



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

AGENDA Executive Committee

Date: Thursday, November 3, 2016
Time: 9:00AM
Location: Alameda County Office of Education
 313 W. Winton Ave.
 Hayward, CA 94544

I. This meeting was called to order by Raul Parungao at 9:07 AM, with a quorum of members present.

II. Roll call

Executive Committee Members

Raul Parungao	Vice Present	Fremont USD
Susan Kinder	Secretary	Livermore Valley Joint USD
Annette Heldman	Board Member	San Lorenzo USD
Akur Varadarjan	Board Member	New Haven USD
Kimberly Dennis	Executive Director	Alameda County
Schools Insurance		
Celina Flotte	Executive Assistant	Alameda County
Schools Insurance		
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Ron Martin	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley
Heather Daud	Guest	Christy White & Associates

III. Acceptance of the Agenda

It was moved by Susan Kinder and seconded by Akur Varadarajan to approve the agenda as presented.

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:08 AM.

Open Session

Open session began at 9:15 AM.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

It was moved by Annette Heldman and seconded by Akur Varadarjan to approve settlement authorizations and notifications listed below.

Ayes:, Varadarjan, Kinder, Parungao, and Heldman.

Nays: None.

Abstain: None.

A. Settlement Authorization

- **Claim Numbers:**

417758 Ellis
431321 Lydon
436007 Ulloa
2203893 Gonzales
2206171 Dahl

B. Settlement Notification

- **Claim Numbers:**

395548 Dasilva	476764 Rodriguez	503226 Butler 504228 Guerrero	2203815 Butler
404880 Gage 412712 Butler	477979 Irving 482445 Ranier- Amenhotep	505127 Gates 505868 Alice 506362 Torres	2206040 Smith
422818 Cash 429441 Henares	491118 O'Neal	2507710 Butler	
443923 Butler	492470 Cordiano		
446337 Godinez	495538 Guymon	507222 Jensen	
459020 Musleh	500612 Cruz	507649 Archibald	
460805 Glenn	501511 Battiste	514232 Garcia	
	501539 Kobb	514395 Rios	

469418
Godinez

502786 Ness-McCulley 520190 Cash

VII. Approval of Minutes

The Executive Committee reviewed meeting minutes from the Executive Committee meetings from May 19, 2016 and the Full Board minutes from May 26, 2016 and May 31, 2016. It was moved by Akur Varadarjan and seconded by Susan Kinder to approve the Executive Committee Meeting minutes from May 19, 2016 and the Full Board minutes from May 26, 2016 and May 31, 2016

General Business

VIII. Election of Officers

Although Executive Committee members service a term of 2 years each, an officer's term is only for one year. It was moved by Akur Varadarjan and Susan Kinder to keep in place Dr. Candi Clark as President, Raul Parungao as Vice President, and Susan Kinder as Secretary for the 2016/17 term.

Ayes: Kinder, Varadarjan, Parungao and Heldman.

Nays: None.

Abstain: None.

IX. 2015/16 Fourth Quarter Financials

Laurena Grabert from SETECH presented the 2015/16 fourth quarter financials.

Alameda County Schools Insurance Group (ACSIG)

