CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING
THURSDAY OCTOBER 2, 2025, 10:00 A.M.

City of Dunsmuir
City Council Chambers
5902 Dunsmuir Avenue
Dunsmuir, CA 96025
(530) 235-4822

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. CLOSED SESSION

1. **Government Code Section 54956.95 (a)**
   Conference with Legal Counsel – Litigation

   Name of Case: Lopez, Julio Jimenez & Cruz, Yesenia Cruz v. City of San Rafael, et al.
   Court: United States District Court, Northern District of California, San Francisco Division
   Case No.: 3:23-cv-03652-AGT

2. **Government Code Section 54956.95 (a)**
   Conference with Legal Counsel – Litigation

   Name of Case: Shy-Ann Diaz Turner v. City of Chico, et al.
   Court: Superior Court of the State of California, County of Butte
   Case No.: 22CV00190

3. **Government Code Section 54956.95 (a)**
   Conference with Legal Counsel – Litigation

   Name of Case: Sofia Florian v. City of Fremont, et al.
   Court: Superior Court of the State of California, County of Alameda
   Case No.: 23CV045305

IV. ACTION ON CLOSED SESSION

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

V. PRESENTATIONS

VI. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE EXECUTIVE COMMITTEE ON MATTERS OF EXECUTIVE COMMITTEE BUSINESS

VII. COMMUNICATIONS

1. General Manager/Secretary
2. Executive Committee Members
3. Next Scheduled Meetings: Board of Directors Strategic Planning (10/15 & 16/2025) CJPRMA
   Executive Committee (01/22/2026) Zoom

VIII. APPROVAL OF MINUTES

- Minutes from the Executive Committee meeting held 06/26/2025 (A) (Pages 3 – 6)

IX. CONSENT CALENDAR

1. Status Update on General Manager's Goals & Objectives (I) (Pages 7 - 12)

2. Business Calendar for 2025 & 2026 (I) (Pages 13 - 17)

X. ACTION (A) AND INFORMATION (I) CALENDAR

3. Experience Modifier for Liability Program (I) (Pages 18 - 41)

4. Approve Modification to Board Policy B25 (Annual Review of Members Loss History) (A) (Pages 42 - 45)

5. Risk Management Issues (I) (Page 46)

XI. ADJOURNMENT

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

EXECUTIVE COMMITTEE MEETING
THURSDAY JUNE 26, 2025, 9:00 A.M.

MEETING LINK:

https://us02web.zoom.us/j/86250492998?pwd=aOf0dzTyhbN2Fafbh7iRJOCaJCvA38.1&from=addon

MEETING NUMBER: 862 5049 2998 **PASSWORD: 364034** **PHONE: 1-669-900-6833**

1. City of Lodi, 221 West Pine Street, Lodi, CA 95240
2. NCCSIF, City of Oroville, 1735 Montgomery Street, Oroville CA 95965
3. SCORE, City of Dunsmuir, 5915 Dunsmuir Avenue, Dunsmuir, CA 96025
4. City of Alameda, 2263 Santa Clara Avenue, Room 280, Alameda, CA 94501
5. City of Redding, 777 Cypress Avenue, Redding, CA 96001
6. City of Roseville, 311 Vernon Street, Roseville, CA 95678
7. City of Sunnyvale, 456 W. Olive Avenue, Sunnyvale Office Complex, Sunnyvale, CA 94086
8. Gibbons & Conley, 3480 Buskirk Avenue, Suite 200, Pleasant Hill, CA 94523

AGENDA

I. CALL TO ORDER – President Jensen called the meeting to order at 10:11 A.M.

II. ROLL CALL

PRESENT

1) Yibin Shen, Alameda
2) Beverly Jensen, Lodi
3) Elizabeth Ehrenstrom, NCCSIF
4) Christian Curtis, Redding
5) Virginia Bolman, Roseville
6) Jen Martel, Sunnyvale
7) Blake Michaelsen, SCORE

OTHERS

8) Byrne Conley, Board Counsel
9) Tony Giles, CJPRMA
1 Vahe Hovakimian, CJPRMA
11 Marinda Griese, CJPRMA
1 Marcia art, CJPRMA

III. CLOSED SESSION - none

IV. ACTION ON CLOSED SESSION - none

V. PRESENTATIONS - none

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact CJPRMA at (925) 837-0667 24 hours in advance of the meeting.

VI. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE EXECUTIVE COMMITTEE ON MATTERS OF EXECUTIVE COMMITTEE BUSINESS

VII. COMMUNICATIONS

1. General Manager/Secretary
2. Executive Committee Members
3. Next Scheduled Meetings: Board of Directors (08/21/2025) Zoom
   Executive Committee (10/xx/2025) TBD, City of Dunsmuir, CA

VIII. APPROVAL OF MINUTES

- A motion was made by Director Michaelsen and seconded by Director Shen to approve the minutes from the Executive Committee meetings held on October 16, 2024 and April 10, 2025 and the special Executive Committee meeting held on May 8, 2025. Directors Shen, Jensen, Ehrenstrom, Michaelsen, Bolman, Martel, and Curtis approved the motion. Motion passed.

IX. CONSENT CALENDAR

1. **Status Update on General Manager's Goals & Objectives (I)**

2. **Business Calendar for 2025 and 2026 (I)**

   - A motion was made by Director Ehrenstrom and seconded by Director Michaelsen to approve the consent calendar. Directors Shen, Jensen, Ehrenstrom, Michaelsen, Bolman, Martel, and Curtis approved the motion. Motion passed.

X. ACTION (A) AND INFORMATION (I) CALENDAR

3. **Authorize Expenditure with CPS-HR (A)**

   At its 4/10/2025 meeting, the Executive Committee approved the 2025 salary survey and requested that the general manager evaluate the benchmark agencies and benchmark positions for future salary surveys. The general manager requested a quote from CPS-HR for this work. CPS-HR has successfully completed several projects for CJPRMA over the years. The price quote for "Classification Review" and "Review of Labor Market Comparators" is $18,565. This expense is included in the 2025/26 operational budget. Staff recommends that the Executive Committee approve this expenditure.

   - A motion was made by Director Curtis and seconded by Director Martel to authorize expenditures with CPS-HR. Directors Shen, Jensen, Ehrenstrom, Michaelsen, Bolman, Martel, and Curtis approved the motion. Motion passed.

4. **Approve Modification to Board Policy B25 (Annual Review of Members Loss History) (A)**

   Article XIX of the CJPRMA Joint Powers Agreement includes this language: "Member entities shall have the ability to determine, from year to year, which Board established self-funded retention level they will assume in the Automobile/General Liability program." Members have been free to choose among all available retention levels, with the ability to choose higher or lower retentions.

   Board Policy B25 (Annual Review of Members Loss History) provides the framework for the application of surcharges in the liability program. One element of the policy is that a member subject to a surcharge can choose a higher self-insured retention and reduce its surcharge.

   - A member can choose to increase its SIR to the next highest retention and will only be responsible for 50% of the surcharge.
   - A member can choose to increase its SIR two levels and avoid the surcharge completely.

   The purpose of this was to encourage members with higher loss ratios to assume higher self-insured retentions. The higher loss ratios are one indication that the member has been at a retention level that is too low, putting them into the burn layer. The burn layer is the layer of loss amounts in which losses have historically occurred with enough frequency or severity to make that layer likely to be used.

   When Board Policy B25 was established, staff and the Board did not contemplate that a member accepting a higher retention to reduce its surcharge would return to the lower surcharge. However, this has occurred. Staff recommends adding the following language to Board Policy B25.

   "Once a member has increased its SIR to reduce its surcharge, it cannot reduce its SIR without approval from the Board of Directors." This does not mean that members cannot return to a lower retention, but it gives the Board control over that decision.

   - This item was tabled until the October Executive Committee meeting.

5. **Experience Modifier for Liability Program (I)**

   Following presentations and discussions of experience modifiers (ex-mods) with the Executive Committee and the Board of Directors, the Board directed staff to develop several ex-mod examples to show potential impact to members. Staff will work with the actuary to prepare these models and present them for discussion at the 8/21/2025 Board meeting.

   Staff will agendize this topic for every Executive Committee and Board of Directors meeting until decisions are made whether to implement an ex-mod and how.
   Here are issues that the Board will need to consider before implementing an ex-mod:

- Does the Board want to implement an ex-mod at all?
- If an ex-mod is implemented, what formula does the Board want to use?
- Depending on the methodology selected, the Board would need to select from several variables such as caps, credibility factors, experience period, etc.
- If an ex-mod is implemented, would the Board want to continue the surcharge along with the ex-mod?
- When would the Board want to implement the ex-mod? If the Board is interested in evaluating an ex-mod, staff recommends waiting until the 2026/27 program year. The 2025/26 program year is just months away, and a 7/1/2025 implementation could be rushed.
- Rates for the 2025/26 program year were approved by the Board in December 2024. An ex-mod approved before 7/1/2025 would affect those rates.

  - This item was for information only.

6. Risk Management Issues (I)

No risk management issues were reported to discuss.

XI. ADJOURNMENT – President Jensen adjourned the meeting at 11:13 A.M.

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 1	**TITLE: STATUS UPDATE ON GENERAL MANAGER'S GOALS & OBJECTIVES**
MEETING: 10/02/2025	
GENERAL MANAGER: A.B.G.	

Recommended Actions
None. This item is being provided to the Executive Committee as an update on the general manager's 2025 Goals and Objectives.

Strategic Direction
All CJPRMA strategic goals adopted by the organization.

Item Explanation
The general manager's Goals and Objectives for 2025 were created to identify the areas of priority in meeting the objectives of the adopted strategic plan. The Board of Directors approved the current strategic plan in December 2022. Strategic planning is scheduled for 10/15 – 10/16/2025.

This item is being provided as an information item only and no action is required.

Fiscal Impact
None

Exhibits
1. General Manager's Goals & Objectives 2025

GENERAL MANAGER GOALS & OBJECTIVES FOR 2025

GOALS	OUTCOMES	TASKS COMPLETED
Be in a positive net position by June 30, 2025. **Goal 1** **35%**	• Explore the possibility of an assessment. • Target loss prevention initiatives to loss drivers. • Monitor adequacy of funding policy. • Explore funding options, including loss portfolio transfer, creating funding layers, corridor deductibles, etc. within the program. • Conduct an internal reconciliation of net position by fiscal year.	• Renewed 2025/26 insurance coverages with reductions in some lines and better than expected results in other lines. • Board of Directors voted to remove City of Stockton from the pool effective 7/1/2025. • Established experience modifiers (ex-mods) as a standing agenda item for with Executive Committee and Board of Directors meetings. **<u>Assessment</u>** • $14.1 million assessment collected in July 2024. **<u>Loss Prevention Efforts</u>** • Eight members enrolled with Benchmark Analytics. • Negotiated for an additional $100,000 in loss prevention funds in renewal with Safety National. Used to offset cost of Benchmark. • Negotiated loss control funding from the primary carriers in the property program. Will use for wildfire risk control. • Scheduled wildfire risk assessments in Redding and Santa Rosa.

