(?)
53	File should have closed by 12/31/15 based on Supervisor note of 11/30/15
67	Not able to locate STIP in file or on system
75	File should have closed back in April of 2015 after denial but they wanted this liability release. File now ready to close but should have back in April of 2015

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

Cost Containment rating is a 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. Forty-nine claims were applicable to this review and of the 49, 45 were deemed to be managed at an excellent level.

Audit #	COST CONTAINMENT COMMENTS
15	Duplicate bills noted although I could not locate what they were duplicating? DOS 2/9. No reduction in score as I could not confirm duplication.
20	Could only locate 2 bills on Collybus when many more bills paid.
26	Bill review charge indicated for services dates 1/12/2015. Not sure what that is for.

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. Sixty-eight claims were applicable for review in this category. Of the 68, 56 were deemed to be managed at an excellent level. We found no unnecessary stair-stepping.

For reserve accuracy we reviewed whether or not the examiners contemplated all the appropriate probabilities. We note that OSIP requires that no reductions to reserves contemplation 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

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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 service standard for adjustments in reserves due to a significant event is 14 days. These auditors note a 30 day standard so reserves that were late in changing for the audit also did not meet service standards for the department.

We reviewed a total of $5,382,238.19 in reserves and recommend overall changes resulting in an overall decrease of ($91,689.13) or (2%) noting that there were several 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.

Audit #	RESERVES COMMENTS
3	Reserves appear low given need for possible additional procedures and in light of previous failures. Breakdown of approved procedures is still pending, but cost for dental is very high. Recommend an increase. Noted review likely needed in March 2016.
4	Case was open at time of choosing for audit. Case was closed 3/14/2016. Reserves were already reduced.
5	Only $982.00 outstanding in medical reserves. Reserves need to be increased.
9	Current outstanding is $117K. LE=25. AVE cost over 3 years $4074.61 for a total of $101,865.25. Reserves can be reduced.
11	Claim denied and expected to close. Reserves are appropriate at this time although likely high if closure goes through. No recommendations on this case.
15	Outstanding TTD of $8449 can probably be removed given employee has continued to work outside of district since 1/2015. But, employee continues to express concern over ability to work in the future...Medical Legal could change MMI opinion if not settled. As such reserves are likely appropriate until such time as settlement is accomplished.
19	Employee was discharged from care just recently. Possible case closure. However, reserves are fine for now until employee time period to object to treater findings has passed and case is closed.
20	PTP notes EE likely has condition which is typically surgical in nature-bilaterally in this case. Noting that reserves may or may not be too high as diagnostic studies still pending. Not making any recommendation on reserves as a result.
21	Not sure if judge may exert his right to add 4% permanent disability -- based on doctor's notation of ongoing problems albeit minor problems. NO PD left on file. FM light and it appears there is anticipated hope to C&R FM, but reserves likely low. Need to add some PD for settlement until settled.
22	Total outstanding $29,266.51. Indemnity and medical reserves no longer needed.
23	Outstanding $20,591.96. Claim settled by C&R. Award appears to have been paid.
24	Reserves just updated on 4/8/16
26	Case may have minimal exposure, but unlikely to settle for $4k or less given other claims and whole

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	body issues. PQME report in and about 70 pages. Did not see that examiner evaluated and provided exposure consideration on this case.
30	Reducing reserves to 12 weeks TD and $25,000 outstanding in medical. Prior notes from manager recommended reserve review for reduction, which was not completed.
31	Recommending the following: 24 weeks of TD=$11,085.84 MD: QME $3000 Nurse, PTP, RX, $15,000
34	Case appears to have no exposure and with subsequent filing of 11/2/2015 injury unlikely to have much value on its own merit based on current filing. No recommended changes.
36	Case should be heading to settlement posture. Case may be too low in reserves overall but noting 2 other companion files open and exposure needs to be reviewed for both. No recommendations on this case.
37	NO Reserves on file
41	Case likely closed too soon as exposure was indicated given master file settlement. No real impact just noting early closure causing quick reopen.
49	Although surgery is indicated, PTP states EE would be a poor candidate due to weight. No request made for surgery. Adjuster should evaluate whether TD and surgery reserves are warranted.
51	Notes indicated reserved for full exposure. No information to support reserves as there has been no medical treatment or diagnosis made.
55	Reserves outstanding $33,563.72. Per Manager notes based on LE and average cost of last 3 years FMC is $13,666.37. Reserves can be reduced.
75	$1246.23 left outstanding in medical reserves. File should have closed back in April of 2015 after denial but they wanted this liability release. Not sure that the $1246 in the system was required.

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

There were several 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, so we note the overall activity with this caveat.

The following cases require reserve activity:

Audit #	RECOMMEND RESERVE INCREASE OR DECREASE
3	$ 20,000.00
5	$ 6,350.00
9	$ (10,742.80)
21	$ 5,000.00
22	$ (28,302.00)
23	$ (13,500.00)
26	$ 5,000.00

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30	$	(86,830.17)
31	$	29,085.84
55	$	(17,750.00)

File Management and Oversight rating is a 4.
Previous Audit: 3

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 or not the examiners used all resources available to them. We also reviewed for excess reporting and reimbursement timeliness. Seventy-four files were applicable for review in this category and of the 74, 30 were considered to be managed at an excellent level.

Under the best file management practice experienced by these auditors, supervisor or manager reviews were completed at 90 day 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. Although we found excellent reviews by the supervisor and/or manager (and note that their recommendations were very sound), we did find gaps in timelines that we feel should be improved to support a higher level of oversight. We appreciated the oversight of the litigated claims and the intervention vs. simple review by the claims manager. On a few of cases, the claims manager noted a delay in legal movement of the case and jumped in to remedy the situation.

Late excess reporting was still found on a couple of cases, but vastly improved from previous audits. There was generally a good sense of urgency to move cases forward, but delays were still discovered – some are noted below. Use of resources such as investigators, nurses, and attorneys were not excessive and appeared appropriate.

We recommend a review of the supervisor oversight protocols and expectations to improve the frequency of opportunity to review and affect the claims mitigation process.

Audit #	FILE MANAGEMENT COMMENTS
2	No supervisor oversight.
3	Excellent follow up work by Heather Doyle to push ongoing care.
4	Excellent claims documentation.
5	PR-2 dated 3/9/16 and 3/24/16 from Dr. Azar states Ortho consult needed. RFA sent. No mention in the Plan of Action and no RFA found in the file. No supervisor review
7	Supervisor oversight not quite at 90 days, still completed 2x from 8/24/2015 to 4/7/2016. Documentation on where numbers came from for rates etc. was not consistent with other information on file.
10	MANAGER review on 6/27/14, 3/31/15, 12/21/15, 1/7/16, 3/18/16 & 4/7/16

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	Need to address medical treatment so we can get EE MMI. Also, approval from Liberty regarding the subro settlement recovery.
12	Supervisor review done only on 12/2015.
13	Supervisor requested POA from adjuster on 6/26/14. POA not completed by adjuster until 10/14/14. Better documentation regarding why claims was established warranted.
14	When Notice of Rep received by A/A, he listed AMEs that he would be agreeable to utilize. Examiner was waiting for A/A to take action, even sent a letter to A/A back in 2014 Petition to Dismiss. Only I supervisor review noted for 3/20/16
15	New examiner. Unknown when reassigned. Did a good job in creating a POA. However, noting that it appeared more as a review of most current information. Could not tell that full review of history of file was made. It did not note if apportionment to 2009 injury or any of the other notations made by previous examiner were ruled out. No Manager or Supervisor review between February 2014 and March 2016.
18	Very good documentation on file. Did find that the letter to the PQME was late to doctor sent on 12/30 for a 1/8 appointment. However, cover letter was sent to employee timely for their objection.
20	POA's were well written but follow through on addressing lack of return for medical release and push to address non-industrial factors need to be more defined.
21	Gaps in manager review 7/10/2015 to 3/1/2016. No supervisor notes till 7/10/2015. Although noted reserves page review made by manager.
22	1st manager not 12/28/15 1 year after report of claim and set-up.
23	Late supervisor review. Initial manager review not noted until 7/6/15.
24	MANAGER review on 3/8/16. 5 month gap from date MMI report received. Examiner just updated file with POA on 4/8/16
26	Gaps in review of file by examiner (reviewed master and companion file -- same issues for audit review period). Notably gap from 4/21/2015 to 9/18/2015 just before PQME. Noted there was a POA on 5/2015, but it was repetitive to the 4/21/2015 and no work indicated was completed. Initial POA for this companion file indicated POA that was not completed and still pending on file - in particular deposition of claimant. PQME cover letter late to QME. Manager had to intervene to get case moving. Examiner gap in file care from 8/18/2014 to 4/2015 even with Manager review on 1/28/2015. Manager review on other files was almost 4 months although sometimes more frequent. Attorney seemed a bit confused and needed more information for the file as well.
27	No supervisor or manager diary in system.
28	Only one supervisor review on 9/8/15.
29	Supervisor review on 8/28/15 and 4/7/16. What were the findings of Dr. Pang's depo?
31	Only one sup/Manager review on 4/7/16-which recommended a field nurse No future diary set up. Examiner needs to review all medicals and keep in communication with District and EE.
36	Need to get documentation straightened on date of injury. Manager reviews at greater than 90 days.
37	Manager reviewed this file only once on 6/24/14 and no diary set for future review. All of the examiner include the findings of the 2011 claim and that this denied claim will be included with the settlement of the 2011 claim
38	Gaps with Supervisor review 4/30/15 & 4/8/16

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40	Supervisor review 2/10/14 & 3/30/16-no review in 2015 Excess report 4/14/14, 1/5/15 & 12/8/15- Late with excess.
43	Supervisor/Manager review on 4/10/15 and 1/18/16. Gaps with file review-Examiner should call ER to confirm employment and work status. Since no response from PTP. Sending closing notice to EE.
44	Supervisor initial review on 1/11/16 with direction. However did not address timely and file could have been denied within the 90 day timeframe.
45	Supervisor reviewed file on 3/25/16. Not sure why a contact letter was sent to the EE on 4/6/16
46	Not able to tell at the time of set up if examiner ever went to Supervisor to discuss claim as there is no notes. Supervisor review on 12/22/15-claim should be reserved for 47%of the master.
47	3/30/16 & 4/8/16-Supervisor No supervisor review in 2014 and 2015
50	No supervisor oversight. First supervisor note made 4/5/16.
51	No direction from supervisor.
53	Only two sup/Manager review 11/30/215-Supervisor recommended denial based on post term defense and no medical evidence. 12/29/15-Examiner agreed to deny case with a target date of 1/4/16 1/14/16-Manager approved denial
54	Supervisor review 11/30/15, 1/114/16 and 2/26/16
56	No Supervisor/Manager review in 2015 Reviewed filed on 5/20/14, 11/24/14 and 2/2/16.
58	No Supervisor/Manager review in 2015. Supervisor review 8/18/14 & 4/7/16
60	11/6/15-Examiner sent letter to EE confirming that she does not want to pursue WC claim. followed up with denial notice
63	Low supervisor oversight. Only one note from manager on 6/2/15.
65	Supervisor review on 2/19/14, 7/8/14 and 4/21/15
68	Reinsurance report required under PIPS program.
69	No closing note in file and no comments on Petition for reconsider that was received by A/A on 10/1/15
70	No Supervisor review in 2014 Supervisor/Manager review on 12/2/15, 2/12/16 and 2/24/16
71	Supervisor initial review was 6 months after set- up.
73	8/1/14-Acceptance letter issued but no notes to support why. 10/29/14 note-Master file denied PMQE 11/20/14 1/27/15 note-Claim accepted per QME Only one Supervisor note 4/8/16
74	Very little supervisor oversight. File is well documented no reference made under POA.
75	Sup/Manager review on 3/4/15 & 7/10/15 File Review on 11/3/15 and 2/9/16-state follow up on release. Action recently taken on 4/7/16 to get a copy of the release from Liability adjuster.
76	EE was deemed TTD by treater post MMI. Case where EE deemed MMI was in settlement posture. Some confusion on date of injury as Examiner has asked if it needs to be changed. No DWC1 or

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	application related to discern actual date. No benefits difference if 11/3 or 11/6 or 11/9....no difference if 10/7 either but system needs to be updated. Additionally, lack of documentation on due diligence for ruling in or out a new injury triggered new TTD statutes as well as Ed Code benefits.

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

DRAFT

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

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 goal, but these are definite exceptions. 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	0	0	FT
Rebecca Enisco	Claims Supervisor (Assistance from San Jose Office)	0	0	Temporary
Carrie Dantzig	Sr. Claims Examiner	129	0	FT
Cinde Hagelberg	Sr. Claims Examiner	129	0	FT
Kirsten Fisher	Sr. Claims Examiner	128	1	FT
Nina Drake	Sr. Claims Examiner	157	0	FT
Omolara DaSilva	Sr. Claims Examiner	154	1	FT
Heather Doyle	Medical Only/ Claims Assistant	0	29	FT
Jhandel Cabrera	Medical Only/ Claims Assistant	0	34	FT

Since the last audit Kubie Kozlowski has dropped from the list of dedicated examiners and Nina Drake has been added. Patrice is shown to have 1 claim and Rebecca is shown to have no claims specifically assigned to them.

The breakdown of oversight is as follows:
Patrice Grant: 386 Indemnity Files and 64 Medical Only
Rebecca Enisco: 311 Indemnity Files and 1 Medical Only

We are uncertain what the intent is for timing on the temporary nature of Rebecca's assistance, however, we note the supervisory frequency review gaps throughout this report.

The ratio of examiner to assistant is 2:5 or 1:2.5. There is a trend in the industry that is going back to a 1:3 ratio. 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.

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. We still did notice that the screens were not fully utilized and we feel could be helpful to the overall claims management including the subrogation screen for example. Keenan uses the Collybus imaging system which does seem to allow for easy identification of documents and filtering capabilities.

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Comparison of 2014 and 2016 Audits

We found continued improvement in overall claims management with 81% of the claims reviewed receiving scores of 4-5 in 2016 vs. 66% in 2014.

2014

Individual Claims Ratings	Indemnity	Medical Only	Grand Total	Percentage by Total	Percentage by Indemnity	Percentage by Medical
1 – 1.5	3	1	4	4%	75%	25%
2 – 2.5	6	1	7	7%	86%	14%
3 – 3.5	22	1	23	23%	96%	4%
4 – 4.5	30	15	45	44%	67%	33%
5	15	7	22	22%	68%	32%
Grand Total	76	25	101	100%		

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 2014	Rating 2016
Claim Identification	4.5	4.5
Disability Payment Management	3.5	4.5
Return to Work Management	4.5	4
Medical Management	4.5	4.5
Investigation Management	4	4
Litigation Management	3.5	4
Subrogation Management	5	4.5
Notices Management	4	4
Disposition Management	4	4
File Management	3	4
Cost Containment	4.5	5
Reserves Management	4.5	4.5
Total	49.5	51.5
Total Possible Points	60	60
Score	82.5 or 3.5	86% or 4

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

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RECOMMENDATIONS:

The current file concerns found were not unusual. We recommend the following areas for improvement to Keenan and Associates in order to increase in overall rating:

1. We recommend that the vital documentation like 5021s, DWC-1s, and doctor's reports be placed in an obvious manner in iVOS. We believe this could help and assist individuals who are either new to the case and/or who are providing oversight with efficiencies in reviewing the file and insuring detailed knowledge of the case history.
2. We recommend increased communication on return to work efforts to insure that everyone is aware of the work status and/or potential for return to work.
3. We recommend regular reviews of utilization review timing reports to identify late completions and to determine means of preventing in the future.
4. We recommend that supervisor oversight be more enhanced and frequent for delayed cases to insure proper acceptance of a claim as well as proper denial.
5. We did find some inconsistencies in our ability to find the required return to work notices for injuries post 1/1/2013 and recommend that those be appropriately sent out as well as documented in the file.
6. We recommend a review of the supervisor oversight protocols and expectations to improve the frequency of opportunity to review and affect the claims mitigation process.

In many categories no specific recommendations were made as no obvious trends were found. This was excellent, only there were enough missed opportunities to prevent higher scoring. We do believe that ongoing improved efforts on oversight as well as running several well timed adhoc reports could assist in improving the overall score.

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.

Version Date: May 4, 2016
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Keenan & Associates

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May 12, 2016

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

RE: Wells Fargo Insurance ACSIG 2016 Claims Audit

Dear Kimberly,

I would like to take the opportunity to address the draft audit report you provided for review issued by Wells Fargo Insurance Services on May 4, 2016. The audit results demonstrated improvement since last audit and the overall score was 86% or a score of 4 out of 5 which represents that we are providing consistent management and achieving good outcomes. The prior audit conducted in March of 2014, we ranked at 3.5 out of 5, which were considered above average management, good but not consistent. During the wrap up meeting on April 28, 2016, the auditors indicated that a score of 4 was an excellent result. They were impressed with Keenan achieving this high of a score and said that very few administrators achieve above a 3 overall.

