

# Property Program Committee Meeting



YOUR BEST PROTECTION

JPIA Executive Conference Room  
2100 Professional Drive  
Roseville, CA 95661

Tuesday  
February 28, 2011  
10:00 AM

Chairman: Thomas A. Cuquet, South Sutter Water District

Vice-chair: WD "Bill" Knutson, Yuima Municipal Water District

Tom Coleman, Rowland Water District

Mark A. Gilkey, Tulare Lake Basin Water Storage District

Paul R. Green Jr., Rio Linda/Elverta Community Water District

Shawn Huckaby, Fair Oaks Water District

Theresa Lee, Walnut Valley Water District

Ed Muzik, Hi-Desert Water District

Eugene F. West, Camrosa Water District



## PROPERTY PROGRAM COMMITTEE MEETING

### AGENDA

JPIA Executive Conference Room  
2100 Professional Drive, Roseville, CA 95661  
(800) 231-5742 - [WWW.ACWAJPIA.COM](http://WWW.ACWAJPIA.COM)

**Tuesday, January 30, 2018 10:00 a.m.**

**WebEx call-in: (855) 749-4750; access code: 809 429 738; password: 1234**

This meeting shall consist of a simultaneous WebEx teleconference call at the ACWA Joint Powers Insurance Authority, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Gilkey, 1001 Chase Avenue, Corcoran
- Huckaby, 10326 Fair Oaks Blvd, Fair Oaks
- Muzik, 55439 Twenty-nine Palms Highway, Yucca Valley

### **WELCOME**

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**ANNOUNCEMENT RECORDING OF MEETING** This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the California Brown Act.

### **EVACUATION PROCEDURES**

**PUBLIC COMMENT** Members of the public will be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chairman know.

### **INTRODUCTIONS**

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

Presenter

Page#

#### **I. CONSENT AGENDA**

Cuquet      \*      A. Approve the minutes of the meeting of October 31, 2017.

**1**

Cuquet      B. Report on meetings attended on behalf of the JPIA.

## **II. LOSS REPORTS**

- |       |                          |   |
|-------|--------------------------|---|
| Sells | * A. Review claims data. | 4 |
|-------|--------------------------|---|

## **III. NEW BUSINESS**

- |            |   |    |
|------------|---|----|
| Alliant    | * A. Review 2017 catastrophic losses in the United States.                    | 16 |
| Thesing    | * B. Review and take action on the 2018-2019 property insurance renewal.      | 30 |
| deBernardi | * C. Review and take action of renewal pricing.                               | 33 |
| Thesing    | * D. Review and take action on the 2018-2019 Memorandum of Property Coverage. | 38 |

## **IV. UPCOMING MEETING**

- |        |  |    |
|--------|--|----|
| Cuquet | * A. There are no additional meetings scheduled for the remainder of the year. | 44 |
|--------|--|----|

## **ADJOURN**

\*Related items enclosed.

***Americans With Disabilities Act*** – The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Kristan Brown, Administrative Assistant II, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

*Written materials relating to an item on this Agenda that are distributed to the JPIA's Property Program Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.*



Unapproved

## Property Program Committee Meeting

ACWA JPIA Executive Conference Room  
2100 Professional Drive,  
Roseville, CA 95661  
(800) 231-5742

**October 31, 2017**

This meeting consisted of a simultaneous WebEx teleconference call at the JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Knutson, 15426 Stillbrook Lane, Pauma Valley
- Gilkey, 1001 Chase Avenue, Corcoran
- Huckaby, 10326 Fair Oaks Boulevard, Fair Oaks
- Muzik, 55439 Twenty-nine Palms Highway, Yucca Valley

### MEMBERS PRESENT

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Chairman: Thomas A. Cuquet, South Sutter Water District  
Vice-chair: W.D. "Bill" Knutson, Yuima Municipal Water District (*via WebEx*)  
 Tom Coleman, Rowland Water District  
 Paul R. Green Jr., Rio Linda/Elverta Community Water District  
 Mark A. Gilkey, Tulare Lake Basin WSD (*via WebEx*)  
 Shawn Huckaby, Fair Oaks Water District (*via WebEx*)  
 Theresa Lee, Walnut Valley Water District  
 Ed Muzik, Hi-Desert Water District (*via WebEx*)

### MEMBERS ABSENT

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Eugene West, Camrosa Water District

### STAFF PRESENT

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Chief Executive Officer/Secretary: Walter "Andy" Sells  
 Carol Barake, Risk Management Program Manager  
 Linda Craun, Administrative Assistant II (WebEx Coordinator)  
 David deBernardi, Director of Finance  
 Robin Flint, Sr. Risk Management Advisor  
 Robert Greenfield, General Counsel  
 Debbie Kyburz, Lead Member Services Representative  
 Jennifer Nogosek, Liability/Property Claims Manager  
 Patricia Slaven, Director of Administration  
 Sandra Smith, Employee Benefits Manager  
 Dianna Sutton, Finance Manager  
 Karen Thesing, Director of Insurance Services  
 Chuck Wagenseller, Cost Estimator/Risk Management Advisor  
 Suzanne Wallace, Administrative Assistant II (Recording Secretary)  
 Nidia Watkins, Member Services Representative II

Bobbette Wells, Executive Assistant to the CEO  
Cece Wuchter, Senior Claims Examiner

### **OTHERS IN ATTENDANCE**

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Seth Cole, Alliant Insurance Services  
David Drake, Rincon del Diablo Municipal Water District  
E. G. “Jerry” Gladbach, Castaic Lake Water Agency  
David Hodgins, Scotts Valley Water District  
Robert Lowe, Alliant Insurance Services  
Melody McDonald, San Bernardino Valley Water Conservation District  
Bruce Rupp, Humboldt Bay Municipal Water District  
Kathy Tieg, Cucamonga Valley Water District

### **WELCOME**

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Chairman Cuquet welcomed everyone in attendance.

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

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Chairman Cuquet called the meeting to order at 10:48 a.m. He announced there was a quorum.

### **ANNOUNCEMENT RECORDING OF MINUTES**

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Chairman Cuquet announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

### **PUBLIC COMMENT**

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Chairman Cuquet noted that, as the agenda stated, members of the public would be allowed to address the Executive Committee on any agenda item prior to the Committee’s decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

### **INTRODUCTIONS**

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Chairman Cuquet welcomed all in attendance. He introduced the newest member of the Property Program Committee, Director Theresa Lee of Walnut Valley Water District. He then requested that Committee members and JPIA staff introduce themselves.

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

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Chairman Cuquet asked for any additions to, or deletions from, the agenda; none requested.

## CONSENT AGENDA

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Chairman Cuquet called for approval of the minutes.

M/S/C (Coleman/Green) (Coleman-Yes; Cuquet-Yes; Gilkey-Yes, Green-Yes; Huckaby-Yes; Knutson-Yes; Lee-Abstain, Muzik-Yes): That the Property Program Committee approve the minutes of the February 6, 2017 meeting, as presented.

## NEW BUSINESS

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### Alliant Property Insurance Program

Seth Cole of Alliant Insurance Services presented highlights of the unique manuscript features of The Alliant Property Insurance Program (APIP), its membership strength, and the future for the JPIA. Some of the highlights included reviewing the significant coverages and the differences between APIP and the JPIA's current program. In short, APIP provides property coverage for the member's buildings, contents, mobile equipment, boiler & machinery and cyber risks. The all-risk limits available to our members under APIP are \$1 billion, per occurrence, as compared to the current coverage of \$150 million; additional enhancements are seen throughout the APIP coverage document.

APIP also includes Errors & Omissions, miscellaneous unnamed locations, and Off Premises Service Interruption which was not covered under the current JPIA Property Program.

## MISCELLANEOUS

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### Future Agenda Items

Property Program renewal pricing.

### Availability for Upcoming Meeting(s)

The next Property Program Committee meeting is scheduled for January 30, 2018 at 10:00 a.m.

The Property Program Committee meeting adjourned at 11:51 a.m.

**ACWA JPIA**  
**Claims Data**  
**January 30, 2018**

**BACKGROUND**

The claims history for the JPIA Property Program had been very favorable for the past several years. The graphs represent recent history in the Property Program.