Create and implement a Communications Plan. **Goal 2** **25%**	**Internal components** • New board member orientation plan. • Communicate the purpose of being in a pool. • Create coverage information sheets. • Communicate renewal updates with premium estimates every year starting in December. • Develop and communicate a renewal calendar. • Develop and communicate a claims experience report by member in addition to the program wide claims report. • Create a member profile summary report (plan to include unique risks of each member). **External components** • Develop and distribute legislative alerts when appropriate. • Partner with CAJPA and other trade industry associations on a Public Service Announcement regarding how jury verdicts affect our members.	• Scheduled strategic planning on 10/15 – 10/16/2025. • Board of Directors approved Communications Policy at 5/14/2025 meeting. • Sending renewal update reports monthly since December 2024. • Provide legislative updates at all Board meetings. • New Board Member orientation plan included in the Member Engagement Policy.

Legislative involvement in tort reform. **Goal 3** **10%**	• Staff involvement in professional trade associations. • Make Industry/Legislative Initiatives a standing item on every Board meeting agenda. • Consider funding industry-wide legislative initiatives.	• CAJPA continues with a media campaign related to AB 218 and continued legislative advocacy. Claims Administrator has spoken to several reporters as part of this effort. • Claims Administrator presented CAJPA's Protecting Public Funds initiative at the annual CAJPA conference. • General Manager spoke with NYT reporter on 4/22/2025 to discuss opposition to AB 577 and the general challenges facing risk pools and public entities in California. • Claims Administrator connected with staff at the City of Pasadena on 4/21/2025 to discuss tort reform activity. • General Manager and Claims Administrator attended CAJPA Legislative Action Day on 4/2/2025. • Claims Administrator spoke at PARMA conference on 2/24/2025 on Medicare Secondary Payer issues. • CJPRMA participating in CAJPA analytics project with POLCO. Pool loss and exposure data provided on 10/9/2024. • General Manager serving on CAJPA Legislative Committee, JPA Subcommittee. • General Manager serving on the PARMA Board of Directors and Chair of Education Committee. • Claims Administrator serving as President of CAJPA. • Industry/Legislative Update provided at all Board meetings since March 2023.

Create and implement a Member Engagement Plan. **Goal 4** **10%**	Create a Subcommittee to provide input into this plan. For consideration: • Offer annual meetings with each member. • Create a meeting calendar to delineate when to meet in person versus when to meet via Zoom. • Create a policy on where Exec meetings will be held. • Create a Governance Succession Planning Procedure (Start with educating new board members during their orientation).	• Basic Information for New Directors and Alternates available online and provided to all new Directors and Alternates. • A standing onboarding meeting schedule established to answer questions from new Directors and Alternates. Meetings are held quarterly. This will be refashioned as a Risk Management Roundtable to encourage more participation. • Member Engagement Committee meeting monthly in 2025. • 23 member information sharing requests shared with the membership this year. • Member agencies report on their risk management programs at every Board meeting.
Align staff with member needs. **Goal 5** **10%**		• Hired new Administrative Assistant to fill vacancy left by retirement of Susanna Banuelos. • Entered into a contract with CPS-HR to review salary survey benchmark agencies and positions. • Claims Administrator attended AGRiP CEO Institute in August 2025.
Evaluate the evolving needs of our members and optimize services to meet their needs. **Goal 6** **5%**	• Investigate services offered by other JPAs that might be valued by CJPRMA members. • Consider partnering for services or training with other JPAs or industry trade associations.	• DigiStream scheduled for a webinar on modern investigation techniques. • General Manager met with The Briefing Room CEO on 3/26/2025. Many CJPRMA members already use this service. GM discussed as a risk management issue at the 5/15/2025 Board meeting.

Identify and assess future risks and create a plan to address those risks. **Goal 7** **5%**	• Look into AGRIP membership and use as an additional source for future predictive analytics	• AGRiP's Executive Director, Ann Gergen, spoke at Annual Meeting in May. • Tracking AGRiP's top five pooling influences. • CJPRMA staff exploring uses of AI, including generative AI. Staff AI training through Sidecar. GM joined AGRiP's AI Champions group. GM completed Association AI Professional (AAiP) certification. • Scheduled standing meeting times to discuss strategic and future-focused thinking.

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 2	**TITLE: BUSINESS CALENDAR FOR 2025 & 2026**
MEETING: 10/02/2025	
GENERAL MANAGER: A.B.G.	

Recommended Actions
None. This item is being provided for information only.

Strategic Direction
- Strategic Goal #2, "Create and implement a Communications Plan."
- Strategic Goal #4, "Create and implement a Member Engagement Plan."
- Strategic Goal #5, "Align staff with member needs."

Item Explanation
The CJPRMA Business Calendar will be provided as a standing agenda item for Executive Committee meetings and Board of Director Meetings. This calendar provides Board Members and staff with a listing of key business items and the required dates for completion.

Fiscal Impact
None

Exhibits
1. CJPRMA 2025 Business Calendar
2. CJPRMA 2026 Business Calendar

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

2025 BUSINESS CALENDAR

January

- Distribution of Executive Committee Agenda – 01/09/2025
- Claims Committee Meeting, Zoom – 01/09/2025
- Member Quarterly Payroll Reports Due – 01/31/2025
- Member Loss Run Reports as of 12/31/2024 for Renewals Due – 01/31/2025
- Members Return APD and GL Renewals Lists to Staff

February

- FPPC Form 700 Filing Requests Sent Out
- Executive Committee Meeting, Zoom – 02/13/2025
- PARMA Conference, Disneyland Hotel, Anaheim, CA – 02/23/2025 to 02/26/2025
- Members Return Property and Drone Renewals Lists to Staff

March

- Deadline for Members to submit Agenda items for March Meeting – 03/10/2025
- Distribution of Board of Directors Meeting Agenda – 03/13/2025
- Board of Directors Meeting, Zoom – 03/20/2025
    - Claims Audit Presentation
- Distribution of Quarterly Member Loss Data
- Distribution of Certificate of Coverage Renewals Lists sent to Members

April

- FPPC Form 700 Filing Deadline – 04/01/2025
- Distribution of Executive Committee Meeting Agenda – 04/03/2025
- Claims Committee meeting – 04/09/2025, Zoom
- Executive Committee Meeting – Alameda, CA 04/10 /2025
- Requests for Nominations for President/Vice President (Bi-annually)
- Distribute nomination for President and Vice President (even numbered years)
- Member Quarterly Payroll Reports – 04/30/2025
- Return Certificate of Coverage Renewals Lists to Staff

May

- Deadline for Members to submit Agenda items for Annual Meeting – 05/01/2025
- Distribution of Board of Directors Annual Meeting Agenda – 05/07/2025
- Board of Directors Annual Meeting – CJPRMA, Livermore, CA 05/14/25 & 05/15/2025
    - Commercial Insurance Renewals
    - Proposed Budget for 2026-2027
    - Approval of Meeting, Business and Holiday Calendars
- Bi-annual Review of Conflict of Interest Code (even numbered years)
- Requests for Nominations for President/Vice President (Bi-annually)
- PARMA Bay Area Chapter Meeting – TBD

June

- Distribution of Executive Committee Meeting Agenda – 06/19/2025
- Certificate of Coverage Renewals mailed to certificate holders - 6/24/2025
- Executive Committee Meeting – 06/26/2025
- Interim Financial Audit in process
- Risk Management Plan Revisions
- Distribution of Quarterly Member Loss Data

July

- General Liability Premiums Billed
- Auto Physical Damage Program Premiums Billed
- Property Program Premiums Billed
- Drone Program Premiums Billed
- Claims Committee meeting – CJPRMA, Livermore, CA 07/10/2025
- AB1234 Ethics Training – (even numbered years)
- Member Loss Run Reports as of 6/30/2024 for Actuary Due – 07/17/2025
- Member Quarterly Payroll Reports - 07/31/2025

August

- Deadline for Members to submit Agenda items for August Meeting – 08/01/2025
- Distribution of Board of Directors Meeting Agenda – 08/14/2025
- Board of Directors Meeting, Zoom – 08/21/2025
  - Bi-annual election of President and Vice President (even numbered years)
  - Election of Executive Committee Members
  - Bi-annual Appointment of Treasurer (even numbered years)
  - Annual Review of Investment Policy
- Actuarial Study in process
- Requests for Program Year 2025-2026
- Reimbursement of liability training expenses due – 08/29/2025

September

- CAJPA Conference, Monterey, CA – 09/16/2025 to 9/19/2025
- Distribution of Executive Committee Agenda – 09/18/2025
- Executive Committee Meeting, TBD – 09/25/2025
- Final Financial Audit
- Distribution of Quarterly Member Loss Data

October

- Claims Committee meeting, Zoom – 10/09/2025
- Member Quarterly Payroll Reports – 10/31/2025

November

- Deadline for Members to submit Agenda items for December Meeting – 11/25/2025

December

- Distribution of Board of Directors Meeting Agenda – 12/03/2025
- Board of Directors Meeting, CJPRMA Office – Wednesday, 12/10/2025
  - Actuarial Study, Financial Audit and Annual Report presented
- Deadline for change to SIR or withdrawal from any CJPRMA program - 12/31/2025
- Distribution of Quarterly Member Loss Data

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

2026 BUSINESS CALENDAR

January

- Distribution of Executive Committee Agenda – 01/15/2026
- Claims Committee Meeting, Zoom – 01/08/2026
- Executive Committee Meeting, TBD – 01/22/2026
- Member Quarterly Payroll Reports Due – 01/30/2026
- Member Loss Run Reports as of 12/31/2025 for Renewals Due – 01/30/2026
- Members Return APD and GL Renewals Lists to Staff

February

- FPPC Form 700 Filing Requests Sent Out
- PARMA Conference, Monterey Conference Center, Monterey, CA – 02/24/2026 to 02/27/2026
- Members Return Property and Drone Renewals Lists to Staff

March

- Deadline for Members to submit Agenda items for March Meeting – 03/05/2026
- Distribution of Board of Directors Meeting Agenda – 03/12/2026
- Board of Directors Meeting, Zoom – 03/19/2026
  - Claims Audit Presentation
- Distribution of Quarterly Member Loss Data
- Distribution of Certificate of Coverage Renewals Lists sent to Members

April

- FPPC Form 700 Filing Deadline – 04/01/2026
- Distribution of Executive Committee Meeting Agenda – 04/09/2026
- Claims Committee meeting – TBD, 04/09/2026
- Executive Committee Meeting – Zoom, 04/16/2026
- Requests for Nominations for President/Vice President (Bi-annually)
- Distribute nomination for President and Vice President (even numbered years)
- Member Quarterly Payroll Reports – 04/30/2026
- Return Certificate of Coverage Renewals Lists to Staff

May

- Deadline for Members to submit Agenda items for Annual Meeting – 05/05/2026
- Distribution of Board of Directors Annual Meeting Agenda – 05/12/2026
- Board of Directors Annual Meeting – Dream Inn, Santa Cruz, CA – 05/19/26 to 05/21/2026
  - Commercial Insurance Renewals
  - Proposed Budget for 2027/2028
  - Approval of Meeting, Business and Holiday Calendars
- Bi-annual Review of Conflict of Interest Code (even numbered years)
- Requests for Nominations for President/Vice President (Bi-annually)
- PARMA Bay Area Chapter Meeting – TBD