Category	Ranking 2016	Ranking 2014
Claim Identification	4.5	4.5
Return to Work Management	4.5	4
Medical Management	4.5	4.5
Investigation Management	4	4
Subrogation Management	4.5	5
Notices Management	4	4
Disposition Management	4	4
Cost Containment	5	4.5
Reserves Management	4.5	4.5
Disability Payment Management	4	3.5
Litigation Management	4	3.5
File Management	4	3

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

CLAIMS IDENTIFICATION

The auditors noted that we may not be distinguishing claims according to the OSIP guidelines consistently. We were correctly identify the claim as medical only by use of the NCCI coding, however if the claim was handled by a claims examiner we would use the Claim Type of Indemnity. We now are coding both the Claim Type and NCCI code as Medical only. With the exception of this finding we are doing an excellent job of timely reserving , coding , and making three point contacts on claims.

DISABILITY PAYMENT MANAGEMENT

At last audit there were 10 overpayments found. At this audit there was only one noted overpayment found due, which was caused by the injured employee returning back to work on modified duty and us not being advised. We have received reimbursement from the District and there is no outstanding overpayment. There are noted issues with obtaining wage statements and/or claim documents from the Districts and the claims office is working with the Risk Analyst to address this issue.

RETURN TO WORK

This is an area where we can improve outcome and reduce indemnity cost. Training will be conducted with the Claims Examiners to make sure that they are effectively communicating and working with the Districts regarding accommodating temporary modified duty as well as working with the medical providers to effect return to work. ACSIG held a Lunch and Learn on May 3, 2016 for the Districts concerning return to work and the claims examiners were in attendance and they are aware of their roles and responsibilities in this regard.

MEDICAL MANAGEMENT

There are no issues noted in this area which deals with medical treatment and the utilization review process. This was also found at our state audit which we scored 100%.

INVESTIGATION MANAGEMENT

The only issue noted is enhancement of supervisory oversight to ensure that there is consistent and timely oversight by a supervisor. We currently have a plan in place which will be discussed under File Management.

LITIGATION MANAGMENT

There is improvement noted in this area from the last audit in that the claims examiner are partnering with the defense attorney and there is clear directives to the attorney. We will continue to improve outcomes in this area by performing roundtables with defense attorney firms and as warranted staffing with defense attorneys on individual claims.

SUBROGATION MANAGEMENT

The issue here is clearly documenting the rule in/out process in Subrogation. There were no missed opportunities. We have had training regarding the expectations and we will have a refresher training to go over expectations in this area of identify and ruling out subrogation and the documentation required.

NOTICES MANGEMENT

It is noted that most of the deficiencies had to do with missing DWC-1's, Wage Statements and 5021's not found in file. We note we are having some difficulties in obtaining information from the District and consistent follow up by the claims staff to obtain. Typically, we make two attempts to obtain this information from the Districts. We need to ensure that we consistently following up with the Districts and at claim reviews reinforce the importance of providing Wage Statements, the DWC-1 and 5021's and Employer's Reports. The auditor's indicated they could not locate the DFR in either the electronic and or paper file. We have not noted a trend in obtaining the Doctor's First Report (DFR) from front line providers. I will review the individual files were it was noted the 5021 was not received and will have our Claims Analyst address with the front line providers to ensure that they are providing the DFR. It may be that the auditor did not have access to the area where it may be housed which is within CEP in ivos. Return to Work Notices was not found to be consistently sent. This is a training opportunity to ensure that we are sending out the Return to Work at MMI. However, this was not an issue identified at our last DWC PAR Audit.

DISPOSITION MANAGEMENT

The auditors did find some delays in claim resolution. We will continue to improve in this area as we continue to improve on supervisory oversight of the files as well as CE's maintaining diaries.

COST CONTAINMENT

No issues noted in this area. The findings noted appear to be auditors not understanding where bills may be housed or why it might show as duplicate payment when it is actually not.

RESERVE MANAGEMENT

There was only a 2% 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 AND OVERSIGHT

A concentrated effort is currently being made by the staff to address diaries and bring files current so we avoid delays so claims resolve in a timely fashion. Supervisory oversight issues were also identified by the auditors in various areas that would improve claim outcomes. It was recognized in November that additional assistance was required in this area and a plan was implemented by providing assistance of an additional supervisor to ensure that we are meeting all standards and accountabilities. We are noting improvement in this area which has been demonstrated by recent technical audits.

Late excess reporting was noted on a couple of claims. We track this on a monthly basis and the goal for reporting is 90%. We typically meet or exceed the reporting requirements and we are averaging 94% for the year and as of April we were at 100% reporting.

OTHER ACTION ITEMS

A meeting is scheduled for May 16, 2016 with the team to review the audit findings in detail and to discuss our overall plan of action for improvement The team will be provided with a copy of the audit report and they will be working to address any claim deficiencies and our plan is to have this completed by June 16, 2016. The plan of action includes training which will occur in the next 45-90 days

We appreciate the auditors' findings which is valuable to our continuing success and the opportunity to provide a response with our plan of action. If you have any questions or comments, please feel free to contact me.

Sincerely,

Patrice D. Grant

Patrice D. Grant
Claims Manger
Workers' Compensation

Cc: Tara Schilling
Carmella Harrison
Tracy Gold

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EXECUTIVE SUMMARY

TO: ACSIG Board

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2016/2017 Dental Rates

Enclosed are the proposed 2016/2017 Dental rate changes for ACSIG members. The program has been performing exceptionally well and efficiently. The past two years have seen flat rates and rebates in this program. The program operated at a very slight decrease in 2015/16. ACSIG has recognized a downward trend by keeping rates flat from year to year. This approach is continuing in 2016/2017, however, no rebate is recommended in 2016/17.

These rates will be reviewed by the Executive Director at the meeting and will be asking for approval of the 2016/2017 dental rates.

Dental Renewal

Fixed Rate Pool Renewals

RENEWAL	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Underwriting Results	2.08%	0.08%	-1.80%	-1.70%	-0.9%
Actual Applied to Members	2.08%	0.00%	0.00%	0.00%	0.00%

Delta Administration Fee is 5.86% guaranteed through 10/1/2017

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Dental Renewal - Recommendation

	Trend	Renewal
ACSIG 2015-2016 Trend	3.0%	-2.3%
Segal Trend	3.5%	-1.6%
ACSIG 2016-2017 Dental Renewal Trend	4.0%	-0.9%
ACSIG 2014-2016 Trend	4.0%	-0.9%
Delta Trend	5.0%	0.6%

2016-2017 Underwriting Assumptions/Recommendation

- Paid Claims: 24-months of claims data (April 2014 – March 2016)
- ACSIG specific trend of 4.0% was used
- Risk margin of 0.0%
- **Alliant Recommends No Change in Rates**

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EXECUTIVE SUMMARY

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2016/2017 Vision Rates

Enclosed are the proposed 2016/2017 Vision rate changes for ACSIG members. The underwriting model shows a slight decrease in claim development within the past several years.

In 2014/15 ACSIG reduced vision rates by 5.2%. The experience within 2015/16 continues to be positive with a flat renewal in 15/16. The fund is trending well and we are recommending a rate pass for 2016/2017.

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 2016/2017 vision rates.

Vision Renewal

Fixed Rate Pool Renewals

RENEWAL	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Underwriting Results	-10.8%	-10.3%	-8.2%	-1.8%	0.2%
Actual Applied to Members	0.0%	0.0%	-5.2%	0.0%	0.00%

VSP Administration Fee is 10.5% guaranteed through 10/1/2017

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Vision Renewal - Recommendation

	Trend	Renewal
VSP Vision Trend	1.0%	-0.5%
ACSIG 2015-2016 Trend	1.5%	0.2%
ACSIG 2016-2017 Vision Renewal Trend	1.5%	0.2%
ACSIG 2014-2016 Trend	1.5%	0.2%
Segal Trend	2.7%	2.0%

2016-2017 Underwriting Assumptions/Recommendation

- Paid Claims: 24-months of claims data (April 2014 – March 2016)
- ACSIG specific trend of 1.5% was used
- Risk margin of 0.0%
- **Alliant Recommends No Change in Rates**

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Property/Liability Program 2016/2017 Rates

The Alameda County Schools Insurance Group participates in the Northern California ReLiEF Property/Liability JPA. The ReLiEF Board met on Friday, May 6, 2016 to approve rates. NCR Property rates and Liability rates showed very little change in 2016/17. Due to adverse claims experience, the ACSIG has seen an increase in both its Property and Liability experience modification factors programs.

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

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

2016/2017 Property & Liability Program Rates

ACSIG		Property	Liability	Total
	ACOE	$29,284	$33,778	$63,062
	Albany	$72,033	$194,523	$266,556
	Dublin	$215,406	$475,282	$690,688
	Emery	$56,289	$36,062	$92,351
	Piedmont	$70,620	$143,467	$214,086
ACSIG TOTAL		$443,632	$883,112	$1,326,743

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

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: March 12, 2015

SUBJECT: Proposal for Claims Administration

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

The contract for the Claims Administration services with Keenan & Associates was approved in 2015-2016 for the subsequent 3 years. Enclosed is a proposed rate increase to the fees paid to Keenan & Associates for claims administration. This proposes a rate increase of approximately 2%. The Executive Committee will be asked to review and recommend approval to the full Board in May.

AMENDMENT No 1 to
PROPERTY AND CASUALTY CLAIMS ADMINISTRATION SERVICES AGREEMENT

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

1. The effective date of this Amendment is **July 1, 2016**.

2. This Amendment amends **Exhibit B Compensation** of the Agreement for the period from **July 1, 2016** through **June 30, 2017** to read as outlined below. This Amendment supersedes any and all prior understanding between the Parties as to this matter.

   For the period **July 1, 2016– June 30, 2017**:

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

3. All other terms and conditions of the Agreement remain unchanged.

4. Each person signing this Amendment on behalf of a Party represents and warrants that he or she has the necessary authority to bind such Party and that this Amendment is binding on and enforceable against such Party.

Alameda County Schools Insurance Group			**Keenan & Associates**	
Signature:			**Signature:**	
By:			**By:**	**Steven V. Moccardini**
Title:			**Title:**	**Vice President**
Address:			**Address:**	**2355 Crenshaw Blvd., Ste. 200**
				Torrance, CA 90501
Attention:			**Attention:**	**Ron Martin**

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2015/2016 Third Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2015/2016 Third Quarter financial statements for review. These financial statements reflect the 2014/2015 audited, annual balances. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

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

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF MARCH 31, 2016 AND FOR THE NINE MONTHS THEN ENDED

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



_____

President

SETECH (Service Enhancement Technologies)

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SETECH
A Keenan Solution

Innovative Solutions. Enduring Principles.

License No. 0451271

For the Executive Committee Meeting of May 19, 2016
For the Full Board Meeting of May 26, 2016

Alameda County Schools Insurance Group (ACSIG)

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Distribution and Use of Report

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

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

A) The official approved Report is used,

B) The entire Report be distributed rather than any excerpts,

C) All recipients be made aware that a SETECH staff member is available to answer any questions regarding the contents of the Report,

D) The recipients recognize that the furnishing of this Report is not a substitute for their own due diligence, and they place no undue reliance on the Report or the data for purposes other than for which it was created. No creation of any duty or liability of SETECH to the recipient is owed if the Report is used for purposes other than for which it was created.

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

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

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Workers Compensation	$ 5,329,735	8,672,630	$ 14,002,365
Dental	2,596,127	(77,062)	2,519,065
Vision	1,228,583	(373,972)	854,611
Property and Liability	1,135,222	83,986	1,219,208
Operations	289,482	(82,902)	206,580
Cash and Cash Equivalents	$ 10,579,149	8,222,680	$ 18,801,829
Investments Morgan Stanley - current	608,107	161,338	769,445
Accounts Receivable	5,582,053	120,649	5,702,702
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable) (1)	- -	- -	- -
Subtotal Current Assets	16,769,309	8,504,667	25,273,976
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	15,133,468	47,768	15,181,236
Capital - Equipment,net of depreciation	4,147	- -	4,147
	15,137,615	47,768	15,185,383
Total Assets	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,721,576	$ 1,176,932	$ 3,898,508
Prefunding deposits (2)	3,116,431	- -	3,116,431
Advance Contributions	- -	6,148,056	6,148,056
Current Portion of claims and claim adjustment	3,665,741	(7,466)	3,658,276
Subtotal Current Liabilities	9,503,748	7,317,522	16,821,271
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,586,125	(3,406,394)	16,179,730
Unallocated Loss Adjustment Expense (ULAE)	1,559,819	83,000	1,642,819
Subtotal Claim Liabilities	21,145,944	(3,323,394)	17,822,549
Total Liabilities	$ 30,649,692	$ 3,994,128	$ 34,643,820
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,253,085	4,558,307	5,811,392
Designated - Capital Assets	4,147	- -	4,147
Total Net Position	$ 1,257,232	$ 4,558,307	$ 5,815,539
Total Liabilities and Ending Net Position	**$ 31,906,924**	**$ 8,552,435**	**$ 40,459,359**

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, accured 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 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 1,257,232			
Beginning Cash	$ 26,320,724				$ 1,257,232		
Operating Revenue:							
Premiums Paid by Members	$ 117,378,222	$ (25,257)	$ (6,171,638)	$ 111,206,584	$ 136,126,495	$ (24,919,911)	81.69 %
Total Operating Revenue	117,378,222	(25,257)	(6,171,638)	111,206,584	136,126,495	(24,919,911)	81.69
Operating Expenditures:							
Classified Salaries	76,067	100,988	(557)	176,498	227,675	(51,177)	77.52
Statutory Benefits	31,525	18,437	(3,869)	46,093	81,308	(35,215)	56.69
Health & Welfare	9,916	5,869	--	15,785	39,000	(23,215)	40.47
Employer Tax Expense	--	2,549	--	2,549	69,977	(67,428)	3.64
Telephone & Internet	4,291	--	(75)	4,216	10,500	(6,284)	40.15
Supplies Office	1,528	--	(430)	1,098	10,500	(9,402)	10.46
Supplies - Other	793	--	--	793	10,500	(9,707)	7.55
Eligibility Processing	144,455	--	--	144,455	181,200	(36,745)	79.72
Brokerage Fees-Dental-ACSIG	175,192	--	--	175,192	284,000	(108,808)	61.69
Brokerage Fees-Dental-MD	241,763	--	--	241,763	276,000	(34,237)	87.60
Travel and Conferences	12,275	4,923	(790)	16,408	19,500	(3,092)	84.14
Mileage	5,923	--	--	5,923	7,350	(1,427)	80.59
Dues & Memberships	835	--	--	835	1,300	(465)	64.23
Postage & Meter	4,554	--	--	4,554	2,750	1,804	165.60
Insurance Expense-PIPS&NCR	14,773,827	--	--	14,773,827	21,125,746	(6,351,919)	69.93
Insurance Expense-PIPS Adj	1,578,491	--	--	1,578,491	500,000	1,078,491	--
Utility - Operating-Rent	65,850	(36,081)	--	29,769	32,255	(2,486)	92.29
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	8,025	--	--	8,025	19,025	(11,000)	42.18
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,000	--	--	13,000	16,350	(3,350)	79.51
Other Services/Operating Expenses	756	--	--	756	7,125	(6,369)	10.61
Capital Equipment/Depreciation	--	--	--	--	5,250	(5,250)	--
Repairs & Maintenance	--	--	--	--	5,250	(5,250)	--
Legal	--	--	--	--	5,250	(5,250)	--
Accounting Services	7,140	--	--	7,140	15,750	(8,610)	45.33
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	596	97	(210)	483	2,100	(1,617)	--
Copier & Scanner	8,811	193	(728)	8,276	14,999	(6,723)	55.18
Claims Administration Services	175,577	--	(290)	175,287	193,429	(18,142)	90.62
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	1,843,381	--	(141,092)	1,702,289	4,000,000	(2,297,711)	42.56
Claims Paid-PL	7,746	--	--	7,746	100,000	(92,254)	7.75
Physical Abilities Testing	4,410	--	1,225	5,635	22,500	(16,865)	25.04
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	2,227	--	1,590	3,816	25,000	(21,184)	15.26
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	8,889	--	--	8,889	--	8,889	--
Cobra Premiums	--	--	--	--	235,000	(235,000)	--
Dental Insurance Premiums	87,181,102	--	1,400,000	88,581,102	106,652,000	(18,070,898)	83.06
Vision Insurance Premiums	2,481,351	--	(213,567)	2,267,784	2,550,000	(282,216)	88.93
Claim Development Expense	--	--	(3,330,860)	(3,330,860)	(3,050,000)	(280,860)	109.21
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	109,095,059	96,974	(2,289,653)	106,902,380	133,985,974	(27,083,594)	79.79 %
Net Increase/(Decrease) from Operations	8,283,163	(122,231)	(3,881,985)	4,304,204	2,140,521	2,163,683	%
Non Operating Income/(Expense)							
Interest Income	213,160	(4,298)	(12,717)	196,145	218,250	(22,105)	89.87
Net Increase/(Decrease) in Fair Value	48,700	--	--	48,700	--	48,700	--
Realized Gain/(Loss) on Investments	13,901	--	--	13,901	--	13,901	--
Interfund Trans, Other Inc/Exp	(127,138)	265	122,230	(4,643)	--	(4,643)	--
Total Non Operating Income/(Expense)	148,623	(4,033)	109,513	254,103	218,250	35,853	116.43 %
Ending Cash	$ 34,752,510	(126,264)					
Net Increase/(Decrease) in Net Position		$ (126,264)	$ (3,772,472)	4,558,307	$ 2,358,771	$ 2,199,536	%
Unaudited - Ending Net Position, as of 03/31/2016				**$ 5,815,539**	**$ 3,616,003**	**$ 2,199,536**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report-Statement of Net Assets
Workers' Compensation
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Funds with County - WC - #44906	$ 1,347,776	6,388,996	$ 7,736,772
Funds in Transit - #44906 to Morgan Stanley Investments	- -	- -	- -
Funds with County - Retention Fund #44904	17,340	57	17,397
Union Bank Claims - #0129	238,600	1,872,236	2,110,836
Union Bank Claims Trust Account - #0600	475,784	365,887	841,671
Local Agency Investment Funds (L.A.I.F.)	3,145,491	2,224	3,147,715
Money Market - Morgan Stanley	104,744	43,230	147,974
Cash and Cash Equivalents	$ 5,329,735	8,672,630	$ 14,002,365
Investments Morgan Stanley - current	608,107	161,338	769,445
Accounts Receivable	98,001	124,962	222,963
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(895,283)	(1,669,055)	(2,564,338)
Subtotal Current Assets	5,140,560	7,289,875	12,430,435
Noncurrent Assets			
Investments Morgan Stanley	11,383,173	(11,952)	11,371,221
Capital - Equipment,net of depreciation	- -	- -	- -
	11,383,173	(11,952)	11,371,221
Total Assets	**$ 16,523,733**	**$ 7,277,923**	**$ 23,801,656**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,815	$ (2,815)	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	6,148,056	6,148,056
Current Portion of claims and claim adjustment	1,792,000	- -	1,792,000
Subtotal Current Liabilities	1,794,815	6,145,241	7,940,056
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	19,567,518	(3,400,285)	16,167,233
Unallocated Loss Adjustment Expense (ULAE)	1,509,000	83,000	1,592,000
Subtotal	21,076,518	(3,317,285)	17,759,233
Total Liabilities	$ 22,871,333	$ 2,827,956	$ 25,699,289
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(6,347,600)	4,449,967	(1,897,633)
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ (6,347,600)	$ 4,449,967	$ (1,897,633)
Total Liabilities and Ending Net Position	**$ 16,523,733**	**$ 7,277,923**	**$ 23,801,656**

