



Alameda County Schools Insurance Group

Full Board Meeting

November 7, 2019

12:00PM – 3:00PM

Alameda County Office of Education

313 W. Winton Ave.

Hayward, CA 94544



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

AGENDA Full Board

Date: Thursday, November 7, 2019
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Call to order 12:00 PM

II. Roll call

Full Board

Annette Helman	President	New Haven Unified School District
Susan Kinder	Vice President	Livermore Valley Joint USD
Raul Parungao	Secretary	Alameda County Office of Education
Dani Krueger	Board Member	Alameda Unified School District
Jackie Kim	Board Member	Albany Unified School District
Suzy Chan	Board Member	Castro Valley USD
Joe Sorrrera	Board Member	Dublin Unified School District
Vacant	Board Member	Eden Area ROP
Dora Siu	Board Member	Emery Unified School District
Marcus Battle	Board Member	Fremont USD
Vacant	Board Member	Mission Valley ROP
Teresea Santamaria	Board Member	Mountain House Unified School District
Marie Dela Cruz	Board Member	Newark Unified School District
Ruth Alahydoian	Board Member	Piedmont Unified School District
Ahmad Sheikholeslami	Board Member	Pleasanton Unified School District
Dr. Kevin Collins	Board Member	San Leandro Unified School District
Madeline Gabel	Board Member	San Lorenzo Unified School District
Molleen Barnes	Board Member	Sunol Glen Unified School District
Julie Duncan	Board Member	Tri-Valley ROP
 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
Heather Daud Rubio	Guest	Christy White & Associates
Cary Allison	Guest	Morgan Stanley

III. Acceptance of the Agenda

The Board 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

V. Closed Session

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

A. Settlement Authorization

• Claim Numbers:

Murcia	2503013	Jackson	2510407
Ali-Sullivan	99001125	Parker	2202377
Murphy	9901861	Nese-Forte	2202360

B. Settlement Notification

• Claim Numbers:

Taylor	478029	Texeira	517274	Fallon	536413	Guzman	555537
Supnet	482303	Johnson	522455	Pagni	536821	Keese	557531
Goulet	487607	Villanueva	523695	Edwards	538692	Javeed	561424
Hunter	487985	Cheung	523869	Dawn	540240	Cheng	561561
Martins	491308	Guzman	528284	Anaya	541956	Morett	562971
Velazquez	498313	Gordon	529062	Ibarra	542339	Carpenter	563512
Pence	503237	Idris	533424	Baker	543756	Delgado	564034
Middleton	505313	Ostlund	534669	Holthe	545445		
Johnson	505638	Reynado	535263	Grier	547829		
Hanford	514309	Carone	536209	Shadd	554040		

C. CastlePoint/ Reinsurance Update

Ron Martin of Keenan will discuss the status summary memo, loss run and calculation of ACSIG potential exposure.

VI. Open Session

Public Comment on Open Session Agenda Items

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

Report of Action Taken in Closed Session

VII. Approval of Minutes

The Board will review and approve the Executive Committee meeting minutes from May 9, 2019 and the Full Board minutes from May 16, 2019.

Consent Calendar

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

- 2018/19 Fourth Quarter Financials
- 2018/19 Fourth Quarter Investment Report

General Business

VIII. Members to Executive Committee

The Board will elect members to the Executive Committee for the 2019/20 year.
Recommendation: For action

IX. Annual Report

The Executive Director will present the 2018/19 Annual Report.

Recommendation: For discussion

X. 2018/19 Audit

Heather Daud Rubio from Christy White will present the 2018/19 Audit. The Board will be asked to approve this report.

Recommendation: For action

XI. 2019/20 First Quarter Financials

Laurena Grabert from SETECH will present the 2019/20 1st Quarter Financials. The Board will be asked to approve to this report.

Recommendation: For action

XII. 2019/20 First Quarter Investment Report

Cary Allison from Morgan Stanley will present the 2019/20 1st Quarter Investment report. The Board will be asked to approve this report.

Recommendation: For action

XIII. FBC Contract

The Executive Director will present the contract with FBC for the dental coalition.

Recommendation: For action

XIV. Strategic Planning

The Executive Director will review the date and location for the Strategic Planning Session.

Recommendation: For discussion

Workers Compensation

XV. Workers Compensation Rates 2019/2020

The Executive Director will review the 2019/2020 Workers Compensation Rates.

Recommendation: For action

XVI. Service Plan 2019/2020

The 2019/2020 Service Plan will be reviewed with the Board.

Recommendation: For discussion

XVII. EAP Update

The Executive Director will provide an update on the EAP Program with the Executive

Committee.

Recommendation: For discussion

XVIII. Workers Compensation Claims History

The Executive Director and Keenan Associates will review a 3-year claims history report.

Recommendation: For discussion

XIX. Future Planning

XX. Adjournment



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

MINUTES Executive Committee

Date: Thursday, May 9, 2019
Time: 9:30 AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Annette Heldman called the meeting to order at 9:31am

II. Roll call

Executive Committee Members

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Raul Parungao	Secretary	Alameda COE
Jackie Kim	Board Member	Albany USD
Suzi Chan	Board Member	Castro Valley USD
Dr. Kevin Collins	Board Member	San Leandro USD

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

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

III. Acceptance of the Agenda

It was moved by Suzi Chan and seconded by Susan Kinder to approve the agenda as presented.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:32am

A. Settlement Notification

- Claim Numbers:

457988 Castellanos	534762 Morales
459280 Castellanos	547613 Dominguez
497153 Weatherton	554192 Gallegos
497602 Cervantes	555389 Upsprung
523290 Amajioyi	557107 Cano
531781 Rodriguez Sparks	2203697 Sarmiento

B. Settlement Authorization

- Claims Numbers: None

C. Executive Director Contract

The Executive Committee will discussed and approved the Executive Directors contract.

D. CastlePoint Memo

Ron Martin from Keenan and Associates will discussed the CastlePoint Memo and Loss Run with the Executive Committee.

Open Session

Open session began at 9:55am.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

The Executive Committee approved the Executive Directors contract.

VII. Approval of Minutes

It was moved by Susan Kinder and seconded by Suzi Chan to approve the February 7, 2019 and April 15, 2019 Executive Committee Meeting minutes.

Ayes: Heldman, Kinder, Parungao, Kim, Chan, Collins

Nays: None

Abstain: None

General

VIII. Investment Custodian

Cary Allison from Morgan Stanley presented the new contracts for Benefit Trust and Morgan Stanley.

It was moved by Kevin Collins and seconded by Raul Parungao to recommend approval of the new Investment Custodian.

Ayes: Heldman, Kinder, Parungao, Kim, Chan, Collins

Nays: None

Abstain: None

IX. Third Quarter Investment Report

Cary Allison of Morgan Stanley reviewed the 2018/19 third quarter investment report with the Executive Committee.

Time Weighted Performance Summary (Net of fees) – March 31, 2019

Total Ending Value	\$16,523,348.91
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Rolling Periods

Quarter to Date	1.11%
Year to Date	1.11%
Last 12 Months	2.62%
Last 3 Years	0.77%
Last 5 Years	1.06%
Since 7/12/10 Inception (annualized %)	1.17%

Calendar Years

2019 ytd	1.11%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2018-19	2.43%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

It was moved by Susan Kinder and seconded by Kevin Collins to recommend approval of the third quarter investment report as presented to the Full Board.

Ayes: Heldman, Kinder, Parungao, Kim, Chan, Collins

Nays: None

Abstain: None

X. Third Quarter Financial Report

Laurena Grabert from SETECH presented the 2018/2019 third quarter financials report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2018 and 03/31/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 03/31/2019	As of 03/31/2019
Assets:			
Current Assets			
Workers Compensation	\$ 18,534,707	8,797,738	\$ 27,332,445
Dental	3,284,669	1,514,483	4,799,152
Vision	1,323,726	129,653	1,453,379
Property and Liability	1,317,946	378,262	1,696,208
Operations	101,261	133,078	234,339
Cash and Cash Equivalents	\$ 24,562,309	10,953,214	\$ 35,515,523
Investments Morgan Stanley - current	2,639,124	1,101,255	3,740,379
Accounts Receivable	8,024,200	(4,686,864)	3,337,336
Prepaid Expense	7,685	60,396	68,081
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	35,233,319	7,428,001	42,661,319
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	13,351,978	(854,446)	12,497,532
Capital - Equipment, net of depreciation	2,371	(592)	1,779
	13,354,349	(855,038)	12,499,311
Total Assets	\$ 48,587,668	\$ 6,572,962	\$ 55,160,629
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	546,377	--	546,377
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,446,836	\$ (3,108,231)	\$ 338,605
Prefunding deposits (2)	4,030,577	--	4,030,577
Advance Contributions	--	3,491,779	3,491,779
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	908,036	86,719	994,755
Current Portion of claims and claim adjustment	3,993,786	(366,555)	3,627,231
Subtotal Current Liabilities	12,379,235	103,712	12,482,947
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	12,806,919	(1,795,588)	11,011,331
Unallocated Loss Adjustment Expense (ULAE)	1,377,838	(133,964)	1,243,874
Subtotal Noncurrent Claim Liabilities	14,184,757	(1,929,552)	12,255,205
Net Pension Liability (NPL)	732,827	45,443	778,270
Total Liabilities	\$ 27,296,819	\$ (1,780,397)	\$ 25,516,423
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	65,612	--	65,612
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	21,769,243	8,353,949	30,123,192
Designated - Capital Assets	2,371	(592)	1,779
Total Net Position	\$ 21,771,614	\$ 8,353,357	\$ 30,124,971
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 48,587,668	\$ 6,572,960	\$ 55,160,629

Footnote:

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

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval of the third quarter financial report as presented to the Full Board.
Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None
Abstain: None

XI. Budget 2019/2020

The Executive Director reviewed the 2019/20 Budget with the Executive Committee.

Alameda County Schools Insurance Group (ACSIG)							
Consolidated							
Statement of Revenues, Expenditures and Changes in Net Position							
As of 03/31/2019 and For The Nine Months Then Ended							
	2017/2018		2018/2019				Percentage of Budget
	Budget	Audited Actuals	Budget	Activity 07/01/2018-03/31/2019	Variance		
Operating Revenue:							
Premiums Paid by Members	\$ 156,427,872	\$ 165,692,065	\$ 158,439,211	\$ 116,922,132	\$ 41,517,079	73.80	%
Return of Premiums	--	(1,145,883)	--	--	--	--	--
Other Income	--	--	--	--	--	--	--
Total Operating Revenue	156,427,872	164,546,182	158,439,211	116,922,132	41,517,079	73.80	
Operating Expenditures:							
Classified Salaries	251,051	286,178	251,917	186,871	65,046	74.18	
Statutory Benefits	56,552	31,954	88,316	19,288	69,028	21.84	
Health & Welfare	39,000	47,510	51,190	30,979	20,211	60.52	
Employer Tax Expense	3,477	4,443	4,769	3,116	1,653	65.33	
Net Pension Expense	39,345	(191,171)	51,788	90,886	(39,098)	175.50	
Telephone & Internet	7,350	6,102	7,350	4,712	2,638	64.11	
Supplies Office	4,200	1,885	4,200	1,609	2,591	38.32	
Supplies - Other	2,625	3,276	4,200	4,635	(435)	110.37	
Eligibility Processing	240,000	213,141	246,077	153,082	92,995	62.21	
Brokerage Fees-Dental-ACSIG	288,000	293,050	294,000	186,861	107,139	63.56	
Brokerage Fees-Dental-MD	350,000	410,333	425,000	345,506	79,494	81.30	
Travel and Conferences	23,100	10,458	23,100	8,239	14,861	35.67	
Mileage	8,925	6,756	8,925	4,512	4,413	50.55	
Dues & Memberships	1,575	1,635	7,350	885	6,465	12.04	
Postage & Meter	8,350	3,875	10,000	5,989	4,011	59.89	
Insurance Expense-PIPS&NCR	25,192,893	21,028,823	24,950,383	15,791,677	9,158,706	63.29	
Insurance Expense-PY Adj	2,000,000	749,186	2,000,000	(233,378)	2,233,378	(11.67)	
Utility - Operating-Rent	39,388	36,395	36,461	34,343	2,119	94.19	
Advertising	600	--	600	--	600	--	
Contract Services	26,275	8,272	31,275	5,000	26,275	15.99	
Contract Services - Claim Audit	20,000	15,570	--	--	--	--	
Contract Services	6,375	--	6,375	--	6,375	--	
Audit Fees	15,540	13,500	16,275	13,750	2,525	84.49	
Other Services/Operating Expenses	10,500	5,614	10,500	4,585	5,915	43.67	
Capital Equipment/Depreciation	2,625	592	3,900	592	3,308	15.18	
Repairs & Maintenance	3,675	--	3,675	--	3,675	--	
Legal	2,100	--	2,100	--	2,100	--	
Accounting Services	15,750	14,420	15,750	14,850	900	94.29	
County Courier	4,200	3,568	4,200	--	4,200	--	
Shredding	1,574	851	2,100	615	1,485	29.29	
Copier & Scanner	15,000	10,277	15,000	8,171	6,829	54.47	
Claims Administration Services	154,000	166,909	174,000	122,538	51,462	70.42	
Self-Insurance Fee	290,000	297,811	325,000	337,468	(12,468)	103.84	
Claims Paid-WC	2,500,000	1,001,753	1,750,000	492,112	1,257,888	28.12	
Claims Paid-PL	50,000	53,650	100,000	62,801	37,199	62.80	
Physical Abilities Testing	25,000	14,004	35,000	8,730	26,270	24.94	
Training	20,000	--	40,000	--	40,000	--	
First-Aid Program	10,000	23,953	30,000	21,382	8,618	71.27	
Food Service Training	30,000	--	--	--	--	--	
Risk Mgmt Prev Program	--	--	30,000	15,989	14,011	53.30	
Incentives	--	28,559	--	--	--	--	
Safety Inspections	12,445	12,445	12,446	--	12,446	--	
Bank Charge & WC Penalty Reimb	17,200	21,071	41,000	1,497	39,503	3.65	
Cobra Premiums	242,000	246,832	250,000	170,763	79,237	68.31	
Dental Insurance Premiums	123,000,000	129,945,472	123,120,000	90,040,286	33,079,714	73.13	
Vision Insurance Premiums	3,340,000	4,066,932	3,950,000	3,384,710	565,290	85.69	
Claim Development Expense	(2,510,000)	(357,335)	(2,000,000)	(2,209,388)	209,388	110.47	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	155,860,690	158,538,549	156,434,222	109,136,263	47,297,959	69.76	%
Net Increase/(Decrease) from Operations	567,182	6,007,633	2,004,989	7,785,869	(5,780,880)	388.32	%
Non Operating Income/(Expense)							
Interest Income	231,500	499,740	376,500	395,580	(19,080)	105.07	
Net Increase/(Decrease) in Fair Value	--	(341,266)	--	171,264	(171,264)	--	
Realized Gain/(Loss) on Investments	--	644	--	644	(644)	--	
Cumulative effect of GASB 68	--	--	--	--	--	--	
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--	
Total Non Operating Income/(Expense)	231,500	159,118	376,500	567,488	(190,988)	150.73	%
Net Increase/(Decrease) in Net Position	\$ 798,682	\$ 6,166,751	2,381,489	\$ 8,353,357	\$ (5,971,868)	350.76	%
Beginning Balance Prior Year End	\$ 15,604,864	\$ 15,604,864	21,771,614	\$ 21,771,614	\$ 592	100.00	%
Ending Balance, as of 03/31/2019	\$ 16,403,546	\$ 21,771,614	\$ 24,153,103	\$ 30,124,971	\$ (5,971,276)		

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It was moved by Kevin Collins and seconded by Suzi Chan to recommend approval of the budget to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XII. ACSIG Salaries & Benefits

The Executive Director presented a schedule increase proposal for the ACSIG staff of 2.49% off the salary schedule. The overall cost for this increase would total \$8705.

It was moved by Suzi Chan and seconded by Jackie Kim to approve ACSIG salaries and benefits as presented.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XIII. Security Guard Training Notification

SB1626 requires 24 hours of training for security guards. IMReady course offered June 17th, 18th and 19th in Fremont.

Workers Compensation

XIV. JPA EAP Program

The Executive Director discussed the JPA EAP Program due to the increased psychological component claimed within our Workers Compensation program. ACSIG would like to have some districts volunteer to pilot the program to see if there can be a positive impact on employee morale and psychological claims filed. The cost for the 3-session option is \$1.70/employee/month— which ACSIG has budgeted \$100K to fund.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval of the EAP Program to the Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XV. 5-year Point in Time Comparison

Michael Clark from Keenan and Associates discussed the 5-year workers compensation claim trend. As resources are dedicated to improve frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs.

Through analysis, we can identify trends within the districts.

XVI. Update on Service Plan

Tara Cooper-Salaiz reviewed the 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.

XVII. Run Off Claims Agreement

The Executive Director will reviewed the renewal contract for Run Off Claims Administration with the Executive Committee.

It was moved by Kevin Collins and seconded by Suzi Chan to approve the Run Off Claims Agreement as presented.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XVIII. Actuarial Study - Ultimate Loss

The Executive Director presented Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. Bay Actuarial estimates that ACSIG's liability for unpaid losses were \$14.3 on December 31, 2018 and project that it will be \$13.5M on June 30, 2019. The corresponding discounted values (at 2% interest) are \$12.2M and \$11.6M.

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

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

Dental

XIX. Dental Rates 2019/2020

The Executive Director presented the 2019/2020 Dental Rate recommendations to the Executive Committee. The program has been performing well, with a potential 30% growth in the program with the partnership with the FBC in San Diego. The recommendation is for a flat renewal for 2019/20.

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of Dental Rates to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XX. Alliant Contract

The Executive Director reviewed the renewal contract with Alliant Insurance Services which includes a 3-year term.

It was moved by Suzi Chan and seconded by Jackie Kim to recommend approval of the Alliant Contract to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXI. Declare Rebate

The Executive Director discussed the rebate within the dental program. The Executive Committee is requesting to declare a surplus of \$1M in the Dental Fund.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval to declare \$1M surplus in the Dental Fund to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXII. Distribute Rebate

The Executive Director discussed the distribution within the dental program. The Executive Committee recommended \$1M distribution back to current members/ per employee from the Dental Fund.

It was moved by Kevin Collins and seconded by Suzi Chan to recommend approval to distribute \$1M surplus from the Dental Fund to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

Vision

XXIII. Vision Rates 2019/2020

The Executive Director presented the 2019/20 Vision rates with a recommendation as a flat renewal.

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the Vision rates as presented with no increase to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

Property & Liability

XXIV. Property & Liability Rates 2019/2020

The Executive Director presented the 2019/20 Property and Liability rates. NCR Property rates and Liability rates showed adverse development in the program. ACSIG has higher

experience than the NCR average. These negative factors have resulted in an increase to the ACSIG PL rates.

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the Property & Liability rates as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XXV. PLCA Amendment

The Executive Director reviewed the amendment for Property and Casualty Claims Administration Services.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval of the PLCA Amendment to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XXVI. P&L Actuarial Study

The Executive Director presented the P&L actuarial study.

It was moved by Susan Kinder and seconded by Kevin Collins to recommend approval of the P&L Actuarial Study to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

Administrative

XXVII. Investment Policy

The Executive Committee conducted the annual review of the written investment policy and found no changes necessary.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval the Investment Policy as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins

Nays: None

Abstain: None

XXVIII. Conflict of Interest Code

The Executive Committee conducted the annual review of the Conflict of Interest policy and found no changes necessary.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval the Conflict of Interest Code as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXIX. Authorization of Signatures

The Executive Committee conducted the annual review of the Authorization of Signatures and found no changes necessary.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval the Authorization of Signatures as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXX. Meeting Calendar

The Executive Committee reviewed the 2019/20 draft calendar.

It was moved by Kevin Collins and seconded by Suzi Chan to recommend approval of the draft meeting calendar as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXXI. Posting and Mailing Address

The Executive Committee conducted the annual review of the Posting and Mailing Address for ACSIG and found no changes necessary.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval the Posting and Mailing address as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Chan, Collins
Nays: None
Abstain: None

XXXII. Future Planning

XXXIII. This meeting was adjourned at 11:33am.



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

MINUTES Full Board

Date: Thursday, May 16, 2019
Time: 12:00PM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. The meeting was called to order by Annette Heldman at 12:06 PM

II. Roll call

Board Members

Annette Heldman	President	New Haven Unified School District
Susan Kinder	Vice President	Livermore Valley Joint USD
Dani Krueger	Alternate	Alameda Unified School District
Jackie Kim	Board Member	Albany Unified School District
Suzi Chan	Board Member	Castro Valley USD
Marie Dela Cruz	Board Member	Mission Valley ROP
Teresa Santamaria	Board Member	Mountain House Unified School District
Ruth Alahydoian	Board Member	Piedmont Unified School District
Micaela Ochoa	Board Member	Pleasanton Unified School District
Dr. Kevin Collins	Board Member	San Leandro Unified School District
Madeline Gabel	Board Member	San Lorenzo Unified School District
Julie Duncan	Board Member	Tri-Valley ROP

Kimberly Dennis	Executive Director	ACSIG
Celina Flotte	Executive Assistant	ACSIG

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates

Michael Clark
Hesam Fayaz

Guest
Guest

Keenan & Associates
SETECH

III. Acceptance of the Agenda

It was moved by Kevin Collins and seconded by Susan Kinder to accept the agenda as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Dela Cruz, Santamaria, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

IV. Public Comment on Open Session Agenda Items

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

Consent Calendar

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

- **Executive Committee Minutes from February 7, 2019 and April 15, 2019**
- **PLCA Amendment**
- **2nd Quarter Financials**
- **2nd Quarter Investment Report**
- **Investment Policy**
- **Conflict of Interest Code**
- **Authorization of Signatures**
- **Posting and Mailing Address**

It was moved by Micaela Ochoa and seconded by Susan Kinder to approve the consent calendar as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Dela Cruz, Santamaria, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

General

V. Investment Custodian

Cary Allison from Morgan Stanley presented the new contracts for Benefit Trust and Morgan Stanley.

It was moved by Kevin Collins and seconded by Jackie Kim to approve the new Investment Custodian.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

VI. Third Quarter Investment Report

Cary Allison of Morgan Stanley reviewed the 2018/19 third quarter investment report with the Board.

Time Weighted Performance Summary (Net of fees) – March 31, 2019

Total Ending Value	\$16,523,348.91
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Rolling Periods

Quarter to Date	1.11%
Year to Date	1.11%
Last 12 Months	2.62%
Last 3 Years	0.77%
Last 5 Years	1.06%
Since 7/12/10 Inception (annualized %)	1.17%

Calendar Years

2019 ytd	1.11%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2018-19	2.43%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

It was moved by Susan Kinder and seconded by Kevin Collins to approve the third quarter investment report as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

VII. Third Quarter Financials

Laurena Grabert from SETECH presented the 2018/2019 third quarter financials report.

It was moved by Teresa Santamaria and seconded by Jackie Kim to approve the third quarter financial report as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2018 and 03/31/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 03/31/2019	As of 03/31/2019
Assets:			
Current Assets			
Workers Compensation	\$ 18,534,707	8,797,738	\$ 27,332,445
Dental	3,284,669	1,514,483	4,799,152
Vision	1,323,726	129,653	1,453,379
Property and Liability	1,317,946	378,262	1,696,208
Operations	101,261	133,078	234,339
Cash and Cash Equivalents	<u>\$ 24,562,309</u>	<u>10,953,214</u>	<u>\$ 35,515,523</u>
Investments Morgan Stanley - current	2,639,124	1,101,255	3,740,379
Accounts Receivable	8,024,200	(4,686,864)	3,337,336
Prepaid Expense	7,685	60,396	68,081
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>35,233,319</u>	<u>7,428,001</u>	<u>42,661,319</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	13,351,978	(854,446)	12,497,532
Capital - Equipment, net of depreciation	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
	13,354,349	(855,038)	12,499,311
Total Assets	<u>\$ 48,587,668</u>	<u>\$ 6,572,962</u>	<u>\$ 55,160,629</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>546,377</u>	<u>--</u>	<u>546,377</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,446,836	\$ (3,108,231)	\$ 338,605
Prefunding deposits (2)	4,030,577	--	4,030,577
Advance Contributions	--	3,491,779	3,491,779
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	908,036	86,719	994,755
Current Portion of claims and claim adjustment	<u>3,993,786</u>	<u>(366,555)</u>	<u>3,627,231</u>
Subtotal Current Liabilities	<u>12,379,235</u>	<u>103,712</u>	<u>12,482,947</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	12,806,919	(1,795,588)	11,011,331
Unallocated Loss Adjustment Expense (ULAE)	<u>1,377,838</u>	<u>(133,964)</u>	<u>1,243,874</u>
Subtotal Noncurrent Claim Liabilities	<u>14,184,757</u>	<u>(1,929,552)</u>	<u>12,255,205</u>
Net Pension Liability (NPL)	<u>732,827</u>	<u>45,443</u>	<u>778,270</u>
Total Liabilities	<u>\$ 27,296,819</u>	<u>\$ (1,780,397)</u>	<u>\$ 25,516,423</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>65,612</u>	<u>--</u>	<u>65,612</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	21,769,243	8,353,949	30,123,192
Designated - Capital Assets	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
Total Net Position	<u>\$ 21,771,614</u>	<u>\$ 8,353,357</u>	<u>\$ 30,124,971</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 48,587,668</u>	<u>\$ 6,572,960</u>	<u>\$ 55,160,629</u>

Footnote:

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

VIII. Budget 2019/2020

The Executive Director reviewed the 2019/20 Budget with the Board.

Alameda County Schools Insurance Group (ACSIG)

Consolidated

Statement of Revenues, Expenditures and Changes in Net Position As of 03/31/2019 and For The Nine Months Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018-03/31/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 156,427,872	\$ 165,692,065	\$ 158,439,211	\$ 116,922,132	\$ 41,517,079	73.80 %
Return of Premiums	--	(1,145,883)	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	156,427,872	164,546,182	158,439,211	116,922,132	41,517,079	73.80
Operating Expenditures:						
Classified Salaries	251,051	286,178	251,917	186,871	65,046	74.18
Statutory Benefits	56,552	31,954	88,316	19,288	69,028	21.84
Health & Welfare	39,000	47,510	51,190	30,979	20,211	60.52
Employer Tax Expense	3,477	4,443	4,769	3,116	1,653	65.33
Net Pension Expense	39,345	(191,171)	51,788	90,886	(39,098)	175.50
Telephone & Internet	7,350	6,102	7,350	4,712	2,638	64.11
Supplies Office	4,200	1,885	4,200	1,609	2,591	38.32
Supplies - Other	2,625	3,276	4,200	4,635	(435)	110.37
Eligibility Processing	240,000	213,141	246,077	153,082	92,995	62.21
Brokerage Fees-Dental-ACSIG	288,000	293,050	294,000	186,861	107,139	63.56
Brokerage Fees-Dental-MD	350,000	410,333	425,000	345,506	79,494	81.30
Travel and Conferences	23,100	10,458	23,100	8,239	14,861	35.67
Mileage	8,925	6,756	8,925	4,512	4,413	50.55
Dues & Memberships	1,575	1,635	7,350	885	6,465	12.04
Postage & Meter	8,350	3,875	10,000	5,989	4,011	59.89
Insurance Expense-PIPS&NCR	25,192,893	21,028,823	24,950,383	15,791,677	9,158,706	63.29
Insurance Expense-PY Adj	2,000,000	749,186	2,000,000	(233,378)	2,233,378	(11.67)
Utility - Operating Rent	39,388	36,395	36,461	34,343	2,119	94.19
Advertising	600	--	600	--	600	--
Contract Services	26,275	8,272	31,275	5,000	26,275	15.99
Contract Services - Claim Audit	20,000	15,570	--	--	--	--
Contract Services	6,375	--	6,375	--	6,375	--
Audit Fees	15,540	13,500	16,275	13,750	2,525	84.49
Other Services/Operating Expenses	10,500	5,614	10,500	4,585	5,915	43.67
Capital Equipment/Depreciation	2,625	592	3,900	592	3,308	15.18
Repairs & Maintenance	3,675	--	3,675	--	3,675	--
Legal	2,100	--	2,100	--	2,100	--
Accounting Services	15,750	14,420	15,750	14,850	900	94.29
County Courier	4,200	3,568	4,200	--	4,200	--
Shredding	1,574	851	2,100	615	1,485	29.29
Copier & Scanner	15,000	10,277	15,000	8,171	6,829	54.47
Claims Administration Services	154,000	166,909	174,000	122,538	51,462	70.42
Self-Insurance Fee	290,000	297,811	325,000	337,468	(12,468)	103.84
Claims Paid-WC	2,500,000	1,001,753	1,750,000	492,112	1,257,888	28.12
Claims Paid-PL	50,000	53,650	100,000	62,801	37,199	62.80
Physical Abilities Testing	25,000	14,004	35,000	8,730	26,270	24.94
Training	20,000	--	40,000	--	40,000	--
First-Aid Program	10,000	23,953	30,000	21,382	8,618	71.27
Food Service Training	30,000	--	--	--	--	--
Risk Mgmt Prev Program	--	--	30,000	15,989	14,011	53.30
Incentives	--	28,559	--	--	--	--
Safety Inspections	12,445	12,445	12,446	--	12,446	--
Bank Charge & WC Penalty Reimb	17,200	21,071	41,000	1,497	39,503	3.65
Cobra Premiums	242,000	246,832	250,000	170,763	79,237	68.31
Dental Insurance Premiums	123,000,000	129,945,472	123,120,000	90,040,286	33,079,714	73.13
Vision Insurance Premiums	3,340,000	4,066,932	3,950,000	3,384,710	565,290	85.69
Claim Development Expense	(2,510,000)	(357,335)	(2,000,000)	(2,209,388)	209,388	110.47
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	155,860,690	158,538,549	156,434,222	109,136,263	47,297,959	69.76 %
Net Increase/(Decrease) from Operations	567,182	6,007,633	2,004,989	7,785,869	(5,780,880)	388.32 %
Non Operating Income/(Expense)						
Interest Income	231,500	499,740	376,500	395,580	(19,080)	105.07
Net Increase/(Decrease) in Fair Value	--	(341,266)	--	171,264	(171,264)	--
Realized Gain/(Loss) on Investments	--	644	--	644	(644)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	231,500	159,118	376,500	567,488	(190,988)	150.73 %
Net Increase/(Decrease) in Net Position	\$ 798,682	\$ 6,166,751	2,381,489	\$ 8,353,357	\$ (5,971,868)	350.76 %
Beginning Balance Prior Year End	\$ 15,604,864	\$ 15,604,864	21,771,614	\$ 21,771,614	\$ 592	100.00 %
Ending Balance, as of 03/31/2019	\$ 16,403,546	\$ 21,771,614	\$ 24,153,103	\$ 30,124,971	\$ (5,971,276)	

It was moved by Jackie Kim and seconded by Madeline Gabel to approve of the budget to as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

IX. ACSIG Salaries & Benefits

The Executive Director presented a schedule increase proposal for the ACSIG staff of 2.49% off the salary schedule. The overall cost for this increase would total \$8705.

It was moved by Marie Dela Cruz and seconded by Jackie Kim to approve ACSIG salaries and benefits as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

X. Security Guard Training Notification

SB1626 requires 24 hours of training for security guards. IMReady course offered June 17th, 18th and 19th in Fremont.

Dental

XI. Dental Rates 2019/2020

The Executive Director presented the 2019/2020 Dental Rate recommendations to the Board. The program has been performing well, with a potential 30% growth in the program with the partnership with the FBC in San Diego. The recommendation is for a flat renewal for 2019/20.

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

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XII. Alliant Contract

The Executive Director reviewed the renewal contract with Alliant Insurance Services which includes a 3-year term.

It was moved by Ruth Alahydoian and seconded by Susan Kinder to approve the Alliant Contract.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XIII. Declare Rebate

The Executive Director discussed the rebate within the dental program. The Board is requesting to declare a surplus of \$1M in the Dental Fund.

It was moved by Kevin Collins and seconded by Jackie Kim to approve the declaration of \$1M surplus in the Dental Fund.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XIV. Distribute Rebate

The Executive Director discussed the distribution within the dental program. The Board is recommending \$1M distribution back to current members/ per employee from the Dental Fund.

It was moved by Julie Duncan and seconded by Suzy Chan to approve the distribution of \$1M surplus from the Dental Fund.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

Vision

XV. Vision Rates 2019/2020

The Executive Director presented the 2019/20 Vision rates with a recommendation as a flat renewal.

It was moved by Kevin Collins and seconded by Teresa Santamarie to approve the Vision rates as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

Property & Liability

XVI. Property & Liability Rates 2019/2020

The Executive Director presented the 2019/20 Property and Liability rates. NCR Property rates and Liability rates showed adverse development in the program. ACSIG has higher experience than the NCR average. These negative factors have resulted in an increase to the ACSIG PL rates.

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

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

Workers Compensation

XVII. JPA EAP Program

The Executive Director discussed the JPA EAP Program due to the increased psychological component claimed within our Workers Compensation program. ACSIG would like to have some districts volunteer to pilot the program to see if there can be a positive impact on employee morale and psychological claims filed. The cost for the 3-session option is \$1.70/employee/month— which ACSIG has budgeted \$100K to fund.

It was moved by Kevin Collins and seconded by Marie Dela Cruz to approve the EAP Program.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XVIII. Actuarial Study - Ultimate Loss

The Executive Director presented Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. Bay Actuarial estimates that ACSIG's liability for unpaid losses were \$14.3 on December 31, 2018 and project that it will be \$13.5M on June 30, 2019. The corresponding discounted values (at 2% interest) are \$12.2M and \$11.6M.

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

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XIX. Actuarial Study - Ex-Mods

Historically, ACSIG experience modification factors were not “re-benched” to 1.00. The result was program underfunding. In 2008, the Executive Committee and Board agreed to

begin a multi-year funding model to begin “re-benching” ex-mods to 1.00. Program year 2009/2010 was the first year of this process. It was the expectation that the rates would become more consistent due to the use of actuarially determined experience-modification rates. Prior to 2013/2014, the ACSIG Board imposed a cap in the amount an ex-mod could increase/decrease in any one program year. Beginning in 2013/14 the actuarially determined ex-mod will be used with no maximum change cap. The assumption that all ex-mods will remain between 0.75 - 1.25 will continue.

MEMBER	NEW EX-MOD 12/31/18	OLD EX-MOD 12/31/17
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	0.864	1.003
CASTRO VALLEY	0.756	0.884
DUBLIN	0.750	0.750
EDEN ROP	0.750	0.750
EMERY	0.988	0.750
FREMONT	0.944	0.836
LIVERMORE	1.095	1.109
MISSION ROP	0.909	0.750
MT. HOUSE	0.750	0.750
NEWARK	1.003	0.932
NEW HAVEN	0.993	1.128
PIEDMONT	0.921	0.750
PLEASANTON	1.106	1.134
SAN LEANDRO	1.237	1.250
SAN LORENZO	1.147	1.250
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	0.751	0.750

It was moved by Suzy Chan and seconded by Jackie Kim to approve the Ex-Mods as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydroian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XX. Workers Compensation Rates 2019/2020

The Executive Director presented 2019/20 Workers Compensation rates.

2019/2020 Workers' Compensation Rates

	2016/2017 Actual Payroll	2017/2018 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2019/2020 PREMIUM
ACOE	\$23,717,493	\$21,779,014	2.60	0.7500	1.95	\$424,691
ALAMEDA	\$70,301,878	\$69,969,982	2.60	1.2500	3.25	\$2,274,024
ALBANY	\$27,858,715	\$28,827,474	2.60	0.8640	2.25	\$647,580
CASTRO VALLEY	\$64,078,083	\$64,201,756	2.60	0.7560	1.97	\$1,261,950
DUBLIN	\$68,658,689	\$74,306,015	2.60	0.7500	1.95	\$1,448,967
EDEN ROP	\$4,583,000	\$4,609,783	2.60	0.7500	1.95	\$89,891
EMERY	\$5,808,634	\$6,174,193	2.60	0.9880	2.57	\$158,603
FREMONT	\$255,927,440	\$263,110,684	2.60	0.9440	2.45	\$6,457,789
LIVERMORE	\$84,264,612	\$91,199,583	2.60	1.0950	2.85	\$2,596,452
MISSION ROP	\$4,351,284	\$4,545,012	2.60	0.9090	2.36	\$107,417
MT. HOUSE	\$183,365	\$213,409	2.60	0.7500	1.95	\$4,161
NEWARK	\$43,509,192	\$42,083,492	2.60	1.0030	2.61	\$1,097,453
NEW HAVEN	\$89,658,169	\$89,417,409	2.60	0.9930	2.58	\$2,308,579
PIEDMONT	\$24,365,158	\$24,624,141	2.60	0.9210	2.39	\$589,650
PLEASANTON *	\$102,590,453	\$105,028,007	2.60	1.1060	2.88	\$3,020,185
SAN LEANDRO	\$63,320,230	\$65,160,985	2.60	1.2370	3.22	\$2,095,708
SAN LORENZO	\$78,240,528	\$77,840,991	2.60	1.1470	2.98	\$2,321,374
SUNOL GLEN	\$2,031,253	\$2,155,623	2.60	0.7500	1.95	\$42,035
TRI VALLEY ROP	\$2,121,140	\$2,430,723	2.60	0.7510	1.95	\$47,462
TOTAL PREMIUMS	\$1,015,569,318	\$1,037,678,275				\$26,993,971
Average Ex Mod				1.00000		

Payrolls based upon 2017/2018 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

Unfortunately the handouts for the 19-20 workers' compensation rates were incorrect. Attached is the correct information, which was distributed in February. It was moved by Jackie Kim and seconded by Marie Dela Cruz to approve the Workers Compensation rates

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XXI. Informational Report for Fiscal Year End

Laurena Grabert from SETECH presented the 2018/2019 Informational Report for the Fiscal Year Ended June 30, 2018. The following numbers reflect each member's portion of the unfunded liability.

Alameda County Schools Insurance Group
Workers' Compensation
Allocation Net Position - Assets/(Deficit) by Member
As of 06/30/2018

Members		Sub-Total From Page 12		Program Years										Total		
				2016/2017					2017/2018							
				Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets					
Alameda COE	\$	(51,354)	2.03 %	\$	153,917	1.93 %	\$	103,728	-- %	\$	--	-- %	\$	--	\$	206,291
Alameda		(474,040)	7.07		536,055	8.40		451,461	--		--	--		--		513,476
Albany		(69,101)	3.53		267,649	2.82		151,562	--		--	--		--		350,110
Castro Valley		(190,866)	6.27		475,399	6.85		368,156	--		--	--		--		652,689
Dublin		124,516	5.45		413,225	5.26		282,700	--		--	--		--		820,441
Eden ROP		(141,651)	0.37		28,054	0.30		16,124	--		--	--		--		(97,473)
Emery		(103,900)	0.48		36,394	0.44		23,648	--		--	--		--		(43,858)
Fremont		1,145,562	23.56		1,786,346	22.88		1,229,693	--		--	--		--		4,161,601
Livermore		(71,140)	9.10		689,972	8.87		476,721	--		--	--		--		1,095,553
Mission ROP		(64,863)	0.32		24,263	0.31		16,661	--		--	--		--		(23,939)
Mt. House		(4,567)	0.03		2,275	0.02		1,075	--		--	--		--		(1,217)
Newark		(348,671)	5.60		424,598	4.47		240,242	--		--	--		--		316,169
New Haven		(659,704)	8.32		630,832	9.13		490,695	--		--	--		--		461,823
Piedmont		(131,201)	1.90		144,060	1.85		99,429	--		--	--		--		112,288
Pleasanton		(155,834)	7.77		589,130	9.53		512,193	--		--	--		--		945,489
San Leandro		88,006	7.57		573,966	6.97		374,605	--		--	--		--		1,036,577
San Lorenzo		(820,550)	10.12		767,310	9.57		514,343	--		--	--		--		461,103
Sunol Glen		(13,622)	0.16		12,131	0.15		8,062	--		--	--		--		6,571
Tri Valley ROP		4,601	0.35		26,538	0.25		13,435	--		--	--		--		44,574
Pleasanton Apprentice		--	--		--	--		--	--		--	--		--		--
Totals \$		(1,938,379)	100.00 %	\$	7,582,114	100.00 %	\$	5,374,533	-- %	\$	--	-- %	\$	--	\$	11,018,268

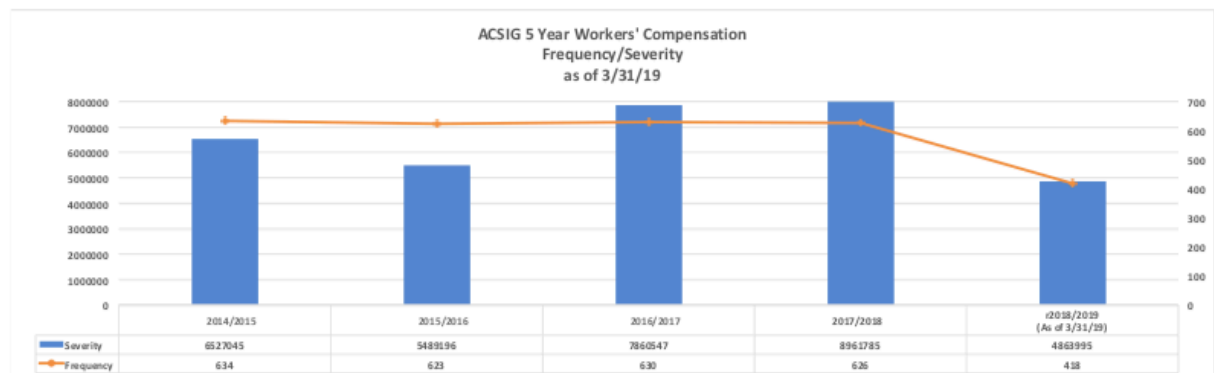
XXII. 5-year Point in Time Comparison

Michael Clark from Keenan and Associates discussed the 5-year workers compensation claim trend. As resources are dedicated to improve frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs. Through analysis, we can identify trends within the districts.



