

Liability Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Wednesday
September 25, 2024
3:00 p.m.

Chair: Randall Reed, Cucamonga Valley Water District

Vice-Chair: Chris Kapheim, Kings River Conservation District

Terri Daly, Yuba Water Agency

Brenda Dennstedt, Western Municipal Water District

Dennis Gambs, Zone 7 Water Agency

Peter Kuchinsky, Vista Irrigation District

Marc Limas, Alta Irrigation District

Kevin Phillips, Paradise Irrigation District

Jace Schwarm, San Dieguito Water District



LIABILITY PROGRAM COMMITTEE MEETING

AGENDA

JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Wednesday, September 25, 2024 – 3:00 p.m.

Zoom Link Meeting ID: 532 180 4035; Password: 5742; Telephone No.: 1 (669) 900-6833

This meeting shall consist of a simultaneous Zoom teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661, and the following remote sites:

- Daly – 1220 F Street, Marysville
- Dennstedt – 11615 Sterling Avenue, Riverside
- Gambs – 1862 Marini Lane, Livermore
- Kuchinsky – 1770 Wolverine Way, Vista
- Schwarm – 505 S Vulcan Avenue, Encinitas

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

PLEDGE OF ALLEGIANCE

ANNOUNCE 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 Ralph M. Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Liability 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 Chair know.

HYBRID PARTICIPATION GUIDELINES (See back page of the packet)

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

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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: Jillian Sciancalepore, Administrative Assistant III, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-JPIA. 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 Liability 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-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.



Liability Program Committee Meeting

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

March 20, 2024

This meeting consisted of a simultaneous Zoom teleconference meeting at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661, and remote sites.

- Schwarm, 505 S. Vulcan Ave., Encinitas

MEMBERS PRESENT

Chair: Randall Reed, Cucamonga Valley Water District

Vice-Chair: Chris Kapheim, Kings River Conservation District

Terri Daly, Yuba Water Agency

Dennis Gambs, Zone 7 Water Agency (via Zoom) Location not open to public; as such, did not vote per Ralph M. Brown Act

Marc Limas, Alta Irrigation District

Jace Schwarm, San Dieguito Water District (via Zoom)

MEMBERS ABSENT

Brenda Dennstedt, Western Municipal Water District

Peter Kuchinsky, Vista Irrigation District

STAFF PRESENT

Chief Executive Officer/Secretary: Adrienne Beatty

Kristan Brown, Administrative Assistant II (Recording Secretary)

Chimene Camacho, Executive Assistant to the CEO

Debbie Cruz, Lead Member Services Representative

David deBernardi, Director of Finance

Adam Dedmon, Employee Benefits Manager

Robin Flint, Risk Control Manager

Robert Greenfield, General Counsel

Jennifer Jobe, JPIA Director of Pooled Programs

Jennifer Nogosek, Liability/Property Claims Manager

Kevin Phillips, Director of Member Outreach

Jillian Sciancalepore, Administrative Assistant III

Judy Shui, Senior Claims Adjuster

Dan Steele, Finance Manager

Kayla Villa, Litigation Manager

Tony Waterford, Human Resources Manager

Nidia Watkins, Member Services Representative II

Cece Wuchter, Lead Senior Claims Adjuster
Mike Whitright, IT Support Specialist

OTHERS IN ATTENDANCE

David Drake, Rincon del Diablo Municipal Water District
Ernie Avila, Contra Costa Water District
Szu Pei Lu-Yang, Rowland Water District
Scott Ratterman, Calaveras County Water District
J. Bruce Rupp, Humboldt Bay Municipal Water District
David Wheaton, Citrus Heights Water District
Jennifer Hetzel, Aon Risk and Insurance Services
Alex Tokar, Aon Risk and Insurance Services

WELCOME

Chair Reed welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Reed called the meeting to order at 10:30 a.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair Reed led the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MINUTES

Chair Reed announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT

Chair Reed noted that, as the agenda stated, members of the public would be allowed to address the Liability 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.

HYBRID PARTICIPATION PROCEDURES

Ms. Beatty gave the hybrid participation procedure instructions.

INTRODUCTIONS

Chair Reed welcomed all in attendance. He then introduced the Committee Members.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Reed asked for any additions to, or deletions from, the agenda; none were requested.

CONSENT AGENDA

Approval of the minutes

Chair Reed called for approval of the minutes of the September 27, 2023, meeting.

M/S/C (Limas/Daly) (Daly-Yes; Limas-Yes; Schwarm-Yes; Kapheim-Yes; Reed-Yes): That the Liability Program Committee approve the minutes of the September 27, 2023, meeting, as presented.

ADMINISTRATION

Meetings attended on behalf of the JPIA

None.

Membership Report

Ms. Jobe provided an overview of the Liability Program, stating that JPIA currently has 345 members participating in the program with \$940M in payroll. In addition, two new prospective members, Bear Valley Water District and Reclamation District No. 784, have an opportunity to join JPIA's Liability Program. Bear Valley Water District acceptance into the Liability Program was approved by the Executive Committee (EXCO) on January 18, 2024, for an effective April 1, 2024, join date. Reclamation District No. 784 will be presented to EXCO for approval on March 21, 2024, with a proposed join date of July 1, 2024.

Each time a potential member is presented to the Executive Committee, extensive vetting processes are completed by several of JPIA's Directors, Managers, and Departments. JPIA has a vigorous underwriting process to ensure the potential member is the right fit for the JPIA pool, whereby protecting JPIA's membership assets and future longevity.

Grassland Basin Water Authority, North Delta Water Agency, and Sierra Highlands Community Services District have reported an intent to withdraw from the Liability Program. Grassland Basin Water Authority and North Delta Water Agency can withdraw from the Liability Program after June 30, 2024. With Sierra Highlands Community Services District notice of withdraw coming in at a later date, the District can withdraw from the Liability Program after June 30, 2025. Ms. Jobe stated that these members are doing their active due diligence in exploring their options for program coverage. Additionally, JPIA's staff will continue to undergo regular check-ins with these members to determine the members' needs and timely response if rescinding their notice of withdrawal.

A Committee Member asked if we have an official exit interview process for those members deciding to withdraw from the JPIA. Ms. Jobe replied that at this

current time, JPIA does not conduct an official exit interview. However, in our correspondence with the members, our staff can usually gather insight as to why a member is choosing to depart from the JPIA. Ms. Beatty explained that if the member asks for their 10-year loss run history, this prompts JPIA staff to offer assistance with their coverage comparison fact finding process, because a comprehensive understanding of various coverages offered in the marketplace can be quite a daunting undertaking. She also noted that staff engages with any member who has submitted a notice of intent to withdraw frequently throughout that year to ensure we identify and rectify any issues identified by the member.

JPIA staff will continue to speak to prospective new members and anticipates additional applications for participation to be forthcoming in the 2024/25 program year.

ADDITIONAL MOTION – EXCUSED ABSENCES

Mr. Greenfield asked that a motion be made for the approval of excused absences of any Committee Members that were not included in the consent agenda.

M/S/C (Daly/Limas) (Daly-Yes; Limas-Yes; Schwarm-Yes; Kapheim-Yes; Reed-Yes): That the Liability Program Committee recommend that the Executive Committee approve excused absences of any Committee Members that were not included in the consent agenda.

LOSS REPORTS

Review of General Liability Claims Trends

Mr. Greenfield explained that JPIA is focused on providing an improved variety of investigative tools for claims data analysis, which will assist in the betterment of extrapolating more precise data. He proposed that an additional type of liability claim be added, Criminal Activity, to the five existing types of liability claims: Vehicle, Construction, Infrastructure, Employment Practices, and Other. In addition to the claim types, cause codes are assigned to each type of claim. Mr. Greenfield also proposed additions to the existing cause codes, which were highlighted in his summary in red. He indicated that because JPIA's pool does not have thousands of claims each year, in some instances, it is difficult to get a good overview/analysis on the claim's trends.

The Committee Members discussed the materials presented, and asked Mr. Greenfield about the most predominant types of claims, to which he responded are infrastructure and pipe breaks. Additionally, he noted that infrastructure and pipe breaks also factor into some of JPIA's more costly claims due to property values. Mr. Greenfield explained that rain is the greatest predictor in frequency of claims; with a direct correlation in that the more rain we have, the more claims occur. He stated that the majority of JPIA claims fall under \$100K. Ms. Beatty stated that only eight claims have ever exceeded \$5M, JPIA's current pooled Liability retention layer, since the inception of the JPIA in 1979. In addition, JPIA's largest claim was due to aerial spraying, which is now

excluded from coverage thereby eliminating that exposure. In closing, Mr. Greenfield stated that the claim type coding is not intended to place blame on any party, but an internal classification coding system to provide the JPIA with the tools needed in identifying where the exposures may lie and claims' trends.

NEW BUSINESS

State of the Market Update

Ms. Jobe introduced Ms. Hetzel from Aon and she provided the attendees with a state of the market update.

Ms. Hetzel stated that for the most part, the marketplace is beginning to stabilize. Excess Carriers have implemented a two-tiered approach when providing coverage. For accounts that have a low risk and favorable loss history, the carriers now compete to write coverage, which has assisted in keeping rates lower. However, for accounts that are deemed to be high risk with unfavorable loss runs, they have continued to see double digit rate increases. Ms. Hetzel spoke of the importance of identifying JPIA's portfolio and what makes us a unique partner, whereby explaining the differences in exposures for JPIA's members vs. other types of public entities (schools, police, and fire departments).

In addition, Ms. Hetzel addressed that currently verdict payouts have almost grown to the levels seen prior to COVID. She stated that there has been a lot of pressure in the public sector on pricing and attachment points in the overall tower for auto as well as emerging risks being monitored such as Perfluoroalkyl and Polyfluorinated Substances (PFAS), microplastics, traumatic brain injury, and biometric data privacy. In addition, two large casualty loss verdicts have influenced the marketplace. One case involved a van striking a tractor trailer, which resulted in a fatality with a \$247M payout; the other case was regarding a cancer survivor's suit against a chemical company for continual PFAS exposure that resulted in a payout of \$40M in damages.

Liability Program Update and Renewal Strategy

Ms. Jobe stated that JPIA is about six months into the 2023/24 General Liability Program year. The General Liability Program will be renewed on October 1, 2024. She discussed that JPIA self-insures the first \$5M of every loss, and the Captive, the California Water Insurance Fund (CWIF), funds the \$10M X \$10M layer. Additionally, JPIA partners with nine excess and reinsurance carriers to provide a \$50M per occurrence limit.

As per Ms. Hetzel's report regarding a tiered underwriting approach by carriers, Ms. Jobe ensured that she and Ms. Beatty have been working hard to establish that JPIA is in the Tier One Category with limited exposures and favorable losses. Ms. Beatty, Ms. Jobe, the JPIA Risk Management team, and various other staff have been visiting our member water agencies and touring the facilities with underwriters and carriers. Displaying the members' impressive operations and safety standards has demonstrated the unique opportunity the excess carriers/reinsurers have in partnering with the JPIA.

She explained that what is equally inspiring is the knowledge the General Managers and upper-level management have when speaking about various activities taking place at the agency level. She highlighted the maintenance and mitigation efforts of JPIA's member water agencies in limiting exposures, such as wildfires and flooding. Also, Ms. Jobe spoke about our members taking the initiative to seek out FEMA hazards mitigation funds and other grant funding to continue to run their businesses effectively and service their communities with clean, safe water.

In conclusion, Ms. Jobe stated that for the 2023/24 program year, a new carrier Midvale joined JPIA's program. This was an anomaly as most reinsurers/excess carriers were looking to reduce capacity for public entities or withdraw from the marketplace all together. Midvale replaced Great American at the \$5M excess of \$30M layer. Great American had provided the \$5.5M excess of \$29.5M layer on the tower. Great American also wished to continue to deploy capacity in the JPIA Program; as such, they were moved to a \$2.5M quota-share within the \$10M excess of \$20M layer in the tower. Ms. Jobe noted that this is positive news for the JPIA and demonstrates JPIA's continued desirability within the marketplace.

2024/25 Memorandum of Liability Coverage (MOLC)

Ms. Jobe stated that each year staff reviews the Memorandum of Liability Coverage (MOLC) for necessary revisions. During the year, different situations may be presented and prompt a review of and possible revision(s) to the MOLC. She explained that the Liability Program Committee used to meet annually to discuss the overall program and any required adjustments. However, now the Liability Program Committee meets biannually, to give the Committee the opportunity to discuss and re-work any revisions to the MOLC. She also explained that with the addition of the semiannual Committee meeting, it will enable JPIA to provide the excess carriers/reinsurers with MOLC changes as part of the underwriting process which should positively impact quotes received.

Staff recommends the following revisions to the MOLC, which includes necessary programmatic updates, such as dates and adjustments to coverage structure, effective October 1, 2024:

Section I – Definitions – Weapon: A definition of "Weapon" has been added as per the proposed new exclusion for intentional use of a weapon.

Section VI – Exclusions: An exclusion has been added limiting coverage for "liability for bodily or personal injury arising out of the intentional use of a weapon."

Ms. Jobe discussed that the proposed exclusion limits coverage as it relates to the use of a weapon that creates the high probability of significant bodily harm. JPIA recognizes that members are managing a variety of situations while they are in the field including encampments of unhoused and vermin and predators along canals and other water sources. Hence, member agencies have considered various measures to protect their employees and assets, including the use of a weapon to protect their property and for personal safety.

She stated that unlike municipalities, public water agencies are not afforded the same immunities and as such, any extension of coverage for liabilities arising out of the use of a weapon poses substantial exposure to the JPIA. To anticipate the potential increase in exposure to the pool of use-of-force claims, staff proposed the new exclusion.

M/S/C (Kapheim/Limas) (Daly-Yes; Limas-Yes; Schwarm-Yes; Kapheim-Yes; Reed-Yes): That the Liability Program Committee recommend that the Executive Committee approve the revisions to the Memorandum of Liability Coverage, effective October 1, 2024.

STAFF UPDATES

Liability Claims Department Update

Ms. Nogosek reported that the Claims Department has two new employees: Judy Shui and Kayla Villa. Ms. Nogosek said that Ms. Shui has a wealth of knowledge and has been in the industry for a long time. In addition, Ms. Villa is JPIA's new Litigation Manager and a fantastic resource for the department. Ms. Nogosek indicated that Ms. Villa was a part of JPIA's Defense Council Panel, so she is very familiar with the JPIA, and has been assisting in evaluating immunities, government codes, liability claims, and the values on claims.

She stated that three of her new staff will be attending the Water 101 Workshop and Tour later this month.

Lastly, Ms. Nogosek and Mr. Greenfield discussed with the Committee that the Claims Department has been working with the Risk Management team to determine the different types of pipes the water agencies utilize. The departments would like to identify the age, size, material and type/purpose of the pipes, so the data can later be used to categorize and detect possible higher risk infrastructure types.

Director of Pooled Programs Update

Ms. Jobe expressed that the Member Services Department has been working on the Liability Program renewal process and visiting our members with JPIA management and staff.

In addition, she reviewed the new Cyber Liability Program that a majority of our members participate in. The Member Services Department and JPIA's Marketing Team recently sent out a short survey to the 276 participating members. The Cyber Liability Program consists of the insurance policy, provided by Coalition, and two complimentary cyber risk management services, KYND and KnowBe4. Ms. Jobe stated that these services will continue to help the members augment their own, internal cyber security programs and more effectively reduce cyber-risk exposures. KYND is continually scanning member networks looking for vulnerabilities, and KnowBe4 is provided members with tools to identify and manage phishing attacks.

UPCOMING MEETINGS

Availability for Upcoming Meeting(s)

The next Liability Program Committee meeting is scheduled for September 25, 2024 at 3:00 p.m.

The Liability Program Committee meeting adjourned at 11:47 a.m.

ACWA JPIA
Review of Litigated Claims Data
September 25, 2024

BACKGROUND

Trends relating to the number of claims that result in assignment to the ACWA JPIA's outside legal counsel and ultimately become litigated have steadily increased over the last 5 years.

In August 2019, 54 total claims were assigned to outside defense counsel. As of August 31, 2024, 92 claims are currently assigned to outside defense counsel.

CURRENT SITUATION

Of the 92 claims, 55 are currently in litigation, 23 are in the claims stage with litigation anticipated, and 14 have settled but not yet closed. We categorize the claims into five categories: Employment Practices, Construction/Risk Transfer, Vehicle Operations, Infrastructure, and Other. The 92 claims are broken down as follows:

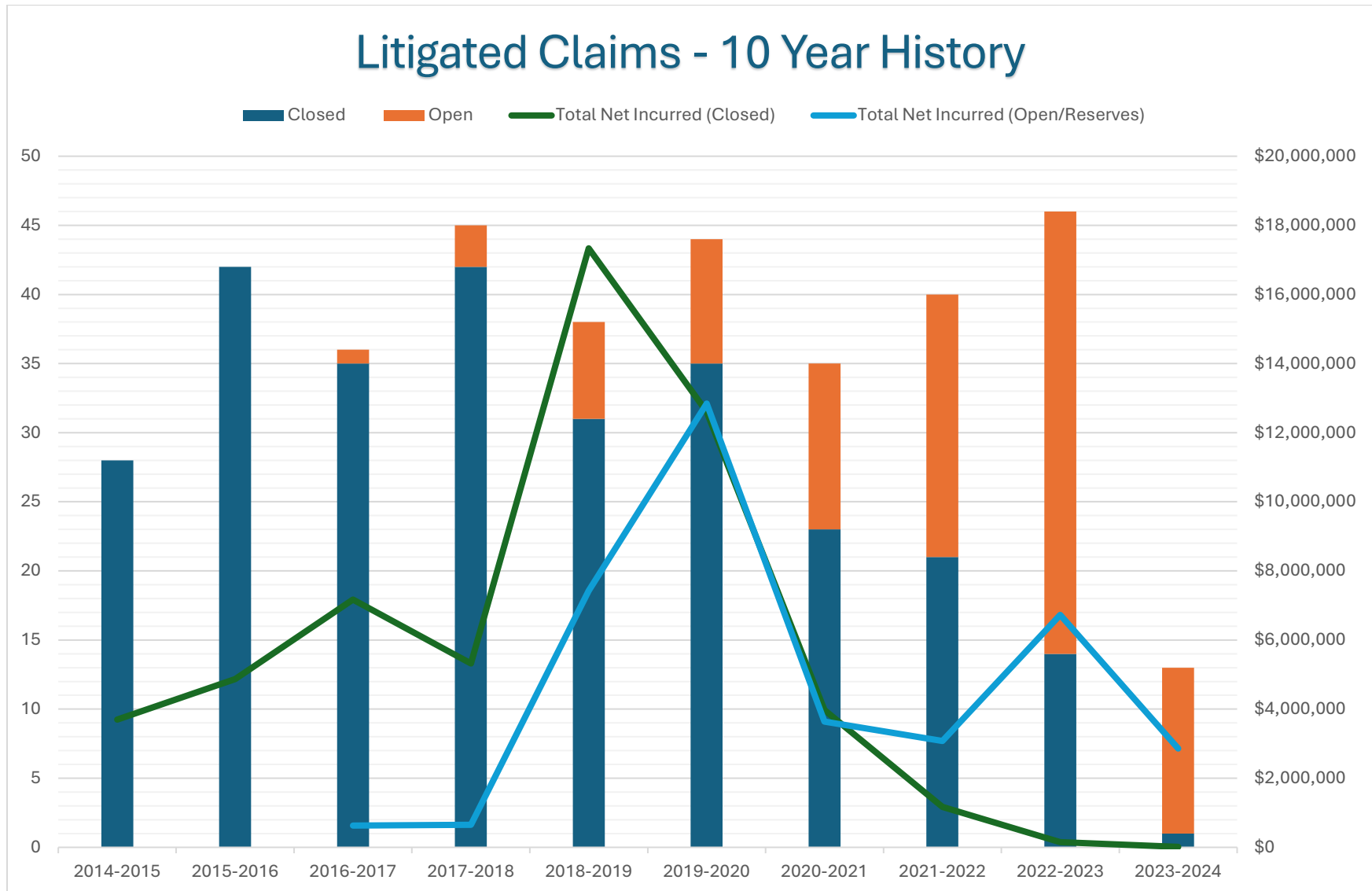
- Employment Practices: 16 (10 litigated, 5 pending, 1 settled)
- Construction/Risk Transfer: 16 (11 litigated, 3 pending, 2 settled)
- Vehicle Operations: 6 (2 litigated, 2 pending, 2 settled)
- Infrastructure: 49 (28 litigated, 11 pending, 10 settled)
- Other: 5 (5 litigated)

RECOMMENDATION

None, information only.