Consolidated

Statement of Revenues, Expenditures and Changes in Net Position

For The Fiscal Year Ended 06/30/2016

	Cash Activity 07/01/2015 06/30/2016	Allocations	Change in Accruals	Balance Year to Date	2015/2016 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2015				\$ 1,257,232			
Beginning Cash	\$ 26,320,724				\$ 1,257,232		
Operating Revenue:							
Premiums Paid by Members	\$ 149,629,535	\$ --	\$ 2,235,566	\$ 151,865,101	\$ 136,126,495	\$ 15,738,606	111.56 %
Other Income	39,474	(33,676)	--	5,798	--	5,798	--
Total Operating Revenue	149,669,009	(33,676)	2,235,566	151,870,899	136,126,495	15,744,404	111.57
Operating Expenditures:							
Classified Salaries	108,279	156,075	7,841	272,195	227,675	44,520	119.55
Statutory Benefits	9,583	55,205	1,079	65,867	81,308	(15,441)	81.01
Health & Welfare	12,660	7,618	--	20,278	39,000	(18,722)	52.00
Employer Tax Expense	--	3,799	--	3,799	69,977	(66,178)	5.43
Net Pension Expense	--	159,477	--	159,477	--	159,477	--
Telephone & Internet	5,533	--	34	5,567	10,500	(4,933)	53.02
Supplies Office	1,943	--	(264)	1,679	10,500	(8,821)	15.99
Supplies - Other	1,276	--	(59)	1,217	10,500	(9,283)	11.59
Eligibility Processing	193,312	--	--	193,312	181,200	12,112	106.68
Brokerage Fees-Dental-ACSIG	264,232	--	--	264,232	284,000	(19,768)	93.04
Brokerage Fees-Dental-MD	322,460	--	--	322,460	276,000	46,460	116.83
Travel and Conferences	13,290	5,541	(360)	18,471	19,500	(1,029)	94.72
Mileage	6,952	--	--	6,952	7,350	(398)	94.59
Dues & Memberships	1,285	--	--	1,285	1,300	(15)	98.85
Postage & Meter	5,159	--	--	5,159	2,750	2,409	187.60
Insurance Expense-PIPS&NCR	19,354,290	--	--	19,354,290	21,125,746	(1,771,456)	91.61
Insurance Expense-PIPS Adj	1,578,491	--	--	1,578,491	500,000	1,078,491	315.70
Utility - Operating-Rent	79,190	(48,108)	--	31,082	32,255	(1,173)	96.36
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	8,025	--	--	8,025	19,025	(11,000)	42.18
Contract Services -Claim Audit	15,750	--	--	15,750	--	15,750	--
Contract Services	1,540	--	--	1,540	10,000	(8,460)	--
Audit Fees	13,000	--	--	13,000	16,350	(3,350)	79.51
Other Services/Operating Expense:	2,540	--	--	2,540	7,125	(4,585)	35.65
Capital Equipment/Depreciation	--	--	592	592	5,250	(4,658)	11.28
Repairs & Maintenance	--	--	--	--	5,250	(5,250)	--
Legal	--	--	--	--	5,250	(5,250)	--
Accounting Services	9,520	4,080	--	13,600	15,750	(2,150)	86.35
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	807	148	(214)	741	2,100	(1,359)	35.31
Copier & Scanner	10,894	277	728	11,899	14,999	(3,100)	79.33
Claims Administration Services	175,576	--	(63)	175,513	193,429	(17,916)	90.74
Self-Insurance Fee	224,764	--	--	224,764	246,610	(21,846)	91.14
Claims Paid-WC	2,457,927	--	(141,092)	2,316,835	4,000,000	(1,683,165)	57.92
Claims Paid-PL	18,887	--	5,145	24,032	100,000	(75,968)	24.03
Physical Abilities Testing	7,715	--	(365)	7,350	22,500	(15,150)	32.67
Training	152	--	--	152	5,000	(4,848)	3.04
First-Aid Program	8,476	--	(672)	7,804	25,000	(17,196)	31.22
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	15,627	--	--	15,627	--	15,627	--
Cobra Premiums	212,954	--	--	212,954	235,000	(22,046)	90.62
Dental Insurance Premiums	117,704,976	--	2,629,996	120,334,972	106,652,000	13,682,972	112.83
Vision Insurance Premiums	3,193,341	--	55,382	3,248,723	2,550,000	698,723	127.40
Claim Development Expense	--	--	(3,548,418)	(3,548,418)	(3,050,000)	(498,418)	116.34
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	146,040,406	344,113	(990,710)	145,393,809	133,985,974	11,407,835	108.51 %
Net Increase/(Decrease) from Operations	3,628,603	(377,789)	3,226,276	6,477,090	2,140,521	4,336,569	%
Non Operating Income/(Expense)							
Interest Income	266,616	(28)	9,706	276,294	218,250	58,044	126.60
Net Increase/(Decrease) in Fair Value	73,021	--	--	73,021	--	73,021	--
Realized Gain/(Loss) on Investments	30,921	--	--	30,921	--	30,921	--
Cumulative effect of GASB 68	--	--	(385,314)	(385,314)	--	(385,314)	--
Interfund Trans, Other Inc/Exp	81,254	(45,706)	(35,548)	--	--	--	--
Total Non Operating Income/(Expense)	451,811	(45,735)	(411,156)	(5,078)	218,250	(223,328)	(2.33) %
Ending Cash	\$ 30,401,138	(423,524)					
Net Increase/(Decrease) in Net Position	\$ (423,524)	\$ 2,815,120		6,472,012	\$ 2,358,771	\$ 4,113,241	%
Audited - Ending Net Position, as of 06/30/2016				\$ 7,729,244	\$ 3,616,003	\$ 4,113,241	

It was moved by Annette Heldman and seconded by Akur Varadarajan to approve the 2015/16 Fourth Quarter Financial Report to the Full Board consent calendar.

Ayes: Heldman, Kinder, Parungao and Varadarajan.

Nays: None.

Abstain: None.

X. 2015/16 Audit

Heather Daud of Christy White & Associates reviewed the 2015/16 Audit with the Executive Committee. This was the fourth year with Christy White Associates and the audit went very smoothly with no findings.

It was moved by Susan Kinder and seconded by Akur Varadarajan to submit the 2015/16 Audit to the Full Board.

Ayes: Heldman, Kinder, Parungao and Varadarajan.