**CURRENT SITUATION**

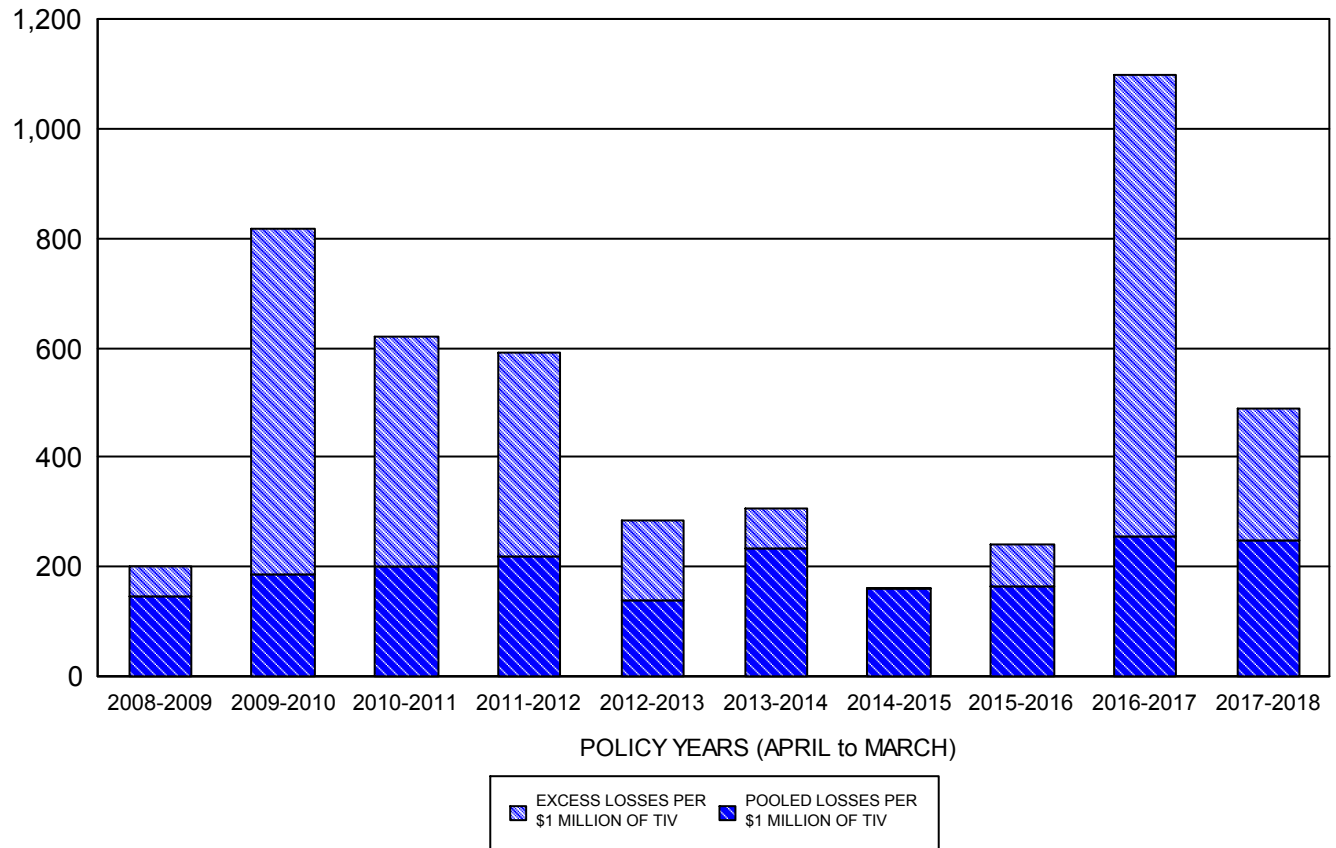
The Property Program has suffered, what may turn out to be, the two highest loss years recorded. The 2016-17 policy year currently has projected losses in excess of \$6 million which includes two large flood losses. The 2017-18 policy year has projected losses in excess of \$2.2 million, and does not include any potential losses as a result of the flooding/mud slides in the Montecito and Santa Barbara areas. The 2017-18 policy year includes losses sustained in the wild fires in both Northern and Southern California.

The Program maintains a \$100,000 retention and insures approximately \$5.5 billion in property values.

**RECOMMENDATION**

None, informational only.

**ACWA JPIA - PROPERTY PROGRAM**  
**REPORTED LOSSES PER \$1 MILLION OF INSURED VALUES**  
**FOR MONTH ENDING 12/31/2017**



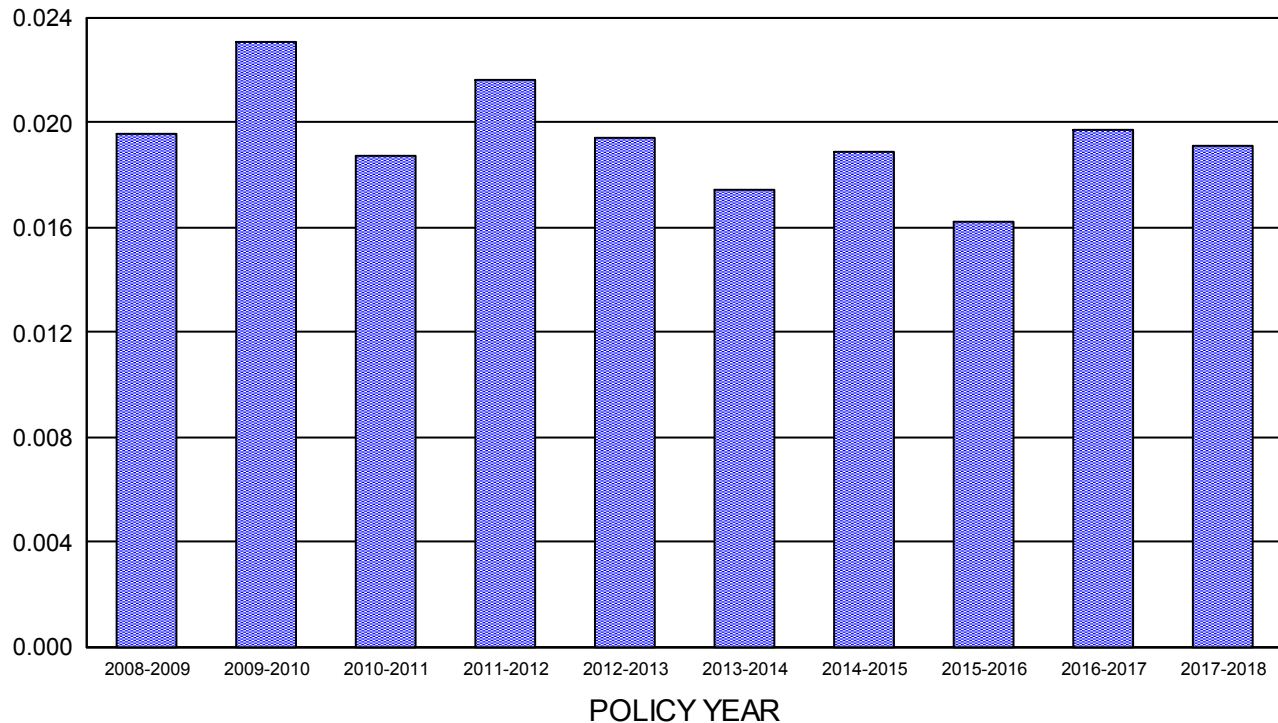
POLICY YEAR (4/1)	TOTAL INSURED VALUES	SELF INSURED RETENTION	POOLED LOSSES	EXCESS LOSSES	INCURRED LOSSES	POOLED LOSSES PER \$1 MILLION OF VALUES	TOTAL LOSSES PER \$1 MILLION OF VALUES
2003-2004	2,085,410,030	50,000	611,837	962,625	1,574,462	293	755
2004-2005	2,298,063,124	50,000	677,023	616,127	1,293,149	295	563
2005-2006	2,574,274,621	50,000	553,692	364,480	918,173	215	357
2006-2007	2,771,123,244	50,000	734,498	1,864,119	2,598,617	265	938
2007-2008	3,264,697,013	50,000	696,768	1,375,733	2,072,501	213	635
2008-2009	3,463,273,786	50,000	512,340	189,526	701,866	148	203
2009-2010	3,717,824,938	50,000	689,081	2,355,173	3,044,254	185	819
2010-2011	4,011,851,079	50,000	801,074	1,693,574	2,494,649	200	622
2011-2012	4,232,150,149	50,000	922,930	1,585,784	2,508,715	218	593
2012-2013	4,486,174,586	50,000	615,618	657,678	1,273,296	137	284
2013-2014	4,737,855,871	100,000	1,107,753	342,512	1,450,265	234	306
2014-2015	4,992,986,319	100,000	801,718	7,727	809,445	161	162
2015-2016	5,245,205,243	100,000	871,272	398,104	1,269,376	166	242
2016-2017	5,474,143,432	100,000	1,392,933	4,626,162	6,019,095	254	1,100
2017-2018	6,130,385,799	100,000	1,149,734	1,096,775	2,246,509	250	489

- Latest Policy Year's 'Losses' include partial activity.

- Latest Policy Year's 'Losses Per \$1 Million of Values' has been annualized using 9 months data.