REVIEW OF LITIGATED CLAIMS

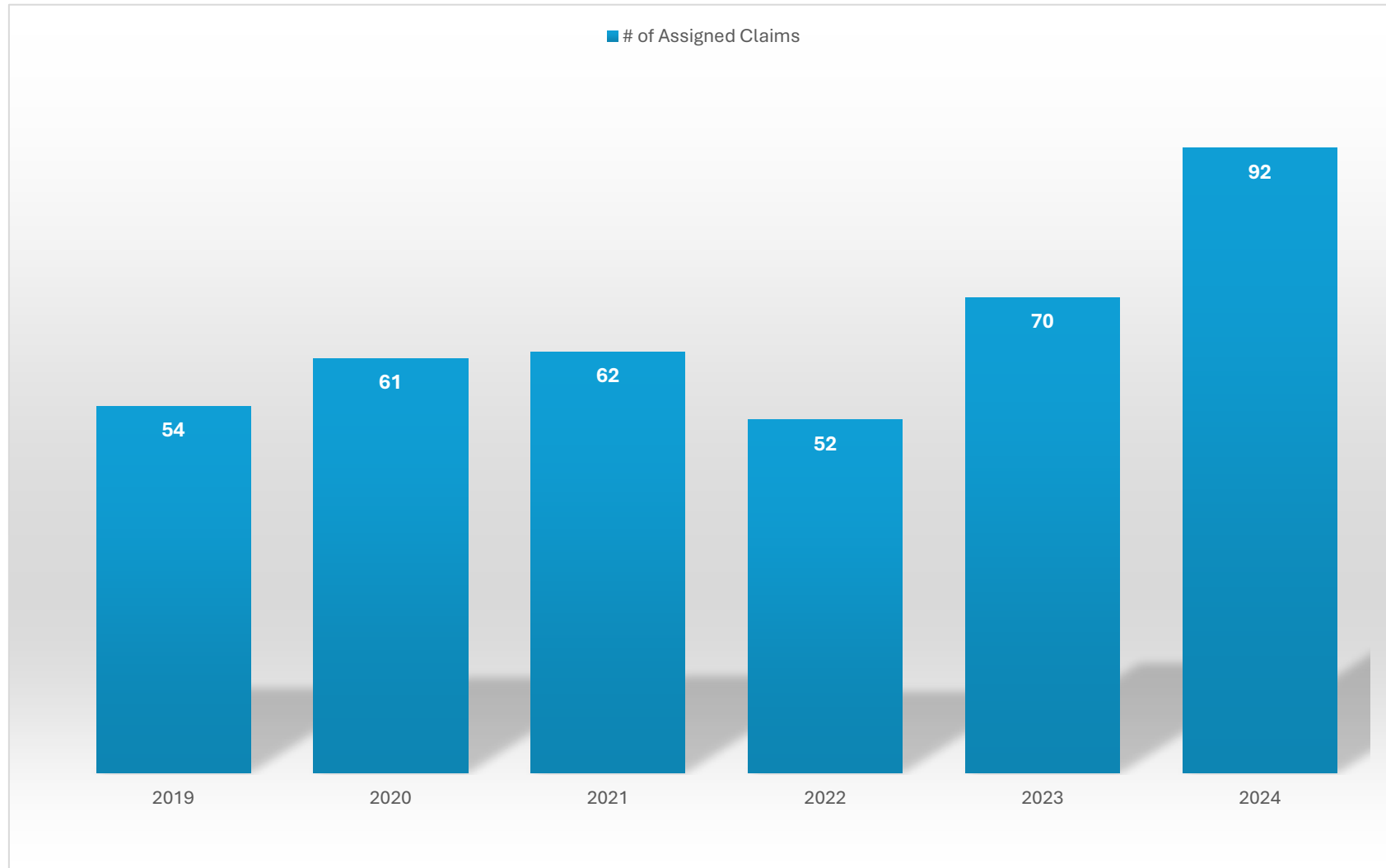
ACWA JPIA – LIABILITY PROGRAM



Number of Assigned Claims to Outside Defense Counsel

August 2019-August 2024

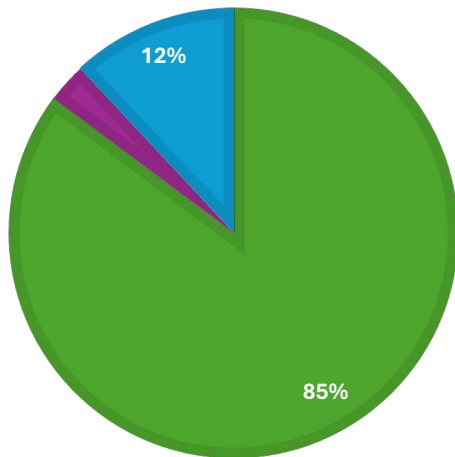
** Aggregate of All Open Assigned Claims for Active Policy Years*



STATUS OF CURRENT LITIGATED MATTERS

NUMBER OF CLAIMANTS INVOLVED IN ASSIGNED MATTERS

■ In Litigation ■ Anticipated ■ Settled



TOTAL NUMBER OF CLAIMANTS

IN LITIGATION: 936

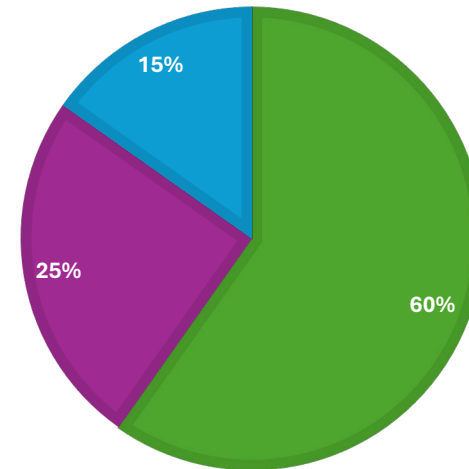
ANTICIPATED: 31

SETTLED: 131

TOTAL: 1,098

ASSIGNED MATTERS

■ In Litigation ■ Anticipated ■ Settled



TOTAL NUMBER OF ASSIGNED FILES

IN LITIGATION: 55

ANTICIPATED: 23

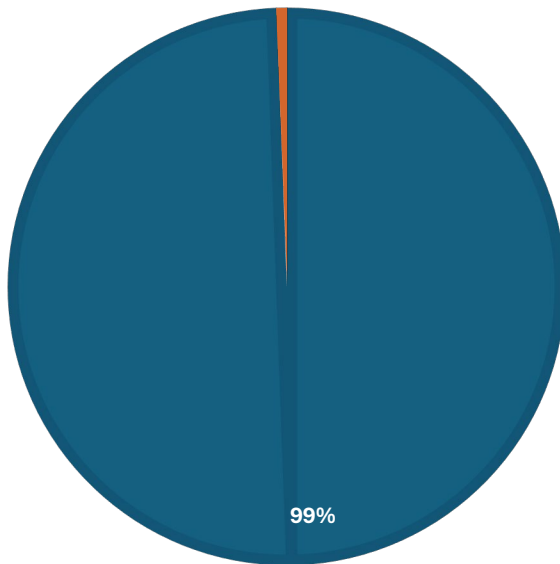
SETTLED: 14

TOTAL: 92

Active Program Years: 2010-2011 and 2017-2018 through 2023-2024

NUMBER OF CLAIMANTS INVOLVED IN ASSIGNED FLOOD RELATED MATTERS

■ In Litigation ■ Anticipated ■



TOTAL NUMBER OF CLAIMANTS

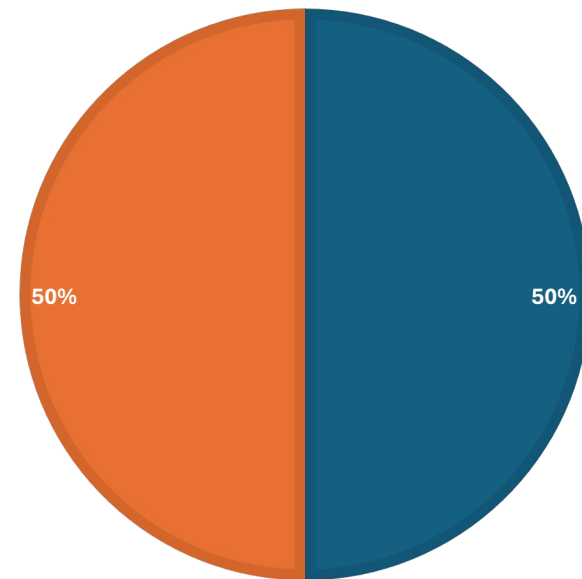
IN LITIGATION: 869

ANTICIPATED: 5*

TOTAL: 874

ASSIGNED FLOOD- RELATED MATTERS

■ In Litigation ■ Anticipated



TOTAL NUMBER OF ASSIGNED FILES

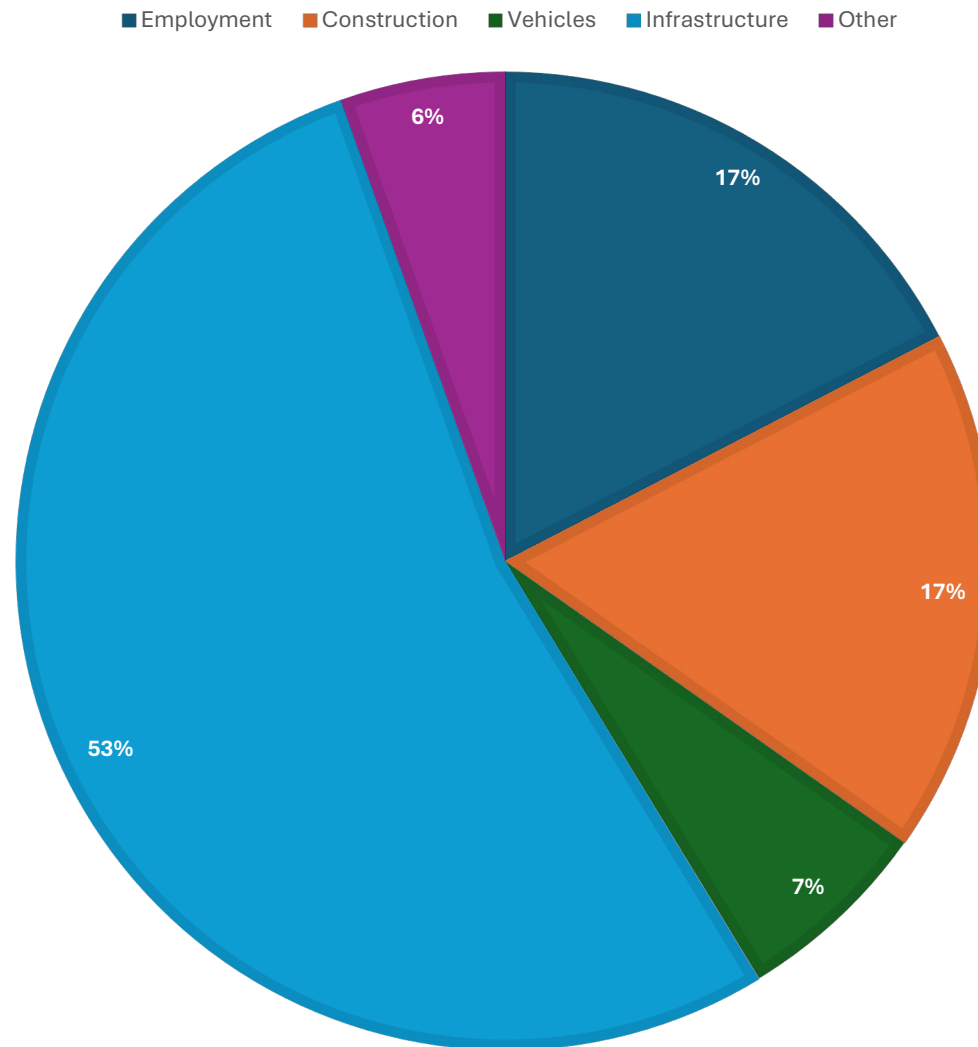
IN LITIGATION: 6

ANTICIPATED: 6*

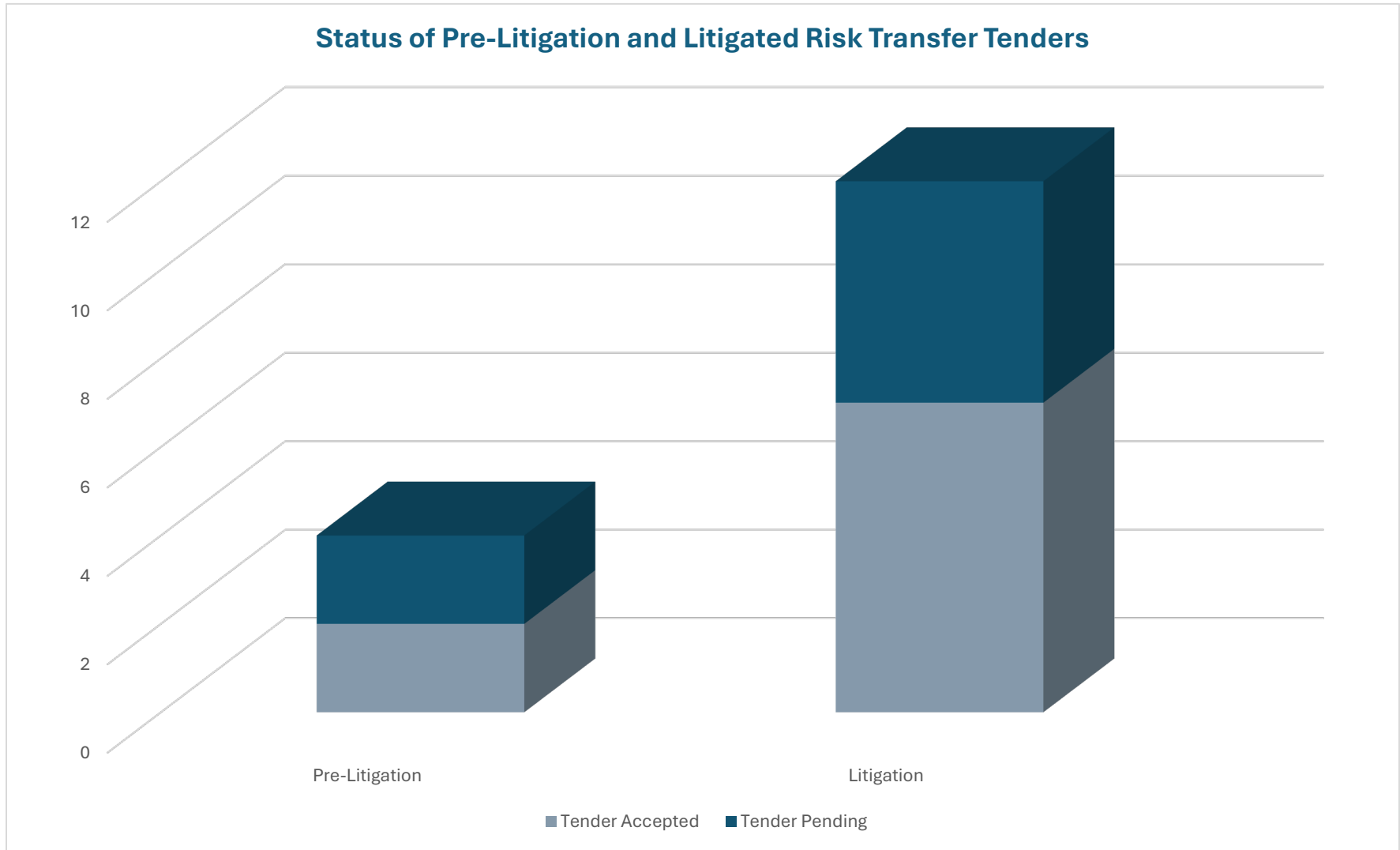
TOTAL: 12

* Anticipated assigned files includes several claimants that filed against multiple districts, each district assigned separate counsel

Number of Cases by Cause Code



ACTIVE CLAIMS – CONSTRUCTION/RISK TRANSFER



ACWA JPIA
State of the Market Update
September 25, 2024

BACKGROUND

Aon has been JPIA's General Liability broker since May of 2014.

CURRENT SITUATION

Jennifer Hetzel, Aon Assistant Vice President, will provide the Liability Program Committee with a State of the Market presentation and the effect upon renewals across the market.

RECOMMENDATION

None, information only.



Association of California Water Agencies JPIA

National Casualty Nuances & Details

Lead Umbrella and Excess Casualty

Lead Umbrella & Excess Liability marketplace conditions, structures and limits for our National Casualty clients remained dynamic, but in line with our forecasts. However, renewal rates increased at an increasing rate net deployed capacity is down YoY. Over the last quarter, we have seen a trend toward decreases in capacity within intermediate layer, increasing the need for participation from competing markets. There continues to be mounting concern of market deterioration, especially for risks with large fleets and 3rd party Hired & Non-owned exposure.

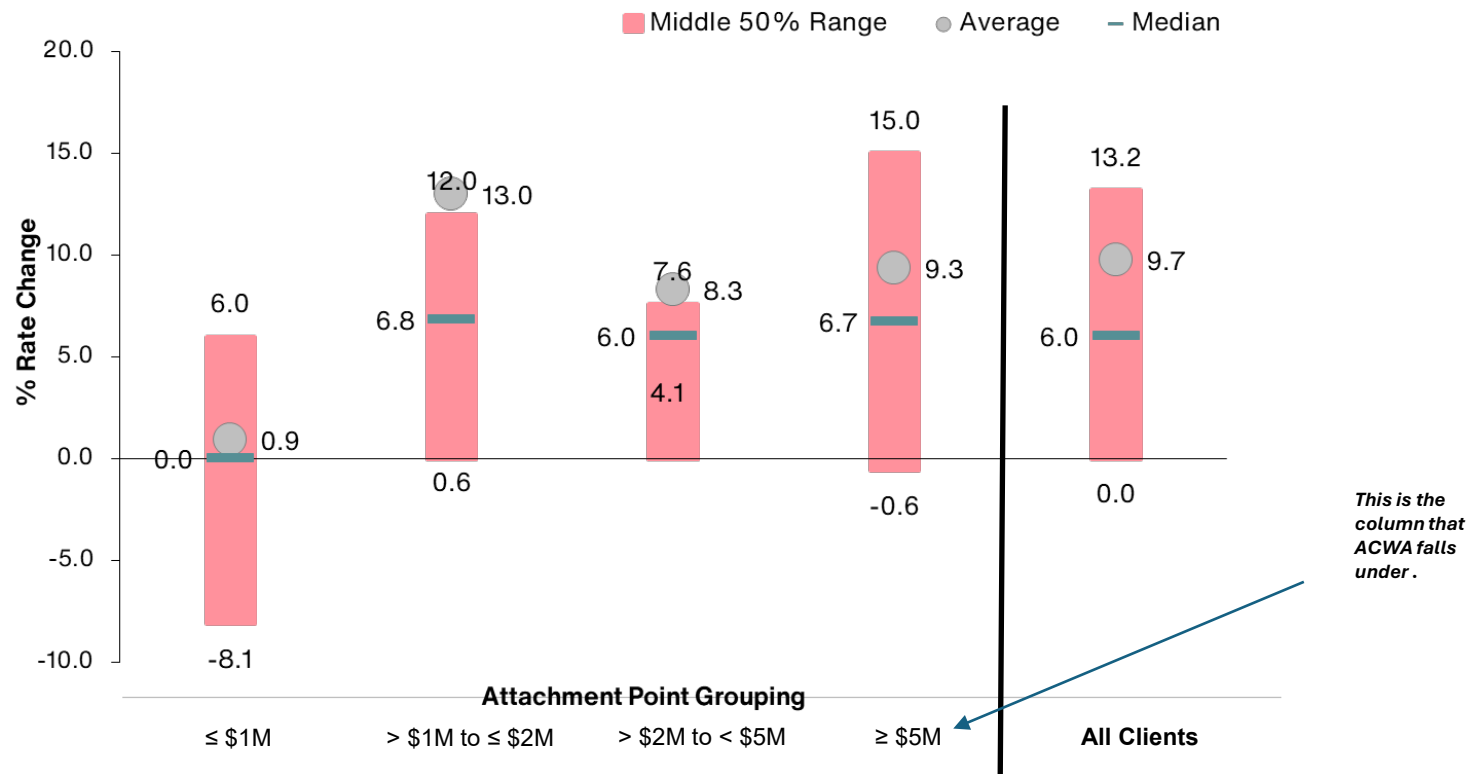
- **Lead Umbrella Liability:** Average Q2 2024 renewal rate was +9.7% with 71% of renewals experiencing a rate increase. The “middle 50%” ranged from Flat to 13.2%.
- **Total Umbrella / Excess Liability:** Average renewal rate in Q2 2024 was +12.3%, with 71% of all programs renewing with a rate increase. The “middle 50%” ranged from Flat to +12.6%.

Additional Trends:

- We continue to trade in a “two-tiered” market whereby challenged risk classes, adverse loss experience and/or programs with lower primary attachment points have experienced greater than average rate increases.
- Overall, net deployed capacity is down YoY as insurers continued to make significant changes to their portfolio, including increasing minimum premiums, introducing “corridor” features, managing capacity deployment, requesting to be “moved up” within a tower or entirely exiting the Umbrella / Excess space. Capacity and rate is under increased pressure in intermediate program layers.
- To help mitigate increased rates and/or create sustainable lead umbrella programs, some carriers have introduced/“socialized” the utilization of corridor deductibles on lead Umbrella programs for risks with large fleets.
- Increased focus on 3rd party hauling exposure, most notably contractual /limit requirements with some carriers seeking exclusions for “double broking”.
- Significant increase in monthly trial settings to help address the backlog caused by the COVID-19 shutdown.
- While the Median value of the Top 50 U.S. Verdicts dropped to \$9.5MM in 2020 (during the height of COVID), 2021 and 2022 rebounded to pre-COVID levels yielding median verdicts of \$33.45MM and \$48.70MM, respectively. Since 2014, the largest Median Top 50 U.S. Verdict calendar year was 2018 (\$54.33) followed by 2019 (\$49.65MM).
- Carriers continue to anticipate 8% to 10% growth in excess loss reserves due to medical inflation, increased legal & investigative costs, and growth in litigation awards and settlements, which could negatively impact rates.
- Carriers continue to be focused on securing greater details pertaining to critical and emerging risks, including, but not limited to, biometric privacy, Cyber (BI/PD), “forever” chemicals (PFAS), Microplastics, Abuse & Molestation, Wildfire, Traumatic Brain Injury (TBI), Lithium Batteries, etc.

