



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**

MINUTES

I. CALL TO ORDER – President Jensen call the meeting to order at 10:05 A.M.

II. ROLL CALL

PRESENT

- | | |
|---------------------------------|------------------------------|
| 1) Yibin Shen, Alameda | 4) Christian Curtis, Redding |
| 2) Beverly Jensen, Lodi | 5) Blake Michaelson, SCORE |
| 3) Elizabeth Ehrenstrom, NCCSIF | |

ABSENT – Roseville (attended via Zoom but could not vote)

OTHERS

- | | |
|---------------------------|-------------------------|
| 6) Tony Giles, CJPRMA | 8) Shawn Millar, CJPRMA |
| 7) Marinda Griese, CJPRMA | |

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

- The Executive Committee conferred with staff regarding litigated claims.

V. PRESENTATIONS

- None

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

- A motion was made by Director Ehrenstrom and seconded by Director Shen to approve the minutes from the Executive Committee meeting held 06/26/2025. Directors Shen, Jensen, Ehrenstrom, Michaelson, and Curtis approved the motion. Roseville was absent from the meeting. Motion passed.

IX. CONSENT CALENDAR

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

2. Business Calendar for 2025 & 2026 (I)

- A motion was made by Director Ehrenstrom and seconded by Director Curtis to approve the consent calendar. Directors Shen, Jensen, Ehrenstrom, Michaelson, and Curtis approved the motion. Roseville was absent from the meeting. Motion passed.

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

3. Experience Modifier for Liability Program (I)

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

- Option 3
 - o 8 years of loss history
 - o Losses capped at \$7.5 million (CJPRMA retention)
 - o Minimum ex-mod of 0.50
 - o 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.

- This item had 2 recommended actions to choose from:
 - 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.
- A motion was made by Director Ehrenstrom and seconded by Director Shen to approve Alternative 1 Directors Shen, Jensen, Ehrenstrom, and Michaelsen approved the motion. Director Curtis rejected the motion. Roseville was absent from the meeting. Motion passed.

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

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.

- A motion was made by Director Ehrenstrom and seconded by Director Shen to approve the modifications to Board Policy B25 (Annual Review of Members Loss History) deleting these two sentences:
 - 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.

Directors Shen, Jensen, Ehrenstrom, Michaelsen, and Curtis approved the motion. Roseville was absent from the meeting. Motion passed.

5. Risk Management Issues (I)

As of 9/24/2025, no risk management issues had been reported for discussion.

XI. ADJOURNMENT – President Jensen adjourned the meeting at 1:00 P.M.