**ACWA JPIA - PROPERTY PROGRAM**  
**OCCURRENCES PER \$1 MILLION OF INSURED VALUES**  
**FOR MONTH ENDING 12/31/2017**



<b>PROGRAM YEAR (4/1)</b>	<b>NUMBER OF OCCUR</b>	<b>TOTAL INSURED VALUES (TIV)</b>	<b>INFLATION ADJUSTMENT ANNUAL %</b>	<b>INFLATION ADJUSTMENT FACTOR</b>	<b>INFLATION ADJUSTED TIV</b>	<b># OF OCCURRENCES PER \$1 MILLION OF INFLATION ADJUSTED TOTAL INSURED VALUES</b>
2003-2004	96	2,085,410,030	1.90	1.355	2,826,167,726	0.0340
2004-2005	90	2,298,063,124	3.30	1.330	3,056,287,776	0.0294
2005-2006	83	2,574,274,621	3.40	1.287	3,314,262,051	0.0250
2006-2007	90	2,771,123,244	3.30	1.245	3,450,382,730	0.0261
2007-2008	117	3,264,697,013	3.50	1.205	3,935,083,848	0.0297
2008-2009	79	3,463,273,786	0.00	1.165	4,033,272,680	0.0196
2009-2010	100	3,717,824,938	1.50	1.165	4,329,718,838	0.0231
2010-2011	86	4,011,851,079	3.00	1.147	4,603,090,571	0.0187
2011-2012	102	4,232,150,149	2.10	1.114	4,714,423,135	0.0216
2012-2013	95	4,486,174,586	1.30	1.091	4,894,608,056	0.0194
2013-2014	89	4,737,855,871	1.80	1.077	5,102,865,830	0.0174
2014-2015	100	4,992,986,319	1.00	1.058	5,282,565,645	0.0189
2015-2016	89	5,245,205,243	1.80	1.048	5,494,467,887	0.0162
2016-2017	111	5,474,143,432	2.90	1.029	5,632,893,592	0.0197
2017-2018	88	6,130,385,799	0.00	1.000	6,130,385,799	0.0191

- Latest Policy Year's 'Number of Occur' include partial activity.
- Latest Policy Year's '# of Occurrences Per \$1 Million of Inflation Adjusted Total Insured Values' has been annualized using 9 months data.

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**7**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR</b>		<b>1987-1988</b>				
87011	08/11/1987	Glenn-Colusa Irrigation District	Fire destroyed shop building	Closed	100,592	
87020	10/22/1987	Yuima Municipal Water District	Mudslide damaged building	Closed	145,322	
<b>POLICY YEAR 1987-1988</b>					<b>245,914</b>	<b>505,530</b>
<b>POLICY YEAR</b>		<b>1989-1990</b>				
89011	07/14/1989	Central California Irrigation District	Fire destroyed building	Closed	100,259	
<b>POLICY YEAR 1989-1990</b>					<b>100,259</b>	<b>292,058</b>
<b>POLICY YEAR</b>		<b>1991-1992</b>				
91035	06/10/1991	Oakdale Irrigation District	Vandals damaged canal	Closed	85,250	
<b>POLICY YEAR 1991-1992</b>					<b>85,250</b>	<b>237,995</b>
<b>POLICY YEAR</b>		<b>1992-1993</b>				
92017	08/22/1992	Ramona Municipal Water District	Seam on water tank cover split	Closed	260,474	
92015	08/17/1992	South Coast Water District	Garage and shop destroyed by fire	Closed	223,359	
<b>POLICY YEAR 1992-1993</b>					<b>483,833</b>	<b>687,046</b>
<b>POLICY YEAR</b>		<b>1995-1996</b>				
95006	05/24/1995	San Diego County Water Authority	Mudslide damaged control room.	Closed	94,729	
<b>POLICY YEAR 1995-1996</b>					<b>94,729</b>	<b>262,843</b>
<b>POLICY YEAR</b>		<b>1996-1997</b>				
96057	11/26/1996	East Orange County Water District	Wind damaged reservoir roof	Closed	113,898	
96072	02/15/1997	Lower Tule River Irrigation District	Capacitor fire resulted in business interruption claim	Closed	75,860	
96032	08/11/1996	Semitropic Water Storage District	Turbine flooded during power outage	Closed	75,495	
96028	08/06/1996	Valley Center Municipal Water District	Power surge damaged electrical pane	Closed	127,265	
<b>POLICY YEAR 1996-1997</b>					<b>392,518</b>	<b>591,187</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**8**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 1997-1998</b>						
97001	04/02/1997	East Orange County Water District	Wind damaged reservoir roof	Closed	85,535	
97015	07/03/1997	Elsinore Valley Municipal Water District	Fire damaged building	Closed	94,483	
97050	10/04/1997	Orange County Water District	Power surge damaged electrical pane	Closed	89,851	
97035	08/31/1997	Reclamation District #108	Fire damaged building	Closed	263,928	
<b>POLICY YEAR 1997-1998</b>					<b>533,798</b>	<b>1,067,247</b>
<b>POLICY YEAR 1998-1999</b>						
99-1633	01/15/1999	Madera-Chowchilla Water and Power Authority	Hydro generator down	Closed	181,786	
98002	04/09/1998	Palmdale Water District	Water backed up into water treatment plant	Closed	176,027	
98008	04/22/1998	Wheeler Ridge-Maricopa Water Storage District	Fire damaged building	Closed	149,666	
<b>POLICY YEAR 1998-1999</b>					<b>507,478</b>	<b>959,743</b>
<b>POLICY YEAR 1999-2000</b>						
99-1771	06/13/1999	Madera-Chowchilla Water and Power Authority	Hydro-electric plant turbine sustained damage of unknown origin.	Closed	155,095	
00-2212	12/29/1999	Rancho California Water District	Fire damaged building and contents	Closed	80,822	
<b>POLICY YEAR 1999-2000</b>					<b>235,916</b>	<b>623,868</b>
<b>POLICY YEAR 2000-2001</b>						
01-2850	10/10/2000	Arvin-Edison Water Storage District	Fire damaged a pump motor	Closed	151,567	
01-2747	09/01/2000	Bella Vista Water District	Lightning strike damaged transformer	Closed	123,113	
01-3162	02/26/2001	Castaic Lake Water Agency	Water leaked into ozone output line, flooding 2 ozone generator units.	Closed	202,400	
01-2770	09/11/2000	Yorba Linda Water District	Toilet backed up in District office	Closed	146,176	
<b>POLICY YEAR 2000-2001</b>					<b>623,256</b>	<b>1,203,199</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**9**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2002-2003</b>						
02-4208	04/25/2002	Kern Water Bank Authority	Lightning strike damaged 3 recovery wells and pump station	Closed	81,348	
03-4395	08/02/2002	Madera-Chowchilla Water and Power Authority	Plant shutdown - cause - unknown.	Closed	1,321,842	
<b>POLICY YEAR 2002-2003</b>					<b>1,403,190</b>	<b>2,056,172</b>
<b>POLICY YEAR 2003-2004</b>						
03-5189	05/22/2003	Berrenda Mesa Water District	2000 HP motor & control switch was damaged due to PG&E interruption	Closed	76,488	
04-5514	08/01/2003	Friant Power Authority	Fire damaged electrical panel and resulted in business interruption claim	Closed	386,149	
04-5662	10/28/2003	Helix Water District	Fire damaged residential building and garage	Closed	380,036	
04-6013	02/26/2004	Mountain Gate Community Services District	Hail damaged the District office	Closed	79,895	
<b>POLICY YEAR 2003-2004</b>					<b>922,568</b>	<b>1,574,462</b>
<b>POLICY YEAR 2004-2005</b>						
05-6526	09/04/2004	Calaveras County Water District	Fire damaged District's "602" tank	Closed	205,341	
05-6805	12/20/2004	Cucamonga Valley Water District	Fire damaged control panel	Closed	107,938	
05-6398	07/21/2004	Merced Irrigation District	Vandalism to heavy equipment	Closed	111,928	
05-6378	07/16/2004	Serrano Water District	District pump failed - damage to pump and control panel.	Closed	111,340	
04-6239	06/11/2004	Stockton-East Water District	Fire damaged control panel	Closed	153,314	
05-6797	12/19/2004	Western Canal Water District	Water/sewage backed up into ice maker drain - flooded office	Closed	77,337	
<b>POLICY YEAR 2004-2005</b>					<b>767,198</b>	<b>1,293,149</b>
<b>POLICY YEAR 2005-2006</b>						
07-8600	03/01/2006	American River Flood Control District	District employee embezzled funds from District.	Closed	104,221	
06-7661	11/15/2005	Mission Hills Community Services District	Fire damaged building	Closed	235,885	
06-7741	12/22/2005	North Coast County Water District	Fire damaged vector truck	Closed	124,057	
06-7777	12/22/2005	Reclamation District #108	Electrical short damaged pump motor	Closed	82,134	
<b>POLICY YEAR 2005-2006</b>					<b>546,297</b>	<b>918,173</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**10**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2006-2007</b>						
07-8416	09/07/2006	Arvin-Edison Water Storage District	Fire damaged building	Closed	194,849	
07-8725	01/14/2007	Golden Hills Community Services District	Fire sprinkler line broke & flooded office	Closed	145,348	
07-8891	03/19/2007	San Diego County Water Authority	Flood damaged hydroelectric plant when two water supply lines ruptured	Closed	1,575,000	
<b>POLICY YEAR 2006-2007</b>					<b>1,915,197</b>	<b>2,598,617</b>
<b>POLICY YEAR 2007-2008</b>						
08-9455	10/22/2007	Fallbrook Public Utility District	Rice Canyon Fire burned 2 chlorine stations	Closed	968,918	
08-9450	10/26/2007	Helix Water District	Fire destroyed caretaker's residence @ diversion dam.	Closed	180,404	
07-9107	06/05/2007	San Luis Water District	Fire damaged residence	Closed	104,129	
08-9424	10/12/2007	Yolo County Flood Control & Water Conservation District	Fire destroyed Hunting Lodge rental	Closed	145,809	
<b>POLICY YEAR 2007-2008</b>					<b>1,399,260</b>	<b>2,072,501</b>
<b>POLICY YEAR 2008-2009</b>						
09-0508	10/01/2008	Merced Irrigation District	Rented boomlift rolled	Closed	98,959	
<b>POLICY YEAR 2008-2009</b>					<b>98,959</b>	<b>701,866</b>
<b>POLICY YEAR 2009-2010</b>						
10-0956	05/07/2009	Cachuma Operation and Maintenance Board	Fire damaged Core Shed	Closed	312,035	
10-1202	05/28/2009	Calleguas Municipal Water District	Boiler & Machinery - Well #12	Closed	90,084	
13-0295	10/30/2009	Calleguas Municipal Water District	B&M - Well #10	Closed	135,715	
13-0307	09/04/2009	Calleguas Municipal Water District	B&M - Well 9	Closed	198,902	
13-0309	08/31/2009	Calleguas Municipal Water District	B&M - Well 16	Closed	122,111	
10-1458	02/15/2010	Kanawha Water District	Fire damaged shop	Closed	440,577	
10-1495	11/07/2009	Merced Irrigation District	Contractor dropped washer into 100 MVA transformer	Closed	1,032,000	
10-1650	03/12/2010	Mission Springs Water District	Employee embezzled funds.	Open	99,460	
10-1143	09/20/2009	West Basin Municipal Water District	Water damaged building due to pump failure	Closed	108,275	
<b>POLICY YEAR 2009-2010</b>					<b>2,539,159</b>	<b>3,044,254</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**11**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2010-2011</b>						
11-0352	09/02/2010	Beaumont-Cherry Valley Water District	Diesel spill near Well 21	Closed	160,682	
13-0308	05/31/2010	Calleguas Municipal Water District	B&M Well 14	Closed	171,458	
10-1581	04/12/2010	Friant Power Authority	Lightening strike hit KV line and shorted out circuit breaker starting fire that burned for 45 minutes.	Closed	1,244,845	
11-0409	12/21/2010	Mammoth Community Water District	Quonset hut #1 collapsed	Closed	109,349	
11-0413	12/16/2010	Serrano Water District	PLD failed causing overflow in filtration tank into gallery	Closed	75,959	
<b>POLICY YEAR 2010-2011</b>					<b>1,762,294</b>	<b>2,494,649</b>
<b>POLICY YEAR 2011-2012</b>						
12-0495	09/10/2011	Arvin-Edison Water Storage District	Lightning strike damage 3 - 5,500 HP motors @ Forest Frick Pump Station	Closed	616,557	
14-0508	12/27/2011	Bard Water District	Employee dishonesty	Closed	100,000	
12-0101	08/12/2011	Fresno Irrigation District	Kitchen fire @ 9451 E. Olive	Closed	139,653	
12-0049	07/13/2011	Helix Water District	Explosion in Ozone Destruct Unit #2	Closed	224,117	
12-0190	09/10/2011	Kern County Water Agency	Switch gear @ 2B & 4B melted	Closed	164,802	
12-0112	07/07/2011	Lower Tule River Irrigation District	Bearing damage @ LakeSuccess Turbine	Closed	293,739	
12-0171	09/07/2011	Mission Springs Water District	Sprinkler system went off sending 3" of water into building	Closed	214,319	
<b>POLICY YEAR 2011-2012</b>					<b>1,753,186</b>	<b>2,508,715</b>
<b>POLICY YEAR 2012-2013</b>						
12-0769	05/07/2012	Banta Carbona Irrigation District	B&M - Pumping Station #1	Closed	207,856	
13-0393	12/11/2012	Del Puerto Water District	Unknowns stole 200K generator/utility trailer	Closed	88,000	
12-0681	05/01/2012	Palmdale Water District	Hydro-electric generator burned.	Closed	292,341	
13-0336	12/02/2012	South Feather Water and Power Agency	Tree fell into shop building	Closed	127,212	
<b>POLICY YEAR 2012-2013</b>					<b>715,409</b>	<b>1,273,296</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**12**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR</b>		<b>2013-2014</b>				
13-0658	04/25/2013	Bella Vista Water District	1,000 HP pump/motor @ Wintu failed	Closed	149,736	
14-0396	01/22/2014	Coastside County Water District	Fire in District's server room	Closed	277,915	
13-0644	04/20/2013	Fresno Metropolitan Flood Control District	Theft of copper wire	Closed	77,400	
14-0548	03/24/2014	Oakdale Irrigation District	Excavator caught fire & burn	Closed	162,003	
14-0320	12/03/2013	Twentynine Palms Water District	Generator at flouride removal treatment plant failed.	Closed	119,755	
<b>POLICY YEAR 2013-2014</b>					<b>786,808</b>	<b>1,450,265</b>
<b>POLICY YEAR</b>		<b>2014-2015</b>				
15-0514	11/30/2014	Serrano Water District	Line break/surge caused damage @ Smith Reservoir	Open	107,727	
15-0454	02/06/2015	Wheeler Crest Community Services District	Wildfire burned District's building & contents @ Rimrock Regulation Station	Closed	80,123	
<b>POLICY YEAR 2014-2015</b>					<b>187,851</b>	<b>809,445</b>
<b>POLICY YEAR</b>		<b>2015-2016</b>				
16-0100	07/09/2015	Orange County Water District	Vandalism/fire damaged HDPE pipe @ Santiago Basin	Closed	416,000	
16-0230	10/06/2015	Thermalito Water & Sewer District	Fire @ District office	Closed	152,104	
<b>POLICY YEAR 2015-2016</b>					<b>568,104</b>	<b>1,269,376</b>