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ (6,347,600)			
Beginning Cash and Investments	$ 17,321,015				$ (6,347,600)		
Operating Revenue:							
Premiums Paid by Members	$ 24,592,229	$ --	$ (6,148,056)	$ 18,444,173	$ 24,592,230	$ (6,148,057)	75.00 %
Total Operating Revenue	24,592,229	--	(6,148,056)	18,444,173	24,592,230	(6,148,057)	75.00
Operating Expenditures:	--						
Classified Salaries	--	42,441	--	42,441	56,819	(14,378)	74.70
Statutory Benefits	--	13,828	--	13,828	20,296	(6,468)	68.13
Health & Welfare	--	4,736	--	4,736	7,800	(3,064)	60.71
Employer Tax Expense	--	612	--	612	17,463	(16,851)	3.51
Telephone & Internet	--	632	--	632	1,500	(868)	42.13
Supplies Office	--	165	--	165	1,500	(1,335)	11.00
Supplies - Other	--	119	--	119	1,500	(1,381)	7.93
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	2,461	--	2,461	2,250	211	109.38
Mileage	--	888	--	888	1,050	(162)	84.61
Dues & Memberships	--	125	--	125	150	(25)	83.33
Postage & Meter	--	76	--	76	100	(24)	76.00
Insurance Expense-PIPS	13,741,390	--	--	13,741,390	20,103,731	(6,362,341)	68.35
PIPS Contribution Adjustmert	1,578,491	--	--	1,578,491	500,000	1,078,491	315.70
Utility - Operating-Rent	--	4,466	--	4,466	4,608	(142)	96.92
Advertising	--	--	--	--	300	(300)	--
Contract Services - Actuarial	8,025	--	--	8,025	7,775	250	103.22
Contract Services -PL-Investigation	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	1,950	--	1,950	2,175	(225)	89.66
Other Services/Operating Expenses	--	113	--	113	2,625	(2,512)	4.30
Capital Equipment/Depreciation	--	--	--	--	750	(750)	--
Repairs & Maintenance	--	--	--	--	750	(750)	--
Legal	--	--	--	--	750	(750)	--
Accounting Services	--	--	--	--	2,250	(2,250)	--
County Courier	--	--	--	--	525	(525)	--
Shredding	--	72	--	72	750	(678)	9.60
Copier & Scanner	--	138	--	138	250	(112)	55.20
Claims Administration Services	170,002	--	--	170,002	175,429	(5,427)	96.91
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	1,843,381	--	(141,092)	1,702,289	4,000,000	(2,297,711)	42.56
Claims Paid-PL	--	--	--	--	--	--	--
Physical Abilities Testing	4,410	--	1,225	5,635	10,000	(4,365)	56.35
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	2,227	--	1,590	3,816	25,000	(21,184)	15.26
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(3,317,285)	(3,317,285)	(3,000,000)	(317,285)	110.58
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	17,572,689	72,822	(3,455,562)	14,189,949	22,219,706	(8,029,757)	63.86 %
Net Increase/(Decrease) from Operations	7,019,540	(72,822)	(2,692,494)	4,254,224	2,372,524	1,881,700	179.31 %
Non Operating Income/(Expense)							
Interest Income	163,629	(14,740)	(6,729)	142,160	150,000	(7,840)	94.77
Net Increase/(Decrease) in Fair Value	37,174	--	--	37,174	--	37,174	--
Realized Gain/(Loss) on Investments	10,611	--	--	10,611	--	10,611	--
Interfund Transfer, Other Income	1,591,062	--	(1,596,233)	5,798	--	5,798	--
Total Non Operating Income/(Expense)	1,802,476	$ (14,740)	$ (1,602,962)	195,743	150,000	45,743	130.50 %
Ending Cash	$ 26,143,031						
Net Increase/(Decrease) in Net Position				4,449,967	2,522,524	1,927,443	
Unaudited - Ending Net Position, as of 03/31/2016				**$ (1,897,633)**	**$ (3,825,076)**	**$ 1,927,443**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Cash with County ACSIG #44901	$ 1,238,394	(905,822)	$ 332,572
Union Bank - Eligibility #9938	1,215,836	755,553	1,971,389
Union Bank - Expense #2064	5,795	73,207	79,002
Union Bank - Cobra Trust #0273	136,102	- -	136,102
Union Bank - zero balance accounts	- -	- -	- -
Cash and Cash Equivalents	$ 2,596,127	(77,062)	$ 2,519,065
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	5,437,440	(3,097)	5,434,343
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	1,872,988	1,529,250	3,402,238
Subtotal Current Assets	9,906,555	1,449,091	11,355,646
Noncurrent Assets			
Investments - Morgan Stanley	2,693,874	42,897	2,736,771
Capital - Equipment,net of depreciation	- -	- -	- -
	2,693,874	42,897	2,736,771
Total Assets	**$ 12,600,429**	**$ 1,491,988**	**$ 14,092,417**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,487,589	$ 1,400,000	$ 3,887,589
Prefunding deposits	3,085,589	- -	3,085,589
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	1,709,000	- -	1,709,000
Subtotal Current Liabilities	7,282,178	1,400,000	8,682,178
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 7,282,178	$ 1,400,000	$ 8,682,178
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	5,318,251	91,988	5,410,239
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 5,318,251	$ 91,988	$ 5,410,239
Total Liabilities and Ending Net Position	**$ 12,600,429**	**$ 1,491,988**	**$ 14,092,417**

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 5,318,251			
Beginning Cash and Investments	$ 5,290,001				$ 5,318,251		
Operating Revenue:							
Premiums Paid by Members	$ 89,410,562	$ --	$ --	$ 89,410,562	$ 107,800,000	$ (18,389,438)	82.94 %
Total Operating Revenue	89,410,562	--	--	89,410,562	107,800,000	(18,389,438)	82.94
Operating Expenditures:							
Classified Salaries	--	104,011	--	104,011	131,063	(27,052)	79.36
Statutory Benefits	--	23,046	--	23,046	46,798	(23,752)	49.25
Health & Welfare	--	7,893	--	7,893	25,350	(17,457)	31.13
Employer Tax Expense	--	1,503	--	1,503	40,283	(38,780)	3.73
Telephone & Internet	--	2,951	--	2,951	7,500	(4,549)	39.35
Supplies Office	--	768	--	768	7,500	(6,732)	10.24
Supplies - Other	--	555	--	555	7,500	(6,945)	7.40
Eligibility Processing	144,455	--	--	144,455	181,200	(36,745)	79.72
Brokerage Fees-Dental-ACSIG	175,192	--	--	175,192	284,000	(108,808)	61.69
Brokerage Fees-Dental-MD	241,763	--	--	241,763	276,000	(34,237)	87.60
Travel and Conferences	--	11,485	--	11,485	15,000	(3,515)	76.57
Mileage	--	4,146	--	4,146	5,250	(1,104)	78.97
Dues & Memberships	--	585	--	585	1,000	(416)	58.45
Postage & Meter	--	4,327	--	4,327	2,500	1,827	173.06
Insurance Expense	--	--	--	--	--	--	--
					--	--	--
Net, Operating-Rent	--	20,838	--	20,838	23,040	(2,202)	90.44
Advertising	--	--	--	--	1,500	(1,500)	--
Contract Services - Actuarial	--	--	--	--	9,375	(9,375)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	9,100	--	9,100	12,000	(2,900)	75.83
Other Services/Operating Expenses	--	529	--	529	3,750	(3,221)	14.11
Capital Equipment/Depreciation	--	--	--	--	3,750	(3,750)	--
Repairs & Maintenance	--	--	--	--	3,750	(3,750)	--
Legal	--	--	--	--	3,750	(3,750)	--
Accounting Services	--	7,140	--	7,140	11,250	(4,110)	--
County Courier	--	--	--	--	2,625	(2,625)	--
Shredding	--	338	--	338	1,125	(787)	30.05
Copier & Scanner	--	7,862	--	7,862	14,249	(6,387)	55.17
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	8,889	--	--	8,889	--	8,889	--
Cobra Premiums	--	--	--	--	235,000	(235,000)	--
Dental Insurance Premiums	87,181,102	--	1,400,000	88,581,102	106,652,000	(18,070,898)	83.06
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	87,751,401	207,076	1,400,000	89,358,477	108,018,108	(18,659,631)	82.73 %
Net Increase/(Decrease) from Operations	1,659,161	(207,076)	(1,400,000)	52,085	(218,108)	270,193	(23.88) %
Non Operating Income/(Expense)							
Interest Income	32,346	14	(3,097)	29,261	50,000	(20,739)	58.52
Net Increase/(Decrease) in Fair Value	8,279	--	--	8,279	--	8,279	--
Realized Gain/(Loss) on Investments	2,363	--	--	2,363	--	2,363	--
I Transfer, YE Close, Rebate	(1,736,314)	--	1,736,312	--	--	--	
Total Non Operating Income/(Expense)	(1,693,326)	$ 14	$ 1,733,215	39,903	50,000	(10,097)	79.81 %
Ending Cash	$ 5,255,836						
Net Increase/(Decrease) in Net Position				91,988	(168,108)	260,096	%
Unaudited - Ending Net Position, as of 03/31/2016				**$ 5,410,239**	**$ 5,150,143**	**$ 260,096**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Cash with County #44902	$ 1,228,583	(373,972)	$ 854,611
Funds in Transit - #44902 to Morgan Stanley Investments	- -	- -	- -
Cash and Cash Equivalents	1,228,583	(373,972)	854,611
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	41,467	(1,216)	40,251
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	154,235	86,392	240,627
Subtotal Current Assets	1,424,285	(288,796)	1,135,489
Noncurrent Assets			
Investments - Morgan Stanley	1,056,421	16,823	1,073,244
Capital - Equipment,net of depreciation	- -	- -	- -
	1,056,421	16,823	1,073,244
Total Assets	**$ 2,480,706**	**$ (271,973)**	**$ 2,208,733**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 213,567	$ (213,567)	$ - -
Prefunding deposits	30,842	- -	30,842
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	142,000	- -	142,000
Subtotal Current Liabilities	386,409	(213,567)	172,842
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 386,409	$ (213,567)	$ 172,842
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	2,094,297	(58,406)	2,035,891
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 2,094,297	$ (58,406)	$ 2,035,891
Total Liabilities and Ending Net Position	**$ 2,480,706**	**$ (271,973)**	**$ 2,208,733**

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 2,094,297			
Beginning Cash and Investments	$ 2,285,004				$ 2,094,297		
Operating Revenue:							
Premiums Paid by Members	$ 2,221,595	$ - -	$ 1,675	$ 2,223,270	$ 2,600,000	$ (376,730)	85.51 %
Total Operating Revenue	2,221,595	- -	1,675	2,223,270	2,600,000	(376,730)	85.51
Operating Expenditures:							
Classified Salaries	- -	17,650	- -	17,650	22,767	(5,117)	77.52
Statutory Benefits	- -	4,609	- -	4,609	8,131	(3,522)	56.69
Health & Welfare	- -	1,579	- -	1,579	3,900	(2,321)	40.48
Employer Tax Expense	- -	255	- -	255	6,998	(6,743)	3.64
Telephone & Internet	- -	422	- -	422	1,000	(578)	42.20
Supplies Office	- -	110	- -	110	1,000	(890)	11.00
Supplies - Other	- -	79	- -	79	1,000	(921)	7.90
Eligibility Processing	- -	- -	- -	- -	- -	- -	- -
Brokerage Fees-Dental-ACSIG	- -	- -	- -	- -	- -	- -	- -
Brokerage Fees-Dental-MD	- -	- -	- -	- -	- -	- -	- -
Travel and Conferences	- -	1,641	- -	1,641	1,500	141	109.40
Mileage	- -	592	- -	592	700	(108)	84.61
Dues & Memberships	- -	84	- -	84	100	(16)	84.00
Postage & Meter	- -	122	- -	122	150	(28)	81.33
Insurance Expense	- -	- -	- -	- -	- -	- -	- -
					- -	- -	- -
Utility - Operating-Rent	- -	2,977	- -	2,977	3,072	(95)	96.91
Advertising	- -	- -	- -	- -	200	(200)	- -
Contract Services - Actuarial	- -	- -	- -	- -	1,250	(1,250)	- -
Contract Services -PL-Investigation	- -	- -	- -	- -	- -	- -	- -
Contract Services	- -	- -	- -	- -	- -	- -	- -
Audit Fees	- -	1,300	- -	1,300	1,450	(150)	89.66
Other Services/Operating Expenses	- -	76	- -	76	500	(424)	15.20
Capital Equipment/Depreciation	- -	- -	- -	- -	500	(500)	- -
Repairs & Maintenance	- -	- -	- -	- -	500	(500)	- -
Legal	- -	- -	- -	- -	500	(500)	- -
Accounting Services	- -	- -	- -	- -	1,500	(1,500)	- -
County Courier	- -	- -	- -	- -	350	(350)	- -
Shredding	48	- -	- -	48	150	(102)	32.00
Copier & Scanner	221	- -	- -	221	400	(179)	55.25
Claims Administration Services	- -	- -	- -	- -	- -	- -	- -
Self-Insurance Fee	- -	- -	- -	- -	- -	- -	- -
Claims Paid-WC	- -	- -	- -	- -	- -	- -	- -
Claims Paid-PL	- -	- -	- -	- -	- -	- -	- -
Physical Abilities Testing	- -	- -	- -	- -	- -	- -	- -
Training	- -	- -	- -	- -	- -	- -	- -
First-Aid Program	- -	- -	- -	- -	- -	- -	- -
Food Service Training	- -	- -	- -	- -	- -	- -	- -
Special Ed Training	- -	- -	- -	- -	- -	- -	- -
Bank Charge & WC Penalty Reimb	- -	- -	- -	- -	- -	- -	- -
Cobra Premiums	- -	- -	- -	- -	- -	- -	- -
Dental Insurance Premiums	- -	- -	- -	- -	- -	- -	- -
Vision Insurance Premiums	2,481,351	- -	(213,567)	2,267,784	2,550,000	(282,216)	88.93
Claim Development Expense	- -	- -	- -	- -	- -	- -	- -
ACA Fees	- -	- -	- -	- -	- -	- -	- -
Total Operating Expenditures	2,481,620	31,496	(213,567)	2,299,549	2,607,618	(308,069)	88.19 %
Net Increase/(Decrease) from Operations	(260,025)	(31,496)	215,242	(76,279)	(7,618)	(68,661)	%
Non Operating Income/(Expense)							
Interest Income	16,590	- -	(2,891)	13,699	17,500	(3,801)	78.28
Net Increase/(Decrease) in Fair Value	3,247	- -	- -	3,247	- -	3,247	- -
Realized Gain/(Loss) on Investments	927	- -	- -	927	- -	927	- -
Interfund Transfer	(117,888)	- -	117,888	- -	- -	- -	
Total Non Operating Income/(Expense)	(97,124)	$ - -	$ 114,997	17,873	17,500	373	102.13 %
Ending Cash	$ 1,927,855						
Net Increase/(Decrease) in Net Position				(58,406)	$ 9,882	$ (68,288)	%
Unaudited - Ending Net Position, as of 03/31/2016				**$ 2,035,891**	**$ 2,104,179**	**$ (68,288)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Cash with County - #44903	$ 494,959	(152,388)	$ 342,571
Funds in Transit - #44903 to Morgan Stanley Investments	- -	- -	- -
Union Bank - Checking #0311	622,302	232,423	854,725
Union Bank - Claims Trust #1186	17,961	3,951	21,912
Cash and Cash Equivalents	$ 1,135,222	83,986	$ 1,219,208
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	5,145	- -	5,145
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(854,442)	(23,094)	(877,536)
Subtotal Current Assets	285,925	60,892	346,817
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	- -	- -	- -
	- -	- -	- -
Total Assets	**$ 285,925**	**$ 60,892**	**$ 346,817**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 290	$ (290)	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	22,741	(7,466)	15,276
Subtotal Current Liabilities	23,031	(7,756)	15,276
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	18,607	(6,109)	12,497
Unallocated Loss Adjustment Expense (ULAE)	50,819	- -	50,819
Subtotal	69,426	(6,109)	63,316
Total Liabilities	$ 92,457	$ (13,865)	$ 78,592
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	193,468	74,757	268,225
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 193,468	$ 74,757	$ 268,225
Total Liabilities and Ending Net Position	**$ 285,925**	**$ 60,892**	**$ 346,817**

