

# SMALL CITIES ORGANIZED RISK EFFORT FY 22/23 ANNUAL REPORT



SCORE Program Administrators  
Alliant Insurance Services, Inc.  
[www.alliantinsurance.com](http://www.alliantinsurance.com)  
Corporate License No. 0C36861





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# LETTER TO OUR MEMBERS

Dear Members,

I am pleased to present SCORE's FY 22/23 Annual Report, outlining the history, programs, services, and recent accomplishments of the risk pool that has been serving Northern California cities since 1986.

The current insurance environment continues to be one of the most challenging since Small Cities Organized Risk Effort (SCORE) was formed in the 1980's. At that time the market for liability insurance was non-existent or prohibitively expensive. Today **SCORE members are forced to take on more risk themselves** as retentions and premiums continue to increase due to a social environment that is driving large jury awards and settlements. The property insurance market for **wildfire and auto exposures continues to be challenging**, with SCORE members having to raise deductibles to keep premium increases in the low double-digits. And while the cyber insurance provided with the property program has been a safe harbor in a market that continues to see triple-digit premium increases, members continue to face increasing **pressure to improve their cyber security controls** to maintain coverage.

The good news is that SCORE is well-positioned to continue helping members manage their risks during these challenging times. SCORE remains in strong financial shape to take on more risk as the markets change and has responded to higher deductibles by **creating a Property Program Banking Layer to pay for losses from \$1,000 to \$25,000**. Members also added Deadly Weapons Response coverage to respond to their needs before, during and immediately after an incident. The pool continues to deliver programs and services tailored to manage member risks through expert claims management, professional consulting services, and useful training. SCORE's continued **achievement of CAJPA's Accreditation with Excellence** reflects its sound policies and practices and the value of the pooling concept.

The Liability Program remains stable due in part to SCORE's strong risk and claims management resources. **Operating Income was \$702,723**, and after **dividends of \$366,526** and an *unrealized* investment loss of (\$350,263) the **Net Position remains stable at over \$6.6 million**. The Liability Program has maintained **assets to enable SCORE to increase its retention from \$500,000 to \$750,000 this year**, a change required by SCORE's excess coverage provider, CJPRMA, in response to increased retentions for reinsurance. And while other pools continue to see increases in the double digits, SCORE's rate for FY 22/23 increased by 6% while taking on a 50% higher retention.

The Workers' Compensation Program continues to offer stable pricing while maintaining funding at a conservative 80% confidence level. The underlying SCORE **rate increased 0.4%**, and kept the total premium increase under at 5%, despite a 4% increase in member payroll. **Operating Income was \$574,474**, with Net Position decreasing (\$90,831) after **dividends of \$264,092** and an *unrealized* investment loss of (\$401,213). The Program's **Net Position of \$3.9 million** enables SCORE to maintain stability while excess insurance premiums are expected to rise due to medical inflation and increased severity for cumulative and presumption claims.

While Members are facing what may seem to be unprecedented challenges in managing their operations, for 36 years SCORE has been a reliable and trusted resource. By pooling risks, member jurisdictions continue to enjoy access to broader coverage, lower rates, and more risk management services than they could receive on their own.

I am proud to serve as SCORE President and contribute to its continued success by working with Members to support pooling and the sharing of public entity risk management best practices.

Sincerely,



Wes Heathcock  
SCORE President August 2022

# HISTORY OF THE JPA

## STRATEGIC HIGHLIGHTS

SCORE was founded in 1986 in response to a liability insurance “crisis” during which cities could not obtain affordable coverage. A group of thirteen small cities in Northern California formed the Liability Program to pool coverage for General and Automobile Liability, Personal Injury, and Errors and Omissions. The Workers’ Compensation Program was formed in 1994 in response to rising insurance costs and limited availability. That same year members joined the Local Agency Workers’ Compensation Excess JPA (LAWCX) for their excess coverage and related risk management services and the California Joint Powers Risk Management Authority (CJPRMA) for Excess Liability Coverage.

The Property Program began in 1998 when SCORE members opted for group purchase of property insurance, enabling **members to obtain broader coverage at lower premiums** than they could obtain on their own. SCORE members joined the Employment Risk Management Authority (ERMA) in 1999 to provide members the benefit of pooled coverage for Employment Practices Liability. In 2000 SCORE members began group purchase of Crime Coverage to protect members from loss due to employee theft, forgery, computer fraud, and other crimes.

SCORE first received Accreditation with Excellence from the California Association of Joint Powers Authorities (CAJPA) in 2006, reflecting adherence to the standards and best practices established for self-insured pools. SCORE has been re-accredited every three years, most recently in 2020.

In 2008 SCORE began to offer an Employee Assistance Program (EAP) to provide member employees and their families a variety of resources for dealing with work/life issues, including counseling, training, and critical incident response. SCORE members received their first Resource Contact Guide in 2013 which provides vendor contact information for services available to SCORE participants. The first SCORE Annual Report was presented in January 2017, later that year members were presented with the SCORE Claims Reporting Manual which provides members is claims reporting instructions for all lines of coverage. Beginning July 1, 2022, members established a Property Program Banking Layer to help fund increasingly high deductibles. Also new for FY 22/23 is Deadly Weapon Response coverage for assistance in preventing and responding to events, threats or circumstances involving deadly weapons on member property.

## OPERATING HIGHLIGHTS

Since its inception, SCORE has increased the number and variety of risk management services and resources for members, including:

- Online training through Vector Solutions and DKF Solutions
- Comprehensive Risk Assessments, training, and consultation from DKF Solutions
- Risk Management Best Practices and Scorecard to benchmark and improve member programs
- Risk Management Grants totaling \$100,000 annually.

## LOOKING AHEAD

SCORE continues to respond to the changing risks faced by members by providing more customized risk and claims management plans, tailored to each member in partnership with SCORE’s service providers.