ACSIG 5-Year Workers' Compensation Point in Time Report for Frequency & Severity

	2014/2015 FY		FY 2015/2016		FY 2016/2017		FY 2017/2018		FY 2018/2019	
	As of 6/30/15		As of 6/30/16		As of 6/30/17		As of 6/30/18		As of 3/31/19	
	Frequency	Severity	Frequency	Severity	Frequency	Severity	Frequency	Severity	Frequency	Severity
Alameda County Office of Education	5	\$ 245,761	7	\$ 132,586	0	\$ -	6	\$ 91,007	10	\$ 64,224
Alameda Unified School District	58	\$ 708,697	53	\$ 499,039	56	\$ 449,298	42	\$ 871,776	27	\$ 465,230
Albany Unified School District	17	\$ 69,264	17	\$ 183,033	14	\$ 352,831	21	\$ 574,032	20	\$ 282,387
Castro Valley Unified School District	55	\$ 586,919	33	\$ 176,976	43	\$ 522,336	34	\$ 370,162	16	\$ 245,999
Dublin Unified School District	32	\$ 128,121	27	\$ 117,678	59	\$ 434,166	45	\$ 305,866	28	\$ 342,917
Eden Area ROP	3	\$ 2,078	4	\$ 13,313	5	\$ 88,666	3	\$ 2,654	3	\$ 2,814
Emery Unified School District	2	\$ 312	5	\$ 92,827	8	\$ 87,389	5	\$ 71,210	3	\$ 2,248
Fremont Unified School District	112	\$ 1,339,750	129	\$ 1,179,715	119	\$ 2,172,400	144	\$ 2,289,693	100	\$ 1,530,807
Livermore Valley Joint Unified School District	56	\$ 663,930	60	\$ 760,828	59	\$ 653,590	44	\$ 590,296	39	\$ 223,699
Mission Valley ROP	0	\$ -	1	\$ 531	8	\$ 222,088	4	\$ 36,672	5	\$ 116,753
Mountain House	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
New Haven Unified School District	64	\$ 416,916	70	\$ 431,612	53	\$ 623,189	56	\$ 436,259	32	\$ 254,863
Newark Unified School District	32	\$ 228,605	29	\$ 290,531	26	\$ 310,595	27	\$ 682,119	14	\$ 54,533
Piedmont Unified School District	12	\$ 101,511	14	\$ 168,071	13	\$ 323,791	15	\$ 47,741	4	\$ 4,139
Pleasanton Unified School District	72	\$ 828,819	50	\$ 817,013	66	\$ 873,097	69	\$ 825,793	44	\$ 621,641
San Leandro Unified School District	46	\$ 503,938	47	\$ 344,360	34	\$ 219,660	47	\$ 1,003,100	29	\$ 295,340
San Lorenzo Unified School District	66	\$ 699,106	71	\$ 274,373	64	\$ 489,323	62	\$ 758,638	42	\$ 356,038
Sunol Glen School District	0	\$ -	2	\$ 1,934	0	\$ -	1	\$ 33	0	\$ -
Tri Valley Regional Occupational Program	2	\$ 3,316	4	\$ 4,775	3	\$ 38,130	1	\$ 4,734	2	\$ 363
Grand Total	634	\$ 6,527,045	623	\$ 5,489,196	630	\$ 7,860,547	626	\$ 8,961,785	418	\$ 4,863,995



XXIII. Update on Service Plan

Tara Cooper-Salaiz reviewed the 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.

XXIV. Run Off Claims Agreement

The Executive Director will reviewed the renewal contract for Run Off Claims Administration with the Board.

It was moved by Kevin Collins and seconded by Madeline Gabel to approve the Run Off Claims Agreement as presented.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

Administrative

XXV. Executive Director Contract

The Executive Director reviewed the Executive Director's 2018- 2020 contract with the Full Board.

XXVI. Election of Executive Committee

Due to Raul Parungao, Dr. Kevin Collins and Joe Sorrera's terms expiring, they have all agreed to serve another 2-year term.

It was moved by Madeline Gabel and seconded by Jackie Kim to approve the Executive Committee serving another 2-year term.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XXVII. Meeting Calendar

The Executive Committee reviewed the 2019/20 draft calendar. A motion was made to change the start time to the May 7, 2020 Executive Committee meeting from 9:30am to 12:00pm to avoid conflict with the CBO meeting held as ACOE.

2019/ 2020 Calendar (DRAFT)

October 31, 2019	Executive Committee	9:30am – 12:00pm
November 7, 2019	Joint Full Board Lunch will be served	12:00pm – 3:00pm
December 19, 2019	Executive Committee	9:30am – 12:00pm
February 6, 2020	Executive Committee	9:30am – 12:00pm
May 7, 2020	Executive Committee	12:00pm – 3:00pm
May 14, 2020	Joint Full Board Lunch will be served	12:00pm – 3:00pm

It was moved by Kevin Collins and seconded by Susan Kinder to approve of the draft meeting calendar with the motion of time change.

Ayes: Heldman, Kinder, Krueger, Kim, Chan, Dela Cruz, Santamaria, Alahydoian, Ochoa, Collins, Gabel, Duncan

Nays: None

Abstain: None

XXVIII. Attendance Raffle

A raffle was held to give recognition to members who participate in our Board meetings.

XXIX. Future Planning

XXX. This meeting was adjourned at 1:45pm.

Consent Calendar



Alameda County Schools Insurance Group

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2018/2019 Fourth Quarter Financials

Enclosed are the 2018/2019 Fourth Quarter, year-end financial statements for review. The net position of all funds except the Property/Liability fund improved. The new actuarial study for the Property/Liability fund increased claim development expense significantly and resulted in the bulk of the decrease in net position. The members of this program will have to address this deficiency in the 2020/2021 rate setting process. Of significant note is the improvement in net position of the workers' compensation fund. With a net position of \$20 million, the Executive Committee will be discussing program enhancements/rate offset options at its December Strategic Planning session.

A representative from SETECH will review the financial statements with the Board if necessary. The financial information will be reviewed in detail with the audit report.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF JUNE 30, 2019 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 31, 2019
For the Board Meeting of November 7, 2019

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 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Workers Compensation	\$ 18,534,707	6,378,119	\$ 24,912,827
Dental	3,284,669	1,722,916	5,007,585
Vision	1,323,726	208,329	1,532,055
Property and Liability	1,317,946	18,504	1,336,450
Operations	101,261	54,315	155,576
Cash and Cash Equivalents	<u>\$ 24,562,309</u>	<u>8,382,183</u>	<u>\$ 32,944,493</u>
Investments Morgan Stanley - current	2,639,124	1,956,811	4,595,935
Accounts Receivable	8,024,200	(1,025,146)	6,999,054
Prepaid Expense	7,685	1,675	9,360
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>35,233,319</u>	<u>9,315,523</u>	<u>44,548,842</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	13,351,978	(1,488,475)	11,863,503
Capital - Equipment, net of depreciation	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
	13,354,349	(1,489,067)	11,865,282
Total Assets	<u>\$ 48,587,668</u>	<u>\$ 7,826,456</u>	<u>\$ 56,414,124</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>546,377</u>	<u>(195,400)</u>	<u>350,977</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,446,836	\$ 268,386	\$ 3,715,222
Prefunding deposits (2)	4,030,577	(369,577)	3,661,000
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	908,036	(20,808)	887,228
Current Portion of claims and claim adjustment	<u>3,993,786</u>	<u>(373,074)</u>	<u>3,620,712</u>
Subtotal Current Liabilities	<u>12,379,235</u>	<u>(495,073)</u>	<u>11,884,162</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	12,806,919	(2,304,364)	10,502,555
Unallocated Loss Adjustment Expense (ULAE)	<u>1,377,838</u>	<u>(125,577)</u>	<u>1,252,261</u>
Subtotal Noncurrent Claim Liabilities	<u>14,184,757</u>	<u>(2,429,941)</u>	<u>11,754,816</u>
Net Pension Liability (NPL)	<u>732,827</u>	<u>(34,273)</u>	<u>698,554</u>
Total Liabilities	<u>\$ 27,296,819</u>	<u>\$ (2,959,287)</u>	<u>\$ 24,337,532</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>65,612</u>	<u>(24,558)</u>	<u>41,054</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	21,769,243	10,615,493	32,384,736
Designated - Capital Assets	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
Total Net Position	<u>\$ 21,771,614</u>	<u>\$ 10,614,901</u>	<u>\$ 32,386,515</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 48,587,668</u>	<u>\$ 7,826,456</u>	<u>\$ 56,414,124</u>

Footnote:

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

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018- 06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 156,427,872	\$ 165,692,065	\$ 158,439,211	\$ 158,713,739	\$ (274,528)	100.17 %
Return of Premiums	--	(1,145,883)	--	(999,989)	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	156,427,872	164,546,182	158,439,211	157,713,750	(274,528)	99.54
Operating Expenditures:						
Classified Salaries	251,051	286,178	251,917	295,213	(43,296)	117.19
Statutory Benefits	56,552	31,954	88,316	22,941	65,375	25.98
Health & Welfare	39,000	47,510	51,190	42,912	8,278	83.83
Employer Tax Expense	3,477	4,443	4,769	4,551	218	95.42
Net Pension Expense	39,345	(191,171)	51,788	199,053	(147,265)	384.36
Telephone & Internet	7,350	6,102	7,350	5,739	1,611	78.07
Supplies Office	4,200	1,885	4,200	2,148	2,052	51.15
Supplies - Other	2,625	3,276	4,200	5,141	(941)	122.41
Eligibility Processing	240,000	213,141	246,077	203,801	42,276	82.82
Brokerage Fees-Dental-ACSIG	288,000	293,050	294,000	279,662	14,338	95.12
Brokerage Fees-Dental-MD	350,000	410,333	425,000	470,289	(45,289)	110.66
Travel and Conferences	23,100	10,458	23,100	10,118	12,982	43.80
Mileage	8,925	6,756	8,925	7,119	1,806	79.76
Dues & Memberships	1,575	1,635	7,350	885	6,465	12.04
Postage & Meter	8,350	3,875	10,000	2,764	7,236	27.64
Insurance Expense-PIPS&NCR	25,192,893	21,028,823	24,950,383	21,043,123	3,907,260	84.34
Insurance Expense-PY Adj	2,000,000	749,186	2,000,000	(233,378)	2,233,378	(11.67)
Utility - Operating-Rent	39,388	36,395	36,461	36,901	(440)	101.21
Advertising	600	--	600	--	600	--
Contract Services	26,275	8,272	31,275	18,096	13,179	57.86
Contract Services -Claim Audit	20,000	15,570	--	--	--	--
Contract Services	6,375	--	6,375	--	6,375	--
Audit Fees	15,540	13,500	16,275	13,750	2,525	84.49
Other Services/Operating Expenses	10,500	5,614	10,500	6,137	4,363	58.44
Capital Equipment/Depreciation	2,625	592	3,900	592	3,308	15.18
Repairs & Maintenance	3,675	--	3,675	--	3,675	--
Legal	2,100	--	2,100	928	1,172	44.19
Accounting Services	15,750	14,420	15,750	14,850	900	94.29
County Courier	4,200	3,568	4,200	3,872	328	92.19
Shredding	1,574	851	2,100	813	1,287	38.71
Copier & Scanner	15,000	10,277	15,000	11,058	3,942	73.72
Claims Administration Services	154,000	166,909	174,000	166,650	7,350	95.78
Self-Insurance Fee	290,000	297,811	325,000	337,468	(12,468)	103.84
Claims Paid-WC	2,500,000	1,001,753	1,750,000	1,022,116	727,884	58.41
Claims Paid-PL	50,000	53,650	100,000	57,219	42,781	57.22
Physical Abilities Testing	25,000	14,004	35,000	11,180	23,820	31.94
Training	20,000	--	40,000	6,031	33,969	15.08
First-Aid Program	10,000	23,953	30,000	26,579	3,421	88.60
Food Service Training	30,000	--	--	--	--	--
Risk Mgmt Prev Program	--	--	30,000	15,989	14,011	53.30
Incentives	--	28,559	--	--	--	--
Safety Inspections	12,445	12,445	12,446	12,446	--	--
Bank Charge & WC Penalty Reimb	17,200	21,071	41,000	1,943	39,057	4.74
Cobra Premiums	242,000	246,832	250,000	224,938	25,062	89.98
Dental Insurance Premiums	123,000,000	129,945,472	123,120,000	122,360,987	759,013	99.38
Vision Insurance Premiums	3,340,000	4,066,932	3,950,000	4,234,168	(284,168)	107.19
Claim Development Expense	(2,510,000)	(357,335)	(2,000,000)	(2,823,823)	823,823	141.19
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	155,860,690	158,538,549	156,434,222	148,122,967	8,311,255	94.69 %
Net Increase/(Decrease) from Operations	567,182	6,007,633	2,004,989	9,590,783	(8,585,783)	478.35 %
Non Operating Income/(Expense)						
Interest Income	231,500	499,740	376,500	681,272	(304,771)	180.95
Net Increase/(Decrease) in Fair Value	--	(341,266)	--	342,202	(342,202)	--
Realized Gain/(Loss) on Investments	--	644	--	644	(644)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	231,500	159,118	376,500	1,024,118	(647,617)	272.01 %
Net Increase/(Decrease) in Net Position	\$ 798,682	\$ 6,166,751	2,381,489	\$ 10,614,901	\$ (9,233,400)	445.73 %
Beginning Balance Prior Year End	\$ 15,604,864	\$ 15,604,864	21,771,614	\$ 21,771,614	\$ 592	100.00 %
Ending Balance, as of 06/30/2019	\$ 16,403,546	\$ 21,771,614	\$ 24,153,103	\$ 32,386,515	\$ (9,232,808)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 12,333,997	8,130,832	\$ 20,464,829
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	17,741	304	18,045
Union Bank Claims - #0129	2,570,463	(1,956,243)	614,220
Union Bank Claims Trust Account - #0600	360,659	(36,260)	324,399
Local Agency Investment Funds (L.A.I.F.)	3,214,911	72,926	3,287,837
Money Market - Morgan Stanley	36,936	166,560	203,497
Cash and Cash Equivalents	<u>\$ 18,534,707</u>	<u>6,378,119</u>	<u>\$ 24,912,827</u>
Investments Morgan Stanley - current	2,639,124	1,956,811	4,595,935
Accounts Receivable	117,644	27,036	144,680
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(187,299)</u>	<u>(103,701)</u>	<u>(291,000)</u>
Subtotal Current Assets	<u>21,104,177</u>	<u>8,258,265</u>	<u>29,362,442</u>
Noncurrent Assets			
Investments Morgan Stanley	6,752,521	(1,749,889)	5,002,632
Capital - Equipment, net of depreciation	--	--	--
	<u>6,752,521</u>	<u>(1,749,889)</u>	<u>5,002,632</u>
Total Assets	<u>\$ 27,856,698</u>	<u>\$ 6,508,376</u>	<u>\$ 34,365,074</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>146,899</u>	<u>(58,620)</u>	<u>88,279</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ --	\$ --	\$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	908,036	(20,808)	887,228
Current Portion of claims and claim adjustment	1,740,000	(444,000)	1,296,000
Subtotal Current Liabilities	<u>2,648,036</u>	<u>(464,808)</u>	<u>2,183,228</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	12,762,095	(2,328,032)	10,434,063
Unallocated Loss Adjustment Expense (ULAE)	1,340,000	(133,964)	1,206,036
Subtotal Noncurrent Claim Liabilities	<u>14,102,095</u>	<u>(2,461,996)</u>	<u>11,640,099</u>
Net Pension Liability (NPL)	<u>212,258</u>	<u>(10,282)</u>	<u>201,976</u>
Total Liabilities	<u>\$ 16,962,389</u>	<u>\$ (2,937,086)</u>	<u>\$ 14,025,303</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>22,939</u>	<u>(7,367)</u>	<u>15,572</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	11,018,268	9,394,210	20,412,478
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 11,018,268</u>	<u>\$ 9,394,210</u>	<u>\$ 20,412,478</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 27,856,697</u>	<u>\$ 6,508,377</u>	<u>\$ 34,365,074</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018-06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 26,712,774	\$ 26,712,774	\$ 27,959,469	\$ 26,942,763	\$ 1,016,706	96.36 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	26,712,774	26,712,774	27,959,469	26,942,763	1,016,706	96.36
Operating Expenditures:						
Classified Salaries	61,053	65,608	63,149	69,349	(6,200)	109.82
Statutory Benefits	14,246	8,266	24,985	5,100	19,885	20.41
Health & Welfare	7,800	14,253	15,800	12,873	2,927	81.47
Employer Tax Expense	876	959	1,121	1,010	111	90.11
Net Pension Expense	8,547	(44,672)	15,104	59,717	(44,613)	395.37
Telephone & Internet	1,050	915	1,050	861	189	82.00
Supplies Office	600	283	600	322	278	53.67
Supplies - Other	375	491	600	771	(171)	128.50
Eligibility Processing	--	--	6,077	--	6,077	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,300	1,569	3,300	1,518	1,782	46.00
Mileage	1,275	1,013	1,275	1,068	207	83.75
Dues & Memberships	225	245	1,050	133	917	12.67
Postage & Meter	100	194	300	138	162	46.00
Insurance Expense-PIPS	24,040,241	19,857,950	23,583,087	19,679,728	3,903,359	83.45
Insurance Expense-PY Adj	2,000,000	749,186	2,000,000	(233,378)	2,233,378	(11.67)
Utility - Operating-Rent	5,627	5,459	--	5,535	(5,535)	--
Advertising	300	--	300	--	300	--
Contract Services - Actuarial	10,000	8,272	10,000	8,396	1,604	83.96
Contract Services -Claim Audit	20,000	15,570	--	--	--	--
CAJPA Dues/Accreditation	--	--	--	--	--	--
Audit Fees	2,220	2,025	2,325	2,063	262	88.73
Other Services/Operating Expense:	1,500	842	1,500	917	583	61.13
Capital Equipment/Depreciation	375	--	300	--	300	--
Repairs & Maintenance	525	--	525	--	525	--
Legal	300	--	300	--	300	--
Accounting Services	2,250	2,163	2,250	2,228	22	99.02
County Courier	600	535	600	581	19	96.83
Shredding	225	128	300	122	178	40.67
Copier & Scanner	250	514	250	553	(303)	221.20
Claims Admin/Consult Services	154,000	154,000	154,000	154,000	--	100.00
Self-Insurance Fee	290,000	297,811	325,000	337,468	(12,468)	103.84
Claims Paid-WC	2,500,000	1,001,753	1,750,000	1,022,116	727,884	58.41
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	25,000	14,004	35,000	11,180	23,820	31.94
Training	20,000	--	40,000	6,031	33,969	15.08
First-Aid Program	10,000	23,953	30,000	26,579	3,421	88.60
Food Service/Sp Ed Training	30,000	--	--	--	--	--
Risk Mgmt Prevention Prog	--	--	30,000	15,989	14,011	53.30
Incentives	--	28,559	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	1,000	--	1,000	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,500,000)	(378,826)	(2,000,000)	(2,926,804)	926,804	146.34
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	26,712,860	21,833,022	26,101,148	18,266,164	7,834,984	69.98 %
Net Increase/(Decrease) from Operations	(86)	4,879,752	1,858,321	8,676,599	(6,818,278)	466.91 %
Non Operating Income/(Expense)						
Interest Income	150,000	356,625	250,000	515,929	(265,929)	206.37
Net Increase/(Decrease) in Fair Value	--	(200,752)	--	201,303	(201,303)	--
Realized Gain/(Loss) on Investments	--	379	--	379	(379)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	156,252	250,000	717,611	(467,611)	287.04 %
Net Increase/(Decrease) in Net Position	149,914	5,036,004	2,108,321	9,394,210	(7,285,889)	445.58 %
Beginning Balance Prior Year End	5,982,264	5,982,264	11,018,268	11,018,268	--	100.00 %
Ending Balance, as of 06/30/2019	\$ 6,132,178	\$ 11,018,268	\$ 13,126,589	\$ 20,412,478	\$ (7,285,889)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 259,635	459,169	\$ 718,804
Union Bank - Eligibility #9938	2,682,556	692,869	3,375,425
Union Bank - Expense #2064	328,229	562,330	890,559
Union Bank - Cobra Trust #0273	14,249	8,548	22,797
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 3,284,669</u>	<u>1,722,916</u>	<u>\$ 5,007,585</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	7,475,208	(1,108,372)	6,366,836
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>975,822</u>	<u>237,272</u>	<u>1,213,094</u>
Subtotal Current Assets	<u>11,735,699</u>	<u>851,816</u>	<u>12,587,515</u>
Noncurrent Assets			
Investments - Morgan Stanley	5,530,921	219,088	5,750,009
Capital - Equipment, net of depreciation	--	--	--
	<u>5,530,921</u>	<u>219,088</u>	<u>5,750,009</u>
Total Assets	<u>\$ 17,266,620</u>	<u>\$ 1,070,904</u>	<u>\$ 18,337,524</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>299,820</u>	<u>(97,700)</u>	<u>202,120</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,112,648	\$ 252,878	\$ 3,365,526
Prefunding deposits	3,897,654	(341,777)	3,555,877
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	<u>1,899,000</u>	<u>20,000</u>	<u>1,919,000</u>
Subtotal Current Liabilities	<u>8,909,302</u>	<u>(68,899)</u>	<u>8,840,403</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>378,293</u>	<u>(17,137)</u>	<u>361,156</u>
Total Liabilities	<u>\$ 9,287,595</u>	<u>\$ (86,036)</u>	<u>\$ 9,201,559</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>27,709</u>	<u>(12,279)</u>	<u>15,430</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	8,251,136	1,071,519	9,322,655
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 8,251,136</u>	<u>\$ 1,071,519</u>	<u>\$ 9,322,655</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 17,266,620</u>	<u>\$ 1,070,904</u>	<u>\$ 18,337,524</u>

Alameda County Schools Insurance Group (ACSIG)

Dental

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018- 06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 125,000,000	\$ 133,333,165	\$ 125,000,000	\$ 125,810,680	\$ (810,680)	100.65 %
Return of Premiums/Rebate	--	(1,145,883)	--	(999,989)	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	125,000,000	132,187,282	125,000,000	124,810,691	(810,680)	99.85
Operating Expenditures:						
Classified Salaries	146,919	174,771	144,597	177,761	(33,164)	122.94
Statutory Benefits	32,355	18,051	47,272	14,236	33,036	30.12
Health & Welfare	25,350	23,755	25,350	21,456	3,894	84.64
Employer Tax Expense	1,989	2,809	2,849	2,833	16	99.44
Net Pension Expense	24,767	(115,435)	27,316	99,526	(72,210)	364.35
Telephone & Internet	5,250	4,272	5,250	4,017	1,233	76.51
Supplies Office	3,000	1,319	3,000	1,504	1,496	50.13
Supplies - Other	1,875	2,293	3,000	3,599	(599)	119.97
Eligibility Processing	240,000	213,141	240,000	203,801	36,199	84.92
Brokerage Fees-Dental-ACSIG	288,000	293,050	294,000	279,662	14,338	95.12
Brokerage Fees-Dental-MD	350,000	410,333	425,000	470,289	(45,289)	110.66
Travel and Conferences	16,500	7,320	16,500	7,082	9,418	42.92
Mileage	6,375	4,729	6,375	4,983	1,392	78.16
Dues & Memberships	1,125	1,145	5,250	620	4,630	11.81
Postage & Meter	8,100	3,487	9,250	2,488	6,762	26.89
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Net, Operating-Rent	28,134	25,476	30,384	25,831	4,553	85.02
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	15,000	--	15,000	5,000	10,000	33.33
Contract Services -Claim Audit	--	--	--	--	--	--
Contracted Services	6,375	--	6,375	--	6,375	--
Audit Fees	11,100	9,450	11,625	9,625	2,000	82.80
Other Services/Operating Expense:	7,500	3,930	7,500	4,303	3,197	57.37
Capital Equipment/Depreciation	1,875	--	3,000	--	3,000	--
Repairs & Maintenance	2,625	--	2,625	--	2,625	--
Legal	1,500	--	1,500	928	572	61.87
Accounting Services	11,250	10,094	11,250	10,395	855	92.40
County Courier	3,000	2,497	3,000	2,710	290	90.34
Shredding	1,124	596	1,500	569	931	37.93
Copier & Scanner	14,250	9,249	14,250	9,952	4,298	69.84
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge	17,200	21,071	40,000	1,943	38,057	4.86
Cobra Premiums	242,000	246,832	250,000	224,938	25,062	89.98
Dental Insurance Premiums	123,000,000	129,945,472	123,120,000	122,360,987	759,013	99.38
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	--	--	20,000	(20,000)	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	124,514,538	131,319,708	124,773,018	123,971,037	801,981	99.36 %
Net Increase/(Decrease) from Operations	485,462	867,574	226,982	839,654	(1,612,661)	369.92 %
Non Operating Income/(Expense)						
Interest Income	60,000	103,017	100,000	113,557	(13,557)	113.56
Net Increase/(Decrease) in Fair Value	--	(117,763)	--	118,086	(118,086)	--
Realized Gain/(Loss) on Investments	--	222	--	222	(222)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
I Transfer, YE Close, Rebate	--	--	--	--	--	--
Total Non Operating Income/(Expense)	60,000	(14,524)	100,000	231,865	(131,865)	231.86 %
Net Increase/(Decrease) in Net Position	545,462	853,050	326,982	1,071,519	(1,744,526)	327.70 %
Beginning Balance Prior Year End	7,398,086	7,398,086	8,251,136	8,251,136	--	100.00 %
Ending Balance, as of 06/30/2019	\$ 7,943,548	\$ 8,251,136	\$ 8,578,118	\$ 9,322,655	\$ (1,744,526)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Cash with County #44902	\$ 1,323,726	208,329	\$ 1,532,055
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	<u>1,323,726</u>	<u>208,329</u>	<u>1,532,055</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	424,964	41,701	466,665
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>248,440</u>	<u>(31,348)</u>	<u>217,092</u>
Subtotal Current Assets	<u>1,997,130</u>	<u>218,682</u>	<u>2,215,812</u>
Noncurrent Assets			
Investments - Morgan Stanley	1,068,536	42,326	1,110,862
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>1,068,536</u>	<u>42,326</u>	<u>1,110,862</u>
Total Assets	<u>\$ 3,065,666</u>	<u>\$ 261,008</u>	<u>\$ 3,326,674</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>52,417</u>	<u>(19,540)</u>	<u>32,877</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 308,403	\$ 22,685	\$ 331,088
Prefunding deposits	132,923	(27,800)	105,123
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	300,000	22,000	322,000
Subtotal Current Liabilities	<u>741,326</u>	<u>16,885</u>	<u>758,211</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Pension Liability (NPL)	72,292	(3,427)	68,865
Total Liabilities	<u>\$ 813,618</u>	<u>\$ 13,458</u>	<u>\$ 827,076</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>6,987</u>	<u>(2,456)</u>	<u>4,531</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,297,478	230,466	2,527,944
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 2,297,478</u>	<u>\$ 230,466</u>	<u>\$ 2,527,944</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 3,065,666</u>	<u>\$ 261,008</u>	<u>\$ 3,326,674</u>

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018- 06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 3,400,000	\$ 4,356,498	\$ 4,000,000	\$ 4,485,790	\$ (485,790)	112.14 %
Retrun of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	3,400,000	4,356,498	4,000,000	4,485,790	(485,790)	112.14
Operating Expenditures:						
Classified Salaries	25,105	25,991	25,192	26,856	(1,664)	106.61
Statutory Benefits	5,655	3,010	8,132	2,111	6,021	25.96
Health & Welfare	3,900	4,751	4,890	4,291	599	87.75
Employer Tax Expense	348	392	477	403	74	84.51
Net Pension Expense	3,515	(17,461)	4,531	19,906	(15,375)	439.33
Telephone & Internet	700	610	700	574	126	82.00
Supplies Office	400	188	400	215	185	53.75
Supplies - Other	250	328	400	514	(114)	128.50
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,200	1,046	2,200	1,012	1,188	46.00
Mileage	850	676	850	712	138	83.76
Dues & Memberships	150	164	700	89	611	12.71
Postage & Meter	150	194	450	138	312	30.67
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	3,751	3,639	4,051	3,691	360	91.11
Advertising	200	--	200	--	200	--
Contract Services - Actuarial	850	--	850	--	850	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	1,480	1,350	1,550	1,375	175	88.71
Other Services/Operating Expense	1,000	561	1,000	611	389	61.10
Capital Equipment/Depreciation	250	--	400	--	400	--
Repairs & Maintenance	350	--	350	--	350	--
Legal	200	--	200	--	200	--
Accounting Services	1,500	1,442	1,500	1,485	15	99.00
County Courier	400	357	400	387	13	96.75
Shredding	150	85	200	81	119	40.50
Copier & Scanner	400	514	400	553	(153)	138.25
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	3,340,000	4,066,932	3,950,000	4,234,168	(284,168)	107.19
Claim Development Expense	--	--	--	22,000	(22,000)	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	3,393,754	4,094,769	4,010,023	4,321,172	(311,149)	107.76 %
Net Increase/(Decrease) from Operations	6,246	261,729	(10,023)	164,618	(174,641)	(1,642.40) %
Non Operating Income/(Expense)						
Interest Income	20,000	33,652	25,000	42,992	(17,992)	171.97
Net Increase/(Decrease) in Fair Value	--	(22,751)	--	22,813	(22,813)	--
Realized Gain/(Loss) on Investments	--	43	--	43	(43)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	20,000	10,944	25,000	65,848	(40,848)	263.39 %
Net Increase/(Decrease) in Net Position	26,246	272,673	14,977	230,466	(215,489)	1,538.80 %
Beginning Balance Prior Year End	2,024,805	2,024,805	2,297,478	2,297,478	--	100.00 %
Ending Balance, as of 06/30/2019	\$ 2,051,051	\$ 2,297,478	\$ 2,312,455	\$ 2,527,944	\$ (215,489)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Cash with County - #44903	\$ 943,148	142,659	\$ 1,085,807
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	354,122	(126,780)	227,342
Union Bank - Claims Trust #1186	20,676	2,625	23,301
Cash and Cash Equivalents	<u>\$ 1,317,946</u>	<u>18,504</u>	<u>\$ 1,336,450</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	6,384	14,489	20,873
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>(946,826)</u>	<u>(38,954)</u>	<u>(985,780)</u>
Subtotal Current Assets	<u>377,504</u>	<u>(5,961)</u>	<u>371,543</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 377,504</u>	<u>\$ (5,961)</u>	<u>\$ 371,543</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>47,241</u>	<u>(19,540)</u>	<u>27,701</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 1,644	\$ 103	\$ 1,747
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	54,786	28,926	83,712
Subtotal Current Liabilities	<u>56,430</u>	<u>29,029</u>	<u>85,459</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	44,824	23,668	68,492
Unallocated Loss Adjustment Expense (ULAE)	37,838	8,387	46,225
Subtotal Noncurrent Claim Liabilities	<u>82,662</u>	<u>32,055</u>	<u>114,717</u>
Net Pension Liability (NPL)	<u>69,984</u>	<u>(3,427)</u>	<u>66,557</u>
Total Liabilities	<u>\$ 209,076</u>	<u>\$ 57,657</u>	<u>\$ 266,734</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>7,977</u>	<u>(2,456)</u>	<u>5,521</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	207,692	(80,703)	126,989
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 207,692</u>	<u>\$ (80,703)</u>	<u>\$ 126,989</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 377,504</u>	<u>\$ (5,962)</u>	<u>\$ 371,543</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018-06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 1,315,098	\$ 1,289,628	\$ 1,479,742	\$ 1,474,506	\$ 5,236	99.65 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	1,315,098	1,289,628	1,479,742	1,474,506	5,236	99.65
Operating Expenditures:						
Classified Salaries	17,974	19,808	18,979	21,247	(2,268)	111.95
Statutory Benefits	4,296	2,627	7,927	1,494	6,433	18.85
Health & Welfare	1,950	4,751	5,150	4,292	858	83.33
Employer Tax Expense	264	283	322	304	18	94.51
Net Pension Expense	2,516	(13,603)	4,837	19,904	(15,067)	411.50
Telephone & Internet	350	305	350	287	63	81.86
Supplies Office	200	95	200	107	93	53.62
Supplies - Other	125	164	200	257	(57)	128.60
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,100	523	1,100	506	594	45.98
Mileage	425	338	425	356	69	83.79
Dues & Memberships	75	81	350	43	307	12.29
Postage & Meter	--	--	--	--	--	--
Insurance Expense-NCR	1,152,652	1,170,873	1,367,296	1,363,395	3,901	99.71
Insurance Expense-PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	1,876	1,821	2,026	1,844	182	91.02
Advertising	100	--	100	--	100	--
Contract Services - Actuarial	425	--	5,425	4,700	725	86.64
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services - Legal	--	--	--	--	--	--
Audit Fees	740	675	775	687	88	88.65
Other Services/Operating Expenses	500	281	500	306	194	61.11
Capital Equipment/Depreciation	125	--	200	--	200	--
Repairs & Maintenance	175	--	175	--	175	--
Legal	100	--	100	--	100	--
Accounting Services	750	721	750	742	8	98.93
County Courier	200	178	200	194	6	96.79
Shredding	75	42	100	41	59	40.99
Copier & Scanner	100	--	100	--	100	--
Claims Administration Services	--	12,909	20,000	12,650	7,350	63.25
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	50,000	53,650	100,000	57,219	42,781	57.22
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	12,445	12,445	12,446	12,446	--	100.00
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(10,000)	21,491	--	60,981	(60,981)	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	1,239,538	1,290,457	1,550,033	1,564,002	(13,969)	100.90 %
Net Increase/(Decrease) from Operations	75,560	(829)	(70,291)	(89,496)	19,205	127.32 %
Non Operating Income/(Expense)						
Interest Income	1,500	6,444	1,500	8,793	(7,293)	586.20
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	1,500	6,444	1,500	8,793	(7,293)	586.20 %
Net Increase/(Decrease) in Net Position	77,060	5,615	(68,791)	(80,703)	11,912	117.32 %
Beginning Balance Prior Year End	202,077	202,077	207,692	207,692	--	100.00 %
Ending Balance, as of 06/30/2019	\$ 279,137	\$ 207,692	\$ 138,901	\$ 126,989	\$ 11,912	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2018 and 06/30/2019

	Audited As of 06/30/2018	Activity 07/01/2018 - 06/30/2019	Audited As of 06/30/2019
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ 48,636	(53,307)	\$ (4,671)
Union Bank Checking Account #1521	52,625	107,622	160,247
Cash and Cash Equivalents	<u>\$ 101,261</u>	<u>54,315</u>	<u>\$ 155,576</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	--	--
Prepaid Expense	7,685	1,675	9,360
Interfund Receivable/(payable)	<u>(90,137)</u>	<u>(63,269)</u>	<u>(153,406)</u>
Subtotal Current Assets	<u>18,809</u>	<u>(7,279)</u>	<u>11,530</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
Total Assets	<u>\$ 21,180</u>	<u>\$ (7,871)</u>	<u>\$ 13,309</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 24,140	\$ (7,279)	\$ 16,861
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>24,140</u>	<u>(7,279)</u>	<u>16,861</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 24,140</u>	<u>\$ (7,279)</u>	<u>\$ 16,861</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	--	(5,331)
Designated - Capital Assets	<u>2,371</u>	<u>(592)</u>	<u>1,779</u>
Total Net Position	<u>\$ (2,960)</u>	<u>\$ (592)</u>	<u>\$ (3,552)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 21,180</u>	<u>\$ (7,871)</u>	<u>\$ 13,309</u>

Alameda County Schools Insurance Group (ACSIG)

Operations

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 06/30/2019 and For The Fiscal Year Then Ended

	2017/2018		2018/2019			
	Budget	Audited Actuals	Budget	Activity 07/01/2018-06/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	-- %
Offset to Rent - Sub Lease	--	--	--	--	--	--
Total Operating Revenue	--	--	--	--	--	--
Operating Expenditures:						
Classified Salaries	--	--	--	--	--	--
Statutory Benefits	--	--	--	--	--	--
Health & Welfare	--	--	--	--	--	--
Employer Tax Expense	--	--	--	--	--	--
Net Pension Expense	--	--	--	--	--	--
Telephone & Internet	--	--	--	--	--	--
Supplies Office	--	--	--	--	--	--
Supplies - Other	--	--	--	--	--	--
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	--	--	--	--	--	--
Mileage	--	--	--	--	--	--
Dues & Memberships	--	--	--	--	--	--
Postage & Meter	--	--	--	--	--	--
Insurance Expense	--	--	--	--	--	--
Utility - Operating-Rent	--	--	--	--	--	--
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	--	--	--	--	--	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	--	--	--	--	--	--
Other Services/Operating Expense:	--	--	--	--	--	--
Capital Equipment/Depreciation	--	592	--	592	(592)	--
Repairs & Maintenance	--	--	--	--	--	--
Legal	--	--	--	--	--	--
Accounting Services	--	--	--	--	--	--
County Courier	--	--	--	--	--	--
Shredding	--	--	--	--	--	--
Copier & Scanner	--	--	--	--	--	--
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Insurance - Vision	--	--	--	--	--	--
Claim Development Expense	--	--	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	--	592	--	592	(592)	-- %
Net Increase/(Decrease) from Operations	--	(592)	--	(592)	592	-- %
Non Operating Income/(Expense)						--
Interest Income	--	--	--	--	--	--
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer & YE Close	--	--	--	--	--	--
Total Non Operating Income/(Expense)	--	--	--	--	--	-- %
Net Increase/(Decrease) in Net Position	--	(592)	--	(592)	592	-- %
Beginning Balance Prior Year End	(2,368)	(2,368)	(2,960)	(2,960)	--	100.00 %
Ending Balance, as of 06/30/2019	\$ (2,368)	\$ (2,368)	\$ (2,960)	\$ (3,552)	\$ 592	

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2019

	Self-Insured Program Years												Totals to Page 7A
	1978/1979	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	
Paid Claims	\$ 916,273	\$ 1,828,533	\$ 2,852,979	\$ 2,814,588	\$ 2,871,967	\$ 4,020,442	\$ 2,940,000	\$ 5,560,008	\$ 5,166,703	\$ 4,093,890	\$ 3,715,481	\$ 4,776,519	\$ 41,557,383
Reserves	--	--	--	59,211	35,899	7,714	--	90,607	58,984	232,526	169,537	131,120	785,598
Incurred Claims	916,273	1,828,533	2,852,979	2,873,799	2,907,866	4,028,156	2,940,000	5,650,615	5,225,687	4,326,416	3,885,018	4,907,639	42,342,981
Incurred But Not Reported (IBNR)	--	--	37,021	176,201	32,134	11,844	--	39,385	104,313	63,584	162,982	182,361	809,825
Non- Discounted Estimated Ultimate Incurred (1)	916,273	1,828,533	2,890,000	3,050,000	2,940,000	4,040,000	2,940,000	5,690,000	5,330,000	4,390,000	4,048,000	5,090,000	43,152,806
Anticipated Investment Income (Discount) (2)	--	--	(2,480)	(18,833)	(5,987)	(1,878)	--	(11,179)	(15,840)	(31,388)	(38,572)	(38,245)	(164,402)
Discounted Estimated Ultimate (1-2)	916,273	1,828,533	2,887,520	3,031,167	2,934,013	4,038,122	2,940,000	5,678,821	5,314,160	4,358,612	4,009,428	5,051,755	42,988,404
Paid Claims	(916,273)	(1,828,533)	(2,852,979)	(2,814,588)	(2,871,967)	(4,020,442)	(2,940,000)	(5,560,008)	(5,166,703)	(4,093,890)	(3,715,481)	(4,776,519)	(41,557,383)
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ 34,541	\$ 216,579	\$ 62,046	\$ 17,680	\$ --	\$ 118,813	\$ 147,457	\$ 264,722	\$ 293,947	\$ 275,236	\$ 1,431,021

(1) Per Bay Actuarial Consultants actuarial study dated February 2019.

