Liability Program Committee Meeting

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

Wednesday
September 27, 2023
1:00 p.m.

Chair: Randall Reed, Cucamonga Valley Water District

Vice-Chair: Chris Kapheim, Kings River Conservation District

Jack Burgett, North Coast County Water 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

Jace Schwarm, San Dieguito Water District

LIABILITY PROGRAM COMMITTEE MEETING

AGENDA

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

Wednesday, September 27, 2023, 1:00 PM

Zoom Link Meeting ID: 661 516 2566; Password: 1234; Telephone No.: 1 (669) 900-6833

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

- Burgett, 2400 Francisco Blvd, Pacifica
- Schwarm, 505 South Vulcan Avenue, Encinitas

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

PLEDGE OF ALLEGIANCE

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

EVACUATION PROCEDURES

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.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter		Page#
	I. CONSENT AGENDA	
Reed	* A. Approve the minutes of the meeting of July 26, 2023.	1

Presenter			Page#
All	*	B. Report on meetings attended on behalf of the JPIA.	
		II. NEW BUSINESS	
Greenfield	*	A. Review of General Liability claims data.	**8**
Tokar	*	B. State of the market update.	**9**
Beatty	*	C. Review and make recommendation on the 2023-24 renewal of Reinsurance and Excess General Liability policies.	**38**
deBernardi	*	D. Review and make recommendation on the October 1, 2023 renewal pricing.	**41**
		III. MISCELLANEOUS	
Nogosek	*	A. Liability Claims Department update.	**48**
Jobe	*	B. Director of Pooled Programs update.	**49**
		IV. UPCOMING MEETINGS	
Reed	*	A. The next Liability Program Committee meeting is scheduled for March 20, 2024, at 1:00 PM.	

ADJOURN

*Related items enclosed.

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

Written materials relating to an item on this Agenda that are distributed to the JPIA's 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) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.

Preliminary Agenda-date issued: August 17, 2023
Final Agenda-date issued: September 6, 2023

Unapproved Minutes

Liability Program Committee Meeting

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

July 26, 2023

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

- Burgett, 2400 Francisco Blvd., Pacifica
- Schwarm, 505 S. Vulcan Ave., Encinitas

MEMBERS PRESENT

Chair: Randall Reed, Cucamonga Valley Water District
Vice-Chair: Chris Kapheim, Kings River Conservation District
Jack Burgett, North Coast County Water District (via Zoom)
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
Jace Schwarm, San Dieguito Water District (via Zoom)

MEMBERS ABSENT

None

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
Adrienne Beatty, Assistant Executive Officer
Kristan Brown, Administrative Assistant II (Recording Secretary)
Erin Bowles, Workers’ Compensation Claims Manager
Chimene Camacho, Executive Assistant to the CEO
Debbie Cruz, Lead Member Services Representative
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Erik Kowalewski, System/Network Administrator
Jennifer Nogosek, Liability/Property Claims Manager
Olivia Sayad, Administrative Assistant II
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Chuck Wagenseller, Cost Estimator/Risk Control Advisor
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II

Cece Wuchter, Lead Senior Claims Adjuster

OTHERS IN ATTENDANCE

Melody McDonald, San Bernardino Valley Water Conservation District
David Drake, Rincon del Diablo Municipal Water District
Cathy Green, ACWA Vice President
J. Bruce Rupp, Humboldt Bay Municipal Water District
Scott Ratterman, Calaveras County Water District

WELCOME

Chair Reed welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Reed called the meeting to order at 12:30 p.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair Reed led the Pledge of Allegiance.

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.

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 requested.

CONSENT AGENDA

<u>Approval of the minutes</u>
Chair Reed called for approval of the minutes of the September 28, 2022, meeting.

> <u>M/S/C (Dennstedt/Daly) (Burgett-Yes; Daly-Yes; Dennstedt-Yes; Gambs-Yes; Kuchinsky-Abstain; Limas-Yes; Schwarm-Yes; Kapheim-Yes; Reed-Yes)</u>: That the Liability Program Committee approve the minutes of the September 28, 2022, meeting, as presented.

Meetings attended on behalf of the JPIA
None

MEMBERSHIP

Review of Program Membership
Ms. Cruz discussed that two new members, Merced Subbasin Groundwater Sustainability Agency (GSA) and Olivenhain Municipal Water District, have joined the Liability Program for the 2023-24 policy year. JPIA's membership continues to grow both strategically and in a tempered manner. Currently, the Liability Program has 345 members with a total estimated annual payroll of $941,895,198.

At this time, Reclamation District No. 784 and Bear Valley Water District have expressed an interest in joining the JPIA for the 2024-25 policy year and are at the beginning stages of the application process. For the 2022-23 policy year, Kaweah River Power Authority and Deer Creek & Tule River Authority have dissolved and as such, are no longer JPIA members. Grassland Basin Water Authority has reported an intent to withdraw for the 2024-25 policy year.

Ms. Beatty reported that in June, the Property Committee members requested information be provided regarding current membership and the size of each agency. A list of JPIA's current Liability Program members and size of each agency (based on estimated payroll) was presented. Ms. Beatty stated the following regarding the Liability Program membership:

- Approximately 22 of the 345 program members have payroll above $10 million.
- Approximately 15% have payroll above $5 million.
- One-third of the members have less than $1 million in payroll.
- Over one-half of the members are "paper" districts (having no employees or assets) or have less than $1 million in payroll.

Staff regularly speaks with prospective new members and anticipates additional applications for participation to be forthcoming in the 2023-24 policy year.

NEW BUSINESS

Historical and Current Claims Trends
Mr. Greenfield reviewed three scatter graphs depicting reported claims from the 2018-2023 policy years. The graphs displayed the following: Graph # 1: losses below $100,000; Graph # 2: losses from $100,000 to $500,000; and Graph # 3: losses from $500,000 to $15 million. In a review of the graphs, the Committee concluded the majority of the Liability Program claims/losses were below the $100,000 range.

The Committee Members asked Mr. Greenfield to identify the largest claims. He reviewed the details of the Liability Program's three largest claims, which were claims in excess of $5 million which extended into the excess coverage layer. In addition, Mr. Greenfield and the Committee discussed the direct correlation of the abundance of rainfall recently seen to subsequent flood and infrastructure claims that could impact the pool. In conjunction with these inquiries, a Committee Member asked which loss category incurred the largest number of claims. Mr. Greenfield reported that infrastructure failure has the largest number of claim occurrences. Mr. Sells identified the five claim categories utilized by JPIA: 1) infrastructure failure, 2) employment practices, 3) automobile accidents, 4) contract disputes, and 5) miscellaneous. He asked that JPIA staff provide information to the Liability Program Committee members in the 2023-24 policy year charting occurrences by claim category.

Mr. Greenfield stated that even with the increased number of Liability Program members, claim occurrences, and on-going inflation, total claim cost per $1 million of payroll has steadily declined over the life of the program. With the membership increasing, he pointed out the importance of thoroughly vetting prospective agencies and continued safety and risk control efforts. He attributed the on-going success of the Liability Program to the collaborative efforts and dedication of the members and JPIA staff.

Review of Biennial Claims Audit

Mr. Greenfield informed the Committee that every two years the JPIA retains an independent auditor to review the claim files of the Liability and Property Programs. The auditors review randomly selected files and provide an evaluation of the claims handling process. A Committee member inquired as to the total number of files reviewed and Mr. Sells estimated approximately 10% of total claims. In addition, Mr. Greenfield stated that the Liability and Property claims audit is not State-mandated like the Workers' Compensation claims audit. However, JPIA does its due diligence and utilizes the audit claims report for CAJPA Accreditation and AGRiP Recognition.

Mr. Greenfield stated that the Liability Program received a well-deserved, excellent evaluation. He commended the dedication of JPIA's members and the exceptional service of the JPIA claims staff.

Recreation and Special Events Policy

Ms. Watkins discussed revisions to the Recreation and Special Events Policy recently reviewed and approved by the Risk Management Committee and Executive Committee in January 2023. She stated the policy provides guidance to the members in managing their recreational risk activities. Ms. Watkins explained that special events can include member-hosted holiday parties, annual employee health fairs, recognition celebrations, and facility rentals by the public.

Ms. Beatty stated the policy has been in place since 1998, but there was a restructuring in the language and class placement based upon more recent evaluated risk.

Ms. Beatty went on to state that a portion of the policy pertains to a recommended change in "Section II – Coverage" of the Memorandum of Liability Coverage (MOLC). Specifically, Section II – Coverage refers to Class III activities/events that will be excluded from coverage unless approved by the Executive Committee. These activities/events include the following: Swimming Pools, Water Parks, Water Playgrounds (not including splash pads), and Water Slides. In addition, the other outlined Class III activities/events are to be reviewed with JPIA staff (and possibly the JPIA's excess liability carriers) in advance.

Memorandum of Liability Coverage

Ms. Beatty stated that each year the Memorandum of Liability Coverage (MOLC) is brought forth to the Executive Committee for approval, even if no changes are recommended. JPIA staff conducts an internal review of the MOLC wherein multiple departments evaluate pertinent trends and data that might affect the JPIA, the members, and changes to the MOLC. In addition, JPIA collaborates with excess carriers, reinsurers, and brokers for recommended changes to the MOLC. At times, carriers may request, suggest, and/or require changes be made. For the 2023-24 policy year, the following recommended changes to the MOLC were presented to the Committee:

Section I – Definitions – Administrative Relief: Liability arising out of administrative relief is not covered in the MOLC; therefore, a definition of "Administrative Relief" has been added for clarity.

Section I – Definitions – Defense costs: The definition of "Defense costs" has been revised to remove reference to "claims" as defense costs are specific to fees charged by an attorney, which only applies to "suits" not "claims."

Section I – Definitions – Employment Practices: The definition of "Employment Practices" has been revised to clarify that the lack of coverage for wages includes lost wages, regardless of whether they arise from a covered offense. This is not a change in coverage, just a clarification of existing coverage.

Section I – Definitions – Subsidiary: A definition of "Subsidiary" has been added to clarify the coverage intent for subsidiary organizations wholly owned and controlled by a Member Agency, as noted in Section IV – Who is Covered.

Section II – Coverage: This section has been expanded to memorialize and mirror language in the Recreation and Special Events Policy, reviewed by the Risk Management Committee and approved by the Executive Committee in January 2023.

Section V – Defense of the Member Agency: A reference made to another section of the document has been corrected.

Section VI – Exclusions: Added an exclusion for Perfluoroalkyl and Polyfluoroalkyl (PFOS/PFAS). Upon the advice of coverage counsel, because our excess and reinsurance policies specifically exclude coverage for PFOS/PFAS, our omission of a specific exclusion could be viewed as acceptance of coverage. Staff believes that the existing exclusion for "pollutants" includes PFOS/PFAS; however, adding an explicit exclusion for PFOS/PFAS ensures that the intent to exclude coverage is clear.