Lead Umbrella

Q2 2024 Rate Change Analysis and Distribution

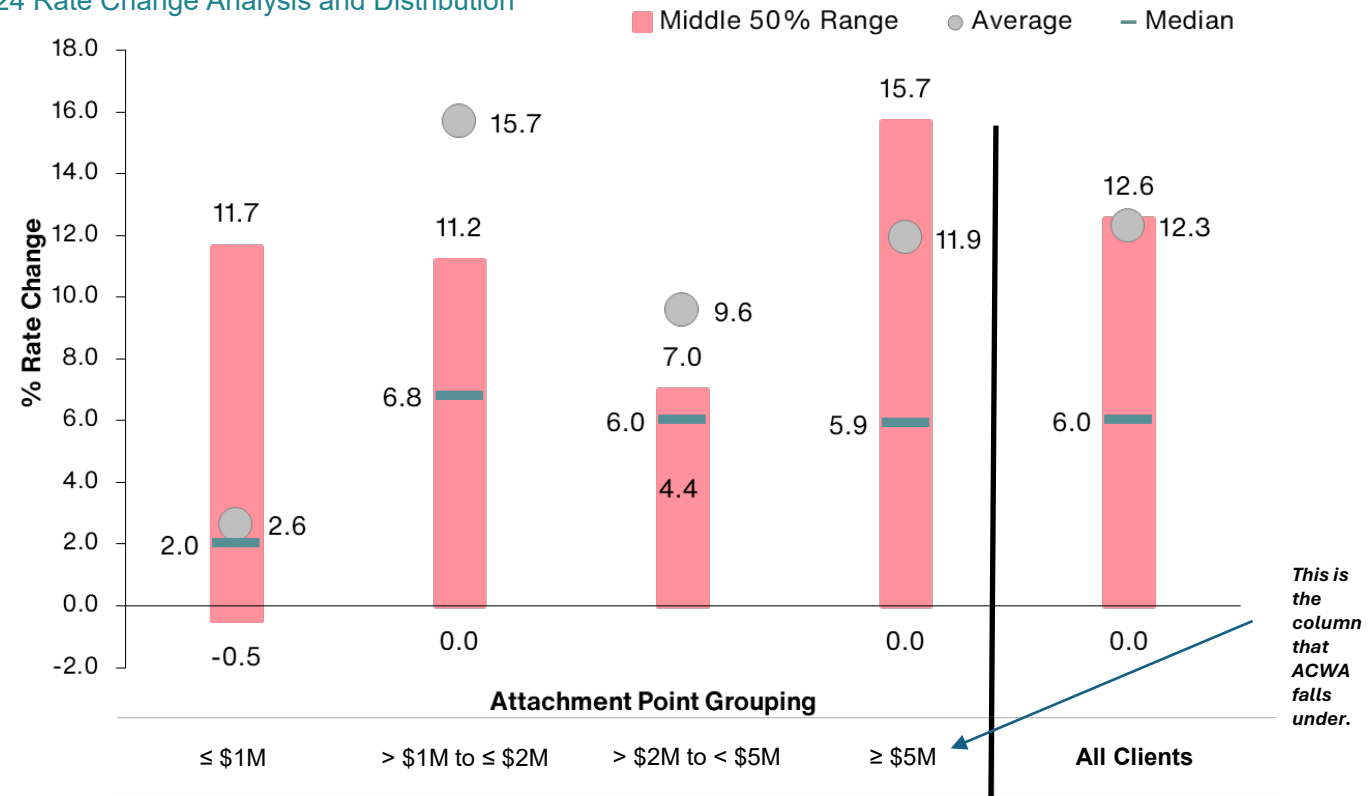


- While the red bars depict the middle 50% range, the Average and Median values are based on the whole data set and not just the Middle 50% range

Proprietary & Confidential

Total Umbrella/Excess Liability Tower

Q2 2024 Rate Change Analysis and Distribution



• While the red bars depict the middle 50% range, the Average and Median values are based on the whole data set and not just the Middle 50% range

Proprietary & Confidential

ACWA JPIA
2024-25 Memorandum of Coverage (MOC)
September 25, 2024

BACKGROUND

The Liability Program Committee annually reviews the Liability Memorandum of Coverage (MOC) for any required adjustments. At the March 20, 2024, meeting, the Committee recommended and the Executive Committee approved revisions, effective October 1, 2024, as follows:

Section I – Definitions – Weapon: Liability arising out of bodily or personal injury resulting from the use of a weapon is not covered in the MOC; as such, a definition of “Weapon” has been added for clarification.

Section VI – Exclusions: An exclusion is added limiting coverage for “liability for bodily or personal injury arising out of the intentional use of a weapon”.

In advance of the Liability Program renewal, staff conducted additional review of the MOC to identify any revisions for Program Year October 1, 2024 – September 30, 2025.

CURRENT SITUATION

In addition to necessary programmatic updates including dates and coverage structure, staff recommends the following revisions, effective October 1, 2024:

Section II – Coverage: Proposed amendments clarify the application of coverage as it pertains to the reporting of changes to a Member Agency’s activities or services resulting from a consolidation, merger, or acquisition of operations.

RECOMMENDATION

That the Liability Program Committee recommends that the Executive Committee approve the revisions to the Liability Memorandum of Coverage, effective October 1, 2024.

MEMORANDUM OF LIABILITY COVERAGE

For The

Association of California Water Agencies
Joint Powers Insurance Authority

DECLARATIONS

FORM NUMBER: MOLC-100124

MEMBER AGENCY: Member Agency

MAILING ADDRESS: P.O. Box 123
Anytown, CA 95432-0123

COVERAGE PERIOD: October 1, 2024 to October 1, 2025
12:01 A.M. Pacific Standard Time

LIMIT OF LIABILITY: \$5,000,000 per occurrence

Signed by: _____
(Authorized Representative)

Date:

MEMORANDUM OF LIABILITY COVERAGE

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

MEMORANDUM OF LIABILITY COVERAGE

FORM NO. MOLC-100124

This is a **Memorandum** of understanding between all of the **Member Agencies** of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), a California public entities risk pool operating under Sections 990.4 and 990.8 of the Government Code and other provisions of law. The purpose of this **Memorandum** is to set forth the terms on which the ACWA JPIA's **Member Agencies** have agreed to pool certain third-party liability risks among their membership, and have agreed to purchase excess liability insurance (or reinsurance) above the limit of coverage provided by the **Member Agencies'** pooled funds. This **Memorandum** shall be applied according to the principles of contract law, giving full effect to the intent of the **Member Agencies** of the ACWA JPIA in adopting this Memorandum of Liability Coverage. None of the parties to the Memorandum are entitled to rely on any contract interpretation principle which would require the interpretation of ambiguous language against the drafter of an agreement. The **Member Agencies** participating in the pool understand and acknowledge that their risk-pooling arrangement governed by this **Memorandum** is not insurance nor is it subject to regulation under the Insurance Code. As the ACWA JPIA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have any obligation to provide *Cumis* counsel to a **Covered Party** in a disputed coverage situation, as an insurer might have under Civil Code Section 2860.

Throughout this **Memorandum**, words and phrases that appear in bold have special meaning. They are defined in Section I - Definitions. Words that appear in CAPITAL LETTERS have reference to the like titled section in the **Memorandum**.

Neither the terms nor conditions of this **Memorandum** may be changed, except by addendum issued by us to become part of this **Memorandum**.

In consideration of the premium paid by the **Member Agency**, and subject to all terms and conditions herein, the **Authority** and the **Member Agency** agrees as follows:

SECTION I - DEFINITIONS

Administrative Relief means a non-judicial remedy provided by an agency, board, commission or any other like organization.

Aerial application means the delivery of herbicides and/or pesticides by use of an agricultural **aircraft** including but not limited to airplanes, helicopters, and/or **unmanned aircraft**.

Aircraft means a vehicle designed for the transport of persons or property principally in the air.

Authority means the Association of California Water Agencies Joint Powers Insurance Authority.

Automobile means a land motor vehicle, trailer or semi-trailer.

Bodily injury means physical injury, sickness, disease, or emotional distress sustained by a person, including death resulting therefrom, and also includes care and loss of services by any person or persons.

Claim(s) means a demand for money. An Employment Practice claim is deemed to exist upon first notice from the Civil Rights Department and/or Equal Opportunity Commission.

Covered Party means any person or entity set forth in Section IV of this **Memorandum**.

Cyber Liability means any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind, including, but not limited to, technology errors and omissions, information security and privacy, privacy notification cost, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security or personal or confidential information, unauthorized use, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

Dam means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either: (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not

across a stream channel or watercourse, to the maximum possible water storage elevation; or (b) has an impounding capacity of 50 acre-feet or more.

Any such barrier which is not in excess of 6 feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a **dam**.

No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to, a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use shall be considered a **dam**. In addition, no obstruction in the channel of a stream or watercourse, which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a **dam**.

Regardless of the language of the above definition, however, no structure specifically exempted from the jurisdiction of the State of California Department of Water Resources, Division of Safety of Dams, shall be considered a **dam**, unless such structure is under the jurisdiction of any agency of the Federal Government.

Damages means monetary compensation legally recoverable from a **Covered Party**, for past injury caused to a claimant by the unlawful acts or omissions of said **Covered Party**, except for the following:

1. Punitive or exemplary damages, statutory multiples of damages, civil fines or penalties, or any other liability over and above actual damages, by whatever name called, irrespective of whether the **Covered Party's** governing board has taken any action or passed any resolution electing to pay such damages;
2. Criminal fines or penalties;
3. Back-pay awards or any other restitutive relief awarded to compensate a claimant for services rendered to, or financial benefit otherwise conferred upon, a **Covered Party**; and any FLSA Wage and Hour or any CA Wage Order or any similar

Federal or State law claims or suits against, either the **Member Agency** or **Covered Party**; and

4. Injunctive and/or **Administrative Relief**.

Defense costs means reasonable fees charged by an attorney appointed by the **Authority** to defend the **suit** and all other reasonable fees, costs and expenses attributable to the investigation, defense or appeal of a **suit** that is within the scope of coverage afforded by this **Memorandum**, and that has been, and remains, duly tendered to the **Authority** for defense and indemnity under this **Memorandum**, except salaries of employees of the **Covered Party**, the office expenses of the **Member Agency**, and expenses of any claims servicing organization the **Member Agency** has engaged.

Employee means any person whose labor or services is engaged and directed by a **Covered Party**, whether past or present, including a volunteer, official, or applicant for employment. This includes part-time, seasonal, and temporary labor or services, as well as any person employed in a supervisory, managerial, or confidential position. **Employee** shall not include leased employees, independent contractors or subcontractors, agents, or servants of any **Covered Party**, unless the **Covered Party** has the right to and does control and direct the details of their work rather than the result of that work. **Employee** also shall not include spouse, child, unborn fetus, parent, brother, or sister of the **employee**.

The exclusion of independent contractors or subcontractors from the definition of **employee** shall not apply to a **claim** for sexual harassment specifically authorized under California Government Code 12940(j)(4) and (5).

Employment Practices Liability means liability of the **Covered Party** for compensatory damages payable to any prospective, present or former **employee** on account of a violation by **Covered Party** of any federal or state **Employment Liability Statute** or conduct held to be in violation California public policy, arising from:

1. Refusal to employ such person; or
2. Termination of such person's employment; or
3. Coercion, discrimination, retaliation, harassment, demotion, reassignment, discipline or other employment-related practice, policy, act or omission, provided such practice policy act omission does not include the willful commission of a crime or intentional infliction of **bodily Injury**.

Liability to the **employee** shall include liability to any spouse for economic damages or emotional distress incident to any of the acts 1 through 3 above.

Employment Practices Liability excludes anything not enumerated above, specifically excluding liability for breach of any employment contract, including without limitation any liability for lost wages and interest thereon, prejudgment interest, salaries, bonuses, stipends, expenses, overtime, retirement, medical or disability benefits, back pay, or any severance or other amount payable as a result of and arising from any of the enumerated offenses, 1 through 3 above.

Employment Liability Statute shall include the following:

Title VII of the Civil Rights Act of 1964 and amendments thereto; the Americans with Disabilities Act; the Age Discrimination in Employment Act; the Equal Pay Act; the Pregnancy Discrimination Act of 1978; the Immigration Reform Control Act of 1986; the Family and Medical Leave Act of 1993; the Genetic Information Nondiscrimination Act of 2008; the Health Insurance Portability and Accountability Act of 1996; the California Fair Employment and Housing Act; and any California or Federal statute to the extent it proscribes the same conduct.

Hired automobile means an **automobile** used under contract on behalf of, or loaned to, the **Member Agency**, provided such **automobile** is not owned by or registered in the name of the **Member Agency** or an **employee** or authorized volunteer of the **Member Agency**.

Member Agency means the local public agency, designated in the DECLARATIONS, which is a party signatory to the Joint Powers Agreement creating the Association of California Water Agencies Joint Powers Insurance Authority and is a participant in its Liability Program.

Member Agency's product means any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by the **Member Agency** or by others trading under its name, including, but not limited to, domestic water, agricultural water, recycled water, waste water, or electricity. Member Agency's product also includes containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Memorandum means this document, the MEMORANDUM OF LIABILITY COVERAGE.

Nuclear material means source material, special **nuclear material**, or byproduct material. "Source material," "special **nuclear material**," and "byproduct material"

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have the meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.

Occurrence means:

1. With respect to the **bodily injury, property damage, or sudden and accidental pollution**: an accident, including continuous or repeated exposure to substantially the same generally harmful conditions, which results in **bodily injury or property damage** neither expected nor intended from the standpoint of the **Covered Party**.

All allegations by the same injured party in the same claim shall be considered one **occurrence** for the purpose of the Limit of Coverage, and such **occurrence** shall be deemed to exist on the date of the alleged first act, policy, or conduct, in the event of an allegation of multiple acts, policies, or course of conduct.

Property damage that is the loss of use of tangible property not physically injured shall be deemed to occur at the time of the **occurrence** that caused it.

2. With respect to **personal injury and Public Official's errors and omissions** respectively: an offense described in the definition of those terms in this **Memorandum**.
3. With respect to **Employment Practices Liability**: an act, policy, or course of conduct by a **Covered Party** during the coverage period which results in a claim for wrongful employment if the first act, policy or course of conduct occurred during the coverage period.

All allegations by the same **employee** in the same claim shall be considered one **occurrence** for the purpose of the Limit of Coverage, and such **occurrence** shall be deemed to exist on the date of the alleged first act, policy, or conduct, in the event of an allegation of multiple acts, policies, or course of conduct.

Owned automobile means an **automobile** owned by or under long term lease to the **Member Agency**.

Personal Injury means: (a) false arrest, malicious prosecution, or willful detention; (b) libel, slander or defamation of character; (c) invasion of privacy; (d) wrongful entry or eviction, or other invasion of the right of private occupancy; (e) assault and battery; and (f) discrimination or violation of civil rights prohibited

by law or violation of federal civil rights laws, not intentionally committed by or at the direction of a **Covered Party**.

Pollutants means any solid, semi-solid, noise, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, mists, fumes, acids, alkalis, chemicals, biological and other etiologic agents or materials, genetically engineered materials, teratogenic, carcinogenic and mutagenic materials, waste materials, and any irritant or contaminant. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

Pollutants does not include domestic water, agricultural water, recycled water, waste water, or water furnished to commercial users, nor include waterborne asbestos.

Products hazard includes **bodily injury** or **property damage** arising out of the **Member Agency's products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs away from premises owned by or rented to the **Member Agency** and after physical possession of such **Member Agency's products** has been relinquished to others.

Property damage means physical injury to or destruction of tangible property, including the loss of use thereof at any time resulting therefrom; or loss of use of tangible property which has not been physically injured or destroyed.

Public Official's errors and omissions means any and all breaches of duty by any **Covered Party** arising from mistake, misstatement, misleading statement, error, neglect, inadvertence, omission or negligent action or inaction, in the discharge of his/her duties for the **Member Agency** including service with any other entity at the direction of any **Member Agency**, except for the following:

1. Willful commission of crime or other dishonest, fraudulent or malicious act;
2. Obtaining financial gain to which the **Covered Party** is not legally entitled;
3. Faulty preparation or approval of maps, plans, reports, surveys, designs, bid documents, or specifications unrelated to the operations of a **Covered Party**; but this exception does not apply to reports provided to any other water purveyor or to services provided by a **Covered Party** for another **Covered Party**; or

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4. Adoption or administrative application of any ordinance, resolution or regulation.

Sexual Abuse or Molestation means any actual or alleged negligent or intentional act, error or omission, amounting to or resulting in sexual abuse or molestation or threatened sexual abuse or molestation of any minor.

Subsidence shall mean earth movement including, but not limited to, landslide, mudflow, earth sinking, earth rising or earth shifting.

Subsidiary shall mean a public entity that is wholly or partially owned and controlled by a **Member Agency**. The **Member Agency** typically has the same Board of Directors as the subsidiary and those Board members are the same as the **Member Agency** not independently elected. The **Member Agency** makes all decisions over the subsidiary's operations and decision-making processes. The subsidiary operates as a separate legal entity but is subject to the control and influence of the **Member Agency**.

Sudden and accidental pollution means the sudden and accidental discharge, dispersal, release, or escape of **pollutants**, resulting in **property damage** or **bodily injury** neither expected nor intended from the standpoint of the **covered party**, onto or upon land, into the atmosphere, into or under the ground, or into any watercourse, whether natural or man-made, or body of water or aquifer, but does not include any discharge, dispersal, release, or escape of **pollutants**, whether sudden or accidental or gradual or intentional from any fixed or stationary contained, vessel, or tank of any description whatever, when located above ground or underground.

Suit(s) means a civil proceeding in which **damages** are alleged because of **bodily injury, property damage, personal injury, or Public Official's errors and omissions** to which this **Memorandum** applies. **Suit** includes:

1. An arbitration proceeding in which such **damages** are claimed and to which a **Covered Party** must submit or does submit with the consent of the **Authority**; or
2. Any other alternative dispute resolution proceeding in which such **damages** are claimed and to which a **Covered Party** submits with the consent of the **Authority**.

Terrorism means an act, including but not limited to the use of force or violence and/or 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.

Ultimate net loss means the sum actually paid or payable in cash in the settlement or satisfaction of **claims** or **suits**, for which the **Covered Party** is liable either by: (1) adjudication, or (2) compromises with the written consent of the **Authority**, after making proper deduction for all recoveries and salvages collectible, and includes **defense costs**, court costs and interest on any judgment or award, but excludes all unallocated loss adjustment expenses and all salaries of employees and office expenses of the **Covered Party** and **Authority**.

Unmanned Aircraft means an **aircraft**, aerial system or device that is not designed, manufactured, or modified after manufactured to be controlled directly by a person from within or on the **aircraft**, aerial system or device.

Weapon means an instrument that in the manner it is used, or intended to be used, can produce death or serious bodily injury, and includes but is not limited to: any pistol, rifle, gun, or other device capable of expelling or propelling one or more projectiles by the action of an explosive, combustible propellant, or compressed air; baton, bow or crossbow, arrow, knife, mace, stun gun, sword, or chemical spray.

SECTION II – COVERAGE

The **Authority** shall pay on behalf of any **Covered Party** the **ultimate net loss** which that **Covered Party** shall become legally obligated to pay to a third party by reason of liability (1) imposed by law, or (2) assumed by contract, for **damages** because of:

1. **Bodily Injury** Liability;
2. **Property Damage** Liability;
3. **Public Official's Errors and Omissions** Liability;
4. **Personal Injury** Liability; or
5. **Employment Practices** Liability

to which this **Memorandum** applies, caused by or arising out of an **occurrence** during the coverage period.

This coverage applies only to **claims** for **damages** arising out of those activities the **Member Agency** was engaged in at the inception date of this **Memorandum**, and not to **claims** arising out of any activity or service which the **Member Agency** added to its operations after the inception date of this **Memorandum**, unless such new activity or service is reported by the **Member**

Agency to the **Authority** at least 60 days prior to commencing the new activity or service.

Coverage for claims arising out of any activity or service in any way related to a consolidation, merger, or acquisition of operations requires concurrence of the **Authority**. The **Member Agency** must report any new service or activity to the **Authority** at least 60 days prior to the effective date of the new activity or service. The **Member Agency's** notice to the **Authority** must include comprehensive information including any changes to payroll and/or total insured values. Without the approval from the **Authority**, any and all losses will not be covered.

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This coverage does not apply to **claims** for **damages** which are either expected or intended by the **Covered Party**.

Any increase in the **Member Agency's** exposure with regard to levee maintenance, hydroelectric generation, fire, police or ambulance services must have prior approval of the Executive Committee in order to have coverage under this **Memorandum**.

Coverage for Class III events/activities requires the concurrence of the **Authority**. Without the approval from the **Authority**, any and all losses stemming from the event will not be covered.

Coverage for the following types of events/activities will not be granted by the **Authority** unless approved by the Executive Committee:

- Swimming Pools
- Water Parks
- Water Playgrounds – not including splash pads
- Water Slides

SECTION III – LIMIT OF LIABILITY

Regardless of the number of (1) **Covered Parties** under this **Memorandum**, (2) persons or organizations who sustain injury or damage, or (3) **claims** made or **suits** brought, the **Authority's** liability for the **ultimate net loss** for any one **occurrence** shall be the greater of:

1. \$5,000,000 Aggregate. Any one **occurrence**, arising out of **bodily injury, property damage, Public Official's errors and omissions, personal injury or Employment Practices Liability**, or any combination thereof; or

2. The total limit for all **Covered Parties** provided by any purchased excess insurance or reinsurance, subject to the **Authority's** ability to recover from those excess insurers or reinsurers.

SECTION IV –WHO IS COVERED

Each of the following is a **Covered Party** to the extent set forth below:

1. The **Member Agency** and any subsidiary or special district or agency totally governed by the **Member Agency**;
2. Any director of the **Member Agency** while acting within the course and scope of his/her duties;
3. Any **employee** or authorized volunteer of the **Member Agency** while acting within the course and scope of his/her duties; and
4. Any party designated in the foregoing paragraphs 1 through 3 while acting within the course and scope of his/her duties with respect to the use of an **automobile** not owned by the **Member Agency** and then only excess over any other insurance specifically insuring said **automobile**. Any person while using any **owned** or **hired automobile** and any person legally responsible for the use thereof, provided the actual use of the **automobile** is with the permission of the **Member Agency**.