## MISSION STATEMENT

Small Cities Organized Risk Effort (SCORE) is an association of small rural cities joined together in 1986 to protect member resources by stabilizing costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

# ORGANIZATIONAL PROFILE

## BOARD OF DIRECTORS

The Board of Directors of SCORE is composed of a representative appointed by authority of the City Council of each member agency. An Alternate Member is also appointed to serve in the absence of the appointed representative. Only the Board Member—or in the Board Member’s absence the Alternate Member—has voting authority. Current Members are as follows:

<b>Member</b>	<b>Board Director</b>	<b>Alternate</b>
<i>City of Biggs*</i>	Dennis Schmidt	Roben Benish
<i>City of Colfax*</i>	Wes Heathcock	Shanna Stahl
<i>City of Dunsmuir*</i>	Dustin Rief	Blake Michaelsen
<i>City of Etna*</i>	Adam Cox	Pam Eastlick
<i>City of Isleton*</i>	Charles Bergson	Eric Pene
<i>City of Live Oak*</i>	Aaron Palmer	Jessica Mata
<i>Town of Loomis*</i>	Roger Carroll	Sean Rabe
<i>City of Loyalton*</i>	Kathy LeBlanc	Jamie Stockdale
<i>City of Montague*</i>	David Dunn	TBD
<i>City of Mount Shasta</i>	Todd Juhasz	Muriel Howarth Terrell
<i>City of Portola*</i>	Jon Kennedy	Susan Scarlett
<i>City of Rio Dell</i>	Kyle Knopp	Karen Dunham
<i>City of Shasta Lake</i>	Wendy Howard	Jessaca Lugo
<i>City of Susanville*</i>	Dan Newton	Heidi Whitlock
<i>City of Tulelake</i>	Penny Velador	Jenny Coelho
<i>City of Weed</i>	Tim Rundel	Sandy Duchi
<i>City of Yreka*</i>	Jason Ledbetter	John Elsnab
<i>*Founding Members</i>		

## EXECUTIVE COMMITTEE

The Executive Committee of SCORE is comprised of four officers and one member at large.

<b>Member</b>	<b>Name</b>	<b>Position</b>
<i>City of Colfax</i>	Wes Heathcock	President
<i>City of Dunsmuir</i>	Blake Michaelsen	Vice President
<i>Town of Loomis</i>	Roger Carroll	Treasurer
<i>City of Mt. Shasta</i>	Muriel Howarth Terrell	Secretary
<i>City of Shasta Lake</i>	Wendy Howard	Member-at-large

# MEMBERS PARTICIPATING IN EACH PROGRAM

FISCAL YEAR 22/23

MEMBER CITY	Liability	Property (APIP)	PRISM Pollution	Work Comp	ERMA (EPL)	ACI EAP	Special Events	Crime (ACIP)	Crime (ID Fraud)	Alliant Deadly Weapons Response Program (ADWRP)	Alliant Mobile Vehicle (AMVP)	Contractor's Equipment (APIP)	Auto (APIP)	Vehicle Valuation (APIP)
Deductible		\$25,000	\$75,000		\$25,000			\$2,500 \$25,000*	\$0		\$1,000 = X \$2,000 = XX	\$5,000* \$10,000	\$10,000* \$25,000	
Expiration Date	6/30/23	7/1/23	7/1/23	6/30/23	7/1/23	9/15/23	1/1/23	7/1/23	7/1/23	07/1/23	7/1/23	7/1/23	7/1/23	
Biggs	X	X	X	X	X	X	X	X	X	X		X	X	RC
Colfax	X	X	X	X	X	X	X	X	X	X	X	X	X	RC
Dunsmuir	X	X	X	X	X	X	X	X	X	X	X	X	X*	ACV
Etna	X	X		X		X	X		X	X	XX		None	None
Isleton	X	X				X	X		X	X		X*	X	RC
Live Oak	X	X	X	X	X	X	X	X	X	X		X	X*	ACV
Loomis	X	X	X	X	X	X	X	X	X	X	XX		X*	ACV
Loyalton	X	X	X	X		X	X	X	X	X	XX	X	X	RC
Montague	X	X	X	X			X	X	X	X		X	X	RC
Mount Shasta	X	X	X	X	X	X	X	X	X	X	XX		None	None
Portola	X	X	X	X	X	X	X		X	X	X	X	X	RC
Rio Dell	X	X	X	X	X		X	X	X	X		X	X*	ACV
Shasta Lake	X	X	X	X	X	X	X	X	X	X		X	X*	ACV
Susanville	X	X	X	X	X	X	X		X	X	X	X	X	RC
Tulelake	X	X	X	X	X	X	X		X	X	X	X	None	None
Weed	X	X	X	X	X	X	X	X*	X	X	XX	X	X*	ACV
Yreka	X	X	X	X	X	X	X	X	X	X	XX	X	X	RC

ERMA= Employment Risk Management Authority(Employment Practices Liability Coverage)

AMVP= Alliant Mobile Vehicle Program serviced by Marilyn Schley in SF office

Special Events serviced by Penny DeWitt in Newport Beach Office

View of Mount Shasta





# LIABILITY PROGRAM

## COVERAGE HIGHLIGHTS

The Liability Program provides coverage for losses Members become legally obligated to pay as damages due to:

- Bodily Injury,
- Property Damage,
- Personal Injury, and
- Public Officials' Errors or Omissions

Coverage is included for the Member Entity and its commissions, agencies, districts, authorities, boards, or similar entities coming under the Member's direction or control, in addition to officials, employees, or volunteers while acting for or on behalf of the Member.

<p><b><u>Excess Layer</u></b></p> <p><b>Excess Insurance: \$7,500,000 to \$40,000,000</b></p> <p><b>EPL Coverage Limit: \$12,500,000</b></p> <p><b>CJPRMA Members: \$750,000 to \$7,500,000</b></p>
<p><b><u>Shared Risk Layer</u></b></p> <p><b>SCORE members: \$25,000 to \$750,000</b></p>
<p><b><u>Banking Layer</u></b></p> <p><b>Member Entity: \$0 to \$25,000</b></p>

The program is divided into **three separate coverage layers** - Banking, Shared Risk and Excess Coverage, as illustrated in the table above. All three coverage layers include self-insurance. **The Banking Layer is funded to pay for each Member's own claims, similar to a deductible.** The Shared Risk Layer is funded to pay for claims that are shared by all SCORE Members. The Excess Layer is funded through the California Joint Powers Risk Management Authority (CJPRMA).

