



A California Public Agency

California Affiliated Risk Management Authorities
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**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
BOARD OF DIRECTORS**

AGENDA

**Bickmore Risk Services
1750 Creekside Oaks Drive, Suite 200
Sacramento, California 95833
(800) 541-4591**

**Wednesday, June 20, 2012
10:00 a.m. - 2:00 p.m.**

**Dial in Number: 1-866-286-0686
Participant Identification Number: 2804465917**

All or portions of this meeting will be conducted by teleconferencing in accordance with Government Code Section 54953(b). Teleconference locations for members of the public to participate are as follows:

City of Piedmont, 120 Vista Avenue, Piedmont, CA; MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA; City of Hollister, 375 Fifth Street, Hollister, CA; City of Kerman, 850 South Madera Avenue, Kerman, CA; San Mateo County MVCD, 1351 Rollins Road, Burlingame, CA 94010; and Sacramento-Yolo MVCD, 8631 Bond Road, Elk Grove, CA.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Ms. Ramona Buchanan at (916) 244-1185 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the CARMA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at: 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833. The documents are also available on CARMA's website, www.carmajpa.org.

Page

- 1. CALL TO ORDER**
- 2. INTRODUCTIONS**
- 3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

4.	PUBLIC COMMENTS – This time is reserved for members of the public to address the Board relative to matters of the California Affiliated Risk Management Authorities not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.	
5.	CONSENT CALENDAR	1
	*A. Minutes of the April 18, 2012, Board of Directors' Meeting	2
	*B. Warrant Listing from April 1, 2012, through May 31, 2012	12
	*C. Treasurer's Report as of March 31, 2012	13
	*D. Agreement between the California Affiliated Risk Management Authorities (CARMA) and Bickmore Risk Services (BRS) for Administration, Litigation Management, and Financial Services	40
	*E. White Paper – Joint and Several Liability by Mr. Linzie Kramer, Bickmore Risk Services	59
	*F. CARMA Memorandum of Coverage (MOC) for the 2012/2013 Program Year <i>Recommendation: Approval of the Consent Calendar</i>	70
6.	ADMINISTRATIVE MATTERS	
	*A. Resolution of the Board of Directors of CARMA Establishing Meeting Dates for the 2012/2013 Fiscal Year. <i>Recommendation: Staff recommends the Board of Directors adopt Resolution No. 4-2011/2012 as presented.</i>	93
	*B. Agreement between CARMA and Alliant Insurance Services for Brokerage Services – Draft One-Year Agreement <i>Recommendation: Staff recommends the Board of Directors approve the one-year agreement between CARMA and Alliant Insurance Services for Brokerage Services.</i>	95
	*C. CARMA 2012/2013 Strategic Goals & Action Items Update <i>Recommendation: None. Information only.</i>	115
7.	COVERAGE MATTERS	
	*A. Renewal Rates for Specific Reinsurance and Excess Coverage for the 2012/2013 Program Year. <i>Recommendation: Approve placement of reinsurance in the Alliant ANML program with \$10 million limits, and excess of \$15 million from Colony for a total of \$25 million excess of the CARMA pooled layer.</i>	118
8.	FINANCIAL MATTERS	
	*A. Presentation of the Internal Financial Statements as of March 31, 2012 <i>Recommendation: Staff recommends the Board of Directors approve the CARMA Internal Financial Statements as of March 31, 2012.</i>	122
	*B. CARMA Annual Operating Budget for the 2012/2013 Program Year <i>Recommendation: Staff recommends the Board of Directors adopt the CARMA Annual Operating Budget at the 75% confidence level, using a discount factor of 2.5%.</i>	131

* = Material on agenda item enclosed

** = Material on agenda item enclosed for Board members only

9. **ELECTION AND APPOINTMENT OF OFFICERS**

- *A. Nomination and Election of President and Vice President, and Appointment of Treasurer for the 2012/2013 Program Year **173**

Recommendation: Staff recommends that the Board of Directors nominate and elect a President and Vice President, with the President then appointing the Treasurer, to serve for the 2012/2013 Program Year.

10. **CLOSING COMMENTS**

This time is reserved for comments by the Board members and staff and to identify matters for future Board business.

- A. Board
- B. Staff

11. **ADJOURNMENT**

NOTICES:

- ❖ Pending approval of the Resolution of the Board of Directors of CARMA Establishing Meeting Dates for the 2012/2013 Program Year, the next Board of Directors' meeting is scheduled for Friday, September 21, 2012, at 9:00 a.m. at the Embassy Suites in South Lake Tahoe, California.
- ❖ The California Association of Joint Powers Authorities (CAJPA) Fall Annual Conference is scheduled to be held on September 18 – 21, 2012, in South Lake Tahoe, California. If you would like a registration packet or assistance with accommodations, please contact Ms. Ramona Buchanan, CARMA Board Secretary, at (800) 541-4591, extension 1185.

* = Material on agenda item enclosed

** = Material on agenda item enclosed for Board members only

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar.

RECOMMENDATION:

Approval of Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Minutes of the April 18, 2012, Board of Directors' Meeting
- B. Warrant Listing from April 1, 2012, through May 31, 2012
- C. Treasurer's Report as of March 31, 2012
- D. Agreement between the California Affiliated Risk Management Authorities (CARMA) and Bickmore Risk Services (BRS) for Administration, Litigation Management, and Financial Services
- E. White Paper – Joint and Several Liability by Mr. Linzie Kramer, Bickmore Risk Services
- F. CARMA Memorandum of Coverage (MOC) for the 2012/2013 Program Year

Agenda Item 5.A.-F.

**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
(CARMA)**

**DRAFT MINUTES OF THE BOARD OF DIRECTORS'
MEETING OF APRIL 18, 2012**

A regular meeting of the Board of Directors of CARMA was held on April 18, 2012, at Bickmore Risk Services in Sacramento, California.

BOARD MEMBERS PRESENT: Geoff Grote, BCJPIA, President
Robert Galvan, MBASIA, Vice President
Jake O'Malley, MPA, Treasurer
Robert Gay, VCJPA
Tim Przybyla, CSJVRMA

BOARD MEMBERS ABSENT: None

ALTERNATE MEMBERS PRESENT: None

OTHERS PRESENT: Karen Thesing, Executive Director
Michael Groff, Litigation Manager
Nancy Broadhurst, Finance Manager
Breanne Hughey, Staff Accountant
Ramona Buchanan, Board Secretary
Craig Farmer, Legal Counsel
Rob Kramer, Bickmore Risk Services
Jeanette Workman, Bickmore Risk Services
Brian Kelley, Bickmore Risk Services
Adrienne Beatty, Bickmore Risk Services
Michael Simmons, Alliant Insurance Services, Inc.
Seth Cole, Alliant Insurance Services, Inc.
Tim Farley, Farley Consulting Services, LLC
Jack Joyce, Bay Actuarial Consultants

1. CALL TO ORDER

The April 18, 2012, Board of Directors' meeting was called to order at 10:07 a.m. by President Geoff Grote.

2. INTRODUCTIONS

Those in attendance introduced themselves, and a quorum of the Board was present.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Tim Przybyla moved to approve the agenda as posted; seconded by Jake O'Malley. Motion passed unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

Robert Galvan moved to approve/accept the following items: A) Minutes of the January 13, 2012, Board of Directors' Meeting; B) Warrant Listing from January 31, 2012, through March 31, 2012; C) Treasurer's Report as of December 31, 2011; D) Internal Financial Statements for the Quarter Ended December 31, 2011; E) CARMA Records for Disposal – 2011; F) CARMA January 12, 2012, Annual Workshop – Financial Talking Points; G) California Association of Joint Powers Authorities (CAJPA) Journal – Winter 2012 Edition; and H) Alliant Letter Dated March 21, 2012 – CARMA 2011/2012 Liability Renewal – Alliant Underwriting Fees; seconded by Tim Przybyla. Motion passed unanimously.

6. ADMINISTRATIVE MATTERS

A. Consideration of the Liability Claims Audit Prepared by Farley Consulting Services, LLC

Mr. Michael Groff, Litigation Manager, reported that CARMA contracts with Farley Consulting Services to conduct its annual audit of the liability claims. Mr. Groff noted that this is an important component of litigation management to ensure that claims are handled properly and the reserves are being correctly set.

Mr. Tim Farley, Farley Consulting Services, advised that the 2011 Liability Claims Audit being presented is in draft format and any changes noted will be included in the final report. Mr. Farley discussed the process involved in conducting a liability claims audit from mid-November to January, noting that one of the objectives of this audit is to identify those claims that should be reported to CARMA.

Directing the Board's attention to the Executive Summary, Mr. Farley noted that each member JPA is provided with the results and an opportunity to respond to these results. Mr. Farley reported that PARSAC, a former CARMA member, was not included in this claims audit and provided an overview on the results based on the number of claims audited for each JPA member as follows: BCJPIA – 40 claims; VCJPA – 17 open claims; CSJVRMA – 40 active claims; MPA – 40 claims;

MBASIA – 14 active claims; and CARMA – 23 open claims. Mr. Farley noted that overall all of the JPAs are performing their claims management effectively.

Jake O’Malley moved that the Board of Directors accepts and files the CARMA 2011 Liability Claims Audit as presented; seconded by Robert Galvan. Motion passed unanimously.

B. Discussion of an Expanded Liability Claims Audit for 2012 – Inclusion of the Public Agency Risk Sharing Authority of California (PARSAC)

Ms. Karen Thesing, Executive Director, reported that for 2011, a standard audit has been completed; however, for 2012, an expanded audit will be conducted whereby each CARMA JPA member will receive its own individualized (breakout) audit report.

Ms. Thesing noted the determination should be made as to whether or not to continue including PARSAC in the liability claims audit. Staff is recommending PARSAC be included in the 2012 report since it has seven claims either in or approaching the CARMA layer.

Mr. Farley concurred with this recommendation and noted that PARSAC would receive a breakout audit report as well.

Tim Przybyla moved that the Board of Directors approves the inclusion of PARSAC in the expanded 2012 CARMA Liability Claims Audit; seconded by Robert Gay. Motion passed unanimously.

C. Agreement between CARMA and Alliant Insurance Services, Inc. for Brokerage Services – Draft One-Year Agreement

Ms. Thesing reported that at its January 13, 2012, meeting, the CARMA Board of Directors tabled any action on re-negotiating an agreement with Alliant Insurance Services (Alliant), or going out for a Request for Proposal (RFP) and directed the CARMA staff to develop a draft one-year agreement with Alliant.

Ms. Thesing advised that staff and legal counsel have diligently worked on the first version of the draft agreement being presented at this meeting.

Ms. Thesing advised that Alliant has agreed to reduce its fee to \$68,000 from \$70,000 for the 2012/2013 fiscal year; a 2.5% reduction in fees. Ms. Thesing further reported that the 20% (decrease/increase) “swing clause” in overall payroll exposure has been reduced to 15%; however, further discussions on the appropriate percent for CARMA are being held with Alliant in this regard. Ms. Thesing further noted that the first-draft agreement has been reviewed by legal counsel, Mr. Craig Farmer, who is present to discuss his review.

Mr. Farmer discussed his review of the first-draft agreement including:

- “Obligations of the Client” (page 5), and requested clarification of this obligation;
 - Mr. Michael Simmons, Alliant, clarified that it is the obligation of CARMA to notify Alliant on any changes in the makeup of the underlying groups that are CARMA members, a member of CARMA, or a change in unique exposures such as the addition of a large airport by an underlying member.
- “Compensation from Client” (pages 7-8), and requested clarification on the level of CARMA’s premiums of policies brokered by Alliant, the disclosure of broker fees, Alliant’s recovery of fees through ASIS, and the offset of these funds against the annual broker’s fees. In particular, Mr. Farmer referenced verbiage appearing in the draft agreement on page 8 and noted language is contained in that section indicating the application of payments or allowances shall be included in the offset of the annual broker’s fee;
 - Mr. Simmons reported that none of the fees from the retail broker services are used to offset fees paid by CARMA to Alliant for services, and noted that the referenced section should be re-worded.
- “Confidentiality” (pages 10-11), and requested clarification on if stamping of “confidential” on a document makes it an official document;
 - Mr. Simmons confirmed that this is a change from the previous agreement and to make a document official, the document should be stamped or have “Confidential” written on it.
- “Survival” (page 12), and discussed the difference between California law and the draft agreement due to the statute of limitations under California law. Regarding a breach of contract, Mr. Farmer noted the law has a longer-termed period of three years than the two years under the draft agreement; and
 - Mr. Simmons advised their attorney has proposed new language to replace this section and will provide that to Mr. Farmer for his review.
- “Non-Solicitation” (page 14), and suggested additional language, “. . . and/or their members. . .” to this section to include underlying members of the CARMA JPA member.
 - Mr. Simmons concurred with this suggestion.

Mr. Farmer advised that the hold harmless language has been drafted and will be provided to Alliant for review.

Discussion ensued, on page 5 – IV. Obligations of the Client, with the question on the consequences of not reporting the written exposures as outlined in this section to Alliant. Ms. Thesing advised this is specifically requested on CARMA’s annual renewal application and encouraged that the underlying members include any unique exposures on their respective application. This will ensure the exposures are captured appropriately for memorializing the exposures to Alliant.

Mr. Simmons noted that this is an exposure that would need to be reported to the carrier, and Alliant cannot be liable for not reporting to the carrier if the exposure was not reported by the underlying member through some sort of communication error.

Mr. Simmons suggested that perhaps an ad hoc committee be formed should an impasse occur between the CARMA Executive Director and Alliant on the agreement, since Alliant is unable to negotiate directly on its contracts with the CARMA Board of Directors. Messrs. Geoff Grote and Tim Przybyla agreed to serve on an ad hoc committee should the need arise.

President Grote noted that based on the review of staff and legal counsel, the document will require revision and inquired if anything further at this point is required of the Board. Ms. Thesing advised that if nothing substantive is required by the Board, staff and legal counsel will continue to work with Alliant on the revisions and the hold harmless language suitable for CARMA, and bring the agreement back to the June 20, 2012, Board of Directors’ meeting with a final recommendation.

At 10:58 a.m., the Board excused the Bickmore Risk Services’ (BRS) staff members from the meeting during the ad hoc committee’s report and discussion of the BRS agreement with CARMA. Staff members rejoined the meeting at 11:38 a.m.

D. Ad Hoc Committee Report on the Agreement between CARMA and Bickmore Risk Services (BRS) for Administration, Litigation Management, and Financial Services

President Grote reported that an evaluation of the services provided by BRS were rated very highly, and the CARMA Board of Directors is prepared to enter into a contract as presented in the March 26, 2012, letter from BRS for an amount of \$305,000 for the 2012/2013 fiscal year commencing on July 1, 2012, for a term of five years, with a 2.5% annual increase for years two through five.

Mr. Grote further discussed the struggle the Board had with the increase in the contract price in light of the economic times; however, the Board believes the level of service received from BRS is essential to the success of CARMA and does not believe other organizations responding to a request for proposal (if sent out) would be able to do as well as BRS; thus, the Board feels it should renew with BRS.

Jake O'Malley moved that the agreement for administration, litigation management, and financial services between Bickmore Risk Services (BRS) and CARMA be renewed for a period of five years, with a base price of \$305,000 for the 2012/2013 fiscal year commencing on July 1, 2012, with an 2.5% annual increase for years two through five; seconded by Tim Przybyla. Motion passed unanimously.

Mr. Rob Kramer, BRS, advised that there will be some "house-keeping" revisions that will be made to the current agreement and the final agreement will be presented to CARMA for the June 20, 2012, Board of Directors' meeting.

7. FINANCIAL MATTERS

A. Review of Actuarial Study Provided by Mr. Jack Joyce of Bay Actuarial Consultants

Mr. Jack Joyce, Bay Actuarial Consultants, directed the Board's attention to the actuarial report dated April 3, 2012, contained in the agenda packet. Mr. Joyce advised that the report is based on claims data at December 31, 2011, and that this analysis is two-fold; namely to come up with projected contribution rates for the 2012/2013 program year, and to roll the numbers forward to June 30, 2012, to project outstanding liabilities for the development of the financial statements.

Mr. Joyce provided an overview of the results of the actuarial study including the following:

- Rates for the \$3M x \$1M for the 2012/2013 program year at a discounted 2.5% interest rate, and at the 75% confidence level, is approximately 15% higher than that for the 2011/2012 program year;
- At the 75% confidence level, it is estimated that the combined reserves plus capital will be adequate to pay all claims incurred through June 30, 2012. This is based on an assumption the CARMA portfolio will earn a return of 2.5% per year from July 1, 2012, forward;
- It was not necessary to increase the rate of inflation this year, as last year's rate appeared to be adequate; and
- As long as the payroll assumption that current payroll is the same as prior year payroll (adjusted for withdrawn members) is accurate, it is not necessary to make an adjustment to the contributions rates for changes in payroll.

Robert Galvan moved that the Board of Directors accepts and files the actuarial study as presented; seconded by Robert Gay. Motion passed unanimously.

Lunch break was taken at 12:01 p.m., with the meeting reconvening at 12:35 p.m. Vice President Galvan began chairing the meeting on behalf of President Grote, who departed during the lunch break. Quorum was established to conduct business.

B. Letter of Engagement for Independent Financial Audit by Sampson, Sampson, & Patterson, LLP

Ms. Thesing reported that Sampson, Sampson, & Patterson, LLP has submitted a proposal to conduct financial audit services for CARMA in the amount of \$8,550 for the next audit of June 30, 2012, which is approximately 2% above the fees for the financial audit conducted at June 30, 2011, in the amount of \$8,400.

Ms. Thesing advised that the proposal from Sampson, Sampson, & Patterson, LLP provides two options for financial audits: 1) June 30, 2012, Financial Audit - \$8,550; or 2) Financial audit at June 30, 2012, for \$8,550, and two additional financial audits at June 30, 2013, and June 30, 2014, for \$8,750 and \$8,950, respectively.

Ms. Thesing reported that staff has worked well with Mr. Bill Patterson and his team and is looking for direction from the Board if it desires to engage Sampson, Sampson & Patterson, LLP, for the next CARMA financial audit.

Tim Przybyla moved that the Board of Directors approves engagement of Sampson, Sampson, & Patterson, LLP to conduct the Independent Financial Audits for CARMA for Fiscal Years Ended June 30, 2012, June 30, 2013, and June 30, 2104, respectively; seconded by Robert Gay. Motion passed unanimously.

C. Consideration of the Proposed Annual Budget Scenarios for the 2012/2013 Fiscal Year

Ms. Thesing reported that the calculations for the proposed annual budget scenarios being presented are based upon calculations and assumptions that were discussed at the January 12, 2012, CARMA Board of Directors' workshop.

Ms. Nancy Broadhurst, Finance Manager, noted that at the workshop an analysis and discussion was held on confidence levels, discount factors and their relationship to pooling rates going forward and the ultimate losses and how that bears an impact on the financial statements. As a result of this discussion, the 2012/2013 proposed budget is being calculated at a 75% confidence level to maintain equity in the CARMA liability program, and a 2.5% discount factor, moved down from last year's discount factor of 3.5% due to the market's low yield on interest income.

Ms. Broadhurst advised that the actuary was requested to provide an analysis of different discount factors, and in reviewing the 2.5% discount factor which is one whole percentage point lower than last year, this results in an increase of \$620,083 (10.47%) over last year's budget.

Ms. Broadhurst directed the Board's attention to and discussed revisions to the proposed 2012/2013 budget over the 2011/2012 budget, including a revised reinsurance allocation of premiums, phasing-out of the experience modification (ex-mod) factor for the reinsurance premium; the VCJPA will no longer be participating in the \$15M x \$14M excess layer; however, will continue to participate in the \$10M x \$4M reinsurance layer; and the withdrawal of some underlying members from CARMA's member JPAs.

Ms. Broadhurst advised that at the 75% confidence level, the rate is 15% higher than the previous year's rate. Ms. Broadhurst noted that a part of the increase is due to the decrease in the discount factor. Further, Ms. Broadhurst noted that actual payroll is being used for calculations as well, and over last year, there is a 4.9% decrease in total payroll.

Ms. Broadhurst discussed the ex-mod calculations for the JPA members, noting that it uses losses from \$100,000, capped at \$1M and advised the oldest four years of six years of losses and payroll are used to calculate the ex-mod, a credibility factor is applied, and capping the ex-mods for no less than .75 or more than 1.25.

Ms. Broadhurst concluded by discussing the proposed 2012/2013 administration budget and noted that a 5% increase has been allocated for reinsurance and excess coverage in the budget; however, it is expected that the increase may not be that high.

Ms. Broadhurst pointed out this will be the last year that the Public Agency Risk Sharing Authority of California (PARSAC), a withdrawn member of CARMA, will be sharing in the administration costs. Ms. Broadhurst noted that as an option and for the Board's consideration as well, a proposed budget has been included in the agenda illustrating the funding for pooled losses at the 75% confidence level with a discounted factor of 3.0%.

Jake O'Malley moved that the Board of Directors approve the proposed 2012/2013 annual operating budget at the 75% confidence level, using a discount factor of 2.5%; seconded by Robert Gay. The motion passed unanimously.

8. COVERAGE MATTERS

A. Report from Alliant Insurance Services on the Status of the Excess Insurance Renewal for CARMA.

Ms. Thesing reported that at the January 13, 2012, meeting the Board of Directors determined it will remain in the Alliant ANML program. Rather than going through a full marketing campaign once again for the reinsurance and excess coverage, the Board has determined it would like to focus on the current two carriers, namely,

AmTrust and Colony, and to establish fair and reasonable rates for the 2012/2013 program year. Although it is too early for an indication at this point in time, Ms. Thesing pointed out, and as Ms. Broadhurst discussed earlier, that a 5% increase for reinsurance and excess coverage has been included in the budget, but from all indications the increase may not be that high.

Mr. Seth Cole, Alliant, directed the Board's attention to a letter provided by Alliant providing an update on CARMA's 2012/2013 renewal. Mr. Cole provided an overview on the commitment of AmTrust for no changes in the reinsurance contract and a 2.5% increase in premium, an approximate \$25,000 increase overall. However, Mr. Cole advised that if the increase equates to more than 2.5%, the reinsurance could go out for market. Mr. Simmons clarified that this is not a binding quote by AmTrust, but more of a commitment. Mr. Cole further reported that Colony normally follows suit with the reinsurer, and that there will be an adjustment for VCJPA's non-participation in that layer.

Mr. Cole discussed the climate in the excess and reinsurer's market and concluded by advising the recommendation is to proceed with AmTrust and Colony, based on the indications. Mr. Cole further recommended that CARMA use the 5% increase indication in its budget for now; however, once an indication has been received, he will advise accordingly.

Discussion ensued with the question if CARMA's total payroll is used by the excess and reinsurers to determine the premium; Mr. Cole confirmed this and noted there will be little impact on the excess premium (Colony layer) with the VCJPA opting out of the \$15M excess the \$14M layer.

Tim Przybyla moved that the Board of Directors accepts the recommendation of Alliant Insurance Services that for the 2012/2013 fiscal year, CARMA continues its reinsurance coverage with AmTrust and excess coverage with Colony; seconded by Robert Gay. Motion passed unanimously.

9. CLOSING COMMENTS

A. Board

None.

B. Staff

Ms. Thesing reported that the revised 2012/2013 operating budget reflecting the revised reinsurance layer and program management amounts will be sent out to the members, and the final budget will be adopted at the June 20, 2012, Board of Directors' meeting.

10. **ADJOURNMENT**

By motion of Tim Przybyla and seconded by Jake O'Malley, the April 18, 2012, Board of Directors' meeting adjourned at 12:59 p.m.

Ramona Buchanan

Ramona Buchanan, Board Secretary

Ranges: From: To: From: To:
 Check Number First Last Check Date 4/1/2012 5/31/2012
 Vendor ID First Last Checkbook ID First Last
 Vendor Name First Last

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
1834	AG100	AGRIP	4/17/2012	CBT GENERAL	PMCHK00000103	\$967.56
1835	BI100	Bickmore Risk Services	4/17/2012	CBT GENERAL	PMCHK00000103	\$24,090.00
1836	FA115	Farmer Smith and Lane, LLP	4/17/2012	CBT GENERAL	PMCHK00000103	\$735.00
1837	MC100	McNamara, Ney, Beatty, Slatter	4/17/2012	CBT GENERAL	PMCHK00000103	\$1,482.60
1839	BC100	BCJPIA	5/7/2012	CBT GENERAL	PMCHK00000104	\$16,541.02
1840	BI100	Bickmore Risk Services	5/7/2012	CBT GENERAL	PMCHK00000104	\$24,090.00
1841	BU105	Priscilla Bunton	5/7/2012	CBT GENERAL	PMCHK00000104	\$36,000.00
1842	CO130	Karen Coleman	5/7/2012	CBT GENERAL	PMCHK00000104	\$36,000.00
1843	FA115	Farmer Smith and Lane, LLP	5/7/2012	CBT GENERAL	PMCHK00000104	\$3,307.50
1844	HA115	Hannibal's Catering and Events	5/7/2012	CBT GENERAL	PMCHK00000104	\$395.16
1845	IM100	Impact Fund	5/7/2012	CBT GENERAL	PMCHK00000104	\$180,000.00
1846	NE110	Michael J. Ney Mediator	5/7/2012	CBT GENERAL	PMCHK00000104	\$1,600.00
1847	PR115	Tim Przybyla	5/7/2012	CBT GENERAL	PMCHK00000104	\$459.80
1848	SC105	Mary Scott	5/7/2012	CBT GENERAL	PMCHK00000104	\$36,000.00
1849	SH100	Alyce Shivers	5/7/2012	CBT GENERAL	PMCHK00000104	\$36,000.00
1850	WI100	Santeya Williams	5/7/2012	CBT GENERAL	PMCHK00000104	\$36,000.00
1851	HO100	Howard Rome Martin and Ridley	5/21/2012	CBT GENERAL	PMCHK00000105	\$7,455.11
1852	MC100	McNamara, Ney, Beatty, Slatter	5/21/2012	CBT GENERAL	PMCHK00000105	\$3,646.50
1853	MP100	Municipal Pooling Authority	5/21/2012	CBT GENERAL	PMCHK00000105	\$4,659.01
Total Checks:	19				Total Amount of Checks:	\$449,429.26

California Affiliated Risk Management Authorities
Treasurer's Report
As of March 31, 2012

	Book Value	Market Value	% of Total	Effective Yield
California Bank & Trust – Petty Cash	\$ 1,348	\$ 1,348	0.01%	0.00%
California Bank & Trust – General Operating	6,875	6,875	0.03%	0.00%
State of California Local Agency Investment Fund	3,978,010	3,982,828	15.24%	0.38%
CAMP - Money Market	48,151	48,151	0.18%	0.26%
CAMP - Investments managed by PFM	22,069,545	22,088,227	84.54%	0.93%
Total Cash and Investments	\$ 26,103,929	\$ 26,127,429	100.00%	0.85%

Attached are the Public Financial Management, Inc. (PFM) and Local Agency Investment Fund (LAIF) statements detailing all investment transactions. Market prices are derived from closing bid prices as of the last business day of the month from either Bloomberg or Telerate.

I certify that this report reflects all cash and investments and is in conformance with the Agency's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Agency's expenditures for the next six months.

Respectfully submitted,

Accepted,

Nancy Broadhurst
Assistant Treasurer

Jake O'Malley
Treasurer



Account Statement - Transaction Summary

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

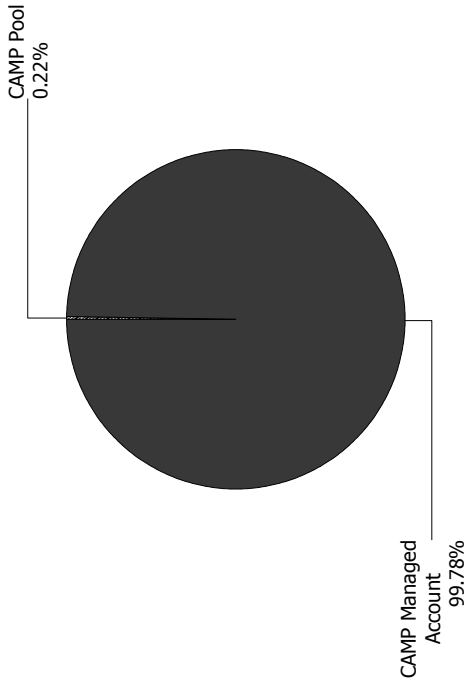
CAMP Pool	
Opening Market Value	76,230.10
Purchases	1,873,346.93
Redemptions	(1,901,426.42)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$48,150.61
Cash Dividends and Income	14.43

CAMP Managed Account	
Opening Market Value	22,073,882.97
Purchases	1,894,027.35
Redemptions	(1,848,387.85)
Unsettled Trades	0.00
Change in Value	(31,295.31)

Closing Market Value	\$22,088,227.16
Cash Dividends and Income	34,629.36

Asset Summary		
	March 31, 2012	February 29, 2012
CAMP Pool	48,150.61	76,230.10
CAMP Managed Account	22,088,227.16	22,073,882.97
Total	\$22,136,377.77	\$22,150,113.07
Asset Allocation		





Managed Account Detail of Securities Held

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note												
US TREASURY NOTES	DTD 05/16/2011 1.000% 05/15/2014	912828QM5	1,525,000.00	AA+	Aaa	03/27/12	03/29/12	1,545,134.77	0.38	5,781.59	1,545,057.21	1,545,015.63
US TREASURY NOTES	DTD 07/15/2011 0.625% 07/15/2014	912828OU7	1,150,000.00	AA+	Aaa	10/27/11	10/31/11	1,155,570.31	0.44	1,520.43	1,154,714.80	1,155,570.60
US TREASURY NOTES	DTD 09/15/2011 0.250% 09/15/2014	912828RG7	500,000.00	AA+	Aaa	10/12/11	10/14/11	495,957.03	0.53	57.74	496,598.89	497,656.00
US TREASURY NOTES	DTD 12/15/2011 0.250% 12/15/2014	912828RV4	625,000.00	AA+	Aaa	01/05/12	01/06/12	622,558.59	0.38	461.07	622,752.83	621,240.00
US TREASURY NOTES	DTD 02/01/2010 2.250% 01/31/2015	912828MH0	500,000.00	AA+	Aaa	01/23/12	01/26/12	527,753.91	0.40	1,885.30	526,093.86	524,335.94
US TREASURY N/B	DTD 02/15/2012 0.250% 02/15/2015	912828SE1	950,000.00	AA+	Aaa	02/22/12	02/27/12	945,064.45	0.43	300.14	945,219.01	943,171.40
US TREASURY N/B	DTD 03/15/2012 0.375% 03/15/2015	912828SK7	350,000.00	AA+	Aaa	03/13/12	03/15/12	348,892.58	0.48	60.63	348,909.53	348,660.16
Security Type Sub-Total			5,600,000.00					5,640,931.64	0.42	10,066.90	5,639,346.13	5,635,649.73

Municipal Bond / Note												
SAN FRANCISCO CITY & CNTY GO MUNI NOTES	DTD 11/30/2011 5.000% 06/15/2014	797646PU4	200,000.00	AA	Aa2	11/10/11	11/30/11	221,734.00	0.68	3,361.11	218,879.74	220,198.00
SAN FRANCISCO CITY & CNTY GO MUNI NOTES	DTD 11/30/2011 5.000% 06/15/2015	797646PV2	200,000.00	AA	Aa2	11/10/11	11/30/11	227,542.00	1.03	3,361.11	224,968.94	227,142.00
Security Type Sub-Total			400,000.00					449,276.00	0.86	6,722.22	443,848.68	447,340.00

Federal Agency Bond / Note												
FNMA NOTES (CALLABLE)	DTD 09/19/2011 0.500% 09/19/2013	3135G0E0	1,050,000.00	AA+	Aaa	09/01/11	09/19/11	1,050,000.00	0.50	175.00	1,050,000.00	1,050,029.40





Managed Account Detail of Securities Held

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Security Type / Description Dated Date / Coupon / Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA GLOBAL BENCHMARK NOTES DTD 09/26/2003 4.625% 10/15/2013	31359MTG8	725,000.00	AA+	Aaa	07/29/11	08/03/11	789,188.60	0.57	15,461.63	769,986.43	772,589.73
FREDDIE MAC GLOBAL NOTES DTD 10/20/2011 0.500% 10/15/2013	3134G23H3	1,100,000.00	AA+	Aaa	10/20/11	10/21/11	1,099,626.00	0.52	2,459.72	1,099,709.44	1,100,063.80
FHLMC GLOBAL REFERENCE NOTES DTD 10/17/2003 4.875% 11/15/2013	3134A4UK8	940,000.00	AA+	Aaa	10/01/10	10/05/10	1,053,636.60	0.92	17,311.67	999,656.89	1,009,450.96
FHLB TAP BONDS DTD 12/04/2008 3.125% 12/13/2013	3133XSP93	615,000.00	AA+	Aaa	06/28/11	06/29/11	650,350.20	0.76	5,765.63	639,540.83	643,651.01
FNMA NOTES DTD 11/01/2010 0.750% 12/18/2013	31398A5W8	800,000.00	AA+	Aaa	06/28/11	06/29/11	799,960.00	0.75	1,716.67	799,972.39	805,520.80
FHLB NOTES DTD 11/18/2010 0.875% 12/27/2013	313371UC8	1,050,000.00	AA+	Aaa	06/29/11	06/30/11	1,053,496.50	0.74	2,398.96	1,052,446.69	1,061,468.10
FNMA GLOBAL NOTES DTD 02/01/2011 1.250% 02/27/2014	3135G0AP8	1,150,000.00	AA+	Aaa	11/28/11	11/30/11	1,166,663.50	0.60	1,357.64	1,164,180.65	1,170,796.60
FREDDIE MAC GLOBAL NOTES DTD 08/05/2011 0.750% 09/22/2014	3134G2WG3	50,000.00	AA+	Aaa	09/28/11	09/30/11	50,100.00	0.68	9.38	50,083.27	50,275.55
FREDDIE MAC GLOBAL NOTES DTD 08/05/2011 0.750% 09/22/2014	3134G2WG3	950,000.00	AA+	Aaa	08/30/11	08/31/11	954,978.00	0.58	178.13	954,034.94	955,235.45
Security Type Sub-Total		8,430,000.00					8,667,999.40	0.65	46,834.43	8,579,611.53	8,619,081.40
Corporate Note											
WELLS FARGO & COMPANY GLOBAL SR NOTES DTD 01/31/2008 4.375% 01/31/2013	949746NY3	500,000.00	A+	A2	09/02/08	09/05/08	481,800.00	5.31	3,706.60	496,248.87	515,391.50
BANK OF NEW YORK MELLON GLOBAL NOTES DTD 03/27/2008 4.500% 04/01/2013	06406HB7	210,000.00	A+	Aa3	06/11/10	06/16/10	225,544.20	1.77	4,725.00	215,658.01	218,127.00
GECC GLOBAL NOTES (FLOATING) DTD 05/08/2007 0.673% 05/08/2013	36962G2U7	500,000.00	AA+	Aa2	11/02/10	11/05/10	491,240.00	1.28	495.59	496,639.37	500,269.00





Managed Account Detail of Securities Held

For the Month Ending March 31, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
US BANCORP NOTE (CALLABLE) DTD 09/13/2010 1.375% 09/13/2013	91159HGY0	500,000.00	A	Aa3	09/08/10	09/13/10	499,355.00	1.42	343.75	499,684.87	504,342.50
BERKSHIRE HATHAWAY FIN CORP NOTE DTD 01/11/2011 1.500% 01/10/2014	084664BR1	125,000.00	AA+	Aa2	01/03/11	01/11/11	124,665.00	1.59	421.88	124,799.73	126,956.00
BERKSHIRE HATHAWAY FIN CORP NOTE DTD 01/11/2011 1.500% 01/10/2014	084664BR1	325,000.00	AA+	Aa2	01/03/11	01/11/11	324,697.75	1.53	1,096.88	324,819.35	330,085.60
XTO ENERGY INC DTD 01/22/2004 4.900% 02/01/2014	98385XAD8	230,000.00	AAA	Aaa	01/13/11	01/19/11	253,795.80	1.40	1,878.33	244,500.33	246,717.55
CHEVRON CORP GLOBAL NOTES DTD 03/03/2009 3.950% 03/03/2014	166751AH0	500,000.00	AA	Aa1	08/16/11	08/19/11	540,400.00	0.73	1,536.11	530,655.18	532,537.00
WAL MART STORES INC. CORP NOTES DTD 04/18/2011 1.625% 04/15/2014	931142DA8	205,000.00	AA	Aa2	04/11/11	04/18/11	204,446.50	1.72	1,536.08	204,619.66	209,955.67
IBM CORP GLOBAL NOTES DTD 05/12/2011 1.250% 05/12/2014	459200GW5	360,000.00	A+	Aa3	05/09/11	05/12/11	359,661.60	1.28	1,737.50	359,760.24	364,448.52
JOHNSON & JOHNSON GLOBAL NOTE DTD 05/20/2011 1.200% 05/15/2014	478160AX2	475,000.00	AAA	Aaa	05/17/11	05/20/11	474,444.25	1.24	2,153.33	474,602.81	483,212.75
JP MORGAN CHASE & CO NOTES DTD 05/18/2009 4.650% 06/01/2014	46625HHN3	715,000.00	A	Aa3	12/16/11	12/21/11	752,873.55	2.41	11,082.50	748,677.03	762,202.16
PROCTER & GAMBLE CO CORP NOTES DTD 08/15/2011 0.700% 08/15/2014	742718DU0	250,000.00	AA-	Aa3	08/10/11	08/15/11	248,972.50	0.84	223.61	249,185.45	250,766.25
GENERAL ELEC CAP CORP GLOBAL NOTES DTD 01/09/2012 2.150% 01/09/2015	36962G5M2	405,000.00	AA+	Aa2	01/04/12	01/09/12	404,578.80	2.19	1,983.38	404,609.92	413,690.90
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 02/21/2012 1.200% 02/20/2015	06406HCC1	150,000.00	A+	Aa3	02/13/12	02/21/12	149,863.50	1.23	200.00	149,868.48	150,180.90
Security Type Sub-Total		5,450,000.00					5,536,338.45	1.87	33,120.54	5,524,329.30	5,608,883.30
Certificate of Deposit											





Managed Account Detail of Securities Held

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
ROYAL BANK OF CANADA NY CERT DEPOS	78009NDY9	600,000.00	A-1+	P-1	02/08/12	02/10/12	600,000.00	0.49	416.50	600,000.00	599,889.43
DTD 02/10/2012 0.490% 02/08/2013											
BANK OF NOVA SCOTIA HOUS (FLOATING)	06417EYU1	575,000.00	AA-	Aa1	02/07/12	02/10/12	575,000.00	0.99	809.08	575,000.00	575,025.30
DTD 02/10/2012 0.993% 02/10/2014											
WESTPAC BANKING CORP NY (FLOAT) CD	96121TLT3	600,000.00	AA-	Aa2	02/14/12	02/16/12	600,000.00	1.47	1,085.70	600,000.00	602,358.00
DTD 02/16/2012 1.448% 02/14/2014											
Security Type Sub-Total		1,775,000.00					1,775,000.00	0.98	2,311.28	1,775,000.00	1,777,272.73
Managed Account Sub-Total		21,655,000.00					22,069,545.49	0.93	99,055.37	21,962,135.64	22,088,227.16

Money Market Fund

CAMP Pool		48,150.61	AAA/m	NR			48,150.61		0.00	48,150.61	48,150.61
Money Market Sub-Total		48,150.61					48,150.61		0.00	48,150.61	48,150.61
Securities Sub-Total		\$21,703,150.61					\$22,117,696.10	0.93%	\$99,055.37	\$22,010,286.25	\$22,136,377.77
Accrued Interest											\$99,055.37
Total Investments											\$22,235,433.14





Managed Account Fair Market Value & Analytics

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Security Type / Description Dated Date / Coupon / Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY NOTES DTD 05/16/2011 1.000% 05/15/2014	9128280M5	1,525,000.00	MORGANST		101.31	1,545,015.63	(119.14)	(41.58)	2.10	0.38
US TREASURY NOTES DTD 07/15/2011 0.625% 07/15/2014	9128280U7	1,150,000.00	MORGANST		100.48	1,155,570.60	0.29	855.80	2.27	0.41
US TREASURY NOTES DTD 09/15/2011 0.250% 09/15/2014	912828RG7	500,000.00	MORGANST		99.53	497,656.00	1,698.97	1,057.11	2.44	0.44
US TREASURY NOTES DTD 12/15/2011 0.250% 12/15/2014	912828RV4	625,000.00	DEUTSCHE		99.40	621,240.00	(1,318.59)	(1,512.83)	2.69	0.47
US TREASURY NOTES DTD 02/01/2010 2.250% 01/31/2015	912828MH0	500,000.00	BARCLAYS		104.87	524,335.94	(3,417.97)	(1,757.92)	2.75	0.52
US TREASURY N/B DTD 02/15/2012 0.250% 02/15/2015	912828SE1	950,000.00	CITIGRP		99.28	943,171.40	(1,893.05)	(2,047.61)	2.86	0.50
US TREASURY N/B DTD 03/15/2012 0.375% 03/15/2015	912828SK7	350,000.00	BARCLAYS		99.62	348,660.16	(232.42)	(249.37)	2.94	0.51
Security Type Sub-Total		5,600,000.00				5,635,649.73	(5,281.91)	(3,696.40)	2.47	0.44

Municipal Bond / Note

SAN FRANCISCO CITY & CNTY GO MUNI NOTES DTD 11/30/2011 5.000% 06/15/2014	797646PU4	200,000.00	MERRILL		110.10	220,198.00	(1,536.00)	1,318.26	2.09	0.40
SAN FRANCISCO CITY & CNTY GO MUNI NOTES DTD 11/30/2011 5.000% 06/15/2015	797646PV2	200,000.00	MERRILL		113.57	227,142.00	(400.00)	2,173.06	2.96	0.71
Security Type Sub-Total		400,000.00				447,340.00	(1,936.00)	3,491.32	2.53	0.56

Federal Agency Bond / Note

FNMA NOTES (CALLABLE) DTD 09/19/2011 0.500% 09/19/2013	3135G0DE0	1,050,000.00	CSFB	09/19/12	100.00	1,050,029.40	29.40	29.40	0.47	0.50
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Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	03/13/12	03/15/12	US TREASURY N/B DTD 03/15/2012 0.375% 03/15/2015	912828SK7	350,000.00	(348,892.58)	0.00	(348,892.58)			
	03/27/12	03/29/12	US TREASURY NOTES DTD 05/16/2011 1.000% 05/15/2014	912828OM5	1,525,000.00	(1,545,134.77)	(5,655.91)	(1,550,790.68)			
Transaction Type Sub-Total					1,875,000.00	(1,894,027.35)	(5,655.91)	(1,899,683.26)			
INTEREST											
	03/03/12	03/03/12	CHEVRON CORP GLOBAL NOTES DTD 03/03/2009 3.950% 03/03/2014	166751AH0	500,000.00	0.00	9,875.00	9,875.00			
	03/13/12	03/13/12	US BANCORP NOTE (CALLABLE) DTD 09/13/2010 1.375% 09/13/2013	91159HGY0	500,000.00	0.00	3,437.50	3,437.50			
	03/15/12	03/15/12	US TREASURY NOTES DTD 09/15/2011 0.250% 09/15/2014	912828RG7	500,000.00	0.00	625.00	625.00			
	03/19/12	03/19/12	FNMA NOTES (CALLABLE) DTD 09/19/2011 0.500% 09/19/2013	3135G0DE0	1,050,000.00	0.00	2,625.00	2,625.00			
	03/22/12	03/22/12	FREDDIE MAC GLOBAL NOTES DTD 08/05/2011 0.750% 09/22/2014	3134G2WG3	950,000.00	0.00	3,562.50	3,562.50			
	03/22/12	03/22/12	FREDDIE MAC GLOBAL NOTES DTD 08/05/2011 0.750% 09/22/2014	3134G2WG3	50,000.00	0.00	187.50	187.50			
	03/23/12	03/23/12	FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A2S0	410,000.00	0.00	2,050.00	2,050.00			
	03/23/12	03/23/12	FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A2S0	220,000.00	0.00	1,100.00	1,100.00			
Transaction Type Sub-Total					4,180,000.00	0.00	23,462.50	23,462.50			
SELL											
	03/13/12	03/15/12	FNMA GLOBAL NOTES DTD 05/21/2010 1.500% 06/26/2013	31398AT44	300,000.00	304,596.00	987.50	305,583.50	5,418.00	4,944.64	SPEC LOT





Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
	03/27/12	03/29/12	FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A250	410,000.00	414,054.90	68.33	414,123.23	3,760.52	3,880.43	SPEC LOT
	03/27/12	03/29/12	FHLB GLOBAL NOTES DTD 07/21/2011 0.500% 08/28/2013	313374Y61	905,000.00	907,561.15	389.65	907,950.80	3,819.10	3,408.93	SPEC LOT
	03/27/12	03/29/12	FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A250	220,000.00	222,175.80	36.67	222,212.47	2,343.00	2,256.20	SPEC LOT
Transaction Type Sub-Total					1,835,000.00	1,848,387.85	1,482.15	1,849,870.00	15,340.62	14,490.20	
Managed Account Sub-Total						(45,639.50)	19,288.74	(26,350.76)	15,340.62	14,490.20	
Total Security Transactions						(\$45,639.50)	\$19,288.74	(\$26,350.76)	\$15,340.62	\$14,490.20	





