

Handout - Property Program Committee Meeting - June 20, 2024

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION A1 - No Price Change - \$10M SIR

As of April 30, 2024

	Policy Year 4/1/2022-23 Actual	Policy Year 4/1/2022-23 Budget	Policy Year 7/1/2023-24 Projection	Policy Year 7/1/2024-25 Budget	% Change 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 19,510,276	12.92%
3 Net Investment Income	112,489	174,575	243,718	272,933	11.99%
4 Total Revenue	\$ 13,491,172	\$ 13,824,451	\$ 17,522,207	\$ 19,783,210	12.90%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,697,730	27.64%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	10,412,500	19.46%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	22,279,014	14,792,393	16,634,864	20,190,815	21.38%
11 RETROSPECTIVE PREMIUM ADJ	\$ (8,787,842)	\$ (967,942)	\$ 887,343	\$ (407,605)	-145.94%
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1566	8.34%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$ 500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0811
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.06053

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION A2 - 10% increase - \$10M SIR

As of April 30, 2024

	Policy Year 4/1/2022-23 <u>Actual</u>	Policy Year 4/1/2022-23 <u>Budget</u>	Policy Year 7/1/2023-24 <u>Projection</u>	Policy Year 7/1/2024-25 <u>Budget</u>	% Change 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 21,461,304	24.21%
3 Net Investment Income	112,489	174,575	243,718	331,464	36.00%
4 Total Revenue	<u>\$ 13,491,172</u>	<u>\$ 13,824,451</u>	<u>\$ 17,522,207</u>	\$ 21,792,768	24.37%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,697,730	27.64%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	10,412,500	19.46%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	<u>22,279,014</u>	<u>14,792,393</u>	<u>16,634,864</u>	20,190,815	21.38%
11 RETROSPECTIVE PREMIUM ADJ	<u>\$ (8,787,842)</u>	<u>\$ (967,942)</u>	<u>\$ 887,343</u>	<u>\$ 1,601,953</u>	80.53%
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1562	8.02%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0811
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.06053

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION A3 - 15% increase - \$10M SIR

As of April 30, 2024

	<u>Policy Year</u> 4/1/2022-23 <u>Actual</u>	<u>Policy Year</u> 4/1/2022-23 <u>Budget</u>	<u>Policy Year</u> 7/1/2023-24 <u>Projection</u>	<u>Policy Year</u> 7/1/2024-25 <u>Budget</u>	<u>% Change</u> 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 22,436,818	29.85%
3 Net Investment Income	112,489	174,575	243,718	360,730	48.01%
4 Total Revenue	<u>\$ 13,491,172</u>	<u>\$ 13,824,451</u>	<u>\$ 17,522,207</u>	<u>\$ 22,797,547</u>	30.11%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,697,730	27.64%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	10,412,500	19.46%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	<u>22,279,014</u>	<u>14,792,393</u>	<u>16,634,864</u>	<u>20,190,815</u>	21.38%
11 RETROSPECTIVE PREMIUM ADJ	<u>\$ (8,787,842)</u>	<u>\$ (967,942)</u>	<u>\$ 887,343</u>	<u>\$ 2,606,732</u>	193.77%
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1559	7.86%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0811
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.06053

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION B1 - No Price Change - \$5M SIR

As of April 30, 2024

	Policy Year 4/1/2022-23 <u>Actual</u>	Policy Year 4/1/2022-23 <u>Budget</u>	Policy Year 7/1/2023-24 <u>Projection</u>	Policy Year 7/1/2024-25 <u>Budget</u>	% Change 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 19,510,276	12.92%
3 Net Investment Income	112,489	174,575	243,718	242,933	-0.32%
4 Total Revenue	<u>\$ 13,491,172</u>	<u>\$ 13,824,451</u>	<u>\$ 17,522,207</u>	<u>\$ 19,753,210</u>	12.73%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,127,453	18.18%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	11,412,500	30.93%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	<u>22,279,014</u>	<u>14,792,393</u>	<u>16,634,864</u>	<u>20,620,538</u>	23.96%
11 RETROSPECTIVE PREMIUM ADJ	<u><u>\$ (8,787,842)</u></u>	<u><u>\$ (967,942)</u></u>	<u><u>\$ 887,343</u></u>	<u><u>\$ (867,328)</u></u>	<u><u>-197.74%</u></u>
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1602	10.84%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$5M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0889
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.05604

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION B2 - 10% increase - \$5M SIR