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

Historical Discounted Estimated Ultimate Incurred:													
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As of 06/30/2010	793,059	1,889,004	2,789,731	2,944,000	2,906,506	4,017,275	2,912,254	5,524,202	5,140,647	4,323,930	3,718,595	5,137,560	42,096,763
As of 06/30/2011	852,621	1,886,310	2,800,604	2,899,286	2,949,183	4,029,712	2,912,357	5,687,163	5,154,464	4,316,645	3,706,533	5,171,358	42,366,236
As of 06/30/2012	865,386	1,891,056	2,829,735	2,939,513	2,664,915	3,978,682	2,914,559	5,840,572	5,219,982	4,364,052	3,687,860	5,166,611	42,362,923
As of 06/30/2013	954,963	1,828,378	2,917,252	3,003,200	2,674,593	4,009,091	2,922,237	5,789,363	5,200,522	4,331,119	3,639,169	5,209,906	42,479,793
As of 06/30/2014	959,089	1,828,378	2,943,554	2,948,967	2,906,382	4,010,866	2,993,154	5,793,307	5,156,348	4,321,092	3,728,346	5,145,562	42,735,045
As of 06/30/2015	959,745	1,828,378	2,944,649	2,957,392	2,916,153	4,077,607	2,993,338	5,759,425	5,259,555	4,304,405	3,847,149	5,130,367	42,978,163
As of 06/30/2016	919,585	1,828,378	2,935,792	2,958,911	2,907,220	4,065,869	2,966,210	5,750,806	5,315,636	4,278,349	3,855,186	5,114,027	42,895,969
As of 06/30/2017	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
As of 06/30/2018	947,015	1,828,378	2,876,710	2,988,624	2,945,002	4,094,286	2,994,624	5,743,707	5,315,284	4,422,773	3,926,130	5,110,111	43,192,644
As of 06/30/2019	916,273	1,828,533	2,887,520	3,031,167	2,934,013	4,038,122	2,940,000	5,678,821	5,314,160	4,358,612	4,009,428	5,051,755	42,988,404
Increase/Decrease	(30,742)	155	10,810	42,543	(10,989)	(56,164)	(54,624)	(64,886)	(1,124)	(64,161)	83,298	(58,356)	(204,240)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2019

	Totals From Page 7	Self-Insured Program Years							Totals To Page 7B
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,557,383	\$ 5,350,818	\$ 7,132,762	\$ 6,822,801	\$ 9,210,628	\$ 7,415,391	\$ 10,755,026	\$ 11,896,590	\$ 100,141,399
Reserves	785,598	189,119	257,956	251,582	872,718	433,734	281,681	363,055	3,435,443
Incurred Claims	42,342,981	5,539,937	7,390,718	7,074,383	10,083,346	7,849,125	11,036,707	12,259,645	103,576,842
Incurred But Not Reported (IBNR)	809,825	170,063	279,282	435,617	796,654	280,875	723,293	930,355	4,425,964
Non- Discounted Estimated Ultimate Incurred (1)	43,152,806	5,710,000	7,670,000	7,510,000	10,880,000	8,130,000	11,760,000	13,190,000	108,002,806
Anticipated Investment Income (Discount) (2)	(164,402)	(45,616)	(68,766)	(85,900)	(217,018)	(97,901)	(141,701)	(188,838)	(1,010,142)
Discounted Estimated Ultimate (1-2)	42,988,404	5,664,384	7,601,234	7,424,100	10,662,982	8,032,099	11,618,299	13,001,162	106,992,664
Paid Claims	(41,557,383)	(5,350,818)	(7,132,762)	(6,822,801)	(9,210,628)	(7,415,391)	(10,755,026)	(11,896,590)	(100,141,399)
Remaining Estimated Unpaid Claim Liabilities	\$ 1,431,021	\$ 313,566	\$ 468,472	\$ 601,299	\$ 1,452,354	\$ 616,708	\$ 863,273	\$ 1,104,572	\$ 6,851,265

(1) Per Bay Actuarial Consultants actuarial study dated February 2019.

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

Historical Discounted Estimated Ultimate Incurred:									
As of 06/30/2006	N/A	N/A	N/A	N/A	N/A	6,333,000	8,381,000	7,897,000	N/A
As of 06/30/2007	N/A	N/A	N/A	N/A	N/A	6,651,000	9,924,000	9,258,000	N/A
As of 06/30/2008	N/A	N/A	N/A	N/A	N/A	7,464,000	11,199,000	10,319,000	N/A
As of 06/30/2009	N/A	N/A	N/A	N/A	N/A	7,691,266	12,739,081	11,713,580	N/A
As of 06/30/2010	42,096,763	5,727,741	7,172,192	6,843,071	10,750,070	7,983,737	13,184,486	12,525,480	106,283,540
As of 06/30/2011	42,366,236	5,721,425	7,145,019	7,440,306	11,250,829	8,670,787	13,295,238	13,326,440	108,216,280
As of 06/30/2012	42,362,923	5,641,456	7,470,783	7,427,596	11,162,085	8,724,801	11,904,345	13,678,790	108,372,779
As of 06/30/2013	42,479,793	5,833,514	7,743,609	7,798,325	11,018,070	9,598,230	12,098,931	13,618,383	110,188,855
As of 06/30/2014	42,735,045	5,738,160	7,577,599	7,714,653	11,132,297	8,733,944	11,771,811	13,128,192	108,531,701
As of 06/30/2015	42,978,163	5,752,631	7,584,812	7,808,635	10,993,497	8,806,657	11,818,771	13,083,683	108,826,849
As of 06/30/2016	42,895,969	5,607,306	7,562,358	7,660,593	11,011,641	8,642,537	11,753,128	12,959,861	108,093,393
As of 06/30/2017	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
As of 06/30/2018	43,192,644	5,757,037	7,747,776	7,706,207	10,642,853	8,365,742	11,833,334	12,979,529	108,225,122
As of 06/30/2019	42,988,404	5,664,384	7,601,234	7,424,100	10,662,982	8,032,099	11,618,299	13,001,162	106,992,664
Increase/Decrease	(204,240)	(92,653)	(146,542)	(282,107)	20,129	(333,643)	(215,035)	21,633	(1,232,458)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 06/30/2019

		Self-Insured Program Years								As of 06/30/2019 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2018 Totals		07/01/2018 - 06/30/2019	
Totals From Page 7A												
Paid Claims	\$ 100,141,399	\$ 10,323,475	\$ 6,033,961	\$ 5,522,044	\$ 8,646,698	\$ 8,558,487	\$ 8,506,574	\$ 8,876,764	\$ 156,609,402	\$ 155,587,284	\$ 1,022,118	
Reserves	3,435,443	185,984	233,215	269,451	666,421	369,567	348,512	227,104	5,735,697	7,442,273	(1,706,576)	
Incurred Claims	103,576,842	10,509,459	6,267,176	5,791,495	9,313,119	8,928,054	8,855,086	9,103,868	162,345,099	163,029,557	(684,458)	
Incurred But Not Reported (IBNR)	4,425,964	450,541	422,824	448,505	726,881	411,946	474,914	556,132	7,917,707	9,245,961	(1,328,254)	
Non- Discounted Estimated Ultimate Incurred (1)	108,002,806	10,960,000	6,690,000	6,240,000	10,040,000	9,340,000	9,330,000	9,660,000	170,262,806	172,275,518	(2,012,712)	
Anticipated Investment Income (Discount) (2)	(1,010,142)	(94,206)	(99,062)	(110,565)	(214,569)	(126,605)	(135,042)	(133,150)	(1,923,341)	(2,186,139)	262,798	
Discounted Estimated Ultimate (1-2)	106,992,664	10,865,794	6,590,938	6,129,435	9,825,431	9,213,395	9,194,958	9,526,850	168,339,465	170,089,379	(1,749,914)	
Paid Claims	(100,141,399)	(10,323,475)	(6,033,961)	(5,522,044)	(8,646,698)	(8,558,487)	(8,506,574)	(8,876,764)	(156,609,402)	(155,587,284)	(1,022,118)	
Remaining Estimated Unpaid Claim Liabilities	\$ 6,851,265	\$ 542,319	\$ 556,977	\$ 607,391	\$ 1,178,733	\$ 654,908	\$ 688,384	\$ 650,086	\$ 11,730,063	\$ 14,502,095	\$ (2,772,032)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2019.									Estimated Current Portion /Short-Term Liability (1)	(1,296,000)		
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017. Effective 2018 1.75%.									Estimated Non-Current portion of Claim Liabilities	\$ 10,434,063		
Historical Discounted Estimated Ultimate Incurred:											Claim Development Expense	
As of 06/30/2006	N/A	6,787,000	4,378,000	2,665,000	1,943,000	--	--	--	N/A	Claim Liabilities	\$ (2,772,032)	
As of 06/30/2007	N/A	7,677,000	5,299,000	3,502,000	3,727,000	3,498,000	--	--	N/A	ULAE	(133,964)	
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	Castlepoint		
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	Reinsurance		
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	Insolvency	(20,808)	
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		\$ (2,926,804)	
As of 06/30/2012	108,372,779	11,103,705	7,180,516	6,779,730	9,113,232	10,061,847	10,833,352	11,378,258	174,823,419			
As of 06/30/2013	110,188,855	10,710,077	7,136,860	6,043,782	8,435,497	9,522,890	10,141,142	10,501,500	172,680,603			
As of 06/30/2014	108,531,701	10,454,102	6,798,117	6,067,506	10,203,448	9,772,238	10,362,281	10,585,137	172,774,530			
As of 06/30/2015	108,826,849	10,457,705	6,920,842	6,214,866	10,347,509	9,539,023	9,859,233	10,469,961	172,635,988			
As of 06/30/2016	108,093,393	10,531,877	6,860,336	6,223,567	10,366,713	9,216,061	9,639,692	10,101,017	171,032,656			
As of 06/30/2017	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338			
As of 06/30/2018	108,225,122	10,697,201	6,689,784	6,028,771	10,128,423	9,250,450	9,475,767	9,593,861	170,089,379			
As of 06/30/2019	106,992,664	10,865,794	6,590,938	6,129,435	9,825,431	9,213,395	9,194,958	9,526,850	168,339,465			
Increase/Decrease	(1,232,458)	168,593	(98,846)	100,664	(302,992)	(37,055)	(280,809)	(67,011)	(1,749,914)			

Claim Development Expense		
Claim Liabilities	\$	(2,772,032)
ULAE		(133,964)
Castlepoint		
Reinsurance		
Insolvency		(20,808)
	\$	(2,926,804)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 06/30/2019

	Self-Insured Program Years										As of 06/30/2019	Activity	
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019		As of 06/30/2018	07/01/2018 - 06/30/2019
Paid Claims	\$ 39,048	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 52,777	\$ 20,000	\$ 45,279	\$ 14,736	\$ 464,647	\$ 407,853	\$ 56,794
Reserves	(0)	0	0	(1)	--	(0)	20,000	--	40,000	54,095	114,095	96,779	17,316
Incurred Claims	39,048	33,141	96,543	125,045	20,000	18,078	72,777	20,000	85,279	68,831	578,742	504,632	74,110
Incurred But Not Reported (IBNR)	--	--	--	--	--	--	(0)	--	9,213	30,179	39,392	3,968	35,424
Non- Discounted Estimated Ultimate Incurred (1)	39,048	33,141	96,543	125,045	20,000	18,078	72,777	(3) 20,000	(3) 94,492	(3) 99,010	618,134	508,600	109,534
Anticipated Investment Income (Discount) (2)	--	(0)	--	--	--	--	(167)	--	(412)	(705)	(1,284)	(1,137)	(147)
Discounted Estimated Ultimate (1-2)	39,048	33,141	96,543	125,045	20,000	18,078	72,610	20,000	94,080	98,305	616,850	507,463	109,387
Paid Claims	(39,048)	(33,141)	(96,543)	(125,045)	(20,000)	(18,078)	(52,777)	(20,000)	(45,279)	(14,736)	(464,647)	(407,853)	(56,794)
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 19,833	\$ --	\$ 48,801	\$ 83,569	\$ 152,203	\$ 99,610	\$ 52,593
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65											(83,712)		
Estimated Non-Current portion of Claim Liabilities											\$ 68,491		
(1) Per Bay Actuarial Consultants actuarial study dated February 2019.													
(2) Discounted at 1.0%.													
(3) Not adjusted for negative IBNR, based upon Actuarial report, maybe adjusted at year end if incurred has not been reduced.													
Historical Estimated Ultimate Incurred:													
As of 06/30/2011	63,001	80,193	--	--	--	--	--	--	--	--	143,194		
As of 06/30/2012	63,001	80,193	77,802	--	--	--	--	--	--	--	220,996		
As of 06/30/2013	49,777	62,638	115,793	108,539	--	--	--	--	--	--	336,747		
As of 06/30/2014	49,777	37,638	100,792	148,539	111,900	--	--	--	--	--	566,153		
As of 06/30/2015	48,738	33,141	96,543	126,562	20,863	32,843	--	--	--	--	566,153		
As of 06/30/2016	39,048	33,141	96,543	126,562	20,863	7,843	25,000	--	--	--	349,000		
As of 06/30/2017	39,048	33,141	96,543	125,045	20,000	18,078	51,345	54,069	--	--	437,269		
As of 06/30/2018	39,048	33,141	96,543	125,045	20,000	18,078	72,777	40,968	63,000	--	508,600		
As of 06/30/2019	39,048	33,141	96,543	125,045	20,000	18,078	72,777	20,000	94,492	99,010	618,134		
Increase/Decrease	--	--	--	--	--	--	--	(20,968)	31,492	99,010	109,534		

Claim Development Expense	
Claim Liabilities and ULAE	\$ 60,980
Increase	\$ 8,387
	\$ 69,367

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

www.treasurer.ca.gov/pmia-laif/laif.asp

July 02, 2019

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

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

[PMIA Average Monthly Yields](#)

Account Number:
35-01-001

[Tran Type Definitions](#)

June 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,287,837.01
Total Withdrawal:	0.00	Ending Balance:	3,287,837.01



Alameda County Schools Insurance Group

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

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2018/2019 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. Although returns have been small, the fund is still gaining interest for ACSIG programs.

Enclosed is ACSIG's fourth quarter investment report. Cary Allison from Morgan Stanley Wealth Management will be in attendance to address this item and these balances will be carried forward and reviewed with the 1st quarter 2019-20 investment report.

Morgan Stanley

July 10, 2019

ACSIG – Alameda County Schools Insurance Group

Dear Board:

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

Time Weighted Performance Summary (Net of fees) – June 30th, 2019

Total Ending Value	\$16,762,783.74
--------------------	-----------------

Rolling Periods

Quarter to Date	1.45%
Year to Date	2.57%
Last 12 Months	3.91%
Last 3 Years	1.03%
Last 5 Years	1.26%
Since 7/12/10 Inception (annualized %)	1.06%

Calendar Years

2019 ytd	2.57%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2018-19	3.91%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

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

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cary Allison', with a stylized flourish at the end.

Cary M. Allison, CIMA®

Executive Director

Senior Institutional Consultant, U.S. Government Entity Specialist

www.morganstanley.com

cary.allison@morganstanley.com

Attachment

ALLISON/PAYNE
Tel: 916-797-7700

Fixed Income Report

Prepared on July 10, 2019 for:

ACSIG - Alameda County Schools Ins Group

Account No. 171-XXX349

ALAMEDA COUNTY SCHOOLS INS GROUP

ATTENTION: KIMBERLY DENNIS

P O BOX 2487

DUBLIN CA 94568-0710

TABLE OF CONTENTS

Account(s) Included In This Report	3
Investment Summary	4
Time Weighted Performance Summary	5
Time Weighted Performance By Period - Advisory Assets Only	6
Risk Vs. Return	7
Positions: Fixed Income Detail	8
Disclosures	14

ACCOUNT(S) INCLUDED IN THIS REPORT

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

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Type/ Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
Alameda County Schools Ins Group	Western Asset - Gov Sec Mgmt 3 year CES	Advisory	171-XXX349	04/27/10	-

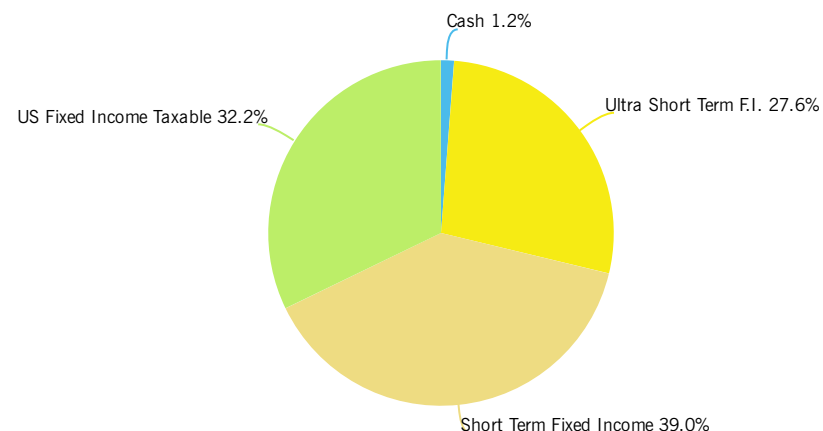
Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

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

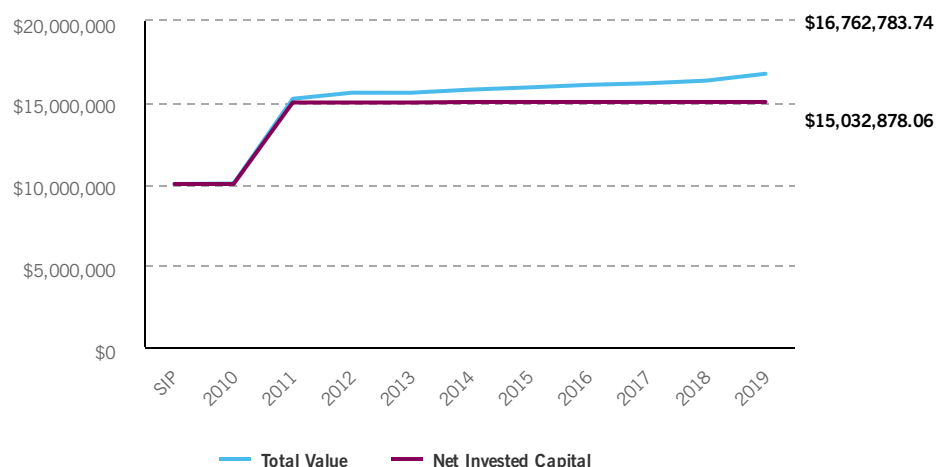
TIME-WEIGHTED RETURN % (NET OF FEES)

	Quarter to Date (\$) 03/31/19-06/30/19	Custom Period (\$) 06/30/18-06/30/19	Performance Inception (\$) 07/12/10-06/30/19
Beginning Total Value	16,523,348.91	16,131,338.11	9,999,850.00
Net Contributions/Withdrawals	2.31	2.31	5,033,028.06
Investment Earnings	239,432.52	631,443.33	1,729,905.68
Ending Total Value	16,762,783.74	16,762,783.74	16,762,783.74
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	1.45	3.91	1.30
BC Gov 1-3 Yr	1.46	4.02	1.06
BC Gov/Cr 1-5 yr	1.92	5.34	1.88
Citi T-Bill 6 Month	0.63	2.37	0.56

ASSET ALLOCATION

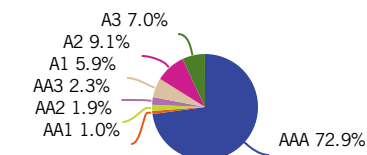


TOTAL VALUE VS. NET INVESTED CAPITAL

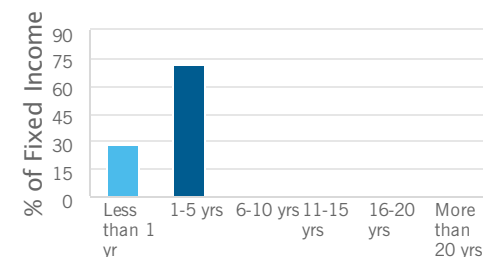


Does not include Performance Ineligible Assets.

FIXED INCOME QUALITY AND MATURITY



Moody's Rating	Total Value (\$)
AAA	12,056,079.61
AA1	160,261.68
AA2	306,199.04
AA3	388,561.20
A1	973,931.11
A2	1,509,140.99
A3	1,154,319.55
Total	16,548,493.24



	Par Value (\$)
Less than 1 yr	4,617,397.77
1-5 yrs	11,931,095.48
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	16,548,493.24

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

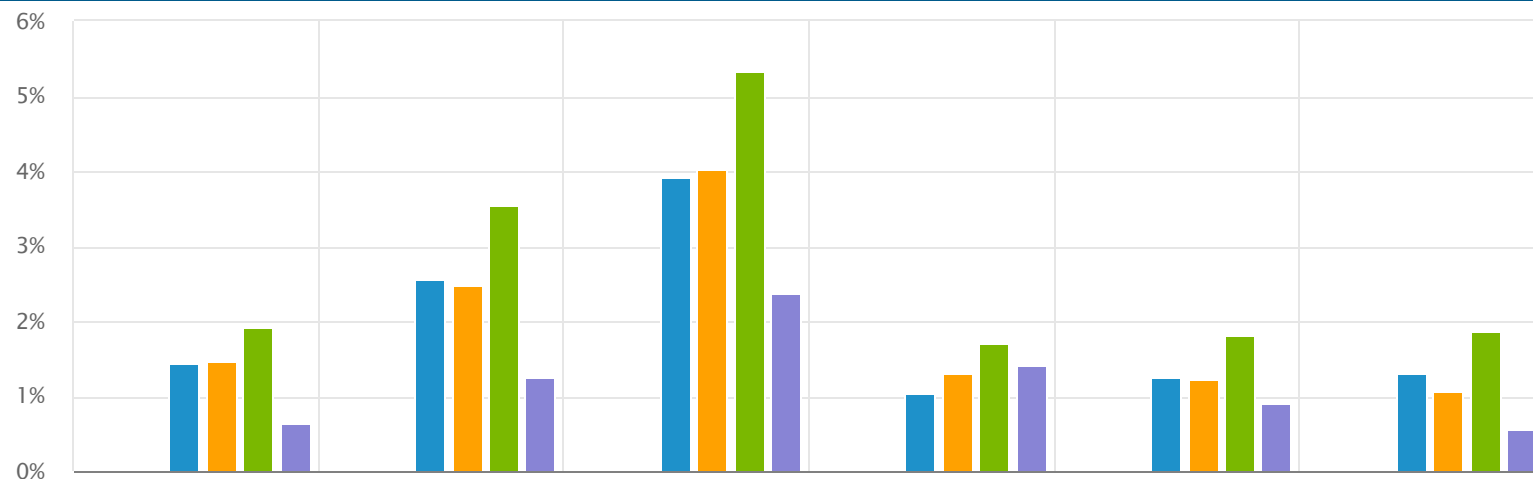
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE SUMMARY

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

As of June 30, 2019 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Quarter to Date 03/31/19 - 06/30/19	Year to Date 12/31/18 - 06/30/19	Last 12 Months 06/30/18 - 06/30/19	Last 3 Years 06/30/16 - 06/30/19	Last 5 Years 06/30/14 - 06/30/19	Performance Inception 07/12/10 - 06/30/19
Beginning Total Value (\$)	16,523,348.91	16,342,539.30	16,131,338.11	16,255,106.57	15,711,381.44	9,999,850.00
Net Contributions/Withdrawals (\$)	2.31	2.31	2.31	2.31	32,878.06	5,033,028.06
Investment Earnings (\$)	239,432.52	420,242.13	631,443.33	507,674.86	1,018,524.24	1,729,905.68
Ending Total Value (\$)	16,762,783.74	16,762,783.74	16,762,783.74	16,762,783.74	16,762,783.74	16,762,783.74
Return % (Net of Fees)	1.45	2.57	3.91	1.03	1.26	1.30
BC Gov 1-3 Yr (%)	1.46	2.47	4.02	1.31	1.23	1.06
BC Gov/Cr 1-5 yr (%)	1.92	3.56	5.34	1.72	1.82	1.88
Citi T-Bill 6 Month (%)	0.63	1.25	2.37	1.42	0.91	0.56

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

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

As of June 30, 2019 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

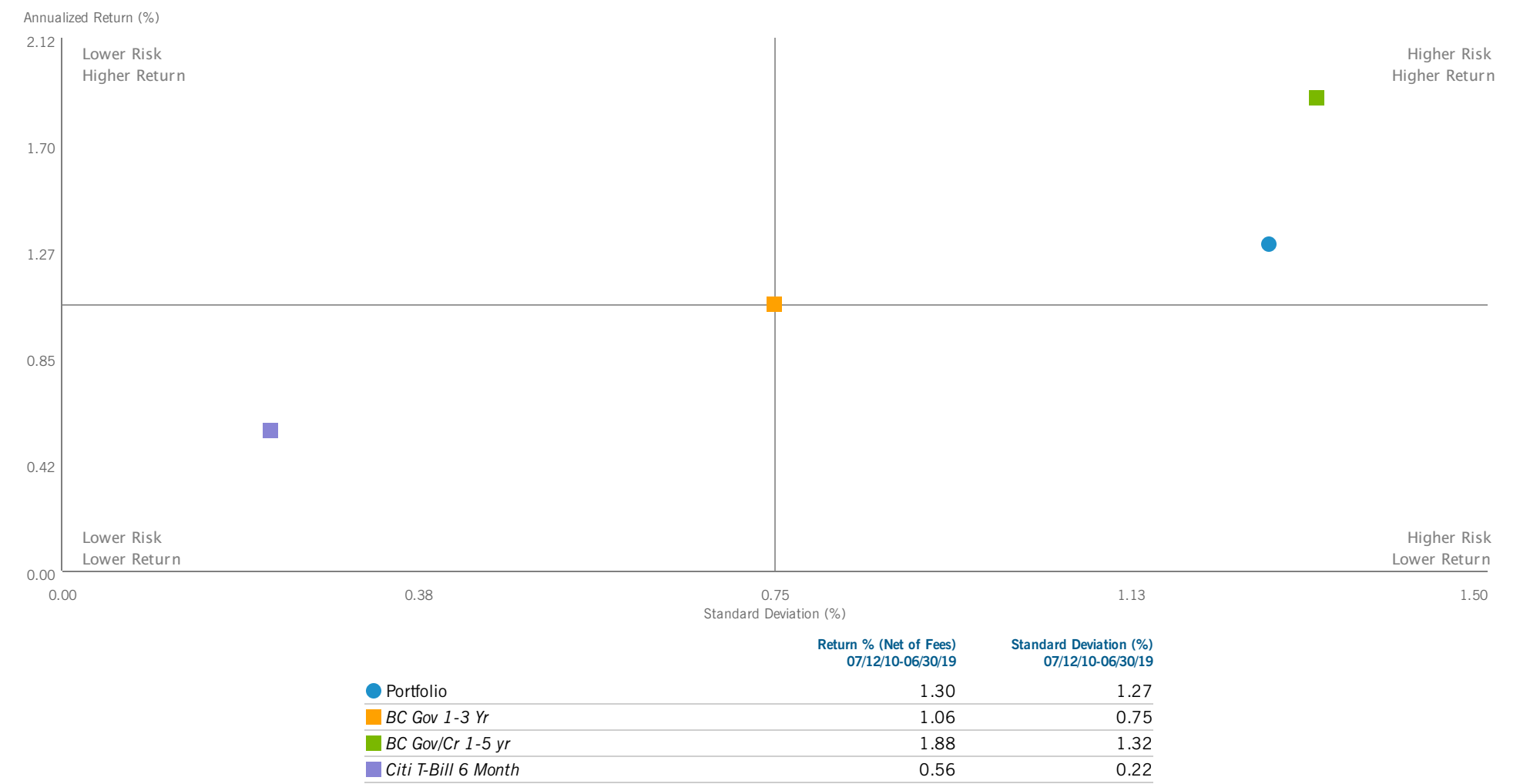
From 07/12/2010 - 06/30/2019

Period	Beginning Total Value (\$)	Net Contributions/ Withdrawals (\$)	Investment Earnings (\$)	Ending Total Value (\$)	Period Returns%			
					Portfolio (Net Of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi T-Bill 6 Month
2019 (YTD)	16,342,539.30	2.31	420,242.13	16,762,783.74	2.57	2.47	3.56	1.25
2018	16,178,410.09	0.00	164,129.22	16,342,539.30	1.01	1.58	1.38	1.91
2017	16,082,980.87	0.00	95,429.22	16,178,410.09	0.59	0.45	1.27	0.88
2016	15,926,083.41	0.00	156,897.47	16,082,980.87	0.99	0.87	1.56	0.40
2015	15,789,357.87	0.00	136,725.54	15,926,083.41	0.87	0.57	0.97	0.10
2014	15,597,806.94	32,875.75	158,675.18	15,789,357.87	1.01	0.64	1.42	0.06
2013	15,600,964.10	0.00	-3,157.16	15,597,806.94	-0.03	0.37	0.28	0.10
2012	15,229,289.11	0.00	371,674.99	15,600,964.10	2.44	0.51	2.24	0.11
2011	10,028,996.97	5,000,000.00	200,292.14	15,229,289.11	1.91	1.56	3.14	0.14
2010 Performance Inception: 07/12/2010	9,999,850.00	150.00	28,996.97	10,028,996.97	0.29	0.53	1.03	0.11

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

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

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



The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

POSITIONS: FIXED INCOME DETAIL

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

As of June 30, 2019 | Reporting Currency: USD

CORPORATE FIXED INCOME

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
3M CO	\$81,099.63	\$81,000.00	\$98.89	\$80,096.85	-\$948.35	1.64%	0.49%
	\$81,045.20			\$80,466.13		1.62%	
<i>Cusip: 88579YAU5, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/19/2021, Coupon: 1.625, Call Date: 8/19/2021, Call Price: 100.000, Accrued Interest: \$369.281</i>							
AMAZON.COM INC	121,238.64	123,000.00	100.97	124,193.10	2,954.46	2.37	0.76
	121,238.64			125,242.70		2.43	
<i>Cusip: 023135AW6, Moody's Rating: A3, S & P Rating: AA-, Maturity Date: 2/22/2023, Coupon: 2.400, Call Date: 1/22/2023, Call Price: 100.000, Accrued Interest: \$1049.600</i>							
AMERICAN EXPRESS CREDIT CORP	162,308.79	159,000.00	101.07	160,698.12	-309.55	2.67	0.98
	161,007.67			162,093.35		2.64	
<i>Cusip: 0258MOEG0, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/3/2022, Coupon: 2.700, Call Date: 1/31/2022, Call Price: 100.000, Accrued Interest: \$1395.225</i>							
APPLE INC	161,204.46	157,000.00	101.73	159,708.25	88.03	2.65	0.97
	159,620.22			160,261.68		2.63	
<i>Cusip: 037833BF6, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/13/2022, Coupon: 2.700, Accrued Interest: \$553.425</i>							
BANK OF AMERICA CORP	161,382.40	160,000.00	100.39	160,628.80	-12.12	2.61	0.98
	160,640.92			161,457.13		2.60	
<i>Cusip: 06051GFT1, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 10/19/2020, Coupon: 2.625, Accrued Interest: \$828.333</i>							
BANK OF NEW YORK MELLON CORP/THE	163,529.85	165,000.00	102.09	168,455.10	4,925.25	2.88	1.03
	163,529.85			170,496.74		2.97	
<i>Cusip: 06406RAE7, Moody's Rating: A1, S & P Rating: A, Maturity Date: 1/29/2023, Coupon: 2.950, Call Date: 12/29/2022, Call Price: 100.000, Accrued Interest: \$2041.644</i>							
BB&T CORP	80,095.73	79,000.00	100.03	79,021.33	-207.53	2.44	0.48
	79,228.86			79,908.43		2.41	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$887.104</i>							
BB&T CORP	122,054.73	119,000.00	105.54	125,594.98	3,779.68	3.55	0.76
	121,815.30			125,892.48		3.65	
<i>Cusip: 05531FBF9, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 12/6/2023, Coupon: 3.750, Call Date: 11/6/2023, Call Price: 100.000, Accrued Interest: \$297.500</i>							
BERKSHIRE HATHAWAY INC	158,767.82	157,000.00	99.96	156,943.48	-111.27	2.10	0.96
	157,054.75			158,189.01		2.08	
<i>Cusip: 084670BL1, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 8/14/2019, Coupon: 2.100, Accrued Interest: \$1245.533</i>							
BURLINGTON NORTHERN SANTA FE LLC	79,962.19	77,000.00	102.42	78,865.71	53.77	2.97	0.48
	78,811.94			79,550.69		2.93	
<i>Cusip: 12189LAH4, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 3/15/2022, Coupon: 3.050, Call Date: 12/15/2021, Call Price: 100.000, Accrued Interest: \$684.979</i>							
CATERPILLAR FINANCIAL SERVICESCORP	82,402.11	81,000.00	101.99	82,611.09	229.64	3.08	0.50
	82,381.45			83,411.98		3.09	
<i>Cusip: 14913Q2N8, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/7/2021, Coupon: 3.150, Accrued Interest: \$800.888</i>							

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

POSITIONS: FIXED INCOME DETAIL

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CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
CHEVRON CORP	72,897.83	71,000.00	100.46	71,325.18	-280.24	2.40	0.43
	71,605.42			71,530.33		2.35	
<i>Cusip: 166764AY6, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 11/17/2020, Coupon: 2.419, Call Date: 10/17/2020, Call Price: 100.000, Accrued Interest: \$205.145</i>							
CHUBB INA HOLDINGS INC	123,061.95	121,000.00	100.04	121,052.03	-632.31	2.29	0.73
	121,684.34			121,492.67		2.25	
<i>Cusip: 00440EAT4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/3/2020, Coupon: 2.300, Call Date: 10/3/2020, Call Price: 100.000, Accrued Interest: \$440.641</i>							
CISCO SYSTEMS INC	80,907.57	83,000.00	100.37	83,303.78	2,396.21	2.19	0.51
	80,907.57			83,811.00		2.26	
<i>Cusip: 17275RBH4, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/20/2023, Coupon: 2.200, Call Date: 7/20/2023, Call Price: 100.000, Accrued Interest: \$507.222</i>							
COCA-COLA CO/THE	81,082.40	80,000.00	99.78	79,827.20	-505.81	1.87	0.48
	80,333.01			80,089.70		1.84	
<i>Cusip: 191216BT6, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$262.500</i>							
COMCAST CORP	156,366.66	139,000.00	101.79	141,490.88	-84.03	5.05	0.87
	141,574.91			143,857.16		4.57	
<i>Cusip: 20030NBA8, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 3/1/2020, Coupon: 5.150, Accrued Interest: \$2366.282</i>							
COSTCO WHOLESALE CORP	81,574.40	80,000.00	99.73	79,780.00	-436.66	1.70	0.48
	80,216.66			79,836.67		1.66	
<i>Cusip: 22160KAF2, Moody's Rating: AA3, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$56.666</i>							
EXXON MOBIL CORP	162,744.45	159,000.00	100.28	159,440.43	-923.08	2.21	0.97
	160,363.51			160,608.28		2.17	
<i>Cusip: 30231GAV4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 3/1/2021, Coupon: 2.222, Call Date: 2/1/2021, Call Price: 100.000, Accrued Interest: \$1167.845</i>							
GENERAL DYNAMICS CORP	162,630.40	160,000.00	104.52	167,224.00	4,837.16	3.22	1.02
	162,386.84			167,899.00		3.31	
<i>Cusip: 369550BD9, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 5/15/2023, Coupon: 3.375, Call Date: 4/15/2023, Call Price: 100.000, Accrued Interest: \$675.000</i>							
GILEAD SCIENCES INC	161,260.82	161,000.00	102.78	165,474.19	4,243.31	3.16	1.01
	161,230.88			167,203.82		3.24	
<i>Cusip: 375558BC6, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/1/2022, Coupon: 3.250, Call Date: 7/1/2022, Call Price: 100.000, Accrued Interest: \$1729.631</i>							
HOME DEPOT INC	82,708.00	80,000.00	103.48	82,786.40	128.21	4.25	0.51
	82,658.19			83,656.62		4.25	
<i>Cusip: 437076AW2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/1/2021, Coupon: 4.400, Call Date: 1/1/2021, Call Price: 100.000, Accrued Interest: \$870.222</i>							
INTEL CORP	79,932.20	79,000.00	100.20	79,161.16	-54.05	2.44	0.48
	79,215.21			79,972.99		2.42	
<i>Cusip: 458140AQ3, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 7/29/2020, Coupon: 2.450, Accrued Interest: \$811.834</i>							

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POSITIONS: FIXED INCOME DETAIL

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CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
INTERCONTINENTAL EXCHANGE INC	82,586.60	79,000.00	106.21	83,905.90	1,464.04	3.76	0.51
	82,441.86			84,564.23		3.82	
Cusip: 45866FAA2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/15/2023, Coupon: 4.000, Accrued Interest: \$658.333							
INTERCONTINENTAL EXCHANGE INC	162,620.70	165,000.00	100.05	165,082.50	2,461.80	2.34	1.00
	162,620.70			166,213.44		2.38	
Cusip: 45866FAE4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/15/2022, Coupon: 2.350, Call Date: 8/15/2022, Call Price: 100.000, Accrued Interest: \$1130.936							
JOHN DEERE CAPITAL CORP	163,942.38	158,000.00	105.74	167,070.78	3,405.88	3.45	1.02
	163,664.90			168,320.30		3.52	
Cusip: 24422EUM9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/12/2023, Coupon: 3.650, Accrued Interest: \$1249.516							
JPMORGAN CHASE & CO	160,541.52	148,000.00	104.10	154,068.00	-258.24	4.44	0.94
	154,326.24			155,018.69		4.26	
Cusip: 46625HHZ6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 5/10/2021, Coupon: 4.625, Accrued Interest: \$950.694							
MASTERCARD INC	159,790.89	161,000.00	99.76	160,613.60	822.71	2.00	0.97
	159,790.89			160,962.43		2.01	
Cusip: 57636QAF1, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 11/21/2021, Coupon: 2.000, Call Date: 10/21/2021, Call Price: 100.000, Accrued Interest: \$348.832							
MICROSOFT CORP	80,922.40	80,000.00	101.01	80,808.80	245.65	2.35	0.49
	80,563.15			81,537.13		2.35	
Cusip: 594918BA1, Moody's Rating: AAA, S & P Rating: AAA, Maturity Date: 2/12/2022, Coupon: 2.375, Call Date: 1/12/2022, Call Price: 100.000, Accrued Interest: \$728.333							
OCCIDENTAL PETROLEUM CORP	168,483.48	160,000.00	102.29	163,667.20	-343.56	4.00	1.01
	164,010.76			166,382.31		3.89	
Cusip: 674599BY0, Moody's Rating: A3, S & P Rating: A, Maturity Date: 2/1/2021, Coupon: 4.100, Call Date: 11/1/2020, Call Price: 100.000, Accrued Interest: \$2715.110							
ORACLE CORP	80,280.59	79,000.00	101.07	79,846.09	34.82	2.47	0.48
	79,811.27			80,092.97		2.46	
Cusip: 68389XBB0, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 5/15/2022, Coupon: 2.500, Call Date: 3/15/2022, Call Price: 100.000, Accrued Interest: \$246.875							
PNC FINANCIAL SERVICES GROUP INC/THE	158,731.86	142,000.00	101.67	144,367.14	-11.30	5.04	0.89
	144,378.44			147,237.71		4.58	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$2870.568							
PROCTER & GAMBLE CO/THE	151,176.89	149,000.00	99.90	148,855.47	-301.60	1.90	0.90
	149,157.07			149,319.44		1.87	
Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$463.968							
STATE STREET CORP	72,450.70	70,000.00	100.44	70,310.80	-367.39	2.53	0.43
	70,678.19			70,965.30		2.46	
Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$654.500							