Managed Account Security Transactions & Interest

For the Month Ending February 29, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	01/27/12	02/01/12	FEDERAL HOME LOAN BANK BONDS DTD 02/01/2012 0.200% 04/30/2013	313376XG5	530,000.00	(530,000.00)	0.00	(530,000.00)			
	02/07/12	02/10/12	BANK OF NOVA SCOTIA HOUS (FLOATING) DTD 02/10/2012 0.993% 02/10/2014	06417EYU1	575,000.00	(575,000.00)	0.00	(575,000.00)			
	02/08/12	02/10/12	ROYAL BANK OF CANADA NY CERT DEPOS DTD 02/10/2012 0.490% 02/08/2013	78009NDY9	600,000.00	(600,000.00)	0.00	(600,000.00)			
	02/13/12	02/21/12	BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 02/21/2012 1.200% 02/20/2015	06406HCC1	150,000.00	(149,863.50)	0.00	(149,863.50)			
	02/14/12	02/16/12	WESTPAC BANKING CORP NY (FLOAT) CD DTD 02/16/2012 1.448% 02/14/2014	96121TLT3	600,000.00	(600,000.00)	0.00	(600,000.00)			
	02/22/12	02/27/12	US TREASURY N/B DTD 02/15/2012 0.250% 02/15/2015	912828SE1	950,000.00	(945,064.45)	(78.30)	(945,142.75)			
Transaction Type Sub-Total					3,405,000.00	(3,399,927.95)	(78.30)	(3,400,006.25)			
INTEREST											
	02/01/12	02/01/12	XTO ENERGY INC DTD 01/22/2004 4.900% 02/01/2014	98385XAD8	230,000.00	0.00	5,635.00	5,635.00			
	02/08/12	02/08/12	GECC GLOBAL NOTES (FL RATE LIB+15) DTD 05/08/2007 0.673% 05/08/2013	36962G2U7	500,000.00	0.00	750.69	750.69			
	02/15/12	02/15/12	PROCTER & GAMBLE CO CORP NOTES DTD 08/15/2011 0.700% 08/15/2014	742718DU0	250,000.00	0.00	875.00	875.00			
	02/27/12	02/27/12	FNMA GLOBAL NOTES DTD 02/01/2011 1.250% 02/27/2014	3135GOAP8	1,150,000.00	0.00	7,187.50	7,187.50			
	02/28/12	02/28/12	FHLB GLOBAL NOTES DTD 07/21/2011 0.500% 08/28/2013	313374Y61	905,000.00	0.00	2,262.50	2,262.50			





Managed Account Security Transactions & Interest

For the Month Ending February 29, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Transaction Type Sub-Total					3,035,000.00	0.00	16,710.69	16,710.69			
SELL											
01/27/12	02/01/12		WAL MART STORES INC GLOBAL NOTES DTD 04/15/2008 4.250% 04/15/2013	931142CL5	500,000.00	524,010.00	6,256.94	530,266.94	(11,015.00)	9,955.96	SPEC LOT
02/07/12	02/10/12		BANK OF NOVA SCOTIA HOUSTON YCD (FLOAT) DTD 10/18/2011 0.985% 10/18/2013	06417EKJ1	575,000.00	576,036.73	361.81	576,398.54	1,036.73	1,036.73	SPEC LOT
02/08/12	02/10/12		ROYAL BANK OF CANADA NY CERT DEPOS DTD 08/26/2011 0.500% 08/24/2012	78009J7L3	600,000.00	600,780.91	1,400.00	602,180.91	780.91	780.91	SPEC LOT
02/13/12	02/21/12		BANK OF NEW YORK MELLON GLOBAL NOTES DTD 03/27/2008 4.500% 04/01/2013	06406HBJ7	150,000.00	156,612.00	2,625.00	159,237.00	(4,491.00)	2,127.42	SPEC LOT
02/14/12	02/16/12		TORONTO DOMINION BANK NY CERT DEPOS DTD 08/16/2011 0.450% 08/13/2012	89112Y4H3	600,000.00	600,504.54	1,380.00	601,884.54	504.54	504.54	SPEC LOT
02/22/12	02/27/12		FNMA GLOBAL NOTES DTD 05/21/2010 1.500% 06/26/2013	31398AT44	200,000.00	203,246.00	508.33	203,754.33	3,794.00	3,487.42	SPEC LOT
02/22/12	02/27/12		FHLMC GLOBAL NOTES DTD 03/04/2010 1.625% 04/15/2013	3137EACJ6	200,000.00	203,126.00	1,191.67	204,317.67	3,406.00	3,229.99	SPEC LOT
02/22/12	02/27/12		FEDERAL HOME LOAN BANK BONDS DTD 02/01/2012 0.200% 04/30/2013	313376XG5	530,000.00	529,708.50	76.56	529,785.06	(291.50)	(291.50)	SPEC LOT
Transaction Type Sub-Total					3,355,000.00	3,394,024.68	13,800.31	3,407,824.99	(6,275.32)	20,831.47	
Managed Account Sub-Total						(5,903.27)	30,432.70	24,529.43	(6,275.32)	20,831.47	
Total Security Transactions						(\$5,903.27)	\$30,432.70	\$24,529.43	(\$6,275.32)	\$20,831.47	





Managed Account Security Transactions & Interest

For the Month Ending January 31, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
	01/04/12	01/09/12	GENERAL ELEC CAP CORP GLOBAL NOTES	36962G5M2	405,000.00	(404,578.80)	0.00		(404,578.80)	
			DTD 01/09/2012 2.150% 01/09/2015							
	01/05/12	01/06/12	US TREASURY N/B	912828RV4	625,000.00	(622,558.59)	(93.92)		(622,652.51)	
			DTD 12/15/2011 0.250% 12/15/2014							
	01/23/12	01/26/12	US TREASURY NOTES	912828MH0	500,000.00	(527,753.91)	(5,472.15)		(533,226.06)	
			DTD 02/01/2010 2.250% 01/31/2015							
	01/27/12	02/01/12	FEDERAL HOME LOAN BANK BONDS	313376XG5	530,000.00	(530,000.00)	0.00		(530,000.00)	
			DTD 02/01/2012 0.200% 04/30/2013							
Transaction Type Sub-Total					2,060,000.00	(2,084,891.30)	(5,566.07)		(2,090,457.37)	
INTEREST										
	01/10/12	01/10/12	BERKSHIRE HATHAWAY FIN CORP NOTE	084664BR1	325,000.00	0.00	2,437.50		2,437.50	
			DTD 01/11/2011 1.500% 01/10/2014							
	01/10/12	01/10/12	BERKSHIRE HATHAWAY FIN CORP NOTE	084664BR1	125,000.00	0.00	937.50		937.50	
			DTD 01/11/2011 1.500% 01/10/2014							
	01/15/12	01/15/12	US TREASURY NOTES	912828OU7	1,150,000.00	0.00	3,593.75		3,593.75	
			DTD 07/15/2011 0.625% 07/15/2014							
	01/18/12	01/18/12	BANK OF NOVA SCOTIA HOUSTON YCD (FLOAT)	06417EK1	575,000.00	0.00	1,211.88		1,211.88	
			DTD 10/18/2011 0.985% 10/18/2013							
	01/31/12	01/31/12	WELLS FARGO & COMPANY GLOBAL SR NOTES	949746NY3	500,000.00	0.00	10,937.50		10,937.50	
			DTD 01/31/2008 4.375% 01/31/2013							
	01/31/12	01/31/12	US TREASURY NOTES	912828MH0	500,000.00	0.00	5,625.00		5,625.00	
			DTD 02/01/2010 2.250% 01/31/2015							



Managed Account Security Transactions & Interest

For the Month Ending January 31, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00 - (12510310)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
SELL					3,175,000.00	0.00	24,743.13	24,743.13			
01/04/12	01/09/12		GENERAL ELECTRIC CAPITAL CORP NOTES	36962G404	400,000.00	403,424.00	2,354.17	405,778.17	4,028.00	3,767.63	SPEC LOT
01/05/12	01/06/12		FHLMC NOTES	3137EACS6	615,000.00	619,003.65	1,255.63	620,259.28	1,039.35	1,914.54	SPEC LOT
01/24/12	01/26/12		FHLMC GLOBAL NOTES	3137EACJ6	500,000.00	508,610.00	2,279.51	510,889.51	9,310.00	8,889.52	SPEC LOT
01/27/12	02/01/12		WAL MART STORES INC GLOBAL NOTES	931142CL5	500,000.00	524,010.00	6,256.94	530,266.94	(11,015.00)	9,955.96	SPEC LOT
			DTD 04/15/2008 4.250% 04/15/2013								
Transaction Type Sub-Total											
					2,015,000.00	2,055,047.65	12,146.25	2,067,193.90	3,362.35	24,527.65	
Managed Account Sub-Total											
					(29,843.65)	(29,843.65)	31,323.31	1,479.66	3,362.35	24,527.65	
Total Security Transactions											
						(\$29,843.65)	\$31,323.31	\$1,479.66	\$3,362.35	\$24,527.65	

Bolded items are forward settling trades.





Account Statement

For the Month Ending **March 31, 2012**

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					
03/05/12	03/05/12	Purchase - Individual Portfolio Interest	1.00	9,875.00	86,105.10
03/13/12	03/13/12	Purchase - Individual Portfolio Interest	1.00	3,437.50	89,542.60
03/15/12	03/15/12	Purchase - Individual Portfolio Interest	1.00	625.00	90,167.60
03/15/12	03/15/12	Purchase - Individual Portfolio Interest	1.00	987.50	91,155.10
03/15/12	03/15/12	Purchase - Individual Portfolio Sell	1.00	299,178.00	390,333.10
03/15/12	03/15/12	Purchase - Individual Portfolio Gain on Cost	1.00	5,418.00	395,751.10
03/15/12	03/15/12	Redemption - Individual Portfolio Buy	1.00	(348,892.58)	46,858.52
03/19/12	03/19/12	Purchase - Individual Portfolio Interest	1.00	2,625.00	49,483.52
03/22/12	03/22/12	Purchase - Individual Portfolio Interest	1.00	3,562.50	53,046.02
03/22/12	03/22/12	Purchase - Individual Portfolio Interest	1.00	187.50	53,233.52
03/23/12	03/23/12	Purchase - Individual Portfolio Interest	1.00	1,100.00	54,333.52
03/23/12	03/23/12	Purchase - Individual Portfolio Interest	1.00	2,050.00	56,383.52
03/23/12	03/23/12	IP Fees FEB 2012	1.00	(1,743.16)	54,640.36
03/29/12	03/29/12	Purchase - Individual Portfolio Interest	1.00	36.67	54,677.03
03/29/12	03/29/12	Purchase - Individual Portfolio Interest	1.00	68.33	54,745.36
03/29/12	03/29/12	Purchase - Individual Portfolio Interest	1.00	389.65	55,135.01
03/29/12	03/29/12	Purchase - Individual Portfolio Sell	1.00	410,294.38	465,429.39
03/29/12	03/29/12	Purchase - Individual Portfolio Sell	1.00	903,742.05	1,369,171.44
03/29/12	03/29/12	Purchase - Individual Portfolio Sell	1.00	219,832.80	1,589,004.24
03/29/12	03/29/12	Purchase - Individual Portfolio Gain on Cost	1.00	3,819.10	1,592,823.34
03/29/12	03/29/12	Purchase - Individual Portfolio Gain on Cost	1.00	3,760.52	1,596,583.86



For the Month Ending **March 31, 2012**

Account Statement

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
03/29/12	03/29/12	Purchase - Individual Portfolio Gain on Cost	1.00	2,343.00	1,598,926.86
03/29/12	03/29/12	Redemption - Individual Portfolio Buy	1.00	(1,550,790.68)	48,136.18
03/30/12	04/02/12	Accrual Income Div Reinvestment - Distributions	1.00	14.43	48,150.61

Closing Balance **48,150.61**

	Month of March	Fiscal YTD January-March	
Opening Balance	76,230.10	54,840.70	Closing Balance
Purchases	1,873,346.93	6,875,372.90	Average Monthly Balance
Redemptions (Excl. Checks)	(1,901,426.42)	(6,882,062.99)	Monthly Distribution Yield
Check Disbursements	0.00	0.00	0.26 %

Closing Balance **48,150.61**

Cash Dividends and Income 14.43 37.13





Account Statement

For the Month Ending February 29, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					
02/01/12	02/01/12	Purchase - Individual Portfolio Interest	1.00	6,256.94	59,806.02
02/01/12	02/01/12	Purchase - Individual Portfolio Interest	1.00	5,635.00	65,441.02
02/01/12	02/01/12	Purchase - Individual Portfolio Sell	1.00	535,025.00	600,466.02
02/01/12	02/01/12	Redemption - Individual Portfolio Buy	1.00	(530,000.00)	70,466.02
02/01/12	02/01/12	Redemption - Individual Portfolio Loss on Cost	1.00	(11,015.00)	59,451.02
02/08/12	02/08/12	Purchase - Individual Portfolio Interest	1.00	750.69	60,201.71
02/10/12	02/10/12	Purchase - Individual Portfolio Interest	1.00	1,400.00	61,601.71
02/10/12	02/10/12	Purchase - Individual Portfolio Interest	1.00	361.81	61,963.52
02/10/12	02/10/12	Purchase - Individual Portfolio Sell	1.00	600,000.00	661,963.52
02/10/12	02/10/12	Purchase - Individual Portfolio Sell	1.00	575,000.00	1,236,963.52
02/10/12	02/10/12	Purchase - Individual Portfolio Gain on Cost	1.00	1,036.73	1,238,000.25
02/10/12	02/10/12	Purchase - Individual Portfolio Gain on Cost	1.00	780.91	1,238,781.16
02/10/12	02/10/12	Redemption - Individual Portfolio Buy	1.00	(575,000.00)	663,781.16
02/10/12	02/10/12	Redemption - Individual Portfolio Buy	1.00	(600,000.00)	63,781.16
02/15/12	02/15/12	Purchase - Individual Portfolio Interest	1.00	875.00	64,656.16
02/16/12	02/16/12	Purchase - Individual Portfolio Interest	1.00	1,380.00	66,036.16
02/16/12	02/16/12	Purchase - Individual Portfolio Sell	1.00	600,000.00	666,036.16
02/16/12	02/16/12	Purchase - Individual Portfolio Gain on Cost	1.00	504.54	666,540.70
02/16/12	02/16/12	Redemption - Individual Portfolio Buy	1.00	(600,000.00)	66,540.70
02/21/12	02/21/12	Purchase - Individual Portfolio Interest	1.00	2,625.00	69,165.70
02/21/12	02/21/12	Purchase - Individual Portfolio Sell	1.00	161,103.00	230,268.70



Account Statement

For the Month Ending February 29, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
02/21/12	02/21/12	Redemption - Individual Portfolio Buy	1.00	(149,863.50)	80,405.20
02/21/12	02/21/12	Redemption - Individual Portfolio Loss on Cost	1.00	(4,491.00)	75,914.20
02/24/12	02/24/12	IP Fees JAN 2012	1.00	(1,861.58)	74,052.62
02/27/12	02/27/12	Purchase - Individual Portfolio Interest	1.00	1,191.67	75,244.29
02/27/12	02/27/12	Purchase - Individual Portfolio Interest	1.00	76.56	75,320.85
02/27/12	02/27/12	Purchase - Individual Portfolio Interest	1.00	508.33	75,829.18
02/27/12	02/27/12	Purchase - Individual Portfolio Interest	1.00	7,187.50	83,016.68
02/27/12	02/27/12	Purchase - Individual Portfolio Sell	1.00	199,720.00	282,736.68
02/27/12	02/27/12	Purchase - Individual Portfolio Sell	1.00	530,000.00	812,736.68
02/27/12	02/27/12	Purchase - Individual Portfolio Sell	1.00	199,452.00	1,012,188.68
02/27/12	02/27/12	Purchase - Individual Portfolio Gain on Cost	1.00	3,794.00	1,015,982.68
02/27/12	02/27/12	Purchase - Individual Portfolio Gain on Cost	1.00	3,406.00	1,019,388.68
02/27/12	02/27/12	Redemption - Individual Portfolio Buy	1.00	(945,142.75)	74,245.93
02/27/12	02/27/12	Redemption - Individual Portfolio Loss on Cost	1.00	(291.50)	73,954.43
02/28/12	02/28/12	Purchase - Individual Portfolio Interest	1.00	2,262.50	76,216.93
02/29/12	03/01/12	Accrual Income Div Reinvestment - Distributions	1.00	13.17	76,230.10





For the Month Ending February 29, 2012

Account Statement

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Month of February	Fiscal YTD January-February	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
Closing Balance							
		Opening Balance	53,549.08	54,840.70		76,230.10	
		Purchases	3,440,346.35	5,002,025.97		66,521.65	
		Redemptions (Excl. Checks)	(3,417,665.33)	(4,980,636.57)			
		Check Disbursements	0.00	0.00		0.25	
		Closing Balance	76,230.10	76,230.10			76,230.10
		Cash Dividends and Income	13.17	22.70			



Account Statement

For the Month Ending January 31, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					
01/06/12	01/06/12	Purchase - Individual Portfolio Interest	1.00	1,255.63	54,840.70
01/06/12	01/06/12	Purchase - Individual Portfolio Sell	1.00	617,964.30	56,096.33
01/06/12	01/06/12	Purchase - Individual Portfolio Gain on Cost	1.00	1,039.35	674,060.63
01/06/12	01/06/12	Redemption - Individual Portfolio Buy	1.00	(622,652.51)	675,099.98
01/09/12	01/09/12	Purchase - Individual Portfolio Interest	1.00	2,354.17	52,447.47
01/09/12	01/09/12	Purchase - Individual Portfolio Sell	1.00	399,396.00	54,801.64
01/09/12	01/09/12	Purchase - Individual Portfolio Gain on Cost	1.00	4,028.00	454,197.64
01/09/12	01/09/12	Redemption - Individual Portfolio Buy	1.00	(404,578.80)	458,225.64
01/10/12	01/10/12	Purchase - Individual Portfolio Interest	1.00	937.50	53,646.84
01/10/12	01/10/12	Purchase - Individual Portfolio Interest	1.00	2,437.50	54,584.34
01/17/12	01/17/12	Purchase - Individual Portfolio Interest	1.00	3,593.75	57,021.84
01/18/12	01/18/12	Purchase - Individual Portfolio Interest	1.00	1,211.88	60,615.59
01/26/12	01/26/12	Purchase - Individual Portfolio Interest	1.00	2,279.51	61,827.47
01/26/12	01/26/12	Purchase - Individual Portfolio Sell	1.00	499,300.00	64,106.98
01/26/12	01/26/12	Purchase - Individual Portfolio Gain on Cost	1.00	9,310.00	563,406.98
01/26/12	01/26/12	Redemption - Individual Portfolio Buy	1.00	(533,226.06)	572,716.98
01/26/12	01/26/12	IP Fees DEC 2011	1.00	(1,929.04)	39,490.92
01/26/12	01/26/12	Bank of NY Fees NOV 2011	1.00	(584.83)	37,561.88
01/31/12	01/31/12	Purchase - Individual Portfolio Interest	1.00	10,937.50	36,977.05
01/31/12	01/31/12	Purchase - Individual Portfolio Interest	1.00	5,625.00	47,914.55
01/31/12	02/01/12	Accrual Income Div Reinvestment - Distributions	1.00	9.53	53,539.55
					53,549.08



Account Statement

For the Month Ending January 31, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES - CARMA - 615-00

Trade Date	Settlement Date	Transaction Description	Month of January	Fiscal YTD January-January	Closing Balance	Average Monthly Balance	Monthly Distribution Yield	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
		Closing Balance								53,549.08
		Opening Balance	54,840.70	54,840.70					53,549.08	
		Purchases	1,561,679.62	1,561,679.62					54,129.53	
		Redemptions (Excl. Checks)	(1,562,971.24)	(1,562,971.24)					0.21%	
		Check Disbursements	0.00	0.00						
		Closing Balance	53,549.08	53,549.08						
		Cash Dividends and Income	9.53	9.53						



<p style="text-align: center;">CARMA LAIF Fair Market Valuation 3/31/12</p>
--

LAIF Statement Balance	3,978,009.91
FAIR VALUE FACTOR:	
Performance Rate as of 3/31/12	1.001211113
	<hr/>
Market Value	<u><u>\$3,982,827.73</u></u>

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia
 -laif
 April 09, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT
 AUTHORITIES
 FINANCE MANAGER
 1750 CREEKSIDE OAKS DRIVE
 SUITE 200
 SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number: 35-34-009

Transactions

Tran Type Definitions

March 2012 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/6/2012	3/5/2012	RD	1351905	NANCY BROADHURST	695,000.00

Account Summary

Total Deposit:	695,000.00	Beginning Balance:	3,283,009.91
Total Withdrawal:	0.00	Ending Balance:	3,978,009.91



JOHN CHIANG

California State Controller

**LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE**

Agency Name	CA AFFILIATED RISK MGMT AUTH
Account Number	35-34-009

As of 04/13/2012, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2012.

Earnings Ratio		.00001033084098709
Interest Rate		0.38%
Dollar Day Total	\$	263,566,322.09
Quarter End Principal Balance	\$	3,978,009.91
Quarterly Interest Earned	\$	2,722.86

**State of California
Pooled Money Investment Account
Market Valuation
3/31/2012**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 17,422,080,482.50	\$ 17,436,902,610.82	\$ 17,437,805,500.00	NA
Notes	\$ 14,977,688,026.40	\$ 14,977,532,097.26	\$ 15,019,802,000.00	\$ 24,833,290.00
Federal Agency:				
SBA	\$ 534,134,101.92	\$ 534,134,101.92	\$ 534,481,633.25	\$ 560,284.25
MBS-REMICs	\$ 364,494,180.83	\$ 364,494,180.83	\$ 398,517,355.21	\$ 1,734,748.09
Debentures	\$ 976,090,670.91	\$ 976,089,837.57	\$ 975,898,250.00	\$ 1,898,749.25
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 4,791,501,388.76	\$ 4,797,382,500.10	\$ 4,798,731,000.00	NA
GNMA	\$ 23,601.72	\$ 23,601.72	\$ 23,791.92	\$ 231.18
IBRD Debenture	\$ 399,921,857.92	\$ 399,921,857.92	\$ 400,000,000.00	\$ 588,888.00
IBRD Deb FR	\$ 300,000,000.00	\$ 300,000,000.00	\$ 300,084,000.00	\$ 445,456.67
CDs and YCDs FR	\$ 400,000,000.00	\$ 400,000,000.00	\$ 400,000,000.00	\$ 292,546.67
Bank Notes	\$ -	\$ -	\$ -	\$ -
CDs and YCDs	\$ 6,475,010,947.96	\$ 6,475,010,947.96	\$ 6,474,105,775.80	\$ 7,969,493.06
Commercial Paper	\$ 399,835,583.34	\$ 399,997,999.98	\$ 399,996,666.67	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 4,300,640,000.00	\$ 4,300,640,000.00	\$ 4,300,640,000.00	NA
AB 55 & GF Loans	\$ 13,005,304,171.26	\$ 13,005,304,171.26	\$ 13,005,304,171.26	NA
TOTAL	\$ 64,346,725,013.52	\$ 64,367,433,907.34	\$ 64,445,390,144.11	\$ 38,323,687.17

Fair Value Including Accrued Interest

\$ 64,483,713,831.28

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (**1.001211113**).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,024,222.26 or \$20,000,000.00 x **1.001211113**.

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
3/28/2012	0.37	0.39	240
3/29/2012	0.37	0.39	239
3/30/2012	0.38	0.39	243
3/31/2012	0.38	0.39	243
4/1/2012	0.38	0.38	242
4/2/2012	0.38	0.38	243
4/3/2012	0.38	0.38	241
4/4/2012	0.38	0.38	242
4/5/2012	0.37	0.38	244
4/6/2012	0.37	0.38	243
4/7/2012	0.37	0.38	243
4/8/2012	0.37	0.38	243
4/9/2012	0.38	0.38	243
4/10/2012	0.38	0.38	243

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

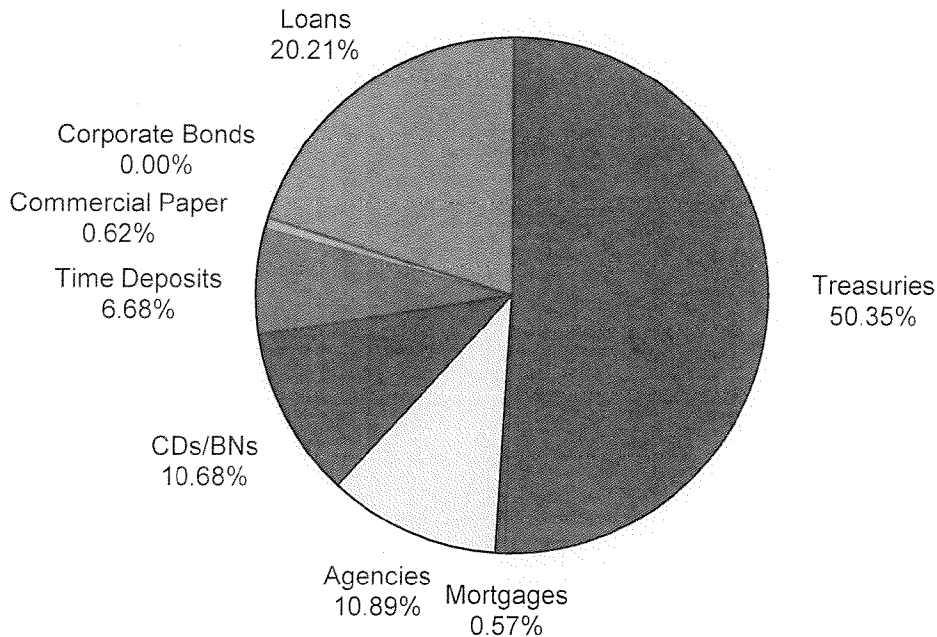
Quarter ending 03/31/2012

Apportionment Rate: 0.38%
 Earnings Ratio: .00001033084098709
 Fair Value Factor: 1.001211113
 Daily: 0.38%
 Quarter To Date: 0.39%
 Average Life: 243

PMIA Average Monthly Effective Yields

MAR 2012 0.383%
 FEB 2012 0.389%
 JAN 2012 0.385%

Pooled Money Investment Account Portfolio Composition \$64.3 Billion 03/31/12



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif
 March 21, 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT
 AUTHORITIES
 FINANCE MANAGER
 1750 CREEKSIDE OAKS DRIVE
 SUITE 200
 SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number: 35-34-009

Transactions

Tran Type Definitions

February 2012 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
2/8/2012	2/7/2012	RD	1349924	NANCY BROADHURST	1,400,000.00

Account Summary

Total Deposit:	1,400,000.00	Beginning Balance:	1,883,009.91
Total Withdrawal:	0.00	Ending Balance:	3,283,009.91

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

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-laif
 February 07,
 2012

CALIFORNIA AFFILIATED RISK MANAGEMENT
 AUTHORITIES
 FINANCE MANAGER
 1750 CREEKSIDE OAKS DRIVE
 SUITE 200
 SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number: 35-34-009

Transactions
Tran Type Definitions

January 2012 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/13/2012	1/12/2012	QRD	1347050	SYSTEM	4,798.31

Account Summary

Total Deposit:	4,798.31	Beginning Balance:	1,878,211.60
Total Withdrawal:	0.00	Ending Balance:	1,883,009.91

AGREEMENT
For
ADMINISTRATIVE, LITIGATION MANAGEMENT, AND FINANCIAL SERVICES

This Agreement is made and entered into this first day of July of the year 2012 by and between the California Affiliated Risk Management Authorities, a California Joint Powers Authority, hereinafter referred to as CARMA, and BRS Risk Services, a California Corporation, hereinafter referred to as BRS.

I. SCOPE OF AGREEMENT

CARMA enters into this Agreement with BRS for the purpose of having BRS conduct the day-to-day management, operation, general administration, and financial affairs of CARMA and its programs of insurance, self-insurance, and risk management, and to provide oversight of any other contracted operations of CARMA.

II. INTENT OF THIS AGREEMENT

It is the intent of the parties to provide, at all times, all necessary services which may be required by CARMA; however, the scope of this Agreement is to provide for those requirements which are known to the parties at the time this Agreement was prepared. The recitals of duties and responsibilities are not necessarily all inclusive; however, the Board of Directors of CARMA, hereinafter referred to as the Board, reserves unto itself the authority to authorize any services which are not specifically set forth in this Agreement.

III. AUTHORITY OF BRS

BRS shall have the authority to conduct the day-to-day operations and services of CARMA carrying out the programs authorized by the Board and shall report directly to the Board; however, for matters requiring guidance which arise in the conduct of day-to-day business, BRS may contact the President of CARMA who is authorized to speak for and represent the Board in these matters.

IV. APPOINTMENT AS AGENT OF CARMA

BRS shall be appointed as the principal agent for CARMA. CARMA shall notify all other agencies, member agencies, and firms doing business with CARMA of such appointment and that BRS is authorized to conduct CARMA business and provide general supervision of all CARMA programs.

V. APPOINTMENT OF BRS STAFF AS OFFICERS

Pursuant to the authority conferred by the Joint Exercise of Powers Law (Government Code Section 6500 et seq.), the Amended Joint Exercise of Powers Agreement for Insurance and Risk Management Purposes for CARMA, and the Bylaws of CARMA, CARMA shall appoint Karen Thesing as CARMA's Administrator, or such other member of BRS' staff acceptable to the Board of CARMA in the event that Ms. Thesing is no longer available, or able, to carry out these duties. Such other members of BRS' staff may be appointed as officers under CARMA's Bylaws as may be deemed appropriate by CARMA's Board. BRS and all of its employees shall act for and on behalf of CARMA in accordance with the Joint Exercise of Powers Law and the Joint Exercise of Powers Agreement for Insurance and Risk Management Purposes, the Bylaws, applicable master program documents, applicable memoranda of coverage, resolutions, and the policies of CARMA (hereinafter collectively "Governing Documents").

VI. SCOPE OF SERVICES

The scope of services shall be as follows:

A. General Services:

1. Maintain a business office in a location of its choosing and pay all costs incidental to the occupancy and maintenance of the office;
2. Retain sufficient personnel to conduct the business affairs of CARMA; personnel retained by BRS shall not be considered employees of CARMA;
3. Perform all services under this Agreement pursuant to and in accordance with the Governing Documents and all applicable laws and regulations of the State of California and the United States of America;
4. Be truthful with CARMA, cooperate with CARMA Board, and keep CARMA informed of any developments unknown to CARMA which could impact the operations of CARMA;
5. Ensure that the members of BRS' staff, and subcontractors who are necessary for the efficient conduct of business, attend Board meetings;

6. Negotiate fees and other agreements on behalf of CARMA to minimize costs and obtain the best coverage and services;
7. Maintain liaison between member agencies and CARMA to keep member agencies fully informed on the current status of the affairs of CARMA;
8. Maintain contacts with public agency risk managers and the insurance industry by participating in the following professional associations: the Public Agency Risk Managers Association (PARMA), the California Association of Joint Powers Authorities (CAJPA), the Public Risk Management Association (PRIMA), and the Association of Government Risk Pools (AGRIP);
9. Prepare all reports, forms, books, and other documents under this Agreement in a form and content acceptable to CARMA's Board;
10. Devote such time and facilities as are necessary to carry out these duties and those set forth below;
11. Prepare applications for potential new members in accordance with those admission guidelines set for CARMA, and advise the Admissions' committee regarding the acceptability of any potential new member; and
12. As and to the extent required, provide advice and assistance to members with regard to service-related issues within the scope of the contract pertaining to CARMA.

B. Administrative Services:

1. Provide oversight for any other consultants and contractors who provide services for CARMA;
2. Maintain CARMA's governing documents;
3. Develop and prepare the guidelines and standards for accepting new members;
4. Review all new applications for CARMA membership, including consultant and broker evaluations, and make recommendations to the Board regarding such applications;
5. Act as filing officer for CARMA to ensure compliance with the Conflict of Interest Code; and
6. Keep the Board informed concerning the need for and timing of claims audits and actuarial studies and other similar forms of technical assistance.

C. Board Secretarial Services:

1. Provide, post, and distribute descriptive agendas for meetings of the Board and other subcommittee meetings in accordance with the Governing Documents and the Ralph M. Brown Act;
2. Within ten (10) working days after the meeting, prepare and distribute minutes of all Board or other subcommittee meetings;
3. Assist other staff members in carrying out the terms of this Agreement;
4. Prepare all correspondence necessary to the operation of CARMA or for the clarification of CARMA's business or operations;
5. Maintain a general file of all CARMA documents including, but not limited to, correspondence, reports, insurance policies, notices, agendas, minutes, and CARMA's governing documents;
6. Maintain administrative records and update them as necessary;
7. When required, prepare and file updated California Secretary of State Statement of Facts forms for CARMA and comply with other reporting requirements of the State of California; and
8. As required, provide advice and assistance to member agencies.

D. Risk Management Services:

1. Promote the general development, growth, and expansion of CARMA and the programs it offers;
2. Maintain an appropriate website for CARMA to assist in attracting new members and to better communicate with current members;
3. Develop and prepare underwriting guidelines and procedures;
4. Assist CARMA in the selection of risk management and insurance programs, brokers of record, insurance companies, claims administrators, consultants, and other professionals who may provide services to CARMA;
5. Review alternatives for financially strengthening CARMA's pools, and report to the Board on the status of such alternatives;
6. Monitor the status of CARMA's programs and operations, member agencies' losses, administrative and operational costs, service companies' and brokers'

performance, and provide the Board with appropriate status reports pertaining thereto;

7. Assist assigned actuaries in their review and analysis of self-funded reserve levels, deposit premium computations, plan design, and utilization of benefits with the objective of obtaining the best coverage and benefits with the minimum cost to the member agencies;
8. Analyze loss runs and individual claims, when necessary, to minimize claims costs to CARMA;
9. Maintain a computerized data base of all required statistical information on the member agencies and their claims;
10. Provide certificates of coverage, as required; and
11. As required, provide advice and assistance to member agencies.

E. Liability Program Services:

1. Provide a member of BRS' staff, who is acceptable to the Board, to serve as CARMA's Litigation Manager;
2. Maintain the memorandum of coverage for the excess liability program;
3. Identify coverage issues, make an initial determination whether a claim is likely to be covered by CARMA, and when coverage issues are identified determine whether a coverage opinion should be obtained;
4. Prepare for Board approval, amendments to the memorandum of coverage, when necessary;
5. Maintain files on all claims reported to CARMA;
6. Recommend to the Board the setting of reserves for those cases that are likely to penetrate to pooled funds;
7. Annually, prepare a detailed report on CARMA's Pooled Liability Program showing the activity by program year and the cumulative activity of all years, including number of claims, losses which have been incurred by each agency, and the losses which have been shared through pooling;
8. Upon the reporting of each claim that has an expectation of exceeding the minimum incurred loss threshold set by the Board, review said claim for CARMA and report said claims to the Board at the next scheduled meeting;

9. Throughout the duration of each claim reviewed in accordance with subparagraph 8 above, periodically review the progress of said claim for CARMA, and if directed by the Board, take control and assume settlement authority for the claim;
10. Periodically, review claims runs submitted by the member agencies;
11. Provide recommendations for alternative dispute resolution methods, when appropriate;
12. Provide, as needed, evaluations and critiques of defense attorneys and defense firms handling claims for the members;
13. Develop and implement processes and procedures relating to the protection of electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention, as per the standards for Accreditation with Excellence by the California Association of Joint Powers Authorities. This includes ensuring all other vendor contracts include requirements to develop and implement said processes and procedures;
14. Recommend claim settlements to the Board for approval;
15. Quarterly, prepare a report of all open cases which present an exposure to CARMA pooled funds;
16. As required, provide advice and assistance to member agencies;
17. Act as the account manager and provide designated back-up, to timely report to the reporting agent all judgments, settlements, and awards above the threshold limits as periodically required by the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) for all Medicare-eligible claimants;
18. Protect Medicare's interest in both conditional liens and future payment of medical expenses for all Medicare-eligible claimants to the extent it is reasonably appropriate because of the exposure, the injuries, and the then-existing and future anticipated medical treatment costs; and
19. To hold harmless and indemnify CARMA for any fines or Medicare reimbursements required to be paid as a result of BRS' failure to timely report any Medicare-eligible judgments, awards, or settlements, or for any ultimate determination that there was a failure on the part of BRS to adequately protect Medicare's conditional or future medical payment rights or reimbursement.

F. Financial Services:

1. Prepare and distribute CARMA billings for payment by member agencies;
2. Maintain detailed records of all income, expenditures, deposits, and withdrawals;
3. Verify demands for payment made upon CARMA and as necessary, prepare a warrant listing for approval by the President; such listings shall include all such demands made since the last warrant listing;
4. Upon approval of the warrants, issue checks to pay bills;
5. Respond to requests for confirmation made by member agencies' financial auditors;
6. Perform monthly bank reconciliations of all accounts;
7. Administer accounts payable and receivable;
8. Maintain financial records in accordance with generally-accepted accounting principles;
9. Quarterly, prepare and submit to CARMA's Treasurer for approval a Treasurer's Report detailing all funds on hand, classified by depository;
10. Within sixty (60) days after the end of the quarter, prepare and submit a full financial disclosure of all funds on deposit including receipts and disbursements of funds during the quarter just ended;
11. Arrange for the annual financial audit by the CPA firm approved by the Board;
12. Prepare and submit to the Board for approval by May 30 of each year an annual budget for CARMA;
13. Prepare, for each meeting of the Board, a claims paid listing for all claims paid by CARMA for the most recent quarter and to-date;
14. Prepare and timely file updated California State Controllers Annual Report of Financial Transactions forms for CARMA and comply with other reporting requirements of the State of California;
15. Prepare and timely file Form 1099's with the Internal Revenue Service for all necessary expenditures made, other than those expenditures made by third party claims administrators;
16. Maintain any additional financial or other records as may be necessary to the operation of CARMA; and

17. As required, provide advice and assistance to member agencies.

G. Support Services:

1. Provide the support services required to satisfactorily conduct CARMA's business including clerical support, printing and copy services, mailings, etc;
2. Maintain up-to-date mailing lists of all member agencies, Board members, Management Committee members, and providers of services;
3. Arrange meeting facilities including accouterments and meals, if desired, for Board meetings;
4. Arrange meeting facilities, including lodging and meals, for Board retreats;
5. Provide for other meeting arrangements, such as, room and board for other meetings, conferences, or seminars as required by CARMA;
6. At BRS' expense:
 - a. Provide equipment and related lines for the receipt and transmission of documents by facsimile;
 - b. Furnish telephone lines sufficient to provide adequate service to CARMA's member agencies, including member agency access to an 800 number in BRS' office;
 - c. Provide postage for mailings of CARMA materials prepared by BRS;
 - d. Provide all office supplies required to carry out the purposes of this Agreement;
 - e. Provide printing required for letterhead, envelopes, forms, and other printed documents;
 - f. Maintain subscriptions to the professional periodicals required to carry out the purposes of this Agreement; and
 - g. Reimburse BRS' employees for travel on behalf of CARMA, except travel incidental to services provided outside of this Agreement.

H. Other Services:

Although not a part of this Agreement, BRS, when mutually agreed by CARMA and BRS,

may perform additional services. Payment for said additional services shall be in accordance with Section IX of this Agreement.

Services that may be performed under additional services include, but are not limited to, the services set forth below:

1. Plan, design, and implement new programs, or major revisions to existing programs for CARMA. If new programs or lines of coverage are offered to and implemented by CARMA, CARMA and BRS agree to renegotiate the contract price listed in section VIII;
2. Conduct on-site training for member agencies' personnel on loss control subjects;
3. Prepare other financial or administrative reports for CARMA and member agencies;
4. Prepare a budget analysis or other specific analysis as requested by member agencies;
5. Implement the components of the risk transfer manual through training and consulting services;
6. Provide other training services, as required;
7. Assist CARMA in obtaining alternative sources of financing for its programs; and
8. Perform any lawful additional service not covered by this Agreement which CARMA determines to be in its best interests.

VII. DUTIES OF CARMA

CARMA shall:

- A. Require member agencies to provide any information required by BRS to carry out the duties pursuant to this Agreement;
- B. Require member agencies to be truthful with BRS, cooperate with BRS' staff, cooperate in the conduct of CARMA's programs, and keep BRS informed of any developments which could impact the operations of CARMA;
- C. Perform the obligations CARMA has agreed to perform under this Agreement and pay BRS' billings in a timely manner;
- D. Appoint Karen Thesing as CARMA's Chief Administrative Officer and designate such appointee as an officer of CARMA;

- E. Appoint a member of BRS' staff as CARMA's Risk Manager and designate such appointee as an officer of CARMA;
- F. Appoint a member of BRS' staff as CARMA's Litigation Manager and designate such appointee as an officer of CARMA;
- G. Appoint a member of BRS' staff as CARMA's Board Secretary and designate such appointee as an officer of CARMA;
- H. Appoint a member of BRS' staff as CARMA's Assistant Treasurer and designate such appointee as an officer of CARMA;
- I. Provide a petty cash fund in an amount which is reasonable and mutually agreeable to pay for CARMA's professional memberships, Board travel, business meals and lodging, and other miscellaneous expenses of CARMA. A member of BRS' staff shall be designated as the Petty Cash Custodian;
- J. Pay annual membership costs for CARMA's membership in pooling trade organizations such as CAJPA, PARMA, PRIMA and AGRIP;
- K. At CARMA's expense, select an attorney who shall be designated to provide coverage opinions whenever such matters are in dispute; such attorney shall not be a member of BRS' firm, however, BRS agrees to provide recommendations to CARMA as to such selection;
- L. At CARMA's expense, if required, appoint a CPA or other qualified firm to invest the reserve funds of CARMA; and
- M. At CARMA's expense, purchase a fidelity bond to cover CARMA's Treasurer, Assistant Treasurer, Petty Cash Custodian, and any other officer who may handle monies of CARMA or who has authority to sign checks for CARMA.

VIII. PAYMENTS TO BRS

BRS hereby agrees to perform the services set forth in this Agreement for all five years of this Agreement renewal for the "Annual Base Contract Price" (ABCP) of \$305,000 in year one. In year two through year five of the renewal, the ABCP is increased by 2.5% annually.

The ABCP is calculated on a membership base of BCJPIA, VCJPA, CSJVRMA, MBASIA, and MPA. Such amounts shall be firm provided that no new members are added to CARMA during this period.

Adjustments to the amounts due to BRS for the addition of new members shall be as set forth in subparagraph A to this Article.

Other payments which may be made to BRS for special Litigation Management services shall be as set forth in subparagraph B to this Article.

These contract amounts shall be payable in twelve (12) equal monthly payments, each due by the 10th of each month in which the services are performed.

A. New Member Agencies of CARMA

Nothing in this Agreement shall prevent CARMA or any of its members from adding new members to CARMA or to the membership of any member; however, for each new member agency added to CARMA's membership, or any new member added to a member's membership, BRS shall be paid annually an amount equal to .020% of the added payroll from the new members. Such amount shall be in addition to the contract price due to BRS as set forth in this Article.

B. Reimbursement of Litigation Manager's Time and Travel Expenses

In addition to the remuneration set forth above, CARMA agrees to pay BRS for time and travel expenses of the Litigation Manager when he is required to travel on behalf of CARMA to attend trials, settlement conferences, and/or meetings with attorneys, arbitrators, judges, and/or claims personnel involving cases that have been reported to CARMA and will likely involve assumption of control by CARMA, and/or the payment of CARMA's funds in the finalization of the case.

The Litigation Manager's time shall be billed at the rate of \$170 per hour. This rate shall increase 5% annually. Reimbursement of out-of-pocket expenses shall include, but are not limited to mileage reimbursement at the current IRS rate, meals, lodging, and commercial travel. All payments included in this paragraph shall be charged to the case that required the services. All other services provided by the Litigation Manager shall be included in the payments made to BRS in the fixed contract price or as modified in the paragraphs above.

IX. ADDITIONAL SERVICES

In the event that additional services, or extra work, which are not covered by this Agreement are desired, such services will be billed on a time and materials basis at the standard hourly rates BRS charges its other clients or an agreed upon or a flat-rate basis. Prior to commencing any additional services or extra work, BRS shall prepare a task order describing the scope of work and the costs for the extra services. CARMA shall have no obligation to pay for extra services by BRS until after the approval of the task order by the President or the Board, as appropriate.

X. TERMINATION OF AGREEMENT

This Agreement may be terminated prior to the expiration of the term specified in Section XVIII in any one of the following ways:

- A. By mutual agreement of the parties, expressed in writing.
- B. By either party, without cause, by providing the other party not less than one hundred eighty days (180) days written notice.
- C. By either party at any time, for good cause, but only after sixty (60) days written notice to the other party. The party attempting to terminate this Agreement for good cause shall specifically outline in writing the factual bases for the allegations of good cause as defined herein, and shall give the other party thirty (30) days after receiving the written notice of termination for good cause to cure the alleged cause for termination. The terminating party shall not unreasonably refuse to accept the proposed cure offered by the other party.

The parties agree that any party attempting to terminate this Agreement for good cause shall be objectively fair, reasonable, and honest regarding the factual reasons for the termination, and acknowledges that this Agreement contains a covenant of good faith and fair dealing. Each party agrees not to terminate this Agreement for reasons that are trivial, arbitrary, capricious, pretextual or unrelated to the legitimate business purposes or goals of either party.

