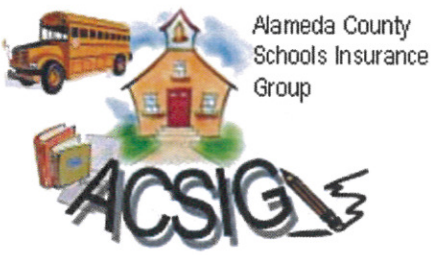


Executive Committee Meeting

October 30, 2014

9:00am



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

10:55

AGENDA
Executive Committee

9:10 am

Date: Thursday, October 30, 2014
Time: 9:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

AV. CC

I. **Call to order 9:00 AM**

II. **Roll call**

Executive Committee Members

Susan Kinder	President	Livermore Valley Joint USD
Dr Candi Clark	Secretary	Castro Valley USD
Mark Bonnett	Board Member	Emery USD
Raul Parungao	Board Member	Fremont USD
Marie DeLa Cruz	Board Member	Mission Valley ROP
Akur Varadarajan	Board Member	New Haven USD
Michael Brady	Board Member	Piedmont USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Desiree Endert	Admin Assistant	Alameda County Schools Insurance
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Ron Martin	Guest	Keenan & Associates
Arcenio Reyes	Guest	Keenan & Associates
Chris Stout	Guest	Keenan & Associates
Hesam Fayaz	Guest	SETECH

Kyle McKellar

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 9:14

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

CC, MBonnett

Settlement Authorization
Claim Numbers: 2201704; 2203580; 2204320; 2205640; 2502023; 2509076

Settlement Notification
Claim Numbers: 407334; 412333; 422509; 423417; 428974; 434676; 436784; 440528; 445663; 448599; 449235; 449524; 453489; 454755; 458284; 458311; 458365; 460369; 460652; 460739; 463008; 464264; 467917; 472883; 474334; 475141; 477327; 477474; 479065; 479940; 481615; 483618; 484231; 487175; 487371; 490611; 491830; 2202689; 2203370; 2204533; 2206040; 2206375; 2206618; 2507096

V. Executive Director Evaluation

The Executive Committee will present the Executive Director with her Annual Job Performance Review.

→ quarterly updates to E.C.

9:29 Open Session

VI. 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

VII. Report of Action Taken in Closed Session

VIII. Approval of Minutes

The Executive Committee will review and approve the Executive Committee meeting minutes from May 15, 2014, the Strategic Planning Minutes from July 21, 2014 and the Full Board minutes from May 22, 2014.

add page numbers for electronic version pdf booklet

General Business

IX. **2013/14 Fourth Quarter Financials**
Hesam Fayaz from SETECH will present the 2013/14 fourth quarter financials. The Executive Committee will be asked to recommend approval to the Full Board consent calendar.
Recommendation: For action

X. **2013/14 Audit**
The Executive Director will review the 2013/14 Audit. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

XI. **2014/15 First Quarter Financials**
Hesam Fayaz from SETECH will present the 2014/15 first quarter financials. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

XII. **2013/14 Fourth Quarter Investment Report**
The Executive Director will present the 2013/14 fourth quarter investment report. The Executive Committee will be asked to recommend approval to the Full Board consent calendar.
Recommendation: For action

XIII. **2014/15 First Quarter Investment Report**
The Executive Director will present the 2014/15 first quarter investment report. The Executive Committee will be asked to recommend approval to the Full Board.
Recommendation: For action

XIV. **Bylaw Revision**
The Executive Director will present revisions to be made to the ACSIG Bylaws.
Recommendation: For action

XV. **Policy & Procedures Manual Revisions**
The Executive Director will present revisions to be made to the ACSIG Policy & Procedure Manual.
Recommendation: For action

XVI. **Annual Report**
The Executive Director will review the draft 2013/14 Annual Report.
Recommendation: For discussion

XVII. **Strategic Plan Report**
The Executive Director will review the Strategic Plan Report with the Committee.
Recommendation: For discussion

XVIII. Election of Officers
The Executive Committee will elect officers for the 2014/2015 year.
Recommendation: For action

XIX. Accreditation Report
The Executive Director will present the CAJPA Accreditation Report to the Executive Committee.
Recommendation: For discussion

XX. Declaration of Rebate from Dental Fund
The Executive Director will ask the Executive Committee to declare a rebate from the Dental Fund to be distributed according to the revised policy.
Recommendation: For action

XXI. Distribution of Rebate
The Executive Director will review the rebate distribution with the Executive Committee.
Recommendation: For action

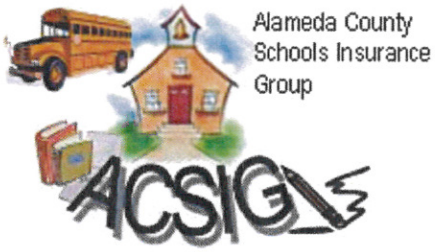
Workers Compensation

XXII. 2014/15 Service Plan
The 2014/15 Service Plan will be reviewed by the Executive Committee.
Recommendation: For discussion

XXIII. Company Nurse Update
Arcenio Reyes from Keenan will give the Executive Committee an update on the Company Nurse program expansion.
Recommendation: For discussion

XXIV. Future Planning

XXV. Adjournment



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

MINUTES
Executive Committee

RP, AV

Date: Thursday, May 15, 2014
Time: 9:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

Morgan Stanley Wealth Management
1478 Stone Point Drive Ste 500
Roseville, CA 95661

I. Susan Kinder called the meeting to order 9:15 AM

II. Members in attendance

Executive Committee Members

Susan Kinder	President	Livermore Valley Joint USD
Mark Bonnett	Board Member	Emery USD
Raul Parungao	Board Member	Fremont USD
Akur Varadarajan	Board Member	New Haven USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Desiree Endert	Admin Assistant	Alameda County Schools Insurance
Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Arcenio Reyes	Guest	Keenan & Associates
Chris Stout	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley (phone)

III. Acceptance of the Agenda

It was moved by Mark Bonnett and seconded by Raul Parungao to approve the agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None
Abstain: None.

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:20 AM.

Settlement Authorization

Claim Numbers: N/A

Settlement Notification

Claims Number: 400615; 412580; 429469; 435904, 435903, 2501577; 438678; 441733, 449731; 445711; 445712; 446898; 450162; 452584; 452865; 453272; 455508; 462985; 466242; 468721; 469537; 476109; 477274; 479668; 480293; 483952; 2202655; 2206966

Open Session

Open session began at 9:24 AM.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

No action taken during closed session.

VII. Approval of Minutes

The Executive Committee reviewed the meeting minutes from October 31, 2013 and December 20, 2013 Executive Committee Meetings and November 7, 2013 Full Board Meeting.
It was moved by Akur Varadarajan and seconded by Raul Paranungao to approve the minutes from the March 13, 2014 Executive Committee Meeting.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

Workers Compensation

VIII. Special Education Para-Educator Training Update

The Executive Director updated the Executive Committee on the status of the Special Education Para-Educator Training that was initiated in July 2012. The program took some time to develop and ACSIG has been having difficulties accessing the Special Ed departments, but have started to schedule the trainings for back to school.
No action required. Informational only.

IX. Actuarial Study - Ultimate Loss

The Executive Director presented the April 30, 2014 Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. The 4 most recent years of claims have increased but there were sufficient decreases in the other years that resulted in a net decrease of $28,000. ACSIG is still estimating a payoff of deficit by 2017/18 with ACSIG's unfunded ultimate loss being just under $10 million.
It was moved by Akur Varadarajan and seconded by Raul Paranungao to approve the Actuarial Study-Ultimate Loss and add to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

X. Workers' Compensation Claims Audit

The Executive Director presented the Bi-annual Audit report performed by Wells Fargo. The audit staff looked at 100 claims. 26 were closed claims and 74 were open claims. The claims administration received an 82.25% or 3.5 out of 5. This shows improvement over the last audit, which scored a 3.0. The audit team summarized what they look at by Disability Claims management, Return to Work management and Medical management, etc. The Executive Director has spoken with Keenan concerning areas in which ACSIG would like to see better improvement. They will be working together in the near future to implement the suggested improvements. Patrice Grant of Keenan & Associates wrote a response to the audit that was enclosed in agenda packet.
It was moved by Mark Bonnett and seconded by Akur Varadarajan to accept the Workers Comp Claims Audit and add to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

Dental

XI. Dental Rates 2014/2015

The Executive Director presented the 2014/2015 Dental rate recommendations. The committee determined that due to the surplus of funds they would like to issue a one-time rebate to each member for their percentage of $200,000 from the fund balance and reduce the administration fee by 5 cents for self-funded members. Fixed-rate members will see a 0% increase to acknowledge the reduction of the ACSIG administration fee.

It was moved by Akur Varadarajan and seconded by Mark Bonnett to approve the Dental Rates with the condition a one-time 'rebate' to each district and a 5-cent rate reduction and add to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

Vision

XII. Vision Rates 2014/2015

The Executive Director presented the 2014/15 vision rates showing a 5.2% decrease. The 5.2% decrease was last years trend. Although we have seen various trends throughout the past few years, we are recommending using the latest tend numbers. We are making this recommendation because the program has experienced recent growth and the newest trend data includes the experience of these new members.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the 2014/15 Vision Rates and add to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

Property & Liability

XIII. Property & Liability Rates 2014/2015

The Executive Director presented the 2014/15 Property and Liability rates. Due to large property losses and other significant injuries the Property & Liability rates have increased. Additionally, SAFER implemented an ex-mod to NCR in 2014/2015 and ACSIG's ex-mod within NCR increased in Property & Liability. The rates reflect approximately a 15% increase.

2014/2015 Property & Liability Program Rates

ACSIG	Property	Liability	Total
ACOE	$30,635	$26,880	$57,515
Albany	$77,994	$129,782	$207,776
Dublin	$192,737	$259,445	$452,182
Emery	$15,161	$26,404	$41,566
Piedmont	$73,886	$93,503	$167,389
ACSIG TOTAL	$390,414	$536,014	$926,428

It was moved by Mark Bonnett and seconded by Raul Parungao to approve the 2014/15 Property & Liability rates and add to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XIV. Underlying Layer MOC

The Executive Director presented a memorandum of coverage document, which clearly states that ACSIG will follow form with the NCR MOC for the JPA's Member Retained Limit of $25,000 per occurrence. This is a new requirement for CAJPA accreditation.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve and add the Underlying Layer MOC with the NCR MOC attached to the Full Board agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

General

XV. Third Quarter Financial Report

Laurena Grabert from SETECH presented the 2013/2014 third quarter financials report.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Nine Months Ended 03/31/2014

	Cash Activity 07/01/2013 03/31/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (4,999,807)			
Beginning Cash	$ 29,311,374				$ (4,999,807)		
Operating Revenue:							
Premiums Paid by Members	$ 105,640,303	$ (36,611)	$ (5,286,371)	$ 100,353,932	$ 132,561,418	$ (32,207,486)	75.70 %
Total Operating Revenue	105,640,303	(36,611)	(5,286,371)	100,353,932	132,561,418	(32,207,486)	75.70
Operating Expenditures:							
Classified Salaries	136,071	- -	(13,214)	122,857	212,107	(89,250)	57.92
Statutory Benefits	44,077	- -	(4,871)	39,206	51,695	(12,489)	75.84
Health & Welfare	16,011	- -	(726)	15,285	27,246	(11,961)	56.10
Employer Tax Expense	41,914	- -	- -	41,914	63,834	(21,920)	65.66
Telephone & Internet	7,167	- -	- -	7,167	12,000	(4,833)	59.73
Supplies Office	7,903	- -	(219)	7,684	7,000	684	109.77
Supplies - Other	1,941	- -	- -	1,941	3,000	(1,059)	64.70
Eligibility Processing	134,838	- -	- -	134,838	195,000	(60,162)	69.15
Brokerage Fees-Dental-ACSIG	171,680	- -	- -	171,680	270,000	(98,320)	63.59
Brokerage Fees-Dental-MD	115,272	- -	- -	115,272	410,000	(294,728)	28.12
Travel and Conferences	825	10,277	(825)	10,277	12,000	(1,723)	85.64
Mileage	4,624	- -	- -	4,624	9,740	(5,116)	47.47
Dues & Memberships	385	- -	- -	385	5,000	(4,615)	7.70
Postage & Meter	3,866	- -	- -	3,866	7,000	(3,134)	55.23
Insurance Expense-PIPS&NCR	13,500,537	- -	(162,809)	13,337,728	17,875,770	(4,538,042)	74.61
Insurance Expense-PIPS Adj	148,569	- -	- -	148,569	- -	148,569	- -
Utility - Operating-Rent	53,504	(36,611)	711	17,604	101,640	(84,036)	17.32
Advertising	- -	- -	- -	- -	2,000	(2,000)	- -
Contract Services	7,775	- -	- -	7,775	29,500	(21,725)	26.36
Contract Services -PL-Investigation	- -	- -	- -	- -	5,000	(5,000)	- -
Contract Services	- -	5,750	- -	5,750	- -	5,750	- -
Audit Fees	12,500	- -	- -	12,500	56,900	(44,400)	21.97
Other Services/Operating Expenses	13,475	- -	(4,000)	9,475	6,000	3,475	157.92
Capital Equipment/Depreciation	10,781	- -	593	11,374	24,000	(12,626)	47.39
Repairs & Maintenance	- -	- -	- -	- -	2,000	(2,000)	- -
Legal	- -	- -	- -	- -	2,000	(2,000)	- -
Accounting Services	3,250	- -	- -	3,250	13,000	(9,750)	25.00
County Courier	- -	2,241	- -	2,241	3,400	(1,159)	65.90
Shredding	- -	1,100	- -	1,100	1,500	(400)	73.35
Copier & Scanner	- -	8,521	- -	8,521	20,000	(11,479)	42.60
Claims Administration Services	179,193	- -	(34,121)	145,072	193,429	(48,357)	75.00
Self-Insurance Fee	234,866	- -	- -	234,866	285,760	(50,894)	82.19
Claims Paid-WC	2,459,673	- -	- -	2,459,673	5,000,000	(2,540,327)	49.19
Claims Paid-PL	63,937	- -	53,040	116,977	75,000	41,977	155.97
Physical Abilities Testing	4,751	- -	(490)	4,261	5,000	(739)	85.22
Training	2,067	- -	(2,067)	- -	10,000	(10,000)	- -
First-Aid Program	8,328	- -	(493)	7,835	15,000	(7,165)	52.23
Food Service Training	- -	- -	- -	- -	10,000	(10,000)	- -
Special Ed Training	- -	- -	- -	- -	30,000	(30,000)	- -
Bank Charge & WC Penalty Reimb	8,135	- -	- -	8,135	- -	8,135	- -
Cobra Premiums	143,140	- -	- -	143,140	316,000	(172,860)	45.30
Dental Insurance Premiums	84,525,860	- -	- -	84,525,860	108,952,000	(24,426,140)	77.58
Vision Insurance Premiums	1,703,894	- -	(171,300)	1,532,594	1,950,000	(417,406)	78.59
Claim Development Expense	- -	- -	(2,855,721)	(2,855,721)	(3,009,800)	154,079	94.88
Prior Year Adjustment	- -	- -	- -	- -	- -	- -	
Total Operating Expenditures	103,770,808	(8,722)	(3,196,512)	100,565,574	133,260,721	(32,695,147)	75.47 %
Net Increase/(Decrease) from Operations	1,869,495	(27,889)	(2,089,859)	(211,642)	(699,303)	487,661	%
Non Operating Income/(Expense)							
Interest Income	334,310	- -	(99,636)	234,674	381,750	(147,076)	61.47
Change in FMV	(151,015)	- -	- -	(151,015)	- -	(151,015)	
Realized Gain/(Loss)	60,051	- -	- -	60,051	- -	60,051	- -
Net, Interfund Transfer	1,435,712	- -	(1,435,712)	- -	- -	- -	
Total Non Operating Income/(Expense)	1,679,058	- -	(1,535,348)	143,710	381,750	(238,040)	37.65 %
Ending Cash	$ 32,859,927	(27,889)					
Net Increase/(Decrease) in Net Position		$ (27,889)	$ (3,625,207)	(67,932)	$ (317,553)	$ 249,621	%
Unaudited - Ending Net Position, as of 03/31/2014				**$ (5,067,739)**	**$ (5,317,360)**	**$ 249,621**	

It was moved by Raul Parungao and seconded by Mark Bonnett to approve and add the Third Quarter Financial Report to the Full Board Agenda.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XVI. Third Quarter Investment Report

Cary Allison from Morgan Stanley reviewed the Third Quarter Investment Report via conference call with the Executive Committee. He certified that the ACSIG portfolio is in compliance with California government code sections 53600 and 53601.

Portfolio Highlights

Date of Report:	3/31/14
Inception date:	7/12/10
Net Invested Capital:	$15,000,000.00
Portfolio Appreciation:	$638,830.00
Total Ending Value:	$15,638,830.00
Current Month Return	(0.19%)
Current Quarter	0.26%
Current Year	0.26%
Last 12 Months	0.13%
Last 3 Years (annualized %)	1.46%
Year 2010	0.29%
Year 2011	1.91%
Year 2012	2.44%
Year 2013	(0.02%)
Year 2014 YTD	0.26%
Since Inception (annualized %)	1.31%
Corporate bonds as percentage of portfolio:	29.27%
Duration:	2.61 years

It was moved by Akur Varadarajan and seconded by Raul Parungao to approve and add the Third Quarter Investment Report to the Full Board Consent Calendar.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XVII. 2014/2015 Budget

The Executive Director reviewed the 2014/2015 draft budget.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2014/2015 Budget

	Cash Activity 07/01/2013 3/31/2014	Allocations	Change in Accruals	Actuals As of 3/31/14	2013/2014 Budget	2014/2015 Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (4,999,807)		
Beginning Cash	$ 29,311,374				$ (4,999,807)	$ (5,317,360)
Operating Revenue:						
Premiums Paid by Members	$ 105,640,303	$ (24,266)	$ (5,274,026)	$ 100,353,932	$ 132,561,418	$ 128,003,769
Total Operating Revenue	105,640,303	(24,266)	(5,274,026)	100,353,932	132,561,418	128,003,769
Operating Expenditures:						
Classified Salaries	136,071	- -	(13,214)	122,857	212,107	169,000
Statutory Benefits	44,077	- -	(4,871)	39,206	51,695	58,617
Health & Welfare	16,011	- -	(726)	15,285	27,246	20,992
Employer Tax Expense	41,914	- -	- -	41,914	63,834	57,561
Telephone & Internet	7,167	- -	- -	7,167	12,000	8,000
Supplies Office	7,903	- -	(219)	7,684	7,000	20,000
Supplies - Other	1,941	- -	- -	1,941	3,000	5,500
Eligibility Processing	134,838	- -	- -	134,838	195,000	180,000
Brokerage Fees-Dental-ACSIG	171,680	- -	- -	171,680	270,000	258,000
Brokerage Fees-Dental-MD	115,272	- -	- -	115,272	410,000	183,600
Travel and Conferences	825	10,277	(825)	10,277	12,000	15,000
Mileage	4,624	- -	- -	4,624	9,740	7,000
Dues & Memberships	385	- -	- -	385	5,000	1,000
Postage & Meter	3,866	- -	- -	3,866	7,000	5,000
Insurance Expense-PIPS&NCR	13,500,536	- -	(162,809)	13,337,727	17,875,770	19,323,300
PIPS payroll adjustment				148,569		
Utility - Operating-Rent	53,504	(36,611)	711	17,604	101,640	25,000
Advertising	- -	- -	- -	- -	2,000	- -
Contract Services	7,775	- -	- -	7,775	29,500	12,500
Contract Services -PL-Investigation	- -	- -	- -	- -	5,000	- -
Contract Services-PL-Legal	- -	5,750	- -	5,750	- -	6,000
Audit Fees	12,500	- -	- -	12,500	56,900	15,000
Other Services/Operating Expenses	13,475	4	(4,000)	9,475	6,000	10,000
Capital Equipment/Depreciation	10,781	1	593	11,375	24,000	7,500
Repairs & Maintenance	- -	- -	- -	- -	2,000	2,000
Legal	- -	- -	- -	- -	2,000	2,000
Accounting Services	3,250	- -	6,500	9,750	13,000	13,000
County Courier	- -	2,241	- -	2,241	3,400	2,500
Shredding	- -	1,100	- -	1,100	1,500	1,500
Copier & Scanner	- -	8,521	- -	8,521	20,000	10,000
Claims Administration Services	179,193	- -	(34,121)	145,072	193,429	194,000
Self-Insurance Fee	234,866	- -	- -	234,866	285,760	280,000
Claims Paid-WC	2,445,232	- -	14,440	2,459,672	5,000,000	3,100,000
Claims Paid-PL	63,937	- -	53,040	116,977	75,000	75,000
Physical Abilities Testing	4,751	- -	(490)	4,261	5,000	5,000
Training	2,067	- -	(2,067)	- -	10,000	10,000
First-Aid Program	8,328	- -	(493)	7,835	15,000	15,000
Food Service Training	- -	- -	- -	- -	10,000	10,000
Special Ed Training	- -	- -	- -	- -	30,000	20,000
Bank Charge & WC Penalty Reimb	8,134	- -	- -	8,134	- -	12,000
Cobra Premiums	143,140	- -	- -	143,140	316,000	240,000
Dental Insurance Premiums	84,525,860	- -	- -	84,525,860	108,952,000	103,400,000
Vision Insurance Premiums	1,703,894	- -	(171,300)	1,532,594	1,950,000	2,044,000
Claim Development Expense	- -	- -	(1,405,412)	(1,405,412)	(3,009,800)	(2,810,000)
Prior Year Adjustment	- -	- -	- -	- -	- -	- -
Total Operating Expenditures	103,607,798	(8,717)	(1,725,263)	102,022,383	133,260,721	127,014,570
Net Increase/(Decrease) from Operations	2,032,505	(15,549)	(3,548,763)	(1,668,451)	(699,303)	989,199
Non Operating Income/(Expense)						
Interest Income	319,867	- -	(85,195)	234,673	381,750	265,750
Change in FMV	(151,015)	- -	- -	(151,015)	- -	- -
Realized Gain/(Loss)	60,051	- -	- -	60,051	- -	- -
Net, Interfund Transfer	1,435,712	- -	(1,435,712)	- -	- -	33,450
Total Non Operating Income/(Expense)	1,664,615	- -	(1,520,907)	143,709	381,750	299,200
Ending Cash	$ 33,008,494	(15,549)				
Net Increase/(Decrease) in Net Position		$ (15,549)	$ (5,069,670)	(1,524,742)	$ (317,553)	$ 1,288,399
			Unaudited - Ending Net Position as of 12/31/2013	**$ (6,524,549)**	**$ (5,317,360)**	**$ (4,028,961)**

It was moved by Raul Parungao and seconded by Mark Bonnett to approve and move to the Full Board agenda the 2014/15 ACSIG Budget with a $200,000 adjustment in the Dental program expenditures to recognize the one time rebate and that a salary study will be conducted in 2014/15 resulting in ACSIG employee salaries being distributed by program in 2015/16.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XVIII. ACSIG Salaries & Benefits

The Executive Director presented a cost of living increase proposal for the ACSIG staff of 3%. The proposal included all staff (including the Executive Director).
It was moved by Raul Parungao and seconded by Mark Bonnett to approve and add a 2% retroactive (7/1/13) pay increase to ACSIG staff to the Full Board Agenda.
Ayes: Bonnett, Kinder, and Parungao.
Nays: Varadarajan.
Abstain: None.

XIX. Strategic Plan Update

The Executive Director informed the Executive Committee that all items on the 2013 Strategic Plan have been completed in full.
No action required. Informational only.

XX. Strategic Plan 2014

The Planning Session will be held at Wente Vineyards on July 21, 2014 from 9:00am-4:30pm. Breakfast and lunch will be served.
No action required. Informational only.

Administrative

XXI. Officers and Terms

The Executive Committee reviewed current officers and terms. The committee members also discussed who would be willing to run for another term.
No action required. Informational only.

XXII. Investment Policy

The Executive Committee conducted the annual review of the written investment policy. No changes were recommended to this policy.
It was moved by Mark Bonnett and seconded by Akur Varadarajan to approve the Investment Policy and add it to the Full Board consent calendar.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XXIII. Conflict of Interest Code

The Executive Committee conducted the annual review of the conflict of interest policy. No changes were recommended to this policy.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the Conflict of Interest Policy and add to the Full Board consent calendar.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XXIV. Authorization of Signatures

The Executive Director presented the authorization of signatures to the Executive Committee. No changes were recommended to this policy.
The Executive Director is the only person within the ACSIG organization who has the right to enter into a contract or sign legal documents. These contracts are brought to the Executive Committee.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the Authorization of Signatures and add to the Full Board consent calendar.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XXV. Meeting Calendar

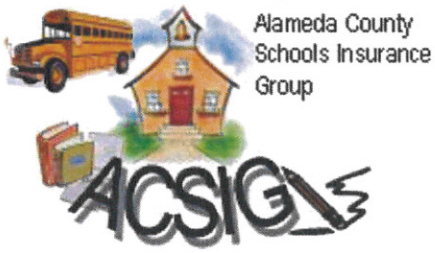
The Executive Committee reviewed the 2014/15 calendar. It was noted that the CBO meeting schedule has not been finalized yet and this may result in a change to the Full Board meeting schedule.
No action required. Informational only.

XXVI. Posting and Mailing Address

The Executive Committee conducted the annual review of the posting and mailing address.
It was moved by Raul Parungao and seconded by Akur Varadarajan to approve the Posting and Mailing Address and add to the Full Board consent calendar.
Ayes: Bonnett, Kinder, Parungao and Varadarajan.
Nays: None.
Abstain: None.

XXVII. Future Planning

XXVIII. Susan Kinder adjourned the meeting at 11:32 AM.



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

MINUTES
Full Board

Date: Thursday, May 22, 2014
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave. Board Room
Hayward, CA 94544

RP. AM

I. Meeting was called to order by Susan Kinder at 12:30 PM

Board Members in attendance

Susan Kinder	President	Livermore Valley Joint USD
Dr. Candi Clark	Secretary	Castro Valley USD
Allan Garde	Board Member	Albany USD
Marites Fermin	Board Member	Eden Area ROP
Raul Parungao	Board Member	Fremont USD
Marie De La Cruz	Board Member	Mission Valley ROP
Vickie Chang	Board Member	Mountain House USD
Michael Brady	Board Member	Piedmont USD
Song Chin-Bendib	Board Member	San Leandro USD
Miki Whetfield	Board Member	Sunol Glen USD
Julie Duncan	Board Member	Tri-Valley ROP
Teresa Kapellas	Alternate	Alameda County Office of Ed
Lydia Lotti	Alternate	Dublin USD
Annette Heldman	Alternate	New Haven USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Desiree Endert	Admin Assistant	Alameda County Schools Insurance
Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Chris Stout	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Jack Joyce	Guest	Bay Actuarial

II. Acceptance of the Agenda

It was moved by Michael Brady and seconded by Raul Parungao to approve the agenda.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

Open Session

III. Public Comment on Open Session Agenda Items

No public present to comment

IV. Approval of Minutes

The Full Board reviewed the meeting minutes from the November 7, 2013 Full Board Meeting and minutes from the October 31, 2013, December 20, 2013 and March 14, 2013 Executive Committee meetings.
It was moved by Candi Clark and seconded by Marites Fermin to approve the November 7, 2013 Full Board Meeting and minutes from the October 31, 2013, December 20, 2013 and March 14, 2013 Executive Committee meetings.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

Consent Calendar

The Board reviewed the items listed on the consent agenda for adjustments and adoptions.

- **PLCA Contract**
- **Safety Inspection Contract**
- **Third Quarter Investment Report**
- **Investment Policy**
- **Conflict of Interest Code**
- **Underwriting Policy**
- **Authorization of Signatures**
- **Posting and Mailing Address**

It was moved by Teresa Kapellas and seconded by Raul Parungao to approve the items on the Consent Calendar.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

General

V. Third Quarter Financials

Laurena Grabert from SETECH presented the Board with the third quarter financial statements.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Nine Months Ended 03/31/2014

	Cash Activity 07/01/2013 03/31/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (4,999,807)			
Beginning Cash	$ 29,311,374				$ (4,999,807)		
Operating Revenue:							
Premiums Paid by Members	$ 105,640,303	$ (36,611)	$ (5,286,371)	$ 100,353,932	$ 132,561,418	$ (32,207,486)	75.70 %
Total Operating Revenue	105,640,303	(36,611)	(5,286,371)	100,353,932	132,561,418	(32,207,486)	75.70
Operating Expenditures:							
Classified Salaries	136,071	--	(13,214)	122,857	212,107	(89,250)	57.92
Statutory Benefits	44,077	--	(4,871)	39,206	51,695	(12,489)	75.84
Health & Welfare	16,011	--	(726)	15,285	27,246	(11,961)	56.10
Employer Tax Expense	41,914	--	--	41,914	63,834	(21,920)	65.66
Telephone & Internet	7,167	--	--	7,167	12,000	(4,833)	59.73
Supplies Office	7,903	--	(219)	7,684	7,000	684	109.77
Supplies - Other	1,941	--	--	1,941	3,000	(1,059)	64.70
Eligibility Processing	134,838	--	--	134,838	195,000	(60,162)	69.15
Brokerage Fees-Dental-ACSIG	171,680	--	--	171,680	270,000	(98,320)	63.59
Brokerage Fees-Dental-MD	115,272	--	--	115,272	410,000	(294,728)	28.12
Travel and Conferences	825	10,277	(825)	10,277	12,000	(1,723)	85.64
Mileage	4,624	--	--	4,624	9,740	(5,116)	47.47
Dues & Memberships	385	--	--	385	5,000	(4,615)	7.70
Postage & Meter	3,866	--	--	3,866	7,000	(3,134)	55.23
Insurance Expense-PIPS&NCR	13,500,537	--	(162,809)	13,337,728	17,875,770	(4,538,042)	74.61
Insurance Expense-PIPS Adj	148,569	--	--	148,569	--	148,569	--
Utility - Operating-Rent	53,504	(36,611)	711	17,604	101,640	(84,036)	17.32
Advertising	--	--	--	--	2,000	(2,000)	--
Contract Services	7,775	--	--	7,775	29,500	(21,725)	26.36
Contract Services -PL-Investigation	--	--	--	--	5,000	(5,000)	--
Contract Services	--	5,750	--	5,750	--	5,750	--
Audit Fees	12,500	--	--	12,500	56,900	(44,400)	21.97
Other Services/Operating Expenses	13,475	--	(4,000)	9,475	6,000	3,475	157.92
Capital Equipment/Depreciation	10,781	--	593	11,374	24,000	(12,626)	47.39
Repairs & Maintenance	--	--	--	--	2,000	(2,000)	--
Legal	--	--	--	--	2,000	(2,000)	--
Accounting Services	3,250	--	--	3,250	13,000	(9,750)	25.00
County Courier	--	2,241	--	2,241	3,400	(1,159)	65.90
Shredding	--	1,100	--	1,100	1,500	(400)	73.35
Copier & Scanner	--	8,521	--	8,521	20,000	(11,479)	42.60
Claims Administration Services	179,193	--	(34,121)	145,072	193,429	(48,357)	75.00
Self-Insurance Fee	234,866	--	--	234,866	285,760	(50,894)	82.19
Claims Paid-WC	2,459,673	--	--	2,459,673	5,000,000	(2,540,327)	49.19
Claims Paid-PL	63,937	--	53,040	116,977	75,000	41,977	155.97
Physical Abilities Testing	4,751	--	(490)	4,261	5,000	(739)	85.22
Training	2,067	--	(2,067)	--	10,000	(10,000)	--
First-Aid Program	8,328	--	(493)	7,835	15,000	(7,165)	52.23
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	30,000	(30,000)	--
Bank Charge & WC Penalty Reimb	8,135	--	--	8,135	--	8,135	--
Cobra Premiums	143,140	--	--	143,140	316,000	(172,860)	45.30
Dental Insurance Premiums	84,525,860	--	--	84,525,860	108,952,000	(24,426,140)	77.58
Vision Insurance Premiums	1,703,894	--	(171,300)	1,532,594	1,950,000	(417,406)	78.59
Claim Development Expense	--	--	(2,855,721)	(2,855,721)	(3,009,800)	154,079	94.88
Prior Year Adjustment	--	--	--	--	--	--	
Total Operating Expenditures	103,770,808	(8,722)	(3,196,512)	100,565,574	133,260,721	(32,695,147)	75.47 %
Net Increase/(Decrease) from Operations	1,869,495	(27,889)	(2,089,859)	(211,642)	(699,303)	487,661	%
Non Operating Income/(Expense)							
Interest Income	334,310	--	(99,636)	234,674	381,750	(147,076)	61.47
Change in FMV	(151,015)	--	--	(151,015)	--	(151,015)	
Realized Gain/(Loss)	60,051	--	--	60,051	--	60,051	--
Net, Interfund Transfer	1,435,712	--	(1,435,712)	--	--	--	
Total Non Operating Income/(Expense)	1,679,058	--	(1,535,348)	143,710	381,750	(238,040)	37.65 %
Ending Cash	$ 32,859,927	(27,889)					
Net Increase/(Decrease) in Net Position		$ (27,889)	$ (3,625,207)	(67,932)	$ (317,553)	$ 249,621	%
Unaudited - Ending Net Position, as of 03/31/2014				**$ (5,067,739)**	**$ (5,317,360)**	**$ 249,621**	

It was moved by Song Chin-Bendib and seconded by Mark Bonnett to approve the Third Quarter Financial Report.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

VI. 2014/2015 Budget

The Executive Director presented the 2014/15 Budget.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2014/2015 Budget

	Cash Activity 07/01/2013 3/31/2014	Allocations	Change in Accruals	Actuals As of 3/31/14	2013/2014 Budget	2014/2015 Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (4,999,807)		
Beginning Cash	$ 29,311,374				$ (4,999,807)	$ (5,317,360)
Operating Revenue:						
Premiums Paid by Members	$ 105,640,303	$ (24,266)	$ (5,274,026)	$ 100,353,932	$ 132,561,418	$ 128,003,769
Total Operating Revenue	105,640,303	(24,266)	(5,274,026)	100,353,932	132,561,418	128,003,769
Operating Expenditures:						
Classified Salaries	136,071	- -	(13,214)	122,857	212,107	169,000
Statutory Benefits	44,077	- -	(4,871)	39,206	51,695	58,617
Health & Welfare	16,011	- -	(726)	15,285	27,246	20,992
Employer Tax Expense	41,914	- -	- -	41,914	63,834	57,561
Telephone & Internet	7,167	- -	- -	7,167	12,000	8,000
Supplies Office	7,903	- -	(219)	7,684	7,000	20,000
Supplies - Other	1,941	- -	- -	1,941	3,000	5,500
Eligibility Processing	134,838	- -	- -	134,838	195,000	180,000
Brokerage Fees-Dental-ACSIG	171,680	- -	- -	171,680	270,000	258,000
Brokerage Fees-Dental-MD	115,272	- -	- -	115,272	410,000	183,600
Travel and Conferences	825	10,277	(825)	10,277	12,000	15,000
Mileage	4,624	- -	- -	4,624	9,740	7,000
Dues & Memberships	385	- -	- -	385	5,000	1,000
Postage & Meter	3,866	- -	- -	3,866	7,000	5,000
Insurance Expense-PIPS&NCR	13,500,536	- -	(162,809)	13,337,727	17,875,770	19,323,300
PIPS payroll adjustment				148,569		
Utility - Operating-Rent	53,504	(36,611)	711	17,604	101,640	25,000
Advertising	- -	- -	- -	- -	2,000	- -
Contract Services	7,775	- -	- -	7,775	29,500	12,500
Contract Services -PL-Investigation	- -	- -	- -	- -	5,000	- -
Contract Services-PL-Legal	- -	5,750	- -	5,750	- -	6,000
Audit Fees	12,500	- -	- -	12,500	56,900	15,000
Other Services/Operating Expenses	13,475	4	(4,000)	9,475	6,000	10,000
Capital Equipment/Depreciation	10,781	1	593	11,375	24,000	7,500
Repairs & Maintenance	- -	- -	- -	- -	2,000	2,000
Legal	- -	- -	- -	- -	2,000	2,000
Accounting Services	3,250	- -	6,500	9,750	13,000	13,000
County Courier	- -	2,241	- -	2,241	3,400	2,500
Shredding	- -	1,100	- -	1,100	1,500	1,500
Copier & Scanner	- -	8,521	- -	8,521	20,000	10,000
Claims Administration Services	179,193	- -	(34,121)	145,072	193,429	194,000
Self-Insurance Fee	234,866	- -	- -	234,866	285,760	280,000
Claims Paid-WC	2,445,232	- -	14,440	2,459,672	5,000,000	3,100,000
Claims Paid-PL	63,937	- -	53,040	116,977	75,000	75,000
Physical Abilities Testing	4,751	- -	(490)	4,261	5,000	5,000
Training	2,067	- -	(2,067)	- -	10,000	10,000
First-Aid Program	8,328	- -	(493)	7,835	15,000	15,000
Food Service Training	- -	- -	- -	- -	10,000	10,000
Special Ed Training	- -	- -	- -	- -	30,000	20,000
Bank Charge & WC Penalty Reimb	8,134	- -	- -	8,134	- -	12,000
Cobra Premiums	143,140	- -	- -	143,140	316,000	240,000
Dental Insurance Premiums	84,525,860	- -	- -	84,525,860	108,952,000	103,400,000
Vision Insurance Premiums	1,703,894	- -	(171,300)	1,532,594	1,950,000	2,044,000
Claim Development Expense	- -	- -	(1,405,412)	(1,405,412)	(3,009,800)	(2,810,000)
Prior Year Adjustment	- -	- -	- -	- -	- -	- -
Total Operating Expenditures	103,607,798	(8,717)	(1,725,263)	102,022,383	133,260,721	127,014,570
Net Increase/(Decrease) from Operations	2,032,505	(15,549)	(3,548,763)	(1,668,451)	(699,303)	989,199
Non Operating Income/(Expense)						
Interest Income	319,867	- -	(85,195)	234,673	381,750	265,750
Change in FMV	(151,015)	- -	- -	(151,015)	- -	- -
Realized Gain/(Loss)	60,051	- -	- -	60,051	- -	- -
Net, Interfund Transfer	1,435,712	- -	(1,435,712)	- -	- -	33,450
Total Non Operating Income/(Expense)	1,664,615	- -	(1,520,907)	143,709	381,750	299,200
Ending Cash	$ 33,008,494	(15,549)				
Net Increase/(Decrease) in Net Position		$ (15,549)	$ (5,069,670)	(1,524,742)	$ (317,553)	$ 1,288,399
		Unaudited - Ending Net Position, as of 12/31/2013		**$ (6,524,549)**	**$ (5,317,360)**	**$ (4,028,961)**

Keenan & Associates License No. 0451271

Client Confidential Use Only

It was moved by Michael Brady and seconded by Raul Paraungao to approve the 2014/2015 Budget.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

VII. New Website Update

The Executive Director reviewed the new ACSIG website with the board. The ACSIG staff can now update the website and the Board can access the Board packets and minutes on the site.
No action needed. Informational only.

VIII. ACSIG Salaries & Benefits

The Executive Director presented a 2% cost of living increase proposal for the ACSIG staff. The Executive Committee recommended 2% to better reflect average increases within the county.
It was moved by Marites Fermin and seconded by Candi Clark to approve the 2% cost of living increase for ACSIG staff.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

IX. Accreditation Status

The Executive Director informed the Full Board that ACSIG has received Accreditation. There were no findings and only one recommendation of which ACSIG is not implementing because it would require a change to the JPA agreements, which would then require each member gain approval again at their Board level. We will go through accreditation again in 3 years!
No action needed. Informational only.

Dental

X. Dental Rates 2014/2015

The Executive Director presented the 2014/15 Dental program proposed rate changes. There is a decrease of 5 cents in the administration fee for self-funded members and a one-time $200,000 rebate to be divided among all members. Fixed-rate members will see a 0% increase to acknowledge the reduction of the ACSIG administration fee.
It was moved by Marites Fermin and seconded by Michael Brady to approve the 2014/2015 Dental Rates.

Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

Vision

XI. Vision Rates 2014/2015

The Executive Director presented the 2014/15 vision rates showing a 5.2% decrease. The 5.2% decrease was last years trend. Although we have seen various trends throughout the past few years, we are recommending using the latest tend numbers. We are making this recommendation because the program has experienced recent growth and the newest trend data includes the experience of these new members.

It was moved by Raul Paraungao and seconded by Candi Clark to approve the 2014/2015 Vision Rates.

Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

Property & Liability

XII. Property & Liability Rates 2014/2015

The Executive Director presented the 2014/15 Property and Liability rates. Due to large property losses and other significant claims the Property & Liability rates have increased. Additionally, SAFER implemented an ex-mod to NCR in 2014/2015 and ACSIG's ex-mod within NCR increased in Property & Liability. The rates reflect approximately a 15% increase.

2014/2015 Property & Liability Program Rates

ACSIG	Property	Liability	Total
ACOE	$30,635	$26,880	$57,515
Albany	$77,994	$129,782	$207,776
Dublin	$192,737	$259,445	$452,182
Emery	$15,161	$26,404	$41,566
Piedmont	$73,886	$93,503	$167,389
ACSIG TOTAL	**$390,414**	**$536,014**	**$926,428**

It was moved by Michael Brady and seconded by Candi Clark to approve the 2014/15 Property & Liability rates.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

XIII. Mandatory Reporter Training

Ron Martin provided an overview of the newly established SAFER/Nor Cal ReLiEF Abuse Molestation Program Policy. Effective July 1, 2014, all NCR member districts are required to annually train 80% of district supervisory employees on mandatory reporter requirements by December 31 of the fiscal year. Ron explained the on-line training resources available through Keenan Safe Schools which meet the policy requirement. Districts can also utilize other on-line training resources or live trainings to satisfy the policy requirement as long as proof is provided to NCR by the deadline. In addition, District's are required to post a mandatory reporter poster on each district site that includes contact information for the local police and child protective services. He advised that posters are also available on Keenan Safe Schools. Ron advised that NCR is also requiring all district new hires after July 1, 2013 complete the new hire training modules on Keenan Safe Schools. Members were advised that the Keenan account managers would be in contact with each individual district to assist in the implementation.
No action needed. Informational only.

XIV. Underlying Layer MOC

The Executive Director presented a memorandum of coverage document, which clearly states that ACSIG will follow form with the NCR MOC for the JPA's Member Retained Limit of $25,000 per occurrence. This is a new requirement for CAJPA accreditation.
It was moved moved by Raul Parungao and seconded by Teresa Kapelles to approve the Underlying Layer MOC.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

Administrative

XV. Election of Executive Committee

Executive Committee members Susan Kinder, Luz Cázares, Michael Brady and Mark Bonnett (originally Debbie Scanlon) terms are expiring on July 1, 2014. The

Full Board was asked to nominate four representatives to the Executive Committee.
It was moved by Michael Brady and seconded by Teresa Kapellas to nominate Susan Kinder, Mark Bonnett, Marie De La Cruz and Michael Brady to the Executive Committee.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

XVI. Meeting Calendar

The Executive Committee reviewed the 2014/15 calendar. It was noted that the CBO meeting schedule has not been finalized yet and this may result in a change to the Full Board meeting schedule.
No action needed. Informational only.

XVII. Special Recognition

The Executive Director presented 3 members with a special recognition. They were:
Livermore USD's Human Resource Department for the Online Training Program, Newark USD's Human Resource Department for Successful Return to Work Program, and Pleasanton USD's Maintenance and Operations Department for Successful Return to Work Program.
Each of these departments will be presented with a framed certificate and have lunch provided.
No action needed. Informational only.

Workers Compensation

XVIII. Actuarial Study – Ultimate Loss

Jack Joyce from Bay Actuarial presented the April 30, 2014 Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. The 4 most recent years of claims have increased but there were sufficient decreases in the other years that resulted in a net decrease of $28,000. ACSIG is still estimating a payoff of deficit by 2017/18 with ACSIG's unfunded ultimate loss being just under $10 million.
It was moved by Michael Brady and seconded by Marites Fermin to approve the Actuarial Study-Ultimate Loss.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

XIX. Actuarial Study – Ex-Mods

The Executive Director presented the February 2014 actuarially determined 2014/2015-program year experience modification factor. This is the 4th year that Alameda County Schools Insurance Group has used an Actuary to determine the ex-mods.

Member	New Ex-Mod	Old Ex-Mod 12/13/12
ACOE	0.750	0.812
Alameda	0.929	0.948
Albany	0951	0.942
Castro Valley	0.750	0.750
Dublin	0.858	0.750
Eden ROP	0.973	0.750
Emery	0.750	0.997
Fremont	1.207	1.250
Livermore	1.103	1.086
Mission ROP	0.878	0.810
Mt. House	1.250	1.250
Newark	1.250	1.018
New Haven	0.815	0.899
Piedmont	0.786	0.750
Pleasanton	0.791	0.867
San Leandro	0.980	0.800
San Lorenzo	1.221	1.210
Sunol Glen	0.750	0.750
Tri Valley ROP	1.250	1.250

It was moved by Marie De La Cruz and seconded by Marites Fermin to approve the Actuarial Study-Ex Mods.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

XX. Workers Comp Rates 2014/2015

The Executive Director provided details on the Workers' Compensation Rates for the 2014/15 year. By using the 2012/13 actual audited payrolls from the state, along with the ex-mods, ACSIG is able to give the members their 2014/15 premiums. As a reminder each member needs to divide the premium by the total estimated payroll to determine the percentage to be used in his or her payroll system. ACSIG is also on track to eliminate the deficit by the 2017/18 year.

	2012/2013 Actual Payroll	Base Rate	Ex Mod	Rate per $100 Payroll	2014/2015 PREMIUM
ACOE	$24,296,949	2.50	0.7500	1.88	$455,568
ALAMEDA	$58,630,906	2.50	0.9290	2.32	$1,361,703
ALBANY	$23,391,712	2.50	0.9510	2.38	$556,138
CASTRO VALLEY	$50,900,948	2.50	0.7500	1.88	$954,393
DUBLIN	$43,645,636	2.50	0.8580	2.15	$936,199
EDEN ROP	$2,950,784	2.50	0.9730	2.43	$71,778
EMERY	$5,769,336	2.50	0.7500	1.88	$108,175
FREMONT	$190,702,524	2.50	1.2070	3.02	$5,754,449
LIVERMORE	$68,986,381	2.50	1.1030	2.76	$1,902,299
MISSION ROP	$3,623,289	2.50	0.8780	2.20	$79,531
MT. HOUSE	$220,969	2.50	1.2500	3.13	$6,905
NEWARK	$37,133,179	2.50	1.2500	3.13	$1,160,412
NEW HAVEN	$69,409,990	2.50	0.8150	2.04	$1,414,229
PIEDMONT	$20,361,901	2.50	0.7680	1.92	$390,948
PLEASANTON	$85,215,119	2.50	0.7910	1.98	$1,685,129
SAN LEANDRO	$50,894,534	2.50	0.9800	2.45	$1,246,916
SAN LORENZO	$59,704,106	2.50	1.2210	3.05	$1,822,468
SUNOL GLEN	$1,439,393	2.50	0.7500	1.88	$26,989
TRI VALLEY ROP	$2,740,485	2.50	1.2500	3.13	$85,640
TOTAL PREMIUMS	$800,018,141				$20,019,868
Average Ex Mod			1.00000		

Payrolls based upon 2012/2013 Unaudited Actuals Reports provided by ACOE
* includes apprentice program

It was moved by Raul Parungao and seconded by Song Chin-Bendib to accept the 2014/2015 Workers Comp Rates as presented.
Ayes: Brady, Chang, Chin-Bendib, Clark, De La Cruz, Duncan, Fermin, Garde, Heldman, Kapellas, Kinder, Lotti, Parungao and Whetfield.
Nays: None
Abstain: None

XXI. Claim Data Development by Program Year

Laurena Grabert from SETECH presented the Financial Management Information Report for the Fiscal Year Ended June 30, 2012 to June 30, 2013 to the Board. It is important for the members to understand what portion of the unfunded liability belongs to their district if they ever decided to leave the pool.
No action required. Informational only.

XXII. Workers Compensation Claims Audit

The Executive Director presented the Bi-annual Audit report performed by Wells Fargo. The audit staff looked at 100 claims. 26 were closed claims and 74 were open claims. The claims administration received an 82.25% or 3.5 out of 5. This shows improvement over the last audit, which scored a 3.0. The audit team summarized what they look at by Disability Claims management, Return to Work management and Medical management, etc. The Executive Director has spoken with Keenan concerning areas in which ACSIG would like to see better

improvement. They will be working together in the near future to implement the suggested improvements. Patrice Grant of Keenan & Associates wrote a response to the audit that was enclosed in agenda packet.
No action needed. Informational only.

XXIII. Company Nurse

The Executive Director gave an update of the Company Nurse Program to the Board. ACSIG started using Company Nurse in the 2011/12 year with only San Leandro USD. PIPs was concerned that one district didn't provide a large enough sample size to collect accurate data. In 2013/14 the program was extended to San Lorenzo, Pleasanton, Castro Valley, New Haven and Newark. ACSIG has the opportunity to expand the coverage once more.
Alameda County Schools Insurance Group wants to compliment and be of service to members with this program. Members will see their frequency go up but this will not affect the ex-mod unless it turns into a claim. The program helps Chris and Arcenio mediate issues at hand in a much more efficient and timely way.
No action needed. Informational only.

XXIV. Future Planning

None to discuss.

XXV. Meeting was adjourned by Susan Kinder at 2:07pm.

Alameda County Schools Insurance Group

ACSIG

Strategic Planning Retreat

Monday, July 21, 2014
9:00-4:30PM

Minutes

The meeting was called to order at 9:03 am by Board President, Susan Kinder. The following participants were in attendance:

Susan Kinder
Candi Clark
Sherri Beetz
Raul Parungao
Raul Zamora
Mark Bonnett
Michael Brady
Akur Varadajan
Derek McNamara
Annette Heldman

2013/14 Strategic Plan Review & Outstanding Items

ACSIG Interview Summary (6 of 7 interviews)
How have the last 2 years gone?