June

- Distribution of Executive Committee Meeting Agenda – 06/05/2026
- Executive Committee Meeting – Zoom, 06/17/2026
- Certificate of Coverage Renewals mailed to certificate holders - 6/24/2026
- Interim Financial Audit in process
- Risk Management Plan Revisions
- Distribution of Quarterly Member Loss Data

July

- General Liability Premiums Billed
- Auto Physical Damage Program Premiums Billed
- Property Program Premiums Billed
- Drone Program Premiums Billed
- Claims Committee meeting – TBD, 07/09/2026
- AB1234 Ethics Training – (even numbered years)
- Member Loss Run Reports as of 6/30/2026 for Actuary Due – 07/15/2026
- Member Quarterly Payroll Reports - 07/31/2026

August

- Deadline for Members to submit Agenda items for August Meeting – 08/06/2026
- Distribution of Board of Directors Meeting Agenda – 08/13/2026
- Board of Directors Meeting, Zoom – 08/20/2026
    - Bi-annual election of President and Vice President (even numbered years)
    - Election of Executive Committee Members
    - Bi-annual Appointment of Treasurer (even numbered years)
    - Annual Review of Investment Policy
- Actuarial Study in process
- Requests for Program Year 2026-2027
- Reimbursement of liability training expenses due – 08/31/2026

September

- CAJPA Fall Conference, South Lake Tahoe, CA 09/15/26 to 09/18/2026
- Distribution of Executive Committee Agenda – 09/17/2026
- Executive Committee Meeting, TBD – 09/24/2026
- Final Financial Audit
- Distribution of Quarterly Member Loss Data

October

- Claims Committee meeting, TBD – 10/08/2026
- Member Quarterly Payroll Reports – 10/30/2026

November

- Deadline for Members to submit Agenda items for December Meeting – 11/25/2026

December

- Distribution of Board of Directors Meeting Agenda – 12/03/2026
- Board of Directors Meeting, CJPRMA Office – Thursday, 12/10/2026
    - Actuarial Study, Financial Audit and Annual Report presented
- Deadline for change to SIR or withdrawal from any CJPRMA program - 12/31/2026
- Distribution of Quarterly Member Loss Data

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 3	**TITLE: EXPERIENCE MODIFIER FOR LIABILITY PROGRAM**
MEETING: 10/02/2025	
GENERAL MANAGER: A.B.G.	

Recommended Actions

Alternative 1: Delay further discussion of experience modifiers until CJPRMA has a positive net position.

Alternative 2: Affirm intention to move forward with implementing experience modifiers and direct the General Manager to provide options at the 12/10/2025 Board of Directors meeting.

Strategic Direction

Strategic Goal #1: "Be in a positive net position by June 30, 2025."

Item Explanation

The Board of Directors has been discussing experience modifiers (ex-mods) since its meeting on 3/20/2025. If the direction is to implement experience modifiers for the 2026/27 program year, the Board should approve it at its 12/10/2025 meeting so that members can start to plan their budgets.

The General Manager recommends approval of Alternative 1, "Delay further discussion of experience modifiers until CJPRMA has a positive net position." The current surcharge methodology already provides incentive to reduce losses to members that have higher loss ratios. An ex-mod will retain that incentive, but it would also provide a discount to members with lower loss ratios. While that is understandably attractive to those members who would have lower contributions, it is not in the best interest of the pool while we are in deficit.

However, staff understands that there is serious interest on the Board of Directors to implement a surcharge. Alternative 2 addresses that interest if a majority of the Executive Committee, and the Board of Directors, would like to implement ex-mods for the 2026/27 program year.

The General Manager will present the Executive Committee's decision to the Board of Directors at its 12/10/2025 meeting.

CJPRMA's actuary, Aon, has provided three sample models for experience modifiers (ex-mods). Those models are presented in Exhibit 1. The data used for developing the ex-mods was the member data that was used to determine liability program contributions for Program Year 2025/26. Staff provided various parameters for the three models. Here are the parameters used for each of the models.

- Option 1
  - 8 years of loss history
  - Losses capped at $2.5 million
  - Minimum ex-mod of 0.70
  - Maximum ex-mod of 1.30
  - This most closely matches the current surcharge methodology
- Option 2
  - 5 years of loss history
  - Losses capped at $7.5 million (CJPRMA retention)
  - Minimum ex-mod of 0.50
  - Maximum ex-mod of 1.50
- Option 3
  - 8 years of loss history
  - Losses capped at $7.5 million (CJPRMA retention)
  - Minimum ex-mod of 0.50
  - Maximum ex-mod of 2.00

The report was prepared to provide the Board of Directors with a sense of what ex-mods would look like in the CJPRMA liability program. If the Board implements ex-mods, it will need to decide among several variable parameters. The current surcharge policy excludes the single highest claim for each member. None of the sample models for the ex-mods do that and all claims are evaluated. However, there is variation in whether to cap claims or not. To account for different size members, Aon has included credibility factors.

Here are the variables issues that the Board will need to consider before implementing an ex-mod:

- Caps
- Credibility factors
- Experience period
- Minimum ex-mod
- Maximum ex-mod
- Apply ex-mods to just the CJPRMA layer or include reinsurance and admin rates

If the Executive Committee approves Alternative 2, the General Manager recommends that the pool use Option 1 above. This is the option that most closely resembles the current surcharge methodology, and it will provide a level of consistency across the years. The model, as presented, does not exclude the single highest claim. That element could be added if that is the direction that the Executive Committee and Board of Directors choose to go. That was put into the current surcharge methodology to protect members with lower payroll. However, the actuary can include credibility factors that reduce the impact of a small members own loss history.

Fiscal Impact

For the pool, an ex-mod would have no fiscal impact. With ex-mods, the pool would collect the actuarially determined premium, with some members paying a higher rate, and some members paying a lower rate. There would be a fiscal impact on individual members depending on the ex-mod parameters selected and the member’s loss history.

The current surcharge methodology brings in additional money beyond the actuarially determined premium. If an ex-mod is implemented in lieu of the surcharge, there will be a loss of revenue to the pool.

Exhibits

1. Aon Experience Modifier Report

AON

August 14, 2025

California Joint Power Risk Management Authority
3201 Doolan Road, Suite 285
Livermore, California 94551

Attn: Mr. Tony Giles
General Manager

2025/26 Experience Rating Plan Review

The California Joint Powers Risk Management Authority (CJPRMA) requested we (1) develop alternative experience rating plans that consider various parameters and (2) compare the unmodified member contributions to those indicated by the alternative plans. This letter presents the results of our study.

Background

CJPRMA provides excess liability coverage for California public agencies. During 2025/26, CJPRMA covered losses in the layer from the members' selected deductible to $7.5 million. Member deductibles range from $750,000 to $1.5 million.

Our most recent actuarial study of CJPRMA's self-insured program was based on data valued as of June 30, 2024 (the "Actuarial Study", report dated October 28, 2024).

Experience Rating Plan Overview

Most experience rating plans have two main goals:

1. To collect enough contributions (premiums) to meet the organization's funding needs.

2. To distribute these contributions fairly — rewarding members who have fewer losses than expected and encouraging members to improve their risk management practices.

If all members have the same level of risk, a member with 5% of the pool's exposures would also be expected to have 5% of the pool's losses. Experience modification factors (X-Mods) are used to measure how each member's actual losses compare to this expected amount.

- An X-Mod above 1.000 means the member's losses are higher than the pool average.
- An X-Mod below 1.000 means the member's losses are lower than average.

Experience rating plans are designed to balance responsiveness to members' claim experience and stability of the members' rates. The following parameters play key roles in this balance:

1. **Experience Period.** Using a longer experience period — that is, including more years of historical data in the X-Mod calculation — makes X-Mods and member rates more stable. This is because the effect of any single good or bad year is less significant when more years are averaged together, compared to using a shorter period.

2. **Loss Limits.** In experience rating plans, individual claim amounts can be limited — or "capped" — so that a single large claim does not have too much influence on the X-Mods. Using a lower cap makes the X-Mods and rates more stable, since no single claim can have a big effect. On the other hand, a higher cap allows the X-Mod to respond more directly to actual claim experience, so large claims have a bigger impact on the X-Mod and rates.

3. **Credibility.** Credibility measures how much a member's own loss history affects their X-Mod calculation. Members with larger payrolls are given higher credibility because their loss experience is a more reliable predictor of future losses. This means their X-Mods reflect their own claims more closely — resulting in larger credits for good experience or larger charges for poor experience.

   Smaller members receive lower credibility since their loss history is less reliable. Their X-Mods remain closer to 1.000, regardless of their actual loss experience, which helps keep their rates stable over time.

4. **Minimum/Maximum X-Mods.** Minimum and maximum X-Mods help stabilize member premiums by setting limits on how much rates can increase or decrease. These caps also provide stability if the losses used in the X-mod calculations are included at high limits.

Alternative Experience Rating Plan Parameters

Based on our review of the reported claim data and input from CJPRMA, we used the following parameters for the alternative experience rating plans.

Table 1
Alternative Rating Plan Parameters

Parameter	Option 1	Option 2	Option 3
Experience Period	8 Years	5 Years	8 Years
Number of Recent Years Excluded	1 Year	3 Years	1 Year
Loss Layer Included	$750,000-$2,500,000	$750,000-$7,500,000	$750,000-$7,500,000
Maximum Credibility	30%	15%	25%
Minimum X-Mod	0.70	0.50	0.50
Maximum X-Mod	1.30	1.50	2.00

CJPRMA provides excess liability coverage for claims that exceed member deductibles, which range from $750,000 to $1.5 million. Claims that reach CJPRMA's layer are infrequent, averaging only 8 such claims per year (for the current 17 members) during policy years 2012/13 through 2022/23 (as of June 30, 2024). Additionally, it often takes several years for losses to develop enough to impact CJPRMA's layer. For these reasons, longer experience periods of 5 and 8 years were used in the analysis. The most recent year (2023/24 as of June 30, 2024) was excluded due to the immaturity of this period.

The three plan options all consider only losses that fall within CJPRMA's pooled layer, which begins at $750,000. One option limits (or "caps") the losses included at $2.5 million per claim, while the other two options include losses up to CJPRMA's full self-insured retention of $7.5 million. Since these plans use relatively high loss limits, the resulting X-Mods and rates will be more sensitive to each member's actual claim experience than if lower loss limits were used.

The maximum credibilities were chosen based on CJPRMA's claims history and actuarial judgment. Option 2 was given a lower maximum credibility because it uses a shorter experience period, which provides less data. In contrast, Option 1 was assigned a higher credibility because its lower loss limit results in more stable, predictable outcomes.

Data

The claim data used in this study consisted of individual claim detail valued as of June 30, 2024 which was provided by CJPRMA and its members for the Actuarial Study. We also relied on the payroll by member provided for the Actuarial Study.

In conducting this analysis, we relied upon the provided data without audit or independent verification; however, we reviewed it for reasonableness and consistency. Any inaccuracies in quantitative data or qualitative representations could have a significant effect on the results of our review and analysis. Any material discrepancies discovered in the loss or exposure data by CJPRMA or any other parties should be reported to us immediately, and if warranted, we will make appropriate amendments to the report.