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POSITIONS: FIXED INCOME DETAIL

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CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
TARGET CORP	79,705.05	73,000.00	101.81	74,318.38	-395.40	3.80	0.46
	74,713.78			75,614.89		3.54	
<i>Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$1296.510</i>							
UNITEDHEALTH GROUP INC	120,699.04	118,000.00	100.41	118,480.26	-242.77	2.68	0.73
	118,723.03			119,940.51		2.63	
<i>Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$1460.249</i>							
US BANCORP	165,393.90	162,000.00	102.26	165,656.34	279.35	2.93	1.01
	165,376.99			167,073.84		2.94	
<i>Cusip: 91159HHC7, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 3/15/2022, Coupon: 3.000, Call Date: 2/15/2022, Call Price: 100.000, Accrued Interest: \$1417.500</i>							
VISA INC	160,184.55	159,000.00	100.16	159,249.63	-238.66	2.19	0.96
	159,488.29			159,405.10		2.18	
<i>Cusip: 92826CAB8, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$155.465</i>							
WALMART INC	80,517.18	74,000.00	101.62	75,198.06	-559.86	3.56	0.46
	75,757.92			76,479.70		3.33	
<i>Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$1281.639</i>							
WALT DISNEY CO/THE	78,557.70	78,000.00	100.03	78,022.62	-122.67	2.14	0.47
	78,145.29			78,502.43		2.13	
<i>Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$479.808</i>							
Corporate Fixed Income Total	\$4,745,798.46	\$4,626,000.00		\$4,697,203.63	\$25,003.52		28.61%
	\$4,672,200.11			\$4,734,558.97			

GOVERNMENT SECURITIES

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK	\$650,447.75	\$655,000.00	\$98.75	\$646,838.70	-\$3,609.05	1.13%	3.93%
	\$650,447.75			\$650,236.51		1.12%	
<i>Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$3397.806</i>							
FED HOME LN MTG CORP	955,279.00	950,000.00	99.92	949,202.00	-934.90	1.25	5.77
	950,136.90			954,116.93		1.24	
<i>Cusip: 3137EADK2, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 8/1/2019, Coupon: 1.250, Accrued Interest: \$4914.930</i>							
FED HOME LN MTG CORP	505,965.00	500,000.00	99.43	497,145.00	-4,204.47	1.38	3.01
	501,349.47			498,271.74		1.36	
<i>Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$1126.735</i>							

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POSITIONS: FIXED INCOME DETAIL

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GOVERNMENT SECURITIES (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN MTG CORP	485,131.79	481,000.00	99.76	479,835.98	-1,514.08	1.25	2.91
	481,350.06			481,305.70		1.24	
<i>Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$1469.720</i>							
FED NATL MTG ASSN	557,590.42	557,000.00	99.74	555,557.37	-1,552.06	1.62	3.38
	557,109.43			559,555.00		1.61	
<i>Cusip: 3135GOA78, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 1/21/2020, Coupon: 1.625, Accrued Interest: \$3997.634</i>							
FED NATL MTG ASSN	363,955.48	355,000.00	99.98	354,943.20	-3,469.74	1.87	2.15
	358,412.94			354,980.18		1.82	
<i>Cusip: 3135GOH55, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 12/28/2020, Coupon: 1.875, Accrued Interest: \$36.977</i>							
FED NATL MTG ASSN	823,840.52	818,000.00	103.01	842,580.90	19,003.26	2.42	5.14
	823,577.64			850,647.29		2.48	
<i>Cusip: 3135GOV34, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/5/2024, Coupon: 2.500, Accrued Interest: \$8066.388</i>							
FED NATL MTG ASSN	365,841.00	360,000.00	104.15	374,936.40	9,453.20	2.76	2.28
	365,483.20			378,041.40		2.83	
<i>Cusip: 3135GOU43, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/12/2023, Coupon: 2.875, Accrued Interest: \$3105.000</i>							
UNITED STATES TREASURY NOTE	640,803.39	641,000.00	99.38	637,045.03	-806.84	1.38	3.87
	637,851.87			639,966.98		1.37	
<i>Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$2921.947</i>							
UNITED STATES TREASURY NOTE	970,043.87	968,000.00	99.76	965,696.16	-2,437.70	1.62	5.84
	968,133.86			965,696.16		1.61	
<i>Cusip: 912828G95, Moody's Rating: AAA, Maturity Date: 12/31/2019, Coupon: 1.625</i>							
UNITED STATES TREASURY NOTE	1,004,245.25	992,000.00	101.09	1,002,812.80	-1,392.80	1.97	6.08
	1,004,205.60			1,006,101.49		1.97	
<i>Cusip: 912828X70, Moody's Rating: AAA, Maturity Date: 4/30/2024, Coupon: 2.000, Accrued Interest: \$3288.688</i>							
UNITED STATES TREASURY NOTE	727,207.86	723,000.00	100.30	725,176.23	40.97	1.99	4.41
	725,135.26			729,970.03		1.98	
<i>Cusip: 912828B90, Moody's Rating: AAA, Maturity Date: 2/28/2021, Coupon: 2.000, Accrued Interest: \$4793.801</i>							
UNITED STATES TREASURY NOTE	393,843.60	400,000.00	99.51	398,032.00	4,188.40	1.25	2.42
	393,843.60			400,103.82		1.26	
<i>Cusip: 912828H52, Moody's Rating: AAA, Maturity Date: 1/31/2020, Coupon: 1.250, Accrued Interest: \$2071.820</i>							
UNITED STATES TREASURY NOTE	486,515.63	485,000.00	100.61	487,939.10	2,041.60	1.98	2.96
	485,897.50			489,546.98		1.99	
<i>Cusip: 912828F96, Moody's Rating: AAA, Maturity Date: 10/31/2021, Coupon: 2.000, Accrued Interest: \$1607.877</i>							

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POSITIONS: FIXED INCOME DETAIL

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GOVERNMENT SECURITIES (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
UNITED STATES TREASURY NOTE	410,990.32	426,000.00	98.61	420,091.38	9,101.06	1.39	2.54
	410,990.32			420,091.38		1.42	
<i>Cusip: 912828S35, Moody's Rating: AAA, Maturity Date: 6/30/2023, Coupon: 1.375</i>							
UNITED STATES TREASURY NOTE	752,569.65	717,000.00	104.79	751,337.13	-1,105.31	2.74	4.55
	752,442.44			753,026.78		2.74	
<i>Cusip: 9128285P1, Moody's Rating: AAA, Maturity Date: 11/30/2023, Coupon: 2.875, Accrued Interest: \$1689.646</i>							
UNITED STATES TREASURY NOTE	961,541.57	961,000.00	99.30	954,244.17	-4,799.38	1.38	5.80
	959,043.55			959,719.48		1.37	
<i>Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$5475.307</i>							
UNITED STATES TREASURY NOTE	701,117.76	707,000.00	101.67	718,821.04	17,703.28	2.09	4.37
	701,117.76			722,556.45		2.14	
<i>Cusip: 912828W71, Moody's Rating: AAA, Maturity Date: 3/31/2024, Coupon: 2.125, Accrued Interest: \$3735.413</i>							
Government Securities Total	\$11,756,929.86	\$11,696,000.00		\$11,762,234.59	\$35,705.44		71.39%
	\$11,726,529.15			\$11,813,934.28			

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

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

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

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-".

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Money Market Fund: You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past

performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

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

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

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

Bank Deposit Program: Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (<https://www.fdic.gov/deposit/deposits/>). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

GENERAL DEFINITIONS

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

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

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

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

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA) reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

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

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

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

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

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

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

BENCHMARK DEFINITIONS

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

BC Gov/Cr 1-5 yr: The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index is the 1-5 Yr component of the U.S. Government/Credit index.

Citi T-Bill 6 Month: Citigroup T-Bill 6 Month



Alameda County Schools Insurance Group

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Dublin, CA 94568
Phone (925) 225-1030
Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2019/2020 Executive Committee

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

Raul Parungao
Joe Sorrera
Kevin Collins

The Executive Committee meets approximately 4 times a year, including the annual strategic planning session. Currently all three members have agreed to serve another 2-year term.

The Board will vote to place three (3) Executive Committee members for the 19/20 – 21/22 term.



Alameda County Schools Insurance Group

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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2018/2019 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 report will be reviewed with the Board at the meeting.



Alameda County Schools Insurance Group (ACSIG)



2018/19 Annual Report

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Executive Director's Message



Welcome to the Annual Report for the Alameda County Schools Insurance Group (ACSIG). As ACSIG begins its fifth decade as a service provider to the School Districts within Alameda County, it is important to learn from the past and strategically plan for the future. ACSIG has weathered difficult times by staying true to its mission and commitment to provide competitive, adaptable, resolute, equitable services that provide solutions for the unique risks facing its members. Telemedicine, nurse case management, Shoes for Crews and on-line training are just some of the offerings to ACSIG members to manage the needs of their employees.

2019 has presented new challenges for ACSIG members. While ACSIG is enjoying its strong financial position, the insurance markets worldwide have changed. The Workers' Compensation program has continued to build its net position. This has been accomplished through aggressive claims management, participation in a dollar-one program and conservative funding. This combination of strategies has allowed the Board to reduce the base rate for the first time outside of the deficit environment. As ACSIG settles more of these long-term claims, the liability will decrease which will allow the program to keep rates stable while maintaining coverage limits and exceptional service. Unfortunately, the Property/Liability program faced the challenges of a hardening insurance market. 2018 was a catastrophic property loss year throughout California. As wildfires swept our State, the losses experienced exceeded several billion dollars. These losses negatively affected the reinsurance market and caused rates to increase by double digits. Additionally, Schools throughout the nation are continuing to struggle with abuse/molestation claims. While Northern California schools have made positive strides and decreased the number of such claims, Southern California schools, with which we partner for excess insurance, was hit exceptionally hard. Settlement demands are increasing as the number of abuse/molestation claims continue to be filed. Due to the market conditions, the excess liability program rates increased by more than 50% and we expect they will continue to increase as the market hardens. In spite of these challenges, ACSIG is able to continue its program with the same retention level and coverage limits at competitive rates.

As ACSIG looks forward into 2019-2020, we will continue to face challenges. Most notably is pending

legislation that will allow sexual abuse cases to be filed against school agencies regardless when the incident occurred. While this seems like a bill schools would support, one must consider the burden this will place on school agencies. In today's world of digital footprints and electronic data mining, keeping records for many decades is easy and inexpensive. However, when we think back 60 years into our past, record retention was not as simple. Finding records with which to defend agencies against such abuse claims is going to be difficult. Employees have retired and records damaged, lost or destroyed. Without proper documentation, school agencies may be accused of covering up the abuse which is actionable within this pending legislation. Additionally, school pools for liability coverage didn't even begin until the late 1970's. Determining if the agency had insurance coverage or was self insured at the time of the abuse and the financial liability on the agency will be significant. While we can't measure the exact impact today, the estimates Statewide are in the billions of dollars.

I look forward to leading this organization into 2019/20 and believe there are exciting opportunities ahead. I would like to thank our Board, Membership and Business Partners for their continued commitment and support. ACSIG 's success is because of you.

Kimberly Dennis

Our Mission



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



To my Alameda County Schools Insurance Group Colleagues:

With great pleasure I present to you the 2018-2019 Annual Report.

The intentional and explicit efforts in recognizing the varying needs of our members, in exploring new initiatives and valuing innovation, balanced with our collective goals and priorities, are the traits that make our Group highly successful and functional.

The implementation of risk management incentive programs this past year is a great example of the good work that's taking place. The planned pilot of the Employee Assistance Program (EAP) is another. These programs illustrate stability as well as creativity in meeting the needs of our members.

Our strong fiscal health tell a powerful story on the strides we've made over the past few years. Across programs, we ended the year with an ending balance of \$32,386,515 and we have come a long way in our Workers Compensation Program; from a deficit position to a surplus of \$21,771,614 at year-ended 2018/19. To that end, our members are enjoying a lower base rate for 2019/20 due to our stable fiscal position.

Our finances are in order, our investments are sound, and our programs are responsive to our member's needs.

I would like to express my appreciation to our Executive Director, Kimberly Dennis, and the ACSIG team, for their diligence and professionalism. Sound decisions are made when timely and reliable information is provided. Thank you for your outstanding work and dedication.

On behalf of the Executive team, thank you for your ongoing support, and for the opportunity to serve as your President.

Annette Heldman



Governance

Executive Committee

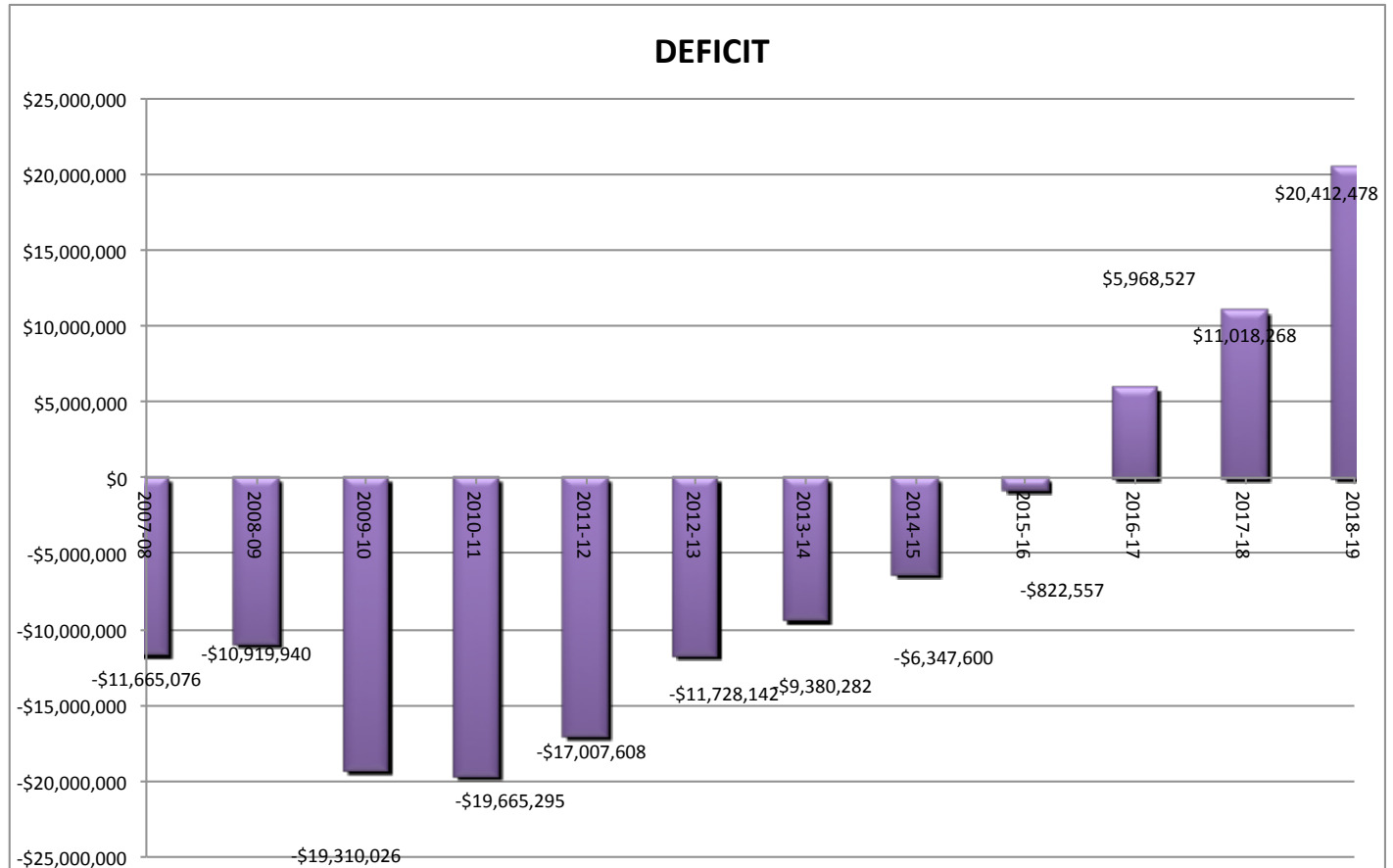
Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Raul Parungao	Secretary	Alameda County Office of Education
Jackie Kim	Board Member	Albany USD
Suzy Chan	Board Member	Castro Valley USD
Joe Sorrera	Board Member	Dublin USD
Kevin Collins	Board Member	San Leandro USD

Board of Directors

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Raul Parungao	Secretary	Alameda County Office of Education
Shariq Khan	Board Member	Alameda USD
Jackie Kim	Board Member	Albany USD
Suzy Chan	Board Member	Castro Valley USD
Joe Sorrera	Board Member	Dublin USD
Vacant	Board Member	Eden Area ROP
Dora Siu	Board Member	Emery USD
Marcus Battle	Board Member	Fremont USD
Kim Youngberg	Board Member	Mission Valley ROP
Teresa Santamaria	Board Member	Mountain House USD
Marie Dela Cruz	Board Member	Newark USD
Ruth Alahydoian	Board Member	Piedmont USD
Ahmad Sheikholeslami	Board Member	Pleasanton USD
Dr. Kevin Collins	Board Member	San Leandro USD
Madeline Gabel	Board Member	San Lorenzo USD
Molleen Barnes	Board Member	Sunol Glen USD
Julie Duncan	Board Member	Tri Valley ROP

Evolution of Deficit

DEFICIT Projections



START	DEFICIT Actuals
2007-08	-\$11,665,076
2008-09	-\$10,919,940
2009-10	-\$19,310,026
2010-11	-\$19,665,295
2011-12	-\$17,007,608
2012-13	-\$11,728,142
2013-14	-\$9,380,282
2014-15	-\$6,347,600
2015-16	-\$822,557
2016-17	\$5,968,527
2017-18	\$11,018,268
2018-19	\$20,412,478

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 over \$1 billion.



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

<u>Occurrence</u>	<u>Self-Insured Retention</u>
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
July 1, 2009 – Present	\$0

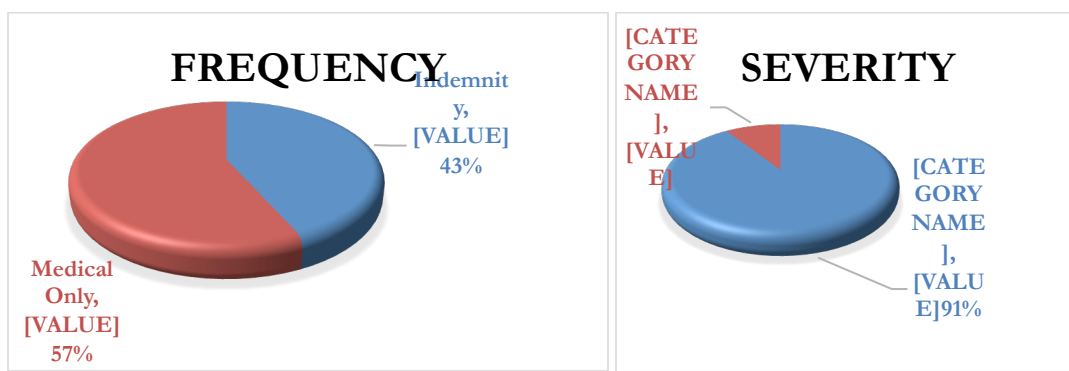
As of July 1, 2009, ACSIG reinsures for \$1 coverage in the Workers Compensation Program through the Projected Insurance Program for Schools (PIPS).



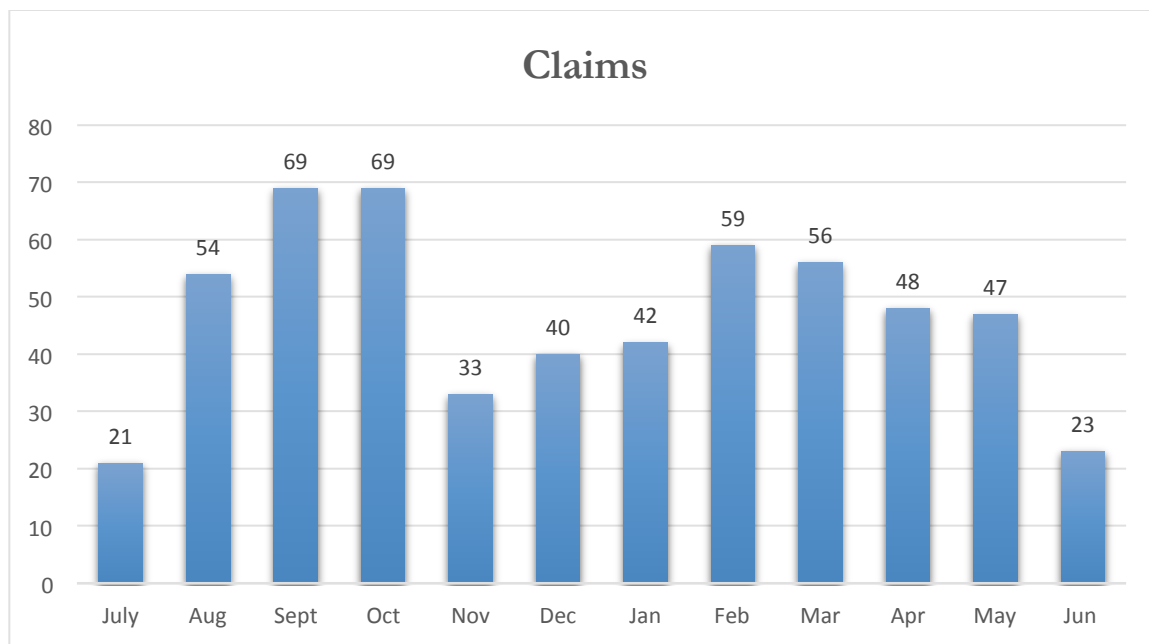
Alameda County Schools Insurance Group
2018/2019 FY
 (as of 6/30 each FY)

	<i>2016/2017</i>	<i>2017/2018</i>	<i>2018/2019</i>
<i>Frequency</i>	<i>630</i>	<i>626</i>	<i>561</i>
<i>Severity</i>	<i>\$7,860,547</i>	<i>\$8,961,786</i>	<i>\$6,554,020</i>
<i>Top Three Occupations</i>	<i>Aide (144)</i> <i>Teacher (139)</i> <i>Custodian (95)</i>	<i>Teacher (163)</i> <i>Aide (146)</i> <i>Custodian (88)</i>	<i>1. Teacher (129)</i> <i>2. Aide (83)</i> <i>3. Custodian (61)</i>
<i>Top Three Injury Types</i>	<i>Strain By (174)</i> <i>Fall/Slip (171)</i> <i>Struck By (144)</i>	<i>Strain By (186)</i> <i>Fall/Slip (172)</i> <i>Struck By (133)</i>	<i>Fall/Slip (157)</i> <i>Strain By (147)</i> <i>Struck By (130)</i>

2018/2019 Frequency & Severity by Claim Type

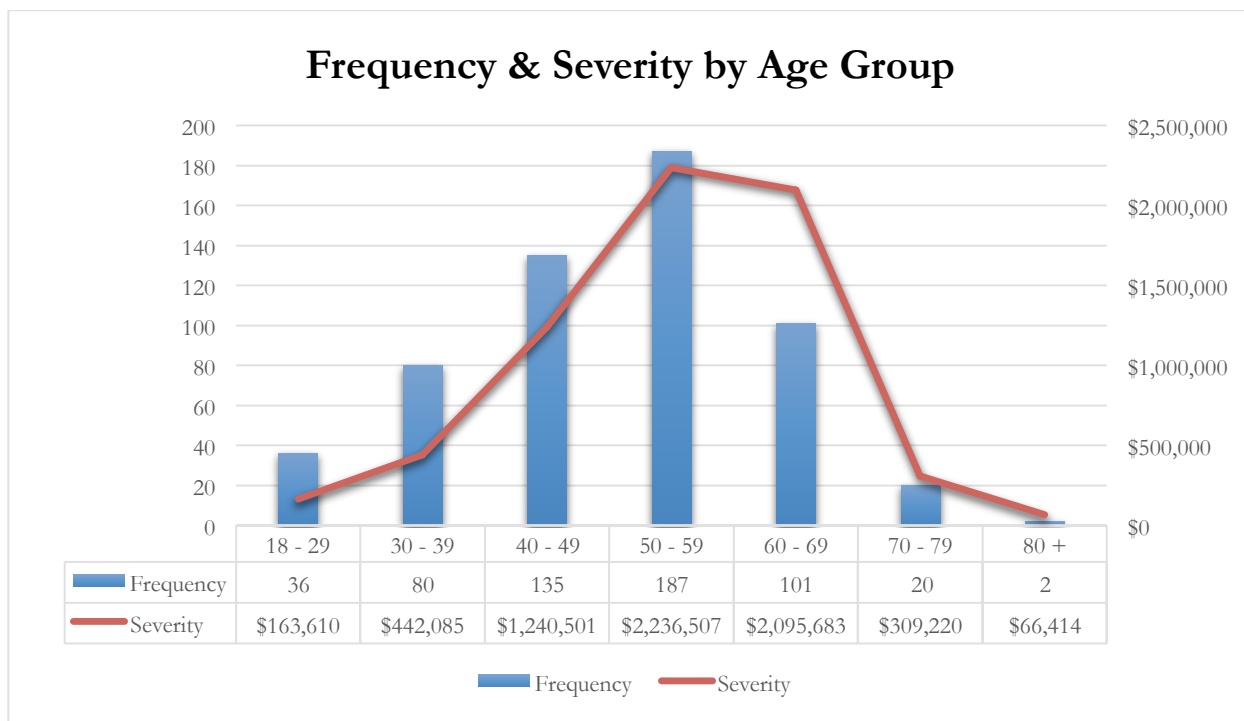


2018/2019 Monthly Distribution



-

Claims by Age Group



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, Risk Management 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 17/18 fiscal year we were able to deliver the following high level results to ACSIG's member districts:

- From July 2017 to June 2018, Keenan Claims Administration successfully closed/resolved 28 tail claim files (20.2% of ACSIG's self-insured workers compensation claims inventory from the prior year) 11 of the file closures were full and final Compromise and Release settlements. ACSIG ended the fiscal year with a total 111 claim files (15 Active Indemnity & 96 Future Medical).
 - The impact of the claims activity for the fiscal year resulted in an overall reduction of \$1,298,862 in the self-insured workers compensation claim liabilities, which contributed to the \$11,018,268 positive effect on the ACSIG's financial position.
- Utilization of Keenan's PRIME program has also delivered significant savings to ACSIG:
 - Overall reduction of 58%; an 11% decrease from the 2017/2018 year, with net savings of \$4,066,255.75
 - Return on investment realized for fiscal year 2018/2019 was \$6.12 compared to \$8.91 from the previous year.
 - There were continued savings realized with the Nurse Case Management Savings and Utilization Reviews. Net savings (the majority of the savings was realized with hospital costs and pharmaceutical control) realized were: \$454,591.

The administration of claims by Keenan is based on a district specific caseload handled by a designated Claims Examiner. The designated Claims Examiner handles all claims for the district and is wholly responsible for overall district satisfaction and claims performance. We continue to receive positive feedback regarding this structure of claim handling.

Account Manager Role 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.



Keenan SafeSchools

Alameda County Schools Insurance Group course completions for 7/1/2018 – 6/30/19.

77.5k 22.1k 19.9k

Completions

Active Users
at End of

Users with
Completions

	DESCRIPTION	COMPLETIONS
1	Uncategorized	52115
2	Teacher	24826
3	Substitute Teacher	12080
4	Administrator	6420
5	Coach	5785
6	Secretarial / Clerical	3298
7	Para-professional / Aide	2749
8	Student	2684
9	Special Education	2494
10	Kitchen Staff	1972

	CUSTOMER	COMPLETIONS
1	Livermore Valley Jt. Unified SD	17,555
2	Castro Valley Unified School...	8,905
3	San Lorenzo Unified School...	7,737
4	San Leandro Unified School...	7,055
5	Pleasanton Unified School Di...	6,413
6	Fremont Unified School Distr...	6,347
7	Dublin Unified School District	5,144
8	Alameda Unified School Distr...	4,911
9	Newark Unified School District	3,400
10	Tri Valley R.O.P.	2,649

	COURSE	COMPLETION
1	Mandated Reporter: Child Abuse and N...	19,530
2	Bloodborne Pathogen Exposure Preven...	8,027
3	Sexual Harassment: Staff-to-Staff	7,051
4	Integrated Pest Management	3,971
5	Bullying: Recognition & Response	2,649
6	Health Emergencies: Overview	2,199
7	Asbestos Awareness	2,146
8	LVJUSD - Annual Employee Responsibi...	2,114
9	First Aid	2,101
10	Classroom Safety	1,928

Risk Management Analyst Role and Activities



The Risk

Management 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 Risk

Management 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 Risk Management Analyst.

- Meet with member Districts and update individual profiles to identify the systems, programs in place, and specific areas for development by individual District.
- Modify 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.
- Attended majority of scheduled claims reviews, provide analytics and assist with Action Plans to bring claims to resolution and/or closure.
- Identify and follow through of training opportunities at the District level.

- Continue to be a resource to Districts interested in implementing Ability USA pre-employment physical abilities testing protocols.
- Maintain ADA/FEHA compliant Job Analysis Bank – 21 specific job analysis, have been completed as of June 2015 for various Classified and Certificated positions.
- Conduct educational workshops/symposiums on topics including “Return-to-Work Program,” “Education Code Industrial Accident Benefits,” “Employment Practices Liability Resource Center,” “ADA-FEHA Symposium”.
- Expand the “Company Nurse” Nurse Triage & telephonic claims reporting tool. The program has continued to demonstrate reduced reporting lag time which leads to placing stronger emphasis on prompt claims investigations and expedited employee benefits

In addition to workers’ compensation issues, the Risk Management Analyst assists Districts with coordination of non-industrial “Fitness for Duty” efforts; “Cal OSHA requests for information”, “The Interactive Process”, “Special Education Resources” and “Employment Practices Liability Resources”

Loss Control / Risk Management

ACSIG closed out the 18/19 fiscal year with a total of 561 claims that had a total incurred of \$6.5M. This represents a decrease of 65 claims and a decrease of \$2.4M compared to last year. In addition, 11 of ACSIG's 19 members (57%) experienced the same, or a reduction in the number of claims this past year compared to last year, and these 11 members utilized over 68% of the total Loss Control time spent on all members, which was in excess of 1,020 hours in total. This once again shows a strong correlation between the utilization of Loss Control services being tied to a reduction of claims. Loss Control helped ACSIG control its losses in a variety of ways, including:

- 404 hours meeting and communicating safety information with members
- 363 hours conducting ergonomic evaluations
- 286 hours conducting employee safety trainings
- 35.5 hours assessing specific safety hazards
- 19.5 hours attending file reviews

Focus continued on Slips/Trips/Falls, as well as Special-Education losses. Loss Control provided numerous trainings and site inspections specifically targeting these two main areas of employee injury. Additional emphasis was on Custodial and Nutrition Service losses. Special-Ed trainings continued this year at four-member Districts as well. Seven (7) trainings were conducted for Special-Ed. Trainings conducted during the year included Slip Trip Falls, Blood Borne Pathogens, Ladder Safety, Back/Lifting Safety, and Personal Protective Equipment. As usual, Loss Control conducted a large amount of ergonomic evaluations (86 in total), with the vast majority of those being preventative in nature (pre-claim).

As a result of ACSIG's heavy utilization of Loss Control services, by June 30, 2019 the following members had experienced a reduction in overall claim frequency this year compared to last year:

• Alameda USD • Castro Valley USD • Dublin USD • Emery USD • Fremont USD	• Mountain House SD • New Haven USD • Newark USD • Pleasanton USD • Piedmont USD	• San Leandro USD • San Lorenzo USD • Sunol Glen SD
--	--	---

Finally, but certainly not least, online training utilization increased by more than 15,000 courses from last year, resulting in over 84,000 courses completed by ACSIG members

We will continue to focus on our loss drivers in the 18/19 school year which include Special Education training, Slip/Slip/Falls and Back Safety/Lifting. New focus areas are training for Aging Workforce, Substitute Employees, Kitchen Worker Safety and increased observation/training of work force body mechanics.

We look forward to our continued partnership with the ACSIG JPA to create a safe working environment for the member Districts' employees.

Special Recognition



The Keenan Claims Team in Pleasanton, which is dedicated to ACSIG members, has received the prestigious "Office of the Year" for the past 3 years. These claims assistants, examiners, supervisor and manager work tirelessly on behalf of ACSIG members to provide excellent customer service and claims management. Of note are the following:

- Superior 2015 DWC PAR audit results. Pleasanton was ranked #1 out of all TPAs audited in 2015. Of the 43 entities audited, 17 were TPAs.
- Technical Audit – Excellent claims handling including investigation, subrogation identification, completion of all internal forms and adherence to Policies & Procedures, and litigation management was excellent. There were no late benefit notices issued and all indemnity benefits were paid timely.
- Operational Audit – Superior handling of delayed and denied claims, aggressive action taken by examiners on subrogated claims as well as proactive management oversight and direction provided to the examiners.
- Closing ratios have consistently exceeded the annual statewide goal of 100%. Pleasanton reached 111.34% for the 16/17 year and 102.28% for the 17/18 year.
- Paid to Incurred Ratio performance was excellent for 17/18 at 28.06%, which was on target for the annual goal of 30%.
- Lowest in litigation paid in 17/18 at 79.53% of annual budgeted goal.
- Lowest in penalties paid in 17/18 at \$1,767.78 as compared to the maximum allowed for the branch of \$14,496, which was just over 12%.
- PIPS Reinsurance Reporting – Pleasanton has maintained an average reporting timeliness of over the 90% monthly goal.
- Thank you so much for all you do on behalf of ACSIG members and their injured workers!



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; for liability is \$50,000,000.
- 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 \$636,532,665 in Total Insured Value (TIV) and represents 22,724 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 more than 100,000 employees covered in the dental program with membership statewide with a total budget of \$150 million annually



PREFERRED BENEFIT
INSURANCE ADMINISTRATORS



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 30 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 10,000 employees statewide. All eligibility is managed through ACSIG who partners with Alliant Insurance Services for all underwriting.



Member Resources

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2018/2019 Audit

The audit for fiscal year 2018/2019 is complete and a draft of the report is included for your review. 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 reflected sound financial practices with no audit findings.

Heather Daud-Rubio from Christy White and Associates will review the report with the Board and answer any questions you may have. The Board will be asked to approve this report.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

AUDIT REPORT

JUNE 30, 2019 AND 2018



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
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JUNE 30, 2019 AND 2018

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FINANCIAL SECTION

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, 2019 and 2018, 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, 2019 and 2018, 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 3 through 10. 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 23, 2019 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 solely 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 the effectiveness of the Alameda County Schools Insurance Group's 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.



San Diego, California
October 23, 2019

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019 AND 2018

The following report reflects on the financial condition of Alameda County Schools Insurance Group ("ACSIG") as of and for the fiscal years ended June 30, 2019, and 2018. 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 Group's 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.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

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 had 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 2011/2012 a deficit recoupment plan, increasing the base rate by \$0.35/per \$100 of payroll. Effective June 30, 2017, the deficit has been eliminated and the deficit recoupment plan has been completed.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

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 \$50,000,000. ACSIG self-insures, per occurrence, first party claims at \$25K, and third-party claim liabilities at \$25K. Each member has a retention/deductible of \$5K per occurrence.

Financial Highlights:

In 2018/2019, ACSIG's net position improved by \$10.6 million. In 2018/2019, the equity position has increased from \$21.8 million, as of 06/30/2018, to \$32.4 million as of 06/30/2019. All programs (below) are in an equity position.

By Program:

Workers' Compensation

In 2018/2019 the Worker's Compensation program added \$9.4 million to their equity position. As of 06/30/2019, equity in the program is \$20.4 million.

In 2018/2019, assets increased by \$6.5 million and liabilities decreased by \$2.9 million. Operating income was in excess of expense by \$9.4 million.

Based upon the annual actuarial report performed in 2018/2019, the re-estimation of the ultimate cost for the self-insured claims prior to 07/01/2009 decreased by \$1.7 million. The estimate of actuarial liability is increased by \$887 thousand related to the Castlepoint Reinsurance Insolvency.

Claim liabilities are discounted. As claims are paid, discount is applied to the decreasing cash reserve amount, in 2018/2019 the discount factor was revised from 1.75% to 2.0%, increasing the cash available for claim payments. All claim liabilities are fully-funded.

Property/Liability

In 2018/2019, the net equity position decreased by \$81 thousand, as of 06/30/2019, net assets remain in excess of liabilities by \$127 thousand. All liabilities are fully reserved in this program

Dental

In 2018/2019, the net equity position increased by \$1.1 million, as of 06/30/2019, net assets remain in excess of liabilities by \$9.3 million. A rebate was declared and returned to members in the amount of \$1 million. All liabilities are fully reserved in this program.

Vision

In 2018/2019, the net equity position increased by \$230 thousand, as of 06/30/2019, net assets remain in excess of liabilities by \$2.5 million. All liabilities are fully reserved in this program.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

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 accounting principles (GAAP). Morgan Stanley Smith Barney LLC, is contracted for some of the investments for ACSIG. 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 Stmt #31.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

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 06/30/2017, 06/30/2018, and 06/30/2019 showing total assets versus total liabilities, with a percentage of change between program years.

	As of		2017/2018			2018/2019		
	06/30/17	06/30/18	Variance	%	06/30/19	Variance	%	
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 18,524,908	\$ 24,562,309	\$ 6,037,401	32.59 %	\$ 32,944,493	\$ 8,382,184	34.13	
Investments, current	2,032,238	2,639,124	606,886	29.86	4,595,935	1,956,811	74.15	
Accounts Receivable	7,827,985	8,024,200	196,215	2.51	6,999,054	(1,025,146)	(12.78)	
Prepaid Expense	9,948	7,685	(2,263)	- -	9,360	1,675	- -	
Total Current Assets	28,395,079	35,233,318	6,838,239	24.08	44,548,842	9,315,524	26.44	
Noncurrent								
Investments	14,018,468	13,351,978	(666,490)	(4.75)	11,863,503	(1,488,475)	(11.15)	
Capital assets, net	2,963	2,371	(592)	(19.98)	1,779	(592)	(24.97)	
Total Noncurrent Assets	14,021,431	13,354,349	(667,082)	(4.76)	11,865,282	(1,489,067)	(11.15)	
Total Assets	42,416,510	48,587,667	6,171,157	14.55	56,414,124	7,826,457	16.11	
DEFERRED OUTFLOW OF RESOURCES								
Deferred outflow of resources - pensic	217,668	546,377	328,709	- -	350,977	(195,400)	(35.76)	
LIABILITIES								
Current Liabilities								
Accounts payable	3,053,398	3,446,835	393,437	12.89	3,715,222	268,387	7.79	
Prefunding deposits	3,817,300	4,030,577	213,277	5.59	3,661,000	(369,577)	(9.17)	
Current portion of unpaid claims and claim adjustment expenses	3,832,965	4,901,822	1,068,857	27.89	4,507,940	(393,882)	(8.04)	
Total current Liabilities	10,703,663	12,379,234	1,675,571	15.65	11,884,162	(495,072)	(4.00)	
Noncurrent Liabilities	15,610,948	14,184,757	(1,426,191)	(9.14)	11,754,816	(2,429,941)	(17.13)	
Total noncurrent Liabilities	15,610,948	14,184,757	(1,426,191)	(9.14)	11,754,816	(2,429,941)	(17.13)	
Net pension liabilities	586,196	732,827	146,631	- -	698,554	(34,273)	- -	
Total Liabilities	26,900,807	27,296,818	396,011	1.47	24,337,532	(2,959,286)	(10.84)	
DEFERRED INFLOW OF RESOURCES								
Deferred inflow of resources - pensior	128,507	65,612	(62,895)	- -	41,054	(24,558)	(37.43)	
NET POSITION	\$ 15,604,864	\$ 21,771,614	\$ 6,166,750	39.52 %	\$ 32,386,515	\$ 10,614,901	48.76	

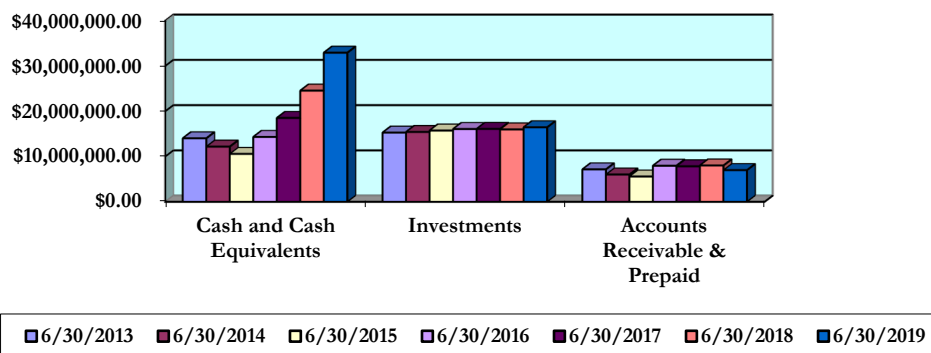
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Basic Financial Statements (continued):

Assets:

In 2018/2019, the assets of ACSIG increased by \$7.8 million or 16.11%, as seen above, primarily attributed to an increase of cash. The major factors in this year's increase of cash can be seen on the cash flow statement, pg. 13, of this report.