1. Great strides. Going great. Covered the Goals.
2. Gone very well. Lots smoother. Running well. Happy with services. Put major types of structural things in place. Kimberly starting to address the program - this is the next frontier.
3. Gone well. Changes that have happened that have been helpful. Board packets are complete. Cover page is very useful (Action, Discussion)
4. Progressively better and better. Keep fine tuning because of Kimberly and better processes and procedures.
5. Gone well. We have been focused on unfunded liability. Had a small assessment. Do need to continue to work on getting others into the fray in terms of WC - good outready but people at the districts are not receptive (enough). Want to get people involved.
6. We were handed the reins of something that was a run away train. The whole CAJPA is part and parcel of that. It was a highly dysfunctional organization under the surface. Kimberly has dealt with and address. Would hate to see anything happen to her. Dublin - we are a little quirky. We have alto of entities we roll into. Everytime I turn around and

sneeze I am on the phone about a track meet or something. Where can I call and get that kind of perspective? It sin't just about insurance or risk management. It is about how we approach working with people with high expectations and unique demands. I can't figure out where would I get that anyplace else? I don't think everybody gets it. Maybe interesting to consider a district by distric perspective. It is remarkable (ACSIG). One of the drawbacks of not working in Alameda would be that I could not call Kimberly.

What do you want to see happen at this meeting?

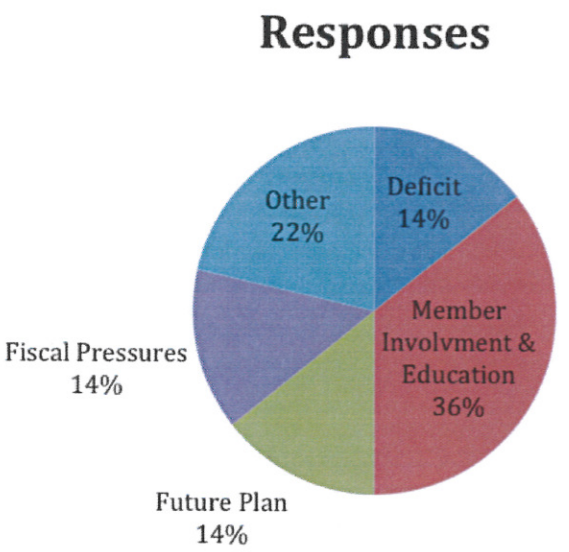
1. Difficult I think. Maybe membership - to reach out. Awesome job keeping people informed - keep doing it.
2. Maybe discuss new member orientation. Before you come to a board meeting, an orientation.
3. Still have the deficit…
4. Board needs to figure out what we do think the programmatic issues are. Over 3 years - what program design should be worked? Come up with three. Claims reduction in WC (#1) Dental (#2)
5. How do we respond to fiscal pressures? Help school districts long term - rate stabilization. Can't do much major…
6. Have decisions to make about bad things that have happened before. When I started, we decided to go to a TPA because of incorrect accounting. We had not been charging correct amounts. Even if I get it, I need help understanding it because we only touch it once a year. How do we make sure what happened before won't happen again.
7. (Discussed accredidation). Would it prevent another fiasco? It is not the end all and be all. Need continuous education!
8. Those who are participating are really risk managers.
9. Brainstorm on variables so we can continue to go in the same direction. School districts are losing staff. People pay less attention. Economy - people rely on things like WC. Need protection from fraud.
10. Walk away from the meeting looking what we have done and keep going in the right direction.
11. How do we get other people involved? CEO of county at last Board meeting he had some questgions. Maybe he is just unfamiliar with program. He thoguht the assessment may be be enough. He is a bright guy - should be a board-wide discussion. Maybe we aren't charging enough.
12. What came up at Fall meeting is the huge liability. Proposal to shift to another entity like NCR - it did not go down the way I thought. ACSIG/Keenan dynamic - is there something going on? Is is a partnership? Relationship? Marriage? Whi is the client? Things that seem unclear. The Keenan people I have encountered are all very nice. Long term goal for ACSIG and relationship with Keenan. Lines are blurred - clarify this.
13. Investment Portfolio - I get why we mad ethe choice to take out of the County treasury - Vision Kimberly had and she should get full credit. It is doing better than if we had left it.

But can we go to unmanaged fund that would make more than the country but not be so complicated? Need a simplified approach.

14. Kimberly has said she would like more participation. Is there a way to help her get there? How can we help. Example - the chart we look at sometimes we see blanks. Is is a scorecard or a checklist? Which is important? Nice to know what we can do.

Summary of Issues

1. Deficit.
2. Member involvement.
3. Need Program Plan
4. Schools under Fiscal Pressure - How to respond.
5. Member education
6. Members differentially managing their own risk.
7. Need definite next steps for ACSIG
8. Education Economy Impacts
9. Board member retiring (replacement?)
10. Deficit and Assessment Amount.
11. Involvment of members (especially managing risk/WC).
12. Investment Portfolio (better, but complicated)
13. Need more Participation
14. Keenan/ACSIG Relationship



Summary of Strengths

1. Communication Processes.
2. Goal oriented.
3. ACSIG Structure/Administration
4. Kimberly

5. Administration (Communication Processes)
6. ACSIG Processes and Procedures.
7. Kimberly
8. Kimberly
9. Responsiveness of ACSIG

2014/15 Goal Setting

The meeting was designed to address members' concerns identified during assessment interviews. An analysis of ACSIG strategic progress since 2007 provided additional insight into topics to consider. Overall, members are very pleased with ACSIG's performance and progress in handling the deficit. The initiatives developed to drive ACSIG's strategic direction for the next two years are:

1. *Address Delta Dental* || The Executive Board will review options based on split cost information of ACSIG administration and vote on how to handle the distribution of ACSIG costs (now currently paid exclusively by Delta Dental).

2. *Dashboards* || Develop two graphic dashboards, one for the HR audience and one for Business/CFO positions, to provide specific, easily understood information to improve understanding and engagement with ACSIG operations.

3. *Human Resources Communications: District Support* || Improve internal and external communication to stakeholders about all services under the ACSIG umbrella through a multi-channel communication program that uses graphics, concise messages, and other high-engagement communication methods.

4. *Board Member Communications: District Report Card* || Improve communications by providing specific analytical information to Board Members through a program designed to encourage proactive risk management.

Some synergies exist between these initiatives. Once completed, the Dashboards will be a useful component of the content developed for the communications initiatives.

Wrap-up

The Session was evaluated and adjourned at 3:00



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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: 2013/2014 Fourth Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2013/2014 Fourth Quarter financial statements for review. These financial statements reflect the 2012/2013 audited balances and year-to-date activity through June 30, 2014. 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 JUNE 30, 2014 AND FOR THE FISCAL YEAR THEN ENDED

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



_____

President

SETECH (Service Enhancement Technologies)

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For the Executive Committee Meeting of October 30, 2014
For the Full Board Meeting of November 6, 2014

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 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Workers Compensation	$ 5,043,694	733,951	$ 5,777,645
Dental	7,273,861	(2,998,992)	4,274,869
Vision	677,544	304,343	981,887
Property and Liability	738,445	(5,075)	733,370
Operations	291,580	132,206	423,786
Cash and Cash Equivalents	$ 14,025,124	(1,833,567)	$ 12,191,557
Investments Morgan Stanley - current	1,769,333	(1,007,931)	761,402
Accounts Receivable	5,824,250	199,619	6,023,869
Prepaid Expense	711	(711)	- -
Interfund Receivable/(payable) (1)	1,340,001	(1,340,001)	- -
Subtotal Current Assets	22,959,419	(3,982,591)	18,976,828
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	13,516,917	1,147,976	14,664,893
Capital - Equipment,net of depreciation	5,331	(592)	4,739
	13,522,248	1,147,384	14,669,632
Total Assets	**$ 36,481,667**	**$ (2,835,207)**	**$ 33,646,460**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 6,877,435	$ (4,351,088)	$ 2,526,347
Prefunding deposits (2)	2,992,831	123,600	3,116,431
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	5,206,645	(1,126,186)	4,080,459
Subtotal Current Liabilities	15,076,911	(5,353,674)	9,723,237
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	24,948,049	(2,106,975)	22,841,074
Unallocated Loss Adjustment Expense (ULAE)	1,456,514	(181,695)	1,274,819
Subtotal Claim Liabilities	26,404,563	(2,288,670)	24,115,893
Total Liabilities	$ 41,481,474	$ (7,642,344)	$ 33,839,130
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(5,005,138)	4,807,729	(197,409)
Designated - Capital Assets	5,331	(592)	4,739
Total Net Position	$ (4,999,807)	$ 4,807,137	$ (192,670)
Total Liabilities and Ending Net Position	**$ 36,481,667**	**$ (2,835,207)**	**$ 33,646,460**

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 Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (4,999,807)			
Beginning Cash	$ 29,311,374				$ (4,999,807)		
Operating Revenue:							
Premiums Paid by Members	$ 134,985,630	$ (48,956)	$ 19,363	$ 135,004,993	$ 132,561,418	$ 2,443,575	101.84 %
Total Operating Revenue	134,985,630	(48,956)	19,363	135,004,993	132,561,418	2,443,575	101.84
Operating Expenditures:							
Classified Salaries	182,819	- -	1,106	183,925	212,107	(28,182)	86.71
Statutory Benefits	70,477	- -	(4,871)	65,606	51,695	13,911	126.91
Health & Welfare	23,955	- -	(726)	23,229	27,246	(4,017)	85.26
Employer Tax Expense	56,530	- -	- -	56,530	63,834	(7,304)	88.56
Telephone & Internet	8,207	- -	603	8,810	12,000	(3,190)	73.42
Supplies Office	9,670	- -	(220)	9,450	7,000	2,450	135.00
Supplies - Other	2,144	- -	- -	2,144	3,000	(856)	71.47
Eligibility Processing	179,976	- -	- -	179,976	195,000	(15,024)	92.30
Brokerage Fees-Dental-ACSIG	258,675	- -	(483)	258,192	270,000	(11,808)	95.63
Brokerage Fees-Dental-MD	271,493	- -	- -	271,493	410,000	(138,507)	66.22
Travel and Conferences	12,332	- -	106	12,438	12,000	438	103.65
Mileage	6,458	- -	- -	6,458	9,740	(3,282)	66.30
Dues & Memberships	385	- -	- -	385	5,000	(4,615)	7.70
Postage & Meter	4,769	- -	- -	4,769	7,000	(2,231)	68.13
Insurance Expense-PIPS&NCR	17,779,554	- -	- -	17,779,554	17,875,770	(96,216)	99.46
Insurance Expense-PIPS Adj	148,569	- -	- -	148,569	- -	148,569	- -
Utility - Operating-Rent	81,234	(48,956)	711	32,989	101,640	(68,651)	32.46
Advertising	- -	- -	- -	- -	2,000	(2,000)	- -
Contract Services	12,850	- -	- -	12,850	29,500	(16,650)	43.56
Contract Services -PL-Investigation	- -	- -	- -	- -	5,000	(5,000)	- -
CAJPA Dues/Accreditation	5,750	- -	- -	5,750	- -	5,750	- -
Audit Fees	12,500	15,750	- -	28,250	56,900	(28,650)	49.65
Other Services/Operating Expenses	15,859	(593)	(15,000)	267	6,000	(5,733)	4.45
Capital Equipment/Depreciation	11,372	- -	592	11,964	24,000	(12,036)	49.85
Repairs & Maintenance	- -	- -	- -	- -	2,000	(2,000)	- -
Legal	- -	- -	- -	- -	2,000	(2,000)	- -
Accounting Services	9,750	- -	3,250	13,000	13,000	- -	100.00
County Courier	2,241	- -	- -	2,241	3,400	(1,159)	65.91
Shredding	1,106	- -	123	1,229	1,500	(271)	81.93
Copier & Scanner	11,878	- -	- -	11,878	20,000	(8,122)	59.39
Claims Administration Services	195,527	- -	(1,722)	193,805	193,429	376	100.19
Self-Insurance Fee	234,866	- -	- -	234,866	285,760	(50,894)	82.19
Claims Paid-WC	3,188,912	- -	(209,824)	2,979,088	5,000,000	(2,020,912)	59.58
Claims Paid-PL	96,106	- -	39,790	135,896	75,000	60,896	181.19
Physical Abilities Testing	4,751	- -	(490)	4,261	5,000	(739)	85.22
Training	2,067	- -	(2,067)	- -	10,000	(10,000)	- -
First-Aid Program	11,219	- -	(493)	10,726	15,000	(4,274)	71.51
Food Service Training	- -	- -	- -	- -	10,000	(10,000)	- -
Special Ed Training	- -	- -	- -	- -	30,000	(30,000)	- -
Bank Charge & WC Penalty Reimb	11,065	- -	- -	11,065	- -	11,065	- -
Cobra Premiums	189,367	- -	- -	189,367	316,000	(126,633)	59.93
Dental Insurance Premiums	113,088,006	- -	(4,362,681)	108,725,325	108,952,000	(226,675)	99.79
Vision Insurance Premiums	2,205,492	- -	32,684	2,238,176	1,950,000	288,176	114.78
Claim Development Expense	- -	- -	(3,414,856)	(3,414,856)	(3,009,800)	(405,056)	113.46
ACA Fees	14,640	- -	- -	14,640	- -	14,640	
Total Operating Expenditures	138,422,571	(33,799)	(7,934,468)	130,454,305	133,260,721	(2,806,416)	97.89 %
Net Increase/(Decrease) from Operations	(3,436,941)	(15,157)	7,953,831	4,550,688	(699,303)	5,249,991	%
Non Operating Income/(Expense)							
Interest Income	389,249	- -	(38,527)	350,724	381,750	(31,026)	91.87
Net Increase/(Decrease) in Fair Value	(164,296)	- -	- -	(164,296)	- -	(164,296)	
Realized Gain/(Loss) on Investments	70,021	- -	- -	70,021	- -	70,021	- -
Net, Interfund Transfer	1,448,445	- -	(1,448,445)	- -	- -	- -	
Total Non Operating Income/(Expense)	1,743,419	- -	(1,486,972)	256,449	381,750	(125,301)	67.18 %
Ending Cash	$ 27,617,852	(15,157)					
Net Increase/(Decrease) in Net Position		$ (15,157)	$ 6,466,859	4,807,137	$ (317,553)	$ 5,124,690	%
Audited - Ending Net Position, as of 06/30/2014				**$ (192,670)**	**$ (5,317,360)**	**$ 5,124,690**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Funds with County - WC - #44906	$ 999,864	340,336	$ 1,340,200
Funds in Transit - #44906 to Morgan Stanley Investments	- -	- -	- -
Funds with County - Retention Fund #44904	56,188	126	56,314
Union Bank Claims - #0129	84,674	120,951	205,625
Union Bank Claims Trust Account - #0600	658,424	174,405	832,829
Local Agency Investment Funds (L.A.I.F.)	3,130,090	7,729	3,137,819
Money Market - Morgan Stanley	114,454	90,404	204,858
Cash and Cash Equivalents	$ 5,043,694	733,951	$ 5,777,645
Investments Morgan Stanley - current	1,769,333	(1,007,931)	761,402
Accounts Receivable	139,308	146,685	285,993
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	656,698	1,121,065	1,777,763
Subtotal Current Assets	7,609,033	993,770	8,602,803
Noncurrent Assets			
Investments Morgan Stanley	10,436,776	(2,024,345)	8,412,431
Capital - Equipment,net of depreciation	- -	- -	- -
	10,436,776	(2,024,345)	8,412,431
Total Assets	**$ 18,045,809**	**$ (1,030,575)**	**$ 17,015,234**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 3,050	$ (3,050)	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	3,516,000	(1,096,000)	2,420,000
Subtotal Current Liabilities	3,519,050	(1,099,050)	2,420,000
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	24,872,856	(2,121,340)	22,751,516
Unallocated Loss Adjustment Expense (ULAE)	1,382,045	(158,045)	1,224,000
Subtotal	26,254,901	(2,279,385)	23,975,516
Total Liabilities	$ 29,773,951	$ (3,378,435)	$ 26,395,516
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(11,728,142)	2,347,860	(9,380,282)
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ (11,728,142)	$ 2,347,860	$ (9,380,282)
Total Liabilities and Ending Net Position	**$ 18,045,809**	**$ (1,030,575)**	**$ 17,015,234**

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (11,728,142)			
Beginning Cash and Investments	$ 17,249,803				$ (11,728,142)		
Operating Revenue:							
Premiums Paid by Members	$ 19,607,187	$ --	$ --	$ 19,607,187	$ 19,607,187	$ --	100.00 %
Total Operating Revenue	19,607,187	--	--	19,607,187	19,607,187	--	100.00
Operating Expenditures:	--						
Classified Salaries	--	--	--	--	--	--	
Statutory Benefits	--	--	--	--	--	--	
Health & Welfare	--	--	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Telephone & Internet	--	--	--	--	3,000	(3,000)	--
Supplies Office	--	--	--	--	1,500	(1,500)	--
Supplies - Other	--	--	--	--	1,000	(1,000)	--
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	--	--	--	--	--	--	
Mileage	--	--	--	--	--	--	
Dues & Memberships	--	--	--	--	1,000	(1,000)	--
Postage & Meter	--	--	--	--	1,500	(1,500)	--
Insurance Expense-PIPS	17,116,070	--	--	17,116,070	17,181,833	(65,763)	99.62
PIPS Contribution Adjustmert	148,569	--	--	148,569			
Utility - Operating-Rent	--	--	--	--	20,000	(20,000)	--
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	12,850	--	--	12,850	10,000	2,850	128.50
Contract Services -PL-Investigation	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	15,750	--	15,750	15,000	750	105.00
Other Services/Operating Expenses	--	--	--	--	1,000	(1,000)	--
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	--	--	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	--	--	--	--	--	--	
Copier & Scanner	--	--	--	--	--	--	
Claims Administration Services	175,429	--	--	175,429	175,429	--	100.00
Self-Insurance Fee	234,866	--	--	234,866	285,760	(50,894)	82.19
Claims Paid-WC	3,188,912	--	(209,824)	2,979,088	5,000,000	(2,020,912)	59.58
Claims Paid-PL	--	--	--	--	--	--	
Physical Abilities Testing	4,751	--	(490)	4,261	5,000	(739)	85.22
Training	2,067	--	(2,067)	--	10,000	(10,000)	--
First-Aid Program	11,219	--	(493)	10,726	15,000	(4,274)	71.51
Food Service Training	--	--	--	--	10,000	(10,000)	
Special Ed Training	--	--	--	--	30,000	(30,000)	
Bank Charge & WC Penalty Reimb	(52)	--	--	(52)	--	(52)	
Cobra Premiums	--	--	--	--	--	--	
Dental Insurance Premiums	--	--	--	--	--	--	
Vision Insurance Premiums	--	--	--	--	--	--	
Claim Development Expense	--	--	(3,375,385)	(3,375,385)	(3,000,000)	(375,385)	112.51
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	20,894,681	15,750	(3,588,259)	17,322,172	19,767,022	(2,593,419)	87.63 %
Net Increase/(Decrease) from Operations	(1,287,494)	(15,750)	3,588,259	2,285,015	(159,835)	2,593,419	(1,429.61) %
Non Operating Income/(Expense)							
Interest Income	322,297	--	(63,139)	259,158	300,000	(40,842)	86.39
Net Increase/(Decrease) in Fair Value	(238,326)	--	--	(238,326)	--	(238,326)	--
Realized Gain/(Loss) on Investments	42,013	--	--	42,013	--	42,013	--
Interfund Transfer	(1,136,815)	--	1,136,815	--	--	--	--
Total Non Operating Income/(Expense)	(1,010,831)	$ --	$ 1,073,676	62,845	300,000	(237,155)	20.95 %
Ending Cash	$ 14,951,478						
Net Increase/(Decrease) in Net Position				2,347,860	140,165	2,356,264	
Audited - Ending Net Position, as of 06/30/2014				**$ (9,380,282)**	**$ (11,587,977)**	**$ 2,356,264**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Cash with County ACSIG #44901	$ 298,580	(227,884)	$ 70,696
Union Bank - Eligibility #9938	6,816,458	(2,852,286)	3,964,172
Union Bank - Expense #2064	4,979	95,892	100,871
Union Bank - Cobra Trust #0273	153,844	(14,714)	139,130
Union Bank - zero balance accounts	- -	- -	- -
Cash and Cash Equivalents	$ 7,273,861	(2,998,992)	$ 4,274,869
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	5,556,948	122,286	5,679,234
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	1,405,797	(2,313,944)	(908,147)
Subtotal Current Assets	14,236,606	(5,190,650)	9,045,956
Noncurrent Assets			
Investments - Morgan Stanley	2,053,427	3,156,957	5,210,384
Capital - Equipment,net of depreciation	- -	- -	- -
	2,053,427	3,156,957	5,210,384
Total Assets	**$ 16,290,033**	**$ (2,033,693)**	**$ 14,256,340**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 6,667,252	$ (4,362,681)	$ 2,304,571
Prefunding deposits	2,961,989	123,600	3,085,589
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	1,431,000	- -	1,431,000
Subtotal Current Liabilities	11,060,241	(4,239,081)	6,821,160
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 11,060,241	$ (4,239,081)	$ 6,821,160
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	5,229,792	2,205,388	7,435,180
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 5,229,792	$ 2,205,388	$ 7,435,180
Total Liabilities and Ending Net Position	**$ 16,290,033**	**$ (2,033,693)**	**$ 14,256,340**

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ 5,229,792			
Beginning Cash and Investments	$ 9,327,288				$ 5,229,792		
Operating Revenue:							
Premiums Paid by Members	$ 112,040,074	$ - -	$ 104,731	$ 112,144,805	$ 110,000,000	$ 2,144,805	101.95 %
Total Operating Revenue	112,040,074	- -	104,731	112,144,805	110,000,000	2,144,805	101.95
Operating Expenditures:							
Classified Salaries	- -	183,925	- -	183,925	121,267	62,658	151.67
Statutory Benefits	- -	65,606	- -	65,606	30,272	35,334	216.72
Health & Welfare	- -	23,229	- -	23,229	14,000	9,229	165.92
Employer Tax Expense	- -	56,530	- -	56,530	40,000	16,530	141.33
Telephone & Internet	- -	8,810	- -	8,810	7,000	1,810	125.86
Supplies Office	- -	9,450	- -	9,450	4,000	5,450	236.25
Supplies - Other	- -	2,144	- -	2,144	1,000	1,144	214.40
Eligibility Processing	179,976	- -	- -	179,976	195,000	(15,024)	92.30
Brokerage Fees-Dental-ACSIG	258,675	- -	(483)	258,192	270,000	(11,808)	95.63
Brokerage Fees-Dental-MD	271,493	- -	- -	271,493	410,000	(138,507)	66.22
Travel and Conferences	- -	12,438	- -	12,438	- -	12,438	- -
Mileage	- -	6,458	- -	6,458	5,500	958	117.41
Dues & Memberships	- -	385	- -	385	2,500	(2,115)	15.40
Postage & Meter	- -	4,769	- -	4,769	4,000	769	119.22
Insurance Expense	- -	- -	- -	- -	- -	- -	- -
Net, Operating-Rent	- -	32,989	- -	32,989	57,500	(24,511)	57.37
Advertising	- -	- -	- -	- -	- -	- -	- -
Contract Services - Actuarial	- -	- -	- -	- -	- -	- -	- -
Contract Services -PL-Investigation	- -	- -	- -	- -	- -	- -	- -
CAJPA Dues/Accreditation	- -	5,750	- -	5,750	- -	5,750	- -
Audit Fees	- -	12,500	- -	12,500	15,000	(2,500)	83.33
Other Services/Operating Expenses	- -	266	- -	266	- -	266	- -
Capital Equipment/Depreciation	- -	11,372	- -	11,372	4,000	7,372	284.30
Repairs & Maintenance	- -	- -	- -	- -	1,000	(1,000)	- -
Legal	- -	- -	- -	- -	- -	- -	- -
Accounting Services	- -	13,000	- -	13,000	- -	13,000	- -
County Courier	- -	2,241	- -	2,241	- -	2,241	- -
Shredding	- -	1,229	- -	1,229	- -	1,229	- -
Copier & Scanner	- -	11,878	- -	11,878	5,000	6,878	237.56
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	11,117	- -	- -	11,117	- -	11,117	- -
Cobra Premiums	189,367	- -	- -	189,367	316,000	(126,633)	59.93
Dental Insurance Premiums	113,088,006	- -	(4,362,681)	108,725,325	108,952,000	(226,675)	99.79
Vision Insurance Premiums	- -	- -	- -	- -	- -	- -	- -
Claim Development Expense	- -	- -	- -	- -	(9,800)	9,800	- -
ACA Fees	14,640	- -	- -	14,640	- -	14,640	- -
Total Operating Expenditures	114,013,274	464,969	(4,363,164)	110,115,079	110,445,239	(330,160)	99.70 %
Net Increase/(Decrease) from Operations	(1,973,200)	(464,969)	4,467,895	2,029,726	(445,239)	2,474,965	(455.87) %
Non Operating Income/(Expense)							
Interest Income	50,222	45	17,071	67,340	50,000	17,340	134.68
Net Increase/(Decrease) in Fair Value	84,983	- -	- -	84,983	- -	84,983	- -
Realized Gain/(Loss) on Investments	23,340	- -	- -	23,340	- -	23,340	- -
Interfund Transfer & YE Close Oper	1,972,620	- -	(1,972,620)	- -	(92,516)	92,516	
Total Non Operating Income/(Expense)	2,131,165	$ 45	$ (1,955,549)	175,663	(42,516)	218,179	(413.17) %
Ending Cash	$ 9,485,253						
Net Increase/(Decrease) in Net Position				2,205,388	(487,755)	2,693,143	%
Audited - Ending Net Position, as of 06/30/2014				**$ 7,435,180**	**$ 4,742,037**	**$ 2,693,143**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Cash with County #44902	$ 677,544	304,343	$ 981,887
Funds in Transit - #44902 to Morgan Stanley Investments	- -	- -	- -
Cash and Cash Equivalents	677,544	304,343	981,887
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	74,263	(28,871)	45,392
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	78,605	1	78,606
Subtotal Current Assets	830,412	275,473	1,105,885
Noncurrent Assets			
Investments - Morgan Stanley	1,026,714	15,364	1,042,078
Capital - Equipment,net of depreciation	- -	- -	- -
	1,026,714	15,364	1,042,078
Total Assets	**$ 1,857,126**	**$ 290,837**	**$ 2,147,963**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 171,300	$ 32,684	$ 203,984
Prefunding deposits	30,842	- -	30,842
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	120,000	- -	120,000
Subtotal Current Liabilities	322,142	32,684	354,826
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 322,142	$ 32,684	$ 354,826
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,534,984	258,153	1,793,137
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 1,534,984	$ 258,153	$ 1,793,137
Total Liabilities and Ending Net Position	**$ 1,857,126**	**$ 290,837**	**$ 2,147,963**

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ 1,534,984			
Beginning Cash and Investments	$ 1,704,258				$ 1,534,984		
Operating Revenue:							
Premiums Paid by Members	$ 2,515,432	$ --	$ (36,412)	$ 2,479,020	$ 2,100,000	$ 379,020	118.05 %
Total Operating Revenue	2,515,432	--	(36,412)	2,479,020	2,100,000	379,020	118.05
Operating Expenditures:							
Classified Salaries	--	--	--	--	90,840	(90,840)	--
Statutory Benefits	--	--	--	--	21,423	(21,423)	--
Health & Welfare	--	--	--	--	13,246	(13,246)	--
Employer Tax Expense	--	--	--	--	23,834	(23,834)	--
Telephone & Internet	--	--	--	--	--	--	
Supplies Office	--	--	--	--	--	--	
Supplies - Other	--	--	--	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	--	--	--	--	--	--	
Mileage	--	--	--	--	960	(960)	--
Dues & Memberships	--	--	--	--	--	--	
Postage & Meter	--	--	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
Utility - Operating-Rent	--	--	--	--	4,140	(4,140)	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	2,000	(2,000)	
Contract Services -PL-Investigation	--	--	--	--	--	--	
CAJPA Dues/Accreditation	--	--	--	--	--	--	
Audit Fees	--	--	--	--	5,000	(5,000)	
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	--	--	--	--	--	--	
Vision Insurance Premiums	2,205,492	--	32,684	2,238,176	1,950,000	288,176	114.78
Claim Development Expense	--	--	--	--	--	--	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	2,205,492	--	32,684	2,238,176	2,111,443	126,733	106.00 %
Net Increase/(Decrease) from Operations	309,940	--	(69,096)	240,844	(11,443)	252,287	%
Non Operating Income/(Expense)							
Interest Income	16,053	--	7,541	23,594	30,000	(6,406)	78.65
Net Increase/(Decrease) in Fair Value	(10,953)	--	--	(10,953)	--	(10,953)	--
Realized Gain/(Loss) on Investments	4,668	--	--	4,668	--	4,668	--
Interfund Transfer	(1)	--	1	--	--	--	
Total Non Operating Income/(Expense)	9,767	$ --	$ 7,542	17,309	30,000	(12,691)	57.70 %
Ending Cash	$ 2,023,965						
Net Increase/(Decrease) in Net Position				258,153	$ 18,557	$ 239,596	%
Audited - Ending Net Position, as of 06/30/2014				**$ 1,793,137**	**$ 1,553,541**	**$ 239,596**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Cash with County - #44903	$ 561,820	35,198	$ 597,018
Funds in Transit - #44903 to Morgan Stanley Investments	- -	- -	- -
Union Bank - Checking #0311	173,129	(53,406)	119,723
Union Bank - Claims Trust #1186	3,496	13,133	16,629
Cash and Cash Equivalents	$ 738,445	(5,075)	$ 733,370
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	53,040	(39,790)	13,250
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(534,855)	- -	(534,855)
Subtotal Current Assets	256,630	(44,865)	211,765
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	- -	- -	- -
	- -	- -	- -
Total Assets	**$ 256,630**	**$ (44,865)**	**$ 211,765**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 3,764	$ (1,722)	$ 2,042
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	139,645	(30,186)	109,459
Subtotal Current Liabilities	143,409	(31,908)	111,501
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	75,193	14,365	89,558
Unallocated Loss Adjustment Expense (ULAE)	74,469	(23,650)	50,819
Subtotal	149,662	(9,285)	140,377
Total Liabilities	$ 293,071	$ (41,193)	$ 251,878
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(36,441)	(3,672)	(40,113)
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ (36,441)	$ (3,672)	$ (40,113)
Total Liabilities and Ending Net Position	**$ 256,630**	**$ (44,865)**	**$ 211,765**

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ (36,441)			
Beginning Cash and Investments	$ 738,445				$ (36,441)		
Operating Revenue:							
Premiums Paid by Members	$ 773,981	$ --	$ --	$ 773,981	$ 807,647	$ (33,666)	95.83 %
Total Operating Revenue	773,981	--	--	773,981	807,647	(33,666)	95.83
Operating Expenditures:							
Classified Salaries	--	--	--	--	--	--	--
Statutory Benefits	--	--	--	--	--	--	--
Health & Welfare	--	--	--	--	--	--	--
Employer Tax Expense	--	--	--	--	--	--	--
Telephone & Internet	--	--	--	--	--	--	--
Supplies Office	--	--	--	--	500	(500)	--
Supplies - Other	--	--	--	--	--	--	--
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	--	--	--	--	--	--	--
Mileage	--	--	--	--	480	(480)	--
Dues & Memberships	--	--	--	--	--	--	--
Postage & Meter	--	--	--	--	--	--	--
Insurance Expense-NCR	663,484	--	--	663,484	693,937	(30,453)	95.61
Utility - Operating-Rent	--	--	--	--	--	--	--
Advertising	--	--	--	--	--	--	--
Contract Services - Actuarial	--	--	--	--	2,500	(2,500)	--
Contract Services -PL-Investigation	--	--	--	--	5,000	(5,000)	--
CAJPA Dues/Accreditation	--	--	--	--	--	--	--
Audit Fees	--	--	--	--	2,500	(2,500)	--
Other Services/Operating Expenses	--	--	--	--	--	--	--
Capital Equipment/Depreciation	--	--	--	--	--	--	--
Repairs & Maintenance	--	--	--	--	--	--	--
Legal	--	--	--	--	--	--	--
Accounting Services	--	--	--	--	--	--	--
County Courier	--	--	--	--	--	--	--
Shredding	--	--	--	--	--	--	--
Copier & Scanner	--	--	--	--	--	--	--
Claims Administration Services	20,098	--	(1,722)	18,376	18,000	376	102.09
Self-Insurance Fee	--	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--	--
Claims Paid-PL	96,106	--	39,790	135,896	75,000	60,896	181.19
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	--	--	--	--	--	--	--
Claim Development Expense	--	--	(39,471)	(39,471)	--	(39,471)	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	779,688	--	(1,403)	778,285	797,917	(19,632)	97.54 %
Net Increase/(Decrease) from Operations	(5,707)	--	1,403	(4,304)	9,730	(14,034)	-- %
Non Operating Income/(Expense)							
Interest Income	632	--	--	632	1,750	(1,118)	36.11
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	632	$ --	$ --	632	1,750	(1,118)	36.11 %
Ending Cash	$ 733,370						
Net Increase/(Decrease) in Net Position				(3,672)	11,480	(15,152)	-- %
Audited - Ending Net Position, as of 06/30/2014				**$ (40,113)**	**$ (24,961)**	**$ (15,152)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2013 and 06/30/2014

	Audited As of 06/30/2013	Activity 07/01/2013 - 06/30/2014	Audited As of 06/30/2014
Assets:			
Current Assets			
Union Bank - Payroll #0176	$ 59,803	(10,296)	$ 49,507
Union Bank Checking Account #1521	231,777	142,502	374,279
Cash and Cash Equivalents	$ 291,580	132,206	$ 423,786
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	691	(691)	- -
Prepaid Expense	711	(711)	- -
Interfund Receivable/(payable)	(266,244)	(147,123)	(413,367)
Subtotal Current Assets	26,738	(16,319)	10,419
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	5,331	(592)	4,739
	5,331	(592)	4,739
Total Assets	**$ 32,069**	**$ (16,911)**	**$ 15,158**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 32,069	$ (16,319)	$ 15,750
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	- -	- -	- -
Subtotal Current Liabilities	32,069	(16,319)	15,750
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 32,069	$ (16,319)	$ 15,750
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(5,331)	- -	(5,331)
Designated - Capital Assets	5,331	(592)	4,739
Total Net Position	$ - -	$ (592)	$ (592)
Total Liabilities and Ending Net Position	**$ 32,069**	**$ (16,911)**	**$ 15,158**

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Fiscal Year Ended 06/30/2014

	Cash Activity 07/01/2013 06/30/2014	Allocations	Change in Accruals	Balance Year to Date	2013/2014 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2013				$ --			
Beginning Cash and Investments	$ 291,580				$ --		
Operating Revenue:							
Offset to Rent - Sub Lease	$ 48,956	$ (48,956)	$ --	$ --	$ 46,584	$ (46,584)	-- %
Total Operating Revenue	48,956	(48,956)	--	--	46,584	(46,584)	--
Operating Expenditures:							
Classified Salaries	182,819	(183,925)	1,106	--	--	--	--
Statutory Benefits	70,477	(65,606)	(4,871)	--	--	--	--
Health & Welfare	23,955	(23,229)	(726)	--	--	--	--
Employer Tax Expense	56,530	(56,530)	--	--	--	--	--
Telephone & Internet	8,207	(8,810)	603	--	2,000	(2,000)	--
Supplies Office	9,670	(9,450)	(220)	--	1,000	(1,000)	--
Supplies - Other	2,144	(2,144)	--	--	1,000	(1,000)	--
Eligibility Processing	--	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--
Travel and Conferences	12,332	(12,438)	106	--	12,000	(12,000)	--
Mileage	6,458	(6,458)	--	--	2,800	(2,800)	--
Dues & Memberships	385	(385)	--	--	1,500	(1,500)	--
Postage & Meter	4,769	(4,769)	--	--	1,500	(1,500)	--
Insurance Expense	--	--	--	--	--	--	--
	--						
Utility - Operating-Rent	81,234	(81,945)	711	--	20,000	(20,000)	--
Advertising	--	--	--	--	2,000	(2,000)	--
Contract Services - Actuarial	--	--	--	--	15,000	(15,000)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	--
CAJPA Dues/Accreditation	5,750	(5,750)	--	--	--	--	--
Audit Fees	12,500	(12,500)	--	--	19,400	(19,400)	--
Other Services/Operating Expenses	15,859	(859)	(15,000)	--	5,000	(5,000)	--
Capital Equipment/Depreciation	11,372	(11,372)	592	592	20,000	(19,408)	2.96
Repairs & Maintenance	--	--	--	--	1,000	(1,000)	--
Legal	--	--	--	--	2,000	(2,000)	--
Accounting Services	9,750	(13,000)	3,250	--	13,000	(13,000)	--
County Courier	2,241	(2,241)	--	--	3,400	(3,400)	--
Shredding	1,106	(1,229)	123	--	1,500	(1,500)	--
Copier & Scanner	11,878	(11,878)	--	--	15,000	(15,000)	--
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	529,436	(514,518)	(14,326)	592	139,100	(138,508)	0.43 %
Net Increase/(Decrease) from Operations	(480,480)	465,562	14,326	(592)	(92,516)	91,924	0.64 %
Non Operating Income/(Expense)							
Interest Income	45	(45)	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer & YE Close	612,641	--	(612,641)	--	92,516	(92,516)	--
Total Non Operating Income/(Expense)	612,686	$ (45)	$ (612,641)	--	92,516	(92,516)	-- %
Ending Cash	$ 423,786						
Net Increase/(Decrease) in Net Position				$ (592)	$ --	$ (592)	-- %
Audited - Ending Net Position, as of 06/30/2014				**$ (592)**	**$ --**	**$ (592)**	

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 06/30/2014

	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	$ 908,800	$ 1,828,378	$ 2,847,683	$ 2,677,874	$ 2,861,758	$ 4,009,348	$ 2,917,518	$ 5,509,616	$ 4,807,588	$ 4,028,797	$ 3,613,330	$ 4,736,553	$ 40,747,243
Reserves	53,670	- -	79,001	66,125	22,988	- -	29,510	126,440	201,191	138,527	32,612	194,064	944,128
Incurred Claims	962,470	1,828,378	2,926,684	2,743,999	2,884,746	4,009,348	2,947,028	5,636,056	5,008,779	4,167,324	3,645,942	4,930,617	41,691,371
Incurred But Not Reported (IBNR)	- -	- -	23,316	226,001	25,254	1,652	52,972	183,944	181,221	182,676	94,058	259,383	1,230,477
Non- Discounted Estimated Ultimate Incurred (1)	962,470	1,828,378	2,950,000	2,970,000	2,910,000	4,011,000	3,000,000	5,820,000	5,190,000	4,350,000	3,740,000	5,190,000	42,921,848
Anticipated Investment Income (Discount) (2)	(3,381)	- -	(6,446)	(21,033)	(3,618)	(134)	(6,846)	(26,693)	(33,652)	(28,908)	(11,654)	(44,438)	(186,803)
Discounted Estimated Ultimate (1-2)	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
Paid Claims	(908,800)	(1,828,378)	(2,847,683)	(2,677,874)	(2,861,758)	(4,009,348)	(2,917,518)	(5,509,616)	(4,807,588)	(4,028,797)	(3,613,330)	(4,736,553)	(40,747,243)
Remaining Estimated Unpaid Claim Liabilities	$ 50,289	$ - -	$ 95,871	$ 271,093	$ 44,624	$ 1,518	$ 75,636	$ 283,691	$ 348,760	$ 292,295	$ 115,016	$ 409,009	$ 1,987,802

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.

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

Historical Discounted Estimated Ultimate Incurred:													
As of 06/30/2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,744	3,926,000	3,704,000	3,159,000	3,159,000	N/A
As of 06/30/2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,083,000	3,759,000	3,297,000	3,297,000	N/A
As of 06/30/2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,848,000	3,499,000	N/A
As of 06/30/2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,548,000	4,406,000	N/A
As of 06/30/2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,549,000	N/A
As of 06/30/2005	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 06/30/2006	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
Increase/Decrease	4,126	- -	26,302	(54,233)	231,789	1,775	70,917	3,944	(44,174)	(10,027)	89,177	(64,344)	255,252

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2014

	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	$ 40,747,243	$ 5,199,615	$ 6,806,443	$ 6,526,539	$ 8,838,680	$ 7,066,761	$ 10,566,300	$ 11,332,782	$ 97,084,363
Reserves	944,128	338,401	503,782	860,184	1,806,650	1,367,880	816,418	999,457	7,636,900
Incurred Claims	41,691,371	5,538,016	7,310,225	7,386,723	10,645,330	8,434,641	11,382,718	12,332,239	104,721,263
Incurred But Not Reported (IBNR)	1,230,477	261,984	359,775	473,277	764,670	505,359	547,282	1,047,761	5,190,585
Non- Discounted Estimated Ultimate Incurred (1)	42,921,848	5,800,000	7,670,000	7,860,000	11,410,000	8,940,000	11,930,000	13,380,000	109,911,848
Anticipated Investment Income (Discount) (2)	(186,803)	(61,840)	(92,401)	(145,347)	(277,703)	(206,056)	(158,189)	(251,808)	(1,380,147)
Discounted Estimated Ultimate (1-2)	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
Paid Claims	(40,747,243)	(5,199,615)	(6,806,443)	(6,526,539)	(8,838,680)	(7,066,761)	(10,566,300)	(11,332,782)	(97,084,363)
Remaining Estimated Unpaid Claim Liabilities	$ 1,987,802	$ 538,545	$ 771,156	$ 1,188,114	$ 2,293,617	$ 1,667,183	$ 1,205,511	$ 1,795,410	$ 11,447,338

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.
(2) Discounted at 2%, 06/30/2012 and 1.5%, 06/30/2014.

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2000	N/A	4,053,000	3,901,000	3,896,000	3,411,000	2,910,000	--	--	N/A
As of 06/30/2001	N/A	4,269,000	4,154,000	4,521,000	4,332,000	4,734,000	3,597,000	--	N/A
As of 06/30/2002	N/A	4,276,000	4,209,000	4,772,000	4,637,000	5,655,000	4,225,000	3,959,000	N/A
As of 06/30/2003	N/A	4,551,000	5,130,000	5,030,000	6,411,000	5,163,000	6,247,000	4,322,000	N/A
As of 06/30/2004	N/A	4,767,000	5,449,000	5,434,000	7,104,000	5,978,000	7,275,000	6,481,000	N/A
As of 06/30/2005	N/A	N/A	N/A	N/A	N/A	6,167,000	7,579,000	7,106,000	N/A
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
Increase/Decrease	255,252	(95,354)	(166,010)	(83,672)	114,227	(864,286)	(327,120)	(490,191)	(1,657,154)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2014

	Totals From Page 7A	Self-Insured Program Years							As of 06/30/2014 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009		As of 06/30/2013 Totals	07/01/2013 - 06/30/2014
Paid Claims	$ 97,084,363	$ 9,536,524	$ 5,744,579	$ 4,913,126	$ 7,101,798	$ 7,522,166	$ 7,819,727	$ 7,880,731	$ 147,603,014	$ 144,291,747	$ 3,311,267
Reserves	7,636,900	417,529	553,467	542,797	2,280,939	1,291,258	994,448	706,072	14,423,410	14,872,621	(449,211)
Incurred Claims	104,721,263	9,954,053	6,298,046	5,455,923	9,382,737	8,813,424	8,814,175	8,586,803	162,026,424	159,164,368	2,862,056
Incurred But Not Reported (IBNR)	5,190,585	635,947	651,954	784,077	1,317,263	1,346,576	1,975,825	2,413,197	14,315,424	17,671,371	(3,355,947)
Non- Discounted Estimated Ultimate Incurred (1)	109,911,848	10,590,000	6,950,000	6,240,000	10,700,000	10,160,000	10,790,000	11,000,000	176,341,848	176,835,739	(493,891)
Anticipated Investment Income (Discount) (2)	(1,380,147)	(135,898)	(151,883)	(172,494)	(496,552)	(387,762)	(427,719)	(414,863)	(3,567,318)	(4,155,136)	587,818
Discounted Estimated Ultimate (1-2)	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	172,680,603	93,927
Paid Claims	(97,084,363)	(9,536,524)	(5,744,579)	(4,913,126)	(7,101,798)	(7,522,166)	(7,819,727)	(7,880,731)	(147,603,014)	(144,291,747)	(3,311,267)
Remaining Estimated Unpaid Claim Liabilities	$ 11,447,338	$ 917,578	$ 1,053,538	$ 1,154,380	$ 3,101,650	$ 2,250,072	$ 2,542,554	$ 2,704,406	$ 25,171,516	$ 28,388,856	$ (3,217,340)
									Estimated Current Portion /Short-Term Liability (1)	(2,420,000)	
									Estimated Non-Current portion of Claim Liabilities	$ 22,751,516	

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.
(2) Discounted at 2%, 06/30/2012 and 1.5%, 06/30/2014.

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2000	N/A	--	--	--	--	--	--	--	N/A
As of 06/30/2001	N/A	--	--	--	--	--	--	--	N/A
As of 06/30/2002	N/A	--	--	--	--	--	--	--	N/A
As of 06/30/2003	N/A	1,989,000	--	--	--	--	--	--	N/A
As of 06/30/2004	N/A	4,854,000	2,031,000	--	--	--	--	--	N/A
As of 06/30/2005	N/A	5,730,000	3,203,000	1,986,000	--	--	--	--	N/A
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
Increase/Decrease	(1,657,154)	(255,975)	(338,743)	23,724	1,767,951	249,348	221,139	83,637	93,927

Claim Development Expense	
Claim Liabilities	$ (3,217,340)
and ULAE	(158,045)
Decrease	$ (3,375,385)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 06/30/2014

	Self-Insured Program Years						As of 06/30/2014 Totals	Activity 06/30/2013 Totals	Activity 07/01/2013 - 06/30/2014
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014			
Paid Claims	$ 117,507	$ 48,738	$ 33,141	$ 76,543	$ 89,764	$ --	$ 365,692	$ 238,299	$ 127,393
Reserves	--	--	--	20,000	52,643	--	72,643	202,002	(129,359)
Incurred Claims	117,507	48,738	33,141	96,543	142,407	--	438,335	440,301	(1,966)
Incurred But Not Reported (IBNR)	--	1,039	4,498	4,249	6,132	111,900	127,818	13,953	113,865
Non- Discounted Estimated Ultimate Incurred (1)	117,507	49,777	37,638	100,792	(3) 148,539	(3a 111,900	566,153	454,254	111,899
Anticipated Investment Income (Discount) (2)	--	(4)	(20)	(118)	(343)	(959)	(1,444)	(1,117)	(327)
Discounted Estimated Ultimate (1-2)	117,507	49,773	37,619	100,674	148,196	110,941	564,709	453,137	111,572
Paid Claims	(117,507)	(48,738)	(33,141)	(76,543)	(89,764)	--	(365,692)	(238,299)	(127,393)
Remaining Estimated Unpaid Claim Liabilities	$ --	$ 1,035	$ 4,478	$ 24,131	$ 58,432	$ 110,941	$ 199,017	$ 214,838	$ (15,821)
						Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65	(109,459)		
						Estimated Non-Current portion of Claim Liabilities : Claim Liabilities	$ 89,558		

(1) Per Bay Actuarial Consultants actuarial study dated February 2013.
(2) Discounted at .05%.
(3) Adjusted for negative IBNR from $100,793 to $115,793, increase of $15,000. (3a) Negative IBNR.

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	(3) 108,539	--	454,254
As of 06/30/2014	117,507	49,777	37,638	100,792	148,539	111,900	566,153
Increase/Decrease	--	--	(25,000)	(15,001)	40,000	111,900	111,899

Claim Development Expense	
Claim Liabilities	$ (15,821)
and ULAE	(23,650)
Increase	$ (39,471)

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: 2013/2014 Audit

The audit for fiscal year 2013/2014 is complete and a draft of the report is included for your review. ACSIG has contracted with Christy White and Associates for our audit. The audit team was very professional, seasoned and conducted the audit in a timely and efficient manner. SETECH provided all necessary support and the audit was quite favorable. There were no audit findings.

The Executive Director will review the report with the Executive Committee. A representative from Christy White and Associates will present this report to the full Board at its November 6, 2014 meeting. The Executive Committee will be asked to approve a recommendation to the full Board.

ALAMEDA COUNTY SCHOOLS
INSURANCE GROUP

AUDIT REPORT

JUNE 30, 2014 AND 2013

San Diego

Los Angeles

San Francisco
Bay Area

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
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JUNE 30, 2014 AND 2013

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FINANCIAL SECTION

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

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Licensed by the California State Board of Accountancy

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
Alameda County Schools Insurance Group
Dublin, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Alameda County Schools Insurance Group, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Alameda County Schools Insurance Group's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alameda County Schools Insurance Group, as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 4 through 15. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alameda County Schools Insurance Group's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2014 on our consideration of Alameda County Schools Insurance Group's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alameda County Schools Insurance Group's internal control over financial reporting and compliance.

Christy White Associates

San Diego, California
October 6, 2014

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The following report reflects on the financial condition of Alameda County Schools Insurance Group ("ACSIG") as of and for the years ended June 30, 2014 and 2013. It is provided in order to enhance the information in the independent financial audit, basic financial statements, and notes to the basic financial statements included in the financial audit report. Please read it in conjunction with the ASIG financial statements, which immediately follow this section.

Introduction and Background:

Since July 1, 1978, the Alameda County Schools Insurance Group, a self-insurance pool, has provided coverage to local educational agencies in California. ACSIG operates programs for property/liability, dental and vision, and workers' compensation. In addition to its programs, ACSIG provides claims administration and loss control training to members.

ACSIG is governed by a 19-member Board of Directors, which is comprised of representatives from each member Group. From its members, the Board of Directors elects a President, Vice President, and Secretary as part of seven-member executive committee.

ACSIG's day–to-day operations are administered by an Executive Director who serves as the Chief Executive Officer. The Executive Director is responsible for the administration of policies as set forth by the pool's organizational documents, Bylaws, and the Board of Directors.

ACSIG's Dental, Vision, Workers' Compensation, and Property/Liability programs are comprised of Members from K-12 Schools Districts, Community Colleges, and Other Organizations, throughout the State of California. Membership varies by program.

Dental:

Effective in 1988, ACSIG expanded its program offerings to include dental coverage to agencies in Alameda County. In 1996, the program was expanded statewide. In partnership with Alliant Insurance Services and Preferred Benefits, the EDGE coalition was formed. The coalition is administered through ACSIG. ACSIG is fully self-insured with Delta Dental for this program. ACSIG contracts with Alliant Insurance Services for all outreach and underwriting services. ACSIG contracts with Preferred Benefit for all eligibility and billing services.