- D. "Good cause" is defined as:
 - i. A substantial and material failure to comply with the obligations in this Agreement that causes an adverse and material financial loss to the other party; or
 - ii. One that affords a material legal excuse to terminate this Agreement, including the inability to meet its financial obligations to the other party; or
 - iii. Actions or omissions constituting gross negligence or willful misconduct in the performance of the obligations in this Agreement that causes an adverse and material financial loss to the other party; or
 - iv. Habitual or recurrent failure to perform duties under the Scope of Services in this Agreement.
- E. In the event of termination, BRS shall deliver to CARMA, or its designated recipient, all files, reports, documents, including any claims information, and other work performed by BRS under this Agreement, whether in written or electronic form, and upon receipt thereof, CARMA shall pay BRS, pursuant to the terms of this Agreement, for services performed and authorized reimbursable expenses incurred to the date of termination. BRS shall refund to CARMA all compensation previously paid to BRS but unearned as of the date of termination.

Termination of this Agreement shall relieve both parties of any continuing liability for the performance of obligations and actions from and after the date of termination, except as

CARMA may request transition services as provided in Subdivision F. below in this Section. The parties will attempt to mutually agree on the amount of payment and the amount of work completed at the time of termination. Said amount will be paid to BRS within no more than ten (10) calendar days from the date of such mutual agreement, provided CARMA has received all of the items listed above.

- F. The CARMA Board of Trustees is empowered to terminate this Agreement on behalf of CARMA. The parties agree CARMA, not less than sixty (60) days prior to the termination date, may request in writing that BRS continue the provision of any services of the type that were performed under the Agreement and that BRS meet with and advise CARMA members and any successor service provider(s) selected by CARMA in order to assist CARMA for purposes of transition of CARMA's business operations to other administrative or claims services provider(s).

In the event of such written request by CARMA, BRS personnel familiar with CARMA operations shall in good faith provide further services and assistance requested of BRS at those hourly rates last charged for BRS work and services to CARMA at the Agreement's termination date, and with such additional transition services utilized by CARMA billed monthly and payable thirty (30) days thereafter. Absent any further mutual agreement of the parties in writing, in no event shall BRS be required to perform requested transition services for longer than ninety (90) days beyond the termination date of this Agreement.

XI. PROPERTY RIGHTS

A. Ownership of Records

All records relating to the operations, administration, activities, and finances of CARMA shall at all times be and remain the property of CARMA. At the termination of this Agreement, all such materials shall be returned to CARMA. BRS may, at its sole cost and expense, make and maintain copies of any CARMA records (but not including confidential or privileged records such as but not limited to claims legal files) for BRS' use and retention both during and after the termination of this Agreement. The copies may be made on paper, computer disk, or any other format or media deemed desirable by BRS.

B. CARMA Intellectual Property

All data, information, documents, books and records, processes (such as but not limited to X mod and other calculations and procedures used in reports and/or in presentations to CARMA by BRS), equipment, software (in source and object code form), and other materials supplied or purchased by CARMA from vendors outside this Agreement, relating to, or for use in, the provision of the Services to CARMA, and all intellectual property rights therein, will be and remain the sole property of CARMA.

C. BRS Intellectual Property

BRS Intellectual Property (“BRS IP”) shall mean all data, information, documents, books and records, processes (such as but not limited to BRS data processing techniques not otherwise disclosed in reports and presentations to CARMA by BRS), business methods (such as BRS developed risk control methods), equipment (including but not limited to computer hardware and replacements therefore), BRS developed software (such as but not limited to BRS developed applications and processes using Microsoft Word, Excel, Access, Power Point, Microsoft Office, and like programs in source and object code form), and other written materials (such as manuals for claims procedures, transfer of risk and any similar materials developed by BRS for use of its customers) provided to or used by CARMA in the providing of BRS' services or its assistance in establishing a self-insured group.

All BRS IP whether (a) owned by BRS prior to the Effective Date which is used in connection with the Services, (b) of which BRS acquires ownership after the Effective Date and which is used in connection with the Services, or (c) developed by or on behalf of BRS for use by CARMA after the Effective Date will be and remain the exclusive property of BRS and CARMA will have no rights or interests in the BRS IP except as described in this Section.

BRS will make such BRS IP available to CARMA and hereby grants CARMA a perpetual, irrevocable, worldwide, non-exclusive right and license (excluding the right to grant sublicenses) to make, have made, copy, modify, distribute, publicly perform, publicly display and use solely in connection with providing the Services internally to CARMA and modifying and supporting any software.

D. Website Design

Any finished or unfinished assembled work of web pages produced by BRS will be owned by BRS. Upon final payment of this contract, CARMA is assigned rights to use as a website the design, graphics, and text contained in the finished assembled website. Rights to Dot Net Nuke (including source code), work-up files, and computer programs are specifically not transferred, and remain the property of BRS. BRS and its subcontractors retain the right to display graphics and other web design elements as examples of their work in their respective portfolios.

E. Copyrights and Trademarks

Any proprietary that may be copyrighted and names used with respect to products and services are also the property of BRS under subsection B. herein, whether formally copyrighted or registered as a servicemark and/or trademark. All rights of use, if any, provided to CARMA, are subject to BRS' right to terminate use of such materials and names and upon termination are not subject to further use by CARMA. In the event that such materials have been registered by copyright or trademark, CARMA as part of this Agreement as to any materials provided to the Board, members affiliates, agents, successors

and assigns, agrees to use the appropriate designations, i.e. (©), TM, SM, (®), as appropriate.

XII. INDEPENDENT CONTRACTOR

BRS is and shall at all times remain as to CARMA a wholly independent contractor. Neither CARMA nor any of its agents shall have control over the conduct of BRS' employees or associates, except as otherwise set forth.

XIII. EQUAL OPPORTUNITY EMPLOYER

BRS shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, or natural origin.

XIV. INDEMNIFICATION

BRS agrees to indemnify, protect, defend and hold harmless CARMA, its members, officers and agents, from any and all allegations and claims for loss, damages, costs and expenses, attorney fees of any kind whatsoever and without limit (including, but not limited to auto and premises liability claims) by reason of any injury to any person, property, entity or any other claimant (whether or not a party to this Agreement), arising out of an act or omission by BRS.

Said indemnity shall further include any cause arising out of or in connection with performance or failure to perform by BRS any obligations to CARMA, within the scope the services to CARMA or otherwise in connection with this Agreement. BRS shall also hold CARMA harmless against any liability which it may incur toward BRS' employees, including but not limited to liability for the payment of workers' compensation benefits.

Notwithstanding the above, the parties agree that any Losses assessed or imposed by any third party, including any federal agency, for failure of reporting and/or failure of timely reporting by BRS shall be the sole responsibility of BRS unless that failure was caused by Client's failure timely to report accurate information to BRS.

XV. INSURANCE REQUIREMENTS

BRS, at its expense, shall at all times maintain in full force and effect workers' compensation insurance covering all employees of BRS in an amount required by the laws of the State of California. BRS hereby declares that said employees are the employees of BRS and at no time shall said employees be held to be in the employ of CARMA. BRS shall hold CARMA harmless against any liability that it may incur toward said employees, specifically including liability for the payment of workers' compensation benefits.

BRS, at its expense, shall maintain automobile liability insurance in an amount not less than \$1 million combined single limits per occurrence.

BRS, at its expense, shall maintain at all times business premises and contents all risk property insurance that shall include a provision to provide reimbursement for the expense of reproduction of papers of CARMA which may be damaged or lost at the offices of BRS.

BRS, at its expense, shall maintain at all times primary commercial general liability insurance with combined single limits of \$1 million per occurrence and in the aggregate for bodily injury, property damage, personal injury and advertising injury

BRS, at its expense, shall maintain at all times Professional Liability Errors & Omissions Insurance with limits of \$1 million per claim to cover BRS and BRS' employees who have been designated as officers of CARMA, and other staff while they are carrying out the provisions of this Agreement and otherwise acting within the course and scope of their duties to CARMA.

BRS, at its expense, shall maintain at all times commercial umbrella liability coverage of at least \$1 million aggregate coverage over commercial and automobile primary coverages.

Should CARMA obtain other insurance coverage for its other officers or directors, CARMA shall name the employees of BRS who have been designated as officers of CARMA as additional named insureds on each of the insurance policies.

BRS shall provide CARMA with copies of all referenced insurance policies and/or certificates of insurance, and each insurance policy above required of BRS shall be endorsed to add CARMA as an additional insured, and shall state that coverage shall not be cancelled or non-renewed, except with 30 days notice by certified mail, return receipt requested, given to CARMA.

All insurance carriers providing the coverages required of BRS shall have a financial rating of at least an "A" published A.M. Best or an equivalent financial rating firm published report will be used to confirm the insurance carrier's rating.

For any covered claims related to this Agreement, the BRS required insurance shall be primary insurance as respects CARMA and its Board, and any self insurance maintained by CARMA or any of its members shall be excess to the insurance required under this Agreement and shall not contribute with it.

XVI. CONFLICT OF INTERESTS

BRS hereby certifies, to the best of its knowledge, that it has no conflict of interest in carrying out the provisions of this Agreement, except as follows: BRS provides services in the area of Administration, Risk Management, Financial, and Safety & Loss Control to three members of CARMA (Bay Cities Joint Powers Insurance Authority, Central San Joaquin Valley Risk Management Authority and Vector Control Joint Powers Agency). To the best of our knowledge no

conflict of interests currently exists in our performance of duties for these agencies with respect to CARMA. Should any conflict, apparent or real, occur in the future, all parties to this Agreement shall be so notified immediately.

XVII. ASSIGNMENT

CARMA and BRS each binds itself, its principals, successors, assigns, and legal representatives to the other party to this Agreement and to the principals, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither CARMA nor BRS shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other.

XVIII. TERM OF AGREEMENT

This Agreement shall be in effect from July 1, 2012 through and including June 30, 2017, subject to earlier termination as set forth in Section X of this Agreement.

XIX. DISCLAIMER OF GUARANTEE

BRS has made no promise or guarantee to CARMA about the outcome of CARMA's matters, and nothing in this Agreement shall be construed as such a promise or guarantee.

XX. SETTLEMENT OF DISPUTES

The parties agree that the venue for any and all disputes (including as to the validity of the provisions with respect to dispute resolution procedures herein) will be held with respect to any dispute resolution process in Sacramento County, California.

Should any arbitration, mediation, or litigation occur relating to the enforcement and/or interpretation of this Agreement or any part thereof, the prevailing party shall be entitled to reasonable attorney's fees and costs. The determination of whom, if anyone, is the prevailing party as well as what shall constitute reasonable attorney's fees and costs shall be made by the judge presiding over said litigation proceedings.

XXI. SUPERSESION OF PRIOR TERMS AND CONDITIONS

This Agreement integrates all terms and conditions mentioned herein or incidental hereto, and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. In the event of conflict between terms, conditions, or provisions of this Agreement and any such document or instrument, the terms and conditions of this Agreement shall prevail.

XXII. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California or the United States, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

XXIII. NOTICES

Except as may otherwise be required by law, any notice to be given shall be in writing and shall be personally delivered, sent by facsimile transmission or sent by first class mail, postage pre-paid and addressed as follows:

CARMA:

Mr. Craig Farmer
3620 American River Drive, Suite 218
Sacramento, CA 95864
Telephone: (916) 679-6565
Fax: (916) 679-6575

BRS:

Gregory L. Trout, President
1750 Creekside Oaks Drive, Suite
200
Sacramento, CA 95833
Fax Number: (916) 244-1199

Or such other person designated from time to time by the Board.

Notice delivered personally or successfully sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first-class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the address to which notice is to be given by providing written notice pursuant to this section.

IN WITNESS HEREOF, the parties hereto have executed this Agreement the day and year first above written.

BICKMORE RISK SERVICES

By: _____ Dated: _____
Gregory L. Trout, President

By: _____ Dated: _____
Jeffrey C. Grubbs, Chief Financial Officer

CALIFORNIA AFFILIATE RISK MANAGEMENT AUTHORITIES

By: _____ Dated _____
Geoff Grote, President

By: _____ Dated _____
Robert Galvan, Vice President

Joint and Several Liability

During these extremely difficult economic times, it seems appropriate to refresh recollections and create new awareness regarding the nature of our exposure regarding joint and several liability, and how it can increase substantially during times of economic hardship.

Joint and several liability is the exposure of multiple defendants in a lawsuit to the total amount of any award to a plaintiff without regard to limitations by the percentage of the award against any individual defendant as determined by the court or jury. This rule is based upon the theory that if there are joint tortfeasors, even if one of them is determined to be only 1% responsible, the plaintiff(s) should not be precluded the total amount of recovery even if one or more of the defendants are unable to pay. The term “deep pockets” is derived from this rule, as the defendant with the most financial ability to pay, is required to pay the portion of the judgment awarded not only against them, but also any portion awarded against a co-defendant with a lack of insurance coverage or other assets, sufficient to pay the amount awarded against them.

Originally, joint and several liability applied to both general and special damages. General damages are those awarded for non-economic pain, suffering, inconvenience, emotional distress, loss of reputation, loss of consortium, etc. Special damages are those awarded for all economic damages, such as lost wages, loss of future income, medical expenses (past and future), and cost of future care.

On June 3, 1986, voters in the state of California passed Proposition 51 at the ballot box. Proposition 51, officially titled The California Fair Responsibility Act and nicknamed the “Deep Pockets Law” gave some relief to minor exposed defendants by providing that they could only be held responsible for paying that portion of an award against them for general damages, but would still remain liable for paying the total amount of special damages awarded to plaintiff(s) if the other defendant(s) have insufficient insurance coverage or assets to cover the total amount awarded. In effect, this means that a drunk driver, driving at night without lights who runs a stop sign, who broadsides a vehicle and renders the other driver brain-damaged and a quadriplegic will, in essence, pay nothing of a multi-million dollar judgment against him/her, and a public entity found to be responsible for 1% exposure to the plaintiff will be responsible for paying millions of dollars to that plaintiff. Further, pursuant to the rules of court, a jury is NOT entitled to know that this is the case and, in many cases, thinks that as a good compromise in the jury room, they are doing the public entity a favor by awarding a very small percentage of liability against them.

The effect of joint and several liability (especially in the cases of death or severe injuries to a plaintiff) is to convert lawsuits into searches for financially viable defendants regardless of fault, with the hope of intimidating them with respect to that 1% possibility and the attendant responsibility for buying millions of dollars in life care, medical expense, loss of earnings, etc., for the plaintiff, at a discounted rate when the main (or sometimes really only) tortfeasor is

uninsured, insured for the minimum (15/30) and, in essence, judgment proof as to lack of assets. To the extent that the tortfeasor has insurance coverage, even though woefully inadequate, in the absence of other very substantial assets, the court will approve a “good faith settlement” for the policy limit and require the public entity to pay the remaining portion if they have absorbed any percentage of the award or judgment. Most of the high settlements, judgments, or awards in the hundreds of thousands to millions of dollars paid by public entities are because of this possibility that a very small percentage of liability awarded against it by an uninstructed and often even well-intentioned jury will result in responsibility for payment of many millions of dollars.

Many states have either eliminated joint and several liability completely or enacted legislation such that only a defendant found to have responsibility for 50% or more of the fault is still subject to the rule as to general damages, special damages, or both. Forty of the fifty states originally imposed joint and several liability for economic and non-economic damages. Attached is a survey conducted a number of years ago by the American Tort Reform Association regarding the elimination or modification of this rule by many of the states. The federal government has addressed and “tabled” the matter numerous times over the last decade.

WHAT DOES THIS MEAN FOR OUR CITIES, ESPECIALLY IN THESE TIMES OF ECONOMIC HARDSHIP?

First of all, be aware that a simple verbal or recorded statement by an employee or official can and will inspire a well-funded and knowledgeable plaintiff law firm to not only take, but vigorously pursue, a suit against a public entity on behalf of a plaintiff who has sustained very serious injuries or death. A statement at a council meeting by a representative that “this is a dangerous intersection and needs improvements” can be the motivation for including and pursuing the public entity vigorously, even if 100% of the liability should rest with a non-entity employee. If the possibility of the statement alone could lead to a 1% finding, and a good life care plan for the plaintiff is 20-30 million dollars, it makes it extremely difficult to “roll the dice” with that uninstructed jury, which, again, might think they are doing the entity a favor by awarding only 1% of the fault against them. This can be true, as well, with respect to a seemingly innocent statement in an investigation report to the effect that “we are having too many accidents at this intersection” or “the sight distance from the limit line leaves something to be desired.” etc.

Further, in times of economic downturn, risk managers and maintenance employees, as well as recordkeeping are often the first casualties of force reduction. The trees at an intersection or the shrubs in a median strip that failed to get inspected, or trimmed when needed, the limit line or “stop ahead” road legend, the faded, less-reflective stop sign, can all result in 1%, as well as the lack of adequate recordkeeping as to dates of inspections, repairs, and detailed information on the persons involved.

The fact that there are no records or errant records regarding public improvements or maintenance can easily earn us at least the real fear of that 1%.

I could go on and on, and bore you with additional examples, but I think you get the point. Although there are always difficult decision when cost savings are needed, please keep in mind the message from this “white paper,” so as to not become “penny wise and dollar foolish.” Remember that under our current legal system, 1% can equate to millions of dollars.

Thank you,

Linzie Kramer

BRS Senior Litigation Consultant & Litigation Manager

Attachment A

Excerpt from Joint and Several Liability Rule Reform, American Tort Reform Association (<http://www.atra.org/issues/joint-and-several-liability-rule-reform>, accessed March 5, 2012)

State Reforms

Alaska

Joint and Several Liability Reform: Proposition 2 (1988).
Bars application of the rule of joint and several liability in the recovery of all damages.

Arkansas

Joint and Several Liability Reform: HB 1038 (2003); A.C.A. § 16-55-213.
Provides for a modified repeal of joint and several liability instead of complete repeal, whereby defendants who are found to be 1 percent to 10 percent at fault will only be responsible for the percentage of damage caused, defendants who are 11 percent to 50 percent at fault could have their share of a judgment increased up to an additional 10% if a co-defendant is unable to pay its share of a judgment, and defendants who are 51% to 99% at fault could have their share of a judgment increased up to an additional 20% if a co-defendant is unable to pay its share of the judgment. The reform applies to all damages except punitive damages. Reform provisions also do not apply to cases involving long-term care facility medical directors.

Arizona

Joint and Several Liability Reform: SB 1036: (1987): Ariz. Stat. § 12-2506.
Bars application of the rule of joint and several liability in the recovery of all damages, except in cases of intentional torts and hazardous waste. *The statute abolishing joint liability did not violate the equal protection, due process, or separation of powers provisions of the State Constitution. Church v. Rawson Drug & Sundry Co., 842 P.2d 1355 (Ariz. App. 1992). Retroactive application of the statute abolishing joint liability was not unconstitutional. Neil v. Kavena, 859 P.2d 203 (Ariz. App. 1993).*

California

Joint and Several Liability Reform: Proposition 51 (1986): Cal. Civ. Code § 1431.2.
Bars application of the rule of joint and several liability in the recovery of noneconomic damages. *The Fair Responsibility Act, which abolished joint liability for noneconomic damages, did not violate the equal protection provisions of the State or Federal Constitutions. Evangelatos v. Superior Court, 753 P.2d 585 (Cal. 1988).*

Colorado

Joint and Several Liability Reform: SB 70 (1986). Colo. Rev. Stat. § 13-21-111.5.
Bars application of the rule of joint and several liability in the recovery of all damages. (An amendment approved in 1987 allowed joint liability when tortfeasors consciously acted in a concerted effort to commit a tortious act.)

Connecticut

Joint and Several Liability Reform: HB 6134 (1986): Conn. Gen. Stat. Ann. § 52-572h.
Bars application of the rule of joint and several liability in the recovery of all damages, except where the liable party's share of the judgment is uncollectible. (The 1987 legislation limited application of this reform to noneconomic damages.)

Florida

Joint and Several Liability Reform: H.B. 145 (2006); Fla. Stat. § 768.36, Fla. Stat. § 768.098; Amending Fla. Stat. § 768.81.
Bars application of joint and several liability in the recovery of all damages.

Joint and Several Liability Reform: HB 775 (1999); Fla. Stat. Ann. § 768.81.
Bars application of the rule of joint and several liability, where the plaintiff is at fault, and where the defendant is 10% or less at fault. Limits joint liability to \$200,000, where the plaintiff is at fault, and where the defendant is more than 10% but less than 25% at fault. Limits joint liability to \$500,000, where the plaintiff is at fault, and where the defendant is at least 25% but not more than 50% at fault. Limits joint liability to \$1 million, where the

plaintiff is at fault, and where the defendant is more than 50% at fault. Bars application of the rule of joint and several liability, where the plaintiff is not at fault, and where the defendant is less than 10% at fault. Limits joint liability to \$500,000, where the plaintiff is not at fault, and where the defendant is at least 10% but less than 25% at fault. Limits joint liability to \$1 million, where the plaintiff is not at fault, and where the defendant is at least 25% but not more than 50% at fault. Limits joint liability to \$2 million, where the plaintiff is not at fault, and where the defendant is more than 50% at fault.

Joint and Several Liability Reform: SB 465 (1986).

Bars application of the rule of joint and several liability in the recovery of non-economic damages. Bars application of the rule of joint and several liability in the recovery of economic damages from defendants less at fault than the plaintiff. The reform does not apply in the recovery of economic damages for pollution, intentional torts, actions governed by a specific statute providing for joint and several liability, and actions for damages no greater than \$25,000. *The joint and several liability provision is constitutional. Smith v. Department of Insurance, 507 So.2d 1080 (Fla. 1987). The Florida Supreme Court further interpreted the joint and several liability portion of the statute in Allied Signal v. Fox, case No. 80818, Florida Supreme Court, Aug. 26, 1993 and Fabre v. Marin, case No. 76869, Florida Supreme Court, Aug. 26, 1993.*

Georgia

Joint and Several Liability Reform: H.B. 3 (2005).

Eliminates joint and several liability.

Joint and Several Liability Reform: Ga. Code Ann. § 51-12-33.

Bars application of the rule of joint and several liability in certain cases where the plaintiff is partially at fault.

Hawaii

Joint and Several Liability Reform: HB 1088 (1994).

Bars application of the rule of joint and several liability in the recovery of all damages from all governmental entities.

Joint and Several Liability Reform: SB S1 (special session) (1986): Sunset provision (SB 1529) enacted in 1991.

Bars application of the rule of joint and several liability in the recovery of noneconomic damages from defendants found to be 25% or less at fault. The reform does not apply to auto, product, or environmental cases.

Iowa

Joint and Several Liability Reform: HF 693 (1997): Iowa Code Ann. § 668.4.

Bars application of the rule of joint and several liability in the recovery of all noneconomic damages, and economic damages, where a defendant is found to be less than 50% at fault.

Idaho

Joint and Several Liability Reform: HB 744 (1990).

Defines the term “acting in concert,” as used in SB 1223 (below), as pursuing a common plan or design that results in the commission of an intentional or reckless tortious act.

Joint and Several Liability Reform: SB 1223 (1987): Idaho Code Ann. § 6-803.

Bars application of the rule of joint and several liability in the recovery of all damages, except in cases of intentional torts, hazardous waste, and medical and pharmaceutical products.

Illinois

Joint and Several Liability Reform: HB 20 (1995).

Bars application of the rule of joint and several liability in the recovery of all damages. *The reform violates the State Constitutional prohibition against special legislation. Best v. Taylor Machine Works, Inc., 689 N.E.2d 1057 (Ill. 1997).*

Joint and Several Liability Reform: SB 1200 (1986).

Bars application of the rule of joint and several liability in the recovery of noneconomic damages from defendants found to be 25% or less at fault. Except in auto, product or environmental cases.

Indiana

Joint and Several Liability Reform: Ind. Code Ann. § 34-51-2-8.

Bars application of the rule of joint and several liability in the recovery of all damages.

Kansas

Joint and Several Liability Reform: *Brown v. Keill*, 580 P.2d 867, 874 (Kan. 1978).

Bars application of the rule of joint and several liability in the recovery of all damages.

Kentucky

Joint and Several Liability Reform: HB 21 (1996): Ky. Rev. Stat. Ann. § 411.182.

Bars application of the rule of joint and several liability in the recovery of all damages.

Joint and Several Liability Reform: HB 551 (1988).

Requires that juries be instructed to determine the percentage of fault appropriate to each claimant, defendant, third party defendant and defendant settling out of court and apportion each party's equitable share in accordance with the respective percentages of fault. *Prudential Life Ins. Co. v. Moody*, 696 S.W.2d 503 (Ky. 1985).

Louisiana

Joint and Several Liability Reform: HB 21 (1996): La. Civ. Code arts 1804, 2323, 2324.

Bars application of the rule of joint and several liability in the recovery of all damages.

Massachusetts

Joint and Several Liability Reform: HB 574 (2001): Mass. Gen. Laws Ann. Ch. 231B §§ 1-2.

Bars application of the rule of joint and several liability in the recovery of all damages against public accountants so that an individual or firm is only liable for damages in proportion to the assigned degree of fault.

Michigan

Joint and Several Liability Reform: HB 4508 (1995): MCLS § 600.6304(4), MCLS § 600.6312.

Bars application of the rule of joint and several liability in the recovery of all damages, except in cases of employers' vicarious liability and in medical liability cases, where the plaintiff is determined not to have a percentage of fault.

Joint and Several Liability Reform: HB 5154 (1986): MCLS § 600.6304(4), MCLS § 600.6312.

Bars application of the rule of joint and several liability in the recovery of all damages from municipalities. Bars application of the rule of joint and several liability in the recovery of all damages from all other defendants, except in products liability actions and actions involving a blame-free plaintiff. Provides that defendants are severally liable, except when uncollectible shares of a judgment are reallocated between solvent co-defendants according to their degree of negligence.

Minnesota

Joint and Several Liability Reform: HF 872 (2003); Amended Minn. Stat. § 604.02.

Raises the threshold for the imposition of joint and several liability from 15 percent to greater than 50 percent.

Parties less than 50 percent responsible are to be held responsible only for their percentage of fault.

Joint and Several Liability Reform: HF 1493 (1988): Minn. Stat. Ann. § 604.02 Subd. 1.

Provides that defendants found to be 15% or less at fault shall pay no more than four times their share of damages.

Missouri

Joint and Several Liability Reform: H.B. 393 (2005); § 537.067 R.S.Mo.

Provides that joint and several liability applies if a defendant is 51 percent or more at fault. In such circumstances, the defendant is jointly and severally liable for the amount of the judgment rendered against the defendant. If a defendant is found to be less than 51 percent at fault, the defendant is only responsible for the percent of the judgment he or she is responsible for.

Joint and Several Liability Reform: HB 700 (1987).

Bars application of the rule of joint and several liability in the recovery of all damages when a plaintiff is assessed a portion of the fault.

Joint and Several Liability Reform: § 537.067 R.S.Mo.

Limits joint liability to two times the defendant's percentage of fault, if the plaintiff was at fault.

Mississippi

Joint and Several Liability Reform: H.B. 13 (special session) (2004); Amended Miss. Code Ann. § 85-5-7.

Abolishes joint and several liability. Provides that defendants are not responsible for any fault allocated to an immune tortfeasor or a tortfeasor whose liability is limited by law.

Medical Liability Reform: Joint and Several Liability Reform: H.B.2 (special session) (2002); Amended Miss. Code Ann. § 85-5-7.

Replaces the rule of joint and several liability with the rule of proportionate liability for noneconomic damages (that is, limit a joint tortfeasor's liability for noneconomic damages to his percentage of fault). Replaces the rule of joint and several liability with the rule of proportionate liability for economic damages, where the defendant is found to be less than 30% at fault. Replaces the rule of joint and several liability with a rule that allows a joint tortfeasor to be held up to 50% responsible for economic damages, where the defendant is found to be at least 30% at fault.

Joint and Several Liability Reform: HB 1171 (1989): Miss. Code Ann. § 85-5-7(2).

Provides that the rule of joint and several liability only applies to the extent necessary for the injured party to receive 50% of his or her recoverable damages.

Montana

Joint and Several Liability Reform: HB 571 (1997): Mont. Code Ann. § 27-1-705.

Retains the current system of modified joint and several liability, where joint liability does not apply to defendants found to be less than 50% at fault. Revises the comparative negligence statute to permit the allocation of a percentage of liability to defendants who settle or are released from liability by the plaintiff. Allows those defendants to intervene in the action to defend against claims affirmatively asserted. Provides that joint liability shall apply in actions arising from an act or omission that violates a state environmental law relating to hazardous or deleterious substances.

Joint and Several Liability Reform: HB 572 (1997); Mont. Code Anno., § 27-1-705 (2010).

Bars application of the rule of joint and several liability in the recovery of all damages. *Takes effect only if HB 571 is held unconstitutional.*

Joint and Several Liability Reform: SB 212 (1995).

Restores the joint and several liability reforms of 1987, which had been weakened by the Montana Supreme Court. Provides procedural safeguards to allow joint liability to apply only when a defendant is found to be more than 50% at fault.

Joint and Several Liability Reform: SB 51 (1987).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be 50% or less at fault. *Parts of the 1987 comparative negligence statute allowing fault to be allocated to nonparties violated the due process provision of the State Constitution. Newville v. State of Montana, Department of Family Services, 883 P.2d 793 (Mont. 1994).*

North Dakota

Joint and Several Liability Reform: HB 1571 (1987): N.D. Cent Code § 32-03.2-02.

Bars application of the rule of joint and several liability in the recovery of all damages, except for intentional torts, cases in which defendants acted in concert, and product liability cases.

Nebraska

Joint and Several Liability Reform: LB 88 (1991): Neb. Rev. Stat. § 25-21,185.10.

Bars application of the rule of joint and several liability in the recovery of noneconomic damages.

New Hampshire

Joint and Several Liability Reform: SB 110 (1990): N.H. Rev. Stat. Ann. § 507:7-e.

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 50% at fault.

New Jersey

Joint and Several Liability Reform: SB 1494 (1995).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 60% at fault. (The law formerly extended the 60% threshold for noneconomic damages only.) The reform does not apply to toxic torts.

Joint and Several Liability Reform: SB 2703, SB 2708 (1987): N.J. Stat. Ann. § 2A:15-5.3.

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 20% at fault. Bars application of the rule of joint and several liability in the recovery of noneconomic damages from defendants found to be between 20% and 60% at fault.

New Mexico

Joint and Several Liability Reform: SB 164 (1987): N.M. Stat. Ann. § 41-3A-1.

Bars application of the rule of joint and several liability in the recovery of all damages, except in cases involving toxic torts, cases in which the relationship of defendants could make one defendant vicariously liable for the acts of others, cases involving the manufacture or sale of a defective product (in these cases the manufacturer and retailer can be held liable for their collective percentage of fault but not the fault of other defendants), and in situations “having a sound basis in public policy.”

Nevada

Medical Liability Reform: Joint and Several Liability Rule Reform: AB 1 (2002); Amended Nev. Rev. Stat. Ann. § 41A.045.

Bars application of the rule of joint and several liability in the recovery of noneconomic damages for medical liability claims.

Joint and Several Liability Reform: SB 511 (1987): Nev. Rev. Stat. Ann § 41.141.

Bars application of the rule of joint and several liability in the recovery of all damages, except in product liability cases, cases involving toxic waste, cases involving intentional torts, and cases where defendants acted in concert.

New York

Joint and Several Liability Reform: SB 9391 (1986): N.Y. Civ. Prac. L. & R. §§ 1601-1602.

Bars application of the rule of joint and several liability in the recovery of noneconomic damages from defendants found to be 50% or less at fault. The reform does not apply to actions where the defendant is found to have acted with reckless disregard of the rights of others, and in actions involving motor vehicle cases, actions involving the release of toxic substances into the environment, intentional torts, contract cases, product liability cases where the manufacturer could not be joined, construction cases, and other specific actions.

Ohio

Joint and Several Liability Reform: SB 120 (2003).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 50% unless the defendant committed an intentional tort. Bars application of the rule of joint and several liability in the recovery of noneconomic damages.

Joint and Several Liability Reform: HB 350 (1996).

Bars application of the rule of joint and several liability for the recovery of noneconomic damages, where the plaintiff was contributorily negligent or impliedly assumed the risk that caused the harm. *The comprehensive 1996 tort reform law violated the doctrine of separation of powers and the one-subject provision of the State Constitution. State ex rel. Ohio Academy of Trial Lawyers v. Sheward, 715 N.E.2d 1062 (Ohio 1999).*

Oklahoma

Joint and Several Liability Reform- S.B. 862 (2011), 23 Okl. St. § 15.1.

Eliminates joint and several liability except where the state brings the lawsuit.

Joint & Several Liability: HB 1603 (2009).

Provides that unless a defendant is more than 50% at fault, the defendant will only be charged its proportionate share of the injury award.

Joint and Several Liability Reform: HB 2661 (2004).

Restricts joint liability to only a defendant that is more than 50 percent at fault, except where any defendant acted with willful and wanton conduct or reckless disregard and then all defendants may be held joint and severably liable. Limitation only applies when the plaintiff has no comparative negligence.

Joint and Several Liability Reform: *Anderson v. O'Donohue*, 677 P.2d 648 (Okla. 1983). *Laubach v. Morgan*, 588 P.2d 1071 (Okla. 1978).

Bars application of the rule of joint and several liability in the award of all damages if the plaintiff was at fault.

Oregon

Joint and Several Liability Reform: SB 601 (1995): Or. Rev. Stat. § 18.485.

Bars application of the rule of joint and several liability in the recovery of all damages, except where the defendant is determined to be insolvent within one year of the final judgment. In those cases, a defendant less than 20% at fault would be liable for no more than two times her original exposure and a defendant more than 20% liable would be liable for the full amount of damages.

Joint and Several Liability Reform: SB 323 (1987).

Bars application of the rule of joint and several liability in the recovery of noneconomic damages. Bars application of the rule of joint and several liability in the recovery of all damages, where the defendant is found to be less than 15% at fault.

Pennsylvania

Joint and Several Liability Reform: SB 1131 (2011).

Bars the application of the rule of joint and several liability in the recovery of all damages, except when a defendant has: (1) been found liable for intentional fraud or tort; (2) been held more than 60% liable; (3) been held liable for environmental hazards; or (4) been held civilly liable as a result of drunk driving.

Joint and Several Liability Reform: SB 1089 (2002).

Bars application of the rule of joint and several liability in the recovery of all damages, except when a defendant has: (1) been found liable for intentional fraud or tort; (2) been held more than 60% liable; (3) been held liable for environmental hazards, or; (4) been held civilly liable as a result of drunk driving. *The 2002 joint and several liability law violated the single subject rule of the PA Constitution. DeWeese v. Weaver*, 880 A.2d 54 & 824 A.2d 364 (Pa. Cmwlth. 2005).

Rhode Island

Joint and Several Liability Reform:

Bars application of the rule of joint and several liability in the recovery of all damages.

South Carolina

Joint and Several Liability Reform: H. 3008 (2005).

Provides that joint and several liability does not apply to defendants less than 50 percent responsible of the total fault. In the calculation of total fault, comparative fault of the plaintiff is to be included. If the plaintiff is found to be 50 percent or greater at fault, the plaintiff shall then be barred from recovery. Defendant's less than 50 percent at fault shall only be responsible for its proportional share of the damages based on its percentages of liability.

Joint and Several Liability Reform: Medical Liability: S. 83 (2005).

Specifies that if there are multiple defendants in a civil action, joint and several liability does not apply to any defendant 50 percent or less responsible for the damages. Furthermore, specified that comparative fault is included in the calculation of total fault in the case. If the plaintiff is found to be greater than 50 percent responsible for the total fault, then the plaintiff is completely barred from recovering damages. A defendant found to be less than 50 percent responsible is only responsible for its proportional share of damages based on its percentage of liability. Retained the right of the "empty chair" defense where a defendant retains the right to assert that another potential tortfeasor, whether or not a party, contributed to the alleged damages and may be liable for any or all damages alleged by another party.

South Dakota

Joint and Several Liability Reform: SB 263 (1987): S.D. Codified Laws Ann. § 15-8-15.1.

Provides that "any party who is allocated less than 50% of the total fault allocated to all parties may not be jointly liable for more than twice the percentage of fault allocated to that party."

Tennessee

Joint and Several Liability Reform: McIntyre v. Balentine, 833 S.W.2d 52 (Tenn. 1992).
Bars application of the rule of joint and several liability in the recovery of all damages.

Texas

Joint and Several Liability Reform: HB 4 (2003).

Defendant pays only assessed percentage of fault unless defendant is 50% or more responsible. Defendants can designate (as opposed to join) other responsible third parties whose fault contributed to causing plaintiff's harm. In toxic tort cases, the threshold for joint and several liability raised from 15% to 50%.

Joint and Several Liability Reform: SB 28 (1995).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 51% at fault.

Joint and Several Liability Reform: SB 5 (1987).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 20% at fault, except when a plaintiff is found to be fault free and a defendant's share exceeds 10%, and when damages result from environmental pollution or hazardous waste.

Utah

Joint and Several Liability Reform: HB 74 (1999): Utah Code Ann. § 78-27-40.

Clarifies the 1986 statute that abolished joint liability to address the Utah Supreme Court decision in *Field v. The Boyer Company*.

Joint and Several Liability Reform: SB 64 (1986).

Bars application of the rule of joint and several liability in the recovery of all damages.

Virginia

Joint and Several Liability Reform:

Bars application of the rule of joint and several liability in the recovery of all damages.

Vermont

Joint and Several Liability Reform: (1985).

Bars application of the rule of joint and several liability in the recovery of all damages.

Washington

Joint and Several Liability Reform: SB 4630 (1986): Wash. Rev. Code Ann. § 4.22.070(1)(b).

Bars application of the rule of joint and several liability in the recovery of all damages, except in cases in which defendants acted in concert or the plaintiff is found to be fault free, or in cases involving hazardous or solid waste disposal sites, business torts and manufacturing of generic products.

Wisconsin

Joint and Several Liability Reform: SB 11 (1995): Wis. Stat. Ann. § 895.045(1).

Bars application of the rule of joint and several liability in the recovery of all damages from defendants found to be less than 51% at fault. Provides that a plaintiff's negligence will be measured separately against each defendant. *The statute retroactively abolishing joint liability for any defendant found to be less than 51% at fault violated the Due Process Clauses of the State and Federal Constitutions. Matthies v. Positive Manufacturing Co., 2001 WL 737384 (Wis. July 2, 2001).*

West Virginia

Joint and Several Liability Reform: SB 421 (2005).

Eliminates joint and several liability for defendants 30 percent or less at fault. In such situations, defendants pay only percentage of fault as determined by the jury. Provides that if a claimant has not been paid after six months of the judgment, defendants 10 percent or more responsible are subject to reallocation of uncollected amount. Defendants less than 10 percent at fault or whose fault is equal to or less than the claimant's percentage of fault are not subject to reallocation.

Joint and Several Liability Reform: HB 2122 (2003).

Provides for modified joint and several liability in medical malpractice cases so that liability is several among defendants who go to trial, but does not take into account settling defendant's liability.

Joint and Several Liability Reform: W.V. Code Ann. § 55-7B-9.

Bars application of the rule of joint and several liability in the recovery of damages, where the defendant is found to be less than 25% at fault.

Wyoming

Joint and Several Liability Reform: SF 35 (1994).

Amends the joint and several liability reform passed in 1986. Defines when an individual is at fault. Specifies the amount of damages recoverable in cases where more than one party is at fault. Clarifies the relationship between fault and negligence.

Joint and Several Liability Reform: SB 17 (1986): Wyo. Stat. Ann. § 1-1-109(e).

Bars application of the rule of joint and several liability in the recovery of all damages.

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

MEMORANDUM OF COVERAGE

LIABILITY COVERAGE

DECLARATIONS

POLICY NO. CARMA ~~2011~~2012-18GL19GL

NAMED COVERED PARTY: California Affiliated Risk Management Authorities, et al., as per Endorsement No. 1

1750 Creekside Drive, Suite 200
Sacramento, CA 95833

POLICY PERIOD: From 7-1-~~2011~~2012 to 7-1-~~2012~~2013
12:01 A.M. Pacific Standard Time

LIMITS OF COVERAGE: CARMA Self Insured Layer: \$3,000,000 Excess of \$1,000,000 Each Occurrence except as otherwise delineated in the ~~2011~~2012/~~2012~~2013 Memorandum of Coverage

AmTrust Insurance Group (purchased): \$10,000,000 Excess of \$4,000,000; Policy No. TBD*

**Colony National Insurance Company (purchased): \$15,000,000 Excess of \$14,000,000; Policy No. TBD

*Reinsurance coverage is subject to some Conditions that may differ from this MOC

**At July 1, 2012, VCJPA is no longer participating in the \$15M x \$14M excess layer

FORM AND ENDORSEMENTS: Form No. CARMA ~~2011~~2012-18GL19GL, Endorsement No. 1

Forming Part of the Policy at Inception

ON BEHALF OF CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES ~~ES~~



AUTHORIZED REPRESENTATIVE

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

MEMORANDUM OF COVERAGE

LIABILITY COVERAGE

ENDORSEMENT #1

It is understood that the Named Covered Party of the Declarations is completed as follows:

California Affiliated Risk Management Authorities
Bay Cities Joint Powers Insurance Authority
Central San Joaquin Valley Risk Management Authority
Monterey Bay Area Self Insurance Authority
Municipal Pooling Authority of Northern California
Vector Control Joint Powers Agency
and their members participating in their Liability Program

Attached to and forming part of Policy No. CARMA 2012-19GL

Effective Date: July 1, 2012

Endorsement No.: 1



AUTHORIZED REPRESENTATIVE

**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
(CARMA)**

MEMORANDUM OF COVERAGE

FOR THE 2012/2013 PROGRAM YEAR

EFFECTIVE JULY 1, 2012

**MEMORANDUM OF COVERAGE
FOR THE
CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
(CARMA)**

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**MEMORANDUM OF COVERAGE
FOR THE
CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
(CARMA)**

In consideration of the payment of the deposit premium, the *Authority* agrees with the *Covered Parties* as follows:

SECTION I – COVERAGE

The *Authority* will pay up to the *Limit of Coverage* those sums for *Ultimate Net Loss* in excess of \$1,000,000 that the *Covered Parties* pay out of their own funds, unless otherwise provided herein, as *Damages* because of *Bodily Injury, Property Damage, Personal Injury, or Public Officials Errors and Omissions* as those terms are herein defined and to which this agreement applies, caused by an *Occurrence* during the *Coverage Period*, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled risk sharing. This Memorandum is a negotiated agreement amongst the *Members* of the Authority and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles that require interpretation of ambiguous language against the drafter of such Memorandum. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *Members* of the Authority, acting through the Board of Directors in adopting this Memorandum of Coverage. As the Authority is not an insurer, it has no obligation to provide “Cumis” counsel to a *Covered Party* in disputed coverage situations under Civil Code §2860.

SECTION II - DEFINITIONS

1. "Aircraft" means a vehicle designed for the transport of persons or property principally in the air.
2. "Authority" means the California Affiliated Risk Management Authorities.
3. "Automobile" means a land motor vehicle, trailer, or semi-trailer.
4. "Bodily Injury" means bodily injury, sickness, disease, or emotional distress sustained by a person, including death resulting from any of these at any time. *Bodily Injury* includes *Damages* claimed by any person or organization for care, loss of services, or death resulting at any time from the *Bodily Injury*.
5. "Coverage Period" means that term prescribed for coverage by the *Authority* as set forth in the Declarations page.
6. "Covered Indemnity Contract" means that part of any contract or agreement pertaining to the *Covered Party's* routine governmental operations under which the *Covered Party*

assumes the tort liability of another party to pay for *Bodily Injury* or *Property Damage* to a third person or organization. This definition applies only to tort liability arising out of an *Occurrence* to which this agreement applies. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

7. "Covered Party" means:

- (a) A *Member* of the *Authority*. This includes all entities named in its Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board), or similar entities coming under the *Member's* direction or control, or for which the *Member's* board members sit as the governing body, except a hospital board or commission, regardless of how such body is denominated.
- (b) A member of a joint powers authority (JPA) which is a *Member* of the *Authority* herein, which participates in said JPA's liability program. This includes all entities named in its Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board), or similar entities coming under the *Member's* direction or control, or for which the *Member's* board member sits as the governing body, except a hospital board or commission, regardless of how such body is denominated.
- (c) Any person or *Member* identified as a *Covered Party* in a certificate of coverage to third parties duly issued by the *Authority* for *Occurrences* during the *Coverage Period* identified in the certificate of coverage, the person or *Member* is a *Covered Party* only for *Occurrences* arising out of the described activity.
- (d) Any person who is an official, employee, or volunteer of a person or *Member* covered by (a), (b), or (c) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or *Member*, including while acting on any outside board at the direction of such person or *Member*, except a hospital board or commission, regardless of how such a body is denominated.
- (e) The *Authority* itself and its Board of Directors individually.
- (f) With respect to any *Automobile* owned or leased by a *Member*, or loaned to or hired for use by or on behalf of the *Member*, any person while using such *Automobile* and any person or organization legally responsible for the use thereof, provided the actual use is with the permission of the *Member*, but this protection does not apply to:
 - i. Any person or organization, or any agent or employee thereof, operating an *Automobile* sales agency, repair shop, service station, storage garage, or public parking place, with respect to an *Occurrence* arising out of the operation thereof;
 - ii. The owner or any lessee, other than the *Member*, of any *Automobile* hired by or loaned to the *Member* or to any agent or employee of such owner or lessee.

