



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

MINUTES Full Board

Date: Thursday, May 20, 2021
Time: 2:00PM
Location: Video Meeting
Join Zoom Meeting
<https://us02web.zoom.us/j/7358807014?pwd=OWtmZkdMZWVwT0hCZklsNXA4RURXUT09>
Meeting ID: 735 880 7014
Passcode: acsig20

I. The meeting was called to order by Annette Heldman at 2:01pm.

II. Roll call

Board Members

Annette Heldman	President	New Haven Unified School District
Susan Kinder	Vice President	Livermore Valley Joint USD
Dr. Candi Clark	Board Member	Alameda County Office of Education
Dani Krueger	Board Member	Alameda Unified School District
Jackie Kim	Board Member	Albany Unified School District
Suzy Chan	Board Member	Castro Valley USD
Chris Hobbs	Board Member	Dublin Unified School District
Minh Vu	Board Member	Fremont USD
Bryan Wakefield	Board Member	Mission Valley ROP
Shailesh Regmi	Board Member	Mountain House Unified School District
Marie Dela Cruz	Board Member	Newark Unified School District
Ruth Alahydoian	Board Member	Piedmont Unified School District
Ahmad Sheikholeslami	Board Member	Pleasanton Unified School District
Dr. Kevin Collins	Board Member	San Leandro Unified School District

Madeline Gabel
District

Board Member San Lorenzo Unified School

Kimberly Dennis	Executive Director	ACSIG
Celina Flotte	Executive Assistant	ACSIG

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley
Carl Sandstrom	Guest	CAJPA

III. Acceptance of the Agenda

It was moved by Kevin Collins and seconded by Candi Clark to accept the agenda as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

IV. Public Comment on Open Session Agenda Items

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is on the agency's agenda for that meeting. The Board of Directors allows speakers to speak on 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

Consent Calendar

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

- **Executive Committee Minutes from February 5, 2021**
- **Executive Committee Minutes from March 18, 2021**
- **2nd Quarter Financials**
- **2nd Quarter Investment Report**
- **Informational Report for Fiscal Year End**
- **PLCA Agreement Renewal**
- **Run Off Claims Agreement**
- **Dispute Resolution Policy**
- **Underwriting Policy**
- **Investment Policy**

- **Conflict of Interest Code**
- **Authorization of Signatures**
- **Posting and Mailing Address**

It was moved by Kevin Collins and seconded by Candi Clark to approve the consent calendar as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

General

V. Third Quarter Investment Report

Cary Allison of Morgan Stanley reviewed the 2020/21 Third Quarter Investment Report with the Board.

Time Weighted Performance Summary (Net of fees) – March 31, 2021

Total Ending Value **\$22,683,322.79**

Rolling Periods

Quarter to Date	-0.56%
Year to Date	-0.56%
Last 12 Months	0.81%
Last 3 Years	2.83%
Last 5 Years	1.63%
Last 10 Years	1.55%
Since 7/12/10 Inception (annualized %)	1.49%

Calendar Years

2021 YTD	-0.56%
2020	3.92%
2019	3.69%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2020-21 YTD	-0.27%
2019-20	4.74%
2018-19	1.31%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

It was moved by Susan Kinder and seconded by Kevin Collins to approve the third quarter investment report as presented.
Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins
Nays: None
Abstain: None

VI. Third Quarter Financials

Laurena Grabert from SETECH presented the 2020/21 Third Quarter Financial statements with the Board.