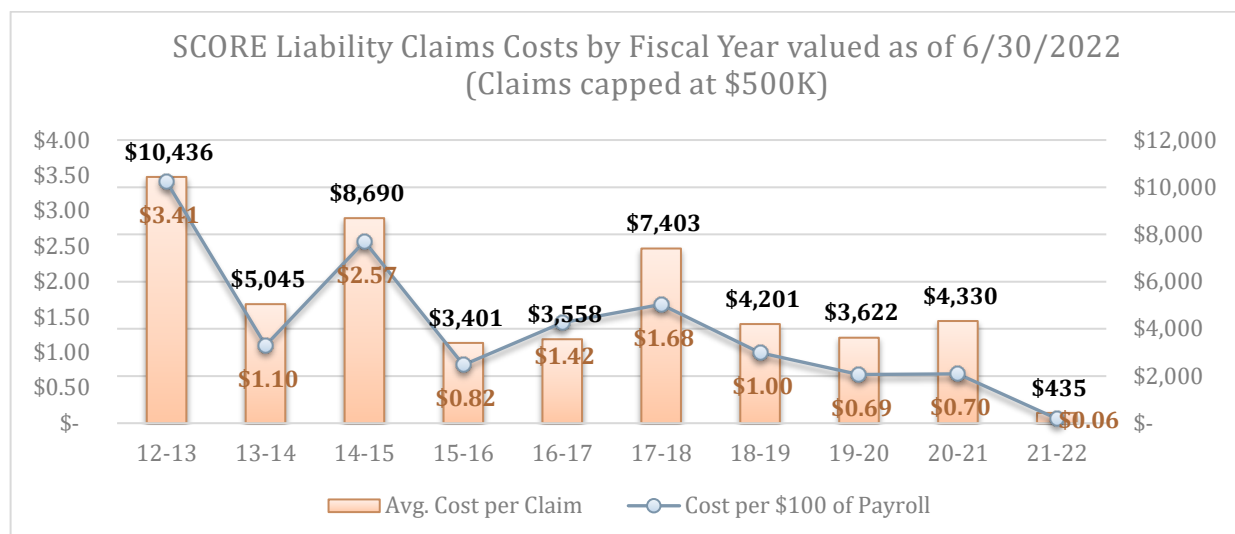


CALIFORNIA JOINT POWERS  
RISK MANAGEMENT AUTHORITY

CJPRMA members pool risk up to \$7,500,000 and purchase excess reinsurance for total limits of \$40,000,000, inclusive of SCORE's retained limit of \$750,000 per occurrence. While CJPRMA is largely insulated from fluctuating insurance market conditions, the group raised its retention from \$5,00,000 to \$7,500,000 in 2020 and **stopped offering the \$500,000 retained limit in 2022, requiring SCORE to increase to \$750,000.**

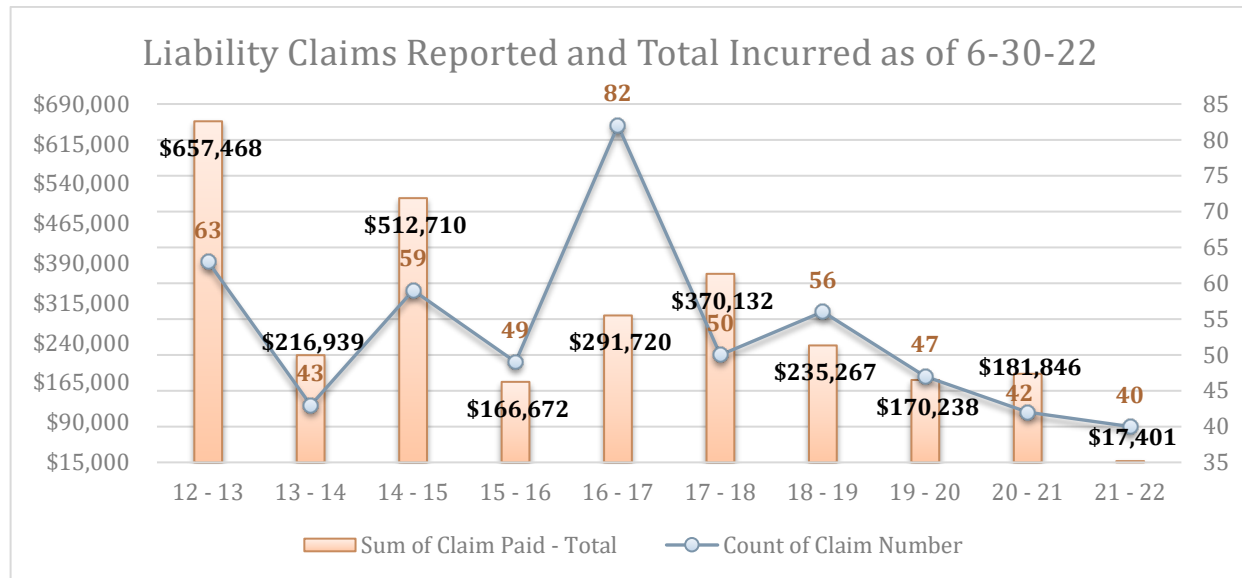
## OPERATING HIGHLIGHTS

The following chart shows the average cost and cost per \$100 of payroll for member liability claims over the last ten years. While SCORE has experienced fluctuations in the past, the cost per \$100 of payroll has been trending down in recent years, though one large claim caused a decrease, from \$.70 in FY 20/21 to \$.06 in FY 21/22. These swings are absorbed by SCORE's prudent funding of reserves for ultimate liabilities.