SECTION V - DEFENSE OF THE MEMBER AGENCY

On causes of action covered by this **Memorandum** and only those causes, the **Authority** shall have the right and duty to defend any **suit** against any **Covered Party**, even if all allegations are groundless, false or fraudulent. The **Authority** may make such investigations, negotiations or settlement of any **claim** or **suit** as it deems expedient. The **Authority** shall not be obligated to pay any **claim** or judgment or to defend any **suit** after any of the **Authority's** limits of liability have been exhausted.

The **Authority** shall have no duty to defend any **suit** against a **Covered Party**, nor to pay any costs or expenses incurred by any **Covered Party**, at any time before the **suit** is tendered to the **Authority**, nor shall the **Authority** have any duty to pay any costs or expenses incurred by any **Covered Party** at any time after the **Covered Party** withdraws its tender of the **suit** to the **Authority** for any reason.

This coverage applies only to claims for **damages** caused by an **occurrence**, for damage or injury that occurs during the coverage period of this **Memorandum**, and then only if, prior to the first day of the coverage period of this **Memorandum**, no person or party authorized by any **Covered Party** to give or receive notice of an **occurrence** or claim knew that the injury or damage had occurred, in whole or in part. If such an authorized person or party knew, prior to the first day of the coverage period of this **Memorandum**, that the injury or damage had occurred, then any continuation, change or resumption of such injury or damage during or after the coverage period of this **Memorandum** will be deemed to have been known prior to the coverage period. Injury or damage will be deemed to have been known to have occurred at the earliest time when any person or party authorized by any **Covered Party** to give or receive notice of an **occurrence** or **claim**: (1) reports all, or any part, of the injury or damage to the **Authority** or to any other risk pool, any insurer, or any other indemnitor; or (2) receives a written or verbal demand or **claim** for **damages** because of the injury or damage; or (3) becomes aware by any other means that injury or damage has occurred or has begun to occur.

With respect to any covered claim or suit against the **Covered Party**, the **Authority** shall select and assign counsel to defend the **Covered Party(s)** against the claim or suit. The **Authority** will consider the wishes of a **Covered Party** with respect to the assignment of counsel; however, the **Authority** retains the sole right to make the assignment of counsel. If the **Covered Party** refuses to be defended by the counsel assigned by the **Authority** then this **Memorandum** shall not provide any defense or indemnity to such **Covered Party** for such claim or suit, and the **Authority** shall not be required to contribute to any defense costs, settlement or judgment arising from such claim or suit.

Any claim for damages by one **Member Agency** against any other **Member Agency**, if otherwise covered by this **Memorandum**, shall be submitted to binding arbitration pursuant to Section VII. – Conditions, F. RESOLUTION OF DISPUTES.

SECTION VI – EXCLUSIONS

This **Memorandum** does not apply to any defense or indemnification for the following items, whether the act or **occurrence** is alone, or is concurrent with other, covered matters:

- A. Liability arising out of the ownership, maintenance, loading, unloading, use or operation of any airfield, or similar aviation facility; or

Liability arising out of the ownership of **aircraft**, or the maintenance or use of owned **aircraft**.

This exclusion does not apply to claims arising out of the ownership, operation, use, maintenance or entrustment to others of any **unmanned aircraft** owned or operated by or rented to or loaned by or on behalf of any **Member Agency** if operated in accordance with all applicable federal, state, and local laws, rules, and regulations, including but not limited to Federal Aviation Administration (FAA) Rules and Regulations for **unmanned aircraft** detailed in part 107 of Title XIV of the Code of Federal Regulations.

- B. Any obligation for which any **Covered Party**, or any carrier as insurer therefore, may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law; or

Liability of any **employee** or authorized volunteer with respect to **bodily injury** of another **employee** or authorized volunteer.

- C. Liability for **property damage** to:

1. Property owned by the **Covered Party**;
2. **Aircraft** in the care, custody or control of the **Covered Party**.

- D. Liability arising out of:

1. The **Covered Party's** delivery or non-delivery of **Member Agency's product**, based on any decision made by the **Covered Party's** with respect to either obtaining a supply of water or electricity for, or allocating the available supply of water or electricity, among the **Covered Party's** water or electricity users;
2. Any claim based upon taxes, fees, service charges, rates or assessments charged by the **Covered Party** for delivery of the **Member Agency's product**; or
3. The **Covered Party's** claim to, right to or ownership of any supply of **Member Agency's product**.

- E. Liability for:

1. **Bodily injury, property damage, personal injury or Public Official's errors and omissions** which would not have occurred or taken place in whole or in part except for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time; or
2. Any loss, cost or expense arising out of any:
 - a. Request, demand, or order that a **Covered Party**, or any others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - b. **Claim or suit** by or on behalf of a governmental authority for **damages** because of testing for, monitoring, cleaning, removing, containing, treating, detoxifying or neutralizing, in any way responding to, or assessing the effects of **pollutants**.
 - c. **Aerial application** of weed abatement or spraying or pest abatement or spraying.
 - d. Perfluoroalkyl and Polyfluoroalkyl (PFOS/PFAS) in all variations including but not limited to all definitions in the reinsurance and/or excess policies.

However, this exclusion shall not apply to **bodily injury, property damage, personal injury, or Public Official's errors and omissions** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** that:

- a. Was sudden and accidental, and neither expected nor intended by a **Covered Party**; or
- b. Resulted from the use, handling, storage, discharge, dispersal, release or escape of chlorine or any other chemical used in the water treatment process or waste water treatment process; or
- c. Arose out of explosion, lightning, windstorm, vandalism or malicious mischief, collapse, riot and civil commotion, flood, earthquake or the collision, upset or overturn of an **automobile** or equipment; or

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- d. Arose out of the heat, smoke or fumes from a hostile fire; a hostile fire is defined herein as a fire that becomes uncontrollable or breaks out from where it was intended to be; or
 - e. Arose out of weed abatement or spraying, unless by and/or through **aerial application**; or
 - f. Arose out of pest abatement or spraying, unless by and/or through **aerial application**; or
 - g. Arose from propane or natural gas; or
 - h. Arose from the **products hazard**.
- F. Liability for bodily or personal injury arising out of the intentional use of a weapon that creates a high probability of great bodily harm.
- G. Liability arising out of:
- 1. Estimates of probable costs, or cost estimates being exceeded, or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids; or
 - 2. Failure to perform or breach of a contractual obligation; or
 - 3. Settlement Agreements. Claims alleging breach of a settlement agreement involving a **Covered Party** in an underlying matter that was afforded coverage under this **Memorandum** will be covered for no more than \$25,000.00 reimbursement by the **Authority** to the **Covered Party** for indemnity and defense as a combined total.
- H. Liability at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust; or
- To any obligation of the **Covered Party** to indemnify any party because of damage arising any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust; or
- To any obligation to defend any **suit** or **claim** against the **Covered Party** seeking **damages**, if such **suit** or **claim** results from or is contributed to,

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by any or any combination of the following: manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust.

- I. **Property damage** to impaired property or property that has not been physically injured arising out of:
 - 1. A defect, deficiency, inadequacy or dangerous condition in “your product” or “your work”; or
 - 2. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

- J. Liability for past, present, or future **claims** arising in whole or in part, either directly or indirectly, out of selenium, or any compound containing selenium.
- K. Liability for punitive or exemplary damages, statutory multiples of damages, civil fines or penalties, or any other liability over and above actual **damages**, by whatever name called, irrespective of whether the **Covered Party's** governing board has taken any action or passed any resolution electing to pay such damages.
- L. Liability arising out of the hazardous properties of **nuclear material**.
- M. Liability arising out of the partial or complete structural failure of any **dam**.
- N. Liability arising out of or in connection with land use regulation, or land use planning, the principles of eminent domain, condemnation proceedings, or inverse condemnation by whatever name called, to the extent that such liability is alleged to, or does, result from deliberate, decision-making conduct by the governing body of the **Covered Party**, and whether or not liability accrues directly against any **Covered Party** by virtue of any agreement entered into by or on behalf of any **Covered Party**.

This exclusion does not apply to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting loss of use of such property, for which the **Covered Party** may be legally responsible.

- O. Liability imposed by any “No-Fault,” “Uninsured Motorist” or “Underinsured Motorist” law, or any similar law.
- P. Liability arising out of any claim for **Cyber Liability** or by any name by which it is called.
- Q. Liability arising out of injunctive and/or **Administrative Relief**.
- R. Liability arising out of the actual or threatened abuse or **molestation** of any minor, including but not limited to physical abuse, corporal punishment, **sexual abuse**, or sexual **molestation** by any **Covered Party**, or anyone acting on behalf of the **Covered Party**.
- S. Liability arising out of the adoption or administrative application of any ordinance, resolution or regulation.

This exclusion shall not apply to the physical enforcement of an ordinance, resolution or regulation, such as liability arising from the act of delivering a fine, citation, warning, notice or inspection.

- T. Liability arising out of or by reason of:
 - 1. The purchase, sale, offer of sale, or solicitation of any security, debt, bank deposit, or financial interest or instrument;
 - 2. Any representations made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument;
 - 3. Any depreciation or decline in price or value of any security, debt, bank deposit, or financial interest or instrument; or
 - 4. Employee Retirement Income Security Act of 1974 or any law amendatory thereof, or any similar law, or arising out of fiduciary activities with respect to employee benefit plans.
- U. Failure to have a written contract or failure to include risk transfer in a written contract will result in a sublimit equal to the policy limits of the other party to the contract.

SECTION VII - CONDITIONS

A. MEMBER CONTRIBUTION

All Member Contributions required by this **Memorandum** shall be computed in accordance with the Joint Powers Agreement and the cost allocation plan adopted by the **Authority's** Board of Directors. The Member Contribution is an estimate to be credited against the amount of Retrospective Member Contribution determined under the cost allocation plan.

B. INSPECTION AND AUDIT

The **Authority** shall be permitted, but not obligated, to inspect the **Member Agency's** property or operations at any time. The **Authority** shall have the right to examine and/or audit any data provided by the **Member Agency** which affects or may affect the **Member Agency's** financial obligations under this **Memorandum**.

C. SEVERABILITY OF INTEREST

The term **Member Agency** is used severally and not collectively.

D. **MEMBER AGENCY'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM, OR SUIT**

1. The **Covered Party's** duties in the event of an occurrence, **claim**, or **suit** reasonably likely to involve the **Authority** are as follows. These provisions are conditions precedent to coverage afforded under this **Memorandum**.
Written notice containing particulars sufficient to identify the **Covered Party** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of the available witnesses, shall be given by or for the **Covered Party** to the **Authority** or any of its authorized agents.
 - a. The **Covered Party** shall immediately notify the **Authority** upon receipt of notice of a claim involving:
 - i. One or more fatalities;
 - ii. Loss of limb or amputation;
 - iii. Loss of use of any sensory organ;
 - iv. Spinal cord injuries (quadriplegia or paraplegia);

- v. Third degree burns involving 10% or more of the body;
 - vi. Serious facial disfigurement;
 - vii. Paralysis;
 - viii. Closed head injuries;
 - ix. Serious loss of use of any body functions;
 - x. Long-term hospitalization;
 - xi. Class action suits; or
 - xii. Sexual abuse or molestation.
2. If **claim** is made or **suit** is brought against the **Covered Party**, and the **Covered Party** seeks defense or indemnity against the **claim** or **suit** from the **Authority**, the **Covered Party** shall immediately forward to the **Authority** every demand, notice, summons or process received.
3. The **Covered Party** shall cooperate with the **Authority** and with defense counsel appointed by the **Authority** and, upon the **Authority's** request, assist in making settlements, in the conduct of **suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Covered Party** because of injury or **damage** with respect to which coverage is afforded under this **Memorandum**; and the **Covered Party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Covered Party** shall not, except at the **Covered Party's** own cost, voluntarily make any payment, assume any obligation, or incur any defense attorney's fees or costs or any other expense other than for first aid or damage mitigation.
4. With respect to "In-house **Claims** Resolution" as defined below, the **Member Agency** may elect to make investigations and settlements. At the request of the **Member Agency**, however, the **Authority** shall investigate, handle, deny, accept or otherwise settle any such **claim** or **claims** on behalf of the **Member Agency**.

"In-house **Claims** Resolution" within the meaning of this condition:

- a. Must be for **property damage** only, with no apparent potential for related **bodily injury** allegations;
- b. Must not have estimated **damages** for all **claims** arising out of the **occurrence** exceeding the **Member Agency's** applicable Retrospective Allocation Point; and
- c. Must be settled within six (6) months of the date of receipt of the claim.

If a **Member Agency** incurs a loss which meets the above constraints, it may use the following procedures:

- a. Negotiate settlement of the **claim** up to the specified limits;
 - b. Issue a check to claimant or otherwise compensate claimant for the agreed upon **damages**; and
 - c. Report the settlement to the **Authority** with a copy of the **claim** report, along with a copy of any release taken, and receive reimbursement for the amount of the settlement.
5. The **Authority** shall not be liable for **occurrences, suits** or **claims** with regard to which the **Member Agency** fails to comply with this subsection D.

E. ACTION AGAINST THE **AUTHORITY**

No action shall lie against the **Authority** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this **Memorandum**, nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined either by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and the **Authority**.

No person or organization shall have any right under this **Memorandum** to join the **Authority** as a party to any action against any **Covered Party** to determine the **Covered Party's** liability, nor shall the **Authority** be impleaded by the **Covered Party** or the **Covered Party's** legal representative. Bankruptcy or insolvency of the **Covered Party** or of the **Covered Party's** estate shall not relieve the **Authority** of any of its obligations hereunder.

F. RESOLUTION OF DISPUTES

Review by Executive Committee and Arbitration

This shall be the sole and exclusive method of review of the **Memorandum** of Coverage and any decisions based thereon.

Any **claim**, dispute or controversy arising out of or relating to this Coverage Agreement shall first be submitted to ACWA JPIA to be reviewed by the Executive Committee of ACWA JPIA. The Executive Committee shall consider all written submissions by either party, and, if requested by either party, provide both parties equal opportunity for oral argument. Unless otherwise agreed by the parties and ACWA JPIA, the Executive Committee shall determine if ACWA JPIA's position should be upheld or if the **Member Agency** should be granted coverage according to its position, and the Executive Committee shall issue its decision in writing within thirty (30) days of submission of such claim, dispute or controversy to the Executive Committee. Such written opinion shall briefly state the reasons for its decision and the basis for such decision, including but not limited to the documents, witness statements, and oral presentations made to the Executive Committee.

If a **Member Agency** disagrees with the written decision of the Executive Committee, then the **Member Agency** may submit, in writing, such **claim**, dispute or controversy to arbitration to be held in Placer County, California or such other location as the parties may agree upon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The review by the arbitrators shall be limited to a determination of the sufficiency of the basis of the decision of the Executive Committee and may not include any documents, testimony, legal theories, oral evidence, or other materials that was not previously presented to the Executive Committee when rendering its written opinion.

There shall be three arbitrators, the **Member Agency** and ACWA JPIA each selecting one arbitrator; the third arbitrator shall be selected by the two previously appointed arbitrators. The party demanding arbitration shall name its arbitrator in the demand for arbitration. The responding party shall name its arbitrator within fifteen (15) days after receipt of demand for arbitration. The third arbitrator shall be named within fifteen (15) days after the appointment of the second arbitrator. A Commissioner or Judge in the Placer County Superior Court shall be empowered to appoint any arbitrator not named in accordance with the procedure herein. The decision of the arbitrators shall be final and binding upon the parties.

Any award rendered by the arbitrators shall be final and judgment thereon may be entered by any court having jurisdiction thereof. The panel of arbitrators shall have the discretion to apportion the costs and expenses of the arbitration (including reasonable attorneys' fees) in accordance with the merits of the arbitration. The panel must render its decision by a majority of the panel within ninety (90) days of the appointment of the third arbitrator, following reasonable opportunities for presentation of evidence, law and argument.

The parties to this agreement hereby waive any right to a jury trial.

These arbitration provisions are intended to bind only the **Authority** and its Member Agencies. They are not intended to be binding upon any of the **Authority's** re-insurers or excess carriers.

G. OTHER COVERAGES

The coverage afforded in this **Memorandum** shall be excess of, and shall not contribute with, any valid and collectible insurance or self-insurance or other coverage, other than any excess, or umbrella insurance, or reinsurance procured by the **Authority** or the **Member Agency**.

Any and all payments made by others on behalf of the **Member Agency** towards defense costs, settlement, or satisfaction of a claim or suit to which this **Memorandum** applies, including but not limited to payments made by any valid and collectible insurance or self-insurance or other coverage but not including payments made by any excess insurance, umbrella insurance or reinsurance, procured by the **Authority** or the **Member Agency**, shall serve to satisfy the **Authority's** liability for **ultimate net loss** and shall be treated as though paid by the **Authority** hereunder. Such payments shall not be considered "recoveries and salvages collectible" under the definition of **ultimate net loss** set forth under Section I. – Definitions of this **Memorandum**.

H. SUBROGATION

In the event of any payment under this **Memorandum**, the **Authority** shall be subrogated to all the **Covered Party's** rights of recovery therefore against any person or organization, and the **Covered Party** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Covered Party** shall do nothing after an **occurrence** to prejudice such rights and shall do everything necessary to secure such rights.

I. WITHDRAWAL/CANCELLATION

The **Member Agency** may withdraw from the **Authority** and cancel this coverage only:

1. At the end of one of the **Authority's** Liability Program Coverage Years;
2. After three or more years following its first day of coverage by the **Authority's** Liability Program; and
3. After twelve months' advance written notice of such intent to withdraw is given by the **Member Agency** and received by the **Authority**.

The **Authority** may cancel the **Member Agency's** participation in the **Authority's** Liability Program upon a two-thirds vote at any duly constituted Board of Directors' meeting of the **Authority**. However, any canceled **Member Agency** shall be permitted a reasonable time to obtain other basic liability coverage before such cancellation becomes effective.

COVERAGE SCHEDULE
FOR COVERAGE PERIOD 10/1/2024 - 10/1/2025

COVERAGE LIMIT	COVERAGE TYPE	CARRIER
\$5,000,000*	Self-funded	ACWA JPIA
\$5,000,001 to \$10M*	Reinsurance	Safety National Casualty Corporation
\$10,000,001 to \$20M	Reinsurance	California Water Insurance Fund
\$20,000,001 to \$30M	Reinsurance	Everest Reinsurance Company/ Great American Insurance Company /Continental Indemnity Company/Upland Specialty Insurance Company
\$30,000,001 to \$35M	Reinsurance	Midvale Indemnity Company
\$35,000,001 to \$45M*	Excess Insurance	Allied World National Assurance Company
\$45,000,001 to \$50M	Excess Insurance	StarStone Specialty Insurance Company
\$50,000,001 to \$55M	Excess Insurance	General Security Indemnity Company of Arizona SCOR

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***SUBLIMITS:**

\$ 5,000,000 **Terrorism**
\$10,000,000 **Communicable Disease**
\$45,000,000 **Subsidence**
\$45,000,000 **Lead**
\$45,000,000 **Mold**

**It should be noted this is not an exhaustive list of all reinsurance/excess sublimits.*

All coverage renews at 12:01 a.m. Standard Time at Roseville, California.

ACWA JPIA
2024-25 Liability Program Reinsurance Renewal and Excess Policies
September 25, 2024

BACKGROUND

The JPIA's Liability Program renews on October 1, 2024, which is inclusive of the reinsurance/excess insuring agreements. Currently, the JPIA's Captive, the California Water Insurance Fund (CWIF), reinsures the Program's \$5 million self-insured retention and takes a \$10M x \$10M position within the tower with a \$30M aggregate limit. The JPIA purchases reinsurance and excess coverage from a variety of carriers to bridge the gap from \$5M to \$10M and to provide coverage above \$20M up to the current limit of coverage of \$55M.

CURRENT SITUATION

Despite the challenging public entity liability market, distinguished by ongoing hardening and reduced capacity, the JPIA's renewal exceeded expectations. Rate adjustments across the various layers ranged from 1.25% to 4%, considerably lower than the broader market trend, where most public entities are experiencing increases upwards of 10%.

The total estimated cost for excess and reinsurance coverage, including CWIF at the \$10M x \$10M layer, is projected to be around \$10.5 million. This represents an increase of just under 15% compared to the previous year. The primary driver of this cost increase is a 6.8% rise in estimated payroll. Excluding payroll and broker fees, the overall rate increase stands at 1%.

The rate for the \$10M x \$10M CWIF layer has risen by nearly 7%, increasing the cost from approximately \$2.5M to \$2.9M, primarily due to adverse loss development since the last actuarial study. Transferring this risk to a reinsurance carrier would cost an estimated \$5.4M, making it more favorable to retain the risk. The \$10M x \$10M layer remains funded at the 90% confidence level.