Section VI – Exclusions: Added an exclusion relative to “your product” or “your work.” This exclusion will refine the definition to property damage to another to exclude coverage for a project that was not completed and accepted by the member district.

Section VII – Conditions, Item F – Resolution of Disputes: Staff has reviewed the dispute resolution sections for the liability, property, and workers’ compensation memoranda of coverage and is universally recommending this language be approved to simplify the dispute resolution process and bring the process across programs into alignment. Upon review of this change at the Property Program Committee meeting on June 20, suggested revisions were offered by the Committee. Those revisions have been incorporated into this section in the MOLC and will be added to the MOWC and MOPC with next year’s renewal.

Coverage Schedule: This section has been revised to remove the sublimit for PFOS/PFAS. As per coverage counsel, in identifying a sublimit for PFOS/PFAS, it may unintentionally imply that coverage is available at lower levels of the tower.

The Committee members discussed the recommended changes and the potential outcome of such changes. In “Section I – Definitions – Defense costs,” concern was expressed with removal of “claim” before a claim’s case is determined a “suit” and it was asked if defense costs would still be covered. Mr. Greenfield stated that this exclusion was added to deter members from hiring their own attorney and incurring defense costs before the claim is reported to the JPIA. He acknowledged that excluding “claim” was not intended to deny coverage, but rather, to protect the pool from unreported matters.

Mr. Greenfield went on to clarify and discuss Section VI – Exclusions, H. This section states:

“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.”

Mr. Greenfield stated that if an agency has not confirmed completed work on a scheduled asset and/or the asset is not included on the agency’s property schedule or specified in the MOLC, the JPIA should not be held liable as the pool has not collected appropriate premium.

A Committee member noted another topic for review. In the instance that a claim goes to arbitration, it was asked whether the most current information would be provided as the claim develops in order to prepare for claim adjudication.

Ms. Beatty clarified such claims have already been submitted to JPIA’s claims team and reviewed. She stated that when coverage and/or partial coverage has been denied, the member agency may decide to appeal the decision. There is currently not a time frame to submit an appeal to the Executive Committee and typically, if there is ongoing discovery relative to coverage, staff and the member would continue to work together and a claim denial would be the result of the likely determination that the coverage components of the claim are known and unlikely to change.

> M/S/C (Dennstedt/Kuchinsky) (Burgett-Yes; Daly-Yes; Dennstedt-Yes; Gambs-Yes; Kuchinsky-Yes; Limas-Yes; Schwarm-Yes; Kapheim-Yes; Reed-Yes): That the Liability Program Committee recommend that the Executive Committee approve the Memorandum of Liability Coverage, as revised, to be effective October 1, 2023.

Liability Claims Department
Ms. Nogosek reported staffing changes in the Liability Claims Department. Two new employees have been added to the team - Paula Christy, Senior Claims Adjuster and Shelley Tippit, Claims Assistant.

CEO Update
Mr. Sells spoke about the many changes within the JPIA staff and new employees filling new positions. He let all in attendance know how proud he was of the JPIA.

MISCELLANEOUS

Availability for Upcoming Meeting(s)
The next Liability Program Committee meeting is scheduled for September 27, 2023.

The Liability Program Committee meeting adjourned at 1:59 p.m.

ACWA JPIA
Review of General Liability Claims Data
September 27, 2023

BACKGROUND
Claims are reported to the JPIA by its members. Claims vary in size and complexity. As information is received by the claims department, the claim is opened in our internal claims system. The materials are reviewed, and the claims adjuster will place an initial reserve on the claim. The reserve is the amount the adjuster determines to be the most likely result based on the information available.

CURRENT SITUATION
This presentation will show the committee what the total net incurred of all new claims in two-week increments have been since November 2022 up to the end of August 2023.

RECOMMENDATION
None, informational only.

Prepared by: Robert H. Greenfield, General Counsel Date prepared: September 5, 2023

ACWA JPIA
State of the Market Update
September 27, 2023

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

CURRENT SITUATION
Aon will provide the General Liability Program Committee with a State of the Market presentation and the effect upon renewals across the market.

RECOMMENDATION
None, informational only.

Prepared by: Adrienne Beatty, Assistant Executive Officer   Date prepared: September 6, 2023

National Casualty Market Update

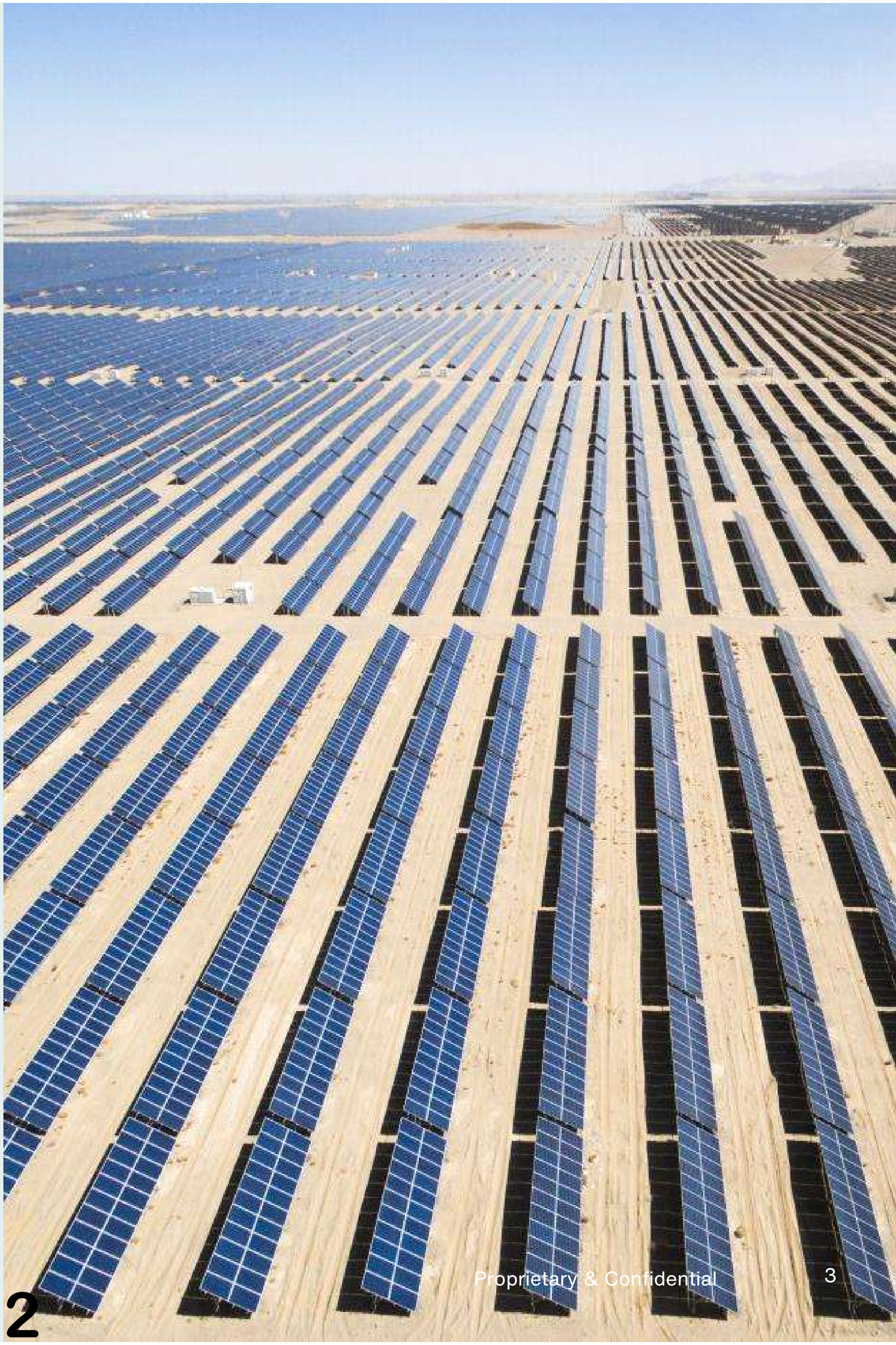
Q1 2023 Rate Results

Table of Contents

1

Market Overview & Headlines

AON



National Casualty Market Overview

Casualty Highlights

Market conditions for National Casualty clients remained stable in Q1 2023. The banking crisis, to date, has had minimal impact on collateralized programs as exposed carriers efficiently worked with clients to "swap" Letters of Credit issued by impacted financial institutions. However, we're closely monitoring this situation along with the Lead Umbrella and Excess Liability markets as rates have increased for the first time since Q2 2022.

Average Q1 2023 renewal rates:

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 & Q3 2023 Forecast*
General Liability	2.49%	1.00%	0.00%	**1.40%**	Flat to +5%
Automobile Liability	7.83%	6.80%	2.80%	**3.40%**	2.5% to +10%
Workers' Compensation	-1.81%	-1.00%	-1.80%	**-3.50%**	-3.5% to +2%
Lead Umbrella	4.93%	-1.40%	-0.50%	**4.70%**	2.5% to +12.5%
Total Umbrella / Excess Liability	3.16%	-2.40%	-0.60%	**6.00%**	2.5% to +12.5%

***Notes:** *1. Q2 & Q3 2023 rate forecasts do not contemplate YoY exposure changes or adverse historical loss development.*
2. Please refer to our methodology section for further details.

Primary Casualty: The Q1 2023 Primary Casualty market remained stable with renewal rate results at or better than our forecast. General Liability renewals experienced an average rate increase of 1.4% while Automobile Liability renewals saw an average increase of 3.4%. The Workers Compensation market continued to be extremely competitive with Q1 2023 renewals averaging a YoY rate reduction of -3.5%.

Umbrella / Excess Liability: Lead Umbrella and Total Umbrella / Excess Liability programs experienced average rate increases of 4.7% and 6%, respectively. By contrast, Q3 and Q4 2022 renewals saw slight average rate reductions.

It's important to note that we continue to trade in a "two-tiered" Primary and Umbrella / Excess market whereby challenged risk classes, adverse loss experience and / or programs with lower primary attachment points have experienced greater rate increases from what is outlined above.

Primary Casualty Market Headlines Q1 2023

Introduction of market competition continues to yield favorable renewal results

Most client exposures have increased, but recessionary slowdown could have negative impact on rates if exposures begin to be impacted

Current inflation environment will impact wages, medical costs and benefit levels for WC

Carriers continue to evaluate coverage grants, retention thresholds and attachment points on more challenging risk profiles

Markets have leveraged other coverage lines to help retain or win the primary casualty

Workers Compensation renewals averaged a rate reduction of - 3.5% as the favorable WC market landscape continued

Clients continue to explore alternative forms of collateral. Creative solutions are paramount as economic uncertainty and recession concerns grow.

