

SMALL CITIES ORGANIZED RISK EFFORT FY 20/21 ANNUAL REPORT



SCORE Program Administrators
Alliant Insurance Services, Inc.
www.alliantinsurance.com
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LETTER TO OUR MEMBERS

Dear Members,

I am pleased to present SCORE's FY 20/21 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 is extremely challenging. SCORE was first formed in the 1980's when public entities either could not obtain liability insurance, or it was prohibitively expensive. **The pool concept has continued to show its value as insurance markets have changed** over the subsequent decades. Currently, the liability insurance market is difficult with rising costs and increasing jury awards. The property insurance market is seeing regular double digit increases with lower limits and large wildfire deductibles. The COVID epidemic has created even more uncertainty and loss, adding extreme stress in the economy, changing business practices and potentially increasing losses.

Even with those challenges, **SCORE remains in strong financial shape** and has delivered with programs and services to manage member risks by providing expert claims management, timely and useful training, and professional consulting services. SCORE's **continued achievement of CAJPA's Accreditation with Excellence** is a reflection of its sound policies and practices in providing stable funding and valuable risk management services.

The Liability Program continues to remain stable due in part to SCORE's strong risk and claims management resources. **Net Income was \$63,264, increasing Net Position to over \$6 million.** Estimated liabilities increased to \$1,829,303 from \$1,075,064, largely due to one significant claim. Even accounting for this increase, the Program has maintained assets that will enable SCORE to take on a higher retention should it become necessary or cost-effective. And in a challenging environment that is seeing other pools increase funding by 20% or more, the rate for FY 20/21 funding increased by 4.9% while maintaining the funding confidence level at 75% and returning \$260,036 to members in dividends.

The Workers' Compensation Program continues to offer stable pricing while maintaining funding at a conservative 80% confidence level. Total premium increased 5%, in addition to a 5% increase in member payroll, based on excess insurance and increasing severity for cumulative and presumption claims. **Net Position increased by \$492,797, or 20%,** from \$2,469,797 to \$2,962,591, building on the 21% increase in FY 19/20. This was due in part to increases in funding and investment income. These results enabled SCORE to **return \$167,494 to members in dividends.**

While Members are facing what may seem to be unprecedented challenges in managing their operations, for over 30 years SCORE has been a reliable and trusted resource. By pooling risks Members are able to access 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,



Steven Baker
SCORE President
December 2, 2019



Steve Baker
SCORE Board President

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.

OPERATING HIGHLIGHTS

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

- Online training through Target Solutions and DKF Solutions
- Police Policy updates and training through Lexipol
- 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:

Member	Board Director	Alternate
<i>City of Biggs*</i>	Roger Frith	Nathan Wilkinson
<i>City of Colfax*</i>	Wes Heathcock	Laurie Van Groningen
<i>City of Dunsmuir*</i>	Todd Juhasz	Blake Michaelsen
<i>City of Etna*</i>	Lori Fleck	TBD
<i>City of Isleton*</i>	Robert Jankovitz	Romi Balbini
<i>City of Live Oak*</i>	Aaron Palmer	Luis Cibrian
<i>Town of Loomis*</i>	Roger Carroll	Cricket Strock
<i>City of Loyalton*</i>	Kathy LeBlanc	Nancy Rogers
<i>City of Montague*</i>	Sara Kleier	David Dunn
<i>City of Mount Shasta</i>	Bruce Pope	Muriel Howarth Terrell
<i>City of Portola*</i>	Lauren Knox	Susan Scarlett
<i>City of Rio Dell</i>	Kyle Knopp	Karen Dunham
<i>City of Shasta Lake</i>	John Duckett	Wendy Howard
<i>City of Susanville*</i>	Debi Savage	Gwenna Macdonald
<i>City of Tulelake</i>	Penny Velador	Jenny Coelho
<i>City of Weed</i>	Emily Coulter	Diana Howard
<i>City of Yreka*</i>	Steve Baker	Rhetta Hogan
<i>*Founding Members</i>		

EXECUTIVE COMMITTEE

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

Member	Name	Position
<i>City of Yreka</i>	Steve Baker	President
<i>City of Colfax</i>	Wes Heathcock	Vice President
<i>Town of Loomis</i>	Roger Carroll	Treasurer
<i>City of Shasta Lake</i>	John Duckett	Secretary
<i>City of Dunsmuir</i>	Blake Michaelsen	Member-at-large