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

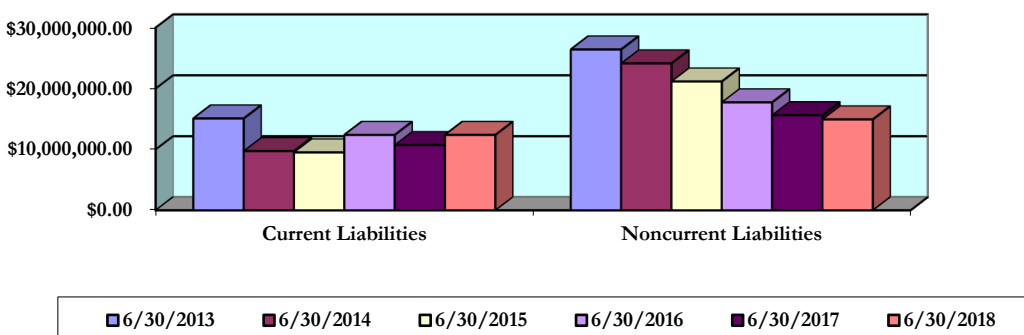


Liabilities:

In 2018/2019, the liabilities of ACSIG decreased by \$2.9 million or 10.84%.

This variance is mainly attributed to fluctuations in claim liabilities. Annually, program claims experience is evaluated by an independent actuary, claim liabilities are updated based upon these evaluations. Because the Workers' Compensation program represents over 90% of the consolidated program liabilities. The annual actuarial review and re-estimate of the Workers' Compensation ultimate claim cost, for 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.



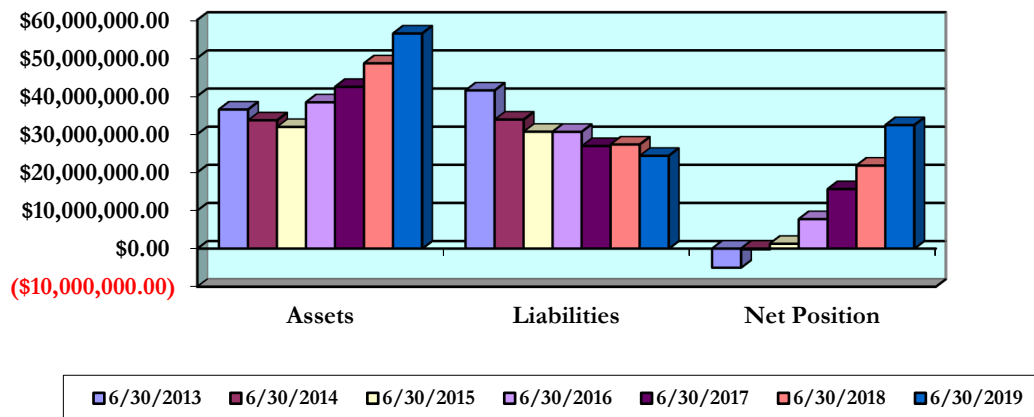
**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

Net Position:

As of 06/30/2019, ACSIG's ending Net Position is \$32.4 million. An increase in net position of \$10.6 million, from 07/01/2018 – 06/30/2019 is due to the following factors.

- 1) Increase in net assets from net operating income, greater than operating expenditures of \$9.6 million
- 2) Increase in net assets from non-operating investment income of \$1 million.

Statement of Net Position year variances can be seen below.



Statements of Revenues, Expenses and Change in Net Position:

In 2018/2019, revenues exceeded expenses by \$10.6 million, resulting in an increase to the Net Position. Details of these changes are shown below, in the Condensed Statements of Revenues, Expenses, and Changes in Net Position.

	Fiscal Year Ended					Fiscal Year		
	06/30/17	06/30/18	Increase/ (Decrease) 2017/2018 Variance	Percentage		Ended 06/30/19	Increase/ (Decrease) 2018/2019 Variance	Percentage
Operating Revenue:								
Member Contributions	\$ 158,165,112	\$ 164,546,182	\$ 6,381,070	4.03 %	\$ 157,713,750	\$ (6,832,432)	(4.15) %	
Other	247	--	(247)	--	--	--	--	
Total Operating Revenue	158,165,359	164,546,182	6,380,823	4.03	157,713,750	(6,832,432)	(4.15)	
Operating Expenses:								
Claims and Claims Adj Expense	125,732,817	135,016,333	9,283,516	7.38	125,143,742	(9,872,591)	(7.31)	
Insurance Expense	22,798,133	21,790,454	(1,007,679)	(4.42)	20,809,745	(980,709)	(4.50)	
Services and other operating	1,463,432	1,547,096	83,664	5.72	1,596,929	49,833	3.22	
Salaries and benefits	311,162	178,912	(132,250)	(42.50)	564,670	385,758	215.61	
Supplies	3,621	5,161	1,540	42.53	7,289	2,128	41.23	
Depreciation	592	592	--	--	592	--	--	
Total Operating Expenses	150,309,757	158,538,548	8,228,791	5.47	148,122,967	(10,415,581)	(6.57)	
Net Operating Income/(loss)	7,855,602	6,007,634	(1,847,968)	(23.52)	9,590,783	3,583,149	59.64	
Non Operating Income/(Expense)	20,018	159,116	139,098	694.86	1,024,118	865,002	543.63	
Change in Net Position	7,875,620	6,166,750	(1,708,870)	(21.70)	10,614,901	4,448,151	72.13	
Cumulative effect of GASB 68	--	--	--	--	--	--	--	
Beginning Net Position	7,729,244	15,604,864	7,875,620	101.89	21,771,614	6,166,750	39.52	
Ending Net Position	\$ 15,604,864	\$ 21,771,614	\$ 6,166,750	39.52 %	\$ 32,386,515	\$ 10,614,901	48.76 %	

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

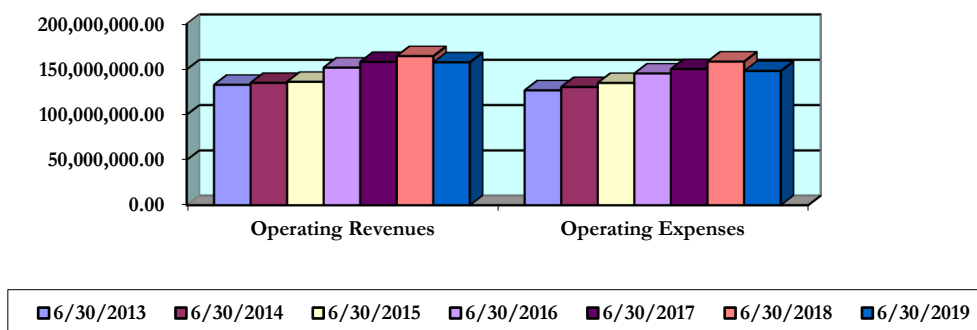
Statements of Revenues, Expenses and Change in Net Position (continued):

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

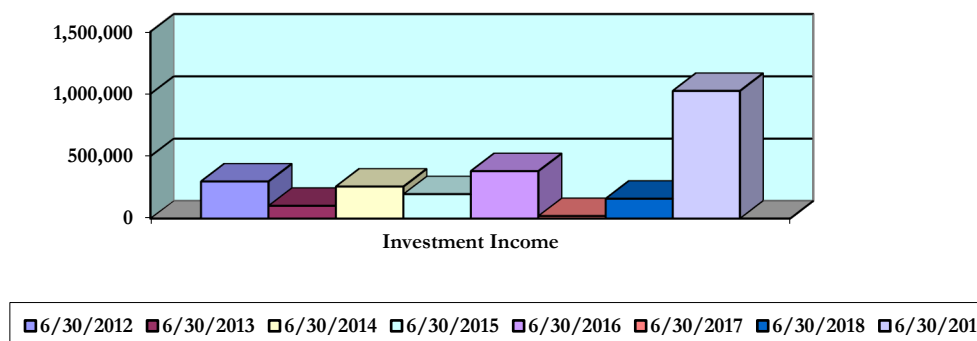
In 2018/2019 operating revenue increased by \$10.6 million, or 72.13%.

Operating revenue and expense increased primarily due to new membership in the Dental and Vision programs.

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
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 32,944,493	\$ 24,562,309
Investments, current	4,595,935	2,639,124
Accounts receivable	6,999,054	8,024,200
Prepaid expenses	9,360	7,685
Total Current Assets	44,548,842	35,233,318
Noncurrent Assets		
Investments	11,863,503	13,351,978
Capital assets, net of depreciation	1,779	2,371
Total Noncurrent Assets	11,865,282	13,354,349
Total Assets	56,414,124	48,587,667
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension	350,977	546,377
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	3,715,222	3,446,835
Prefunding deposits	3,661,000	4,030,577
Current portion of unpaid claims and claim adjustment expenses	4,507,940	4,901,822
Total Current Liabilities	11,884,162	12,379,234
Noncurrent Liabilities		
Unpaid claims and claim adjustment expenses less		
current portion	11,754,816	14,184,757
Net pension liability	698,554	732,827
Total Liabilities	24,337,532	27,296,818
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension	41,054	65,612
NET POSITION		
Unrestricted	32,384,736	21,769,243
Net investment in capital assets	1,779	2,371
Total Net Position	32,386,515	21,771,614
Total Liabilities and Net Position	\$ 56,765,101	\$ 49,134,044

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUE		
Member contributions	\$ 157,713,750	\$ 164,546,182
Total Operating Revenues	157,713,750	164,546,182
OPERATING EXPENSES		
Claims and claims adjustment expense	125,143,742	135,016,333
Insurance expense	20,809,745	21,790,454
Services and other operating	1,596,929	1,547,096
Salaries and benefits	564,670	178,912
Supplies	7,289	5,161
Depreciation	592	592
Total Operating Expense	148,122,967	158,538,548
Net Operating Income/(Loss)	9,590,783	6,007,634
NON-OPERATING REVENUE:		
Investment income	1,024,118	159,116
CHANGE IN NET POSITION	10,614,901	6,166,750
Net Position - Beginning	21,771,614	15,604,864
Net Position - Ending	\$ 32,386,515	\$ 21,771,614

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities		
Cash received from members and others	\$ 158,369,319	\$ 164,563,244
Cash payments for claims	(127,967,565)	(135,373,667)
Cash payments for insurance	(20,811,420)	(21,788,191)
Cash payments to suppliers for goods and services	(1,335,831)	(1,158,820)
Cash payments for employee salaries and benefits	(428,101)	(423,885)
Net cash provided by (used in) operating activities	7,826,402	5,818,681
Cash flows from investing activities		
Purchase of investments	(185,094)	(281,018)
Interest income received	681,272	499,738
Net cash provided by (used in) investing activities	496,178	218,720
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	8,322,580	6,037,401
CASH AND CASH EQUIVALENTS		
Beginning of year	24,562,309	18,524,908
End of year	\$ 32,884,889	\$ 24,562,309
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 9,590,783	\$ 6,007,634
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	592	592
(Increase) decrease in:		
Accounts receivable	1,025,146	(196,215)
Prepaid expenses	(1,675)	2,263
Deferred outflows	195,400	(328,709)
Increase (decrease) in:		
Accounts payable	268,387	393,437
Prefunding deposits	(369,577)	213,277
Unpaid claims and claim adjustment expenses	(2,823,823)	(357,334)
Deferred inflows	(24,558)	(62,895)
Net pension liability	(34,273)	146,631
Net cash provided by (used in) operating activities	\$ 7,826,402	\$ 5,818,681

See accompanying notes to the financial statements.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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 Groups. Participating members now include various school Groups 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 Groups considers the Group to be a “Special Group.”

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 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.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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 be 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, 2019 and 2018 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.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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 Group.

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.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The JPA has two items that qualify for reporting in this category. The first item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability. The second item is a deferred outflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2017 (the beginning of the measurement period ended June 30, 2018).

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. That item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

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.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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, 2019 and 2018 are reported at fair value and consisted of the following:

	Fiscal Year Ended	
	2019	2018
Cash and cash equivalents		
Cash in bank	\$ 5,633,619	\$ 6,432,215
Cash in county treasury	23,819,540	14,878,247
Local agency investment fund	3,287,837	3,214,911
Money market accounts	203,497	36,936
Total cash and cash equivalents	\$ 32,944,493	\$ 24,562,309

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, 2019, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were \$32,596,794 and \$347,700, and the bank balances were \$32,938,617 and \$334,873, respectively, of which \$1,193,977 was insured. At June 30, 2018, the carrying amount of the Group's interest-bearing and noninterest-bearing accounts were \$24,180,974 and \$381,335, and the bank balances were \$24,090,387 and \$471,922, respectively, of which \$1,396,921 was insured.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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, 2019, 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 hour 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, 2019, this fund was yielding approximately 2.57% 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.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 3 – INVESTMENTS

At June 30, 2019 and 2018, investments are reported at fair value and consisted of the following:

	2019	2018
Investments		
Corporate Bonds	\$ 4,697,203	\$ 4,442,483
Federal Agency Bonds and Notes	4,701,040	6,216,838
U.S. Treasury Notes	7,061,195	5,331,781
Total investments	\$ 16,459,438	\$ 15,991,102
Investments maturing within one year	4,595,935	2,639,124
Long-term investments	\$ 11,863,503	\$ 13,351,978

Maturities of investments held at June 30, 2019 consist of the following:

	Rating	Fair Value	Maturity	
			Less Than One Year	One Year through Five Years
Investment maturities:				
Corporate Bonds	A-	\$ 4,697,203	\$ 750,466	\$ 3,946,737
Federal Agency Bonds and Notes:				
FHLMC	AA+	2,573,022	353,723	2,219,299
FNMA	AA+	2,128,018	2,128,018	-
U.S. Treasury Notes	TSY	7,061,195	1,363,728	5,697,467
		\$ 16,459,438	\$ 4,595,935	\$ 11,863,503

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, 2019, 100% of the portfolio was invested in "A-" rated obligations, or better. All credit ratings presented in this paragraph are Standard & Poor's ratings.

Concentration of Investment Credit Risk: At June 30, 2019, 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 43%
 FNMA 13%
 FHLMC 16%

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 3 – INVESTMENTS (continued)

Fair Value: The Group categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Group's own data. The Group should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Group are not available to other market participants.

Uncategorized - Investments in the Alameda County Treasury Investment Pool and/or Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the Group's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The Group's fair value measurements at June 30, 2019 were as follows:

	Quoted Prices		
	Level 1	Uncategorized	Total
Cash in county treasury	\$ -	\$ 23,819,540	\$ 23,819,540
Local agency investment fund	-	3,287,837	3,287,837
Money market accounts	-	203,497	203,497
Corporate Bonds	4,697,203	-	4,697,203
Federal Agency Bonds and Notes	4,701,040	-	4,701,040
U.S. Treasury Notes	7,061,195	-	7,061,195
Total fair market value of investments	\$ 16,459,438	\$ 27,310,874	\$ 43,770,312

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 4 – ACCOUNTS RECEIVABLE

The balance of \$6,999,054 as of June 30, 2019 and \$8,024,200 as of June 30, 2018 consisted of premiums due from members.

NOTE 5 – CAPITAL ASSETS

The following is a summary as of June 30, 2019 and 2018 of furniture and equipment, net of accumulated depreciation:

	2019	2018
Capital Assets		
Furniture and equipment	\$ 5,923	\$ 5,923
Less accumulated depreciation	4,144	3,552
Total capital assets, net	\$ 1,779	\$ 2,371

Activity for furniture and equipment for the years ended June 30, 2019 and 2018 included the following:

Furniture and Equipment Activity	2019	2018
Furniture and equipment, net, beginning of year	\$ 2,371	\$ 2,963
Current year depreciation	592	592
Furniture and equipment, net, end of year	\$ 1,779	\$ 2,371

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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, 2019 and 2018:

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 19,086,579	\$ 19,443,913
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	119,658,239	126,510,219
Change in provision for covered events of prior years	(1,880,980)	635,068
Total incurred claims and claim adjustment expenses	\$ 117,777,259	\$ 127,145,287
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	117,368,026	124,251,439
Claims and claim adjustment expenses attributable to covered events of prior years	3,233,056	3,251,182
Total payments:	120,601,082	127,502,621
Total unpaid claims and claim adjustment expenses, end of year	\$ 16,262,756	\$ 19,086,579

The components of the unpaid claims and claim adjustment expenses as of June 30, 2019 and 2018 were as follows:

	2019	2018
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 4,812,396	\$ 6,259,812
Claims incurred but not reported (IBNR)	10,198,099	11,448,929
Unallocated loss adjustment expenses (ULAE)	1,252,261	1,377,838
Total unpaid claims and claim adjustment expenses, end of year	\$ 16,262,756	\$ 19,086,579

The current and long-term portions were \$4,507,940 and \$11,754,816, respectively, as of June 30, 2019 and were \$4,901,822 and \$14,184,757, respectively, as of June 30, 2018. 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 \$18,187,381 and \$21,273,855 at June 30, 2019 and 2018, respectively.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS). The Agency reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
PERS Pension	\$ 698,554	\$ 350,977	\$ 41,054	\$ 159,510
Total	\$ 698,554	\$ 350,977	\$ 41,054	\$ 159,510

California Public Employees' Retirement System (CalPERS)

Plan Description

The Agency contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are 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 7.0% 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 Agency is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2019 was 18.062% of annual payroll. Contributions to the plan from the Agency were \$22,941 for the year ended June 30, 2019.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Agency reported a liability of \$698,554 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017 and rolling forward the total pension liability to June 30, 2018. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies in the Miscellaneous Risk Pool, actuarially determined. At June 30, 2018, the Agency's proportion was 0.019 percent, which did not change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Agency recognized pension expense of \$159,910. At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 3,453	\$ -
Differences between expected and actual experience	26,802	9,121
Changes in assumptions	79,637	19,518
Changes in proportion and differences between Group contributions and proportionate share of contributions	218,144	12,415
Group contributions subsequent to the measurement date	22,941	-
	<u>\$ 350,977</u>	<u>\$ 41,054</u>

The \$22,941 reported as deferred outflows of resources related to pensions resulting from Group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 162,153	\$ 24,512
2020	122,660	10,965
2021	49,506	5,576
2022	(6,283)	1
	<u>\$ 328,036</u>	<u>\$ 41,054</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Actuarial assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	<u>100.0%</u>		

*An expected inflation of 2.00% used for this period.

**An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	Decrease (6.15%)	Discount Rate (7.15%)	Increase (8.15%)
Group's proportionate share of the net pension liability	\$ 265,226	\$ 698,554	\$ 82,481

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

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, 2019 and 2018 was \$81,140 and \$81,140 respectively. The future minimum rental commitments on the non-cancelable operating lease ending in October 2019 as follows:

Year Ended June 30,	Minimum Rental Commitment
2020	28,680
Total	\$ 28,680

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 Groups. Those boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member Groups 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, 2018 (most recent information available) are as follows:

	NCRLF	PIPS
Total Assets	\$ 75,820,380	\$ 129,260,118
Total Liabilities	59,774,301	111,815,654
Total Net Position	<u>\$ 16,046,079</u>	<u>\$ 17,444,464</u>
Revenues	\$ 53,157,908	\$ 301,089,853
Expenses	(52,877,526)	(296,996,362)
Change in Net Position	<u>\$ 280,382</u>	<u>\$ 4,093,491</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 AND 2018

NOTE 10 – NET POSITION

Net Position is composed of the following elements as of June 30, 2019 and 2018

	2019	2018
NET POSITION		
Unrestricted	\$ 32,384,736	\$ 21,769,243
Net investment in capital assets	1,779	2,371
Total Net Position	\$ 32,386,515	\$ 21,771,614

NOTE 11 – 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, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 16,750,131	\$ 17,128,957
Incurring claims and claim adjustment expenses:		
Change in provision for covered events of prior years	(1,904,688)	622,927
Total incurred claims and claim adjustment expenses	(1,904,688)	622,927
Payments:		
Claims and claim adjustment expenses attributable to covered events of prior years	1,022,116	1,001,753
Total payments:	1,022,116	1,001,753
Total unpaid claims and claim adjustment expenses, end of year	\$ 13,823,327	\$ 16,750,131
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 4,699,584	\$ 6,164,170
Claims incurred but not reported (IBNR)	7,917,707	9,245,961
Unallocated loss adjustment expenses (ULAE)	1,206,036	1,340,000
Total unpaid claims and claim adjustment expenses, end of year	\$ 13,823,327	\$ 16,750,131

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 137,448	\$ 115,956
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	94,492	63,000
Change in provision for covered events of prior years	23,708	12,141
Total incurred claims and claim adjustment expenses	118,200	75,141
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	45,279	3,220
Claims and claim adjustment expenses attributable to covered events of prior years	11,940	50,429
Total payments:	57,219	53,649
Total unpaid claims and claim adjustment expenses, end of year	\$ 198,429	\$ 137,448
Unpaid claims and claim adjustment expenses, end of year		
Claim reserves	\$ 112,812	\$ 95,642
Claims incurred but not reported (IBNR)	39,392	3,968
Unallocated loss adjustment expenses (ULAE)	46,225	37,838
Total unpaid claims and claim adjustment expenses, end of year	\$ 198,429	\$ 137,448

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	<u>3,830,910</u>	<u>3,680,488</u>
Total incurred claims and claim adjustment expenses	<u>3,830,910</u>	<u>3,680,488</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	<u>\$ 3,508,910</u>	<u>\$ 3,380,488</u>
Claims and claim adjustment expenses attributable to covered events of prior years	<u>300,000</u>	<u>300,000</u>
Total payments:	<u>3,808,910</u>	<u>3,680,488</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 322,000</u>	<u>\$ 300,000</u>
Unpaid claims and claim adjustment expenses, end of year		
Claims incurred but not reported (IBNR)	<u>\$ 322,000</u>	<u>\$ 300,000</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 322,000</u>	<u>\$ 300,000</u>

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Fiscal Year Ended	
	2019	2018
Unpaid claims and claim adjustment expenses, beginning of fiscal year	<u>\$ 1,899,000</u>	<u>\$ 1,899,000</u>
Incurred claims and claim adjustment expenses:		
Provision for covered events of the current year	115,732,837	122,766,731
Total incurred claims and claim adjustment expenses	<u>115,732,837</u>	<u>122,766,731</u>
Payments:		
Claims and claim adjustment expenses attributable to covered events of the current year	113,813,837	120,867,731
Claims and claim adjustment expenses attributable to covered events of prior years	1,899,000	1,899,000
Total payments:	<u>115,712,837</u>	<u>122,766,731</u>
Total unpaid claims and claim adjustment expenses, end of year	<u>1,919,000</u>	<u>1,899,000</u>
Unpaid claims and claim adjustment expenses, end of year		
Claims reserves	\$ -	\$ -
Claims incurred but not reported (IBNR)	1,919,000	1,899,000
Total unpaid claims and claim adjustment expenses, end of year	<u>\$ 1,919,000</u>	<u>\$ 1,899,000</u>

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF THE GROUP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Group's proportion of the net pension liability	0.019%	0.019%	0.017%	0.022%	0.019%
Group's proportionate share of the net pension liability	\$ 698,554	\$ 732,827	\$ 586,196	\$ 525,511	\$ 385,314
Group's covered-employee payroll	\$ 286,178	\$ 237,143	\$ 210,454	\$ 211,975	\$ 200,000
Group's proportionate share of the net pension liability as a percentage of its covered-employee payroll	244.1%	309.0%	278.5%	247.9%	192.7%
Plan fiduciary net position as a percentage of the total pension liability	70.8%	75.4%	74.1%	78.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
SCHEDULE OF GROUP CONTRIBUTIONS - CALPERS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 22,941	\$ 53,800	\$ 51,863	\$ 40,592	\$ 49,298
Contributions in relation to the contractually required contribution	(22,941)	(53,800)	(51,863)	(40,592)	(49,298)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Group's covered-employee payroll	\$ 295,213	\$ 286,178	\$ 237,143	\$ 210,454	\$ 211,975
Contributions as a percentage of covered-employee payroll	7.77%	18.80%	21.87%	19.29%	23.26%

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of the Group's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Group's proportion (percentage) of the collective net pension liability, the Group's proportionate share (amount) of the collective net pension liability, the Group's covered-payroll, the Group's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered- payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Group Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Group's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the Group's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the Group's -covered payroll.

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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, 2019 AND 2018**

For Policy Years Ended June 30,											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Required contribution and investment revenue											
Earned	\$ 17,002,915	\$ 17,891,871	\$ 18,552,720	\$ 20,034,030	\$ 19,217,218	\$ 19,670,032	\$ 20,284,500	\$ 24,754,573	\$ 28,207,535	\$ 26,869,026	\$ 27,660,374
Ceded	(2,187,413)	(16,302,424)	(16,026,575)	(15,786,084)	(16,512,219)	(18,073,558)	(19,975,089)	(20,534,560)	(20,131,630)	(19,624,572)	(19,679,728)
Net earned	\$ 14,815,502	\$ 1,589,447	\$ 2,526,145	\$ 4,247,946	\$ 2,704,999	\$ 1,596,474	\$ 309,411	\$ 4,220,013	\$ 8,075,905	\$ 7,244,454	\$ 7,980,646
2 Unallocated expenses	\$ 3,120,092	\$ 1,052,191	\$ 170,715	\$ 319,437	\$ 488,659	\$ 453,830	\$ 427,285	\$ 588,457	\$ 574,917	\$ 606,959	\$ 702,275
3 Estimated losses and expenses, end of fiscal year:											
Incurred	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceded	-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Net paid (cumulative) as of:											
End of fiscal year	\$ 2,015,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$ 4,135,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$ 5,638,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$ 6,715,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$ 7,600,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 7,880,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 8,515,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 8,661,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 8,861,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 8,876,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Reestimated ceded losses and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Reestimated net incurred losses and expenses:											
End of fiscal year	\$ 8,012,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One year later	\$ 10,768,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Two years later	\$ 10,770,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three years later	\$ 11,378,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Four years later	\$ 10,501,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Five years later	\$ 10,585,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Six years later	\$ 10,469,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seven years later	\$ 10,101,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eight years later	\$ 9,943,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nine years later	\$ 9,593,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ten years later	\$ 9,526,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$ 1,581,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION PROPERTY/LIABILITY PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

		For Policy Years Ended June 30,																				
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019										
1 Required contribution and investment revenue																						
Earned	\$	544,363	\$	552,093	\$	559,195	\$	630,698	\$	675,900	\$	774,613	\$	935,595	\$	1,130,013	\$	1,329,483	\$	1,296,072	\$	1,483,299
Ceded		(541,854)		(559,419)		(545,530)		(560,273)		(611,537)		(663,484)		(831,111)		(1,032,437)		(1,202,982)		(1,170,873)		(1,363,395)
Net earned	\$	2,509	\$	(7,326)	\$	13,665	\$	70,425	\$	64,363	\$	111,129	\$	104,484	\$	97,576	\$	126,501	\$	125,199	\$	119,904
2 Unallocated expenses																						
	\$	18,183	\$	32,828	\$	8,069	\$	9,016	\$	21,810	\$	18,376	\$	20,128	\$	56,023	\$	45,597	\$	63,426	\$	75,001
3 Estimated losses and expenses, end of fiscal year:																						
Incurred	\$	307,207	\$	54,796	\$	82,548	\$	75,212	\$	108,036	\$	110,941	\$	32,843	\$	25,000	\$	54,069	\$	63,000	\$	94,492
Ceded		-		-		-		-		-		-		-		-		-		-		-
Net incurred	\$	307,207	\$	54,796	\$	82,548	\$	75,212	\$	108,036	\$	110,941	\$	32,843	\$	25,000	\$	54,069	\$	63,000	\$	94,492
4 Net paid (cumulative) as of:																						
End of fiscal year	\$	84,499	\$	10,931	\$	18,839	\$	1,683	\$	22,371	\$	-	\$	-	\$	6,681	\$	-	\$	3,221	\$	45,279
One year later	\$	111,503	\$	42,740	\$	20,496	\$	16,543	\$	89,764	\$	20,000	\$	6,771	\$	26,438	\$	20,000	\$	20,000	\$	-
Two years later	\$	131,676	\$	28,438	\$	33,140	\$	76,543	\$	113,117	\$	20,000	\$	18,078	\$	52,777	\$	20,000				
Three years later	\$	107,846	\$	48,738	\$	33,141	\$	96,543	\$	125,045	\$	20,000	\$	18,078	\$	52,777						
Four years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543	\$	125,045	\$	20,000	\$	18,078								
Five years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543	\$	125,045	\$	20,000										
Six years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543	\$	125,045												
Seven years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543														
Eight years later	\$	117,507	\$	48,738	\$	33,141																
Nine years later	\$	117,507	\$	48,738																		
Ten years later	\$	117,507																				
5 Reestimated ceded losses and expenses																						
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
6 Reestimated net incurred losses and expenses:																						
End of fiscal year	\$	307,207	\$	54,796	\$	82,548	\$	75,212	\$	101,000	\$	111,900	\$	32,843	\$	25,000	\$	54,069	\$	63,000	\$	63,000
One year later	\$	121,183	\$	79,867	\$	78,773	\$	112,560	\$	148,539	\$	20,863	\$	7,843	\$	51,345	\$	40,968	\$	20,000	\$	20,000
Two years later	\$	144,849	\$	62,351	\$	60,496	\$	100,792	\$	126,562	\$	20,863	\$	18,078	\$	72,777	\$	40,968				
Three years later	\$	117,275	\$	48,738	\$	37,639	\$	96,543	\$	126,562	\$	20,863	\$	18,078	\$	72,777						
Four years later	\$	117,507	\$	49,777	\$	33,141	\$	96,543	\$	126,562	\$	20,863	\$	18,078								
Five years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543	\$	126,562	\$	20,863										
Six years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543	\$	126,562												
Seven years later	\$	117,507	\$	48,738	\$	33,141	\$	96,543														
Eight years later	\$	117,507	\$	48,738	\$	33,141																
Nine years later	\$	117,507	\$	48,738																		
Ten years later	\$	117,507																				
7 Increase in estimated net incurred losses and expenses from end of fiscal year																						
	\$	(189,700)	\$	(6,058)	\$	(49,407)	\$	21,331	\$	25,562	\$	(91,037)	\$	(14,765)	\$	47,777	\$	(13,101)	\$	(43,000)	\$	-

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION VISION PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

		For Policy Years Ended June 30,										
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Required contribution and investment revenue												
Earned	\$	1,455,085	\$ 1,639,207	\$ 1,936,629	\$ 1,958,654	\$ 2,291,645	\$ 2,496,329	\$ 2,774,589	\$ 3,356,374	\$ 3,803,259	\$ 4,367,442	\$ 4,551,638
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net earned	\$	1,455,085	\$ 1,639,207	\$ 1,936,629	\$ 1,958,654	\$ 2,291,645	\$ 2,496,329	\$ 2,774,589	\$ 3,356,374	\$ 3,803,259	\$ 4,367,442	\$ 4,551,638
2 Unallocated expenses	\$	-	\$ 14,493	\$ 96,930	\$ 140,236	\$ 153,671	\$ -	\$ -	\$ 61,866	\$ 49,023	\$ 50,678	\$ 79,594
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	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168
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	\$ 2,031,883	\$ 2,798,029	\$ 3,185,838	\$ 3,380,488	\$ 3,508,910
One year later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	\$ 2,173,883	2,940,029	3,485,838	3,680,488	
Two years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	\$ 2,173,883	2,940,029	3,485,838		
Three years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	\$ 2,067,215	2,173,883	2,940,029			
Four years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	\$ 1,704,628	2,067,215	2,173,883				
Five years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	1,704,628	2,067,215					
Six years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127	1,704,628						
Seven years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,634,127							
Eight years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209								
Nine years later	\$	1,357,704	\$ 1,466,642									
Ten years later	\$	1,357,704										
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	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	\$ 4,256,168
One year later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689	\$ 4,066,933	
Two years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723	\$ 3,835,689		
Three years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429	\$ 3,248,723			
Four years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178	\$ 2,473,429				
Five years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342	\$ 2,238,178					
Six years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127	\$ 1,959,342						
Seven years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209	\$ 1,684,127							
Eight years later	\$	1,357,704	\$ 1,466,642	\$ 1,628,209								
Nine years later	\$	1,357,704	\$ 1,466,642									
Ten years later	\$	1,357,704										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
CLAIMS DEVELOPMENT INFORMATION DENTAL PROGRAM
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

		For Policy Years Ended June 30,										
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Required contribution and investment revenue												
Earned	\$	105,167,664	\$ 107,350,873	\$ 110,178,187	\$ 109,681,105	\$ 110,795,612	\$ 112,320,469	\$ 112,401,984	\$ 123,010,177	\$ 124,845,165	\$ 132,172,758	\$ 125,042,556
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net earned	\$	105,167,664	\$ 107,350,873	\$ 110,178,187	\$ 109,681,105	\$ 110,795,612	\$ 112,320,469	\$ 112,401,984	\$ 123,010,177	\$ 124,845,165	\$ 132,172,758	\$ 125,042,556
2 Unallocated expenses	\$	-	\$ 957,079	\$ 949,743	\$ 1,029,464	\$ 1,445,739	\$ 1,390,347	\$ 1,368,341	\$ 1,377,947	\$ 1,362,344	\$ 1,374,236	\$ 1,573,008
3 Estimated losses and expenses, end of fiscal year:												
Incurred	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987
Ceded		-	-	-	-	-	-	-	-	-	-	-
Net incurred	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987
4 Net paid (cumulative) as of:												
End of fiscal year	\$	104,364,662	\$ 104,144,349	\$ 106,317,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 111,964,685	\$ 113,837,560	\$ 120,867,731	\$ 113,813,837
One year later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685	\$ 115,736,560	\$ 122,766,731	
Two years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685	\$ 115,736,560		
Three years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414	\$ 113,673,685			
Four years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414	\$ 103,154,414				
Five years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890	\$ 101,723,414					
Six years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157	\$ 101,578,890						
Seven years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 105,924,157							
Eight years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825								
Nine years later	\$	104,364,662	\$ 106,367,349									
Ten years later	\$	104,364,662										
5 Estimated ceded losses and expenses	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Estimated net incurred losses and expenses:												
End of fiscal year	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	\$ 122,340,987
One year later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587	\$ 129,945,472	
Two years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972	\$ 122,507,587		
Three years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572	\$ 120,334,972			
Four years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325	\$ 110,650,572				
Five years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853	\$ 108,725,325					
Six years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157	\$ 108,570,853						
Seven years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825	\$ 107,551,157							
Eight years later	\$	104,364,662	\$ 106,367,349	\$ 107,944,825								
Nine years later	\$	104,364,662	\$ 106,367,349									
Ten years later	\$	104,364,662										
7 Increase in estimated net incurred losses and expenses from end of fiscal year	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2019 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 155,576	\$ 24,912,827	\$ 1,336,450	\$ 1,532,055	\$ 5,007,585	\$ 32,944,493
Investments, Current	-	4,595,935	-	-	-	4,595,935
Accounts Receivable	-	144,680	20,873	466,665	6,366,836	6,999,054
Prepaid Expenses	9,360	-	-	-	-	9,360
Interfund Receivable/(Payable)	(153,406)	(290,999)	(985,782)	217,093	1,213,094	-
Total Current Assets	11,530	29,362,443	371,541	2,215,813	12,587,515	44,548,842
Noncurrent Assets						
Investments	-	5,002,632	-	1,110,862	5,750,009	11,863,503
Capital Assets, Net of Depreciation	1,779	-	-	-	-	1,779
Total Assets	\$ 13,309	\$ 34,365,075	\$ 371,541	\$ 3,326,675	\$ 18,337,524	\$ 56,414,124
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 88,279	\$ 27,701	\$ 32,877	\$ 202,120	\$ 350,977
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 16,861	\$ -	\$ 1,747	\$ 331,088	\$ 3,365,526	\$ 3,715,222
Prefunding Deposits	-	-	-	105,123	3,555,877	3,661,000
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	2,183,228	83,712	322,000	1,919,000	4,507,940
Total Current Liabilities	16,861	2,183,228	85,459	758,211	8,840,403	11,884,162
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	11,640,099	114,717	-	-	11,754,816
Net Pension Liability	-	201,976	66,557	68,865	361,156	698,554
Total Noncurrent Liabilities	-	11,842,075	181,274	68,865	361,156	12,453,370
Total Liabilities	16,861	14,025,303	266,733	827,076	9,201,559	24,337,532
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 15,573	\$ 5,520	\$ 4,531	\$ 15,430	\$ 41,054
NET POSITION						
Unrestricted	(5,331)	20,412,478	126,989	2,527,945	9,322,655	32,384,736
Net Investment in Capital Assets	1,779	-	-	-	-	1,779
Total Net Position	(3,552)	20,412,478	126,989	2,527,945	9,322,655	32,386,515
Total Liabilities and Net Position	\$ 13,309	\$ 34,453,354	\$ 399,242	\$ 3,359,552	\$ 18,539,644	\$ 56,765,101

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF NET POSITION, continued
JUNE 30, 2018

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2018 Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 101,261	\$ 18,534,707	\$ 1,317,946	\$ 1,323,726	\$ 3,284,669	\$ 24,562,309
Investments, Current	-	2,639,124	-	-	-	2,639,124
Accounts Receivable	-	117,644	6,384	424,964	7,475,208	8,024,200
Prepaid Expenses	7,685	-	-	-	-	7,685
Interfund Receivable/(Payable)	(90,137)	(187,299)	(946,826)	248,440	975,822	-
Total Current Assets	18,809	21,104,176	377,504	1,997,130	11,735,699	35,233,318
Noncurrent Assets						
Investments	-	6,752,521	-	1,068,536	5,530,921	13,351,978
Capital Assets, Net of Depreciation	2,371	-	-	-	-	2,371
Total Assets	\$ 21,180	\$ 27,856,697	\$ 377,504	\$ 3,065,666	\$ 17,266,620	\$ 48,587,667
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources - pension	\$ -	\$ 146,899	\$ 47,241	\$ 52,417	\$ 299,820	\$ 546,377
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	\$ 24,140	\$ -	\$ 1,644	\$ 308,403	\$ 3,112,648	\$ 3,446,835
Prefunding Deposits	-	-	-	132,923	3,897,654	4,030,577
Current Portion of Unpaid Claims and Claim Adj. Expenses	-	2,648,036	54,786	300,000	1,899,000	4,901,822
Total Current Liabilities	24,140	2,648,036	56,430	741,326	8,909,302	12,379,234
Noncurrent Liabilities						
Unpaid Claims and Claim Adjustment Expenses Less Current Portion	-	12,762,095	44,824	-	-	12,806,919
Unallocated Loss Adjustment Expense (ULAE)	-	1,340,000	37,838	-	-	1,377,838
Net Pension Liability	-	212,258	69,984	72,292	378,293	732,827
Total Noncurrent Liabilities	-	14,314,353	152,646	72,292	378,293	14,917,584
Total Liabilities	24,140	16,962,389	209,076	813,618	9,287,595	27,296,818
DEFERRED INFLOW OF RESOURCES						
Deferred inflow of resources - pension	\$ -	\$ 22,939	\$ 7,977	\$ 6,987	\$ 27,709	\$ 65,612
NET POSITION						
Unrestricted	(5,331)	11,018,268	207,692	2,297,478	8,251,136	21,769,243
Net Investment in Capital Assets	2,371	-	-	-	-	2,371
Total Net Position	(2,960)	11,018,268	207,692	2,297,478	8,251,136	21,771,614
Total Liabilities and Net Position	\$ 21,180	\$ 27,980,657	\$ 416,768	\$ 3,111,096	\$ 17,538,731	\$ 49,068,432

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2019 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 26,942,763	\$ 1,474,506	\$ 4,485,790	\$ 124,810,691	\$ 157,713,750
Other	-	-	-	-	-	-
Total Operating Revenues	-	26,942,763	1,474,506	4,485,790	124,810,691	157,713,750
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	-	-	2,762,755	122,380,987	125,143,742
Insurance premiums	-	17,667,018	1,424,376	1,493,413	224,938	20,809,745
Services and other operating expenses	-	446,242	95,782	10,708	1,044,197	1,596,929
Salaries and benefits	-	151,811	43,481	53,566	315,812	564,670
Supplies	-	1,093	364	729	5,103	7,289
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	18,266,164	1,564,003	4,321,171	123,971,037	148,122,967
Net Operating Income/(Loss)	(592)	8,676,599	(89,497)	164,619	839,654	9,590,783
NON-OPERATING REVENUE:						
Investment income/ (loss)	-	717,611	8,794	65,848	231,865	1,024,118
Total Non-Operating Revenues	-	717,611	8,794	65,848	231,865	1,024,118
CHANGE IN NET POSITION	(592)	9,394,210	(80,703)	230,467	1,071,519	10,614,901
Beginning Net Position	(2,960)	11,018,268	207,692	2,297,478	8,251,136	21,771,614
Ending Net Position	\$ (3,552)	\$ 20,412,478	\$ 126,989	\$ 2,527,945	\$ 9,322,655	\$ 32,386,515

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
FOR THE YEAR ENDED JUNE 30, 2018

	Administrative Fund	Workers' Compensation	Property and Liability	Vision	Dental	2018 Total
OPERATING REVENUE						
Member contributions	\$ -	\$ 26,712,774	\$ 1,289,628	\$ 4,356,498	\$ 132,187,282	\$ 164,546,182
Other	-	-	-	-	-	-
Total Operating Revenues	-	26,712,774	1,289,628	4,356,498	132,187,282	164,546,182
OPERATING EXPENSES						
Provision for claims and claims adjustment expense	-	-	1,170,873	3,835,689	130,009,771	135,016,333
Insurance premiums	-	21,608,889	-	-	181,565	21,790,454
Services and other operating expenses	-	178,946	105,459	241,882	1,020,809	1,547,096
Salaries and benefits	-	44,413	13,866	16,682	103,951	178,912
Supplies	-	774	259	516	3,612	5,161
Depreciation	592	-	-	-	-	592
Total Operating Expense	592	21,833,022	1,290,457	4,094,769	131,319,708	158,538,548
Net Operating Income/(Loss)	(592)	4,879,752	(829)	261,729	867,574	6,007,634
NON-OPERATING REVENUE:						
Investment income/ (loss)	-	156,252	6,444	10,944	(14,524)	159,116
Total Non-Operating Revenues	-	156,252	6,444	10,944	(14,524)	159,116
CHANGE IN NET POSITION	(592)	5,036,004	5,615	272,673	853,050	6,166,750
Beginning Net Position	(2,368)	5,982,264	202,077	2,024,805	7,398,086	15,604,864
Ending Net Position	\$ (2,960)	\$ 11,018,268	\$ 207,692	\$ 2,297,478	\$ 8,251,136	\$ 21,771,614

OTHER INDEPENDENT AUDITORS' REPORTS

**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, 2019 and 2018, 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 23, 2019.