**ACWA JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLAIMS OVER \$75,000  
FOR MONTH ENDING 12/31/2017**

**13**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2016-2017</b>						
17-0499	02/09/2017	Clearlake Oaks County Water District	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.	Open	789,285	
16-0591	04/07/2016	Placer County Water Agency	During a planned outage, water backed up into electrical area of Foothill Treatment Plant because a valve wasn't opened.	Closed	678,179	
16-0693	04/17/2016	Reclamation District #2068	Circuit breaker failure resulted in control cabinet fire	Closed	101,198	
17-0732	03/28/2017	South Coast Water District	District employee misappropriated cash received from District's tennis center.	Open	104,000	
17-0474	02/10/2017	South Feather Water and Power Agency	Debris from Oroville's damaged spillway caused water to back up and flood the Kelly Ridge Powerhouse.	Open	3,300,000	
17-0583	03/07/2017	Water Replenishment District of Southern California	Field Office & Storage Annex Burglarized and vandalized.	Open	222,500	
17-0505	02/17/2017	West Valley Water District	Recent storms washed out box culvert at tank site 2-2/2-3.	Open	95,000	
<b>POLICY YEAR 2016-2017</b>					<b>5,290,162</b>	<b>6,019,095</b>
<b>POLICY YEAR 2017-2018</b>						
18-0361	12/13/2017	Angiola Water District	District's '81 Caterpillar was stolen	Open	78,000	
18-0131	08/14/2017	Arvin-Edison Water Storage District	Damage to 5500 HP motor @ Forest Frick Plant	Open	107,276	
18-0348	12/10/2017	Montecito Water District	Thomas Fire damaged/burned District property @ Juncal Dam Site	Open	800,000	
18-0222	10/09/2017	Redwood Valley County Water District	Wildfire damaged District's Tomki Booster Pump Station	Open	325,000	
18-0220	07/06/2017	Scotts Valley Water District	Water main break damaged booster pump station & booster pump equipment	Open	102,500	
17-0730	05/01/2017	Tahoe City Public Utility District	Various items damaged due to heavy snow storm	Open	104,999	
<b>POLICY YEAR 2017-2018</b>					<b>1,517,775</b>	<b>2,246,509</b>
<b>GRAND TOTAL</b>					<b>25,476,369</b>	