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ 193,468			
Beginning Cash and Investments	$ 1,135,222				$ 193,468		
Operating Revenue:							
Premiums Paid by Members	$ 1,128,579	$ --	$ --	$ 1,128,579	$ 1,134,265	$ (5,686)	99.50 %
Total Operating Revenue	1,128,579	--	--	1,128,579	1,134,265	(5,686)	99.50
Operating Expenditures:							
Classified Salaries	--	12,396	--	12,396	17,026	(4,630)	72.80
Statutory Benefits	--	4,609	--	4,609	6,083	(1,474)	75.77
Health & Welfare	--	1,579	--	1,579	1,950	(371)	80.95
Employer Tax Expense	--	179	--	179	5,233	(5,054)	3.41
Telephone & Internet	--	211	--	211	500	(289)	42.11
Supplies Office	--	55	--	55	500	(445)	10.91
Supplies - Other	--	40	--	40	500	(460)	7.99
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	821	--	821	750	71	109.42
Mileage	--	296	--	296	350	(54)	84.61
Dues & Memberships	--	42	--	42	50	(9)	83.00
Postage & Meter	--	30	--	30	--	30	--
Insurance Expense-NCR	1,032,437	--	--	1,032,437	1,022,015	10,422	101.02
					--		--
Utility - Operating-Rent	--	1,488	--	1,488	1,535	(47)	96.92
Advertising	--	--	--	--	100	(100)	--
Contract Services - Actuarial	--	--	--	--	625	(625)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--	--
Audit Fees	--	650	--	650	725	(75)	89.66
Other Services/Operating Expenses	--	38	--	38	250	(212)	15.10
Capital Equipment/Depreciation	--	--	--	--	250	(250)	--
Repairs & Maintenance	--	--	--	--	250	(250)	--
Legal	--	--	--	--	250	(250)	--
Accounting Services	--	--	--	--	750	(750)	--
County Courier	--	--	--	--	175	(175)	--
Shredding	--	25	--	25	75	(50)	33.21
Copier & Scanner	--	55	--	55	100	(45)	54.78
Claims Administration Services	5,575	--	(290)	5,285	18,000	(12,715)	29.36
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	7,746	--	--	7,746	100,000	(92,254)	7.75
Physical Abilities Testing	--	--	--	--	12,500	(12,500)	--
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	--	--	(13,575)	(13,575)	(50,000)	36,425	27.15
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	1,045,758	22,510	(13,865)	1,054,403	1,140,542	(86,139)	92.45 %
Net Increase/(Decrease) from Operations	82,821	(22,510)	13,865	74,176	(6,277)	80,453	-- %
Non Operating Income/(Expense)							
Interest Income	581	--	--	581	750	(169)	77.47
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer, Other Income	584	--	(584)	--	--	--	--
Total Non Operating Income/(Expense)	1,165	$ --	$ (584)	581	750	(169)	77.47 %
Ending Cash	$ 1,219,208						
Net Increase/(Decrease) in Net Position				74,757	(5,527)	80,284	-- %
Unaudited - Ending Net Position, as of 03/31/2016				$ 268,225	$ 187,941	$ 80,284	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2015 and 03/31/2016

	Audited As of 06/30/2015	Activity 07/01/2015 - 03/31/2016	Unaudited As of 03/31/2016
Assets:			
Current Assets			
Union Bank - Payroll #0176	$ 49,074	8,566	$ 57,640
Union Bank Checking Account #1521	240,408	(91,468)	148,940
Cash and Cash Equivalents	$ 289,482	(82,902)	$ 206,580
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	- -	- -	- -
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(277,498)	76,506	(200,992)
Subtotal Current Assets	11,984	(6,396)	5,588
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	4,147	- -	4,147
	4,147	- -	4,147
Total Assets	**$ 16,131**	**$ (6,396)**	**$ 9,735**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 17,315	$ (6,396)	$ 10,919
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	- -	- -	- -
Subtotal Current Liabilities	17,315	(6,396)	10,919
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 17,315	$ (6,396)	$ 10,919
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(5,331)	- -	(5,331)
Designated - Capital Assets	4,147	- -	4,147
Total Net Position	$ (1,184)	$ - -	$ (1,184)
Total Liabilities and Ending Net Position	**$ 16,131**	**$ (6,396)**	**$ 9,735**

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Nine Months Ended 03/31/2016

	Cash Activity 07/01/2015 03/31/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				$ (1,184)			
Beginning Cash and Investments	$ 289,482				$ (1,184)		
Operating Revenue:							
Offset to Rent - Sub Lease	$ 25,257	$ (25,257)	$ --	$ --	$ --	$ --	%
Total Operating Revenue	25,257	(25,257)	--	--	--	--	--
Operating Expenditures:							
Classified Salaries	76,067	(75,510)	(557)	--	--	--	
Statutory Benefits	31,525	(27,656)	(3,869)	--	--	--	
Health & Welfare	9,916	(9,916)	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Telephone & Internet	4,291	(4,216)	(75)	--	--	--	
Supplies Office	1,528	(1,098)	(430)	--	--	--	
Supplies - Other	793	(793)	--	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	12,275	(11,485)	(790)	--	--	--	
Mileage	5,923	(5,923)	--	--	--	--	
Dues & Memberships	835	(835)	--	--	--	--	
Postage & Meter	4,554	(4,554)	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
	--				--		
Utility - Operating-Rent	65,850	(65,850)	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -PL-Investigation	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	13,000	(13,000)	--	--	--	--	
Other Services/Operating Expenses	756	(756)	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	7,140	(7,140)	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	548	(338)	(210)	--	--	--	
Copier & Scanner	8,590	(7,862)	(728)	--	--	--	
Claims Administration Services	--	--	--	--	--	--	
Self-Insurance Fee	--	--	--	--	--	--	
Claims Paid-WC	--	--	--	--	--	--	
Claims Paid-PL	--	--	--	--	--	--	
Physical Abilities Testing	--	--	--	--	--	--	
Training	--	--	--	--	--	--	
First-Aid Program	--	--	--	--	--	--	
Food Service Training	--	--	--	--	--	--	
Special Ed Training	--	--	--	--	--	--	
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	
Cobra Premiums	--	--	--	--	--	--	
Dental Insurance Premiums	--	--	--	--	--	--	
Insurance - Vision	--	--	--	--	--	--	
Claim Development Expense	--	--	--	--	--	--	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	243,591	(236,930)	(6,659)	--	--	--	-- %
Net Increase/(Decrease) from Operations	(218,334)	211,673	6,659	--	--	--	-- %
Non Operating Income/(Expense)							
Interest Income	14	(14)	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer & YE Close	135,418	265	(135,153)	--	--	--	--
Total Non Operating Income/(Expense)	135,432	$ 251	$ (135,153)	--	--	--	-- %
Ending Cash	$ 206,580						
Net Increase/(Decrease) in Net Position				$ --	$ --	$ --	-- %
Unaudited - Ending Net Position, as of 03/31/2016				$ (1,184)	$ (1,184)	$ --	

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

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2016

	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	$ 913,149	$ 1,828,378	$ 2,851,827	$ 2,779,016	$ 2,867,797	$ 4,013,648	$ 2,921,844	$ 5,537,617	$ 5,149,431	$ 4,048,149	$ 3,691,098	$ 4,748,924	$ 41,350,878
Reserves	35,793	- -	75,460	62,649	17,423	34,982	31,684	109,328	70,533	104,924	56,224	263,126	862,126
Incurred Claims	948,942	1,828,378	2,927,287	2,841,665	2,885,220	4,048,630	2,953,528	5,646,945	5,219,964	4,153,073	3,747,322	5,012,050	42,213,004
Incurred But Not Reported (IBNR)	(29,050)	- -	12,713	128,335	24,780	21,370	16,472	123,055	110,036	146,927	122,678	137,950	815,266
Non- Discounted Estimated Ultimate Incurred (1)	919,892	1,828,378	2,940,000	2,970,000	2,910,000	4,070,000	2,970,000	5,770,000	5,330,000	4,300,000	3,870,000	5,150,000	43,028,270
Anticipated Investment Income (Discount) (2)	(324)	- -	(4,232)	(10,886)	(2,828)	(4,170)	(3,804)	(19,288)	(15,168)	(21,911)	(15,922)	(36,097)	(134,630)
Discounted Estimated Ultimate (1-2)	919,568	1,828,378	2,935,768	2,959,114	2,907,172	4,065,830	2,966,196	5,750,712	5,314,832	4,278,089	3,854,078	5,113,903	42,893,640
Paid Claims	(913,149)	(1,828,378)	(2,851,827)	(2,779,016)	(2,867,797)	(4,013,648)	(2,921,844)	(5,537,617)	(5,149,431)	(4,048,149)	(3,691,098)	(4,748,924)	(41,350,878)
Remaining Estimated Unpaid Claim Liabilities	$ 6,419	$ - -	$ 83,941	$ 180,098	$ 39,375	$ 52,182	$ 44,352	$ 213,095	$ 165,401	$ 229,940	$ 162,980	$ 364,979	$ 1,542,762

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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	919,568	1,828,378	2,935,768	2,959,114	2,907,172	4,065,830	2,966,196	5,750,712	5,314,832	4,278,089	3,854,078	5,113,903	42,893,640
Increase/Decrease	(40,177)	- -	(8,881)	1,722	(8,981)	(11,777)	(27,142)	(8,713)	55,277	(26,316)	6,929	(16,464)	(84,523)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2016

	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	$ 41,350,878	$ 5,292,983	$ 6,969,396	$ 6,734,800	$ 8,945,456	$ 7,246,057	$ 10,616,863	$ 11,772,455	$ 98,928,888
Reserves	862,126	166,814	361,392	651,278	1,657,321	1,104,026	753,485	921,894	6,478,336
Incurred Claims	42,213,004	5,459,797	7,330,788	7,386,078	10,602,777	8,350,083	11,370,348	12,694,349	105,407,224
Incurred But Not Reported (IBNR)	815,266	180,203	289,212	383,922	657,223	459,917	519,652	435,651	3,741,046
Non- Discounted Estimated Ultimate Incurred (1)	43,028,270	5,640,000	7,620,000	7,770,000	11,260,000	8,810,000	11,890,000	13,130,000	109,148,270
Anticipated Investment Income (Discount) (2)	(134,630)	(32,967)	(65,711)	(109,731)	(252,285)	(168,906)	(137,499)	(150,687)	(1,052,416)
Discounted Estimated Ultimate (1-2)	42,893,640	5,607,033	7,554,289	7,660,269	11,007,715	8,641,094	11,752,501	12,979,313	108,095,854
Paid Claims	(41,350,878)	(5,292,983)	(6,969,396)	(6,734,800)	(8,945,456)	(7,246,057)	(10,616,863)	(11,772,455)	(98,928,888)
Remaining Estimated Unpaid Claim Liabilities	$ 1,542,762	$ 314,050	$ 584,893	$ 925,469	$ 2,062,259	$ 1,395,037	$ 1,135,638	$ 1,206,858	$ 9,166,966
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	42,893,640	5,607,033	7,554,289	7,660,269	11,007,715	8,641,094	11,752,501	12,979,313	108,095,854
Increase/Decrease	(84,523)	(145,598)	(30,523)	(148,366)	14,218	(165,563)	(66,270)	(104,370)	(730,995)

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 03/31/2016

	Totals From Page 7A	Self-Insured Program Years 2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 03/31/2016 Totals	Activity: As of 06/30/2015 Totals	Activity: 07/01/2015 - 03/31/2016
Paid Claims	$ 98,928,888	$ 9,813,996	$ 5,806,462	$ 5,386,647	$ 8,507,960	$ 7,944,651	$ 8,272,254	$ 8,393,414	$ 153,054,272	$ 151,276,470	$ 1,777,802
Reserves	6,478,336	191,942	544,539	265,762	904,222	950,793	660,352	544,193	10,540,139	11,505,010	(964,871)
Incurred Claims	105,407,224	10,005,938	6,351,001	5,652,409	9,412,182	8,895,444	8,932,606	8,937,607	163,594,411	162,781,480	812,931
Incurred But Not Reported (IBNR)	3,741,046	624,062	658,999	697,591	1,237,818	524,556	907,394	1,402,393	9,793,859	12,892,368	(3,098,509)
Non- Discounted Estimated Ultimate Incurred (1)	109,148,270	10,630,000	7,010,000	6,350,000	10,650,000	9,420,000	9,840,000	10,340,000	173,388,270	175,673,848	(2,285,578)
Anticipated Investment Income (Discount) (2)	(1,052,416)	(98,736)	(150,442)	(127,163)	(284,891)	(199,172)	(206,942)	(255,003)	(2,374,765)	(3,037,860)	663,095
Discounted Estimated Ultimate (1-2)	108,095,854	10,531,264	6,859,558	6,222,837	10,365,109	9,220,828	9,633,058	10,084,997	171,013,505	172,635,988	(1,622,483)
Paid Claims	(98,928,888)	(9,813,996)	(5,806,462)	(5,386,647)	(8,507,960)	(7,944,651)	(8,272,254)	(8,393,414)	(153,054,272)	(151,276,470)	(1,777,802)
Remaining Estimated Unpaid Claim Liabilities	$ 9,166,966	$ 717,268	$ 1,053,096	$ 836,190	$ 1,857,149	$ 1,276,177	$ 1,360,804	$ 1,691,583	$ 17,959,233	$ 21,359,518	$ (3,400,285)
									Estimated Current Portion /Short-Term Liability (1)	(1,792,000)	
									Estimated Non-Current portion of Claim Liabilities	$ 16,167,233	

(1) Per Bay Actuarial Consultants actuarial study dated January 2016.