- (g) No person or *Member* is a *Covered Party* with respect to the conduct of any current or past partnership, joint venture, or joint powers authority that is not shown as a named *Covered Party* in the Declarations; however, for any person (1) who is an official, employee, or volunteer of a *Member* covered by (a) or (b) herein, (2) who participates in the activities of the partnership, joint venture, or joint powers authority (or any separate agency or *Member* created under any joint powers agreement by the named *Member*), and (3) who is acting for or on behalf of a *Member* covered by (a) or (b) herein at the time of the *Occurrence*, then coverage is afforded by this agreement. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency, or *Member*.
- (h) Notwithstanding sections (d) and (e) above, the defense and indemnity coverage afforded by this agreement to a past or present official, employee, or volunteer of a *Member* (including a member entity of a *Member* joint powers authority) is not broader than the *Member's* duty to defend and indemnify its official, employee, or volunteer pursuant to California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof. If the *Member* which employs the official, employee, or volunteer is not obligated under the California Government Code to provide a defense, or to provide indemnity for a claim, or if said *Member* refuses to provide such defense and/or indemnity to said official, employee, or volunteer, then this agreement shall not provide any such defense or indemnity coverage to said official, employee, or volunteer. All immunities, defenses, rights, and privileges afforded to a *Member* under California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof, shall be afforded to the Authority to bar any defense or indemnity coverage under this agreement to that *Member's* official, employee, or volunteer.
8. "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 access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.
9. "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 there from, 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, no road or highway fill or structure, no tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground, no water or waste water treatment facility, 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 or storm water detention or water recharging or use as a sewage sludge drying facility 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*. Nor shall any impoundment constructed and utilized to hold treated water from a sewage treatment plant be considered a *Dam*. Nor shall any wastewater treatment or storage pond exempted from State regulations and supervision by Water Code Section 6025.5 be considered a *Dam*.

10. "Damages" means compensation in money recovered by a third party for loss or detriment it has suffered through the acts of a *Covered Party* or for liability assumed by the *Covered Party* under a *Covered Indemnity Contract*. *Damages* include (1) attorney fees not based on contract awarded against the *Covered Party*, (2) interest on judgments, or (3) costs, for which the *Covered Party* is liable either by adjudication or by compromise with the written consent of the *Authority*, if the fees, interest, or costs arise from an *Occurrence* to which this coverage applies.
11. "Defense Costs" means all fees and expenses incurred by any *Covered Party*, caused by and relating to the adjustment, investigation, defense, or litigation of a claim to which this coverage applies, including attorney's fees, court costs, premiums for appeal bonds, and interest on judgments accruing after entry of judgment. *Defense Costs* shall include adjusting expenses of a third party claims administrator that are specifically identifiable with a claim subject to this coverage. *Defense Costs* shall include reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the *Covered Party*, that are assumed by the *Covered Party* in a *Covered Indemnity Contract* where such attorney fees or costs are attributable to a claim for *Damages* covered by this Memorandum. *Defense Costs* shall include fees and expenses relating to coverage issues or disputes that arise after a written denial of coverage, between any *Covered Party* named in the Declarations and the *Authority*, if the *Covered Party* named in the Declarations prevails in such dispute. *Defense Costs* shall not include the office expenses, salaries of employees and officials, or expenses of the *Covered Party* or the *Authority*, or attorney fees or costs awarded to a prevailing

plaintiff against the *Covered Party*.

12. "Limit of Coverage" shall be the amount of coverage stated in the declaration page or certificate of coverage, or sublimits as stated therein for each *Covered Party* per *Occurrence*, subject to any lower sublimit stated in this Memorandum. For each *Occurrence*, there shall be only one *Limit of Coverage* regardless of the number of claimants or *Covered Parties* against whom a claim is made. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a claim or suit, the Authority will pay only up to the amount stated in the Declarations or certificate of coverage in present value of the claim, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations or certificate of coverage.
13. "Medical Malpractice" means the rendering of or failure to render any of the following services:
 - (a) Medical, surgical, dental, psychiatric, psychological counseling, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection therewith; or any services provided by a health care provider as defined in Section 6146 (c), (2), (3), of the California Business and Professions Code.
 - (b) Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

Medical Malpractice does not include emergency medical services or first aid administered by employees, nor does it include advice or services rendered by a 911 emergency dispatcher.
14. "Member" shall mean any organization that is a party to the Agreement creating the California Affiliated Risk Management Authorities.
15. "Nuclear Material" means *Source Material*, *Special Nuclear Material*, or *Byproduct Material*. "Source Material", "Special Nuclear Material", and "Byproduct Material" have the meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.
16. "Occurrence" means:
 - (a) With respect to *Bodily Injury* or *Property Damage*: 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*. Loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the *Occurrence* that caused it.

- (b) With respect to *Personal Injury*: an offense described in the definitions of those terms in this coverage agreement.
 - (c) With respect to *Public Officials Errors and Omissions*: any actual or alleged misstatement or misleading statement or act or omission as described in the definitions of the term in this coverage agreement.
17. "Personal Injury" means injury arising out of one or more of the following offenses:
- (a) False arrest, detention or imprisonment, or malicious prosecution;
 - (b) Abuse of legal process;
 - (c) Wrongful entry into, or eviction of a person from, a room, dwelling, or premises that a person occupies;
 - (d) Publication or utterance of material, including continuous or repeated, that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, or oral or written publication of material that violates a person's right of privacy;
 - (e) Discrimination or violation of civil rights; and
 - (f) Injury resulting from the use of force for the purpose of protecting persons or property.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, mold, fungal pathogens, electromagnetic fields, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed. The term *Pollutants* as used herein does not mean potable water, agricultural water, water furnished to commercial users, or water used for fire suppression.
19. "Property Damage" means:
- (a) Physical injury or destruction of tangible property, including all resulting loss of use of that property; or
 - (b) Loss of use of tangible property that is not physically injured or destroyed.
20. "Public Officials Errors and Omissions" means any (including continuous or repeated) actual or alleged misstatement or misleading statement or act or omission by any *Covered Party* (individually or collectively) arising in the course and scope of their duties with the *Covered Party* or claimed against them solely by reason of their being or having been public officials or employees, and which results in damage neither expected nor intended from the

standpoint of the *Covered Party*. All claims involving the same misstatement or misleading statement or act or omission or a series of contiguous or interrelated misstatements or misleading statements or acts or omissions will be considered as arising out of one *Occurrence*.

21. "Retained Limit" means the amount, identified in the applicable Declaration or certificate, of *Ultimate Net Loss* for which the *Covered Party* pays out of its own funds, unless otherwise provided herein, before the *Authority* is obligated to make payment, subject to the following:
- (a) For each *Occurrence*, there shall be only one *Retained Limit* regardless of the number of claimants or *Covered Parties* against whom a claim is made.
 - (b) Payment of the *Retained Limit* shall be apportioned among the *Covered Parties* in accordance with their proportionate shares of liability. If the payment is for a settlement, the *Retained Limit* shall be apportioned among the *Covered Parties*, in accordance with the respective parties' agreed upon or court-determined share of liability. In the event that the apportionment requires court determination, the *Covered Parties* will pay all costs of the *Authority* in seeking such determination, including its attorney's fees in proportion to the court's determination of liability.
22. "Ultimate Net Loss" means the sums actually paid by the *Covered Parties* comprising the total of all *Defense Costs* and all *Damages*.

SECTION III - DEFENSE AND SETTLEMENT

The *Authority* shall have no duty to assume charge of investigation or defense of any claim. However, the *Authority*, at its own expense, shall have the right to assume the control of the negotiation, investigation, defense, appeal, or settlement of any claim the *Authority* determines, in its sole discretion, to have reasonable probability of resulting in an *Ultimate Net Loss* in excess of the applicable *Retained Limit*. The *Covered Party* shall fully cooperate in all matters pertaining to such claim or proceeding.

If the *Authority* assumes the control of the handling of a claim, the *Covered Parties* shall be obligated to pay at the discretion of the *Authority* any sum necessary for the defense and settlement of a claim, or to satisfy liability imposed by law, up to the applicable *Retained Limit*.

No claim shall be settled for an amount in excess of the *Retained Limit* without the prior written consent of the *Authority*, and the *Authority* shall not be required to contribute to any settlement to which it has not consented.

SECTION IV - CARMA'S LIMIT OF COVERAGE

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 is limited as follows:

- (a) With respect to coverage provided, the *Authority's* liability for any one *Occurrence* shall be limited to the *Ultimate Net Loss* that is in excess of \$1,000,000, which shall be the *Covered Party's Retained Limit*, but then only up to the sum set forth in the Declarations as the *Authority's* limit of liability for any one *Occurrence*. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a claim or suit, the Authority will pay only up to the amount stated in the Declarations or certificate of coverage in present value of the claim, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations or certificate of coverage.
- (b) The *Limit of Coverage* for any additional *Covered Party* as defined in Section 2, Paragraph 7, Subparagraph (c), subject to the per *Occurrence* limitation above, shall not exceed the limit stated in its additional *Covered Party* certificate regardless of the limit which applies to the *Member*.

Nothing contained herein shall operate to increase the *Authority's* limit of liability under this Memorandum.

SECTION V - COVERAGE PERIOD AND TERRITORY

This agreement applies to *Bodily Injury, Property Damage, Personal Injury, or Public Officials Errors and Omissions* that occurs anywhere in the world during the *Coverage Period* identified in the applicable declaration or certificate of coverage.

SECTION VI - EXCLUSIONS

This agreement does not apply to:

- 1. With respect to Pollution:
 - (a) Any liability arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of *Pollutants* anywhere in the world.
 - (b) Any loss, cost or expense arising out of any governmental direction or request that the *Authority*, the *Covered Party* or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or assess the effects of *Pollutants*; or
 - (c) Any loss, cost, or expense, including but not limited to costs of investigation or

attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize *Pollutants*.

However, this exclusion shall not apply to *Bodily Injury* or *Property Damage* caused by a *Covered Party's* response to contamination caused by a third party unrelated to a *Covered Party*. Response includes clean up, removal, containment, treatment, detoxification, and neutralization of *Pollutants*. In addition this exclusion does not apply to direct and immediate *Bodily Injury* or *Property Damage* arising out of operations involving the use, application, or spraying of any pesticide at or from any site or location not owned or controlled by the *Covered Party* on which the *Covered Party* or any contractors or subcontractors working directly or indirectly on behalf of the *Covered Party*, are performing operations if the operation(s) performed meet all standards of any statute, ordinance, regulation, or license requirement of any federal, state, or local government which apply to those operations.

- (d) The exclusions set forth in (a), (b), or (c) above do not apply if said discharge, dispersal, release, or escape of *Pollutants* meets all of the following conditions:
 - i. It was accidental and neither expected nor intended by the *Covered Party*; and
 - ii. It was demonstrable as having commenced on a specific date during the term of this memorandum; and
 - iii. Its commencement became known to the *Member* within seven (7) calendar days; and
 - iv. Its commencement was reported in writing to the *Authority* within forty (40) calendar days of becoming known to the *Member*; and
 - v. Reasonable effort was expended by the *Member* to terminate the discharge, dispersal, release, or escape of *Pollutants* as soon as conditions permitted.
- (e) The exclusions set forth in (a), (b), or (c) above do not apply if said discharge, dispersal, release, or escape arises from materials being collected as part of any drop off or curbside recycling program implemented and operated by the *Covered Party*, unless the materials have been stored by the *Covered Party* or parties for a continuous period exceeding ninety (90) days.
- (f) Nothing contained in this agreement shall operate to provide any coverage with respect to:
 - i. Any site or location principally used by the *Covered Party*, or by others in the *Covered Party's* behalf, for the handling, storage, disposal, dumping,

processing, or treatment of waste material; except as provided in Section VI, paragraph 1, subparagraph (e)

- ii. Any fines or penalties;
 - iii. Any clean-up costs ordered by the Superfund Program, or any federal, state, or local governmental authority. However, this specific exclusion (c) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
 - iv. Acid rain; or
 - v. Clean-up, removal, containment, treatment, detoxification, or neutralization of *Pollutants* situated on premises the *Covered Party* owns, rents, or occupies at the time of the actual discharge, dispersal, seepage, migration, release, or escape of said *Pollutants*.
2. Claims, including attorney's fees or salary or wage loss claims, by any potential, present, or former employee or official of the *Covered Party*, arising out of, but not limited to, a violation of civil rights or employment-related practices, policies, acts, or omissions, including termination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person. This exclusion extends to claims of the spouse, child, unborn child or fetus, parent, brother, or sister of that person as a consequence of injury to the person at whom any of the employment-related practices, policies, acts, or omissions described above are directed.
3. *Bodily Injury* to:
- (a) An employee of the *Covered Party* arising out of and in the course of:
 - i. Employment by the *Covered Party*; or
 - ii. Performing duties related to the conduct of the *Covered Party's* business; or
 - (b) The spouse, child, unborn child or fetus, parent, brother, or sister of the employee as a consequence of paragraph (1) above.

This exclusion applies to any obligation to share *Damages* with or repay someone else who must pay *Damages* because of the injury. However, this exclusion does not apply to liability assumed under contract.

4. Any obligation under any workers' compensation, unemployment compensation, or disability benefits law or any similar law.

These exclusions 2, 3, and 4 apply whether the *Covered Party* may be liable as an employer or in any other capacity.

5. Claims arising out of ownership, maintenance, management, supervision, or the condition of any hospital.
6. Claims because of *Bodily Injury, Personal Injury, or Property Damage* arising out of ownership, maintenance, management, supervision, or the condition of any airport, including but not limited to liability arising out of ownership, operation, maintenance, or entrustment of *Automobiles* while used in airport operations.
7. Claims arising out of any professional *Medical Malpractice*:
 - (a) Committed by a doctor, osteopath, chiropractor, dentist, or veterinarian; or
 - (b) Committed by any health care provider, as defined in Business & Professions Code Section 6146(c)(2), working for any hospital or hospital operated out-patient, in-patient, or other clinic at the time of the occurrence giving rise to the loss.
8. Claims arising out of the hazardous properties of *Nuclear Material*.
9. Claims arising out of:
 - (a) Land use regulations or planning policies, annexation, eminent domain by whatever name called, no matter how or under what theory such claims are alleged.

Notwithstanding this exclusion, coverage under this Memorandum is provided, in excess of the \$1,000,000 Covered Parties Retained Limit first paid, for Damages and Defense Costs of up to \$2,000,000 per Occurrence and subject to an aggregate limit of \$4,000,000 per Member for inverse condemnation claims due to Property Damage resulting from any of the following: weather acting upon or with the Covered Party's property or equipment, accidental failure of the Covered Party's property or equipment, negligent design or maintenance of or inadequate design of a public work or public improvement.

Notwithstanding the above, this Memorandum shall not afford inverse condemnation coverage for any claim arising out of the design, construction, ownership, maintenance, operation, or use of any water treatment plant or waste water treatment plant, no matter how or under what theory such claim is alleged, except a claim based upon the accidental failure of the equipment utilized or contained within the water treatment plant or waste water treatment plant.

- (b) The initiative process, whether or not liability accrues directly against any Covered Party by reason of any agreement which a Covered Party has entered.

10. *Property Damage to:*
 - (a) Property owned by the *Covered Party*;
 - (b) Property rented to or leased by the *Covered Party* where it has assumed liability for damage to or destruction of such property, unless the *Covered Party* would have been liable in the absence of such assumption of liability; and
 - (c) *Aircraft* or watercraft in the *Covered Party's* care, custody, or control.
11. Claims arising out of the ownership, operation, use, maintenance, or entrustment to others of: (a) any *Aircraft* or (b) any watercraft being used for commercial purposes. Ownership, operation, use, or maintenance as used herein does not include static displays of aircraft in a park or museum setting.
12. Claims arising out of the failure to supply or provide an adequate supply of gas, water, electricity, or sewage capacity when such failure is a result of the inadequacy of the *Covered Party's* facilities to supply or produce sufficient gas, water, electricity, or sewage capacity to meet the demand.

This exclusion does not apply if the failure to supply results from direct and immediate accidental injury to tangible property owned or used by any *Covered Party* to procure, produce, process, or transmit the gas, water, electricity, or sewage.
13. Claims arising out of the ownership, maintenance, or use of any trampoline or any other rebound tumbling device.
14. Claims arising out of a *Covered Party's* sponsored or controlled skateboard activities or facilities unless those activities or facilities are covered by the *Member* joint powers authority.
15. Claims arising out of bungee jumping or propelling activities sponsored or controlled by the *Covered Party*.
16. Claims arising out of a failure to perform or breach of a contractual obligation.
17. Claims arising out of liability assumed under any contract or agreement, except liability that would be imposed by law in the absence of the contract or agreement, or when such assumption is the subject of a duly issued Certificate of Additional *Covered Party*; but such assumption is covered only up to the *Limit of Coverage* stated in the certificate. This exclusion does not apply to liability assumed in a contract or agreement that is a *Covered Indemnity Contract*, provided the *Bodily Injury* or *Property Damage* occurs subsequent to the execution of the contract or agreement.
18. Fines, assessments, penalties, restitution, disgorgement, exemplary or punitive *Damages*.

This exclusion applies whether the fine, assessment, penalty, restitution, disgorgement, exemplary or punitive damage is awarded by a court or by an administrative or regulatory agency. Restitution and disgorgement as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired by the *Covered Party*.

19. *Ultimate Net Loss* arising out of relief, or redress, in any form other than money *Damages*.
20. Claims arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to radon, asbestos, asbestos products, asbestos fibers, asbestos dust, or other asbestos containing materials, or:
 - (a) Any obligation of the *Covered Party* to indemnify any party because of such claims, or
 - (b) Any obligation to defend any suit or claims against the *Covered Party* because of such claims.
21. Claims for injury or *Damages* caused by intentional conduct done by the *Covered Party* with willful and conscious disregard of the rights or safety of others, or with malice. However, as to any other *Covered Party* that did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present employee, elected or appointed official, or volunteer, and where the claim against that *Covered Party* is based solely on its vicarious liability arising from its relationship with such employee, official, or volunteer, this exclusion does not apply to said *Covered Party*.
22. Claims arising out of partial or complete structural failure of a *Dam*.
23. Claims by any *Covered Party* against its own past or present elected or appointed officials, employees, volunteers, or additional covered parties where such claim seeks *Damages* payable to the *Covered Party*.
24. Claims arising out of oral or written publication of material, if done by or at the direction of the *Covered Party* with knowledge of its falsity.
25. Claims arising out of liability imposed on any *Covered Party* under any uninsured/underinsured motorist law or *Automobile* no-fault law.
26. The cost of providing reasonable accommodation pursuant to the Americans with Disabilities Act, Fair Employment and Housing Act, or similar law.
27. Refund or restitution of taxes, fees, or assessments.
28. Claims for refund, reimbursement, or repayment of any monies to which a *Covered Party*

was not legally entitled.

29. Claims arising in whole or in part out of the violation of a statute, ordinance, order, or decree of any court or other judicial or administrative body, or rule of law, committed by or with the knowledge or consent of the *Covered Party*.
30. Claims arising out of estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans unless prepared by a qualified, licensed and/or registered engineer or architect who is the appointed City Engineer or an employee of the *Covered Party*.
31. Under *Public Officials Errors and Omissions Coverage*:
 - (a) *Bodily Injury, Personal Injury*, or physical injury to tangible property, including all resulting loss of use of that property.
 - (b) Benefits payable under any employee benefit plan.
32. *Claims arising out of Cyber Liability*. “Notwithstanding this exclusion, coverage under this Memorandum is provided, in excess of the \$1,000,000 *Covered Party*’s Retained Limit and any other available insurance first paid, for Damages and Defense Costs of up to \$1,000,000 per Occurrence and subject to an aggregate limit of \$4,000,000 per member.”

SECTION VII - CONDITIONS

1. *Covered Party's Duties in the Event of Occurrence, Claim, or Suit*

The following provisions are conditions precedent to being afforded coverage under this Memorandum. The *Covered Party*’s failure to comply with any of these provisions shall void the coverage provided herein, unless otherwise specifically stated.

(a) Notice Conditions

From the time when any of the following occurs the *Covered Party* shall notify the *Authority* within 30 days:

1. Establishment of a reserve on any claim or suit (including multiple claims or suits arising out of one *Occurrence*), amounting to at least fifty percent of the *Retained Limit*;
2. For Title 42 USC 1983 matter alleging a violation of civil rights:

- i. Any claim or case where a Complaint has not yet been served and the combined total of paid and reserved amounts reaches twenty-five percent of the *Retained Limit*; or
 - ii. Any claim or case in which a Complaint has been filed and served on a *Covered Party*.
3. Regardless of service or reserve, any claim involving any:
- i. Fatality,
 - ii. Amputation,
 - iii. Loss of use of any sensory organ,
 - iv. Spinal cord injuries (quadriplegia or paraplegia),
 - v. Third degree burns involving ten percent or more of the body,
 - vi. Facial disfigurement,
 - vii. Paralysis,
 - viii. Closed head injuries,
 - x. Loss of use of any body function, or
 - xi. Hospitalization for at least 30 consecutive days when known by the Member entity.

If the *Covered Party* fails to comply with any of these notice conditions and the *Authority's* Board of Directors find by a majority vote that the delay was unreasonable, the *Authority* shall limit the coverage provided herein, as follows:

- i. If notice is given to the *Authority* within 180 days after the date on which it should have been given, any *Ultimate Net Loss* that would have been owing to the *Covered Party*, if notice had been timely given to the *Authority*, shall be reduced by twenty-five percent (25%).
- ii. If notice is given to the *Authority* between 181 days and 365 days after the date on which it should have been given, any *Ultimate Net Loss* that would have been owing to the *Covered Party*, if notice had been timely given to the *Authority*, shall be reduced by fifty percent (50%).
- iii. If notice is given to the *Authority* between 366 days and 730 days after the date on which it should have been given, any *Ultimate Net Loss* that would have been owing to the *Covered Party*, if notice had been timely given to the *Authority*, shall be reduced by seventy-five percent (75%).
- iv. If notice is given to the *Authority* over 730 days after the date on which it should have been given, the *Authority* shall deny any coverage and shall pay no *Ultimate Net Loss*.

In determining whether or not the delay was unreasonable, the *Authority's* Board of Directors shall consider all facts and circumstances that caused the delay. Prejudice

to the *Authority* is a factor but is neither conclusive nor required.

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 *Covered Party* and of available witnesses, shall be given to the *Authority* or any of its authorized agents as soon as possible.

- (b) If a claim is made or suit is brought against the *Covered Party* and such claim or suit falls within the descriptions in paragraph (a) above, the *Covered Party* shall be obligated to forward to the *Authority* every demand, notice, summons, or other process received by it or its representative.
- (c) The *Covered Party* shall cooperate with the *Authority* and upon its 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 *Bodily Injury, Personal Injury, Property Damage, or Public Officials Errors and Omissions* with respect to which coverage is afforded under this agreement; 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 its own cost, voluntarily make any payment, assume any obligation, or incur any expense toward the settlement of any claim for which the Authority has accepted responsibility and has so notified the *Covered Party*.
- (d) As to any claim for which the Authority has accepted responsibility and has so notified the *Covered Party*, if the *Covered Party* prevents settlement of the claim for a reasonable amount, defined as the amount the Authority is willing to pay and the claimant is willing to accept, and increases the *Covered Party's* potential liability for *Damages* and continued *Defense Costs*, the *Covered Party* shall pay or shall reimburse the Authority for those *Defense Costs* incurred after the claim could have been settled, and for any *Damages* awarded or settlement agreed upon in excess of the amount for which the claim could have been settled.
- (e) The *Authority* shall be entitled to complete access of the *Covered Party's* claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *Covered Party* shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the *Authority*, and to provide the *Authority* with simultaneous copies of all correspondence provided to the *Covered Party* by its defense attorneys and/or agents.

2. Bankruptcy or Insolvency

Bankruptcy or insolvency of the *Covered Party* shall not relieve the *Authority* of any of its

obligations hereunder.

3. Other Coverage

- (a) Except as provided in 3(b), in order for coverage herein to apply, the *Covered Party* must pay the full amount of its *Retained Limit*. Payment of the *Retained Limit* by the *Covered Party* is required in addition to, and regardless of, any payment or payments from any other source for or on behalf of that *Covered Party*. If insurance or any other coverage with any insurer, joint powers authority or other source is available to the *Covered Party* covering a loss also covered hereunder (whether on a primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *Covered Party* herein as an additional *Covered Party* or additional insured party, where coverage is extended to a loss also covered hereunder.
- (b) Commercial coverage purchased directly by a *Covered Party* for the sole purpose of insuring all or a portion of its *Retained Limit* may be utilized to pay all, or a portion of, a *Covered Party's Retained Limit*.

4. Severability of Interests

The term *Covered Party* is used severally and not collectively, but the inclusion herein of more than one *Covered Party* shall not operate to increase the limits of the *Authority's* liability or the *Retained Limit* applicable per *Occurrence*.

5. Accumulation of Limits

A claim which contains allegations extending to a duration of more than one *Coverage Period* shall be treated as a single *Occurrence* arising during the first *Coverage Period* when the *Occurrence* begins.

6. Termination

This agreement may be terminated at any time in accordance with the Bylaws of the *Authority*.

7. Changes

Notice to any agent or knowledge possessed by any agent of the *Authority* or by any other person shall not effect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

8. Subrogation

The *Authority* shall be subrogated to the extent of any payment hereunder to all the *Covered Parties'* rights of recovery thereof and the *Covered Parties* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amounts so recovered shall be apportioned as follows:

- (a) The highest layer of coverage shall be reimbursed first and if there are sufficient recoveries then the next highest layer shall be reimbursed until all recoveries are used up.
- (b) The expenses of all such recovery proceedings shall be paid before any reimbursements are made. If there is no recovery in the proceedings conducted by the *Authority*, it shall bear the expenses thereof.

9. Arbitration

Decisions by the *Authority* whether to assume control of the negotiation, investigation, defense, appeal, or settlement of a claim, or whether or not coverage exists for a particular claim or part of a claim shall be made by the Board of Directors of the *Authority*.

Any dispute concerning a decision of the *Authority* to deny coverage for all or part of a claim shall not be subject to any court action, but shall instead be submitted to binding arbitration. The *Covered Party* must exhaust the right to appeal to the Board of Directors before requesting arbitration of a dispute.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single neutral arbitrator. The *Covered Party* or parties and the *Authority* shall select the arbitrator by mutual agreement. No arbitrator shall be employed or affiliated with the *Authority* or the *Covered Party* or parties.

The selection of the arbitrator shall take place within twenty (20) calendar days from the receipt of the request for arbitration; if not agreed to within twenty (20) days, an immediate petition to a court of law for appointment of a neutral arbitrator shall be filed by the *Authority*. The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection or court appointment of the arbitrator.

Each party shall bear equally the cost of the selected or appointed arbitrator. In addition, each party shall be responsible for its own costs and expenses of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the "parties" and the arbitrator relating to the subject of the arbitration other than at oral hearings.

The procedures set forth in California Code of Civil Procedure Section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 9.

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280).

The decision of the neutral arbitrator shall be final and binding, and shall not be subject to appeal except as provided for in California Code of Civil Procedure sections 1286.2 and 1286.6.

ADMINISTRATIVE MATTERS

SUBJECT: Resolution of the Board of Directors of CARMA Establishing Meeting Dates for the 2012/2013 Fiscal Year

BACKGROUND AND STATUS:

Annually, the CARMA Board of Directors reviews and approves meeting dates for the next fiscal year. Attached to this report is Resolution 4-2011/2012 which presents proposed meeting dates for the CARMA Board of Directors as follows:

MEETING DATES	
Friday, September 21, 2012 South Lake Tahoe, 9:00 a.m.	Wednesday, April 17, 2013 Sacramento, 10:00 a.m.
Friday, January 11, 2013 Bodega Bay, 9:00 a.m.	Wednesday, June 19, 2013 Sacramento, 10:00 a.m.
ANNUAL RETREAT/BOARD MEETING	
Thursday, January 10, 2013 Bodega Bay, 9:00 a.m. – 5:00 p.m.	Friday, January 11, 2013 Bodega Bay, 9:00 a.m. – 12:00 Noon

In preparation for discussion of the proposed meeting dates, it is suggested that Board Members review their calendars to determine availability.

RECOMMENDATION:

Staff recommends the Board of Directors adopt Resolution No. 4-2011/2012 as presented.

REFERENCE MATERIALS ATTACHED:

- Resolution 4-2011/2012 Establishing Meeting Dates for the 2012/2013 Fiscal Year

Agenda Item 6.A.

RESOLUTION NO. 4-2011/2012

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
ESTABLISHING MEETING DATES FOR THE 2012/2013 FISCAL YEAR**

BE IT RESOLVED THAT:

The following meeting dates are hereby established for the 2012/2013 fiscal year:

Friday, September 21, 2012
South Lake Tahoe, 9:00 a.m.

Wednesday, April 17, 2013
Sacramento, 10:00 a.m.

Friday, January 11, 2013
Bodega Bay, 9:00 a.m.

Wednesday, June 19, 2013
Sacramento, 10:00 a.m.

ANNUAL RETREAT/BOARD MEETING

Thursday, January 10, 2013
Bodega Bay, 9:00 a.m. - 5:00 p.m.

Friday, January 11, 2013
Bodega Bay, 9:00 a.m. - 12 noon

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on June 20, 2012, in Sacramento, California, by the following vote:

AYES _____

NOES _____

ABSTAIN _____

ABSENT _____

PRESIDENT

ATTEST:

BOARD SECRETARY

ADMINISTRATIVE MATTERS

SUBJECT: Agreement between CARMA and Alliant Insurance Services for Brokerage Services – Draft One-Year Agreement

BACKGROUND AND STATUS:

At the April 18, 2012, meeting, a draft one-year renewal agreement between CARMA and Alliant Insurance Services for brokerage services was presented for review, discussion, and further direction by the CARMA Board of Directors. Staff and legal counsel were directed to continue working with Alliant and present a revised draft agreement at the June Board meeting; the outstanding items include sections: VII – Compensation; VIII – Confidentiality; XI – Hold Harmless and Indemnity; and XII – Non-Solicitation.

Staff, legal counsel, and Mr. Michael Simmons, Alliant Insurances Services, further negotiated and propose further revisions as noted in italics:

- Pages 6 – 10, VII. Compensation: Page 7 – Bullet #1 – *\$68,000 for Fiscal Year 2012-2013.*
- Page 7 - Fifth paragraph, last two sentences – Or at the Client’s request, excess commissions can be carried forward and applied against any compensation due Broker from Client during any subsequent periods that this Agreement is in effect, *extended or renewed. This annual Fee does not include services listed in Section IV.D, Other Alliant Services.*
- Page 7 – Last paragraph – As used in this section, the term “commissions” refers to compensation made to Broker by insurance carriers with respect to a specific placement of insurance by those carriers, *and is in addition to contingent payment* or other allowances (as defined in Section IV.C.E. below) by insurance carriers, markets or companies based on the overall levels of insurance premiums on policies placed by Broker and/or its affiliates. *These such contingent payments or other allowances, if any received, shall be included in the offset of the Annual Fee.*

Pages 10 – 12, VIII. Confidentiality:

- Page 1. – (b) Information that is independently developed by either Party *without the use of Confidential Information* as demonstrated by the Party’s Records.
- Page 11 – (c) Information that is disclosed by a third party whom the Recipient Party has no reason to believe *is prohibited from transmitting such information by a contractual, legal, or fiduciary* has any confidentiality obligation to the *Disclosing Party* or owner of such information; or

Agenda Item 6.B.

- Page 11 – D. Survival. The Parties agree that the obligations contained herein shall survive the termination of this Agreement, for a period of two (2) years, or longer if required by applicable law. *Nothing in this section limits or otherwise diminishes the protections afforded by applicable law to trade secrets or other proprietary information.*

Pages 13 – 1, XI. Hold Harmless and Indemnity:

- Page 13 – Sixth paragraph. Broker agrees to hold harmless and indemnify, *reimburse and defend* Client at all times against any claims, costs, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon Client and based upon any *act*, error, or omission of Broker, its agents or employees, with respect to services provided *or to be afforded* by Broker under this Agreement, unless the *act*, *error*, or omission arises from Broker's reliance on information provided by Client or from Broker's following instructions from Client.
- Page 13 – Last paragraph. Client agrees to *hold harmless and* indemnify, reimburse and defend Broker at all times against any claims, cost, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon Broker and based upon any *act*, error or omission of Client, *its agents or employees*, under this Agreement, unless the *act*, error or omission arises from Client's reliance on information provided by Broker *or from Client's following instructions from Broker*.
- Page 14 – First paragraph. *In the event that Client tenders its defense and requests that the Broker hold Client harmless, under the above indemnity provision in favor of Client, Broker shall accept such defense tender and defense of Client shall be conducted by qualified counsel selected and approved mutually by Client and Broker and paid for by Broker. In the event that Broker tenders its defense and requests that Client hold Broker harmless under the above indemnity provision in favor of Broker, Client shall accept such defense tender and the defense of Broker shall be conducted by qualified counsel selected and approved mutually by Client and Broker, and paid for by Client.*

Page 14, XII. Non-Solicitation:

- Page 14 – Second paragraph. Broker agrees that, during the Term of this Agreement, Broker's personnel shall not purposely solicit Client Members, *and their current pool Members*, from Programs or lines of coverage, and on which they work or worked. Client understands and agrees that Broker has offices, staff, client, and prospects nationwide and nothing in this paragraph shall restrict it from responding to any request for proposal, or from otherwise providing services or products when asked by a Client member, *or their members* after receiving permission from Client. In addition, this paragraph shall not prohibit Broker from engaging in general advertising, or marketing campaigns. Nothing in this paragraph shall be applied in a manner that violates any state or federal law or regulation.

The new verbiage in the aforementioned sections has been highlighted in yellow in the body of the agreement for review purposes. Mr. Craig Farmer, Legal Counsel, and staff recommend the Board of Directors approve the contract as presented.

RECOMMENDATION:

Staff recommends the Board of Directors approve the one-year agreement between CARMA and Alliant Insurance Services for Brokerage Service.

REFERENCE MATERIALS ATTACHED:

- Revised Draft - One-Year Agreement between CARMA and Alliant Insurance Services

INSURANCE BROKERAGE AND CONSULTING AGREEMENT
BETWEEN
CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
AND
ALLIANT INSURANCE SERVICES, INC.

The parties to this Agreement are the CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES (“Client”), a Joint Powers Authority established pursuant to the provisions of the laws of the State of California, and ALLIANT INSURANCE SERVICES, INC. (“Broker”).

Client and Broker agree to the following terms and conditions of this Agreement:

DESIGNATION OF BROKER OF RECORD

The Client hereby engages and designates Broker as its exclusive insurance broker of record to present risks of Client and its participating members to insurance and reinsurance markets, with the objective of presenting to the officer(s) and committee(s) designated by Client insurance proposals, as appropriate: considering factors such as cost, coverage, and continuity, in compliance with the terms, conditions, and warranties in this Agreement.

I. TERM

The Agreement shall be for a one (1) year period beginning on July 1, 2012, and ending 12:01 a.m. June 30, 2013, unless extended for an additional period by mutual written agreement of the parties. Both parties retain the right to terminate this Agreement, with or without cause, upon sixty (60) days written notice.

In the event of termination or expiration of this Agreement, Broker will assist Client in arranging a smooth transition to another broker, including, but not limited to, providing Client with copies of all products, files, records, computations, quotations, studies and other data prepared or obtained in connection with this Agreement, and any prior Brokerage/Consulting Agreement, which copies shall become the permanent property of the Client.

Except for this transition assistance, Broker’s obligation to provide services to Client will cease at 12:01 a.m. upon the effective date of termination or expiration. In the event of a mid-term termination by either party, the annual compensation to Broker will be prorated as agreed in the Compensation section.

II. ACCOUNT TEAM

For the purposes of this Agreement, the following individuals shall be designated by Broker as members of the Account Team and shall be responsible for all matters relating to Client's account (changes to the Account Team may be made upon mutual written consent between the parties, not to be unreasonably withheld):

1. Michael Simmons, Vice Chairman – Public Entities
2. Seth Cole, First Vice President

III. SCOPE OF SERVICES PROVIDED

A. General Provisions.

Client agrees to designate Broker as Client's sole representative for marketing and placement of insurance coverage, services and products in the following program areas:

Excess Liability and/or Liability Reinsurance.

Broker agrees to:

1. Act as Client's insurance broker and perform all duties specified in this Agreement to be performed by Broker for Client's insurance program, including marketing to insurance and reinsurance carriers, reviewing and verifying insurance documents received from insurers, providing insurance documents to Client, forwarding questions from Client and/or its participating members to the insurance carriers, identifying, reviewing and commenting on loss-control activities and recommendations by insurers, evaluating the appropriateness of insurance coverage and offering alternatives as requested based on comparison of quotations, and preparing insurance certificates as requested by Client and/or its participating members to be received within 48 hours of request.
2. Work closely with Client to manage its risks and to control the costs of insurance;
3. Analyze factors that drive the cost of insuring Client's risks, and develop and recommend to Client insurance, reinsurance and other risk financing or loss funding programs, techniques and methods, whenever they will benefit Client;
4. Seek out creative solutions and explore reasonable alternatives to traditional risk management techniques;
5. Develop, recommend, negotiate and use its best commercially reasonable efforts to implement cost-effective insurance and/or alternative risk financing programs;

6. Represent Client's interests, not those of any insurance company or other organization;
7. Market and solicit comprehensive quotes from all available financially acceptable insurance markets and reinsurance markets;
8. Negotiate, on the Client's behalf, with all insurance markets and submit to Client written details of its marketing efforts. To the extent reasonably available, Broker will identify all contacts and amounts quoted at least 30 calendar days prior to the renewal date(s). Copies of the formal underwriting submissions made by Broker will be provided (electronically) to Client at least 72 hours prior to submission to carrier(s). The Broker will represent and assist Client in all discussions and transactions with all insurers, and will not place any insurance unless so authorized by Client;
9. Keep Client informed of all significant developments relating to Broker's obligations under this Agreement;
10. Monitor published financial information of the Client's current insurers, and alert Client when the financial strength or management status of these insurers falls below a Best Rating of A VII or other minimum financial guidelines set by Broker and Client. Broker will not be responsible for the management, solvency or ability to pay claims of any insurance carrier;
11. Assist Client members with mid-term coverage additions and changes;
12. Follow up within 60 – 90 days with insurance carriers for timely issuance of policies and endorsements;
13. Within 30 days of receipt for any insurer, review policies and endorsements for accuracy and conformity to specifications and negotiated coverages;
14. Within 30 days of receipt from any policy from any insurer, provide coverage summaries for all lines of coverage;
15. Verify rates and premiums prepared for Client and its members by the insurance carriers;
16. Within one week of receipt from insurer(s), provide Client with detailed invoices showing Client's insurance costs (delineated by line of coverage, insurer and member), including any applicable surplus lines taxes or fees; and
17. Provide copies of reports and/or documents relating to the Client's account to the Client in a timely manner. Client agrees that files (other than

insurance policies) are generally not retained for more than five (5) years after the expiration of a particular policy term.

Broker shall not be responsible for the failure of members to make premium payments.

B. Services.

Broker agrees, as respects the liability insurance or liability reinsurance purchased by Client in excess of Client's retained limits, to perform the following services:

1. Act, upon request of Client, as a liaison for communications among or between all parties involved in the program including Client, participating members, insurance carriers and others. Assist Client in settlement issues with coverage providers. However, it is understood and agreed that Broker is not providing claims management services or claims consulting services under this Agreement.
2. Prepare written reports to Client management to include:
 - (a) Reports of pending rate, coverage or renewal problems including significant changes in the financial status of major insurers and reinsurers for the program for the Client's April meeting.
 - (b) Review marketing plan with Client prior to approaching insurers or reinsurers or alternative markets on program during the first quarter of the calendar year.
 - (c) Annually review underwriting information for completeness and request updated exposure and loss data from Client members in preparation of the renewal marketing at renewal time.
 - (d) Develop underwriting information and marketing specifications in conjunction with Client.
 - (e) Inform Client of significant changes or trends in the marketplace and providing an annual written forecast of market conditions six months prior to renewal.
3. Evaluate existing coverage documents as to the adequacy of coverage, retention levels, restrictions in coverage, stability of forms and other related matters. Upon such evaluation make recommendation in writing regarding these subjects to the Client, for review.
4. Deliver authorized binders or other evidences of coverage as soon as practicable, but not later than fifteen (15) days, after the placement of coverage under the program to be effective until such time as the policy or agreements for the placement are received by Client from the coverage providers.
5. Monitor the program to assure its continuing balance of coverage scope, costs, service and stability.

6. Assist Client, as requested, in the development of marketing materials for development of new members and meet with new members as directed by Client.
7. Review insurance policies, binders, certificates and other documents related to the program for accuracy and obtain revisions in such documents when needed.
8. Monitor program to assure continuing balance of coverage scope, cost, services and stability.
9. Attend and present information at meetings, as requested by Client.
10. Acknowledge the mutual trust and confidence by both Parties, and that all actions of Broker shall be for the specific benefit of Client and Client's program as a whole.

IV. OBLIGATION OF THE CLIENT

Client agrees to cooperate with Broker in the performance of Broker's services by providing Broker with reasonable access to Client's personnel and information, including providing Broker with complete and accurate information as to Client's loss experience, risk exposures and any other pertinent information that Broker requests. In addition, when known, Client shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to Broker. This reporting must be memorialized in writing and delivered to Alliant in accordance with the notice provisions below.

Client shall promptly review coverage documents delivered by Broker for consistency with Client's specifications, and shall designate one or more officers or committees of Client to receive and evaluate recommendations to the officers(s) or committee(s) of Client having ultimate decision-making authority on such matters.

V. INVOICES, TAXES, FEES AND USE OF INTERMEDIARIES

A. Surplus Lines Fees and Taxes.

In certain circumstances, placement of insurance services made by Broker on behalf of Client, with the prior approval of Client, may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards and associations. Such assessments, taxes and/or fees will be charged to Client and identified separately on invoices covering these placements. Client shall be responsible for all such assessments, taxes and fees, whether or not separately invoiced. Broker shall not be responsible for the payment of any such fees, taxes or assessments, except to the extent such fees, taxes or assessments have already been collected from Client.

B. Intermediaries.

Broker may determine from time to time that it is necessary or appropriate to utilize the services of intermediaries (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the Client insurance program. Subject to the provisions of Section VII.B, these intermediaries may be affiliates of Broker or may be unrelated intermediaries. Compensation of such intermediaries will be paid by the insurance company out of paid insurance premiums. Where a placement through such intermediaries will result in any compensation to a Broker affiliate, Broker will, prior to placement, make reasonable inquires to allow full disclose, in writing, to Client its relationship to the affiliate, the reason(s) recommended for the placement of coverage through the affiliate, and why such placement is in the best interest of the Client, and an estimate of the amount of compensation to be received by Broker and all its affiliated intermediaries for such placement. Should Broker determine, subsequent to placement of Client's business, that one or more affiliate received compensation by Broker's placement; Broker shall promptly disclose this information in writing to the Client.

VI. ADDITIONAL SERVICES

Broker may be asked to provide services not included in this Agreement for additional compensation and subject to negotiation in separate agreements. Such services include, but are not limited to:

1. Risk management claims information systems, including appropriate software programs, and related services;
2. Claims services other than those specified above, including catastrophic claims, mass tort claims, claims advocacy services, and archival research;
3. Establishment and administration of captive insurers; and
4. Non-recurring insurance placements involving significant quantitative or actuarial analysis or modeling, placements of risks with financial institutions other than insurance carriers, and placements of risks not customarily accepted by insurers.

VII. COMPENSATION

With respect to the **SCOPE OF SERVICES** (Section III), Broker shall receive compensation as follows:

A. Compensation from Client.

With respect to liability insurance or reinsurance purchased by Client in excess of Client's retained limits and in compensation for the services, Broker shall receive fees beginning July 1, 2012, as follows:

- \$68,000 for FY 12/13.
- If new members join CARMA, or current member leave the program during the term of this Agreement this annual fee will be modified to reflect the additional change in exposure, but only if in excess of a 20% "Swing Clause"¹ in overall payroll exposure.
- Compensation for any additional years added by mutual agreement will be negotiated and documented by an amendment to this Agreement.

This amount is subject to adjustment annually if Client creates a coverage program other than listed in the **General Provisions** (Section III A.), or if the Client membership changes (pursuant to the "Swing Clause" noted above).

If this Agreement is terminated or canceled midterm, the annual fee is pro-rated with a minimum earned of 50%. The fee shall be paid annually within thirty (30) days of the Agreement's anniversary date and adjusted the last month of each year's Agreement anniversary.

The Annual Fee set forth herein is in consideration of only those services specifically listed in this Agreement. Fees for additional services desired by Client shall be separately negotiated, and not subject to the Annual Fee of this Agreement.

During the time for which this Agreement is in effect, Broker will disclose in writing any commissions received by Broker in connection with any insurance placements on behalf of Client, and will offset such commissions against compensation due Broker by Client hereunder. In the event such commissions, plus fees pre-paid by Client under this Agreement, exceed the Annual Fee set forth herein, Broker will reimburse Client for such excess commissions. Or at the Client's request, excess commissions can be carried forward and applied against any compensation due Broker from Client during any subsequent periods that this Agreement is in effect, extended or renewed. This Annual Fee does not include services listed in Section IV.D, **Other Alliant Services**.