Methodology

The methodology used to calculate the X-Mods is explained below. In each exhibit, pages 1, 2, and 3 correspond to Options 1, 2, and 3, respectively.

1. **Exhibit X-Mod-1** provides a summary of the reported incurred losses for each member as of June 30, 2024. The losses listed are limited according to the amounts specified in Table 1 for each option. The exhibit also shows each member's share as a percentage of the total losses for the experience period.

2. **Exhibit X-Mod 2** details the payroll for each member. In addition, the exhibit indicates what portion of the total experience period payroll is attributable to each member.

3. **Exhibit X-Mod 3** determines each member's X-Mod by comparing their share of losses to their payroll, adjusting for credibility based on size, and then applying limits and adjustments as needed. We first compare each member's percentage of capped losses for the experience period (from Exhibit X-Mod-1) to its percentage of payroll (form Exhibit X-Mod-2). The percentage of capped losses divided by the percentage of payroll is the indicated X-Mod (column 5). The largest credibility weight (from Table 1) is given to the largest member (based on the experience period payroll), with smaller members given proportionately lower credibility. The credibility-weighted X-Mod (column 7) is the weighted average of the indicated X-Mod and 1.000. The final X-Mod reflects the selected minimum and maximum X-Mods, as well as an off-balance adjustment.

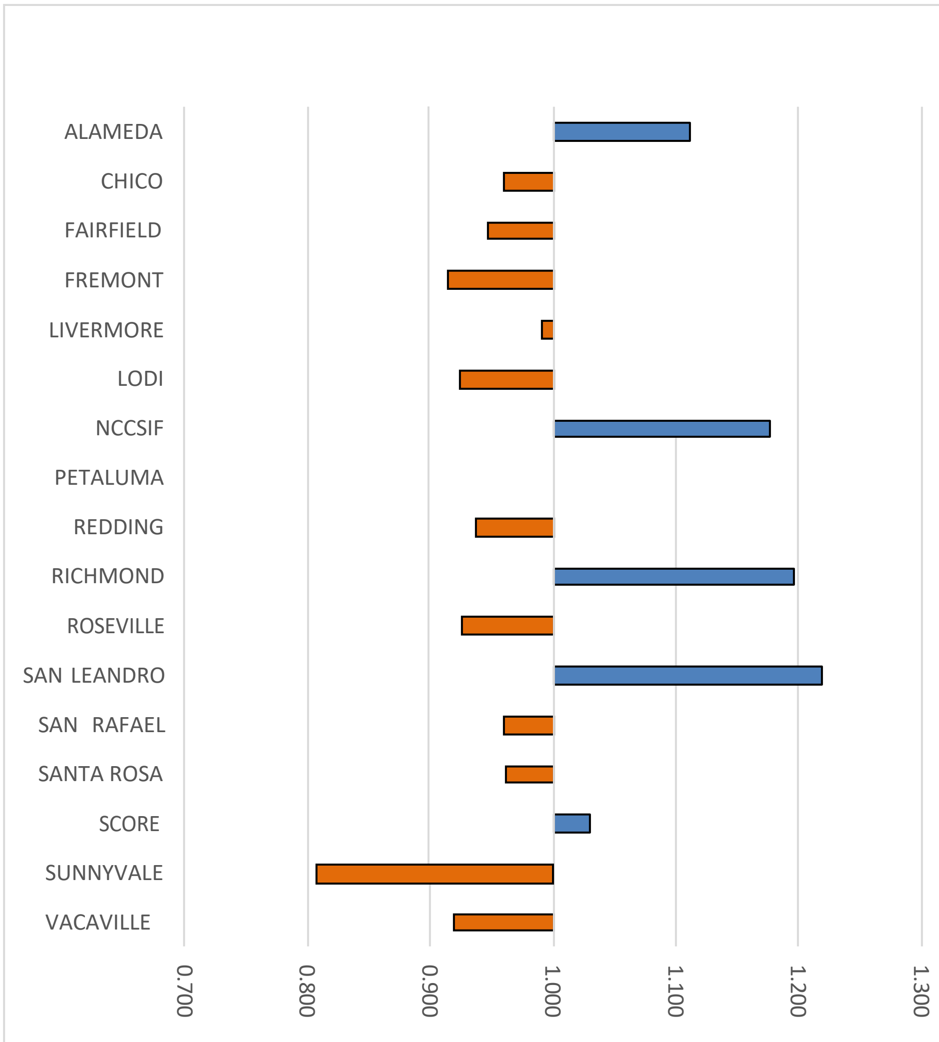
4. **Exhibit X-Mod-4** shows the projected 2025/26 contribution rates and premium for each member, using the overall pool rates from the Actuarial Study and each member's X-Mod. Loss rates are discounted at 1% and are at the 85% confidence level. X-Mods were applied to the loss rates, but not to the reinsurance rates or overhead expenses.

5. **Exhibit X-Mod-5** shows a comparison of the projected 2025/26 premiums for each member, first assuming no X-Mods are applied, and then under Options 1, 2, and 3.

Conclusions

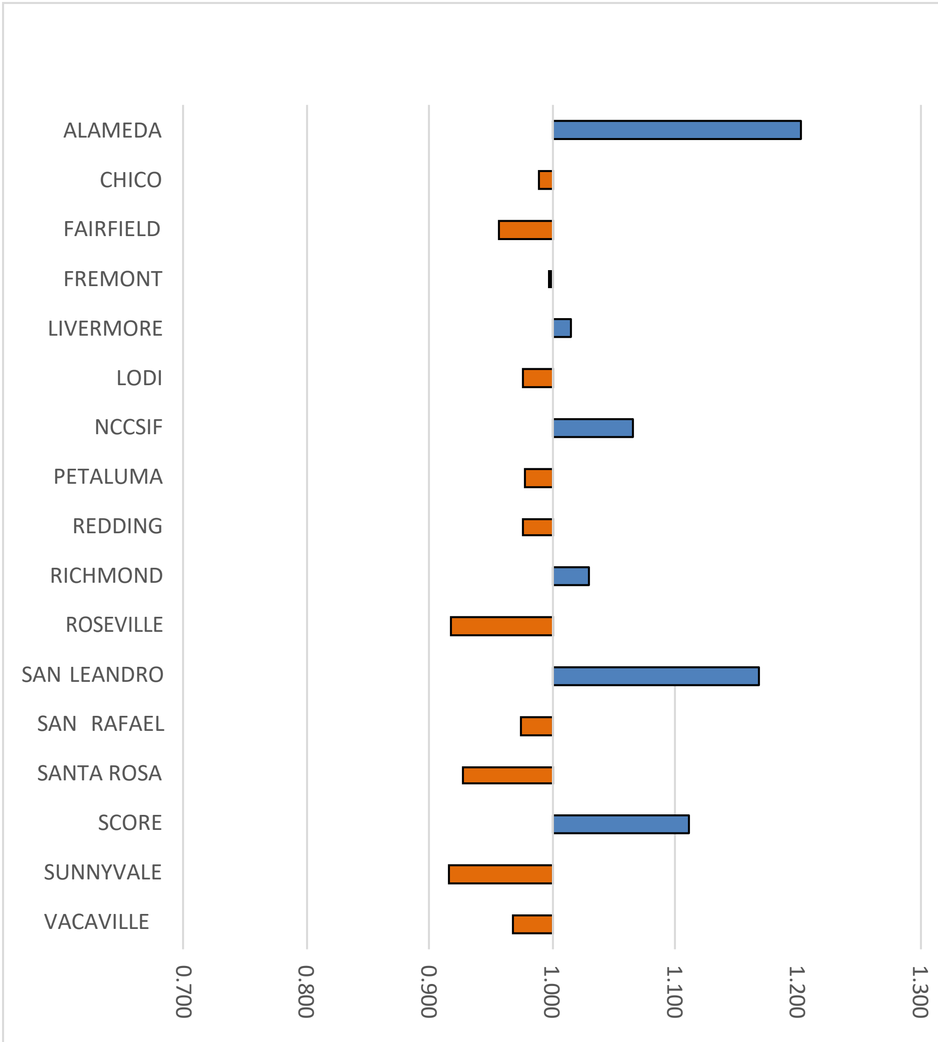
The indicated X-Mods by member for the three options are shown in Graphs 1 through 3:

Graph 1
2025/26 X-Mods
Option 1



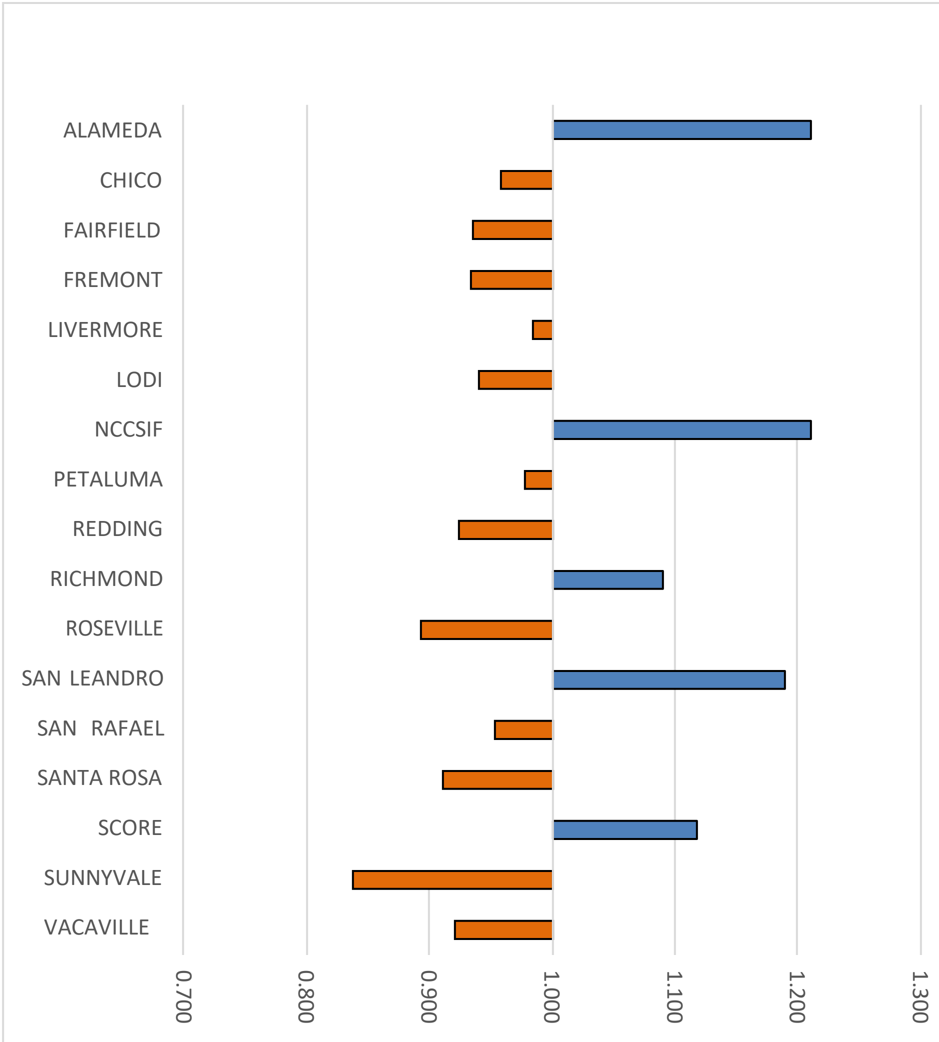
Note: Amounts are from Exhibit X-Mod-3 (page 1).