Alameda County Schools Insurance Group (ACSIG) Treasurer's Report- Statement of Net Position Consolidated As of 06/30/2020 and 03/31/2021			
	Audited As of 06/30/2020	Activity 07/01/2020 - 03/31/2021	As of 03/31/2021
Assets:			
Current Assets			
Workers Compensation	\$ 23,150,875	(5,826,769)	\$ 17,324,107
Dental	5,139,851	542,891	5,682,742
Vision	2,421,563	58,338	2,479,901
Property and Liability	1,466,118	(221,591)	1,244,527
Operations	80,677	12,168	92,845
Cash and Cash Equivalents	<u>\$ 32,259,084</u>	<u>(5,434,963)</u>	<u>\$ 26,824,122</u>
Investments Morgan Stanley - current	2,936,365	(2,814,869)	121,496
Accounts Receivable	7,862,677	4,563,526	12,426,203
Prepaid Expense	- -	2,320,788	2,320,788
Interfund Receivable/(payable) (1)	- -	- -	- -
Subtotal Current Assets	<u>43,058,126</u>	<u>(1,365,518)</u>	<u>41,692,608</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	19,523,229	2,925,751	22,448,980
Capital - Equipment, net of depreciation	<u>1,187</u>	<u>(592)</u>	<u>595</u>
	<u>19,524,416</u>	<u>2,925,159</u>	<u>22,449,575</u>
Total Assets	<u>\$ 62,582,542</u>	<u>\$ 1,559,641</u>	<u>\$ 64,142,183</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>146,854</u>	<u>- -</u>	<u>146,854</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 342,458	\$ (14,929)	\$ 327,529
Prefunding deposits (2)	4,132,048	- -	4,132,048
Advance Contributions	- -	- -	- -
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	671,995	- -	671,995
Current Portion of claims and claim adjustment	<u>3,582,964</u>	<u>(294,805)</u>	<u>3,288,159</u>
Subtotal Current Liabilities	<u>8,729,465</u>	<u>(309,734)</u>	<u>8,419,731</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	7,559,199	(168,395)	7,390,804
Unallocated Loss Adjustment Expense (ULAE)	<u>907,745</u>	<u>(179,568)</u>	<u>728,177</u>
Subtotal Noncurrent Claim Liabilities	<u>8,466,944</u>	<u>(347,963)</u>	<u>8,118,981</u>
Net Pension Liability (NPL)	<u>734,426</u>	<u>64,537</u>	<u>798,963</u>
Total Liabilities	<u>\$ 17,930,835</u>	<u>\$ (593,160)</u>	<u>\$ 17,337,675</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>87,683</u>	<u>- -</u>	<u>87,683</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	44,709,691	2,153,393	46,863,084
Designated - Capital Assets	<u>1,187</u>	<u>(592)</u>	<u>595</u>
Total Net Position	<u>\$ 44,710,878</u>	<u>\$ 2,152,801</u>	<u>\$ 46,863,679</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 62,582,542</u>	<u>\$ 1,559,641</u>	<u>\$ 64,142,183</u>

Footnote:

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

It was moved by Kevin Collins and seconded by Dani Krueger to approve the

third quarter financial report as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

VII. Budget 2021/2022

The Executive Director reviewed the 2021/22 Budget with the Board.

Alameda County Schools Insurance Group (ACSIG)									
Consolidated									
2021/2022 Budget									
	Budget								
	2021/2022		Change in			2020/2021	2019/2020	2018/2019	2017/2018
		Allocations	Accruals			Budget	Actuals	Actuals	ACTUAL
Audited - Beginning Net Position, as of 07/01/2020					\$	56,400,815			
Beginning Cash					\$	56,400,815			
Operating Revenue:						56,228,355	\$ 32,390,067	\$ 21,774,574	34,318,790
Premiums Paid by Members					\$	154,947,536	\$ --	\$ --	\$ 154,947,536
Total Operating Revenue					154,947,536	--	--	154,947,536	162,868,036
Operating Expenditures:						162,868,036	143,824,407	158,713,739	164,546,182
Classified Salaries					338,031	--	--	338,031	328,018
Statutory Benefits					51,738	--	--	51,738	50,460
Health & Welfare					56,750	--	--	56,750	56,750
Employer Tax Expense					5,510	--	--	5,510	5,510
Net Pension Expense					416,154	--	--	416,154	76,494
Telephone & Internet					7,450	--	--	7,450	9,280
Supplies Office					5,000	--	--	5,000	4,500
Supplies - Other					8,500	--	--	8,500	1,181
Eligibility Processing					235,620	--	--	235,620	210,000
Brokerage Fees-Dental-ACSIG					293,760	--	--	293,760	299,000
Brokerage Fees-Dental-MD					520,000	--	--	520,000	500,851
Travel and Conferences					22,925	--	--	22,925	20,975
Mileage					12,000	--	--	12,000	11,050
Dues & Memberships					11,400	--	--	11,400	7,635
Postage & Meter					3,910	--	--	3,910	10,180
Insurance Expense-PPS&NCR					23,900,848	--	--	23,900,848	25,471,893
PPS payroll adjustment					500,000	--	--	500,000	1,000,000
Utility - Operating-Rent					48,476	--	--	48,476	48,536
Advertising					--	--	--	--	--
Contract Services					20,000	--	--	20,000	28,000
Contract Services -actuarial					--	--	--	--	20,000
Contract Services					5,000	--	--	5,000	5,000
Audit Fees					14,475	--	--	14,475	22,000
Other Services/Operating Expenses					11,400	--	--	11,400	12,025
Capital Equipment/Depreciation					9,500	--	--	9,500	9,500
Repairs & Maintenance					5,000	--	--	5,000	4,100
Legal					6,500	--	--	6,500	6,500
Accounting Services					15,500	--	--	15,500	15,900
County Courier					4,400	--	--	4,400	4,400
Shredding					1,600	--	--	1,600	1,180
Copier & Scanner					17,900	--	--	17,900	17,900
Claims Administration Services					143,219	--	--	143,219	173,819
Self-Insurance Fee					553,082	--	--	553,082	431,959
Claims Paid-WC					1,200,000	--	--	1,200,000	1,200,000
Claims Paid-PL					100,000	--	--	100,000	200,000
Safety Inspection					18,819	--	--	18,819	18,819
Physical Ability Testing					20,000	--	--	20,000	20,000
First-Aid Program					35,000	--	--	35,000	35,000
Risk Management Prevention Program					250,000	--	--	250,000	250,000
EAP					200,000	--	--	200,000	200,000
Bunk Charge & WC Penalty Reimb					6,000	--	--	6,000	6,000
Cobra Premiums					250,000	--	--	250,000	250,000
Dental Insurance Premiums					122,590,000	--	--	122,590,000	127,979,036
Vision Insurance Premiums					4,520,000	--	--	4,520,000	4,450,000
Claim Development Expense					(700,000)	--	--	(700,000)	(818,000)
Prior Year Adjustment					--	--	--	--	(3,540,853)
Total Operating Expenditures					155,735,466	--	--	155,735,466	162,665,684
Net Increase/(Decrease) from Operations					(787,930)	--	--	(787,930)	202,352
Non Operating Income/(Expense)									10,910,664
Interest Income					650,500	--	--	650,500	640,000
Change in FMV					--	--	--	--	734,153
Realized Gain/(Loss)					--	--	--	--	663,387
GASB 68					--	--	--	--	342,202
Total Non Operating Income/(Expense)					650,500	--	--	650,500	1,397,540
Ending Cash					\$ 56,263,385	--	--		1,023,473
Net Increase/(Decrease) in Net Position					\$ --	\$ --		(137,430)	842,352
									12,308,204
									\$ 11,626,018
									6,173,395