As used in this section, the term "commissions" refers to compensation made to Broker by insurance carriers with respect to a specific placement of insurance by those carriers, and is in addition to contingent payment or other allowances (as defined in Section IV.C.3. below) by insurance carriers, markets or companies based on the overall levels of insurance premiums on policies placed by Broker and/or its affiliates. These such contingent payments or other allowances, if any received, shall be included in the offset of the Annual Fee.

¹ The Exposure "Swing Clause" impacts from Growth from potential New Members and potential loss of a member in the program as a reduction in the fee on renewal each year.

In the event of a mid-term termination of this Agreement by either party, all excess compensation will be paid to Client within sixty (60) days of the date of termination.

B. Disclosures.

1. **Exclusions.** Commissions on Bonds are not included in the Compensation agreed to above.
2. **Transparency and Disclosure.** During the term of this Agreement, Broker will annually disclose any commissions received by Broker, or any affiliated company, in connection with any insurance placements on behalf of Client under Broker's "Transparency and Disclosure" policy, a copy of which is made available upon request. Pursuant to its policy, Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of its clients. In addition, Broker's conflict of interest policy precludes it from accepting any form of broker incentives that would result in business being placed with carriers in conflict with the interests of Broker's clients.

C. Compensation From Others for Placement of Client's Business.

Where Broker or any affiliate of such Broker receives (or is to receive) any compensation or payment from the Client for the placement of insurance, or represents Client with respect to that placement, neither Broker nor an affiliate of Broker shall accept nor receive any compensation or income from an insurer or other third party for that placement of insurance, unless the Broker has, prior to the Client's authorization to purchase of insurance:

1. Obtained the Client's written acknowledgment that such compensation will be received; and
2. Disclose in writing the full amount of compensation received by Broker and its affiliates from the insurers and other third parties involving the placement. If the amount of compensation is not known at the time of disclosure, Broker shall disclose the specific method for calculating such compensation and, if possible, a reasonable estimate of the amount. Broker shall make such disclosure without being requested by Client to disclose such information.
3. For purposes of this section, "compensation" shall include, but is not limited to payments, retail or wholesale commissions, premium finance compensation, fees, awards, overrides, bonuses, contingent commissions, loans, stock options, gifts, prizes or any other form of valuable consideration, whether or not payable pursuant to a written agreement. Broker shall not accept any form of compensation from any profit-based contingent commission agreements such as, but not limited to, market service agreements, profit sharing arrangements, placement service

agreements, tie-ins, retrocession tie-ins, finders' fees, notional incentives, structuring broker commissions, strategic partner commissions, volumetric incentives, volumetric premiums, introducing broker commissions, referring broker commissions, facultative reinsurance agreements, any "back-end" sources of compensation and/or revenue, or any additional compensation based on premium volume given to any particular insurer, by whatever names these contingent commissions are or may be called.

The Broker and its affiliates will not engage in any so called "bid-rigging," or any similar conduct, or accept undisclosed volume based override commissions, "B quotes," or any commissions based on volume, renewal rates, or underwriting profitability, by whatever term such conduct is described. Broker will not accept any indirect income, including, but not limited to, insurance carrier contingency arrangements, compensation incentives from insurers, contingent commissions, or rebates on business placed on behalf of Client.

4. Broker will disclose in writing the markets it intends to approach on Client's behalf, and how such markets will be approached, whether to a Broker-owned wholesaler or an outside wholesaler.
5. Broker agrees to provide an annual written disclosure report of any and all compensation or income received from any source on placement of insurance coverage or products placed for Client.
6. The compensation due to Broker or any affiliate of such Broker is subject to the terms and conditions in the **ETHICS AND CONFLICT OF INTEREST STATEMENT** (Section IX) of this Agreement.

D. Other Alliant Services.

1. **Alliant Specialty Insurance Services (ASIS).** In addition to the COMPENSATION that Broker receives, its related entity, Alliant Specialty Insurance Services (ASIS) and its underwriting operations, Alliant Underwriting Services (AUS), may receive compensation from Broker and/or carriers for providing underwriting services. The financial impact of the compensation received by ASIS is a cost included in the premium. Compensation received by ASIS will be disclosed in writing to Client and is agreed to by Client as part of the premium. Client further acknowledges that Broker and ASIS maintain an arm's length relationship. Client understands that while Broker represents Client as an individual entity, ASIS independently administers its program as a whole and not on behalf of any particular member.
2. **Alliant Business Services (ABS); Strategic HR.** Additionally, Alliant's internal operating groups, Alliant Business Services (ABS) and/or Strategic HR, may receive compensation from Broker and/or carriers for providing designated, value-added services. Services contracted for by the

Client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Broker and/or the carrier.

VIII. CONFIDENTIALITY

A. Client Information.

Broker will not disclose to any third party any of Client's confidential information, protected tangible or intangible property rights, intellectual property, or trade secrets ("Client Information") that are obtained in the course of providing Services to Client and that are marked or stamped by Client as "confidential." Nothing in this Agreement is intended to preclude Broker from disclosing Client Information in the furtherance of insurance brokerage, risk management, risk transfer, employee benefits or other insurance related Services or products provided by Broker to Client so long as such insurers and financial institutions are informed of the confidential nature of such information. This information may include information relevant to the underwriting and/or evaluation of the Client's risks and the processing of claims.

B. Confidential Information.

The services and work product exchanged by the Parties under this Agreement are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The Parties acknowledge that during the term of this Agreement, they may each exchange information considered confidential, proprietary and/or trade secret including, without limitation, data, recommendations, proposals, reports and similar information, Client Information (as defined above), and work product (collectively, "Confidential Information"). For purposes of this Agreement, the party disclosing Confidential Information shall be called the Disclosing Party and the party receiving Confidential Information shall be called the Recipient Party. The Parties understand and agree that they will not distribute, use, or rely upon Confidential Information received from the other without the permission of the Disclosing Party.

1. **Ownership.** Except as otherwise provided in this Agreement, Confidential Information is and remains the absolute and exclusive property of the Disclosing Party and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this Agreement, no copies of Confidential Information shall be made without the written permission of the Disclosing Party. The Parties agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's Confidential Information to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such Confidential Information to others.
2. **Exclusions.** The following types of information shall not be considered confidential:

- (a) Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this Agreement;
- (b) Information that is independently developed by either Party **without the use of Confidential Information** as demonstrated by the Party's records;
- (c) Information that is disclosed by a third party whom the Recipient Party has no reason to believe **is prohibited from transmitting such information by a contractual, legal, or fiduciary** has any confidentiality or fiduciary obligation to the **Disclosing Party** or owner of such information; or
- (d) Information that is required to be disclosed by law or judicial process, provided the disclosing party gives the non-disclosing party prior notice of subpoena or request for information so that the non-disclosing party can seek a protective order, or other appropriate injunctive relief.

C. Reasonable Efforts.

The Parties agree to employ reasonable and customary business practices to protect and secure both Client Information and Confidential Information from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who "need to know" in order to provide the products and services under this Agreement. The Parties further agree that those employees, officers, agents, and representatives who are privy to Client Information and/or Confidential Information shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this Agreement.

D. Survival.

The Parties agree that the obligations contained herein shall survive the termination of this Agreement, for a period of two (2) years, or longer if required by applicable law. **Nothing in this section limits or otherwise diminishes the protections afforded by applicable law to trade secrets or other proprietary information.**

IX. ETHICS AND CONFLICT OF INTEREST STATEMENT

The Broker understands and agrees that Client desires to compare the cost of obtaining services or insurance products from Broker against other viable and competitive options and expects that the Broker will make its compensation agreements and revenue streams known to Client, so as to provide Client with a clear accounting of the costs of the placement of insurance services and products. The Broker shall conduct its business so as to fulfill all legal and ethical requirements and standards of the industry and the State of California, and shall place the best interests of Client ahead of any other concerns in the placement of insurance services and products. To this end, Broker:

1. Warrants that it will adhere to its ethical obligations to Client to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance market place;
2. Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact, and the name, address, phone number and email address of the individual contact for each market;
3. Will make every good faith attempt to avoid even the appearance of a conflict of interest between the Broker, Client, and any provider of any insurance product or service, and will promptly notify Client of any real or potential conflict of interest;
4. Agrees to provide to Client a copy of Broker's own Ethics Statement or Code, or Broker Compliance Statement, or to make such statements available on the Broker's website;
5. Will require that all insurance carriers show any commission rates on their insurance policies and ensure those rates are known to Client; and
6. As available, Broker will provide Client with premium benchmarking information to acknowledge competitiveness of Client's program.

X. INSURANCE REQUIREMENTS

A. Coverage and Limits:

During the term of this Agreement, Broker shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage:

1. Professional Liability insurance with minimum limits of \$2 million per claim providing coverage for any errors and omissions which the Broker or its agents may make resulting in financial loss to Client;
2. Commercial General and Automobile Liability insurance with limits of at least \$2 million combined single limit per occurrence and in the aggregate for bodily injury and property damage. The policies are to contain, or be endorsed to contain the following provisions:
 - (a) Client, its trustees, officers, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the work or operations performed by the Broker or on behalf of the Broker, or "any auto," whether owned leased, hired or borrowed by the Broker.

- (b) For any covered claims related to this Agreement, the Broker's insurance coverage shall be primary insurance as respects Client, its trustees, officers, employees, or volunteers. Any insurance or self-insurance maintained by Client or any of its members shall be excess to the Broker's insurance and shall not contribute with it.
- 3. Workers' Compensation coverage in compliance with the laws of the State of California, and Employers' Liability insurance in the amount of at least \$1 million per accident or aggregate.
- 4. Excess Liability of at least \$4 million per occurrence (and in the aggregate) over General Liability, Professional Liability and Auto primary coverages.

A. Carrier Rating.

All insurance carriers providing the coverages required by this section shall have a financial rating of at least an "A-" published A.M. Best, or an equivalent financial rating firm. Published reports will be used to confirm the insurance carriers' rating, unless the BROKER has obtained the CLIENT'S written acknowledgment that an insurance carrier with a lower financial rating is permitted.

B. Certificates of Insurance/Endorsements.

Broker shall also provide to Client certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this Agreement.

XI. HOLD HARMLESS AND INDEMNITY

Broker agrees to hold harmless and indemnify, **reimburse and defend** Client at all times against any claims, costs, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon Client and based upon any **act**, error, or omission of Broker, its agents or employees, with respect to services provided **or to be afforded** by Broker under this Agreement, unless the **act**, error, or omission arises from Broker's reliance on information provided by Client or from Broker's following instructions from Client.

Client agrees to **hold harmless and** indemnify, reimburse and defend Broker at all times against any claims, cost, expense, liability, obligation, loss or damage (including reasonable legal fees and costs) of any nature, incurred by or imposed upon Broker and based upon any **act**, error or omission of Client, **its agents or employees**, under this Agreement, unless the **act**, error or omission arises from Client's reliance on information provided by Broker **or from Client's following instructions from Broker.**

In the event that Client tenders its defense and requests that the Broker hold Client harmless, under the above indemnity provision in favor of Client, Broker shall accept such defense tender and defense of Client shall be conducted by qualified counsel selected and approved mutually by Client and Broker and paid for by Broker. In the event that Broker tenders its defense and requests that Client hold Broker harmless under the above indemnity provision in favor of Broker, Client shall accept such defense tender and the defense of Broker shall be conducted by qualified counsel selected and approved mutually by Client and Broker, and paid for by Client.

XII. NON-SOLICITATION

Broker agrees that, during the Term of this Agreement, Broker's personnel shall not purposely solicit Client Members, and their current pool Members, from Programs or lines of coverage, and on which they work or worked. Client understands and agrees that Broker has offices, staff, client's, and prospects nationwide and nothing in this paragraph shall restrict it from responding to any request for proposal, or from otherwise providing services or products when asked by a Client member, or their members after receiving permission from Client. In addition, this paragraph shall not prohibit Broker from engaging in general advertising, or marketing campaigns. Nothing in this paragraph shall be applied in a manner that violates any state or federal law or regulation.

XIII. DISPUTE RESOLUTION

Any dispute arising under the terms of this Agreement which is not resolved within a reasonable period of time by authorized representatives of the Broker and the Client shall be brought to the attention of the Chief Executive Officer (or designated representative) of the Broker and the Chair (or designee) of the Client for joint resolution. At the request of either party, the Client shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success, such dispute may be submitted to final and binding arbitration, upon agreement of both parties, or either party may elect to and pursue any rights and remedies by legal action. In any dispute arising out of or under the terms of this Agreement, the prevailing party shall be entitled to recover its legal fees and costs from the other party. Any such arbitration or legal action shall be venued in Sacramento County, California unless the parties mutually agree in writing to another location.

Despite an unresolved dispute, the Broker shall continue without delay to perform its responsibilities under this Agreement. The Broker shall keep accurate records of its Services in order to document the extent of its Service under the **Scope of Services** in this Agreement.

XIV. AUTHORITY

Client and Broker each represent and warrant to the other that (i) the execution and delivery of this Agreement and their performance thereunder have been duly

authorized and approved by all requisite agency and/or corporate action; and (ii) the execution, delivery, and performance of this Agreement does not violate, nor require any consent, under any law, order of any court or other agency of government, or the Articles of Incorporation or Organization or the Bylaws of Broker or Client, respectively.

XV. ENTIRE AGREEMENT AND GOVERNING LAW

This Agreement contains the entire agreement between Broker and Client. It can be amended only by a written agreement signed by both parties. If one part of this Agreement is determined to be unenforceable, the rest of the provisions of the Agreement will remain valid and enforceable. This Agreement shall be governed by the laws of the State of California without regard to any conflict of law provisions.

XVI. NON-ASSIGNABILITY

This Agreement is binding upon the Parties hereto and their respective successors by merger, sale, consolidation, or reorganization. This Agreement is otherwise personal to the Parties and cannot be assigned or delegated without prior written consent of the other Party.

XVII. DISASTER RECOVERY; CONTINUITY

Broker agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information adversely affected by a security breach, force majeure or natural disaster. In addition, Broker will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this Agreement including in the event of a force majeure, natural disaster, or pandemic.

XVIII. OWNERSHIP OF RECORDS

Any reports, documents, electronic records of any sort, or other materials produced in whole or in part under this Agreement shall be the property of Client and none shall be subject to an application for copyright by or on behalf of Broker. Broker shall provide Client with copies of all products, files, records, computations, quotations, studies and other data prepared or obtained in connection with this Agreement, which copies shall become the permanent property of the Client.

Broker will be required to maintain and store copies of the above described documents for the length of time prescribed by the laws of the State of California.

XIX. WAIVER

No provision of this Agreement shall be considered waived, unless such waiver is in writing and signed by the Party that benefits from the enforcement of such

provision. No waiver of any provision in this Agreement, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this Agreement shall not in any way affect, limit, or waive a Party's right under this Agreement at any time to enforce strict compliance thereafter with every term and condition of this Agreement.

XX. HEADINGS AND CONSTRUCTION

The Parties agree that the headings and sections of this Agreement are used for convenience only and shall not be used to interpret the provisions herein. The Parties also agree that the terms of this Agreement were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting Party shall not be employed in the interpretation of this Agreement.

XXI. NOTICES

All notices hereunder shall be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

CLIENT:

California Affiliated Risk Management Authorities
c/o Bickmore Risk Services
1750 Creekside Drive, Suite 200
Sacramento, CA 95833
Attn.: Karen Thesing, Executive Director

BROKER:

Alliant Insurance Services, Inc
100 Pine Street, 11th Floor
San Francisco, CA 94111
Attn.: Seth Cole, First Vice President

IN WITNESS WHEREOF, Client and Broker hereby execute this Agreement on _____.

CLIENT

By: _____
Name
Title: _____

Date: _____

BROKER

By: _____
Michael L. Simmons
Title: Vice Chairman – Public Entities

Date: _____

ADMINISTRATIVE MATTERS

SUBJECT: CARMA 2012/2013 Strategic Goals & Action Items Update

BACKGROUND AND STATUS:

At its January 13, 2012, meeting, the CARMA Board of Directors approved the Strategic Goals and Actions for the 2012/2013 Program Year. Four primary goals for the future of CARMA having significant importance were identified as follows:

1. Provide Budgets Representing a 75% Confidence Level with a Decrease in Discount Rates;
2. Modify the Litigation Management's Approach Regarding Police Liability Cases by Participating Earlier Than When the 50% Self-Insured Retention (SIR) is Reached;
3. Revisit Marketing Strategies; and
4. Outreach to JPA Members; Assist JPAs Regarding the Finances of CARMA

Included with this report is an updated action item list reflecting the status and actions on each of the 2012/2013 goals that were approved by the CARMA Board in January. Ms. Karen Thesing, Executive Director, will be present to provide an overview on the status of these goals to-date.

RECOMMENDATION:

None. Information only.

REFERENCE MATERIALS ATTACHED:

- CARMA 2012/2013 Strategic Goals & Action Item List

Agenda Item 6.C.

**California Affiliated Risk Management Authorities
2012/2013 Strategic Goals & Action Item List**

Target Date	Person Responsible	Action Item	Status			Comments
			Done	Revise	On Target	
Provide Budgets Representing a 75% Confidence Level with a Decrease in Discount Rates						
January - March 2012	Staff/Actuary	Determine increments for decreasing the discount rates at the 75% confidence level.	X			Presented at the 4/18/12 BOD meeting.
March - April 2012	Staff	Develop Budgets with Scenarios at different discount rates for presentation at the April 18, 2012, CARMA BOD Meeting.	X			Scenarios presented at the 4/18/12 BOD meeting.
April 2012	Staff	Presentation of budgets with possibly various discount rates and actuarial report for Board Review at April 18, 2012, BOD Meeting	X			Actuarial study and proposed budget scenarios presented at the 4/18/12 BOD meeting. Determination to use a 2.5% discounted rate at the 75% confidence level.
June 2012	Staff	Budget with approved discount rate presented for approval at the June 20, 2012, BOD meeting.			X	On agenda for approval at the June 20, 2012, BOD meeting.
Modify the Litigation Management's Approach Regarding Police Liability Cases by Participating Earlier than when the 50% Self-Insured Retention (SIR) is Reached.						
January / April 2012	Staff	Continue monitoring reported police liability cases to determine usage of the self-insured retention, what can be done to mitigate costs, make recommendations if deemed a potential problem, determine liability, and send communication to members on actions to be taken when 25% of the Member's SIR has been reached.			X	In process. A Memorandum is being developed as a reminder to member on the reporting requirements.
January 2013	Staff	Provide the Board with an update on police liability cases.			X	In process.
Revisit Marketing Strategies						
February 2012	Staff	Revisit current marketing strategy, marketing materials, and JPA contact list.			X	In process. Determining approach and targets for marketing CARMA.

**California Affiliated Risk Management Authorities
2012/2013 Strategic Goals & Action Item List**

<u>Target Date</u>	<u>Person Responsible</u>	<u>Action Item</u>	Status			Comments
			Done	Revise	On Target	
April - May 2012	Staff	Provide updated information to the JPA industry as to what CARMA provides. Extend an invitation to the JPA's representative to the September 2012 CARMA Board meeting held in conjunction with the CAJPA Fall Conference – South Lake Tahoe.		X		Due to CARMA's current position, an aggressive marketing campaign may need to be postponed.
September - October 2012	Staff	Follow-up contact with the prospective JPA members that attended the September 2012 Board meeting.		X		"
October - November 2012	Staff	On-site visitation/presentation, as requested by prospective JPA members that have indicated a firm interest in joining CARMA.		X		"
Outreach to JPA Members; Assist JPAs Regarding the Finances of CARMA						
January - February 2012	Staff	Submit to members for presentation to their respective boards, the financial graphs and talking points from the January 2012 annual workshop.	X			Sent via email in January 2012

COVERAGE MATTERS

SUBJECT: Renewal Rates for Specific Reinsurance and Excess Coverage for the 2012/2013 Program Year

BACKGROUND AND STATUS:

CARMA currently participates in the Alliant ANML program with \$10 million limits and purchases \$15 million from Colony for a total of \$25 million excess of the CARMA pooled layer.

At the April 18, 2012, CARMA Board of Directors' meeting, Mr. Seth Cole, Alliant Insurance Services, discussed the climate of the excess and reinsurer's market and provided a preliminary indication on the increase in premiums, pending the receipt of quotations from the coverage providers.

As of the writing of this report, Alliant has received a quotation from AmTrust for the reinsurance layer, with the expectation that a quote from Colony should be received prior to the Board meeting. A letter from Alliant to this effect is included with this staff report. Mr. Cole will be present to discuss the marketing efforts for excess and reinsurance coverage and answer questions of the Board.

RECOMMENDATION:

Approve placement of reinsurance in the Alliant ANML program with \$10 million limits, and excess of \$15 million from Colony for a total of \$25 million excess of the CARMA pooled layer.

REFERENCE MATERIALS ATTACHED:

- Letter from Mr. Seth Cole, Alliant Insurance Services, "CARMA 201/2013 Liability Renewal (Reinsurance and Excess Layers)," dated June 1, 2012

Agenda Item 7.A.

June 1, 2012

Ms. Karen Thesing
Executive Director
California Affiliated Risk Management Authorities
c/o Bickmore Risk Services, Inc.
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

CARMA 2012/2013 Liability Renewal (Reinsurance and Excess Layers)

Dear Karen:

We are pleased to present to you our renewal proposal for CARMA's reinsurance and excess layers effective July 1, 2012. At the Board's request, Alliant obtained a renewal quote from AmTrust for the reinsurance layer (\$10,000,000 xs \$4,000,000) and Colony for the second layer excess (\$15,000,000 xs \$14,000,000).

AmTrust has offered their renewal quote with terms and conditions per the expiring reinsurance contract. As discussed at the April Board meeting, AmTrust committed to a 2.5% increase. The renewal premium is \$1,097,200 compared to \$1,071,200 last year. This represents a 2.4% increase.

The Colony renewal pricing is triggered off of the AmTrust premium. We have not received Colony's renewal quote, however, they have indicated that they are committed to providing competitive pricing for the renewal. We expect to be able to provide you with Colony's renewal quote prior to the June 20th Board meeting. In the meantime, we have included an indication at the expiring premium as a placeholder. Note, as Vector Control has opted out of the second layer excess, this will be reflected in Colony's renewal quote.

Alliant's Retail Broker Fee is not included on the attached proposals and is in addition to the quoted premiums. Our Retail Broker Fee for 2012-13 is \$68,000, compared to \$68,290 last year.

If you have any questions, please let us know.

Sincerely,



Seth Cole, ARM
First Vice President

scole@alliantinsurance.com

cc: Michael Simmons, Alliant Insurance Services

CARMA: REINSURANCE LAYER RENEWAL PROPOSAL

NAMED INSURED:	California Affiliated Risk Management Authorities (CARMA) and the following Members:	
	Bay Cities Joint Powers Insurance Authority (BCJPIA) Central San Joaquin Valley Risk Management Authority (CSJVRMA) Monterey Bay Area Self Insurance Authority (MBASIA) Municipal Pooling Authority of Northern California (MPA) Vector Control Joint Powers Authority (VCJPA)	
REINSURER:	Wesco Insurance Company (AmTrust Financial Group)	
AM BEST RATING:	A (Excellent) IX; Outlook: Stable	
REINSURANCE LIMITS:	\$10,000,000	Each occurrence and aggregate where applicable in excess of Retained Limit
	\$10,000,000	Aggregate for Property Damage as respects coverage for subsidence, per Member JPA or CARMA, in excess of retained limit
RETAINED LIMIT:	\$4,000,000	Each occurrence
COVERAGE FORM:	Excess Liability Memorandum of Coverage	
FORMS & ENDORSEMENTS:	War Exclusion Exclude any amount of loss, cost, or expense that is subject to (1) Any sublimit(s) in the MOC and/or (2) Any Limit(s) of Coverage in the MOC that is less than the MOC Retention amount	
ANNUAL PREMIUM:	\$1,097,200	(Premium payment is due and payable within 20 days)
AMWINS FEE:	\$ 42,200	(AmWINS Fee is included above)
COMMISSION:	NIL	

CARMA: SECOND LAYER EXCESS RENEWAL INDICATION

NAMED INSURED:	California Affiliated Risk Management Authorities (CARMA)
INSURER:	Colony National Insurance Company
AM BEST RATING:	A (Excellent) XII; Outlook: Stable
LIMITS OF COVERAGE:	\$15,000,000 per occurrence and in the aggregate excess of underlying limits
UNDERLYING LIMITS:	REINSURANCE LIMITS: \$10,000,000 per occurrence and in the aggregate where applicable excess of Retained Limit \$10,000,000 policy aggregate as respects property damage from subsidence, per member of Covered Party. This aggregate does not apply to Bodily Injury claims from subsidence.
RETAINED LIMIT:	\$4,000,000 each occurrence
EXPRING PREMIUM:	\$501,000 premium plus surplus lines taxes and fees of \$16,282.50.
COMMISSION:	NIL
EXCLUSION:	Certified Acts of Terrorism and Other Acts of Terrorism

FINANCIAL MATTERS

SUBJECT: Presentation of the Internal Financial Statements as of March 31, 2012

BACKGROUND AND STATUS:

At the January 12, 2012, Annual Workshop, an “Analysis of Future Equity” was presented to the Board that indicated a possible significant decrease in CARMA’s equity position due to recent adverse development. However, in recent months, CARMA has received new actuarial projections which have positively changed our equity status. As such, as of March 31, 2012, the total program equity is \$11.8 million, a 16.5% increase over the \$10.2 million at June 30, 2011.

Attached to this report is the CARMA Internal Financial Statement as of March 31, 2012, reflecting this marked increase in the CARMA equity profile. Ms. Nancy Broadhurst, Finance Manager, will be present to briefly discuss the new equity position of CARMA and answer questions of the Board.

RECOMMENDATION:

Staff recommends the Board of Directors approve the CARMA Internal Financial Statements as of March 31, 2012.

REFERENCE MATERIALS ATTACHED:

- Internal Financial Statements as of March 31, 2012.

California Affiliated Risk Management Authorities

~ BALANCE SHEET ~

As of March 31, 2012

(Unaudited)

ASSETS

CURRENT ASSETS

Cash in Bank	\$	8,223	
Local Agency Investment Fund		3,978,010	
Market Valuation - LAIF		4,818	
Investments - Managed Portfolio		1,129,951	
Market Valuation - Investment		33,481	
Accounts Receivable		3,895	
Interest Receivable		101,778	
Prepaid Expenses		27,131	
Prepaid Insurance		414,451	
TOTAL CURRENT ASSETS			5,701,738

NONCURRENT ASSETS

Investments - Managed Portfolio (Net of Rate Stabilization Fund)		20,896,926	
Market Valuation - Investment		(14,799)	
TOTAL OTHER ASSETS			20,882,127
TOTAL ASSETS			\$ 26,583,865

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	3,413	
Deferred Revenue		1,482,996	
Equity Payable to Withdrawing Member		7,261	
Reserve for Claims		2,800,000	
TOTAL CURRENT LIABILITIES			4,293,669

NONCURRENT LIABILITIES

Reserve for Claims		717,613	
Reserve for IBNR		9,719,932	
TOTAL NONCURRENT LIABILITIES			10,437,545
TOTAL LIABILITIES			14,731,214

NET ASSETS

Unrestricted Net Assets - Prior Years		10,172,476	
Net Assets - Current Year		1,680,175	
TOTAL NET ASSETS			11,852,651
TOTAL LIABILITIES AND NET ASSETS			\$ 26,583,865

California Affiliated Risk Management Authorities
~ INCOME STATEMENT ~
For the Quarter Ended March 31, 2012
(Unaudited)

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
OPERATING REVENUES				
Deposit Premium	\$ 4,448,988	\$ 5,931,983	75%	\$ 1,482,996
Investment Income	258,586	0		(258,586)
Misc Income	0	0		0
TOTAL OPERATING REVENUES	\$ 4,707,574	5,931,983	79%	1,224,409
OPERATING EXPENSES				
Direct Expenses				
Claims Paid	\$6,756,169	3,829,470	* { 39%	2,338,365
Incr/(Decr) in Reserves	(5,265,064)			
Subtotal Claims Expense	1,491,105	3,829,470	39%	2,338,365
Reinsurance	854,618	1,139,490	75%	284,873
Excess Insurance	387,962	517,283	75%	129,321
Subtotal All Direct Expenses	2,733,684	5,486,243	50%	2,752,559
General & Administrative Expenses				
Program Management	216,360	288,480	75%	72,120
Membership Dues	1,179	1,600	74%	421
Financial Audit	8,400	8,400	100%	0
Claims Audit	18,900	18,900	100%	0
Actuarial Services	0	6,860	0%	6,860
Legal Services	6,697	60,000	11%	53,303
Marketing, Consultants and Website	450	5,000	9%	4,550
Board Meetings	1,570	1,500	105%	(70)
Annual Retreat	6,423	10,000	64%	3,577
Fidelity Bond	775	1,000	77%	225
Accreditation	1,400	1,500	93%	100
Investment Management Fees	18,979	26,000	73%	7,021
Genex Reporting Fees	12,259	6,500	189%	(5,759)
Bank Fees	323	0		(323)
Contingency	0	10,000	0%	10,000
Subtotal General & Admin Expenses	293,715	445,740	66%	152,025
Member Equity Distribution	0	0		0
TOTAL OPERATING EXPENSES	3,027,399	5,931,983	51%	2,904,584
CHANGE IN NET ASSETS	\$ 1,680,175	0		

* Amount budgeted for claims expense is for the current program year only.
Actual Claims Paid expense includes payments for all program years.

California Affiliated Risk Management Authorities

~ Balance Sheet ~
As of March 31, 2012
(Unaudited)

Assets:	2001/2002	2002/2003	2003/2004	2004/2005 *	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Total
Cash, L.A.I.F. & Investments	305,202	1,398,075	2,940,361	725,253	(1,568,828)	2,496,090	3,899,751	3,562,330	4,209,386	4,175,710	3,869,784	26,013,109
Market Valuation-LAIF & Investments											23,500	23,500
Prepaid Expenses											441,583	441,583
Interest Receivable											101,778	101,778
Accounts Receivable											3,895	3,895
Total Assets	305,202	1,398,075	2,940,361	725,253	(1,568,828)	2,496,090	3,899,751	3,562,330	4,209,386	4,175,710	4,440,540	26,583,865 *
Liabilities:												
Accounts Payable											3,413	3,413
Deferred Revenue											1,482,996	1,482,996
Return of Equity											7,261	7,261
Equity Payable											448,500	3,517,613
Reserve for Claims (1)	0	364,125	441,825	0	1,444,453	352,610	189,200	0	185,200	91,700	448,500	3,517,613
Reserve for IBNR (2)	455	97,354	312,694	451,661	401,953	812,995	410,341	862,333	1,210,745	2,903,451	2,255,955	9,719,938
Total Liabilities	455	461,479	754,519	451,661	1,846,406	1,165,605	599,541	862,333	1,395,945	2,995,151	4,198,124	14,731,213
Retained Earnings:												
Reserve for Adverse Development (3)	0	0	0	0	0	0	158,282	399,599	900,613	1,809,988	1,990,039	5,258,522
Contingency Funds (4)	304,747	936,596	2,185,842	273,591	(3,415,234)	1,330,485	3,141,927	2,300,398	1,912,827	(629,430)	(1,747,624)	6,594,127
Total Retained Earnings	304,747	936,596	2,185,842	273,591	(3,415,234)	1,330,485	3,300,209	2,699,997	2,813,441	1,180,558	242,415	11,852,651
Total Liabilities and Retained Earnings	305,202	1,398,075	2,940,361	725,253	(1,568,828)	2,496,090	3,899,751	3,562,330	4,209,386	4,175,710	4,440,540	26,583,865

* Total Assets do not include Rate Stabilization Funds of \$90,819 at March 31, 2012

NOTE: CARMA's first eight program years 1993/1994 - 2000/2001 are now closed and no longer appear on the financial statements.
* 2004/05 Program Year includes equity from closed years 1996/1997 - 2000/2001

- (1) Reserve for claims has been discounted from the loss run balance of \$3,835,019 by \$317,406 as calculated utilizing the discount factors prepared by Bay Actuarial Consultants.
- (2) IBNR has been established at the discounted expected confidence level as calculated by Bay Actuarial Consultants.
- (3) This line represents the additional reserves needed to fund up to the 80% confidence level.
- (4) Provided there are sufficient contingency funds available for each program year and the JPA overall is funded at the 70% confidence level, this amount would be available for possible refund to members.

California Affiliated Risk Management Authorities

~ Income Statement ~

For the Quarter Ended March 31, 2012

(Unaudited)

Revenue:	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Total
Deposit Premiums											4,448,988	4,448,988
Interest Income	2,733	12,520	26,636	6,495	3,473	26,229	39,327	31,909	37,695	37,393	15,198	239,608 *
Misc Income											0	0
Total Revenue	2,733	12,520	26,636	6,495	3,473	26,229	39,327	31,909	37,695	37,393	4,464,186	4,688,595
Direct Expenses:												
Claims Paid	0	0	96,065	0	4,595,177	1,049,650	1,013,165	2,111	0	0	0	6,756,169
Incr./(Decr.) in Reserves	(19,133)	166,611	(8,786)	109,060	(4,540,131)	(627,789)	(978,870)	(1,290,369)	(1,170,692)	390,581	2,704,455	(5,265,063)
Incr./(Decr.) in Rate Stab Due Member Dividend/Assessment/Equity Distribution												0
Reinsurance / Excess												0
Total Direct Expenses	(19,133)	166,611	87,279	109,060	55,046	421,861	34,295	(1,288,258)	(1,170,692)	390,581	3,947,034	2,733,685
Indirect Expenses:												
General Management											216,360	216,360
Membership Dues											1,179	1,179
Financial Audit											8,400	8,400
Claims Audit											18,900	18,900
Actuarial Services											0	0
Legal Services**											6,697	6,697
Marketing/Consultants/Website											450	450
Board Meetings											1,570	1,570
Annual Retreat											6,423	6,423
Fidelity Bond											775	775
Accreditation Fees											1,400	1,400
Genex Reporting Fees											12,259	12,259
Bank Fees											323	323
Contingency											0	0
Total Indirect Expenses	0	0	0	0	0	0	0	0	0	0	274,736	274,736
Net Income/(Loss)	21,866	(154,092)	(60,643)	(102,566)	(51,573)	(395,632)	5,032	1,320,167	1,208,387	(353,188)	242,415	1,680,175

** Includes services for general counsel and coverage matters.

NOTE: CARMA's first eight program years 1993/1994 - 2000/2001 are now closed and no longer appear on the financial statements.

California Affiliated Risk Management Authorities

~ Member Allocation of Pool Equity ~

As of March 31, 2012

Program Year	Member	"Expected" Fund Balance	Additional IBNR at 75% Conf. Level	"75% Conf." Fund Balance	Additional IBNR at 80% Conf. Level	"80% Conf." Fund Balance
2001/2002:	BCJPIA	96,371	0	96,371	0	96,371
	CSJVRMA	66,471	0	66,471	0	66,471
	MPA	68,741	0	68,741	0	68,741
	PARSAC	60,769	0	60,769	0	60,769
	VCJPA	12,394	0	12,394	0	12,394
	PERMA Total	0 304,747	0 304,747	0 304,747	0 304,747	0 304,747
2002/2003:	BCJPIA	242,452	0	242,452	0	242,452
	CSJVRMA	212,146	0	212,146	0	212,146
	MPA	276,490	0	276,490	0	276,490
	PARSAC	170,805	0	170,805	0	170,805
	VCJPA	34,704	0	34,704	0	34,704
	PERMA Total	0 936,596	0 936,596	0 936,596	0 936,596	0 936,596
2003/2004	BCJPIA	588,305	0	588,305	0	588,305
	CSJVRMA	565,436	0	565,436	0	565,436
	MBASIA	65,408	0	65,408	0	65,408
	MPA	517,608	0	517,608	0	517,608
	PARSAC	373,246	0	373,246	0	373,246
	VCJPA Total	75,839 2,185,842	0 2,185,842	75,839 2,185,842	0 2,185,842	75,839 2,185,842
2004/2005*	BCJPIA	898,408	0	898,408	0	898,408
	CSJVRMA	(764,324)	0	(764,324)	0	(764,324)
	MBASIA	(152,253)	0	(152,253)	0	(152,253)
	MPA	(741,965)	0	(741,965)	0	(741,965)
	PARSAC	924,280	0	924,280	0	924,280
	VCJPA PERMA* Total	108,127 1,318 273,591	0 0 273,591	108,127 1,318 273,591	0 0 273,591	108,127 1,318 273,591
2005/2006	BCJPIA	(847,501)	0	(847,501)	0	(847,501)
	CSJVRMA	(824,792)	0	(824,792)	0	(824,792)
	MBASIA	(130,184)	0	(130,184)	0	(130,184)
	MPA	(890,957)	0	(890,957)	0	(890,957)
	PARSAC	(591,574)	0	(591,574)	0	(591,574)
	VCJPA Total	(130,227) (3,415,234)	0 0	(130,227) (3,415,234)	0 0	(130,227) (3,415,234)

California Affiliated Risk Management Authorities

~ Member Allocation of Pool Equity ~

As of March 31, 2012

Program Year	Member	"Expected" Fund Balance	Additional IBNR at 75% Conf. Level	"75% Conf." Fund Balance	Additional IBNR at 80% Conf. Level	"80% Conf." Fund Balance
2006/2007	BCJPIA	306,457	0	306,457	0	306,457
	CSJVRMA	384,835	0	384,835	0	384,835
	MBASIA	47,252	0	47,252	0	47,252
	MPA	307,149	0	307,149	0	307,149
	PARSAC	226,977	0	226,977	0	226,977
	VCJPA Total	57,814 1,330,485	0 0	57,814 1,330,485	0 0	57,814 1,330,485
2007/2008	BCJPIA	715,718	0	715,718	(34,327)	681,392
	CSJVRMA	943,681	0	943,681	(45,260)	898,421
	MBASIA	109,257	0	109,257	(5,240)	104,017
	MPA	780,900	0	780,900	(37,453)	743,447
	PARSAC	615,162	0	615,162	(29,504)	585,658
	VCJPA Total	135,490 3,300,209	0 0	135,490 3,300,209	(6,498) (158,282)	128,992 3,141,927
2008/2009	BCJPIA	584,563	(5,191)	579,372	(86,515)	498,048
	CSJVRMA	729,463	(6,478)	722,985	(107,960)	621,502
	MBASIA	90,583	(804)	89,779	(13,406)	77,177
	MPA	643,672	(5,716)	637,957	(95,263)	548,409
	PARSAC	548,937	(4,875)	544,063	(81,243)	467,695
	VCJPA Total	102,778 2,699,997	(913) (23,976)	101,865 2,676,021	(15,211) (399,599)	87,567 2,300,398
2009/2010	BCJPIA	990,589	(181,803)	808,786	(317,099)	673,490
	CSJVRMA	926,184	(169,983)	756,202	(296,482)	629,703
	MBASIA	121,575	(22,313)	99,263	(38,918)	82,658
	MPA	676,457	(124,150)	552,307	(216,541)	459,916
	VCJPA	98,634	(18,102)	80,532	(31,574)	67,060
	PARSAC Total	0 2,813,441	0 (516,352)	0 2,297,089	0 (900,613)	0 1,912,827
2010/2011	BCJPIA	442,032	(437,231)	4,801	(677,708)	(235,675)
	CSJVRMA	329,829	(326,246)	3,583	(505,682)	(175,853)
	MBASIA	47,681	(47,163)	518	(73,102)	(25,422)
	MPA	317,573	(314,123)	3,449	(486,891)	(169,318)
	VCJPA	43,444	(42,972)	472	(66,606)	(23,163)
	PARSAC Total	0 1,180,558	0 (1,167,735)	0 12,823	0 (1,809,988)	0 (629,430)

California Affiliated Risk Management Authorities

~ Member Allocation of Pool Equity ~
As of March 31, 2012

Program Year	Member	"Expected" Fund Balance	Additional IBNR at 75% Conf. Level	"75% Conf." Fund Balance	Additional IBNR at 80% Conf. Level	"80% Conf." Fund Balance
2011/2012	BCJPIA	92,933	(383,615)	(290,682)	(762,914)	(669,981)
	CSJVRMA	63,685	(262,878)	(199,193)	(522,798)	(459,114)
	MBASIA	9,998	(41,270)	(31,272)	(82,077)	(72,078)
	MPA	66,030	(272,560)	(206,530)	(542,054)	(476,023)
	VCJPA	9,769	(40,325)	(30,556)	(80,196)	(70,427)
	PARSAC	0	0	0	0	0
	Total	242,415	(1,000,648)	(758,233)	(1,990,039)	(1,747,624)
Total:	BCJPIA	4,110,327	(1,007,840)	3,102,487	(1,878,563)	2,231,766
	CSJVRMA	2,632,614	(765,585)	1,867,029	(1,478,182)	1,154,432
	MBASIA	209,318	(111,550)	97,768	(212,743)	(3,425)
	MPA	2,021,698	(716,549)	1,305,149	(1,378,202)	643,496
	PARSAC	2,328,601	(4,875)	2,323,727	(110,747)	2,217,855
	VCJPA	548,767	(102,312)	446,455	(200,086)	348,681
	PERMA	1,318	0	1,318	0	1,318
	Total Equity	11,852,651	(2,708,711)	9,143,941	(5,258,522)	6,594,127

Program Year Closures:

9/30/2006 Dividends returned to BCJPIA, VCJPA and PARSAC for program years 1993/94; 1994/95; and 1995/96.
7/1/2011 1996/97 through 2000/01 equity closed into program year 2004/05

These eight program years are now closed, and no longer appear on the financial statements.

California Affiliated Risk Management Authorities

~ Rate Stabilization Fund ~

As of March 31, 2012

Member	Original Balance @ 7/1/2002		Cumulative Interest 2002/2003 - 2005/2006		2006/2007		2007/2008		2008/2009		2009/2010		2010/2011		2011/2012		Balance @ 3/31/12
					Interest as of 9/30/06	Member Contribution / Withdrawal 9/30/06 & 3/31/07 *	Interest from 10/1/06 - 06/30/07	YE Interest as of 6/30/08	Member Withdrawal June 2008	Member Billing 6/30/08**	YE Interest as of 06/30/09	YE Interest as of 06/30/10	YE Interest as of 6/30/11	YE Interest as of 3/31/12			
BCJPIA	380,979	33,811	7,692	445,979 *	31,721	63,690	(970,226)	6,354	0	0	0	0	0	(0)			
PARSAC	201,011	17,839	4,058	(222,909)	0	6,989	(22,390)	0	0	0	0	0	0	(0)			
VCJPA	28,165	2,500	569	63,251	3,481	0	0	0	4,130	2,095	1,217	1,217	813	90,819			
CSJVRMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
MBASIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
MPA	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total	610,155	54,150	12,319	286,321	35,201	70,679	(992,616)	6,354	4,130	2,095	1,217	1,217	813	90,819			

Notes: Interest allocation as of 6/30/03 - 9/30/06 is based on percentage of original contribution
 Interest allocation beginning on 10/1/06 is based on percentage of 9/30/06 balance after member contributions and withdrawals.
 ** Due to Negative Interest allocation 4Q following member withdrawal

Note: As of 6/30/2007, CARMA's Rate Stabilization Fund is a fiduciary fund that is not included in CARMA's operating financial statements.

Historical Information:
 CARMA's Rate Stabilization Fund was set up on 7/1/03 to receive the dividends issued on 6/30/02. Of the \$1,021,230 issued in dividends, \$411,074 was distributed to PERMA. The remaining \$610,155 was contributed back to CARMA as rate stabilization premiums. Below is a grid showing the contributions by member by program year.

Member	1993/94	1994/95	1996/97	1997/98	Totals
BCJPIA	147,271	594,406	(98,684)	(262,014)	380,979
PARSAC	93,146	571,357	(137,114)	(326,378)	201,011
VCJPA		68,558	(18,679)	(21,714)	28,165
Totals	240,417	1,234,321	(254,477)	(610,106)	610,155

FINANCIAL MATTERS

SUBJECT: CARMA Annual Operating Budget for the 2012/2013 Program Year

BACKGROUND AND STATUS:

Attached are the proposed Annual Budget for the 2012/2013 Program Year which received preliminary approval at the April 18, 2012, Board meeting at the 75% confidence level and using a 2.5% discount factor. The proposed Budget reflects an overall increase of \$657,843, or 11.09%, over last year's budget at the 75% confidence level that used a 3.5% discount factor.

Changes included from the prior year include:

- Percentage change comparisons for member ex-mods, losses, and payroll to the prior year, featured on the "Xmod" tab of the proposed Budget;
- Revised reinsurance allocation: One-third of the reinsurance premium continues to be applied to the JPA ex-mod, while two-thirds is not;
- VCJPA no longer participating in the purchase of excess insurance;
- Deletion of the CCFs and Hanford in CSJVRMA;
- Deletion of SFRA in BCJPIA; and
- Addition of the City of Los Altos in BCJPIA.