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 from 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.

A handwritten signature in blue ink that reads "Christy White, Inc".

San Diego, California
October 23, 2019



Alameda County Schools Insurance Group

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www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2019/2020 First Quarter Financials

Enclosed are the 2019/2020 First Quarter financial statements for review. ACSIG is progressing in alignment with its budget. The majority of the funds are experiencing an improvement in their financial positions. This will allow the Executive Committee and Board to explore program changes in the future.

A representative from SETECH will review the financial statements with the Board and will be available to answer any questions.



ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

TREASURER'S REPORT

AS OF SEPTEMBER 30, 2019 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 31, 2019
For the Board Meeting of November 7, 2019

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 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Workers Compensation	\$ 24,912,827	(5,349,431)	\$ 19,563,396
Dental	5,007,585	(2,020,158)	2,987,427
Vision	1,532,055	280,737	1,812,792
Property and Liability	1,336,450	(1,195,522)	140,928
Operations	155,576	27,665	183,241
Cash and Cash Equivalents	<u>\$ 32,944,493</u>	<u>(8,256,709)</u>	<u>\$ 24,687,784</u>
Investments Morgan Stanley - current	4,595,935	(2,078,618)	2,517,317
Accounts Receivable	6,999,054	8,563,649	15,562,703
Prepaid Expense	9,360	1,275,463	1,284,823
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>44,548,842</u>	<u>(496,215)</u>	<u>44,052,627</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	11,863,503	2,308,947	14,172,450
Capital - Equipment, net of depreciation	1,779	(592)	1,187
	<u>11,865,282</u>	<u>2,308,355</u>	<u>14,173,637</u>
Total Assets	<u>\$ 56,414,124</u>	<u>\$ 1,812,141</u>	<u>\$ 58,226,264</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>350,977</u>	<u>--</u>	<u>350,977</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,715,222	\$ (399,636)	\$ 3,315,586
Prefunding deposits (2)	3,661,000	--	3,661,000
Advance Contributions	--	567,933	567,933
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	887,228	--	887,228
Current Portion of claims and claim adjustment	3,620,712	(9,202)	3,611,510
Subtotal Current Liabilities	<u>11,884,162</u>	<u>159,095</u>	<u>12,043,257</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	10,502,555	(82,982)	10,419,573
Unallocated Loss Adjustment Expense (ULAE)	1,252,261	--	1,252,261
Subtotal Noncurrent Claim Liabilities	<u>11,754,816</u>	<u>(82,982)</u>	<u>11,671,834</u>
Net Pension Liability (NPL)	698,554	19,796	718,350
Total Liabilities	<u>\$ 24,337,532</u>	<u>\$ 95,909</u>	<u>\$ 24,433,441</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>41,054</u>	<u>--</u>	<u>41,054</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	32,384,736	1,716,823	34,101,559
Designated - Capital Assets	1,779	(592)	1,187
Total Net Position	<u>\$ 32,386,515</u>	<u>\$ 1,716,231</u>	<u>\$ 34,102,746</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 56,414,124</u>	<u>\$ 1,812,140</u>	<u>\$ 58,226,264</u>

Footnote:

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

Alameda County Schools Insurance Group (ACSIG)

Consolidated

Statement of Revenues, Expenditures and Changes in Net Position

As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity 07/01/2019 - 09/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 158,439,211	\$ 158,713,739	\$ 198,422,112	\$ 40,514,658	\$ 157,907,454	20.42 %
Return of Premiums	--	(999,989)	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	158,439,211	157,713,750	198,422,112	40,514,658	157,907,454	20.42
Operating Expenditures:						
Classified Salaries	251,917	295,213	278,593	73,638	204,955	26.43
Statutory Benefits	88,316	22,941	88,316	7,848	80,468	8.89
Health & Welfare	51,190	42,912	51,190	11,934	39,256	23.31
Employer Tax Expense	4,769	4,551	4,769	1,167	3,602	24.47
Net Pension Expense	51,788	199,053	74,804	39,592	35,212	52.93
Telephone & Internet	7,350	5,739	7,926	980	6,946	12.36
Supplies Office	4,200	2,148	3,000	422	2,578	14.05
Supplies - Other	4,200	5,141	4,000	2	3,998	0.06
Eligibility Processing	246,077	203,801	250,000	50,340	199,660	20.14
Brokerage Fees-Dental-ACSIG	294,000	279,662	325,000	46,026	278,974	14.16
Brokerage Fees-Dental-MD	425,000	470,289	500,000	123,055	376,945	24.61
Travel and Conferences	23,100	10,118	22,000	2,125	19,875	9.66
Mileage	8,925	7,119	8,500	2,179	6,321	25.64
Dues & Memberships	7,350	885	12,000	1,400	10,600	11.67
Postage & Meter	10,000	2,764	8,000	3,945	4,055	49.32
Insurance Expense-PIPS&NCR	24,950,383	21,043,123	24,818,844	5,542,355	19,276,489	22.33
Insurance Expense-PY Adj	2,000,000	(233,378)	1,000,000	--	1,000,000	--
Utility - Operating-Rent	36,461	36,901	48,432	16,864	31,569	34.82
Advertising	600	--	2,000	--	2,000	--
Contract Services - Actuarial	31,275	18,096	32,414	--	32,414	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	6,375	--	3,125	--	3,125	--
Audit Fees	16,275	13,750	15,000	7,013	7,988	46.75
Other Services/Operating Expenses	10,500	6,137	27,248	1,540	25,708	5.65
Capital Equipment/Depreciation	3,900	592	4,000	592	3,408	14.80
Repairs & Maintenance	3,675	--	3,500	--	3,500	--
Legal	2,100	928	10,000	--	10,000	--
Accounting Services	15,750	14,850	15,500	3,750	11,750	24.19
County Courier	4,200	3,872	4,200	--	4,200	--
Shredding	2,100	813	1,080	198	882	18.33
Copier & Scanner	15,000	11,058	16,700	2,539	14,161	15.21
Claims Administration Services	174,000	166,650	155,000	33,750	121,250	21.77
Self-Insurance Fee	325,000	337,468	431,959	--	431,959	--
Claims Paid-WC	1,750,000	1,022,116	1,250,000	88,570	1,161,430	7.09
Claims Paid-PL	100,000	57,219	100,000	25,687	74,313	25.69
Physical Abilities Testing	35,000	11,180	50,000	980	49,020	1.96
Training	40,000	6,031	--	(5,116)	5,116	--
First-Aid Program	30,000	26,579	50,000	2,515	47,485	5.03
Food Service Training	--	--	--	--	--	--
Risk Mgmt Prev Program	30,000	15,989	100,000	--	100,000	--
EPA Program	--	--	100,000	--	100,000	--
Safety Inspections	12,446	12,446	12,446	--	12,446	--
Bank Charge & WC Penalty Reimb	41,000	1,943	25,000	475	24,525	1.90
Cobra Premiums	250,000	224,938	270,000	67,933	202,067	25.16
Dental Insurance Premiums	123,120,000	122,360,987	163,000,000	31,964,735	131,035,265	19.61
Vision Insurance Premiums	3,950,000	4,234,168	4,375,000	901,435	3,473,565	20.60
Claim Development Expense	(2,000,000)	(2,823,823)	1,000,000	(92,184)	1,092,184	(9.22)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	156,434,222	148,122,968	198,579,546	38,928,284	159,651,262	19.60 %
Net Increase/(Decrease) from Operations	2,004,989	9,590,782	(157,434)	1,586,374	(1,743,808)	(1,007.64) %
Non Operating Income/(Expense)						
Interest Income	376,500	681,274	574,500	282,025	292,476	49.09
Net Increase/(Decrease) in Fair Value	--	342,202	--	(152,812)	152,812	--
Realized Gain/(Loss) on Investments	--	644	--	644	(644)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	376,500	1,024,120	574,500	129,857	444,644	22.60 %
Net Increase/(Decrease) in Net Position	\$ 2,381,489	\$ 10,614,902	417,066	\$ 1,716,231	\$ (1,299,164)	411.50 %
Beginning Balance Prior Year End	\$ 21,771,614	\$ 21,771,614	32,386,515	\$ 32,386,515	\$ 592	100.00 %
Ending Balance, as of 09/30/2019	\$ 24,153,103	\$ 32,386,516	\$ 32,803,581	\$ 34,102,746	\$ (1,298,572)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Workers' Compensation
As of 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Funds with County - WC - #44906	\$ 20,464,829	(5,239,914)	\$ 15,224,915
Funds in Transit - #44906 to Morgan Stanley Investments	--	--	--
Funds with County - Retention Fund #44904	18,045	--	18,045
Union Bank Claims - #0129	614,220	(44,784)	569,436
Union Bank Claims Trust Account - #0600	324,399	4,704	329,103
Local Agency Investment Funds (L.A.I.F.)	3,287,837	21,010	3,308,847
Money Market - Morgan Stanley	203,497	(90,447)	113,050
Cash and Cash Equivalents	<u>\$ 24,912,827</u>	<u>(5,349,431)</u>	<u>\$ 19,563,396</u>
Investments Morgan Stanley - current	4,595,935	(2,078,618)	2,517,317
Accounts Receivable	144,680	6,721,617	6,866,297
Prepaid Expense	--	33,750	33,750
Interfund Receivable/(payable)	<u>(291,000)</u>	<u>(34,176)</u>	<u>(325,176)</u>
Subtotal Current Assets	<u>29,362,442</u>	<u>(706,858)</u>	<u>28,655,584</u>
Noncurrent Assets			
Investments Morgan Stanley	5,002,632	2,251,351	7,253,983
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>5,002,632</u>	<u>2,251,351</u>	<u>7,253,983</u>
Total Assets	<u>\$ 34,365,074</u>	<u>\$ 1,544,494</u>	<u>\$ 35,909,567</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>88,279</u>	<u>--</u>	<u>88,279</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ --	\$ --	\$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	887,228	--	887,228
Current Portion of claims and claim adjustment	1,296,000	--	1,296,000
Subtotal Current Liabilities	<u>2,183,228</u>	<u>--</u>	<u>2,183,228</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	10,434,063	(75,454)	10,358,609
Unallocated Loss Adjustment Expense (ULAE)	1,206,036	--	1,206,036
Subtotal Noncurrent Claim Liabilities	<u>11,640,099</u>	<u>(75,454)</u>	<u>11,564,645</u>
Net Pension Liability (NPL)	201,976	5,939	207,915
Total Liabilities	<u>\$ 14,025,303</u>	<u>\$ (69,515)</u>	<u>\$ 13,955,788</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>15,572</u>	<u>--</u>	<u>15,572</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	20,412,478	1,614,008	22,026,486
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 20,412,478</u>	<u>\$ 1,614,008</u>	<u>\$ 22,026,486</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 34,365,074</u>	<u>\$ 1,544,493</u>	<u>\$ 35,909,567</u>

Alameda County Schools Insurance Group (ACSIG)
Workers' Compensation
Statement of Revenues, Expenditures and Changes in Net Fund Assets
As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity 07/01/2019 - 09/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 27,959,469	\$ 26,942,763	\$ 26,993,971	\$ 6,748,493	\$ 20,245,478	25.00 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	27,959,469	26,942,763	26,993,971	6,748,493	20,245,478	25.00
Operating Expenditures:						
Classified Salaries	63,149	69,349	70,140	16,948	53,192	24.16
Statutory Benefits	24,985	5,100	24,985	1,661	23,324	6.65
Health & Welfare	15,800	12,873	15,800	3,581	12,219	22.66
Employer Tax Expense	1,121	1,010	1,121	251	870	22.39
Net Pension Expense	15,104	59,717	20,431	11,878	8,553	58.14
Telephone & Internet	1,050	861	793	147	646	18.54
Supplies Office	600	322	300	63	237	21.00
Supplies - Other	600	771	400	--	400	--
Eligibility Processing	6,077	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,300	1,518	2,200	319	1,881	14.50
Mileage	1,275	1,068	850	327	523	38.46
Dues & Memberships	1,050	133	1,200	210	990	17.50
Postage & Meter	300	138	350	197	153	56.29
Insurance Expense-PIPS	23,583,087	19,679,728	23,006,149	5,125,330	17,880,819	22.28
Insurance Expense-PY Adj	2,000,000	(233,378)	1,000,000	--	1,000,000	--
Utility - Operating-Rent	--	5,535	4,843	2,530	2,313	52.24
Advertising	300	--	200	--	200	--
Contract Services - Actuarial	10,000	8,396	10,000	--	10,000	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	--	--	3,125	--	3,125	--
Audit Fees	2,325	2,063	1,500	1,052	448	70.13
Other Services/Operating Expense:	1,500	917	1,935	231	1,704	11.94
Capital Equipment/Depreciation	300	--	400	--	400	--
Repairs & Maintenance	525	--	350	--	350	--
Legal	300	--	1,000	--	1,000	--
Accounting Services	2,250	2,228	1,550	563	987	36.32
County Courier	600	581	420	--	420	--
Shredding	300	122	108	30	78	27.78
Copier & Scanner	250	553	800	127	673	15.88
Claims Admin/Consult Services	154,000	154,000	135,000	33,750	101,250	25.00
Self-Insurance Fee	325,000	337,468	431,959	--	431,959	--
Claims Paid-WC	1,750,000	1,022,116	1,250,000	88,570	1,161,430	7.09
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	35,000	11,180	50,000	980	49,020	1.96
Training	40,000	6,031	--	(5,116)	5,116	--
First-Aid Program	30,000	26,579	50,000	2,515	47,485	5.03
Food Service/Sp Ed Training	--	--	--	--	--	--
Risk Mgmt Prevention Prog	30,000	15,989	100,000	--	100,000	--
EPA Program	--	--	100,000	--	100,000	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	1,000	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,000,000)	(2,926,804)	1,000,000	(75,454)	1,075,454	(7.55)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	26,101,148	18,266,164	27,307,909	5,210,690	22,097,219	19.08 %
Net Increase/(Decrease) from Operations	1,858,321	8,676,599	(313,938)	1,537,803	(1,851,741)	(489.84) %
Non Operating Income/(Expense)						
Interest Income	250,000	515,929	400,000	165,719	234,281	41.43
Net Increase/(Decrease) in Fair Value	--	201,303	--	(89,893)	89,893	--
Realized Gain/(Loss) on Investments	--	379	--	379	(379)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	250,000	717,611	400,000	76,205	323,795	19.05 %
Net Increase/(Decrease) in Net Position	2,108,321	9,394,210	86,062	1,614,008	(1,527,946)	1,875.40 %
Beginning Balance Prior Year End	11,018,268	11,018,268	20,412,478	20,412,478	--	100.00 %
Ending Balance, as of 09/30/2019	\$ 13,126,589	\$ 20,412,478	\$ 20,498,540	\$ 22,026,486	\$ (1,527,946)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Dental
As of 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Cash with County ACSIG #44901	\$ 718,804	(174,164)	\$ 544,640
Union Bank - Eligibility #9938	3,375,425	(1,008,069)	2,367,356
Union Bank - Expense #2064	890,559	(833,560)	56,999
Union Bank - Cobra Trust #0273	22,797	(4,365)	18,432
Union Bank - zero balance accounts	--	--	--
Cash and Cash Equivalents	<u>\$ 5,007,585</u>	<u>(2,020,158)</u>	<u>\$ 2,987,427</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	6,366,836	1,360,688	7,727,524
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	<u>1,213,094</u>	<u>578,598</u>	<u>1,791,692</u>
Subtotal Current Assets	<u>12,587,515</u>	<u>(80,872)</u>	<u>12,506,643</u>
Noncurrent Assets			
Investments - Morgan Stanley	5,750,009	48,270	5,798,279
Capital - Equipment, net of depreciation	--	--	--
	<u>5,750,009</u>	<u>48,270</u>	<u>5,798,279</u>
Total Assets	<u>\$ 18,337,524</u>	<u>\$ (32,602)</u>	<u>\$ 18,304,922</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>202,120</u>	<u>--</u>	<u>202,120</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,365,526	\$ (84,157)	\$ 3,281,369
Prefunding deposits	3,555,877	--	3,555,877
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	1,919,000	--	1,919,000
Subtotal Current Liabilities	<u>8,840,403</u>	<u>(84,157)</u>	<u>8,756,246</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	<u>361,156</u>	<u>9,898</u>	<u>371,054</u>
Total Liabilities	<u>\$ 9,201,559</u>	<u>\$ (74,259)</u>	<u>\$ 9,127,300</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>15,430</u>	<u>--</u>	<u>15,430</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	9,322,655	41,657	9,364,312
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 9,322,655</u>	<u>\$ 41,657</u>	<u>\$ 9,364,312</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 18,337,524</u>	<u>\$ (32,602)</u>	<u>\$ 18,304,922</u>

Alameda County Schools Insurance Group (ACSIG)

Dental

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity 07/01/2019 - 09/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 125,000,000	\$ 125,810,680	\$ 165,000,000	\$ 32,356,940	\$ 132,643,060	19.61 %
Return of Premiums/Rebate	--	(999,989)	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	125,000,000	124,810,691	165,000,000	32,356,940	132,643,060	19.61
Operating Expenditures:						
Classified Salaries	144,597	177,761	159,454	44,866	114,588	28.14
Statutory Benefits	47,272	14,236	47,272	4,989	42,283	10.55
Health & Welfare	25,350	21,456	25,350	5,967	19,383	23.54
Employer Tax Expense	2,849	2,833	2,849	740	2,109	25.97
Net Pension Expense	27,316	99,526	41,293	19,796	21,497	47.94
Telephone & Internet	5,250	4,017	5,944	686	5,258	11.54
Supplies Office	3,000	1,504	2,250	295	1,955	13.11
Supplies - Other	3,000	3,599	3,000	2	2,998	0.07
Eligibility Processing	240,000	203,801	250,000	50,340	199,660	20.14
Brokerage Fees-Dental-ACSIG	294,000	279,662	325,000	46,026	278,974	14.16
Brokerage Fees-Dental-MD	425,000	470,289	500,000	123,055	376,945	24.61
Travel and Conferences	16,500	7,082	16,500	1,488	15,012	9.02
Mileage	6,375	4,983	6,375	1,525	4,850	23.92
Dues & Memberships	5,250	620	9,000	980	8,020	10.89
Postage & Meter	9,250	2,488	7,200	3,551	3,649	49.33
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Net, Operating-Rent	30,384	25,831	36,324	11,804	24,520	32.50
Advertising	--	--	1,500	--	1,500	--
Contract Services - Actuarial	15,000	5,000	14,512	--	14,512	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contracted Services	6,375	--	--	--	--	--
Audit Fees	11,625	9,625	11,250	4,909	6,341	43.64
Other Services/Operating Expense:	7,500	4,303	23,438	1,078	22,360	4.60
Capital Equipment/Depreciation	3,000	--	3,000	--	3,000	--
Repairs & Maintenance	2,625	--	2,625	--	2,625	--
Legal	1,500	928	7,500	--	7,500	--
Accounting Services	11,250	10,395	11,625	2,625	9,000	22.58
County Courier	3,000	2,710	3,150	--	3,150	--
Shredding	1,500	569	810	139	671	17.16
Copier & Scanner	14,250	9,952	15,000	2,285	12,715	15.24
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge	40,000	1,943	25,000	475	24,525	1.90
Cobra Premiums	250,000	224,938	270,000	67,933	202,067	25.16
Dental Insurance Premiums	123,120,000	122,360,987	163,000,000	31,964,735	131,035,265	19.61
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	20,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	124,773,018	123,971,038	164,827,221	32,360,290	132,466,931	19.63 %
Net Increase/(Decrease) from Operations	226,982	839,653	172,779	(3,350)	176,129	(1.94) %
Non Operating Income/(Expense)						
Interest Income	100,000	113,557	125,000	97,517	27,484	78.01
Net Increase/(Decrease) in Fair Value	--	118,086	--	(52,732)	52,732	--
Realized Gain/(Loss) on Investments	--	222	--	222	(222)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
I Transfer, YE Close, Rebate	--	--	--	--	--	--
Total Non Operating Income/(Expense)	100,000	231,865	125,000	45,007	79,994	36.01 %
Net Increase/(Decrease) in Net Position	326,982	1,071,518	297,779	41,657	256,122	13.99 %
Beginning Balance Prior Year End	8,251,136	8,251,136	9,322,655	9,322,655	--	100.00 %
Ending Balance, as of 09/30/2019	\$ 8,578,118	\$ 9,322,654	\$ 9,620,434	\$ 9,364,312	\$ 256,122	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Vision
As of 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Cash with County #44902	\$ 1,532,055	280,737	\$ 1,812,792
Funds in Transit - #44902 to Morgan Stanley Investments	--	--	--
Cash and Cash Equivalents	1,532,055	280,737	1,812,792
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	466,665	(691)	465,974
Prepaid Expense	--	--	--
Interfund Receivable/(payable)	217,092	(14,682)	202,410
Subtotal Current Assets	2,215,812	265,364	2,481,176
Noncurrent Assets			
Investments - Morgan Stanley	1,110,862	9,326	1,120,188
Capital - Equipment, net of depreciation	--	--	--
	1,110,862	9,326	1,120,188
Total Assets	\$ 3,326,674	\$ 274,690	\$ 3,601,364
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	32,877	--	32,877
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 331,088	\$ (312,951)	\$ 18,137
Prefunding deposits	105,123	--	105,123
Advance Contributions	--	567,933	567,933
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	322,000	--	322,000
Subtotal Current Liabilities	758,211	254,982	1,013,193
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	68,865	1,980	70,845
Total Liabilities	\$ 827,076	\$ 256,962	\$ 1,084,038
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	4,531	--	4,531
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	2,527,944	17,728	2,545,672
Designated - Capital Assets	--	--	--
Total Net Position	\$ 2,527,944	\$ 17,728	\$ 2,545,672
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 3,326,674	\$ 274,690	\$ 3,601,364

Alameda County Schools Insurance Group (ACSIG)

Vision

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity	Variance	Percentage of Budget
				07/01/2019 - 09/30/2019		
Operating Revenue:						
Premiums Paid by Members	\$ 4,000,000	\$ 4,485,790	\$ 4,500,000	\$ 927,190	\$ 3,572,810	20.60 %
Retrun of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	4,000,000	4,485,790	4,500,000	927,190	3,572,810	20.60
Operating Expenditures:						
Classified Salaries	25,192	26,856	27,859	6,701	21,158	24.05
Statutory Benefits	8,132	2,111	8,132	734	7,398	9.03
Health & Welfare	4,890	4,291	4,890	1,193	3,697	24.40
Employer Tax Expense	477	403	477	104	373	21.80
Net Pension Expense	4,531	19,906	6,629	3,960	2,669	59.74
Telephone & Internet	700	574	793	98	695	12.36
Supplies Office	400	215	300	42	258	14.00
Supplies - Other	400	514	400	--	400	--
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,200	1,012	2,200	213	1,987	9.68
Mileage	850	712	850	218	632	25.65
Dues & Memberships	700	89	1,200	140	1,060	11.67
Postage & Meter	450	138	450	197	253	43.78
Insurance Expense	--	--	--	--	--	--
Insurance Expense - PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	4,051	3,691	4,843	1,686	3,157	34.81
Advertising	200	--	200	--	200	--
Contract Services - Actuarial	850	--	1,935	--	1,935	--
Contract Services -Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	1,550	1,375	1,500	701	799	46.73
Other Services/Operating Expense	1,000	611	625	154	471	24.64
Capital Equipment/Depreciation	400	--	400	--	400	--
Repairs & Maintenance	350	--	350	--	350	--
Legal	200	--	1,000	--	1,000	--
Accounting Services	1,500	1,485	1,550	375	1,175	24.19
County Courier	400	387	420	--	420	--
Shredding	200	81	108	20	88	18.52
Copier & Scanner	400	553	800	127	673	15.88
Claims Administration Services	--	--	--	--	--	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	3,950,000	4,234,168	4,375,000	901,435	3,473,565	20.60
Claim Development Expense	--	22,000	--	--	--	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	4,010,023	4,321,172	4,442,911	918,098	3,524,813	20.66 %
Net Increase/(Decrease) from Operations	(10,023)	164,618	57,089	9,092	47,997	15.93 %
Non Operating Income/(Expense)						
Interest Income	25,000	42,992	40,000	18,780	21,220	46.95
Net Increase/(Decrease) in Fair Value	--	22,813	--	(10,187)	10,187	--
Realized Gain/(Loss) on Investments	--	43	--	43	(43)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer	--	--	--	--	--	--
Total Non Operating Income/(Expense)	25,000	65,848	40,000	8,636	31,364	21.59 %
Net Increase/(Decrease) in Net Position	14,977	230,466	97,089	17,728	79,361	18.26 %
Beginning Balance Prior Year End	2,297,478	2,297,478	2,527,944	2,527,944	--	100.00 %
Ending Balance, as of 09/30/2019	\$ 2,312,455	\$ 2,527,944	\$ 2,625,033	\$ 2,545,672	\$ 79,361	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Property and Liability
As of 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Cash with County - #44903	\$ 1,085,807	(1,000,000)	\$ 85,807
Funds in Transit - #44903 to Morgan Stanley Investments	--	--	--
Union Bank - Checking #0311	227,342	(194,345)	32,997
Union Bank - Claims Trust #1186	23,301	(1,177)	22,124
Cash and Cash Equivalents	<u>\$ 1,336,450</u>	<u>(1,195,522)</u>	<u>\$ 140,928</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	20,873	482,035	502,908
Prepaid Expense	--	1,251,073	1,251,073
Interfund Receivable/(payable)	<u>(985,780)</u>	<u>(510,653)</u>	<u>(1,496,433)</u>
Subtotal Current Assets	<u>371,543</u>	<u>26,933</u>	<u>398,476</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>--</u>	<u>--</u>	<u>--</u>
	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 371,543</u>	<u>\$ 26,933</u>	<u>\$ 398,476</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>27,701</u>	<u>--</u>	<u>27,701</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 1,747	\$ (1,747)	\$ --
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	83,712	(9,202)	74,510
Subtotal Current Liabilities	<u>85,459</u>	<u>(10,949)</u>	<u>74,510</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	68,492	(7,528)	60,964
Unallocated Loss Adjustment Expense (ULAE)	46,225	--	46,225
Subtotal Noncurrent Claim Liabilities	<u>114,717</u>	<u>(7,528)</u>	<u>107,189</u>
Net Pension Liability (NPL)	<u>66,557</u>	<u>1,979</u>	<u>68,536</u>
Total Liabilities	<u>\$ 266,733</u>	<u>\$ (16,498)</u>	<u>\$ 250,236</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>5,521</u>	<u>--</u>	<u>5,521</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	126,990	43,430	170,420
Designated - Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total Net Position	<u>\$ 126,990</u>	<u>\$ 43,430</u>	<u>\$ 170,420</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 371,543</u>	<u>\$ 26,932</u>	<u>\$ 398,476</u>

Alameda County Schools Insurance Group (ACSIG)
Property and Liability
Statement of Revenues, Expenditures and Changes in Net Fund Assets
As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity 07/01/2019 - 09/30/2019	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 1,479,742	\$ 1,474,506	\$ 1,928,141	\$ 482,035	\$ 1,446,106	25.00 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	1,479,742	1,474,506	1,928,141	482,035	1,446,106	25.00
Operating Expenditures:						
Classified Salaries	18,979	21,247	21,140	5,123	16,017	24.23
Statutory Benefits	7,927	1,494	7,927	464	7,463	5.85
Health & Welfare	5,150	4,292	5,150	1,193	3,957	23.17
Employer Tax Expense	322	304	322	72	250	22.40
Net Pension Expense	4,837	19,904	6,451	3,958	2,493	61.36
Telephone & Internet	350	287	396	49	347	12.26
Supplies Office	200	107	150	22	128	14.34
Supplies - Other	200	257	200	0	200	0.24
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	1,100	506	1,100	105	995	9.56
Mileage	425	356	425	109	316	25.72
Dues & Memberships	350	43	600	70	530	11.67
Postage & Meter	--	--	--	--	--	--
Insurance Expense-NCR	1,367,296	1,363,395	1,812,695	417,025	1,395,670	23.01
Insurance Expense-PY Adj	--	--	--	--	--	--
Utility - Operating-Rent	2,026	1,844	2,422	844	1,578	34.83
Advertising	100	--	100	--	100	--
Contract Services - Actuarial	5,425	4,700	5,967	--	5,967	--
Contract Services - Claim Audit	--	--	--	--	--	--
Contract Services	--	--	--	--	--	--
Audit Fees	775	687	750	351	400	46.73
Other Services/Operating Expenses	500	306	1,250	77	1,173	6.13
Capital Equipment/Depreciation	200	--	200	--	200	--
Repairs & Maintenance	175	--	175	--	175	--
Legal	100	--	500	--	500	--
Accounting Services	750	742	775	187	588	24.13
County Courier	200	194	210	--	210	--
Shredding	100	41	54	9	45	16.66
Copier & Scanner	100	--	100	--	100	--
Claims Administration Services	20,000	12,650	20,000	--	20,000	--
Self-Insurance Fee	--	--	--	--	--	--
Claims Paid-WC	--	--	--	--	--	--
Claims Paid-PL	100,000	57,219	100,000	25,687	74,313	25.69
Physical Abilities Testing	--	--	--	--	--	--
Training	--	--	--	--	--	--
First-Aid Program	--	--	--	--	--	--
Food Service Training	--	--	--	--	--	--
Special Ed Training	--	--	--	--	--	--
Incentives	--	--	--	--	--	--
Safety Inspections	12,446	12,446	12,446	--	12,446	--
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	--	60,981	--	(16,730)	16,730	--
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	1,550,033	1,564,001	2,001,505	438,614	1,562,891	21.91 %
Net Increase/(Decrease) from Operations	(70,291)	(89,495)	(73,364)	43,421	(116,785)	(59.19) %
Non Operating Income/(Expense)						
Interest Income	1,500	8,793	9,500	9	9,491	0.09
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--
Realized Gain/(Loss) on Investments	--	--	--	--	--	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	1,500	8,793	9,500	9	9,491	0.09 %
Net Increase/(Decrease) in Net Position	(68,791)	(80,702)	(63,864)	43,430	(107,294)	(68.00) %
Beginning Balance Prior Year End	207,692	207,692	126,990	126,990	--	100.00 %
Ending Balance, as of 09/30/2019	\$ 138,901	\$ 126,990	\$ 63,126	\$ 170,420	\$ (107,294)	

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Assets
Operations
As of 06/30/2019 and 09/30/2019

	Audited As of 06/30/2019	Activity 07/01/2019 - 09/30/2019	As of 09/30/2019
Assets:			
Current Assets			
Union Bank - Payroll #0176	\$ (4,671)	61,139	\$ 56,468
Union Bank Checking Account #1521	160,247	(33,474)	126,773
Cash and Cash Equivalents	<u>\$ 155,576</u>	<u>27,665</u>	<u>\$ 183,241</u>
Investments Morgan Stanley - current	--	--	--
Accounts Receivable	--	--	--
Prepaid Expense	9,360	(9,360)	--
Interfund Receivable/(payable)	<u>(153,406)</u>	<u>(19,087)</u>	<u>(172,493)</u>
Subtotal Current Assets	<u>11,530</u>	<u>(782)</u>	<u>10,748</u>
Noncurrent Assets			
Investments - Morgan Stanley	--	--	--
Capital - Equipment, net of depreciation	<u>1,779</u>	<u>(592)</u>	<u>1,187</u>
	<u>1,779</u>	<u>(592)</u>	<u>1,187</u>
Total Assets	<u>\$ 13,309</u>	<u>\$ (1,374)</u>	<u>\$ 11,935</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 16,861	\$ (781)	\$ 16,080
Prefunding deposits	--	--	--
Advance Contributions	--	--	--
Other Claim Liabilities	--	--	--
Current Portion of claims and claim adjustment	--	--	--
Subtotal Current Liabilities	<u>16,861</u>	<u>(781)</u>	<u>16,080</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	--	--	--
Subtotal Noncurrent Claim Liabilities	--	--	--
Net Pension Liability (NPL)	--	--	--
Total Liabilities	<u>\$ 16,861</u>	<u>\$ (781)</u>	<u>\$ 16,080</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>--</u>	<u>--</u>	<u>--</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	(5,331)	(1)	(5,332)
Designated - Capital Assets	<u>1,779</u>	<u>(592)</u>	<u>1,187</u>
Total Net Position	<u>\$ (3,552)</u>	<u>\$ (593)</u>	<u>\$ (4,145)</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 13,309</u>	<u>\$ (1,374)</u>	<u>\$ 11,935</u>

Alameda County Schools Insurance Group (ACSIG)

Operations

Statement of Revenues, Expenditures and Changes in Net Fund Assets

As of 09/30/2019 and For The Three Months Then Ended

	2018/2019		2019/2020				
	Budget	Actuals	Budget	Activity	Variance	Percentage	
				07/01/2019 - 09/30/2019		of Budget	
Operating Revenue:							
Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	--	%
	--	--	--	--	--	--	
Offset to Rent - Sub Lease	--	--	--	--	--	--	
Total Operating Revenue	--	--	--	--	--	--	
Operating Expenditures:							
Classified Salaries	--	--	--	--	--	--	
Statutory Benefits	--	--	--	--	--	--	
Health & Welfare	--	--	--	--	--	--	
Employer Tax Expense	--	--	--	--	--	--	
Net Pension Expense	--	--	--	--	--	--	
Telephone & Internet	--	--	--	--	--	--	
Supplies Office	--	--	--	--	--	--	
Supplies - Other	--	--	--	--	--	--	
Eligibility Processing	--	--	--	--	--	--	
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	
Brokerage Fees-Dental-MD	--	--	--	--	--	--	
Travel and Conferences	--	--	--	--	--	--	
Mileage	--	--	--	--	--	--	
Dues & Memberships	--	--	--	--	--	--	
Postage & Meter	--	--	--	--	--	--	
Insurance Expense	--	--	--	--	--	--	
	--	--	--	--	--	--	
Utility - Operating-Rent	--	--	--	--	--	--	
Advertising	--	--	--	--	--	--	
Contract Services - Actuarial	--	--	--	--	--	--	
Contract Services -Claim Audit	--	--	--	--	--	--	
Contract Services	--	--	--	--	--	--	
Audit Fees	--	--	--	--	--	--	
Other Services/Operating Expenses	--	--	--	--	--	--	
Capital Equipment/Depreciation	--	592	--	592	(592)	--	
Repairs & Maintenance	--	--	--	--	--	--	
Legal	--	--	--	--	--	--	
Accounting Services	--	--	--	--	--	--	
County Courier	--	--	--	--	--	--	
Shredding	--	--	--	--	--	--	
Copier & Scanner	--	--	--	--	--	--	
Claims Administration Services	--	--	--	--	--	--	
Self-Insurance Fee	--	--	--	--	--	--	
Claims Paid-WC	--	--	--	--	--	--	
Claims Paid-PL	--	--	--	--	--	--	
Physical Abilities Testing	--	--	--	--	--	--	
Training	--	--	--	--	--	--	
First-Aid Program	--	--	--	--	--	--	
Food Service Training	--	--	--	--	--	--	
Special Ed Training	--	--	--	--	--	--	
Incentives	--	--	--	--	--	--	
Safety Inspections	--	--	--	--	--	--	
Bank Charge & WC Penalty Reimb	--	--	--	--	--	--	
Cobra Premiums	--	--	--	--	--	--	
Dental Insurance Premiums	--	--	--	--	--	--	
Insurance - Vision	--	--	--	--	--	--	
Claim Development Expense	--	--	--	--	--	--	
ACA Fees	--	--	--	--	--	--	
Total Operating Expenditures	--	592	--	592	(592)	--	%
Net Increase/(Decrease)							
from Operations	--	(592)	--	(592)	592	--	%
Non Operating Income/(Expense)							
Interest Income	--	--	--	--	--	--	
Net Increase/(Decrease) in Fair Value	--	--	--	--	--	--	
Realized Gain/(Loss) on Investments	--	--	--	--	--	--	
Cumulative effect of GASB 68	--	--	--	--	--	--	
Interfund Transfer & YE Close	--	--	--	--	--	--	
Total Non Operating							
Income/(Expense)	--	--	--	--	--	--	%
Net Increase/(Decrease)							
in Net Position	--	(592)	--	(592)	592	--	%
Beginning Balance Prior							
Year End	(2,960)	(2,960)	(3,552)	(3,552)	--	100.00	%
Ending Balance, as of							
09/30/2019	\$ (2,960)	\$ (4,552)	\$ (3,552)	\$ (4,144)	\$ 592		

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2019

	Self-Insured Program Years													Totals to Page 7A
	1978/1979	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995		
Paid Claims	\$ 916,273	\$ 1,828,533	\$ 2,852,979	\$ 2,811,018	\$ 2,872,077	\$ 4,020,442	\$ 2,940,000	\$ 5,560,507	\$ 5,166,703	\$ 4,095,919	\$ 3,717,492	\$ 4,778,120	\$ 41,560,063	
Reserves	--	--	--	62,781	35,789	7,714	--	90,108	58,984	230,497	151,155	129,519	766,547	
Incurred Claims	916,273	1,828,533	2,852,979	2,873,799	2,907,866	4,028,156	2,940,000	5,650,615	5,225,687	4,326,416	3,868,647	4,907,639	42,326,610	
Incurred But Not Reported (IBNR)	--	--	37,021	176,201	32,134	11,844	--	39,385	104,313	63,584	179,353	182,361	826,196	
Non- Discounted Estimated Ultimate Incurred (1)	916,273	1,828,533	2,890,000	3,050,000	2,940,000	4,040,000	2,940,000	5,690,000	5,330,000	4,390,000	4,048,000	5,090,000	43,152,806	
Anticipated Investment Income (Discount) (2)	--	--	(2,480)	(19,119)	(5,977)	(1,878)	--	(11,136)	(15,840)	(31,173)	(38,339)	(38,049)	(163,991)	
Discounted Estimated Ultimate (1-2)	916,273	1,828,533	2,887,520	3,030,881	2,934,023	4,038,122	2,940,000	5,678,864	5,314,160	4,358,827	4,009,661	5,051,951	42,988,815	
Paid Claims	(916,273)	(1,828,533)	(2,852,979)	(2,811,018)	(2,872,077)	(4,020,442)	(2,940,000)	(5,560,507)	(5,166,703)	(4,095,919)	(3,717,492)	(4,778,120)	(41,560,063)	
Remaining Estimated Unpaid Claim Liabilities	\$ --	\$ --	\$ 34,541	\$ 219,863	\$ 61,946	\$ 17,680	\$ --	\$ 118,357	\$ 147,457	\$ 262,908	\$ 292,169	\$ 273,831	\$ 1,428,752	

(1) Per Bay Actuarial Consultants actuarial study dated February 2019.