# LIABILITY PROGRAM

The chart below summarizes the total number of claims and total incurred (paid + reserves) for SCORE's members over the last 10 program years. Of note, while the **total incurred has decreased** and remained well below the high of \$657,468 in FY 12/13, the **frequency of claims has been volatile** over the last few years but shows a decreasing trend. Total incurred has also trended down indicating better management of the increased number of claims received as shown in the Total Incurred.



## FINANCIAL HIGHLIGHTS

SCORE's total funding for the Liability Program increased 10.75%, from \$1,905,718 in FY 21/22 to \$2,109,274 in FY 22/23. Member payroll accounted for 4.7% of the increase, and the change in SCORE's SIR from \$500,000 to \$750,000 contributed to a 6% increase in the base rate. The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. Dividends totaling \$366,526 were approved and distributed to members in 2022.

## OTHER LIABILITY COVERAGES

### Employment Practices Liability (EPL)

SCORE members have chosen not to cover Employment Practice Liability (EPL) within their \$750,000 limit of coverage, but EPL is part of the excess coverage provided by CJPRMA. Those members who want coverage within the \$750,000 retention participate in the Employment Risk Management Association (ERMA).

Currently there are thirteen SCORE members that participate in ERMA coverage: Biggs, Colfax, Dunsmuir, Live Oak, Loomis, Mount Shasta, Portola, Rio Dell, Shasta Lake, Susanville, Tulelake, Weed and Yreka.

In addition to coverage for EPL claims, ERMA offers a wide variety of training and risk management services, including litigation management and **access to an attorney "hotline" for advice and counsel in addressing employment issues.** In 2022 SCORE received dividends from ERMA of \$25,106, distributed to members per the allocation provided by ERMA.





# WORKERS' COMPENSATION PROGRAM

## COVERAGE HIGHLIGHTS

California Workers' Compensation laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course of, employment. Statutory benefits prescribed by law include:

- Medical Treatment
- Temporary Disability Payments
- Permanent Disability Compensation
- Rehabilitation
- Death Benefits

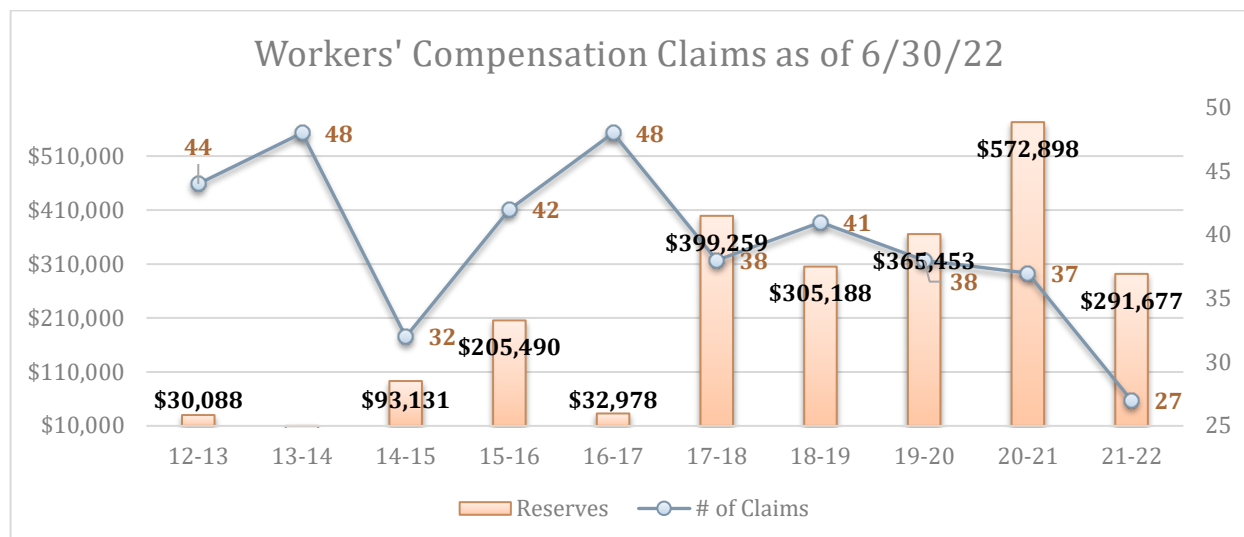


<p><b><u>Excess Layer</u></b></p> <p><b>Excess Insurance: \$5,000,000 to Statutory</b></p> <p><b>LAWCX Members: \$250,000 to \$5,000,000</b></p>
<p><b><u>Shared Risk Layer</u></b></p> <p><b>SCORE members: \$25,000 to \$250,000</b></p>
<p><b><u>Banking Layer</u></b></p> <p><b>Member Entity: \$0 to \$25,000</b></p>

Like the Liability Program, the program is divided into three separate coverage layers, Banking, Shared Risk and Excess Coverage as illustrated in the chart to the left. All three coverage layers include self-insurance. The **Banking Layer is funded to pay for each Member's own claims, similar to a deductible.** The Shared Risk Layer is funded to pay for claims that are shared by all SCORE Members. The Excess Coverage is provided by the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX).