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

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
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A
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
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	108,095,854	10,531,264	6,859,558	6,222,837	10,365,109	9,220,828	9,633,058	10,084,997	171,013,505
Increase/Decrease	(730,995)	73,559	(61,284)	7,971	17,600	(318,195)	(226,175)	(384,964)	(1,622,483)

Claim Development Expense	
Claim Liabilities and ULAE Decrease	$ (3,400,285) 83,000 $ (3,317,285)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 03/31/2016

	Self-Insured Program Years								As of 03/31/2016	As of 06/30/2015	Activity 07/01/2015 - 09/30/2015
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016			
Paid Claims	$ 117,507	$ 48,738	$ 33,141	$ 96,543	$ 125,045	$ 20,000	$ --	$ 6,681	$ 447,655	$ 429,045	$ 18,610
Reserves	--	--	--	--	--	--	--	--	--	11,929	(11,929)
Incurred Claims	117,507	48,738	33,141	96,543	125,045	20,000	--	6,681	447,655	440,974	6,681
Incurred But Not Reported (IBNR)	--	0	--	(0)	1,517	863	2,843	23,319	28,542	35,223	(6,681)
Non- Discounted Estimated Ultimate Incurred (1)	117,507 (4)	48,738 (4)	33,141 (4	96,543 (4)	126,562 (3)	20,863	2,843	30,000	476,197	476,197	--
Anticipated Investment Income (Discount) (2)	--	--	--	--	(7)	(24)	(80)	(657)	(768)	(5,803)	5,035
Discounted Estimated Ultimate (1-2)	117,507	48,738	33,141	96,543	126,555	20,839	2,763	29,343	475,429	470,394	5,035
Paid Claims	(117,507)	(48,738)	(33,141)	(96,543)	(125,045)	(20,000)	--	(6,681)	(447,655)	(429,045)	(18,610)
Remaining Estimated Unpaid Claim Liabilities	$ --	$ --	$ --	$ --	$ 1,510	$ 839	$ 2,763	$ 22,662	$ 27,774	$ 41,349	$ (13,575)
									Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65		(15,276)
									Estimated Non-Current portion of Claim Liabilities		$ 12,498

(1) Per Bay Actuarial Consultants actuarial study dated May 2015.
(2) Discounted at .5%.
(3) Adjusted for negative IBNR **(4) Ultimate adjusted for deductible, not shown on the Acuarial Report.**

Claim Development Expense	
Claim Liabilities and ULAE Increase	$ (13,575)
	--
	$ (13,575)

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	117,507	48,738	33,141	96,543	126,562	20,863	2,843	30,000	446,197
Increase/Decrease	--	--	--	--	--	--	(30,000)	30,000	--

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

www.treasurer.ca.gov/pmia-laif/laif.asp
February 01, 2016

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

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

PMIA Average Monthly Yields

Account Number:
35-01-001

Tran Type Definitions

January 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/15/2016	1/14/2016	QRD	1491033	SYSTEM	2,915.67

Account Summary

Total Deposit:	2,915.67	Beginning Balance:	3,150,249.25
Total Withdrawal:	0.00	Ending Balance:	3,153,164.92

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

www.treasurer.ca.gov/pmia-laif/laif.asp
March 01, 2016

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

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

PMIA Average Monthly Yields

Account Number:
35-01-001

Tran Type Definitions

February 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,153,164.92
Total Withdrawal:	0.00	Ending Balance:	3,153,164.92

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

www.treasurer.ca.gov/pmia-laif/laif.asp
April 04, 2016

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

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

PMIA Average Monthly Yields

Account Number:
35-01-001

Tran Type Definitions

March 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,153,164.92
Total Withdrawal:	0.00	Ending Balance:	3,153,164.92

JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/28/16	0.54	0.52	164
04/29/16	0.54	0.53	164
04/30/16	0.54	0.53	164
05/01/16	0.54	0.53	164
05/02/16	0.54	0.53	162
05/03/16	0.54	0.53	161
05/04/16	0.54	0.53	162
05/05/16	0.54	0.53	160
05/06/16	0.54	0.53	161
05/07/16	0.54	0.53	161
05/08/16	0.54	0.53	161
05/09/16	0.54	0.53	165
05/10/16	0.54	0.53	165
05/11/16	0.55	0.53	165

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

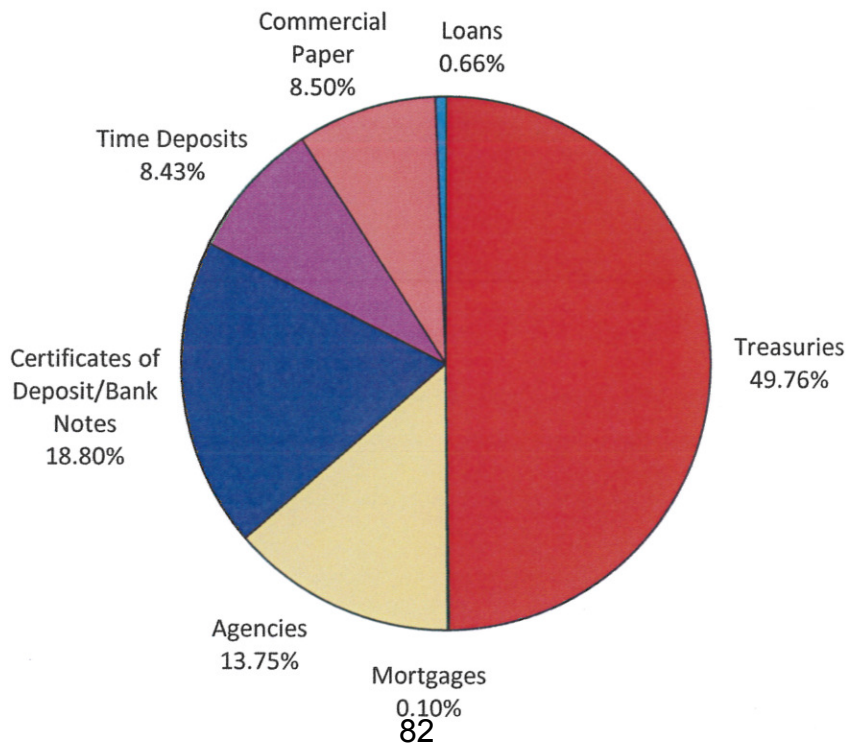
Quarter Ending 03/31/16

Apportionment Rate:	0.46%
Earnings Ratio:	0.00001268659292168
Fair Value Factor:	1.00022106
Daily:	0.51%
Quarter to Date:	0.47%
Average Life:	146

PMIA Average Monthly Effective Yields

APR 2016	0.525%
MAR 2016	0.506%
FEB 2016	0.467%

Pooled Money Investment Account
Portfolio Composition
4/30/16
$67.5 billion



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 19, 2016

SUBJECT: 2015/2016 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 nearly $1 million in revenue.

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

Wealth Management
1478 Stone Point Dr Suite 500
Roseville, CA 95661

tel 916 797 7742 or 888 335 6370
fax 916 797 7750

Morgan Stanley

April 4, 2016

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

Dear Board:

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

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	03/31/16
Inception date	07/12/10
Beginning Total Value	$9,999,850.00
Net Contributions/Withdrawals	$5,033,025.75
Investment Earnings	$1,117,286.68
Total Ending Value	$16,150,162.43
Current Quarter	1.41%
Year to Date	1.41%
Since Inception (annualized % per year)	1.37%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	0.62%
Last 5 Years (annualized % per year)	1.24%
Since Inception (annualized % per year)	1.18%
Year 2016 (YTD)	1.41%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.11%

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

Sincerely,

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

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Morgan Stanley

Fixed Income Report

Prepared on April 04, 2016

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

Account No. 171-041349

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

Cary Allison
Financial Advisor
Senior Vice President
Tel: +1 916 797-7742
Cary.Allison@morganstanley.com
http://www.morganstanleyfa.com/cary.allison

Your Branch:
1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661

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Account(s) Included In This Report	3
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Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

Account No. 171-041349

Reporting Currency: USD

ACCOUNT(S) DETAIL

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

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

INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

Morgan Stanley

Account No. 171-041349

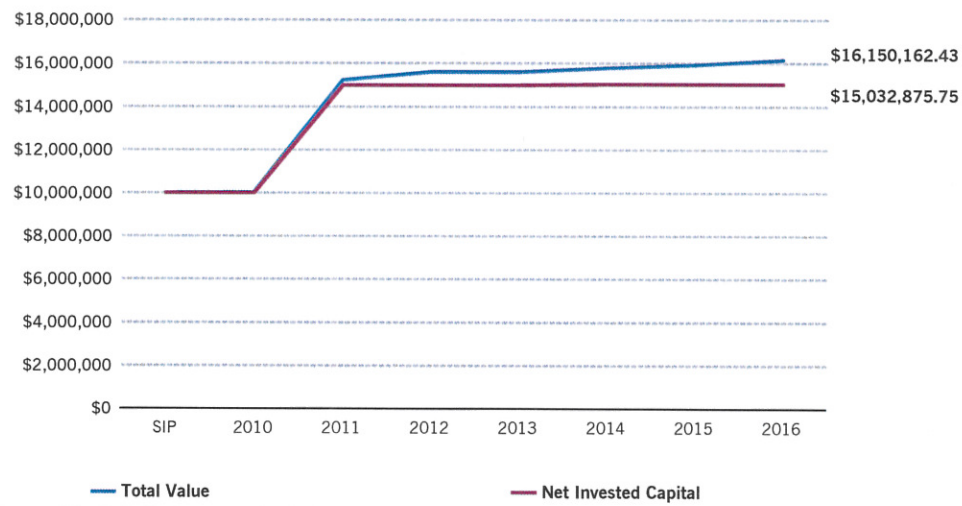
As of March 31, 2016|Reporting Currency: USD

CHANGE IN VALUE AND RETURN % (NET OF FEES)

	Quarter to Date 12/31/15-03/31/16	Year to Date 12/31/15-03/31/16	Performance Inception 07/12/10-03/31/16
Beginning Total Value	**$15,926,083.41**	**$15,926,083.41**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	5,033,025.75
Investment Earnings	224,079.02	224,079.02	1,117,286.68
Ending Total Value	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**
DOLLAR WEIGHTED RATE OF RETURN			
Return % (Net of Fees)	1.41%	1.41%	1.37%

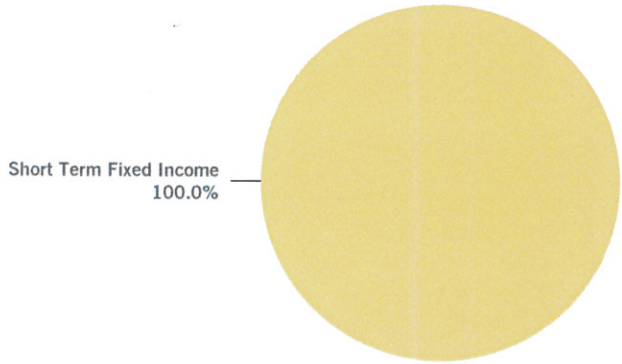
Does not include Performance Ineligible Assets.

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

ASSET ALLOCATION



INCOME SUMMARY

	Year To Date 01/01/16-04/01/16	Projected Remaining Year (Until 12/31) 04/02/16-12/31/16	Projected Next 12 Months 05/01/16-04/30/17
INCOME BY ASSET CLASS			
Cash	$6.62	$0.00	-
Fixed Income & Preferreds	78,721.01	182,681.00	267,112.00
Total Income	**$78,727.63**	**$182,681.00**	**$267,112.00**
INCOME BY TAX CATEGORY			
Taxable	78,727.63	182,681.00	267,112.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
Total Income	**$78,727.63**	**$182,681.00**	**$267,112.00**

Income Summary does not include income from external assets.

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

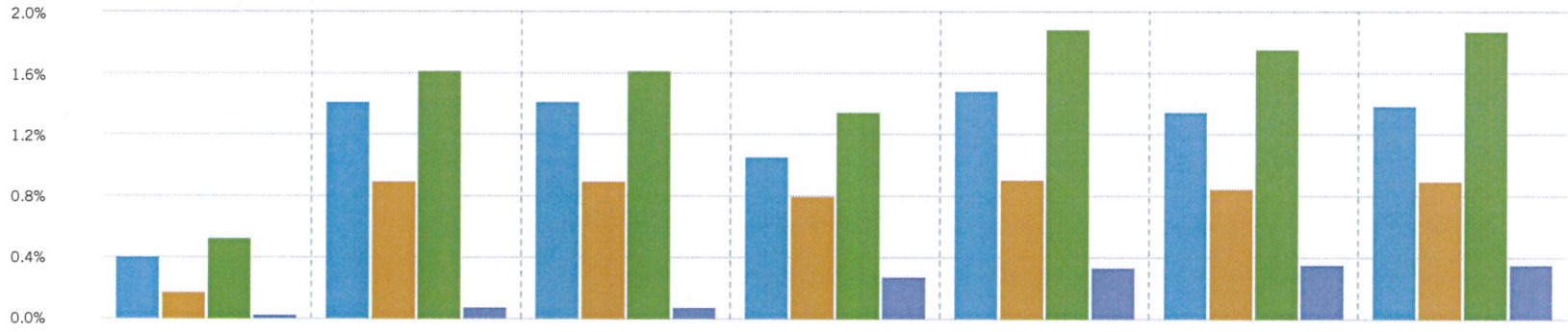
TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

Morgan Stanley

Account No. 171-041349

As of March 31, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Month to Date 02/29/16 - 03/31/16	Quarter to Date 12/31/15 - 03/31/16	Year to Date 12/31/15 - 03/31/16	Last 3 Years 03/31/13 - 03/31/16	Last 5 Years 03/31/11 - 03/31/16	Performance Inception Month End 07/31/10 - 03/31/16	Performance Inception 07/12/10 - 03/31/16
Beginning Total Value	**$16,085,409.16**	**$15,926,083.41**	**$15,926,083.41**	**$15,618,935.48**	**$10,049,163.76**	**$10,025,516.38**	**$9,999,850.00**
Net Contributions/Withdrawals	0.00	0.00	0.00	32,875.75	5,032,875.75	5,032,875.75	5,033,025.75
Investment Earnings	64,753.26	224,079.02	224,079.02	498,351.20	1,068,122.92	1,091,770.30	1,117,286.68
Ending Total Value	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**	**$16,150,162.43**
Return % (Net of Fees)	**0.40**	**1.41**	**1.41**	**1.05**	**1.48**	**1.34**	**1.38**
BC Gov 1-3 Yr	*0.17*	*0.89*	*0.89*	*0.79*	*0.90*	*0.84*	*0.89*
BC Gov/Cr 1-5 yr	*0.52*	*1.61*	*1.61*	*1.34*	*1.88*	*1.75*	*1.87*
Citi CD 6 Month	*0.02*	*0.07*	*0.07*	*0.27*	*0.33*	*0.35*	*0.35*

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

Morgan Stanley

Account No. 171-041349

As of March 31, 2016 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

From 07/12/10 - 03/31/16

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
2016 (YTD)	**$15,926,083.41**	**$0.00**	**$224,079.02**	**$16,150,162.43**	**1.41%**	**0.89%**	**1.61%**	**0.07%**
1QTR	*15,926,083.41*	*0.00*	*224,079.02*	*16,150,162.43*	*1.41*	*0.89*	*1.61*	*0.07*
March	16,085,409.16	0.00	64,753.26	16,150,162.43	0.40	0.17	0.52	0.02
February	16,063,789.98	0.00	21,619.18	16,085,409.16	0.13	0.11	0.19	0.02
January	15,926,083.41	0.00	137,706.57	16,063,789.98	0.86	0.61	0.89	0.02
2015	**$15,789,357.87**	**$0.00**	**$136,725.54**	**$15,926,083.41**	**0.87%**	**0.57%**	**0.97%**	**0.27%**
2014	**$15,597,806.94**	**$32,875.75**	**$158,675.18**	**$15,789,357.87**	**1.01%**	**0.64%**	**1.42%**	**0.27%**
2013	**$15,600,964.10**	**$0.00**	**-$3,157.16**	**$15,597,806.94**	**-0.03%**	**0.37%**	**0.28%**	**0.27%**
2012	**$15,229,289.11**	**$0.00**	**$371,674.99**	**$15,600,964.10**	**2.44%**	**0.51%**	**2.24%**	**0.49%**
2011	**$10,028,996.97**	**$5,000,000.00**	**$200,292.14**	**$15,229,289.11**	**1.91%**	**1.56%**	**3.14%**	**0.39%**
2010 Performance Inception: 07/12/10	**$9,999,850.00**	**$150.00**	**$28,996.97**	**$10,028,996.97**	**0.29%**	**0.53%**	**1.03%**	**0.25%**

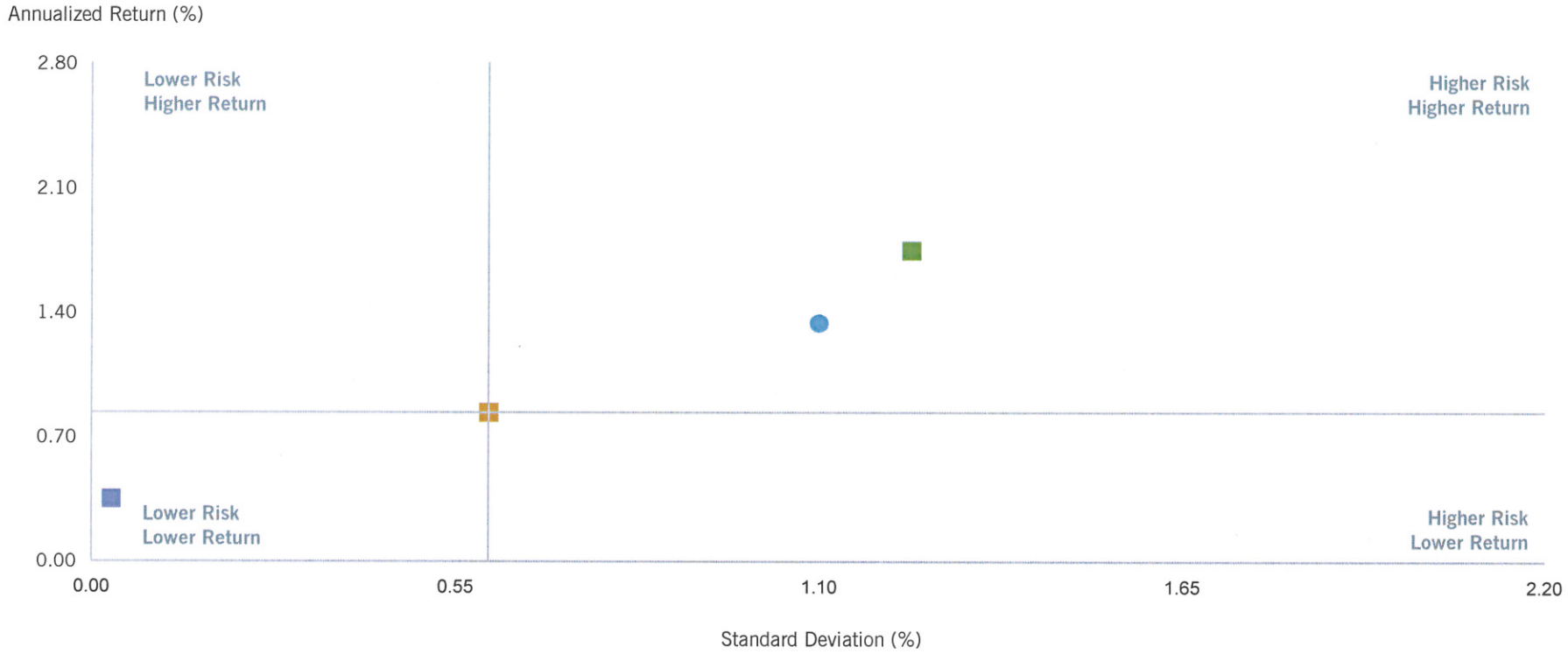
Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