ACSIG offers its members 3 options when joining the EDGE program:

- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.

- Self-Insured Monthly – pay the actual amount of services rendered and a Delta administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.

- Self-Insured Weekly – Due to the large membership in some agencies, if another JPA joins ACSIG as a self-insured member, they are required to pay the actual claims and Delta administration fee on a weekly basis. The ACSIG administration fee is billed on the last weekly invoice of the month. ACSIG pays Delta Dental the weekly claims and Delta admin fee each week.

Vision:

Beginning October 1, 1988 ACSIG partnered with VSP to begin a vision coverage program. ACSIG is 100% self-insured through VSP for this program. Members can join as a fully-insured member or a self-insured member.

- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.

- Self-Insured – pay the actual amount of services rendered and a VSP administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.

Workers' Compensation:

On July 1, 2009, ACSIG became a member of Protected Insurance Program for Schools Joint Powers Authority (PIPS). PIPS is a workers' compensation self-insurance pool. Premium is paid to PIPS on an annual basis for payment of claim liabilities, claims administration, and risk management services. Its members are permissibly self-insured public agencies and as such may buy insurance or reinsurance to transfer some or all of the risks of the program. On an annual basis, the PIPS Board of Directors reviews various options for retaining or transferring some or all of the risks of each year's program and selects from these the one best suited to meet the goals of the program.

Prior to July 1, 2009, ACSIG self-insured the first layer of Workers' Compensation coverage. ACSIG varied its use of excess insurance over the years ranging from no excess coverage (100% self-insured) to securing excess coverage at $250K.

Prior to July 1, 2007, ACSIG self-administered its Workers' Compensation claims. After self-review and difficult decision making, ACSIG partnered with Keenan & Associates for all claims administration services.

ACSIG has not adequately funded for their loss development for self-insured program years prior to 07/01/2009. Historically, the premium level for agencies was adjusted by a discount factor. As no validation existed for the application of a discount to rates, this practice was discontinued in 2007/2008. Beginning in 2008/09, experience modification factors used to determine each agency's fees were modified so that in three years, all experience modification factors will be adjusted to 1.0. Also, in 2008/2009, all agencies experience modification factors were determined by an independent actuary. The effect of the change will improve the funds financial information and funding capability toward the IBNR.

The Board, recognizing without additional funding, there would not be a substantial reduction in the deficit, implemented, effective in the 2012/2013 a deficit recoupment plan, increasing the base rate by $0.35/per $100 of payroll.

Property and Liability:

Beginning on July 1, 1980, ACSIG expanded its program offerings to include property and liability coverage. ACSIG self-insured at 100% the claim until 1993.

From 1993-2008, joined Bay Area Schools Insurance Cooperation (BASIC), ACSIG self-insured the first $150K and purchased reinsurance for the excess coverage.

In 2008, ACSIG joined Northern California Regional Liability Excess Fund (Nor Cal ReLiEF). Coverage limits, per occurrence, are, property $250,000,000; liability $60,000,000. ACSIG self-insures, per occurrence, first party claims at $25,000 and third party claim liabilities at $25,000. Each member has a retention/deductible of $5,000 per occurrence.

Financial Highlights:

In 2013/2014, ACSIG's net position improved by $6.2 million. The deficit decreased by $6.2 million, from $11.2 million, as of 06/30/2013 to $5 million, as of 06/30/2014.

By Program:

Workers' Compensation

The Worker's Compensation program continues to move in the right direction with a reduction to their deficit net position. In 2013/2014, the deficit decreased by $2.3 million, from $11.7 million, as of 06/30/2013, to $9.4 million, as of 06/30/2014. Until the deficit is collected the liabilities will remain underfunded in this program.

In 2013/2014, assets decreased by $1.0 million and liabilities decreased by $3.4, million. Operating income was in excess of expense by $2.3 million.

Based upon the annual actuarial report performed in 2013/2014, the re-estimation of the ultimate cost for the self-insured claims prior the 07/01/2009 remained relatively flat with a decrease of $500 thousand. This was offset by an increase in liability related to the discount factor of 1.5%, applied to a decreasing cash reserve amount. Cash reserves decrease over time due to the payment of claims.

In 2013/2014, the Members funded, $0.35/per $100 of payroll towards reduction of the deficit.

Property/Liability

In 2013/2014, the deficit net position increased by $3,672, from a deficit net position of $36 thousand, as of 06/30/2013, to a deficit of $40,113, as of 06/30/2014. This was due to slightly higher than anticipated operating cost.

Dental

In 2013/2014, the net position increased by $2.2 million, as of 06/30/2014, total assets remain is excess of liabilities by $7.4 million. All liabilities are fully reserved in this program.

Vision

The net position increased by $260 thousand in 2013/2014, as of 06/30/2014, total assets remain is excess of liabilities by $1.8 million. All liabilities are fully reserved in this program.

Financial Management and Control:

ACSIG is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Executive Director provides financial oversight and cash management. This includes budgeting, accounts receivable, accounts payable, and, at a minimum, quarterly financial updates.

ACSIG has contracted with Keenan & Associates for Worker's Compensation and Property Liability Claim administrative responsibilities, which include ensuring that ACSIG meets its commitment to its Members, for both operational efficiency and organizational integrity, and implements policies established by the Board of Directors and Executive Director, as set forth in organizational documents and bylaws.

ACSIG's Dental Program is with Delta Dental of California and their Vision with Vision Service Plan. Alliant Insurance Services provides underwriting and administrative support for both programs.

ACSIG also contracts with Preferred Benefit Insurance Administrators to manage all eligibility and billing services for the program.

Service Enhancement Technologies (SETECH) a Division of Keenan & Associates provides financial management and reporting to the Board. SETECH maintains the detailed transaction register for all programs and cash accounts. Detailed financial statements include budget-to-actual comparisons and are provided to the Executive Director and the ACSIG Board.

ACSIG has also contracted an independent actuarial to review their programs. These studies confirm the adequacy and reasonableness of the liabilities recorded as outstanding claim reserves for all program years. Bay Actuarial Consultants review the Worker's Compensation and Property Liability programs. Healthcare Actuaries provides a review of the Dental and Vision programs.

Christy White Associates, A Professional Accountancy Corporation, is contracted to perform the annual independent audit examination of the financial statements in accordance with generally accepted auditing principles (GAAP).

Basic Financial Statements:

ACSIG's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and necessarily include amounts based upon reliable estimates and judgments. The Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows are included.

The Statement of Net Position provides information on ACSIG's program assets and liabilities, with the difference reported as Net Position. The Statement of Revenues, Expenses and Change in Net Position presents information showing total operating revenues versus operating expenses and the resulting effect on Net Position. The Statement of Cash Flows is presented to reflect the operation based on inflows and outflows of cash

Statement of Net Position:

Below is a consolidated summary of the Statement of Net Position as of 06/30/2012, 06/30/2013, and 06/30/2014, showing total assets versus total liabilities, with a percentage of change between program years.

	As of 06/30/12	06/30/13	Variance	%	06/30/14	Variance	%
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 13,780,557	$ 14,025,124	$ 244,567	1.77 %	$ 12,191,557	$ (1,833,567)	(13.07) %
Investments, current	307,053	1,155,873	848,820	276.44	761,402	(394,471)	(34.13)
Accounts Receivable	5,455,861	7,164,251	1,708,390	31.31	6,023,869	(1,140,382)	(15.92)
Prepaid Expense	--	711	711	--	--	(711)	--
Total Current Assets	19,543,471	22,345,959	2,802,488	14.34	18,976,828	(3,369,131)	(15.08)
Noncurrent							
Investments	14,808,743	14,130,377	(678,366)	(4.58)	14,664,893	534,516	3.78
Capital assets, net	5,923	5,331	(592)	(9.99)	4,739	(592)	(11.10)
Total Noncurrent Assets	14,814,666	14,135,708	(678,958)	(4.58)	14,669,632	533,924	3.78
Total Assets	34,358,137	36,481,667	2,123,530	6.18	33,646,460	(2,835,207)	(7.77)
LIABILITIES							
Current Liabilities							
Accounts payable	4,560,738	6,877,434	2,316,696	50.80	2,526,347	(4,351,087)	(63.27)
Prefunding deposits	2,408,269	2,992,831	584,562	24.27	3,116,431	123,600	4.13
Current portion of unpaid claims and claim adjustment expen	6,603,651	5,206,645	(1,397,006)	(21.16)	4,080,459	(1,126,186)	(21.63)
Total current Liabilities	13,572,658	15,076,910	1,504,252	11.08	9,723,237	(5,353,673)	(35.51)
Noncurrent Liabilities	32,005,412	26,404,563	(5,600,849)	(17.50)	24,115,893	(2,288,670)	(8.67)
Total noncurrent Liabilities	32,005,412	26,404,563	(5,600,849)	(17.50)	24,115,893	(2,288,670)	(8.67)
Total Liabilities	45,578,070	41,481,473	(4,096,597)	(8.99)	33,839,130	(7,642,343)	(18.42)
NET POSITION	$ (11,219,933)	$ (4,999,806)	$ 6,220,127	(55.44) %	$ (192,670)	$ 4,807,136	(96.15) %

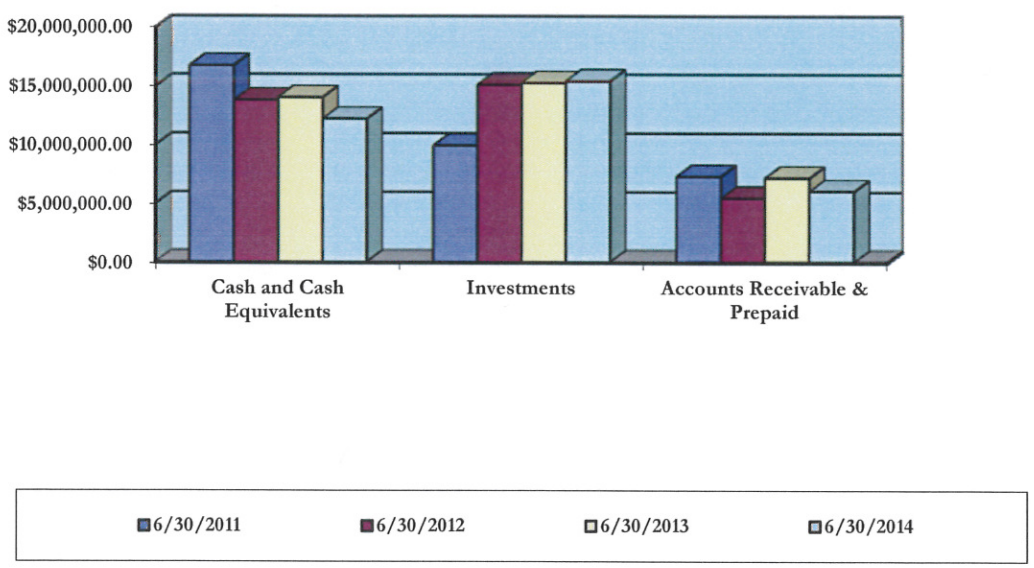
Assets:

In 2013/2014, the assets of ACSIG decreased by $2.8 million or 7.77%, as seen in, decrease of accounts receivable and cash. The major factor in this year's decrease in cash is due to the payment of the Workers' Compensation runoff claims and payment of the prior year end accounts payable

Cash variances are mainly attributed to receipt of member contributions which are less or greater than, claim payments, insurance premiums, and other operating expense. Investment income also increases cash and investments.

In 2010/2011, based upon Board action and review of long term liabilities and investment goals ACSIG invested $10 million with Morgan Stanley. In 2011/2012, an additional $5 million was added to this portfolio, increasing the transferred funds to $15 million. These funds are invested in compliance with Government Code and the internal investment policy of ACSIG. Invested funds are shown at Fair Market Value on the financial statements in compliance with GASB Statement #31.

Annual variance in assets can be seen below:

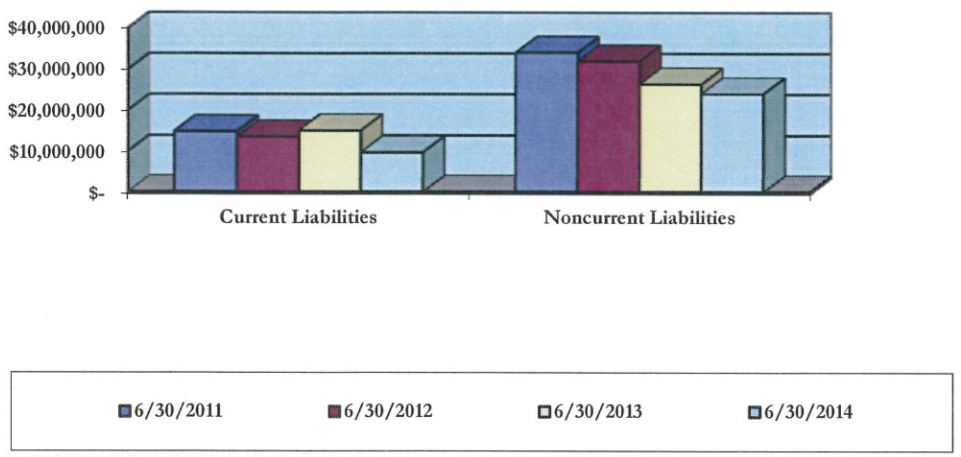


Liabilities:

In 2013/2014, the liabilities of ACSIG decreased by $7.6 million or 18.42%. In 2012/2013, liabilities decreased by $4.0 million or 8.99%.

This variance is mainly attributed to fluctuations in claim liabilities. Annually, each program claims experience is evaluated by an independent actuary, claim liabilities are updated based upon these evaluations. The Workers' Compensation program represents 99% of the total liabilities. The annual actuarial review and re-estimate of the ultimate cost associated with payment, for the life of the claim, on the self-insured retained program years prior to July 1, 2009, is an integral factor in keeping the financials relevant.

The annual variance in liabilities can be seen below:

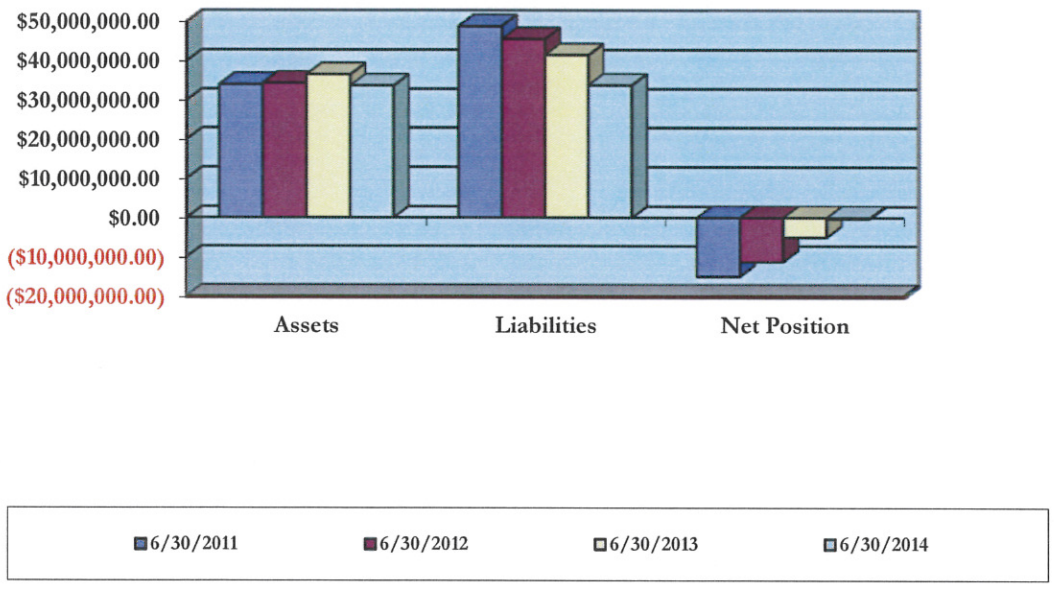


Net Position:

In 2013/2014, as of 06/30/2014, ACSIG's ending Net Position was a deficit of $192,670. This position reflects a decrease to the prior year deficit of $5 million by 96.15%. This was due to the following factors.

1) Increase in net position from net operating income, greater than operating expenditures of $4.55 million
2) Increase in net position from non operating investment income of $256,499.

Statement of Net Position variances by year can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

In 2013/2014, revenues exceeded expenses by $4.8 million, resulting in an increase to the net position, or decrease in the deficit of 96.15%. Details of these changes are shown below, in the Condensed Statements of Revenues, Expenses, and Changes in Net Position.

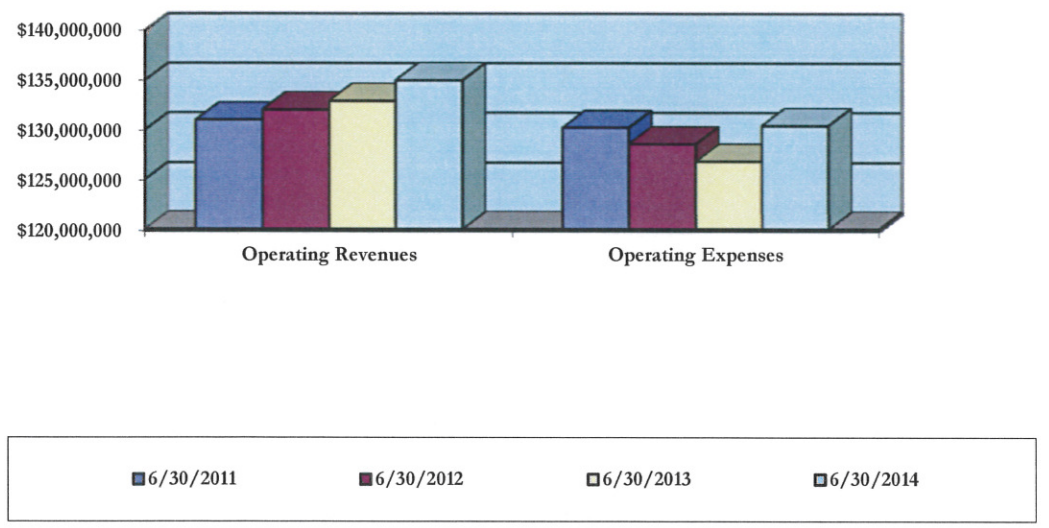
	Fiscal Year Ended		Increase/ (Decrease) 2012/2013		Fiscal Year Ended	Increase/ (Decrease) 2013/2014	
	06/30/12	06/30/13	Variance	Percentage	06/30/14	Variance	Percentage
Operating Revenue:							
Member Contributions	$ 132,053,622	$ 132,925,858	$ 872,236	0.66 %	$ 135,004,993	$ 2,079,135	1.56 %
Other	--	--	--	--	--	--	--
Total Operating Revenue	132,053,622	132,925,858	872,236	0.66	135,004,993	2,079,135	1.56
Operating Expenses:							
Claims and Claims Adj Exper	110,013,882	108,053,812	(1,960,070)	(1.78)	110,879,049	2,825,237	2.61
Insurance Expense	16,822,444	16,975,187	152,743	0.91	17,928,123	952,936	5.61
Services and other operation	1,412,849	1,470,065	57,216	0.00	1,305,658	(164,407)	0.00
Salaries and benefits	346,690	298,644	(48,046)	(13.86)	329,290	30,646	10.26
Supplies	8,409	9,661	1,252	14.89	11,594	1,933	20.01
Depreciation	--	592	592	--	592	--	--
Total Operating Expenses	128,604,274	126,807,961	(1,796,313)	(1.40)	130,454,306	3,646,345	2.88
Net Operating Income/(loss)	3,449,348	6,117,897	2,668,549	77.36	4,550,687	(1,567,210)	(25.62)
Non Operating Income/(Expense)	297,320	102,230	(195,090)	(65.62)	256,449	154,219	150.85
Change in Net Position	3,746,668	6,220,127	2,473,459	66.02	4,807,136	(1,412,991)	(22.72)
Beginning Net Position	(14,966,601)	(11,219,933)	3,746,668	(25.03)	(4,999,806)	6,220,127	(55.44)
Ending Net Position	$ (11,219,933)	$ (4,999,806)	$ 6,220,127	(55.44) %	$ (192,670)	$ 4,807,136	(96.15) %

Operating revenue consists of contributions received from the members to offset budgeted operating expenses.

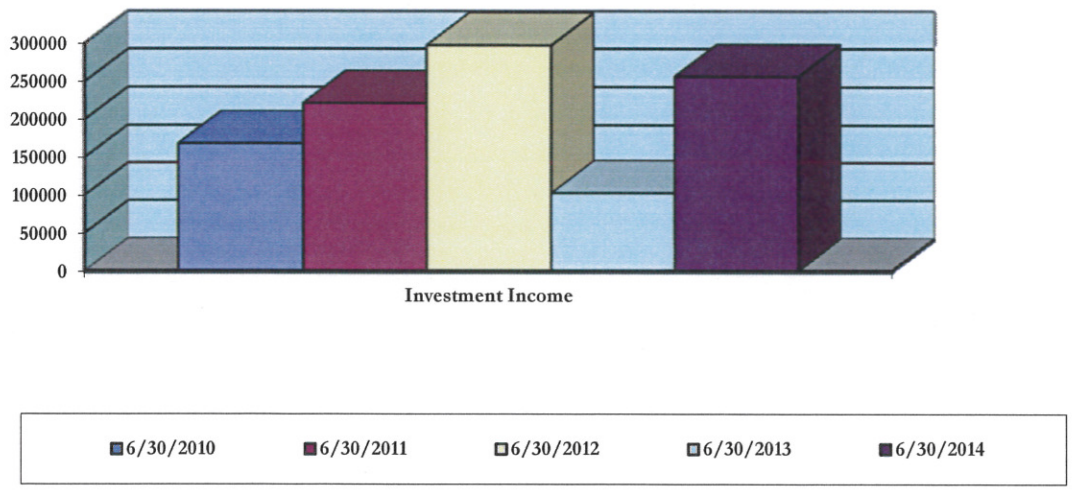
In 2013/2014, operating revenue increased by $2.1 million, or 1.63%. In 2012/2013, this increase was $872 thousand, or .66%.

In 2013/2014, operating expense increased by $3.6 million or 2.88%. In 2012/2013, operating expense decreased by $1.8 million or 1.40%.

Below is a graph showing historical variances in the operating income and expense.



Below is a graph showing historical variances in the investment income.



Description of Facts or Conditions that are expected to have a Significant Effect on Financial Position or Results of Operations:

At present there are no known facts or conditions that are expected to have a significant effect on the financial position or results of operations for ACSIG.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF NET POSITION
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12,191,557	$ 14,025,124
Investments, current	761,402	1,155,873
Accounts receivable	6,023,869	7,164,251
Prepaid expenses	-	711
Total Current Assets	18,976,828	22,345,959
Noncurrent Assets		
Investments	14,664,893	14,130,377
Capital assets, net of depreciation	4,739	5,331
Total Assets	$ 33,646,460	$ 36,481,667
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	$ 2,526,347	$ 6,877,434
Prefunding deposits	3,116,431	2,992,831
Current portion of unpaid claims and claim adjustment expenses	4,080,459	5,206,645
Total Current Liabilities	9,723,237	15,076,910
Noncurrent Liabilities		
Unpaid claims and claim adjustment expenses less Current portion	24,115,893	26,404,563
Total Liabilities	33,839,130	41,481,473
NET POSITION		
Unrestricted	(197,409)	(5,005,137)
Net investment in capital assets	4,739	5,331
Total Net Position	(192,670)	(4,999,806)
Total Liabilities and Net Position	$ 33,646,460	$ 36,481,667

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING REVENUE		
Member contributions	$ 135,004,993	$ 132,925,858
Total Operating Revenues	135,004,993	132,925,858
OPERATING EXPENSES		
Claims and claims adjustment expense	110,879,049	108,053,812
Insurance expense	17,928,123	16,975,187
Services and other operating	1,305,658	1,470,065
Salaries and benefits	329,290	298,644
Supplies	11,594	9,661
Depreciation	592	592
Total Operating Expense	130,454,306	126,807,961
Net Operating Income/(Loss)	4,550,687	6,117,897
NON-OPERATING REVENUE:		
Investment income	256,449	102,230
CHANGE IN NET POSITION	4,807,136	6,220,127
Net Position - Beginning	(4,999,806)	(11,219,933)
Net Position - Ending	$ (192,670)	$ (4,999,806)

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flows from operating activities		
Cash received from members and others	$ 136,268,975	$ 131,802,030
Cash payments for claims	(114,293,905)	(115,051,667)
Cash payments for insurance	(17,927,412)	(16,975,898)
Cash payments to suppliers for goods and services	(5,668,339)	836,970
Cash payments for employee salaries and benefits	(329,290)	(298,644)
Net cash provided by (used in) operating activities	(1,949,971)	312,791
Cash flows from investing activities		
Purchase of investments	-	(14,025,124)
Proceeds from sale of investments	(234,320)	13,854,670
Interest income received	350,724	102,230
Net cash provided by (used in) investing activities	116,404	(68,224)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(1,833,567)	244,567
CASH AND CASH EQUIVALENTS		
Beginning of year	14,025,124	13,780,557
End of year	$ 12,191,557	$ 14,025,124
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income (loss)	$ 4,550,687	$ 6,117,897
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	592	592
(Increase) decrease in:		
Accounts receivable	1,140,382	(1,708,390)
Prepaid expenses	711	(711)
Increase (decrease) in:		
Accounts payable	(4,351,087)	2,316,696
Prefunding deposits	123,600	584,562
Unpaid claims and claim adjustment expenses	(3,414,856)	(6,997,855)
Net cash provided by (used in) operating activities	$ (1,949,971)	$ 312,791

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Alameda County Schools Insurance Group (the "Group") was established by a Joint Powers Agreement on July 1, 1978, in accordance with Title I, Division 7, Chapter 5, Article I Sections 6500, et. seq., of the California Government Code. The purpose is for the operation of a common risk management and insurance program for members related to workers' compensation, property/liability, vision and dental benefits for member governmental agencies. The Group also purchases excess insurance and provides risk management services. The Group was formed by a joint powers agreement among member Alameda County school districts. Participating members now include various school districts and other government entities.

The Group is a California public entity as provided in Internal Revenue Code Section 115, it is tax exempt. The California Office of the Controller, Division of Local Government Fiscal Affairs, for the purpose of filing an Annual Report of Financial Transactions of Special Districts considers the Group to be a "Special District."

Admission and Withdrawal of Members: Entities applying for membership must be approved by a two-thirds vote of the full Board, upon the recommendation of the Executive Committee. Entities shall pay a quotation fee and the current premium contribution as determined by the Joint Powers Board, upon the recommendation of the Executive Committee.

Entities may withdraw from any program after having completed three consecutive years as members upon written notification to the Executive Committee by the dates specified in the bylaws. The effect of withdrawal (or termination) from the pooling programs does not terminate the responsibility of the entity to continue paying its share of assessments or other financial obligations incurred by reason of its previous participation.

Reporting Entity: The reporting entity includes all activities considered to be part of the Group. This includes financial activity relating to all of the membership years of the Group. In determining the reporting entity, the Group considered all governmental units that were members of the Group since inception. The criterion does not require the inclusion of these entities in the Group's financial statements principally because of the Group does not exercise oversight responsibility over any members.

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liability are recognized when the obligation is incurred. Liabilities for reserves for open claims and claims incurred but not reported have been recorded in the Group's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting: The accounts of the Group are organized on the basis of funds, each of which is considered to be a separate accounting entity. These Proprietary funds have been combined for the presentation of the basic financial statements. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net position, revenues and expenses. The general and administrative accounts of the Group are allocated to each program on a pro-rata basis. The five types of funds include:

1. Administrative Fund: The Administrative Fund accounts for revenues and expenses for general administrative purposes.

2. Workers' Compensation Fund: The Workers' Compensation Fund was established to account for the payment of workers' compensation claims and administrative costs. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board.

3. Property/Liability Fund: The self-insured Property/Liability Fund was established to account for the payment of property and liability claims and administrative costs. Funding is based on contributions established by the Executive Committee on behalf of the Joint Powers Board.

4. Vision Fund: The Vision Fund was established to administer the vision program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee.

5. Dental Fund: The Dental Fund was established to administer the dental program for member agencies. Funding is accomplished through contributions established by the consultant based upon claims experience as approved by the Executive Committee. Some members' claims are covered by the Group, while others are self-funded within the dental program.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Group considers all highly liquid assets with a maturity of three months or less when purchased to be cash and cash equivalents.

Receivables: Receivables consist of fees charged for claims to the various participants. The Group believes its receivables to fully collectable and, accordingly, no allowance for doubtful accounts is required.

Investments and Investment Pools: The Group records its cash in Local Agency Investment Fund (LAIF) and its other investments at fair value. Changes in Fair value are reported as non-operating revenue in the statement of revenues, expenses and changes in net position. The effect of recording investments and LAIF at fair value for the years ended June 30, 2014 and 2013 is reflected as investment income on the statement of revenues, expenses and change in net position.

Fair value of investments and LAIF has been determined by the sponsoring government based on quoted market prices. The Group's investment in LAIF has been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets purchased or acquired, with an original cost of $5,000 or more, are recorded at historical cost. Depreciation is computed on the straight-line method with useful lives of three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred.

Accrued Vacation: The Group's vacation policy provides for the accumulation of earned vacation leave with such leave being fully vested upon completion of six consecutive months of employment. A liability for accrued vacation has been computed and recorded based on unused vacation hours at the current rate of pay.

The Group's sick leave policy provides for an unlimited accumulation of earned sick leave. Since the Group has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Prefunding Deposits: The prefund deposit account was established for the dental members who are self-funded within the Group's dental program. Because these agencies do not pay for claims until they occur, their accounts are always in arrears. To accommodate for the cash flow problem created by arrear payments, all self-insured dental members within the dental program are required to deposit a dollar amount equal to one and half months of initial premiums with the Group. Should this agency wish to withdraw from the Group's dental program, this deposit can be used to fund final claims or be refunded to the member district.

Provision for Unpaid Claims and Claim adjustments Expenses: The Group's policy is to establish a provision for unpaid claims and claim adjustment expenses (claim reserves and IBNR) based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The Group increases the liability for allocated and unallocated claims adjustments expenses. Because actual claims costs depend on such complex factors as inflation, changes in doctrine of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Unpaid claims and claim adjustment expenses are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made. The current portion of unpaid claims is based on current year payments and known claim information at the end of the period.

Excess Insurance: The Group enters into reinsurance agreements whereby it cedes various amounts of risk to other insurance companies. The Group and its member entities retain the first $25,000 of liability and property risk per incident. Effective July 1, 2009, the Group joined Protected Insurance Program for Schools and Colleges (PIPS) for Workers Compensation. Prior to July 1, 2009, the Group's self-insured retention for property, liability and workers compensation was $100,000, $150,000 and $250,000, respectively. The Group does not report excess insured risk as a liability unless it is probable that a risk will not be covered by excess insurers. Settlements have not exceeded insurance coverage in each of the past three years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition: Contributions are recognized as revenue when earned based upon the coverage period of the related insurance. To the extent that allocated losses exceed contributions previously paid, interest and other income, the Group can assess its members' additional contributions. Supplemental assessments are recognized as income in the period assessed. Operating revenues and expenses include all activities necessary to achieve the objectives of the Group. Non-operating revenues and expenses include investment income.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from these estimates.

Income Taxes: The Group is exempt from Federal income taxes under Internal Revenue Code Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a state political subdivision. As a public agency, the Group is also exempt from California state taxes. Accordingly, no provision for Federal or state income taxes has been made in the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash, cash equivalents and investments as of June 30, 2014 and 2013 are reported at fair value and consisted of the following:

	Fiscal Year Ended	
	2014	2013
Cash and cash equivalents		
Cash in bank	$ 5,802,762	$ 8,186,584
Cash in County Treasury	3,046,117	2,593,996
Local Agency Investment Fund	3,137,820	3,130,090
Money market accounts	204,858	114,454
Total cash and cash equivalents	$ 12,191,557	$ 14,025,124

Custodial Credit Risk: The Group limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Interest-bearing cash balances held in banks are insured up to $250,000 and non-interest bearing cash balances held in banks are fully insured by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2014, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were $7,524,665 and $661,920, and the bank balances were $8,113,133 and $770,053, respectively, of which $1,467,991 was insured. At June 30, 2013, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were $5,793,984 and $563,195, and the bank balances were $5,799,410 and $835,088, respectively, of which $1,085,088 was insured.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash in County Treasury: The Group maintains substantially all of its cash in the Alameda County Treasury. The County pools these funds with those of other public agencies in the County and invests the cash. These pooled funds are carried at cost which approximates fair value.

Because the Group's deposits are maintained in a recognized pooled investment fund under the care of a third party and the Group's share of the pool does not consist of specific, identifiable investment securities owned by the Group, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with authorized investment laws, the Alameda County Treasurer may invest in derivative securities to enhance the yield on the portfolio. However, at June 30, 2014, the Alameda County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Local Agency Investment Fund: Alameda County Schools Insurance Group places certain funds with the State of California's Local Agency Fund (LAIF). The Group is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the Group's investment in this pool is reported in the accompanying financial statements based upon the Group's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by Federal agencies, government-sponsored enterprises and corporations. As of June 30, 2014, this fund was yielding approximately.23% interest annually.

LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

NOTE 3 – INVESTMENTS

At June 30, 2014 and 2013, investments are reported at fair value and consisted of the following:

	2014	2013
Investments		
Corporate Bonds	$ 4,516,141	$ 4,396,195
Federal Agency Bonds and Notes	6,846,647	6,879,268
U.S. Treasury Notes	4,063,507	4,010,787
Total investments	15,426,295	15,286,250
Investments maturing within one year	761,402	1,155,873
Long-term investments	$ 14,664,893	$ 14,130,377

Maturities of investments held at June 30, 2014 consist of the following:

			Maturity	
	Rating	Fair Value	Less Than One Year	One Year through Five Years
Investment maturities:				
Corporate Bonds	A-	$ 4,516,141	$ 761,402	$ 3,754,739
Federal Agency				
Bonds and Notes:				
FHLMC	AA+	3,047,607	-	3,047,607
FNMA	AA+	3,799,040	-	3,799,040
U.S. Treasury Notes	TSY	4,063,507	-	4,063,507
		$ 15,426,295	$ 761,402	$ 14,664,893

The Group's investment policy limits investment choices to such securities allowed by Section 53601 of the California Government Code.

Investment Credit Risk: The Group's investment policy limits investment maturities to 5 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2014, 100% of the portfolio was invested in "A-" rated obligations, or better. All credit ratings presented in this paragraph are Standard & Poor's ratings.

NOTE 3 – INVESTMENTS (continued)

Concentration of Investment Credit Risk: At June 30, 2014, the Group has the following investments that represent more than five percent of the Group's net investments:

Corporate Bonds 29%

U.S. Treasury Notes 25%

FNMA 25%

FHLMC 20%

NOTE 4 – ACCOUNTS RECEIVABLE

The balance of $6,023,869 and $7,164,251 as of June 30, 2014 and 2013 consisted of premiums due from members.

NOTE 5 – CAPITAL ASSETS

The following is a summary as of June 30, 2014 and 2013 of furniture and equipment, net of accumulated depreciation.

	2014	2013
Capital Assets		
Furniture and equipment	$ 5,923	$ 5,923
Less accumulated depreciation	1,184	592
Total Capital Assets, net	$ 4,739	$ 5,331

Activity for furniture and equipment for the years ended June 30, 2014 and 2013 included the following:

Furniture and Equipment Activity	2014	2013
Furniture and equipment, net, beginning of year	$ 5,331	$ 5,923
Purchase	-	-
Current year depreciation	1,184	592
Furniture and equipment, net, end of year	$ 4,147	$ 5,331

NOTE 6 – UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

As discussed in Note 1, the Group establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustments expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities during the years ended June 30, 2014 and 2013:

	2014	2013
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 31,611,208	$ 38,609,063
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	111,059,928	110,506,079
Change in provision for covered events of prior years	(396,298)	(2,410,029)
Total incurred claims and claim adjustment expenses	$ 110,663,630	$ 108,096,050
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	109,412,503	108,918,824
Claims and claim adjustment expenses attributable to covered events of prior years	4,665,983	6,175,081
Total payments:	114,078,486	115,093,905
Total unpaid claims and claim adjustment expenses, end of year	$ 28,196,352	$ 31,611,208

The components of the unpaid claims and claim adjustment expenses as of June 30, 2014 and 2013 were as follows:

	2014	2013
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	10,927,291	10,998,354
Claims incurred but not reported (IBNR)	15,994,242	19,156,340
Unallocated loss adjustment expenses (ULAE)	1,274,819	1,456,514
Total unpaid claims and claim adjustment expenses, end of year	$ 28,196,352	$ 31,611,208

The current and long-term portions were $4,080,459 and $24,115,893, respectively, as of June 30, 2014 and were $5,206,645 and $26,404,563, respectively, as of June 30, 2013. These liabilities were reported at their present value using an expected future investment yield assumption of 1.5% Workers' Compensation and .05% Property Liability in the prior year. The undiscounted liabilities were $31,765,114 and $35,767,461 at June 30, 2014 and 2013, respectively.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

Qualified employees are covered under an agent multi-employer defined benefit pension plan maintained by an agency of the State of California. The Group's employees are members of the California Public Employees' Retirement Systems (CalPERS).

Plan Description: The Group's defined benefit pension plan (the "Plan") provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investments and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 P Street; Sacramento, California 95814.

Funding Policy: Prior to January 1, 2013, active plan members were required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 6.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013. The Group is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2014 was projected at 23.1%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost: For the year ended June 30, 2014, the Group's annual pension cost was $46,847 and the Group contributed $46,847. The required contribution was determined as part of the June 30, 2011 actuarial valuation. A summary of the principle assumptions and methods used to determine the annual required contribution is shown below.

Valuation date	June 30, 2011
Actual Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	21 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service and Type of Employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scaled varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

The Group's plan had less than 100 active members as of the June 30, 2011 actuarial valuation. As a result, the Group's members are required to participate in a larger risk pool Miscellaneous 2.5% at 55 Risk Pool. Unfunded liabilities are amortized as level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan accrued liability exceeds the actuarial value of plan assets, then the amortization payment of the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period. The CalPERS Miscellaneous 2.5% at 55 Risk Pool Plan has an unfunded liability of $411,149,619 as of June 30, 2012. This liability will be amortized through higher employer pension rates applied over a 30 year period as determined by CalPERS.

Trend Information of CalPERS Miscellaneous 2.5% at 55 Risk Pool

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2012	$ 43,066	100%	$ -
2013	$ 45,044	100%	$ -
2014	$ 46,847	100%	$ -

Funded Status of the Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (UAAL)	Funded Status	Annual Covered Payroll	UAAL As a Percentage of Payroll
2009	$1,834,424,640	$1,493,430,831	$340,993,809	81.4%	$355,150,151	96.0%
2010	$1,972,910,641	$1,603,482,152	$369,428,489	81.3%	$352,637,380	104.8%
2011	$2,135,350,204	$1,724,200,585	$411,149,619	80.8%	$350,121,750	117.4%

NOTE 8 – OPERATING LEASES

The Group has entered into an operating lease for office space and pays rent monthly. Total rent paid for the years ended June 30, 2014 and 2013 was $32,984 and $79,040 respectively. The future minimum rental commitments on the non-cancelable operating lease end in October 2019 as follows:

Year Ended June 30,	Minimum Rental Commitment
2015	$ 51,760
2016	79,040
2017	81,140
2018	83,240
2019	85,340
2020	28,680
	$ 409,200

The Group has a commercial sub-lease for office space to Keenan & Associates. The term of the sub-lease will end on June 30, 2017. Keenan & Associates agrees to pay rent of $3,904 per month or $46,848 per year.

NOTE 9 – JOINT POWERS AGREEMENTS

Alameda County Schools Insurance Group participates in two joint ventures under a joint powers agreement with Northern California Regional Liability Excess Fund (NCRLF) and Protected Insurance Program for Schools and Community Colleges (PIPS). The relationship between the Group and the JPAs is such that the JPAs are not component units of the Group for financial reporting purposes.

NCRLF arranges for and provides excess property and liability coverage in excess of $25,000. PIPS arranges for and provides workers' compensation coverage from $0 to $200,000,000. The JPAs are each governed by a board consisting of a representative from each of their respective member districts. Those boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member pays a contribution commensurate with the level of coverage requested.

Condensed financial information for NCRLF and PIPS for the fiscal year ended June 30, 2013 (most recent information available) are as follows:

	NCRLF	PIPS
Total Assets	$ 65,717,062	$ 101,635,390
Total Liabilities	59,524,485	89,564,503
Total Net Position	$ 6,192,577	$ 12,070,887
Revenues	$ 41,959,089	$ 208,185,821
Expenses	(60,803,322)	(212,516,649)
Change in Net Position	$ (18,844,233)	$ (4,330,828)

NOTE 10 – NET POSITION

Net Position is composed of the following elements as of June 30, 2014 and 2013:

	2014	2013
NET POSITION		
Unrestricted	(197,409)	(5,005,137)
Net investment in capital assets	4,739	5,331
Total Net Position	(192,670)	(4,999,806)

NOTE 11 – NEGATIVE NET POSITION

The Group has not adequately funded to their loss development for self-insured-program years prior to 07/01/2009. Historically, the premium level for agencies was adjusted by a discount factor. As no validation existed for the application of a discount to rates, this practice was discontinued in 2007/2008. Beginning in 2008/09, experience modification factors used to determine each agency's fees were modified so that in three years, all experience modification factors will be adjusted to 1.0. Also, in 2008/2009, all agencies experience modification factors were determined by an independent actuary. The effect of the change will improve the funds financial information and funding capability toward the IBNR.

The Board, recognizing that without additional funding there would not be a substantial reduction in the deficit, implemented, effective in the 2012/2013 fiscal year, a deficit recoupment plan, increasing the base rate by $0.35/per $100 of payroll.

NOTE 12 – CONTINGENCIES

The Group is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Group.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
WORKERS' COMPENSATION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 29,770,901	$ 36,689,246
Incurred claims and claim adjustment expenses:		
Change in provision for covered events of prior years	(396,298)	(2,438,470)
Total incurred claims and claim adjustment expenses	(396,298)	(2,438,470)
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	2,979,087	4,479,875
Total payments:	2,979,087	4,479,875
Total unpaid claims and claim adjustment expenses, end of year	$ 26,395,516	$ 29,770,901
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	$ 10,856,092	$ 10,899,309
Claims incurred but not reported (IBNR)	14,315,424	17,489,547
Unallocated loss adjustment expenses (ULAE)	1,224,000	1,382,045
Total unpaid claims and claim adjustment expenses, end of year	$ 26,395,516	$ 29,770,901

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 289,307	$ 229,817
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	96,425	114,884
Change in provision for covered events of prior years	-	28,441
Total incurred claims and claim adjustment expenses	96,425	143,325
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	-	78,629
Claims and claim adjustment expenses attributable to covered events of prior years	135,896	5,206
Total payments:	135,896	83,835
Total unpaid claims and claim adjustment expenses, end of year	$ 249,836	$ 289,307
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	$ 71,199	$ 99,045
Claims incurred but not reported (IBNR)	127,818	115,793
Unallocated loss adjustment expenses (ULAE)	50,819	74,469
Total unpaid claims and claim adjustment expenses, end of year	$ 249,836	$ 289,307

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 120,000	$ 63,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	2,238,178	2,016,342
Total incurred claims and claim adjustment expenses	2,238,178	2,016,342
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	$ 2,118,178	$ 1,896,342
Claims and claim adjustment expenses attributable to covered events of prior years	120,000	63,000
Total payments:	2,238,178	1,959,342
Total unpaid claims and claim adjustment expenses, end of year	$ 120,000	$ 120,000
Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	$ 120,000	$ 120,000
Total unpaid claims and claim adjustment expenses, end of year	$ 120,000	$ 120,000

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unpaid claims and claim adjustment expenses, beginning of fiscal year	$ 1,431,000	$ 1,627,000
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	108,725,325	108,374,853
Total incurred claims and claim adjustment expenses	108,725,325	108,374,853
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	107,294,325	106,943,853
Claims and claim adjustment expenses attributable to covered events of prior years	1,431,000	1,627,000
Total payments:	108,725,325	108,570,853
Total unpaid claims and claim adjustment expenses, end of year	$ 1,431,000	$ 1,431,000
Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	$ 1,431,000	$ 1,431,000
Total unpaid claims and claim adjustment expenses, end of year	$ 1,431,000	$ 1,431,000

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
FOR THE YEARS ENDED JUNE 30, 2004 AND 2013

The tables that follow illustrate how the Group's earned revenues (net of excess insurance) and investment income compared to related costs of loss and other expenses assumed by the Group as of the end of the previous ten years. The rows of the tables are defined as follows:

1. Total of each fiscal year's gross earned deposit and reported investments revenue, amounts of excess insurance premiums paid and reported premiums (net of reinsurance) and reported investment revenue.

2. Each fiscal year's other operating costs of the program, including overhead and loss adjustment expense not allocable to individual claims.

3. Program's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurers, and net incurred losses and loss adjustments expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called fiscal year).

4. Cumulative net amounts paid as of the end of successive years for each fiscal year.

5. Latest reestimated amount of losses assumed by the excess insurers for each fiscal year.

6. Each fiscal year's net incurred losses increases or decreases as of the end of successive years. This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.

7. Compares the latest estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual fiscal years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature fiscal years.