## OPERATING HIGHLIGHTS

The following chart shows Workers' Compensation claims frequency and severity over the last ten years:



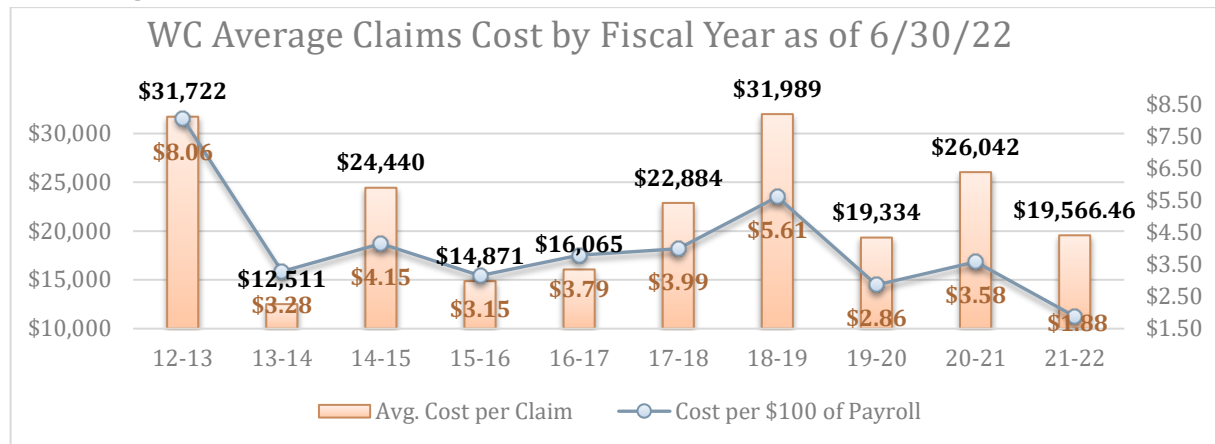
Total frequency has fluctuated in the last few years, from a high of 48 claims in FY 13/14 & FY 16/17 to a low of 27 claims in FY 21/22. While claim frequency has decreased, total severity has remained below \$1.5M in recent years, just under the most expensive year of FY 20/21 **SCORE members chose to increase the confidence level to 80% in FY 19/20 and that has increased funding stability.** These recent financial

# WORKERS' COMPENSATION PROGRAM

results are due to a combination of SCORE cost containment strategies, including modified duty for injured workers, increased risk control training, and quality claims management from York Risk Services.

## FINANCIAL HIGHLIGHTS

The total cost of the program increased 5%, from \$2,565,061 in FY 21/22 to \$2,688,386, before dividends. Member payroll increases of 4% accounted for most of the change, with the underlying rate increasing just 0.4%. The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment, with a total of \$264,092 returned to members in 2022.



After several years of steadily rising costs, the Workers' Compensation Program has seen some volatility, but average costs overall have decreased due to an increased focus on claims and risk management, particularly return to work efforts by members in offering modified duty to employees who are on temporary disability.

## LOOKING AHEAD

Members will continue to receive hands-on training and assistance regarding Workers' Compensation claims, including Work Comp 101 training and a revised Claims Reporting Manual which provides guidance on how to report claims. Sedgwick will also work to identify qualified medical providers closer to member cities and will **continue to provide help with reporting COVID-19 claims** in accordance with the law.



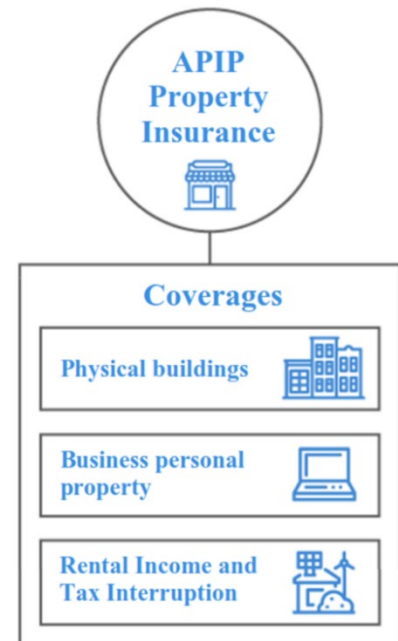
View of Portola  
Steve Arnett

# PROPERTY PROGRAM

## COVERAGE HIGHLIGHTS

SCORE continues to offer coverage through the Alliant Property Insurance Program (APIP). This group purchase program provides the following coverages:

- Broad Replacement Cost coverage
- \$25,000 deductible per claim
- **Rental Income and Tax Interruption**
- Course of Construction (Builder's Risk)
- **Increased Cost of Construction (Code Upgrade)**
- Boiler & Machinery Coverage at a \$100,000,000 limit per occurrence & \$10,000 deductible per claim
- Auto Coverage with optional Replacement Cost, with a \$25,000 deductible \$50,000 for police vehicles with RCV under \$250,000; \$100,000 for All Vehicles with RCV of \$250,000 to \$750,000; \$250,000 for All vehicles with RCV in Excess of \$750,000.
- OPTIONAL Flood coverage excess of a deductible of \$100,000, or \$250,000 for Flood Zones A & V



The APIP Property Program automatically includes coverage for Pollution Liability as well as Cyber Liability.

## POLLUTION LIABILITY

- Shared limit of \$2M between all SCORE members
- Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location
- Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site
- **Coverage for catastrophe management costs and emergency response costs** (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