RISK VS. RETURN - ADVISORY ASSETS ONLY

Account No. 171-041349

As of March 31, 2016 | Reporting Currency: USD

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



	Return % (Net of Fees) 07/31/10-03/31/16	Standard Deviation 07/31/10-03/31/16 (%)
Portfolio	1.34%	1.10%
BC Gov 1-3 Yr	*0.84*	*0.60*
BC Gov/Cr 1-5 yr	*1.75*	*1.24*
Citi CD 6 Month	*0.35*	*0.03*

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

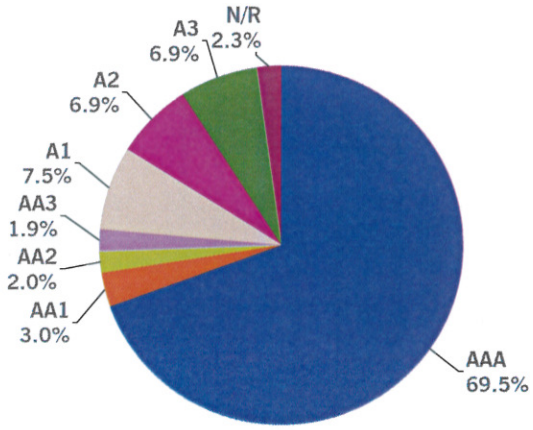
FIXED INCOME & PREFERREDS QUALITY, MATURITY AND ASSET ALLOCATION

Morgan Stanley

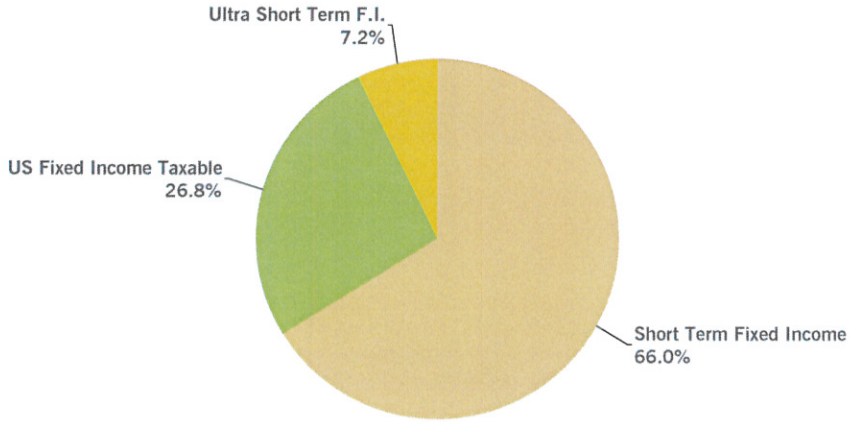
Account No. 171-041349

As of March 31, 2016 | Reporting Currency: USD

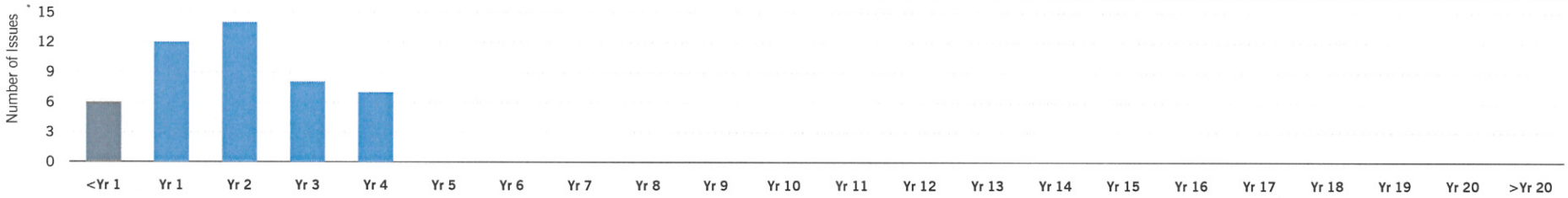
FIXED INCOME AND PREFERREDS QUALITY ANALYSIS



FIXED INCOME AND PREFERREDS ASSET ALLOCATION



MATURITY SCHEDULE



	Number of Issues	Total Value 03/31/16	% of Fixed Income & Preferreds
Less than 1 yr	6	$1,148,355.53	7.2%
1-5 yrs	41	14,853,832.67	92.8
6-10 yrs	0	0.00	0.0
11-15 yrs	0	0.00	0.0
16-20 yrs	0	0.00	0.0
More than 20 yrs	0	0.00	0.0
Others	0	0.00	0.0
Total Fixed Income & Preferreds	**47**	**$16,002,188.20**	**100.0%**

Others includes securities without maturities, such as mutual funds. These securities are not included on the chart.

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
AMERICAN EXPRESS CREDIT	$161,577.18	$162,000.00	$99.39	$161,013.42	-$563.76	1.23%	1.01%
	$161,577.18			$161,356.06		1.23%	
Cusip: 0258M0DW6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/31/2018, Coupon: 1.228, Call Date: 6/30/2018, Call Price: 100.000, Accrued Interest: $342.640							
ANHEUSER-BUSCH INBEV WOR	156,970.32	156,000.00	100.55	156,853.32	478.22	1.36	0.98
	156,375.10			157,306.15		1.36	
Cusip: 03523TBN7, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 7/15/2017, Coupon: 1.375, Accrued Interest: $452.832							
APPLE INC	159,923.20	160,000.00	99.82	159,713.60	-209.60	0.87	1.00
	159,923.20			159,937.51		0.87	
Cusip: 037833AG5, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/3/2018, Coupon: 0.869, Accrued Interest: $223.906							
BANK OF NEW YORK MELLON	158,589.34	158,000.00	101.32	160,085.60	1,590.95	2.07	1.01
	158,494.65			160,786.07		2.09	
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							
BANK OF NOVA SCOTIA	155,230.95	155,000.00	100.13	155,193.75	139.10	1.09	0.97
	155,054.65			155,705.25		1.09	
Cusip: 064159DA1, Moody's Rating: AA3, S & P Rating: A+, Maturity Date: 12/13/2016, Coupon: 1.100, Accrued Interest: $511.500							
BB&T CORPORATION	153,494.52	151,000.00	100.99	152,491.88	974.77	2.12	0.95
	151,517.11			152,573.04		2.13	
Cusip: 05531FAK9, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/22/2017, Coupon: 2.150, Call Date: 2/22/2017, Call Price: 100.000, Accrued Interest: $81.162							
BERKSHIRE HATHAWAY INC	158,767.82	157,000.00	101.92	160,017.54	1,507.31	2.06	1.00
	158,510.23			160,447.98		2.08	
Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: $430.441							
BOEING CAPITAL CORPORATION	79,472.44	76,000.00	104.09	79,107.64	176.38	2.78	0.50
	78,931.26			79,389.26		2.79	
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							
CISCO SYSTEMS INC	159,178.08	159,000.00	103.85	165,121.50	5,969.87	2.35	1.04
	159,151.63			166,268.51		2.44	
Cusip: 17275RAX0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 6/15/2020, Coupon: 2.450, Accrued Interest: $1147.007							
COMCAST CORP	156,366.66	139,000.00	112.52	156,404.19	2,791.44	4.57	0.98
	153,612.75			157,000.73		4.65	
Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: $596.541							
DUKE ENERGY CAROLINAS	155,699.68	152,000.00	100.74	153,118.72	140.23	1.73	0.96
	152,978.49			153,901.94		1.73	
Cusip: 26442CAL8, Moody's Rating: AA2, S & P Rating: A, Maturity Date: 12/15/2016, Coupon: 1.750, Accrued Interest: $783.221							
GENERAL ELECTRIC CAPITAL CORP	155,608.50	150,000.00	101.54	152,310.00	950.85	2.26	0.96
	151,359.15			153,785.83		2.27	

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

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
Cusip: 36962G5W0, Moody's Rating: A1, S & P Rating: AA+, Maturity Date: 4/27/2017, Coupon: 2.300, Accrued Interest: $1475.832							
GILEAD SCIENCES INC	159,497.84	158,000.00	101.76	160,785.54	1,456.80	1.81	1.01
	159,328.74			161,004.77		1.83	
Cusip: 375558BE2, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/4/2018, Coupon: 1.850, Accrued Interest: $219.225							
HOME DEPOT INC	158,093.80	155,000.00	102.62	159,067.20	1,653.89	1.94	1.00
	157,413.31			159,979.98		1.96	
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: $912.776							
INTEL CORP	79,932.20	79,000.00	103.49	81,757.10	1,921.33	2.36	0.51
	79,835.77			82,090.44		2.42	
Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: $333.336							
JOHN DEERE CAPITAL CORP	80,480.46	79,000.00	102.09	80,649.52	353.08	2.20	0.51
	80,296.44			81,459.27		2.21	
Cusip: 24422ERR2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/17/2019, Coupon: 2.250, Accrued Interest: $809.750							
JP MORGAN CHASE & CO	156,715.85	155,000.00	100.31	155,478.95	-318.45	1.51	0.97
	155,797.40			155,917.02		1.51	
Cusip: 46625HJF8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 1/25/2018, Coupon: 1.519, Accrued Interest: $438.073							
MERCK & CO INC	156,048.70	158,000.00	100.82	159,287.70	3,239.00	1.28	1.00
	156,048.70			160,046.54		1.31	
Cusip: 58933YAG0, Moody's Rating: A1, S & P Rating: AA, Maturity Date: 5/18/2018, Coupon: 1.300, Accrued Interest: $758.838							
MICROSOFT CORP	157,010.91	159,000.00	100.06	159,089.04	2,078.13	0.87	1.00
	157,010.91			159,614.62		0.88	
Cusip: 594918AP9, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 11/15/2017, Coupon: 0.875, Accrued Interest: $525.582							
OCCIDENTAL PETROLEUM CORP	158,906.92	158,000.00	100.20	158,317.58	-349.65	1.74	0.99
	158,667.23			158,670.89		1.74	
Cusip: 674599CB9, Moody's Rating: A3, S & P Rating: A, Maturity Date: 2/15/2017, Coupon: 1.750, Accrued Interest: $353.305							
ORACLE CORP	156,650.34	154,000.00	103.66	159,642.56	3,919.82	2.29	1.00
	155,722.74			160,414.70		2.35	
Cusip: 68389XAQ8, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 1/15/2019, Coupon: 2.375, Accrued Interest: $772.138							
PEPSICO INC	160,230.40	160,000.00	100.23	160,369.60	165.72	0.96	1.00
	160,203.88			160,706.59		0.96	
Cusip: 713448DA3, Moody's Rating: A1, S & P Rating: A, Maturity Date: 10/13/2017, Coupon: 0.972, Accrued Interest: $336.994							
PNC FUNDING CORP	158,731.86	142,000.00	111.41	158,205.04	1,512.51	4.60	1.00
	156,692.53			159,276.45		4.64	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: $1071.408							

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

CORPORATE FIXED INCOME (CONTINUED)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
PROCTER & GAMBLE CO/THE	151,176.89 150,651.94	149,000.00	102.87	153,279.28 154,458.86	2,627.34	1.84 1.87	0.97
Cusip: 742718EG0, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: $1179.582							
SHELL INTERNATIONAL FIN	156,190.40 155,729.65	155,000.00	101.06	156,647.65 157,064.86	918.00	1.88 1.89	0.98
Cusip: 822582AW2, Moody's Rating: AA1, S & P Rating: A+, Maturity Date: 8/10/2018, Coupon: 1.900, Accrued Interest: $417.207							
THE WALT DISNEY COMPANY	160,136.85 160,058.12	159,000.00	102.69	163,283.46 163,416.40	3,225.34	2.09 2.13	1.02
Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: $132.941							
TORONTO-DOMINION BANK	155,435.55 155,186.61	155,000.00	99.92	154,880.65 155,784.82	-305.96	1.40 1.40	0.97
Cusip: 89114QAG3, Moody's Rating: AA1, S & P Rating: AA-, Maturity Date: 4/30/2018, Coupon: 1.400, Accrued Interest: $904.166							
UNITED TECHNOLOGIES CORP	155,385.04 152,292.11	151,000.00	100.97	152,463.19 153,369.19	171.08	1.78 1.78	0.96
Cusip: 913017BU2, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 6/1/2017, Coupon: 1.800, Accrued Interest: $905.998							
UNITEDHEALTH GROUP INC	159,338.40 158,991.96	156,000.00	103.88	162,051.24 162,940.44	3,059.28	2.59 2.64	1.02
Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: $889.198							
US BANCORP	156,780.00 151,227.11	150,000.00	100.85	151,269.00 152,515.67	41.89	2.18 2.18	0.95
Cusip: 91159HHB9, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 11/15/2016, Coupon: 2.200, Call Date: 10/14/2016, Call Price: 100.000, Accrued Interest: $1246.666							
WELLS FARGO CO	155,242.10 138,894.03	130,000.00	107.19	139,340.50 141,574.88	446.47	5.24 5.26	0.89
Cusip: 949746NX5, Moody's Rating: A2, S & P Rating: A, Maturity Date: 12/11/2017, Coupon: 5.625, Accrued Interest: $2234.375							
Corporate Fixed Income Total	$4,642,863.20 $4,597,534.58	$4,537,000.00		$4,637,295.96 $4,658,764.69	$39,761.38		29.11%

GOVERNMENT SECURITIES

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK DISC NT	$374,887.50 $374,887.50	$375,000.00	$100.00	$374,988.75 $374,988.75	$101.25	- -	2.34%
Cusip: 313384VG1, Maturity Date: 4/7/2016							
FED HOME LN MTG CORP	1,181,261.75 1,176,953.31	1,175,000.00	100.36	1,179,277.00 1,179,342.27	2,323.69	0.99% 0.99%	7.37

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

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
Cusip: 3137EADL0, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/29/2017, Coupon: 1.000, Accrued Interest: $65.271							
FED HOME LN MTG CORP	400,484.00	400,000.00	100.81	403,248.00	2,820.53	1.23%	2.53
	400,427.47			404,081.33		1.24%	
Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: $833.332							
FED NATL MTG ASSN	353,214.12	354,000.00	101.98	361,019.82	7,805.70	1.59	2.27
	353,214.12			363,001.24		1.63	
Cusip: 3135G0YT4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 11/27/2018, Coupon: 1.625, Accrued Interest: $1981.416							
FED NATL MTG ASSN	899,005.51	890,000.00	102.71	914,101.20	18,159.93	1.82	5.73
	895,941.27			916,048.08		1.86	
Cusip: 3135G0ZA4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/19/2019, Coupon: 1.875, Accrued Interest: $1946.875							
FED NATL MTG ASSN	711,771.75	699,000.00	102.44	716,027.64	9,101.49	1.83	4.48
	706,926.15			716,500.92		1.85	
Cusip: 3135G0YM9, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/18/2018, Coupon: 1.875, Accrued Interest: $473.279							
FED NATL MTG ASSN	1,030,282.84	1,036,000.00	100.23	1,038,382.80	8,099.96	0.87	6.50
	1,030,282.84			1,039,717.37		0.88	
Cusip: 3135G0TG8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/8/2018, Coupon: 0.875, Accrued Interest: $1334.565							
FED NATL MTG ASSN	638,124.80	640,000.00	100.71	644,524.80	6,400.00	1.11	4.04
	638,124.80			645,944.79		1.12	
Cusip: 3135G0E33, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/20/2018, Coupon: 1.125, Accrued Interest: $1419.994							
FED NATL MTG ASSN	1,034,248.90	1,041,000.00	101.10	1,052,492.64	18,243.74	1.48	6.60
	1,034,248.90			1,056,786.77		1.51	
Cusip: 3135G0D75, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 6/22/2020, Coupon: 1.500, Accrued Interest: $4294.125							
FED NATL MTG ASSN	907,656.35	901,000.00	100.47	905,225.69	1,276.09	1.11	5.68
	903,949.60			909,561.75		1.11	
Cusip: 3135G0JA2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 4/27/2017, Coupon: 1.125, Accrued Interest: $4336.062							
UNITED STATES TREASURY NOTE	308,728.15	311,000.00	101.33	315,130.08	6,401.93	1.35	1.98
	308,728.15			316,199.14		1.38	
Cusip: 912828VK3, Moody's Rating: AAA, Maturity Date: 6/30/2018, Coupon: 1.375, Accrued Interest: $1069.062							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	100.69	402,752.00	8,908.40	1.24	2.52
	393,843.60			403,576.17		1.27	
Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: $824.172							
UNITED STATES TREASURY NOTE	640,579.07	644,000.00	100.72	648,630.36	8,051.29	1.36	4.06
	640,579.07			650,065.64		1.38	
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: $1435.283							