As of April 30, 2024

	<u>Policy Year</u> 4/1/2022-23 <u>Actual</u>	<u>Policy Year</u> 4/1/2022-23 <u>Budget</u>	<u>Policy Year</u> 7/1/2023-24 <u>Projection</u>	<u>Policy Year</u> 7/1/2024-25 <u>Budget</u>	<u>% Change</u> 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 21,461,304	24.21%
3 Net Investment Income	112,489	174,575	243,718	301,464	23.69%
4 Total Revenue	<u>\$ 13,491,172</u>	<u>\$ 13,824,451</u>	<u>\$ 17,522,207</u>	<u>\$ 21,762,768</u>	24.20%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,127,453	18.18%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	11,412,500	30.93%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	<u>22,279,014</u>	<u>14,792,393</u>	<u>16,634,864</u>	<u>20,620,538</u>	23.96%
11 RETROSPECTIVE PREMIUM ADJ	<u><u>\$ (8,787,842)</u></u>	<u><u>\$ (967,942)</u></u>	<u><u>\$ 887,343</u></u>	<u><u>\$ 1,142,231</u></u>	28.72%
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1598	10.52%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$5M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0889
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.05604

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION B3 - 15% increase - \$5M SIR

As of April 30, 2024

	Policy Year 4/1/2022-23 <u>Actual</u>	Policy Year 4/1/2022-23 <u>Budget</u>	Policy Year 7/1/2023-24 <u>Projection</u>	Policy Year 7/1/2024-25 <u>Budget</u>	% Change 7/1/2023-24 to 7/1/2024-25
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 13,378,683	\$ 13,649,876	\$ 17,278,489	\$ 22,436,818	29.85%
3 Net Investment Income	112,489	174,575	243,718	330,730	35.70%
4 Total Revenue	<u>\$ 13,491,172</u>	<u>\$ 13,824,451</u>	<u>\$ 17,522,207</u>	<u>\$ 22,767,547</u>	29.94%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 13,297,501	\$ 5,243,744	\$ 6,031,001	\$ 7,127,453	18.18%
7 Purchased Excess Insurance	7,103,652	7,830,712	8,716,243	11,412,500	30.93%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	1,877,861	1,717,937	1,887,620	2,080,585	10.22%
10 Total Expenses	<u>22,279,014</u>	<u>14,792,393</u>	<u>16,634,864</u>	<u>20,620,538</u>	23.96%
11 RETROSPECTIVE PREMIUM ADJ	<u><u>\$ (8,787,842)</u></u>	<u><u>\$ (967,942)</u></u>	<u><u>\$ 887,343</u></u>	<u><u>\$ 2,147,010</u></u>	141.96%
12 Number of Program Members	288	286	287	290	1.05%
13 Insured Values (000's omitted)	\$ 11,325,811	\$ 10,651,874	\$ 11,338,706	\$ 12,718,056	12.16%
14 Net Premium Cost / \$100 of Value	\$ 0.1957	\$ 0.1372	\$ 0.1446	\$ 0.1595	10.36%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.122	\$ 0.146	\$ 0.146	0.00%
Mobile Equipment	\$ 0.154	\$ 0.185	\$ 0.222	\$ 0.222	0.00%
Automobiles	\$ 0.871	\$ 1.045	\$ 1.254	\$ 1.254	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$5M	
18 Program Limit	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 3.0% of Deposit Premium

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

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$14,861,320)

