



YOUR BEST PROTECTION

Approved May 7, 2018

Workers' Compensation Program Committee Meeting

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

March 20, 2017

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

- Hart, 5180 Soquel Drive, Soquel
- Schild, 10970 East Southwind Lane, Scottsdale, AZ

MEMBERS PRESENT

Chairman: Bill Knutson, Yuima Municipal Water District
Vice-chair: David Drake, Rincon del Diablo Municipal Water District
Scott Alcantara, South Feather Water & Power Agency
Dennis Erdman, South Coast Water District
Rick Gilmore, Byron-Bethany Irrigation District
Traci Hart, Soquel Creek Water District (*via WebEx*) arrived 3:08
Neil Schild, Sacramento Suburban Water District (*via WebEx*)

MEMBERS ABSENT

Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
Wayne Nygaard, Palm Ranch Irrigation District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Carol Barake, Risk Management Program Manager
Linda Craun, Administrative Assistant II (WebEx Coordinator)
Robert Greenfield, General Counsel
Debbie Kyburz, Lead Member Services Representative
Patricia Slaven, Director of Administration
Dianna Sutton, Finance Manager
Karen Thesing, Director of Insurance Services
Melody Tucker, Workers' Compensation Claims Manager
Suzanne Wallace, Administrative Assistant II (Recording Secretary)
Nidia Watkins, Member Services Representative II

Bobbette Wells, Executive Assistant to the CEO

OTHERS IN ATTENDANCE

Thomas Cuquet, South Sutter Water District
E. G. "Jerry" Gladbach, Castaic Lake Water Agency (*via WebEx*)
David Hodgin, Scotts Valley Water District
Melody McDonald, San Bernardino Valley Water Conservation District
Bruce Rupp, Humboldt Bay Municipal Water District
Alex Tokar, Aon Risk and Insurance Services

WELCOME

Chairman Knutson welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Knutson called the meeting to order at 3:00 p.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Knutson 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

Chairman Knutson noted that, as the agenda stated, members of the public would be allowed to address the Workers' Compensation Program 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

Chairman Knutson requested that the Committee members and JPIA staff in attendance introduce themselves.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

No additions or deletions were noted.

CONSENT AGENDA

Chairman Knutson called for approval of the minutes.

M/S/C (Drake/Erdman) (Alcantara-yes; Drake-yes; Erdman-yes; Gilmore-yes; Knutson-yes; Schild-yes): That the Workers' Compensation Program Committee approve the minutes of the March 29, 2016 meeting.

MEMBERSHIP

Ms. Thesing reported on the new agencies that joined the Workers' Compensation Program during the 2016-17 coverage year: San Andreas Sanitary District, Florin Resources Conservation District/Elk Grove Water District, Forestville Water District, Water Employee Services Authority, Main San Gabriel Basin Watermaster and Sonoma Mountain County Water District. Yuba County Water Agency was not on the list shared, but will be discussed at the March 21, 2017 Executive Committee meeting. Ms. Thesing also stated that the Workers' Compensation Program is almost at \$500 million payroll and is continuing to grow.

LOSS REPORTS

Reported Losses per \$1 Million of Payroll

Mr. Sells noted that the graph illustrates the stability of this program over the last five program years even though there was a spike in 2016-17 losses. Mr. Sells stated that the Workers' Compensation Program continues to perform very well. The self-insured retention remains at \$2 million.

Claims per \$1 Million of Payroll

Mr. Sells advised that this graph also shows the stability of the program for the past five program years. Mr. Sells stated the JPIA's training programs and Risk Advisors are doing a great job working with JPIA member agencies and have contributed to the downward trend in number of claims.

NEW BUSINESS

Memorandum of Workers' Compensation Coverage

Ms. Thesing reviewed the proposed changes to the Memorandum of Workers' Compensation Coverage (MOWC) and Employer's Liability Coverage (ELC). Highlights included adding the new form number on the declarations page, bolding special words, and new definitions. After some discussion on the many changes presented, Ms. Thesing commended Nidia Watkins for a job well done in reviewing and identifying opportunities to improve the MOWC and ELC.

M/S/C (Drake/Gilmore) (Alcantara-yes; Drake-yes; Erdman-yes; Gilmore-yes; Hart-yes; Knutson-yes; Schild-yes): That the Workers' Compensation Program Committee recommends that the Executive Committee approve the proposed revisions to the Memorandum of Workers' Compensation and Employer's Liability Coverage, effective July 1, 2017.

Workers' Compensation Excess Insurance Renewal Proposal

Ms. Thesing advised that the industry as a whole has experienced relatively flat rates; however, the JPIA's rates per \$100 of payroll have been increasing since July 1, 2014. Ms. Thesing reviewed the AON analysis which outlined the differences amongst the carriers and is recommending the excess be placed with Safety National.

M/S/C (Gilmore/Drake) (Alcantara-yes; Drake-yes; Erdman-yes; Gilmore-yes; Hart-yes; Knutson-yes; Schild-yes): That the Workers' Compensation Program Committee recommends that the Executive Committee approve the excess be placed with Safety National at a rate of \$0.090 per \$100 of payroll for the 7/1/2017-18 policy year, effective July 1, 2017.

Renewal Pricing

Mr. Sells reviewed the various components of the budget that contribute to the renewal pricing. Five options provided include no rate change, 2%, 3%, 5% and 10% rate increases to the Irrigation Drainage class code. Such increases are offset in each option by proportionately reduced rates to the Waterworks Operations class code. Staff recommended option three (3), with a 3% rate increase to Irrigation Drainage class code, and a 1.1% decrease to Waterworks Operations class code.

A discussion was held on Irrigation Drainage class code, Waterworks Operations class code and Experience Modification Calculations.

M/S/C (Gilmore/Alcantara) (Alcantara-yes; Drake-yes; Erdman-yes; Gilmore-yes; Hart-yes; Knutson-yes; Schild-yes): That the Workers' Compensation Program Committee recommend that the Executive Committee approve option three, as presented in the packet, effective July 1, 2017.

Overview of the Workers' Compensation Program

Ms. Tucker spoke on the pending bills in the Workers' Compensation system and gave a presentation on Workers' Compensation structured settlements.

Ms. Tucker advised that AB44 which will eliminate Utilization Review will most likely get approved.

Ms. Tucker explained that AB221 seeks to prevent the filing of fraudulent occupational disease and cumulative trauma claims by denying payment for the claim unless it meets specific criteria.

Ms. Tucker explained that current law would requires the Return-to-Work Program to distribute \$120,000,000 annually to eligible workers. AB553 would require that any remaining program funds available after the above-described supplemental payments are made, be distributed pro-rata to those eligible workers, subject to a \$25,000 limit per calendar year.

Ms. Tucker explained that AB570 would prohibit apportionment of permanent disability from being based on pregnancy, childbirth, menopause and osteoporosis.

Ms. Tucker explained AB1295 states that if Utilization Review determines a physician's approval of treatment is inappropriate, any temporary disability paid or owing from the date of the denial until the treatment is authorized, would not be included in the calculations of the aggregate disability payments.

The final topic presented by Ms. Tucker was an update on Medicare Set Asides and Structured Settlement Options and how offering settlement options could result in a cost savings to the JPIA.

MISCELLANEOUS

Availability for Upcoming Meeting(s)

There are no scheduled meetings for the remainder of the year.

The Workers' Compensation Program Committee meeting adjourned at 4:36 p.m.