## 25 Largest Open Property Claims

Rank	Claim Number	Loss Date	Claimant Name	Net Incurred	Total Recovery	Total Incurred	Accident Description
1	17-0474	2/10/2017	South Feather WPA	2,500,000	800,000	3,300,000	Debris from Oroville's damaged spillway caused water to back up and flood the Kelly Ridge Powerhouse.
2	18-0348	12/10/2017	Montecito WD	810,000	0	810,000	Thomas Fire damaged/burned District property @ Juncal Dam Site
3	17-0499	2/9/2017	Clearlake Oaks County Water District	20,230	768,770	789,000	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.
4	18-0222	10/9/2017	Redwood Valley CWD	285,000	0	285,000	Wildfire damaged District's Tomki Booster Pump Station
5	17-0583	3/7/2017	Water Replenishment District of So CA	222,500	0	222,500	Field Office & Storage Annex Burglarized and vandalized.
6	18-0131	8/14/2017	Arvin-Edison WSD	107,276	0	107,276	Damage to 5500 HP motor @ Forest Frick Plant
7	17-0730	5/1/2017	Tahoe City PUD	104,999	0	104,999	Various items damaged due to heavy snow storm
8	17-0732	3/28/2017	South Coast Water District	104,000	0	104,000	District employee misappropriated cash received from District's tennis center.
9	18-0220	7/6/2017	Scotts Valley WD	102,500	0	102,500	Water main break damaged booster pump station & booster pump equipment
10	10-1650	3/12/2010	Mission Springs WD	99,460	850	100,310	Employee embezzled funds.
11	17-0505	2/17/2017	West Valley Water District	95,000	0	95,000	Recent storms washed out box culvert at tank site 2
12	18-0361	12/13/2017	Angiola WD	78,000	0	78,000	District's '81 Caterpillar was stolen
13	16-0773	6/4/2016	Santa Clarita Valley Water Agency	60,000	0	60,000	DUI driver lost control of his vehicle and hit/damaged District's air-vacs.
14	18-0401	1/9/2018	Montecito WD	50,000	0	50,000	Due to heavy rains, mudslides are damaging property
15	18-0144	9/5/2017	Calaveras County WD	43,075	0	43,075	District truck stolen from EE's home
16	18-0232	10/9/2017	So. Feather WPA	40,150	0	40,150	District vehicle caught in Bangor Fire in Butte Co.
17	18-0104	2/1/2017	Bodega Bay PUD	35,000	0	35,000	Metal covers on sludge bins blew over in storm.
18	18-0045	7/26/2017	Lower Tule River ID	30,958	0	30,958	O/P hit the rear of District's 2013 John Deere 6115D which caused the tractor to flip over
19	18-0218	6/30/2017	Scotts Valley WD	28,500	0	28,500	Well 7A collapsed during removal of a submersible well motor burying all equipment inside.
19	18-0373	12/20/2017	Apple Valley Foothill CWD	28,500	0	28,500	Pump & Motor @ Well #1 stopped working
21	18-0138	8/28/2017	Pebble Beach CSD	25,039	0	25,039	Chain reaction vehicle collision - District is #2 vehicle
22	18-0249	10/8/2017	Circle Oaks CWD	25,000	0	25,000	Atlas fire damaged 2 - 10K gallon water tanks.
22	18-0377	12/11/2017	Carpinteria Valley Water District	25,000	0	25,000	Gobernador Reservoir PLC electrical destroyed in Thomas Fire
24	17-0270	1/28/2016	Orosi PUD	22,500	0	22,500	Employee Dishonesty for missing money.
25	18-0270	10/27/2017	Amador WA	22,300	0	22,300	District truck caught the edge of the asphalt and rolled over

## 25 Largest Property Claims

Rank	Claim Number	Loss Date	Claimant Name	Net Incurred	Total Recovery	Total Incurred	Accident Description
1	17-0474	2/10/2017	South Feather WPA	2,500,000	800,000	3,300,000	Debris from Oroville's damaged spillway caused water to back up and flood the Kelly Ridge Powerhouse.
2	07-8891	3/19/2007	San Diego County WA	25,000	1,550,000	1,575,000	Flood damaged hydroelectric plant when two water supply lines ruptured
3	03-4395	8/2/2002	Madera-Chowchilla WPA	0	1,321,842	1,321,842	Plant shutdown - cause - unknown.
4	10-1581	4/12/2010	Friant Power Authority	49,000	1,195,845	1,244,845	Lightening strike hit KV line and shorted out circuit breaker starting fire that burned for 45 minutes.
5	10-1495	11/7/2009	Merced ID	40,000	992,000	1,032,000	Contractor dropped washer into 100 MVA transformer
6	08-9455	10/22/2007	Fallbrook PUD	0	968,918	968,918	Rice Canyon Fire burned 2 chlorine stations
7	18-0348	12/10/2017	Montecito WD	810,000	0	810,000	Thomas Fire damaged/burned District property @ Juncal Dam Site
8	17-0499	2/9/2017	Clearlake Oaks County WD	20,230	768,770	789,000	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.
9	16-0591	4/7/2016	Placer County WA	90,000	588,179	678,179	During a planned outage, water backed up into electrical area of Foothill Treatment Plant because a valve wasn't opened.
10	12-0495	9/10/2011	Arvin-Edison WSD	45,000	571,557	616,557	Lightning strike damage 3 - 5,500 HP motors @ Forest Frick Pump Station
11	10-1458	2/15/2010	Kanawha WD	47,500	393,077	440,577	Fire damaged shop
12	16-0100	7/9/2015	Orange County WD	75,000	341,000	416,000	Vandalism/fire damaged HDPE pipe @ Santiago Basin
13	04-5514	8/1/2003	Friant PA	0	386,149	386,149	Fire damaged electrical panel and resulted in business interruption claim
14	04-5662	10/28/2003	Helix WD	25,000	355,036	380,036	Fire damaged residential building and garage
15	10-0956	5/7/2009	Cachuma OMB	49,000	263,035	312,035	Fire damaged Core Shed
16	12-0112	7/7/2011	Lower Tule River ID	0	293,739	293,739	Bearing damage @ LakeSuccess Turbine
17	12-0681	5/1/2012	Palmdale WD	0	292,341	292,341	Hydro-electric generator burned.
18	18-0222	10/9/2017	Redwood Valley CWD	285,000	0	285,000	Wildfire damaged District's Tomki Booster Pump
19	14-0396	1/22/2014	Coastside CWD	107,500	170,415	277,915	Fire in District's server room
20	97035	8/31/1997	Reclamation District #108	9,000	254,928	263,928	Fire damaged building
21	92017	8/22/1992	Ramona MWD	9,010	251,464	260,474	Seam on water tank cover split
22	09-0217	8/29/2008	Tehachapi-Cummings CWD	0	257,480	257,480	P-2, Engine 1 failed - threw a rod
23	06-7661	11/15/2005	Mission Hills CSD	47,500	188,385	235,885	Fire damaged building
24	12-0049	7/13/2011	Helix WD	25,000	199,117	224,117	Explosion in Ozone Destruct Unit #2
25	92015	8/17/1992	So. Coast WD	13,892	209,467	223,359	Garage and shop destroyed by fire

**ACWA JPIA**  
**2017 Catastrophic Losses in the United States**  
**January 30, 2018**

**BACKGROUND**

The United States has experienced unprecedented large losses during 2017. California was one of the leading contributors to the catastrophic losses seen throughout the last year. Alliant Insurance Services will update the Committee as to the impact of these losses to the insurance market and to the JPIA's property renewal efforts.

**RECOMMENDATION**

None, informational only.



# ACWA JPIA Property Committee January 30, 2018

PRESENTED BY



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# Table of Contents

- State of the Market
  - Highlights
  - Natural Catastrophes
- JPIA CAT Losses
- Impact on Property Market



# Highlights

Natural catastrophes caused economic losses in excess of USD300 billion globally in 2017 and insured losses of around USD130 billion, making 2017 one of the most costly years for the insurance sector on record according to Fitch Ratings.