It was moved by Susan Kinder and seconded by Kevin Collins to approve of the budget to as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi,

Dela cruz, Alahydoian, Sheikholeslami, Collins
Nays: None
Abstain: None

VIII. ACSIG Salaries & Benefits

Annette Heldman reviewed a schedule increase proposal for the ACSIG staff of 2.5%. Due to the abnormalcy of 20/21, the formula was suspended and the Board voted to give a one-time, off schedule increase. The overall cost for this increase would total \$9,442.

It was moved by Kevin Collins and seconded by Ahmad Sheikholeslami to approve ACSIG salaries and benefits as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

IX. Audit Engagement Letter

The Executive Director presented the renewal contract with Christy White for the claims audit.

It was moved by Minh Vu and seconded by Candi Clark to approve Audit Engagement as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

X. Accreditation Report

Carl Sandstrom of CAJPA presented ACSIG the accreditation with excellence.

XI. Meeting Calendar

The Board reviewed the 2021/22 calendar.

2021/ 2022 DRAFT Calendar

October 28, 2021	Executive Committee	9:30am – 12:00pm
November 4, 2021	Full Board	12:00pm – 3:00pm
December 16, 2021	Executive Committee	9:30am – 12:00pm
February 3, 2022	Executive Committee	9:30am – 12:00pm
May 19, 2022	Executive Committee	9:30am – 12:00pm
May 26, 2022	Full Board	12:00pm – 3:00pm

It was moved by Kevin Collins and seconded by Madeline Gabel to approve of the draft meeting calendar.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

Dental

XII. Dental Rates 2021/2022

The Executive Director presented the 2021/22 Dental program recommendations to the Board. The program has continued to perform well. The recommendation is for a flat renewal.

It was moved by Kevin Collins and seconded by Ruth Alahydoian to approve of the Dental Rates.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

Vision

XIII. Vision Rates 2021/2022

The Executive Director presented the 2021/22 Vision rates with a recommendation as a flat renewal.

It was moved by Ruth Alahydoain and seconded by Dani Krueger to approve the Vision rates as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

Property & Liability

XIV. Property & Liability Rates 2021/2022

The Executive Director presented the 2020/21 Property and Liability rates.

It was moved by Chris Hobbs and seconded by Kevin Collins to approve the Property & Liability rates as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

Workers Compensation

XV. Actuarial Study - Ultimate Loss

The Executive Director presented Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. Bay Actuarial estimates that ACSIG's liability for unpaid losses were \$8.8M on December 31, 2020 and project that it will be \$8.2M on June 30, 2021.