## CYBER LIABILITY

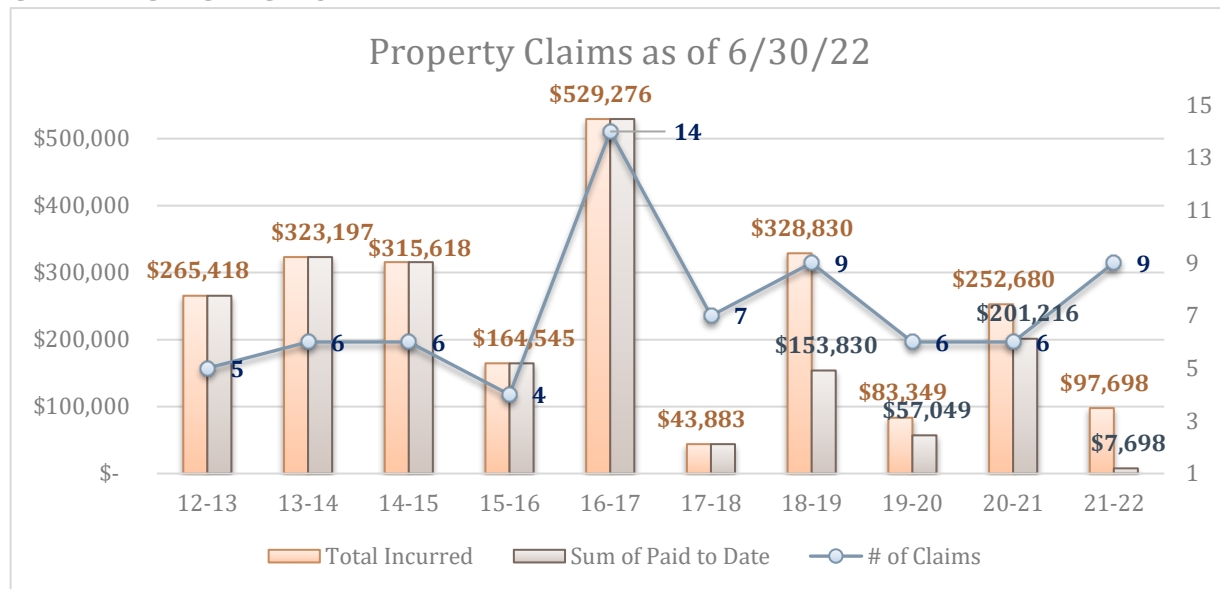
- Information Security & Privacy Liability – each member has a \$2 Million limit
- Privacy Notification Costs limit of \$500,000 (limit is increased to \$1M if Beazley Vendor Services are used)
- **Cyber Extortion Loss**
- Data Protection Loss and Business Interruption
- Fraudulent Instruction resulting directly from an Insured having transferred, paid, or delivered any Money or Securities as a direct result of Fraudulent Instructions.





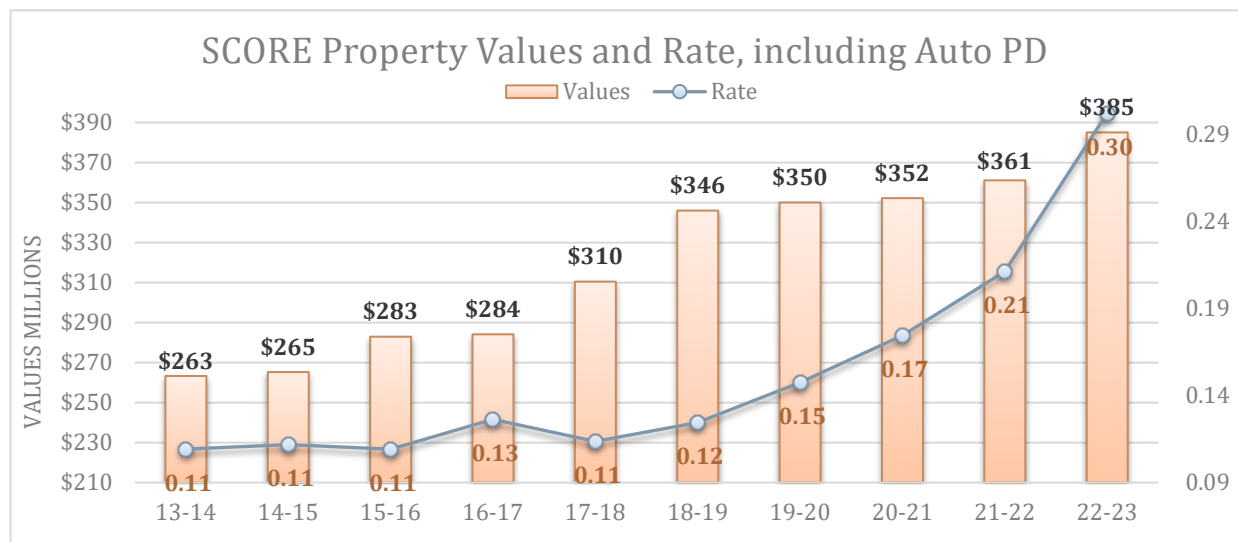
# PROPERTY PROGRAM

## OPERATING HIGHLIGHTS



As of June 30, 2022, all claims prior to FY 17/18 have closed. There are only eleven (11) total Property Claims open — one claim in FY 18/19, two claims in FY 19/20, two claims in FY 20/21 and six claims in FY 21/22.

## FINANCIAL HIGHLIGHTS



The SCORE Property Program's Total Insured Values increased from \$361,076,216 to \$385,043,372 in FY 22/23 as a result of trending the insured values of members' Real and Personal Property to ensure that locations are appropriately valued. The overall rate for property increased from \$0.21 per \$100 of value for FY 21/22 to \$0.30 per \$100 of value for FY 22/23, due to increasing losses in the property program.

## LOOKING AHEAD

Property Appraisals of buildings are conducted every five years to maintain accurate valuations. Members received property appraisals in 2018 and will consider appraisals in the next year to help ensure accurate valuation. Due to recent extreme weather events internationally and recent wildfires in California, the market is seeing raising rates and underwriters are requiring more detailed information.

# CRIME PROGRAM

## COVERAGE HIGHLIGHTS

The ACIP Crime Program provides for coverage of employee theft through the National Union Fire Insurance Company, A.M. Best Rated A (XV). Members select the per-occurrence limit of their choosing (\$1M, \$3M, \$5M, or \$10M) and coverage is subject to a deductible of the members choosing (program deductible is \$25,000 with a \$2,500 buy down option). Additionally, the ACIP policy covers Faithful Performance of Duty and deletes typical exclusions for Treasurers, Tax Collectors, and Bonded Employees. Therefore, **there is no need for the city to purchase individual bonds** for city officials who are required by law to give bonds for the faithful performance of their duties. To assure coverage **the City must pass a resolution authorizing the use of a Master Crime Policy.**

Currently, twelve of the eighteen SCORE members participate in the ACIP Crime program: Cities of Biggs, Colfax, Dunsmuir, Live Oak, Loyalton, Montague, Rio Dell, Shasta Lake, Weed, Yreka and Town of Loomis.