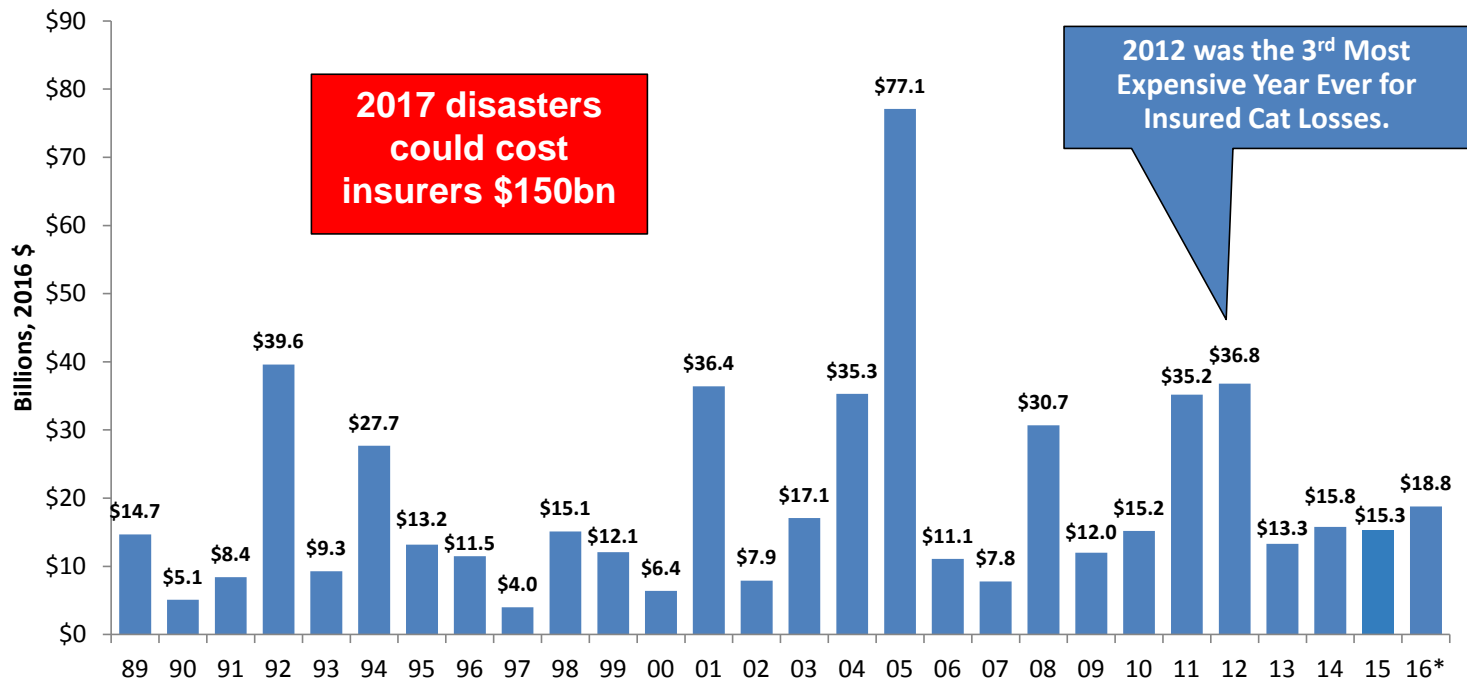
## Key Industry Metrics

- The P&C Combined Ratio was 100.7% as of 6/30/17.
- Policyholder surplus was \$717B as of 6/30/17. New all-time high.
- Net income after taxes dropped to \$15.5 billion in first-half 2017 from \$21.8 billion in first-half 2016—a 29.2 percent decline

Weather extremes (Hurricanes Harvey, Irma and Maria, flooding in Florida, Louisiana, Texas and California), catastrophic losses (Northern & Southern California wildfires and earthquakes in Mexico) and investment earnings are areas of concern for carriers.



# U.S. Insured Catastrophe Losses



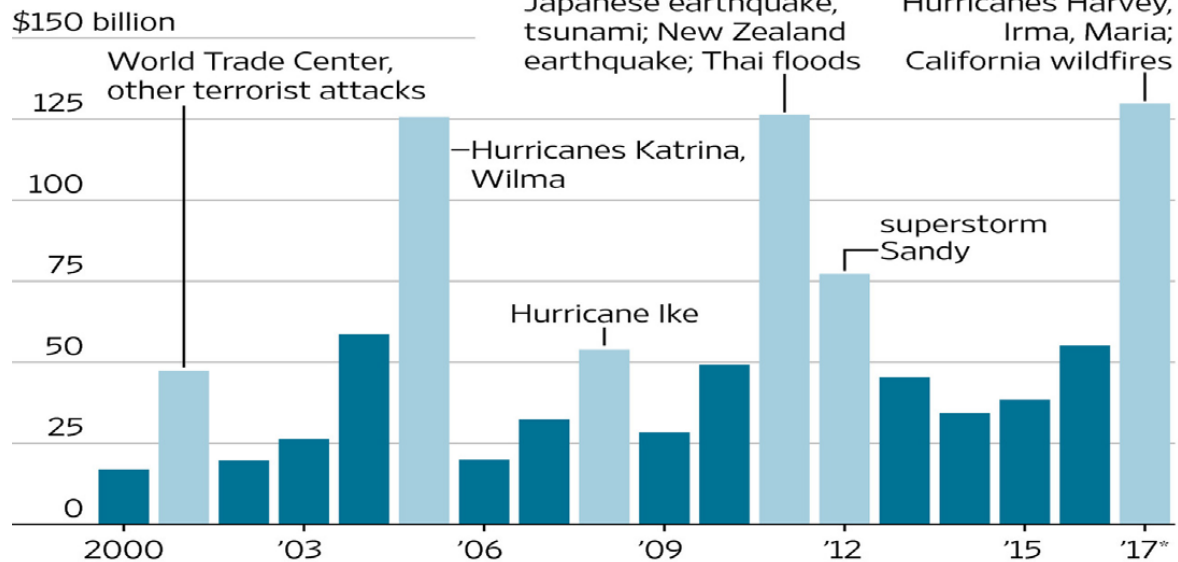
**2013/14/15 Were Welcome Respites from 2011/12, Which Were Among the Costliest Years for Insured Disaster Losses in U.S. History. Longer-term Trend is for More – Not Fewer – Costly Events.**

- \*2016 is first nine months
- Note: 2001 figure includes \$20.3B for 9/11 losses reported through 12/31/01 (\$25.9B 2011 dollars). Includes only business and personal property claims, business interruption and auto claims. Non-prop/BI losses = \$12.2B (\$15.6B in 2011 dollars).
- Sources: Property Claims Service, a Verisk Analytics business; Insurance Information Institute.

# Global Insured Catastrophe Losses

## A Costly Year

Global insurance losses from natural catastrophes and terrorist attacks



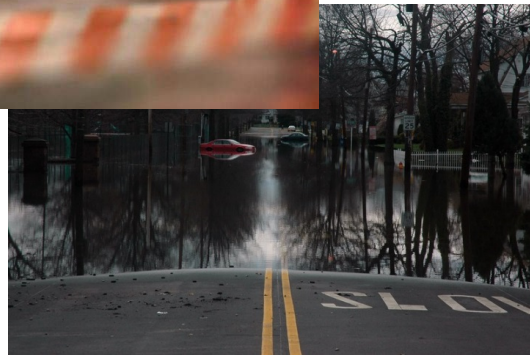
\*Projection

Sources: Wells Fargo; Swiss Re; Insurance Information Institute

THE WALL STREET JOURNAL.



# Severe Weather



- Hurricanes
- Wildfires
- Floods

# Hurricanes



## Hurricane Harvey Texas, August 2017

When we hear “Hurricane”, we often think about the cost of losses and how they will impact our insurance premiums. Life for many is disrupted and sometime even lost. The impact on businesses can be devastating. The hurricanes will cost Southwest Airlines \$100M in revenue.

# Wildfires



## Santa Rosa (Wine Country Fires): \$9.4 Billion

PG&E power lines have been blamed for the fires. PG&E carries **\$800M** in wild fire liability insurance.

Total damage is expected to be considerably higher than the insurance PG&E carries, as a result, PG&E's stock has taken a nose dive.

## Southern California Fires: \$Unknown



# Mudslides



## Montecito: \$Unknown

Death toll climbs to 20

Wiped out 73 homes and damaged hundreds more

Power and gas shut off for thousands

Mudflows knocked out six (6) sections of Montecito's main water line

# Earthquakes



**Mexico suffered two deadly earthquakes last month --**

An 8.1-magnitude quake on Sept. 7 that killed around 100 people in the southern states of Oaxaca and Chiapas and,

A 7.1-magnitude quake on Sept. 19 that left 369 people dead in Mexico City and central states.



## JPIA CAT Losses

- Reinsured CAT Losses
  - 2017 Calendar Year ~ **\$5.8 Million**
  - Last 5-Years ~ **\$7.2 Million**
  - 2018 Mudslides **\$Unknown**



## Impact on Property Market

- **5% - 10%** for accounts with good losses and low CAT exposure
- **10% - 20%** for accounts with good losses and CAT exposed
- **30% +** for accounts with losses and CAT exposed
- **Increased deductibles** for CAT perils





QUESTIONS?  
THANK YOU!



**ACWA JPIA**  
**2018-2019 Property Insurance Renewal**  
**January 30, 2018**

**BACKGROUND**

The JPIA's Property Program renews on April 1, 2018. For this renewal period, the JPIA has three options from which to consider.

**CURRENT SITUATION**

As discussed throughout the last several months, the JPIA experienced significant catastrophic property losses over the expiring program year. It began with flooding losses and ended with a devastating mudslide. These events coupled with the catastrophic losses in the United States has made this renewal extremely challenging.

The JPIA currently purchases reinsurance from the commercial market on a stand-alone basis. Under this type of individual program, we are not insulated from the market nor from our own losses. Because of this dynamic, Alliant and staff will review three options for the Committee to consider. In addition to the stand-alone program, staff will describe two alternate programs that will provide broader coverage and be achieved at a lower cost than if we remain alone in the commercial market.

With all scenarios, the pool retention will remain the same at \$100,000 per occurrence.

**RECOMMENDATION**

That the Property Program Committee discuss the options presented and make a recommendation to the Executive Committee on the 2018-2019 property insurance renewal.