Availability of competitive Buffer and Structured programs has increased

Inflation trends have led to even greater monitoring of actuarial reserves as well as clients increasingly exploring Loss Portfolio Transfer solutions

The banking crisis, to date, has had minimal impact on collateral as exposed carriers efficiently worked with clients to “swap” Letters of Credit. Markets are closely reviewing their respective lists of approved banks

Umbrella / Excess Liability Casualty Market Headlines Q1 2023

While the Umbrella / Excess market remains stable, Q1 2023 renewals did see an average rate increase for the first time since Q2 2022. We continue to track market variances

Markets closely monitoring annual excess claim trends of 8-10%

59% of Lead Umbrella and 61% of Total Umbrella / Excess Liability clients experienced a renewal rate increase in Q1 2023.

Litigation Finance continues to rise thus increasing potential exposure to larger and nuclear awards

Carriers continue to focus on several critical and emerging risks including: biometric privacy, forever chemicals (e.g., PFAS) wildfire, Traumatic Brain Injury (TBI), etc.

Increased interest in structured, buffer and other Alternative Risk Transfer & captive solutions

Carriers have sometimes been willing to increase deployed capacity, but often ventilate limits to protect against vertical exposure to a single loss.

Nuclear verdicts continue to be a major concern as the court system returns to a “new normal”

Automobile Liability single plaintiff claim settlements continue to increase ($5MM + average) putting pressure on structure, attachment points and pricing.

Some clients have increased excess liability limits as additional and more efficient capacity became available

2

Nuances, Details & Considerations

National Casualty Nuances & Details

Primary Casualty

Primary marketplace conditions, structures and limits for our National Casualty clients remained stable in Q1 2023:

- **General Liability:** Average Q1 2023 renewal rates saw an increase of 1.4% while 53% of renewals yielded a flat or better than flat rate result. The "middle 50%" range was flat to +4.9%.

- **Automobile Liability:** Average renewal rate in Q1 2023 was +3.4%, which marked a slight uptick from what we experienced in Q4 2022. However, 44% of programs still experienced a rate decrease while the "middle 50%" range was 0% to +9.0%.

- **Workers' Compensation:** Continuing to be the most profitable primary casualty line of coverage for carriers, Workers' Compensation renewals in Q1 2023 experienced an average renewal rate of -3.4%, marking yet another quarter of average rate reductions. We were successful in securing a flat or decreased rate on 73% of all Q1 2023 renewals. The "middle 50%" range was -4.8% to +0.1%.

Additional Trends:

- Economic uncertainties and the recent banking crisis may cause carriers in the near term to be more conservative on both rates and collateral requirements. Carriers are also closely reviewing their list of "approved" banks.

- Automobile Liability single plaintiff outcomes continue to increase ($5MM + average) putting pressure on structure, attachment points and pricing.

- Increase in the exploration of Alternative Risk Transfer (ART) solutions to potentially mitigate premium increases due to adverse loss experience, specific market appetites and societal challenges. Loss Portfolio Transfers are also being considered as the current interest rate environment could potentially make this an attractive solution to address historical liabilities.

- Texas Non-subscription has become more challenging with fewer viable competitive markets for Excess Indemnity cover. In addition, an improved Texas Workers' Compensation environment has reduced the potential cost savings of non-subscription.

- Inflation continues to be a concern with respect to legacy reserves, which we have been closely monitoring with clients. Reserve inflation, in addition to exposure growth, could have a negative impact on collateral requirements.

National Casualty Nuances & Details

Lead Umbrella and Excess Casualty

Lead Umbrella & Excess Liability marketplace conditions, structures and limits for our National Casualty clients continued to be stable in Q1 2023:

- **Lead Umbrella Liability:** Average Q1 2023 rate was +4.7%. However, 41% of renewals yielded a flat or better than flat rate result. The "middle 50%" ranged from -2.2% to +10.6%.
- **Total Umbrella / Excess Liability:** Average renewal rate in Q1 was +6.0%, marking the first time since Q2 2022 that we experienced an average rate increase. 39% of programs in Q1 2023 renewed with a flat or below flat rate. The "middle 50%" range was -1.8% to +11.1%.

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.
- Programs have been exposed to the challenged market conditions since its onset in Q2 2019 and while buyers still may face rate calibration, pressure to completely amend structures has significantly diminished.
- Client's "rebounding" from COVID and / or experiencing significant YoY exposure increases have generally been less susceptible to rate pressure. Essentially, carriers have been focused on adequate premium associated with deployed capacity, which, in some cases, has led to a decreased rate as exposures increase.
- Higher Excess layers are more at risk of rate instability due to pricing relativity.
- Alternative Risk Transfer (ART) solutions are increasingly being explored to potentially mitigate premium on more challenged risk classes, attachment point pressures, adverse loss experience, and specific market appetites.
- Carriers anticipate 8% to 10% growth in excess loss reserves due to medical inflation, increased legal costs, and growth in litigation awards and settlements, which could negatively impact rates.
- Carriers remain focused on securing greater details associated with critical and emerging risks, including, but not limited to, biometric privacy, "forever" chemicals (PFAS), Abuse & Molestation, Wildfire, Traumatic Brain Injury (TBI), etc.

National Casualty Nuances & Details

Market Dynamics

- **Pricing:** Pricing for casualty products remains stable – but recent upticks in the Lead Umbrella and Excess Liability space is being closely monitored.
    - Overall, recent renewals have experienced favorable results.
    - Individual risk characteristics are driving pricing outcomes as we continue to trade in a two-tier market.
        - Carriers continue to seek rate increases on accounts with poor risk profiles
        - Markets have rewarded those with positive stories and favorable loss experience

- **Underwriting:** Underwriting remains robust.
        - Carriers continue to focus on risk specific issues

- **Coverages:** Coverage enhancements remain available with quality underwriting data.
    - Markets continue to review coverage grants associated with critical and leading emerging risks, including but not limited to:
        - Forever chemicals (PFAS)
        - Biometric Data
        - Territorial challenges (Russia).
        - Wildfire
        - Traumatic Brain Injury (TBI)
        - Abuse & Molestation

- **Capacity:** Capacity remains stable:
        - Carrier Partners, on some renewals, have agreed to deploy more of their available capacity, but often in a ventilated manner.

- **Concerns:** Carrier partners continue to closely monitor:
        - Inflation
        - Nuclear Verdicts
        - Potential for recession
        - Russia – Ukraine conflict

National Casualty Considerations

Things to consider throughout 2023

Communication: Off-cycle stakeholder (client, Aon, incumbent and alternative carrier partners, etc.) meetings remain paramount. In addition, furnishing underwriters with timely and complete submissions, providing our clients with regular updates on available capacity, rate environment, coverage grants & restrictions, carrier concerns, etc., will ensure expectations are being managed.

Differentiating Clients & Prospects: Distinguishing risk profiles, loss experience and risk mitigation tools and processes for underwriters will help ensure optimal results.

Analytics: Leveraging Aon's proprietary casualty analytical tools allows us to identify and quantify risk appetite and potential structure amendments - while also helping us best position our client's programs in the marketplace.

Carrier Selection: Coordination with Account Executives to gain a clear understanding of overall "premium spends" of other product lines to help identify and leverage key market relationships.

Budgeting: Prospective budget estimates and potential renewal structures should be reviewed and recalibrated accordingly.

Structure: Explore and quantify alternative structure options, inclusive of various retention thresholds and Alternative Risk Transfer (ART) solutions (Captives, "buffer" programs, 2nd loss coverage, etc.) to ensure optimal results.

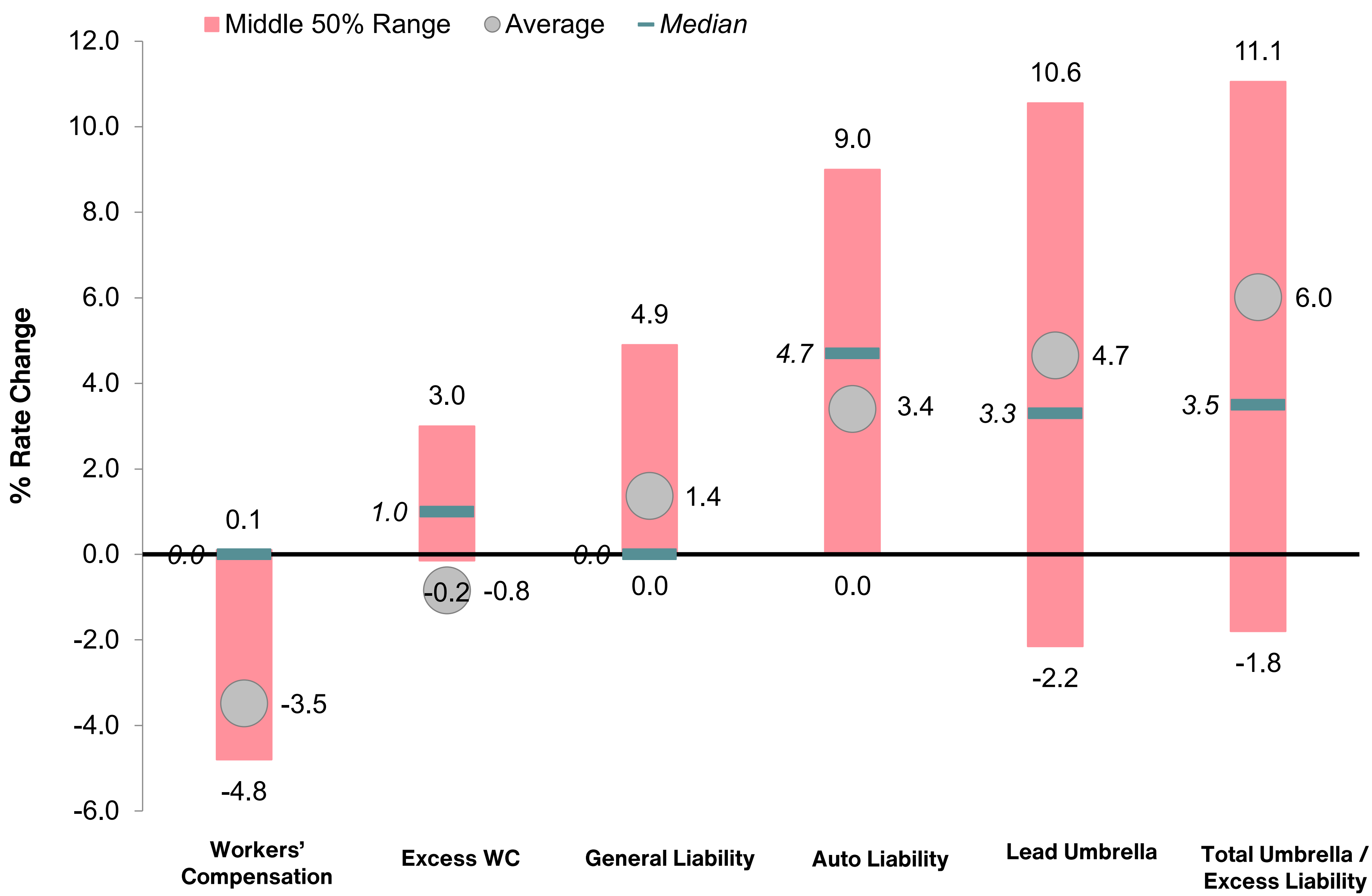
Proprietary Products: Aon Client Treaty (ACT) and our LiFT facility offer options for increased capacity and is a differentiator.