The ACIP Coverage contains the following:

- Employee Theft
- Robbery or Safe Burglary
- Computer Fraud
- **Faithful Performance of Duty**
- Funds Transfer Fraud
- **Investigative Expenses – Sublimit of \$75,000**
- Forgery or Alteration including Credit, Debit or Charge Card Forgery
- **Includes chairperson and members of committees as employees**
- Includes volunteer workers other than fund solicitors as employees
- Includes specified directors and trustees on committees as employees
- **Deletes Treasurer/Tax Collector and Bonded Employees exclusions**
- Includes specified non-compensated officers as employees
- Specified City Officials Coverage Endorsement (for cities that are required by their city charter to individually bond certain employee or officer positions)



## FINANCIAL HIGHLIGHTS

Most SCORE members who participate in the Crime Program have selected a \$1 Million Limit of Insurance except for two members who purchase a \$5 Million limit (City of Weed and the City of Yreka).

## LOOKING AHEAD

As crime incidents are increasing in frequency and more commonly through computer fraud members could benefit from the added security a higher limit of insurance affords. **SCORE members are encouraged to consider their risks and a higher limit of insurance based on their needs.** Members who do not currently participate in the Crime Program but would like more information should contact Program Administration for assistance with a quote.



## OTHER PROGRAMS

### ALLIANT MOTOR VEHICLE PROGRAM (AMVP)

Select Members of SCORE are enrolled in the Alliant Motor Vehicle Program (AMVP), initially designed for public agencies with higher-valued vehicles or special equipment, the program has expanded to include all types of vehicles and mobile equipment. **Claims valuation is on a replacement cost basis for vehicles or equipment less than three years old**, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis. The deductible varies for each member as selected. Currently eleven of the seventeen SCORE Members are enrolled in this program.



### EMPLOYEE ASSISTANCE PROGRAM (EAP)

Sixteen SCORE members participate in the group purchase of an Employee Assistance Program (EAP). An (EAP) is a worksite-based program designed to assist City employees in identifying and resolving personal concerns, including health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues that may affect job performance. **ACI's program includes employees and ALL their family members – whether or not they live in the home.**



The program features a benefit package which includes:

- Counseling and training
- Critical Incident Stress Debriefing (CISD)
- Childcare and eldercare resources
- Legal and financial consultation

### DEADLY WEAPONS RESPONSE PROGRAM

Members began purchasing this coverage in 2022 to provide immediate assistance in the case of a covered event on their property. The policy has a total limit of \$500,000 with a pool aggregate of \$2,500,000. Various sublimits of up to \$250,00 apply to **Crisis Management Services, Counseling, Medical Expenses, Accidental Death, Funeral Expenses, Business Interruption, and Threat Response.**

### IDENTITY FRAUD PROTECTION

Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a **limit of \$25,000 to reimburse many of the costs and expenses associated with identity recovery**, including lost wages, attorney fees, and document replacement fees.

Employees as well as their immediate family members have 24/7 access to an expert fraud specialist to provide unlimited assistance in restoring a victim's identity. They also have access to online educational resources providing tips, information, and steps to avoid becoming a victim of identity theft. SCORE members will receive step-by-step guidance through the resolution process, 3-in-1 credit reporting, as well as one year of free credit, cyber and fraud monitoring in the event of a fraud incident.





## SERVICES

### PROGRAM ADMINISTRATION

Alliant Insurance Services provides overall program administration, including meeting agendas, underwriting, and management of governing documents and policies. In addition, Alliant provides consultation and advice regarding:

- Insurance requirements in contracts
- Certificates of insurance and endorsements
- Safety Grant applications
- **Best Practices for Municipal Risk Management**



### CLAIMS MANAGEMENT



Sedgwick (formally York Risk Services) provides claims management for both the Liability and Workers' Compensation Programs. The Sedgwick claims examiner is responsible for advising the member on the merits of each claim and the appropriate action to be taken, as well as providing for necessary investigation of claims and oversight of legal defense. **Sedgwick manages litigated claims based on SCORE's Litigation Management Guidelines** using a group of select attorneys chosen for their skill in public entity defense of Liability and Workers' Compensation claims.

### RISK MANAGEMENT

SCORE hired DKF Solutions in 2014 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and recommend policies, procedures, and training to address their individual needs. As a result, **members are receiving more direct assistance in managing their operations** in ways that reduce the frequency and severity of claims.

Consulting by DKF Services includes:

- Hotline Services – call with any safety question
- Hazard & Safety Assessments
- Program/Policy Development
- On-site Training
- My Safety Officer
- Webinars – on a variety of Risk Management Topics
- Training Matrix – details the type and frequency of training required for member employees



### VECTOR SOLUTIONS & MY SAFETY OFFICER



SCORE members have access to two separate, comprehensive online training platforms for ensure compliance with OSHA, fire safety training, and ethics requirements. **Vector Solutions offers an online based training platform** members can access remotely while My Safety Officer is a service offered by DKF which helps to track training completed.

### LEXIPOL

SCORE law enforcement agencies are provided Lexipol policy and training services. Lexipol provides comprehensive, defensible public safety policy content and integrated policy training. The **Daily Training Bulletins (DTB) bring the manual into practice through real-life, scenario-based training exercises** emphasizing high-risk, low frequency events. DTBs often qualify for continuous training certification.



## SERVICES

### CONFERENCE ATTENDANCE

SCORE encourages sponsorship of members for attendance at the Annual PARMA, CAJPA, PRIMA or other Risk Management Conferences. **Annually members are allotted \$1,000 in Conference Training funds** to be used towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost controlling mechanisms.



### SEMINARS AND TRAINING SESSIONS

Selection of topics determined annually by the Board and Members, including:

- DKF Solutions: on-site sessions covering ergonomics, OSHA compliance, wastewater safety policies, customized training and email communications
- Workers' Compensation topics offered through LAWCX, including job analysis, interactive process training, and back to work programs.
- Regional Workshops: SCORE conducts regional workshops on pertinent safety topics. Topics for 2019 consisted of OET Traffic Control/Flagger Training, Fall Protection Competent Person, How to Audit Your SSMP to SWRCB Standards, as well as New Employee Orientations: A Standardized Solution for HR, Safety and Job Skills.
- **Employment Practices Liability: training provided through ERMA** on a wide variety of employment topics, including annual legal updates, supervision, and hiring practices.