Graph 2
2025/26 X-Mods
Option 2



Note: Amounts are from Exhibit X-Mod-3 (page 2).

Graph 3
2025/26 X-Mods
Option 3



Note: Amounts are from Exhibit X-Mod-3 (page 2).

In all three options, the same five members consistently have X-Mods greater than 1.000, while most other members have X-Mods less than 1.000. This means that the choice of option will mainly change how much higher or lower the X-Mods are, rather than which members are above or below 1.000. As shown in the graphs above, Option 2 results in the smallest difference between members' X-Mods. This is mainly because Option 2 uses a lower maximum credibility value.

As mentioned earlier, the X-Mods were applied to the loss rates and not to the reinsurance rates. However, CJPRMA has the option to apply the X-Mods to both the loss and reinsurance rates. If CJPRMA chooses this approach, the difference between the premiums calculated with and without the X-Mods (as shown in Exhibit X-Mod-5) will be larger for all three options.

*****

We are pleased to serve the California Joint Powers Risk Management Authority and are available to answer any questions you may have.

Sincerely,

Aon Risk Consultants, Inc.

By_ Tracy Fleck, ACAS, MAAA
Senior Consultant and Actuary

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-1 (page 1)
Option 1

Reported Incurred Losses as of 06/30/24
Losses in the Layer $750,000 to $2,500,000

Member Index (1)	Member Name (2)	Claim Period 2015/16 (3)	2016/17 (4)	2017/18 (5)	2018/19 (6)	2019/20 (7)	2020/21 (8)	2021/22 (9)	2022/23 (10)	Total (11)	% of Total (12)
1	ALAMEDA	$0	$0	$1,750,000	$1,750,000	$0	$1,750,000	$0	$0	$5,250,000	9.18%
2	CHICO	0	0	661,000	0	0	0	0	0	661,000	1.16%
3	FAIRFIELD	0	0	0	0	275,000	0	963,217	415,000	1,653,217	2.89%
4	FREMONT	0	1,750,000	1,750,000	0	0	0	0	0	3,500,000	6.12%
5	LIVERMORE	63,000	1,750,000	0	0	0	221,000	0	0	2,034,000	3.56%
6	LODI	0	0	0	0	0	0	0	0	0	0.00%
7	NCCSIF	3,500,000	0	0	1,890,238	2,220,300	1,893,314	1,830,000	1,750,000	13,083,853	22.88%
8	PETALUMA	0	0	0	0	0	0	1,596,621	0	1,596,621	2.79%
9	REDDING	0	0	0	1,745,516	0	235,500	0	0	1,981,016	3.46%
10	RICHMOND	3,099,194	736,490	465,000	991,059	0	1,760,000	1,292,000	250,000	8,593,743	15.03%
11	ROSEVILLE	562,102	0	0	0	0	952,100	0	2,215,000	3,729,202	6.52%
12	SAN LEANDRO	0	0	239,634	0	3,500,000	2,455,225	0	0	6,194,859	10.83%
13	SAN RAFAEL	0	0	46,495	0	0	287,593	0	732,000	1,066,088	1.86%
14	SANTA ROSA	0	0	0	0	1,556,085	0	1,573,300	1,451,100	4,580,485	8.01%
15	SCORE	0	0	0	0	1,750,000	0	0	0	1,750,000	3.06%
16	SUNNYVALE	0	0	360,000	0	0	102,000	0	0	462,000	0.81%
17	VACAVILLE	0	0	1,055,000	0	0	0	0	149	1,055,149	1.84%
Total		$7,224,295	$4,236,490	$6,327,129	$6,376,814	$9,301,385	$9,656,732	$7,255,138	$6,813,249	$57,191,232	100.00%

(3) through (10) were based on the claim detail provided by CJPRMA.

(12) = (11) / (Total 11)

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Reported Incurred Losses as of 06/30/24
Losses in the Layer $750,000 to $7,500,000

Member Index (1)	Member Name (2)	Claim Period 2016/17 (3)	2017/18 (4)	2018/19 (5)	2019/20 (6)	2020/21 (7)	Total (8)	% of Total (9)
1	ALAMEDA	$0	$4,241,710	$2,851,489	$0	$6,750,000	$13,843,198	20.95%
2	CHICO	0	661,000	0	0	0	661,000	1.00%
3	FAIRFIELD	0	0	0	275,000	0	275,000	0.42%
4	FREMONT	3,785,098	2,003,723	0	0	0	5,788,821	8.76%
5	LIVERMORE	2,656,936	0	0	0	221,000	2,877,936	4.36%
6	LODI	0	0	0	0	0	0	0.00%
7	NCCSIF	0	0	3,788,783	7,220,300	1,893,314	12,902,398	19.53%
8	PETALUMA	0	0	0	0	0	0	0.00%
9	REDDING	0	0	1,745,516	0	235,500	1,981,016	3.00%
10	RICHMOND	736,490	465,000	991,059	0	3,815,000	6,007,549	9.09%
11	ROSEVILLE	0	0	0	0	952,100	952,100	1.44%
12	SAN LEANDRO	0	239,634	0	6,785,999	3,600,334	10,625,966	16.08%
13	SAN RAFAEL	0	46,495	0	0	287,593	334,088	0.51%
14	SANTA ROSA	0	0	0	1,556,085	0	1,556,085	2.36%
15	SCORE	0	0	0	6,750,000	0	6,750,000	10.22%
16	SUNNYVALE	0	360,000	0	0	102,000	462,000	0.70%
17	VACAVILLE	0	1,055,000	0	0	0	1,055,000	1.60%
Total		$7,178,524	$9,072,561	$9,376,847	$22,587,384	$17,856,841	$66,072,158	100.00%

(3) through (7) were based on the claim detail provided by CJPRMA.

(9) = (8) / (Total 8)

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Reported Incurred Losses as of 06/30/24
Losses in the Layer $750,000 to $7,500,000

Member Index (1)	Member Name (2)	Claim Period 2015/16 (3)	2016/17 (4)	2017/18 (5)	2018/19 (6)	2019/20 (7)	2020/21 (8)	2021/22 (9)	2022/23 (10)	Total (11)	% of Total (12)
1	ALAMEDA	$0	$0	$4,241,710	$2,851,489	$0	$6,750,000	$0	$0	$13,843,198	15.07%
2	CHICO	0	0	661,000	0	0	0	0	0	661,000	0.72%
3	FAIRFIELD	0	0	0	0	275,000	0	963,217	415,000	1,653,217	1.80%
4	FREMONT	0	3,785,098	2,003,723	0	0	0	0	0	5,788,821	6.30%
5	LIVERMORE	63,000	2,656,936	0	0	0	221,000	0	0	2,940,936	3.20%
6	LODI	0	0	0	0	0	0	0	0	0	0.00%
7	NCCSIF	4,667,951	0	0	3,788,783	7,220,300	1,893,314	3,870,000	3,002,500	24,442,849	26.61%
8	PETALUMA	0	0	0	0	0	0	1,596,621	0	1,596,621	1.74%
9	REDDING	0	0	0	1,745,516	0	235,500	0	0	1,981,016	2.16%
10	RICHMOND	3,099,194	736,490	465,000	991,059	0	3,815,000	1,292,000	250,000	10,648,743	11.59%
11	ROSEVILLE	562,102	0	0	0	0	952,100	0	2,245,000	3,759,202	4.09%
12	SAN LEANDRO	0	0	239,634	0	6,785,999	3,600,334	0	0	10,625,966	11.57%
13	SAN RAFAEL	0	0	46,495	0	0	287,593	0	732,000	1,066,088	1.16%
14	SANTA ROSA	0	0	0	0	1,556,085	0	1,573,300	1,451,100	4,580,485	4.99%
15	SCORE	0	0	0	0	6,750,000	0	0	0	6,750,000	7.35%
16	SUNNYVALE	0	0	360,000	0	0	102,000	0	0	462,000	0.50%
17	VACAVILLE	0	0	1,055,000	0	0	0	0	149	1,055,149	1.15%
Total		$8,392,247	$7,178,524	$9,072,561	$9,376,847	$22,587,384	$17,856,841	$9,295,138	$8,095,749	$91,855,291	100.00%

(3) through (10) were based on the claim detail provided by CJPRMA.

(12) = (11) / (Total 11)

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-2 (page 1)
Option 1

Payroll

Member Index (1)	Member Name (2)	2015/16 (3)	2016/17 (4)	2017/18 (5)	2018/19 (6)	2019/20 (7)	2020/21 (8)	2021/22 (9)	2022/23 (10)	Total (11)	% of Total (12)
1	ALAMEDA	$53,609,695	$48,068,141	$49,097,060	$51,178,859	$64,170,862	$65,984,988	$68,253,577	$77,820,944	$478,184,126	4.87%
2	CHICO	28,298,937	30,206,657	30,967,974	31,001,716	31,518,603	32,058,198	32,413,154	36,197,143	252,662,381	2.57%
3	FAIRFIELD	49,613,148	51,686,630	53,072,190	56,300,567	61,221,667	64,757,369	68,001,259	73,687,714	478,340,544	4.87%
4	FREMONT	93,852,546	105,633,274	111,923,052	118,091,755	124,119,788	131,729,036	137,240,103	136,979,599	959,569,153	9.77%
5	LIVERMORE	38,746,195	40,839,860	43,261,632	47,653,196	50,072,944	51,992,695	52,548,440	55,679,902	380,794,864	3.88%
6	LODI	28,825,503	31,432,781	31,178,245	31,819,731	31,829,147	33,171,674	34,078,659	44,399,224	266,734,964	2.72%
7	NCCSIF	153,101,639	161,314,570	164,435,058	168,220,604	172,111,765	184,033,959	185,276,587	224,965,498	1,413,459,679	14.39%
8	PETALUMA	27,983,371	27,954,809	31,506,829	32,027,316	32,349,894	35,063,815	36,433,259	43,815,196	267,134,488	2.72%
9	REDDING	61,742,152	66,426,065	68,506,399	68,921,927	71,348,382	70,868,675	77,459,256	92,840,872	578,113,728	5.89%
10	RICHMOND	85,901,165	88,043,341	87,400,632	87,733,137	88,708,795	88,249,470	82,503,969	80,159,360	688,699,869	7.01%
11	ROSEVILLE	101,558,691	106,736,763	115,186,415	116,445,957	118,562,184	123,477,868	125,186,715	147,667,018	954,821,612	9.72%
12	SAN LEANDRO	30,793,230	31,984,126	33,789,243	36,057,030	35,713,570	36,249,334	34,912,998	38,249,071	277,748,603	2.83%
13	SAN RAFAEL	35,817,916	38,094,496	39,292,806	40,803,495	43,071,863	42,166,610	40,057,594	46,702,331	326,007,111	3.32%
14	SANTA ROSA	100,680,522	105,772,483	110,837,457	123,343,098	112,457,618	128,610,290	128,830,077	133,932,098	944,463,644	9.62%
15	SCORE	19,939,732	20,355,911	22,168,245	23,431,802	24,492,508	25,680,941	25,959,151	32,370,740	194,399,030	1.98%
16	SUNNYVALE	92,304,935	99,729,386	98,485,867	106,910,592	111,754,555	116,825,280	119,317,726	130,716,973	876,045,313	8.92%
17	VACAVILLE	51,882,046	54,866,705	57,253,185	60,418,729	61,981,607	67,088,459	65,408,784	66,186,511	485,086,027	4.94%
Total		$1,054,651,423	$1,109,145,998	$1,148,362,288	$1,200,359,512	$1,235,485,752	$1,298,008,662	$1,313,881,308	$1,462,370,194	$9,822,265,137	100.00%

(3) through (10) were provided by CJPRMA.