As of 1/18/18

XLC Expiring	
TIV	\$5,758,160,277
Limit	\$150,000,000
Retention	\$100,000
Premium @ Inception incl Loss Control	<b>\$1,634,870</b>
Premium with Additions incl Loss Control	<b>\$1,764,870</b>

XLC Renewal	
TIV	\$6,093,000,000
Limit	\$150,000,000
Retention	\$100,000
Premium	<b>\$1,955,000</b>
Premium incl. Loss Control	<b>\$2,150,000</b>

XLC Alternate Option	
TIV	\$6,093,000,000
Limit	\$300,000,000
Retention	\$100,000
Premium	<b>\$2,275,000</b>
Premium incl. Loss Control	<b>\$2,470,000</b>

\*\*\*Flood Zone A/V deductible \$1M / XL form\*\*\*

\*\*\*Flood Zone A/V deductible \$1M / XL form\*\*\*

London/APIP Hybrid	
TIV	\$6,093,000,000
Limit	\$500,000,000
Retention	\$250,000/\$100,000
Premium*	<b>\$2.2M - \$2.3M</b>

APIP	
TIV	\$6,093,000,000
Limit	TBD
Retention	\$100,000
Premium*	<b>TBD</b>

\*\*\*Flood Zone A/V deductible \$1M\*\*\*

\*includes Loss Control

<b>ACWA JPIA Property Program</b>	
Pool	
Appraisals every 5 years for Real Property	
<b>COVERAGE</b>	<b>LIMIT</b>
All Risk	\$150,000,000
B&M	\$150,000,000
Shared EQ Limits available	\$2,500,000 annual agg
Fungus Clean-up & Removal Limit - Caused by a specific insured peril as defined in the MOC	\$100,000 per occurrence; \$250,000 agg
Automatic Coverage	Up to \$5,000,000 single piece of property, or \$10M for property in COC
Business Interruption	\$10,000,000
Course of Construction	\$10,000,000
Errors & Omissions Limit	Excluded
Miscellaneous Unnamed Locations Limit	Not Covered
Off Premises Service Interruption	Not Covered

<b>APIP Program</b>	
Group Purchase	
Appraisals every 5 years for Real Property above \$5,000,000 and Treatment plants > 11 MGD	
<b>COVERAGE</b>	<b>LIMIT</b>
All Risk	\$1,000,000,000
APIP B&M, power generation exceptions	\$100,000,000
Earthquake	Up to \$30,000,000
Zone A & V Flood	Up to \$50,000,000
All Other Flood Zones	\$100,000,000
Asbestos Clean-up & Removal Limit	No Sublimit, must be caused by a covered peril
Automatic Acquisition	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days
Combined Business Interruption, Rental Income and Tax Revenue Interruption - Must be reported	\$100,000,000
Course of Construction	\$50,000,000
Errors & Omissions Limit	\$50,000,000
Miscellaneous Unnamed Locations Limit	\$25,000,000
Off Premises Service Interruption	\$25,000,000

**ACWA JPIA**  
**Renewal Pricing**  
**January 30, 2018**

**BACKGROUND**

Deposit premiums for the 4/1/18-19 policy year are to be mailed to the members at the end of February. The last member premium rate change was for the 4/1/15-16 policy year, where the premium rates were reduced by 10%.

**CURRENT SITUATION**

The Property Program *Expected Revenue/Expense & Funding Requirement* report provides a breakdown for the expected revenues and expenses for the 4/1/18-19 policy year. The total estimated premium with no pricing changes (option 1) is approximately \$5.7 million based on \$6 billion in total insured values (TIV). The premium is based on an estimated excess insurance cost of \$2.1 million and claims expense of approximately \$1.2 million. The 2017 actuary report projects a \$.019622, per \$100 of value, loss rate for the 4/1/18-19 policy year. The recommended renewal for excess insurance might change given some additional pricing expected to be received after packet printing. Different scenarios and options will be discussed at the meeting.

**RECOMMENDATION**

That the Property Program Committee recommends that the Executive Committee approve a 5% decrease (option 2) with the following rates:

Real and Personal Property	\$ .0855
Mobile Equipment	\$ .1283
Automobiles	\$ .7268

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

**EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON**

**OPTION 1 - NO RATE CHANGE**

As of September 30, 2017

	Policy Year 4/1/2016-17 Actual	Policy Year 4/1/2016-17 Budget	Policy Year 4/1/2017-18 Projection	Policy Year 4/1/2018-19 Budget	% Change 4/1/2017-18 to 4/1/2018-19
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,207,693	\$ 5,005,576	\$ 5,252,025	<b>\$ 5,790,376</b>	10.25%
3 Net Investment Income	70,726	100,112	105,040	<b>115,808</b>	10.25%
4 Total Revenue	<u>\$ 5,278,419</u>	<u>\$ 5,105,688</u>	<u>\$ 5,357,065</u>	<u><b>\$ 5,906,183</b></u>	10.25%
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 1,733,825	\$ 1,099,053	\$ 1,096,000	<b>\$ 1,195,568</b>	9.08%
7 Purchased Excess Insurance	1,523,521	1,545,000	1,545,000	<b>2,150,000</b>	39.16%
8 Natural Disaster Fund	500,000	500,000	500,000	<b>500,000</b>	0.00%
9 General & Admin. Expenses	1,465,707	1,534,962	1,632,780	<b>1,377,760</b>	-15.62%
10 Total Expenses	<u>5,223,053</u>	<u>4,679,015</u>	<u>4,773,780</u>	<u><b>5,223,328</b></u>	9.42%
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ 55,366</b></u>	<u><b>\$ 426,673</b></u>	<u><b>\$ 583,285</b></u>	<u><b>\$ 682,855</b></u>	17.07%
12 Number of Program Members	264	262	265	<b>268</b>	1.13%
13 Insured Values (000's omitted)	\$ 5,474,162	\$ 5,278,835	\$ 5,533,862	<b>\$ 6,093,000</b>	10.10%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.0941</b>	<b>\$ 0.0867</b>	<b>\$ 0.0844</b>	<b>\$ 0.0838</b>	-0.64%
15 Premium Rate					
Real and Personal Property	\$ 0.090	\$ 0.090	\$ 0.090	<b>\$ 0.090</b>	0.00%
Mobile Equipment	\$ 0.135	\$ 0.135	\$ 0.135	<b>\$ 0.135</b>	0.00%
Automobiles	\$ 0.765	\$ 0.765	\$ 0.765	<b>\$ 0.765</b>	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$100,000	<b>Ded. to \$100,000</b>	
18 Program Limit	\$100,000,000	\$ 150,000,000	\$ 150,000,000	<b>\$ 150,000,000</b>	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 2.0% of Deposit Premium

6 Claims Expense - Actuarially generated Loss Rate times insured values / 100

7 Excess Insurance - Excess Rate times Total Insured Values / 100 (includes \$90k brokerage fee)

9 G&A Expenses - 14% of Budgeted G&A (\$9,841,140)

11 RPA - Calculated to balance budget

	CURRENT PROJECTION	BUDGET
<u>VARIABLES</u>	<u>2017/18</u>	<u>2018/19</u>
TOTAL INSURED VALUES	\$ 5,533,862	\$ 6,093,000
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0302	\$0.0320
LOSS RATE PER \$100 OF INSURED VALUES:	0.01962	0.01962

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

**EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON**

**OPTION 2 - 5% RATE DECREASE**

As of September 30, 2017

	Policy Year 4/1/2016-17 Actual	Policy Year 4/1/2016-17 Budget	Policy Year 4/1/2017-18 Projection	Policy Year 4/1/2018-19 Budget	% Change 4/1/2017-18 to 4/1/2018-19
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,207,693	\$ 5,005,576	\$ 5,252,025	<b>\$ 5,500,857</b>	4.74%
3 Net Investment Income	70,726	100,112	105,040	<b>110,017</b>	4.74%
4 Total Revenue	<u>\$ 5,278,419</u>	<u>\$ 5,105,688</u>	<u>\$ 5,357,065</u>	<u><b>\$ 5,610,874</b></u>	<u>4.74%</u>
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 1,733,825	\$ 1,099,053	\$ 1,096,000	<b>\$ 1,195,568</b>	9.08%
7 Purchased Excess Insurance	1,523,521	1,545,000	1,545,000	<b>2,150,000</b>	39.16%
8 Natural Disaster Fund	500,000	500,000	500,000	<b>500,000</b>	0.00%
9 General & Admin. Expenses	1,465,707	1,534,962	1,632,780	<b>1,377,760</b>	-15.62%
10 Total Expenses	<u>5,223,053</u>	<u>4,679,015</u>	<u>4,773,780</u>	<u><b>5,223,328</b></u>	<u>9.42%</u>
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ 55,366</b></u>	<u><b>\$ 426,673</b></u>	<u><b>\$ 583,285</b></u>	<u><b>\$ 387,546</b></u>	<u>-33.56%</u>
12 Number of Program Members	264	262	265	<b>268</b>	1.13%
13 Insured Values (000's omitted)	\$ 5,474,162	\$ 5,278,835	\$ 5,533,862	<b>\$ 6,093,000</b>	10.10%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.0941</b>	<b>\$ 0.0867</b>	<b>\$ 0.0844</b>	<b>\$ 0.0839</b>	-0.53%
15 Premium Rate					
Real and Personal Property	\$ 0.090	\$ 0.090	\$ 0.090	<b>\$ 0.0855</b>	-5.00%
Mobile Equipment	\$ 0.135	\$ 0.135	\$ 0.135	<b>\$ 0.1283</b>	-4.96%
Automobiles	\$ 0.765	\$ 0.765	\$ 0.765	<b>\$ 0.7268</b>	-4.99%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$100,000	<b>Ded. to \$100,000</b>	
18 Program Limit	\$100,000,000	\$ 150,000,000	\$ 150,000,000	<b>\$ 150,000,000</b>	