The columns of the tables show data for successive fiscal years.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
WORKERS' COMPENSATION PROGRAM
FOR THE YEARS ENDED JUNE 30

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Required contribution and investment revenue											
Earned	$ 13,327,000	$ 5,186,000	$ 4,031,000	$ 7,325,000	$ 17,374,000	$ 17,002,915	$ 17,891,871	$ 18,552,720	$ 20,034,030	$ 19,217,218	$ 19,670,032
Ceded	-	-	-	-	(3,310,000)	(2,187,413)	(16,302,424)	(16,026,575)	(15,786,084)	(16,512,219)	(17,116,070)
Net earned	$ 13,327,000	$ 5,186,000	$ 4,031,000	$ 7,325,000	$ 14,064,000	$ 14,815,502	$ 1,589,447	$ 2,526,145	$ 4,247,946	$ 2,704,999	$ 2,553,962
2 Unallocated expenses	$ 1,271,000	$ 816,000	$ 982,000	$ 1,154,000	$ 786,000	$ 3,120,092	$ 1,052,191	$ 170,715	$ 319,437	$ 488,659	$ 453,830
3 Estimated losses and exenses, end of fiscal year:											
Incurred	$ 2,031,000	$ 1,986,000	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -
Ceded	-	-	-	-	-	-	-	-	-	$ -	$ -
Net incurred	$ 2,031,000	$ 1,986,000	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -
4 Net paid (cumulative) as of:											
End of fiscal year	$ 1,197,000	$ 1,312,000	$ 958,000	$ 1,193,000	$ 1,473,000	$ 2,015,223	$ -	$ -	$ -	$ -	$ -
One year later	$ 2,593,000	$ 2,106,000	$ 2,378,000	$ 2,998,000	$ 4,228,134	$ 4,135,775	$ -	$ -	$ -	$ -	
Two years later	$ 3,348,000	$ 2,735,000	$ 3,447,000	$ 4,538,126	$ 5,634,001	$ 5,638,846	$ -	$ -	$ -		
Three years later	$ 4,374,000	$ 3,265,000	$ 4,320,685	$ 5,627,580	$ 6,605,109	$ 6,715,196	$ -	$ -			
Four years later	$ 4,483,000	$ 3,841,632	$ 4,906,486	$ 6,431,869	$ 6,992,411	$ 7,600,911	$ -				
Five years later	$ 4,859,851	$ 4,167,495	$ 5,817,563	$ 6,836,694	$ 7,454,482	$ 7,880,731					
Six years later	$ 5,118,122	$ 4,430,906	$ 6,208,667	$ 7,302,122	$ 7,819,727						
Seven years later	$ 5,367,418	$ 4,613,901	$ 6,590,230	$ 7,522,166							
Eight years later	$ 5,604,217	$ 4,775,592	$ 7,101,798								
Nine years later	$ 5,658,416	$ 4,913,126									
Ten years later	$ 5,744,579										
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	$ 2,031,000	$ 1,986,000	$ 1,943,000	$ 3,498,000	$ 6,117,000	$ 8,012,622	$ -	$ -	$ -	$ -	$ -
One year later	$ 3,202,000	$ 2,665,000	$ 3,727,000	$ 6,867,000	$ 10,474,925	$ 10,768,305	$ -	$ -	$ -	$ -	
Two years later	$ 4,378,000	$ 3,502,000	$ 6,673,000	$ 9,209,624	$ 11,525,318	$ 10,770,204	$ -	$ -	$ -		
Three years later	$ 5,299,000	$ 4,776,000	$ 8,380,255	$ 9,705,395	$ 10,929,748	$ 11,378,258	$ -	$ -			
Four years later	$ 5,704,000	$ 5,888,070	$ 8,159,431	$ 9,956,828	$ 10,833,352	$ 10,501,500	$ -				
Five years later	$ 6,342,724	$ 6,233,943	$ 9,276,212	$ 10,061,847	$ 10,141,142	$ 10,585,137					
Six years later	$ 7,326,142	$ 6,873,035	$ 9,113,232	$ 9,522,890	$ 10,362,281						
Seven years later	$ 7,347,756	$ 6,779,730	$ 8,435,497	$ 9,772,238							
Eight years later	$ 7,180,516	$ 6,043,782	$ 10,203,448								
Nine years later	$ 7,136,860	$ 6,067,506									
Ten years later	$ 6,798,117										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ 4,767,117	$ 4,081,506	$ 8,260,448	$ 6,274,238	$ 4,245,281	$ 2,572,515	$ -	$ -	$ -	$ -	$ -

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Required contribution and investment revenue											
Earned	$ 397,000	$ 271,000	$ 604,000	$ 414,000	$ 390,000	$ 544,363	$ 552,093	$ 559,195	$ 630,698	$ 19,217,218	$ 19,670,032
Ceded	-	-	-	-	(7,000)	(541,854)	(559,419)	(545,530)	(15,786,084)	(16,512,219)	(663,484)
Net earned	$ 397,000	$ 271,000	$ 604,000	$ 414,000	$ 383,000	$ 2,509	$ (7,326)	$ 13,665	$ (15,155,386)	$ 2,704,999	$ 19,006,548
2 Unallocated expenses	$ 65,000	$ 41,000	$ 44,000	$ 13,000	$ 4,000	$ 18,183	$ 32,828	$ 8,069	$ 9,016	$ 488,659	$ 453,830
3 Estimated losses and expenses, end of fiscal year:											
Incurred	$ -	$ 13,000	$ -	$ 22,000	$ 147,000	$ 307,207	$ 54,796	$ 82,548	$ 75,212	$ 108,036	$ 110,941
Ceded	-	-	-	-	-	-	-	-	-		
Net incurred	$ -	$ 13,000	$ -	$ 22,000	$ 147,000	$ 307,207	$ 54,796	$ 82,548	$ 75,212	$ 108,036	$ 110,941
4 Net paid (cumulative) as of:											
End of fiscal year	$ -	$ 3,000	$ -	$ -	$ 27,000	$ 84,499	$ 10,931	$ 18,839	$ 1,683	$ 22,371	$ -
One year later	$ 63,000	$ 5,000	$ 16,000	$ 17,000	$ 273,370	$ 111,503	$ 42,740	$ 20,496	$ 16,543	$ 89,764	
Two years later	$ 382,000	$ 5,000	$ 34,000	$ 80,674	$ 83,044	$ 131,676	$ 28,438	$ 33,140	$ 100,792		
Three years later	$ 384,000	$ 5,000	$ 34,000	$ 65,794	$ 83,044	$ 107,846	$ 48,738	$ 33,141	$ 76,543		
Four years later	$ 384,000	$ 5,000	$ 34,000	$ 65,794	$ 60,441	$ 117,507	$ 48,738				
Five years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530	$ 60,441	$ 117,507					
Six years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530	$ 60,411						
Seven years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530							
Eight years later	$ 384,000	$ 5,000	$ 34,000								
Nine years later	$ 384,000	$ 5,000									
Ten years later	$ 384,000										
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	$ -	$ 13,000	$ -	$ 22,000	$ 147,000	$ 307,207	$ 54,796	$ 82,548	$ 75,212	$ 101,000	$ 111,900
One year later	$ 84,000	$ 5,000	$ 21,000	$ 60,000	$ 401,609	$ 121,183	$ 79,867	$ 78,773	$ 112,560	$ 148,539	
Two years later	$ 392,000	$ 5,000	$ 39,000	$ 81,110	$ 83,044	$ 144,849	$ 62,351	$ 60,496	$ 100,792		
Three years later	$ 384,000	$ 5,000	$ 34,000	$ 65,794	$ 83,044	$ 117,275	$ 48,738	$ 37,639			
Four years later	$ 384,000	$ 5,000	$ 34,000	$ 65,794	$ 60,441	$ 117,507	$ 49,777				
Five years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530	$ 60,441	$ 117,507					
Six years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530	$ 60,441						
Seven years later	$ 384,000	$ 5,000	$ 34,000	$ 47,530							
Eight years later	$ 384,000	$ 5,000	$ 34,000								
Nine years later	$ 384,000	$ 5,000									
Ten years later	$ 384,000										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ 384,000	$ (8,000)	$ 34,000	$ 25,530	$ (86,559)	$ (189,700)	$ (6,058)	$ (22,052)	$ 37,348	$ -	$ -

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
VISION PROGRAM
FOR THE YEARS ENDED JUNE 30

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Required contribution and investment revenue											
Earned	$ -	$ -	$ -	$ -	$ -	$ 1,455,085	$ 1,639,207	$ 1,936,629	$ 1,958,654	$ 19,217,218	$ 19,670,032
Ceded	-	-	-	-	-	-	-	-	(15,786,084)	(16,512,219)	-
Net earned	$ -	$ -	$ -	$ -	$ -	$ 1,455,085	$ 1,639,207	$ 1,936,629	$ (13,827,430)	$ 2,704,999	$ 19,670,032
2 Unallocated expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,493	$ 96,930	$ 140,236	$ 488,659	$ 453,830
3 Estimated losses and expenses, end of fiscal year:											
Incurred	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	$ 2,238,178
Ceded	-	-	-	-	-	-	-	-	-	-	-
Net incurred	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	$ 2,238,178
4 Net paid (cumulative) as of:											
End of fiscal year	$ -	$ -	$ -	$ -	$ -	$ 1,307,704	$ 1,416,642	$ 1,578,209	$ 1,634,127	$ 1,704,628	$ 1,947,215
One year later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127	1,704,628	
Two years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,634,127		
Three years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209			
Four years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642				
Five years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704					
Six years later	$ -	$ -	$ -	$ -	$ -						
Seven years later	$ -	$ -	$ -	$ -							
Eight years later	$ -	$ -	$ -								
Nine years later	$ -	$ -									
Ten years later	$ -										
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	$ 2,238,178
One year later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127	$ 1,959,342	
Two years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209	$ 1,684,127		
Three years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642	$ 1,628,209			
Four years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704	$ 1,466,642				
Five years later	$ -	$ -	$ -	$ -	$ -	$ 1,357,704					
Six years later	$ -	$ -	$ -	$ -	$ -						
Seven years later	$ -	$ -	$ -	$ -							
Eight years later	$ -	$ -	$ -								
Nine years later	$ -	$ -									
Ten years later	$ -										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,959,342	$ 2,238,178

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1 Required contribution and investment revenue											
Earned	$ -	$ -	$ -	$ -	$ -	$ 105,167,664	$ 107,350,873	$ 110,178,187	$ 109,681,105	$ 19,217,218	$ 19,670,032
Ceded	-	-	-	-	-	-	-	-	(15,786,084)	(16,512,219)	-
Net earned	$ -	$ -	$ -	$ -	$ -	$ 105,167,664	$ 107,350,873	$ 110,178,187	$ 93,895,021	$ 2,704,999	$ 19,670,032
2 Unallocated expenses	$ -	$ -	$ -	$ -	$ -	$ 1,146,804	$ 957,079	$ 949,743	$ 1,029,464	$ 488,659	$ 453,830
3 Estimated losses and exenses, end of fiscal year:											
Incurred	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ 108,570,853	$ 108,725,325
Ceded	-	-	-	-	-	-	-	-	-		
Net incurred	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ 108,570,853	$ 108,725,325
4 Net paid (cumulative) as of:											
End of fiscal year	$ -	$ -	$ -	$ -	$ -	$ 103,285,514	$ 104,144,349	$ 106,317,825	$ 105,924,157	$ 101,578,890	$ 101,723,414
One year later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157	$ 101,578,890	
Two years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 105,924,157		
Three years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825			
Four years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349				
Five years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662					
Six years later	$ -	$ -	$ -	$ -	$ -						
Seven years later	$ -	$ -	$ -	$ -							
Eight years later	$ -	$ -	$ -								
Nine years later	$ -	$ -									
Ten years later	$ -										
5 Reestimated ceded losses and expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ -	$ -
One year later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825	$ 107,551,157	$ -	
Two years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349	$ 107,944,825			
Three years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662	$ 106,367,349				
Four years later	$ -	$ -	$ -	$ -	$ -	$ 104,364,662					
Five years later	$ -	$ -	$ -	$ -	$ -						
Six years later	$ -	$ -	$ -	$ -							
Seven years later	$ -	$ -	$ -								
Eight years later	$ -	$ -									
Nine years later	$ -										
Ten years later											
7 Increase in estimated net incurred losses and expenses from end of fiscal year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2014 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 423,786	$ 5,777,645	$ 733,370	$ 981,887	$ 4,274,869	$ 12,191,557
Investments, Current	-	761,402	-	-	-	761,402
Accounts Receivable	-	285,993	13,250	45,392	5,679,234	6,023,869
Interfund Receivable/(Payable)	(413,367)	1,777,763	(534,855)	78,606	(908,147)	-
Total Current Assets	10,419	8,602,803	211,765	1,105,885	9,045,956	18,976,828
Noncurrent Assets						
Investments	-	8,412,431	-	1,042,078	5,210,384	14,664,893
Capital Assets, Net of Depreciation	4,739	-	-	-	-	4,739
Total Assets	$ 15,158	$ 17,015,234	$ 211,765	$ 2,147,963	$ 14,256,340	$ 33,646,460
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	$ 15,750	$ -	$ 2,042	$ 203,984	$ 2,304,571	$ 2,526,347
Prefunding Deposits	-	-	-	30,842	3,085,589	3,116,431
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	2,420,000	109,459	120,000	1,431,000	4,080,459
Total Current Liabilities	15,750	2,420,000	111,501	354,826	6,821,160	9,723,237
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Po	-	23,975,516	140,377	-	-	24,115,893
Total Liabilities	15,750	26,395,516	251,878	354,826	6,821,160	33,839,130
NET POSITION						
Unrestricted	(4,739)	(9,380,282)	(40,113)	1,793,137	7,435,180	(196,817)
Net Investment in Capital Assets	4,147	-	-	-	-	4,147
Total Net Position	(592)	(9,380,282)	(40,113)	1,793,137	7,435,180	(192,670)
Total Liabilities and Net Position	$ 15,158	$ 17,015,234	$ 211,765	$ 2,147,963	$ 14,256,340	$ 33,646,460

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF NET POSITION, continued
JUNE 30, 2013

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2013 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 291,580	$ 5,043,694	$ 738,445	$ 677,544	$ 7,273,861	$ 14,025,124
Investments, Current	-	1,769,333	-	-	-	1,769,333
Accounts Receivable	691	139,308	53,040	74,263	5,556,948	5,824,250
Prepaid Expenses	711	-	-	-	-	711
Interfund Receivable/(Payable)	(266,244)	656,698	(534,855)	78,605	1,405,797	1,340,001
Total Current Assets	26,738	7,609,033	256,630	830,412	14,236,606	22,959,419
Noncurrent Assets						
Investments	-	10,436,776	-	1,026,714	2,053,427	13,516,917
Capital Assets, Net of Depreciation	5,331	-	-	-	-	5,331
Total Assets	$ 32,069	$ 18,045,809	$ 256,630	$ 1,857,126	$ 16,290,033	$ 36,481,667
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	$ 32,069	$ 3,050	$ 3,764	$ 171,300	$ 6,667,251	$ 6,877,434
Prefunding Deposits	-	-	-	30,842	2,961,989	2,992,831
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	3,516,000	139,645	120,000	1,431,000	5,206,645
Total Current Liabilities	32,069	3,519,050	143,409	322,142	11,060,240	15,076,910
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Po	-	26,254,901	149,662	-	-	26,404,563
Total Liabilities	32,069	29,773,951	293,071	322,142	11,060,240	41,481,473
NET POSITION						
Unrestricted	(5,331)	(11,728,141)	(36,441)	1,534,984	5,229,792	(5,005,137)
Net Investment in Capital Assets	5,331	-	-	-	-	5,331
Total Net Position	-	(11,728,141)	(36,441)	1,534,984	5,229,792	(4,999,806)
Total Liabilities and Net Position	32,069	18,045,810	256,630	1,857,126	16,290,032	36,481,667

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2013 Total
OPERATING REVENUE						
Member contributions	$ -	$ 19,607,187	$ 773,981	$ 2,479,020	$ 112,144,805	$ 135,004,993
Total Operating Revenues	-	19,607,187	773,981	2,479,020	112,144,805	135,004,993
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	(44,981)	(39,471)	2,238,176	108,725,325	110,879,049
Insurance premiums	-	16,913,324	799,380	-	215,419	17,928,123
Services and other operating expenses	-	453,830	18,376	-	833,452	1,305,658
Salaries and benefits	-		-	-	329,290	329,290
Supplies	-	-	-	-	11,594	11,594
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	17,322,173	778,285	2,238,176	110,115,080	130,454,306
Net Operating Income/(Loss)	(592)	2,285,014	(4,304)	240,844	2,029,725	4,550,687
NON-OPERATING REVENUE:						
Investment income	-	62,845	632	17,309	175,663	256,449
CHANGE IN NET POSITION	(592)	2,347,859	(3,672)	258,153	2,205,388	4,807,136
Beginning Net Position	-	(11,728,141)	(36,441)	1,534,984	5,229,792	(4,999,806)
Ending Net Position	$ (592)	$ (9,380,282)	$ (40,113)	$ 1,793,137	$ 7,435,180	$ (192,670)

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
FOR THE YEAR ENDED JUNE 30, 2013

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2013 Total
OPERATING REVENUE						
Member contributions	$ 47,687	$ 19,135,522	$ 674,463	$ 2,285,521	$ 110,782,665	$ 132,925,858
Total Operating Revenues	47,687	19,135,522	674,463	2,285,521	110,782,665	132,925,858
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	(2,893,653)	143,325	2,050,184	108,753,956	108,053,812
Insurance premiums	-	16,363,650	611,537	-	-	16,975,187
Services and other operating expenses	100,717	465,822	21,503	371	881,652	1,470,065
Salaries and benefits	-	-	-	119,458	179,186	298,644
Supplies	1,624	1,933	307	-	5,797	9,661
Depreciation	592	-	-	-	-	592
Total Operating Expense	102,933	13,937,752	776,672	2,170,013	109,820,591	126,807,961
Net Operating Income/(Loss)	(55,246)	5,197,770	(102,209)	115,508	962,074	6,117,897
NON-OPERATING REVENUE:						
Investment income	55,246	81,697	1,437	6,124	(42,274)	102,230
CHANGE IN NET POSITION	-	5,279,467	(100,772)	121,632	919,800	6,220,127
Beginning Net Position	-	(17,007,608)	64,331	1,413,352	4,309,992	(11,219,933)
Ending Net Position	$ -	$ (11,728,141)	$ (36,441)	$ 1,534,984	$ 5,229,792	$ (4,999,806)

OTHER INDEPENDENT AUDITORS' REPORTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Board of Directors and Members
Alameda County Schools Insurance Group
Dublin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alameda County Schools Insurance Group, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Alameda County Schools Insurance Group's basic financial statements, and have issued our report thereon dated October 6, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alameda County Schools Insurance Group's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alameda County Schools Insurance Group's internal control. Accordingly, we do not express an opinion on the effectiveness of Alameda County Schools Insurance Group's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alameda County Schools Insurance Group's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White Associates

San Diego, California
October 6, 2014



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EXECUTIVE SUMMARY

MB, RP

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: 2014/2015 First Quarter Financials

ACSIG partners with SETECH for financial services support. Enclosed are the 2014/2015. First Quarter financial statements for review. These financial statements reflect the 2013/2014 annual balances previously reviewed on this agenda. ACSIG is very pleased with the services of SETECH and validates the accuracy of these financial statements.

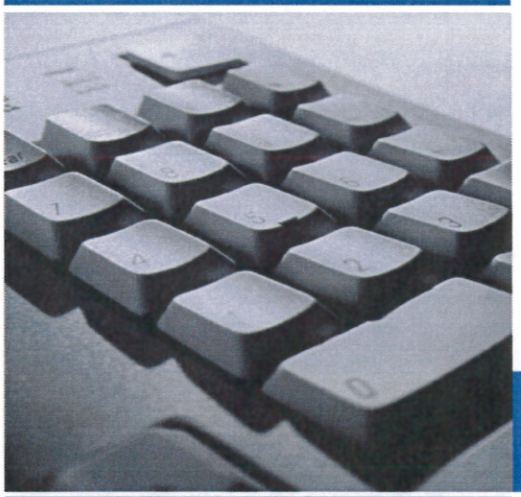
A representative from SETECH will review the financial statements with the Executive Committee. The Executive Committee will be asked to recommend approval to the full Board at its November 6, 2014 meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF SEPTEMBER 30, 2014 AND FOR THE THREE MONTHS THEN ENDED

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



President

SETECH (Service Enhancement Technologies)

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For the Executive Committee Meeting of October 30, 2014
For the Full Board Meeting of November 6, 2014

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 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Workers Compensation	$ 5,777,645	2,278,777	$ 8,056,422
Dental	4,274,869	(2,970,461)	1,304,408
Vision	981,887	(158,274)	823,613
Property and Liability	733,370	365,006	1,098,376
Operations	423,786	(70,670)	353,116
Cash and Cash Equivalents	$ 12,191,557	(555,622)	$ 11,635,935
Investments Morgan Stanley - current	761,402	(612,280)	149,122
Accounts Receivable	6,023,869	2,623,075	8,646,944
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable) (1)	- -	- -	- -
Subtotal Current Assets	18,976,828	1,455,173	20,432,001
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	14,664,893	745,541	15,410,434
Capital - Equipment,net of depreciation	4,739	- -	4,739
	14,669,632	745,541	15,415,173
Total Assets	**$ 33,646,460**	**$ 2,200,714**	**$ 35,847,174**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,526,347	$ 1,982,208	$ 4,508,555
Prefunding deposits (2)	3,116,431	- -	3,116,431
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	4,080,459	(14,957)	4,065,502
Subtotal Current Liabilities	9,723,237	1,967,251	11,690,488
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	22,841,074	(364,450)	22,476,624
Unallocated Loss Adjustment Expense (ULAE)	1,274,819	- -	1,274,819
Subtotal Claim Liabilities	24,115,893	(364,450)	23,751,443
Total Liabilities	$ 33,839,130	$ 1,602,801	$ 35,441,931
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(197,409)	597,913	400,504
Designated - Capital Assets	4,739	- -	4,739
Total Net Position	$ (192,670)	$ 597,913	$ 405,243
Total Liabilities and Ending Net Position	**$ 33,646,460**	**$ 2,200,714**	**$ 35,847,174**

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 Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ (192,670)			
Beginning Cash	$ 27,617,852				$ (192,670)		
Operating Revenue:							
Premiums Paid by Members	$ 31,191,536	$ (15,614)	$ 2,832,395	$ 34,023,931	$ 128,003,769	$ (93,979,838)	26.58 %
Total Operating Revenue	31,191,536	(15,614)	2,832,395	34,023,931	128,003,769	(93,979,838)	26.58
Operating Expenditures:							
Classified Salaries	43,298	- -	(10,843)	32,455	169,000	(136,545)	19.20
Statutory Benefits	16,998	- -	- -	16,998	58,617	(41,619)	29.00
Health & Welfare	5,975	- -	- -	5,975	20,992	(15,017)	28.46
Employer Tax Expense	12,965	- -	- -	12,965	57,561	(44,596)	22.52
Telephone & Internet	1,462	- -	(603)	859	8,000	(7,141)	10.74
Supplies Office	712	- -	- -	712	20,000	(19,288)	3.56
Supplies - Other	363	- -	- -	363	5,500	(5,137)	6.60
Eligibility Processing	44,891	- -	- -	44,891	180,000	(135,109)	24.94
Brokerage Fees-Dental-ACSIG	64,514	- -	- -	64,514	258,000	(193,486)	25.01
Brokerage Fees-Dental-MD	57,605	- -	- -	57,605	183,600	(125,995)	31.38
Travel and Conferences	7,268	- -	(931)	6,337	15,000	(8,663)	42.25
Mileage	1,792	- -	- -	1,792	7,000	(5,208)	25.60
Dues & Memberships	835	- -	- -	835	1,000	(165)	83.50
Postage & Meter	680	- -	- -	680	5,000	(4,320)	13.60
Insurance Expense-PIPS&NCR	5,418,169	- -	- -	5,418,169	19,323,300	(13,905,131)	28.04
Insurance Expense-PIPS Adj	- -	- -	- -	- -	- -	- -	- -
Utility - Operating-Rent	20,290	(15,614)	- -	4,677	25,000	(20,324)	18.71
Advertising	- -	- -	- -	- -	- -	- -	- -
Contract Services	- -	- -	- -	- -	12,500	(12,500)	- -
Contract Services -PL-Investigation	- -	- -	- -	- -	- -	- -	- -
Contract Services	- -	- -	- -	- -	6,000	(6,000)	- -
Audit Fees	11,475	- -	- -	11,475	15,000	(3,525)	76.50
Other Services/Operating Expenses	(948)	- -	- -	(948)	10,000	(10,948)	(9.48)
Capital Equipment/Depreciation	- -	- -	- -	- -	7,500	(7,500)	- -
Repairs & Maintenance	- -	- -	- -	- -	2,000	(2,000)	- -
Legal	- -	- -	- -	- -	2,000	(2,000)	- -
Accounting Services	3,250	- -	(3,250)	- -	13,000	(13,000)	- -
County Courier	- -	- -	- -	- -	2,500	(2,500)	- -
Shredding	376	- -	(123)	253	1,500	(1,247)	16.87
Copier & Scanner	3,601	- -	- -	3,601	10,000	(6,399)	36.01
Claims Administration Services	89,696	- -	(2,042)	87,654	194,000	(106,346)	45.18
Self-Insurance Fee	- -	- -	- -	- -	280,000	(280,000)	- -
Claims Paid-WC	474,816	- -	(45,060)	429,756	3,100,000	(2,670,244)	13.86
Claims Paid-PL	32,076	- -	5,766	37,842	75,000	(37,158)	50.46
Physical Abilities Testing	1,243	- -	- -	1,243	5,000	(3,757)	24.86
Training	- -	- -	- -	- -	10,000	(10,000)	- -
First-Aid Program	3,590	- -	- -	3,590	15,000	(11,410)	23.93
Food Service Training	- -	- -	- -	- -	10,000	(10,000)	- -
Special Ed Training	- -	- -	- -	- -	20,000	(20,000)	- -
Bank Charge & WC Penalty Reimb	2,573	- -	- -	2,573	12,000	(9,427)	21.44
Cobra Premiums	37,270	- -	- -	37,270	240,000	(202,730)	15.53
Dental Insurance Premiums	24,789,960	- -	2,000,000	26,789,960	103,200,000	(76,410,040)	25.96
Vision Insurance Premiums	709,241	- -	- -	709,241	2,044,000	(1,334,759)	34.70
Claim Development Expense	- -	- -	(379,407)	(379,407)	(2,810,000)	2,430,593	13.50
ACA Fees	- -	- -	- -	- -	- -	- -	- -
Total Operating Expenditures	31,856,036	(15,614)	1,563,507	33,403,930	126,814,570	(93,410,641)	26.34 %
Net Increase/(Decrease) from Operations	(664,500)	- -	1,268,888	620,001	1,189,199	(569,197)	%
Non Operating Income/(Expense)							
Interest Income	307,413	- -	(264,227)	43,186	265,750	(222,564)	16.25
Net Increase/(Decrease) in Fair Value	(67,070)	- -	- -	(67,070)	- -	(67,070)	- -
Realized Gain/(Loss) on Investments	1,796	- -	- -	1,796	- -	1,796	- -
Net, Interfund Transfer	- -	- -	- -	- -	33,450	(33,450)	- -
Total Non Operating Income/(Expense)	242,139	- -	(264,227)	(22,088)	299,200	(321,288)	(7.38) %
Ending Cash	$ 27,195,491	- -					
Net Increase/(Decrease) in Net Position		$ - -	$ 1,004,661	597,913	$ 1,488,399	$ (890,485)	%
Unaudited - Ending Net Position, as of 09/30/2014				**$ 405,243**	**$ 1,295,729**	**$ (890,485)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Funds with County - WC - #44906	$ 1,340,200	2,475,255	$ 3,815,455
Funds in Transit - #44906 to Morgan Stanley Investments	- -	- -	- -
Funds with County - Retention Fund #44904	56,314	44	56,358
Union Bank Claims - #0129	205,625	(195,219)	10,406
Union Bank Claims Trust Account - #0600	832,829	96,840	929,669
Local Agency Investment Funds (L.A.I.F.)	3,137,819	1,731	3,139,550
Money Market - Morgan Stanley	204,858	(99,874)	104,984
Cash and Cash Equivalents	$ 5,777,645	2,278,777	$ 8,056,422
Investments Morgan Stanley - current	761,402	(612,280)	149,122
Accounts Receivable	285,993	1,947,278	2,233,271
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	1,777,763	(4,497,763)	(2,720,000)
Subtotal Current Assets	8,602,803	(883,988)	7,718,815
Noncurrent Assets			
Investments Morgan Stanley	8,412,431	732,187	9,144,618
Capital - Equipment,net of depreciation	- -	- -	- -
	8,412,431	732,187	9,144,618
Total Assets	**$ 17,015,234**	**$ (151,801)**	**$ 16,863,433**
Liabilities:			
Current Liabilities			
Accounts Payable	$ - -	$ - -	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	2,420,000	- -	2,420,000
Subtotal Current Liabilities	2,420,000	- -	2,420,000
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	22,751,516	(352,212)	22,399,304
Unallocated Loss Adjustment Expense (ULAE)	1,224,000	- -	1,224,000
Subtotal	23,975,516	(352,212)	23,623,304
Total Liabilities	$ 26,395,516	$ (352,212)	$ 26,043,304
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(9,380,282)	200,411	(9,179,871)
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ (9,380,282)	$ 200,411	$ (9,179,871)
Total Liabilities and Ending Net Position	**$ 17,015,234**	**$ (151,801)**	**$ 16,863,433**

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ (9,380,282)			
Beginning Cash and Investments	$ 14,951,478				$ (9,380,282)		
Operating Revenue:							
Premiums Paid by Members	$ 2,832,436	$ --	$ 2,172,529	$ 5,004,965	$ 20,019,868	$ (15,014,903)	25.00 %
Total Operating Revenue	2,832,436	--	2,172,529	5,004,965	20,019,868	(15,014,903)	25.00
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-PIPS	4,599,149	--	--	4,599,149	18,500,000	(13,900,851)	24.86
PIPS Contribution Adjustmert	--	--	--	--	--	--	
Utility - Operating-Rent	--	--	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	10,000	(10,000)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	
CAJPA Dues/Accreditation	--	--	--	--	--	--	
Audit Fees	--	--	--	--	--	--	
Other Services/Operating Expenses	--	--	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	--	--	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	--	--	--	--	--	--	
Copier & Scanner	--	--	--	--	--	--	
Claims Administration Services	87,717	--	--	87,717	176,000	(88,283)	49.84
Self-Insurance Fee	--	--	--	--	280,000	(280,000)	--
Claims Paid-WC	474,816	--	(45,060)	429,756	3,100,000	(2,670,244)	13.86
Claims Paid-PL	--	--	--	--	--	--	
Physical Abilities Testing	1,243	--	--	1,243	5,000	(3,757)	24.86
Training	--	--	--	--	10,000	(10,000)	--
First-Aid Program	3,590	--	--	3,590	15,000	(11,410)	23.93
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	20,000	(20,000)	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	(352,212)	(352,212)	(2,800,000)	2,447,788	12.58
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	5,166,515	--	(397,272)	4,769,243	19,326,000	(14,556,757)	24.68 %
Net Increase/(Decrease) from Operations	(2,334,079)	--	2,569,801	235,722	693,868	(458,146)	33.97 %
Non Operating Income/(Expense)							
Interest Income	309,238	--	(270,311)	38,927	200,000	(161,073)	19.46
Net Increase/(Decrease) in Fair Value	(78,116)	--	--	(78,116)	--	(78,116)	--
Realized Gain/(Loss) on Investments	3,878	--	--	3,878	--	3,878	--
Interfund Transfer	4,497,763	--	(4,497,763)	--	--	--	--
Total Non Operating Income/(Expense)	4,732,763	$ --	$ (4,768,074)	(35,311)	200,000	(235,311)	(17.66) %
Ending Cash	$ 17,350,162						
Net Increase/(Decrease) in Net Position				200,411	893,868	(693,457)	
Unaudited - Ending Net Position, as of 09/30/2014				**$ (9,179,871)**	**$ (8,486,414)**	**$ (693,457)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Cash with County ACSIG #44901	$ 70,696	54,009	$ 124,705
Union Bank - Eligibility #9938	3,964,172	(2,910,593)	1,053,579
Union Bank - Expense #2064	100,871	(119,919)	(19,048)
Union Bank - Cobra Trust #0273	139,130	6,042	145,172
Union Bank - zero balance accounts	- -	- -	- -
Cash and Cash Equivalents	$ 4,274,869	(2,970,461)	$ 1,304,408
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	5,679,234	3,822	5,683,056
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(908,147)	5,409,566	4,501,419
Subtotal Current Assets	9,045,956	2,442,927	11,488,883
Noncurrent Assets			
Investments - Morgan Stanley	5,210,384	11,129	5,221,513
Capital - Equipment,net of depreciation	- -	- -	- -
	5,210,384	11,129	5,221,513
Total Assets	**$ 14,256,340**	**$ 2,454,056**	**$ 16,710,396**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,304,571	$ 2,000,000	$ 4,304,571
Prefunding deposits	3,085,589	- -	3,085,589
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	1,431,000	- -	1,431,000
Subtotal Current Liabilities	6,821,160	2,000,000	8,821,160
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 6,821,160	$ 2,000,000	$ 8,821,160
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	7,435,180	454,056	7,889,236
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 7,435,180	$ 454,056	$ 7,889,236
Total Liabilities and Ending Net Position	**$ 14,256,340**	**$ 2,454,056**	**$ 16,710,396**

Alameda County Schools Insurance Group (ACSIG)
Dental
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ 7,435,180			
Beginning Cash and Investments	$ 9,485,253				$ 7,435,180		
Operating Revenue:							
Premiums Paid by Members	$ 27,534,791	$ --	$ --	$ 27,534,791	$ 105,000,000	$ (77,465,209)	26.22 %
Total Operating Revenue	27,534,791	--	--	27,534,791	105,000,000	(77,465,209)	26.22
Operating Expenditures:							
Classified Salaries	--	32,455	--	32,455	169,000	(136,545)	19.20
Statutory Benefits	--	16,998	--	16,998	58,617	(41,619)	29.00
Health & Welfare	--	5,975	--	5,975	20,992	(15,017)	28.46
Employer Tax Expense	--	12,965	--	12,965	57,561	(44,596)	22.52
Telephone & Internet	--	859	--	859	8,000	(7,141)	10.74
Supplies Office	--	712	--	712	10,000	(9,288)	7.12
Supplies - Other	--	363	--	363	3,000	(2,637)	12.10
Eligibility Processing	44,891	--	--	44,891	180,000	(135,109)	24.94
Brokerage Fees-Dental-ACSIG	64,514	--	--	64,514	258,000	(193,486)	25.01
Brokerage Fees-Dental-MD	57,605	--	--	57,605	183,600	(125,995)	31.38
Travel and Conferences	--	6,337	--	6,337	15,000	(8,663)	42.25
Mileage	--	1,792	--	1,792	7,000	(5,208)	25.60
Dues & Memberships	--	835	--	835	1,000	(165)	83.50
Postage & Meter	--	680	--	680	5,000	(4,320)	13.60
Insurance Expense	--	--	--	--	--	--	--
					--	--	--
Net, Operating-Rent	--	4,677	--	4,677	25,000	(20,324)	18.71
Advertising	--	--	--	--	--	--	--
Contract Services - Actuarial	--	--	--	--	--	--	--
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contracted Services	--	--	--	--	6,000	(6,000)	--
Audit Fees	--	11,475	--	11,475	15,000	(3,525)	76.50
Other Services/Operating Expenses	--	(948)	--	(948)	10,000	(10,948)	(9.48)
Capital Equipment/Depreciation	--	--	--	--	2,500	(2,500)	--
Repairs & Maintenance	--	--	--	--	1,000	(1,000)	--
Legal	--	--	--	--	--	--	--
Accounting Services	--	--	--	--	--	--	--
County Courier	--	--	--	--	2,500	(2,500)	--
Shredding	--	253	--	253	1,500	(1,247)	16.84
Copier & Scanner	--	3,601	--	3,601	10,000	(6,399)	36.01
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	2,573	--	--	2,573	12,000	(9,427)	21.44
Cobra Premiums	37,270	--	--	37,270	240,000	(202,730)	15.53
Dental Insurance Premiums	24,789,960	--	2,000,000	26,789,960	103,200,000	(76,410,040)	25.96
Vision Insurance Premiums	--	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	24,996,813	99,028	2,000,000	27,095,841	104,502,270	(77,406,429)	25.93 %
Net Increase/(Decrease) from Operations	2,537,978	(99,028)	(2,000,000)	438,950	497,730	(58,780)	88.19 %
Non Operating Income/(Expense)							
Interest Income	18,163	11	3,823	21,995	45,000	(23,005)	48.88
Net Increase/(Decrease) in Fair Value	(9,045)	--	--	(9,045)	--	(9,045)	--
Realized Gain/(Loss) on Investments	2,155	--	--	2,155	--	2,155	--
Interfund Transfer & YE Close Oper	(5,508,583)	--	5,508,583	--	--	--	
Total Non Operating Income/(Expense)	(5,497,310)	$ 11	$ 5,512,406	15,105	45,000	(29,895)	33.57 %
Ending Cash	$ 6,525,921						
Net Increase/(Decrease) in Net Position				454,056	542,730	(88,674)	%
Unaudited - Ending Net Position, as of 09/30/2014				**$ 7,889,236**	**$ 7,977,910**	**$ (88,674)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Cash with County #44902	$ 981,887	(158,274)	$ 823,613
Funds in Transit - #44902 to Morgan Stanley Investments	- -	- -	- -
Cash and Cash Equivalents	981,887	(158,274)	823,613
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	45,392	(5,280)	40,112
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	78,606	(1)	78,605
Subtotal Current Assets	1,105,885	(163,555)	942,330
Noncurrent Assets			
Investments - Morgan Stanley	1,042,078	2,225	1,044,303
Capital - Equipment,net of depreciation	- -	- -	- -
	1,042,078	2,225	1,044,303
Total Assets	**$ 2,147,963**	**$ (161,330)**	**$ 1,986,633**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 203,984	$ - -	$ 203,984
Prefunding deposits	30,842	- -	30,842
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	120,000	- -	120,000
Subtotal Current Liabilities	354,826	- -	354,826
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 354,826	$ - -	$ 354,826
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	1,793,137	(161,330)	1,631,807
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ 1,793,137	$ (161,330)	$ 1,631,807
Total Liabilities and Ending Net Position	**$ 2,147,963**	**$ (161,330)**	**$ 1,986,633**

Alameda County Schools Insurance Group (ACSIG)
Vision
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ 1,793,137			
Beginning Cash and Investments	$ 2,023,965				$ 1,793,137		
Operating Revenue:							
Premiums Paid by Members	$ 557,815	$ --	$ (7,541)	$ 550,274	$ 2,050,000	$ (1,499,726)	26.84 %
Total Operating Revenue	557,815	--	(7,541)	550,274	2,050,000	(1,499,726)	26.84
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	--	--	--	--	--	--	
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	--	--	--	--	--	--	
Vision Insurance Premiums	709,241	--	--	709,241	2,044,000	(1,334,759)	34.70
Claim Development Expense	--	--	--	--	--	--	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	709,241	--	--	709,241	2,044,000	(1,334,759)	34.70 %
Net Increase/(Decrease) from Operations	(151,426)	--	(7,541)	(158,967)	6,000	(164,967)	%
Non Operating Income/(Expense)							
Interest Income	(20,477)	--	2,261	(18,217)	20,000	(38,217)	(91.09)
Net Increase/(Decrease) in Fair Value	20,091	--	--	20,091	--	20,091	--
Realized Gain/(Loss) on Investments	(4,237)	--	--	(4,237)	--	(4,237)	--
Interfund Transfer	--	--	--	--	--	--	
Total Non Operating Income/(Expense)	(4,623)	$ --	$ 2,261	(2,363)	20,000	(22,363)	(11.82) %
Ending Cash	$ 1,867,916						
Net Increase/(Decrease) in Net Position				(161,330)	$ 26,000	$ (187,330)	%
Unaudited - Ending Net Position, as of 09/30/2014				**$ 1,631,807**	**$ 1,819,137**	**$ (187,330)**	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Cash with County - #44903	$ 597,018	(345,653)	$ 251,365
Funds in Transit - #44903 to Morgan Stanley Investments	- -	- -	- -
Union Bank - Checking #0311	119,723	706,545	826,268
Union Bank - Claims Trust #1186	16,629	4,114	20,743
Cash and Cash Equivalents	$ 733,370	365,006	$ 1,098,376
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	13,250	677,255	690,505
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(534,855)	(966,722)	(1,501,577)
Subtotal Current Assets	211,765	75,539	287,304
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	- -	- -	- -
	- -	- -	- -
Total Assets	**$ 211,765**	**$ 75,539**	**$ 287,304**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 2,042	$ (2,042)	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	109,459	(14,957)	94,502
Subtotal Current Liabilities	111,501	(16,999)	94,502
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	89,558	(12,238)	77,320
Unallocated Loss Adjustment Expense (ULAE)	50,819	- -	50,819
Subtotal	140,377	(12,238)	128,139
Total Liabilities	$ 251,878	$ (29,237)	$ 222,641
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(40,113)	104,776	64,663
Designated - Capital Assets	- -	- -	- -
Total Net Position	$ (40,113)	$ 104,776	$ 64,663
Total Liabilities and Ending Net Position	**$ 211,765**	**$ 75,539**	**$ 287,304**

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ (40,113)			
Beginning Cash and Investments	$ 733,370				$ (40,113)		
Operating Revenue:							
Premiums Paid by Members	$ 250,880	$ --	$ 683,021	$ 933,901	$ 933,901	$ --	100.00 %
Total Operating Revenue	250,880	--	683,021	933,901	933,901	--	100.00
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-NCR	819,020	--	--	819,020	823,300	(4,280)	99.48
					--		
Utility - Operating-Rent	--	--	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	2,500	(2,500)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	--	--	--	--	--	--	
Other Services/Operating Expenses	--	--	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	--	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	--	--	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	--	--	--	--	--	--	
Copier & Scanner	--	--	--	--	--	--	
Claims Administration Services	1,979	--	(2,042)	(63)	18,000	(18,063)	(0.35)
Self-Insurance Fee	--	--	--	--	--	--	
Claims Paid-WC	--	--	--	--	--	--	
Claims Paid-PL	32,076	--	5,766	37,842	75,000	(37,158)	50.46
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	--	--	--	--	--	--	
Claim Development Expense	--	--	(27,195)	(27,195)	(10,000)	(17,195)	271.95
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	853,075	--	(23,471)	829,604	908,800	(79,196)	91.29 %
Net Increase/(Decrease) from Operations	(602,195)	--	706,492	104,297	25,101	79,196	-- %
Non Operating Income/(Expense)							
Interest Income	479	--	--	479	700	(221)	68.43
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer	966,722	--	(966,722)	--	--	--	--
Total Non Operating Income/(Expense)	967,201	$ --	$ (966,722)	479	700	(221)	68.43 %
Ending Cash	$ 1,098,376						
Net Increase/(Decrease) in Net Position				104,776	25,801	78,975	-- %
Unaudited - Ending Net Position, as of 09/30/2014				$ 64,663	$ (14,312)	$ 78,975	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2014 and 09/30/2014

	Audited As of 06/30/2014	Activity 07/01/2013 - 09/30/2014	Unaudited As of 09/30/2014
Assets:			
Current Assets			
Union Bank - Payroll #0176	$ 49,507	(35,137)	$ 14,370
Union Bank Checking Account #1521	374,279	(35,533)	338,746
Cash and Cash Equivalents	$ 423,786	(70,670)	$ 353,116
Investments Morgan Stanley - current	- -	- -	- -
Accounts Receivable	- -	- -	- -
Prepaid Expense	- -	- -	- -
Interfund Receivable/(payable)	(413,367)	54,920	(358,447)
Subtotal Current Assets	10,419	(15,750)	(5,331)
Noncurrent Assets			
Investments - Morgan Stanley	- -	- -	- -
Capital - Equipment,net of depreciation	4,739	- -	4,739
	4,739	- -	4,739
Total Assets	**$ 15,158**	**$ (15,750)**	**$ (592)**
Liabilities:			
Current Liabilities			
Accounts Payable	$ 15,750	$ (15,750)	$ - -
Prefunding deposits	- -	- -	- -
Advance Contributions	- -	- -	- -
Current Portion of claims and claim adjustment	- -	- -	- -
Subtotal Current Liabilities	15,750	(15,750)	- -
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	- -	- -	- -
Subtotal Claim Liabilities	- -	- -	- -
Total Liabilities	$ 15,750	$ (15,750)	$ - -
Net Position:			
Undesignated Net Postion - Net Assets/(Deficit)	(5,331)	- -	(5,331)
Designated - Capital Assets	4,739	- -	4,739
Total Net Position	$ (592)	$ - -	$ (592)
Total Liabilities and Ending Net Position	**$ 15,158**	**$ (15,750)**	**$ (592)**

Alameda County Schools Insurance Group (ACSIG)
Operations
Statement of Revenues, Expenditures and Changes in Net Fund Assets
For The Three Months Ended 09/30/2014

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				$ (592)			
Beginning Cash and Investments	$ 423,786				$ (592)		
Operating Revenue:							
Offset to Rent - Sub Lease	$ 15,614	$ (15,614)	$ --	$ --	$ --	$ --	%
Total Operating Revenue	15,614	(15,614)	--	--	--	--	--
Operating Expenditures:							
Classified Salaries	43,298	(32,455)	(10,843)	--	--	--	
Statutory Benefits	16,998	(16,998)	--	--	--	--	
Health & Welfare	5,975	(5,975)	--	--	--	--	
Employer Tax Expense	12,965	(12,965)	--	--	--	--	
Telephone & Internet	1,462	(859)	(603)	--	--	--	
Supplies Office	712	(712)	--	--	10,000	(10,000)	--
Supplies - Other	363	(363)	--	--	2,500	(2,500)	--
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	7,268	(6,337)	(931)	--	--	--	
Mileage	1,792	(1,792)	--	--	--	--	
Dues & Memberships	835	(835)	--	--	--	--	
Postage & Meter	680	(680)	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
	--				--		
Utility - Operating-Rent	20,290	(20,290)	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -PL-Investigation	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	11,475	(11,475)	--	--	--	--	
Other Services/Operating Expenses	(948)	948	--	--	--	--	
Capital Equipment/Depreciation	--	--	--	--	5,000	(5,000)	--
Repairs & Maintenance	--	--	--	--	1,000	(1,000)	--
Legal	--	--	--	--	2,000	(2,000)	--
Accounting Services	3,250	--	(3,250)	--	13,000	(13,000)	--
County Courier	--	--	--	--	--	--	
Shredding	376	(253)	(123)	--	--	--	
Copier & Scanner	3,601	(3,601)	--	--	--	--	
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	130,392	(114,641)	(15,750)	--	33,500	(33,500)	-- %
Net Increase/(Decrease) from Operations	(114,778)	99,027	15,750	--	(33,500)	33,500	-- %
Non Operating Income/(Expense)							
Interest Income	11	(11)	--	--	50	(50)	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	--
Interfund Transfer & YE Close	44,097	--	(44,097)	--	33,450	(33,450)	--
Total Non Operating Income/(Expense)	44,108	$ (11)	$ (44,097)	--	33,500	(33,500)	-- %
Ending Cash	$ 353,116						
Net Increase/(Decrease) in Net Position				$ --	$ --	$ --	-- %
Unaudited - Ending Net Position, as of 09/30/2014				$ (592)	$ (592)	$ --	

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 09/30/2014

	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	$ 909,561	$ 1,828,378	$ 2,848,940	$ 2,674,028	$ 2,862,415	$ 4,009,990	$ 2,917,518	$ 5,511,690	$ 4,814,259	$ 4,031,374	$ 3,615,309	$ 4,738,341	$ 40,761,803
Reserves	52,909	- -	77,744	69,971	22,331	39,058	29,510	124,366	194,520	135,950	131,823	192,276	1,070,458
Incurred Claims	962,470	1,828,378	2,926,684	2,743,999	2,884,746	4,049,048	2,947,028	5,636,056	5,008,779	4,167,324	3,747,132	4,930,617	41,832,261
Incurred But Not Reported (IBNR)	- -	- -	23,316	226,001	25,254	(38,048)	52,972	183,944	181,221	182,676	(7,132)	259,383	1,089,587
Non- Discounted Estimated Ultimate Incurred (1)	962,470	1,828,378	2,950,000	2,970,000	2,910,000	4,011,000	3,000,000	5,820,000	5,190,000	4,350,000	3,740,000	5,190,000	42,921,848
Anticipated Investment Income (Discount) (2)	(3,333)	- -	(6,367)	(21,310)	(3,569)	(82)	(6,846)	(26,515)	(33,065)	(28,676)	(11,472)	(44,263)	(185,498)
Discounted Estimated Ultimate (1-2)	959,137	1,828,378	2,943,633	2,948,690	2,906,431	4,010,918	2,993,154	5,793,485	5,156,935	4,321,324	3,728,528	5,145,737	42,736,350
Paid Claims	(909,561)	(1,828,378)	(2,848,940)	(2,674,028)	(2,862,415)	(4,009,990)	(2,917,518)	(5,511,690)	(4,814,259)	(4,031,374)	(3,615,309)	(4,738,341)	(40,761,803)
Remaining Estimated Unpaid Claim Liabilities	$ 49,576	$ - -	$ 94,693	$ 274,662	$ 44,016	$ 928	$ 75,636	$ 281,795	$ 342,676	$ 289,950	$ 113,219	$ 407,396	$ 1,974,547

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.

(2) Discounted at 2%, 06/30/2012 and 1.5%, 06/30/2014 & 09/30/2014.

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	959,137	1,828,378	2,943,633	2,948,690	2,906,431	4,010,918	2,993,154	5,793,485	5,156,935	4,321,324	3,728,528	5,145,737	42,736,350
Increase/Decrease	48	- -	79	(277)	49	52	- -	178	587	232	182	175	1,305

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2014

	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	$ 40,761,803	$ 5,203,425	$ 6,821,243	$ 6,537,756	$ 8,854,570	$ 7,079,485	$ 10,575,415	$ 11,354,478	$ 97,188,175
Reserves	1,070,458	334,591	488,993	850,967	1,790,760	1,355,156	808,571	980,211	7,679,707
Incurred Claims	41,832,261	5,538,016	7,310,236	7,388,723	10,645,330	8,434,641	11,383,986	12,334,689	104,867,882
Incurred But Not Reported (IBNR)	1,089,587	261,984	359,764	471,277	764,670	505,359	546,014	1,045,311	5,043,966
Non- Discounted Estimated Ultimate Incurred (1)	42,921,848	5,800,000	7,670,000	7,860,000	11,410,000	8,940,000	11,930,000	13,380,000	109,911,848
Anticipated Investment Income (Discount) (2)	(185,498)	(61,447)	(90,817)	(144,125)	(275,986)	(204,657)	(157,132)	(249,139)	(1,368,801)
Discounted Estimated Ultimate (1-2)	42,736,350	5,738,553	7,579,183	7,715,875	11,134,014	8,735,343	11,772,868	13,130,861	108,543,047
Paid Claims	(40,761,803)	(5,203,425)	(6,821,243)	(6,537,756)	(8,854,570)	(7,079,485)	(10,575,415)	(11,354,478)	(97,188,175)
Remaining Estimated Unpaid Claim Liabilities	$ 1,974,547	$ 535,128	$ 757,940	$ 1,178,119	$ 2,279,444	$ 1,655,858	$ 1,197,453	$ 1,776,383	$ 11,354,872

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.
(2) Discounted at 2%, 06/30/2012 and 1.5%, 06/30/2014 & 09/30/2014.

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	42,736,350	5,738,553	7,579,183	7,715,875	11,134,014	8,735,343	11,772,868	13,130,861	108,543,047
Increase/Decrease	1,305	393	1,584	1,222	1,717	1,399	1,057	2,669	11,346

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2014

	Totals From Page 7A	Self-Insured Program Years							As of 09/30/2014 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009		As of 06/30/2014 Totals	07/01/2014 - 09/30/2014
Paid Claims	$ 97,188,175	$ 9,599,752	$ 5,750,996	$ 4,967,290	$ 7,129,399	$ 7,550,394	$ 7,903,933	$ 7,917,631	$ 148,007,570	$ 147,603,014	$ 404,556
Reserves	7,679,707	296,393	547,237	502,899	2,253,440	1,251,372	889,320	709,981	14,130,349	14,423,410	(293,061)
Incurred Claims	104,867,882	9,896,145	6,298,233	5,470,189	9,382,839	8,801,766	8,793,253	8,627,612	162,137,919	162,026,424	111,495
Incurred But Not Reported (IBNR)	5,043,966	693,855	651,767	769,811	1,317,161	1,358,234	1,996,747	2,372,388	14,203,929	14,315,424	(111,495)
Non- Discounted Estimated Ultimate Incurred (1)	109,911,848	10,590,000	6,950,000	6,240,000	10,700,000	10,160,000	10,790,000	11,000,000	176,341,848	176,341,848	--
Anticipated Investment Income (Discount) (2)	(1,368,801)	(127,742)	(151,075)	(165,452)	(492,743)	(383,612)	(415,594)	(409,955)	(3,514,974)	(3,567,318)	52,344
Discounted Estimated Ultimate (1-2)	108,543,047	10,462,258	6,798,925	6,074,548	10,207,257	9,776,388	10,374,406	10,590,045	172,826,874	172,774,530	52,344
Paid Claims	(97,188,175)	(9,599,752)	(5,750,996)	(4,967,290)	(7,129,399)	(7,550,394)	(7,903,933)	(7,917,631)	(148,007,570)	(147,603,014)	(404,556)
Remaining Estimated Unpaid Claim Liabilities	$ 11,354,872	$ 862,506	$ 1,047,929	$ 1,107,258	$ 3,077,858	$ 2,225,994	$ 2,470,473	$ 2,672,414	$ 24,819,304	$ 25,171,516	$ (352,212)
								Estimated Current Portion /Short-Term Liability (1)	(2,420,000)		
								Estimated Non-Current portion of Claim Liabilities	$ 22,399,304		

(1) Per Bay Actuarial Consultants actuarial study dated May 2014.
(2) Discounted at 2%, 06/30/2012 and 1.5%, 06/30/2014 & 09/30/2014.