(12) = (11) / (Total 11)

AON

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-2 (page 2)
Option 2

Payroll

Member Index (1)	Member Name (2)	2016/17 (3)	2017/18 (4)	2018/19 (5)	2019/20 (6)	2020/21 (7)	Total (8)	% of Total (9)
1	ALAMEDA	$48,068,141	$49,097,060	$51,178,859	$64,170,862	$65,984,988	$278,499,910	4.65%
2	CHICO	30,206,657	30,967,974	31,001,716	31,518,603	32,058,198	155,753,148	2.60%
3	FAIRFIELD	51,686,630	53,072,190	56,300,567	61,221,667	64,757,369	287,038,423	4.79%
4	FREMONT	105,633,274	111,923,052	118,091,755	124,119,788	131,729,036	591,496,905	9.87%
5	LIVERMORE	40,839,860	43,261,632	47,653,196	50,072,944	51,992,695	233,820,327	3.90%
6	LODI	31,432,781	31,178,245	31,819,731	31,829,147	33,171,674	159,431,578	2.66%
7	NCCSIF	161,314,570	164,435,058	168,220,604	172,111,765	184,033,959	850,115,955	14.19%
8	PETALUMA	27,954,809	31,506,829	32,027,316	32,349,894	35,063,815	158,902,662	2.65%
9	REDDING	66,426,065	68,506,399	68,921,927	71,348,382	70,868,675	346,071,448	5.78%
10	RICHMOND	88,043,341	87,400,632	87,733,137	88,708,795	88,249,470	440,135,375	7.35%
11	ROSEVILLE	106,736,763	115,186,415	116,445,957	118,562,184	123,477,868	580,409,188	9.69%
12	SAN LEANDRO	31,984,126	33,789,243	36,057,030	35,713,570	36,249,334	173,793,303	2.90%
13	SAN RAFAEL	38,094,496	39,292,806	40,803,495	43,071,863	42,166,610	203,429,270	3.40%
14	SANTA ROSA	105,772,483	110,837,457	123,343,098	112,457,618	128,610,290	581,020,947	9.70%
15	SCORE	20,355,911	22,168,245	23,431,802	24,492,508	25,680,941	116,129,407	1.94%
16	SUNNYVALE	99,729,386	98,485,867	106,910,592	111,754,555	116,825,280	533,705,680	8.91%
17	VACAVILLE	54,866,705	57,253,185	60,418,729	61,981,607	67,088,459	301,608,686	5.03%
Total		$1,109,145,998	$1,148,362,288	$1,200,359,512	$1,235,485,752	$1,298,008,662	$5,991,362,212	100.00%

(3) through (7) were provided by CJPRMA.

(9) = (8) / (Total 8)

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-2 (page 3)
Option 3

Payroll

Member Index (1)	Member Name (2)	2015/16 (3)	2016/17 (4)	2017/18 (5)	2018/19 (6)	2019/20 (7)	2020/21 (8)	2021/22 (9)	2022/23 (10)	Total (11)	% of Total (12)
1	ALAMEDA	$53,609,695	$48,068,141	$49,097,060	$51,178,859	$64,170,862	$65,984,988	$68,253,577	$77,820,944	$478,184,126	4.87%
2	CHICO	28,298,937	30,206,657	30,967,974	31,001,716	31,518,603	32,058,198	32,413,154	36,197,143	252,662,381	2.57%
3	FAIRFIELD	49,613,148	51,686,630	53,072,190	56,300,567	61,221,667	64,757,369	68,001,259	73,687,714	478,340,544	4.87%
4	FREMONT	93,852,546	105,633,274	111,923,052	118,091,755	124,119,788	131,729,036	137,240,103	136,979,599	959,569,153	9.77%
5	LIVERMORE	38,746,195	40,839,860	43,261,632	47,653,196	50,072,944	51,992,695	52,548,440	55,679,902	380,794,864	3.88%
6	LODI	28,825,503	31,432,781	31,178,245	31,819,731	31,829,147	33,171,674	34,078,659	44,399,224	266,734,964	2.72%
7	NCCSIF	153,101,639	161,314,570	164,435,058	168,220,604	172,111,765	184,033,959	185,276,587	224,965,498	1,413,459,679	14.39%
8	PETALUMA	27,983,371	27,954,809	31,506,829	32,027,316	32,349,894	35,063,815	36,433,259	43,815,196	267,134,488	2.72%
9	REDDING	61,742,152	66,426,065	68,506,399	68,921,927	71,348,382	70,868,675	77,459,256	92,840,872	578,113,728	5.89%
10	RICHMOND	85,901,165	88,043,341	87,400,632	87,733,137	88,708,795	88,249,470	82,503,969	80,159,360	688,699,869	7.01%
11	ROSEVILLE	101,558,691	106,736,763	115,186,415	116,445,957	118,562,184	123,477,868	125,186,715	147,667,018	954,821,612	9.72%
12	SAN LEANDRO	30,793,230	31,984,126	33,789,243	36,057,030	35,713,570	36,249,334	34,912,998	38,249,071	277,748,603	2.83%
13	SAN RAFAEL	35,817,916	38,094,496	39,292,806	40,803,495	43,071,863	42,166,610	40,057,594	46,702,331	326,007,111	3.32%
14	SANTA ROSA	100,680,522	105,772,483	110,837,457	123,343,098	112,457,618	128,610,290	128,830,077	133,932,098	944,463,644	9.62%
15	SCORE	19,939,732	20,355,911	22,168,245	23,431,802	24,492,508	25,680,941	25,959,151	32,370,740	194,399,030	1.98%
16	SUNNYVALE	92,304,935	99,729,386	98,485,867	106,910,592	111,754,555	116,825,280	119,317,726	130,716,973	876,045,313	8.92%
17	VACAVILLE	51,882,046	54,866,705	57,253,185	60,418,729	61,981,607	67,088,459	65,408,784	66,186,511	485,086,027	4.94%
Total		$1,054,651,423	$1,109,145,998	$1,148,362,288	$1,200,359,512	$1,235,485,752	$1,298,008,662	$1,313,881,308	$1,462,370,194	$9,822,265,137	100.00%

(3) through (10) were provided by CJPRMA.

(12) = (11) / (Total 11)

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-3 (page 1)
Option 1

2025/26 Experience Modification Factors

Member Index (1)	Member Name (2)	2015/16 - 2022/23 % of Total Reported Incurred Losses as of 06/30/24 - Losses in the Layer $750,000 to $2,500,000 (3)	Payroll (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility Weighted Experience Modification Factor (7)	Prior Experience Modification Factor (8)	2025/26 Experience Modification Factor (9)
1	ALAMEDA	9.18%	4.87%	1.886	12.7%	1.112	N/A	1.111
2	CHICO	1.16%	2.57%	0.449	7.1%	0.961	N/A	0.960
3	FAIRFIELD	2.89%	4.87%	0.594	12.7%	0.949	N/A	0.948
4	FREMONT	6.12%	9.77%	0.626	22.5%	0.916	N/A	0.915
5	LIVERMORE	3.56%	3.88%	0.917	10.4%	0.991	N/A	0.991
6	LODI	0.00%	2.72%	0.000	7.5%	0.925	N/A	0.924
7	NCCSIF	22.88%	14.39%	1.590	30.0%	1.177	N/A	1.176
8	PETALUMA	2.79%	2.72%	1.026	7.5%	1.002	N/A	1.001
9	REDDING	3.46%	5.89%	0.589	14.9%	0.939	N/A	0.938
10	RICHMOND	15.03%	7.01%	2.143	17.3%	1.197	N/A	1.196
11	ROSEVILLE	6.52%	9.72%	0.671	22.5%	0.926	N/A	0.925
12	SAN LEANDRO	10.83%	2.83%	3.831	7.8%	1.220	N/A	1.219
13	SAN RAFAEL	1.86%	3.32%	0.562	9.0%	0.961	N/A	0.960
14	SANTA ROSA	8.01%	9.62%	0.833	22.3%	0.963	N/A	0.962
15	SCORE	3.06%	1.98%	1.546	5.6%	1.030	N/A	1.029
16	SUNNYVALE	0.81%	8.92%	0.091	21.0%	0.809	N/A	0.808
17	VACAVILLE	1.84%	4.94%	0.374	12.8%	0.920	N/A	0.919
Total		100.00%	100.00%					

(3) is from Exhibit X-Mod-1 (page 1).

(4) is from Exhibit X-Mod-2 (page 1).

(5) = (3) / (4)

(6) is based on (4). The largest member is given 30% weight and the remaining members proportionately less.

(7) = [(6) x (5)]+[(1.0-(6)) x 1.0]

(9) = (7), subject to a minimum of 0.700, a maximum of 1.300, and an off-balance factor.

2025/26 Experience Modification Factors

Member Index (1)	Member Name (2)	2016/17 - 2020/21 % of Total Reported Incurred Losses as of 06/30/24 - Losses in the Layer $750,000 to $7,500,000 (3)	2016/17 - 2020/21 % of Total Payroll (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility Weighted Experience Modification Factor (7)	Prior Experience Modification Factor (8)	2025/26 Experience Modification Factor (9)
1	ALAMEDA	20.95%	4.65%	4.507	5.5%	1.192	N/A	1.203
2	CHICO	1.00%	2.60%	0.385	3.1%	0.981	N/A	0.990
3	FAIRFIELD	0.42%	4.79%	0.087	5.6%	0.949	N/A	0.957
4	FREMONT	8.76%	9.87%	0.887	10.9%	0.988	N/A	0.997
5	LIVERMORE	4.36%	3.90%	1.116	4.6%	1.005	N/A	1.015
6	LODI	0.00%	2.66%	0.000	3.2%	0.968	N/A	0.977
7	NCCSIF	19.53%	14.19%	1.376	15.0%	1.056	N/A	1.066
8	PETALUMA	0.00%	2.65%	0.000	3.2%	0.968	N/A	0.977
9	REDDING	3.00%	5.78%	0.519	6.7%	0.968	N/A	0.977
10	RICHMOND	9.09%	7.35%	1.238	8.4%	1.020	N/A	1.029
11	ROSEVILLE	1.44%	9.69%	0.149	10.8%	0.908	N/A	0.917
12	SAN LEANDRO	16.08%	2.90%	5.544	3.5%	1.158	N/A	1.169
13	SAN RAFAEL	0.51%	3.40%	0.149	4.1%	0.966	N/A	0.974
14	SANTA ROSA	2.36%	9.70%	0.243	10.8%	0.919	N/A	0.927
15	SCORE	10.22%	1.94%	5.271	2.4%	1.101	N/A	1.111
16	SUNNYVALE	0.70%	8.91%	0.078	10.0%	0.908	N/A	0.917
17	VACAVILLE	1.60%	5.03%	0.317	5.9%	0.960	N/A	0.969
Total		100.00%	100.00%					

(3) is from Exhibit X-Mod-1 (page 2).