3

Rate Change – Summary and Distribution

Q1 2023

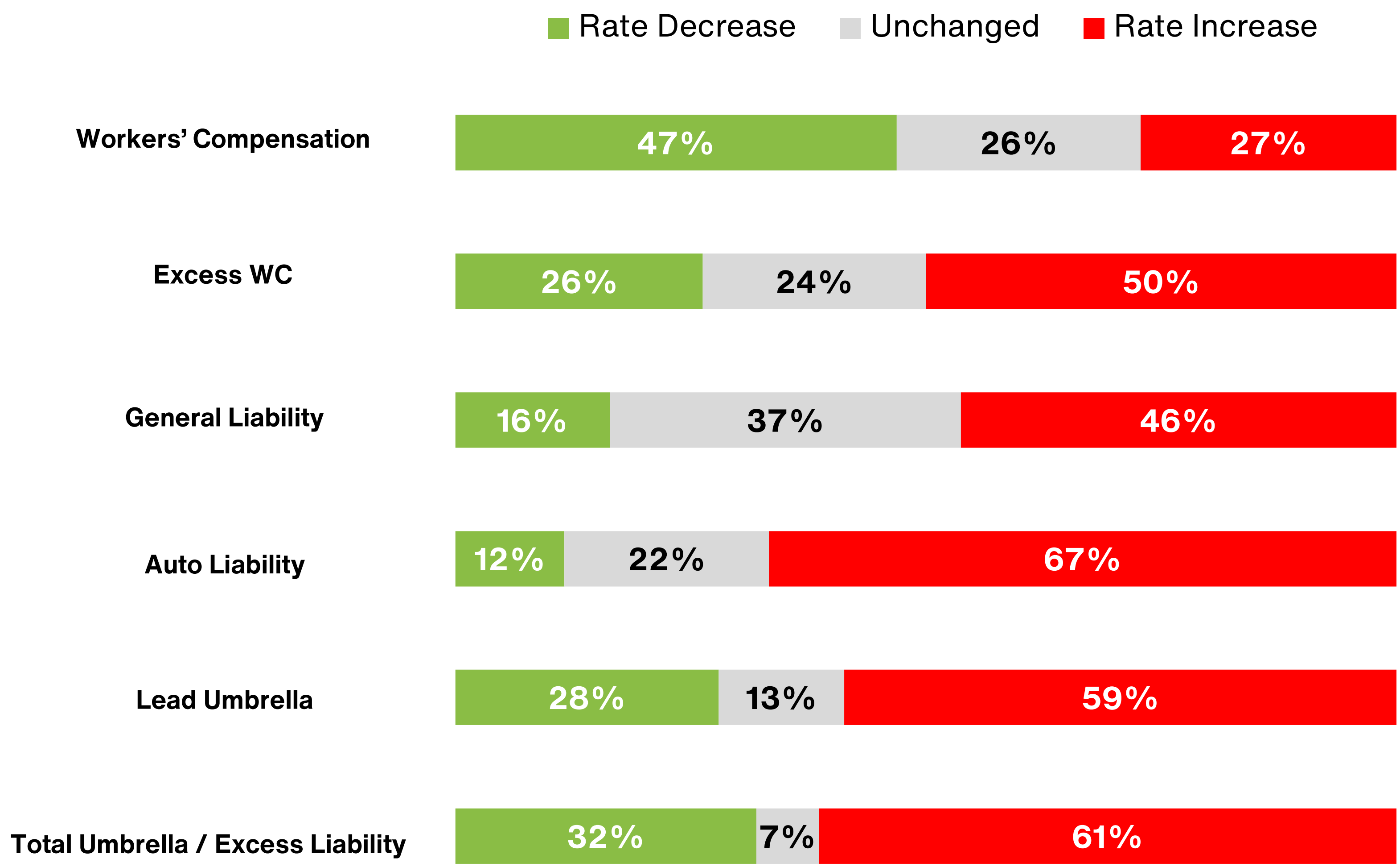
Year-Over-Year Rate Change Summary by Product



- *Reflects year-year rate change by line of business for Aon's National Casualty clients during [PERIOD]*
- *Middle 50% range reflects experience from 25th to 75th percentile*

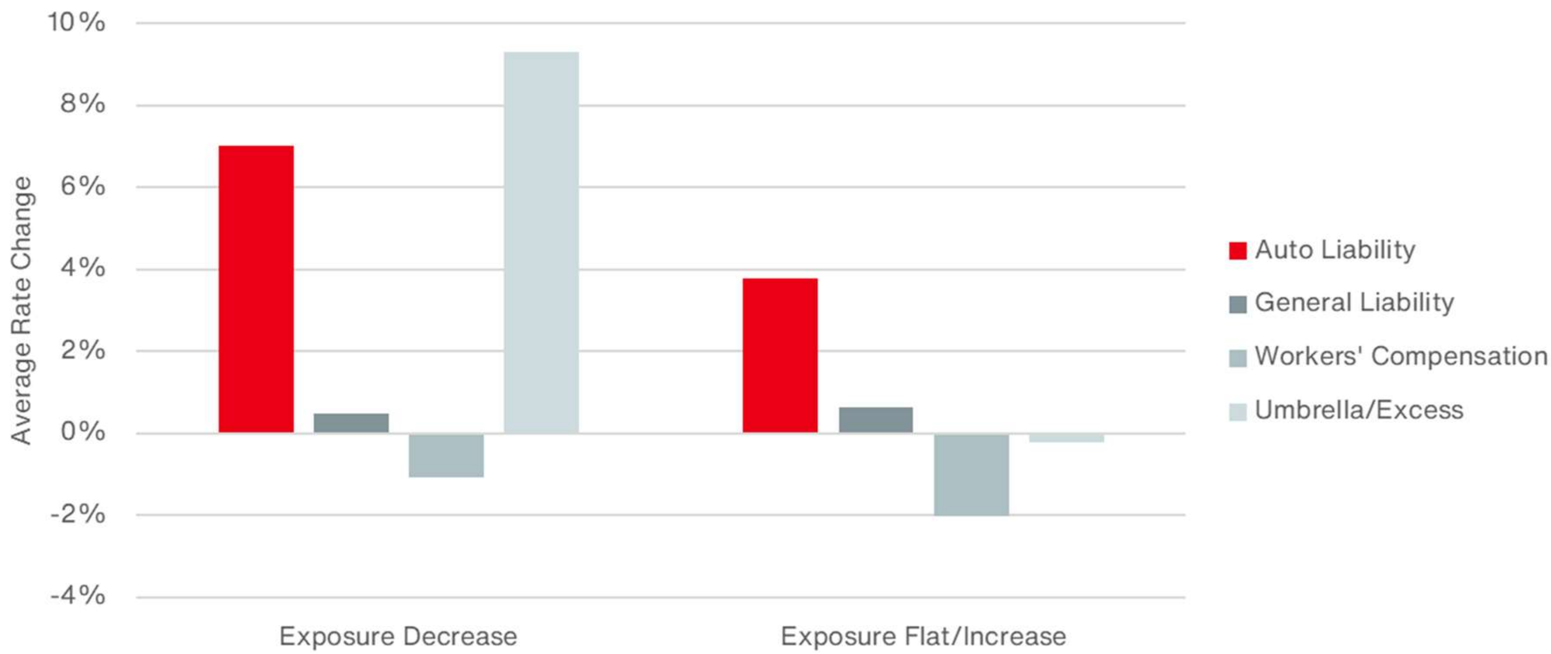
Q1 2023

Distribution of Rate Changes



Q1 2023

Average Rate Change adjusted for Exposure Change



% of Clients with Increasing or Decreasing YoY Exposures

Product	Exposure Decrease	Exposure Flat/Increase
Auto Liability	29%	71%
General Liability	19%	81%
Workers' Compensation	10%	90%
Umbrella/Excess	22%	78%
Grand Total	**19%**	**81%**