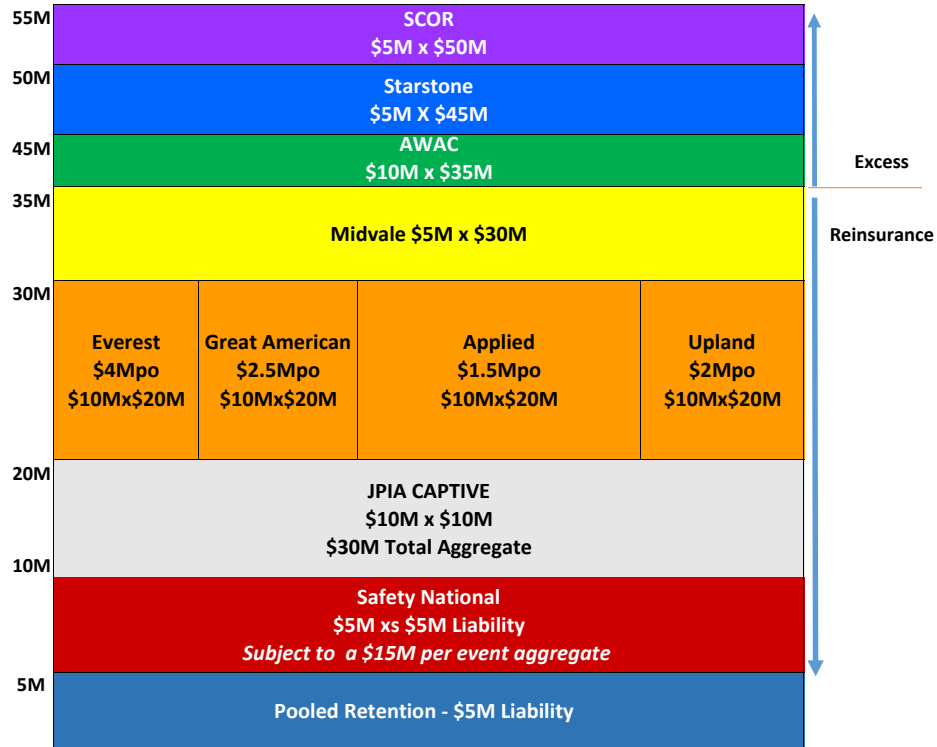
Regarding our commercial excess and reinsurance partners, eight of the nine incumbent carriers renewed their commitment to the Program for the coming year. Great American, a long-standing JPIA partner, currently holds a \$2.5M quota share within the \$10M excess of \$20M layer. However, due to a reduction in Great American's capacity, the incumbent carriers Everest, Applied, and Upland have increased their capacity to cover the gap left by Great American's withdrawal from the \$10M excess of \$20M layer.

Strategically deploying CWIF in the liability tower has strengthened both the Program's future equity potential and ACWA JPIA's standing in the insurance industry. By consistently meeting with and educating carriers about the ACWA JPIA, we reinforce our role as industry leaders, which in turn boosts carriers' confidence in our risk management practices.

RECOMMENDATION

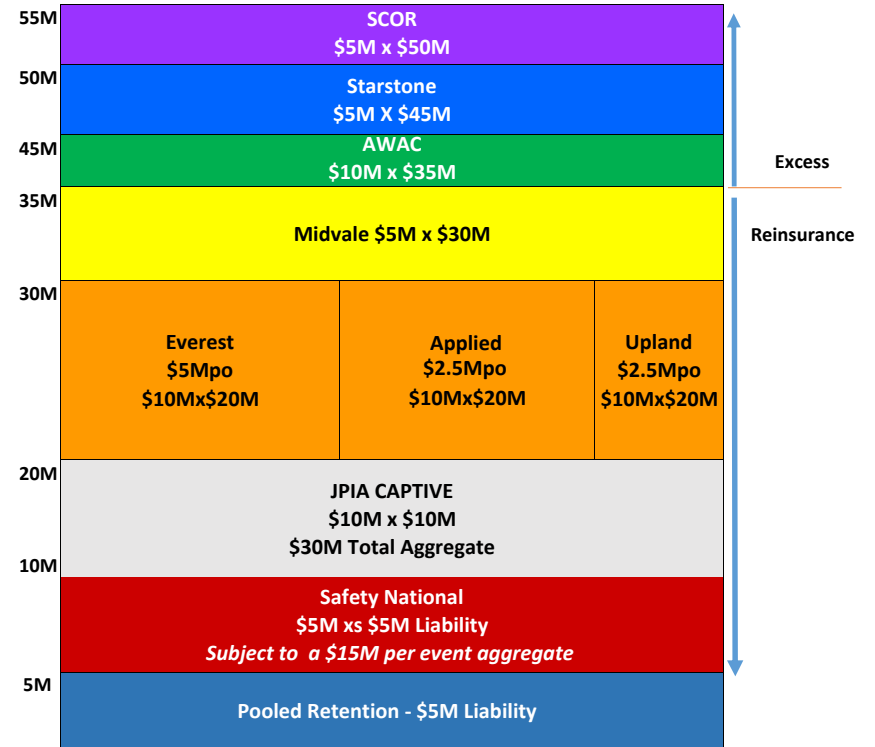
That the Liability Program Committee recommends that the Executive Committee approve the reinsurance and excess terms, conditions, and premiums as presented, effective October 1, 2024.

2023-24 Expiring Tower
Payroll \$ 941,895,198



TOTAL PREMIUM (Net of Broker's Fee)
\$9,587,255

2024-25 Renewal Tower
Payroll \$ 1,005,593,821



TOTAL PREMIUM (Net of Broker's Fee)
\$10,490,347

ACWA JPIA
Actuarial Update
September 25, 2024

BACKGROUND

Aon annually performs an actuarial study for the JPIA to value outstanding claims liabilities, project future losses, and provide analysis of the JPIA claims data.

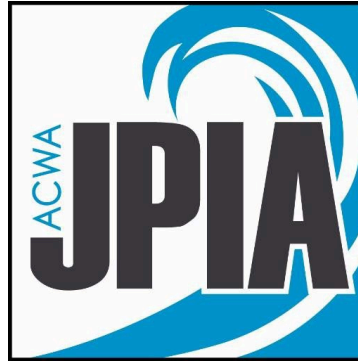
CURRENT SITUATION

Aon recently provided the JPIA with a drafted report of the Liability Program from data as of 06/30/2024. Tracy Fleck, ACAS, MAAA, Senior Consultant and Actuary, will present the report to the committee highlighting key points.

RECOMMENDATION

None, information only.

Association of California Water Agencies Joint Powers Insurance Authority



Liability Program Actuarial Overview as of June 30, 2024

Tracy Fleck, ACAS, MAAA

Senior Consultant and Actuary

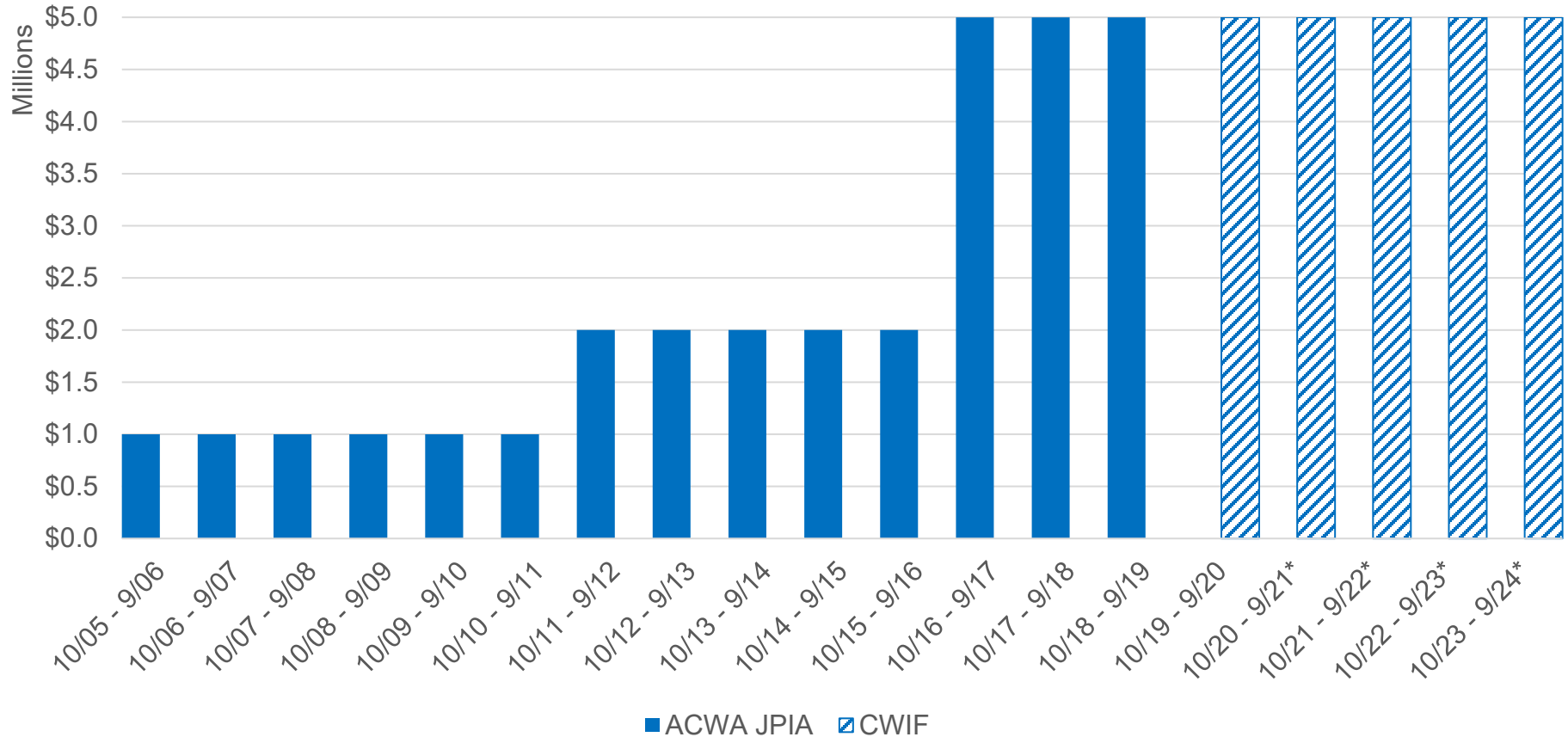
September 25, 2024

AON

Discussion Points

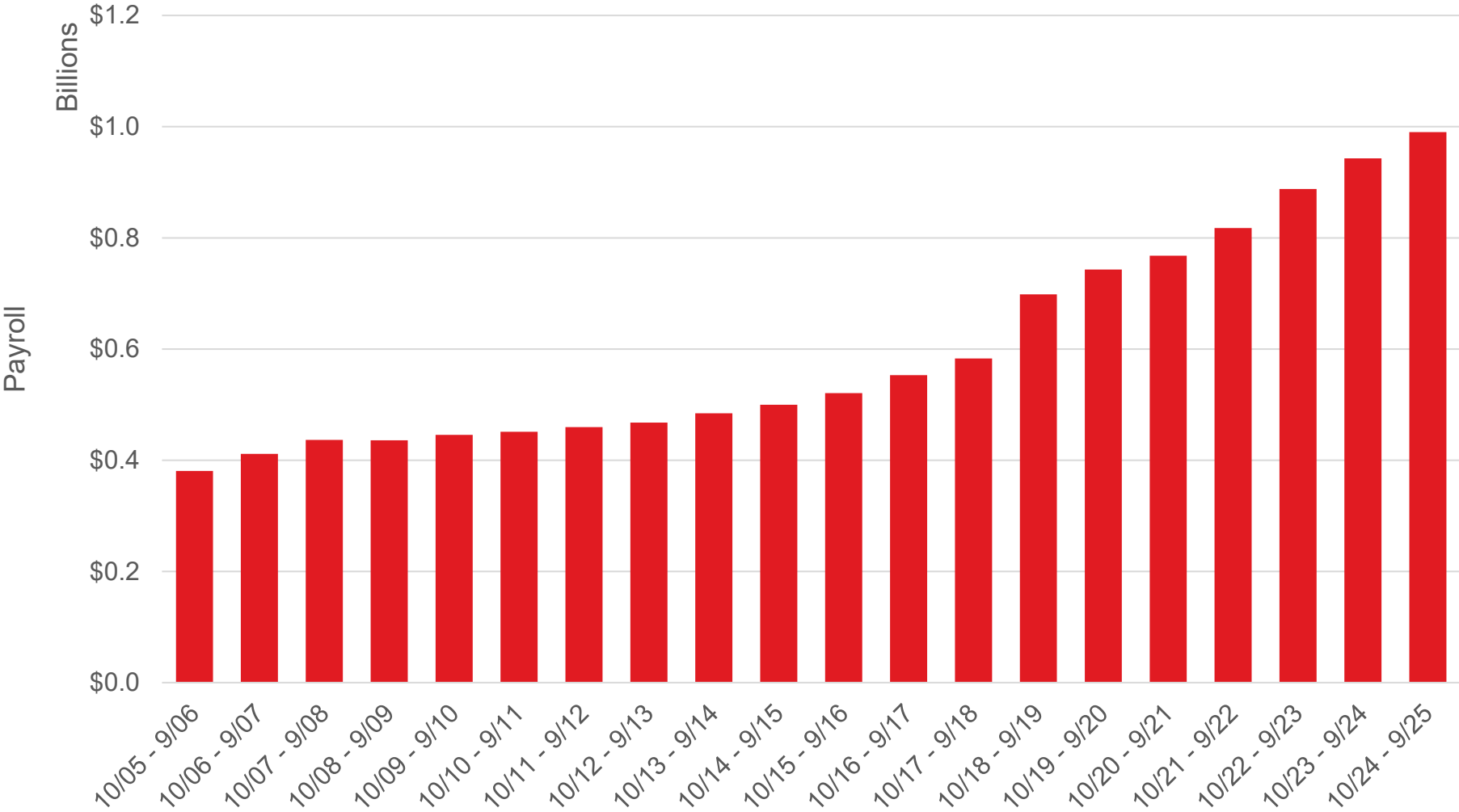
- Program background
- Conclusions from the actuarial report
- Historical perspective

Self-Insured Retention History



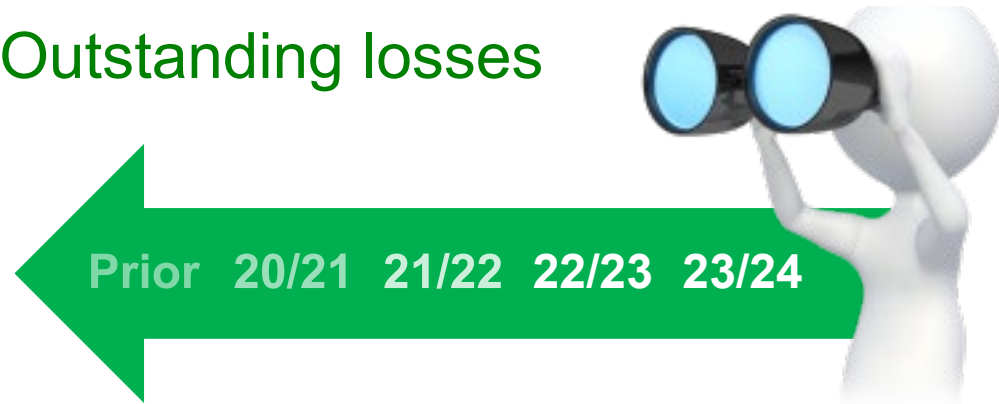
Notes: * \$5 million plus the layer \$10 million to \$20 million
Amounts above CWIF's aggregate retention revert to ACWA JPIA.

Program Payroll History



Actuarial Study Conclusions

Outstanding losses



September 30, 2024



Projected funding

Net Outstanding Losses & ALAE

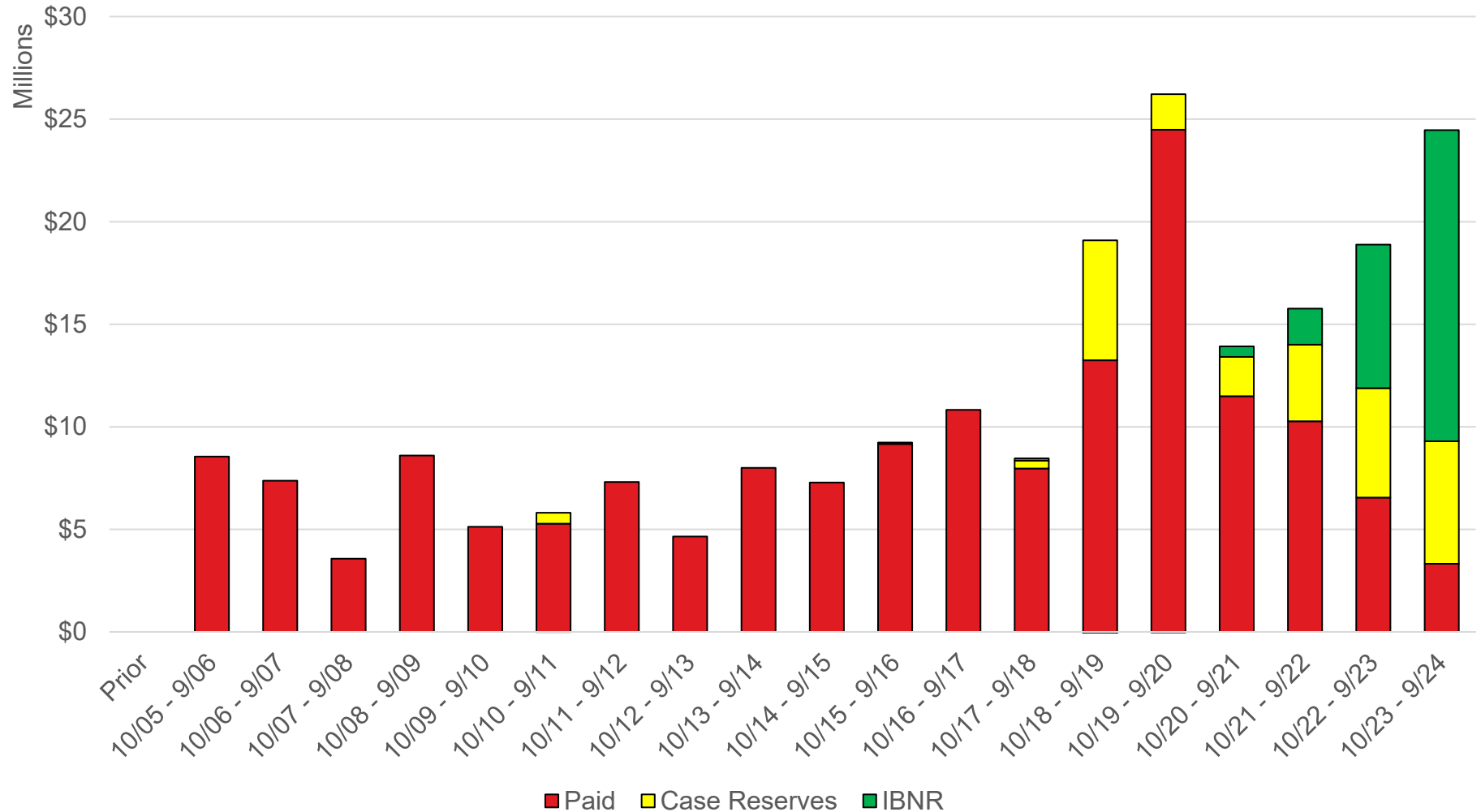
\$Millions

Program	As of September 30, 2023 (Prior)	As of September 30, 2024 (Current)	Change	
ACWA JPIA	\$19.2	\$8.5	-\$10.7	
CWIF	38.0	41.4	+\$3.4	
Total	\$57.3	\$49.9	-\$7.3	-13%

Notes: Amounts are undiscounted, at the expected confidence level, exclude unallocated adjustment expenses (ULAE), and reflect projected payments during 7/1-9/30.
ACWA JPIA amounts include losses excess of CWIF's aggregate retention.