Nays: None.

Abstain: None.

XI. 2016/17 First Quarter Financials

Laurena Grabert from SETECH presented the 2016/17 first quarter financials.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Three Months Ended 09/30/2016

	Cash Activity 07/01/2016 09/30/2016	Allocations	Change in Accruals	Balance Year to Date	2016/2017 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2016				\$ 7,729,244			
Beginning Cash	\$ 30,401,138				\$ 7,729,244		
Operating Revenue:							
Premiums Paid by Members	\$ 41,134,805	\$ --	\$ (1,762,685)	\$ 39,372,120	\$ 147,408,159	\$ (108,036,039)	26.71 %
Other Income	8,642	(8,642)	--	--	--	--	--
Total Operating Revenue	41,143,447	(8,642)	(1,762,685)	39,372,120	147,408,159	(108,036,039)	26.71
Operating Expenditures:							
Classified Salaries	27,170	32,678	(185)	59,663	236,778	(177,115)	25.20
Statutory Benefits	6,112	13,339	(4,948)	14,504	55,498	(40,994)	26.13
Health & Welfare	2,696	1,797	--	4,493	39,000	(34,507)	11.52
Employer Tax Expense	--	863	--	863	3,411	(2,548)	25.31
Net Pension Expense	--	--	--	--	--	--	--
Telephone & Internet	1,164	--	(108)	1,056	5,250	(4,194)	20.11
Supplies Office	245	--	--	245	5,250	(5,005)	4.67
Supplies - Other	336	--	(107)	229	5,250	(5,021)	4.36
Eligibility Processing	55,614	--	--	55,614	252,000	(196,386)	22.07
Brokerage Fees-Dental-ACSIG	61,832	--	--	61,832	276,000	(214,168)	22.40
Brokerage Fees-Dental-MD	60,077	--	--	60,077	300,000	(239,923)	20.03
Travel and Conferences	3,005	1,104	(430)	3,679	21,000	(17,321)	17.52
Mileage	1,497	--	--	1,497	8,925	(7,428)	16.77
Dues & Memberships	--	--	--	--	1,575	(1,575)	--
Postage & Meter	5,314	--	--	5,314	3,400	1,914	156.29
Insurance Expense-PIPS&NCR	6,003,481	--	(850,000)	5,153,481	23,989,931	(18,836,450)	21.48
Insurance Expense-PIPS Adj	--	--	--	--	1,500,000	(1,500,000)	--
Utility - Operating-Rent	20,010	(12,345)	--	7,665	35,420	(27,755)	21.64
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	--	--	--	--	8,426	(8,426)	--
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	--	--	--	--	14,175	(14,175)	--
Other Services/Operating Expense	(34)	--	--	(34)	5,250	(5,284)	(0.65)
Capital Equipment/Depreciation	--	--	--	--	2,550	(2,550)	--
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	2,450	1,050	--	3,500	15,750	(12,250)	22.22
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	104	26	--	130	1,575	(1,445)	8.25
Copier & Scanner	2,290	20	(1,455)	854	15,000	(14,146)	5.70
Claims Administration Services	85,227	--	(227)	85,000	190,000	(105,000)	44.74
Self-Insurance Fee	--	--	--	--	245,000	(245,000)	--
Claims Paid-WC	146,618	--	31,937	178,555	3,000,000	(2,821,445)	5.95
Claims Paid-PL	1,103	--	--	1,103	80,000	(78,897)	1.38
Physical Abilities Testing	2,205	--	(1,225)	980	22,445	(21,465)	4.37
Training	(154)	--	--	(154)	5,000	(5,154)	(3.08)
First-Aid Program	4,578	--	(553)	4,025	10,000	(5,975)	40.25
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	6,066	--	--	6,066	15,000	(8,934)	--
Cobra Premiums	44,674	--	--	44,674	250,000	(205,326)	17.87
Dental Insurance Premiums	31,199,957	--	(362,585)	30,837,372	113,877,908	(83,040,536)	27.08
Vision Insurance Premiums	1,032,233	--	(215,749)	816,484	2,758,000	(1,941,516)	29.60
Claim Development Expense	--	--	(340,200)	(340,200)	(2,430,000)	2,089,800	14.00
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	38,775,870	38,532	(1,745,836)	37,068,567	144,867,892	(107,799,325)	25.59 %
Net Increase/(Decrease)							
from Operations	2,367,577	(47,174)	(16,849)	2,303,553	2,540,267	(236,714)	%
Non Operating Income/(Expense)							
Interest Income	98,470	(4)	(18,793)	79,673	218,250	(138,577)	36.51
Net Increase/(Decrease) in Fair Value	(91,616)	--	--	(91,616)	--	(91,616)	--
Realized Gain/(Loss) on Investments	13,981	--	--	13,981	--	13,981	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	204,821	--	(204,821)	--	--	--	--
Total Non Operating							
Income/(Expense)	225,656	(4)	(223,614)	2,038	218,250	(216,212)	0.93 %
Ending Cash	\$ 32,994,371	(47,178)					
Net Increase/(Decrease)							
in Net Position	\$ (47,178)	\$ (240,463)		2,305,591	\$ 2,758,517	\$ (452,926)	%
Unaudited - Ending Net Position, as of 09/30/2016				\$ 10,034,835	\$ 10,487,761	\$ (452,926)	

It was moved by Akur Varadarajan and seconded by Annette Heldman to submit the 2016/17 First Quarter Financial Report to the Full Board.