11 RPA - Calculated to balance budget

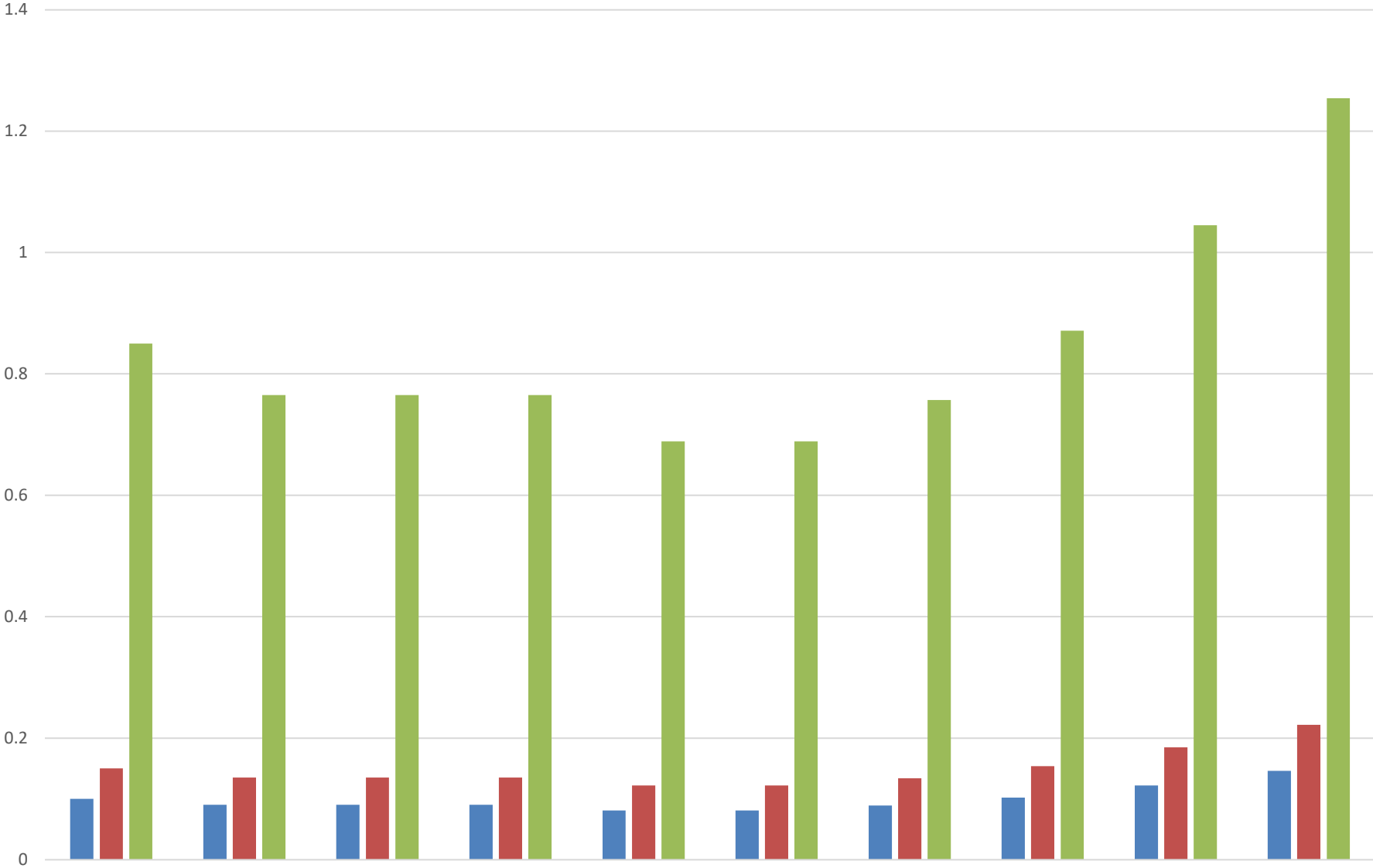
<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2023/24</u>	<u>2024/25</u>
TOTAL INSURED VALUES	\$ 11,338,706	\$ 12,718,056
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0889
LOSS RATE PER \$100 OF INSURED VALUES:	0.05071	0.05604

2024/25 Policy Year

Total Insured Values \$ 12,718,055,633

		Real and Personal Property	Mobile Equipment	Automobile	Total			
TIV	\$	12,156,662,083	\$	195,561,205	\$	365,832,345	\$	12,718,055,633
Prem Rate - No change		0.1464	0.222	1.254	\$	0.1534		
Deposit Premium - no price change	\$	15,216,737	\$	371,195	\$	3,922,345	\$	19,510,276
Excess Rate	\$	0.0811	\$	0.0811	\$	0.0811	\$	0.0811
Excess Premium - \$10M SIR	\$	9,857,291	\$	158,572	\$	296,637	\$	10,312,500
Prem Rate - 15% increase	\$	0.1684	\$	0.2553	\$	1.4421	\$	0.1764
Deposit Premium - 20% increase	\$	17,499,248	\$	426,874	\$	4,510,696	\$	22,436,818
Prem Rate - 10% increase	\$	0.1610	\$	0.2442	\$	1.3794	\$	0.17
Deposit Premium - 10% increase	\$	16,738,411	\$	408,314	\$	4,314,579	\$	21,461,304
Excess Rate	\$	0.0889	\$	0.0889	\$	0.0889	\$	0.0889
Excess Premium - \$5M SIR	\$	10,813,150	\$	173,948	\$	325,402	\$	11,312,500

Property Program Rates



■ Real and Personal Property ■ Mobile Equipment ■ Automobiles