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

**EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON**

**OPTION 3 - 10% RATE DECREASE**

As of September 30, 2017

	Policy Year 4/1/2016-17 Actual	Policy Year 4/1/2016-17 Budget	Policy Year 4/1/2017-18 Projection	Policy Year 4/1/2018-19 Budget	% Change 4/1/2017-18 to 4/1/2018-19
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,207,693	\$ 5,005,576	\$ 5,252,025	<b>\$ 5,211,338</b>	-0.77%
3 Net Investment Income	70,726	100,112	105,040	<b>104,227</b>	-0.77%
4 Total Revenue	<u>\$ 5,278,419</u>	<u>\$ 5,105,688</u>	<u>\$ 5,357,065</u>	<u><b>\$ 5,315,565</b></u>	<u>-0.77%</u>
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 1,733,825	\$ 1,099,053	\$ 1,096,000	<b>\$ 1,195,568</b>	9.08%
7 Purchased Excess Insurance	1,523,521	1,545,000	1,545,000	<b>2,150,000</b>	39.16%
8 Natural Disaster Fund	500,000	500,000	500,000	<b>500,000</b>	0.00%
9 General & Admin. Expenses	1,465,707	1,534,962	1,632,780	<b>1,377,760</b>	-15.62%
10 Total Expenses	<u>5,223,053</u>	<u>4,679,015</u>	<u>4,773,780</u>	<u><b>5,223,328</b></u>	<u>9.42%</u>
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ 55,366</b></u>	<u><b>\$ 426,673</b></u>	<u><b>\$ 583,285</b></u>	<u><b>\$ 92,237</b></u>	<u>-84.19%</u>
12 Number of Program Members	264	262	265	<b>268</b>	1.13%
13 Insured Values (000's omitted)	\$ 5,474,162	\$ 5,278,835	\$ 5,533,862	<b>\$ 6,093,000</b>	10.10%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.0941</b>	<b>\$ 0.0867</b>	<b>\$ 0.0844</b>	<b>\$ 0.0840</b>	-0.42%
15 Premium Rate					
Real and Personal Property	\$ 0.090	\$ 0.090	\$ 0.090	<b>\$ 0.0810</b>	-10.00%
Mobile Equipment	\$ 0.135	\$ 0.135	\$ 0.135	<b>\$ 0.1215</b>	-10.00%
Automobiles	\$ 0.765	\$ 0.765	\$ 0.765	<b>\$ 0.6885</b>	-10.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$100,000	<b>Ded. to \$100,000</b>	
18 Program Limit	\$100,000,000	\$ 150,000,000	\$ 150,000,000	<b>\$ 150,000,000</b>	



**ACWA JPIA**  
**2018-2019 Memorandum of Property Coverage**  
**January 30, 2018**

**BACKGROUND**

The JPIA's Property Program renews on April 1, 2018. With the two options being considered, the JPIA's Memorandum of Property Coverage requires to be amended and adopted for the 2018-2019 program year.

**CURRENT SITUATION**

Moving forward, the JPIA's Memorandum of Property Coverage (MOPC) is being amended to become a reverse follow form document. A reverse follow form coverage document means that the JPIA is now providing the exact coverage to the membership which is found in the insured property program. The JPIA will assume the first \$100,000 per occurrence; thereafter, the insured portion will cover amounts over \$100,000 following the provisions of the insuring policy.

The revised MOPC is written in a manner to ensure there are no gaps in coverage from the risk sharing layer up through the insured program.

**RECOMMENDATION**

That the Property Program Committee recommend to the Executive Committee to approve the amended 2018-2019 Memorandum of Property Coverage.

POOLED PROPERTY PROGRAM  
MEMORANDUM OF COVERAGE

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ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)

MEMORANDUM OF COVERAGE

FORM NO. ACWAJPIA 2018-19P

2018-2019

This Memorandum of Coverage (MOC) sets forth the terms, conditions, and limitations of coverage provided to **Members** under the MOPC. The terms of this MOPC may not be changed or waived except by amendment made a part of this MOPC.

Throughout this MOC, words and phrases that appear in **bold** have special meaning. They are defined in Section I, "Definitions" or in the Master Program document.

**SECTION I – DEFINITIONS**

In addition to the definitions provided in the **purchased insurance**, the following additional definitions apply to the MOC for this Pooled Property Program (PPP):

1. **Authority** shall mean the Association of California Water Agencies Joint Powers Insurance Authority.
2. **Loss** shall have the same meaning as in the **purchased insurance**.
3. **Covered Party** shall mean a **Member** who has sustained a loss which is covered under this MOC.
4. **Purchased Insurance** shall mean insurance purchased by the **Authority** for the benefit of the **Authority** and the **Covered Party** and specifically identified in the Declarations.

**SECTION II – COVERAGE AGREEMENT**

1. The **Authority** will reimburse the **Covered Party** named on the Declarations for **losses** to scheduled property that is insured by the terms and conditions of the **purchased insurance**, less any applicable **Covered Party** deductible. All property must be scheduled prior to **loss** or within thirty (30)

days of acquisition in order for coverages and limits under the PPP, or **purchased insurance**, to apply.

2. This MOC incorporates the terms, provisions, and conditions of the **purchased insurance** except with regard to that portion of any **loss** which is the subject of this PPP.

### **SECTION III – LIMIT OF LIABILITY**

The limit of liability of the **Authority** for each **loss** shall be the amount of the deductible as specified under the **purchased insurance**, less the applicable **Covered Party** deductible under this PPP, but in no event more than the amount stated in the Declarations.

### **SECTION IV – DEDUCTIBLE**

The **Authority's** liability under Section III above shall be reduced by any applicable **Covered Party** deductible.

### **SECTION V – COVERAGE PERIOD**

This MOC applies to **losses** occurring during the coverage period defined in the Declarations.

### **SECTION VI – EXCLUSIONS**

In addition to any exclusions set forth in the **purchased insurance**, this MOC does not apply to:

1. Flood; however, this exclusion shall not apply to **loss** or damage caused by or resulting from ensuing fire or explosion or any other perils insured under this MOC.
2. Contamination by "pollutants" introduced at any time, into, under or upon land, water, or the atmosphere, or any watercourse or body of water or aquifer. This exclusion applies whether or not the contamination is introduced intentionally or accidentally or gradually or suddenly and whether or not the **Covered Party** or any other person or organization is responsible for the contamination.

“Contamination” includes any unclean, unsafe, or unhealthful condition, either actual or potential, which arises out of the presence in the environment of any “pollutant” whether permanent or transient.

“Environment” includes land, bodies of water, underground water or water table or aquifer, the atmosphere, and any other natural feature of the earth, whether or not altered, developed or cultivated. “Pollutant” means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, molds and/or fungus, and waste, including materials to be discarded or to be recycled, reconditioned, or reclaimed.

This exclusion does not apply to contamination or dispersal of “pollutants” which is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems.

3. Earthquake; however, this exclusion shall not apply to **loss** or damage caused by or resulting from ensuing fire or explosion or any other perils insured under this MOC.
4. War, whether or not declared, insurrection, rebellion, terrorism, or revolution. Terrorism is defined as an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
5. Nuclear contamination.
6. Damage intentionally caused by or on behalf of a **Covered Party**.

## **SECTION VII - CONDITIONS**

1. The Authority shall have the same rights as provided to the insurer by the **purchased insurance**.
2. If there is insurance other than the **purchased insurance** applicable to the **loss** incurred, such insurance, unless it specifically states that it is excess of this coverage, shall reduce the liability of this **Authority** by the amount that insurance is liable for such **loss**.

3. In the event of loss covered under this MOC, the Covered Party shall give immediate notice thereof to the **Authority** of such **loss**.
4. If the **Authority** pursues subrogation of a **loss**, the funds from any recovery shall first be allocated to payment of the expenses of the subrogation and then to reimbursement in full for payment of the claim and adjusting expenses. The **Covered Party** shall be reimbursed its deductible from any remaining funds.



## JPIA MEETING & CONFERENCE CALENDAR – 2018

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MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT
					Emp. Benefits	Liability	Property	Work Comp	
JAN 18			11:00 AM ONTARIO						
JAN 30		1:00 PM					10:00 AM		
MAR 19				1:00 PM					3:00 PM
MAR 20		8:30 AM							
APR 4					10:00 AM				
MAY 7	1:30 PM	11:00 AM				9:45 AM		8:30 AM	
MAY 8	ACWA CONFERENCE MAY 8 TO 11 – SACRAMENTO								
JUN 7			11:00 AM ONTARIO						
JUL 9		1:00 PM			9:00 AM				
	CAJPA CONFERENCE SEPTEMBER 12 TO 14 – SOUTH LAKE TAHOE CA								
SEP 17				1:00 PM		3:00 PM			
SEP 18		8:30 AM							
Nov 26	1:30 PM	10:30 AM							
Nov 27	ACWA CONFERENCE NOVEMBER 27 TO NOVEMBER 30 – SAN DIEGO								

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
JPIA CLOSED	1/15	19			28		4		3		12/22/23	24/25
MGR MEETINGS	8	5	5	2	14	4	2	6	10	1	5	10
STAFF Q&A	10	14	14	11	17	13	11	8		10	14	13
RM @ JPIA		8-9				13-14		8-9		10-11		13-14