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	108,543,047	10,462,258	6,798,925	6,074,548	10,207,257	9,776,388	10,374,406	10,590,045	172,826,874
Increase/Decrease	11,346	8,156	808	7,042	3,809	4,150	12,125	4,908	52,344

Claim Development Expense	
Claim Liabilities and ULAE Decrease	$ (352,212)
	--
	$ (352,212)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 09/30/2014

	Self-Insured Program Years							As of 09/30/2014 Totals	Activity 06/30/2014 Totals	Activity 07/01/2014 - 09/30/2014
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015			
Paid Claims	$ 117,507	$ 48,738	$ 33,141	$ 89,406	$ 104,243	$ --	$ --	$ 393,034	$ 365,692	$ 27,342
Reserves	--	--	--	7,138	35,802	--	--	42,940	72,643	(29,703)
Incurred Claims	117,507	48,738	33,141	96,543	140,045	--	--	435,974	438,335	(2,361)
Incurred But Not Reported (IBNR)	--	1,039	4,498	4,249	8,494	51,900	60,000	130,179	127,818	2,361
Non- Discounted Estimated Ultimate Incurred (1)	117,507	49,777	37,638	100,792	(3) 148,539	51,900	60,000	566,153	566,153	--
Anticipated Investment Income (Discount) (2)	--	(4)	(20)	(55)	(259)	(445)	(514)	(1,297)	(1,444)	147
Discounted Estimated Ultimate (1-2)	117,507	49,773	37,619	100,737	148,280	51,455	59,486	564,856	564,709	147
Paid Claims	(117,507)	(48,738)	(33,141)	(89,406)	(104,243)	--	--	(393,034)	(365,692)	(27,342)
Remaining Estimated Unpaid Claim Liabilities	$ --	$ 1,035	$ 4,478	$ 11,331	$ 44,037	$ 51,455	$ 59,486	$ 171,822	$ 199,017	$ (27,195)
								Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65 aims factor of .65		(94,502)
								Estimated Non-Current portion of Claim Liabilities f Claim Liabilities f Claim Liabilities		$ 77,320

(1) Per Bay Actuarial Consultants actuarial study dated February 2013.
(2) Discounted at .05%.
(3) Adjusted for negative IBNR

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 (3)	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 09/30/2014	117,507	49,777	37,638	100,792	148,539	51,900	60,000	566,153
Increase/Decrease	--	--	--	--	--	(60,000)	60,000	--

Claim Development Expense	
Claim Liabilities and ULAE Increase	$ (27,195)
	--
	$ (27,195)

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

- add LAIF to compare
- Add Alameda County Treasurer

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

RP, MB

DATE: October 30, 2014

SUBJECT: 2013/2014 Fourth 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. ACSIG has invested $15,000,000 of its cash flow from various programs with a year to date return of $711,381.

Enclosed is ACSIG's fourth quarterly investment report. The Executive Director will review this report with the Executive Committee and Cary Allison from Morgan Stanley Wealth Management will be in attendance to address the Full Board at its November 6 meeting. The Executive Committee will be asked to approve a recommendation to the full Board.

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

July 7, 2014

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

Dear Kimberly:

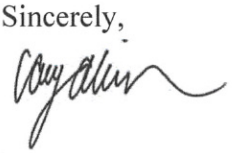
Please find attached your most recent portfolio summary. I certify that your portfolio is in compliance with California government code sections 53600 and 53601 as well as your current investment policy statement as of the date of this report.

Portfolio Highlights

Date of Report:	06/30/14
Inception date:	07/12/10
Net Invested Capital:	$15,000,000.00
Portfolio Appreciation:	$711,381.44
Total Ending Value:	$15,711,381.44
Current Month Return	(0.09%)
Current Quarter	0.46%
Current Year	0.73%
Last 12 Months	1.32%
Last 3 Years (annualized %)	1.19%
Year 2010	0.29%
Year 2011	1.91%
Year 2012	2.44%
Year 2013	(0.02%)
Year 2014 YTD	0.73%
Since Inception (annualized %)	1.34%
Corporate bonds as percentage of portfolio:	29.27%
Duration:	2.51 years

Please contact me if you have any questions.

Sincerely,



Cary M. Allison, CIMA®
Senior Vice President, Senior Investment Management Consultant
www.morganstanley.com
cary.allison@morganstanley.com

Attachment

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Morgan Stanley

Performance Report for:

ACSIG
7/7/2014

CARY ALLISON
Financial Advisor

1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661
Phone: (916) 797-7700

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. In addition, it may show the full performance history of your accounts or just the performance of your accounts since inception in their current Morgan Stanley programs. In some cases, it may show the combined performance of brokerage accounts and advisory accounts (for more information about the differences between brokerage and advisory accounts, please refer to the Glossary of Terms contained at the end of this report). **It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have at Morgan Stanley, but which are not shown here.**

Accounts included in this Performance Report may have had different investment objectives, been subject to different rules and restrictions, and incurred different types of fees, mark-ups, commissions, and other charges. Accordingly, the performance results for this portfolio may blend the performance of assets and strategies that may not have been available in all of your accounts at all times during the reporting period. Please consult your Morgan Stanley Financial Advisor for more information about the fees and expenses applicable to the accounts included in this Performance Report.

The following account(s) have been included in this performance report:
171 041349

This report is not an official statement. The information contained in this report is not complete without the required disclaimer and glossary, which you should read carefully. The information in this report should not be considered as the sole basis for any investment decision.

Morgan Stanley

ACTIVE ASSETS ACCOUNT
Executive Summary
Time Weighted Return (TWR)
June 30, 2014

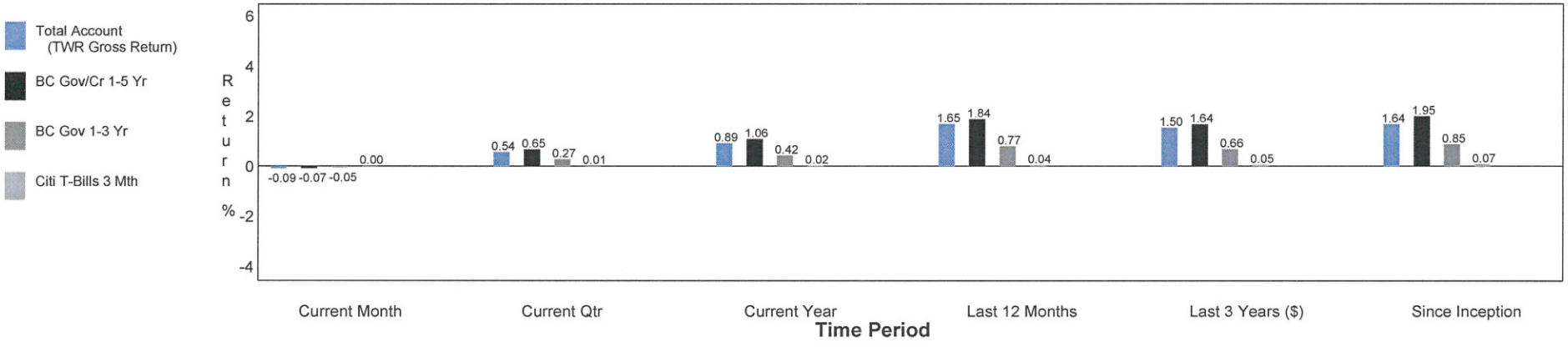
ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
(916) 797-7700

Change In Portfolio

	Current Month ($) 5/31/14 - 6/30/14	Current Qtr ($) 3/31/14 - 6/30/14	Current Year ($) 12/31/13 - 6/30/14	Last 12 Months ($) 6/30/13 - 6/30/14	Last 3 Years ($) 6/30/11 - 6/30/14	Since Inception ($) 7/12/10 - 6/30/14
Total Beginning Value (includes accrued income)	15,725,361.67	15,638,820.00	15,597,806.94	15,506,118.74	10,177,172.05	9,999,850.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	5,000,000.00	5,000,150.00
Net Invested Capital	15,725,361.67	15,638,820.00	15,597,806.94	15,506,118.74	15,177,172.05	15,000,000.00
Net Portfolio Appreciation	(13,980.23)	72,561.44	113,574.50	205,262.70	534,209.39	711,381.44
Total Ending Value (includes accrued income)	15,711,381.44	15,711,381.44	15,711,381.44	15,711,381.44	15,711,381.44	15,711,381.44
Cumulative Total Account (TWR Net Return)	-0.09	0.46	0.73	1.32		5.44
Annualized Total Account (TWR Net Return)					1.19	1.34

Performance History



Comparative Performance Returns

	Current Month (%) 5/31/14 - 6/30/14	Current Qtr (%) 3/31/14 - 6/30/14	Current Year (%) 12/31/13 - 6/30/14	Last 12 Months (%) 6/30/13 - 6/30/14	Last 3 Years (%) 6/30/11 - 6/30/14	Since Inception (%) 7/12/10 - 6/30/14
Total Account (TWR Gross Return)	-0.09	0.54	0.89	1.65	1.50	1.64
BC Gov/Cr 1-5 Yr	-0.07	0.65	1.06	1.84	1.64	1.95
BC Gov 1-3 Yr	-0.05	0.27	0.42	0.77	0.66	0.85
Citi T-Bills 3 Mth	0.00	0.01	0.02	0.04	0.05	0.07
Citi T-Bill 6 Mth*	N/A	N/A	N/A	N/A	N/A	N/A
CPI Unadjusted*	0.34	1.02	2.43	2.23	1.89	1.79
BC Gov Intm	-0.13	0.91	1.55	1.53	1.96	2.19

* Comparative performance starts at the first month-end after inception.

Performance for all periods greater than one year is annualized

Morgan Stanley

ACTIVE ASSETS ACCOUNT
Executive Summary
Time Weighted Return (TWR)
June 30, 2014

ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
(916) 797-7700

Top 10 Holdings

Security	Symbol	Current Value ($)	% of Port	Sector
UNITED STATES TREASURY NOTE		1,290,828.99	8.26	Government Issues
FED NATL MTG ASSN		1,176,944.50	7.53	Government Issues
FED HOME LN MTG CORP		1,172,579.50	7.50	Government Issues
UNITED STATES TREASURY NOTE		1,154,504.45	7.39	Government Issues
FED HOME LN MTG CORP		1,071,549.40	6.86	Government Issues
FED HOME LN MTG CORP		803,478.00	5.14	Government Issues
UNITED STATES TREASURY NOTE		761,402.40	4.87	Government Issues
FED NATL MTG ASSN		708,771.75	4.53	Government Issues
FED NATL MTG ASSN		620,668.63	3.97	Government Issues
FED NATL MTG ASSN		588,762.16	3.77	Government Issues

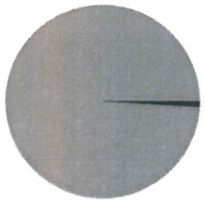
Gain & Loss Summary as of 6/30/14

Unrealized	G(L) Amount ($)
Short-term Gains & Losses	21,913.45
Long-term Gains & Losses	9,740.89
Total	**31,654.34**

Realized	Total Cost ($)	Market Value ($)	G(L) Amount ($)
Short-term Gains & Losses	602,978.11	603,370.18	392.07
Long-term Gains & Losses	2,026,458.91	2,065,046.74	38,587.83
Total	**2,629,437.02**	**2,668,416.92**	**38,979.90**

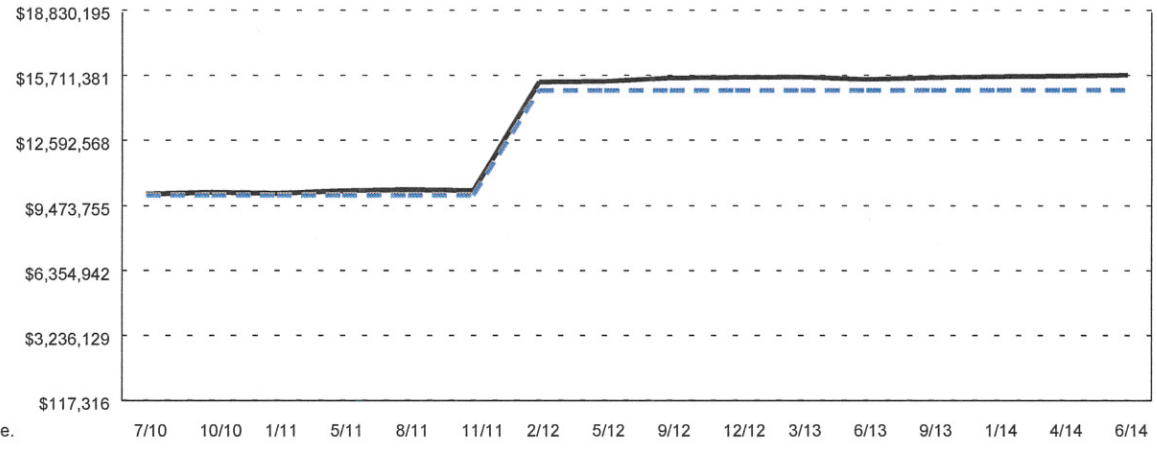
Unrealized Gain and Loss excludes tax lots with a market value of $0 and the Market Value column excludes Money Market and Cash positions.
*Total Cost and Market Value only include tax lots for which there is cost basis information.

Allocation as of June 30, 2014



Asset Class	Current Value
Fixed Income 99 %	5,426,295.31
Cash & Equiv 1 %	204,857.98
Total Market Value	**15,631,153.29**

Net Invested Capital



Net Invested Capital represents the inception value of the account, net of additional capital contributions and withdrawals, graphed against the account market value over time.

Morgan Stanley

Annual Performance Summary
Time Weighted Performance
Calendar Year Report - Net Return
June 30, 2014

ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661
(916) 797-7700

	Period Start Date	Period End Date	Total Beginning Value($)	Net Contributions & Withdrawals($)	Net Portfolio Appreciation($)	Total Ending Value($)	Account Period Return(%)	Account Cumulative Return(%)
History:								
2010	07/12/2010	12/31/2010	9,999,850.00	150.00	28,996.97	10,028,996.97	0.29	0.29
2011	01/01/2011	12/31/2011	10,028,996.97	5,000,000.00	200,292.14	15,229,289.11	1.91	2.20
2012	01/01/2012	12/31/2012	15,229,289.11	0.00	371,674.99	15,600,964.10	2.44	4.70
2013	01/01/2013	12/31/2013	15,600,964.10	0.00	(3,157.16)	15,597,806.94	-0.02	4.68
2014 YTD	01/01/2014	06/30/2014	15,597,806.94	0.00	113,574.50	15,711,381.44	0.73	5.44

Cumulative Return Since Inception	**5.44**
Annualized Return Since Inception	**1.34**

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
Corporate Bonds											
144,000	PNC FUNDING CORP 4.250% Due 2015-09-21	A-/A3	102.41	147,471.42	104.41	150,348.96	1,683.00	152,031.96	0.97	0.63	1.20
144,000	LOWES COMPANIES INC 5.000% Due 2015-10-15	A-/A3	104.20	150,052.55	105.60	152,056.80	1,500.00	153,556.80	0.99	0.64	1.26
115,000	ORACLE CORP 5.250% Due 2016-01-15	A+/A1	106.24	122,177.01	107.14	123,211.00	2,767.19	125,978.19	0.80	0.59	1.47
74,000	OCCIDENTAL PETROLEUM CORP 2.500% Due 2016-02-01	A/A1	102.88	76,135.88	103.00	76,220.74	765.69	76,986.43	0.49	0.59	1.56
156,000	GLAXOSMITHKLINE CAP INC 0.700% Due 2016-03-18	A+/A1	100.05	156,087.50	100.25	156,385.32	309.40	156,694.72	1.01	0.55	1.70
157,000	APPLE INC 0.450% Due 2016-05-03	AA+/AA1	99.72	156,565.11	99.79	156,665.59	111.86	156,777.45	1.02	0.56	1.83
136,000	METLIFE INC 6.750% Due 2016-06-01	A-/A3	111.23	151,273.01	111.13	151,131.36	739.50	151,870.86	0.98	0.89	1.83
135,000	COMCAST CORP 4.950% Due 2016-06-15	A-/A3	107.43	145,030.67	108.13	145,972.80	278.44	146,251.24	0.95	0.76	1.88
151,000	AT&T INC. 2.400% Due 2016-08-15	A-/A3	102.97	155,489.54	103.05	155,600.97	1,359.00	156,959.97	1.01	0.94	2.06
150,000	BERKSHIRE HATHAWAY INC 2.200% Due 2016-08-15	AA/AA2	103.11	154,669.59	103.18	154,774.50	1,237.50	156,012.00	1.00	0.68	2.07
290,000	AMERICAN EXPRESS CREDIT 2.800% Due 2016-09-19	A-/A2	103.59	300,435.38	104.12	301,953.80	2,278.11	304,231.91	1.96	0.91	2.15
152,000	RIO TINTO FINANCE (USA) LIMITED 2.250% Due 2016-09-20	A-/A3	102.41	155,677.55	102.76	156,195.20	950.00	157,145.20	1.01	0.99	2.17
150,000	US BANCORP 2.200% Due 2016-11-15	A+/A1	103.10	154,659.36	103.13	154,692.00	412.50	155,104.50	1.00	0.81	2.23
152,000	BHP BILLITON FIN USA LTD 1.875% Due 2016-11-21	A+/A1	101.28	153,956.02	102.42	155,679.92	308.75	155,988.67	1.01	0.85	2.34
155,000	BANK OF NOVA SCOTIA 1.100% Due 2016-12-13	A+/AA2	100.12	155,190.14	100.30	155,469.65	80.51	155,550.16	1.01	0.97	2.42
152,000	DUKE ENERGY CAROLINAS 1.750% Due 2016-12-15	A/AA2	102.23	155,391.54	102.23	155,395.68	110.83	155,506.51	1.01	0.83	2.41
151,000	BB&T CORPORATION 2.150% Due 2017-03-22	A-/A2	100.94	152,425.48	102.35	154,545.48	883.77	155,429.25	1.00	1.24	2.56
150,000	GENERAL ELECTRIC CAPITAL CORP 2.300% Due 2017-04-27	AA+/A1	102.35	153,538.83	103.29	154,929.00	603.75	155,532.75	1.00	1.11	2.74
151,000	UNITED TECHNOLOGIES CORP 1.800% Due 2017-06-01	A/A2	102.12	154,205.87	102.14	154,231.40	218.95	154,450.35	1.00	1.05	2.85
156,000	ANHEUSER-BUSCH INBEV WOR 1.375% Due 2017-07-15	A/A2	100.56	156,876.67	100.34	156,524.16	983.12	157,507.28	1.01	1.26	2.97

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
132,000	MERRILL LYNCH & CO 6.400% Due 2017-08-28	A-/BAA2	111.67	147,416.95	114.23	150,780.96	2,816.00	153,596.96	0.98	1.75	2.87
155,000	UNITEDHEALTH GROUP INC 1.400% Due 2017-10-15	A/A3	100.70	156,096.25	100.38	155,587.45	452.08	156,039.53	1.01	1.28	3.22
159,000	MICROSOFT CORP 0.875% Due 2017-11-15	AAA/AAA	98.74	157,010.91	99.25	157,812.27	173.91	157,986.18	1.02	1.10	3.33
130,000	WELLS FARGO CO 5.625% Due 2017-12-11	A+/A2	113.74	147,862.94	113.79	147,923.10	385.94	148,309.04	0.96	1.50	3.19
155,000	JP MORGAN CHASE & CO 1.129% Due 2018-01-25	A/A3	100.99	156,548.63	101.41	157,183.95	315.88	157,499.83	1.02	0.72	3.50
155,000	GOLDMAN SACHS GROUP INC 1.425% Due 2018-04-30	A-/BAA1	100.77	156,206.55	101.62	157,503.25	368.07	157,871.32	1.02	0.99	3.73
155,000	TORONTO-DOMINION BANK 1.400% Due 2018-04-30	AA-/AA1	100.21	155,339.65	99.17	153,710.40	361.67	154,072.07	1.00	1.62	3.73
158,000	MERCK & CO INC 1.300% Due 2018-05-18	AA/A2	98.76	156,048.70	99.01	156,431.06	239.63	156,670.69	1.01	1.56	3.79
156,000	BNP PARIBAS 2.450% Due 2019-03-17	A+/A1	100.07	156,116.18	100.79	157,224.60	1,093.52	158,318.12	1.02	2.27	4.45
Total Corporate Bonds				4,495,955.88		4,516,141.37	23,788.57	4,539,929.94	29.27	1.03[1]	2.55[1]
Government Issues											
755,000	UNITED STATES TREASURY NOTE 2.125% Due 2014-11-30	/AAA	100.78	760,955.21	100.85	761,402.40	1,315.06	762,717.46	4.94	0.08	0.48
1,150,000	FED NATL MTG ASSN 2.375% Due 2015-07-28	AA+/AAA	101.65	1,169,024.33	102.34	1,176,944.50	11,531.94	1,188,476.44	7.63	0.19	1.07
1,010,000	FED HOME LN MTG CORP 4.750% Due 2015-11-17	AA+/AAA	106.11	1,071,723.14	106.09	1,071,549.40	5,730.34	1,077,279.74	6.95	0.32	1.35
1,115,000	UNITED STATES TREASURY NOTE 2.375% Due 2016-03-31	/AAA	103.25	1,151,290.25	103.54	1,154,504.45	6,584.13	1,161,088.58	7.48	0.34	1.72
780,000	FED HOME LN MTG CORP 2.000% Due 2016-08-25	AA+/AAA	103.13	804,466.64	103.01	803,478.00	5,416.66	808,894.66	5.21	0.59	2.11
540,000	UNITED STATES TREASURY NOTE 1.000% Due 2016-10-31	/AAA	100.23	541,258.43	100.94	545,065.20	895.10	545,960.30	3.53	0.59	2.31
613,000	FED NATL MTG ASSN 1.250% Due 2017-01-30	AA+/AAA	101.17	620,174.59	101.25	620,668.63	3,192.71	623,861.34	4.02	0.76	2.54
311,000	FED NATL MTG ASSN 1.125% Due 2017-04-27	AA+/AAA	100.76	313,378.40	100.50	312,567.44	612.28	313,179.72	2.03	0.94	2.78
1,175,000	FED HOME LN MTG CORP 1.000% Due 2017-09-29	AA+/AAA	100.35	1,179,212.02	99.79	1,172,579.50	2,970.13	1,175,549.63	7.60	1.06	3.19
1,221,000	UNITED STATES TREASURY NOTE 2.750% Due 2018-02-28	/AAA	106.36	1,298,664.77	105.72	1,290,828.99	11,131.66	1,301,960.65	8.37	1.15	3.49

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
311,000	UNITED STATES TREASURY NOTE 1.375% Due 2018-06-30	/AAA	99.26	308,728.15	100.23	311,705.97	0.00	311,705.97	2.02	1.31	3.90
385,000	FED NATL MTG ASSN 1.875% Due 2018-09-18	AA+/AAA	101.51	390,821.25	101.64	391,325.55	2,045.31	393,370.86	2.54	1.47	4.05
705,000	FED NATL MTG ASSN 1.625% Due 2018-11-27	AA+/AAA	99.77	703,434.90	100.54	708,771.75	1,050.15	709,821.90	4.59	1.49	4.26
581,000	FED NATL MTG ASSN 1.875% Due 2019-02-19	AA+/AAA	100.78	585,553.01	101.34	588,762.16	3,964.11	592,726.27	3.82	1.57	4.43
Total Government Issues				10,898,685.09		10,910,153.94	56,439.58	10,966,593.52	70.73	0.76[1]	2.49[1]
Total				**15,394,640.97**		**15,426,295.31**	**80,228.15**	**15,506,523.46**	**100.00**	**0.84**[1]	**2.51**[1]

Fixed Income holdings are sorted by Maturity Date in ascending order.
1 Weighted Average
2 Quantity Discrepancy
3 Missing Cost Basis

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

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- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
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- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
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- For floating rate securities, the estimated accured interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accural period.

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Other: This report does not contain information on DVP or margin rollup accounts carried by Morgan Stanley Smith Barney LLC. Also, all accounts with a mid-month daily fair market value at the total or asset class level below $500 will have performance defaulted to 0% until month end. Please reference this account again when the account or asset class is above $500 or at month end.

Morgan Stanley Smith Barney LLC. Member SIPC. Positions that are not custodied at Morgan Stanley Smith Barney LLC may not be covered by SIPC.

Accrued Income

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

Advisory Account

An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Annualized Standard Deviation

A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account

In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Comparative Indices

A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return

Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return

The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital

The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation

The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return

The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return

Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value

The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value

The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average

The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

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

MB, RF

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: 2014/2015 First 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 $700,000 in revenue.

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

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

October 2, 2014

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

Dear Kimberly:

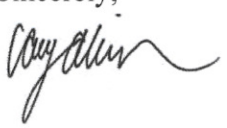
Please find attached your most recent portfolio summary. I certify that your portfolio is in compliance with California government code sections 53600 and 53601 as well as your current investment policy statement as of the date of this report.

Portfolio Highlights

Date of Report:	09/30/14
Inception date:	07/12/10
Net Invested Capital:	$15,032,875.75
Portfolio Appreciation:	$698,447.79
Total Ending Value:	$15,731,323.54
Current Month Return	(0.14%)
Current Quarter	(0.08%)
Current Year	0.65%
Last 12 Months	0.70%
Last 3 Years (annualized %)	1.14%
Year 2010	0.29%
Year 2011	1.91%
Year 2012	2.44%
Year 2013	(0.02%)
Year 2014 YTD	0.65%
Since Inception (annualized %)	1.24%
Corporate bonds as percentage of portfolio:	29.10%
Duration:	2.54 years

Please contact me if you have any questions.

Sincerely,



Cary M. Allison, CIMA®
Senior Vice President, Senior Investment Management Consultant
www.morganstanley.com
cary.allison@morganstanley.com

Attachment

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Morgan Stanley

Performance Report for:

ACSIG
10/2/2014

CARY ALLISON
Financial Advisor

1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661
Phone: (916) 797-7700

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. In addition, it may show the full performance history of your accounts or just the performance of your accounts since inception in their current Morgan Stanley programs. In some cases, it may show the combined performance of brokerage accounts and advisory accounts (for more information about the differences between brokerage and advisory accounts, please refer to the Glossary of Terms contained at the end of this report). **It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have at Morgan Stanley, but which are not shown here.**

Accounts included in this Performance Report may have had different investment objectives, been subject to different rules and restrictions, and incurred different types of fees, mark-ups, commissions, and other charges. Accordingly, the performance results for this portfolio may blend the performance of assets and strategies that may not have been available in all of your accounts at all times during the reporting period. Please consult your Morgan Stanley Financial Advisor for more information about the fees and expenses applicable to the accounts included in this Performance Report.

The following account(s) have been included in this performance report:
171 041349

This report is not an official statement. The information contained in this report is not complete without the required disclaimer and glossary, which you should read carefully. The information in this report should not be considered as the sole basis for any investment decision.

Morgan Stanley

ACTIVE ASSETS ACCOUNT
Executive Summary
Time Weighted Return (TWR)
September 30, 2014

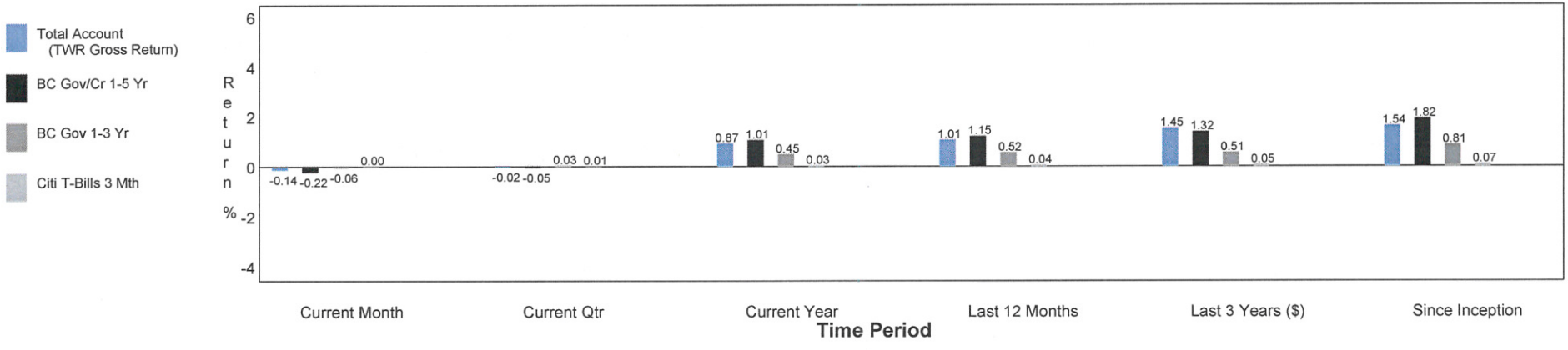
ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
(916) 797-7700

Change In Portfolio

	Current Month ($) 8/31/14 - 9/30/14	Current Qtr ($) 6/30/14 - 9/30/14	Current Year ($) 12/31/13 - 9/30/14	Last 12 Months ($) 9/30/13 - 9/30/14	Last 3 Years ($) 9/30/11 - 9/30/14	Since Inception ($) 7/12/10 - 9/30/14
Total Beginning Value (includes accrued income)	15,752,827.39	15,711,381.44	15,597,806.94	15,588,728.38	10,184,368.27	9,999,850.00
Net Contributions/Withdrawals	0.00	32,875.75	32,875.75	32,875.75	5,032,875.75	5,033,025.75
Net Invested Capital	15,752,827.39	15,744,257.19	15,630,682.69	15,621,604.13	15,217,244.02	15,032,875.75
Net Portfolio Appreciation	(21,503.85)	(12,933.65)	100,640.85	109,719.41	514,079.52	698,447.79
Total Ending Value (includes accrued income)	15,731,323.54	15,731,323.54	15,731,323.54	15,731,323.54	15,731,323.54	15,731,323.54
Cumulative Total Account (TWR Net Return)	-0.14	-0.08	0.65	0.70		5.35
Annualized Total Account (TWR Net Return)					1.14	1.24

Performance History



Comparative Performance Returns

	Current Month (%) 8/31/14 - 9/30/14	Current Qtr (%) 6/30/14 - 9/30/14	Current Year (%) 12/31/13 - 9/30/14	Last 12 Months (%) 9/30/13 - 9/30/14	Last 3 Years (%) 9/30/11 - 9/30/14	Since Inception (%) 7/12/10 - 9/30/14
Total Account (TWR Gross Return)	-0.14	-0.02	0.87	1.01	1.45	1.54
BC Gov/Cr 1-5 Yr	-0.22	-0.05	1.01	1.15	1.32	1.82
BC Gov 1-3 Yr	-0.06	0.03	0.45	0.52	0.51	0.81
Citi T-Bills 3 Mth	0.00	0.01	0.03	0.04	0.05	0.07
Citi T-Bill 6 Mth*	N/A	N/A	N/A	N/A	N/A	N/A
CPI Unadjusted*	N/A	N/A	N/A	N/A	N/A	N/A
BC Gov Intm	-0.34	0.02	1.56	1.14	0.90	2.06

* Comparative performance starts at the first month-end after inception.

Performance for all periods greater than one year is annualized

Morgan Stanley

ACTIVE ASSETS ACCOUNT
Executive Summary
Time Weighted Return (TWR)
September 30, 2014

ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
(916) 797-7700

Top 10 Holdings

Security	Symbol	Current Value ($)	% of Port	Sector
UNITED STATES TREASURY NOTE		1,279,766.73	8.17	Government Issues
FED HOME LN MTG CORP		1,169,700.75	7.47	Government Issues
UNITED STATES TREASURY NOTE		1,148,539.20	7.33	Government Issues
FED HOME LN MTG CORP		1,060,782.80	6.77	Government Issues
FED HOME LN MTG CORP		800,685.60	5.11	Government Issues
UNITED STATES TREASURY NOTE		779,049.84	4.97	Government Issues
FED NATL MTG ASSN		703,540.65	4.49	Government Issues
FED NATL MTG ASSN		626,790.40	4.00	Government Issues
FED NATL MTG ASSN		625,916.25	4.00	Government Issues
FED NATL MTG ASSN		618,670.25	3.95	Government Issues

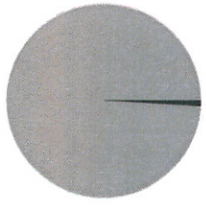
Gain & Loss Summary as of 9/30/14

Unrealized	G(L) Amount ($)
Short-term Gains & Losses	(5,378.57)
Long-term Gains & Losses	(12,133.39)
Total	**(17,511.96)**

Realized	Total Cost ($)	Market Value ($)	G(L) Amount ($)
Short-term Gains & Losses	602,978.03	603,370.18	392.15
Long-term Gains & Losses	3,600,551.05	3,645,603.18	45,052.13
Total	**4,203,529.08**	**4,248,973.36**	**45,444.28**

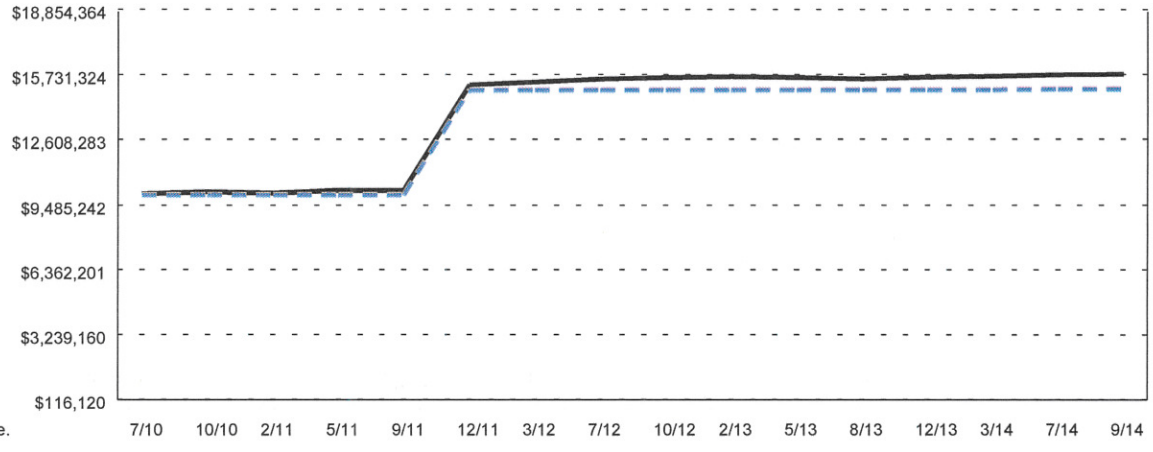
Unrealized Gain and Loss excludes tax lots with a market value of $0 and the Market Value column excludes Money Market and Cash positions.
*Total Cost and Market Value only include tax lots for which there is cost basis information.

Allocation as of September 30, 2014



Asset Class	Current Value
Fixed Income 99 %	5,559,555.68
Cash & Equiv 1 %	104,983.90
Total Market Value	**15,664,539.58**

Net Invested Capital



Net Invested Capital represents the inception value of the account, net of additional capital contributions and withdrawals, graphed against the account market value over time.

Morgan Stanley

Annual Performance Summary
Time Weighted Performance
Calendar Year Report - Net Return
September 30, 2014

ALAMEDA COUNTY SCHOOLS INS GROUP
171 041349 9 / CONSULTING GROUP / AAA
LEGG MASON/CLEARBRIDGE
FIXED INCOME

CARY ALLISON
1478 STONE POINT DR SUITE 500
ROSEVILLE, CA 95661
(916) 797-7700

	Period Start Date	Period End Date	Total Beginning Value($)	Net Contributions & Withdrawals($)	Net Portfolio Appreciation($)	Total Ending Value($)	Account Period Return(%)	Account Cumulative Return(%)
History:								
2010	07/12/2010	12/31/2010	9,999,850.00	150.00	28,996.97	10,028,996.97	0.29	0.29
2011	01/01/2011	12/31/2011	10,028,996.97	5,000,000.00	200,292.14	15,229,289.11	1.91	2.20
2012	01/01/2012	12/31/2012	15,229,289.11	0.00	371,674.99	15,600,964.10	2.44	4.70
2013	01/01/2013	12/31/2013	15,600,964.10	0.00	(3,157.16)	15,597,806.94	-0.02	4.68
2014 YTD	01/01/2014	09/30/2014	15,597,806.94	32,875.75	100,640.85	15,731,323.54	0.65	5.35

Cumulative Return Since Inception	**5.35**
Annualized Return Since Inception	**1.24**

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
Corporate Bonds											
144,000	PNC FUNDING CORP 4.250% Due 2015-09-21	A-/A3	101.92	146,768.44	103.56	149,122.08	153.00	149,275.08	0.96	0.58	0.96
74,000	OCCIDENTAL PETROLEUM CORP 2.500% Due 2016-02-01	A/A1	102.43	75,799.39	102.21	75,635.40	303.19	75,938.59	0.49	0.83	1.32
156,000	GLAXOSMITHKLINE CAP INC 0.700% Due 2016-03-18	A+/A2	100.04	156,074.78	100.07	156,101.40	36.40	156,137.80	1.00	0.65	1.46
157,000	APPLE INC 0.450% Due 2016-05-03	AA+/AA1	99.72	156,565.10	99.79	156,671.87	288.49	156,960.36	1.01	0.58	1.58
136,000	METLIFE INC 6.750% Due 2016-06-01	A-/A3	109.77	149,290.80	109.72	149,213.76	3,034.50	152,248.26	0.96	0.87	1.58
135,000	COMCAST CORP 4.950% Due 2016-06-15	A-/A3	106.48	143,757.24	106.90	144,313.65	1,949.06	146,262.71	0.93	0.87	1.63
151,000	AT&T INC. 2.400% Due 2016-08-15	A-/A3	102.62	154,969.00	102.33	154,522.83	453.00	154,975.83	0.99	1.13	1.84
150,000	BERKSHIRE HATHAWAY INC 2.200% Due 2016-08-15	AA/AA2	102.74	154,122.39	102.87	154,311.00	412.50	154,723.50	0.99	0.65	1.84
290,000	AMERICAN EXPRESS CREDIT 2.800% Due 2016-09-19	A-/A2	103.19	299,271.18	103.30	299,578.70	248.11	299,826.81	1.93	1.10	1.93
152,000	RIO TINTO FINANCE (USA) LIMITED 2.250% Due 2016-09-20	A-/A3	102.14	155,267.77	102.28	155,458.00	95.00	155,553.00	1.00	1.08	1.94
150,000	US BANCORP 2.200% Due 2016-11-15	A+/A1	102.78	154,172.25	102.87	154,302.00	1,237.50	155,539.50	0.99	0.77	1.99
152,000	BHP BILLITON FIN USA LTD 1.875% Due 2016-11-21	A+/A1	101.15	153,753.90	102.04	155,094.72	1,021.25	156,115.97	1.00	0.91	2.09
155,000	BANK OF NOVA SCOTIA 1.100% Due 2016-12-13	A+/AA2	100.11	155,170.92	100.17	155,258.85	506.76	155,765.61	1.00	1.02	2.17
152,000	DUKE ENERGY CAROLINAS 1.750% Due 2016-12-15	A/AA2	102.00	155,048.76	101.63	154,480.64	775.83	155,256.47	0.99	1.00	2.16
151,000	BB&T CORPORATION 2.150% Due 2017-03-22	A-/A2	100.85	152,297.62	101.63	153,456.77	72.14	153,528.91	0.99	1.45	2.34
150,000	GENERAL ELECTRIC CAPITAL CORP 2.300% Due 2017-04-27	AA+/A1	102.15	153,231.00	102.75	154,125.00	1,466.25	155,591.25	0.99	1.21	2.49
151,000	UNITED TECHNOLOGIES CORP 1.800% Due 2017-06-01	A/A2	101.94	153,934.54	101.48	153,230.27	898.45	154,128.72	0.98	1.23	2.60
156,000	ANHEUSER-BUSCH INBEV WOR 1.375% Due 2017-07-15	A/A2	100.51	156,805.57	99.87	155,792.52	446.87	156,239.39	1.00	1.42	2.74
132,000	MERRILL LYNCH & CO 6.400% Due 2017-08-28	A-/BAA2	110.77	146,221.94	112.49	148,486.80	750.93	149,237.73	0.95	1.96	2.70
155,000	UNITEDHEALTH GROUP INC 1.400% Due 2017-10-15	A/A3	100.65	156,014.40	99.86	154,776.80	994.58	155,771.38	0.99	1.44	2.97

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
159,000	MICROSOFT CORP 0.875% Due 2017-11-15	AAA/AAA	98.74	157,010.91	98.79	157,068.15	521.72	157,589.87	1.01	1.27	3.08
130,000	WELLS FARGO CO 5.625% Due 2017-12-11	A+/A2	112.76	146,595.01	111.95	145,537.60	2,214.06	147,751.66	0.94	1.76	2.94
155,000	JP MORGAN CHASE & CO 1.134% Due 2018-01-25	A/A3	100.93	156,441.55	101.81	157,799.30	317.39	158,116.69	1.01	0.58	3.25
155,000	GOLDMAN SACHS GROUP INC 1.436% Due 2018-04-30	A-/BAA1	100.72	156,128.87	102.19	158,386.75	370.99	158,757.74	1.02	0.81	3.49
155,000	TORONTO-DOMINION BANK 1.400% Due 2018-04-30	AA-/AA1	100.20	155,318.17	98.39	152,502.95	904.17	153,407.12	0.98	1.86	3.48
158,000	MERCK & CO INC 1.300% Due 2018-05-18	AA/A2	98.76	156,048.70	98.70	155,939.68	753.13	156,692.81	1.00	1.67	3.54
155,000	SHELL INTERNATIONAL FIN 1.900% Due 2018-08-10	AA/AA1	100.76	156,179.66	100.02	155,037.20	409.03	155,446.23	1.00	1.89	3.73
154,000	ORACLE CORP 2.375% Due 2019-01-15	A+/A1	101.69	156,612.86	101.32	156,029.72	761.98	156,791.70	1.00	2.05	4.09
156,000	BNP PARIBAS 2.450% Due 2019-03-17	A+/A1	100.07	156,110.34	100.24	156,366.60	138.02	156,504.62	1.00	2.39	4.25
Total Corporate Bonds				4,524,983.06		4,528,601.01	21,534.30	4,550,135.31	29.10	1.21[1]	2.50[1]
Government Issues											
615,000	FED NATL MTG ASSN 2.375% Due 2015-07-28	AA+/AAA	101.25	622,724.33	101.78	625,916.25	2,515.52	628,431.77	4.02	0.22	0.83
1,010,000	FED HOME LN MTG CORP 4.750% Due 2015-11-17	AA+/AAA	105.00	1,060,518.60	105.03	1,060,782.80	17,724.09	1,078,506.89	6.82	0.29	1.06
1,115,000	UNITED STATES TREASURY NOTE 2.375% Due 2016-03-31	/AAA	102.78	1,146,086.73	103.01	1,148,539.20	0.00	1,148,539.20	7.38	0.36	1.47
780,000	FED HOME LN MTG CORP 2.000% Due 2016-08-25	AA+/AAA	102.77	801,632.36	102.65	800,685.60	1,516.66	802,202.26	5.15	0.59	1.87
540,000	UNITED STATES TREASURY NOTE 1.000% Due 2016-10-31	/AAA	100.20	541,124.60	100.71	543,839.40	2,245.10	546,084.50	3.50	0.65	2.06
613,000	FED NATL MTG ASSN 1.250% Due 2017-01-30	AA+/AAA	101.05	619,484.83	100.93	618,670.25	1,277.08	619,947.33	3.98	0.84	2.30
390,000	FED NATL MTG ASSN 1.125% Due 2017-04-27	AA+/AAA	100.86	393,372.33	100.50	391,957.80	1,864.69	393,822.49	2.52	0.92	2.53
744,000	UNITED STATES TREASURY NOTE 2.750% Due 2017-05-31	/AAA	104.79	779,690.68	104.71	779,049.84	6,820.00	785,869.84	5.01	0.95	2.57
1,175,000	FED HOME LN MTG CORP 1.000% Due 2017-09-29	AA+/AAA	100.33	1,178,891.74	99.55	1,169,700.75	32.63	1,169,733.38	7.52	1.15	2.96
1,221,000	UNITED STATES TREASURY NOTE 2.750% Due 2018-02-28	/AAA	105.93	1,293,419.19	104.81	1,279,766.73	2,782.66	1,282,549.39	8.22	1.30	3.28

Quantity	Security	Ratings: S&P/Moody's	Unit Cost ($)	Adjusted Total Cost ($)	Current Price ($)	Current Market Value ($)	Accrued Interest ($)	Market Value +Accr int. ($)	Percent of Assets (%)	Yield to Maturity (%)	Duration
640,000	FED NATL MTG ASSN 0.875% Due 2018-05-21	AA+/AAA	97.99	627,174.40	97.94	626,790.40	2,006.66	628,797.06	4.03	1.45	3.58
311,000	UNITED STATES TREASURY NOTE 1.375% Due 2018-06-30	/AAA	99.26	308,728.15	99.71	310,101.21	1,069.06	311,170.27	1.99	1.45	3.65
385,000	FED NATL MTG ASSN 1.875% Due 2018-09-18	AA+/AAA	101.42	390,486.19	101.02	388,934.70	240.62	389,175.32	2.50	1.60	3.84
705,000	FED NATL MTG ASSN 1.625% Due 2018-11-27	AA+/AAA	99.77	703,434.90	99.79	703,540.65	3,914.22	707,454.87	4.52	1.67	4.01
581,000	FED NATL MTG ASSN 1.875% Due 2019-02-19	AA+/AAA	100.74	585,315.55	100.29	582,679.09	1,240.67	583,919.76	3.74	1.80	4.22
Total Government Issues				11,052,084.58		11,030,954.67	45,249.66	11,076,204.33	70.90	0.95[1]	2.55[1]
Total				**15,577,067.64**		**15,559,555.68**	**66,783.96**	**15,626,339.64**	**100.00**	**1.03**[1]	**2.54**[1]

Fixed Income holdings are sorted by Maturity Date in ascending order.
1 Weighted Average
2 Quantity Discrepancy
3 Missing Cost Basis

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Accrued Income

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

Advisory Account

An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Annualized Standard Deviation

A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account

In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Comparative Indices

A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return

Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return

The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital

The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation

The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return

The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return

Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value

The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value

The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average

The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

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make sure to explain to Statewide - Dental client first

MB, RP

EXECUTIVE SUMMARY

TO: Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Bylaw Revision

flag bulletin for Board Action

In 2008 the ACSIG Executive Committee did an extensive revision to its Bylaws. At that time, we brought all recommended revisions for approval. Since then, very few revisions have been necessary.

Given the success of the Dental and Vision funds, there has been interest in reallocating some of the net assets from these funds to cover the deficit in other funds. In order to accomplish this, ACSIG will need to adjust Addendum III and Addendum IV of its Bylaws. Specifically Section C (2) needed to be revised in both sections so that excess reserves could be utilized for deficit purposes.

> Addendum III C (2)
> Separate reserves shall be maintained for the dental benefit program. ~~Reduction of excess reserves shall only be accomplished by the Board through the reduction of future premiums. No cash rebate (i.e. dividend) shall be made to member districts.~~

The Executive Committee will be asked to recommend approval of this change to the Bylaws.

ADDENDUM III

SELF FUNDED DENTAL BENEFITS PROGRAM

Upon adoption of this addendum to the Joint Powers Agreement, ACSIG will establish a Self Funded Dental Program. The program will begin October 1, 1988.

A. Districts participating in the program agree to a minimum participation of three (3) years from the date of membership in the plan.

B. COVERAGE

Coverage under the program shall be identical to coverage being provided in the individual plans form which the districts are transferring.

1. Districts may alter the benefits which apply to their coverage plan. Should such changes result in an increase in the scope of coverage, the Executive Director will adjust the coverage premium to reflect this increased risk.

C. DENTAL TRUST FUND

1. A Dental Trust Fund shall be established and used to make disbursements for the payment of all costs and expenses relating to the dental program.

2. Separate reserves shall be maintained for the dental benefit program~~. *Reduction of excess reserves shall only be accomplished by the Board through the reduction of future premiums.* No cash rebate (i.e. dividend) shall be made to member districts.~~

3. Warrants shall be drawn on funds only in accordance with procedures established by the Board. The Board may delegate the authority to draw warrants.

D. RATING

Districts entering the ACSIG pool from the Delta Dental pool in an insured status will have risk rates established reflecting the expected levels of claims and administrative expense for each individual district's demographic makeup and level of benefits. Claims experience for all districts entering the ACSIG plan on this basis is pooled. At the contract anniversary date, all insured groups' rates are adjusted. Changes in benefits desired by a particular district within the larger group will result in rate changes by a percentage reflecting the additional exposure to the district and the pool for the change in that benefit.

Districts entering the pool from a Self Funded arrangement benefit from the lower ACSIG administrative rate as well as cost stabilization by participating in the grouped rating calculation.

Premium rates for Self Funded Districts entering the program will be established using that District's actual claim history. On an annual basis at renewal, thereafter, a new rate will be calculated using the District's actual claim experience.

E. RESERVES

Claim reserves for insured groups are established based on recommendations by Delta Dental Underwriters. At all times an appropriately conservative reserve will be maintained. Reserves are not allocated to individual districts rather the reserve fund for the entire insured group is pooled. Districts entering the pool from a fully-insured arrangement contribute a fully-insured rate from the inception date of their participation which after taking into account the lag in claims under new contract, establishes their contribution to the pool's reserve.

Districts entering the pool from a Self Funded arrangement will contribute a pre-funding deposit, calculated by the program Underwriter, with ACSIG and will be responsible for the run-out of all claims cost for service prior to the date of membership in the ACSIG program. This pre-funding deposit may require later adjustments to reflect loss trending and District claims experience. ACSIG will assume responsibility for cost of claims for service provided after the initial ACSIG program entry date.

F. PREMIUM CHARGES

Contribution rates adequate to cover anticipated claims and attendant expenses of the program shall be established by the ACSIG program Underwriters. All such calculations shall be reviewed by the Executive Director in a reasonable and prudent manner and approved by the ACSIG Governing Board.

G. LIABILITY

Each participating member district shall be liable for its pro rata share of all debts and liabilities of this program. Pro rata share shall be determined by the percentage at which the total individual district premium compares to total group premium payable during the last twelve calendar months.

H. NEW MEMBERS

Districts wishing to become participating members of the ACSIG pool must have their membership approved by the Executive Director. Districts requesting membership for an employee group not previously covered by the benefit will be required to purchase insured coverage for a period of twelve months prior to transferring membership to the ACSIG program.

I. "BUY IN"

Districts joining during the first year of operation shall not be penalized by having to "buy in" to the program. Districts joining in subsequent years may be required to "buy in" to any reserve balance in the program. The amount shall be set by the Executive Director.

J. WITHDRAWAL

In the event a member district withdraws form the ACSIG dental program, ACSIG shall be responsible for claims cost reported prior to the date of withdrawal. The withdrawing district assumes responsibility for any claims cost reported after the effective date of withdrawal.

The withdrawing district must give ninety (90) days notice, from the renewal date, of intention to withdraw and is not eligible to again participate in the ACSIG program until a period of five (5) years has elapsed from the date of withdrawal. The five (5) year provision may be waived by the Executive Director.