Total premium reflects the following assumptions and significant factors:

- Funding for losses at the 75% confidence level at the actuarially-determined rate of .411 per \$100 of payroll; an increase of approximately 21.6% over the prior study's 75% rate of .338;
- Discount factor of 2.5% (a decrease from the prior year's discount factor of 3.5%);
- Actual 2011 payroll for all JPAs, representing a 3.9% decrease from last year's total payroll, and a 1.9% total decrease for continuing participating members;
- Funding for losses at \$3 million excess of \$1 million (adopted retention level for prior year) for all members;
- 2.4% increase in the reinsurance premium provided by AmTrust, which equates to a 6.6% increase in rate;
- Assumption of a 5.0% estimated increase in rates for excess (\$15 million excess of \$14 million);
- An increase in the administration budget of 1.0%. Variances include:
 - Management Contracted Services – a 5.7% increase per the re-negotiated contract with BRS;
 - Financial Audit – 1.8% contractual increase;
 - Claims Audit Scope – 58.2% bi-annual increase - Audit for both CARMA and JPA members (including PARSAC);
 - Actuarial Review - 2.0% contractual increase;

Agenda Item 8.B.

- Legal Services – 33.3% decrease due to anticipated decrease in actual expense;
- Marketing/Consultants/Website – 80.0% decrease as marketing efforts are not anticipated;
- Board Meeting Expense – 33.3% increase due to matching of current actual expense; and
- Fidelity Bond – 10.0% increase due to matching of current actual expense.

Experience Modification Calculation:

- Individual losses from \$100k to \$1 million were used in the ex-mod calculation;
- For the five years prior to the current year, the JPA ex-mod had been applied to the reinsurance premium, which currently covers the \$10 million excess of \$4 million layer. Beginning with the 2011/2012 Budget, the allocation was revised. In the proposed 2012/2013 Budget, one-third of the premium is applied to the JPA ex-mod, while two-thirds of the premium is not. (In 2011/2012 the allocation was reversed, and in 2013/2014 the ex-mod will no longer be applied to the reinsurance layer);
- The range of years used in the ex-mod calculation continues to be the oldest four of the most current six. This Budget incorporates the range between 2005/2006 and 2008/2009;
- The losses are valued as of 12/31/11;
- A credibility factor is applied which places a proportionately heavier weight on the larger members; and
- Ex-mod factors continue to be capped at .75 on the low end and 1.25 at the high end with the exception of inverse condemnation claims, which are capped at 1.50 at the high end.

RECOMMENDATION:

Staff recommends the Board of Directors adopt the CARMA Annual Operating Budget at the 75% confidence level, using a discount factor of 2.5%.

REFERENCE MATERIALS ATTACHED:

- 2012/2013 Proposed Annual Operating Budget at the 75% CL, 2.5% discount rate
- 2011/2012 Approved Annual Operating Budget

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~

Funding For Pooled Losses at the 75% Confidence Level ~ Discount Factor 2.5%

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

~ Excess Purchase \$15 million ex of \$14 million - Colony ~ 2011/12 Rates inflated by 5%

MEMBER AGENCY	2011 PAYROLL	FUNDING FOR POOLED LOSSES	EXPERIENCE MOD FACTOR	LOADED ADJUSTED FOR EX MOD	OFF-BALANCE FACTOR	ADJUSTED POOLED LOSSES
	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5	NOTE 6
BCJPIA	\$390,729,978	\$1,605,900	1.133	\$1,819,750	0.9849	\$1,792,229
CSJVRMA	357,297,500	1,468,493	0.774	1,136,697	0.9849	1,119,506
MBASIA	45,516,827	187,074	0.826	154,497	0.9849	152,161
MPA	248,950,133	1,023,185	1.250	1,278,981	0.9849	1,259,638
PARSAC						
VCJPA	46,286,921	190,239	0.808	153,682	0.9849	151,357
TOTALS	\$1,088,781,359	\$4,474,891	0.958	\$4,543,607	(average)	\$4,474,891

LAYER "B" RATE \$3 X \$1 Rate for Discounted Losses and ALAE (75% Confidence Level) **0.411**

LAYER "C" RATE Reinsurance Rate + Broker's Fee **\$0.10702**
 Broker's Fee (included in reinsurance rate) \$68,000

LAYER "D" RATE Excess (\$15-\$29 Mil) Insurance Rate **\$0.04792**

LAYER "A" \$0 - \$1 MIL - NOT ACTIVATED
 LAYER "B" \$3 MIL EX \$1 MIL
 LAYER "C" \$10 MIL EX \$4 MIL
 LAYER "D" \$15 MIL EX \$14 MIL

NOTES:
 1 2011 Payroll
 2 Payroll/100 * Rate Discounted at 2.50%
 3 Minimum of .75 AND Maximum of 1.25 (Page 2).
 4 (2)*(3)
 5 Total (2) / Total (4)
 6 (4) * (5).
 7 (Payroll/100) * Reinsurance Rate (1/3 applied to ex mod)
 8 (Payroll/100) * Excess Insurance Rate
 9 From Page 4
 10 Sum of (6) Through (9)

MEMBER AGENCY	ADJUSTED POOLED LOSSES	REINSURANCE: \$10 Mil X \$4 Mil		EXCESS \$15Mil x \$14Mil	ADMIN PREMIUM	2012-2013 CARMIA PREMIUM	RATE PER \$100 PAYROLL	COMPARISON TO PRIOR YEAR	
		1/3 Premium Applied to ExMod	2/3 Premium Not Applied to ExMod					2011-2012 CARMIA PREMIUM	Percentage INCREASE (DECREASE)
BCJPIA	\$1,792,229	\$155,557	\$278,770	\$187,246	\$114,324	\$2,528,126	\$0.647	\$259,570	11.44%
CSJVRMA	1,119,506	\$97,168	\$254,917	171,224	83,889	1,726,704	\$0.483	\$172,143	11.07%
MBASIA	152,161	\$13,207	\$32,474	21,813	61,273	280,928	\$0.617	\$36,870	15.11%
MPA	1,259,638	\$109,331	\$177,616	119,302	129,364	1,795,251	\$0.721	\$183,433	11.38%
PARSAC					7,262	7,262		(\$7,261)	-50.00%
VCJPA	151,357	\$13,137	\$33,024		54,037	251,556	\$0.543	\$13,089	5.49%
TOTALS	\$4,474,891	\$388,400	\$776,800	\$499,584	\$450,150	\$6,589,826	\$0.605	\$657,843	11.09%

Revisions from prior year:

~ Percentage Change comparisons for ex mods, losses, and payroll to prior year featured on "Xmod" tab ~ Addition of the City of Los Altos in BCJPIA

~ Revised reinsurance allocation: 1/3 of the reinsurance premium continues to be applied to the JPA ex mod, while 2/3 of the premium is not.

~ VCJPA no longer participating in excess

~ Deletion of the CCF's and Hanford in CSJVRMA

~ Deletion of SFRA in BCJPIA

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Actuarial and Reinsurance Rates
~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~
 ~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~
 ~ Excess Purchase \$15 million ex of \$14 million - Colony ~ 2011/12 Rates inflated by 5%

Actuarial Rates - Discounted at 2.50%									
Actuarial Data Discounted Range	50% Rate	60% Rate	Expected Rate	70% Rate	75% Rate	80% Rate	85% Rate	90% Rate	
\$2 mil ex \$1 mil	0.249	0.259	0.313	0.355	0.404	0.469	0.565		
\$3 mil ex \$1 mil	0.222	0.285	0.300	0.363	0.411	0.471	0.549	0.663	
\$4 mil ex \$1 mil	0.238	0.306	0.322	0.390	0.441	0.506	0.589	0.708	
\$2 mil ex \$2 mil	0.079	0.115	0.124	0.156	0.181	0.212	0.253	0.310	
\$3 mil ex \$2 mil	0.085	0.128	0.146	0.181	0.213	0.251	0.302	0.374	
\$2 mil ex \$3 mil	0.036	0.063	0.076	0.098	0.122	0.151	0.190		

Insurance Rates and Premiums		
Am Trust Financial Group	With Broker Fees	Without Fees
	Premium \$10mil ex \$4mil Rate/\$100 PR	\$1,165,200 \$0.10702
Colony Excess Insurance \$15mil ex \$14mil	Premium Rate/\$100 PR	\$521,766 \$0.04792

2012/13 Budget ~ Proposed 6.20.2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Experience Modification Calculations

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~
 Losses from \$100k & Capped at \$1 million* - Valued at 12/31/11

EXPERIENCE MODIFICATION SECTION	1		2		3		4		5		6		7		8		9		10	
	4 YEAR AVERAGE LOSS	4 YEAR AVERAGE PAYROLL	4 YEAR LOSS RATE \$100/PR	AVERAGE EXPECTED LOSSES	MEMBER EXPERIENCE RATIO	CREDIBILITY FACTOR	DEVIATION FROM NORM MULTIPLIED BY CREDIBILITY	FACTORED EXPERIENCE MODIFIER	CAPPED EXPERIENCE MODIFIER	2011/12 Ex Mod (For comparison)	%age Change Current to Prior Year	(Average)		(Average)		(Average)		(Average)		
BCJPIA	\$2,760,221	\$367,148,572	0.752	\$2,261,574	1.220	0.604	0.133	1.133	1.133	1.152	-1.6%									
CSJVRMA	1,221,786	328,210,978	0.372	2,021,725	0.604	0.571	-0.226	0.774	0.774	0.752	2.9%									
MBASIA	37,807	41,898,729	0.090	258,089	0.146	0.204	-0.174	0.826	0.826	0.859	-3.9%									
MPA	2,180,227	232,099,633	0.939	1,429,695	1.525	0.480	0.252	1.252	1.250	1.249	0.1%									
VCJPA	0	37,169,234	0.000	228,956	0.000	0.192	-0.192	0.808	0.808	0.810	-0.3%									
TOTAL	\$6,200,041	\$1,006,527,147	\$0.616	\$6,200,041	0.699	(Average)	(Average)	0.959	0.958	0.964	-0.6%									

LOSSES	10/11		08/09		07/08		06/07		05/06		04/05		03-04		02-03		AVERAGE		%age Change
	10/11	09/10	08/09	07/08	06/07	05/06	04/05	03-04	02-03	AVERAGE	%age Change	04/05	03-04	02-03	AVERAGE	%age Change			
BCJPIA	\$986,926	\$1,616,661	\$1,610,306	\$2,032,870	\$1,175,500	\$6,222,209	\$735,635	\$1,668,373	\$1,623,798	\$2,760,221	-39.0%	\$735,635	\$1,668,373	\$1,623,798	\$2,760,221	-39.0%			
CSJVRMA	261,936	1,781,574	1,287,903	637,890	933,101	2,028,250	755,768	2,051,276	2,384,664	\$1,221,786	-85.3%	755,768	2,051,276	2,384,664	\$1,221,786	-85.3%			
MBASIA	120,255	259,639	0	57,252	60,792	33,183	29,479	0	241,269	\$37,807	-53.7%	29,479	0	241,269	\$37,807	-53.7%			
MPA	680,673	1,194,567	1,002,041	2,028,873	3,765,136	1,924,857	1,447,400	673,088	998,426	\$2,180,227	-43.0%	1,447,400	673,088	998,426	\$2,180,227	-43.0%			
VCJPA	0	0	0	0	0	0	0	0	0	\$0	-57.8%	0	0	0	\$0	-57.8%			
TOTAL	\$2,049,790	\$4,852,441	\$3,900,250	\$4,756,885	\$5,934,529	\$10,208,499	\$2,968,282	\$4,392,737	\$5,248,157	\$6,200,041		\$2,968,282	\$4,392,737	\$5,248,157	\$6,200,041				

PAYROLL	2011		2010		2009		2008		2007		2006		2005		2004		2003		AVERAGE		%age Change
	2011	2010	2010	2009	2008	2007	2006	2005	2004	2003	2006	2005	2004	2003	AVERAGE	%age Change					
BCJPIA	\$390,729,978	\$401,302,755	\$413,754,180	\$401,982,626	\$381,250,515	\$357,364,622	\$327,996,526	\$315,827,024	\$305,522,046	\$367,148,572	-2.6%	\$327,996,526	\$315,827,024	\$305,522,046	\$367,148,572	-2.6%					
CSJVRMA	357,297,500	363,564,040	379,275,595	376,687,142	348,761,131	312,599,759	274,795,881	258,067,089	239,643,880	\$328,210,978	-1.7%	274,795,881	258,067,089	239,643,880	\$328,210,978	-1.7%					
MBASIA	45,516,827	41,784,220	46,702,440	45,767,695	43,256,460	40,218,695	38,352,066	39,268,949	40,710,135	\$41,898,729	8.9%	38,352,066	39,268,949	40,710,135	\$41,898,729	8.9%					
MPA	248,950,133	257,593,483	267,123,031	263,185,935	240,928,914	220,634,505	203,649,180	195,402,288	184,970,782	\$232,099,633	-3.4%	203,649,180	195,402,288	184,970,782	\$232,099,633	-3.4%					
VCJPA	46,286,921	45,758,398	43,685,667	41,950,723	37,619,142	35,973,784	33,133,287	29,149,315	26,508,262	\$37,169,234	1.2%	33,133,287	29,149,315	26,508,262	\$37,169,234	1.2%					
TOTAL	\$1,088,781,359	\$1,110,002,896	\$1,129,574,120	\$1,088,781,359	\$1,051,816,162	\$966,791,365	\$877,926,941	\$837,714,665	\$797,355,105	\$1,006,527,147		\$877,926,941	\$837,714,665	\$797,355,105	\$1,006,527,147						
Percentage Change - Current Membership*			-1.91%	-3.52%	7.39%	8.79%	10.12%	4.80%	5.06%												

* Prior Year payroll (2010) including Hanford, CCF's and SFRA: \$1,133,371,484 Percentage Change to current year: -3.93%

NOTE: * Losses are claims in excess of \$100,000 and capped at \$1,000,000, with the exception of inverse condemnation claims which are capped at \$1,500,000. Only the oldest four of the last six years of losses are utilized, 2005/06 through 2008/09.

Calculation Notes:							
3	4	5	6	7	8		
"1" / ("2"/100)	("2"/100) * Total "3"	"1" / "4"	SqRt ("2"/Total "2")	(1-"5") * "6"	1 + "7"		

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Administration Budget

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~

BUDGET LINE ITEMS:	ACTUAL COSTS 2009-2010	ACTUAL COSTS 2010-2011	PROJECTED COSTS 2011-2012	CARMA BUDGET 2011-2012	CARMA BUDGET 2012-2013	PERCENTAGE CHANGES FROM PRIOR YEAR	BUDGET EXPLANATIONS
1 Management Contracted Services	\$289,053	\$289,000	\$288,480	\$288,480	\$305,000	5.7%	BRS Contract - Per re-negotiated contract
2 Membership Dues	1,517	1,498	1,460	1,600	1,600	0.0%	CAJPA, PRIMA, AGRIP membership
3 Financial Audit	7,800	8,100	8,400	8,400	8,550	1.8%	Independent financial auditors
4 Claims Audit	18,900	29,900	18,900	18,900	29,900	58.2%	Claims audit for CARMA and JPA members
5 Actuarial Services	6,560	6,724	6,860	6,860	7,000	2.0%	Per 12/15/10 letter, 2% increase per year
6 Legal Services	81,740	50,698	25,000	60,000	40,000	-33.3%	Coverage matters and legal counsel
7 Marketing/Consultants/Website	1,194	600	600	5,000	1,000	-80.0%	Expenses for marketing consultants/materials.
8 Board Meeting Expense	1,391	1,558	2,200	1,500	2,000	33.3%	1 meeting in Tahoe, 2 meetings in Sacramento.
9 Annual Retreat Expense	8,847	7,113	8,000	10,000	10,000	0.0%	2 day retreat for Board members and staff
10 Fidelity Bond Premiums	1,033	1,033	1,035	1,000	1,100	10.0%	Bonded coverage for those who control JPA funds.
11 Accreditation Fees	1,500	1,500	1,500	1,500	1,500	0.0%	Pro-rated CAJPA accreditation fees for 3 years
12 Investment Management Services	19,146	26,218	26,000	26,000	26,000	0.0%	Investment management and custodial fees
13 Genex Fees	52	236	12,250	6,500	6,500	0.0%	Reporting fees for Medicare Set-aside
14 Contingency			1,000	10,000	10,000	0.0%	Contingency
	\$438,733	\$424,178	\$401,685	\$445,740	\$450,150	1.0%	

MEMBER	Administration Allocation Calculation						TOTAL Calculated Administration Share	Additional Administration Calculation PARSAC's Calculated Share
	Non Claims Related Member Share	Unmodified Member Ex Mod Ratio	Claims Related Expenses	Claims Related Adjusted	Off-Balance Factor	Claims Related Member Share		
BCJPIA	Note 1 \$44,525	Note 2 1.220	Note 3 \$30,500	Note 4 37,225	Note 5 1.3344	Note 6 \$49,674	Note 7 94,199	Note 8 114,324
CSJVRMA	\$44,525	0.604	\$30,500	18,432	1.3344	\$24,596	69,121	83,889
MBASIA	\$44,525	0.146	\$30,500	4,468	1.3344	\$5,962	50,487	61,273
MPA	\$44,525	1.525	\$30,500	46,511	1.3344	\$62,067	106,592	129,364
PARSAC	\$44,525	1.000	\$30,500	30,500	1.3344	\$40,700	85,225	7,262
VCJPA	\$44,525	0.000	\$30,500	0	1.3344	\$0	44,525	54,037
TOTAL	\$267,150	0.749	\$183,000	\$137,136	1.3344	\$183,000	450,150	450,150

(Average)

NOTES:

- Includes 40% of Management Contracted Services and 100% of all other items.
- Member Experience Modifier (free floating)
- Includes 60% of Management Contracted Services only.
- (2)*(3)
- TOTAL (3) / TOTAL (4)
- (4)*(5)
- Non Claims Related Member Share (1) Plus (+) Claims Related Member Share (6)
- Calculation of PARSAC's calculated admin portion, with remainder allocated to other members proportionately

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

PARSAC Administration Budget Portion

~ Fiscal Years 2009 / 2010 through 2012 / 2013 ~

BUDGET LINE ITEMS:	2009-2010		2010-2011		2011-2012		2012-2013		Total PARSAC Admin Fees
	Calc		Calc		Calc		Calc		
Management Contracted Services	\$ 32,104	\$ 20,581	\$ 12,841	\$ 7,740					\$ 73,266
Memberships Dues									
Financial Audit									
Claims Audit	2,570	1,928	1,285	643					6,426
Actuarial Services	497	332	199	133					1,160
Legal Services									
Marketing/Consultants/Website									
Conference									
Board Meeting Expense									
Annual Retreat Expense									
Fidelity Bond Premiums	136	102	68	34					340
Accreditation Fees									
Investment Management Services	2,720	2,040	1,360	680					6,800
Contingency									
Totals	\$ 38,027	\$ 24,982	\$ 15,754	\$ 9,229					\$ 87,992

Allocation based on	\$ 29,046	\$ 21,785	\$ 14,523	\$ 7,262	\$ 72,615
Agreed upon Total					

Key
Not included
75/50/30/20 allocation
Actuary - Prior Liabilities - 50% of study
BRS - Litigation - 51.7%
75/50/30/20 allocation
Admin & Finance - 48.3%
50/30/20/10 allocation

*

2009-2010 Payroll Percentage Calculation		
Member	Payroll	Payroll %age
BCJPIA	\$401,025,744	0.289
CSJVRMA	400,867,123	0.289
MBASIA	45,723,997	0.033
MPA	263,185,935	0.190
PARSAC	235,766,612	0.170
VCJPA	41,400,897	0.030
TOTALS	\$1,387,970,307	1.000

CARMA Admin 2009-2010
\$300,111
1,800
7,800
18,900
7,800
35,000
5,000
0
2,000
15,000
1,000
1,500
20,000
10,000
\$425,911

* - Legal services will be billed according to time and expense that pertains to PARSAC.

**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
BRS Worksheet**

	Current Year 2012/13	2013/14	2014/15	2015/16	2016/17
BRS Contract Price	\$305,000	\$312,625	\$320,441	\$328,452	\$336,663
Percentage Increase over previous year	5.86%	2.50%	2.50%	2.50%	2.50%
Adjustment for New Members					
Total	\$0	\$0	\$0	\$0	\$0
BRS SHARE OF NEW PAYROLL/\$100 INCREASE IN ADMIN FEES	0.02%	0.02%	0.02%	0.02%	0.02%
BRS CONTRACT PREMIUM	\$0	\$0	\$0	\$0	\$0
	\$305,000	\$312,625	\$320,441	\$328,452	\$336,663

BCJPIA Loss Detail and Payroll

	Losses Valued at 12/31/11*										Payroll				
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
1 Albany		252500			\$32,629			\$7,172,226	\$7,541,694	\$7,571,400	\$7,133,602	\$6,719,341	\$6,270,503	\$6,000,071	
2 Albany JPA								1,679,224	1,773,288	2,002,546	1,887,818	1,648,501	1,540,820	1,447,192	
3 Berkeley		\$178,002	\$253,631		\$45,750	\$171,522		135,577,653	137,461,012	141,810,019	132,945,068	126,868,098	117,595,615	111,512,510	
4 Brisbane								6,580,972	7,198,185	7,608,947	7,477,338	7,319,645	6,895,390	6,373,842	
5 Emeryville		\$401,500		\$900,000				7,073,502	6,997,432	6,916,604	6,097,524	6,097,524	5,653,964	5,711,375	
6 Emeryville MESA						\$401,678		7,333,130	7,629,193	8,219,556	7,322,533	7,149,257	6,903,006	6,534,363	
7 Fairfax			\$54,040			\$137,234		2,412,447	2,524,323	2,555,109	2,557,965	2,375,794	2,218,600	1,904,868	
8 Larkspur						\$252,219		5,204,604	5,006,762	5,135,174	5,162,446	4,754,855	4,489,663	4,390,231	
9 Los Altos (7/1/12)	\$900,000			\$137,234		\$150,000		10,937,602	11,543,237	11,818,666	10,929,358	9,684,636	9,071,118	19,615,574	
10 Menlo Park	\$30,126			\$255,092		\$134,306		22,828,825	22,702,024	23,180,947	22,959,814	21,101,406	19,160,987	10,178,479	
11 Mill Valley			\$74,832	\$95,581		\$2,049,391		12,959,766	12,705,290	12,785,513	12,145,840	11,465,669	10,866,323	525,945	
12 Monte Sereno								734,938	728,211	710,308	675,878	621,996	534,626	17,429,262	
13 Novato			\$150,820		\$8,790	\$63,090		16,439,086	19,010,871	20,197,782	20,728,955	19,294,376	17,996,855	8,284,421	
14 Piedmont								10,033,574	10,272,372	10,403,144	9,660,940	9,092,265	8,284,421	8,065,878	
15 Pleasanton	\$56,800	\$301,118				\$198,739		35,023,054	36,399,043	37,970,188	35,371,912	34,474,058	32,829,920	30,918,696	
16 Pleasanton fire								16,914,816	17,449,387	17,805,178	16,930,123	16,260,750	15,314,862	14,384,229	
17 Redwood City		\$358,541			\$1,088,331			54,867,896	52,272,619	55,283,166	54,289,688	51,556,200	49,369,650	47,941,932	
18 San Anselmo						\$1,736,175		4,901,115	4,809,247	4,886,643	4,703,687	4,393,391	4,392,932	4,194,255	
19 Sausalito								7,297,236	6,972,284	6,973,698	6,156,440	5,614,534	5,755,776	5,203,000	
20 Twin Cities			\$155,481	\$24,039				3,404,975	3,682,612	3,846,593	3,847,925	3,585,605	3,480,997	3,175,228	
21 Union City		\$125,000		\$620,924				21,353,339	26,623,669	26,073,000	31,954,278	31,172,614	28,738,594	22,489,596	
TOTALS	\$986,926	\$1,616,661	\$1,610,306	\$2,032,870	\$1,175,500	\$6,222,209	\$735,635	\$390,729,978	\$401,302,755	\$413,754,180	\$401,982,626	\$381,250,515	\$357,364,622	\$327,996,526	
								-2.63%	-3.01%	2.93%	5.44%	6.68%	8.95%	3.85%	
* Inverse condemnation claims capped at \$1.5 million															
Losses from \$100k & capped at \$1 million *															

CSJVRMA Loss Detail and Payroll

	Losses Valued at 12/31/11*												Payroll				
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005		
1 ANGELS CAMP							\$218,702		\$2,056,267	\$2,272,058	\$2,420,825	\$2,279,043	\$2,285,453	\$2,226,950	\$1,983,813		
2 ARVIN								2,963,706	2,875,267	2,737,316	2,354,414	2,354,414	2,439,296	2,087,230	1,735,372		
3 ATWATER								7,621,679	8,454,573	8,042,220	8,950,313	8,950,313	7,721,587	6,864,802	6,090,485		
4 AVENAL								2,563,719	1,721,633	1,308,113	1,234,170	1,234,170	1,286,880	1,254,139	1,166,622		
5 CERES				\$47,162				13,867,847	14,132,375	14,917,938	13,653,640	13,653,640	12,540,069	11,331,810	10,128,242		
6 CHOWCHILLA				\$260,194				2,940,031	3,158,967	4,780,928	4,539,350	4,539,350	4,255,027	3,853,000	3,076,210		
7 CLOVIS				\$187,250				36,373,952	35,064,579	36,319,502	38,855,397	38,855,397	38,576,764	34,633,822	31,358,673		
8 CORCORAN								3,766,259	3,808,284	3,829,517	3,534,289	3,534,289	3,189,863	2,997,544	2,644,163		
9 DELANO			\$204,500					11,044,652	11,374,896	10,942,445	9,709,149	9,709,149	8,832,804	7,804,468	7,366,321		
10 DINUBA				\$78,335				8,051,017	8,258,231	9,344,322	8,860,628	8,860,628	7,941,276	6,749,926	6,056,701		
11 DOS PALOS								1,206,440	1,245,898	1,133,554	1,089,607	1,089,607	1,018,760	931,020	841,509		
12 ESCALON								2,005,007	2,097,135	2,397,104	2,300,288	2,300,288	2,357,017	2,079,052	1,783,475		
13 EXETER		\$75,455						1,743,547	1,809,415	1,875,699	1,846,958	1,846,958	1,579,170	2,061,136	1,684,115		
14 FARMERSVILLE								1,917,289	1,790,980	1,882,990	2,026,474	2,026,474	1,725,807	1,565,314	1,114,197		
15 FIREBAUGH								1,753,233	1,776,370	1,816,262	1,870,872	1,870,872	1,739,487	1,540,303	1,017,881		
16 FOWLER								1,343,202	1,450,672	1,420,455	1,342,969	1,342,969	1,314,186	1,109,548	993,717		
17 GUSTINE								955,665	1,232,118	1,255,328	1,315,594	1,315,594	1,306,046	1,129,113	955,306		
18 HUGHSON								1,041,189	1,111,754	1,392,951	1,455,236	1,455,236	1,195,839	1,250,045	984,632		
19 HURON								3,343,750	3,328,713	3,241,635	3,240,597	3,240,597	3,006,550	2,674,182	2,164,773		
20 KERMAN								3,300,101	3,689,391	3,801,068	3,716,674	3,716,674	3,528,340	3,120,535	2,874,496		
21 KINGSBURG							\$594,000	4,331,437	4,518,762	5,814,328	5,423,844	5,423,844	5,957,399	4,775,869	4,281,615		
22 LATHROP								5,466,471	5,814,614	6,185,921	5,732,705	5,732,705	4,870,371	4,834,877	4,124,668		
23 LEMOORE					\$13,160			4,421,318	4,497,494	4,349,077	4,351,353	4,351,353	3,856,606	3,183,603	2,606,848		
24 LINDSAY								3,605,351	3,670,396	3,464,551	3,722,610	3,722,610	3,895,504	3,342,949	3,098,094		
25 LIVINGSTON								9,134,945	9,170,698	9,445,135	10,097,209	10,097,209	9,168,286	7,631,509	6,401,478		
26 LOS BANOS	\$900,000							15,557,259	14,430,550	15,232,187	14,186,968	14,186,968	14,015,450	12,607,337	10,658,673		
27 MADERA								242,090	303,895	340,524	346,083	346,083	335,724	199,663	109,686		
28 MARICOPA								1,871,862	1,719,145	671,940	550,521	550,521	528,081	535,830	562,477		
29 MCFARLAND								1,578,059	1,596,621	1,127,617	934,365	934,365	881,901	688,139	688,139		
30 MENDOTA								31,454,022	33,082,749	37,114,632	36,338,116	36,338,116	33,755,250	29,146,632	24,888,187		
31 MERCED		\$186,481				\$68,000	\$900,000	1,870,768	1,835,569	2,005,202	1,999,836	1,999,836	1,796,158	1,677,360	1,638,112		
32 NEWMAN								8,540,307	8,924,623	10,237,407	10,072,028	10,072,028	9,639,027	8,432,167	7,149,773		
33 OAKDALE								2,104,585	2,071,167	1,030,234	887,119	887,119	807,624	759,934	638,555		
34 ORANGE COVE								2,547,840	2,519,591	2,421,557	1,963,305	1,963,305	1,775,730	1,619,926	1,591,750		
35 PARLIER							\$29,283	4,502,653	4,611,441	4,766,127	4,407,064	4,407,064	3,783,753	3,166,806	2,296,464		
36 PATTERSON	\$900,000							17,534,832	17,271,465	17,385,018	15,903,701	15,903,701	12,810,276	12,022,507	11,466,279		
37 PORTERVILLE	\$70,000							6,628,158	6,855,040	6,791,821	6,597,188	6,597,188	6,505,324	5,959,888	5,104,028		
38 REEDLEY								5,223,221	5,643,488	6,140,871	6,696,074	6,696,074	5,930,533	5,365,558	4,550,778		
39 RIPON								3,514,529	3,725,586	3,661,862	3,656,440	3,656,440	3,302,560	2,788,688	2,308,040		
40 RIVERBANK							\$15,942	657,486	678,949	625,597	552,657	552,657	541,594	432,073	351,522		
41 SAN JOAQUIN								7,028,211	7,489,557	7,690,288	8,709,553	8,709,553	8,751,049	8,048,070	6,843,734		
42 SANGER								5,357,188	5,405,021	6,377,988	8,182,282	8,182,282	7,755,647	7,034,762	6,132,780		
43 SELMA	\$180,000							5,709,674	4,995,143	4,935,405	4,937,393	4,937,393	4,518,700	4,092,358	3,611,157		
44 SHAFTER				\$29,779				2,771,786	3,419,489	3,353,387	3,607,299	3,607,299	3,353,858	3,102,431	2,688,658		
45 SONORA				\$877,845				904,123	1,029,321	1,239,742	1,344,060	1,344,060	1,264,324	1,098,462	1,000,346		
46 SUTTER CREEK			\$410,615					3,205,666	3,327,022	3,221,006	3,088,488	3,088,488	3,081,921	2,906,595	2,539,541		
47 TAFT								3,198,571	3,098,284	3,091,624	3,344,135	3,344,135	3,020,427	2,312,713	1,949,425		
48 TEHACHAPI								37,393,127	39,308,727	41,562,060	40,475,502	40,475,502	36,600,917	32,549,578	30,051,378		
49 TRACY	\$5,000					\$248,814	\$126,736	20,036,118	20,046,644	19,393,809	18,633,276	18,633,276	16,801,554	17,910,597	13,700,435		
50 TULARE			\$16,459														

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~

Funding For Pooled Losses at the 75% Confidence Level ~ Discount Factor 2.5%

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

~ Excess Purchase \$15 million ex of \$14 million - Colony ~ 2011/12 Rates inflated by 5%

MEMBER AGENCY	2011 PAYROLL	FUNDING FOR POOLED LOSSES	EXPERIENCE MOD FACTOR	LOSS ADJUSTED FOR EX MOD	OFF-BALANCE FACTOR	ADJUSTED POOLED LOSSES
	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5	NOTE 6
BCJPIA	\$390,729,978	\$1,605,900	1.133	\$1,819,750	0.9849	\$1,792,229
CSJVRMA	357,297,500	1,468,493	0.774	1,136,697	0.9849	1,119,506
MBASIA	45,516,827	187,074	0.826	154,497	0.9849	152,161
MPA	248,950,133	1,023,185	1.250	1,278,981	0.9849	1,259,638
PARSAC						
VCJPA	46,286,921	190,239	0.808	153,682	0.9849	151,357
TOTALS	\$1,088,781,359	\$4,474,891	0.958	\$4,543,607	(average)	\$4,474,891

LAYER "B" RATE \$3 X \$1 Rate for Discounted Losses and ALAE (75% Confidence Level) **0.411**

LAYER "C" RATE Reinsurance Rate + Broker's Fee **\$0.10702**
 Broker's Fee (included in reinsurance rate) \$68,000

LAYER "D" RATE Excess (\$15-\$29 Mil) Insurance Rate **\$0.04792**

LAYER "A" \$0 - \$1 MIL - NOT ACTIVATED
LAYER "B" \$3 MIL EX \$1 MIL
LAYER "C" \$10 MIL EX \$4 MIL
LAYER "D" \$15 MIL EX \$14 MIL
NOTES:
1 2011 Payroll
2 Payroll/100 * Rate Discounted at 2.50%
3 Minimum of .75 AND Maximum of 1.25 (Page 2).
4 (2)*(3)
5 Total (2) / Total (4)
6 (4) * (5).
7 (Payroll/100) * Reinsurance Rate (1/3 applied to ex mod)
8 (Payroll/100) * Excess Insurance Rate
9 From Page 4
10 Sum of (6) Through (9)

MEMBER AGENCY	ADJUSTED POOLED LOSSES	REINSURANCE: \$10 Mil X \$4 Mil		EXCESS \$15Mil x \$14Mil	ADMIN PREMIUM	2012-2013 CARMIA PREMIUM	RATE PER \$100 PAYROLL	COMPARISON TO PRIOR YEAR	
		1/3 Premium Applied to ExMod	2/3 Premium Not Applied to ExMod					2011-2012 CARMIA PREMIUM	Percentage INCREASE (DECREASE)
BCJPIA	\$1,792,229	\$155,557	\$278,770	\$187,246	\$114,324	\$2,528,126	\$0.647	\$2,268,556	11.44%
CSJVRMA	1,119,506	\$97,168	\$254,917	171,224	83,889	1,726,704	\$0.483	1,554,561	11.07%
MBASIA	152,161	\$13,207	\$32,474	21,813	61,273	280,928	\$0.617	244,058	15.11%
MPA	1,259,638	\$109,331	\$177,616	119,302	129,364	1,795,251	\$0.721	1,611,818	11.38%
PARSAC					7,262	7,262		14,523	-50.00%
VCJPA	151,357	\$13,137	\$33,024		54,037	251,556	\$0.543	238,467	5.49%
TOTALS	\$4,474,891	\$388,400	\$776,800	\$499,584	\$450,150	\$6,589,826	\$0.605	\$5,931,983	\$657,843

Revisions from prior year:

~ Percentage Change comparisons for ex mods, losses, and payroll to prior year featured on "Xmod" tab

~ Revised reinsurance allocation: 1/3 of the reinsurance premium continues to be applied to the JPA ex mod, while 2/3 of the premium is not.

~ VCJPA no longer participating in excess

~ Deletion of the CCF's and Hanford in CSJVRMA

~ Deletion of SFRA in BCJPIA

~ Addition of the City of Los Altos in BCJPIA

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Actuarial and Reinsurance Rates
~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~
 ~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~
 ~ Excess Purchase \$15 million ex of \$14 million - Colony ~ 2011/12 Rates inflated by 5%

Actuarial Rates - Discounted at 2.50%									
Actuarial Data Discounted Range	50% Rate	60% Rate	Expected Rate	70% Rate	75% Rate	80% Rate	85% Rate	90% Rate	
\$2 mil ex \$1 mil	0.249	0.259	0.313	0.355	0.404	0.469	0.565		
\$3 mil ex \$1 mil	0.222	0.285	0.300	0.363	0.411	0.471	0.549	0.663	
\$4 mil ex \$1 mil	0.238	0.306	0.322	0.390	0.441	0.506	0.589	0.708	
\$2 mil ex \$2 mil	0.079	0.115	0.124	0.156	0.181	0.212	0.253	0.310	
\$3 mil ex \$2 mil	0.085	0.128	0.146	0.181	0.213	0.251	0.302	0.374	
\$2 mil ex \$3 mil	0.036	0.063	0.076	0.098	0.122	0.151	0.190		

Insurance Rates and Premiums		
Am Trust Financial Group	With Broker Fees	Without Fees
	Premium \$10mil ex \$4mil Rate/\$100 PR	\$1,165,200 \$0.10702
Colony Excess Insurance \$15mil ex \$14mil	Premium Rate/\$100 PR	\$521,766 \$0.04792

2012/13 Budget ~ Proposed 6.20.2012

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Experience Modification Calculations

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~
 Losses from \$100k & Capped at \$1 million* - Valued at 12/31/11

EXPERIENCE MODIFICATION SECTION	1		2		3		4		5		6		7		8		9		10	
	4 YEAR AVERAGE LOSS	4 YEAR AVERAGE PAYROLL	4 YEAR LOSS RATE \$100/PR	AVERAGE EXPECTED LOSSES	MEMBER EXPERIENCE RATIO	CREDIBILITY FACTOR	DEVIATION FROM NORM MULTIPLIED BY CREDIBILITY	FACTORED EXPERIENCE MODIFIER	CAPPED EXPERIENCE MODIFIER	2011/12 Ex Mod (For comparison)	%age Change Current to Prior Year	(Average)		(Average)		(Average)		(Average)		
BCJPIA	\$2,760,221	\$367,148,572	0.752	\$2,261,574	1.220	0.604	0.133	1.133	1.133	1.152	-1.6%									
CSJVRMA	1,221,786	328,210,978	0.372	2,021,725	0.604	0.571	-0.226	0.774	0.774	0.752	2.9%									
MBASIA	37,807	41,898,729	0.090	258,089	0.146	0.204	-0.174	0.826	0.826	0.859	-3.9%									
MPA	2,180,227	232,099,633	0.939	1,429,695	1.525	0.480	0.252	1.252	1.250	1.249	0.1%									
VCJPA	0	37,169,234	0.000	228,956	0.000	0.192	-0.192	0.808	0.808	0.810	-0.3%									
TOTAL	\$6,200,041	\$1,006,527,147	\$0.616	\$6,200,041	0.699	(Average)	(Average)	0.959	0.958	0.964	-0.6%									

LOSSES	10/11		08/09		07/08		06/07		05/06		04/05		03-04		02-03		AVERAGE		%age Change
	10/11	09/10	08/09	07/08	06/07	05/06	04/05	03-04	02-03	AVERAGE	%age Change	AVERAGE	%age Change						
BCJPIA	\$986,926	\$1,616,661	\$1,610,306	\$2,032,870	\$1,175,500	\$6,222,209	\$735,635	\$1,668,373	\$1,623,798	\$2,760,221	-39.0%	\$2,760,221	-39.0%						
CSJVRMA	261,936	1,781,574	1,287,903	637,890	933,101	2,028,250	755,768	2,051,276	2,384,664	\$1,221,786	-85.3%	\$1,221,786	-85.3%						
MBASIA	120,255	259,639	0	57,252	60,792	33,183	29,479	0	241,269	\$37,807	-53.7%	\$37,807	-53.7%						
MPA	680,673	1,194,567	1,002,041	2,028,873	3,765,136	1,924,857	1,447,400	673,088	998,426	\$2,180,227	-43.0%	\$2,180,227	-43.0%						
VCJPA	0	0	0	0	0	0	0	0	0	\$0		\$0							
TOTAL	\$2,049,790	\$4,852,441	\$3,900,250	\$4,756,885	\$5,934,529	\$10,208,499	\$2,968,282	\$4,392,737	\$5,248,157	\$6,200,041	-57.8%	\$6,200,041	-57.8%						

PAYROLL	2011		2010		2009		2008		2007		2006		2005		2004		2003		AVERAGE		%age Change
	2011	2010	2009	2008	2007	2006	2005	2004	2003	AVERAGE	%age Change	AVERAGE	%age Change								
BCJPIA	\$390,729,978	\$401,302,755	\$413,754,180	\$401,982,626	\$381,250,515	\$357,364,622	\$327,996,526	\$315,827,024	\$305,522,046	\$367,148,572	-2.6%	\$367,148,572	-2.6%								
CSJVRMA	357,297,500	363,564,040	379,275,595	376,687,142	348,761,131	312,599,759	274,795,881	258,067,089	239,643,880	\$328,210,978	-1.7%	\$328,210,978	-1.7%								
MBASIA	45,516,827	41,784,220	46,702,440	45,767,695	43,256,460	40,218,695	38,352,066	39,268,949	40,710,135	\$41,898,729	8.9%	\$41,898,729	8.9%								
MPA	248,950,133	257,593,483	267,123,031	263,185,935	240,928,914	220,634,505	203,649,180	195,402,288	184,970,782	\$232,099,633	-3.4%	\$232,099,633	-3.4%								
VCJPA	46,286,921	45,758,398	43,685,667	41,950,723	37,619,142	35,973,784	33,133,287	29,149,315	26,508,262	\$37,169,234	1.2%	\$37,169,234	1.2%								
TOTAL	\$1,088,781,359	\$1,110,002,896	\$1,150,540,914	\$1,129,574,120	\$1,051,816,162	\$966,791,365	\$877,926,941	\$837,714,665	\$797,355,105	\$1,006,527,147	-1.9%	\$1,006,527,147	-1.9%								

Percentage Change - Current Membership* -1.91%

* Prior Year payroll (2010) including Hanford, CCF's and SFRA: \$1,133,371,484 Percentage Change to current year: -3.93%

NOTE: * Losses are claims in excess of \$100,000 and capped at \$1,000,000, with the exception of inverse condemnation claims which are capped at \$1,500,000. Only the oldest four of the last six years of losses are utilized, 2005/06 through 2008/09.

Calculation Notes:							
3	4	5	6	7	8		
"1" / ("2"/100)	("2"/100) * Total "3"	"1" / "4"	SqRt ("2"/Total "2")	(1-"5") * "6"	1 + "7"		

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Administration Budget

~ 2012/2013 Operating Budget ~ Proposed June 20, 2012 ~

BUDGET LINE ITEMS:	ACTUAL COSTS 2009-2010	ACTUAL COSTS 2010-2011	PROJECTED COSTS 2011-2012	CARMA BUDGET 2011-2012	CARMA BUDGET 2012-2013	PERCENTAGE CHANGES FROM PRIOR YEAR	BUDGET EXPLANATIONS
1 Management Contracted Services	\$289,053	\$289,000	\$288,480	\$288,480	\$305,000	5.7%	BRS Contract - Per re-negotiated contract
2 Membership Dues	1,517	1,498	1,460	1,600	1,600	0.0%	CAJPA, PRIMA, AGRIP membership
3 Financial Audit	7,800	8,100	8,400	8,400	8,550	1.8%	Independent financial auditors
4 Claims Audit	18,900	29,900	18,900	18,900	29,900	58.2%	Claims audit for CARMA and JPA members
5 Actuarial Services	6,560	6,724	6,860	6,860	7,000	2.0%	Per 12/15/10 letter, 2% increase per year
6 Legal Services	81,740	50,698	25,000	60,000	40,000	-33.3%	Coverage matters and legal counsel
7 Marketing/Consultants/Website	1,194	600	600	5,000	1,000	-80.0%	Expenses for marketing consultants/materials.
8 Board Meeting Expense	1,391	1,558	2,200	1,500	2,000	33.3%	1 meeting in Tahoe, 2 meetings in Sacramento.
9 Annual Retreat Expense	8,847	7,113	8,000	10,000	10,000	0.0%	2 day retreat for Board members and staff
10 Fidelity Bond Premiums	1,033	1,033	1,035	1,000	1,100	10.0%	Bonded coverage for those who control JPA funds.
11 Accreditation Fees	1,500	1,500	1,500	1,500	1,500	0.0%	Pro-rated CAJPA accreditation fees for 3 years
12 Investment Management Services	19,146	26,218	26,000	26,000	26,000	0.0%	Investment management and custodial fees
13 Genex Fees	52	236	12,250	6,500	6,500	0.0%	Reporting fees for Medicare Set-aside
14 Contingency			1,000	10,000	10,000	0.0%	Contingency
	\$438,733	\$424,178	\$401,685	\$445,740	\$450,150	1.0%	

MEMBER	Administration Allocation Calculation						TOTAL Calculated Administration Share	Additional Administration Calculation PARSAC's Calculated Share
	Non Claims Related Member Share	Unmodified Member Ex Mod Ratio	Claims Related Expenses	Claims Related Adjusted	Off-Balance Factor	Claims Related Member Share		
BCJPIA	Note 1 \$44,525	Note 2 1.220	Note 3 \$30,500	Note 4 37,225	Note 5 1.3344	Note 6 \$49,674	Note 7 94,199	Note 8 114,324
CSJVRMA	\$44,525	0.604	\$30,500	18,432	1.3344	\$24,596	69,121	83,889
MBASIA	\$44,525	0.146	\$30,500	4,468	1.3344	\$5,962	50,487	61,273
MPA	\$44,525	1.525	\$30,500	46,511	1.3344	\$62,067	106,592	129,364
PARSAC	\$44,525	1.000	\$30,500	30,500	1.3344	\$40,700	85,225	7,262
VCJPA	\$44,525	0.000	\$30,500	0	1.3344	\$0	44,525	54,037
TOTAL	\$267,150	0.749	\$183,000	\$137,136	1.3344	\$183,000	450,150	450,150

(Average)

NOTES:

- Includes 40% of Management Contracted Services and 100% of all other items.
- Member Experience Modifier (free floating)
- Includes 60% of Management Contracted Services only.
- (2)*(3)
- TOTAL (3) / TOTAL (4)
- (4)*(5)
- Non Claims Related Member Share (1) Plus (+) Claims Related Member Share (6)
- Calculation of PARSAC's calculated admin portion, with remainder allocated to other members proportionately

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

PARSAC Administration Budget Portion

~ Fiscal Years 2009 / 2010 through 2012 / 2013 ~

BUDGET LINE ITEMS:	2009-2010		2010-2011		2011-2012		2012-2013		Total	
	Calc		Calc		Calc		Calc		PARSAC	Admin Fees
Management Contracted Services	\$ 32,104	\$ 20,581	\$ 12,841	\$ 7,740					\$ 73,266	
Memberships Dues										
Financial Audit										
Claims Audit	2,570	1,928	1,285	643					6,426	
Actuarial Services	497	332	199	133					1,160	
Legal Services										
Marketing/Consultants/Website										
Conference										
Board Meeting Expense										
Annual Retreat Expense										
Fidelity Bond Premiums	136	102	68	34					340	
Accreditation Fees										
Investment Management Services	2,720	2,040	1,360	680					6,800	
Contingency										
Totals	\$ 38,027	\$ 24,982	\$ 15,754	\$ 9,229					\$ 87,992	

Allocation based on	\$ 29,046	\$ 21,785	\$ 14,523	\$ 7,262	\$ 72,615
Agreed upon Total					

Key	
Not included	
75/50/30/20 allocation	
Actuary - Prior Liabilities - 50% of study	
BRS - Litigation - 51.7%	
75/50/30/20 allocation	
Admin & Finance - 48.3%	
50/30/20/10 allocation	

*

2009-2010 Payroll Percentage Calculation		
Member	Payroll	Payroll %age
BCJPIA	\$401,025,744	0.289
CSJVRMA	400,867,123	0.289
MBASIA	45,723,997	0.033
MPA	263,185,935	0.190
PARSAC	235,766,612	0.170
VCJPA	41,400,897	0.030
TOTALS	\$1,387,970,307	1.000

CARM	
Admin	2009-2010
\$300,111	
1,800	
7,800	
18,900	
7,800	
35,000	
5,000	
0	
2,000	
15,000	
1,000	
1,500	
20,000	
10,000	
\$425,911	

* - Legal services will be billed according to time and expense that pertains to PARSAC.