MEMBERS PARTICIPATING IN EACH PROGRAM

FISCAL YEAR 20/21

MEMBER CITY	Liability	Property (APIP)	PRISM Pollution	Work Comp	ERMA (EPL)	ACI EAP	Special Events	Crime (ACIP)	Crime (ID Fraud)	Alliant Mobile Vehicle (AMVP)	Contractor's Equipment (APIP)	Auto (APIP)	Vehicle Valuation (APIP)
Deductible		\$5,000	\$75,000		\$25,000			\$2,500 \$25,000*	\$0	\$1,000 = X \$2,000 = XX	\$5,000* \$10,000	\$5,000* \$10,000	
Expiration Date	6/30/21	7/1/21	7/1/21	6/30/21	7/1/21	9/15/21	1/1/21	7/1/21	7/1/21	7/1/21	7/1/21	7/1/21	
Biggs	X	X	X	X	X	X	X	X	X		X	X	RC
Colfax	X	X	X	X	X	X	X	X	X		X	X	RC
Dunsmuir	X	X	X	X	X	X	X	X	X			X	Both ACV & RC
Etna	X	X		X		X	X		X	XX		X	RC
Isleton	X	X				X	X		X		X*	X*	RC
Live Oak	X	X	X	X	X	X	X	X	X			X	RC
Loomis	X	X	X	X	X	X	X	X	X	XX		X	ACV
Loyalton	X	X	X	X		X	X	X	X		X	X	RC
Montague	X	X	X	X			X	X	X		X	X	RC
Mount Shasta	X	X	X	X	X	X	X		X	XX		None	None
Portola	X	X	X	X	X	X	X		X	X	X	X	RC
Rio Dell	X	X	X	X	X		X	X	X		X	X	ACV
Shasta Lake	X	X	X	X	X	X	X	X	X		X	X	ACV
Susanville	X	X	X	X	X	X	X		X		X	X	RC
Tulelake	X	X	X	X	X	X	X		X			X	RC
Weed	X	X	X	X	X	X	X	X*	X	XX	X	X	ACV
Yreka	X	X	X	X	X	X	X	X	X		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 Redwoods in Rio Dell
Redwood National Park



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><u>Excess Layer</u></p> <p>Excess Insurance: \$5,000,000 to \$40,000,000</p> <p>EPL Coverage Limit: \$10,000,000</p> <p>CJPRMA Members: \$500,000 to \$5,000,000</p>
<p><u>Shared Risk Layer</u></p> <p>SCORE members: \$25,000 to \$500,000</p>
<p><u>Banking Layer</u></p> <p>Member Entity: \$0 to \$25,000</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).

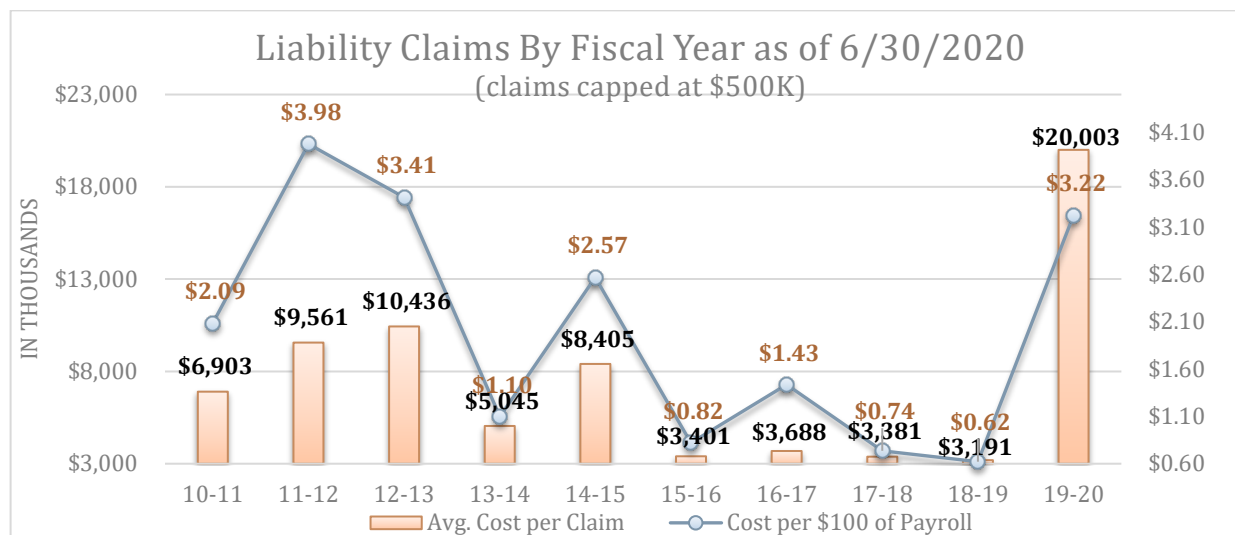


CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY

CJPRMA members pool risk up to \$5,000,000 and purchase excess reinsurance for total limits of \$40,000,000, inclusive of SCORE's retained limit of \$500,000 per occurrence. **As a result of sharing risk to \$5,000,000, CJPRMA is largely insulated from fluctuating insurance market conditions.** In addition, members share in dividends declared when CJPRMA exceeds its funding goals.