K. DISSOLUTION

In the event the ACSIG dental program is dissolved in its entirety, surplus assets will be distributed among participating districts on a pro rata basis. Pro rata share shall be determined by the percentage at which the total individual district premium compares to the total group premium payable during the last twelve (12) calendar months.

In the event outstanding liabilities remain at the time of dissolution, participating districts shall individually retain responsibility for these liabilities on the same pro rata basis.

L. EXCESS INSURANCE

The Executive Director is authorized to evaluate the need, and purchase if desirable, Excess (Stop Loss) Insurance Coverage.

M. ADDENDUM REVISIONS

This addendum may be revised at anytime subject to an affirmative vote by a majority of the Governing Board.

Amended: 10-30-14

ADDENDUM IV

SELF FUNDED VISION BENEFITS PROGRAM

Upon adoption of this addendum to the Joint Powers Agreement, ACSIG will establish a Self Funded Vision Program. The program will begin October 1, 1988.

A. Districts participating in the program agree to a minimum of three years participation starting with the first day of membership in the plan.

B. COVERAGE

Coverage under the program shall be identical to coverage being provided in the individual plans from which the districts are transferring.

1. Districts may alter the benefits which apply to their coverage plan. Should such changes result in an increase in the scope or coverage, the Executive Director will adjust the coverage premium to reflect this increased risk.

C. VISION TRUST FUND

1. A Vision Trust Fund shall be established and used to make disbursements for the payment of all costs and expenses relation to the vision program.

~~2.~~ Separate reserves shall be maintained for the vision benefit program. The required reserve amount will be calculated annually by the program Underwriters. ~~Reduction of excess reserves shall only be accomplished by the Board through the reduction of future premiums. No cash rebate (i.e. dividend) shall be made to member districts.~~

3. Warrants shall be drawn on funds only in accordance with procedures established by the Board. The Board may delegate the authority to draw warrants.

D. RATING

Districts entering the ACSIG pool from the Vision Service Plan in an insured statue will have risk rates established reflecting the expected levels of claims and administrative expense for each individual district's demographic makeup and level of benefits. Claims experience for all districts entering the ACSIG plan on this basis is pooled. At the contract anniversary date, all insured groups' rates are adjusted.

Changes in benefits desired by a particular district within the larger group will result in rate changes by a percentage reflecting the additional exposure to the district and the pool for the change in that benefit.

Districts entering the pool from a Self Funded arrangement benefit from the lower ACSIG administrative rate as well as cost stabilization by participating in the grouped rating calculation.

Premium rates for Self Funded Districts entering the program will be established by the program Underwriters using that District's annual claim history. On an annual basis, thereafter, a new rate will be calculated using the District's actual claim experience.

E. RESERVES

Claim reserves for insured groups are established based on recommendations by Vision Service Plan. At all times an appropriately conservative reserve will be maintained. Reserves are not allocated to individual districts; rather the reserve fund for the entire insured group is pooled. Districts entering the pool from a fully-insured arrangement contribute a fully-insured rate from the inception date of their participation which, after taking into account the lag in claims under new contract, establishes their contribution to the pool's reserve.

Districts entering the pool from a Self Funded arrangement will retain their pre-funding deposit with Vision Service Plan and will be responsible for the run-out of all claims cost for service prior to the date of membership in the ACSIG program. This pre-funding deposit may require later adjustments to reflect loss trending and district claims experience. ACSIG will assume responsibility for cost of claims incurred during participation dates within the ACSIG program.

F. PREMIUM CHARGES

Contribution rates adequate to cover anticipated claims and attendant expenses of the program shall be established by Underwriters and reviewed by the Executive Director. All such calculations shall be calculated by the Executive Director in a reasonable and prudent manner and approved by the Governing Board.

G. LIABILITY

Each participating member district shall be liable for its pro rata share of all debts and liabilities of this program. Pro rata share shall be determined by the percentage at which the total individual district premium compares to total group premium payable during the last twelve calendar months.

H. NEW MEMBERS

Districts wishing to become participating members of the ACSIG pool must have their membership approved by the Executive Director. Districts requesting membership for an employee group not previously covered by the benefit will be required to deposit an amount determined by the Underwriters into the Vision Reserve Fund.

I. "BUY IN"

Districts joining during the first year of operation shall not be penalized by having to "buy in" to the program. Districts joining in subsequent years may be required to "buy in" to any reserve balance in the program. The amount shall be set by the Executive Director.

J. WITHDRAWAL

In the event a member district withdraws from the ACSIG vision program, ACSIG shall be responsible for claims cost reported within the dates of membership. The withdrawing district assumes responsibility for any claims cost reported after the effective date of withdrawal.

The withdrawing district must give 90 days notice of intention to withdraw and is not eligible to again participate in the ACSIG program until a period of five years has elapsed from the date of withdrawal. The five year provision may be waived by a vote of the ACSIG Governing Board.

K. DISSOLUTION

In the event the ACSIG vision program is dissolved in its entirety, surplus assets will be distributed among participating districts on a pro rata basis. Pro rata share shall be determined by the percentage at which the total individual district premium compares to the total group premium payable during the last twelve calendar months.

In the event outstanding liabilities remain at the time of dissolution, participating districts shall individually retain responsibility for these liabilities on the same pro rata basis.

L. EXCESS INSURANCE

The ACSIG Dental/Vision Committee is authorized to evaluate the need, and purchase if desirable, Excess (Stop Loss) Insurance Coverage.

M. DENTAL/VISION SUBCOMMITTE

Participating districts in this Self Funded dental program may form a subcommittee to administer matters relating to this program. The committee shall be composed of a minimum of three representatives plus the ACSIG Executive Director.

N. ADDENDUM REVISIONS

This addendum may be revised at anytime subject to an affirmative vote by three-quarters of the ACSIG Governing Board.



EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Policy Revision

In 2008 the ACSIG Executive Committee did an extensive revision to its policies and procedures. Since that time, very few revisions have been necessary. Recent Executive Committee discussion included reallocation of excess reserves from the Dental Fund and the Vision Fund to cover the deficit in other funds. In order to accomplish that, the capital target policy for these two funds needed to be revised. This policy revision sets the Capital Target Reserve at 2% of the annual income for each of these funds. 2% for the Dental Fund is approximately $2,000,000 and 2% for the Vision Fund is $420,000.

Additionally, the ACSIG policy 3.9 regarding Borrowing Between ACSIG programs needed to be updated. Due to the fact that ACSIG invoices its Workers' Compensation Program and Property/Liability Program members semi-annually and premium payments are required on a different schedule, temporary borrowing between funds is necessary for cash flow purposes. This policy revision allows for temporary borrowing between funds.

Finally, policy 1.12 "Records Retention" policy needed to be updated according to requirements. Additionally, micro film copies are no longer relevant to ACSIG operations.

The Executive Committee will be asked to recommend approval of these changes to the ACSIG Policies and Procedures to the full Board at its November 6, 2014 meeting.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: CAPITAL TARGET POLICY

It shall be the policy of the Alameda County Schools Insurance Group (ACSIG) to annually fund the Workers' Compensation and Property/Liability Programs at the expected confidence level as determined by the annual actuarial report, which funding shall include claims costs at the ultimate net loss amount as defined, discounted to reflect projected interest income.

DENTAL PROGRAM

It shall be the policy of the Alameda County Schools Insurance Group ~~to hold the equivalent of two months of claims in~~ *establish* a Dental Program Capital Target Reserve ~~Fund~~, such ~~fund~~ *reserve* is to be used for claims fluctuation as needed. The amount shall be determined annually by ~~using the actual claims paid between March and February of the previous year.~~ ~~*multiplying the annual budgeted income for the program by 2%. This amount will be determined at June 30 each year.*~~ ~~an actuary.~~ prior year actual income by 2%. September 30 unaudited

VISION PROGRAM

It shall be the policy of the Alameda County Schools Insurance Group to ~~hold the equivalent of two months of claims in~~ *establish* a Vision Program Capital Target Reserve ~~Fund~~, such ~~funds~~ *reserve is* to be used for claims fluctuation as needed. The amount shall be determined annually by ~~using the actual claims paid between March and February of the previous year~~. *multiplying the annual ~~budgeted~~ income for the program by 2%. This amount will be determined at ~~June~~ 30 each year.*

unaudited actual September

APPROVED: 12/11/08
REVISED: 10/30/14
REVIEWED:

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: DISTRIBUTION OF ~~SURPLUS EQUITY~~ *UNDESIGNATED NET ASSETS*

POLICY

It shall be the policy of ACSIG that ~~surplus equity~~ *undesignated net asset* returns from programs such as NorCal ReLiEF shall be returned to the members upon receipt by ACSIG. Funds will be returned to members based upon the members' pro-rata share of the pool in those years in which equity has been declared and returned. No surplus equity will be returned unless a capital target is met. ~~Surplus equity~~ *Undesignated net assets* shall be determined at the end of each fiscal year in accordance with the following schedule:

Year (n)	No Allocation
Year (n+1)	No Allocation
Year (n + 2)	No Allocation
Year (n + 3)	No Allocation
Year (n + 4)	No Allocation
Year (n + 5)	10% of ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 6)	20% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 7)	30% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 8)	40% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 9)	50% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 10)	70% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + 11)	90% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*
Year (n + all remaining years)	100% of Remaining ~~Surplus Equity~~ *Undesignated Net Assets*

~~Surplus equity~~ *Undesignated net assets* shall be determined at the end of the fiscal year using actuarial reports. ~~Equity shall be returned within 90 days after acceptance of the actuarial report, unless the Board establishes an alternate date.~~ Years with negative equity may be funded by offsetting the negative equity against years with positive equity. ~~Surplus equity~~ *Undesignated net assets* shall be distributed from the oldest years first. ~~At the Board's option, it may close out a negative equity year earlier than this policy permits.~~

FORMULA FOR DISTRIBUTION

A. Amount of distribution will not exceed the undesignated fund balance. This is the amount in excess of the Capital Target
B. The most recent program year will be a waiting period and will be excluded from the distribution.
C. All other program years are subject to Net Asset release or deficit offset starting with the oldest program year forward.
D. Prior to release of the undesignated net assets, as per the Distribution of Undesignated Net Asset policy, member Net Assets will be used to offset any existing deficits.

undesignated net assets

within the same program

Upon declaration of ~~surplus equity~~, the surplus equity will be distributed as follows:

1. A member may utilize their undesignated net asset distribution in one of the following ways:
    a. Direct Return
    b. Credit Deficit Reserve Account in the Members Name.
2. Whichever option a member may choose, the member must exercise that option by December 31 following the fiscal year end (June 30) in which the undesignated net asset distribution is declared. Should the member not express their option, the Authority will automatically select Credit Deficit Reserve Account in the Members Name.
3. Whenever a member decides to exercise option a or b, the total amount of that member's undesignated net asset distribution must be used. Members will not be allowed partial distributions.
4. Authority to select a distribution option and/or withdrawal of undesignated net assets from the authority shall rest solely with the member's officially designated representative or alternative to the Board of Directors
5. ~~Interest will be distributed to members in the normal fashion~~

to

APPROVED: 12/11/08
REVISED: 10/30/14

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: BORROWING BETWEEN ACSIG PROGRAMS

POLICY

Alameda County Schools Insurance Group administers more than one Program on behalf of its members, and no two Programs have the same membership. Because membership in each Program ***and its funding*** are different, it shall be the Policy of ACSIG that each Program ***will be accounted for in a separate, self-balancing set of accounts in compliance with GAAP.*** ~~It shall be the policy of ACSIG that no program may borrow funds from another Program for any purpose~~. ***To address cash-flow issues, Programs may temporarily borrow funds from another Program for any purpose within any one fiscal year.***

APPROVED: 12/11/08
REVISED: 10/30/14

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

POLICY AND PROCEDURES MANUAL

SUBJECT: RECORDS RETENTION

POLICY

It shall be the policy of ACSIG to maintain all records and files according to the requirements established by applicable federal and state laws.

The confidentiality of the ACSIG files and records shall be governed by California Government Code, Section 6254.

The following is an explanation of the class designations according to Title 5 of the Administrative Code:

Class 1 - Permanent Records
Class 2 - Optional Records. After hard copy has been retained for the required period, it becomes eligible for destruction.
Class 3 - Disposable Records.

RECORD RETENTION SCHEDULE

TYPE OF DOCUMENT	~~HARD COPY~~ RETENTION PERIOD	~~MICRO FILM~~	CLASS
Administration/General			
Actuarial Studies	~~4 years~~	Permanent	1
Certificates of Insurance	~~4 years~~ *1 yr after expiration*	~~Permanent~~	1
Claims Audits	~~4 years~~	Permanent	1
Contracts (Vendor)	5 years after end of contract		2
Correspondence	3 years	~~N/A~~	3
Policy Endorsements	Permanent	~~Permanent~~	1
Insurance Policies	Permanent	~~Permanent~~	1
Investment Records	~~4 years~~	Permanent	1
JPA Agreements/Addendums	Permanent	~~Permanent~~	1
Legal Opinions	~~4 years~~	Permanent	
Management Reports			
Experience Reports	3 years	~~N/A~~	3
Incurred Costs Perpetual Rept.	~~4 years~~	Permanent	1
Lag Reports	~~4 years~~	Permanent	1
Memoranda of Coverage	Permanent	~~Permanent~~	1
Policies & Procedures	~~4 years~~	Permanent	1
Premium Calculations	~~4 years~~	Permanent	1
Property & Liability Outline of Covg.	5 years		3
Record of Fixed Assets	~~4 years~~	Permanent	1

TYPE OF DOCUMENT	~~HARD COPY~~ RETENTION PERIOD	~~MICRO FILM~~	CLASS
Banking			
Bank Reconciliations	~~3~~ 7 years	~~N/A~~	3
Bank Statements & Checks	~~4~~ 7 years	~~Permanent~~	1
Cancelled & Voided Checks	~~3~~ 7 years	~~N/A~~	3
Check Copies	~~3~~ 7 years	~~N/A~~	3
Check Registers	~~4 years~~	Permanent	1
Board Documents			
Agenda Packets	3 years	~~N/A~~	3
Minutes & Agendas	~~5 years~~	Permanent	1
Resolutions	~~4 years~~	Permanent	1
Claims			
Claim Files			
Workers' Compensation	5 years	~~N/A~~	3
Property & Liability	7 years	~~N/A~~	3
Incident Reports (No Claim)	3 years	~~N/A~~	3
Industrial Accident Reports	5 years	~~N/A~~	3
Loss Runs (June 30 – Entire Report)	Permanent	~~Permanent~~	1
Loss Runs (Monthly Summary)	~~4 years~~	Permanent	1
Student Accident Reports (Claim)		Becomes part of claim file	
Student Accident Rept. (No Claim)	3 years	~~N/A~~	3
Financial			
AP & AR Registers	3 years	~~N/A~~	3
Audits	~~5 years~~	Permanent	1
Budgets	~~4 years~~	Permanent	1
Budget Transfers	3 years	~~N/A~~	3
County Transfers	3 years	~~N/A~~	3

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Draft 2013/2014 Annual Report

A goal established by the Executive Director was the development of a report to document the historical perspective of the JPA and to highlight the progress of ACSIG. Because this is the third Annual Report published, we tried to target program specific goals and objectives and provide the reader a good explanation of ACSIG Services. Enclosed is a draft annual report developed in response to this goal. Because this is a draft report, please feel free to provide feedback to improve the document.

The draft will be reviewed with the Executive Committee and presented to the full Board at its November 6, 2014 meeting.

Alameda County Schools Insurance Group

(ACSIG)



2013/14 Annual Report

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EXECUTIVE DIRECTOR'S MESSAGE



Welcome to the Annual Report for the Alameda County Schools Insurance Group (ACSIG). We are a Joint Powers Authority, which began in 1978 and operates programs providing Workers' Compensation coverage, Property & Liability coverage as well as self-funded Dental and Vision coalitions. 2014 was an exciting year for ACSIG. While keeping rates stable, ACSIG improved its financial position significantly.

As the ACSIG Board remains committed to funding the Workers' Compensation deficit, we continue to improve the program to ensure that injured workers are treated respectfully and medically responsibily. By expanding the Company Nurse program into 5 additional districts, more injured workers are able to speak to a medical professional at time of injury. This enables accurate medical referrals, timely treatment and reduces the District's paperwork. This expansion will increase the sample size and allow us to better analyze the program to determine its success. As member agencies struggle to balance their individual budgets, it is critical that the factors used to determine rates are as accurate as possible. The deficit was reduced from $11.8 million to $9.3 million in 2014. Additionally, the ACSIG Board continues to explore opportunities for a Loss Portfolio Transfer for all Workers' Compensation liability prior to July 2009.

2014 was marked with a renewed spirit within ACSIG members. The State deficit was being addressed in Sacramento and school districts were introduced to an entirely new funding model. This new model presented opportunities for restoration of some programs and the start of others. Because of this, ACSIG saw the scope of needed services change as well. While orientation and training are always important loss prevention measures, ACSIG has had even greater training opportunities as new employees are hired. Additionally, members have taken an active roll in the management of their significant loss drivers. This has allowed ACSIG to team with its members to engage the work force and raise awareness of personal safety and work place hazards.

The training for Special Education ParaEducators continued in 2014 and will be expanded in 2015. As the needs of the students within each Special Education program vary, so do the needs for both training and workplace inspections. 20 years ago we focused on lift/transfer mobility to ensure that employees were not being injured while lifting and transferring students. We also inspected the classroom to allow sufficient room for mobility devices. While these needs continue, ACSIG members have seen a significant increase in those students who are referred to the Special Education program because of behavioral issues. The training for employees related to these physical and emotional outbursts is very different than those related to lift/transfer. Therefore, we have worked with each member agency and their special education departments to develop a new training focused on these challenges. These trainings will be conducted in 2015. The Board continues to allocate JPA funds to reimburse member agencies for 2-hrs of training for all ParaEducators. This is to ensure that all ParaEducators can receive the training at no cost to the members.

Additionally, the training opportunities were expanded in 2014 to include Food Service workers. Our Loss Control consultant toured all Central Kitchens. By familiarizing himself with the District-specific kitchens, the trainings have been tailored to that specific member maximizing the benefit of the training.

We must recognize our amazing partners at ACSIG, without whom our success would not be possible. In 2007, ACSIG began a partnership with Keenan & Associates for Workers' Compensation claims administration. That partnership continues with the PIPS program administration. The Keenan Service Team members with whom we work are our true partners. The accomplishments within ACSIG are their main priority. It is because of their knowledge, dedication and commitment that we have been able to implement the data driven service delivery model. Additionally, ACSIG joined the Northern California ReLiEF

JPA for Property/Liability coverage in 2008. This partnership reduced ACSIG's self-insured retention per claim from $150,000 to $25,000. While the rates have remained stable, the Districts within ACSIG's Property/Liability program enjoy a higher degree of coverage and a lower attachment point.

Another partner in the success of ACSIG is SETECH. SETECH began administering the financial accounting and reporting for ACSIG in July 2009. Prior to that time, ACSIG maintained internal accounts and reported quarterly through a CPA who had no other schools or JPA clients. The result is professional, compliant reporting on a quarterly basis to the Executive Committee and semi-annually to the full Board. This partnership is integral in our achievement of Accreditation and provides an independent representation to the Board.

As we look forward into 2015, many programs will continue while new program options will be explored. ACSIG is continuing to expand the Company Nurse program into member agencies. Additionally, the Service Team will continue to review loss drivers and work to structure all services toward loss mitigation. While the ACSIG Board has the decision making power over its own budget, it is also important that ACSIG agencies' interests are represented within the organizations to which it belongs. To provide that representation, I serve as a member and Treasurer of the PIPS Board, member and Treasurer of NCR as well serve as its Finance Committee Chairperson. I am a member of the NCR Claims & Coverage Committee and Underwriting/Member Services Committee as well as a member of the NCR Executive Committee. I am also the Vice-President of the SAFER Excess Property/Liability JPA to which ACSIG belongs. Working on these committees not only allows for input into the processes of each of these agencies, but also provides early information about upcoming changes in law, procedures and, continues to provide the opportunity for ACSIG to participate as a pilot agency in the expansion of Company Nurse.

ACSIG went through the Re-Accreditation process in 2014. Maintaining our Accreditation designation is of critical importance. I am pleased to say that we received our Accreditation through 2017. In order to continue best practices I continually work to maintain a network of industry professionals and stay current on all legal and compliance regulations. One way I am addressing these needs is by becoming part of a State-wide Task force of JPA Managers. As professionals, we have recognized the strength of a network. With a strong network of our peers, we are able to identify best practices, participate in pilot programs and provide training for successful succession planning. Additionally, by being a member of the CAJPA accreditation committee, I can learn of new Accreditation standards before they are a requirement and can participate in their creation allowing ACSIG to stay current with all rules and regulations.

As I conclude this welcome, I would like to commend the Board for their commitment to ACSIG and their continued fiscal integrity. Although the financial condition of each member agency has been challenged in recent years, the deficit within the Workers' Compensation program has continued to be reduced. We are on track to reach of goal of deficit elimination by 2017. It is my honor and pleasure to serve as the Executive Director of this outstanding organization.

"THE SIGNIFICANT PROBLEMS WE FACE CANNOT BE SOLVED AT THE SAME LEVEL OF THINKING WE WERE AT WHEN WE CREATED THEM." ALBERT EINSTEIN

Kimberly Dennis



Alameda County Schools Insurance Group is an accredited JPA that conservatively balances cost and risk through self-supporting, service driven insurance programs that is committed to providing services to district and county members through education and outstanding customer service.

President's Message

Susan Kinder

ACSIG President, 2011 – Present



Right on Track!

I am happy to report that the Alameda County Schools Insurance Group, better known as ACSIG, has once again completed a very successful year. This would not be possible without the excellent leadership provided by Kimberly Dennis, the support provided by her staff, and the active participation of all our member districts.

Accreditation

ACSIG has once again received Accreditation with Excellence through the California Association of Joint Powers Authorities (CAJPA). This process entails a detailed examination of our legal and operations documents, risk management, loss control and claims program, and statutory compliance. The accreditation will be in effect for three years. We all can be proud of this recognition.

Fiscal Accountability

We have made great progress towards reducing our Workers Compensation deficit, which is right on track to be paid down by 2017 and maybe even earlier. The deficit is now below $10 million. To think, just four years ago we were looking at a deficit of almost $20 million. This is a great accomplishment.

Our Dental and Vision programs continue to be very healthy and this year we were actually able to give rebates back to our member districts enrolled in the dental program.

Member focus

ACSIG continues to strive to provide the best service and programs available for our member Districts. The Executive Board is determined to ensure that ACSIG remains a fiscally sound organization that sustains the confidence of our member districts. We appreciate all those who attend our Board meetings and provide feedback to help ACSIG continue to get even better. We look forward to another fantastic year!

Susan Kinder

ACSIG Board President



GOVERNENCE

Executive Committee

Susan Kinder	President	Livermore USD
Luz Cázares	Vice-President	Pleasanton USD
Dr Candi Clark	Secretary	Castro Valley USD
Mark Bonnett	Board Member	Emery USD
Michael Brady	Board Member	Piedmont USD
Raul Parungao	Board Member	Fremont USD
Akur Varadaraja	Board Member	New Haven USD

Board of Directors

Susan Kinder	President	Livermore Valley Joint USD
Luz Cázares	Vice-President	Pleasanton USD
Dr Candi Clark	Secretary	Castro Valley Unified School District
Damon Smith	Board Member	Alameda County Office of Education
Dr Robert Clark	Board Member	Alameda Unified School District
Allan Garde	Board Member	Albany Unified School District
Beverly Heironimus	Board Member	Dublin Unified School District
Marites Fermin	Board Member	Eden Area ROP
Mark Bonnett	Board Member	Emery Unified School District
Raul Parungao	Board Member	Fremont Unified School District
Marie Dela Cruz	Board Member	Mission Valley ROP
Vickie Chang	Board Member	Mountain House Unified School District
Akur Varadarajan	Board Member	New Haven Unified School District
Elaine Neilsen	Board Member	Newark Unified School District
Michael Brady	Board Member	Piedmont Unified School District
Song Chin-Bendib	Board Member	San Leandro Unified School District
Lowell Shira	Board Member	San Lorenzo Unified School District
Miki Whetfield	Board Member	Sunol Glen Unified School District
Julie Duncan	Board Member	Tri-Valley ROP

Strategic Planning

Beginning in January 2008, The ACSIG Executive Committee committed to meet annually to strategically plan for the operating goals of ACSIG. Every 2 years the Strategic Planning session is facilitated by a professional who enables the group to stay focused and accomplish the maximum amount of decision making in a limited amount of time.

The review of the 2012/13 strategic plan was held on July 12, 2013. All members were invited to attend the Strategic Planning session. All input is welcomed as we continue to strive to improve all ACSIG programs.

Action Plan Table

Year One 2012-2013						
Issue	**Action**	**Who**	**When**	**Notes**	**Date**	**Objective**
WC Team Communication Better communication between Keenan employee, injured worker & district person handling WC-communication triangle. This would include a clear & simplified process as to who is doing what, what the plan is and the next steps.	• Develop a service ticket system to automate process. • Use personal communication, not just written channels • Keenan & District on the same page in terms of the plan and who is communicating to employee • Provide simplified forms or a template for action plans once a claim is in process. • Keenan staff needs to know when to elevate the communication to the authorized District person (i.e. if you thought about suggesting disability retirement?). • Is there an automated way to send reminders to District staff that a doctor note is due, modified duty is expiring, etc. Keep lines of communication open even when the information to protected (HIPPAA). Simplify legal notifications to injured worker by designing a coversheet.	Keenan/ District-HR/ ACSIG	2012/ 2013	IM-PROVE	3/ 13	Communication to District liaison included in 3-point contact. 3-point contact consists of injured worker, school district & doctor's office. If contact cannot be made with the injured worker, a follow-up letter is sent instructing the injured worker to contact the claims examiner. Kimberly to join WC staff meeting once a month to ensure staff understands District perspective. All claims staff receives industrial leave training. Claims examiner will notify claims

						manager when communication needs to be elevated to other District personnel. Claims team will be on point to notify the school district of work status reports including modified duty and provide dates of next doctor's office visit. Claims manager is actively triaging high exposure/sensitive claims with member agencies utilizing defense attorney's experts and medical providers.
OSHA Tool Kit Comprehensive toolkit for OSHA covering types of visits, next steps, and generally what triggers an OSHA visit and what to expect when OSHA shows up	• OSHA Consultation visit • Use information to create an internal audit instrument/checklist • Develop and implement training to M&O and Management Employees • Provide OSHA links and Cal OSHA • When to report to OSHA (death, hospital) • Create Form 300 & 300A (Posting)	Kimberly Dennis/ Keenan/ HR	2012/ 2013	NEW	2/15/13 To 3/14/13	OSHA Toolkit was developed and previewed with HR Administrators in February 2013 and to the Executive Committee in March 2013. This toolkit was distributed to all member agencies and training was performed on 3/25/13.

HR Analyst Training Provide training for new HR analyst for district staff to attend.	• Annual training at COE for new HR claims Point of Contact for W/C including Workers' Comp 101 training and UCOL training. • Add to website as webinar and/or PowerPoint.	Kimberly Dennis/ HR	2012/ 2013	New	2/25/13	WC101 training was held for all member agencies.
Education Tool Educate service team on PERS/STRS and Ed Code	• Keenan condensed Ed Code Book. • Attend PERS/STRS disability training • Attend HR consortium meetings • Keenan staff needs to better understand school environment.	Kimberly Dennis	2012/ 2012	IM-PROVE	9/18/13	Kimberly is working with Liz Richards to define necessary trainings and information. WC Leaves training was held on 5/25/13 and conducted by Dulcinea Grantham a local, employment attorney. Kimberly and Claims Manager attended a disability retirement workshop held by CalPERS.
Follow-up Consistent & timely follow-up for easier information sharing Keeps communication flowing even when staffing changes within Keenan or the District.	• Locate technology/tickler system • FAQ posted on website • When someone leaves Keenan, create an out-of-office message that will reply to any incoming email that there is a new contact for them with person's contact information. If someone is covering in the interim, that information should be listed and then revised when a new employee is hired.	Kimberly Dennis	2012/ 2013	IM-PROVE		Claims manager will notify each client directly when an employee submits 2-weeks notice. Will notify District of the coverage plan during the vacancy.

						Currently, when someone leaves, email auto-response tells requesters who to contact in the interim and Supervisor gets copy of every email sent to vacant position.
Claims Reduction Proactively work to reduce operations claims.	• Audit work sites • Data driven responses • Safe Schools on-line training • Drill down data to evaluate where injuries are happening, then: inspect equipment and target training • Communicate findings • Design and implement hands-on training (based upon specific loss data). • Conduct detailed analysis to design comprehensive risk management support plan (district specific, narrow focus, include claims follow-up, findings communication, and intervention such as custom training.)		2012/ 2013	NEW		Service team meets monthly and analyzes claim data by District, by causation, by job classification. Based upon this analysis, targeted trainings are conducted.
Food Service Safety Proactively work too reduce food service claims.	• Provide training for lifting, hot foods, etc. • Look at Central Kitchen for erg situation improvement. • Look at service delivery for safety improvement. • Audit employee rotating jobs (as risk reduction method.)	ACSIG/ District	2012/ 2013		Evaluator to not comment during inspection, publish report ... Don't highlight a problem to	Live trainings have been provided on the topics of Back Safety, Slip/Trip/Fall, Bloodbourne Pathogens, Cut/Punc/Scrape, Housekeeping.

					staffing. Concern about future/additional claims if deficiencies are identified in front of other employees.	Districts : Pleasanton, Newark, San Leandro, Livermore. Expand to all agencies in 13/14. Observation of central kitchens: San Leandro, Newark, Pleasanton, Fremont. Expand to all agencies in 13/14. Risk Advisor topics have been sent to Directors for posting. Keenan SafeSchools offered for ongoing training throughout the FY Food Service Worker training is a focus area for 2013-14 and all member agency food service staff will be targeted for training.
Board Meeting Structure Divide board meetings up for the HR and Business, so some can attend parts that relate to them.	• Group items by subject and publish so that people can attend what is most relevant to their position. • Rebrand portion of the annual meeting to call it something else that communicates relevance to specific ACSIG members.		2012/ 2013	NEW		This change was implemented beginning with October 2012 Board packet.

	• Add notation to "value" items on the agenda that are addressing items identified from Strategic Planning actions plans. This will show that initiatives developed thru Strategic Planning are being addressed.					
Deficit Communication Produce a one-page Executive Summary detailing history & progress of deficit.	• Have an educational piece to inform new Board members of the history and current decisions regarding the deficit.	Kimberly	2012/ 2013	NEW		One-page document reviewed by Executive Committee
Year Two 2013-2014						
Risk Management Support Improve risk management support: Audit of risk issues through OSHA, Safety, training, athletics, field trips, etc.	• Develop risk management audit protocols, references, resources and services.	Districts & ACSIG	2013/ 2014	NEW		Quarterly reports highlighting common risk factors per agency will be distributed to Board Members, including link to KSS for relevant trainings. Preview Safety Short at Fall Board Meeting to heighten awareness.
Toolbox Tools A–Z* Procedures-simplicity*Templates and Process form-slight modification.	• Develop and remind members periodically, including email new handout packets.	Kimberly	2013/ 2014	NEW		Developed Principals tool kit which compiles all trainings relevant to principals annually and allows access to one "module" in KSS for training.

						Piloting this in member agencies in September 2013
Assurance Executive Director to document job functions. Create a handbook or other succession options.	• Chronicle what E.D. does each day, plus annual, quarterly, etc. • Create a handbook. <What if Kimberly wins the lottery?>	Kimberly	2013/ 2014	NEW		Draft of 12-13 activities reviewed with Executive Committee in October 2013.
WC History Consider options for worker's compensation history check.	• Is it legal in CA? • Any conflict with the Education Code? • Add to employment process & application Can terminate for falsification • Post offer physicals.	Keenan/ Kimberly /HR	2013/ 2014	NEW		Illegal to check a WC database prior to hiring. Fully implement Post-Offer/Pre-Placement program JPA wide. Completed Job Analyses were distributed to all HR Admin in Sept/Oct 2013. Service Team will work individually with each member to implement this program JPA wide. Contract for new Job Analysis as needed to build bank of information.
Ex-Mod Analysis Ex Mod factor analyzed by/with what programs are implemented. Do the programs help reduce the ex mod?	• Who has the lowest Ex-Mod.? • What are they doing in terms of policies and procedures? • Evaluate what is working for others.		2013/ 2014	NEW		Annual reports will be provided to each member detailing the 3-year claims history that is used to develop ex-mod.

	• Develop best practices and publicize. • Share information (like cases, interventions, etc.) • Develop incentives for active risk management. •					
Board Role and Assurance Publish specific guidance for board members based on roles and responsibilities regarding what report numbers should be validated by what measure.	• Tie to #'s across reports (i.e., connect the dots so Board Members know how detail information connects to ACSIG on-going management) • Tie to impact figures & change in figures across reports.	Kimberly /Board Member	2013/ 2014	**NEW**		Develop a flow-chart to help illustrate how JPA numbers should be validated between independent reports.

Workers Compensation Program

Core Program



The Alameda County Schools Insurance Group (ACSIG) was founded in 1978 for the purpose of self-insuring for Workers' Compensation claims exposure.

This core program has grown throughout the past 35 years and now includes 19 member agencies and employee payroll of $803,948,848.

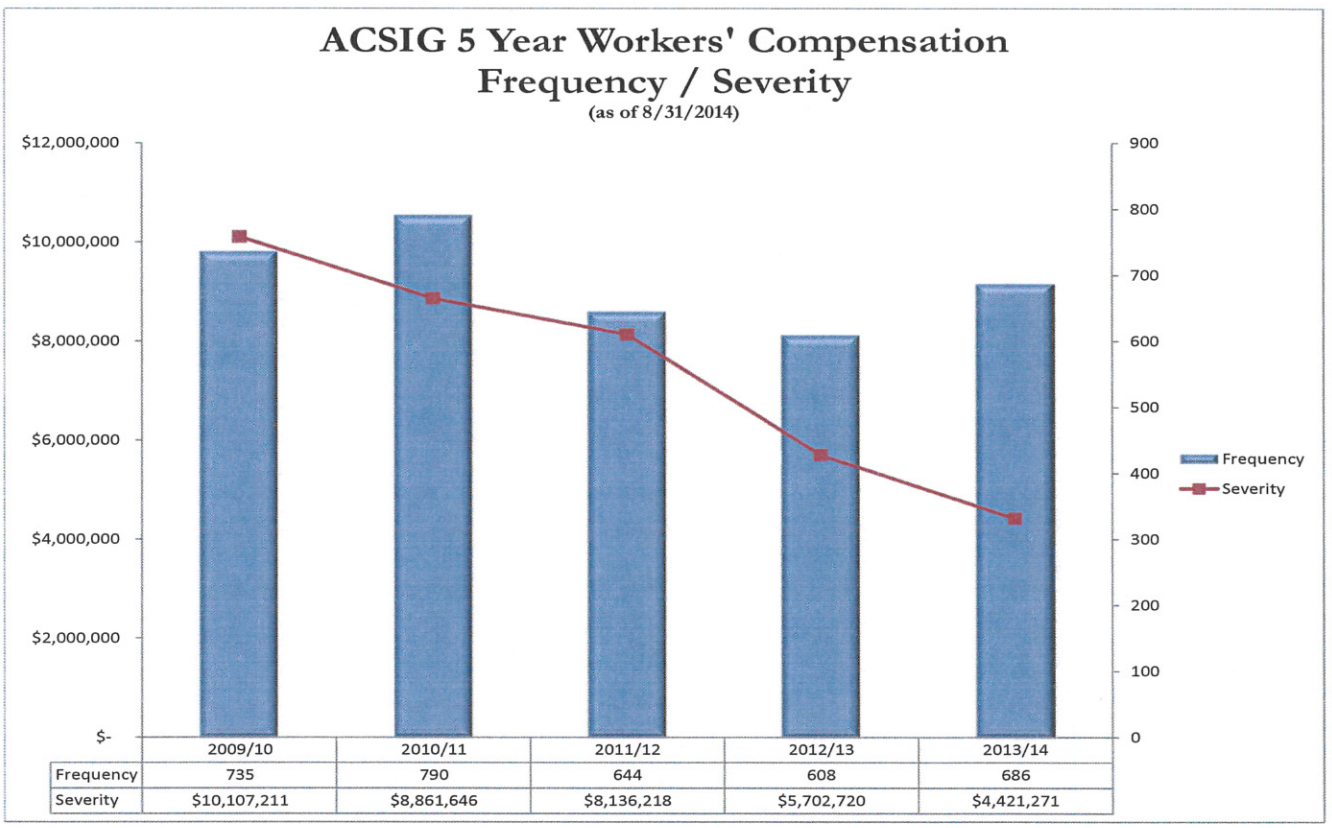
Self-Insured Retention

At inception ACSIG was a 100% self-insured program. Beginning in 1979, ACSIG began purchasing reinsurance to provide for catastrophe claims. The following schedule details the self-insured retention and dollar value at which reinsurance was purchased for the program since inception.

Coverage by Fiscal Year

Occurrence	Self-Insured Retention
July 1, 1978 – June 30, 1979	Unlimited
July 1, 1979—June 30, 1980	$250,000
July 1, 1980—June 30, 1981	$250,000
July 1, 1981 – June 30, 1982	$250,000
July 1, 1982 – June 30, 1986	$250,000
July 1, 1986 – June 30, 1987	$500,000
July 1, 1988 – June 30, 1995	Unlimited
July 1, 1995 – June 30, 2001	$2,000,000
July 1, 2001 – June 30, 2003	$1,000,000
July 1, 2003 – June 30, 2004	Unlimited
July 1, 2004—June 30, 2006	$3,000,000
July 1, 2006 -- June 30, 2009	$250,000

As of July 1, 2009, ACSIG reinsures for $1 coverage in the Workers Compensation Program through the Projected Insurance Program for Schools (PIPS).



	2009/10	2010/11	2011/12	2012/13	2013/14
Frequency	735	790	644	608	686
Severity	$10,107,211	$8,861,646	$8,136,218	$5,702,720	$4,421,271



Service Team Model

One of the most exciting things about the ACSIG/Keenan partnership is the Service Team delivery model. The Service Team consists of the ACSIG Executive Director, Claims Manager, Account Manager, Claims Analyst and Loss Control Specialists. This dedicated team works together to maximize efficiency and services to reduce the frequency and severity of Workers Comp claims. The Service Team analyzes loss data in a variety of terms in an effort to target resources to the areas most in need.

Workers Compensation Claims Administration

Since Partnering with ACSIG in July 2007, Keenan has continually improved upon the success achieved the year before. The Key to our success has been our adherence to our basic claims philosophy; effectively manage all aspects of a claim to ensure that benefits are delivered efficiently, and in accordance with California Labor Code. We approach every claim individually, proactively managing the benefits and moving the claim to final resolution. Through utilization of our best practices, and proprietary products, we can provide ACSIG members and their employees with superlative service in the most efficient and cost effective manner. To that end, during the 13/14 fiscal year we were able to deliver the following high level results to ACSIG's member districts:

- From July 2013 to June 2014, Keenan Claims Administration successfully closed/resolved 29 total claim files (12% of ACSIG's self-insured workers compensation claims inventory from the prior year) 20 of the file closures were full and final Compromise and Release settlements. ACSIG ended the fiscal year with a total 208 claim files (89 Active Indemnity & 119 Future Medical).
    - The impact of the claims activity for the fiscal year resulted in an overall reduction of $3,378,435 in the self-insured workers compensation claim liabilities which had a $2,347,859 positive effect on the ACSIG's financial position.
- Utilization of Keenan's PRIME program has also delivered significant savings to ACSIG:
    - Overall reduction of 62%, a 4% increase over the 2012/2013 year, in the amount of $5,680,685.55. Return on investment realized for fiscal year 2013/2014 was $9.92.
    - There was also a dramatic savings realized with the Nurse Case Management Savings and Utilization Reviews. Net savings (primarily realized with hospital costs and pharmaceutical control) realized were: $2,791,844.80. In comparison, the impact realized last year with medical management was $405,629.58.

Keenan desires to have an even greater accountability within our claims operation, and thus have maintained the changes made last year with respect to caseload assignments. Keenan is still operating with a district specific case-load for better handling of all claims. Keenan continued with each district having a designated Claims Examiner assigned to their individual account. This person handles all claims for the district, and will be wholly responsible for overall district satisfaction and claims performance. We continue to receive positive feedback to this change.

Account Manager Roll and Activities

The Account Manager is responsible for servicing and providing technical support to the JPA. The Account Manager works closely with the Executive Director to develop a strategic plan to provide focus and accountability for meeting the needs identified by the JPA and Keenan. Below is a list of the responsibilities and services provided by the Account Manager:

- Provides proactive day-to-day client service by anticipating client needs and responding to client questions and issues in a timely manner
- Oversees the renewal process by working with the Executive Director to obtain payroll information, monitor questionnaire process, sends renewal binders & invoices.
- Maintain relationships with member districts by providing regular visits and open communication
- Works closely with claims and loss control departments on client-related issues
- Schedules and coordinates quarterly Workers' Compensation claim specific lunch and learns
- Provides informational brochures and posters for the WeTip program to districts as needed
- Provides monthly updates of the JPA service plan and provides monthly P&C Bridge and Keenan SafeSchools usage reports to the JPA Executive Director

In addition the Account Manager is responsible for the implementation and training of P&C Bridge and Keenan SafeSchools. The main focus of the Keenan service team, driven by the account manager, is to meet with new district contacts to provide training, to be a resource to current contacts as needed, and to assist the district with the assigning of Keenan SafeSchools online training courses.



Claims Analyst Roll and Activities

The Claims Analyst has overall responsibility for the development and delivery of high quality, consistent and internally collaborative workers' compensation claims programs and customer service plans for the JPA and individual member districts. The Claims Analyst collaborates with the Executive Director to clearly outline the vision of the JPA and develop a strategic plan to carry out that vision. While not all inclusive, the following list demonstrates a variety of tasks handled by the Claims Analyst.

- Met with member districts and updated individual profiles to identify the systems, programs in place, and specific areas for development by district.
- Modified Best Practice measures focused on improving internal/external communication and relations between Districts, medical providers, and the Keenan claims team, including meeting with all front-line providers within the Medical Provider Network.
- Coordinated meetings with medical providers regarding the need to clearly identify/designate "First Aid" injuries as well as provide prompt status reports, including work restrictions if applicable, to be used in return-to-work efforts.
- Implementation of First Aid program in July 2011 reduced overall frequency of claims by 21.5% upon completion of the second full year of the program. 741 claims were reported in calendar year 2010/2011 the year prior to the program rollout. 582 claims were reported at the end of fiscal year 2012/2013 reducing the annual average reported claims by 159 claims per year. Although the 2013/2014 experienced a spike to 686 claims, the severity of the claims continues to decrease. The program has continued to demonstrate additional benefits of districts placing stronger emphasis on prompt claims investigations and reporting, First Aid screening and establishing a Safety culture.
- Attended majority of scheduled claims reviews. Provided analytics, assistance with Action Plans, and identification/follow through of training opportunities at the District level.
- Reviewed and revised Administrative Regulations for formal Return-to-Work Program.
- Coordinated efforts between pilot Districts and "Ability USA" to initiate pre-employment physical abilities testing protocols.
- Implementation of creating ADA/FEHA compliant Job Analysis Bank – 21 specific job analysis, have been completed as of June 2013 for various Classified and Certificated positions.

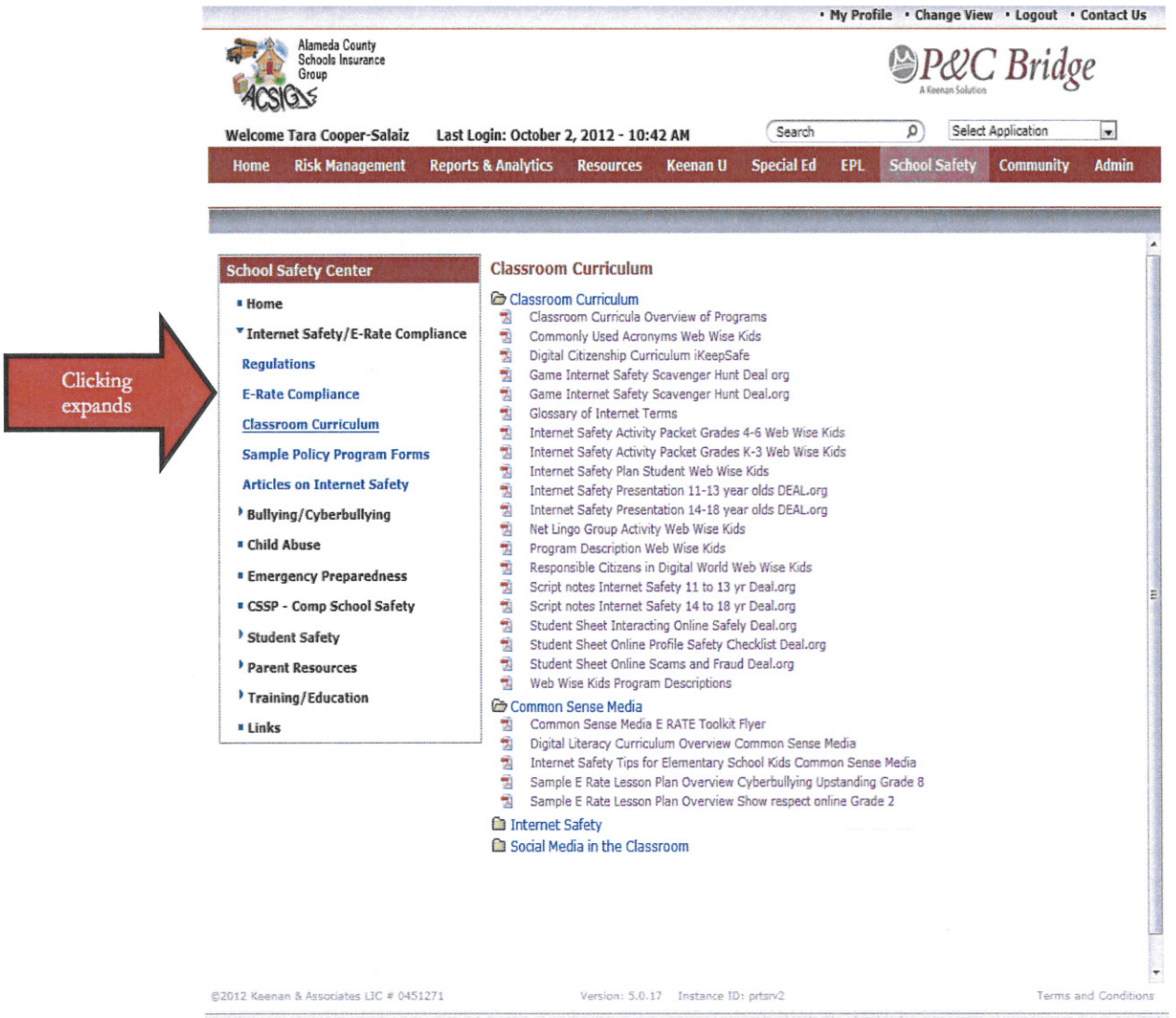
- Conducted several educational workshops/symposiums on topics including "Return-to-Work Program," "Education Code – Industrial Accident Benefits," "Employment Practices Liability Resource Center," "ADA-FEHA Symposium"
- Expansion of the "Company Nurse" Nurse Triage pilot program from initial District of San Leandro USD to 5 additional Districts which now includes: Pleasanton USD, Castro Valley USD, San Lorenzo USD, Newark USD and New Haven USD. Fremont USD & Emery USD are slotted to participate in the program in 2014/2015.
- Creation of "Volunteer Reference Guide" which was disseminated to member districts in 2013/2014 for review and comments.

In addition to workers' compensation issues, the Claims Analyst assisted Districts with coordination of: non-industrial "Fitness for Duty" efforts; "Cal OSHA Inspections and request for information," "The Interactive Process," "Special Education Resources" and "Employment Practices Liability Resources"

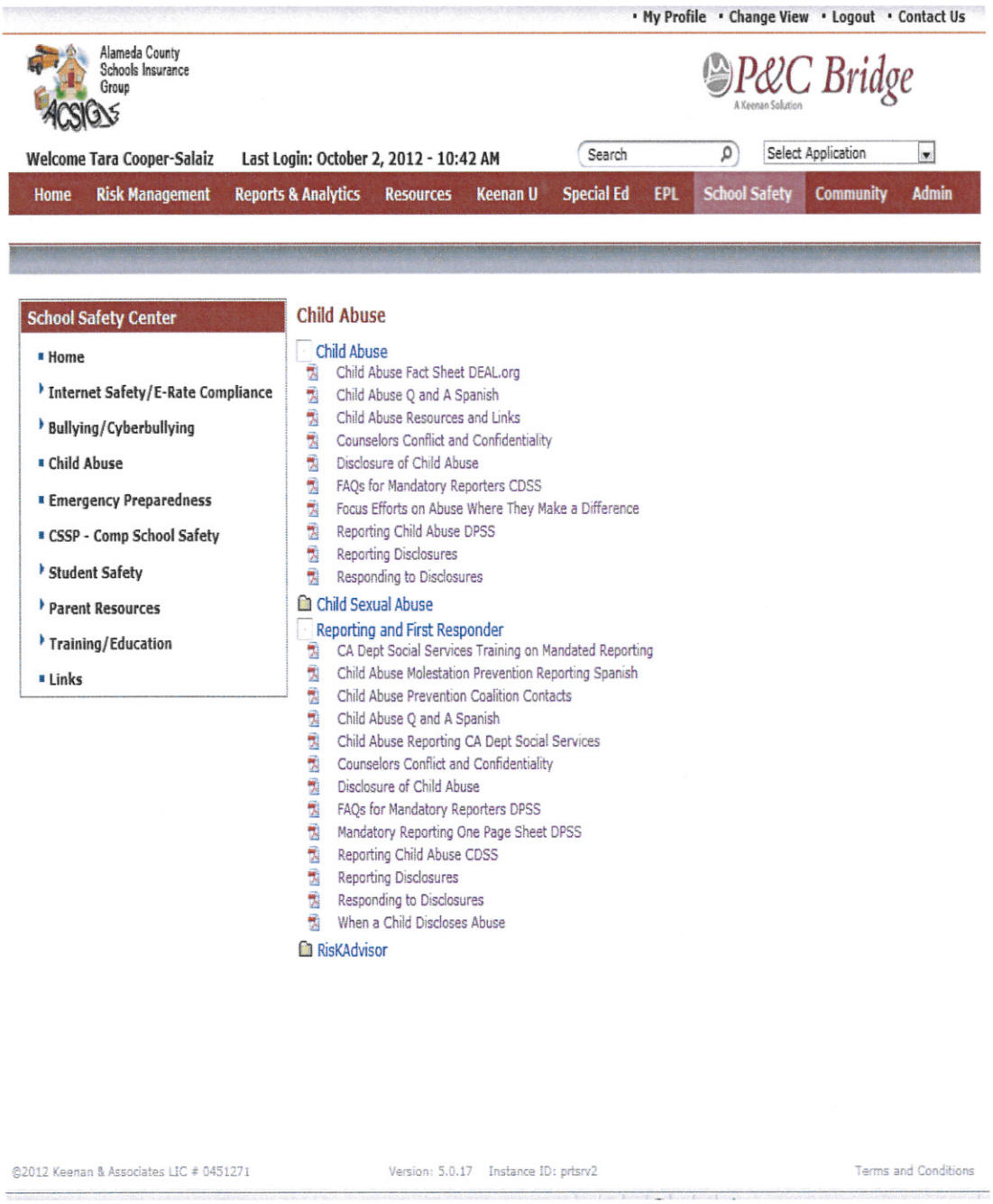
While continuing to monitor and implement the above programs, in fiscal year 2013/2014, the Claims Analyst continued to place special emphasis on Return-to-Work efforts, Education Code Training and the progression of the Fitness for Duty programs.