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

Historical Discounted Estimated Ultimate Incurred:														
As of 06/30/2011	10	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	42,366,246
As of 06/30/2012	9	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	42,362,932
As of 06/30/2013	8	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	42,479,801
As of 06/30/2014	7	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	6	959,745	1,828,378	2,944,649	2,957,392	2,916,153	4,077,607	2,993,338	5,759,425	5,259,555	4,304,405	3,847,149	5,130,367	42,978,163
As of 06/30/2016	5	919,585	1,828,378	2,935,792	2,958,911	2,907,220	4,065,869	2,966,210	5,750,806	5,315,636	4,278,349	3,855,186	5,114,027	42,895,969
As of 06/30/2017	4	947,318	1,828,378	2,876,895	2,952,342	2,907,650	4,084,897	2,985,063	5,734,186	5,316,245	4,408,281	3,947,076	5,151,520	43,139,851
As of 06/30/2018	3	947,015	1,828,378	2,876,710	2,988,624	2,945,002	4,094,286	2,994,624	5,743,707	5,315,284	4,422,773	3,926,130	5,110,111	43,192,644
As of 06/30/2019	2	916,273	1,828,533	2,887,520	3,031,167	2,934,013	4,038,122	2,940,000	5,678,821	5,314,160	4,358,612	4,009,428	5,051,755	42,988,404
As of 06/30/2020	1	916,273	1,828,533	2,887,520	3,030,881	2,934,023	4,038,122	2,940,000	5,678,864	5,314,160	4,358,827	4,009,661	5,051,951	42,988,815
Increase/Decrease	--	--	--	--	(286)	10	--	--	43	--	215	233	196	411

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2019

	Totals From Page 7	Self-Insured Program Years							Totals To Page 7B
		1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	
Paid Claims	\$ 41,560,063	\$ 5,351,348	\$ 7,140,711	\$ 6,823,314	\$ 9,217,632	\$ 7,419,062	\$ 10,765,340	\$ 11,901,862	\$ 100,179,332
Reserves	766,547	218,589	258,507	251,084	821,883	458,170	398,367	357,783	3,530,930
Incurred Claims	<u>42,326,610</u>	<u>5,569,937</u>	<u>7,399,218</u>	<u>7,074,398</u>	<u>10,039,515</u>	<u>7,877,232</u>	<u>11,163,707</u>	<u>12,259,645</u>	<u>103,710,262</u>
Incurred But Not Reported (IBNR)	826,196	140,063	270,782	435,602	840,485	252,768	596,293	930,355	4,292,544
Non- Discounted Estimated Ultimate Incurred (1)	43,152,806	5,710,000	7,670,000	7,510,000	10,880,000	8,130,000	11,760,000	13,190,000	108,002,806
Anticipated Investment Income (Discount) (2)	(163,991)	(45,549)	(67,749)	(85,836)	(216,108)	(97,399)	(140,247)	(188,068)	(1,004,947)
Discounted Estimated Ultimate (1-2)	<u>42,988,815</u>	<u>5,664,451</u>	<u>7,602,251</u>	<u>7,424,164</u>	<u>10,663,892</u>	<u>8,032,601</u>	<u>11,619,753</u>	<u>13,001,932</u>	<u>106,997,859</u>
Paid Claims	<u>(41,560,063)</u>	<u>(5,351,348)</u>	<u>(7,140,711)</u>	<u>(6,823,314)</u>	<u>(9,217,632)</u>	<u>(7,419,062)</u>	<u>(10,765,340)</u>	<u>(11,901,862)</u>	<u>(100,179,332)</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ 1,428,752</u>	<u>\$ 313,103</u>	<u>\$ 461,540</u>	<u>\$ 600,850</u>	<u>\$ 1,446,260</u>	<u>\$ 613,539</u>	<u>\$ 854,413</u>	<u>\$ 1,100,070</u>	<u>\$ 6,818,527</u>

(1) Per Bay Actuarial Consultants actuarial study dated February 2019.

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

Historical Discounted Estimated Ultimate Incurred:										
As of 06/30/2011	10	42,366,246	5,721,425	7,145,019	7,440,306	11,250,829	8,670,787	13,295,238	12,326,440	108,216,290
As of 06/30/2012	9	42,362,932	5,641,456	7,470,783	7,427,596	11,162,085	8,724,801	11,904,345	13,678,790	108,372,788
As of 06/30/2013	8	42,479,801	5,833,514	7,743,609	7,798,325	11,018,070	9,598,230	12,098,931	13,618,383	110,188,863
As of 06/30/2014	7	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	6	42,978,163	5,752,631	7,584,812	7,808,635	10,993,497	8,806,657	11,818,771	13,083,683	108,826,849
As of 06/30/2016	5	42,895,969	5,607,306	7,562,358	7,660,593	11,011,641	8,642,537	11,753,128	12,959,861	108,093,393
As of 06/30/2017	4	43,139,851	5,583,200	7,705,812	7,670,526	10,717,018	8,299,131	11,947,119	13,121,523	108,184,180
As of 06/30/2018	3	43,192,644	5,757,037	7,747,776	7,706,207	10,642,853	8,365,742	11,833,334	12,979,529	108,225,122
As of 06/30/2019	2	42,988,404	5,664,384	7,601,234	7,424,100	10,662,982	8,032,099	11,618,299	13,001,162	106,992,664
As of 06/30/2020	1	42,988,815	5,664,451	7,602,251	7,424,164	10,663,892	8,032,601	11,619,753	13,001,932	106,997,859
Increase/Decrease		411	67	1,017	64	910	502	1,454	770	5,195

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Workers' Compensation
As of 09/30/2019

		Self-Insured Program Years								As of 09/30/2019 Totals	Activity	
		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	As of 06/30/2019 Totals		07/01/2018 - 09/30/2019	
Totals From Page 7A												
Paid Claims	\$ 100,179,332	\$ 10,337,975	\$ 6,037,710	\$ 5,527,606	\$ 8,650,694	\$ 8,572,128	\$ 8,512,348	\$ 8,880,179	\$ 156,697,972	\$ 156,609,402	\$ 88,570	
Reserves	3,530,930	109,296	150,466	270,069	674,825	355,926	345,740	223,689	5,660,941	5,735,697	(74,756)	
Incurred Claims	103,710,262	10,447,271	6,188,176	5,797,675	9,325,519	8,928,054	8,858,088	9,103,868	162,358,913	162,345,099	13,814	
Incurred But Not Reported (IBNR)	4,292,544	512,729	501,824	442,325	714,481	411,946	471,912	556,132	7,903,893	7,917,707	(13,814)	
Non- Discounted Estimated Ultimate Incurred (1)	108,002,806	10,960,000	6,690,000	6,240,000	10,040,000	9,340,000	9,330,000	9,660,000	170,262,806	170,262,806	- -	
Anticipated Investment Income												
(Discount) (2)	(1,004,947)	(92,060)	(98,496)	(109,709)	(213,953)	(124,395)	(134,095)	(132,570)	(1,910,225)	(1,923,341)	13,116	
Discounted Estimated Ultimate (1-2)	106,997,859	10,867,940	6,591,504	6,130,291	9,826,047	9,215,605	9,195,905	9,527,430	168,352,581	168,339,465	13,116	
Paid Claims	(100,179,332)	(10,337,975)	(6,037,710)	(5,527,606)	(8,650,694)	(8,572,128)	(8,512,348)	(8,880,179)	(156,697,972)	(156,609,402)	(88,570)	
Remaining Estimated Unpaid Claim Liabilities	\$ 6,818,527	\$ 529,965	\$ 553,794	\$ 602,685	\$ 1,175,353	\$ 643,477	\$ 683,557	\$ 647,251	\$ 11,654,609	\$ 11,730,063	\$ (75,454)	
(1) Per Bay Actuarial Consultants actuarial study dated February 2019.						Estimated Current Portion /Short-Term Liability (1)			(1,296,000)			
(2) Discounted at 2%, 06/30/2012, 1.5%, 06/30/2014, and 1.5%, 06/30/2015, 2016, 2017 & 09/30/2017. Effective 2018 1.75%.						Estimated Non-Current portion of Claim Liabilities			10,358,609			
Historical Discounted Estimated Ultimate Incurred:												
As of 06/30/2011	10	108,216,290	9,806,352	7,347,756	6,873,035	9,276,212	9,956,828	10,929,748	10,770,204	173,176,425		
As of 06/30/2012	9	108,372,788	11,103,705	7,180,516	6,779,730	9,113,232	10,061,847	10,833,352	11,378,258	174,823,428		
As of 06/30/2013	8	110,188,863	10,710,077	7,136,860	6,043,782	8,435,497	9,522,890	10,141,142	10,501,500	172,680,611		
As of 06/30/2014	7	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	6	108,826,849	10,457,705	6,920,842	6,214,866	10,347,509	9,539,023	9,859,233	10,469,961	172,635,988		
As of 06/30/2016	5	108,093,393	10,531,877	6,860,336	6,223,567	10,366,713	9,216,061	9,639,692	10,101,017	171,032,656		
As of 06/30/2017	4	108,184,180	10,716,918	6,817,755	5,896,649	10,214,975	9,198,996	9,520,490	9,943,375	170,493,338		
As of 06/30/2018	3	108,225,122	10,697,201	6,689,784	6,028,771	10,128,423	9,250,450	9,475,767	9,593,861	170,089,379		
As of 06/30/2019	2	106,992,664	10,865,794	6,590,938	6,129,435	9,825,431	9,213,395	9,194,958	9,526,850	168,339,465		
As of 06/30/2020	1	106,997,859	10,867,940	6,591,504	6,130,291	9,826,047	9,215,605	9,195,905	9,527,430	168,352,581		
Increase/Decrease		5,195	2,146	566	856	616	2,210	947	580	13,116		

Claim Development Expense		
Claim Liabilities	\$	(75,454)
ULAE		- -
Castlepoint		
Reinsurance		
Insolvency		0
	\$	(75,454)

Claim Development Expense		
Claim Liabilities	\$	(75,454)
ULAE		- -
Castlepoint		172,635,988
Reinsurance		
Insolvency		0
	\$	(75,454)

Alameda County Schools Insurance Group (ACSIG)
Schedule of Claim Liabilities for Property Liability
As of 09/30/2019

	Self-Insured Program Years										As of 09/30/2019	Activity	
	10 2010/2011	9 2011/2012	8 2012/2013	7 2013/2014	6 2014/2015	5 2015/2016	4 2016/2017	3 2017/2018	2 2018/2019	1 2019/2020		As of 06/30/2019	07/01/2018 - 09/30/2019
Paid Claims	\$ 33,141	\$ 96,543	\$ 125,045	\$ 20,000	\$ 18,078	\$ 52,777	\$ 20,000	\$ 44,939	\$ 31,553	\$ --	\$ 442,075	\$ 464,647	\$ (22,572)
Reserves	0	0	0	--	(0)	0	--	17,565	37,508	--	55,074	114,095	(59,021)
Incurred Claims	<u>33,141</u>	<u>96,543</u>	<u>125,045</u>	<u>20,000</u>	<u>18,078</u>	<u>52,777</u>	<u>20,000</u>	<u>62,504</u>	<u>69,061</u>	<u>--</u>	<u>497,149</u>	<u>578,742</u>	<u>(81,593)</u>
Incurred But Not Reported (IBNR)	--	--	--	--	--	(0)	--	11,988	19,949	50,000	81,937	39,392	42,545
Non- Discounted Estimated Ultimate Incurred (1)	33,141	96,543	125,045	20,000	18,078	52,777	(3 20,000	(3 74,492	(3 89,010	(3 50,000	579,086	618,134	(39,048)
Anticipated Investment Income (Discount) (2)	(0)	--	--	--	--	--	--	(247)	(690)	(600)	(1,538)	(1,284)	(254)
Discounted Estimated Ultimate (1-2)	<u>33,141</u>	<u>96,543</u>	<u>125,045</u>	<u>20,000</u>	<u>18,078</u>	<u>52,777</u>	<u>20,000</u>	<u>74,245</u>	<u>88,320</u>	<u>49,400</u>	<u>577,548</u>	<u>616,850</u>	<u>(39,302)</u>
Paid Claims	<u>(33,141)</u>	<u>(96,543)</u>	<u>(125,045)</u>	<u>(20,000)</u>	<u>(18,078)</u>	<u>(52,777)</u>	<u>(20,000)</u>	<u>(44,939)</u>	<u>(31,553)</u>	<u>--</u>	<u>(442,075)</u>	<u>(464,647)</u>	<u>22,572</u>
Remaining Estimated Unpaid Claim Liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,306</u>	<u>\$ 56,767</u>	<u>\$ 49,400</u>	<u>\$ 135,473</u>	<u>\$ 152,203</u>	<u>\$ (16,730)</u>
Estimated Current Portion /Short-Term Liability (1), paid claims factor of .65											(74,510)		
Estimated Non-Current portion of Claim Liabilities											<u>\$ 60,963</u>		

(1) Per Bay Actuarial Consultants actuarial study dated February 2019.

(2) Discounted at 1.0%.

(3) Not adjusted for negative IBNR, based upon Actuarial report, maybe adjusted at year end if incurred has not been reduced.

Historical Estimated Ultimate Incurred:											
As of 06/30/2011	80,193	--	--	--	--	--	--	--	--	--	80,193
As of 06/30/2012	80,193	77,802	--	--	--	--	--	--	--	--	157,995
As of 06/30/2013	62,638	115,793	108,539	--	--	--	--	--	--	--	286,970
As of 06/30/2014	37,638	100,792	148,539	111,900	--	--	--	--	--	--	398,869
As of 06/30/2015	33,141	96,543	126,562	20,863	32,843	--	--	--	--	--	309,952
As of 06/30/2016	33,141	96,543	126,562	20,863	7,843	25,000	--	--	--	--	309,952
As of 06/30/2017	33,141	96,543	125,045	20,000	18,078	51,345	54,069	--	--	--	398,221
As of 06/30/2018	33,141	96,543	125,045	20,000	18,078	72,777	40,968	63,000	--	--	469,552
As of 06/30/2019	33,141	96,543	125,045	20,000	18,078	72,777	20,000	94,492	99,010	--	579,086
As of 06/30/2019	33,141	96,543	125,045	20,000	18,078	52,777	20,000	74,492	89,010	50,000	579,086
Increase/Decrease	--	--	--	--	--	(20,000)	--	(20,000)	(10,000)	50,000	--

Claim Development Expense	
Claim Liabilities	\$ (16,730)
and ULAE	--
Increase	<u>\$ (16,730)</u>

California State Treasurer
Fiona Ma, CPA



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

October 03, 2019

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

ALAMEDA COUNTY SCHOOLS INSURANCE GROUP

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

[Tran Type](#)
[Definitions](#)

Account Number: 35-01-001

September 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,308,846.57
Total Withdrawal:	0.00	Ending Balance:	3,308,846.57



Alameda County Schools Insurance Group

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

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2019/2020 First Quarter Investment Report

Enclosed is ACSIG's 2019/2020 first quarter investment report. ACSIG's portfolio is benefiting from current market conditions with an increase in value this quarter. The Committee will discuss moving additional cash into the portfolio.

Cary Allison from Morgan Stanley Wealth Management will be in attendance to address this item and outline the current investment strategy as well as answer any questions you may have.

Morgan Stanley

October 8, 2019

ACSIG – Alameda County Schools Insurance Group

Dear Board:

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

Time Weighted Performance Summary (Net of fees) – September 30, 2019

Total Ending Value \$16,889,324.05

Rolling Periods

Quarter to Date	0.75%
Year to Date	3.35%
Last 12 Months	4.43%
Last 3 Years	1.32%
Last 5 Years	1.43%
Since 7/12/10 Inception (annualized %)	1.34%

Calendar Years

2019 YTD	3.35%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

Fiscal Years

2019-20 YTD	0.75%
2018-19	1.31%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

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

Please contact me with any questions.

Sincerely,



Cary M. Allison, CIMA®

Senior Institutional Consultant, U.S. Government Entity Specialist

www.morganstanley.com

cary.allison@morganstanley.com

ALLISON/PAYNE
Tel: 916-797-7700

Fixed Income Report

Prepared on October 08, 2019 for:

ACSIG - Alameda County Schools Ins Group

Account No. 171-XXX349

ALAMEDA COUNTY SCHOOLS INS GROUP

ATTENTION: KIMBERLY DENNIS

P O BOX 2487

DUBLIN CA 94568-0710

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Time Weighted Performance By Period - Advisory Assets Only	6
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Disclosures	14

Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

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

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

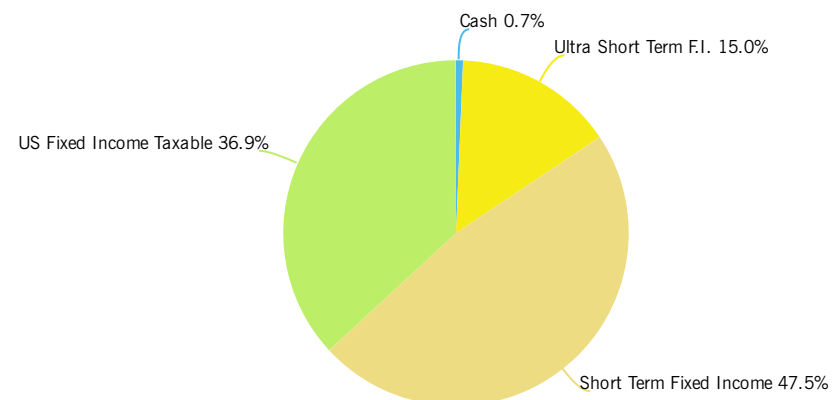
Account Name	Account Type/ Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
Alameda County Schools Ins Group	Western Asset - Gov Sec Mgmt 3 year CES	Advisory	171-XXX349	04/27/10	-

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.
All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

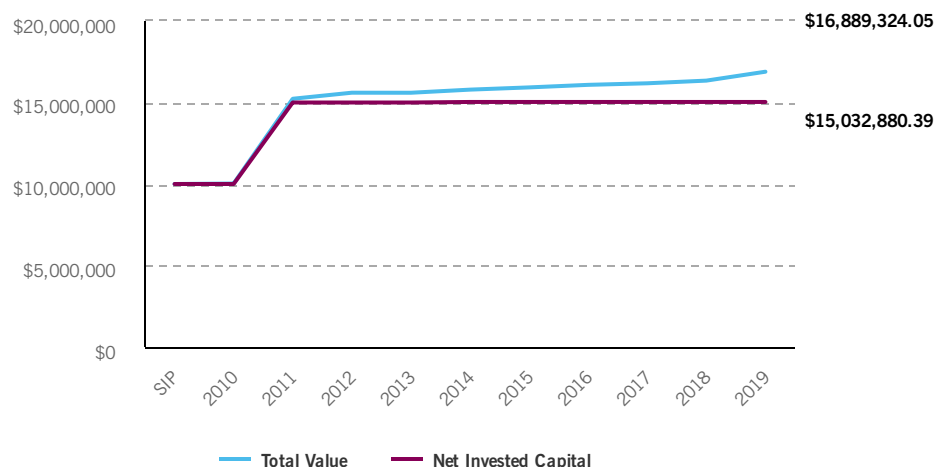
TWR % (NET OF FEES)

	Quarter to Date (\$) 06/30/19-09/30/19	Custom Period (\$) 06/30/19-09/30/19	Performance Inception (\$) 07/12/10-09/30/19
Beginning Total Value	16,762,783.74	16,762,783.74	9,999,850.00
Net Contributions/Withdrawals	2.33	2.33	5,033,030.39
Investment Earnings	126,537.97	126,537.97	1,856,443.66
Ending Total Value	16,889,324.05	16,889,324.05	16,889,324.05
TIME WEIGHTED RATE OF RETURN (Annualized for periods over 12 months)			
Return % (Net of Fees)	0.75	0.75	1.34
BC Gov 1-3 Yr	0.59	0.59	1.10
BC Gov/Cr 1-5 yr	0.89	0.89	1.92
Citi T-Bill 6 Month	0.60	0.60	0.61

ASSET ALLOCATION

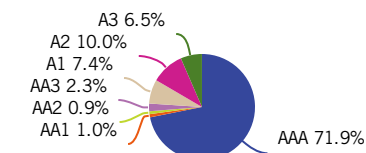


TOTAL VALUE VS. NET INVESTED CAPITAL

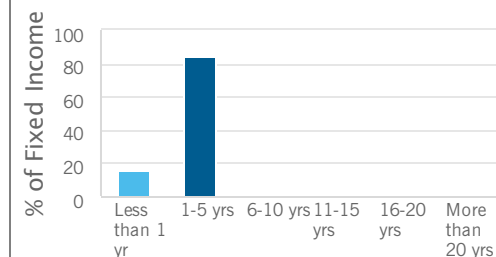


Does not include Performance Ineligible Assets.

FIXED INCOME QUALITY AND MATURITY



Moody's Rating	Total Value (\$)
AAA	12,057,322.31
AA1	162,181.79
AA2	147,568.79
AA3	391,098.88
A1	1,238,630.91
A2	1,685,071.74
A3	1,094,399.58
Total	16,776,274.04



	Par Value (\$)
Less than 1 yr	2,529,095.32
1-5 yrs	14,247,178.71
6-10 yrs	0.00
11-15 yrs	0.00
16-20 yrs	0.00
More than 20 yrs	0.00
Total	16,776,274.03

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

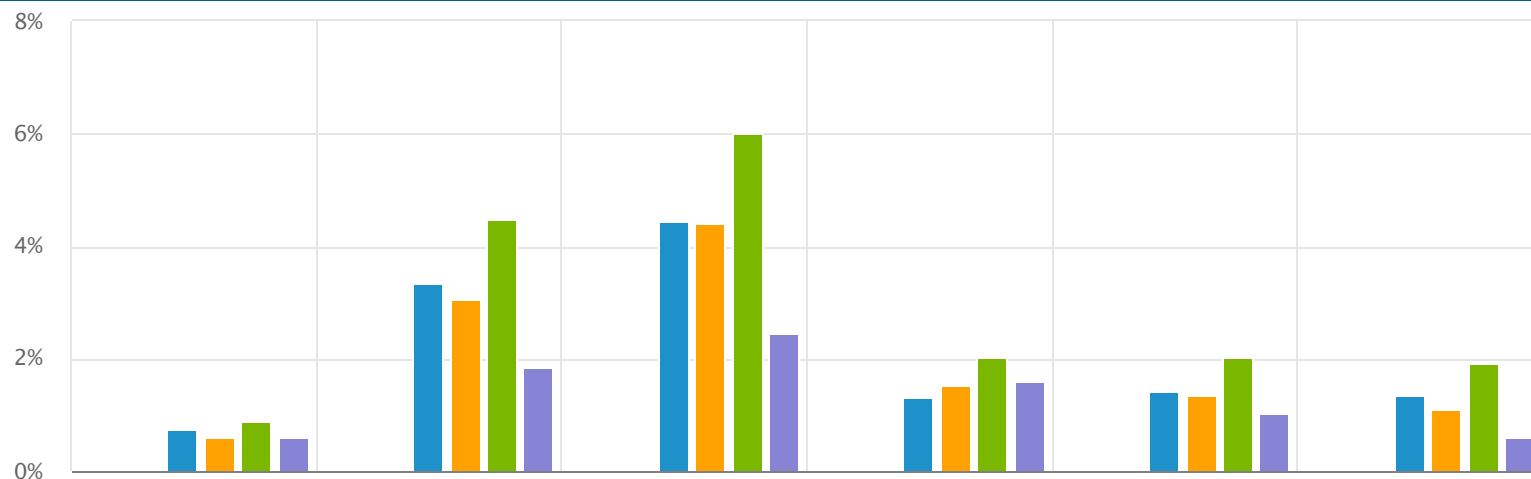
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE SUMMARY

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

As of September 30, 2019 | Reporting Currency: USD

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



	Quarter to Date 06/30/19 - 09/30/19	Year to Date 12/31/18 - 09/30/19	Last 12 Months 09/30/18 - 09/30/19	Last 3 Years 09/30/16 - 09/30/19	Last 5 Years 09/30/14 - 09/30/19	Performance Inception 07/12/10 - 09/30/19
Beginning Total Value (\$)	16,762,783.74	16,342,539.30	16,173,386.50	16,240,430.74	15,731,323.54	9,999,850.00
Net Contributions/Withdrawals (\$)	2.33	4.64	4.64	4.64	4.64	5,033,030.39
Investment Earnings (\$)	126,537.97	546,780.10	715,932.90	648,888.67	1,157,995.87	1,856,443.66
Ending Total Value (\$)	16,889,324.05	16,889,324.05	16,889,324.05	16,889,324.05	16,889,324.05	16,889,324.05
Return % (Net of Fees)	0.75	3.35	4.43	1.32	1.43	1.34
BC Gov 1-3 Yr (%)	0.59	3.07	4.42	1.54	1.34	1.10
BC Gov/Cr 1-5 yr (%)	0.89	4.48	6.01	2.01	2.01	1.92
Citi T-Bill 6 Month (%)	0.60	1.86	2.45	1.59	1.03	0.61

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

TIME WEIGHTED PERFORMANCE BY PERIOD - ADVISORY ASSETS ONLY

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

As of September 30, 2019 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS

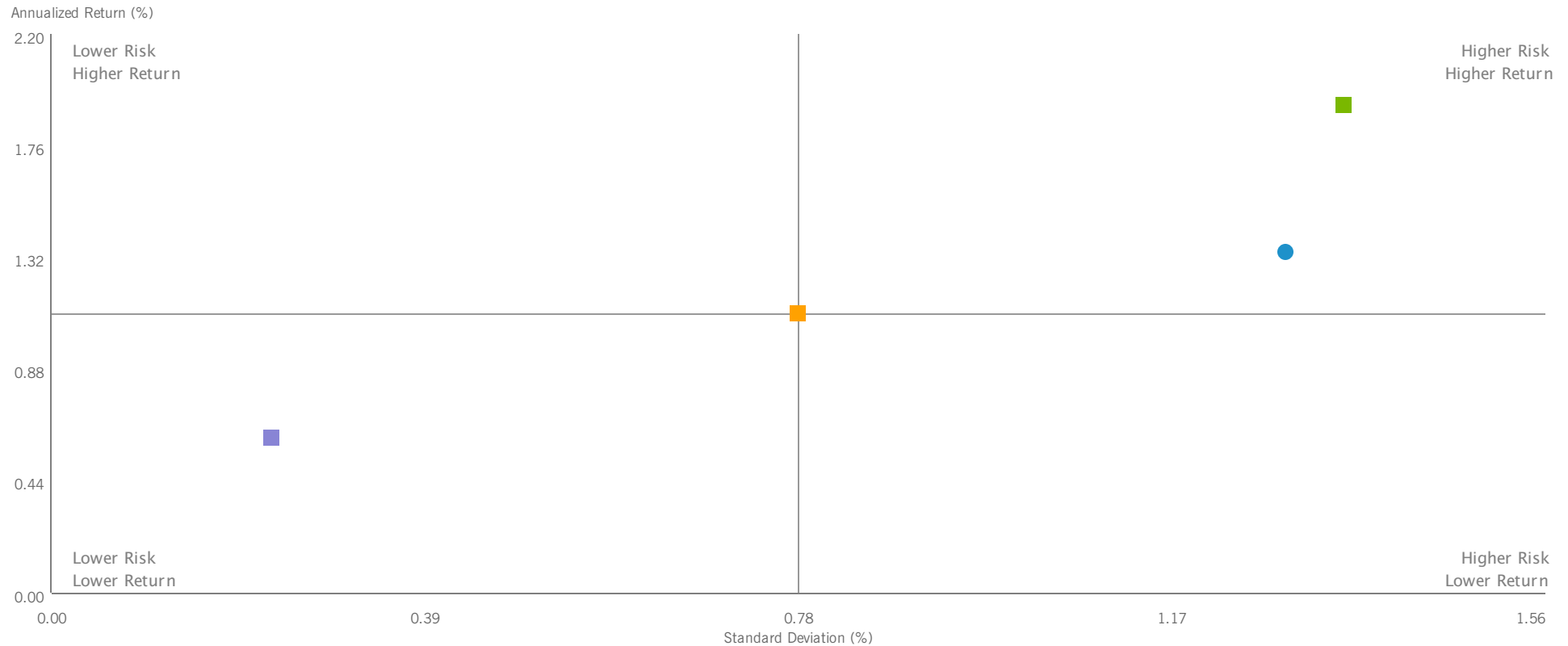
From 07/12/2010 - 09/30/2019

Period	Beginning Total Value (\$)	Net Contributions/ Withdrawals (\$)	Investment Earnings (\$)	Ending Total Value (\$)	Period Returns%			
					Portfolio (Net Of Fees)	BC Gov 1-3 Yr	BC Gov/Cr 1-5 yr	Citi T-Bill 6 Month
2019 (YTD)	16,342,539.30	4.64	546,780.10	16,889,324.05	3.35	3.07	4.48	1.86
2018	16,178,410.09	0.00	164,129.22	16,342,539.30	1.01	1.58	1.38	1.91
2017	16,082,980.87	0.00	95,429.22	16,178,410.09	0.59	0.45	1.27	0.88
2016	15,926,083.41	0.00	156,897.47	16,082,980.87	0.99	0.87	1.56	0.40
2015	15,789,357.87	0.00	136,725.54	15,926,083.41	0.87	0.57	0.97	0.10
2014	15,597,806.94	32,875.75	158,675.18	15,789,357.87	1.01	0.64	1.42	0.06
2013	15,600,964.10	0.00	-3,157.16	15,597,806.94	-0.03	0.37	0.28	0.10
2012	15,229,289.11	0.00	371,674.99	15,600,964.10	2.44	0.51	2.24	0.11
2011	10,028,996.97	5,000,000.00	200,292.14	15,229,289.11	1.91	1.56	3.14	0.14
2010 Performance Inception: 07/12/2010	9,999,850.00	150.00	28,996.97	10,028,996.97	0.29	0.53	1.03	0.11

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

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

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



The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

CORPORATE FIXED INCOME

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
3M CO	\$81,099.63	\$81,000.00	\$99.50	\$80,594.19	-\$445.99	1.63%	0.48%
	\$81,040.18			\$80,634.41		1.62%	
<i>Cusip: 88579YAU5, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/19/2021, Coupon: 1.625, Call Date: 8/19/2021, Call Price: 100.000, Accrued Interest: \$40.218</i>							
AMAZON.COM INC	121,238.64	123,000.00	101.64	125,017.20	3,778.56	2.36	0.75
	121,238.64			125,328.80		2.43	
<i>Cusip: 023135AW6, Moody's Rating: A3, S & P Rating: AA-, Maturity Date: 2/22/2023, Coupon: 2.400, Call Date: 1/22/2023, Call Price: 100.000, Accrued Interest: \$311.600</i>							
AMERICAN EXPRESS CREDIT CORP	162,308.79	159,000.00	101.74	161,769.78	944.83	2.65	0.97
	160,824.95			162,091.76		2.64	
<i>Cusip: 0258MOEG0, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 3/3/2022, Coupon: 2.700, Call Date: 1/31/2022, Call Price: 100.000, Accrued Interest: \$321.975</i>							
APPLE INC	161,204.46	157,000.00	102.27	160,568.61	1,170.72	2.63	0.97
	159,397.89			162,181.79		2.62	
<i>Cusip: 037833BF6, Moody's Rating: AA1, S & P Rating: AA+, Maturity Date: 5/13/2022, Coupon: 2.700, Accrued Interest: \$1613.175</i>							
BANK OF AMERICA CORP	161,382.40	160,000.00	100.64	161,016.00	496.71	2.60	0.97
	160,519.29			162,894.33		2.59	
<i>Cusip: 06051GFT1, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 10/19/2020, Coupon: 2.625, Accrued Interest: \$1878.333</i>							
BANK OF NEW YORK MELLON CORP/THE	163,529.85	165,000.00	102.70	169,448.40	5,918.55	2.87	1.02
	163,529.85			170,273.17		2.97	
<i>Cusip: 06406RAE7, Moody's Rating: A1, S & P Rating: A, Maturity Date: 1/29/2023, Coupon: 2.950, Call Date: 12/29/2022, Call Price: 100.000, Accrued Interest: \$824.769</i>							
BB&T CORP	80,095.73	79,000.00	100.06	79,050.56	-72.21	2.44	0.47
	79,122.77			79,453.79		2.41	
<i>Cusip: 05531FAS2, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 1/15/2020, Coupon: 2.450, Call Date: 12/15/2019, Call Price: 100.000, Accrued Interest: \$403.229</i>							
BB&T CORP	122,054.73	119,000.00	105.81	125,918.66	4,252.25	3.54	0.76
	121,666.41			127,331.79		3.65	
<i>Cusip: 05531FBF9, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 12/6/2023, Coupon: 3.750, Call Date: 11/6/2023, Call Price: 100.000, Accrued Interest: \$1413.125</i>							
BURLINGTON NORTHERN SANTA FE LLC	79,962.19	77,000.00	102.37	78,823.36	174.25	2.97	0.47
	78,649.11			78,921.21		2.93	
<i>Cusip: 12189LAH4, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 3/15/2022, Coupon: 3.050, Call Date: 12/15/2021, Call Price: 100.000, Accrued Interest: \$97.854</i>							
CATERPILLAR FINANCIAL SERVICESCORP	82,540.38	78,000.00	106.67	83,198.70	894.52	3.51	0.50
	82,304.18			84,222.45		3.54	
<i>Cusip: 14912L5X5, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/24/2023, Coupon: 3.750, Accrued Interest: \$1023.750</i>							
CHARLES SCHWAB CORP/THE	82,863.81	81,000.00	102.06	82,671.03	-70.44	3.18	0.50
	82,741.47			83,614.34		3.17	
<i>Cusip: 808513AW5, Moody's Rating: A2, S & P Rating: A, Maturity Date: 5/21/2021, Coupon: 3.250, Call Date: 4/21/2021, Call Price: 100.000, Accrued Interest: \$943.312</i>							

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

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
CHEVRON CORP	72,897.83	71,000.00	100.54	71,381.98	-114.65	2.40	0.43
	71,496.63			72,016.50		2.35	
<i>Cusip: 166764AY6, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 11/17/2020, Coupon: 2.419, Call Date: 10/17/2020, Call Price: 100.000, Accrued Interest: \$634.517</i>							
CHUBB INA HOLDINGS INC	123,061.95	121,000.00	100.32	121,390.83	-167.05	2.29	0.73
	121,557.88			122,527.22		2.26	
<i>Cusip: 00440EAT4, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/3/2020, Coupon: 2.300, Call Date: 10/3/2020, Call Price: 100.000, Accrued Interest: \$1136.391</i>							
CISCO SYSTEMS INC	80,907.57	83,000.00	101.24	84,025.05	3,117.48	2.17	0.50
	80,907.57			84,075.77		2.25	
<i>Cusip: 17275RBH4, Moody's Rating: A1, S & P Rating: AA-, Maturity Date: 9/20/2023, Coupon: 2.200, Call Date: 7/20/2023, Call Price: 100.000, Accrued Interest: \$50.722</i>							
COCA-COLA CO/THE	81,082.40	80,000.00	100.05	80,036.00	-234.60	1.87	0.48
	80,270.60			80,673.50		1.85	
<i>Cusip: 191216BT6, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 10/27/2020, Coupon: 1.875, Accrued Interest: \$637.500</i>							
COMCAST CORP	165,876.69	161,000.00	102.98	165,804.24	94.90	3.35	1.01
	165,709.34			168,566.06		3.35	
<i>Cusip: 20030NCQ2, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 10/1/2021, Coupon: 3.450, Accrued Interest: \$2761.820</i>							
COSTCO WHOLESALE CORP	81,574.40	80,000.00	99.93	79,946.40	-151.36	1.70	0.48
	80,097.76			80,343.07		1.67	
<i>Cusip: 22160KAF2, Moody's Rating: AA3, S & P Rating: A+, Maturity Date: 12/15/2019, Coupon: 1.700, Accrued Interest: \$396.666</i>							
EXXON MOBIL CORP	162,744.45	159,000.00	100.52	159,833.16	-328.35	2.21	0.95
	160,161.51			160,117.76		2.17	
<i>Cusip: 30231GAV4, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 3/1/2021, Coupon: 2.222, Call Date: 2/1/2021, Call Price: 100.000, Accrued Interest: \$284.600</i>							
GENERAL DYNAMICS CORP	162,630.40	160,000.00	104.64	167,417.60	5,176.80	3.22	1.01
	162,240.80			169,442.60		3.32	
<i>Cusip: 369550BD9, Moody's Rating: A2, S & P Rating: A+, Maturity Date: 5/15/2023, Coupon: 3.375, Call Date: 4/15/2023, Call Price: 100.000, Accrued Interest: \$2025.000</i>							
GILEAD SCIENCES INC	161,260.82	161,000.00	103.31	166,329.10	5,115.60	3.14	0.99
	161,213.50			166,750.61		3.24	
<i>Cusip: 375558BC6, Moody's Rating: A3, S & P Rating: A, Maturity Date: 9/1/2022, Coupon: 3.250, Call Date: 7/1/2022, Call Price: 100.000, Accrued Interest: \$421.506</i>							
HOME DEPOT INC	82,708.00	80,000.00	103.28	82,622.40	337.76	4.26	0.50
	82,284.64			84,372.62		4.26	
<i>Cusip: 437076AW2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 4/1/2021, Coupon: 4.400, Call Date: 1/1/2021, Call Price: 100.000, Accrued Interest: \$1750.222</i>							
INTEL CORP	166,687.24	166,000.00	101.15	167,900.70	1,269.58	2.32	1.01
	166,631.12			169,406.92		2.34	
<i>Cusip: 458140BB5, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 5/11/2022, Coupon: 2.350, Call Date: 4/11/2022, Call Price: 100.000, Accrued Interest: \$1506.219</i>							