### WEBSITE

SCORE website resources, including a Risk Management tab where members can access Risk Management information, including recommended policies, procedures, and best practices. Please take a moment to visit our website at: [www.scorejpa.org](http://www.scorejpa.org)

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**SCOREJPA.org**

Small Cities Organized Risk Effort - A Joint Powers Authority



# FINANCIAL STATEMENTS

## STATEMENT OF NET POSITION

Small Cities Organized Risk Effort  
Combining Statement of Net Position  
As Of June 30, 2022

<b>ASSETS</b>	<b>Liability</b>	<b>Workers' Compensation</b>	<b>Other Programs</b>	<b>Total</b>
<b>Current Assets</b>				
Cash & Equivalents	3,239,540	3,593,769	21,723	6,855,033
Accrued Interest	26,348	29,992	188	56,528
Contributions Receivable	142,565	145,833	25,106	313,504
Investments	682,327	768,652	4,844	1,455,823
Other Receivable	31,192	18,255	-	49,447
Prepaid Assets	3,975	5,270	2,304	11,549
<b>Total Current Assets</b>	<b>4,125,947</b>	<b>4,561,771</b>	<b>54,166</b>	<b>8,741,884</b>
<b>Noncurrent Assets</b>				
Investments	4,684,842	5,332,864	33,444	10,051,150
<b>Total Noncurrent Assets</b>	<b>4,684,842</b>	<b>5,332,864</b>	<b>33,444</b>	<b>10,051,150</b>
<b>Total Assets</b>	<b>8,810,790</b>	<b>9,894,634</b>	<b>87,610</b>	<b>18,793,034</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	17,936	63,745	264	81,945
Dividend Payable	271,066	204,305	30,966	506,337
Deferred Revenue	1,237	-	-	1,237
Claims Reserves	596,805	904,582	-	1,501,387
<b>Total Current Liabilities</b>	<b>887,044</b>	<b>1,172,632</b>	<b>31,230</b>	<b>2,090,906</b>
<b>Noncurrent Liabilities</b>				
LAWCX	-	77,757	-	77,757
Unpaid Claims and Claims Adjustments	1,252,428	4,743,835	-	5,996,262
<b>Total Noncurrent Liabilities</b>	<b>1,252,428</b>	<b>4,821,592</b>	<b>-</b>	<b>6,074,019</b>
<b>Total Liabilities</b>	<b>2,139,472</b>	<b>5,994,223</b>	<b>31,230</b>	<b>8,164,925</b>
<b>NET POSITION</b>	<b>6,671,318</b>	<b>3,900,411</b>	<b>56,380</b>	<b>10,628,108</b>

## SUMMARY OF RESULTS

- Total Assets increased \$799,601, or 4.4%, to \$18,793,034, as compared to \$17,993,433 on June 30, 2021.
- Total Liabilities increased \$911,688, or 12.6%, from \$7,253,237 to \$8,164,925.
- Net Position decreased by \$112,087, or 1%, from \$10,740,196 to \$10,628,108.
- Both the Liability and Workers' Compensation Programs continue to meet their financial benchmarks, including Net Position to SIR ratios of 9:1 and 15:1, respectively.

Unaudited Results – Audit Presented January 2023



## STATEMENT OF REVENUES AND EXPENSES

Small Cities Organized Risk Effort  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For The Year To Date Ended June 30, 2022

REVENUES:	Liability	Workers' Compensation	EPLI, EAP, & Property (Other Programs)	Total
Contributions	1,905,718	2,576,725	1,267,330	5,749,773
Other Income	2,478			2,478
Member Assessments	11,938	-	-	11,938
Other Income	-	-	-	-
Investment Income	105,289	120,604	-	225,893
Miscellaneous Income		-	-	-
Total Revenues	<u>2,025,423</u>	<u>2,697,330</u>	<u>1,267,330</u>	<u>5,990,083</u>
EXPENSES:				
Operating				
Claims Expense	346,000	1,240,521	-	1,586,521
Excess Insurance	535,945	416,140	1,267,572	2,219,657
Program Administration	118,753	160,566	-	279,319
Claims Administration	83,587	104,590	-	188,177
Retro Dividends	-	-	-	-
General and Administrative	238,416	201,039	6,948	446,403
Total operating expenses	<u>1,322,701</u>	<u>2,122,856</u>	<u>1,274,520</u>	<u>4,720,076</u>
Operating Income (Loss)	702,723	574,474	(7,190)	1,270,007
Nonoperating Income (Loss)				
ERMA Dividend Exp	-			-
Member Dividends	(366,526)	(264,092)		(630,618)
Investment income	<u>(350,263)</u>	<u>(401,213)</u>	<u>-</u>	<u>(751,475)</u>
Net Income (Loss)	(14,066)	(90,831)	(7,190)	(112,087)
Beginning Net Position	<u>6,685,383</u>	<u>3,991,242</u>	<u>63,570</u>	<u>10,740,195</u>
Ending Net Position	<u>6,671,317</u>	<u>3,900,411</u>	<u>56,380</u>	<u>10,628,108</u>

## SUMMARY OF RESULTS

- Total claims expenses were \$1,586,521 and increase from \$951,755 in FY 20/21 but significantly less than the \$2,101,547 paid in FY 20/21. The decrease in FY 20/21 was largely due to COVID impacts on claims payments and the frequency for both liability and Workers' Compensation. Workers' Compensation claims paid were \$1,240,521 and the Liability Program paid \$346,000.
- Total revenues for the year were \$5,749,733, an increase of 5.7% over FY 20/21 revenues of \$5,309,805, largely driven by increases in payroll and rates for liability and property coverage.
- Both programs, while reflecting the volatile nature of the risks they cover, have maintained steady to above average results over the past five years.



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