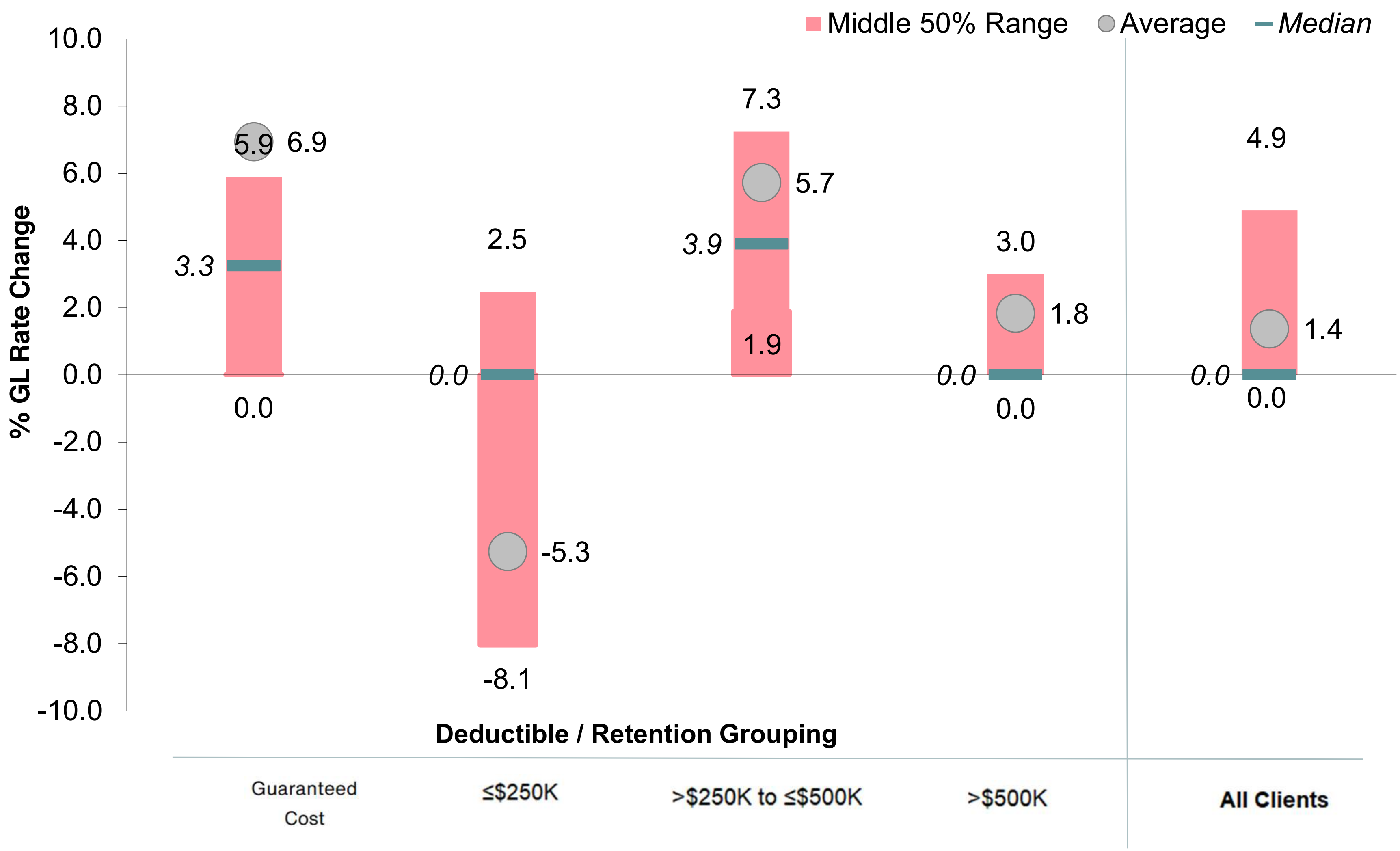
AON

4

Rate Change – Primary Casualty

General Liability

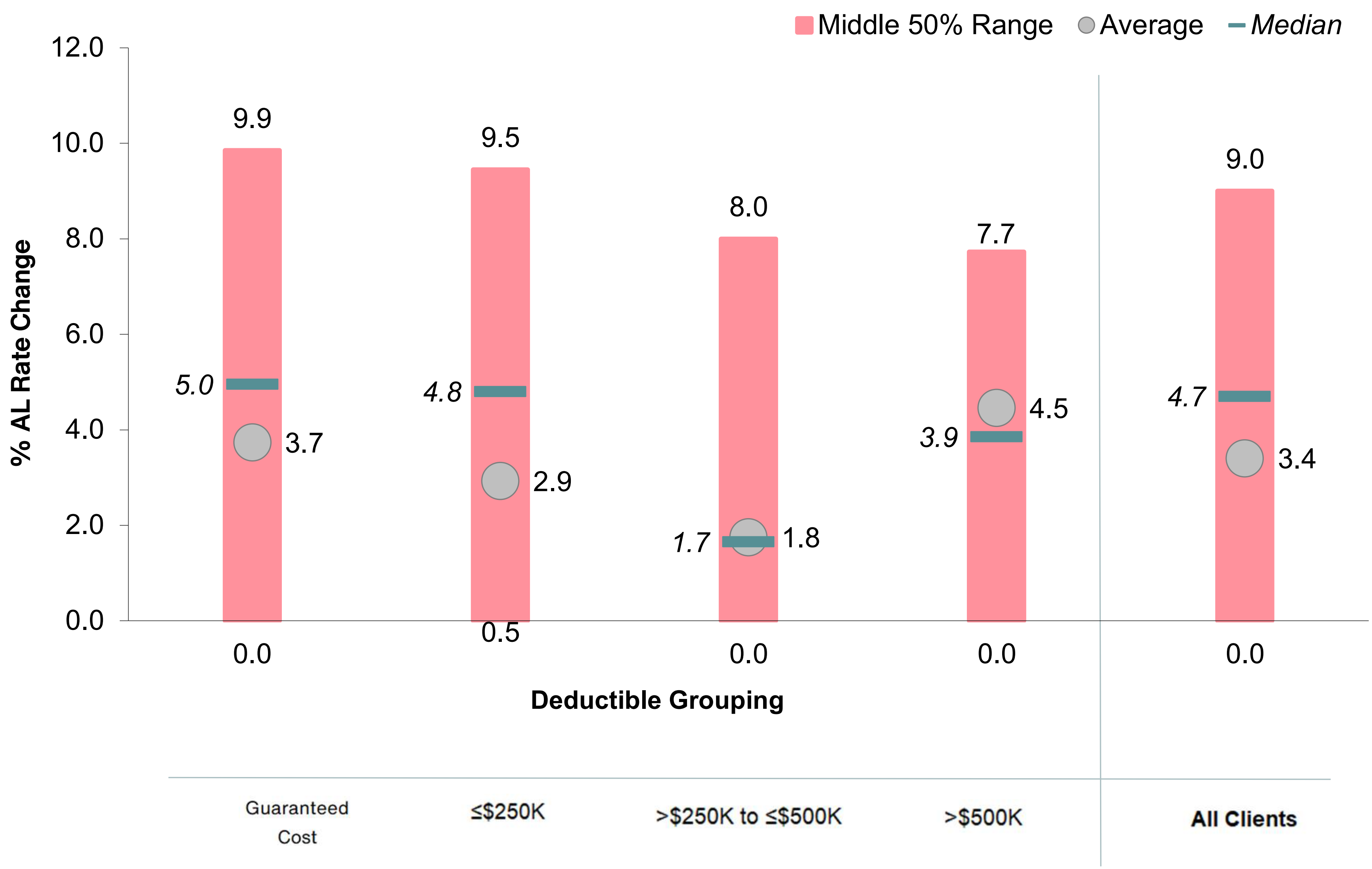
Q1 2023 Rate Change Analysis and Distribution



- *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*

Auto Liability

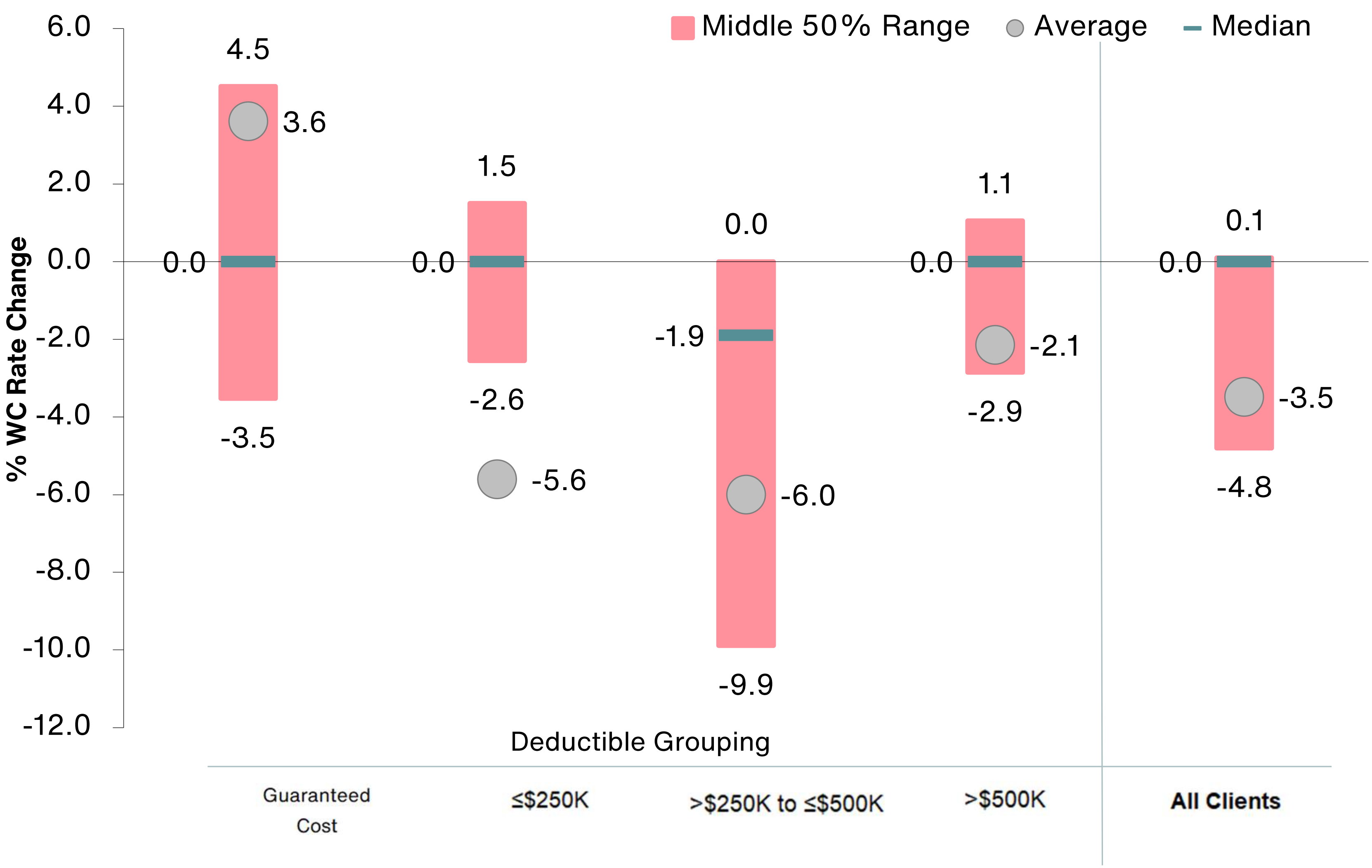
Q1 2023 Rate Change Analysis and Distribution