School Safety Center

In response to our continued goal to provide the safest environment for our students and employees, all members have access to the on-line school safety center provided on Keenan Safe Schools at no additional cost.



Internet Safety Curriculum Samples and how teachers can easily use them in the classroom, IT and Library Sample Plans for Children's Internet Protection Act (CIPA) compliance



Prevention Resources addressing child abuse, harassment, dating violence, youth suicide and gang awareness, Mandated Reporter requirements and responsibilities, Emergency preparedness for natural disasters, Parent Resources for communicating your program and raising awareness of potential danger signs.

For more information about the School Safety Center, contact Tara Salaiz your Keenan & Associates Account Manager

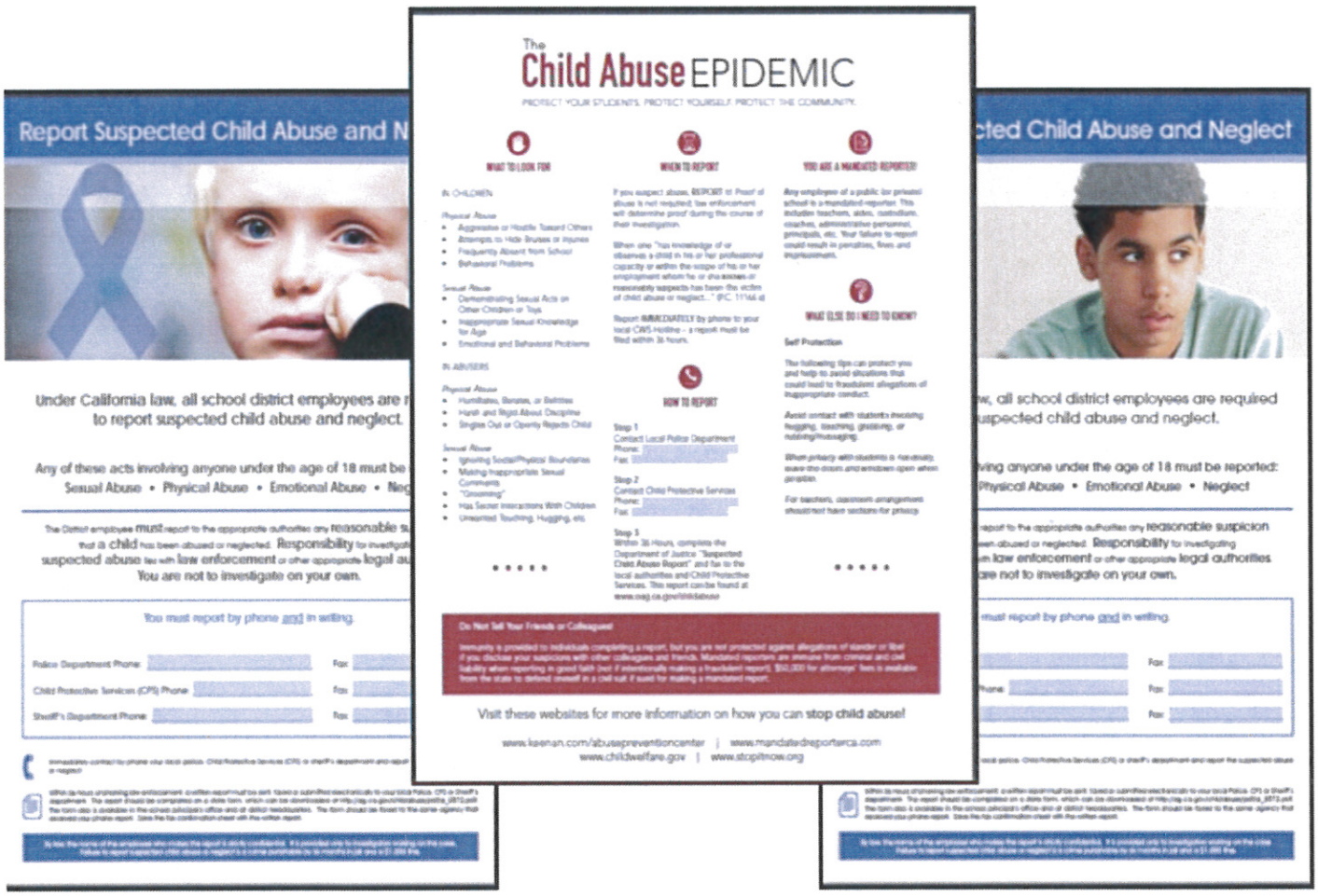
SAFER/NCR Mandatory Reporting

- Adopted May 2nd, 2014
  - Requirements :
    - **Completion of Mandatory Reporting training**
      - **80% of Supervisory Staff must complete by 12/31/14**
        - » Supervisory capacity includes: District Administrators, Department Heads, Supervisors, Principals, Vice Principals, Deans, Directors, Athletic Directors and Child Development Centers (where applicable)
    - **Training Options:**
      1. KSS/KSC Mandatory Reporting course **or** Child Abuse: Identification & Intervention course
      2. "10 Things You Must Know about Mandatory Reporting" webinar and quiz (on KSS/KSC)
      3. Other online training (non KSS/KSC)
      4. Live or other outside vendor training
         - » Proof of compliance (recommended live and/or outside training be uploaded into KSS/KSC)
    - All employees, new hires after 7/1/14, must complete **new hire bundle**:
      - Child Abuse Identification & Intervention course
      - Mandatory Reporting
      - Boundary Invasion
      - Sexual Misconduct Staff to Student
        - » Proof of compliance (recommended live and/or outside training be uploaded into KSS/KSC)
    - **Mandatory Reporting Poster** – posted at each school site

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- Adopted May 2, 2014 (continued)
  - *Encouraged:*
    - **Mandatory Reporting training** for certificated, classroom aides and volunteers
    - **Boundary Invasion training** for all employees and volunteers
    - Implementation of a Board Regulation under GC 935 to require claims for damages be filed within six (6) months for sexual abuse claims
    - Annual distribution of **Child Abuse Awareness Pamphlet** to all certificated and classified staff at the beginning of each school year
    - Establish a **social media policy** for appropriate and acceptable employee/student conduct
    - Review of **3rd party vendor contracts** to ensure all contracts include hold harmless and indemnification agreement language to indemnify for any/all claims however caused by the vendor. The vendor must carrier a minimum limit of $1 million per occurrence
      - Verify liability insurance policy *does not exclude* child abuse molestation claims

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Report Suspected Child Abuse and N
Under California law, all school district employees are
to report suspected child abuse and neglect.
Any of these acts involving anyone under the age of 18 must be
Sexual Abuse • Physical Abuse • Emotional Abuse • Neg
You must report by phone and in writing.
Police Department Phone:
Fax:
Child Protective Services (CPS) Phone:
Fax:
Sheriff's Department Phone:
Fax:
The Child Abuse EPIDEMIC
PROTECT YOUR STUDENTS. PROTECT YOURSELF. PROTECT THE COMMUNITY.
WHAT TO LOOK FOR
WHEN TO REPORT
YOU ARE A MANDATED REPORTER!
HOW TO REPORT
WHAT ELSE DO I NEED TO KNOW?
Visit these websites for more information on how you can stop child abuse!
www.keenan.com/abuseprevention center | www.mandatedreporterca.com
www.childwelfare.gov | www.stopitnow.org
cted Child Abuse and Neglect
w, all school district employees are required
uspected child abuse and neglect.
ving anyone under the age of 18 must be reported:
Physical Abuse • Emotional Abuse • Neglect
must report by phone and in writing.
Fax:
Phone:
Fax:
Fax:

Loss Control / Risk Management

The 2013/2014 fiscal year was another successful year of implementing and practicing risk management strategies and programs. With the strong relationships that Keenan & Associates Loss Control has built with Member Districts over the past three fiscal years, a continued effort of reducing risks has been a priority JPA-wide. A Risk Improvement Action Plan (RIAP) was again a tool that proved to be helpful in outlining specific loss drivers in each occupation, enabling focus on individual occupational groups that showed deficiencies. Managers and Supervisors within each Member District partnered with Loss Control to provide live employee training presentations to help reinforce the growth of a daily safety culture.

This year Member Districts had the highest amount of usage and activity with the resources available to them. P&C Bridge has become an important tool for safety needs on a daily basis. The School Safety Center tab, Risk Advisor, and the Keenan SafeSchools online training course were instrumental in fulfilling needs for best practices. Member Districts were trained on how to access their losses, which has also become a frequent resource used when measuring risk. Many of the Member Districts have now incorporated these resources and tools into their policies and procedures to provide safety awareness, such as new hire training and return to work.

Federal and State compliance has been a very important topic with many school districts statewide. With the implementation of the Cal/OSHA Toolkit at the end of the 2012/2013 fiscal year, ACSIG JPA Member Districts took advantage of the resources and partnership with Loss Control to put the needed mandatory programs in place and ensure compliance was met. Programs such as Injury and Illness Prevention, Bloodbourne Pathogens, Heat Illness, Fire Prevention, and Ladder Safety were put in position. In turn, when Cal/OSHA arrived at the sites from an injury related incident, the Member Districts were fully prepared and understood the processes. The mandatory programs were in place, and the training requirements were fulfilled. This resulted in the Member Districts reducing the amount of time spent with a Cal/OSHA accident investigation, and a reduction in violations and penalties.

Loss Control began the first steps to help Member Districts engineer a strategy to address office ergonomics. A Train-The-Trainer program was provided to several Member Districts, which ultimately helped fulfill employee's needs for proper office workstation setup and best practices. The amount of requests for internal ergonomic evaluations was decreased due to the Member Districts efforts to assist the employee's needs. This as well as other programs, such as the Ladder Safety Program, were key for employee injury prevention. Overall, the fiscal year showed a great amount of growth in Risk Management significant changes that were made to influence the shift to centering the focus of risk reduction on daily safety procedures. Congratulations to all the Member Districts and the JPA Team for their outstanding efforts!

In the 2014/2015 fiscal year Loss Control will be partnering with the Special Education Departments to help identify and reduce the behavioral related injuries that are on the rise. Loss Control Consultants will also be continuing to work with the Maintenance, Custodial and Child Nutrition groups to maintain a strong safety culture and aim for the best results yet!

It is always our pleasure partnering and working with the ACSIG JPA to create a safer environment for students, employees and guests that occupy the sites.

SPECIAL RECOGNITION

In 2013-2014, ACSIG implemented a recognition program for members. We chose 3 members who exemplified best practices in:

1. Implementation of a Safety Program.
2. Utilization of Keenan Safe Schools training opportunities.
3. Implementation of successful Return to Work Program.



The following districts were selected from each category.

PLEASANTON UNIFIED SCHOOL DISTRICT

The Maintenance and Operations Department at Pleasanton Unified School District has done an outstanding job with enhancing and implementing safety practices throughout the district. Among the important protocols now in place is a monthly safety meeting that is mandatory for all Maintenance, Operations, Grounds, and Lead Custodial employees. The meetings were originated due to new safety policies and procedures, and in an effort to help improve the internal communication. In just a short time the safety meetings have become a stage for compliance trainings, education on safety plans, accident investigations and hazard communication. The result of these meetings have been valuable as the employees now perform job duties using the best safe practices and have a clear understanding on how to manage a potential hazard or accident that may occur. The lead custodians that attend the meeting are gathering the information from the monthly meetings and passing it on to their crews within the sites. There is also a roster that is signed with each employee in attendance that is kept in a binder for mandatory state compliance recordkeeping. Congratulations to the Pleasanton Unified School District for their continuing efforts in making the district sites a safer place for the students, employees and visitors.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Livermore Valley Jt. Unified School District received recognition for their increased usage of the online training programs available during the 2013/14 fiscal year. At the direction of Yolonda Holmes, Executive Director Human Resources, her staff has taken SafeSchools & run with it. Employee course completions for the 2013/14 period were 6,193, with every employee required to complete a variety of courses ranging from Playground Safety to Child Abuse Prevention. The district also requires all coaches, substitutes and volunteers to complete courses as a condition of employment. In addition to online courses, Livermore has further embraced a culture of safety by providing live trainings to staff, which included ladder safety, heat illness, kitchen safety, etc. Congratulations to Livermore for their efforts in making the district a safer place to work.

NEWARK UNIFIED SCHOOL DISTRICT

Newark Unified School District and the Human Resources department received recognition for their Risk Management approach in revamping their Return to Work program. Tim Erwin, Assistant Superintendent of Human Resources, empowered Debbie Romero and Julie Radcliff, HR Techs for Classified and Certificated staff respectively, to "own" the Return to Work program. By doing so, the employee benefitted by preserving valuable leave time and continuing to provide product service to the district in a modified capacity. Additionally, this allowed the district to save on substitute costs and experience a decline in their total incurred reserves for their Workers' Compensation claims.

Driving this program takes focus and dedication to experience positive results. Over the past 3 years this dedication and focus has resulted in a 400% reduction of the Total Incurred Reserves for their Workers' Compensation claims. Total Incurred, which includes Temporary Disability costs, dropped from $501,000 in fiscal year 2011/2012 to $172,00 in fiscal year 2012/2013 and finally $129,000 in current year 2013/2014.

We commend Newark USD and their Human Resources Department for taking a Risk Management approach with their Return to Work program, by implementing post injury training to minimize the possibility of re-injury. Newark USD is a model district for their approach to their Return to Work program.



Property & Liability Program

General Program Information

- ACSIG expanded its program offerings to include property and liability coverage beginning in July 1, 1980.
- For many years, ACSIG self-insured 100% of the claim liability for the Property / Liability program.
- Beginning in 1993, ACSIG joined the Bay Area Schools Insurance Cooperation (BASIC). From 1993-2008, ACSIG self-insured the first $150,000 of any property/liability claim and purchased reinsurance for the excess coverage.
- Beginning in 2008, ACSIG participates in the Northern California Regional Liability Excess Fund (NCR) for Excess Property & Liability coverage. The total per occurrence coverage for property is $250,000,000; for liability is $60,000,000.
- ACSIG self insures its first party property and liability claims at $25,000 per occurrence and third party claim liabilities at $25,000 per occurrence.
- Members' deductible/retention is $5,000 per occurrence for any Property or Liability loss.
- The program includes $371,854,095 in Total Insured Value (TIV) and represents 18,529 total Average Daily Attendance (ADA).

Property and Liability Member Districts

DISTRICT

Alameda County Office of Education

Albany Unified School District

Dublin Unified School District

Emery Unified School District

Piedmont Unified School District

Dental Program



Beginning in 1988, ACSIG expanded its program offerings to include dental coverage to agencies in Alameda County. In 1996, the program was expanded statewide. In partnership with Alliant Insurance Services and Preferred Benefits, the EDGE coalition was formed. The coalition is administered through ACSIG. ACSIG is fully self-insured with Delta Dental for this program. ACSIG contracts with Alliant Insurance Services for all outreach and underwriting services. ACSIG contracts with Preferred Benefit for all eligibility and billing services.

ACSIG offers its members 3 options when joining the EDGE program:

- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.
- Self-Insured Monthly – pay the actual amount of services rendered and a Delta administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.
- Self-Insured Weekly – Due to the large membership in some agencies, if another JPA joins ACSIG as a self-insured member, they are required to pay the actual claims and Delta administration fee on a weekly basis. The ACSIG administration fee is billed on the last weekly invoice of the month. ACSIG pays Delta Dental the weekly claims and Delta admin fee each week.

Rates are revised and voted on by the JPA Board each May.

There are 90,000 employees covered in the dental program with membership statewide with a total budget of $120 million annually

DELTA DENTAL

PREFERRED BENEFIT
INSURANCE ADMINISTRATORS

Alliant

Vision Program

Beginning October 1, 1988 ACSIG partnered with VSP to begin a vision coverage program. ACSIG is 100% self-insured through VSP for this program. Members can join as a fully-insured member or a self-insured member.



- Fully Insured – pay a monthly rate per employee determined by underwriting based on their specific plan design and program offerings.

- Self-Insured – pay the actual amount of services rendered and a VSP administration fee and an ACSIG administration fee. The total amount of claims and fees is billed monthly in arrears.

Rates are revised and voted on by the JPA Board each May.

Membership represents 22 agencies statewide. Because the program is self-funded, members have a lot of flexibility for plan design. The program totals more than $2 million annually and covers 5712 employees statewide. All eligibility is managed through ACSIG who partners with Alliant Insurance Services for all underwriting.

VSP® Vision care for us

Alliant

Member Resources

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Allan Garde	Albany USD	(510) 558-3751	1051 Monroe Street Albany, CA 94706	agarde@ausdk12.org
Candi Clark	Castro Valley USD	(510) 537-3000 ext. 1230	4400 Alma Ave. Castro Valley, CA 94546	cclark@cv.k12.ca.us
Beverly Heironimus	Dublin USD	(925) 828-2551 ext. 8041	7471 Larkdale Avenue Dublin, CA 94568-1599	heironimusbeverly@dublinusd.org
Marites Fermin	Eden Area ROP	(510) 293-2900 ext. 906	26316 Hesperian Blvd. Hayward, CA 94545	mfermin@edenrop.org
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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Strategic Planning 2014

On July 21, 2014, the Executive Committee of the Alameda County Schools Insurance Group (ACSIG) conducted its annual Strategic Planning Session. Dr. Betsy Eubanks returned as the event facilitator.

The final report is enclosed for your review. I believe we attained very useful information with input from many stakeholders. That knowledge can only make us a better JPA. The session was very productive and led to the enclosed report.

The Executive Director will review the report with the Committee.

Alameda Country School Insurance Group (ACSIG) Strategic Planning Report for 2014 - 2016

Betsy Eubanks, Psy.D.

Eubanks@mazerunnersconsulting.com

Executive Summary

The Alameda County School Insurance Group met at the Wente Winery in Livermore on August 21 to develop strategic initiatives for 2014 – 2016. The meeting was designed to address members' concerns identified during assessment interviews. An analysis of ACSIG strategic progress since 2007 provided additional insight into topics to consider. Overall, members are very pleased with ACSIG's performance and progress in handling the deficit. The initiatives developed to drive ACSIG's strategic direction for the next two years are:

Address Delta Dental || The Executive Board will review options based on split cost information of ACSIG administration and vote on how to handle the distribution of ACSIG costs (now currently paid exclusively by Delta Dental).

Dashboards || Develop two graphic dashboards, one for the HR audience and one for Business/CFO positions, to provide specific, easily understood information to improve understanding and engagement with ACSIG operations.

Human Resources Communications: District Support || Improve internal and external communication to stakeholders about all services under the ACSIG umbrella through a multi-channel communication program that uses graphics, concise messages, and other high-engagement communication methods.

Board Member Communications: District Report Card || Improve communications by providing specific analytical information to Board Members through a program designed to encourage proactive risk management.

Some synergies exist between these initiatives. Once completed, the Dashboards will be a useful component of the content developed for the communications initiatives.



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Introduction

The Alameda County School Insurance Group (ACSIG) strategic planning meeting was conducted Monday, August 21st at the Wente Winery in Livermore. The meeting design was determined based on interviews about ACSIG, both member's assessment of the last two years and desired objectives for this meeting.

Attendance

The following people participated:

Susan Kinder, Livermore Valley Joint School District
Candi Clark , Castro Valley Unified School District
Sherri Beetz, Castro Valley Unified School District
Marie Dela Cruz, Mission Valley ROP
Mark Bonnett, Emery Unified School District
Raul Parungao, Fremont Unified School District
Raul Zamora, Fremont Unified School District
Akur Varadarajan, New Haven Unified School District
Derek McNamara, New Haven Unified School District
Annette Heldman, New Haven Unified School District

Agenda

The agenda for the meeting was:

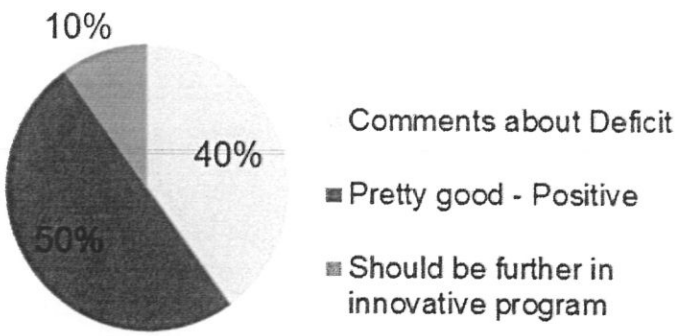
- ACSIG Update
  - Review ACSIG History
  - Review Strategic Plan 2012 - 2014
  - Examine ACSIG Issues over Time (from 2007 to Current)
- Examine Delta Dental (ACSIG Administrative Cost Spread) for Action
- "Catch" Communication Strategy – Improve Communication to HR and Business Groups

ACSIG Update

Kimberly Dennis provided a brief overview of ACSIG related to current issues. The full text of the ACSIG timeline is included in the Appendix.

Strategic Plan 2012 – 2014

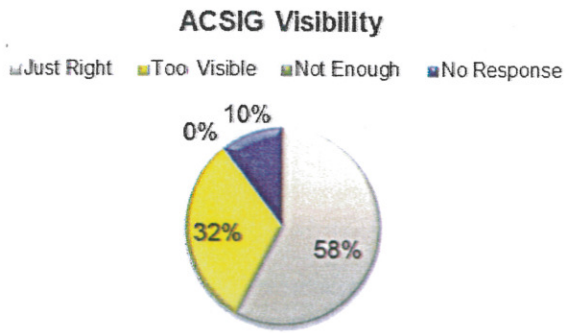
Participants were asked to assess ACSIG performance for the last two years. While 50% of the comments were positive "things are good," nearly as many comments were made about the deficit. Although the deficit is on schedule to be paid in 2017, both the fact that the operational deficiencies happened that allowed the deficit and the fact that there still is one continue to concern members.

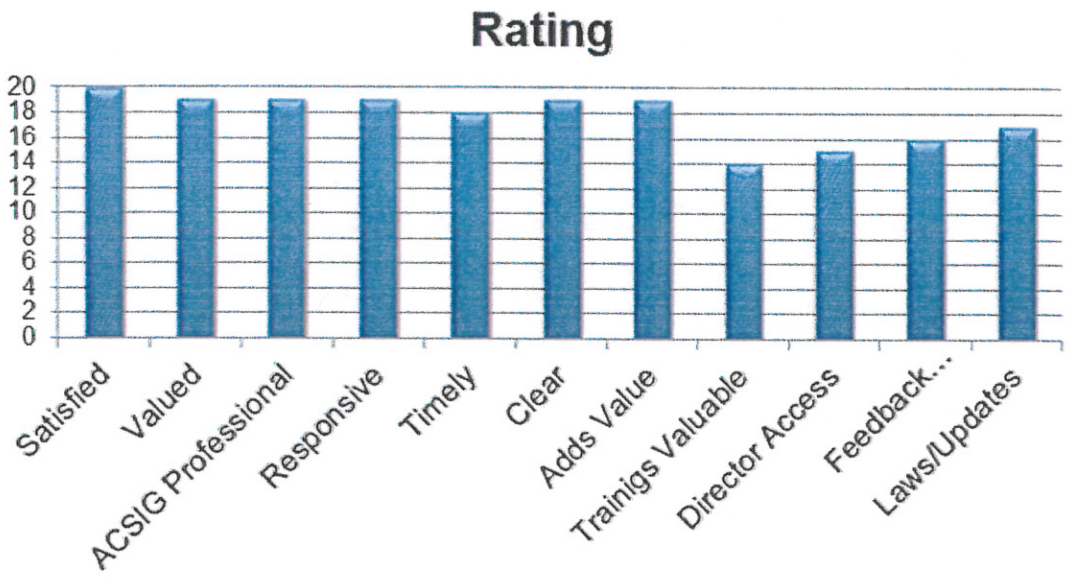


In response to the question "What do you want to accomplish at the strategic planning meeting this year?" members responded with a variety of topics. The answers received most often were on three matters:

1. Contain Costs (25%)
2. Discuss Delta Dental (17%)
3. Educate Board Members about Roles and Services (17%)

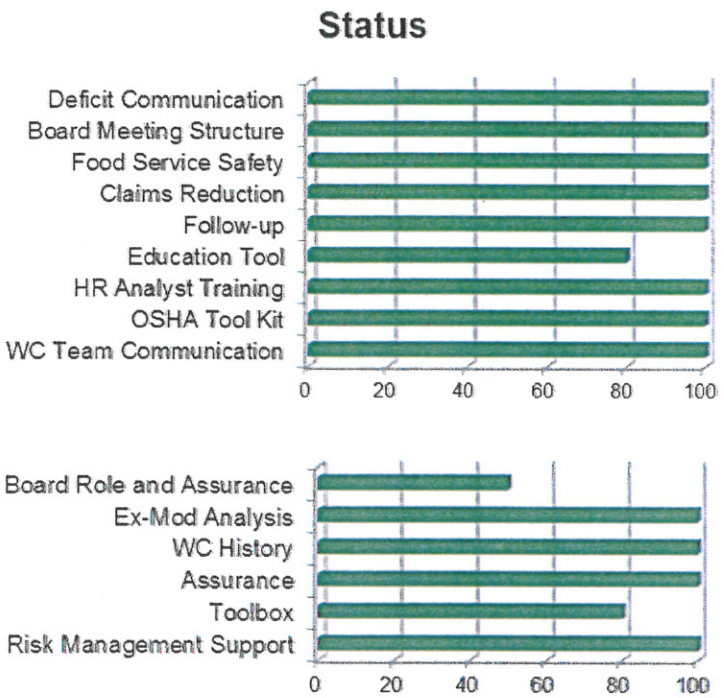
The member satisfaction survey results aligned with the Board interview responses in being generally very positive. Kimberly asked if participants could provide any insight into some members answering that ACSIG is "too visible." No one had insight into what that might mean.





One point of concern raised is the increasing issue of the inability to raise a Quorum at board meetings. Ideas such as moving to Friday, making a half-day, having at the Wente winery were discussed, but no definitive conclusion was reached. Kimberly will bring the matter to the Executive Committee for further action. ACSIG's continued success relies on members being available to govern, making the lack of quorum an inhibitor to operations.

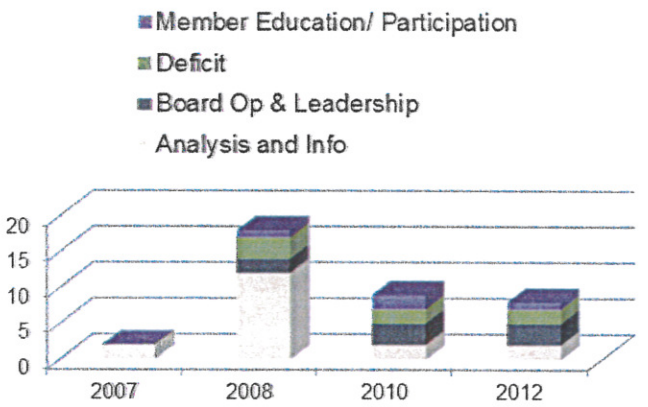
The ACSIG Strategic Plan for 2012 – 2014 was extensive, with 15 different initiatives and a focus on improving programs to members. The below status graphs show the % completion, and the green bar color indicates 50% or more.





Strategic Issues over Time

An analysis of the strategic issues that surfaced over the last 4 planning sessions was undertaken to find reoccurring topics. Reoccurring topics occur either because 1) the issue is foundational to core mission and needs to be acted on at each strategic meeting or 2) the issue is important but intervention has been ineffective, therefore the issue surfaces again as unfinished business. The planned topics, to develop dashboards and other campaigns to reach members, are intended to address these pervasive issues.



Delta Dental



The topic of Delta Dental, and the equity issue of having this program pay for all ACSIG administrative costs, is one of the reoccurring issues. The objective of the agenda items was to reach a definitive course of action, whether to continue as-is or move to a different allocation of the administrative costs. To reach a course of action, participants considered the specific question "should administrative costs be split between programs OR continue to be paid by Delta Dental?"

First, Kimberly Dennis reviewed the history of Delta Dental. Delta Dental was raised as a topic of interest in the interviews and is a continuing issue from past strategic planning meetings. The Delta Dental fund pays all the administrative costs for ACSIG. Both Worker's Compensation and Property and Liability pay no administrative costs.

Delta Dental currently has an excess of $5M. This is a 120 Million dollar program with a payout of $2.5 M per week, covering 90,000 people. While a positive cash flow is needed, the $5M is currently in excess of what is needed to fund the program.

This year a $1M rebate was given to members to avoid increasing the surplus. Members are happy with the current Delta Dental rate, which is less than comparable programs.

The following recommendations were made for next steps:

1. The split cost information should be developed to represent the effect of moving administrative costs between the programs. Cost spread should be on time use rather than FTE dollars.
2. Implementation options should be presented to the Executive Board for decision. Implementation options will include:
    a. Immediate implementation.
    b. Implementation after the deficit is paid in 2017.

Strategic Initiatives

The framework "Catch" was presented to assist particpants in developing strategic intiatives to address the primary concerns of ACSIG. The framework, presented in the format of a short "class," outlined components of successful marketing strategies. The initiative templates that were used by working groups challenged participants to consider the following elements when designing solutions.

1. *Audience:* Clarity on the audience should drive message development. Messages (programs) should be written to target the intended audience.

2. *Communication Channel and Strategy*: The channel of communication should be thoughtfully matched to the audience along the following parameters:
    a. Time the intended audience has for the message/program.
    b. Preferred channel of communication the audience uses such as phone, laptop, desktop, in-person, or physical site (posters).
    c. Most successful appeal strategy based on audience perspective: messages should be thoughtfully crafted to the behavior driver with the highest chance of success for a given audience. The 5 broad types presented were:
        i. Bandwagon – everybody is doing it
        ii. Rational – cost/benefit type arguments
        iii. Value – act for the social or greater good
        iv. Dark emotion – act to avoid something bad (fear based messages)
        v. Humor – messages memorable because they are delivered with humor (possible even for serious topics)



3. *Communication Content:* Attention should be paid to the way information is presented. Different video clip examples were shown, one from Safe Schools training, and one from the Boy Scouts of America Trek Safely training. The training styles were very different, highlighting the importance to participants to be thoughtful in deciding how training and other materials are developed. Members were consistent in preferring the Boy Scouts model for future development, which was evaluated as easier to digest, more interesting to watch, and more likely to produce behavior change than the Safe Schools training.

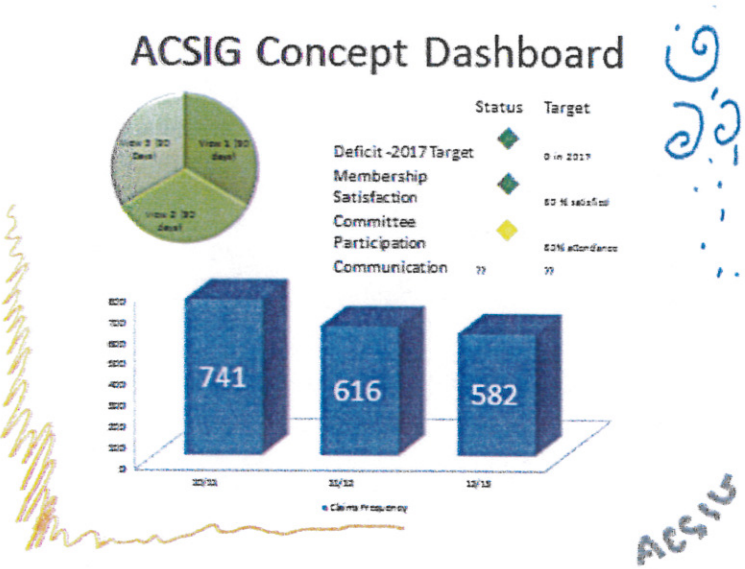
The primary concerns to be addressed in the strategic plan came from the assessment interviews. Specifically, initiatives should help members understand and have confidence in ACSIG performance information. Second, initiatives should more effectively reach members with information about mandatory reporting and taking action to lower rates through effective district risk mitigation efforts.

The participants were divided into two groups to work on these specific initiatives:

- Develop a dashboard that includes targets, performance, and key metrics to instill confidence that members receive the inforamtion needed to manage ACSIG.
- Develop a comprehensive communication program to reach two different audiences, HR and Business, with the intent of increasing the use of ACSIG resources and improving member engagement.

ACSIG Dashboards

Three of the reoccurring issues, specifically 1) Board Op and leadership, 2) deficit and 3) analysis and information could be addressed through an ACSIG information dashboard. The participants suggested two different dashboards that should be implemented and designed to specific audiences: HR and Business/CFO.



A brief overview of business dashboards preceded the design discussion. Dashboards are condensed, often graphical information displays (similar to the dashboard of a vehicle showing speed, gas, etc.) that are easily scanned but convey a depth of information. Successful dashboards:

1. Shows change over time, either by showing multiple time periods or because they have +/- indicators.
2. Show trends, movement or actual against targets to allow for early intervention into problems.
3. Isolates information shown to only key performance indicators (no more than 9 indicators)

A sample dashboard was shown to start the discussion. Participants then worked in two groups, one focusing on the HR Dashboard and the other the Business dashboard.

HR Dashboard

The HR dashboard would contain the following:

1. Member (JPA) participation (current and previous)
2. Deficit Number actual and projected
    a. Bar chart
3. Workers Compensation Claims and Trends
    a. Types
    b. Status
    c. Costs
4. Training Module Data
    a. Module Specific
    b. Number of Views Completed
5. Insurance (non WC) Claims
    a. Types
    b. Costs



CFO Dashboard

The following elements were identified as part of a dashboard useful for Business/CFO members:

1. Operating Budget: Expense and Revenue, multi-year
    a. Concept: bar chart with Expense and Revenue side-by-side for current and previous 2 years
2. Deficit Number actual and projected
    a. Bar chart
3. Return on Investment
4. Overall Program cost Pie Chart
5. Total Participants by Program (possibly as a % of ADA in Alameda)
    a. Display using a speedometer style graphic
6. Total Claims Open vs Claims Paid
7. Available Services Used by Program



Ideally, both dashboards would have drill down to deeper information. The process for implementing these dashboards would be iterative. Some information may be easier to place in a dashboard than other, therefore, the dashboards are expected to evolve over time based on the design vision.

Human Resources Communications: District Support

Description

Improve internal and external communication to stakeholders about all services under the ACSIG umbrella through a multi-channel communication program that uses graphics, concise messages, and other high-engagement communication methods.

Audience and Delivery

Audience is both HR and Business. People want to know where to find answers and resources. It isn't always clear today. The message to convey in this program: "Who you gonna call? What are the issues that ACSIG can support you on in your district?" This communications project would explain available services to member districts.

The communication would be over multiple channels including newsletter, pamphlet, FAQs, handbooks or binders that are very specific to the district so as not to be overwhelming. For example, a virtual binder/online reference would be ideal to keep track of all workman's comp info.

Information sent via email and newsletters would contain links: the goal is getting members to the best online resource for their needs. Communication could be accessed over computers, ipads, phones, mobile applications and any other venue that uses the technology that people are using.

Board Member Communications: District Report Card

Description

Improve communications by providing specific analytical information to Board Members through a program designed to encourage proactive risk management.

Audience and Delivery

The audience for this initiative is ACSIG Board Members and alternates. The information they receive today which includes the annual report and Board meeting topics and general discussion is not effective because it is general (not specific district focused), and reports after-the-fact when it may be too late to react to prevent issues. Board Members have time to focus on this information monthly as well as semi-annually if the information is relevant and timely.



This District Report Card would have the following elements:

- Dashboard information specific to your district
- Multi – year comparison
- Like district comparison
- Trending
- Specific site data
- Hot-spots
- Recommendations/action plans
- One-on-one discussion with district administration
- Semi-annual (Full Report card)

Also provide a periodic (monthly) report call-to-action report:

- Data on matters that need attention
- Focused on preventing issues from getting out-of-control

ACSIG 2014 – 2016 Strategic Plan

The following table represents elements of the ACSIG initiatives suitable for project tracking. <Kimberly – this table certainly needs your input. I put in very large level task.>

Initiative	Task	Target Date	Who
Delta Dental	Executive Board Review of Options		
Dashboards: HR	Develop Initial Dashboard		
Dashboards: HR	Review/Feedback of Dashboard		
Dashboards: HR	Launch Dashboard		
Dashboards: HR	Evaluate Dashboard		
Dashboards: CFO	Develop Initial Dashboard		
Dashboards: CFO	Review/Feedback of Dashboard		
Dashboards: CFO	Launch Dashboard		
Dashboards: CFO	Evaluate Dashboard		
HR Communications: District Support	Outline details of communication plan		
HR Communications: District Support	Develop template, format for communication		
HR Communications: District Support	Pilot Program for Feedback		
HR Communications: District Support	Implement Program		
Board member Communications: District Report Card	Outline details of Report Card		
Board member Communications: District Report Card	Develop template, format for distribution		
Board member Communications: District Report Card	Pilot Program for Feedback		
Board member Communications: District Report Card	Implement Program		

Meeting Evaluation

Overall, participants were very pleased with the processes and outcomes. Evaluation of all areas was between a 4 = "pretty good – satisfactory" and 5 = "Yes – Excellent! Agree." Only one comment gave further information, and that was "good venue."

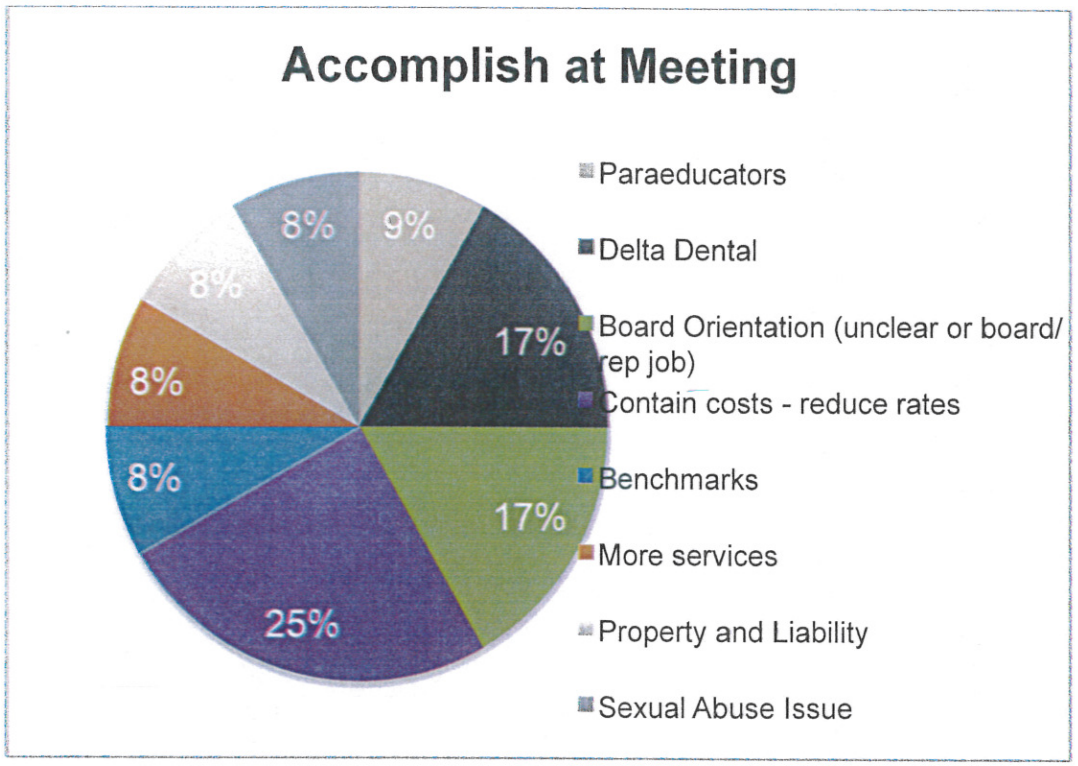
Item	
We focused on high priority items.	4.6
I was able to participate fully and my questions were addressed.	4.9
The meeting was focused with a good process for developing strategic plans.	4.6
This was a good use of my time.	4.6
The facilitator was knowledgeable and helped the group accomplish objectives.	4.5
OVERALL: I am very pleased with the outcome of the meeting.	4.8

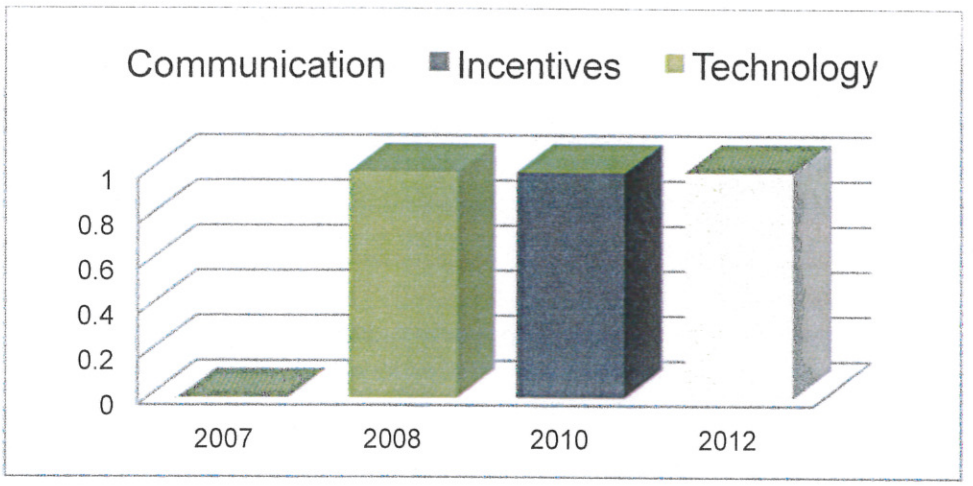
Appendix

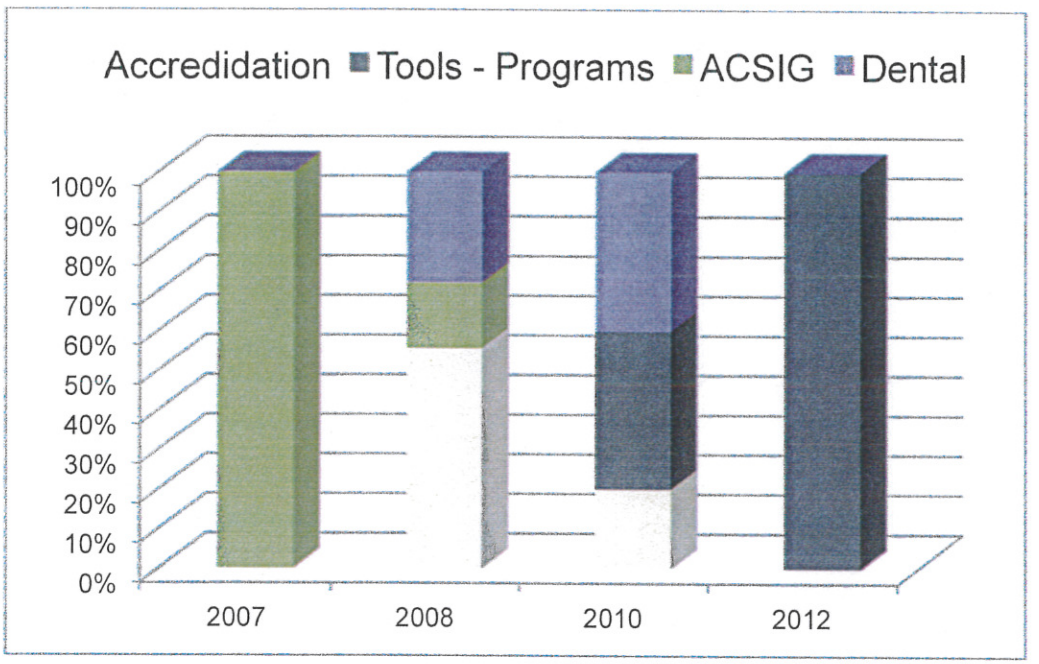
ACSIG Timeline

Insert

Desired Strategic Planning Topics




Communication
Incentives
Technology
1
0.8
0.6
0.4
0.2
0
2007
2008
2010
2012


Accredidation
Tools - Programs
ACSIG
Dental
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2007
2008
2010
2012

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Election of Officers

At the May 2014 Board meeting, 1 member was added to the Executive Committee. Marie Dela Cruz replaced Luz Cázares for a two year term. Susan Kinder, Mark Bonnett and Michael Brady were voted to continue their service on the Committee for a two-year term.

With the 7 members elected, it is now necessary to elect officers for the 2014-2015 fiscal year. Currently, Susan Kinder is Board President, the Vice-President position is vacant and Dr. Candi Clark serves in the Secretary position.

Alameda County Schools Insurance Group

Executive Committee Officers and Terms

MEMBER	OFFICE	TERM EXPIRES
Susan Kinder	President	2016
Michael Brady	Member	2016
Mark Bonnett	~~Member~~	~~2016~~
Candi Clark	~~Secretary~~ VP	2015
Marie Dela Cruz	Member – Secretary	2016
Raul Parungao	Member	2015
Akur Varadarajan	Member	2015

**Officers serve a one year term.

**Committee members are elected for 2 years.

Pres CC, MB ag
VP RP, MB ak ag
RP, CC

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Accreditation Update

A goal established by the Executive Committee at its first Strategic Planning session and reflected in the ACSIG Vision statement was the attainment of CAJPA Accreditation. ACSIG has been working hard to prepare the organizational documentation and practices for such an accreditation review. In June 2011, ACSIG had completed the Accreditation Process and received Accreditation approval. Accreditation status is valid for 3 years. Therefore, in 2014, ACSIG re-entered the accreditation process.

I am happy to report that ACSIG's Accreditation was renewed with no items outstanding. ACSIG is Accredited by CAJPA through June 2017. The Executive Director will review the report with the Committee at the meeting.

California Association

of

Joint Powers Authorities

Accreditation Report

of

Alameda County School Insurance Group

CONFIDENTIAL
(See Sections B & C)

Prepared by

Curtis Stephan

Consultant

May 13, 2014

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I. BACKGROUND

• Description of JPA

Alameda County Schools Insurance Group (the Group) was established by a joint powers agreement in May 1979. In accordance with the provisions of Title I, Division 7, Chapter 5, Article 1 of the California Government Code, all public educational agencies in California are eligible to participate as members. The Group's general purpose is for the operation of a common risk management and insurance program for members related to workers' compensation, property, liability, vision and dental benefits. Members include 18 school districts, and one County Office of Education.

Total ADA is: 18,529

Total Insured Values is: $329,314,046

PROGRAM SUMMARY

Program	Member Retention	JPA Retention	Excess Coverage
Property	$0	$25,000	NCR
Liability	$0	$25,000	NCR
Workers Compensation 1996 to Present	Various	Varied from 100% of the risk with no excess, to fully insured through PIPS as of 2009	Varied by year. Fully insured as of 2009 through PIPS
COBRA	$0	100%	None
Dental/Vision	$0	100%	None

Service Providers

Service	Organization
Actuary – P/L	Bay Actuary
Actuary – WC	Bay Actuary
Financial Auditor	Christy White Associates
Investment Advisor	Morgan Stanley
Investment Custodian	Legg Mason
Financial Accounting	Setech
Claims Auditor – WC	Wells Fargo Insurance Services
Claims Administrator – P/L	NCR
Claims Administrator – WC	NCR

B. Consultant Activities

Data was received from Alameda County Schools Insurance Group on February 22, 2014. The consultant reviewed the information and received additional information during his site visit on May 12, 2014. Answers were posed and the questionnaire was completed. The JPA President is Susan Kinder, Livermore Valley Joint USD. I met with Executive Director, Kimberly Dennis, and Desiree Endert, Administrative Assistant. Additional information was provided as to the JPA operations.

C. Purpose / Limitations

California Association of Joint Powers Authorities (CAJPA) Accreditation Program reviews the organizational structure and activities of a joint powers Authority (JPA), comparing the JPA with standards adopted by the Association believed to be advantageous to the preservation and performance of the individual JPA and JPA's in California as a whole.

This review was conducted for the purpose of forming an opinion on the general operations of the JPA in accordance with the accreditation best practices standards.

CAJPA does not guarantee that accreditation by CAJPA ensures the legality of the JPA, its governing document, its contracts or practices. In addition, by accrediting the JPA CAJPA does not guarantee the JPA's solvency or liquidity at the time of the accreditation or any time before or after such accreditation. Neither does accreditation guarantee that an accredited JPA is administered in such a way that the JPA and its programs are, or will continue to be, financially sound.

D. Distribution and Use

This report has been prepared solely for the internal use of CAJPA as a guide in determining the applicant's compliance with the CAJPA Accreditation Standards in force at the time of the accreditation review. No further use or distribution is authorized without the prior written consent of CAJPA and the consultant

Judgments as to the conclusions, recommendations, methods, and data contained in the report should be made only after studying the report in its entirety and understanding the limitations inherent in the analysis, as outlined in the "limitations" section. Of particular note is the limitation that we cannot assure or guarantee the financial soundness of the applicant JPA.