(4) is from Exhibit X-Mod-2 (page 2).

(5) = (3) / (4)

(6) is based on (4). The largest member is given 15% weight and the remaining members proportionately less.

(7) = [(6) x (5)]+[(1.0-(6)) x 1.0]

(9) = (7), subject to a minimum of 0.500, a maximum of 1.500, and an off-balance factor.

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-3 (page 3)
Option 3

2025/26 Experience Modification Factors

Member Index (1)	Member Name (2)	2015/16 - 2022/23 % of Total Reported Incurred Losses as of 06/30/24 - Losses in the Layer $750,000 to $7,500,000 (3)	Payroll (4)	Indicated Experience Modification Factor (5)	Credibility Weight (6)	Credibility Weighted Experience Modification Factor (7)	Prior Experience Modification Factor (8)	2025/26 Experience Modification Factor (9)
1	ALAMEDA	15.07%	4.87%	3.096	10.1%	1.212	N/A	1.211
2	CHICO	0.72%	2.57%	0.280	5.6%	0.959	N/A	0.959
3	FAIRFIELD	1.80%	4.87%	0.370	10.1%	0.936	N/A	0.935
4	FREMONT	6.30%	9.77%	0.645	18.5%	0.935	N/A	0.934
5	LIVERMORE	3.20%	3.88%	0.826	8.2%	0.986	N/A	0.985
6	LODI	0.00%	2.72%	0.000	5.9%	0.941	N/A	0.940
7	NCCSIF	26.61%	14.39%	1.849	25.0%	1.212	N/A	1.211
8	PETALUMA	1.74%	2.72%	0.639	5.9%	0.979	N/A	0.978
9	REDDING	2.16%	5.89%	0.366	12.0%	0.924	N/A	0.923
10	RICHMOND	11.59%	7.01%	1.653	14.0%	1.091	N/A	1.090
11	ROSEVILLE	4.09%	9.72%	0.421	18.4%	0.894	N/A	0.893
12	SAN LEANDRO	11.57%	2.83%	4.091	6.1%	1.190	N/A	1.189
13	SAN RAFAEL	1.16%	3.32%	0.350	7.1%	0.954	N/A	0.953
14	SANTA ROSA	4.99%	9.62%	0.519	18.2%	0.912	N/A	0.912
15	SCORE	7.35%	1.98%	3.713	4.4%	1.119	N/A	1.118
16	SUNNYVALE	0.50%	8.92%	0.056	17.1%	0.838	N/A	0.838
17	VACAVILLE	1.15%	4.94%	0.233	10.3%	0.921	N/A	0.920
Total		100.00%	100.00%					

(3) is from Exhibit X-Mod-1 (page 3).

(4) is from Exhibit X-Mod-2 (page 3).

(5) = (3) / (4)

(6) is based on (4). The largest member is given 25% weight and the remaining members proportionately less.

(7) = [(6) x (5)]+[(1.0-(6)) x 1.0]

(9) = (7), subject to a minimum of 0.500, a maximum of 2.000, and an off-balance factor.

2025/26 Projected Contribution Rate and Premium

Member Index (1)	Member Name (2)	Projected 2025/26 Payroll (3)	2025/26 Experience Modification Factor (4)	Member Deductible (5)	2025/26 Member Contribution Rate: Losses (6)	Reinsurance (7)	Overhead Expenses (8)	Total (9)	Projected 2025/26 Premium (10)
1	ALAMEDA	$93,618,985	1.111	$750,000	$2.117	$1.331	$0.134	$3.582	$3,353,764
2	CHICO	51,224,643	0.960	750,000	1.829	1.331	0.134	3.294	1,687,470
3	FAIRFIELD	82,945,115	0.948	750,000	1.806	1.331	0.134	3.271	2,713,009
4	FREMONT	168,760,949	0.915	1,500,000	1.253	1.331	0.134	2.718	4,586,287
5	LIVERMORE	65,314,821	0.991	750,000	1.888	1.331	0.134	3.353	2,189,727
6	LODI	49,453,582	0.924	1,000,000	1.546	1.331	0.134	3.011	1,488,973
7	NCCSIF	269,613,247	1.176	1,000,000	1.966	1.331	0.134	3.431	9,251,759
8	PETALUMA	55,223,646	1.001	750,000	1.908	1.331	0.134	3.373	1,862,493
9	REDDING	107,471,068	0.938	750,000	1.787	1.331	0.134	3.252	3,494,978
10	RICHMOND	105,593,672	1.196	750,000	2.280	1.331	0.134	3.745	3,954,258
11	ROSEVILLE	177,608,861	0.925	1,000,000	1.547	1.331	0.134	3.012	5,350,234
12	SAN LEANDRO	45,893,675	1.219	750,000	2.322	1.331	0.134	3.787	1,738,193
13	SAN RAFAEL	55,409,487	0.960	750,000	1.829	1.331	0.134	3.294	1,825,068
14	SANTA ROSA	159,800,088	0.962	1,000,000	1.609	1.331	0.134	3.074	4,911,817
15	SCORE	37,875,537	1.029	750,000	1.962	1.331	0.134	3.427	1,297,890
16	SUNNYVALE	156,130,089	0.808	1,000,000	1.352	1.331	0.134	2.817	4,398,124
17	VACAVILLE	78,934,628	0.919	750,000	1.751	1.331	0.134	3.216	2,538,489
Total		$1,760,872,093							$56,642,533
(A) 2025/26 Pool Contribution Rate									
				$750,000	$1.906	$1.331	$0.134	$3.371	
				1,000,000	1.672	1.331	0.134	3.137	
				1,250,000	1.509	1.331	0.134	2.974	
				1,500,000	1.369	1.331	0.134	2.834	

(3) and (5) were provided by CJPRMA.

(4) is from Exhibit X-Mod-3 (page 1).

(A.6) through (A.9) are from Aon's Actuarial Study as of 06/30/24.

(6) and (A.6) are discounted at 1% interest and shown at 85% confidence level.

(6) = (A.6) x (4)

(7) = (A.7)

(8) = (A.8)

(10) = (9) x (3) / $100

2025/26 Projected Contribution Rate and Premium

Member Index (1)	Member Name (2)	Projected 2025/26 Payroll (3)	2025/26 Experience Modification Factor (4)	Member Deductible (5)	2025/26 Member Contribution Rate: Losses (6)	Reinsurance (7)	Overhead Expenses (8)	Total (9)	Projected 2025/26 Premium (10)
1	ALAMEDA	$93,618,985	1.203	$750,000	$2.292	$1.331	$0.134	$3.757	$3,517,247
2	CHICO	51,224,643	0.990	750,000	1.886	1.331	0.134	3.351	1,716,672
3	FAIRFIELD	82,945,115	0.957	750,000	1.825	1.331	0.134	3.290	2,728,529
4	FREMONT	168,760,949	0.997	1,500,000	1.365	1.331	0.134	2.830	4,775,517
5	LIVERMORE	65,314,821	1.015	750,000	1.934	1.331	0.134	3.399	2,219,825
6	LODI	49,453,582	0.977	1,000,000	1.634	1.331	0.134	3.099	1,532,504
7	NCCSIF	269,613,247	1.066	1,000,000	1.783	1.331	0.134	3.248	8,757,606
8	PETALUMA	55,223,646	0.977	750,000	1.862	1.331	0.134	3.327	1,837,237
9	REDDING	107,471,068	0.977	750,000	1.861	1.331	0.134	3.326	3,574,834
10	RICHMOND	105,593,672	1.029	750,000	1.962	1.331	0.134	3.427	3,618,263
11	ROSEVILLE	177,608,861	0.917	1,000,000	1.533	1.331	0.134	2.998	5,325,506
12	SAN LEANDRO	45,893,675	1.169	750,000	2.228	1.331	0.134	3.693	1,694,690
13	SAN RAFAEL	55,409,487	0.974	750,000	1.857	1.331	0.134	3.322	1,840,700
14	SANTA ROSA	159,800,088	0.927	1,000,000	1.550	1.331	0.134	3.015	4,818,607
15	SCORE	37,875,537	1.111	750,000	2.117	1.331	0.134	3.582	1,356,574
16	SUNNYVALE	156,130,089	0.917	1,000,000	1.533	1.331	0.134	2.998	4,680,485
17	VACAVILLE	78,934,628	0.969	750,000	1.846	1.331	0.134	3.311	2,613,478
Total		$1,760,872,093							$56,608,275
(A) 2025/26 Pool Contribution Rate									
				$750,000	$1.906	$1.331	$0.134	$3.371	
				1,000,000	1.672	1.331	0.134	3.137	
				1,250,000	1.509	1.331	0.134	2.974	
				1,500,000	1.369	1.331	0.134	2.834	

(3) and (5) were provided by CJPRMA.

(4) is from Exhibit X-Mod-3 (page 2).

(A.6) through (A.9) are from Aon's Actuarial Study as of 06/30/24.

(6) and (A.6) are discounted at 1% interest and shown at 85% confidence level.

(6) = (A.6) x (4)

(7) = (A.7)

(8) = (A.8)

(10) = (9) x (3) / $100

CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY
LIABILITY

Exhibit X-Mod-4 (page 3)
Option 3

2025/26 Projected Contribution Rate and Premium

Member Index (1)	Member Name (2)	Projected 2025/26 Payroll (3)	2025/26 Experience Modification Factor (4)	Member Deductible (5)	2025/26 Member Contribution Rate: Losses (6)	Reinsurance (7)	Overhead Expenses (8)	Total (9)	Projected 2025/26 Premium (10)
1	ALAMEDA	$93,618,985	1.211	$750,000	$2.308	$1.331	$0.134	$3.774	$3,532,725
2	CHICO	51,224,643	0.959	750,000	1.827	1.331	0.134	3.292	1,686,321
3	FAIRFIELD	82,945,115	0.935	750,000	1.782	1.331	0.134	3.247	2,693,599
4	FREMONT	168,760,949	0.934	1,500,000	1.278	1.331	0.134	2.743	4,629,763
5	LIVERMORE	65,314,821	0.985	750,000	1.877	1.331	0.134	3.342	2,182,696
6	LODI	49,453,582	0.940	1,000,000	1.572	1.331	0.134	3.037	1,502,011
7	NCCSIF	269,613,247	1.211	1,000,000	2.026	1.331	0.134	3.491	9,411,839
8	PETALUMA	55,223,646	0.978	750,000	1.863	1.331	0.134	3.328	1,838,069
9	REDDING	107,471,068	0.923	750,000	1.759	1.331	0.134	3.224	3,465,288
10	RICHMOND	105,593,672	1.090	750,000	2.078	1.331	0.134	3.543	3,741,146
11	ROSEVILLE	177,608,861	0.893	1,000,000	1.493	1.331	0.134	2.958	5,254,174
12	SAN LEANDRO	45,893,675	1.189	750,000	2.266	1.331	0.134	3.731	1,712,265
13	SAN RAFAEL	55,409,487	0.953	750,000	1.816	1.331	0.134	3.281	1,817,835
14	SANTA ROSA	159,800,088	0.912	1,000,000	1.525	1.331	0.134	2.990	4,777,338
15	SCORE	37,875,537	1.118	750,000	2.131	1.331	0.134	3.596	1,361,842
16	SUNNYVALE	156,130,089	0.838	1,000,000	1.401	1.331	0.134	2.866	4,474,875
17	VACAVILLE	78,934,628	0.920	750,000	1.754	1.331	0.134	3.219	2,541,011
Total		$1,760,872,093							$56,622,797
(A) 2025/26 Pool Contribution Rate									
				$750,000	$1.906	$1.331	$0.134	$3.371	
				1,000,000	1.672	1.331	0.134	3.137	
				1,250,000	1.509	1.331	0.134	2.974	
				1,500,000	1.369	1.331	0.134	2.834	

(3) and (5) were provided by CJPRMA.