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

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	782,478.94 759,677.82	744,000.00	102.40	761,870.88 768,690.88	2,193.06	2.68 2.69	4.80
Cusip: 912828NG1, Moody's Rating: AAA, Maturity Date: 5/31/2017, Coupon: 2.750, Accrued Interest: $6819.995							
UNITED STATES TREASURY NOTE	1,321,650.52 1,261,832.53	1,221,000.00	103.82	1,267,642.20 1,270,470.73	5,809.67	2.64 2.65	7.94
Cusip: 912828PY0, Moody's Rating: AAA, Maturity Date: 2/28/2018, Coupon: 2.750, Accrued Interest: $2828.532							
UNITED STATES TREASURY NOTE	320,581.95 320,581.95	325,000.00	100.95	328,071.25 328,447.69	7,489.30	1.36 1.39	2.05
Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: $376.441							
Government Securities Total	$11,298,799.75 $11,200,199.08	$11,156,000.00		$11,313,385.11 $11,343,423.51	$113,186.03		70.89%

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. Furthermore, the information included in this document may not include all asset classes/securities held by you at the firm. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor.
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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. Asset allocations may differ from product allocations.
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.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information. Past performance is not a guarantee of future results.
Market values used for performance calculation do not include performance ineligible assets and thus may differ from asset allocation market values. Common examples of performance ineligible assets include life insurance, some annuities and assets held externally. Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include brokerage and investment advisory accounts, as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).
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 Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

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

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

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

Projected 12 Month Income: Projected 12 Month Income includes cash income such as interest, cash dividends and partnerships. It is based on current yields and does not include income from external accounts. These are projections and the actual income may be lower or higher than the projections.

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

Total Value: Total Value represents the Market Value of the portfolio or of a given Asset Class inclusive of interest and dividend accruals. Total Value for Asset Allocation before January 2014 does not include accruals.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the performance of your portfolio based on actual dollars invested over the reporting period. Since dollar weighted returns include the impact of the timing of 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 your progress toward investment goals.

Time-Weighted Return: A return calculation that measures the performance of one dollar invested over the reporting period. As time-weighted returns do not include the impact of timing of contributions and withdrawals, they can be compared to market indices and used to evaluate the performance of an investment or manager.

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.

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.

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

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

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.

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.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures

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.

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

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.

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.

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)

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.

Standard & Poor's Equity Research Ratings: For ease of comparison, Morgan Stanley Wealth Management has normalized Standard & Poor's proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Standard & Poor's rating system. Please refer to a Standard & Poor's research report for a complete description of Standard & Poor's rating system and Standard & Poor's actual proprietary rating on any covered company. Standard & Poor's ratings are described below:
1 / 5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis
1 / 4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis
2 / 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis
3 / 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain
3 / 1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis
Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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

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

BENCHMARK DEFINITIONS

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.

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.

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2016/2017 Budget

The ACSIG budget is enclosed for your review. This budget was developed using year-to-date 2015/2016 data and preliminary estimates for 2016/2017 rates and costs. Because all rates are not firm at this time, estimates were used for this report. Salaries have been distributed to each program based upon a time-study.

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

The budget will be reviewed by the Executive Director.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals		2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 29,375,762		
Beginning Cash	$ 29,375,762				$ 29,375,762	$ 24,927,031
Operating Revenue:						
Premiums Paid by Members	$ 147,408,159	$ - -	$ - -	$ 147,391,011	$ 147,408,159	$ 136,126,495
Total Operating Revenue	147,408,159	- -	- -	147,391,011	147,408,159	136,126,495
Operating Expenditures:						
Classified Salaries	236,778		- -	236,778	236,778	227,675
Statutory Benefits	55,498		- -	55,498	55,498	81,308
Health & Welfare	39,000		- -	39,000	39,000	39,000
Employer Tax Expense	3,411		- -	3,411	3,411	69,977
Telephone & Internet	5,250		- -	5,250	5,250	10,500
Supplies Office	5,250		- -	5,250	5,250	10,500
Supplies - Other	5,250		- -	5,250	5,250	10,500
Eligibility Processing	257,060		- -	257,060	257,060	185,808
Brokerage Fees-Dental-ACSIG	276,000		- -	276,000	276,000	284,000
Brokerage Fees-Dental-MD	300,000		- -	300,000	300,000	276,000
Travel and Conferences	21,000		- -	21,000	21,000	19,500
Mileage	8,925		- -	8,925	8,925	7,350
Dues & Memberships	1,575		- -	1,575	1,575	1,300
Postage & Meter	3,400		- -	3,400	3,400	2,750
Insurance Expense-PIPS&NCR	23,989,931		- -	23,989,931	23,989,931	21,125,746
PIPS payroll adjustment	1,500,000			1,500,000	1,500,000	
Utility - Operating-Rent	30,359		- -	30,359	30,359	527,647
Advertising	2,100		- -	2,100	2,100	2,100
Contract Services	8,426		- -	8,426	8,426	19,025
Contract Services -PL-Investigation	- -		- -	- -	- -	- -
Contract Services-PL-Legal	10,000		- -	10,000	10,000	10,000
Audit Fees	14,175		- -	14,175	14,175	16,350
Other Services/Operating Expenses	5,250		- -	5,250	5,250	7,125
Capital Equipment/Depreciation	2,550		- -	2,550	2,550	5,250
Repairs & Maintenance	4,800		- -	4,800	4,800	5,250
Legal	2,550		- -	2,550	2,550	5,250
Accounting Services	15,750		- -	15,750	15,750	15,750
County Courier	3,675		- -	3,675	3,675	3,575
Shredding	1,575		- -	1,575	1,575	2,200
Copier & Scanner	15,000		- -	15,000	15,000	14,999
Claims Administration Services	190,000		- -	190,000	190,000	193,429
Self-Insurance Fee	245,000		- -	245,000	245,000	246,610
Claims Paid-WC	3,000,000		- -	3,000,000	3,000,000	4,000,000
Claims Paid-PL	80,000		- -	80,000	80,000	100,000
Physical Abilities Testing	22,446		- -	22,446	22,446	22,500
Training	5,000		- -	5,000	5,000	5,000
First-Aid Program	10,000		- -	10,000	10,000	25,000
Food Service Training	10,000		- -	10,000	10,000	10,000
Special Ed Training	10,000		- -	10,000	10,000	10,000
Bank Charge & WC Penalty Reimb	15,000		- -	15,000	15,000	- -
Cobra Premiums	250,000	- -	- -	250,000	250,000	235,000
Dental Insurance Premiums	113,877,908	- -	- -	113,877,908	113,877,908	106,652,000
Vision Insurance Premiums	2,758,000	- -	- -	2,758,000	2,758,000	2,550,000
Claim Development Expense	(2,430,000)	- -	- -	(2,430,000)	(2,430,000)	(3,050,000)
Prior Year Adjustment	- -	- -	- -	- -	- -	- -
Total Operating Expenditures	144,867,892	- -	- -	144,867,892	144,867,892	133,985,974
Net Increase/(Decrease) from Operations	2,540,267	- -	- -	2,523,119	2,540,267	2,140,521
Non Operating Income/(Expense)						
Interest Income	218,250	- -	- -	218,251	218,250	218,250
Change in FMV	- -	- -	- -	- -	- -	- -
Realized Gain/(Loss)	- -	- -	- -	- -	- -	- -
Net, Interfund Transfer	- -	- -	- -	- -	- -	- -
Total Non Operating Income/(Expense)	218,250	- -	- -	218,251	218,250	218,250
Ending Cash	$ 32,134,279	- -				
Net Increase/(Decrease) in Net Position		$ - -	$ - -	2,741,370	$ 2,758,517	$ 2,358,771

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
2016/2017 Budget

	Budget 2016/2017 0	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 21,144,362		
Beginning Cash and Investments	$ 21,144,362				$ 21,144,362	$ 17,321,015
Operating Revenue:						
Premiums Paid by Members	$ 28,264,268	$ --	$	$ 28,264,268	$ 28,264,268	$ 24,592,230
PIPS Contribution Adjustmert	--	--		--		
Total Operating Revenue	28,264,268	--	--	28,264,268	28,264,268	24,592,230
Operating Expenditures:	--					
Classified Salaries	59,432	--	--	59,432	59,432	56,819
Statutory Benefits	13,930	--	--	13,930	13,930	20,296
Health & Welfare	7,800	--	--	7,800	7,800	7,800
Employer Tax Expense	856	--	--	856	856	17,463
Telephone & Internet	750	--	--	750	750	1,500
Supplies Office	750	--	--	750	750	1,500
Supplies - Other	750	--	--	750	750	1,500
Utility - Rent	5,060	--	--	5,060	5,060	4,608
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,000	--	--	3,000	3,000	2,250
Mileage	1,275	--	--	1,275	1,275	1,050
Dues & Memberships	225	--	--	225	225	150
Postage & Meter	100	--	--	100	100	100
Insurance Expense-PIPS	22,758,486	--	--	22,758,486	22,758,486	20,103,731
PIPS Contribution Adjustmert	1,500,000	--	--	1,500,000	1,500,000	500,000
Advertising	300	--	--	300	300	300
Contract Services - Actuarial	8,426	--	--	8,426	8,426	7,775
Contract Services -PL-Investigation	--	--	--	--	--	
Contract Services-PL-Legal	--	--	--	--	--	
Audit Fees	2,025	--	--	2,025	2,025	2,175
Other Services/Operating Expenses	750	--	--	750	750	2,625
Capital Equipment/Depreciation	750	--	--	750	750	750
Repairs & Maintenance	300	--	--	300	300	750
Legal	750	--	--	750	750	750
Accounting Services	2,250	--	--	2,250	2,250	2,250
County Courier	525	--		525	525	525
Shredding	675	--		675	675	750
Copier & Scanner	250	--		250	250	250
Claims Administration Services	170,000			170,000	170,000	175,429
Self-Insurance Fee	245,000	--		245,000	245,000	246,610
Claims Paid-WC	3,000,000	--		3,000,000	3,000,000	4,000,000
Claims Paid-PL	--	--		--	--	--
Physical Abilities Testing	10,000	--		10,000	10,000	10,000
Training	5,000	--		5,000	5,000	5,000
First-Aid Program	10,000	--		10,000	10,000	25,000
Food Service Training	10,000	--		10,000	10,000	10,000
Special Ed Training	10,000	--		10,000	10,000	10,000
Bank Charge & WC Penalty Reimb		--		--	--	--
Cobra Premiums	--	--		--	--	--
Dental Insurance Premiums	--	--		--	--	--
Vision Insurance Premiums	--	--		--	--	--
Claim Development Expense	(2,400,000)	--		(2,400,000)	(2,400,000)	(3,000,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	25,429,415	--	--	25,429,415	25,429,415	22,219,706
Net Increase/(Decrease) from Operations	2,834,853	--	--	2,834,853	2,834,853	2,372,524
Non Operating Income/(Expense)						
Interest Income	150,000	--		150,000	150,000	150,000
Change in FMV		--	--		--	--
Realized Gain/(Loss)		--	--		--	--
Interfund Transfer		--		--	--	--
Total Non Operating Income/(Expense)	150,000	$ --	$ --	150,000	150,000	150,000
Ending Cash	$ 24,129,215					
Net Increase/(Decrease) in Net Position				2,984,853	2,984,853	2,522,524
				$ 24,129,215	**$ 24,129,215**	**$ 19,843,539**

Alameda County Schools Insurance Group (ACSIG)
Dental
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 5,488,064		
Beginning Cash and Investments	$ 5,488,064				$ 5,488,064	$ 5,318,251
Operating Revenue:						
Premiums Paid by Members	$ 115,000,000	$ --	$ --	$ 115,000,000	$ 115,000,000	$ 107,800,000
Total Operating Revenue	115,000,000	--	--	115,000,000	115,000,000	107,800,000
Operating Expenditures:						
Classified Salaries	135,791			135,791	135,791	131,063
Statutory Benefits	31,828			31,828	31,828	46,798
Health & Welfare	25,350			25,350	25,350	25,350
Employer Tax Expense	1,956			1,956	1,956	40,283
Telephone & Internet	3,750			3,750	3,750	7,500
Supplies Office	3,750			3,750	3,750	7,500
Supplies - Other	3,750			3,750	3,750	7,500
Eligibility Processing	252,000			252,000	252,000	181,200
Brokerage Fees-Dental-ACSIG	276,000			276,000	276,000	284,000
Brokerage Fees-Dental-MD	300,000			300,000	300,000	276,000
Travel and Conferences	15,000			15,000	15,000	15,000
Mileage	6,375			6,375	6,375	5,250
Dues & Memberships	1,125			1,125	1,125	1,000
Postage & Meter	3,150			3,150	3,150	2,500
Insurance Expense	--			--	--	--
Net, Operating-Rent	25,299			25,299	25,299	23,040
Advertising	1,500			1,500	1,500	1,500
Contract Services - Actuarial	--			--	--	9,375
Contract Services -PL-Investigation	--			--	--	--
Contract Services	10,000			10,000	10,000	10,000
Audit Fees	10,125			10,125	10,125	12,000
Other Services/Operating Expenses	3,750			3,750	3,750	3,750
Capital Equipment/Depreciation	1,500			1,500	1,500	3,750
Repairs & Maintenance	3,750			3,750	3,750	3,750
Legal	1,500			1,500	1,500	3,750
Accounting Services	11,250			11,250	11,250	11,250
County Courier	2,625			2,625	2,625	2,625
Shredding	750			750	750	1,125
Copier & Scanner	14,250			14,250	14,250	14,249
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	15,000	--	--	15,000	15,000	
Cobra Premiums	250,000	--	--	250,000	250,000	235,000
Dental Insurance Premiums	113,877,908	--	--	113,877,908	113,877,908	106,652,000
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	--	--	--		--
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	115,289,033	--	--	115,289,033	115,289,033	108,018,108
Net Increase/(Decrease) from Operations	(289,033)	--	--	(289,033)	(289,033)	(218,108)
Non Operating Income/(Expense)						
Interest Income	50,000	--		50,000	50,000	50,000
Change in FMV	--	--		--	--	--
Realized Gain/(Loss)	--	--		--	--	--
Interfund Transfer & YE Close Oper	--	--		--		--
Total Non Operating Income/(Expense)	50,000	$ --	$ --	50,000	50,000	50,000
Ending Cash	$ 5,249,031					
Net Increase/(Decrease) in Net Position				(239,033)	(239,033)	(168,108)
				$ 5,249,031	**$ 5,249,031**	**$ 5,150,143**