The supporting data, analysis, description, exhibits, and appendices to this report are provided to support the conclusions stated herein and are not necessarily suitable for any other purpose. Furthermore, CAJPA and its accreditation consultants are available to explain any matter presented herein, and it is assumed that the user of this report will seek such explanation as to any matter in questionJudgments as to the conclusions, recommendations, methods, and data contained in the report should be made only after studying the report in its entirety and understanding the limitations inherent in the analysis, as outlined in the "limitations" section. Of particular note is the limitation that we cannot assure or guarantee the financial soundness of the applicant JPA.

The supporting data, analysis, description, exhibits, and appendices to this report are provided to support the conclusions stated herein and are not necessarily suitable for any other purpose. Furthermore, CAJPA and its accreditation consultants are available to explain any matter presented herein, and it is assumed that the user of this report will seek such explanation as to any matter in question.

II. FINDINGS AND RECOMMENDATIONS

We find Alameda County Schools Insurance Group to be in substantial compliance with current Accreditation Standards. The Accreditation Committee confers continuous accreditation effective June 13, 2014 for a period of three years.

A. Full Accreditation Requirements

No Requirements

B. Accreditation with Excellence Requirements

IV. Accounting and Finance, D.1.
1. - A plan is in place to fully fund the Workers Compensation Program. Once full funding is met, a recommendation for Accreditation with Excellence can be made.

C. Suggestions

1. - GOVERNING DOCUMENTS AND ADMINISTRATIVE CONTRACTS
B. Pursuant to Section 6509 of the Government Code, the agreement shall specify the member which restricts the manner of exercising the power of the JPA (Suggestion).

We recommend this requirement be considered during the next review and update of your JPA agreement. We reviewed your policies and resolutions and suggest you consider formalizing your processes and policies to meet the new standard.

We look forward to receiving the information documented in the requirements listed above and following through to grant *Accreditation with Excellence*.

Respectfully submitted,

Curtis Stephan

California Association of Joint Powers Authorities (CAJPA)

ACCREDITATION WORKSHEETS

As of July 1, 2013

Key:

√ = Satisfactory (Meets or Exceeds Standards)
U = Unsatisfactory (Does Not Meet Standards)
? = Unable to Determine
N/A = Not Applicable

I. GOVERNING DOCUMENTS AND ADMINISTRATIVE CONTRACTS

Objective

To determine that the governing documents and contracts with major service providers contain all essential provisions.

CRITERIA	STATUS	DISCUSSION
A. The JPA maintains in its records a signed original of the Joint Exercise of Powers Agreement or other acceptable documentation from each member agency. (Mandatory) *Other = signed copy of resolution from member's board, photo copy of signed JPA agreement. If not an original, suggest JPA check with counsel about the use of resolutions.*	√	Last amended 12-11-08
B. The agreement shall contain all of the provisions required in the enabling legislation in Section 6500 et. seq. of the Government Code.		
1. §6503 requires that the purpose or power to be exercised and the method by which the purpose will be accomplished or the manner in which the power is to be exercised is to be stated in the agreement. (Mandatory) Pursuant to Section 6509 of the Government Code, the agreement shall specify the member which restricts the manner of exercising the power of the JPA (Suggestion). *The member has to be named by name.*	√	JPA Agreement Section 3 and 5 Suggestion to name a member to exercise the powers granted
2. In accordance with provisions of §6505.5 or §6505.6 the agreement must designate a treasurer and an auditor. (Mandatory) *If §6505.5* *a. Treasurer and auditor from same member* *b. Treasurer and auditor from same county (if under 6505.5 the auditor shall be from the same entity as the treasurer but does not have to be specifically named and can be the same person.)* *c. A Certified Public Accountant, who can serve both functions* *If §6505.6: Can be an officer or employee of the JPA for either or both positions. (Does not have to name any one particular person in the agreement. If the agreement refers to duties under 65.05.6, this includes auditor/and treasurer, we count this as met.)*	√	Bylaws Article 1. B
3. §6511 requires that the agreement provide for the disposition, division or distribution of any property acquired as the result of the joint exercise of powers. (Mandatory)	√	JPA Agreement Section 14 Bylaws Article XI.A

CRITERIA	STATUS	DISCUSSION
4. §6512 or Sec. 6512.2 "requires that the agreement provide that any surplus money on hand after the completion of its purpose shall be returned in proportion to the contributions made." Or may, in the alternative, in proportion to contributions made and claims or losses paid. (Mandatory)	√	Bylaws Article XI.A.
C. The following are described in appropriate governing documents (agreement, bylaws, resolutions, master plan documents, memorandums of coverage, memorandums of understanding, adopted board policies or other similar documents):		**DOCUMENTS IN WHICH ITEM CAN BE LOCATED**
1. Eligibility criteria; (Mandatory)	√	Bylaws Article IV
2. Procedure for electing officers; (Mandatory)	√	Bylaws Article II
3. Terms of office; (Mandatory)	√	Bylaws Article II
4. Record retention policy; (Excellence only)	√	See Records Retention Policy
5. Power and duties of Board; (Mandatory)	√	Bylaws Article II.C.
6. Indemnification for liability; (Excellence only) *The governing documents address that anyone acting in their official capacity (board/committee) is indemnified by the JPA or (not) to eliminate gray area. Employees are already covered under Gov. Code.*	√	JPA Agreement 6
7. Provisions for dissolution of pool; (Mandatory) *There is a process specified for the members to elect to dissolve the pool.*	√	JPA Agreement 14
8. Provisions for financial audits; (Mandatory)	√	Bylaws Article I.F.2
9. Provisions for actuarial studies; (Excellence only)	√	Policy Manual 3.5 – 3.6
10. Provisions for claims audits: (Excellence only)	√	Policy and Procedures Manual 5.13
11. Provisions for assessments & distributions; (Mandatory)	√	
12. Provisions for member withdrawal from a program or JPA as a whole. These provisions shall include: • Notice requirements • Financial obligations and entitlements, i.e. responsibilities for future assessments or rights for future dividends. (Mandatory)	√	Bylaws Article VI. A&B
13. Provisions for termination of JPA members (such as the right to cancel for non-payment of premiums, underwriting problems, or the failure to adequately control risks); (Mandatory)	√	
14. Provision for annual meeting of the board; (Mandatory) (*The board will meet at least annually, not an annual meeting according to Roberts Rules of Order.)*	√	
15. Provision for the resolution of coverage and claims disputes with its members; (Excellence only)	√	JPA Agreement 16

CRITERIA	STATUS	DISCUSSION
16. Provision for obligations of members. (Mandatory) *The governing documents identify obligations of members, e.g.* • *Payment of premiums* • *Representative for board* • *Provide requested data*	√	Bylaws Article V
D. Governing Documents and Prior Accreditation Report:		
1. The JPA is in substantial compliance with its governing documents. (Mandatory)	√	
2. The JPA Governing Board has reviewed the prior Accreditation Report for findings and recommendations. (Excellence)	√	Board reviewed
E. The JPA has written contracts with firms or individuals that provide program administration services, insurance brokerage services, claims administration services, or have access to JPA funds. Such contracts shall include: (Mandatory) 1. Scope of services of the contractor; 2. Indemnification and insurance requirements; (*A fidelity bond is required for any contractor that has access to JPA funds. If coverage doesn't cover forgery and alteration then it would not be sufficient coverage; or is employee dishonesty enough. Optional for consultant to add as a recommendation if they believe this is a concern.)* 3. Compensation; 4. Term of Agreement; 5. Contract cancellation provisions; 6. Ownership of records; 7. Duty to disclose conflicts of interest including but not limited to other sources of income; and *(Suggest consultant inquire if there is a process to provide for this disclosure but this is not a standard requirement and may just be a suggestion.)* 8. Language addressing how and by whom fines and penalties are to be paid. (applies to workers' compensation third party claims administrators only). *(For investment advisor contract see V-H)*	√	**Refer to Exhibit 4 Below**
F. The JPA has certificates of insurance on file evidencing coverage required in contracts under E., above. (Mandatory) *(Consider writing a suggestion for the pool to have a process to collect and review these if they do not have them on file and must collect them during the study.)*	√	
G. If the JPA offers employee benefit programs to member agencies, a written plan description must be provided to covered employees. (Mandatory)	√	
H. The JPA keeps minutes of all meetings of its governing body and major committees. (Mandatory)	√	

Exhibit 4

Contracts with Major Service Providers

Name of Contractor	Scope of Services	Indemnification & Insurance	Compensation	Term	Cancellation	Ownership of Records	Disclosure of conflicts	Fines & Penalties W/C only
Keenan Associates	Workers Compensation Claims Administrator	8 & 9	4	1	12	12	15	7
Legg Mason	Investment Advisor	5 & 11	9	1	10	8	5	N/A
Morgan Stanley	Investment Custodian	19	4	9	9	10	3g and 6	N/A
Alliant Insurance Services	Employee Benefits Consultant	XIV and XV	V	VIII	X	XIX	VI	N/A

II. GOVERNMENT RULES

Objective

To determine that the JPA complies with the various reporting requirements and other mandates imposed by the State of California and its regulatory agencies.

CRITERIA	STATUS	DISCUSSION
A. The JPA has filed a notice of its joint exercise of powers agreement and any amendments or membership changes with the Secretary of State identifying (GC 6503.5): (Mandatory) 1. The name of each member; 2. The effective date; 3. The purpose or power to be exercised; and 4. A description of the amendment, if any. *If the name of the JPA changes, counsel may be asked whether a new JPA agreement must be signed.* *Required if you add a new member or delete a member* *Notice must be filed within 30 days of amendment or member changes*	√	
The JPA has made the necessary Public Agency Roster filing with the Secretary of State and county clerks in the counties in which the JPA has offices. (G.C. 53051) (Mandatory) *Filing required when board members or location changes.*	√	
The JPA has adopted a Conflict of Interest Code, formally reconsiders it prior to October 1st of all even-numbered years, and oversees any required filings of the Statements of Economic Interest with the Fair Political Practices Commission or the designated filing agent. (G.C. 87306.5) (Mandatory) *If the filing office is not perceived to be a governmental facility and accessible to the public, the JPA is required to send originals to the FPPC and retain copies. Review with the FPPC.*	√	
If the JPA is subject to Education Code 17566(e) it procures triennial actuarial studies on its employee benefit programs. (Mandatory) *(Provision for community college districts Education Code Section 81602 actuarial study under ERISA)*	√	
E. The JPA's governing body approves its annual budget. (G.C. 6508) (Mandatory)	√	Approved by the Board 6-2-13
F. The JPA has filed the "Special Districts Financial Transactions Report" with the State Controller/Division of Local Government Fiscal Affairs Special District Unit. (GC 53891) (Mandatory)	√	
G. The JPA has filed its Audited Financial Statement with • the State Controller and, • with the county auditor of the county where the home office of the JPA is located within 12 months of the end of each fiscal year. (G.C. 6505 (c)) (Mandatory)	√	

CRITERIA	STATUS	DISCUSSION
H. JPA and/or members have valid certificate(s) of consent to self-insure Workers' Compensation (Labor Code 3700) and files any changes in claims administrators (8Cal Code Regs Sec.15402) and the necessary annual reports with the Dept. of Industrial Relations on or before October 1st of each year. (Labor Code 3702.2) (Mandatory) (*This does not apply to excess pools.)*	√	
I. Meetings and Meeting Notices		
1. The JPA properly posts meeting notices and	√	
2. Conducts its meetings in accordance with the Brown Act. (G.C. 54954.2, G.C. 54953.2 and 42 U.S.C. 12132) (Mandatory) *Board and standing committees. Check for ADA posting requirements. Note, the Attorney General has determined that valid posting means available to view 24/7 (consider posting on outside window). Agendas must be posted to the JPA website.*	√	
J. JPA's that self-insure medical benefits annually file a copy of their audit with a declaration to the Department of Managed Health Care as required for exemption from Knox-Keene requirements. (Code of Civil Procedures 2015.5) (Excellence Only)	N/A	
K. JPA has implemented a process to ensure that board and committee members have met the required ethics training requirements under GC 53235.2 53235.2. (a) A local agency that requires its local agency officials to complete the ethical training prescribed by this article shall maintain records indicating both of the following: (1) The dates that local officials satisfied the requirements of this article. (2) The entity that provided the training. (b) Notwithstanding any other provision of law, a local agency shall maintain these records for at least five years after local officials receive the training. These records are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1). A local agency shall provide information of the training available to its local officials annually. So the JPA shall provide guidance or a memo out to the board members annually (Mandatory) *A process should include collecting evidence that the board members and alternates have met these requirements and an ongoing process to ensure this required training is every two years or otherwise as required.*	√	

III. INSURANCE AND COVERAGES

Objective

To determine that the JPA properly identifies and handles its own exposures to loss, secures any insurance required by its governing documents and/or any other legal requirement, monitors the adequacy of coverages

CRITERIA	STATUS	DISCUSSION
A. Insurance and Coverages		
1. The JPA maintains an official bond as required by state law (G.C. 6505.1 and 6505.5). The JPA requires fidelity coverage for a person or persons that are entrusted with any property of the JPA. (Mandatory) *Pool needs coverage for treasurer, most employee dishonesty policies exclude the Treasurer, have insurance company issue an endorsement deleting this exclusion.*	√	Coverage is provided in the NCR - MOC
2. The JPA insures or self-insures for the following exposures as appropriate: (Mandatory)		
a. Public Officials Errors & Omissions;	√	Coverage is provided in the NCR - MOC
b. Employee Fidelity; (insurance only, self-insurance not allowed) *(G.C. 6505.1)*	√	Coverage is provided in the NCR - MOC
c. Commercial General Liability;	√	
d. Workers Compensation;	√	
e. Fiduciary Liability; *Required for self-funded health and welfare plans (May review public officials Errors and Omissions coverage, look at exclusions (if it only excludes ERISA then that doesn't exclude government entities) A standard commercial general liability policy doesn't extend to fiduciary coverage.)*	√	The NCR MOC excludes benefits. ACSIG is self insured for any losses
f. Auto Liability; and,	√	
g. Property.	√	

it provides to its members and maintains permanent policy files.

CRITERIA	STATUS	DISCUSSION
3. For the risk retained by the pool the JPA provides a coverage document that that includes or references: • Declaration page • Definitions • Insuring agreement • Conditions • Exclusions *Note, this can be met by reference to other agreements or laws; ie labor code. (Mandatory)* *The notes below provide additional considerations but in themselves are not specific requirements:* *The JPA should in addition consider scope of coverage, obligation if any to defend and indemnify, report claims, expectation of member to report, settlement. When you are not covering? Details to consider:* *Declaration Page (unique to each member and/or year of coverage)* • *Identify covered parties, persons, entities* • *Retention/deductible and limits* • *Dates of coverage* • *Premium/contributions* *Definitions (key terms)* • *Coverage trigger (i.e. "occurrence", "wrongful act", etc)* • *Coverage parts (E&O, Personal Injury, etc)* *Insuring Agreement (what is covered)* • *Reimburse vs. indemnify* • *BI/PD* • *E&O* • *EPLI* • *Stat WC benefits* *Conditions (obligations to be met)* • *Claim reporting/notice* • *Appeals* • *Action against authority (dispute resolution)* • *Other coverage* • *Subrogation* • *Assignment* • *Cancellation/non-renewal* • *Severability* • *Defense and Settlement (may be condition or stand-alone)* • *Increased cost of construction; enforcement of ordinance and law.* *Exclusions* • *Asbestos, contract, nuclear, punitive damages, terrorism, etc.* *If the JPA follows form of the excess carrier or pool then is there a policy document that makes this explicit?* *Is the document clear regarding the duty to defend within a deductible, member retention or pool sir?* *Issue has been some JPA's do not have these items articulated then if there is a dispute the court will say… you don't say you don't do this so you must…*	√	

CRITERIA	STATUS	DISCUSSION
B. The JPA evaluates its insurers, excess insurers, reinsurers and risk pools for quality, stability, and financial solvency. (Mandatory) *(Review of current and past insurers due to outstanding claims. See process for evaluating excess insurers and excess risk pools and reinsurers document)*	√	Keenan Associates provides information on the solvency of excess programs
C. The JPA keeps all memoranda of coverages and insurance policies permanently on file. (Mandatory)	√	
D. The JPA maintains and distributes coverage agreements and insurance policies as appropriate. (Mandatory)	√	

IV. ACCOUNTING & FINANCE

Objective

To determine that the JPA complies with all applicable accounting standards and has adopted an investment policy.

CRITERIA	STATUS	DISCUSSION
A. The JPA materially adheres to all applicable GAAP, GASB, and other accounting standards. (Mandatory) *Non compliance examples:* • *Not recording IBNR* • *Unrecorded ULAE (material)* • *Inadequate disclosures (Required Supplementary Information (RSI) #1, by line of coverage and RSI #2) loss development by line of coverage and disclosure of ceded insurance.* • *Inappropriate application of GAAP, (such as recording equity in another pool) (cannot be cured by disclosing the policy and limitations)* • *Liabilities not fairly stated (materially overstated;* • *Don't record above expected, any additional should be recorded as a designation of retained earnings).* • *GASB 31, market value of investments* • *GASB 40 Custodial Credit Risk Disclosures* • *GASB 27 Pension Liabilities* • *GASB 45 Other Post Employment Benefits* • *Capital Asset Impairments* • *Related Party Transactions* • *Extraordinary Items* • *Prior Period Adjustments* • *Contingent Liabilities* • *Recording reinsurance recoveries when received instead of netting out of claims expense when paid and setting up as a receivable.* • *The MD&A is sufficient* *(Consultant will review above irrespective of auditor's opinion)*	√	
B. The JPA issues to its members periodic financial reports at least annually or more frequently if required by its governing documents. (Mandatory)	√	
C. Financial Audits		
1. The JPA has undergone annual independent financial audits conducted by a CPA in accordance with generally accepted auditing standards, a report of which has been made available to all members as required by its governing documents. (Mandatory)	√	Completed on October 3, 2013 by Christy White Associates

CRITERIA	STATUS	DISCUSSION
2. If the JPA has received an opinion other than an unqualified opinion on the audit of its financial statements, the JPA governing board has satisfactorily addressed any such qualifications of opinion, audit exceptions or negative statements. (Mandatory)	N/A	
3. The independent auditor's report shall include a review of internal controls at least every three years. (Excellence only) (*Issue a report on internal control and compliance to meet this.)*	√	Current report reviewed internal controls, no recommendations were made.
4. If a management letter or report on internal controls has been issued, the JPA governing board has addressed any recommendations. (Mandatory)	√	None reported
D. Unpaid Claims Liabilities		
1. The JPA has assets sufficient to pay all unpaid claims liabilities and maintains a reasonable contingency margin. The determination of whether there is a reasonable margin for contingencies will include consideration of investment income, excess of loss insurance, aggregate stop loss insurance, assess ability, size of program, volatility of risk, tolerance of membership, disclosure to board and any other relevant factors. (Excellence only) *(If there is a deficit and the board has made an assessment, the receivable is recorded to offset the deficit.)*	U	The JPA has assets but is not fully funded for their runout claims.
2. If the JPA does not currently have sufficient assets to pay unpaid claims liabilities, it has a reasonable financial plan in effect that will generate sufficient revenues to pay all unpaid claims liabilities and to establish a contingency margin. (Mandatory)	√	A plan has been developed and implemented to fully fund the runout claims
For both D (1) and D (2) above, unpaid claims include: (Mandatory) a. Case reserves for reported claims; b. Incurred but unreported claims; c. Expected loss development; and, d. Allocated & unallocated loss adjusting expenses.	√	
3. JPAs with a self-funded medical benefits plan must fund at a level sufficient to cover expected claims, including the run-out, plus a reasonable contingency for adverse experience. Absent any acceptable evidence to the contrary, the contingency for adverse experience shall be set at an amount equal to or greater than the expected run-out of claims. (Mandatory)	√	
4. JPA's with self-funded benefit plans other than medical must fund such programs at a level sufficient to cover expected claims and projected run-out. (Mandatory)	√	
E. The JPA's current contribution levels for each self-funded program is in concert with Section D, above. (Mandatory)	√	
F. The JPA has adopted a target equity policy and considers it when evaluating funding and dividends. (Mandatory) (*For example see target equity worksheet)*	√	

CRITERIA	STATUS	DISCUSSION
G. Any JPA with non-risk sharing program(s) must clearly indicate in the governing documents the financial and operational structure of such program(s). (Mandatory) *To be considered as a W.C. non-risk sharing program, it must not be operating under a master workers' compensation certificate filed with the State Dept. of Self-Insurance Plans.*		
In lieu of funding standards contained in Section E above, a non-risk sharing program must:		
1. Calculate and communicate the individual member net asset balances and liabilities to the members annually.	√	
2. Be sufficiently assessable to ensure that program's cash flow needs are met.	√	
3. Demonstrate that it has adequate cash on hand to meet future claims costs.	√	
H. The JPA maintains a suitable management information system that includes premium computation methods and/or allocation formulas. (Excellence only).	√	Keenan provides data management for the JPA

V. INVESTMENT OF FUNDS

Objective

To assure that policies and procedures are in effect to protect and preserve the JPA's financial assets.

CRITERIA	STATUS	DISCUSSION
A. The JPA has a written investment policy that contains: (Mandatory) *Required for all, even if they only have money in LAIF and or County Treasury.*		
1. A statement of objectives as required by G.C. § 53646	√	
2. Description of permitted investments, which must be in conformity with California G.C. §53601 and reasonable under "prudent investment rule."	√	
3. The written investment policy is reviewed annually by governing body or an investment committee pursuant to California G.C. § 53646(a).	√	Last reviewed June 6, 2013
B. The JPA invests its funds in conformity with GC §53601. (G.C. 6509.5) (Mandatory)	√	
C. The JPA provides evidence that the governing body or an investment committee periodically considers diversification of risk as to type of investment and individual institution. (Excellence only)	√	Investment Policy is stated in the Bylaws Article IX - B
D. The JPA has in place internal controls that include: (Mandatory) *Government pooled funds excepted.*		
1. Separation of functions (buying and selling of securities is separate from accounting and reporting of transactions) if the size of the staff can accommodate this;	√	
2. Separate verification of all transactions; and	√	
3. Written documentation of procedures.	√	
E. If the Treasurer has the authority to reinvest, sell and exchange securities:		
1. The JPA makes such delegation of authority annually. (G.C. §53607). (Mandatory)	√	
2. The Treasurer renders a monthly report of investment transactions to the governing board. (G.C. 53607). (Mandatory)	√	

CRITERIA	STATUS	DISCUSSION
THE FOLLOWING REQUIREMENTS (F, G, H & I) ONLY APPLY TO JPAs THAT MANAGE THEIR OWN INVESTMENTS, WITH OR WITHOUT THE USE OF INVESTMENT CONSULTANTS. *Does not apply to JPA funds that are deposited with county or state investment pools.*		
F. The JPA provides evidence that the Treasurer or Chief Financial Officer has submitted a quarterly report in a timely manner to the governing board containing the investment information required by California G.C. §53646 (b) (1), a description of compliance with the statement of investment policy G.C. §53646 (b) (2), and a statement of ability to meet expenditure requirements over the next six months G.C. §53646 (b) (3). (Mandatory) *Should be signed by Treasurer or CEO. (Note; under 53646 it does not state that you must provide the transaction detail as described under 53607 for a treasurer that has investment authority)*	√	
G. The quarterly investment report filed with the governing body shall also contain:		
1. Type of investments; (Mandatory)	√	
2. Issuing institution; (Mandatory)	√	
3. Dates of purchase and maturity; (Mandatory)	√	
4. Par and dollar amount invested on all securities; (Mandatory)	√	
5. Investments and monies held by the JPA; (Mandatory)	√	
6. Current market value, including source; (Mandatory)	√	
7. Coupon rate; (Excellence only)	√	
8. Effective yield rate; *(yield to maturity)* (Excellence only)	√	
9. Portfolio total rate of return; (Excellence only)	√	
10. Cash and security transactions; (Excellence only)	√	
11. Percentage of portfolio by issuer or security type. (Excellence only)	√	
H. JPAs that own investment securities shall have an independent custodian who shall not be from the same department of the financial institution or broker/dealer from whom the JPA buys or sells the security, or the investment advisor. (Mandatory)		
1. There shall be a written contract between the JPA and the independent custodian that includes: (Mandatory) a. Scope of services b. Compensation c. Termination	√	Legg Mason

CRITERIA	STATUS	DISCUSSION
2. Monthly reports shall be sent directly from custodian to a specific person at the JPA. (Excellence only)	√	
3. Custodial statements shall be reconciled with an in-house or investment advisor's report. (Mandatory) *Should be independent of the custodian and investment advisor. Should be documented in the investment accounting procedures. Recommend quarterly.*	√	
4. The third-party custodian shall maintain adequate fidelity coverage. (Excellence only)	√	
I. For JPAs that engage in services of a professional investment advisor, the following safeguards are in place: *For the purpose of this Section I, an investment advisor is a person or firm that provides advice as to the value of securities or property or the advisability of purchasing or selling such securities or property. The advisor may have discretionary authority or control to purchase or sell. An investment advisor renders advice to the JPA on a regular basis with the understanding that his or her advice will be an integral factor in the investment decision-making process relative to the particular needs of the JPA. Purely clerical or ministerial duties such as record-keeping, reporting, processing, or disseminating information generally will not be classified as investment advisory activities, absent authority, discretion, or control.*		
1. There is a written contract between the advisor and the JPA that includes; (Mandatory) a. Scope of services b. Compensation c. Duty to disclose conflicts of interest d. Termination e. Disclosure to JPA of any investigation by a regulatory body for investment-related regulatory violations.	√	
2. The JPA has a process to ensure the investment advisor has disclosed any conflict of interests (Mandatory) *(This may be satisfied by a provision in the contract as addressed in I(1) above or FPPC form 700, or review of Form ADV Parts 1 and 2; this should be done annually.)*	√	
3. All securities are purchased in the name of the JPA. (Mandatory) *Deposits in LAIF or a treasury are not "securities"*	√	
4. The advisor sends monthly reports to the JPA containing information described in Section D above. (Mandatory)	√	
5. The advisor reports at least quarterly an evaluation including total rate of return and a comparison of the pool's total rate of return to reasonable benchmarks (i.e., U.S. Treasury securities, an index comprised of Treasuries, or LAIF). (Excellence only)	√	

	6. The investment advisor carries Investment Advisor Professional Liability Insurance with a per claim/aggregate limit of at least $1,000,000. (Mandatory)	√	
J.	JPA's that place their investments in or through County or State investment pools, or in FDIC insured contracts will issue quarterly reports to the governing body, chief financial officer, and auditor in accordance with G.C. §53646 (e). (Mandatory)	√	

VI. FUNDING AND ACTUARIAL STANDARDS

Objective

To determine that the JPA has completed actuarial studies or independent evaluations on each of its self-funded programs. There may be instances in which the provisions of this section may be waived because such studies may not be considered necessary (such as for property or vehicle physical damage programs).

Program: Workers Compensation

CRITERIA	STATUS	DISCUSSION
A. The JPA has had property or casualty (including W.C.) actuarial study(ies). Such study was conducted by a Member of the American Academy of Actuaries and addressed all of the relevant items in Sections IV. E and IV. F. Such study(ies) shall be conducted within the last three years (Mandatory) or annually. (Excellence only). (*The actuary should be conducted for major programs, if a pool is in run-out it still should have an actuary study, unless as determined by the committee the risk and variability has sufficiently diminished. Such considerations would be; line of coverage, the risk layer retained, whether the pool is an excess layer pool, the variability inherent in the claims and how the claims are developing.)*	√	Bay Actuarial September 30, 2013
B. If loss reserves requirements were computed on a discounted (present value) basis, the pay out pattern and projected rate of return were reasonable. (Mandatory) *Is the discount rate reasonable given; current cash and investment balances, accounts receivable or deficit balances, or the character of the assets such as buildings?*	√	A 1.5% discount rate is used
C. If the JPA has a self-funded medical benefits plan, it must conduct an independent rate study and fund level evaluation, including consideration of a reasonable contingency margin for adverse experience. Such study shall be conducted annually (Excellence only) or within the last 36 months. (Mandatory).	N/A	
D. If JPA has other miscellaneous self-funded programs (such as dental, vision, long-term disability or life), it must conduct independent rate studies and fund level evaluations within the last 36 months (Mandatory) or bi-annually. (Excellence only) *Evaluation does not have to be prepared by actuary - can be by benefit consultant.*	N/A	

VII. RISK CONTROL

Objective

To determine that the JPA actively promotes risk control principles and practices to its members and that necessary budgetary appropriations for such services are made. An excess JPA may meet this requirement by requiring its member agencies to be responsible for having their own risk control program.

CRITERIA	STATUS	DISCUSSION
A. JPAs are active in promoting risk control principles among their member agencies. This shall include the following: (Compliance with two or more is required for Excellence) *Not applicable for benefit programs.*		
1. Promoting a risk transfer policy that addresses additional insureds, minimum insurance limits and proof of suitable insurance coverage.	√	Keenan Associates and NCR
2. Establishing risk control standards for the significant exposures of its member agencies.	√	
3. Prioritizing the use of its risk control resources, based on such factors as; (a) loss ratios, (b) frequency, and (c) severity rates.	√	
4. Offering risk control assistance to its member agencies, including (a) conducting or facilitating risk control inspections, (b) investigating large losses, (c) conducting risk control training for its member agencies, and/or (d) providing wellness and/or employee assistance program.	√	Keenan Associates
5. Providing or facilitating the procurement of appraisal services, in order to maintain accurate records of its members' property components and values.	√	Completed every 5 years
B. The JPA's budget provides for the above. (Excellence only)	√	
C. The JPA maintains a suitable management information system that includes: (Excellence only)		
1. Relevant information about type and quantity of exposures being assumed.	√	
2. Relevant information about the type, number and cause of accidents resulting in claims against its member agencies.	√	

VIII. CLAIMS MANAGEMENT

Objective

Measure nature, scope, and quality of the claims management services provided by JPA and its contractors.

Program: Workers Compensation/Property / Liability

CRITERIA	STATUS	DISCUSSION
A. The JPA has established a suitable claims management system. Excess JPA's must have a process to monitor primary claims handled by, or for, its member agencies. (Mandatory)	√	iVOS is the system utilized by Keenan Associates
B. The JPA has established a litigation management system. (Excellence only)	√	
C. The JPA has conducted a claims audit on each significant self-funded program within the last 2 years. Significant self-funded programs shall include W.C., liability, and medical malpractice. (Excellence only) (*A periodic OBEA audit may be acceptable replacement on a self administered program (in-house administration) however; this audit does not have the same scope in review of reserves).* The audit should be conducted by a qualified claims auditor, independent of the JPA, the claims administrator and the insurers, and should determine whether or not:	√	Claims audit competed by Wells Fargo Insurance Services 78 Indemnity and 22 medical only claims were reviewed. The summary showed that Keenan Associates showed positive response in all areas
1. Claims are handled in a timely and organized manner;	√	
2. The claims administrator adequately communicates with the JPA, its members, and the claimants;	√	
3. Case reserving practices are reasonable;	√	
4. Loss experience reports accurately reflect the case reserves and the payments. As an alternative, this determination may be made during the financial audits required in Section IV. C. of these Accreditation Standards.	√	
5. The JPA is receiving quality claims services. General evidence of this may be indicated from the following:		
a. Staffing levels are adequate in relation to caseloads;		
b. Adjusters identify claims with subrogation potential;	√	
c. Excess insurers are notified of claims with excess potential;	√	
d. Litigated claims are adequately managed;	√	
e. Coverage is verified; and	√	
f. Adequate investigations are performed.	√	

CRITERIA	STATUS	DISCUSSION
D. The JPA has addressed all major recommendations and significant findings included in the audit report. *Consideration of a future standard: (An excess pool has a process of reviewing primary layer claim audit results and follow-up with members* (Excellence only)	√	Findings were presented to the Board with no concerns noted.
E. The JPA maintains a management information system that includes relevant information about the type, number and cost of claims being reported and adjusted. (Excellence only)	√	Keep by Keenan and Associates
F. If the JPA provides employee benefit plans for its members, it must have an appeals process for handling claims and/or coverage related disputes. (Mandatory)	N/A	
G. The JPA has a written policy addressing settlement authority (Excellence only)	√	Board Policies 1.8 and 1.10

Underwriting

Objective

To determine that the JPA has a clear process for developing and monitoring its underwriting policies and processes

This Section will be a suggested area and will be reviewed with all accreditation beginning July 1, 2012. Each JPA will have the opportunity to go through a review of this standard to allow JPA's to formalize and adopt relevant policies and practices. Subject to board approval this standard will only be required for all JPA's seeking accreditation beginning July 1, 2015.

CRITERIA	STATUS	DISCUSSION
I. Underwriting Objectives This applies to rating individual members and overall program management	√	
1. The JPA has established a written underwriting policy. This policy should include the following: *This should be a written policy approved by the board*		
a. A definition of the underwriting function / mission	√	
b. Address suitability or fit of member	√	
c. As applicable considers i. Claims ii. Exposures iii. Actuarial results	√	
d. Defines relevant period or value of data. *(ex last 5 years; or capped at $150,000)*	√	
2. There is an objective contribution allocation formula (Addresses both new and existing members)	√	
a. It identifies the components in writing as part of the policy	√	
b. The policy identifies guidelines for credits or debits, if any	√	
3. There is an approval process for new members by board or who they delegate this approval.	√	

4. The underwriting policy is formally reviewed periodically or at least once every three years. *(a fresh look at the formulas)* This review should consider:	√	
a. Is the process adequately measuring the risks?	√	
b. Is the process adequately allocating costs?	√	
5. Underwriting considers the target net assets (Excellence) May include a dividend & assessment formula	√	

X. OPERATIONS AND ADMINISTRATIVE MANAGEMENT

Objective

To determine that the JPA (A) has a process for developing and implementing a strategic plan setting forth its goals and objectives for the future, (B) regularly and effectively communicates with its members (C) actively involves its governing board members and staff in education and training programs offered by relevant professional associations and (D) maintains procedures and policies relating to information systems.

CRITERIA	STATUS	DISCUSSION
A. The JPA conducts an effective strategic planning process to guide its future efforts. This should include an analysis of the environmental trends and the organizational strengths, weaknesses, opportunities and threats. Such a process may also include the following: (Excellence only)	√	Strategic Planning meeting was held on July 12, 2013
1. A survey of member expectations and related perceptions; *(either formally or informally)*	√	
2. A mission statement with supporting goals, objectives and tasks.	√	
3. Consideration of the target equity policy.	√	Board Capital Target Policy
B. The JPA regularly communicates with its member entities. Such communication may include (Excellence only) *One or more or related communication efforts with members*		
1. Annual reports, newsletters, or similar media;	√	ACSIG Quarterly Publication
2. Notice of major policy issues;	√	
3. Periodic workshops, seminars, or similar educational activities;	√	
4. Surveys of its member agencies, its service providers, and staff.	√	ACSIG and Keenan Associates
5. JPA website for communication with members	√	www.acsig.com
C. The JPA governing board and staff are actively involved in education and training programs. Such involvement may be indicated by the following: (Excellence only)		
1. Participation in one or more of the following organizations:		
a. CAJPA (California Association of Joint Powers Authorities)	√	
b. PARMA (Public Agency Risk Managers Association)	√	
c. PRIMA (Public Risk Management Association)		
d. CPCU Society (Chartered Property and Casualty Underwriters)		
e. RIMS (Risk and Insurance Management Society)		

f. CASBO (California Association of School Business Officials)	√	
g. COSIPA (Council of Self-Insured Public Agencies)		
h. CSIA (California Self-Insurers Association)		
i. PASMA (Public Agency Safety Management Association)		
j. AGRiP (Association of Governmental Risk Insurance Pools)		
k. IEA (Insurance Educational Association)		
l. ASSE (American Society of Safety Engineers)		
m. SCIC (Society of Certified Insurance Counselors)		
2. Top management has attended at least two professional conferences or seminars in the preceding 12 months.	√	
3. The governing body members participate in pool management and risk management training.	√	
4. There is formal training of all key personnel. *(As needed)*	√	
5. The JPA's budget provides for the above participation and training.		
D. The JPA has developed and implemented processes and procedures relating to protection of electronic data, including:		
1. A suitable security and back-up system for all stored data. (Mandatory)	√	
2. A written policy with respect to:		
a. Disaster recovery (Excellence only)	√	Board Policy 4.12
b. Physical and electronic data security (Excellence only)	√	
c. Electronic data retention (Excellence only)	√	Records Retention Policy
d. Protection of electronic data as required by Health Insurance Portability and Accountability Act of 1996 (HIPAA), as applicable. (Excellence only)	N/A	

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Declaration of Rebate

At the May Executive Committee meeting and the July Strategic Planning session there was interest in reallocated excess reserves from the Dental Fund to reduce the deficit in other ACSIG programs. In order to accomplish this, the ACSIG Board must first declare a rebate in the fund with excess. Therefore, the Executive Committee is asked to review and recommend approval to the full Board of a Rebate from the Dental fund.

The Executive Director will review this information with the Executive Committee.

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Distribution of Rebate

50,000 P/L WTC
2,450,000
BK, CC

At the May Executive Committee meeting and the July Strategic Planning session there was interest in reallocated excess reserves from the Dental Fund to reduce the deficit in other ACSIG programs. In order to accomplish this, the ACSIG Board must first declare a rebate in the fund with excess. Therefore, the Executive Committee was asked to review and recommend approval to the full Board of a Rebate from the Dental fund.

After the Rebate is declared, the Board must then determine and distribute the amount of rebate. The Executive Director will review this information with the Executive Committee.

AK

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: 2014/2015 Service Plan

One of the excited and unique opportunities available to ACSIG and its member agencies is the existence of a Keenan Service Team. The current Service Team consists of the Account Manager, Tara Cooper-Salaiz, Loss Control Analyst, Chris Stout, Claims Manager, Patrice Grant and Claims Analyst, Arcenio Reyes and myself.

This team is assigned to ACSIG almost exclusively and works on many tasks throughout the year. For the 2014/2015 fiscal year, the Service Team developed a Service Plan to better document responsibilities and timelines.

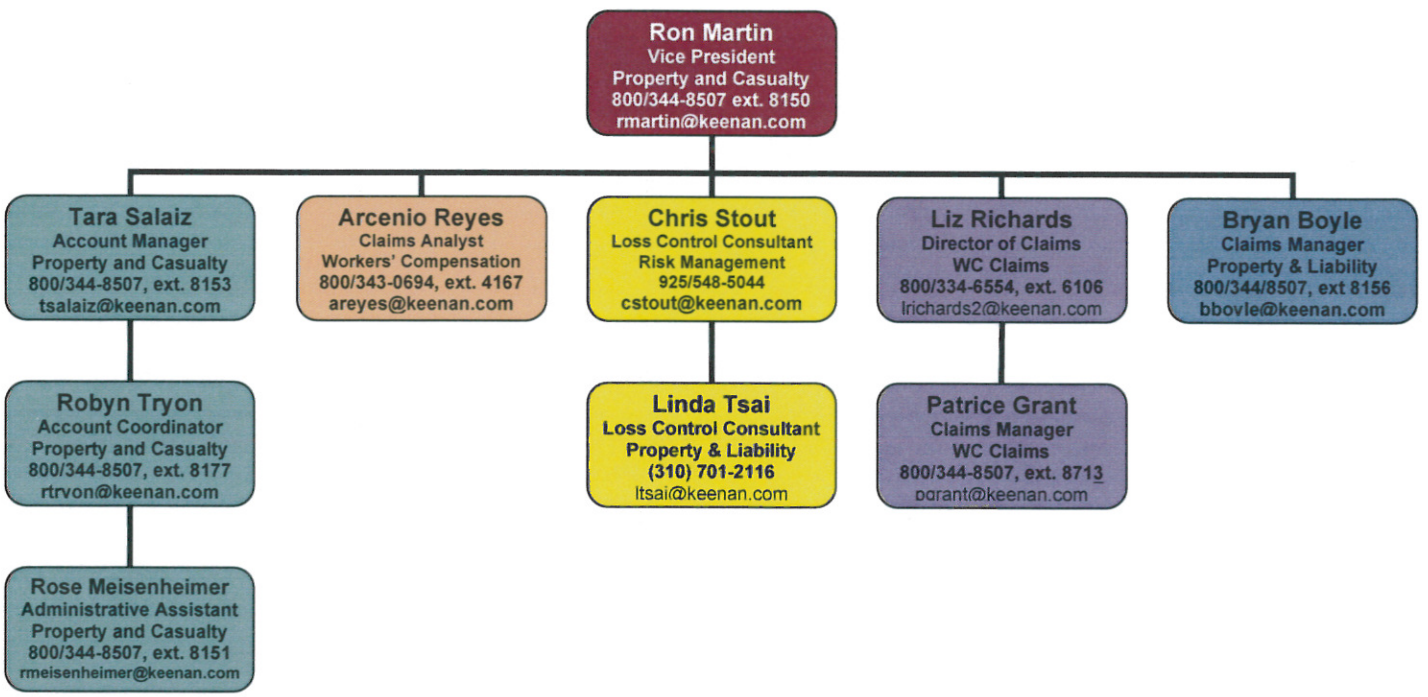
A representative from Keenan & Associates will review the Service Plan with the Executive Committee for their information.

2014/2015
Service Plan
Alameda County Schools Insurance Group (ACSIG)

OVERVIEW

The purpose of this Alameda County Schools Insurance Group specific plan is to provide focus and accountability for meeting the needs identified by the JPA and Keenan. The plan lists the specific Keenan services that have been and will be provided to the JPA, who is responsible for providing the service, and to the extent possible, when the services will be provided. The plan will serve as the guide for Keenan and the JPA to best address the JPA's service needs. Keenan will schedule monthly meetings with the JPA Executive Director to review the progress of the plan, and, if necessary, modify the plan to better meet our mutual goal of providing a safe and healthful environment. The plan is a fluid document meant to serve as a guideline to deliver agreed upon services. The plan is organized to reflect the coverage's and services provided by Keenan. Our integrated approach to providing services will ensure good communication and the delivery of quality services to meet your needs. The agreed upon services will be provided under the guidance of the Account Executive, Ron Martin, and the entire service team, who include; Tara Salaiz Account Manager, Arcenio Reyes Claims Analyst, Robyn Tryon Account Coordinator, Rose Meisenheimer Administrative Assistant, Chris Stout Loss Control Consultant, Linda Tsai Loss Control Consultant, Liz Richards Director of Claims, Patrice Grant, Claims Manager, and Bryan Boyle, Property & Liability Claims Manager.

Keenan & Associates-Organization Chart:



ACTION PLAN

- **Lunch & Learns/Symposiums:**
  Keenan Contact: Service Team
  - First Quarter Topic: Interactive Process – September 24, 2014 at Dublin USD. 26 client attendees
  - Second Quarter Topic:
  - Third Quarter Topic
  - Fourth Quarter Topic

- **Fremont USD:**
  Keenan Contact: Arcenio Reyes & Tara Salaiz
  - **Company Nurse** – Implementation, rollout and monitoring of reporting process. Follow up to Risk hazards identified through reporting process.
  - **MPN** – Institution of new MPN Frontline Provider – "Access OmniCare" – Dr. Azar. Approval of MPN application, monitoring of treatment process and RTW focus.
  - **Keenan SafeSchools** – Increasing utilization and expansion of courses by occupational discipline.
  - **Return to Work** – Expanding RTW efforts district wide. Goal – Decrease TTD paid by 25%

- **Pilot Districts – Principals On-site Training:**
  Keenan Contact: Arcenio Reyes & Tara Salaiz
  - Offered to: Castro Valley, San Leandro, Alameda, Newark & Pleasanton.
  - Revisit before school starts in August.

- **Return to Work**
  Keenan Contact: Arcenio Reyes
  - Focus districts: Alameda, Fremont, Pleasanton and San Lorenzo –
    - Meet with directors, identify and create productive tasks within their departments prior to injuries occurring. Goal is to implement RTW from the first day. With reduction of TTD Days and TTD paid by 25% from prior year.

- **Post offer, Pre-Employment Physicals & Job Analysis**
  Keenan Contact: Arcenio Reyes
  - Albany USD – Currently is the only district actively utilizing the program for Custodian and Food Service positions.
  - Identify additional districts to participate in the program.
  - Goal is to focus on San Lorenzo USD and add them as an additional user.
  - Alameda USD – Sharon Lampel was a big supporter at San Lorenzo USD. Now that she is closer to Alta Bates, she and Aimee Cole may be interested in implementing the program.

- **HR Monthly Meetings**
  Keenan Contact: Arcenio Reyes
  - Keenan will present at HR monthly meetings at a minimum twice per year.

- **P&C Bridge/KSS**

  Keenan Contact: Tara Salaiz

  - NCR Mandatory Reporter Requirements:
    - Assist districts with employee data uploading
    - Assist districts with course assignments and new hire training plans
  - Train districts on using Keenan SafeSchools policy builder feature for uploading documents/policies instead of sending out to employees for signature/acknowledgment.
  - Provide training to new district contacts and to current contacts as needed.

- **Reports to Kimberly:**

  Keenan Contact: Service Team

  - Quarterly Point in time comparison report. – Arcenio Reyes
  - Quarterly Loss Trend Report – Chris Stout
  - Monthly PC Bridge/Keenan SafeSchools Usage Report – Tara

- **Frontline Provider Relations:**

  Keenan Contact: Arcenio Reyes

  - Monitor treatment protocols and communication of affiliated facilities
    - Kaiser On The Job
    - US Healthworks
    - CCCMA – St. Rose Occupational Medicine
    - Washington Health Systems
    - Doctors Express
  - New Facilities:
    - Access Omnicare – Located in Fremont – Initial meeting has taken place. Monitor approval of application to MPN. Once approved, schedule team meeting with Claims staff and Client to establish treatment and communication/reporting protocols
    - Urgent Care of Alameda – They are located on the island. Initial meeting has taken place. Monitor approval of application with Anthem Blue Cross/MPN. Once approved, schedule team meeting with Claims staff and Client to establish treatment and communication reporting protocols.

- **Company Nurse – Nurse Triage Program**

  Keenan Contact: Arcenio Reyes

  - Monitor implementation of newest district participants:
    - Fremont USD – Effective 7/1/14
    - Alameda USD – Effective 7/1/14
    - Emery USD – Effective 8/1/14
  - Continue to monitor progress of established Company Nurse District participants:
    - San Leandro USD
    - Newark USD
    - San Lorenzo USD
    - Castro Valley USD
    - New Haven USD
    - Pleasanton USD

- **Develop Best Practices**
  Keenan Contact: Tara Salaiz
  - Medication Administration

- **100% Closing Ratio:**
  Keenan Contact: Patrice Grant

- **Reduction of Tail Claims:**
  Keenan Contact: Patrice Grant
  - 10% reduction in tail claims
  - 187 open claims by June 30, 2015

- **Diary Review:**

Keenan Contact: Patrice Grant

- Maintain diary review of no greater than 60 days on unresolved claims and 90 to 180 days on future medical claims, with supervisor approval. Maintain current diary, in accordance with the above, no greater than 14 days and no more than 10% of caseload off diary.

- **Quarterly Claim Reviews:**

Keenan Contact: Patrice Grant/Examiners (Lead) Arcenio to Attend

- Claim Reviews will be completed either annually, semi-annually, quarterly or monthly depending on the total open claim count for each district as follows:

Quarterly: Districts with open claims totaling 50+ to include:
ACOE – moved per district request
Alameda
Fremont
New Haven
Pleasanton
San Leandro
San Lorenzo

Semi-Annually: Districts with open claims totaling 11 – 49 to include:
Albany
Castro Valley
Dublin
Livermore – Moved per district request
Newark

Annually: Districts with open claims totaling 10 or less to include:
Eden Area ROP
Emery
Mission Valley ROP
Mountain House
Piedmont
Sunol Glen
Tri Valley ROP

- Exceptions to the above schedule:
  - ACOE – Due to change in staff, these will continue quarterly until Service Team and Kimberly agree that new staff is on board and quarterly reviews are no longer necessary.
  - Any districts with change in HR staff, especially our key day to day players. When a change in staff occurs, we will schedule a claim review to take place within 60 to 90 days from the change to bring the new players up to speed and will offer quarterly reviews until the new staff is comfortable to go otherwise.
  - If anyone requests an earlier review or if problems or difficulties are occurring where a claim review may resolve any issues, etc.
- If any of the districts are not cooperative with scheduling their claim review, will discuss with Kimberly at regular monthly team meetings to develop plan for compliance.

Property & Liability

ACTION PLAN

- **NCR ReLiEF Inspections:**
  Keenan Contact: Brian Erdelyi, Linda Tsai & Lisa Calvey

  - Provide NCR relief inspections & audits annually
  - Schedule of inspections/audits by district:

    - Alameda COE – Inspection
    - Albany – Inspection
    - Castro Valley – Inspection
    - Dublin – Inspection
    - Eden Area ROP – Inspection
    - Emery – Inspection
    - Fremont - TBD
    - Livermore – Inspection
    - Mission Valley ROP – Inspection
    - Mountain House – Inspection
    - New Haven – Audit
    - Newark – Inspection
    - Piedmont – Inspection
    - Pleasanton – Inspection
    - San Leandro – Inspection
    - San Lorenzo – Inspection
    - Sunol Glen – Inspection
    - Tri-Valley ROP – Inspection

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EXECUTIVE SUMMARY

TO: ACSIG Executive Committee

FROM: Kimberly Dennis

DATE: October 30, 2014

SUBJECT: Company Nurse Expansion

One of the Action Plans from the ACSIG Strategic Planning session was to implement programs that will help decrease the frequency and severity of workers' compensation claims. In an effort to address this strategy and as a member of PIPS, ACSIG was chosen as a pilot for the Company Nurse program. San Leandro Unified was the member within ACSIG who piloted this program. This program provides a 24-hour, "advice nurse" to whom all injuries are reported. An injured worker (or designee) calls the nurse as soon as an injury occurs. The nurse then directs the employee to medical care or administers "watch and see" or treatment recommendations. The nurse then communicates via email to the District, Keenan claims staff and other designated individuals nearly eliminating the "late reporting" issues currently experienced by many agencies. In 2013/14 ACSIG expanded the program into 5 additional Districts. Participating Districts are San Leandro, Castro Valley, Newark, New Heaven, Pleasanton and San Lorenzo.

In 2014/15, the program was further expanded into Fremont and Emery School Districts. Trainings were held, information disseminated and the implementation has been smooth. We are looking forward to this increased sample size so ACSIG can analyze if this program should be expanded JPA-wide.

This item is for information only.