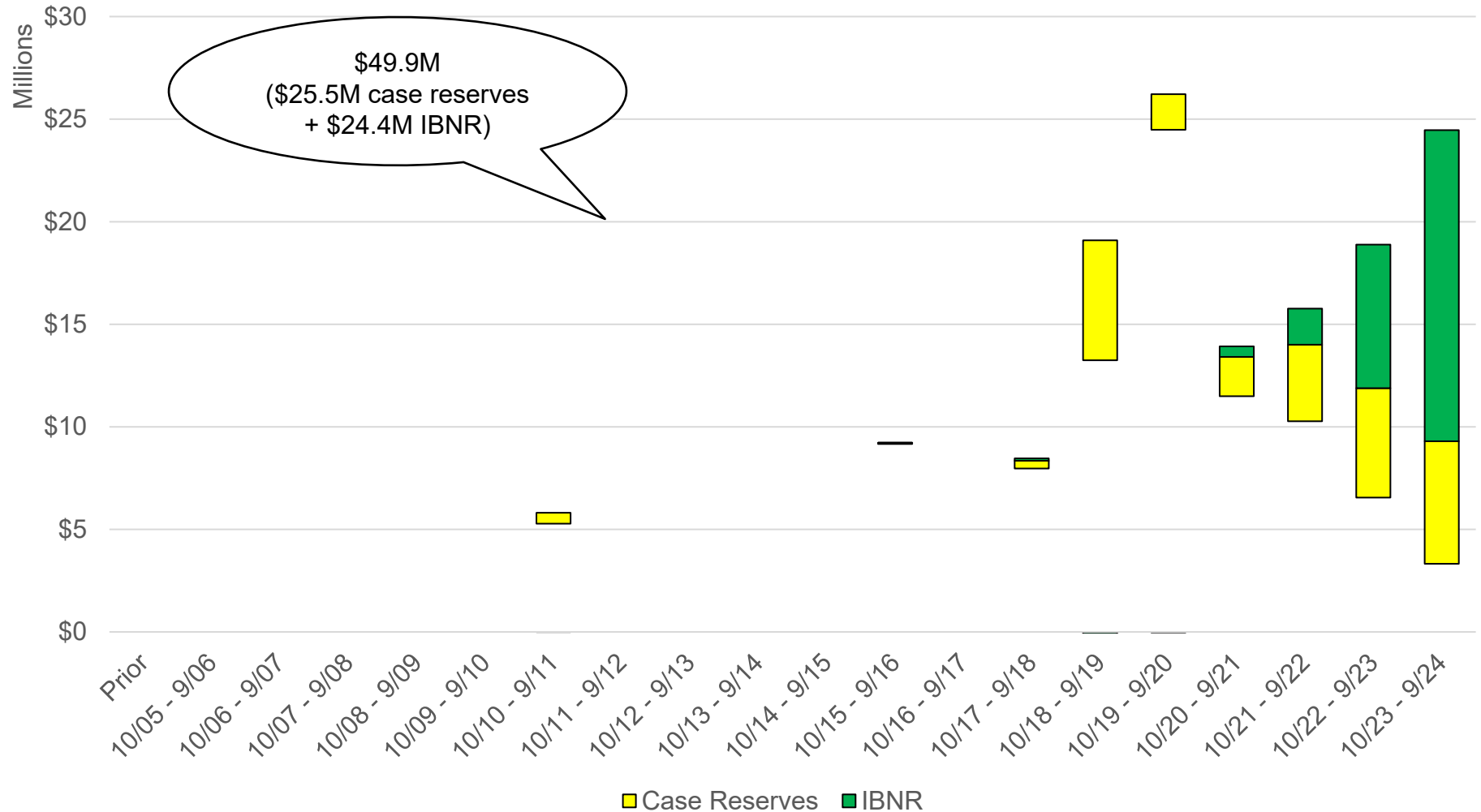
Components of Projected Ultimate Limited Losses

As of September 30, 2024



Outstanding Losses = Case Reserves + IBNR

As of September 30, 2024



Reconciliation of Outstanding Losses

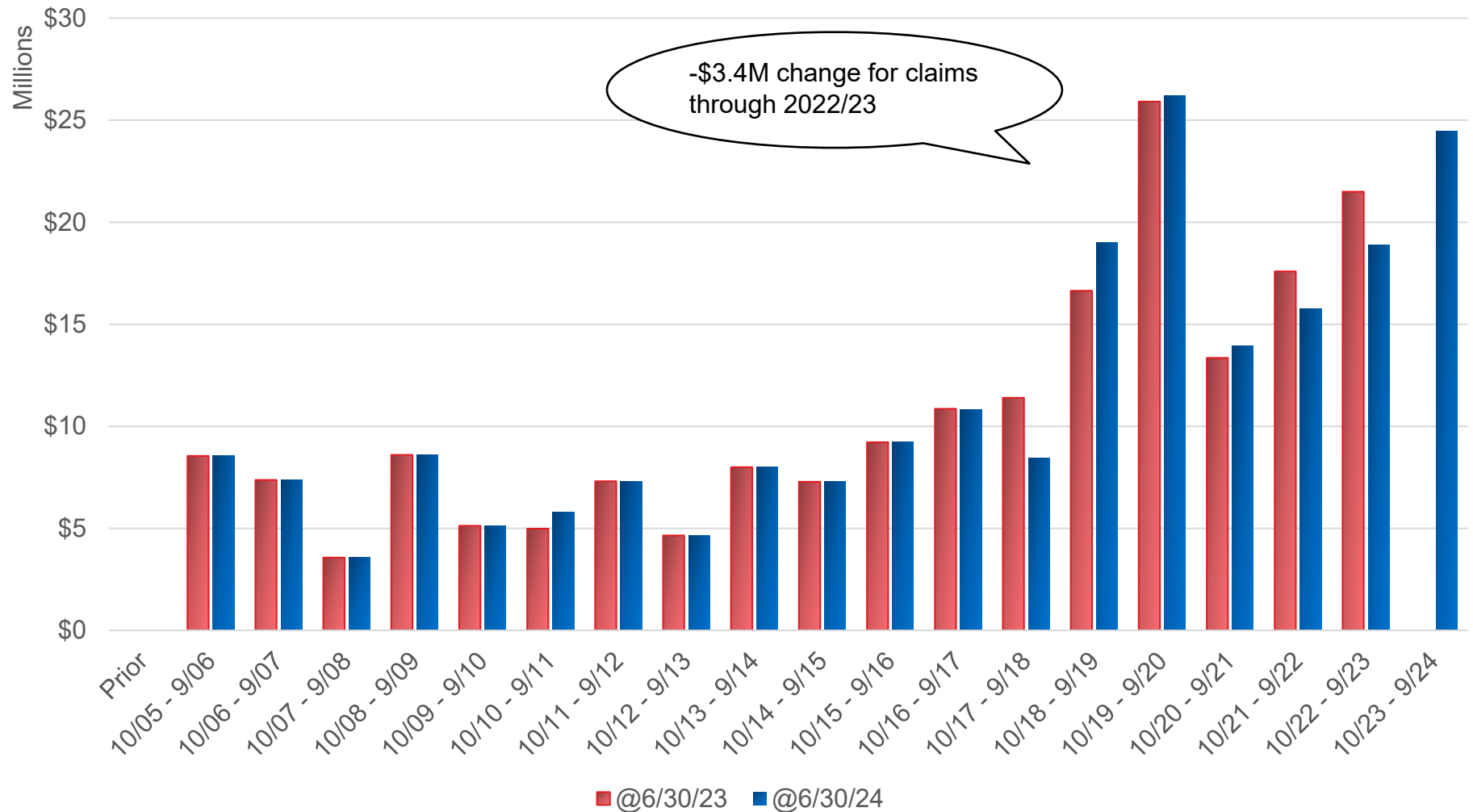
Change from September 30, 2023 to 2024; \$Millions

	Estimated outstanding losses 9/30/23	\$57.3
Activities in FY 2023/24	Additional claim period (2023/24)	+24.5
	Losses projected paid from 10/1/23 to 9/30/24	-\$28.4
	Change in projected ultimate losses through 2022/23	-3.4
	Estimated outstanding losses 9/30/24	\$49.9

Notes: Amounts are undiscounted, at expected level, and exclude ULAE.

Projected Ultimate Limited Losses

Total for all years = \$320 million from program inception



Claims with change in incurred > \$1 million

Limited to SIR

Claim Number	Claim Period	As of June 30, 2023	As of June 30, 2024	Change
18-0414	10/17 - 9/18	\$4,999,867	\$2,699,567	(\$2,300,300)
19-0686	10/18 - 9/19	575,000	2,100,000	1,525,000
20-0458	10/19 - 9/20	5,000,000	3,100,600	(1,899,400)
21-0212	10/19 - 9/20	1,650,000	5,000,000	3,350,000
22-0081	10/20 - 9/21	50,000	1,305,000	1,255,000
24-0381	10/23 - 9/24	N/A	1,250,000	1,250,000
24-0609	10/23 - 9/24	N/A	1,775,000	1,775,000
24-0834	10/23 - 9/24	N/A	1,726,000	1,726,000

Projected Limited Losses

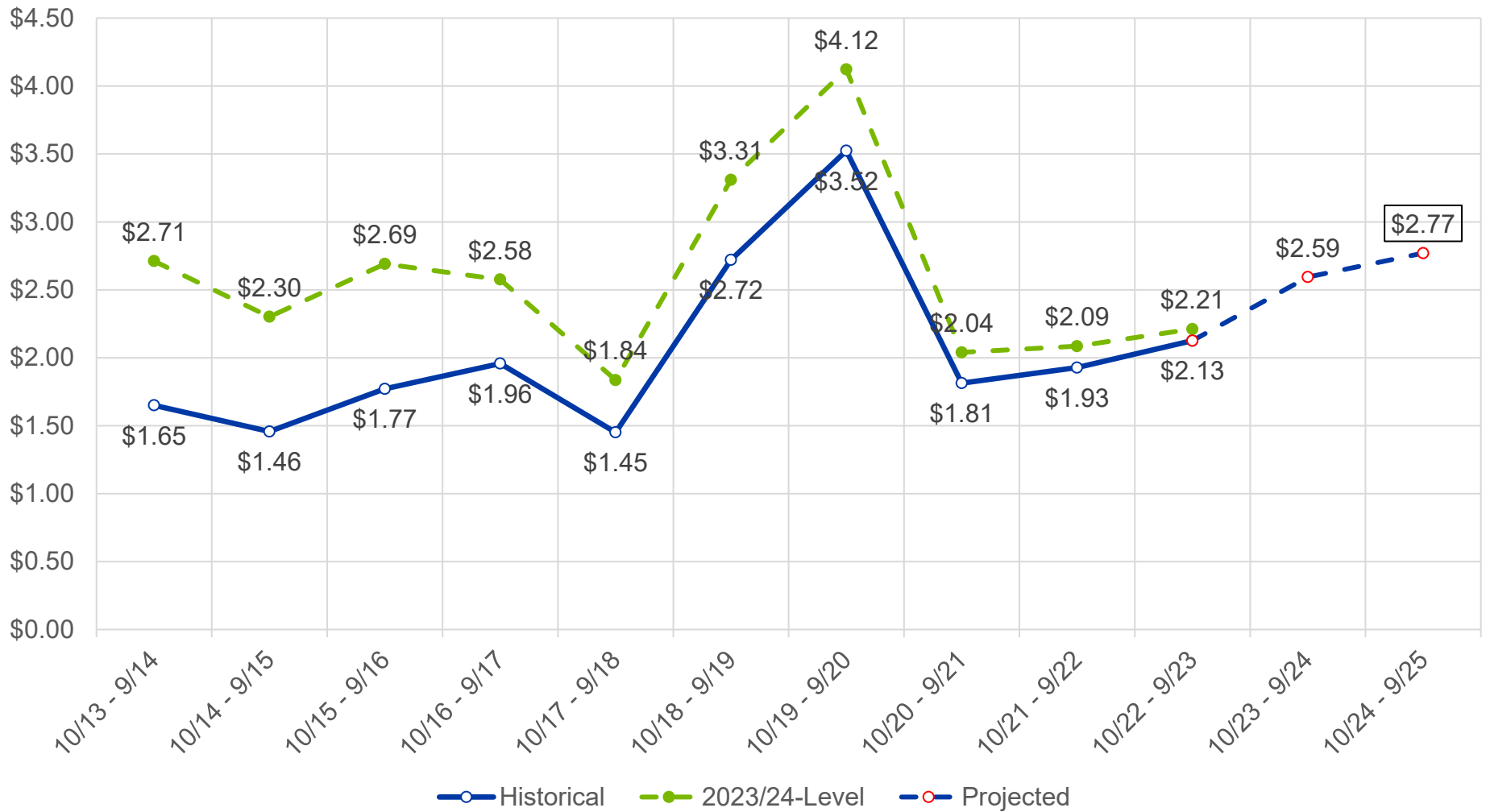
\$Millions

	2023/24 (Prior)	2024/25 (Current)	Change	
Loss rate per \$100 payroll	\$2.671	\$2.770	+\$0.099	+4%
Payroll	\$942	\$990	+\$48	+5%
Projected Losses	\$25.2	\$27.4	+\$2.3	+9%

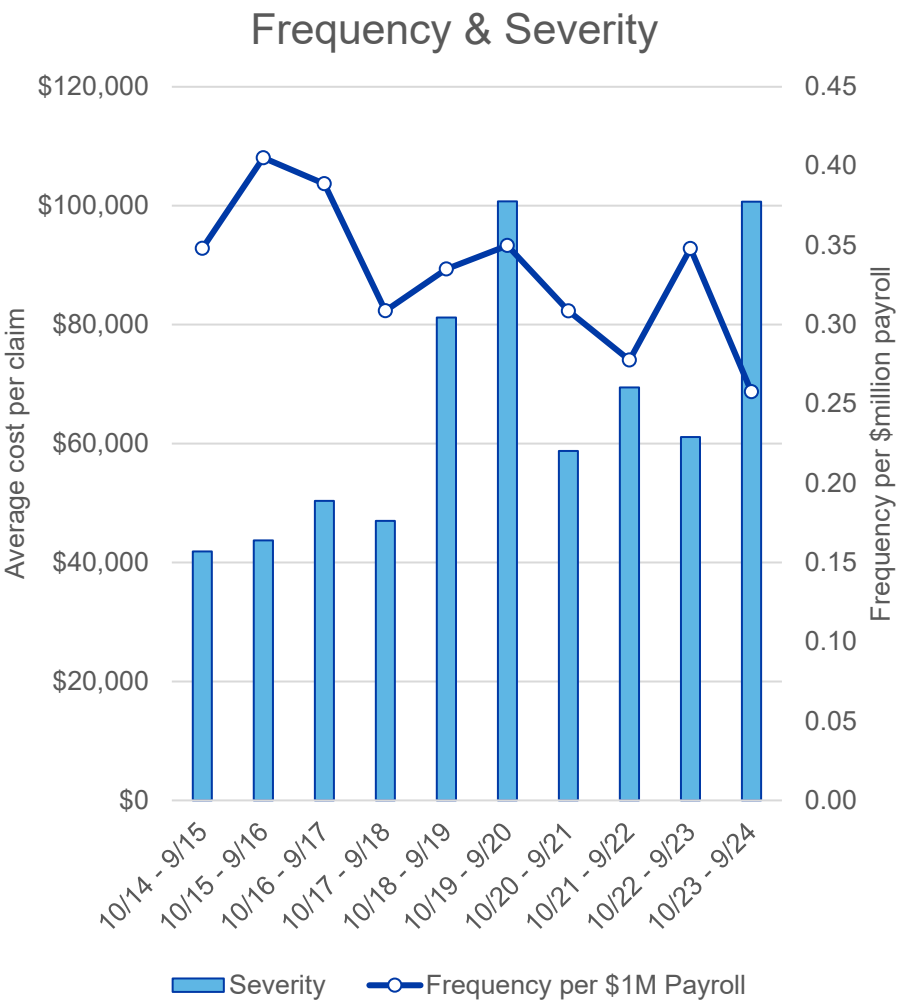
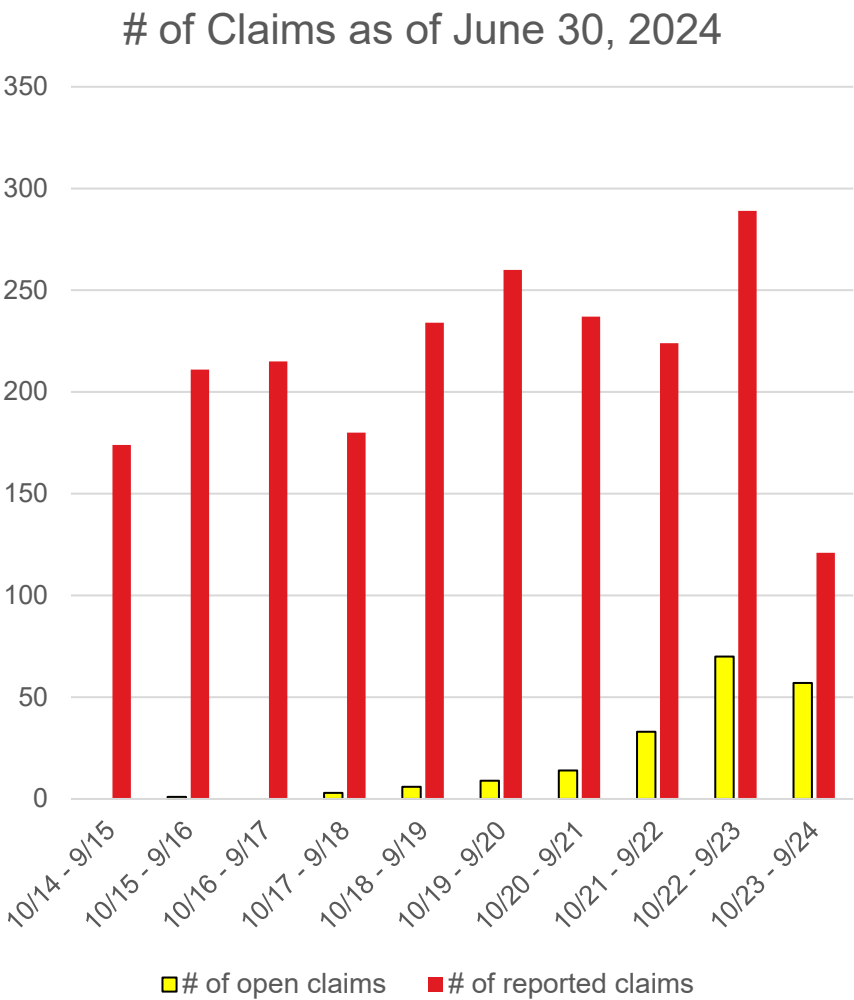
Notes: Amounts are undiscounted, at expected level, and exclude expenses for claims administration (ULAE), general administration, and excess insurance.

Loss Rate

per \$100 of payroll



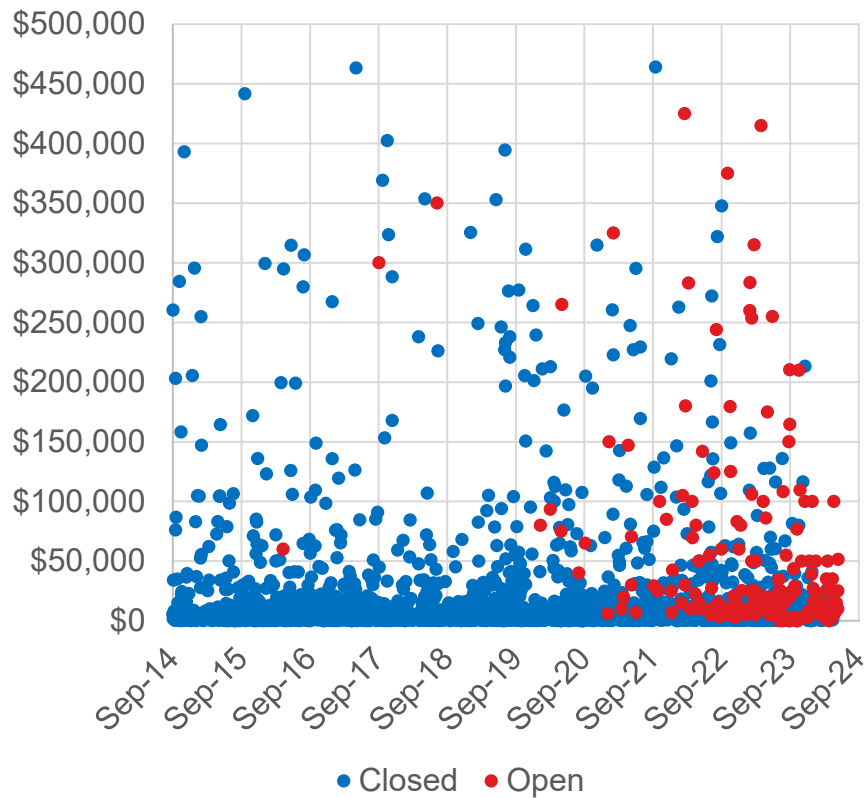
Frequency & Severity



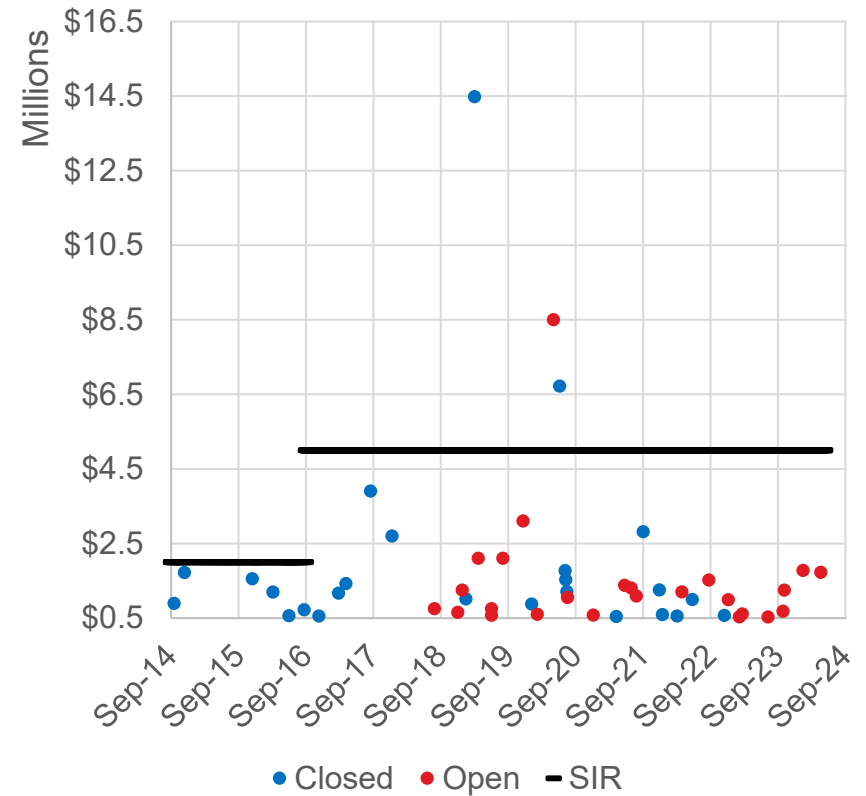
Notes: Counts, frequencies, and severities exclude \$0 claims.