- *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*

Workers' Compensation

Q1 2023 Rate Change Analysis and Distribution



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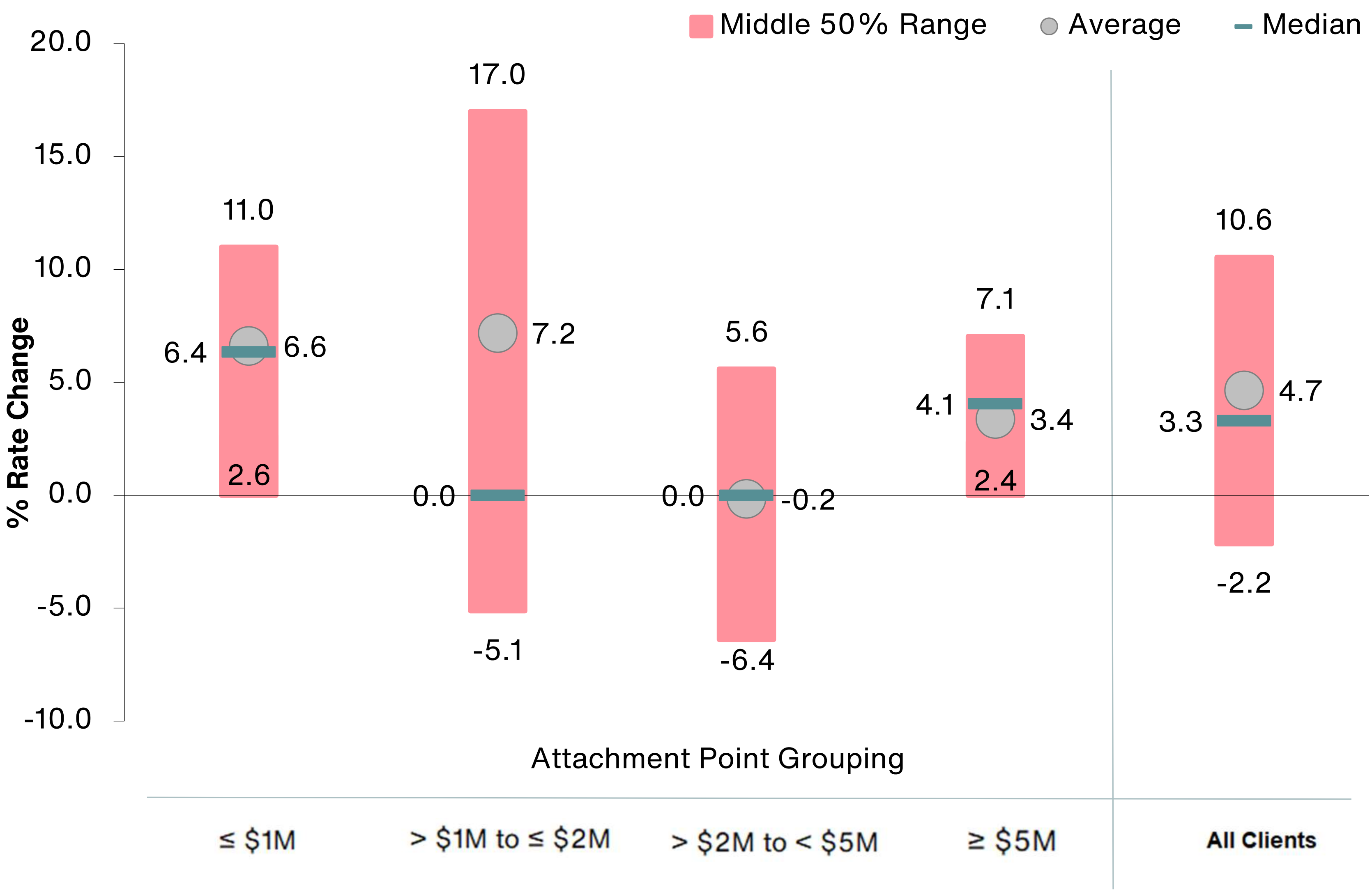
5

Umbrella & Excess Liability Trends

Lead Umbrella

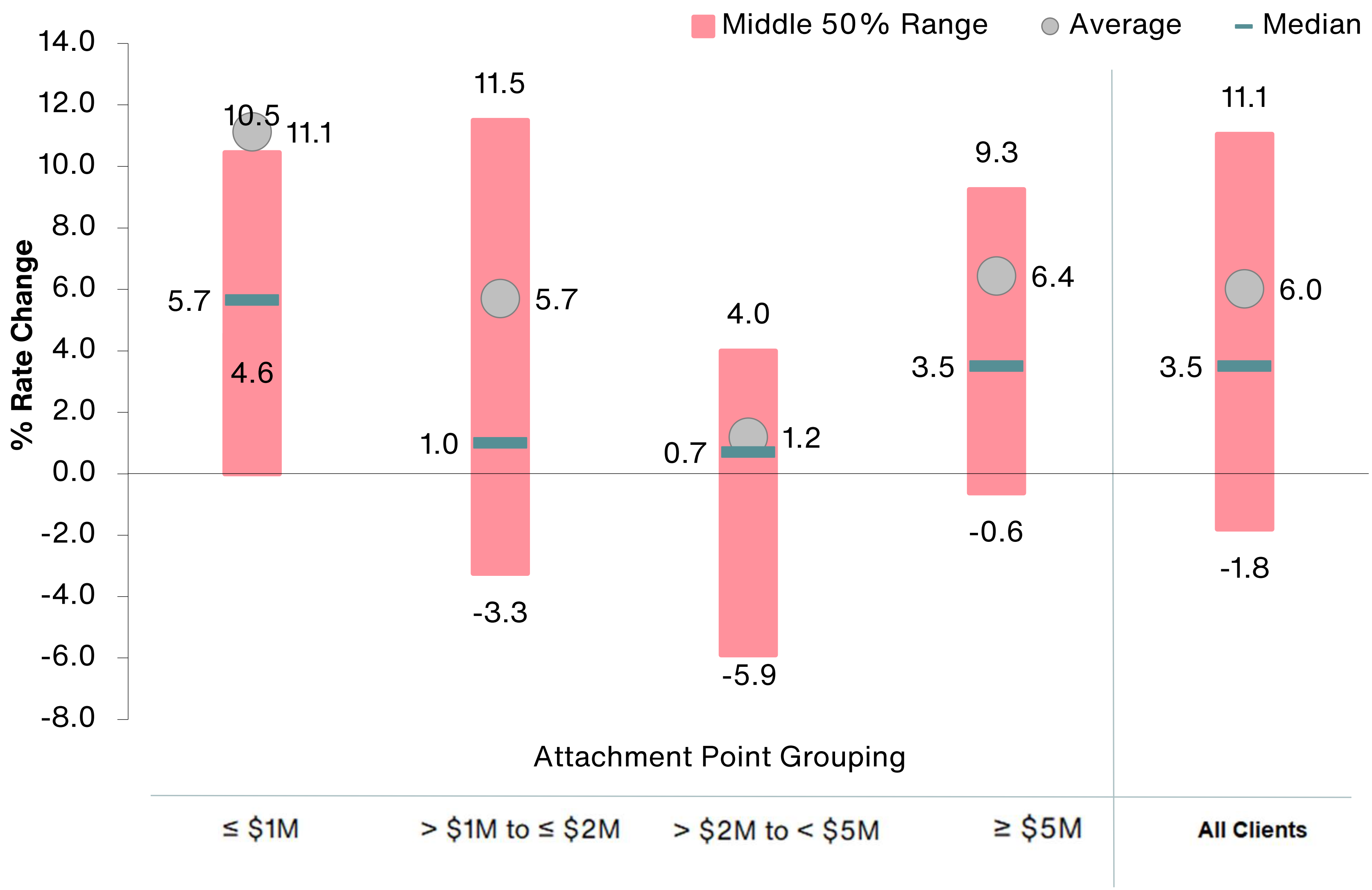
Q1 2023 Rate Change Analysis and Distribution



- *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*

Total Umbrella/Excess Liability Tower

Q1 2023 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*

6

National Casualty Rate Report - Methodology

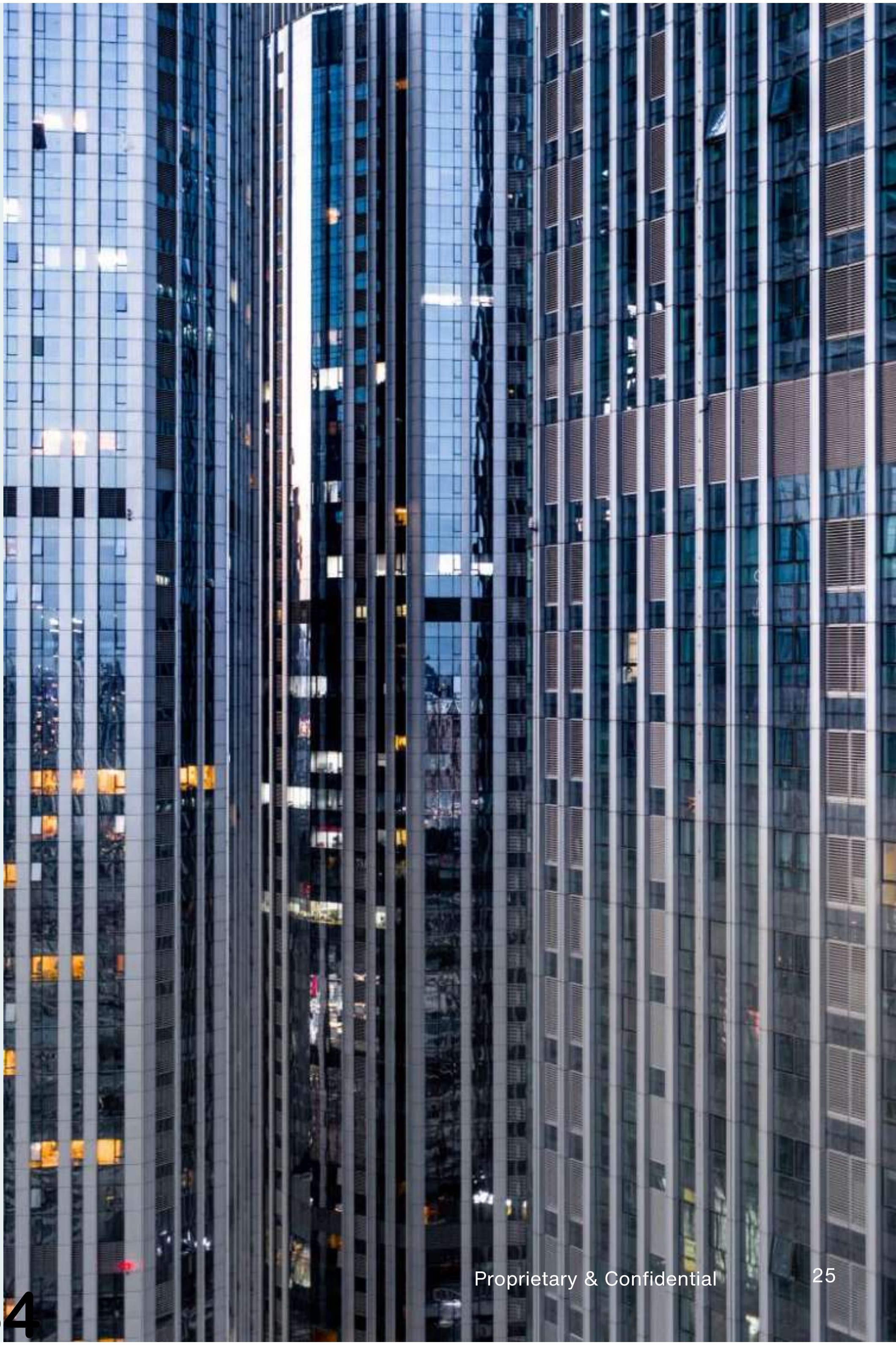
National Casualty Rate Report

Methodology

- With any number of different sources available for marketplace rate analytics, it’s important to recognize the design and intent of this report.
- The objective of the National Casualty Quarterly Rate Report is to capture the large, complex casualty marketplace for the preceding three months and to provide insights from that data on market trends and outlook for upcoming client renewals.
- It is not intended to capture middle-and-small market business, as there are other avenues within Aon to represent this data. The middle-and-small market business does not always behave in the same manner as large, complex casualty client business. In addition, where the client’s industry is mainly in the Energy sector or Construction, Aon reports data and insights for these industries separately.
- We have taken great care to provide this information to accurately reflect year-over-year comparisons, so program structure changes have been adjusted to an “apples to apples” comparison.