(4) is from Exhibit X-Mod-3 (page 3).

(A.6) through (A.9) are from Aon's Actuarial Study as of 06/30/24.

(6) and (A.6) are discounted at 1% interest and shown at 85% confidence level.

(6) = (A.6) x (4)

(7) = (A.7)

(8) = (A.8)

(10) = (9) x (3) / $100

Comparison of 2025/26 Projected Premium

		Projected 2025/26 Premium				Difference from Unmodified			% Difference in Projected 2025/26 Premium		
Member Index (1)	Member Name (2)	Unmodified (3)	Option 1 (4)	Option 2 (5)	Option 3 (6)	Option 1 (4) - (3) (7)	Option 2 (5) - (3) (8)	Option 3 (6) - (3) (9)	Option 1 (10)	Option 2 (11)	Option 3 (12)
1	ALAMEDA	$3,155,577	$3,353,764	$3,517,247	$3,532,725	$198,188	$361,671	$377,148	6%	11%	12%
2	CHICO	1,726,608	1,687,470	1,716,672	1,686,321	(39,138)	(9,936)	(40,287)	-2%	-1%	-2%
3	FAIRFIELD	2,795,797	2,713,009	2,728,529	2,693,599	(82,788)	(67,268)	(102,198)	-3%	-2%	-4%
4	FREMONT	4,782,808	4,586,287	4,775,517	4,629,763	(196,521)	(7,291)	(153,045)	-4%	0%	-3%
5	LIVERMORE	2,201,540	2,189,727	2,219,825	2,182,696	(11,813)	18,285	(18,844)	-1%	1%	-1%
6	LODI	1,551,581	1,488,973	1,532,504	1,502,011	(62,609)	(19,077)	(49,570)	-4%	-1%	-3%
7	NCCSIF	8,458,980	9,251,759	8,757,606	9,411,839	792,779	298,626	952,859	9%	4%	11%
8	PETALUMA	1,861,401	1,862,493	1,837,237	1,838,069	1,092	(24,164)	(23,332)	0%	-1%	-1%
9	REDDING	3,622,483	3,494,978	3,574,834	3,465,288	(127,505)	(47,649)	(157,195)	-4%	-1%	-4%
10	RICHMOND	3,559,202	3,954,258	3,618,263	3,741,146	395,055	59,060	181,944	11%	2%	5%
11	ROSEVILLE	5,572,389	5,350,234	5,325,506	5,254,174	(222,155)	(246,883)	(318,215)	-4%	-4%	-6%
12	SAN LEANDRO	1,546,919	1,738,193	1,694,690	1,712,265	191,274	147,771	165,346	12%	10%	11%
13	SAN RAFAEL	1,867,665	1,825,068	1,840,700	1,817,835	(42,597)	(26,964)	(49,830)	-2%	-1%	-3%
14	SANTA ROSA	5,013,648	4,911,817	4,818,607	4,777,338	(101,831)	(195,041)	(236,309)	-2%	-4%	-5%
15	SCORE	1,276,655	1,297,890	1,356,574	1,361,842	21,235	79,919	85,187	2%	6%	7%
16	SUNNYVALE	4,898,503	4,398,124	4,680,485	4,474,875	(500,379)	(218,018)	(423,628)	-10%	-4%	-9%
17	VACAVILLE	2,660,617	2,538,489	2,613,478	2,541,011	(122,128)	(47,139)	(119,606)	-5%	-2%	-4%
Total		$56,552,373	$56,642,533	$56,608,275	$56,622,797	$90,160	$55,901	$70,424	0%	0%	0%
Years Used			2015/16-2022/23	2016/17-2020/21	2015/16-2022/23						
Maximum Credibility			30%	15%	25%						
Loss Layer Included			$750,000-$2,500,000	$750,000-$7,500,000	$750,000-$7,500,000						

(3) is based on the contribution rates, projected payroll, and member deductibles shown in Exhibit X-Mod-4, with no experience rating applied.

(4) is from Exhibit X-Mod-4 (page 1).

(5) is from Exhibit X-Mod-4 (page 2).

(6) is from Exhibit X-Mod-4 (page 3).

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 4	**TITLE: APPROVE MODIFICATION TO BOARD POLICY B25 (ANNUAL REVIEW OF MEMBERS LOSS HISTORY)**
MEETING: 10/02/2025	
GENERAL MANAGER: A.B.G.	

Recommended Actions

Approve modifications to Board Policy B25 (Annual Review of Members Loss History).

Strategic Direction

Strategic Goal #1: "Be in a positive net position by June 30, 2025."

Item Explanation

At its 6/26/2025 meeting, the Executive Committee evaluated the following item.

Article XIX of the CJPRMA Joint Powers Agreement includes this language: "Member entities shall have the ability to determine, from year to year, which Board established self-funded retention level they will assume in the Automobile/General Liability program." Members have been free to choose among all available retention levels, with the ability to choose higher or lower retentions.

Board Policy B25 (Annual Review of Members Loss History) provides the framework for the application of surcharges in the liability program. One element of the policy is that a member subject to a surcharge can choose a higher self-insured retention and reduce its surcharge.

- A member can choose to increase its SIR to the next highest retention and will only be responsible for 50% of the surcharge.
- A member can choose to increase its SIR two levels and avoid the surcharge completely.

The purpose of this was to encourage members with higher loss ratios to assume higher self-insured retentions. The higher loss ratios are one indication that the member has been at a retention level that is too low, putting them into the burn layer. The burn layer is the layer of loss amounts in which losses have historically occurred with enough frequency or severity to make that layer likely to be used.

When Board Policy B25 was established, staff and the Board did not contemplate that a member accepting a higher retention to reduce its surcharge would return to the lower surcharge.

However, this has occurred. Staff recommends adding the following language to Board Policy B25.

"Once a member has increased its SIR to reduce its surcharge, it cannot reduce its SIR without approval from the Board of Directors." This does not mean that members cannot return to a lower retention, but it gives the Board control over that decision.

At that meeting, the Executive Committee had a number of proposed modifications to the policy, and the item was tabled until the 10/2/2025 meeting so that it could focus on the policy and decide what, if any, modifications to make.

Elements of the policy that are ripe for review include:

- Calculation of loss ratio
    - Review period (currently eight years)
    - Caps (currently $2.5 million)
    - Exclusion of highest claim (currently yes)
- Loss ratios and surcharges
- Impact of SIR changes
- Impact of remaining at highest surcharge

Additionally, the Executive Committee should consider what this policy will look like if the Board implements experience modifiers.

The General Manager will edit the policy based on the Executive Committee's input and present the modified policy to the Board of Directors at its 12/10/2025 meeting.

Fiscal Impact

The impact of this policy change will change depending on the modifications approved by the Board of Directors.

Exhibits

Board Policy B25 (Annual Review of Members Loss History)

CALIFORNIA JOINT POWER RISK MANAGEMENT AUTHORITY		
BOARD POLICY	**Number B25**	**Page 1 of 2**
Subject: Annual Review of Members Loss History	**Date Adopted:** **11/16/17**	**Effective Date:** **11/16/17**
	Date Revised: **December 9, 2021**	**Supersedes:** **N/A**

This policy is designed to improve the overall financial stability of the CJPRMA liability program, provide cost effective coverage, and fairly allocate premium costs among members.

This policy provides consequences to CJPRMA members that have a loss history of greater than 100 percent. Staff will present a Member Loss Experience Report to the Board of Directors at the August meeting for action at the December meeting. This report will reflect losses in an 8-year period ending on June 30 of the current year.

The Member Loss Experience Report will include the following:

- Total Contributions
- CJPRMA Total Net Incurred in the CJPRMA retained layer
- Number of Claims
- Contributions to the CJPRMA retained layer. Contributions will include any surcharge paid during the current year.
- Total Losses. The single highest loss in the 8-year period will be excluded from the total losses.
- Total Losses Capped at $2,500,000

If a member's loss ratio exceeds 100%, the member will be subject to a surcharge according to the table below:

Loss Ratio	Surcharge
101-120%	10%
121-140%	15%
141-160%	20%
161-180%	25%
181+%	30%

BOARD POLICY	Number B25	Page 2 of 2
Subject: Annual Review of Members Loss History	**Date Adopted:** 11/16/17	**Effective Date:** 11/16/17
	Date Revised: December 9, 2021	**Supersedes:** N/A

- A member can choose to increase its SIR to the next highest retention and will only be responsible for 50% of the surcharge.
- A member can choose to increase its SIR two levels and avoid the surcharge completely.
- If a member is at the highest loss ratio tier (181+%) for consecutive years, the following shall apply:
  - Second year at highest tier: Surcharge increase from 30% to 35%.
  - Third year at highest tier:
    - Surcharge increase from 35% to 40%.
    - Mandatory increase to next highest retention.
  - Notice of intent sent to member that removal will be suggested the next year if the member continues at the highest tier.
  - Fourth year at the highest tier: general manager will recommend that the Board of Directors vote to remove the member from the pool.
- Surcharge increases will not compound. Surcharge will always be applied to the actuarially determined premium.

Authorized Signature
Tony Giles , General Manager

Back to Agenda

CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

AGENDA BILL

ITEM: 5	**TITLE: RISK MANAGEMENT ISSUES**
MEETING: 10/02/2025	
GENERAL MANAGER: A.B.G.	

Recommended Actions
None. This item is being provided for information only.

Strategic Direction
- Strategic Goal #2, "Create and implement a Communications Plan."
- Strategic Goal #7, "Identify and assess future risks and create a plan to address those risks."

Item Explanation
This item is reserved for the discussion of risk management issues that are of concern to the members and for the provision of status updates on the risk management program.

- As of 9/24/2025, no risk management issues have been reported

Fiscal Impact
None

Exhibits
None