Alameda County Schools Insurance Group (ACSIG)
Vision
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 2,093,269		
Beginning Cash and Investments	$ 2,093,269				$ 2,093,269	$ 2,094,297
Operating Revenue:						
Premiums Paid by Members	$ 2,800,000	$ --	$	$ 2,800,000	$ 2,800,000	$ 2,600,000
Total Operating Revenue	2,800,000	--	--	2,800,000	2,800,000	2,600,000
Operating Expenditures:						
Classified Salaries	23,678	--	--	23,678	23,678	22,767
Statutory Benefits	5,550	--	--	5,550	5,550	8,131
Health & Welfare	3,900	--	--	3,900	3,900	3,900
Employer Tax Expense	341	--	--	341	341	6,998
Telephone & Internet	500	--	--	500	500	1,000
Supplies Office	500	--	--	500	500	1,000
Supplies - Other	500	--	--	500	500	1,000
Eligibility Processing	--	--	--	--	--	0
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	0
Brokerage Fees-Dental-MD	--	--	--	--	--	0
Travel and Conferences	2,000	--	--	2,000	2,000	1,500
Mileage	850	--	--	850	850	700
Dues & Memberships	150	--	--	150	150	100
Postage & Meter	150	--	--	150	150	150
Insurance Expense	--	--	--	--	--	
Utility - Operating-Rent	3,373	--	--	3,373	3,373	3,072
Advertising	200	--	--	200	200	200
Contract Services - Actuarial	--	--	--	--	--	1,250
Contract Services -PL-Investigation	--	--	--	--	--	0
Contract Services-PL-Legal	--	--	--	--	--	0
Audit Fees	1,350	--	--	1,350	1,350	1,450
Other Services/Operating Expenses	500	--	--	500	500	500
Capital Equipment/Depreciation	200	--	--	200	200	500
Repairs & Maintenance	500	--	--	500	500	500
Legal	200	--	--	200	200	500
Accounting Services	1,500	--	--	1,500	1,500	1,500
County Courier	350	--	--	350	350	350
Shredding	100	--	--	100	100	150
Copier & Scanner	400	--	--	400	400	400
Claims Administration Services	--	--	--	--	--	0
Self-Insurance Fee	--	--	--	--	--	0
Claims Paid-WC	--	--	--	--	--	0
Claims Paid-PL	--	--	--	--	--	0
Physical Abilities Testing	--	--	--	--	--	0
Training	--	--	--	--	--	0
First-Aid Program	--	--	--	--	--	0
Food Service Training	--	--	--	--	--	0
Special Ed Training	--	--	--	--	--	0
Bank Charge & WC Penalty Reimb	--	--	--	--	--	0
Cobra Premiums	--	--	--	--	--	0
Dental Insurance Premiums	--	--	--	--	--	0
Vision Insurance Premiums	2,758,000	--		2,758,000	2,758,000	2,550,000
Claim Development Expense	--	--	--	--	--	0
Prior Year Adjustment	--	--	--	--	--	0
Total Operating Expenditures	2,804,792	--	--	2,804,792	2,804,792	2,607,618
Net Increase/(Decrease) from Operations	(4,792)	--	--	(4,792)	(4,792)	-7,618
Non Operating Income/(Expense)						
Interest Income	17,500	--		17,500	17,500	17,500
Change in FMV		--	--	--	--	0
Realized Gain/(Loss)		--	--	--	--	0
Interfund Transfer	--	--	--	--	--	0
Total Non Operating Income/(Expense)	17,500	$ --	$ --	17,500	17,500	17,500
Ending Cash	$ 2,105,977					
Net Increase/(Decrease) in Net Position				12,708	$ 12,708	$ 9,882
				0 $ 2,105,977	$ 2,105,977	$ 2,104,179

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
2016/2017 Budget

	Budget 2016/2017	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ 650,067		
Beginning Cash and Investments	$ 650,067				$ 650,067	$ 193,468
Operating Revenue:						
Premiums Paid by Members	$ 1,343,891	$ --	$	$ 1,326,743	$ 1,343,891	$ 1,134,265
Total Operating Revenue	1,343,891	--	--	1,326,743	1,343,891	1,134,265
Operating Expenditures:						
Classified Salaries	17,877	--	--	17,877	17,877	17,026
Statutory Benefits	4,190	--	--	4,190	4,190	6,083
Health & Welfare	1,950	--	--	1,950	1,950	1,950
Employer Tax Expense	258	--	--	258	258	5,233
Telephone & Internet	250	--	--	250	250	500
Supplies Office	250	--	--	250	250	500
Supplies - Other	250	--	--	250	250	500
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,000	--	--	1,000	1,000	750
Mileage	425	--	--	425	425	350
Dues & Memberships	75	--	--	75	75	50
Postage & Meter	--	--	--	--	--	--
Insurance Expense-NCR	1,231,445	--		1,151,830	1,231,445	1,022,015
Utility - Operating-Rent	1,687	--	--	1,687	1,687	1,535
Advertising	100	--	--	100	100	100
Contract Services - Actuarial	--	--	--	--	--	625
Contract Services -PL-Investigation	--	--	--	--	--	
Contract Services-PL-Legal	--	--	--	--	--	--
Audit Fees	675	--	--	675	675	725
Other Services/Operating Expenses	250	--	--	250	250	250
Capital Equipment/Depreciation	100	--	--	100	100	250
Repairs & Maintenance	250	--	--	250	250	250
Legal	100	--	--	100	100	250
Accounting Services	750	--	--	750	750	750
County Courier	175	--	--	175	175	75
Shredding	50	--	--	50	50	175
Copier & Scanner	100	--		100	100	100
Claims Administration Services	20,000	--		20,000	20,000	18,000
Self-Insurance Fee	--	--		--	--	--
Claims Paid-WC	--	--		--	--	--
Claims Paid-PL	80,000	--		80,000	80,000	100,000
Safety Inspection	12,446	--	--	12,446	12,446	12,500
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	(30,000)	--		(30,000)	(30,000)	(50,000)
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	1,344,652	--	--	1,265,037	1,344,652	1,140,542
Net Increase/(Decrease) from Operations	(761)	--	--	61,706	(761)	(6,277)
Non Operating Income/(Expense)						
Interest Income	750	--	--	750	750	750
Change in FMV	--	--	--	--	--	--
Realized Gain/(Loss)	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	750	$ --	$ --	750	750	750
Ending Cash	$ 650,056					
Net Increase/(Decrease) in Net Position				62,456	(11)	(5,527)
			0	$ 712,523	$ 650,056	$ 187,941

Alameda County Schools Insurance Group (ACSIG)
Operations
2016/2017 Budget

	Cash Activity 2016/2017 1/0/00	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	2015/2016 Budget
Audited - Beginning Net Position, as of 07/01/2016				$ --		
Beginning Cash and Investments	$				$ --	$ --
Operating Revenue:						
Offset to Rent - Sub Lease	$	$	$ --	$ --	$	$
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries						--
Statutory Benefits						--
Health & Welfare						--
Employer Tax Expense						--
Telephone & Internet						--
Supplies Office						
Supplies - Other						
Eligibility Processing						--
Brokerage Fees-Dental-ACSIG						--
Brokerage Fees-Dental-MD						--
Travel and Conferences						--
Mileage						--
Dues & Memberships						--
Postage & Meter						--
Insurance Expense						--
Utility - Operating-Rent						--
Advertising						--
Contract Services - Actuarial						--
Contract Services -PL-Investigation						--
Contract Services-PL-Legal						--
Audit Fees						--
Other Services/Operating Expenses						--
Capital Equipment/Depreciation						
Repairs & Maintenance						
Legal						
Accounting Services						
County Courier						
Shredding						--
Copier & Scanner						--
Claims Administration Services						--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
Prior Year Adjustment	--	--	--	--	--	--
Total Operating Expenditures	--	--	--	--	--	--
Net Increase/(Decrease) from Operations	--	--	--	--	--	--
Non Operating Income/(Expense)						
Interest Income					--	
Change in FMV					--	
Realized Gain/(Loss)					--	
Interfund Transfer & YE Close						
Total Non Operating Income/(Expense)	--	$ --	$ --	--		--
Ending Cash	$ --					
Net Increase/(Decrease) in Net Position				$ --	$ --	$ --
			0	$ --	$ --	$ --

				Statutory	Employer Tax Expense
Kimberly (moves to Longevity II)	salary & benefits	$ 178,769.43	$ 19,500.00	$ 41,901.38	$ 2,575.58
	50% dental	$ 89,384.72	$ 9,750.00	$ 20,950.69	$ 1,287.79
	30% wc	$ 53,630.83	$ 5,850.00	$ 12,570.41	$ 772.68
	10% vision	$ 17,876.94	$ 1,950.00	$ 4,190.14	$ 257.56
	10% p/l	$ 17,876.94	$ 1,950.00	$ 4,190.14	$ 257.56
Celina	salary & benefits	$ 58,008.30	$ 19,500.00	$ 13,596.44	$ 835.74
	80 % dental	$ 46,406.64	$ 15,600.00	$ 10,877.15	$ 668.59
	10% wc	$ 5,800.83	$ 1,950.00	$ 1,359.64	$ 83.57
	10% vision	$ 5,800.83	$ 1,950.00	$ 1,359.64	$ 83.57
Amy	100% COBRA Dental	$ 25,350.97	$ 9,750.00	$ 5,941.96	$ 365.24

***assumes 3.5% salary increase

Telephone & Internet	$ 5,000.00
Supplies Office	$ 5,000.00
Supplies - Other	$ 5,000.00
Eligibility Processing	
Brokerage Fees-Dental-ACSIG	
Brokerage Fees-Dental-MD	
Travel and Conferences	$ 20,000.00
Mileage	$ 8,500.00
Dues & Memberships	$ 1,500.00
Postage & Meter	$ 3,500.00
Insurance Expense-PIPS&NCR	
PIPS payroll adjustment	
Utility - Operating-Rent	$ 33,732.00
Advertising	$ 2,000.00
Contract Services	
Contract Services -PL-Investigation	
Contract Services-PL-Legal	
Audit Fees	$ 13,500.00
Other Services/Operating Expenses	$ 5,000.00

(this is 95% dental)

Capital Equipment/Depreciation	$ 2,000.00	
Repairs & Maintenance	$ 5,000.00	
Legal	$ 2,000.00	
Accounting Services	$ 15,000.00	
County Courier	$ 3,500.00	
Shredding	$ 1,000.00	
Copier & Scanner	$ 15,000.00	(this is 95% dental)

$ 146,232.00

WC	DENTAL	VISION	PL
$ 82,017.97	$ 226,583.75	$ 33,468.69	$ 24,274.64

15%	75%	10%	5%
$ 750.00	$ 3,750.00	$ 500.00	$ 250.00
$ 750.00	$ 3,750.00	$ 500.00	$ 250.00
$ 750.00	$ 3,750.00	$ 500.00	$ 250.00
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ 3,000.00	$ 15,000.00	$ 2,000.00	$ 1,000.00
$ 1,275.00	$ 6,375.00	$ 850.00	$ 425.00
$ 225.00	$ 1,125.00	$ 150.00	$ 75.00
$ 100.00	$ 3,150.00	$ 150.00	
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ 5,059.80	$ 25,299.00	$ 3,373.20	$ 1,686.60
$ 300.00	$ 1,500.00	$ 200.00	$ 100.00
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -
$ 2,025.00	$ 10,125.00	$ 1,350.00	$ 675.00
$ 750.00	$ 3,750.00	$ 500.00	$ 250.00

$ 300.00	$ 1,500.00	$ 200.00	$ 100.00
$ 750.00	$ 3,750.00	$ 500.00	$ 250.00
$ 300.00	$ 1,500.00	$ 200.00	$ 100.00
$ 2,250.00	$ 11,250.00	$ 1,500.00	$ 750.00
$ 525.00	$ 2,625.00	$ 350.00	$ 175.00
$ 150.00	$ 750.00	$ 100.00	$ 50.00
$ 250.00	$ 14,250.00	$ 400.00	$ 100.00

Alameda County Schools Insurance Group
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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Employee Compensation

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

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

With the financial picture for many within California and Alameda County continuing to improve this year, the staff is requesting consideration of a 3.5% salary schedule increase. The total cost of this would be $9,055.

This item will be discussed at the meeting.

16 of the 19 members have settled negotiations for the 2015-16 Fiscal Year.
The average increase of these 16 members was 3.71%
The ACSIG Staff respectfully request a 3.5% salary increase for 2015-16.

Annual Cost of 3.5% Salary Increase

	Salary	Benefits	Total
Kimberly	$ 5,356.00	$ 661.47	$ 6,017.47
Celina	$ 1,859.00	$ 229.59	$ 2,088.59
Amy	$ 845.03	$ 104.36	$ 949.39
TOTAL	$ 8,060.03	$ 995.41	$ 9,055.44

ACSIG Salary Schedule
2015/2016
with 3.5% increase

	1	2	3	4	5
Claims Assistant	$41,117	$43,173	$45,332	$47,598	$49,978
Claims Examiner	$64,468	$67,691	$71,076	$74,630	$78,363
Executive Assistant to Executive Director	$50,733	$52,833	$54,981	$57,180	$59,426

Clerical/Office Assistant	$16.00				
Claims Asst. Hourly	$19.77	$20.76	$21.79	$22.88	$24.03
Claims Exam. Hourly	$30.99	$32.54	$34.17	$35.88	$37.67
Admin Asst. Hourly	$24.39	$25.40	$26.43	$27.49	$28.57

Alameda County Schools Insurance Group

Executive Director Pay Schedule

2015/2016
with 3.5 % adjustment

	Step 1	Step 2	Step 3	Step 4	Longevity I	Longevity II	Longevity III
Annual	$140,262	$144,760	$149,258	$153,756	$158,389	$163,163	$168,081
Monthly	$11,688.51	$12,063.29	$12,438.17	$12,813.04	$13,199.12	$13,596.90	$14,006.66

Effective July 1, 2014
Move to Longevity I after 3 years on Step 4
Move to Longevity II after 3 years on Longevity II
Move to Longevity III after 3 years on Longevity II

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Strategic Planning 2016

To remain in compliance with CAJPA Accreditation standards, a strategic planning session must be conducted every 2 years. Our last strategic planning session was in July 2014. That session was facilitated by Betsy Eubanks and was held at Wente Vineyards. For 2016, the Executive Committee will meet to discuss future goals of the organization.

The Executive Director will discuss future strategic planning session options and dates with the Committee.

Strategic Planning 2016

Capital Target

Equity Policy

Program Growth

Centralized Services/Service Expansion

Member Outreach

HR Group
- Redundant with NCR?

Succession Plan/Board Transition

JPA Value
- Member Buy-in
- Member Participation

JPA Brand

Service Team

Interest in Education of Board

Trend Analysis & Program Development
- Need Joint Effort with Board Member Support
- Need Traction

Procedure/Policy Development
- Contract Review
- Facility Use Handbook

Best Practices Rewards

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2016/2017 Executive Committee

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 4 seats are up in one year and the remaining 3 seats expire the subsequent year. This year, the Executive Committee has four(4) seats up for election. The Executive Committee meets approximately 8 times a year, including the annual strategic planning session.

The committee will discuss recruitment efforts for the Full Board meeting.

Alameda County Schools Insurance Group

Executive Committee Officers and Terms

MEMBER	OFFICE	TERM EXPIRES
Susan Kinder	Secretary	2016
Luz Cázares	Member	2016
Annette Heldman	Member	2016
Allan Garde	Member	2016
Dr. Candi Clark	President	2017
Raul Parungao	Vice President	2017
Akur Varadarajan	Member	2017

**Officers serve a one year term.

**Committee members are elected for 2 years.

Alameda County Schools Insurance Group
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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Investment Policy

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

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

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: INVESTMENT OF FUNDS

1.0 POLICY

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

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

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

2.0 SCOPE

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

2.1 Funds

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

3.0 PRUDENCE

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

The standard of prudence to be used by the Authority's investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Investment Committee, acting in accordance with written procedures and their investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. The Executive Committee serves as the Investment Committee.

4.0 OBJECTIVE

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

4.1 Liquidity

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

4.2 Safety

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

4.3 Return on Investment

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

5.0 DELEGATION OF AUTHORITY

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

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

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

policy, 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

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.

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

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19,2016

SUBJECT: Conflict of Interest

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

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

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: CONFLICT OF INTEREST

POLICY

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

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

CONFLICT OF INTEREST CODE FOR ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

APPENDIX

DESIGNATED OFFICERS/EMPLOYEES CATEGORIES	DISCLOSURE
Board of Directors (Except Executive Committee)	All
Board Alternates	All
All Agency Management Staff:	All
General Counsel	All
Insurance Broker	All
Claims Examiner(s)	All

DISCLOSURE CATEGORIES

1. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) of the type to contract with the Authority to supply materials, services, commodities, supplies, books, machinery, vehicles or equipment utilized by the Authority.

2. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) which are contractors or subcontractors, engaged in the performance of work or services of the type utilized by the Authority, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents, or accounting firms.

3. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) which have filed claims, or have claims pending against the Authority.

4. Investments and business positions in business entities, and sources of income, (including gifts, loans and travel payments) from banks or savings and loans.

5. Investments and business positions in, and income (including gifts, loans and travel payments) from, entities in which the Authority is empowered to invest its funds.

6. Interest in commercial real property (or interests in real property used for commercial leasing purposes).

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

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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

Executive Director
Executive Committee of the Board

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

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

DESIGNATIONS

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

DISCLOSURE RESPONSIBILITIES

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

DECLARATION OF CHIEF EXECUTIVE OFFICER FOR

Alameda County Schools Insurance Group

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

Date

Signature on File
Executive Director

Approved: 12/11/08
Revised:

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

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

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

ITEM 3...STATE: California

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

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

ITEM 5...RETENTION AND INDEMNITY:

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

ITEM 6...COVERAGE AFFORDED:

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

ITEM 7...ADMINISTRATION OF CLAIMS

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

ITEM 8...CANCELLATION

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

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: Authorization of Signatures

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

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

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

SUBJECT: 2016/2017 Draft Calendar

Enclosed is a draft calendar for the 2016/2017 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.



2016/2017 Calendar

November 10, 2016	Executive Committee	9am-noon
November 17, 2016	Joint Full Board w/HR	12pm with lunch
December 15, 2016	Executive Committee	9am-noon
February 16, 2017	Executive Committee	9am-noon
May 11, 2017	Executive Committee	9am-noon
May 18, 2017	Joint Full Board	12pm with lunch

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: May 19, 2016

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