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

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
INTERCONTINENTAL EXCHANGE INC	82,586.60	79,000.00	107.11	84,616.90	2,363.84	3.73	0.51
	82,253.06			86,065.23		3.82	
Cusip: 45866FAA2, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/15/2023, Coupon: 4.000, Accrued Interest: \$1448.333							
INTERCONTINENTAL EXCHANGE INC	162,620.70	165,000.00	100.86	166,419.00	3,798.30	2.32	0.99
	162,620.70			166,580.56		2.37	
Cusip: 45866FAE4, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/15/2022, Coupon: 2.350, Call Date: 8/15/2022, Call Price: 100.000, Accrued Interest: \$161.561							
JOHN DEERE CAPITAL CORP	163,942.38	158,000.00	106.54	168,333.20	4,980.47	3.42	1.02
	163,352.73			171,024.47		3.51	
Cusip: 24422EUM9, Moody's Rating: A2, S & P Rating: A, Maturity Date: 10/12/2023, Coupon: 3.650, Accrued Interest: \$2691.266							
JPMORGAN CHASE & CO	160,541.52	148,000.00	103.93	153,819.36	328.81	4.45	0.93
	153,490.55			156,481.30		4.26	
Cusip: 46625HHZ6, Moody's Rating: A2, S & P Rating: A-, Maturity Date: 5/10/2021, Coupon: 4.625, Accrued Interest: \$2661.944							
ORACLE CORP	80,280.59	79,000.00	101.22	79,963.01	220.42	2.46	0.48
	79,742.59			80,703.64		2.45	
Cusip: 68389XBB0, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 5/15/2022, Coupon: 2.500, Call Date: 3/15/2022, Call Price: 100.000, Accrued Interest: \$740.625							
PEPSICO INC	82,929.42	81,000.00	102.13	82,727.73	-91.55	2.93	0.50
	82,819.28			82,963.98		2.92	
Cusip: 713448BW7, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 8/25/2021, Coupon: 3.000, Accrued Interest: \$236.249							
PNC FINANCIAL SERVICES GROUP INC/THE	158,731.86	142,000.00	101.07	143,517.98	123.27	5.07	0.86
	143,394.71			144,569.17		4.58	
Cusip: 693476BJ1, Moody's Rating: A3, S & P Rating: A-, Maturity Date: 2/8/2020, Coupon: 5.125, Accrued Interest: \$1051.193							
PRAXAIR INC	82,820.88	81,000.00	101.96	82,590.03	-132.45	2.94	0.49
	82,722.48			82,785.78		2.93	
Cusip: 74005PAZ7, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/1/2021, Coupon: 3.000, Accrued Interest: \$195.749							
PROCTER & GAMBLE CO/THE	151,176.89	149,000.00	99.98	148,964.24	-75.03	1.90	0.90
	149,039.27			150,135.96		1.87	
Cusip: 742718EGO, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 11/1/2019, Coupon: 1.900, Accrued Interest: \$1171.718							
PRUDENTIAL FINANCIAL INC	83,262.84	79,000.00	104.89	82,866.26	-144.62	4.29	0.50
	83,010.88			84,189.51		4.27	
Cusip: 74432QBT1, Moody's Rating: A3, S & P Rating: A, Maturity Date: 11/16/2021, Coupon: 4.500, Accrued Interest: \$1323.249							
STATE STREET CORP	83,039.58	78,000.00	106.54	83,100.42	102.82	3.47	0.50
	82,997.60			84,142.59		3.47	
Cusip: 857477AM5, Moody's Rating: A1, S & P Rating: A, Maturity Date: 11/20/2023, Coupon: 3.700, Accrued Interest: \$1042.167							

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

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

CORPORATE FIXED INCOME (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
STATE STREET CORP	72,450.70	70,000.00	100.47	70,330.40	-198.88	2.53	0.42
	70,529.28			70,538.65		2.46	
Cusip: 857477AS2, Moody's Rating: A1, S & P Rating: A, Maturity Date: 8/18/2020, Coupon: 2.550, Accrued Interest: \$208.250							
TARGET CORP	79,705.05	73,000.00	101.53	74,113.25	-190.07	3.81	0.45
	74,303.32			74,702.57		3.54	
Cusip: 87612EAV8, Moody's Rating: A2, S & P Rating: A, Maturity Date: 7/15/2020, Coupon: 3.875, Accrued Interest: \$589.322							
TEXAS INSTRUMENTS INC	167,448.27	163,000.00	102.78	167,524.88	109.67	2.55	1.01
	167,415.21			169,129.41		2.55	
Cusip: 882508BB9, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 5/15/2024, Coupon: 2.625, Call Date: 3/15/2024, Call Price: 100.000, Accrued Interest: \$1604.531							
UNITEDHEALTH GROUP INC	120,699.04	118,000.00	100.56	118,660.80	110.70	2.68	0.71
	118,550.10			119,324.55		2.64	
Cusip: 91324PCM2, Moody's Rating: A3, S & P Rating: A+, Maturity Date: 7/15/2020, Coupon: 2.700, Accrued Interest: \$663.749							
US BANCORP	165,393.90	162,000.00	102.40	165,886.38	814.04	2.92	0.99
	165,072.34			166,088.88		2.93	
Cusip: 91159HHC7, Moody's Rating: A1, S & P Rating: A+, Maturity Date: 3/15/2022, Coupon: 3.000, Call Date: 2/15/2022, Call Price: 100.000, Accrued Interest: \$202.500							
VISA INC	160,184.55	159,000.00	100.37	159,589.89	184.77	2.19	0.96
	159,405.12			160,619.86		2.18	
Cusip: 92826CAB8, Moody's Rating: AA3, S & P Rating: AA-, Maturity Date: 12/14/2020, Coupon: 2.200, Call Date: 11/14/2020, Call Price: 100.000, Accrued Interest: \$1029.965							
WALMART INC	80,517.18	74,000.00	101.27	74,941.28	-387.04	3.57	0.45
	75,328.32			75,552.29		3.32	
Cusip: 931142CU5, Moody's Rating: AA2, S & P Rating: AA, Maturity Date: 7/8/2020, Coupon: 3.625, Accrued Interest: \$611.014							
WALT DISNEY CO/THE	78,557.70	78,000.00	100.22	78,170.04	54.42	2.14	0.47
	78,115.62			78,230.60		2.13	
Cusip: 25468PDE3, Moody's Rating: A2, S & P Rating: A, Maturity Date: 9/17/2020, Coupon: 2.150, Accrued Interest: \$60.558							
Corporate Fixed Income Total	\$4,856,602.01	\$4,737,000.00		\$4,840,899.00	\$43,129.75		29.08%
	\$4,797,769.25			\$4,879,069.45			

GOVERNMENT SECURITIES

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN BK	\$650,447.75	\$655,000.00	\$99.03	\$648,653.05	-\$1,794.70	1.13%	3.88%
	\$650,447.75			\$650,208.67		1.13%	
Cusip: 3130A8QS5, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 7/14/2021, Coupon: 1.125, Accrued Interest: \$1555.618							

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

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

GOVERNMENT SECURITIES (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
FED HOME LN MTG CORP	505,965.00	500,000.00	99.71	498,530.00	-2,415.90	1.37	2.99
	500,945.90			501,375.49		1.35	
<i>Cusip: 3137EADR7, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 5/1/2020, Coupon: 1.375, Accrued Interest: \$2845.485</i>							
FED HOME LN MTG CORP	485,131.79	481,000.00	100.00	480,985.57	-18.28	1.25	2.89
	481,003.85			483,958.42		1.24	
<i>Cusip: 3137EADM8, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 10/2/2019, Coupon: 1.250, Accrued Interest: \$2972.845</i>							
FED NATL MTG ASSN	823,840.52	818,000.00	103.77	848,838.60	25,550.76	2.40	5.08
	823,287.84			851,962.90		2.47	
<i>Cusip: 3135GOV34, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 2/5/2024, Coupon: 2.500, Accrued Interest: \$3124.302</i>							
FED NATL MTG ASSN	365,841.00	360,000.00	104.80	377,276.40	12,104.09	2.74	2.25
	365,172.31			377,793.90		2.83	
<i>Cusip: 3135GOU43, Moody's Rating: AAA, S & P Rating: AA+, Maturity Date: 9/12/2023, Coupon: 2.875, Accrued Interest: \$517.500</i>							
UNITED STATES TREASURY NOTE	672,680.89	673,000.00	99.57	670,106.10	648.75	1.38	4.00
	669,457.35			670,910.77		1.38	
<i>Cusip: 912828L32, Moody's Rating: AAA, Maturity Date: 8/31/2020, Coupon: 1.375, Accrued Interest: \$804.672</i>							
UNITED STATES TREASURY NOTE	1,011,248.45	1,008,000.00	100.14	1,009,421.28	-1,628.39	1.74	6.03
	1,011,049.67			1,012,345.30		1.74	
<i>Cusip: 9128287F1, Moody's Rating: AAA, Maturity Date: 7/31/2021, Coupon: 1.750, Accrued Interest: \$2924.016</i>							
UNITED STATES TREASURY NOTE	1,004,245.25	992,000.00	101.90	1,010,867.84	7,270.23	1.96	6.08
	1,003,597.61			1,019,116.53		1.97	
<i>Cusip: 912828X70, Moody's Rating: AAA, Maturity Date: 4/30/2024, Coupon: 2.000, Accrued Interest: \$8248.688</i>							
UNITED STATES TREASURY NOTE	882,694.40	878,000.00	100.40	881,468.10	-1,011.52	1.74	5.27
	882,479.62			884,683.06		1.74	
<i>Cusip: 9128287C8, Moody's Rating: AAA, Maturity Date: 7/15/2022, Coupon: 1.750, Accrued Interest: \$3214.955</i>							
UNITED STATES TREASURY NOTE	752,343.61	748,000.00	100.35	750,632.96	689.26	1.99	4.48
	749,943.70			751,865.93		1.99	
<i>Cusip: 912828B90, Moody's Rating: AAA, Maturity Date: 2/28/2021, Coupon: 2.000, Accrued Interest: \$1232.966</i>							
UNITED STATES TREASURY NOTE	960,631.49	955,000.00	100.70	961,675.45	1,996.78	1.98	5.78
	959,678.67			969,616.48		1.98	
<i>Cusip: 912828F96, Moody's Rating: AAA, Maturity Date: 10/31/2021, Coupon: 2.000, Accrued Interest: \$7941.026</i>							
UNITED STATES TREASURY NOTE	410,990.32	426,000.00	99.27	422,890.20	11,899.88	1.38	2.53
	410,990.32			424,354.58		1.42	
<i>Cusip: 912828S35, Moody's Rating: AAA, Maturity Date: 6/30/2023, Coupon: 1.375, Accrued Interest: \$1464.375</i>							

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

POSITIONS: FIXED INCOME DETAIL

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

As of September 30, 2019 | Reporting Currency: USD

GOVERNMENT SECURITIES (Continued)

Security Description	Original Cost / Adjusted Cost	Face Value	Current Price	Market Value / Total Value	Unrealized Gain/Loss	Current Yield / Yield on Cost	% of Fixed Income
UNITED STATES TREASURY NOTE	752,569.65 750,491.83	717,000.00	105.24	754,556.46 761,427.71	4,064.63	2.73 2.74	4.54
Cusip: 9128285P1, Moody's Rating: AAA, Maturity Date: 11/30/2023, Coupon: 2.875, Accrued Interest: \$6871.248							
UNITED STATES TREASURY NOTE	1,016,320.31 1,013,591.27	1,016,000.00	99.48	1,010,686.32 1,013,002.00	-2,904.95	1.38 1.37	6.04
Cusip: 912828N89, Moody's Rating: AAA, Maturity Date: 1/31/2021, Coupon: 1.375, Accrued Interest: \$2315.677							
UNITED STATES TREASURY NOTE	795,679.59 795,592.14	794,000.00	100.53	798,184.38 800,487.62	2,592.24	1.74 1.75	4.77
Cusip: 912828P38, Moody's Rating: AAA, Maturity Date: 1/31/2023, Coupon: 1.750, Accrued Interest: \$2303.243							
UNITED STATES TREASURY NOTE	701,117.76 701,117.76	707,000.00	102.42	724,095.26 724,095.26	22,977.50	2.07 2.14	4.32
Cusip: 912828W71, Moody's Rating: AAA, Maturity Date: 3/31/2024, Coupon: 2.125							
Government Securities Total	\$11,791,747.78 \$11,768,847.59	\$11,728,000.00		\$11,848,867.97 \$11,897,204.59	\$80,020.38		70.92%

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

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

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

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

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-".

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Money Market Fund: You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as

such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

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

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

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Bank Deposit Program: Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (<https://www.fdic.gov/deposit/deposits/>). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

GENERAL DEFINITIONS

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

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

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

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

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA) reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

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

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

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

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

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

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

BENCHMARK DEFINITIONS

BC Gov 1-3 Yr: The Barclays 1-3 Year Government Bond Index is composed of government bonds with maturities between one and three years.

BC Gov/Cr 1-5 yr: The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. This index is the 1-5 Yr component of the U.S. Government/Credit index.

Citi T-Bill 6 Month: Citigroup T-Bill 6 Month



Alameda County Schools Insurance Group
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Fax (925) 225-0653
www.acsig.com

EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: FBC Partnership

The San Diego County Dental Coalition named FBC (Fringe Benefit Committee) has voted to join ACSIG and allow all members to enjoy a lower Delta Dental administration fee. This project has been in the works for almost 2 years and all the specifics have all been discussed and resolved. Delta Dental has agreed to recognize the enclosed agreement between ACSIG and the FBC and a cooperative agreement which will enable both groups to benefit from a combined enrollment number.

Enrollment for ACSIG had fallen slightly below 100,000 so the admin fee for all ACSIG members and FBC members will now be 5.84%

The Executive Director will review this contract with the Board and answer any questions you may have.

**A JOINT POWERS AGREEMENT
FOR THE
GROUP PURCHASE OF
ADMINISTRATIVE SERVICES**

Alameda County Schools Insurance Group, a California joint powers authority, and San Diego and Imperial County Schools Fringe Benefit Consortium Insurance Services, LLC, hereinafter referred to as SDCSFBC, also a California joint powers authority, enter into this agreement to jointly purchase administration for their self-funded dental benefits programs.

WHEREAS, each of the parties to this Agreement have a self-funded dental benefits program provided to its members and their employees;

WHEREAS, each party currently purchases administration services for their separate dental benefit programs;

WHEREAS, it is to the mutual benefit of the parties herein, and in the best public interest of said parties to jointly purchase the needed administration services;

WHEREAS, the California Government Code allows public entities to enter into joint purchasing agreements for services, and California Government Code Section 6506 provides that one of the parties may execute the agreement and designate one or more of the parties to provide services to the other party as provided in the agreement;

WHEREAS, California Government Code Section 6506 also allows the parties to enter into the agreement to provide the mutual exchange of services without compensation; and

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, EACH OF THE PARTIES AGREE AS FOLLOWS:

ARTICLE I

PURPOSE

The purposes of this Agreement shall be to provide the parties to this Agreement, hereinafter referenced as "Parties" or "Party", a means to obtain administration services in an efficient and effective manner through the joint purchase of administrative services including, but will not be limited to, enrollment, reporting, and claims adjusting.

ARTICLE II

SERVICE PROVIDER CONTRACT

Alameda County Schools Insurance Group shall negotiate with service providers for administrative services of self-funded dental benefits programs. Alameda County Schools Insurance Group shall develop and present the final contract for such services to SDCSFBC for prior written approval of the contract. Upon approval by SDCSFBC, Alameda County Schools Insurance Group will contract for the services for both Parties. Should SDCSFBC not approve the proposed contract in its sole discretion, the Alameda County Schools Insurance Group may enter into the contract individually and not for any other party.

ARTICLE III

ALLOCATION OF CONTRACT COSTS

If the contract does not specify the amounts owed by the Parties, the Parties shall agree as to an allocation of costs in writing between themselves fairly reflective of their proportionate obligations prior to entering into a contract with the service provider. Such allocation agreements once signed shall be considered part of this agreement and referenced as an amendment and enforceable in a court of law.

ARTICLE IV

PARTIES OBLIGATIONS

Each Party shall be responsible to cooperate fully with the other party in providing information necessary for effective negotiations of administrative services and promptly pay the amounts due by each party as defined in the contract for administrative services or as agreed to pursuant to Article III.

SDCSFBC shall pay to Alameda County Schools Insurance Group any amounts owed by the administrative service contract and not paid directly to the service provider subject to any agreement pursuant to Article III.

The Parties agree to pay equal shares of the reasonable and necessary costs incurred in the administration of this Agreement unless otherwise agreed in writing between them.

ARTICLE V

CONTRACT TERMINATION

This contract may be terminated coincident with the termination of a contract for administrative services by either party. The Party desiring to terminate the contract must provide in writing its wishes to terminate this Agreement at least ninety calendar days in advance of such termination.

ARTICLE VI

COLLECTION AND DISBURSEMENT OF FUNDS

If funds are due and payable under the administrative service contract and the contractor of such services will only accept payment from one party to this Agreement, Alameda County Schools Insurance Group shall collect the funds from SDCSFBC and disburse the funds to the contractor.

ARTICLE VII

INDEMNIFICATION

Neither Party shall be liable to the other Party for failure to jointly contract for administrative services. With both Parties having an opportunity to review, approve and sign the contract prior to it being in force, neither Party shall be obligated to approve and sign the contract, provided that if signed by both Parties that each shall be responsible for performance of the terms agreed upon.

Each Party shall indemnify, hold harmless and defend the other Party, if agents, employee, successors, officers and directors against any and all loss, damage, fines, liability, costs or expenses, including reasonable attorney fees and cost that the other Party may become obligated to pay because of, and to the extent attributable to, its negligent or wrongful acts or omissions, including breach of this Agreement or any jointly signed contract for administrative services.

ARTICLE VIII NOTICES

Notices to Parties under this Agreement shall be sufficient if sent via email at the emails listed below and concurrently by USPS First Class Mail to the addresses listed below. However, emails must have a means of proving the email was actually received.

Party: Alameda County Schools Insurance Group Attn: _____ Title: _____ Address: _____ _____ City: _____ State: _____ Email: _____	Party: San Diego and Imperial County Schools Fringe Benefit Consortium Insurance Services, LLC aka Fringe Benefit Consortium Attn: <u>Steven Salvati</u> Title: <u>Executive Director</u> Address: <u>Fringe Benefits Consortium, SDCOE</u> <u>6401 Linda Vista Rd, #505</u> City: <u>San Diego</u> State: <u>CA</u> Email: <u>steven.salvati@sdcoe.net</u>
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ARTICLE IX

PROHIBITION AGAINST ASSIGNMENT

No Party may assign or transfer any right, claim or interest it may have under this Agreement.

ARTICLE X

AMENDMENTS

This Agreement may be amended by mutual written consent to such amendment of the Parties and signed by both Parties.

ARTICLE XI

SEVERABILITY

Should any portion, term, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ARTICLE XII

AGREEMENT COMPLETE

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE XII

EXECUTION AUTHORITY

Each signatory Party below represents and warrants that its governing Board or Committee has, by Resolution or other action in Open Session in a meeting noticed and conducted in conformance with the Ralph M. Brown Act approved entry into this Agreement and authorized its signatory representative to sign on its behalf.

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement as of the 28th day of June, 2019.

Party: Alameda County Schools Insurance Group By: _____ Title: _____ Date: _____	Party: San Diego and Imperial County Schools Fringe Benefit Consortium Insurance Services, LLC aka Fringe Benefit Consortium By: _____ Title: <u>President</u> Date: <u>June 28, 2019</u>
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ARTICLE XII

EXECUTION AUTHORITY

Each signatory Party below represents and warrants that its governing Board or Committee has, by Resolution or other action in Open Session in a meeting noticed and conducted in conformance with the Ralph M. Brown Act approved entry into this Agreement and authorized its signatory representative to sign on its behalf.

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement as of the 28th day of June, 2019.

Party: Alameda County Schools Insurance Group By: _____ Title: _____ Date: _____	Party: San Diego and Imperial County Schools Fringe Benefit Consortium Insurance Services, LLC aka Fringe Benefit Consortium By: <u>Ei Jan</u> Title: <u>President</u> Date: <u>June 28, 2019</u>
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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: Strategic Planning 2019/2020

The Executive Committee will be holding its Strategic Planning session on December 19, 2019. The majority of the items identified in the 2018 Strategic plan have been completed or are in process. A copy is enclosed for your information.

ACSIG is now in a financial position to discuss program enhancements for the Workers' Compensation program. Additionally, the Dental and Vision funds show improved net position. The challenge currently facing ACSIG is within the Property/Liability program. Rates are increasing, renewals are challenging and there are new legislative changes that could negatively impact members. All these items will be discussed at the meeting.

***Update 10/31/2019
Strategic Planning 2018***

I. Risk Management Incentive Programs

Shoes for Crews continued into 2019/20 for all food service workers. ACSIG will consider expanding the program into custodial departments

Budgeting \$200,000 for implementation of JPA-wide EAP program.

ACSIG continues to pay all First-Aid costs directly outside of the PIPS program which allows our ex-mod within PIPS to be very competitive.

Continued research for innovative programs which can improve service offerings and save moneys.

II. Service Team Identified Areas for Improvement

a. TTD/Return to Work

Each member's cost of TTD is now shared with members at file reviews as well as how those costs are trending over a 5-year period.

Michael Clark also shares statistics with regard to what percentage of the JPA the member consists of compared to the percentage of TTD paid JPA wide. This helps membership see how they compare to the other members of the JPA.

The Spring Lunch & Learn focused on return to work and another Lunch & Learn is scheduled for October 30 and is focused on Workers Comp 101

b. Training

The service team is now asking Board members to incorporate department heads in an annual meeting where loss information can be shared as well as paired with available training opportunities provided at no additional cost to members.

III. ACSIG Areas of Improvement

Over the next 2 years, the following were identified as initiatives:

1. Add Workers' Compensation related items to the HR Advisory Committee agendas as appropriate. Additionally, make contact with Countywide HR administrators to attend their meetings on a more regular basis.

An HR meeting was held January 17, 2019. WC related issues were brought forward by Kimberly as well as potential areas to involve HR administrators in liability /wc related issues.

An additional HR meeting was held September 4, 2019 and the Micro-learning series of trainings was discussed as were employment practice issues facing members.

2. Full implementation of Retirement Education Initiative.

A training was held in October with CalPERS. Due to the overwhelming success, additional trainings were requested. Through cooperation with CalPERS and in an effort to make the training as effective as possible, CalPERS has requested that each District request individualized trainings. Kimberly will help each member with the facilitation of each training.

3. Review Wellness program opportunities within each agencies Health program.

Kimberly is currently researching with each member agency

4. Expand and Educate members about the Post Offer/Pre Placement Program

Program expanded to Castro Valley Unified in October 2018. This is our first "merit" district to implement and we have had no issues with unions. The service team is currently working with New Haven for implementation. San Leandro has expressed interest in the program. Program currently operational in Albany USD and Piedmont USD.

5. Research which JPA members have EAP programs and what available vendor there are in our area as well as the cost associated with the program.

Very few of the Alameda districts offer an EAP program. Kimberly is researching available EAP programs for ACSIG members with a goal of implementing a JPA-wide program to assist members with employee needs as well as reducing costs for workers' compensation claims with psychological components.

Currently proposing \$200,000 in the budget to begin implementation of the program in 2019/20.

5 agencies identified in Pilot Program.

Fremont
San Leandro
Tri-Valley ROP
Piedmont
Pleasanton

Due to the size of the proposed group, ACSIG is currently out for RFP. RFP closes Nov 1 and potential vendors will be reviewed on November 4, 2019 with possible implementation January 1, 2020.

6. Research Fitness for Duty Options

- a. Board Policies
- b. Trigger Parameters
- c. Who uses and How

7. Improve Special Education training to include 3 real life scenarios outlining what occurred and what could have been improved.

Special Education training module has been updated and is currently available to member agencies.

8. Schedule an annual Board/HR meeting to review JPA related items attributable to both departments.

Kimberly will be added to the County HR committee agenda 2 to 3 times per year to poll the committee to seek training opportunities as well as to share trend data and new program education.

Kimberly is discussed the lack of response from ACOE with Raul and hopefully will be able to attend meetings in the future.

9. Research available job faire options for classified employees

Keenan Service Team has participated in several job fairs throughout the County representing ACSIG programs and available services.

10. Greater involvement with members/Improved Board Meeting experience

- a. Fewer changes to meeting dates/times
- b. Better notification when there is a meeting date/time change
- c. Send calendar invites for meeting with location address in invite

- d. Research Brown Act requirements for meeting utilizing Conference Call options
- e. Correct address for all membership
- f. Better use of alternates
- g. Put page numbers on the agenda
- h. Send reminder of meetings
- i. Raffle prizes

Hopefully the Executive Committee and Board have seen improvement in this area. Additional improvement will be discussed at next Strategic Planning Session.



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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2019-2020 Workers' Compensation Rates.

Enclosed please find the final workers' compensation rates for 2019-2020. These rates have been adjusted to incorporate the actuary's estimate for experience modification factors.

Historically, ACSIG experience modification factors were not "re-benched" to 1.00. The result was program underfunding. In 2007, the Board began addressing this underfunding by incrementally increasing the ex-mods toward the actuarially determined amount. This deficit was finally eliminated in 2016/2017. Beginning in 2013-14, the pure ex-mod as calculated by the actuary was applied to rates. The Workers' Compensation program continues to maintain a positive fund balance. This is projected to continue into 2019-2020.

The incorrect rates were included in the May Board packet so they are included today for approval.

2019/2020 Workers' Compensation Rates

	2016/2017 Actual Payroll	2017/2018 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2019/2020 PREMIUM
ACOE	\$23,717,493	\$21,779,014	2.60	0.7500	1.95	\$424,691
ALAMEDA	\$70,301,878	\$69,969,982	2.60	1.2500	3.25	\$2,274,024
ALBANY	\$27,858,715	\$28,827,474	2.60	0.8640	2.25	\$647,580
CASTRO VALLEY	\$64,078,083	\$64,201,756	2.60	0.7560	1.97	\$1,261,950
DUBLIN	\$68,658,689	\$74,306,015	2.60	0.7500	1.95	\$1,448,967
EDEN ROP	\$4,583,000	\$4,609,783	2.60	0.7500	1.95	\$89,891
EMERY	\$5,808,634	\$6,174,193	2.60	0.9880	2.57	\$158,603
FREMONT	\$255,927,440	\$263,110,684	2.60	0.9440	2.45	\$6,457,789
LIVERMORE	\$84,264,612	\$91,199,583	2.60	1.0950	2.85	\$2,596,452
MISSION ROP	\$4,351,284	\$4,545,012	2.60	0.9090	2.36	\$107,417
MT. HOUSE	\$183,365	\$213,409	2.60	0.7500	1.95	\$4,161
NEWARK	\$43,509,192	\$42,083,492	2.60	1.0030	2.61	\$1,097,453
NEW HAVEN	\$89,658,169	\$89,417,409	2.60	0.9930	2.58	\$2,308,579
PIEDMONT	\$24,365,158	\$24,624,141	2.60	0.9210	2.39	\$589,650
PLEASANTON *	\$102,590,453	\$105,028,007	2.60	1.1060	2.88	\$3,020,185
SAN LEANDRO	\$63,320,230	\$65,160,985	2.60	1.2370	3.22	\$2,095,708
SAN LORENZO	\$78,240,528	\$77,840,991	2.60	1.1470	2.98	\$2,321,374
SUNOL GLEN	\$2,031,253	\$2,155,623	2.60	0.7500	1.95	\$42,035
TRI VALLEY ROP	\$2,121,140	\$2,430,723	2.60	0.7510	1.95	\$47,462
TOTAL PREMIUMS	\$1,015,569,318	\$1,037,678,275				\$26,993,971

Average Ex Mod	1.00000
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Payrolls based upon 2017/2018 Unaudited Actuals Reports provided by ACOE

* includes apprentice program



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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 2019/2020 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, Dave Kundert, Claims Manager, Patrice Grant and Risk Management Analyst, Michael Clark and myself.

This team is assigned to ACSIG almost exclusively and works on many tasks throughout the year. For the 2019/2020 fiscal year, the Service Team developed a Service Plan to better document responsibilities and timelines.

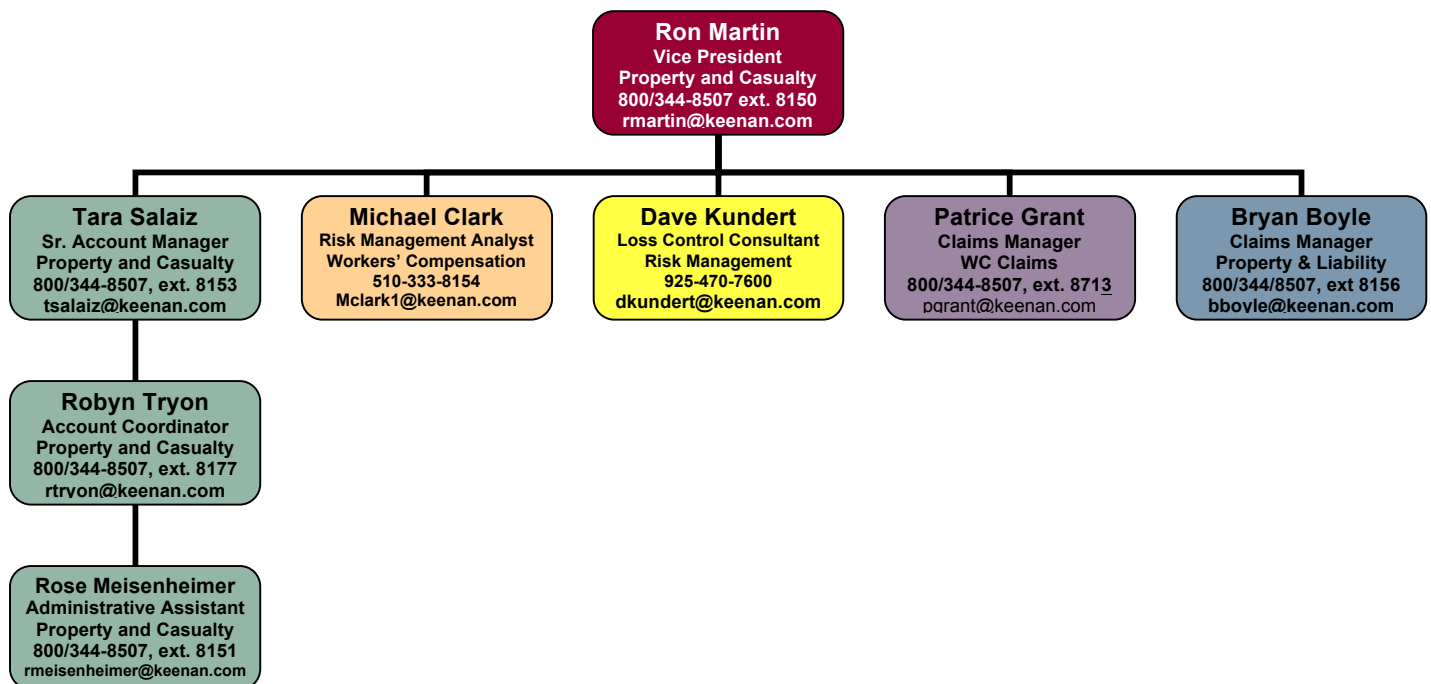
A representative from Keenan & Associates will review the Service Plan with the Board for their information.

**2019/2020
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 Sr. Account Manager, Robyn Tryon Account Coordinator, Rose Meisenheimer Administrative Assistant, Michael Clark Risk Management Analyst, Dave Kundert Loss Control Consultant, 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: 10/30/19 – Work Comp 101
- Second Quarter Topic: Spring 2020 – Identifying Trends

○ **Targeted Outreach:**

Keenan Contact: Service Team

- The service team will review the top 5 injuries by occupation and cause over a 3-year period and look at what resources are available based on the data. The objective is to meet with districts to go over the data and resources available and to come up with a plan to help reduce frequency and severity. Below are the districts we will be focusing on this year:
 - Dublin
 - Pleasanton

○ **Return to Work**

Keenan Contact: Michael Clark

- Focus districts: Alameda Unified & Pleasanton Unified
 - 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 by 10% from prior year.

○ **Post offer, Pre-Employment Physicals & Job Analysis**

Keenan Contact: Michael Clark

- Albany USD – District actively utilizing the program for Custodian and Food Service positions.
- Castro Valley – District actively utilizing the program.
- New Haven – District interested in the program and need to further discuss internally before moving forward.
- Identify additional districts to participate in the program.

○ **HR Monthly Meetings**

Keenan Contact: Michael Clark

- Keenan will present at HR monthly meetings at a minimum twice per year.
 - Michael co-presented with Minh Vu from Fremont USD at the CBO meeting on September 12, 2019. Keenan & Fremont USD discussed cost containment programs which include Company Nurse, Shoes for Crews, district/Keenan collaboration during file reviews.

○ **P&C Bridge/KSS**

Keenan Contact: Tara Salaiz

- Mandated Reporter – AB1432
- Sexual Harassment – SB1343
- Integrated Pest Management – SB 1405
 - Assist districts with uploading employee data
 - Assist districts with course assignments and new hire training plans
- Provide training to new district contacts and to current contacts as needed.

○ **Reports to Kimberly:**

Keenan Contact: Service Team

- Monthly Point in time comparison report. – Michael Clark
- Quarterly Loss Trend Report – Michael Clark
- Monthly PC Bridge/Keenan SafeSchools Usage Report – Tara Salaiz

○ **Frontline Provider Relations:**

Keenan Contact: Michael Clark

- Monitor treatment protocols and communication of affiliated facilities
 - Kaiser On The Job
 - Valley Care/Stanford
 - CCCMA – St. Rose Occupational Medicine
 - Washington Urgent Care
 - Concentra Urgent Care
 - Fremont Urgent Care

○ **Company Nurse – Nurse Triage Program**

Keenan Contact: Michael Clark

- Monitor implementation of newest district participants:
 - No new districts have recently joined. Alameda USD interested
- 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
 - Fremont USD
 - Albany USD
 - Emery USD
 - Dublin USD
 - Mountain House
 - Livermore JUSD
 - Alameda COE
 - Piedmont USD

- **100% Closing Ratio:**

Keenan Contact: Patrice Grant

- **Reduction of Tail Claims:**

Keenan Contact: Patrice Grant

- 5% reduction in tail claims

- **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) Michael 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:

Alameda
Fremont
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
New Haven

Annually: Districts with open claims totaling 10 or less to include:

ACOE
Eden Area ROP
Emery
Mission Valley ROP
Mountain House
Piedmont
Sunol Glen
Tri Valley ROP

- Exceptions to the above schedule:
 - 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: Dave Kundert

- Provide NCR relief inspections & audits annually
- Schedule of inspections/audits by district:
 - Alameda COE – Audit
 - Alameda USD - Audit
 - Albany – Audit
 - Castro Valley – Audit
 - Dublin – Audit
 - Eden Area ROP – Audit
 - Emery – Audit
 - Fremont – No Inspection – 3 year agreement
 - Livermore – Inspection
 - Mission Valley ROP – Audit
 - Mountain House – Audit
 - New Haven – Inspection
 - Newark – Inspection
 - Piedmont – Audit
 - Pleasanton – Audit
 - San Leandro – Audit
 - San Lorenzo – Inspection
 - Sunol Glen – Audit
 - Tri-Valley ROP – Audit



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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: JPA-wide EAP program

Due to the increased psychological component claimed within our Workers' Compensation program, an opportunity explored during strategic planning was the implementation of an EAP program. A few of the Districts in Alameda County already have an EAP program but many do not. It is in the hopes that ACSIG will be able to redirect claimants to an EAP program rather than their filing a workers' compensation claim for matters where counseling is prescribed.

Approximately 5,000 employees have been identified as pilot agencies and ACSIG is currently out to bid for services. Bids will be reviewed the second week of November with implementation tentatively scheduled for January 2020.

This progress in this program will be discussed at the meeting with the Board



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EXECUTIVE SUMMARY

TO: ACSIG Board of Directors

FROM: Kimberly Dennis

DATE: November 7, 2019

SUBJECT: 3-year Point-in-Time Comparison

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

Enclosed is the latest 3-year comparative using fiscal year data. Michael Clark, our Risk Management Analyst, will be in attendance at the meeting to review this information with the Board. This information is for review and no action is required.



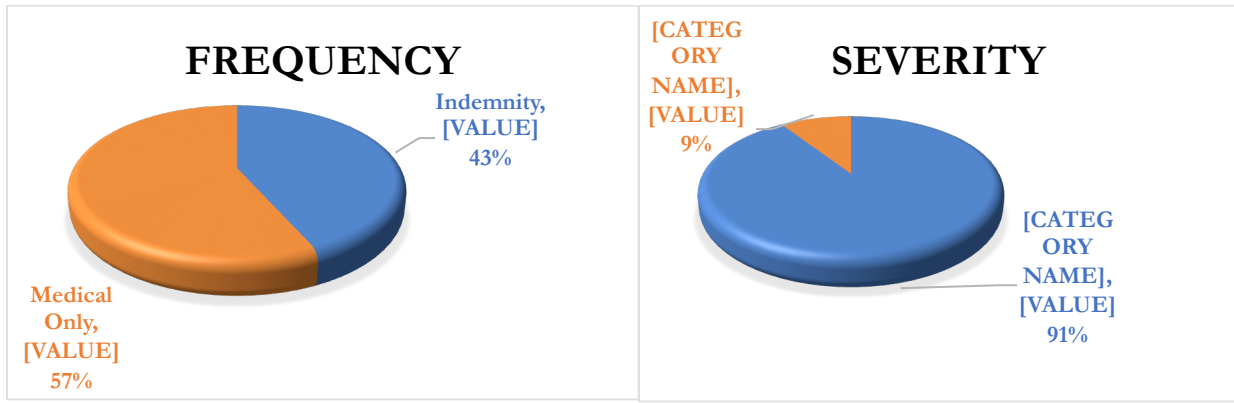
Alameda County Schools Insurance Group

2018/2019 FY

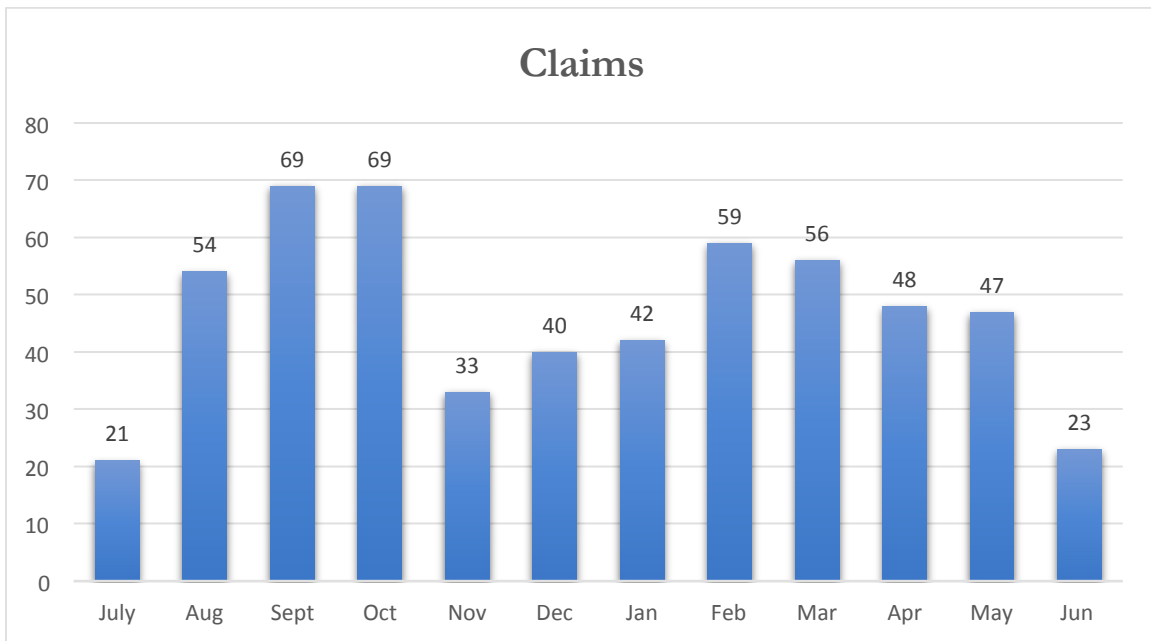
(as of 6/30 each FY)

	<i>2016/2017</i>	<i>2017/2018</i>	<i>2018/2019</i>
<i>Frequency</i>	<i>630</i>	<i>626</i>	<i>561</i>
<i>Severity</i>	<i>\$7,860,547</i>	<i>\$8,961,786</i>	<i>\$6,554,020</i>
<i>Top Three Occupations</i>	<i>1. Aide (144)</i> <i>2. Teacher (139)</i> <i>3. Custodian (95)</i>	<i>1. Teacher (163)</i> <i>2. Aide (146)</i> <i>3. Custodian (88)</i>	<i>1. Teacher (129)</i> <i>2. Aide (83)</i> <i>3. Custodian (61)</i>
<i>Top Three Injury Types</i>	<i>1. Strain By (174)</i> <i>2. Fall/Slip (171)</i> <i>3. Struck By (144)</i>	<i>1. Strain By (186)</i> <i>2. Fall/Slip (172)</i> <i>3. Struck By (133)</i>	<i>4. Fall/Slip (157)</i> <i>5. Strain By (147)</i> <i>6. Struck By (130)</i>

2018/2019 Frequency & Severity by Claim Type



2018/2019 Monthly Distribution



Claims by Age Group