10-Year Distribution of Losses

Below \$500,000



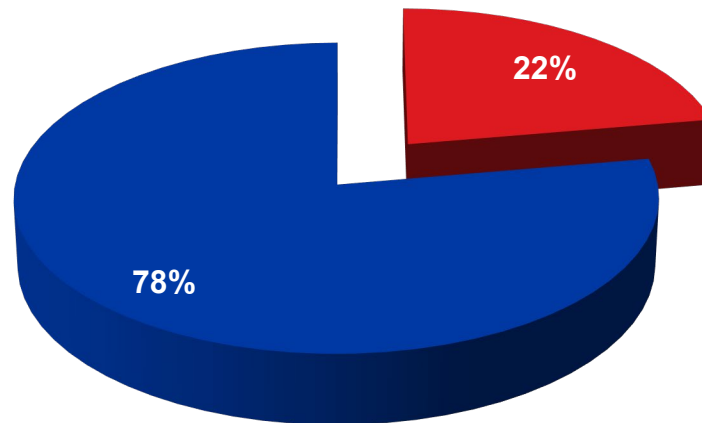
Above \$500,000



Claim Size Distribution

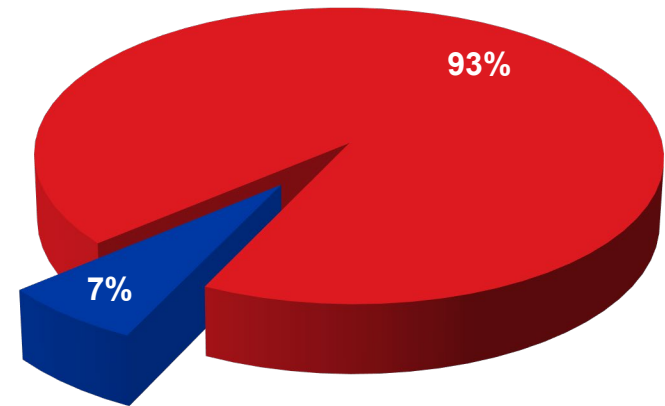
78% of claims < \$25,000 and cost 7%, remaining 22% cost 93%

Number of Claims



■ >\$25,000 ■ <\$25,000

Incurred Losses



■ >\$25,000 ■ <\$25,000

Notes: Based on reported losses limited to SIR as of June 30, 2024 for claims incurred October 1, 2014 and subsequent.

Summary

- Outstanding losses decreased by \$7.3 million from 9/30/23 to 9/30/24
 - Several large payments
 - Decrease in projected ultimate losses for 2022/23 and prior
- Funding loss rate: +4% change from 2023/24 (prior study) to 2024/25 (current study)
- Few claims drive majority of the losses

Questions?



Tracy Fleck, ACAS, MAAA

Senior Consultant and Actuary
Aon

(949) 608-6365

tracy.fleck@aon.com

ACWA JPIA
October 1, 2024, Member Contributions
September 25, 2024

BACKGROUND

Attached are worksheets showing the funding requirements for the Liability Program.

The Deposit Contribution (line 2) for the program year is calculated by totaling:

Actuary Projected Losses (within JPIA's SIR) – line 6
Excess Insurance Costs – line 7
Projected G&A Expenses – line 8
Contributions to the Self-Insured Excess Fund (0-7% of premiums) – line 10
Contributions to the Catastrophic Reserve Fund (0-10% of premiums) – line 11
Less Projected Investment Income – line 4

Invoices for the 10/1/24-25 policy year are mailed to the members in October.

CURRENT SITUATION

Net investment income is projected at 5% return. This is due to the JPIA's use of the captive – California Water Insurance Fund. It is anticipated the captive will house the risks for each occurrence up to the first \$5 million and for the layer of \$10 million in excess of \$10 million (from \$10 million to \$20 million per occurrence).

Payrolls for the 10/1/24-25 program year indicate an increase of approximately 6.76% (line 14). There is an increase in the paid claims and claims reserves (line 6) of about 10%. This is due to the increase in the estimated loss rate from the actuary of 3.5% (\$2.6 vs \$2.690) as well as the increased payroll. The proposed excess insurance costs have increased 9.14% (line 7).

Three options have been presented for point of reference.

The 1st option presents pricing with no change. In this scenario the Rate of Deposit Contribution to Payroll (line 16) remains unchanged. Under this option Retrospective Contribution Adjustments (line 3) would result in \$1.45 million additional funds being assessed to members.

The 2nd option is presented with a 5% increase to the Rate of Deposit Contribution to Payroll (line 16). Under this option, Retrospective Contribution Adjustments (line 3) would result in \$566 thousand returned funds to members.

The 3rd option is presented with a 7.5% increase to the Rate of Deposit Contribution to Payroll (line 16). Under this option, Retrospective Contribution Adjustments (line 3) would result in \$1.578 million returned funds to members.

RECOMMENDATION

Staff recommends approval of option 3 – the 7.5% rate increase.

Prepared By: David deBernardi, Director of Finance

Date Prepared: September 19, 2024

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

LIABILITY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of September 25, 2024

OPTION 1 - No price change

		Program Year 10/1/2022-23 Budget	Program Year 10/1/2023-24 Budget	Program Year 10/1/2024-25 Budget	% Change from 10/1/2023-24 10/1/2024-25
1	REVENUE:				
2	Deposit Contributions Earned	\$ 26,395,224	\$ 31,804,253	\$ 33,958,909	6.77%
3	Retrospective Contribution Adjustments	(556,395)	(961,597)	1,454,209	-251.23%
4	Net Investment Income	5,645,119	6,639,588	5,870,317	-11.59%
5	Total Revenue	31,483,948	37,482,244	41,283,435	10.14%
	EXPENSES:				
6	Paid Claims and Claims Reserves	20,078,087	24,489,275	27,050,474	10.46%
7	Purchased Excess Insurance	7,928,861	9,159,569	9,996,565 A	9.14%
8	General & Admin. Expenses	3,477,000	3,833,400	4,236,396	10.51%
9	Total Expenses	31,483,948	37,482,244	41,283,435	10.14%
	CATASTROPHIC LOSS RESERVES:				
10	Self Insured Excess Fund	-	-	-	0.00%
11	Member Contributions	-	-	-	0.00%
12	Total Cat. Loss Reserves	\$ -	\$ -	\$ -	0.00%
13	Number of Program Members	342	345	348	0.87%
14	Total Payrolls (000's omitted)	\$ 859,875	\$ 941,895	\$ 1,005,594	6.76%
15	Ratio of Incurred Losses to Payroll	\$ 2.335	\$ 2.600	\$ 2.690	3.46%
16	Ratio of Deposit Contribution to Payroll	\$ 3.070	\$ 3.377	\$ 3.377	0.01%
17	District RAPs	\$2,500 - 100,000	\$2,500 - 100,000	\$2,500 - 100,000	
18	Pooled Layer	SIR to \$5,000,000	SIR to \$5,000,000	SIR to \$5,000,000	
19	Program Limit	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	

CALCULATIONS

Line #

2 Deposit Contribution - Calculation backed into by netting all other amounts in column

4 Net Investment Income - 5.0%

6 Claims Expense - Actuary projected loss rate x (payroll / 100)

7 Excess Insurance - Fixed at renewal

8 G&A Expenses - 30% of Annual Budget \$14,861,320***

10 Self Insured Excess Fund - 0% of Deposit Contributions

11 Contribution to Cat. Reserve Fund - 0% of Deposit Contributions

VARIABLES	BUDGET 10/1/2023-24	BUDGET 10/1/2024-25
PAYROLL	\$941,895,198	\$1,005,593,821
LOSS RATE/\$100 OF P/R - Actuary	\$2.600	\$2.690

G&A Budget 2024-25	14,861,320 ***
B-Swift	(430,000)
DIR	(280,000)
PCORI	(30,000)
	<u>14,121,320</u>

Purchased Excess Insurance Detail

Net Premium	6,982,748
CWIF Premium \$10M x \$10M	2,865,942
Brokers Fee	<u>147,875</u>
A	9,996,565

INTEREST EARNINGS CALCULATIONS

10/1/2023-24

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value	
	22,644,684			11
14.0%	19,474,428	1,052,978	1,800,949	10
37.0%	14,266,151	843,514	1,373,996	9
58.0%	9,510,767	594,423	922,145	8
73.0%	6,114,065	390,621	577,125	7
85.0%	3,396,703	237,769	334,565	6
93.0%	1,585,128	124,546	166,903	5
94.0%	1,358,681	73,595	93,928	4
97.0%	679,341	50,951	61,931	3
97.0%	679,341	33,967	39,321	2
100.0%	-	16,984	18,724	1
FV OF ANNUAL EARNINGS			5,389,588	
CAT FUND CONTRIBUTION			0	
Interest Earnings			0	
SIEF			0	
Other Interest Earnings (CAT Fund)			1,250,000	
TOTAL INTEREST EARNINGS			6,639,588	

10/1/2024-25

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value				
	23,962,344			11		<u>G&A Allocation</u>	<u>Claims Allocation</u>
19.9%	19,193,838	1,078,905	1,845,293	10	0.399	1,691,960	5,383,044
46.8%	12,747,967	798,545	1,300,746	9	0.282	1,192,662	12,659,622
72.6%	6,565,682	482,841	749,045	8	0.162	686,804	19,638,644
87.1%	3,091,142	241,421	356,688	7	0.077	327,050	23,560,963
91.5%	2,036,799	128,199	180,388	6	0.039	165,399	24,751,184
94.2%	1,389,816	85,665	114,800	5	0.025	105,261	25,481,546
98.9%	263,586	41,335	52,755	4	0.011	48,372	26,752,919
99.4%	143,774	10,184	12,379	3	0.003	11,350	26,888,171
99.7%	71,887	5,392	6,241	2	0.001	5,723	26,969,322
100.0%	0	1,797	1,981	1	4E-04	1,817	27,050,474
FV OF ANNUAL EARNINGS			4,620,317			4,236,396	
CAT FUND CONTRIBUTION			0				
Interest Earnings			0				
SIEF			0				
Interest from Catastrophic Fund			1,250,000				
TOTAL INTEREST EARNINGS			5,870,317				

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

LIABILITY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of September 25, 2024

OPTION 2 - 5% increase

	Program Year 10/1/2022-23 Budget	Program Year 10/1/2023-24 Budget	Program Year 10/1/2024-25 Budget	% Change from 10/1/2023-24 10/1/2024-25
1 REVENUE:				
2 Deposit Contributions Earned	\$ 26,395,224	\$ 31,804,253	\$ 35,652,885	12.10%
3 Retrospective Contribution Adjustments	(556,395)	(961,597)	(566,392)	-41.10%
4 Net Investment Income	5,645,119	6,639,588	6,196,942	-6.67%
5 Total Revenue	31,483,948	37,482,244	41,283,435	10.14%
 EXPENSES:				
6 Paid Claims and Claims Reserves	20,078,087	24,489,275	27,050,474	10.46%
7 Purchased Excess Insurance	7,928,861	9,159,569	9,996,565 A	9.14%
8 General & Admin. Expenses	3,477,000	3,833,400	4,236,396	10.51%
9 Total Expenses	31,483,948	37,482,244	41,283,435	10.14%
 CATASTROPHIC LOSS RESERVES:				
10 Self Insured Excess Fund	-	-	-	0.00%
11 Member Contributions	-	-	-	0.00%
12 Total Cat. Loss Reserves	\$ -	\$ -	\$ -	0.00%
 13 Number of Program Members	342	345	348	0.87%
14 Total Payrolls (000's omitted)	\$ 859,875	\$ 941,895	\$ 1,005,594	6.76%
15 Ratio of Incurred Losses to Payroll	\$ 2.335	\$ 2.600	\$ 2.690	3.46%
16 Ratio of Deposit Contribution to Payroll	\$ 3.070	\$ 3.377	\$ 3.545	5.00%
17 District RAPs	\$2,500 - 100,000	\$2,500 - 100,000	\$2,500 - 100,000	
18 Pooled Layer	SIR to \$5,000,000	SIR to \$5,000,000	SIR to \$5,000,000	
19 Program Limit	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	

INTEREST EARNINGS CALCULATIONS

10/1/2023-24

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value	
	22,644,684			11
14.0%	19,474,428	1,052,978	1,800,949	10
37.0%	14,266,151	843,514	1,373,996	9
58.0%	9,510,767	594,423	922,145	8
73.0%	6,114,065	390,621	577,125	7
85.0%	3,396,703	237,769	334,565	6
93.0%	1,585,128	124,546	166,903	5
94.0%	1,358,681	73,595	93,928	4
97.0%	679,341	50,951	61,931	3
97.0%	679,341	33,967	39,321	2
100.0%	-	16,984	18,724	1
FV OF ANNUAL EARNINGS			5,389,588	
CAT FUND CONTRIBUTION		0		
Interest Earnings			0	
SIEF		0		
Other Interest Earnings (CAT Fund)			1,250,000	
TOTAL INTEREST EARNINGS			<u>6,639,588</u>	

10/1/2024-25

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value				
	25,656,320			11		<u>G&A Allocation</u>	<u>Claims Allocation</u>
19.9%	20,550,712	1,155,176	1,975,743	10	0.399	1,691,960	5,383,044
46.8%	13,649,162	854,997	1,392,700	9	0.282	1,192,662	12,659,622
72.6%	7,029,832	516,975	801,998	8	0.162	686,804	19,638,644
87.1%	3,309,665	258,487	381,904	7	0.077	327,050	23,560,963
91.5%	2,180,787	137,261	193,140	6	0.039	165,399	24,751,184
94.2%	1,488,067	91,721	122,915	5	0.025	105,261	25,481,546
98.9%	282,220	44,257	56,485	4	0.011	48,372	26,752,919
99.4%	153,938	10,904	13,254	3	0.003	11,350	26,888,171
99.7%	76,969	5,773	6,683	2	0.001	5,723	26,969,322
100.0%	0	1,924	2,121	1	4E-04	1,817	27,050,474
FV OF ANNUAL EARNINGS			4,946,942			4,236,396	
CAT FUND CONTRIBUTION		0					
Interest Earnings			0				
SIEF		0					
Interest from Catastrophic Fund			1,250,000				
TOTAL INTEREST EARNINGS			<u>6,196,942</u>				

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

LIABILITY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of September 25, 2024

OPTION 3 - 7.5% increase

	Program Year 10/1/2022-23 Budget	Program Year 10/1/2023-24 Budget	Program Year 10/1/2024-25 Budget	% Change from 10/1/2023-24 10/1/2024-25
1 REVENUE:				
2 Deposit Contributions Earned	\$ 26,395,224	\$ 31,804,253	\$ 36,501,763	14.77%
3 Retrospective Contribution Adjustments	(556,395)	(961,597)	(1,578,947)	64.20%
4 Net Investment Income	5,645,119	6,639,588	6,360,619	-4.20%
5 Total Revenue	31,483,948	37,482,244	41,283,435	10.14%
 EXPENSES:				
6 Paid Claims and Claims Reserves	20,078,087	24,489,275	27,050,474	10.46%
7 Purchased Excess Insurance	7,928,861	9,159,569	9,996,565 A	9.14%
8 General & Admin. Expenses	3,477,000	3,833,400	4,236,396	10.51%
9 Total Expenses	31,483,948	37,482,244	41,283,435	10.14%
 CATASTROPHIC LOSS RESERVES:				
10 Self Insured Excess Fund	-	-	-	0.00%
11 Member Contributions	-	-	-	0.00%
12 Total Cat. Loss Reserves	\$ -	\$ -	\$ -	0.00%
 13 Number of Program Members	342	345	348	0.87%
14 Total Payrolls (000's omitted)	\$ 859,875	\$ 941,895	\$ 1,005,594	6.76%
 15 Ratio of Incurred Losses to Payroll	\$ 2.335	\$ 2.600	\$ 2.690	3.46%
16 Ratio of Deposit Contribution to Payroll	\$ 3.070	\$ 3.377	\$ 3.630	7.50%
 17 District RAPs	\$2,500 - 100,000	\$2,500 - 100,000	\$2,500 - 100,000	
18 Pooled Layer	SIR to \$5,000,000	SIR to \$5,000,000	SIR to \$5,000,000	
19 Program Limit	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	

INTEREST EARNINGS CALCULATIONS

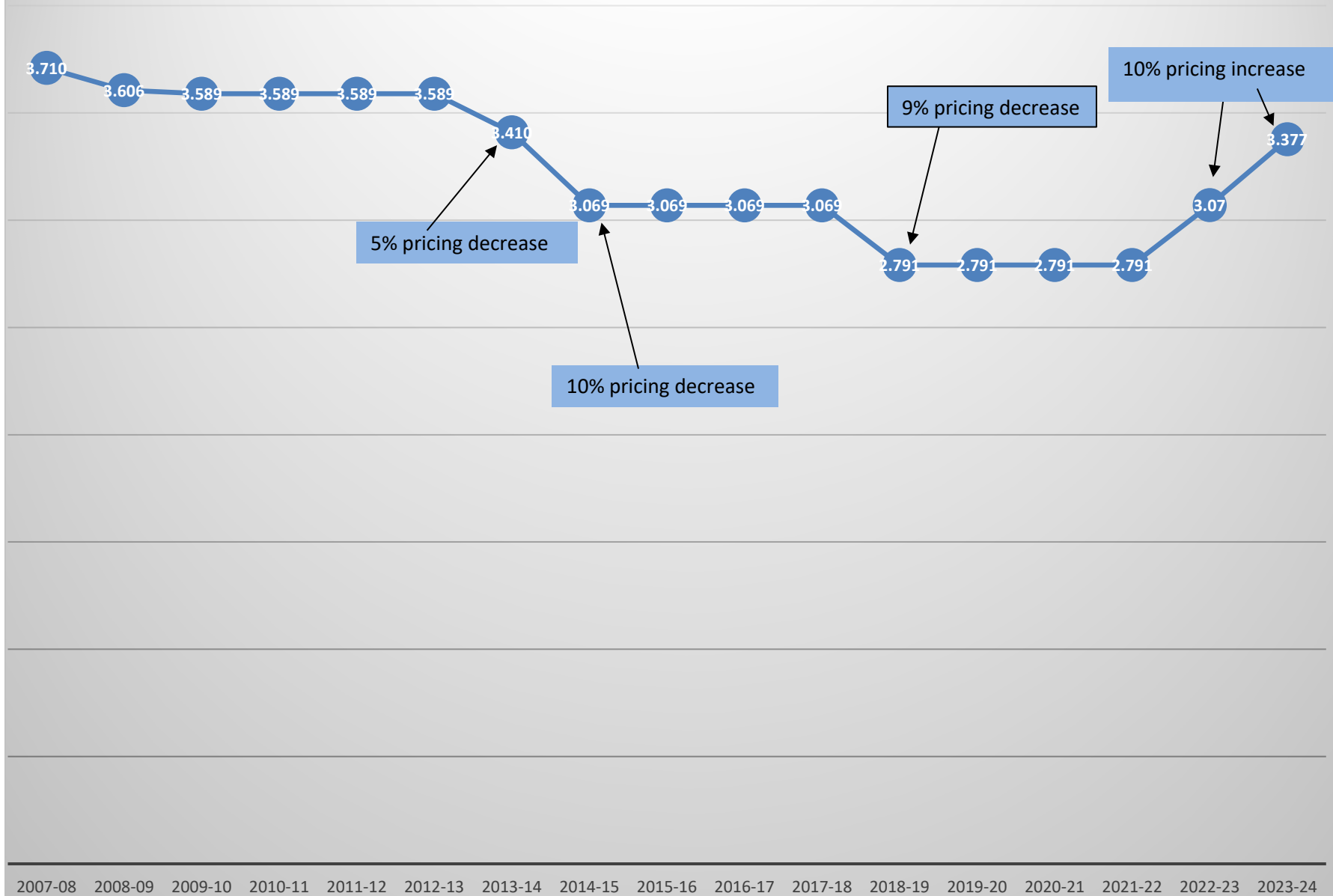
10/1/2023-24

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value	
	22,644,684			11
14.0%	19,474,428	1,052,978	1,800,949	10
37.0%	14,266,151	843,514	1,373,996	9
58.0%	9,510,767	594,423	922,145	8
73.0%	6,114,065	390,621	577,125	7
85.0%	3,396,703	237,769	334,565	6
93.0%	1,585,128	124,546	166,903	5
94.0%	1,358,681	73,595	93,928	4
97.0%	679,341	50,951	61,931	3
97.0%	679,341	33,967	39,321	2
100.0%	-	16,984	18,724	1
FV OF ANNUAL EARNINGS			5,389,588	
CAT FUND CONTRIBUTION		0		
Interest Earnings			0	
SIEF		0		
Other Interest Earnings (CAT Fund)			1,250,000	
TOTAL INTEREST EARNINGS			<u>6,639,588</u>	

10/1/2024-25

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value				
	26,505,198			11		<u>G&A Allocation</u>	<u>Claims Allocation</u>
19.9%	21,230,664	1,193,397	2,041,113	10	0.399	1,691,960	5,383,044
46.8%	14,100,765	883,286	1,438,779	9	0.282	1,192,662	12,659,622
72.6%	7,262,424	534,080	828,533	8	0.162	686,804	19,638,644
87.1%	3,419,171	267,040	394,540	7	0.077	327,050	23,560,963
91.5%	2,252,942	141,803	199,531	6	0.039	165,399	24,751,184
94.2%	1,537,301	94,756	126,982	5	0.025	105,261	25,481,546
98.9%	291,557	45,721	58,353	4	0.011	48,372	26,752,919
99.4%	159,031	11,265	13,692	3	0.003	11,350	26,888,171
99.7%	79,516	5,964	6,904	2	0.001	5,723	26,969,322
100.0%	0	1,988	2,192	1	4E-04	1,817	27,050,474
FV OF ANNUAL EARNINGS			5,110,619			4,236,396	
CAT FUND CONTRIBUTION		0					
Interest Earnings			0				
SIEF		0					
Interest from Catastrophic Fund			1,250,000				
TOTAL INTEREST EARNINGS			<u>6,360,619</u>				

Liability Pricing



ACWA JPIA
Liability Claims Department Update
September 25, 2024

BACKGROUND

The claims history for the JPIA Liability Program has been favorable from the 2020-21 policy year through the 2023-2024 year. Though 2022-2023 was an all-time high in the number of claims reported, 291, the pooled losses were down from the prior four years.

CURRENT SITUATION

At this juncture, 2023-24 will be significantly lower in the number of occurrences and pooled losses while being a new high in the actual payroll of program participants.