**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
BRS Worksheet**

	Current Year 2012/13	2013/14	2014/15	2015/16	2016/17
BRS Contract Price	\$305,000	\$312,625	\$320,441	\$328,452	\$336,663
Percentage Increase over previous year	5.86%	2.50%	2.50%	2.50%	2.50%
Adjustment for New Members					
Total	\$0	\$0	\$0	\$0	\$0
BRS SHARE OF NEW PAYROLL/\$100 INCREASE IN ADMIN FEES	0.02%	0.02%	0.02%	0.02%	0.02%
BRS CONTRACT PREMIUM	\$0	\$0	\$0	\$0	\$0
	\$305,000	\$312,625	\$320,441	\$328,452	\$336,663

BCJPIA Loss Detail and Payroll

	Losses Valued at 12/31/11*										Payroll				
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
1 Albany		252500			\$32,629			\$7,172,226	\$7,541,694	\$7,571,400	\$7,133,602	\$6,719,341	\$6,270,503	\$6,000,071	
2 Albany JPA								1,679,224	1,773,288	2,002,546	1,887,818	1,648,501	1,540,820	1,447,192	
3 Berkeley		\$178,002	\$253,631		\$45,750	\$171,522		135,577,653	137,461,012	141,810,019	132,945,068	126,868,098	117,595,615	111,512,510	
4 Brisbane								6,580,972	7,198,185	7,608,947	7,477,338	7,319,645	6,895,390	6,373,842	
5 Emeryville		\$401,500		\$900,000				7,073,502	6,997,432	6,916,604	6,097,524	6,097,524	5,653,964	5,711,375	
6 Emeryville MESA						\$401,678		7,333,130	7,629,193	8,219,556	7,322,533	7,149,257	6,903,006	6,534,363	
7 Fairfax			\$54,040			\$137,234		2,412,447	2,524,323	2,555,109	2,557,965	2,375,794	2,218,600	1,904,868	
8 Larkspur						\$252,219		5,204,604	5,006,762	5,135,174	5,162,446	4,754,855	4,489,663	4,390,231	
9 Los Altos (7/1/12)	\$900,000			\$137,234		\$150,000		10,937,602	11,543,237	11,818,666	10,929,358	9,684,636	9,071,118	19,615,574	
10 Menlo Park	\$30,126			\$255,092		\$134,306		22,828,825	22,702,024	23,180,947	22,959,814	21,101,406	19,160,987	10,178,479	
11 Mill Valley			\$74,832	\$95,581		\$2,049,391		12,959,766	12,705,290	12,785,513	12,145,840	11,465,669	10,866,323	525,945	
12 Monte Sereno								734,938	728,211	710,308	675,878	621,996	534,626	17,429,262	
13 Novato			\$150,820		\$8,790	\$63,090		16,439,086	19,010,871	20,197,782	20,728,955	19,294,376	17,996,855	8,284,421	
14 Piedmont								10,033,574	10,272,372	10,403,144	9,660,940	9,092,265	8,284,421	8,065,878	
15 Pleasanton	\$56,800	\$301,118				\$198,739		35,023,054	36,399,043	37,970,188	35,371,912	34,474,058	32,829,920	30,918,696	
16 Pleasanton fire								16,914,816	17,449,387	17,805,178	16,930,123	16,260,750	15,314,862	14,384,229	
17 Redwood City		\$358,541			\$1,088,331			54,867,896	52,272,619	55,283,166	54,289,688	51,556,200	49,369,650	47,941,932	
18 San Anselmo						\$1,736,175		4,901,115	4,809,247	4,886,643	4,703,687	4,393,391	4,392,932	4,194,255	
19 Sausalito				\$24,039				7,297,236	6,972,284	6,973,698	6,156,440	5,614,534	5,755,776	5,203,000	
20 Twin Cities			\$155,481	\$620,924				3,404,975	3,682,612	3,846,593	3,847,925	3,585,605	3,480,997	3,175,228	
21 Union City		\$125,000						21,353,339	26,623,669	26,073,000	31,954,278	31,172,614	28,738,594	22,489,596	
TOTALS	\$986,926	\$1,616,661	\$1,610,306	\$2,032,870	\$1,175,500	\$6,222,209	\$735,635	\$390,729,978	\$401,302,755	\$413,754,180	\$401,982,626	\$381,250,515	\$357,364,622	\$327,996,526	
								-2.63%	-3.01%	2.93%	5.44%	6.68%	8.95%	3.85%	
* Inverse condemnation claims capped at \$1.5 million															
Losses from \$100k & capped at \$1 million *															

CSJVRMA Loss Detail and Payroll

	Losses Valued at 12/31/11*												Payroll				
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005		
1 ANGELS CAMP							\$218,702		\$2,056,267	\$2,272,058	\$2,420,825	\$2,279,043	\$2,285,453	\$2,226,950	\$1,983,813		
2 ARVIN								2,963,706	2,875,267	2,737,316	2,354,414	2,439,296	2,087,230	2,087,230	1,735,372		
3 ATWATER				\$3,264				7,621,679	8,454,573	8,042,220	8,950,313	8,950,313	7,721,587	6,864,802	6,090,485		
4 AVENAL				\$47,162				2,563,719	1,721,633	1,308,113	1,234,170	1,286,880	1,254,139	1,254,139	1,166,622		
5 CERES					\$260,194			13,867,847	14,132,375	14,917,938	13,653,640	12,540,069	11,331,810	10,128,242	10,128,242		
6 CHOWCHILLA					\$187,250			2,940,031	3,158,967	4,780,928	4,539,350	4,255,027	3,853,000	3,076,210	3,076,210		
7 CLOVIS								36,373,952	35,064,579	36,319,502	38,855,397	38,576,764	34,633,822	31,358,673	31,358,673		
8 CORCORAN								3,766,259	3,808,284	3,829,517	3,534,289	3,189,863	2,997,544	2,997,544	2,644,163		
9 DELANO			\$204,500					11,044,652	11,374,896	10,942,445	9,709,149	8,832,804	7,804,468	7,366,321	7,366,321		
10 DINUBA				\$78,335				8,051,017	8,258,231	9,344,322	8,860,628	7,941,276	6,749,926	6,056,701	6,056,701		
11 DOS PALOS								1,206,440	1,245,898	1,133,554	1,089,607	1,018,760	931,020	841,509	841,509		
12 ESCALON								2,005,007	2,097,135	2,397,104	2,300,288	2,357,017	2,079,052	1,783,475	1,783,475		
13 EXETER		\$75,455						1,743,547	1,809,415	1,875,699	1,846,958	1,579,170	2,061,136	2,061,136	1,684,115		
14 FARMERSVILLE								1,917,289	1,790,980	1,882,990	2,026,474	1,725,807	1,565,314	1,320,297	1,114,197		
15 FIREBAUGH								1,753,233	1,776,370	1,816,262	1,870,872	1,739,487	1,540,303	1,017,881	1,017,881		
16 FOWLER								1,343,202	1,450,672	1,420,455	1,342,969	1,314,186	1,109,548	993,717	993,717		
17 GUSTINE								955,665	1,232,118	1,255,328	1,315,594	1,306,046	1,129,113	955,306	955,306		
18 HUGHSON								1,041,189	1,111,754	1,392,951	1,455,236	1,195,839	1,250,045	984,632	984,632		
19 HURON								3,343,750	3,328,713	3,241,635	3,240,597	3,006,550	2,674,182	2,164,773	2,164,773		
20 KERMAN								3,300,101	3,689,391	3,801,068	3,716,674	3,528,340	3,120,535	2,874,496	2,874,496		
21 KINGSBURG							\$594,000	4,331,437	4,518,762	5,814,328	5,423,844	5,957,399	4,775,869	4,281,615	4,281,615		
22 LATHROP								5,466,471	5,814,614	6,185,921	5,732,705	4,870,371	4,834,877	4,124,668	4,124,668		
23 LEMOORE					\$13,160			4,421,318	4,497,494	4,349,077	4,351,353	3,785,606	3,183,603	2,606,848	2,606,848		
24 LINDSAY								3,605,351	3,670,396	3,464,551	3,722,610	3,895,504	3,342,949	3,098,094	3,098,094		
25 LIVINGSTON								9,134,945	9,170,698	9,445,135	10,097,209	9,168,286	7,631,509	6,401,478	6,401,478		
26 LOS BANOS	\$900,000							15,557,259	14,430,550	15,232,187	14,186,968	14,015,450	12,607,337	10,658,673	10,658,673		
27 MADERA								242,090	303,895	340,524	346,083	335,724	199,663	109,686	109,686		
28 MARICOPA								1,871,862	1,719,145	671,940	550,521	528,081	535,830	562,477	562,477		
29 MCFARLAND								1,578,059	1,596,621	1,127,617	934,365	881,901	851,816	688,139	688,139		
30 MENDOTA								31,454,022	33,082,749	37,114,632	36,338,116	33,755,250	29,146,632	24,888,187	24,888,187		
31 MERCED		\$186,481				\$68,000	\$900,000	1,870,768	1,835,569	2,005,202	1,999,836	1,796,158	1,677,360	1,638,112	1,638,112		
32 NEWMAN								8,540,307	8,924,623	10,237,407	10,072,028	9,639,027	8,432,167	7,149,773	7,149,773		
33 OAKDALE								2,104,585	2,071,167	1,030,234	887,119	807,624	759,934	638,555	638,555		
34 ORANGE COVE								2,547,840	2,519,591	2,421,557	1,963,305	1,775,730	1,619,926	1,591,750	1,591,750		
35 PARLIER							\$29,283	4,502,653	4,611,441	4,766,127	4,407,064	3,783,753	3,166,806	2,296,464	2,296,464		
36 PATTERSON	\$900,000							17,534,832	17,271,465	17,385,018	15,903,701	12,810,276	12,022,507	11,466,279	11,466,279		
37 PORTERVILLE	\$70,000							6,628,158	6,855,040	6,791,821	6,597,188	6,505,324	5,959,888	5,104,028	5,104,028		
38 REEDLEY								5,223,221	5,643,488	6,140,871	6,696,074	5,930,533	5,365,558	4,550,778	4,550,778		
39 RIPON						\$15,942	\$592,138	3,514,529	3,725,586	3,661,862	3,656,440	3,302,560	2,788,688	2,308,040	2,308,040		
40 RIVERBANK								657,486	678,949	625,597	552,657	541,594	432,073	351,522	351,522		
41 SAN JOAQUIN								7,028,211	7,489,557	7,690,288	8,709,553	8,751,049	8,048,070	6,843,734	6,843,734		
42 SANGER								5,357,188	5,405,021	6,377,988	8,182,282	7,755,647	7,034,762	6,132,780	6,132,780		
43 SELMA	\$180,000							5,709,674	4,995,143	4,935,405	4,937,393	4,518,700	4,092,358	3,611,157	3,611,157		
44 SHAFTER				\$29,779				2,771,786	3,419,489	3,353,387	3,607,299	3,353,858	3,102,431	2,688,658	2,688,658		
45 SONORA				\$877,845				904,123	1,029,321	1,239,742	1,344,060	1,264,324	1,098,462	1,000,346	1,000,346		
46 SUTTER CREEK			\$410,615					3,205,666	3,327,022	3,221,006	3,088,488	3,081,921	2,906,595	2,539,541	2,539,541		
47 TAFT								3,198,571	3,098,284	3,091,624	3,344,135	3,020,427	2,312,713	1,949,425	1,949,425		
48 TEHACHAPI								37,393,127	39,308,727	41,562,060	40,475,502	36,600,917	32,549,578	30,051,378	30,051,378		
49 TRACY	\$5,000					\$248,814	\$126,736	20,036,118	20,046,644	19,393,809	18,633,276	16,801,554	17,910,597	13,700,435	13,700,435		
50 TULARE			\$16,459														

CSJVRMA Loss Detail and Payroll

	Losses Valued at 12/31/11*												Payroll				
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005		
51 TURLOCK					\$92,500	\$453,135	\$152,000		23,121,962	25,129,154	26,752,493	27,536,562	23,792,113	20,777,171	20,108,207		
52 WASCO							\$9,391	2,799,962	3,037,427	3,118,786	3,543,932	3,773,283	3,773,283	3,036,834	2,564,112		
53 WATERFORD								890,510	835,840	774,333	713,668	713,668	679,225	568,700	564,931		
54 WOODLAKE				\$251,518			\$131,288	1,523,137	1,612,287	1,670,604	1,381,002	1,270,799	1,242,260	1,130,144			
TOTALS	\$905,000	\$261,936	\$1,781,574	\$1,287,903	\$637,890	\$933,101	\$2,028,250	\$755,768	\$357,297,500	\$363,564,040	\$379,275,595	\$376,687,142	\$348,761,131	\$312,599,759	\$274,795,881		
									-1.72%	-4.14%	0.69%	8.01%	11.57%	13.76%	6.48%		
* Inverse condemnation claims capped at \$1.5 million																	
Losses from \$100k & capped at \$1 million *																	

CSJVRMA Loss Detail and Payroll

		Losses Valued at 12/31/11*										Payroll					
		11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
51	TURLOCK					\$92,500	\$453,135	\$152,000		23,121,962	25,129,154	26,752,493	27,536,562	23,792,113	20,777,171	20,108,207	
52	WASCO							\$9,391		2,799,962	3,037,427	3,118,786	3,543,932	3,773,283	3,036,834	2,564,112	
53	WATERFORD									890,510	835,840	774,333	713,668	679,225	568,700	564,931	
54	WOODLAKE				\$251,518			\$131,288		1,523,137	1,612,287	1,670,604	1,381,002	1,270,799	1,242,260	1,130,144	
TOTALS		\$905,000	\$261,936	\$1,781,574	\$1,287,903	\$637,890	\$933,101	\$2,028,250	\$755,768	\$357,297,500	\$363,564,040	\$379,275,595	\$376,687,142	\$348,761,131	\$312,599,759	\$274,795,881	
										-1.72%	-4.14%	0.69%	8.01%	11.57%	13.76%	6.48%	
* Inverse condemnation claims capped at \$1.5 million																	
Losses from \$100k & capped at \$1 million *																	

MBASIA Loss Detail and Payroll

	Losses Valued at 12/31/11*										Payroll				
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
1 Capitola	\$35,000	\$1,500						\$5,400,712	\$5,388,301	\$6,057,085	\$5,574,567	\$5,450,707	\$ 5,075,270	\$ 4,769,082	
2 Del Rey Oaks							938,149	981,337	851,353	826,796	728,430	703,097	652,276		
3 Gonzales		\$258,139				\$2,221	2,276,473	2,300,829	2,324,012	2,284,153	2,088,521	1,976,732	1,836,253		
4 Greenfield				\$60,792			2,858,645	3,051,941	2,926,868	2,701,726	2,733,460	2,733,646	1,806,540		
5 Hollister				\$57,252		\$27,258	9,803,583	7,678,611	10,906,537	10,351,750	9,549,691	9,972,732	11,071,462		
6 King City							2,513,276	2,789,997	2,785,334	2,799,571	2,607,259	2,238,325	1,936,989		
7 Marina	\$85,255						8,519,813	6,537,137	8,407,026	8,136,327	7,372,914	5,988,604	6,019,286		
8 Sand City							2,436,058	2,451,156	2,383,774	2,318,657	2,152,756	1,908,987	1,656,252		
9 Scotts Valley							4,736,984	4,622,599	4,911,286	4,969,940	5,700,353	5,730,971	5,677,868		
10 Soledad					\$33,183		6,033,135	5,982,312	5,149,165	5,804,209	4,872,368	3,890,332	2,926,058		
TOTALS	\$120,255	\$259,639	\$0	\$57,252	\$60,792	\$33,183	\$45,516,827	\$41,784,220	\$46,702,440	\$45,767,695	\$43,256,460	\$ 40,218,695	\$ 38,352,066		
							8.93%	-10.53%	2.04%	5.81%	7.55%	4.87%	-2.33%		
Non-covered (EPL, Land use)						\$201,234									
TOTALS including Non-covered						\$230,713									
Losses from \$100k & capped at \$1 million *															

MPA Loss Detail and Payroll

	Losses Valued at 12/31/11*										Payroll				
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
1 Antioch		\$167,675	\$42,041	\$286,745	\$2,642,459	\$212,336		\$24,204,989	\$26,298,219	\$29,829,993	\$30,971,652	\$28,822,952	\$26,152,973	\$24,396,770	
2 Brentwood			\$950,000					25,343,162	24,549,012	24,245,162	25,394,950	24,586,213	22,582,127	20,797,328	
3 Clayton				\$1,050,000				2,181,420	2,104,342	2,101,779	2,034,690	1,907,554	1,701,022	1,861,031	
4 Danville					\$93,496			7,105,116	7,209,408	7,160,897	6,976,211	6,578,450	6,016,579	5,486,122	
5 El Cerrito					\$51,116			16,779,698	16,424,867	15,751,245	15,338,807	14,092,215	12,963,703	11,596,294	
6 Hercules								8,037,293	9,815,688	9,883,697	8,069,811	7,358,694	6,630,507	5,417,446	
7 Lafayette		\$35,000						3,467,526	3,561,889	3,588,147	3,335,073	3,104,041	2,777,007	2,681,442	
8 Manteca	\$500,000			\$27,862				30,026,590	30,138,818	32,209,737	31,824,488	28,211,354	25,582,392	23,638,042	
9 Martinez		\$6,166		\$18,322				11,518,453	11,981,627	12,056,458	11,979,334	11,678,783	10,981,200	10,454,096	
10 Moraga	\$62,500							2,870,942	2,920,429	2,709,640	2,738,533	2,877,265	2,532,920	2,242,265	
11 MPA Staff								1,301,513	1,325,723	1,289,220	1,206,186	1,128,631	1,047,816	1,037,791	
12 Oakley								1,683,461	1,768,337	2,130,148	2,291,053	1,904,418	1,829,761	1,721,860	
13 Orinda	\$35,000	\$110,000		\$9,258	\$315,236	\$647,400		3,141,422	3,073,737	3,044,409	2,913,286	2,592,991	2,462,494	2,437,852	
14 Pinole		\$129,791			\$386,817			9,934,964	11,226,420	12,670,279	12,521,685	11,776,010	10,338,047	8,931,453	
15 Pittsburg		\$15,000	\$10,000	\$1,204,566	\$385,881			21,413,281	22,615,658	23,259,943	25,655,151	22,862,903	21,619,577	20,047,152	
16 Pleasant Hill				\$24,275	\$51,202			11,023,097	11,138,737	11,267,320	10,981,980	10,837,439	10,187,283	9,467,053	
17 San Pablo					\$354,406	\$900,000		12,164,771	12,928,776	12,716,464	12,068,111	10,390,833	10,765,739	9,326,804	
18 San Ramon				\$513,287	\$74,367			25,023,685	25,805,717	25,837,283	23,532,765	18,624,126	14,318,726	13,112,089	
19 Walnut Creek								31,728,750	32,706,079	35,371,212	33,352,168	31,594,043	30,144,633	28,996,279	
TOTALS	\$680,673	\$1,194,567	\$1,002,041	\$2,028,873	\$3,765,136	\$1,924,857	\$1,447,400	\$248,950,133	\$257,593,483	\$267,123,031	\$263,185,935	\$240,928,914	\$220,634,505	\$203,649,180	
								-3.36%	-3.57%	1.50%	9.24%	9.20%	8.34%	4.22%	

* Inverse condemnation claims capped at \$1.5 million
 Losses from \$100k & capped at \$1 million *

VC-JPA Loss Detail and Payroll

	Losses Valued at 12/31/11*										Payroll				
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	2011	2010	2009	2008	2007	2006	2005	
1 Alameda County							\$1,134,109	\$1,024,684	\$937,596	\$811,940	\$812,103	\$643,338	\$694,633		
2 Butte County							73,103	69,237	71,481	70,749	64,888	60,351	56,998		
3 Butte County							1,220,865	1,155,277	1,046,311	1,056,094	978,350	999,072	943,195		
4 Coachella Valley							3,435,476	3,595,218	3,517,311	3,094,494	1,912,970	2,092,661	1,354,155		
5 Coalinga-Huron							14,900	15,600	12,675	5,100	11,520	11,630	11,605		
6 Colusa							173,870	172,894	170,966	161,077	171,177	122,805	129,243		
7 Compton Creek							76,994	76,165	75,065	73,856	72,620	70,067	68,395		
8 Consolidated							1,190,048	1,180,304	1,168,728	1,119,849	1,068,120	1,046,158	1,048,733		
9 Contra Costa County							2,749,771	2,682,779	2,860,890	2,908,166	2,706,044	2,409,863	2,139,488		
10 Delta VCD							1,066,091	977,501	896,087	858,333	786,071				
11 Durham							54,937	55,529	53,286	50,889	48,324	44,180	38,385		
12 Fresno							544,000	560,711	642,244	607,954	600,075	561,214	550,132		
13 Glenn County							116,087	130,011	126,225	114,887	91,038	56,341	63,922		
14 Greater Los Angeles County							4,747,297	4,637,545	4,340,120	3,971,323	3,725,632	3,413,940	3,209,438		
15 Kings MAD							755,418	686,872	663,141	549,826					
16 Lake County							567,736	575,044	519,073	492,481	440,684	403,732	381,958		
17 Los Angeles County West							2,618,141	2,544,935	2,426,285	2,319,368	2,240,099	2,236,127	2,015,909		
18 Marin-Sonoma							2,948,196	2,892,694	2,624,097	2,642,004	2,501,328	2,324,099	2,172,745		
19 Napa County							648,637	687,214	671,668	648,174	586,795	512,719	510,806		
20 Northern Salmias Valley							441,260	442,790	465,690	518,945	588,847	940,816	541,250		
21 Northwest							1,117,782	1,174,803	1,149,878	1,119,015	909,881	886,948	895,538		
22 Orange County							5,267,574	5,374,748	4,735,074	4,533,410	4,094,636	4,335,195	4,281,332		
23 Oroville							67,957	71,061	45,583	49,518	41,413	32,917	32,944		
24 Pine Grove							34,745	36,761	33,520	33,466	34,600	48,630	30,000		
25 Placer							1,061,024	980,837	790,317	670,988	614,699	609,774	536,223		
26 Sacramento Yolo							4,416,127	4,357,682	4,286,495	4,339,032	3,991,640	3,818,858	3,561,693		
27 San Gabriel Valley							1,609,915	1,481,230	1,519,933	1,550,331	1,430,302	1,319,997	1,295,868		
28 San Joaquin County							2,240,799	2,193,677	2,095,112	2,087,338	1,948,166	1,892,964	1,759,213		
29 San Mateo County							1,576,242	1,652,723	1,514,017	1,328,087	1,324,771	1,178,899	1,204,463		
30 Santa Barbara Coastal							384,758	384,578	342,647	345,362	239,190	326,126	305,263		
31 Shasta							1,005,545	965,664	941,780	883,195	862,249	834,743	785,827		
32 Sutter-Yuba							925,370	883,581	912,009	898,482	875,806	842,924	792,180		
33 Tehama County							304,343	312,116	302,416	283,650	291,986	246,905	160,725		
34 Turlock							756,485	749,291	773,849	760,025	703,520	680,824	663,848		
35 West Valley							941,318	956,643	954,097	993,315	849,599	769,069	697,182		
TOTALS	\$0	\$0	\$0	\$0	\$0	\$0	\$46,286,921	\$45,758,398	\$43,685,667	\$41,950,723	\$37,619,142	\$35,973,784	\$33,133,287		
Losses from \$100k & capped at \$1 million *							1.16%	4.74%	4.14%	11.51%	4.57%	8.57%	13.67%		

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

~ Final Approved 2011/2012 Operating Budget ~

Funding For Pooled Losses at the 75% Confidence Level

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

MEMBER AGENCY	2010 FUNDING FOR		EXPERIENCE MOD FACTOR	LOSSED ADJUSTED FOR EX MOD	OFF-BALANCE FACTOR	ADJUSTED POOLED LOSSES
	2010 PAYROLL	POOLED LOSSES				
	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5	NOTE 6
BC/JPIA	\$399,854,746	\$1,351,041	1.152	\$1,556,444	0.9879	\$1,537,679
CS/JVRMA	388,380,637	1,312,272	0.752	986,413	0.9879	974,520
MBASIA	41,784,220	141,182	0.859	121,332	0.9879	119,869
MPA	257,593,483	870,365	1.249	1,086,769	0.9879	1,073,667
PARSAC						
VC/JPA	45,758,398	154,610	0.810	125,246	0.9879	123,736
TOTALS	\$1,133,371,484	\$3,829,470	0.964	\$3,876,203		\$3,829,470

(average)

LAYER "B" RATE	\$3 X \$1 Rate for Discounted Losses and ALAE (75% Confidence Level)	0.338
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LAYER "C" RATE	Reinsurance Rate + Broker's Fee	\$0.10054
(\$5-14 MIL)	Broker's Fee (included in reinsurance rate)	\$68,290

LAYER "D" RATE	Excess (\$15-\$29 Mil) Insurance Rate	\$0.04564
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LAYER "A" \$0 - \$1 MIL - NOT ACTIVATED
LAYER "B" \$3 MIL EX \$1 MIL
LAYER "C" \$10 MIL EX \$4 MIL
LAYER "D" \$15 MIL EX \$14 MIL
NOTES:
1 2010 Payroll
2 Payroll/100 * Rate Discounted at 3.50%
3 Minimum of .75 AND Maximum of 1.25 (Page 2).
4 (2)*(3)
5 Total (2) / Total (4)
6 (4) * (5).
7 (Payroll/100) * Reinsurance Rate (2/3 applied to ex mod)
8 (Payroll/100) * Excess Insurance Rate
9 From Page 4
10 Sum of (6) Through (9)

MEMBER AGENCY	ADJUSTED POOLED LOSSES	REINSURANCE: \$10 Mil X \$4 Mil		EXCESS \$15Mil x \$14Mil	ADMIN PREMIUM	2011-2012 CARMMA PREMIUM	RATE PER \$100 PAYROLL	COMPARISON TO PRIOR YEAR	
		2/3 Premium Applied to ExMod	1/3 Premium Not Applied to ExMod					2010-2011 CARMMA PREMIUM	PERCENTAGE INCREASE (DECREASE)
	NOTE 6	NOTE 7	NOTE 7	NOTE 8	NOTE 9	NOTE 10			
BC/JPIA	\$1,537,679	\$305,033	\$134,004	\$182,498	\$109,342	\$2,268,556	\$0.567	\$2,414,657	-6.05%
CS/JVRMA	974,520	193,318	130,159	177,261	79,303	1,554,561	\$0.400	1,801,732	-13.72%
MBASIA	119,869	23,779	14,003	19,071	67,336	244,058	\$0.584	260,461	-6.30%
MPA	1,073,667	212,986	86,328	117,568	121,270	1,611,818	\$0.626	1,734,781	-7.09%
PARSAC					14,523	14,523		21,785	(\$7,262)
VC/JPA	123,736	24,546	15,335	20,885	53,966	238,467	\$0.521	237,316	0.48%
TOTALS	\$3,829,470	\$759,660	\$379,830	\$517,283	\$445,740	\$5,931,983	\$0.523	\$6,470,732	(\$538,749)

Revisions from prior year:

~ Revised reinsurance allocation: Two thirds of the reinsurance premium continues to be applied to the JPA ex mod, while one third of the premium is not.
 ~ A detail combined loss and payroll page for each JPA, rather than the two detail pages as provided in the past.

2011/12 Final Approved Budget

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Actuarial and Reinsurance Rates
~ Final Approved 2011/2012 Operating Budget ~

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

Actuarial Rates - Discounted at 3.50%									
Actuarial Data Discounted Range	50% Rate	60% Rate	Expected Rate	70% Rate	75% Rate	80% Rate	85% Rate	90% Rate	
\$1 mil ex \$1 mil	0.116	0.146	0.152	0.184	0.208	0.237	0.275	0.330	
\$2 mil ex \$1 mil		0.201	0.212	0.259	0.293	0.337	0.392	0.473	
\$3 mil ex \$1 mil	0.175	0.228	0.243	0.296	0.338	0.389	0.457	0.552	
\$4 mil ex \$1 mil	0.192	0.251	0.267	0.323	0.368	0.425	0.497	0.601	
\$5 mil ex \$1 mil	0.203	0.264	0.278	0.336	0.384	0.442	0.514	0.623	
<hr/>									
\$2 mil ex \$2 mil	0.046	0.079	0.091	0.116	0.137	0.162	0.195	0.242	
\$3 mil ex \$2 mil	0.059	0.095	0.115	0.141	0.170	0.204	0.246	0.307	
<hr/>									
\$2 mil ex \$3 mil	0.029	0.029	0.055	0.064	0.084	0.107	0.133	0.169	
\$1 mil ex \$4 mil			0.024		0.037	0.051	0.064	0.082	
\$1 mil ex \$5 mil			0.011				0.021	0.049	

Indicates Rate not calculated

Insurance Rates and Premiums			
Am Trust Financial Group		With Broker Fees	Without Fees
Premium \$10mil ex \$4mil		\$1,139,490	\$1,071,200
Rate/\$100 PR		\$0.10054	\$0.09451
Colony Excess Insurance \$15mil ex \$14mil		Premium	\$517,283
		Rate/\$100 PR	\$0.04564

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Experience Modification Calculations
 ~ Final Approved 2011/2012 Operating Budget ~
 Losses from \$100k & Capped at \$1 million* - Valued at 12/31/10

EXPERIENCE MODIFICATION SECTION	4 YEAR AVERAGE LOSS	4 YEAR AVERAGE PAYROLL	4 YEAR LOSS RATE \$100/PR	AVERAGE EXPECTED LOSSES	MEMBER EXPERIENCE RATIO	CREDIBILITY FACTOR	DEVIATION FROM NORM MULTIPLIED BY CREDIBILITY	FACTORED EXPERIENCE MODIFIER	CAPPED EXPERIENCE MODIFIER	2010/11 Ex Mod (For comparison)
	1	2	3	4	5	6	7	8		
BCJPIA	\$2,806,264	\$369,655,666	0.759	\$2,238,149	1.254	0.599	0.152	1.152	1.152	1.117
CSJVRMA	1,214,364	349,606,920	0.347	2,116,760	0.574	0.582	-0.248	0.752	0.752	0.823
MBASIA	76,800	41,898,729	0.183	253,684	0.303	0.202	-0.141	0.859	0.859	0.827
MPA	2,141,503	232,099,633	0.923	1,405,290	1.524	0.475	0.249	1.249	1.249	1.215
VCJPA	0	37,169,234	0.000	225,048	0.000	0.190	-0.190	0.810	0.810	0.812
TOTAL	\$6,238,931	\$1,030,430,183	\$0.605	\$6,238,931	0.731	(Average)	(Average)	0.964	0.964	0.959

LOSSES	09/10	08/09	07/08	06/07	05/06	04/05	03-04	02-03	01-02	AVERAGE
	1	2	3	4	5	6	7	8	9	(Average)
BCJPIA	\$145,001	\$1,061,823	\$1,760,405	\$564,552	\$8,164,465	\$735,635	\$1,668,373	\$0	\$399,854,746	\$2,806,264
CSJVRMA	16,459	418,620	589,947	964,656	1,647,126	1,655,725	2,051,276	2,384,664	405,458	\$1,214,364
MBASIA	203,680	0	167,252	60,792	49,677	29,479	0	241,269	57,252	\$76,800
MPA	882,947	933,775	1,638,751	3,599,075	1,880,785	1,447,400	673,088	998,426	373,680	\$2,141,503
VCJPA	0	0	0	0	0	0	0	0	900,000	\$0
TOTAL	\$1,248,087	\$2,414,218	\$4,156,355	\$5,189,075	\$11,742,053	\$3,868,239	\$4,392,737	\$3,624,359	\$401,591,136	\$6,238,931

PAYROLL	2010	2009	2008	2007	2006	2005	2004	2003	2002	AVERAGE
	1	2	3	4	5	6	7	8	9	(Average)
BCJPIA	\$399,854,746	\$412,307,996	\$401,025,744	\$381,179,313	\$368,263,487	\$338,154,121	\$325,950,999	\$315,114,527	\$292,189,694	\$369,655,666
CSJVRMA	388,380,637	404,407,339	400,867,123	370,415,527	332,848,968	294,296,063	276,488,400	257,228,148	246,683,846	\$349,606,920
MBASIA	41,784,220	46,702,440	45,767,695	43,256,460	40,218,695	38,352,066	39,268,949	40,710,135	25,380,378	\$41,898,729
MPA	257,593,483	267,123,031	263,185,935	240,928,914	220,634,505	203,649,180	195,402,288	184,970,782	163,938,411	\$232,099,633
VCJPA	45,758,398	43,685,667	41,950,723	37,619,142	35,973,784	33,133,287	29,271,222	27,730,726	26,163,100	\$37,169,234
TOTAL	\$1,133,371,484	\$1,174,226,474	\$1,152,797,219	\$1,073,399,357	\$987,939,438	\$907,584,718	\$866,381,858	\$825,754,318	\$754,355,429	\$1,030,430,183
Percentage Change	-3.48%	1.86%	7.40%	8.65%	8.85%	4.76%	4.92%	9.46%		

NOTE: * Losses are claims in excess of \$100,000 and capped at \$1,000,000, with the exception of inverse condemnation claims which are capped at \$1,500,000. Only the oldest four of the last six years of losses are utilized.

Calculation Notes:										
	3	4	5	6	7	8				
	"1" / ("2"/100)	("2"/100) * Total "4"	"1" / "4"	SqRt ("2"/Total "2")	(1-"5") * "6"	1 + "7"				

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Administration Budget
 ~ Final Approved 2011/2012 Operating Budget ~

BUDGET LINE ITEMS:	ACTUAL COSTS 2007-2008	ACTUAL COSTS 2008-2009	ACTUAL COSTS 2009-2010	PROJECTED COSTS 2010-2011	CARMA BUDGET 2010-2011	Approved CARMA BUDGET 2011-2012	BUDGET EXPLANATIONS
1 Management Contracted Services	\$272,000	\$289,820	\$289,053	\$289,000	\$289,000	\$288,480	BRS Contract - Revised - PARSAC withdrawal
2 Membership Dues	1,765	1,326	1,517	1,600	1,800	1,600	CAJPA, PRIMA, AGRIP membership
3 Financial Audit	7,250	7,500	7,800	8,100	7,800	8,400	Independent financial auditors
4 Claims Audit	15,200	29,900	18,900	29,900	29,900	18,900	Claims audit for CARMA only
5 Actuarial Services	6,250	8,900	6,560	6,724	7,800	6,860	Rate setting and revaluation of prior year ultimate loss
6 Legal Services	45,748	37,411	81,740	60,000	60,000	60,000	Coverage matters and legal counsel
7 Marketing/Consultants/Website	600	1,626	1,194	600	5,000	5,000	Expenses for marketing consultants/materials.
8 Board Meeting Expense	1,353	1,530	1,391	1,500	2,000	1,500	1 meeting in Tahoe, 2 meetings in Sacramento.
9 Annual Retreat Expense	6,385	8,349	8,847	7,500	15,000	10,000	2 day retreat for Board members and staff
10 Fidelity Bond Premiums	992	992	1,033	1,033	1,000	1,000	Bonded coverage for those who control JPA funds.
11 Accreditation Fees	1,334	1,500	1,500	1,500	1,500	1,500	Pro-rated CAJPA Accreditation Fees for 3 years
12 Investment Management Services	23,091	23,160	19,146	26,000	20,000	26,000	Investment Management (PFM) fees
13 Genex Fees	0	52	100	0	0	6,500	Reporting fees for Medicare Set-aside
14 Contingency	0	52	100	100	10,000	10,000	Contingency
	\$381,968	\$408,014	\$438,733	\$433,557	\$450,800	\$445,740	

MEMBER	Administration Allocation Calculation						TOTAL Calculated Administration Share	Additional Administration Calculation PARSAC's Calculated Share
	Non Claims Related Member Share	Unmodified Member Ex Mod Ratio	Claims Related Expenses	Claims Related Adjusted	Off-Balance Factor	Claims Related Member Share		
BCJPIA	Note 1 \$45,442	Note 2 1.254	Note 3 \$28,848	Note 4 36,171	Note 5 1.2892	Note 6 \$46,630	Note 7 92,072	Note 8 109,342
CSJVRMA	\$45,442	0.574	\$28,848	16,550	1.2892	\$21,336	66,778	79,303
MBASIA	\$45,442	0.303	\$28,848	8,733	1.2892	\$11,259	56,701	67,336
MPA	\$45,442	1.524	\$28,848	43,961	1.2892	\$56,673	102,115	121,270
PARSAC	\$45,442	1.000	\$28,848	28,848	1.2892	\$37,190	82,632	14,523
VCJPA	\$45,442	0.000	\$28,848	0	1.2892	\$0	45,442	53,966
TOTAL	\$272,652	0.776 (Average)	\$173,088	\$134,263		\$173,088	445,740	445,740

- NOTES:**
- 1 Includes 40% of Management Contracted Services and 100% of all other items.
 - 2 Member Experience Modifier (free floating)
 - 3 Includes 60% of Management Contracted Services only.
 - 4 (2)*(3)
 - 5 TOTAL (3) / TOTAL (4)
 - 6 Non Claims Related Member Share (1) Plus (+) Claims Related Member Share (6)
 - 7 Calculation of PARSAC's calculated admin portion, with remainder allocated to other members proportionately

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

~ Final Approved 2011/2012 Operating Budget ~

Funding For Pooled Losses at the 75% Confidence Level

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

MEMBER AGENCY	2010	FUNDING FOR	EXPERIENCE	LOADED ADJUSTED	OFF-BALANCE	ADJUSTED
	PAYROLL	POOLED LOSSES	MOD FACTOR	FOR EX MOD	FACTOR	POOLED LOSSES
	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5	NOTE 6
BC/JPIA	\$399,854,746	\$1,351,041	1.152	\$1,556,444	0.9879	\$1,537,679
CS/JVRMA	388,380,637	1,312,272	0.752	986,413	0.9879	974,520
MBASIA	41,784,220	141,182	0.859	121,332	0.9879	119,869
MPA	257,593,483	870,365	1.249	1,086,769	0.9879	1,073,667
PARSAC						
VC/JPA	45,758,398	154,610	0.810	125,246	0.9879	123,736
TOTALS	\$1,133,371,484	\$3,829,470	0.964	\$3,876,203		\$3,829,470

(average)

LAYER "B" RATE \$3 X \$1 Rate for Discounted Losses and ALAE (75% Confidence Level) 0.338

LAYER "C" RATE Reinsurance Rate + Broker's Fee \$0.10054
 Broker's Fee (included in reinsurance rate) \$68,290

LAYER "D" RATE Excess (\$15-\$29 Mil) Insurance Rate \$0.04564

LAYER "A" \$0 - \$1 MIL - NOT ACTIVATED
LAYER "B" \$3 MIL EX \$1 MIL
LAYER "C" \$10 MIL EX \$4 MIL
LAYER "D" \$15 MIL EX \$14 MIL
NOTES:
1 2010 Payroll
2 Payroll/100 * Rate Discounted at 3.50%
3 Minimum of .75 AND Maximum of 1.25 (Page 2).
4 (2)*(3)
5 Total (2) / Total (4)
6 (4) * (5).
7 (Payroll/100) * Reinsurance Rate (2/3 applied to ex mod)
8 (Payroll/100) * Excess Insurance Rate
9 From Page 4
10 Sum of (6) Through (9)

MEMBER AGENCY	ADJUSTED POOLED LOSSES	REINSURANCE: \$10 Mil X \$4 Mil		EXCESS \$15Mil x \$14Mil	ADMIN PREMIUM	2011-2012 CARMMA PREMIUM	RATE PER \$100 PAYROLL	COMPARISON TO PRIOR YEAR	
		2/3 Premium Applied to ExMod	1/3 Premium Not Applied to ExMod					2010-2011 CARMMA PREMIUM	Percentage INCREASE (DECREASE)
	NOTE 6	NOTE 7	NOTE 7	NOTE 8	NOTE 9	NOTE 10			
BC/JPIA	\$1,537,679	\$305,033	\$134,004	\$182,498	\$109,342	\$2,268,556	\$0.567	\$2,414,657	-6.05%
CS/JVRMA	974,520	193,318	130,159	177,261	79,303	1,554,561	\$0.400	1,801,732	-13.72%
MBASIA	119,869	23,779	14,003	19,071	67,336	244,058	\$0.584	260,461	-6.30%
MPA	1,073,667	212,986	86,328	117,568	121,270	1,611,818	\$0.626	1,734,781	-7.09%
PARSAC					14,523	14,523		21,785	(\$7,262)
VC/JPA	123,736	24,546	15,335	20,885	53,966	238,467	\$0.521	237,316	\$1,151
TOTALS	\$3,829,470	\$759,660	\$379,830	\$517,283	\$445,740	\$5,931,983	\$0.523	\$6,470,732	(\$538,749)

Revisions from prior year:
 ~ Revised reinsurance allocation: Two thirds of the reinsurance premium continues to be applied to the JPA ex mod, while one third of the premium is not.
 ~ A detail combined loss and payroll page for each JPA, rather than the two detail pages as provided in the past.