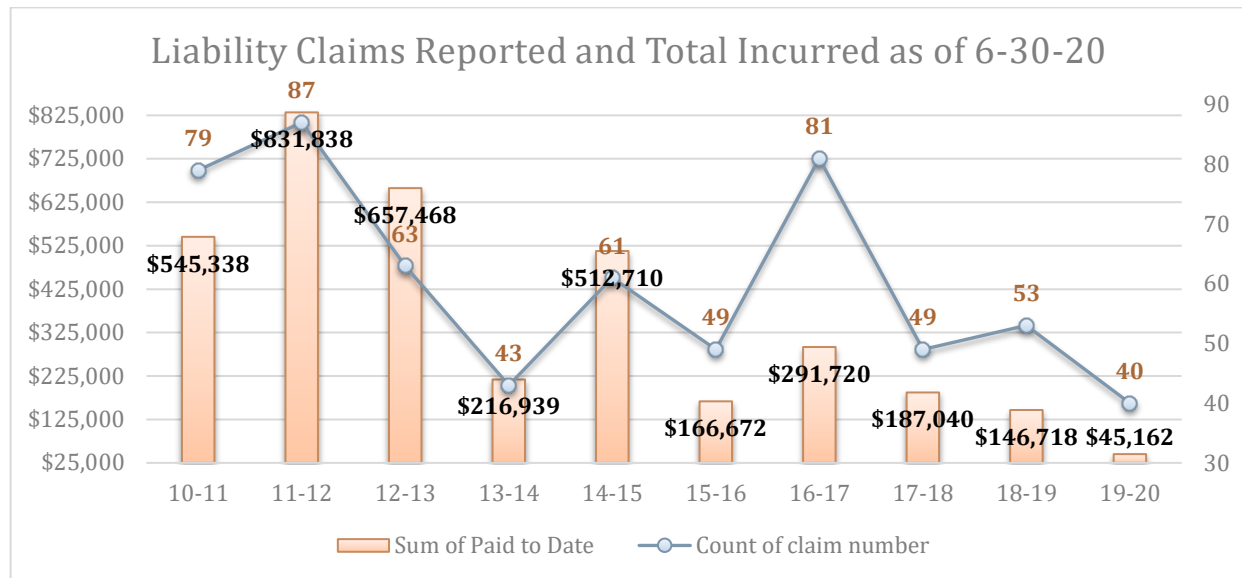
OPERATING HIGHLIGHTS

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 sharp increase, from \$.62 in FY 18/19 to \$3.22 in FY 19/20. 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 members over the last 10 program years. Of note, while the **total incurred has decreased** and remained below the high of \$832,000 in FY 11/12, the **frequency of claims has been volatile** over the last few years, 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 9.5%, from \$1,542,925 in FY 19/20 to \$1,645,113 in FY 20/21. Member payroll accounted for 7.3% of the increase and in 2019 the Board approved to increase the Confidence Level to 75% as the rates were favorable. 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. Annually the Board of Directors reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment.

OTHER LIABILITY COVERAGES

Employment Practices Liability (EPL)

SCORE members have chosen not to cover Employment Practice Liability (EPL) within their \$500,000 limit of coverage, but EPL is part of the excess coverage provided by CJPRMA. Those members who want coverage within the \$500,000 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 2020 SCORE received dividends from ERMA of \$13,606, 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