7

Large Loss Examples



Examples of Large Casualty Loss Verdicts

Tractor-trailer struck by van resulting in fatality. Trucking company found liable as a result of inadequate driver training. $247MM in damages.

Army veterans awarded $110MM due to defective ear plugs. $30MM in compensatory damages and $80MM in punitive damages.

Employee assaulted customer resulting in fatality. Employer liable for damages in the amount of $337.5MM as a result of faulty hiring practices.

Customer assaulted on premises resulting in severe injuries and traumatic brain injury. $91MM in damages awarded.

Driver of rear vehicle failed drug test following rear-end collision. Trucking company found liable for faulty hiring policies. $101MM in damages.

School district liable for sexual abuse & molestation claim resulting in damages of $102.5MM amongst 2 plaintiffs.

Cancer survivor successful in suit against chemical company for continuous exposure to PFAS. $40MM in damages awarded.

Company agreed to pay $55MM in penalties prior to facing criminal prosecution as a result of causing two wildfires.

8

Key Contacts

Thank you

Key contacts in addition to your National Casualty Broker

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ACWA JPIA
Renewal of Reinsurance and Excess General Liability Policies
September 27, 2023

BACKGROUND

The JPIA's Liability Program renews on October 1, 2023, 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 then 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

While the liability market for public entities in general continues to be challenging due to ongoing hardening of the insurance market and reduced capacity, the JPIA's renewal fared better than expected. Rate changes at the various layers range from 2.5% to 5% which is significantly lower than market trends, with most public entities seeing double-digit increases.

Total estimated cost for excess/reinsurance coverage, including CWIF at the $10M x $10M layer, is expected to be approximately $9.2M, an increase of just under 16% over the prior year. It should be noted that the largest impact on cost is the 9.5% increase in estimated payroll. The overall rate increase, net of payroll and broker fees, is 5.4%.

The rate for the $10M x $10M CWIF layer has increased by just under 11%, increasing the cost from approximately $2.08M to $2.5M, due to adverse loss development since the prior actuarial study was completed. The cost to transfer the risk for the $10M x $10M layer to a reinsurance carrier would be approximately $3.2 - $4M; thus, staff believes it is still favorable to retain this risk, versus transfer it. The $10M x $10M layer continues to be funded at the 90% confidence level.

With regard to our commercial excess/reinsurance partners, all incumbent carriers have re-committed to the Program. However, one incumbent carrier, Hallmark, who currently provides coverage at the $5M excess of $45M layer, has been removed due to a downgrade in their AM Best Rating from A- to B++. Additionally, Great American, who currently insures the $5.5M excess of $29.5M layer, has offered renewal terms for that layer; however, a new carrier option, Midvale, has also offered terms that are more favorable. As Great American has been a long-term partner with the JPIA, retaining them on the Program in some capacity is desirable. As such, Great American has offered to provide a $2M quota share within the $9.5M excess of $20M layer.

With regard to the $5.5M excess of $29.5M layer, the new carrier, Midvale, is limited to $5M of capacity. Therefore, staff recommends deploying CWIF, in a quota-sharing capacity, to reinsure $500K of the layer. Utilizing CWIF strategically in the liability tower has proven to strengthen not only the Program’s potential future equity position, but also benefits us from a reputational standpoint in the insurance industry with carriers feeling more comfortable with our risk due to our willingness to self-insure significant portions of our tower.

RECOMMENDATION

That the Liability Program Committee recommends that the Executive Committee approve the reinsurance and excess terms, conditions, and premiums as presented. Coverage to be effective October 1, 2023.

Prepared by: Adrienne Beatty, Assistant Executive Officer Date prepared: September 20, 2023

2022- 2023 Renewal Tower

Payroll 859,875,232

Layer	Coverage	Cost	Rate per $100 PR	
55M	**Score** $5M x $50	$137,323	0.0160	Excess Insurance
50M	**Hallmark** $5M X $45M	$137,326	0.0160	
45M	**AWAC** $10M x $35M	$459,463	0.0160	
35M	**Great American** $5.5M x $29.5M	$571,778	0.0160	Reinsurance
29.5	**Everst** $5Mpo $9.5Mx$2M0; **Applied** $2.5Mpo $9.5Mx$20M; **Upland** $2Mpo $9.5Mx$20M	$1,324,159	0.1540	
20M	**JPIA CAPTIVE** $10M x $10M $30M Total Aggregrate	$2,080,898	0.2420	
10M	**Safety National** $5M xs $5M Liability *Subject to a $15M per event aggregrate*	$3,091,488	0.3595	
5M	Pooled Retention - $5M Liability			

TOTAL PREMIUM (Net of Broker's Fee)
$7,802,435

Rate	0.907
Increase	13.6%

2023- 2024 Renewal Tower

Payroll 941,895,198

Layer	Coverage	Cost	Rate per $100 PR	% change	
55M	**Score** $5M x $50	$157,865	0.0168	4.95%	Excess Insurance
50M	**Starstone** $5M X $45M	$157,865	0.0168	4.95%	
45M	**AWAC** $10M x $35M	$531,377	0.0168	4.95%	
35M	**Midvale $5M x $30M**	$500,000	0.0168	4.95%	Reinsurance
30M	**Everest** $4Mpo $10Mx$20M; **Great American** $2.5Mpo $10Mx$20M; **Applied** $1.5Mpo $10Mx$20M; **Upland** $2Mpo $10Mx$20M	$1,560,000	0.1656	7.55%	
20M	**JPIA CAPTIVE** $10M x $10M $30M Total Aggregrate	$2,524,000	0.2680	10.73%	
10M	**Safety National** $5M xs $5M Liability *Subject to a $15M per event aggregrate*	$3,444,848	0.3657	1.73%	
5M	Pooled Retention - $5M Liability				

TOTAL PREMIUM (Net of Broker's Fee)
$8,875,955

Rate	0.942
Increase	3.9%

ACWA JPIA
Liability Program Renewal Pricing
September 27, 2023

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

The Deposit Premium (line 2) for the policy 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 10/1/23-24 policy year are mailed to the members in October.

CURRENT SITUATION
Net investment income is projected at 5% return. This is due to the higher returns expected because of the formation 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 10/1/23-24 policy year indicate an increase of approximately 9.5% (line 14). There is an increase in the paid claims and claims reserves (line 6) of about 22%. This is due to the increase in the estimated loss rate from the actuary of 10% ($2.335 vs $2.6). The proposed excess insurance costs have increased 16.3% (line 7).

Two options have been presented for point of reference.

The 1st option presents pricing with no change. In this scenario, the Rate of Deposit Premium to Payroll (line 16) remains the same. Under this option, Retrospective Premium Adjustments (line 3) would result in $2.613 million additional funds being assessed to members.

The 2nd option is presented with a 10% increase to the Rate of Deposit Premium to Payroll (line 16). Under this option, Retrospective Premium Adjustments (line 3) would result in $961 thousand returned funds to members.

Staff recommend approval of option 2 – 10% rate increase.

RECOMMENDATION
That the Liability Program Committee recommends that the Executive Committee approve option 2 – a 10% rate increase, effective October 1, 2023, as presented.

Prepared by: David deBernardi, Director of Finance Date Prepared: September 19, 2023

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

LIABILITY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of September 27, 2023

OPTION 1 - No price change

		Policy Year 10/1/2021-22 Budget	Policy Year 10/1/2022-23 Budget	**Policy Year 10/1/2023-24 Budget**		% Change from 10/1/2022-23 10/1/2023-24
1	**REVENUE:**					
2	Deposit Premiums Earned	$ 22,032,500	$ 26,395,224	**$ 28,916,177**		9.55%
3	Retrospective Premium Adjustments	1,048,662	**(556,395)**	**2,613,861**		-569.79%
4	Net Investment Income	4,734,269	5,645,119	**5,952,206**		5.44%
5	Total Revenue	27,815,431	31,483,948	**37,482,244**		19.05%
	EXPENSES:					
6	Paid Claims and Claims Reserves	16,895,852	20,078,087	**24,489,275**		21.97%
7	Purchased Excess Insurance	7,393,133	7,928,861	**9,159,569**	A	15.52%
8	General & Admin. Expenses	3,526,446	3,477,000	**3,833,400**		10.25%
9	Total Expenses	27,815,431	31,483,948	**37,482,244**		19.05%
	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	338	342	**345**		0.88%
14	Total Payrolls (000's omitted)	$ 789,526	$ 859,875	**$ 941,895**		9.54%
15	Ratio of Incurred Losses to Payroll	**$ 2.140**	**$ 2.335**	**$ 2.600**		11.35%
16	**Ratio of Deposit Premium to Payroll**	**$ 2.791**	**$ 3.070**	**$ 3.070**		**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	$ 60,000,000	$ 55,000,000	$ 55,000,000		

CALCULATIONS

Line #

2 Deposit Premium - 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 $12,778,000***

10 Self Insured Excess Fund - 0% of Deposit Premiums

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

VARIABLES	BUDGET 10/1/2022-23	BUDGET 10/1/2023-24
PAYROLL	$859,875,232	$941,895,198
LOSS RATE/$100 OF P/R - Actuary	$2.335	$2.600

G&A Budget 2022-23		13,483,000
B-Swift		(425,000)
DIR		(250,000)
PCORI		(30,000)
	***	12,778,000

Purchased Excess Insurance Detail		
Net Premium		6,329,969
CWIF Premium $10M x $10M		2,524,000
CWIF Premium $500k x $30M		157,725
Brokers Fee		147,875
	A	9,159,569

David deBernardi: Excludes dam failure - AON total net premium $7,166,816 less $679,122 dam failure less CWIF $500k x of $30M listed separately.