Ayes: Heldman, Kinder, Parungao and Varadarajan.

Nays: None.

Abstain: None.

XII. 2015/16 Fourth Quarter Investment Report

Cary Allison of Morgan Stanley presented the 2015/16 Fourth Quarter Investment Report.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	06/30/16
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,222,230.82
Total Ending Value	\$16,255,106.57
Current Quarter	0.65%
Year to Date	2.07%
Since Inception (annualized % per year)	1.43%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	1.51%
Last 5 Years (annualized % per year)	1.35%
Since Inception (annualized % per year)	1.43%
Year 2016 (YTD)	2.07%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	29.18%

It was moved by Akur Varadarajan and seconded by Susan Kinder to approve the 2015/16 Fourth Quarter Investment report for the Full Board consent calendar.

Ayes: Heldman, Kinder, Parungao and Varadarajan.

Nays: None.

Abstain: None.

XIII. 2016/17 First Quarter Investment Report

Cary Allison of Morgan Stanley presented the 2016/17 First Quarter Investment Report.

Investment Summary Dollar Weighted Return % (Net of fees)

Date of Report	09/30/16
Inception date	07/12/10
Beginning Total Value	\$9,999,850.00
Net Contributions/Withdrawals	\$5,033,025.75
Investment Earnings	\$1,207,554.99
Total Ending Value	\$16,240,430.74
Current Quarter	-0.09%
Year to Date	1.97%
Since Inception (annualized % per year)	1.35%

Time Weighted Return % by Period (Net of fees)

Last 3 Years (annualized % per year)	1.30%
Last 5 Years (annualized % per year)	1.32%
Since Inception (annualized % per year)	1.36%
Year 2016 (YTD)	1.97%
Year 2015	0.87%
Year 2014	1.01%
Year 2013	-0.03%
Year 2012	2.44%
Year 2011	1.91%
Year 2010 (partial year)	0.29%
Corporate bonds as percentage of portfolio	28.89%

It was moved by Annette Heldman and seconded by Susan Kinder to submit the 2016/17 First Quarter Investment Report to the Full Board.

Ayes: Heldman, Kinder, Parungao and Varadarajan.

Nays: None.

Abstain: None.

XIV. Annual Report

The Executive Director presented the 2015/16 Annual Report. The report will be presented to the Full Board at the meeting on November 9, 2016.

XV. Strategic Planning Summary

The Executive Director reviewed the Strategic Plan Report with the Committee. The report will be presented to the Full Board at the meeting on November 9, 2016.

Workers Compensation

XVI. 2016/17 Service Plan

Tara Salaiz of Keenan reviewed the 2016/17 Service Plan with the Executive Committee. The service team consists of Tara Cooper-Salaiz as Account Manager, Michael Clark as Claims Analyst, Dave Kundert as Loss Control Consultant, Patrice Grant as Claims Manager, and Ron Martin as Account Executive. The Service Plan is a tool to show what the team wants to complete

within the upcoming year. The team has chosen 4 target districts, including Alameda USD, Fremont USD, Newark USD, and Pleasanton USD.

XVII. Company Nurse Update

Michael Clark of Keenan presented the Executive Committee with an update on the Company Nurse program expansion. Emery USD has now joined the program and the opportunity is still available to join if a district is interested.

XVIII. Workers Compensation Claims History & Deficit Review

The Executive Director reviewed the Workers Compensation Claims History and deficit review with the Executive Committee. Based upon a 2011 audit report, the program has an operating deficit of \$19.6M ACSIG has accomplished milestone of eliminating this deficit. With the 2016/17 1st Quarter Financial Report, ACSIG is now projected to end the fiscal year with a surplus in this fund.

XIX. Potential Exposure from Reinsurer Insolvency

Ron Martin of Keenan explained how 2 of ACSIG's workers compensation claims are effected by our policy with CastlePoint. We anticipate that the assets of the company will pay the outstanding balances of these claims. Additionally, should there be insufficient funds to cover all claims, the California Insurance Guarantee Association (CIGA) will step in and pay \$500,000 per claim.

XX. Future Planning

XXI. Adjournment