It was moved by Kevin Collins and seconded by Candi Clark to approve the Ultimate Loss Actuarial Study as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

XVI. Actuarial Study - Ex-Mods

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

MEMBER	NEW EX-MOD 12/31/20	OLD EX-MOD 12/31/19
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	1.250	1.133
CASTRO VALLEY	0.920	0.789
DUBLIN	0.765	0.750
EDEN ROP	0.750	0.750
EMERY	0.788	1.204
FREMONT	0.996	0.913
LIVERMORE	1.042	1.056
MISSION ROP	1.250	1.155
MT. HOUSE	0.750	0.750
NEW HAVEN	0.750	0.882
NEWARK	1.119	1.250
PIEDMONT	0.750	0.750
PLEASANTON	1.169	1.196
SAN LEANDRO	1.178	1.250
SAN LORENZO	0.922	1.033
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	1.167	0.851

It was moved Ahmad Sheikholeslami and seconded by Shailesh Regmi to approve the Ex-Mods as presented.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

XVII. Workers Compensation Rates 2021/2022

The Executive Director presented 2021/22 Workers Compensation rates.

2021/22 Workers' Compensation Rates

	2018/2019 Actual Payroll	2019/2020 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2021/2022 PREMIUM
ACOE	\$21,927,785	\$23,013,025	2.13	0.7500	1.60	\$367,633
ALAMEDA	\$71,889,088	\$73,235,466	2.13	1.2500	2.66	\$1,949,894
ALBANY	\$29,020,550	\$28,970,283	2.13	1.2500	2.66	\$771,334
CASTRO VALLEY	\$66,796,628	\$68,569,271	2.13	0.9200	1.96	\$1,343,683
DUBLIN	\$80,071,839	\$86,662,231	2.13	0.7650	1.63	\$1,412,118
EDEN ROP	\$4,680,262	\$4,674,800	2.13	0.7500	1.60	\$74,680
EMERY	\$6,250,379	\$6,153,910	2.13	0.7880	1.68	\$103,290
FREMONT	\$274,150,988	\$270,385,548	2.13	0.9960	2.12	\$5,736,175
LIVERMORE	\$96,850,089	\$98,354,797	2.13	1.0420	2.22	\$2,182,945
MISSION ROP	\$4,695,419	\$4,654,123	2.13	1.2500	2.66	\$123,916
MT. HOUSE	\$215,538	\$204,965	2.13	0.7500	1.60	\$3,274
NEWARK	\$41,293,776	\$40,846,774	2.13	1.1190	2.38	\$973,571
NEW HAVEN	\$84,804,804	\$84,015,046	2.13	0.7500	1.60	\$1,342,140
PIEDMONT	\$24,797,106	\$25,066,747	2.13	0.7500	1.60	\$400,441
PLEASANTON *	\$111,086,999	\$113,900,632	2.13	1.1690	2.49	\$2,836,092
SAN LEANDRO	\$69,210,267	\$71,450,786	2.13	1.1780	2.51	\$1,792,800
SAN LORENZO	\$79,182,774	\$78,379,049	2.13	0.9220	1.96	\$1,539,255
SUNOL GLEN	\$2,360,507	\$2,449,817	2.13	0.7500	1.60	\$39,136
TRI VALLEY ROP	\$2,192,813	\$2,457,806	2.13	1.1670	2.49	\$61,094
TOTAL PREMIUMS	1,071,477,611	1,083,445,076				\$23,053,472

Average Ex Mod 1.00000

Payrolls based upon 2019/2020 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

2/5/21 Executive Committee Action to reduce rate by \$0.25 using equity in 21/22

It was moved by Kevin Collins and seconded by Minh Vu to approve the Workers Compensation rates.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield, Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel

Nays: None

Abstain: None

XVIII. Claims Audit

The Executive Director reviewed the claims audit. The overall score given to the Keenan & Associate Pleasanton claims team was 90% They had previously used a 5 out of 5 numbering system. This score is an improvement from the score of 4 of 5 received in 2018. Much work is being done with Keenan and ACSIG management to address the deficiencies identified. Also enclosed is the response from the Keenan Claims Team for items identified as deficient in the report.

It was moved by Kevin Collins and seconded by Madeline Gabel to approve the claims audit.

Ayes: Heldman, Kinder, Clark, Krueger, Chan, Hobbs, Vu, Wakefield,
Regmi, Dela cruz, Alahydoian, Sheikholeslami, Collins, Gabel
Nays: None
Abstain: None

XIX. 5-year Point in Time Comparison

Tara Salaiz from Keenan and Associates reviewed the 5-year workers compensation claim trend.

XX. Future Planning

XXI. This meeting was adjournment 2:47pm.