INTEREST EARNINGS CALCULATIONS

10/1/2022-23

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings	Future Value	
		5.00%		
	18,466,363			11
14.0%	15,881,072	858,686	1,468,644	10
37.0%	11,633,809	687,872	1,120,471	9
58.0%	7,755,872	484,742	751,994	8
73.0%	4,985,918	318,545	470,636	7
85.0%	2,769,954	193,897	272,832	6
93.0%	1,292,645	101,565	136,107	5
94.0%	1,107,982	60,016	76,597	4
97.0%	553,991	41,549	50,503	3
97.0%	553,991	27,700	32,066	2
100.0%	-	13,850	15,269	1
FV OF ANNUAL EARNINGS			4,395,119	
CAT FUND CONTRIBUTION		0		
Interest Earnings			0	
SIEF		0		
Other Interest Earnings (CAT Fund)			1,250,000	
TOTAL INTEREST EARNINGS			5,645,119	

10/1/2023-24

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings	Future Value			G&A Allocation
		5.00%				
	19,756,608			11		
14.0%	16,990,682	918,682	1,571,258	10	0.334	1,280,944
37.0%	12,446,663	735,934	1,198,758	9	0.255	977,269
58.0%	8,297,775	518,611	804,536	8	0.171	655,885
73.0%	5,334,284	340,801	503,519	7	0.107	410,486
85.0%	2,963,491	207,444	291,895	6	0.062	237,963
93.0%	1,382,963	108,661	145,617	5	0.031	118,712
94.0%	1,185,396	64,209	81,949	4	0.017	66,807
97.0%	592,698	44,452	54,032	3	0.011	44,049
97.0%	592,698	29,635	34,306	2	0.007	27,968
100.0%	0	14,817	16,336	1	0.003	13,318
FV OF ANNUAL EARNINGS			4,702,206			3,833,400
CAT FUND CONTRIBUTION		0				
Interest Earnings			0			
SIEF		0				
Interest from Catastrophic Fund			1,250,000			
TOTAL INTEREST EARNINGS			5,952,206			

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

LIABILITY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of September 27, 2023

OPTION 2 - 10% increase

		Policy Year 10/1/2021-22 Budget	Policy Year 10/1/2022-23 Budget	**Policy Year 10/1/2023-24 Budget**		% Change from 10/1/2022-23 10/1/2023-24
1	**REVENUE:**					
2	Deposit Premiums Earned	$ 22,032,500	$ 26,395,224	**$ 31,804,253**		20.49%
3	Retrospective Premium Adjustments	1,048,662	**(556,395)**	**(961,598)**		72.83%
4	Net Investment Income	4,734,269	5,645,119	**6,639,588**		17.62%
5	Total Revenue	27,815,431	31,483,948	**37,482,244**		19.05%
	EXPENSES:					
6	Paid Claims and Claims Reserves	16,895,852	20,078,087	**24,489,275**		21.97%
7	Purchased Excess Insurance	7,393,133	7,928,861	**9,159,569**	A	15.52%
8	General & Admin. Expenses	3,526,446	3,477,000	**3,833,400**		10.25%
9	Total Expenses	27,815,431	31,483,948	**37,482,244**		19.05%
	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	338	342	**345**		0.88%
14	Total Payrolls (000's omitted)	$ 789,526	$ 859,875	**$ 941,895**		9.54%
15	Ratio of Incurred Losses to Payroll	**$ 2.140**	**$ 2.335**	**$ 2.600**		11.35%
16	**Ratio of Deposit Premium to Payroll**	**$ 2.791**	**$ 3.070**	**$ 3.377**		**10.00%**
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	$ 60,000,000	$ 55,000,000	$ 55,000,000		

INTEREST EARNINGS CALCULATIONS

10/1/2022-23

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings	Future Value	
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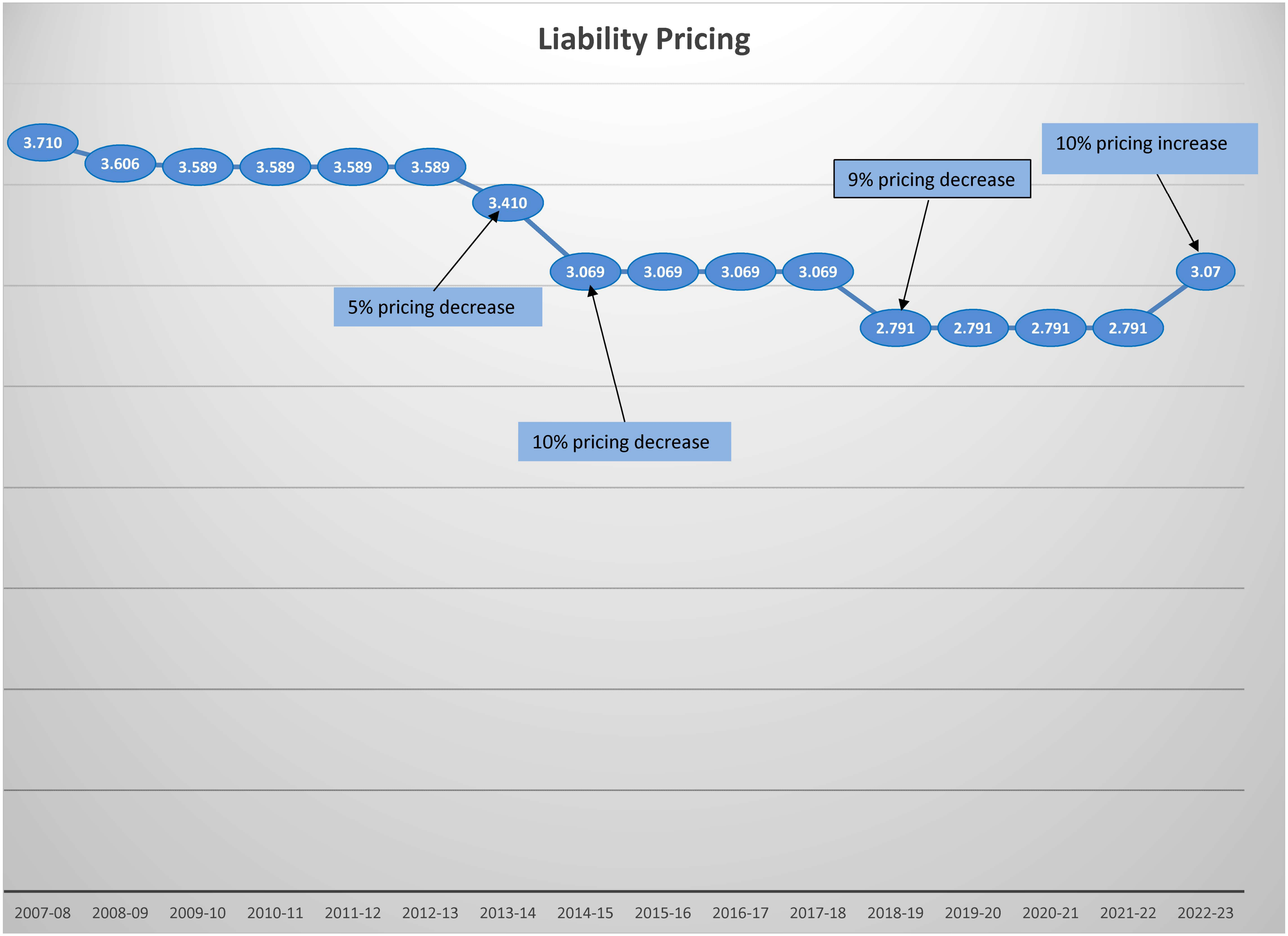
	18,466,363			11
14.0%	15,881,072	858,686	1,468,644	10
37.0%	11,633,809	687,872	1,120,471	9
58.0%	7,755,872	484,742	751,994	8
73.0%	4,985,918	318,545	470,636	7
85.0%	2,769,954	193,897	272,832	6
93.0%	1,292,645	101,565	136,107	5
94.0%	1,107,982	60,016	76,597	4
97.0%	553,991	41,549	50,503	3
97.0%	553,991	27,700	32,066	2
100.0%	-	13,850	15,269	1
FV OF ANNUAL EARNINGS			4,395,119	
CAT FUND CONTRIBUTION		0		
Interest Earnings			0	
SIEF		0		
Other Interest Earnings (CAT Fund)			1,250,000	
TOTAL INTEREST EARNINGS			5,645,119	

10/1/2023-24

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings	Future Value			G&A Allocation
		5.00%				
	22,644,684			11		
14.0%	19,474,429	1,052,978	1,800,949	10	0.334	1,280,944
37.0%	14,266,151	843,514	1,373,996	9	0.255	977,269
58.0%	9,510,767	594,423	922,145	8	0.171	655,885
73.0%	6,114,065	390,621	577,125	7	0.107	410,486
85.0%	3,396,703	237,769	334,565	6	0.062	237,963
93.0%	1,585,128	124,546	166,903	5	0.031	118,712
94.0%	1,358,681	73,595	93,928	4	0.017	66,807
97.0%	679,341	50,951	61,931	3	0.011	44,049
97.0%	679,341	33,967	39,321	2	0.007	27,968
100.0%	0	16,984	18,724	1	0.003	13,318
FV OF ANNUAL EARNINGS			5,389,588			3,833,400
CAT FUND CONTRIBUTION		0				
Interest Earnings			0			
SIEF		0				
Interest from Catastrophic Fund			1,250,000			
TOTAL INTEREST EARNINGS			6,639,588			


Liability Pricing
3.710
3.606
3.589
3.589
3.589
3.589
3.410
3.069
3.069
3.069
3.069
2.791
2.791
2.791
2.791
3.07
5% pricing decrease
10% pricing decrease
9% pricing decrease
10% pricing increase
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23

ACWA JPIA
Liability Claims Department Update
September 27, 2023

BACKGROUND
At the September 27, 2023, Liability Program Committee Meeting, the Liability Claims Department Manager, Jennifer Nogosek, will provide an update.

CURRENT SITUATION
In November the Liability Claims Department promoted our Claims Assistant to Claims Adjuster. And in January we hired a new Claims Assistant who came from our Finance Department.

New claims continue to increase. We recently requested authority to hire a new Senior Claims Adjuster and Administrative Assistant. Pending Executive Committee approval, we will begin the recruitment process in the next few months.

RECOMMENDATION
None, information only.

Prepared by: Jennifer Nogosek, Liability/Property Claims Mgr Date prepared: September 20, 2023

ACWA JPIA
Director of Pooled Programs Update
September 27, 2023

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.

Prepared by: Jennifer Jobe, Director of Pooled Programs   Date prepared: September 7, 2023