We are continuing to analyze current and historical litigation data to obtain better analytics to present to this Committee at future meetings, including a breakdown of the most common litigated claims, analytics regarding the resolution of claims (voluntary dismissals, dispositive motions, settlements, and trials), average number of days litigated claims remain open by type from date of assignment through closure, and average cost to defend each type of claim. We welcome input from the Committee regarding additional litigation data that would be useful.

Social inflation is continuing to impact the cost of claims throughout the nation. We continue to monitor the local and nationwide trends related to the type of claims and losses that impact our members. Steady increases in California property values are also playing a factor in claims valuation.

We are also researching new claims software that utilizes the benefits of AI and predictive analysis, which will integrate our historical data to predict future exposure and utilize an external database to expand the data and trends impacting settlements and verdicts.

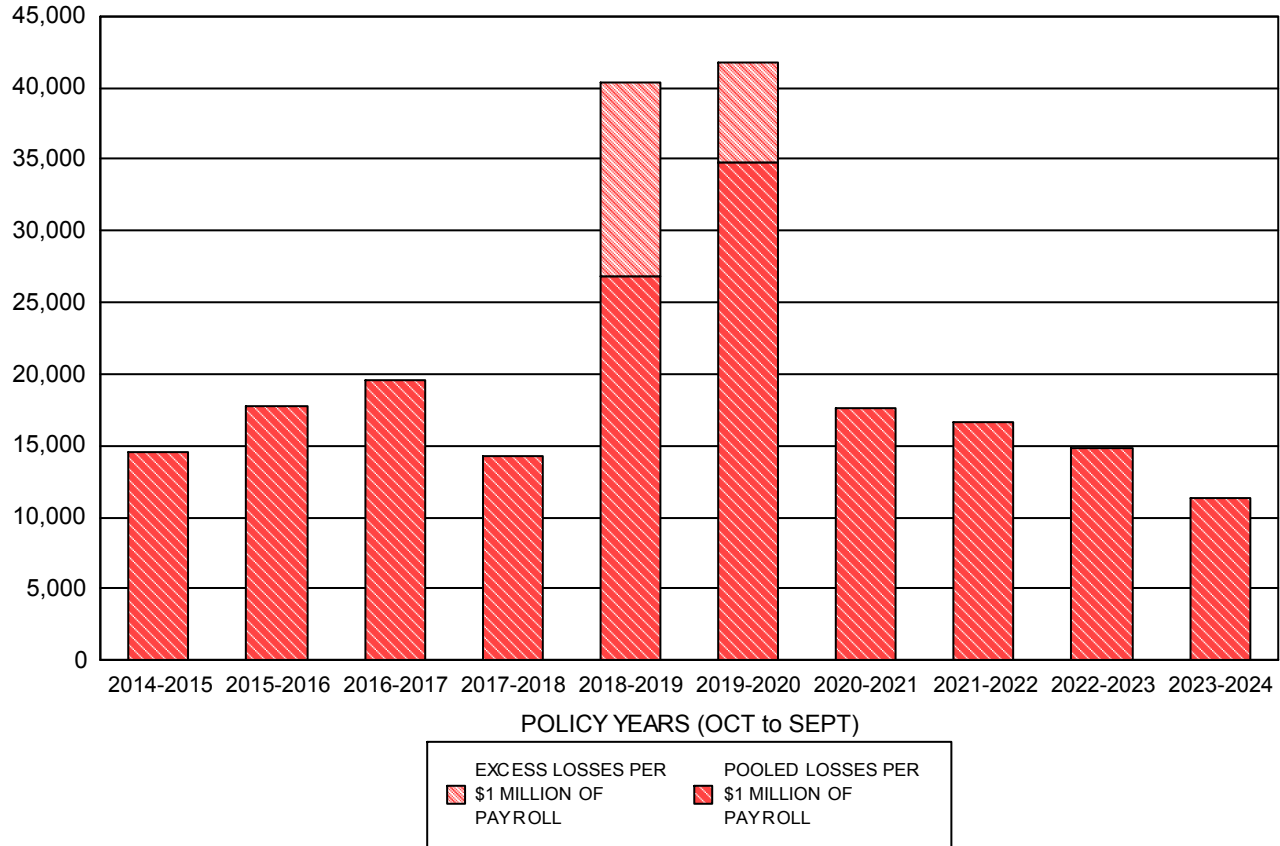
RECOMMENDATION

None, information only.

ACWA/JPIA - LIABILITY PROGRAM

REPORTED LOSSES PER \$1 MILLION OF PAYROLL

FOR MONTH ENDING 8/31/2024



PROGRAM YEAR (10/1)	# OF MEMBERS	SELF INSURED RETENTION	POOLED LOSSES	EXCESS LOSSES	TOTAL LOSSES	ACTUAL PAYROLL	POOLED LOSSES PER \$1 MILLION OF PAYROLL	TOTAL LOSSES PER \$1 MILLION OF PAYROLL
2009-2010	285	1,000,000	6,122,798	3,809,508	9,932,306	445,710,401	13,737	22,284
2010-2011	286	1,000,000	4,773,531	0	4,773,531	451,207,328	10,579	10,579
2011-2012	292	2,000,000	7,310,419	0	7,310,419	459,712,593	15,902	15,902
2012-2013	293	2,000,000	4,648,432	0	4,648,432	467,699,841	9,939	9,939
2013-2014	291	2,000,000	7,995,529	13,122,587	21,118,116	484,457,504	16,504	43,591
2014-2015	292	2,000,000	7,284,406	0	7,284,406	499,915,511	14,571	14,571
2015-2016	294	2,000,000	9,216,252	0	9,216,252	520,745,561	17,698	17,698
2016-2017	303	5,000,000	10,826,726	0	10,826,726	552,994,889	19,578	19,578
2017-2018	319	5,000,000	8,311,584	0	8,311,584	583,084,351	14,255	14,255
2018-2019	332	5,000,000	18,707,858	9,482,559	28,190,417	698,450,703	26,785	40,361
2019-2020	337	5,000,000	25,814,292	5,219,372	31,033,664	743,120,799	34,738	41,761
2020-2021	339	5,000,000	13,519,766	0	13,519,766	767,831,595	17,608	17,608
2021-2022	344	5,000,000	13,574,155	0	13,574,155	817,676,299	16,601	16,601
2022-2023	347	5,000,000	13,160,358	0	13,160,358	888,372,750	14,814	14,814
2023-2024	347	5,000,000	9,739,003	0	9,739,003	939,580,190	11,308	11,308

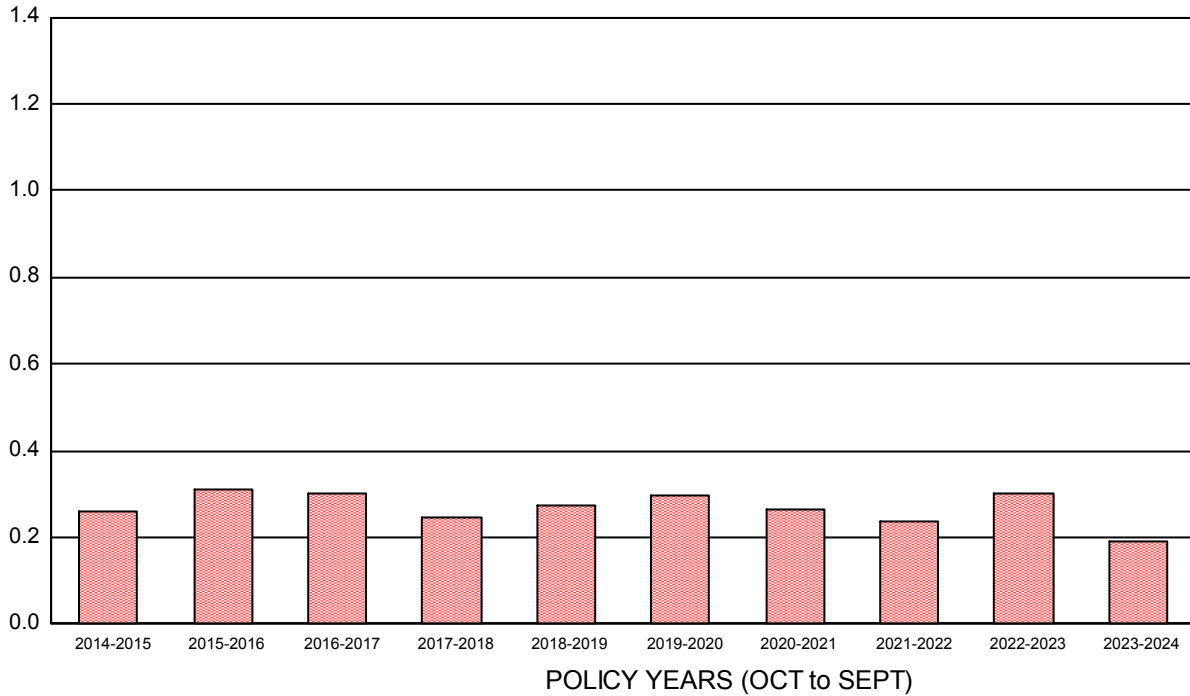
- Latest Policy Year's 'Losses' include partial activity.

- Latest Policy Year's 'Losses Per \$1 Million of Payroll' have been annualized using 11 months data.

ACWA/JPIA - LIABILITY PROGRAM

OCCURRENCES PER \$1 MILLION OF PAYROLLS REPORT

FOR MONTH ENDING 8/31/2024



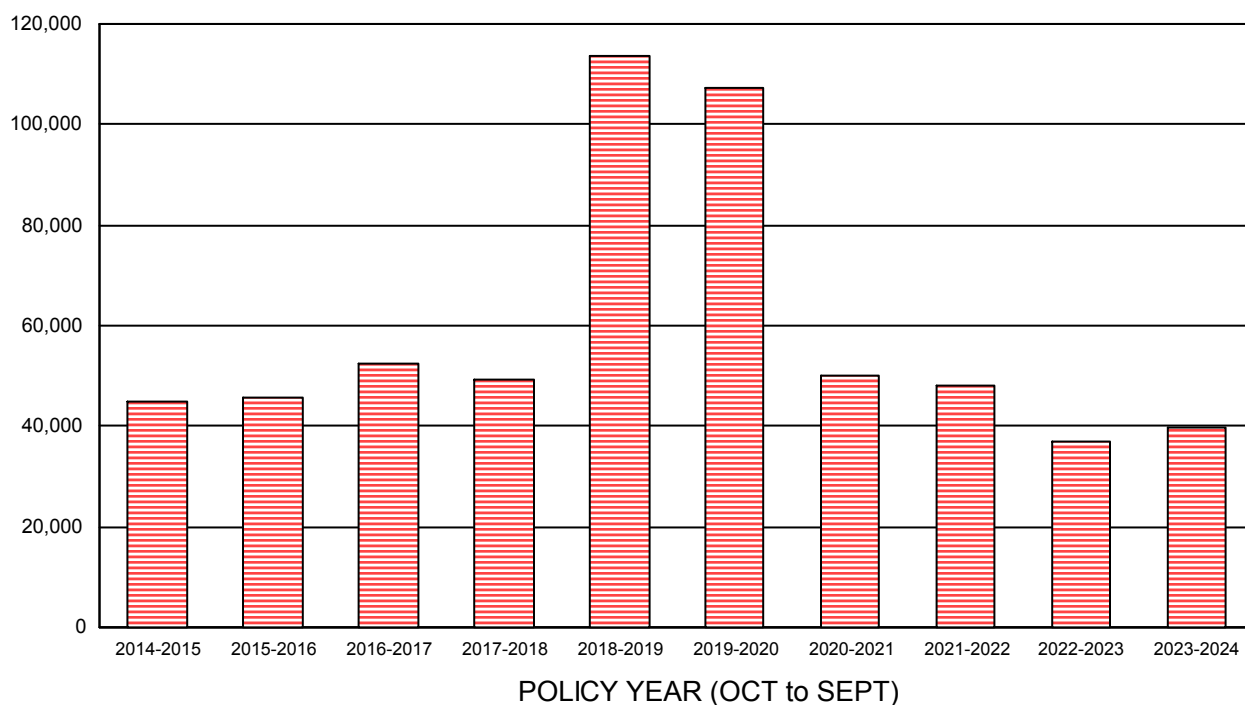
PROGRAM YEAR (10/1)	NUMBER OF OCCUR	ACTUAL PAYROLLS	HISTORICAL INCREASE	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED PAYROLLS	# OF OCCURRENCES PER \$1 MILLION OF INFLATION ADJUSTED PAYROLLS
2009-2010	199	445,710,401	0.0%	1.431	637,932,970.64	0.31
2010-2011	254	451,207,328	0.5%	1.431	645,800,570.00	0.39
2011-2012	181	459,712,593	3.5%	1.424	654,700,418.75	0.28
2012-2013	207	467,699,841	2.2%	1.376	643,551,179.83	0.32
2013-2014	199	484,457,504	1.3%	1.346	652,259,870.28	0.31
2014-2015	174	499,915,511	2.0%	1.329	664,434,446.31	0.26
2015-2016	211	520,745,561	1.0%	1.303	678,548,558.28	0.31
2016-2017	215	552,994,889	2.0%	1.290	713,436,129.89	0.30
2017-2018	180	583,084,351	2.9%	1.265	737,505,384.90	0.24
2018-2019	234	698,450,703	3.4%	1.229	858,527,466.56	0.27
2019-2020	260	743,120,799	2.6%	1.189	883,399,834.34	0.29
2020-2021	237	767,831,595	1.6%	1.159	889,644,533.64	0.27
2021-2022	219	817,676,299	5.3%	1.140	932,477,233.65	0.23
2022-2023	291	888,372,750	8.3%	1.083	962,107,687.93	0.30
2023-2024	164	939,580,190	3.9%	1.000	939,580,189.60	0.19

- Latest Policy Year's 'Number of Occur' include partial activity.
- Latest Policy Year's '# Of Occurrences Per \$1 Million of Inflation Adjusted Payrolls' has been annualized using 11 mc
- Payrolls Adjusted for Inflation - CNP's Omitted - Small Claims Included.
- Factor based on CPI for West Coast from US Dept of Labor

ACWA/JPIA - LIABILITY PROGRAM

AVERAGE CLAIM SIZE REPORT

FOR MONTH ENDING 8/31/2024



PROGRAM YEAR (10/1)	MONTHS AFTER INCEPTION	AVERAGE LOSS	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED AVERAGE LOSS
2009-2010	179	39,571	1.43	\$56,636.79
2010-2011	167	15,498	1.43	\$22,182.54
2011-2012	155	32,491	1.42	\$46,271.76
2012-2013	143	17,879	1.38	\$24,600.79
2013-2014	131	82,172	1.35	\$110,633.60
2014-2015	119	33,881	1.33	\$45,030.96
2015-2016	107	35,177	1.30	\$45,836.18
2016-2017	95	40,702	1.29	\$52,510.90
2017-2018	83	39,022	1.26	\$49,355.78
2018-2019	71	92,428	1.23	\$113,610.92
2019-2020	59	90,214	1.19	\$107,243.88
2020-2021	47	43,057	1.16	\$49,887.31
2021-2022	35	42,156	1.14	\$48,074.39
2022-2023	23	34,006	1.08	\$36,828.60
2023-2024	11	39,914	1.00	\$39,913.94

- Latest Policy Year's 'Inflation Adjusted Average Loss' have been annualized using 11 months data.
- Factor based on CPI for West Coast from US Dept of Labor

**ACWA JPIA - LIABILITY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$500,000
FOR MONTH ENDING 8/31/2024**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2015-2016					
16-0661	04/04/2016	Fresno Irrigation District	Claimant alleges canal broke, flooding his almond orchard and created damages to trees and future crops.	Closed	1,196,078
16-0373	12/13/2015	Purissima Hills Water District	Water main break sending water into large basement living area.	Closed	1,552,872
17-0176	09/20/2016	Santa Clarita Valley Water Agency	District vehicle bumped into rear of claimant vehicle while stopped at a stop light when he sneezed.	Closed	718,307
17-0113	06/30/2016	Upper San Gabriel Valley Municipal Water District	Sexual Harassment	Closed	562,289
TOTAL					4,029,546
POLICY YEAR 2016-2017					
17-0332	12/09/2016	Calleguas Municipal Water District	District line break sent water into claimant's home	Closed	553,959
18-0023	03/25/2017	Kirkwood Meadows Public Utility District	Clmt alleges District's propane system malfunctioned, which caused explosion and loss of home.	Closed	1,165,527
17-0667	05/04/2017	Santa Clarita Valley Water Agency	District vehicle turned in front of claimant's oncoming vehicle	Closed	1,425,986
TOTAL					3,145,472
POLICY YEAR 2017-2018					
18-0414	01/09/2018	Montecito Water District	Claimant alleges District's main break contributed to cause of mudslide, which caused fatalities and damages to 100+ structures	Closed	2,699,567
TOTAL					2,699,567
POLICY YEAR 2018-2019					
19-0580	04/01/2019	Solano Irrigation District	Two teenage boys fatally electrocuted by SID catwalk while trying to save dog.	Closed	14,482,559
19-0658	02/13/2019	Solano Irrigation District	Claimant contends farm flooded because District did not take out seasonal plate from ditch	Closed	1,012,011
TOTAL					15,494,570
POLICY YEAR 2019-2020					
21-0095	08/06/2020	Madera Irrigation District	District vehicle hit trailer towed by gator, ejecting 2 riders due to bright sun in EE's eyes	Closed	1,525,136
20-0565	02/04/2020	Monte Vista Water District	District driver turned left in front of oncoming traffic	Closed	874,257
21-0077	08/03/2020	Montecito Water District	District line break spilled water into sanitary sewer which then backed up into homes	Closed	1,769,466
21-0440	07/04/2020	Rancho California Water District	Claimant contends asphalt patch due to line break was faulty and she fell off bicycle injuring herself	Closed	6,719,366
21-0431	08/13/2020	Santa Clarita Valley Water Agency	District vehicle rear ended claimant's vehicle	Closed	1,208,103
TOTAL					12,096,328

**ACWA JPIA - LIABILITY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$500,000
FOR MONTH ENDING 8/31/2024**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2020-2021					
21-0717	05/07/2021	Otay Water District	Reservoir tank 850-3 overflowed causing water to run down hill into condos located at bottom	Closed	539,229
22-0262	09/30/2021	San Luis Water District	District truck entered unprotected intersection and collided with another vehicle	Closed	2,812,495
TOTAL					3,351,724
POLICY YEAR 2021-2022					
22-0443	12/26/2021	Mission Springs Water District	12" main line break caused damage to roadway and properties	Closed	1,251,321
22-0672	04/02/2022	Santa Fe Irrigation District	6" main broke sending water into commercial medical office building	Closed	551,079
22-0863	06/23/2022	Solano Irrigation District	District ee was operating backhoe looked down briefly, when he looked up he had struck the PGE power pole. He then backed up and the pole crashed to the ground causing the Timm Fire.	Closed	994,529
22-0482	01/12/2022	Tuolumne Utilities District	Zone 3 tank had catastrophic failure and damaged several properties	Closed	590,847
TOTAL					3,387,777
POLICY YEAR 2022-2023					
23-0390	12/13/2022	Vista Irrigation District	District 8" AC pipe broke sending water into/onto claimants properties	Closed	571,866
TOTAL					571,866
GRAND TOTAL					156,399,589

ACWA JPIA
Director of Pooled Programs Update
September 25, 2024

BACKGROUND

This is a standing item on Committee agendas.

CURRENT SITUATION

The JPIA's Director of Pooled Programs, Jennifer Jobe, will provide the Committee with an overview of relevant current matters, issues, and opportunities.

RECOMMENDATION

None, information only.

ACWA JPIA MEETINGS CALENDAR – 2025

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	P R O G R A M S				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 15			10:00 AM *							
JAN 29		10:30 AM							8:00 AM	
MARCH 9-11 CICA CONFERENCE – TUCSON, AZ										
MARCH 16-19 AGRIP GOVERNANCE CONFERENCE – LAS VEGAS										
MAR 27				1:00 PM		3:00 PM				
MAR 28		8:30 AM								
APRIL 30					9:00 AM *					
MAY 12-15 ACWA JPIA SPRING MEMBERSHIP SUMMIT/ACWA CONFERENCE – MONTEREY										
MAY 12	1:45 PM	10:30 AM					8:00 AM			
JUNE 2			3:00 PM *							
JUNE 4										9:00 AM (UTAH)
JUNE 26							3:00 PM	1:00 PM		
JUNE 27		8:30 AM								11:00 AM
JULY 14-15 EXECUTIVE COMMITTEE ONBOARDING WORKSHOP (LOCATION TBD)										
JULY 15					1:00 PM					
JULY 16		8:30 AM								
SEPT 3			10:00 AM *							
SEPTEMBER 16-19 CAJPA ANNUAL CONFERENCE - MONTEREY										
SEPT 29				1:00 PM		3:00 PM				
SEPT 30		8:30 AM								11:00 AM
OCT 22		10:00 AM *								
DECEMBER 1-4 ACWA JPIA FALL MEMBERSHIP SUMMIT/ACWA FALL CONFERENCE – SAN DIEGO										
DEC 1	1:45 PM	10:30 AM								8:00 AM

*Virtual Meeting



Hybrid Meeting Participation Guidelines

For Remote Meeting Participants

Remember to mute yourself until you are ready to speak.

If you have a question or comment, raise your hand in Zoom.

To raise or lower your hand:

1. For PC users:
 - a. Press 'Alt-Y' on your keyboard
 - b. Or go to 'Reactions' on your Zoom screen
2. For IPAD users, go to 'More'.
3. For telephone (audio only) users, press * then 9.

For In-House Meeting Participants

Remember to use your microphone when speaking.

- Remote participants will not hear you if you don't.
- Before speaking, check that your mic is unmuted (green light).

For in-house participants that do not have a microphone, please wait for the mic runner before speaking.