2011/12 Final Approved Budget

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Actuarial and Reinsurance Rates
~ Final Approved 2011/2012 Operating Budget ~

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

Actuarial Rates - Discounted at 3.50%									
Actuarial Data Discounted Range	50% Rate	60% Rate	Expected Rate	70% Rate	75% Rate	80% Rate	85% Rate	90% Rate	
\$1 mil ex \$1 mil	0.116	0.146	0.152	0.184	0.208	0.237	0.275	0.330	
\$2 mil ex \$1 mil		0.201	0.212	0.259	0.293	0.337	0.392	0.473	
\$3 mil ex \$1 mil	0.175	0.228	0.243	0.296	0.338	0.389	0.457	0.552	
\$4 mil ex \$1 mil	0.192	0.251	0.267	0.323	0.368	0.425	0.497	0.601	
\$5 mil ex \$1 mil	0.203	0.264	0.278	0.336	0.384	0.442	0.514	0.623	
<hr/>									
\$2 mil ex \$2 mil	0.046	0.079	0.091	0.116	0.137	0.162	0.195	0.242	
\$3 mil ex \$2 mil	0.059	0.095	0.115	0.141	0.170	0.204	0.246	0.307	
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\$2 mil ex \$3 mil	0.029	0.029	0.055	0.064	0.084	0.107	0.133	0.169	
\$1 mil ex \$4 mil			0.024		0.037	0.051	0.064	0.082	
\$1 mil ex \$5 mil			0.011				0.021	0.049	

Indicates Rate not calculated

Insurance Rates and Premiums			
<hr/>			
Am Trust Financial Group		With Broker Fees	Without Fees
Premium \$10mil ex \$4mil		\$1,139,490	\$1,071,200
Rate/\$100 PR		\$0.10054	\$0.09451
		Colony Excess Insurance \$15mil ex \$14mil	
		Premium	\$517,283
		Rate/\$100 PR	\$0.04564

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Experience Modification Calculations
~ Final Approved 2011/2012 Operating Budget ~
Losses from \$100k & Capped at \$1 million* - Valued at 12/31/10

EXPERIENCE MODIFICATION SECTION	4 YEAR	4 YEAR	4 YEAR	MEMBER	DEVIATION FROM	FACTORED	CAPPED	2010/11
	AVERAGE LOSS	AVERAGE PAYROLL	LOSS RATE \$100/PR	EXPERIENCE RATIO	NORM MULTIPLIED BY CREDIBILITY FACTOR	EXPERIENCE MODIFIER	EXPERIENCE MODIFIER	Ex Mod (For comparison)
BCJPIA	\$2,806,264	\$369,655,666	0.759	1.254	0.599	1.152	1.152	1.117
CSJVRMA	1,214,364	349,606,920	0.347	0.574	0.582	0.752	0.752	0.823
MBASIA	76,800	41,898,729	0.183	0.303	0.202	0.859	0.859	0.827
MPA	2,141,503	232,099,633	0.923	1.524	0.475	1.249	1.249	1.215
VCJPA	0	37,169,234	0.000	0.000	0.190	0.810	0.810	0.812
TOTAL	\$6,238,931	\$1,030,430,183	\$0.605	0.731	(Average)	0.964	0.964	0.959

(Average)

(Average)

(Average)

LOSSES	09/10	08/09	07/08	06/07	05/06	04/05	03-04	02-03	01-02	AVERAGE
	BCJPIA	\$145,001	\$1,061,823	\$1,760,405	\$564,552	\$8,164,465	\$735,635	\$1,668,373	\$0	\$399,854,746
CSJVRMA	16,459	418,620	589,947	964,656	1,647,126	1,655,725	2,051,276	2,384,664	405,458	\$1,214,364
MBASIA	203,680	0	167,252	60,792	49,677	29,479	0	241,269	57,252	\$76,800
MPA	882,947	933,775	1,638,751	3,599,075	1,880,785	1,447,400	673,088	998,426	373,680	\$2,141,503
VCJPA	0	0	0	0	0	0	0	0	900,000	\$0
TOTAL	\$1,248,087	\$2,414,218	\$4,156,355	\$5,189,075	\$11,742,053	\$3,868,239	\$4,392,737	\$3,624,359	\$401,591,136	\$6,238,931

PAYROLL	2010	2009	2008	2007	2006	2005	2004	2003	2002	AVERAGE
	BCJPIA	\$399,854,746	\$412,307,996	\$401,025,744	\$381,179,313	\$368,263,487	\$338,154,121	\$325,950,999	\$315,114,527	\$292,189,694
CSJVRMA	388,380,637	404,407,339	400,867,123	370,415,527	332,848,968	294,296,063	276,488,400	257,228,148	246,683,846	\$349,606,920
MBASIA	41,784,220	46,702,440	45,767,695	43,256,460	40,218,695	38,352,066	39,268,949	40,710,135	25,380,378	\$41,898,729
MPA	257,593,483	267,123,031	263,185,935	240,928,914	220,634,505	203,649,180	195,402,288	184,970,782	163,938,411	\$232,099,633
VCJPA	45,758,398	43,685,667	41,950,723	37,619,142	35,973,784	33,133,287	29,271,222	27,730,726	26,163,100	\$37,169,234
TOTAL	\$1,133,371,484	\$1,174,226,474	\$1,152,797,219	\$1,073,399,357	\$987,939,438	\$907,584,718	\$866,381,858	\$825,754,318	\$754,355,429	\$1,030,430,183
Percentage Change	-3.48%	1.86%	7.40%	8.65%	8.85%	4.76%	4.92%	9.46%		

NOTE: * Losses are claims in excess of \$100,000 and capped at \$1,000,000, with the exception of inverse condemnation claims which are capped at \$1,500,000. Only the oldest four of the last six years of losses are utilized.

Calculation Notes:							
	3	4	5	6	7	8	
	"1" / ("2"/100)	("2"/100) * Total "4"	"1" / "4"	SqRt ("2"/Total "2")	(1-"5") * "6"	1 + "7"	

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Administration Budget
 ~ Final Approved 2011/2012 Operating Budget ~

BUDGET LINE ITEMS:	ACTUAL COSTS 2007-2008	ACTUAL COSTS 2008-2009	ACTUAL COSTS 2009-2010	PROJECTED COSTS 2010-2011	CARMA BUDGET 2010-2011	Approved CARMA BUDGET 2011-2012	BUDGET EXPLANATIONS
1 Management Contracted Services	\$272,000	\$289,820	\$289,053	\$289,000	\$289,000	\$288,480	BRS Contract - Revised - PARSAC withdrawal
2 Membership Dues	1,765	1,326	1,517	1,600	1,800	1,600	CAJPA, PRIMA, AGRIP membership
3 Financial Audit	7,250	7,500	7,800	8,100	7,800	8,400	Independent financial auditors
4 Claims Audit	15,200	29,900	18,900	29,900	29,900	18,900	Claims audit for CARMA only
5 Actuarial Services	6,250	8,900	6,560	6,724	7,800	6,860	Rate setting and revaluation of prior year ultimate loss
6 Legal Services	45,748	37,411	81,740	60,000	60,000	60,000	Coverage matters and legal counsel
7 Marketing/Consultants/Website	600	1,626	1,194	600	5,000	5,000	Expenses for marketing consultants/materials.
8 Board Meeting Expense	1,353	1,530	1,391	1,500	2,000	1,500	1 meeting in Tahoe, 2 meetings in Sacramento.
9 Annual Retreat Expense	6,385	8,349	8,847	7,500	15,000	10,000	2 day retreat for Board members and staff
10 Fidelity Bond Premiums	992	992	1,033	1,033	1,000	1,000	Bonded coverage for those who control JPA funds.
11 Accreditation Fees	1,334	1,500	1,500	1,500	1,500	1,500	Pro-rated CAJPA Accreditation Fees for 3 years
12 Investment Management Services	23,091	23,160	19,146	26,000	20,000	26,000	Investment Management (PFM) fees
13 Genex Fees	0	52	100	0	0	6,500	Reporting fees for Medicare Set-aside
14 Contingency	0	0	0	10,000	10,000	10,000	Contingency
	\$381,968	\$408,014	\$438,733	\$433,557	\$450,800	\$445,740	

MEMBER	Administration Allocation Calculation						TOTAL Calculated Administration Share	Additional Administration Calculation PARSAC's Calculated Share
	Non Claims Related Member Share	Unmodified Member Ex Mod Ratio	Claims Related Expenses	Claims Related Adjusted	Off-Balance Factor	Claims Related Member Share		
BCJPIA	Note 1 \$45,442	Note 2 1.254	Note 3 \$28,848	Note 4 36,171	Note 5 1.2892	Note 6 \$46,630	Note 7 92,072	Note 8 109,342
CSJVRMA	\$45,442	0.574	\$28,848	16,550	1.2892	\$21,336	66,778	79,303
MBASIA	\$45,442	0.303	\$28,848	8,733	1.2892	\$11,259	56,701	67,336
MPA	\$45,442	1.524	\$28,848	43,961	1.2892	\$56,673	102,115	121,270
PARSAC	\$45,442	1.000	\$28,848	28,848	1.2892	\$37,190	82,632	14,523
VCJPA	\$45,442	0.000	\$28,848	0	1.2892	\$0	45,442	53,966
TOTAL	\$272,652	0.776 (Average)	\$173,088	\$134,263		\$173,088	445,740	445,740

- NOTES:**
- Includes 40% of Management Contracted Services and 100% of all other items.
 - Member Experience Modifier (free floating)
 - Includes 60% of Management Contracted Services only.
 - TOTAL (3) / TOTAL (4)
 - (4)*(5)
 - Non Claims Related Member Share (1) Plus (+) Claims Related Member Share (6)
 - Calculation of PARSAC's calculated admin portion, with remainder allocated to other members proportionately

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES

~ Final Approved 2011/2012 Operating Budget ~

Funding For Pooled Losses at the 75% Confidence Level

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

MEMBER AGENCY	2010	FUNDING FOR	EXPERIENCE	LOADED ADJUSTED	OFF-BALANCE	ADJUSTED
	PAYROLL	POOLED LOSSES	MOD FACTOR	FOR EX MOD	FACTOR	POOLED LOSSES
	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5	NOTE 6
BC/JPIA	\$399,854,746	\$1,351,041	1.152	\$1,556,444	0.9879	\$1,537,679
CS/JVRMA	388,380,637	1,312,272	0.752	986,413	0.9879	974,520
MBASIA	41,784,220	141,182	0.859	121,332	0.9879	119,869
MPA	257,593,483	870,365	1.249	1,086,769	0.9879	1,073,667
PARSAC						
VC/JPA	45,758,398	154,610	0.810	125,246	0.9879	123,736
TOTALS	\$1,133,371,484	\$3,829,470	0.964	\$3,876,203		\$3,829,470

(average)

LAYER "B" RATE	\$3 X \$1 Rate for Discounted Losses and ALAE (75% Confidence Level)	0.338
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LAYER "C" RATE	Reinsurance Rate + Broker's Fee	\$0.10054
(\$5-14 MIL)	Broker's Fee (included in reinsurance rate)	\$68,290

LAYER "D" RATE	Excess (\$15-\$29 Mil) Insurance Rate	\$0.04564
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LAYER "A" \$0 - \$1 MIL - NOT ACTIVATED
LAYER "B" \$3 MIL EX \$1 MIL
LAYER "C" \$10 MIL EX \$4 MIL
LAYER "D" \$15 MIL EX \$14 MIL
NOTES:
1 2010 Payroll
2 Payroll/100 * Rate Discounted at 3.50%
3 Minimum of .75 AND Maximum of 1.25 (Page 2).
4 (2)*(3)
5 Total (2) / Total (4)
6 (4) * (5).
7 (Payroll/100) * Reinsurance Rate (2/3 applied to ex mod)
8 (Payroll/100) * Excess Insurance Rate
9 From Page 4
10 Sum of (6) Through (9)

MEMBER AGENCY	ADJUSTED POOLED LOSSES	REINSURANCE: \$10 Mil X \$4 Mil		EXCESS \$15Mil x \$14Mil	ADMIN PREMIUM	2011-2012 CARMMA PREMIUM	RATE PER \$100 PAYROLL	COMPARISON TO PRIOR YEAR	
		2/3 Premium Applied to ExMod	1/3 Premium Not Applied to ExMod					2010-2011 CARMMA PREMIUM	Percentage INCREASE (DECREASE)
	NOTE 6	NOTE 7	NOTE 7	NOTE 8	NOTE 9	NOTE 10			
BC/JPIA	\$1,537,679	\$305,033	\$134,004	\$182,498	\$109,342	\$2,268,556	\$0.567	\$2,414,657	-6.05%
CS/JVRMA	974,520	193,318	130,159	177,261	79,303	1,554,561	\$0.400	1,801,732	-13.72%
MBASIA	119,869	23,779	14,003	19,071	67,336	244,058	\$0.584	260,461	-6.30%
MPA	1,073,667	212,986	86,328	117,568	121,270	1,611,818	\$0.626	1,734,781	-7.09%
PARSAC					14,523	14,523		21,785	(\$7,262)
VC/JPA	123,736	24,546	15,335	20,885	53,966	238,467	\$0.521	237,316	0.48%
TOTALS	\$3,829,470	\$759,660	\$379,830	\$517,283	\$445,740	\$5,931,983	\$0.523	\$6,470,732	(\$538,749)

Revisions from prior year:
 ~ Revised reinsurance allocation: Two thirds of the reinsurance premium continues to be applied to the JPA ex mod, while one third of the premium is not.
 ~ A detail combined loss and payroll page for each JPA, rather than the two detail pages as provided in the past.

2011/12 Final Approved Budget

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Actuarial and Reinsurance Rates
~ Final Approved 2011/2012 Operating Budget ~

~ Excess Purchase \$15 million ex of \$14 million - Colony ~

~ Reinsurance Purchase \$10 million ex of \$4 million - Am Trust Financial ~

Actuarial Rates - Discounted at 3.50%									
Actuarial Data Discounted Range	50% Rate	60% Rate	Expected Rate	70% Rate	75% Rate	80% Rate	85% Rate	90% Rate	
\$1 mil ex \$1 mil	0.116	0.146	0.152	0.184	0.208	0.237	0.275	0.330	
\$2 mil ex \$1 mil		0.201	0.212	0.259	0.293	0.337	0.392	0.473	
\$3 mil ex \$1 mil	0.175	0.228	0.243	0.296	0.338	0.389	0.457	0.552	
\$4 mil ex \$1 mil	0.192	0.251	0.267	0.323	0.368	0.425	0.497	0.601	
\$5 mil ex \$1 mil	0.203	0.264	0.278	0.336	0.384	0.442	0.514	0.623	
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\$2 mil ex \$2 mil	0.046	0.079	0.091	0.116	0.137	0.162	0.195	0.242	
\$3 mil ex \$2 mil	0.059	0.095	0.115	0.141	0.170	0.204	0.246	0.307	
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\$2 mil ex \$3 mil	0.029	0.029	0.055	0.064	0.084	0.107	0.133	0.169	
\$1 mil ex \$4 mil			0.024		0.037	0.051	0.064	0.082	
\$1 mil ex \$5 mil			0.011			0.021		0.049	

Indicates Rate not calculated

Insurance Rates and Premiums			
<hr/>			
Am Trust Financial Group		With Broker Fees	Without Fees
Premium \$10mil ex \$4mil		\$1,139,490	\$1,071,200
Rate/\$100 PR		\$0.10054	\$0.09451
		Colony Excess Insurance \$15mil ex \$14mil	Premium Rate/\$100 PR
			\$517,283
			\$0.04564

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Experience Modification Calculations
~ Final Approved 2011/2012 Operating Budget ~
Losses from \$100k & Capped at \$1 million* - Valued at 12/31/10

EXPERIENCE MODIFICATION SECTION	4 YEAR	4 YEAR	4 YEAR	2	3	4	5	6	7	8
	AVERAGE LOSS	AVERAGE PAYROLL	LOSS RATE \$100/PR	AVERAGE EXPECTED LOSSES	MEMBER EXPERIENCE RATIO	CREDIBILITY FACTOR	DEVIATION FROM NORM MULTIPLIED BY CREDIBILITY	FACTORED EXPERIENCE MODIFIER	CAPPED EXPERIENCE MODIFIER	2010/11 Ex Mod (For comparison)
BCJPIA	\$2,806,264	\$369,655,666	0.759	\$2,238,149	1.254	0.599	0.152	1.152	1.152	1.117
CSJVRMA	1,214,364	349,606,920	0.347	2,116,760	0.574	0.582	-0.248	0.752	0.752	0.823
MBASIA	76,800	41,898,729	0.183	253,684	0.303	0.202	-0.141	0.859	0.859	0.827
MPA	2,141,503	232,099,633	0.923	1,405,290	1.524	0.475	0.249	1.249	1.249	1.215
VCJPA	0	37,169,234	0.000	225,048	0.000	0.190	-0.190	0.810	0.810	0.812
TOTAL	\$6,238,931	\$1,030,430,183	\$0.605	\$6,238,931	0.731	(Average)	(Average)	0.964	0.964	0.959

LOSSES	09/10	08/09	07/08	06/07	05/06	04/05	03-04	02-03	01-02	AVERAGE
	BCJPIA	\$145,001	\$1,061,823	\$1,760,405	\$564,552	\$8,164,465	\$735,635	\$1,668,373	\$0	\$399,854,746
CSJVRMA	16,459	418,620	589,947	964,656	1,647,126	1,655,725	2,051,276	2,384,664	405,458	\$1,214,364
MBASIA	203,680	0	167,252	60,792	49,677	29,479	0	241,269	57,252	\$76,800
MPA	882,947	933,775	1,638,751	3,599,075	1,880,785	1,447,400	673,088	998,426	373,680	\$2,141,503
VCJPA	0	0	0	0	0	0	0	0	900,000	\$0
TOTAL	\$1,248,087	\$2,414,218	\$4,156,355	\$5,189,075	\$11,742,053	\$3,868,239	\$4,392,737	\$3,624,359	\$401,591,136	\$6,238,931

PAYROLL	2010	2009	2008	2007	2006	2005	2004	2003	2002	AVERAGE
	BCJPIA	\$399,854,746	\$412,307,996	\$401,025,744	\$381,179,313	\$368,263,487	\$338,154,121	\$325,950,999	\$315,114,527	\$292,189,694
CSJVRMA	388,380,637	404,407,339	400,867,123	370,415,527	332,848,968	294,296,063	276,488,400	257,228,148	246,683,846	\$349,606,920
MBASIA	41,784,220	46,702,440	45,767,695	43,256,460	40,218,695	38,352,066	39,268,949	40,710,135	25,380,378	\$41,898,729
MPA	257,593,483	267,123,031	263,185,935	240,928,914	220,634,505	203,649,180	195,402,288	184,970,782	163,938,411	\$232,099,633
VCJPA	45,758,398	43,685,667	41,950,723	37,619,142	35,973,784	33,133,287	29,271,222	27,730,726	26,163,100	\$37,169,234
TOTAL	\$1,133,371,484	\$1,174,226,474	\$1,152,797,219	\$1,073,399,357	\$987,939,438	\$907,584,718	\$866,381,858	\$825,754,318	\$754,355,429	\$1,030,430,183
Percentage Change	-3.48%	1.86%	7.40%	8.65%	8.85%	4.76%	4.92%	9.46%		

NOTE: * Losses are claims in excess of \$100,000 and capped at \$1,000,000, with the exception of inverse condemnation claims which are capped at \$1,500,000. Only the oldest four of the last six years of losses are utilized.

Calculation Notes:										
	3	4	5	6	7	8				
	"1" / ("2"/100)	("2"/100) * Total "4"	"1" / "4"	SqRt ("2"/Total "2")	(1-"5") * "6"	1 + "7"				

CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
Administration Budget
 ~ Final Approved 2011/2012 Operating Budget ~

BUDGET LINE ITEMS:	ACTUAL COSTS 2007-2008	ACTUAL COSTS 2008-2009	ACTUAL COSTS 2009-2010	PROJECTED COSTS 2010-2011	CARMA BUDGET 2010-2011	Approved CARMA BUDGET 2011-2012	BUDGET EXPLANATIONS
1 Management Contracted Services	\$272,000	\$289,820	\$289,053	\$289,000	\$289,000	\$288,480	BRS Contract - Revised - PARSAC withdrawal
2 Membership Dues	1,765	1,326	1,517	1,600	1,800	1,600	CAJPA, PRIMA, AGRIP membership
3 Financial Audit	7,250	7,500	7,800	8,100	7,800	8,400	Independent financial auditors
4 Claims Audit	15,200	29,900	18,900	29,900	29,900	18,900	Claims audit for CARMA only
5 Actuarial Services	6,250	8,900	6,560	6,724	7,800	6,860	Rate setting and revaluation of prior year ultimate loss
6 Legal Services	45,748	37,411	81,740	60,000	60,000	60,000	Coverage matters and legal counsel
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8 Board Meeting Expense	1,353	1,530	1,391	1,500	2,000	1,500	1 meeting in Tahoe, 2 meetings in Sacramento.
9 Annual Retreat Expense	6,385	8,349	8,847	7,500	15,000	10,000	2 day retreat for Board members and staff
10 Fidelity Bond Premiums	992	992	1,033	1,033	1,000	1,000	Bonded coverage for those who control JPA funds.
11 Accreditation Fees	1,334	1,500	1,500	1,500	1,500	1,500	Pro-rated CAJPA Accreditation Fees for 3 years
12 Investment Management Services	23,091	23,160	19,146	26,000	20,000	26,000	Investment Management (PFM) fees
13 Genex Fees	0	52	100	100	10,000	6,500	Reporting fees for Medicare Set-aside
14 Contingency	0	52	100	100	10,000	10,000	Contingency
	\$381,968	\$408,014	\$438,733	\$433,557	\$450,800	\$445,740	

MEMBER	Administration Allocation Calculation					TOTAL Calculated Administration Share	Additional Administration Calculated PARSAC's Calculated Share
	Non Claims Related Member Share	Unmodified Member Ex Mod Ratio	Claims Related Expenses	Claims Related Adjusted	Off-Balance Factor		
BCJPIA	Note 1 \$45,442	Note 2 1.254	Note 3 \$28,848	Note 4 36,171	Note 5 1.2892	Note 7 92,072	Note 8 109,342
CSJVRMA	\$45,442	0.574	\$28,848	16,550	1.2892	66,778	79,303
MBASIA	\$45,442	0.303	\$28,848	8,733	1.2892	56,701	67,336
MPA	\$45,442	1.524	\$28,848	43,961	1.2892	102,115	121,270
PARSAC	\$45,442	1.000	\$28,848	28,848	1.2892	82,632	14,523
VCJPA	\$45,442	0.000	\$28,848	0	1.2892	45,442	53,966
TOTAL	\$272,652	0.776 (Average)	\$173,088	\$134,263		445,740	445,740

- NOTES:**
- 1 Includes 40% of Management Contracted Services and 100% of all other items.
 - 2 Member Experience Modifier (free floating)
 - 3 Includes 60% of Management Contracted Services only.
 - 4 (2)*(3)
 - 5 TOTAL (3) / TOTAL (4)
 - 6 Non Claims Related Member Share (1) Plus (+) Claims Related Member Share (6)
 - 7 Calculation of PARSAC's calculated admin portion, with remainder allocated to other members proportionately

**CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITIES
BRS Worksheet**

	2007/08	2008/09	2009/10	2010/11	Current Year 2011/12
BRS Contract Price	\$272,000	\$285,600	\$300,111	\$312,230	\$324,719
Percentage Increase over previous year	14.97%	5.00%	5.00%	4.00%	4.00%
Adjustment for New Members					
Delta VCD - VCJPA (7/1/08)		786,071			
City of Wildomar - PARSAC (7/1/08)		180,000			
City of Menifee - PARSAC (10/1/08)		135,000			
Kings MAD - VCJPA (7/1/09)			549,826		
Total	\$0	\$1,101,071	\$549,826	\$0	\$0
BRS SHARE OF NEW PAYROLL/\$100 INCREASE IN B&A FEES	0.0200	0.0200	0.0200	0.0200	0.0200
BRS CONTRACT PREMIUM	\$0	\$220	\$110	\$0	\$0
Reduction based on PARSAC Withdrawal	\$272,000	\$285,820	\$300,221	\$312,230	\$324,719
			(11,168)	(23,230)	(36,239)
TOTAL BRS CONTRACT PREMIUM			\$289,053	\$289,000	\$288,480

BCJPIA Loss Detail and Payroll

		Losses Valued at 12/31/10*										Payroll				
		09-10	08-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005	2004	
1	Albany				\$32,629			\$19,117	\$7,541,694	\$7,571,400	\$7,133,602	\$6,719,341	\$6,270,503	\$6,000,071	\$5,645,028	
2	Albany JPA								1,773,288	2,002,546	1,887,818	1,648,501	1,540,820	1,447,192	1,344,783	
3	Berkeley	\$145,001	\$100,001		\$45,750	\$171,522			137,461,012	141,810,019	132,945,068	126,868,098	117,595,615	111,512,510	103,832,059	
4	Brisbane							\$154,654	7,198,185	7,608,947	7,477,338	7,319,645	6,895,390	6,373,842	6,263,683	
5	Emeryville			\$900,000					6,997,432	6,916,604	7,141,021	6,097,524	5,653,964	5,711,375	5,506,678	
6	Emeryville MESA								7,629,193	8,219,556	7,322,533	7,149,257	6,903,006	6,534,363	6,214,910	
7	Fairfax					\$788,048			2,524,323	2,555,109	2,557,965	2,375,794	2,218,600	1,904,868	2,027,825	
8	Larkspur			\$255,092		\$1,765,818	\$252,219	\$394,602	5,006,762	5,135,174	5,162,446	4,754,855	4,489,663	4,390,231	3,879,139	
9	Menlo Park			\$40,581		\$80,000	\$205,287		22,702,024	23,180,947	22,959,814	21,101,406	19,160,987	19,615,574	19,994,499	
10	Mill Valley					\$2,872,294			12,705,290	12,785,513	12,145,840	11,465,669	10,866,323	10,178,479	10,203,337	
11	Monte Sereno							\$1,100,000	728,211	710,308	675,878	621,996	534,626	525,945	507,809	
12	Novato		\$320			\$55,721			19,010,871	20,197,782	20,728,955	19,294,376	17,996,855	17,429,262	16,089,923	
13	Piedmont			\$45,500	\$8,790		\$28,537		10,272,372	10,403,144	9,660,940	9,092,265	8,284,421	8,065,878	7,539,687	
14	Pleasanton					\$198,739	\$160,180		36,399,043	37,870,188	35,371,912	34,474,058	32,829,920	30,918,696	29,233,905	
15	Pleasanton fire								17,449,387	17,805,178	16,930,123	16,260,750	15,314,862	14,384,229	14,115,113	
16	Redwood City		\$921,502		\$477,383	\$2,232,323	\$84,295		52,272,619	55,283,166	54,289,688	51,556,200	49,369,650	47,941,932	49,584,481	
17	San Anselmo								4,809,247	4,886,643	4,703,687	4,393,391	4,392,932	4,194,255	4,129,042	
18	San Francisco								10,095,229	10,372,482	9,972,476	9,613,435	9,969,983	10,157,594	10,123,975	
19	Sausalito		\$8,308						6,972,284	6,973,698	6,156,440	5,614,534	5,755,776	5,203,000	5,701,310	
20	Twin Cities								3,682,612	3,846,593	3,847,925	3,585,605	3,480,997	3,175,228	3,081,355	
21	Union City		\$40,000	\$510,924			\$5,117		26,623,669	26,073,000	31,954,278	31,172,614	28,738,594	22,489,596	20,932,458	
TOTALS		\$145,001	\$1,061,823	\$1,760,405	\$564,552	\$8,164,465	\$735,635	\$1,668,373	\$399,854,746	\$412,307,996	\$401,025,744	\$381,179,313	\$358,263,487	\$338,154,121	\$325,950,999	
									-3.02%	2.81%	5.21%	6.40%	#REF!	3.74%	3.44%	
* Inverse condemnation claims capped at \$1.5 million																
Losses from \$100k & capped at \$1 million *																

CSJVRMA Loss Detail and Payroll

	Losses Valued at 12/31/10*										Payroll				
	09-10	09-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005	2004	
1 ANGELS CAMP					\$218,702			\$2,272,058	\$2,420,825	\$2,279,043	\$2,285,453	\$2,226,950	\$1,983,813	\$1,728,456	
2 ARVIN							2,875,267	2,737,316	2,354,414	2,439,296	2,439,296	2,087,230	1,735,372	1,572,040	
3 ATWATER							8,454,573	8,042,220	8,950,313	7,721,587	6,864,802	6,864,802	6,090,485	5,702,447	
4 AVENAL						\$739,363	1,721,633	1,308,113	1,234,170	1,286,880	1,254,139	1,166,622	1,166,622	1,067,702	
5 CERES		\$45,000					14,132,375	14,917,938	13,653,640	12,540,069	11,331,810	11,331,810	10,128,242	9,406,048	
6 CHOWCHILLA			\$299,500			\$96,612	3,158,967	4,780,928	4,539,350	4,255,027	3,853,000	3,076,210	2,833,341		
7 CLOVIS			\$90,000				35,064,579	36,319,502	38,855,397	38,576,764	34,633,822	31,358,673	28,219,051		
8 CORCORAN							3,808,284	3,829,517	3,534,289	3,189,863	2,997,544	2,644,163	2,509,916		
9 DELANO						\$17,294	11,374,896	10,942,445	9,709,149	8,832,804	7,804,468	7,366,321	7,153,205		
10 DELANO_CCF							4,109,025	4,094,884	3,657,582	3,236,777	3,142,542	3,172,436	3,062,273		
11 DINUBA							8,258,231	9,344,322	8,860,628	7,941,276	6,749,926	6,056,701	5,922,097		
12 DOS PALOS							1,245,898	1,133,554	1,089,607	1,018,760	931,020	841,509	807,979		
13 ESCALON							2,097,135	2,422,288	2,595,142	2,357,017	2,079,052	1,783,475	1,855,513		
14 EXETER							2,234,970	2,397,104	2,300,288	2,170,942	2,061,136	1,684,115	1,693,315		
15 FARMERSVILLE							1,809,415	1,875,699	1,846,958	1,579,170	1,320,297	1,114,197	1,089,006		
16 FIREBAUGH							1,790,980	1,882,990	2,026,474	1,725,807	1,565,314	1,375,164	1,301,312		
17 FOWLER							1,776,370	1,816,262	1,870,872	1,739,487	1,540,303	1,017,881	1,142,460		
18 GUSTINE							1,450,672	1,420,455	1,342,969	1,314,186	1,109,548	993,717	997,131		
19 HANFORD					\$899,957		14,932,964	15,034,425	14,737,696	12,849,820	12,576,423	11,813,192	10,868,392		
20 HUGHSON							1,232,118	1,255,328	1,315,594	1,306,046	1,129,113	955,306	869,728		
21 HURON							1,111,754	1,392,951	1,455,236	1,195,839	1,250,045	984,632	843,795		
22 KERMAN							3,328,713	3,241,635	3,240,597	3,006,550	2,674,182	2,164,773	1,955,137		
23 KINGSBURG					\$594,000		3,689,391	3,801,068	3,716,674	3,528,340	3,120,535	2,874,496	2,638,013		
24 LATHROP							4,518,762	5,814,328	5,423,844	5,957,399	4,775,869	4,281,615	3,953,369		
25 LEMOORE							5,814,614	6,185,921	5,732,705	4,870,371	4,834,877	4,124,668	4,247,812		
26 LINDSAY							4,497,494	4,349,077	4,351,353	3,785,606	3,183,603	2,606,948	2,357,706		
27 LIVINGSTON							3,670,396	3,464,551	3,722,610	3,895,504	3,342,949	3,098,094	2,267,423		
28 LOS BANOS			\$40,000				9,170,699	9,445,135	10,097,209	9,168,286	7,631,509	6,401,478	5,998,764		
29 MADERA			\$69,051				14,430,550	15,232,187	14,186,968	14,015,450	12,607,337	10,658,673	10,250,021		
30 MARICOPA							303,895	340,524	346,083	335,724	199,663	109,686	113,907		
31 MCFARLAND							1,719,145	671,940	550,521	528,081	535,830	562,477	412,362		
32 MENDOTA							1,596,621	1,127,617	934,365	881,901	851,816	688,139	584,085		
33 MERCED					\$900,000		33,082,749	37,114,632	36,338,116	33,755,250	29,146,632	24,888,187	23,050,882		
34 NEWMAN							1,835,569	2,005,202	1,999,836	1,796,158	1,677,360	1,638,112	1,570,244		
35 OAKDALE						\$56,000	8,924,623	10,237,407	10,072,028	9,639,027	8,432,167	7,149,773	6,360,867		
36 ORANGE COVE							2,071,167	1,030,234	887,119	807,624	759,934	638,555	609,753		
37 PARLER					\$29,283		2,519,591	2,421,557	1,963,305	1,775,730	1,619,926	1,591,750	1,521,563		
38 PATTERSON							4,611,441	4,766,127	4,407,064	3,783,753	3,166,806	2,296,464	1,933,356		
39 PORTERVILLE							17,271,465	17,385,018	15,903,701	12,810,276	12,022,507	11,466,279	11,106,029		
40 REEDLEY						\$94,355	6,855,040	6,791,821	6,597,188	6,505,324	5,959,888	5,104,028	5,003,192		
41 RIPON							5,643,488	6,140,871	6,696,074	5,930,533	5,365,558	4,550,778	4,054,758		
42 RIVERBANK				\$15,942			3,725,586	3,661,862	3,656,440	3,302,560	2,788,688	2,308,040	2,177,554		
43 SAN JOAQUIN							678,949	625,597	552,657	541,594	432,073	351,522	393,327		
44 SANGER							7,489,557	7,690,288	8,709,553	8,751,049	8,048,070	6,843,734	6,776,069		
45 SELMA							5,405,021	6,377,988	8,182,282	7,755,647	7,034,762	6,132,780	5,822,877		
46 SHAFTER		\$5,000				\$20,495	4,995,143	4,935,405	4,937,393	4,518,700	4,092,358	3,611,157	3,438,184		
47 SHAFTER_CCF							3,088,111	3,153,827	3,153,355	2,881,187	2,494,836	2,475,830	2,447,673		
48 SONORA							3,419,489	3,353,387	3,607,299	3,353,858	3,102,431	2,688,658	2,324,381		
49 SUTTER CREEK							1,029,321	1,239,742	1,344,060	1,264,324	1,098,462	1,000,346	951,982		

CSJVRMA Loss Detail and Payroll

	Losses Valued at 12/31/10*										Payroll					
	09-10	08-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005	2004		
50 TAFT								3,327,022	3,221,006	3,088,488	3,081,921	2,906,595	2,539,541	2,485,580		
51 TAFT_CCF								2,686,497	2,848,608	2,631,348	2,686,612	2,035,408	2,038,724	2,042,973		
52 TEHACHAPI								3,098,284	3,091,624	3,344,135	3,020,427	2,312,713	1,949,425	1,383,609		
53 TRACY				\$367,500	\$97,750	\$30,480	\$34	36,308,727	41,562,060	40,475,502	36,600,917	32,549,578	30,051,378	28,735,841		
54 TULARE	\$16,459		\$102,501	\$413,000	\$152,000			20,046,644	19,393,809	18,633,276	16,801,554	17,910,597	13,700,435	13,605,323		
55 TURLOCK					\$9,391			25,129,154	26,752,493	27,536,562	23,792,113	20,777,171	20,108,207	19,494,927		
56 WASCO								3,037,427	3,118,786	3,543,932	3,773,283	3,036,834	2,564,112	2,025,614		
57 WATERFORD								835,840	774,333	713,668	679,225	568,700	564,931	529,768		
58 WOODLAKE		\$251,518				\$131,288	\$855,790	1,612,287	1,670,604	1,381,002	1,270,799	1,242,260	1,130,144	1,118,268		
TOTALS	\$16,459	\$418,620	\$589,947	\$964,656	\$1,647,126	\$1,655,725	\$2,051,276	\$388,380,637	\$404,407,339	\$400,867,123	\$370,415,527	\$332,848,968	\$294,296,063	\$276,488,400		
								-3.96%	0.88%	8.22%	11.29%	13.10%	6.44%	7.49%		
* Inverse condemnation claims capped at \$1.5 million																
Losses from \$100k & capped at \$1 million *																

MBASIA Loss Detail and Payroll

	Losses Valued at 12/31/10*										Payroll					2004 Estimated*
	09-10	08-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005			
1 Capitola								\$5,388,301	\$6,057,085	\$5,574,567	\$5,460,707	\$5,075,270	\$ 4,769,082			
2 Del Ray Oaks								981,337	851,353	826,796	728,430	703,097	652,276			
3 Gonzales	\$203,680					\$2,221		2,300,829	2,324,012	2,284,153	2,088,521	1,976,732	1,836,253			
4 Greenfield			\$60,792					3,051,941	2,926,868	2,701,726	2,733,460	2,733,646	1,806,540			
5 Hollister			\$57,252			\$27,258		7,678,611	10,906,537	10,351,750	9,549,691	9,972,732	11,071,462			
6 King City								2,789,997	2,785,334	2,799,571	2,607,259	2,238,325	1,936,989			
7 Marina					\$16,494			6,537,137	8,407,026	8,136,327	7,372,914	5,988,604	6,019,286			
8 Sand City								2,451,156	2,383,774	2,318,657	2,152,756	1,908,987	1,656,252			
9 Scotts Valley								4,622,599	4,911,286	4,969,940	5,700,353	5,730,971	5,677,868			
10 Soledad			\$110,000		\$33,183			5,982,312	5,149,165	5,804,209	4,872,368	3,890,332	2,926,058			
TOTALS	\$203,680	\$0	\$167,252	\$60,792	\$49,677	\$29,479	\$0	\$41,784,220	\$46,702,440	\$45,767,695	\$43,256,460	\$40,218,695	\$38,352,066	\$ 39,268,949		
								-10.53%	2.04%	5.81%	7.55%	4.87%	-2.33%	-3.54%		
Non-covered (EPL, Land use)						\$201,234	\$367,290							* - Never received actual payroll		
TOTALS including Non-covered						\$230,713	\$367,290									
Losses from \$100k & capped at \$1 million *																

MPA Loss Detail and Payroll

	Losses Valued at 12/31/10*										Payroll				
	09-10	08-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005	2004	
1 Antioch		\$33,775	\$302,504	\$2,626,398			\$333,349	\$26,298,219	\$29,829,983	\$30,971,652	\$28,822,952	\$26,152,973	\$ 24,396,770	\$ 24,422,156	
2 Brentwood		\$900,000			\$212,336			24,549,012	24,245,162	25,394,950	24,586,213	22,582,127	20,797,328	18,957,031	
3 Clayton				\$900,000				2,104,342	2,101,779	2,034,690	1,907,554	1,701,022	1,861,031	1,814,219	
4 Danville					\$93,496			7,209,408	7,160,897	6,976,211	6,578,450	6,016,579	5,486,122	5,286,649	
5 El Cerrito					\$51,116			16,424,867	15,751,245	15,338,807	14,092,215	12,963,703	11,596,294	11,154,357	
6 Hercules								9,815,688	9,883,697	8,069,811	7,358,694	6,630,507	5,417,446	5,334,856	
7 Lafayette								3,561,889	3,588,147	3,335,073	3,104,041	2,777,007	2,681,442	2,497,758	
8 Manteca				\$27,862				30,138,818	32,209,737	31,824,488	28,211,354	25,582,392	23,638,042	22,406,431	
9 Mantinez	\$6,166			\$18,322				11,981,627	12,056,458	11,979,334	11,678,783	10,981,200	10,454,096	10,354,155	
10 Moraga								2,920,429	2,709,640	2,738,533	2,877,265	2,532,920	2,242,265	2,161,730	
11 MPA Staff								1,325,723	1,289,220	1,206,186	1,128,631	1,047,816	1,037,791	1,005,249	
12 Oakley								1,768,337	2,130,148	2,291,053	1,904,418	1,829,761	1,721,860	1,467,572	
13 Orinda				\$9,258	\$315,236	\$547,400		3,073,737	3,044,409	2,913,286	2,592,991	2,462,494	2,437,852	2,293,082	
14 Pinole	\$166,781				\$386,817			11,226,420	12,670,279	12,521,685	11,776,010	10,338,047	8,931,453	8,757,646	
15 Pittsburg			\$825,988		\$385,881			22,615,658	23,259,943	25,655,151	22,862,903	21,619,577	20,047,152	19,088,652	
16 Pleasant Hill			\$24,275	\$17,235	\$51,202			11,138,737	11,267,320	10,981,980	10,837,439	10,187,283	9,467,053	9,713,589	
17 San Pablo					\$310,334	\$900,000		12,928,776	12,716,464	12,068,111	10,390,833	10,765,739	9,326,804	8,665,191	
18 San Ramon			\$485,974		\$74,367			25,805,717	25,837,283	23,532,765	18,624,126	14,318,726	13,112,099	12,210,360	
19 Walnut Creek								32,706,079	35,371,212	33,352,168	31,594,043	30,144,633	28,996,279	27,811,605	
TOTALS	\$882,947	\$933,775	\$1,638,751	\$3,599,075	\$1,880,785	\$1,447,400	\$673,088	\$257,593,483	\$267,123,031	\$263,185,935	\$240,928,914	\$220,634,505	\$203,649,180	\$195,402,288	
								-3.57%	1.50%	9.24%	9.20%	8.34%	4.22%	5.64%	

* Inverse condemnation claims capped at \$1.5 million
 Losses from \$100k & capped at \$1 million *

VCJPA Loss Detail and Payroll

	Losses Valued at 12/31/10*										Payroll			
	09-10	08-09	07-08	06-07	05-06	04-05	03-04	2010	2009	2008	2007	2006	2005	2004
1 Alameda County							\$1,024,684	\$937,596	\$811,940	\$812,103	\$843,338	\$894,633	\$830,097	
2 Butte County							69,237	71,481	70,749	64,888	60,351	56,998	58,251	
3 Butte County							1,155,277	1,046,311	1,056,094	978,350	999,072	943,195	879,826	
4 Coachella Valley							3,595,218	3,517,311	3,094,494	1,912,970	2,092,661	1,354,155	1,395,555	
5 Coaltinga-Huron							15,600	12,675	5,100	11,520	11,630	11,605	24,915	
6 Colusa							172,894	170,966	161,077	171,177	122,805	129,243	108,387	
7 Compton Creek							76,165	75,065	73,856	72,620	70,067	68,395	65,029	
8 Consolidated							1,180,304	1,168,728	1,119,849	1,068,120	1,046,158	1,048,733	874,345	
9 Contra Costa County							2,682,779	2,860,890	2,908,166	2,706,044	2,409,863	2,139,488	1,950,159	
10 Delta VCD							977,501	896,087	858,333	786,071				
11 Durham							55,529	53,286	50,889	48,324	44,180	38,385	34,100	
12 Fresno							580,711	642,244	607,954	600,075	561,214	550,132	511,859	
13 Glenn County							130,011	126,225	114,887	91,038	56,341	63,922	55,556	
14 Greater Los Angeles County							4,637,545	4,340,120	3,971,323	3,725,632	3,413,940	3,209,438	2,979,344	
15 Kings MAD							686,872	663,141	549,826					
16 Lake County							575,044	519,073	492,481	440,684	403,732	381,958	364,141	
17 Los Angeles County West							2,544,935	2,426,285	2,319,368	2,240,099	2,236,127	2,015,909	1,757,908	
18 Marin-Sonoma							2,892,694	2,624,097	2,642,004	2,501,328	2,324,099	2,172,745	1,688,113	
19 Napa County							687,214	671,668	648,174	586,795	512,719	510,806	448,547	
20 Northern Salinas Valley							442,790	465,690	518,945	588,847	940,816	541,250	496,278	
21 Northwest							1,174,803	1,149,878	1,119,015	909,881	886,948	895,538	977,393	
22 Orange County							5,374,748	4,735,074	4,533,410	4,094,636	4,335,195	4,281,332	3,629,345	
23 Orange County (fire amt)							0	0	0	0	0	0	121,907	
24 Oroville							71,061	45,583	49,518	41,413	32,817	32,944	31,254	
25 Pine Grove							36,761	33,520	33,466	34,600	48,630	30,000	36,531	
26 Placer							980,837	790,317	670,988	614,699	609,774	536,223	463,762	
27 Sacramento Yolo							4,357,682	4,286,495	4,339,032	3,991,640	3,818,858	3,561,693	2,884,269	
28 San Gabriel Valley							1,481,230	1,519,933	1,550,331	1,430,302	1,319,997	1,295,868	1,235,279	
29 San Joaquin County							2,193,677	2,095,112	2,087,338	1,948,166	1,892,964	1,759,213	1,645,134	
30 San Mateo County							1,652,723	1,514,017	1,328,087	1,324,771	1,178,899	1,204,463	789,322	
31 Santa Barbara Coastal							384,578	342,647	345,362	239,190	326,126	305,263	226,093	
32 Shasta							965,664	941,780	883,195	862,249	834,743	785,827	682,696	
33 Sutter-Yuba							883,581	912,009	898,482	875,806	842,924	792,180	729,292	
34 Tehama County							312,116	302,416	283,650	291,986	246,905	160,725	144,935	
35 Turlock							749,291	773,849	760,025	703,520	680,824	663,848	602,989	
36 West Valley							956,643	954,097	993,315	849,599	769,069	697,182	548,610	
TOTALS	\$0	\$0	\$0	\$0	\$0	\$0	\$45,758,398	\$43,685,667	\$41,950,723	\$37,619,142	\$35,973,784	\$33,133,287	\$29,271,222	
Losses from \$100k & capped at \$1 million *							4.74%	4.14%	11.51%	4.57%	8.57%	13.19%	5.56%	

ELECTION AND APPOINTMENT OF OFFICERS

SUBJECT: Nomination and Election of President and Vice President and Appointment of Treasurer for the 2012/2013 Program Year

BACKGROUND AND STATUS:

On an annual basis, the positions of the President and Vice President are elected from the Board of Directors for the next fiscal year. Currently, Mr. Geoff Grote (BCJPIA) serves as CARMA President, with Mr. Robert Galvan (MBASIA) serving as Vice President. This item has been included on the agenda to allow the annual nomination and election process of the President and Vice President to proceed.

In accordance with Article IV, Section A, of the CARMA Bylaws:

“The President and Vice-President shall be elected, as individuals, from among the *Board of Directors* and serve for a term of one year. Voting for officers will be conducted at the *Board* meeting immediately proceeding July 1. Each Director shall cast one vote for each office. The candidate receiving a plurality of votes for the particular office will be elected and will assume the office upon his/her election. In the event of a tie vote, with no candidate receiving a plurality, those not involved in the tie vote will be eliminated and the remaining candidates will draw lots.”

The next action required under this agenda item is the appointment of the CARMA Treasurer by the CARMA President. Mr. Jake O’Malley (MPA) currently serves as the CARMA Treasurer.

Per Article IV, Section B, of the CARMA Bylaws:

“The President will appoint a Secretary, Treasurer, and such other officers as deemed appropriate subject to approval of the *Board*.”

RECOMMENDATION:

Staff recommends the Board of Directors nominate and elect a President and a Vice President, with the President then appointing the Treasurer, to serve for the 2012/2013 Program Year.

REFERENCE MATERIALS ATTACHED:

None

Agenda Item 9.A.