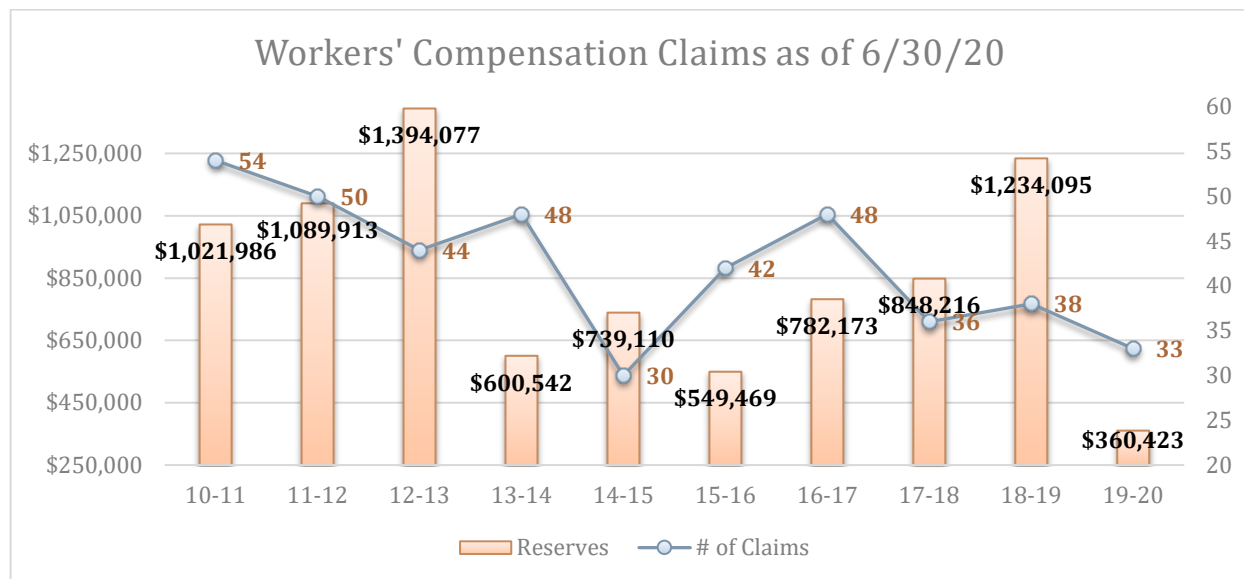
<p><u>Excess Layer</u></p> <p>Excess Insurance: \$5,000,000 to Statutory</p> <p>LAWCX Members: \$250,000 to \$5,000,000</p>
<p><u>Shared Risk Layer</u></p> <p>SCORE members: \$25,000 to \$250,000</p>
<p><u>Banking Layer</u></p> <p>Member Entity: \$0 to \$25,000</p>

Similar to 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).

Annually the Claims Management Team, Sedgwick has provided a "Fall into Education" Training Conference available to all SCORE members free of cost designed to enhance knowledge about the Workers' Compensation Claims processes and increase Risk Management and Return to Work efforts.

OPERATING HIGHLIGHTS

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

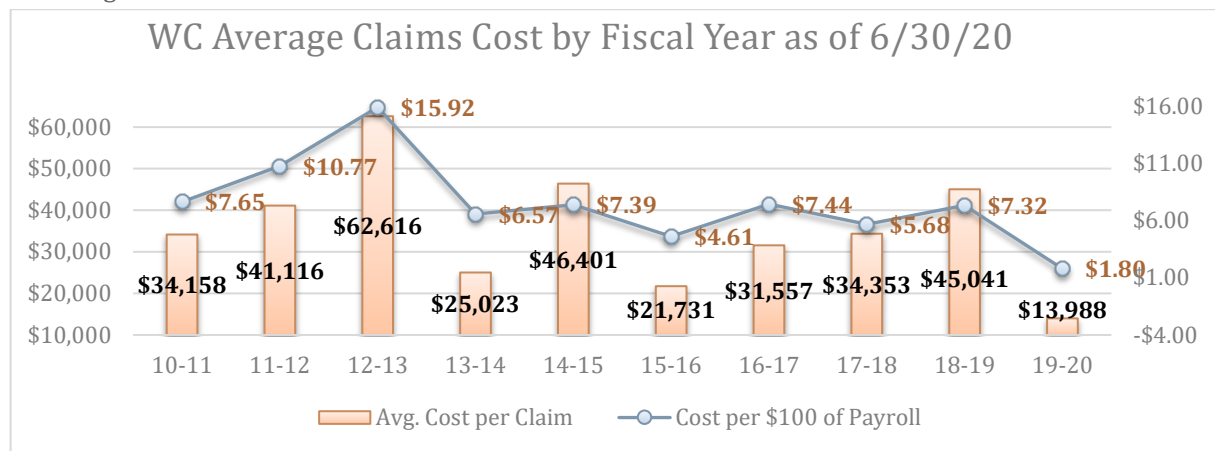


WORKERS' COMPENSATION PROGRAM

Total frequency has fluctuated in the last few years, from a high of 54 claims in FY 10/11 to a low of 30 claims in FY 14/15. While claim frequency has decreased total severity has remained below \$1.3M in recent years, just under the most expensive year of FY 12/13. **SCORE members chose to increase the confidence level to 80% in FY 19/20 and that has increased funding stability.** These recent financial 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 from \$2,256,898 in FY 19/20 to \$2,476,230 in FY 20-21, before dividends, and represents an increase of 9.7% over the prior year, including an increase in payroll of 5%. Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment.



After several years of steadily rising costs, the Workers' Compensation Program has seen some volatility but **decreased average costs overall due to 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.



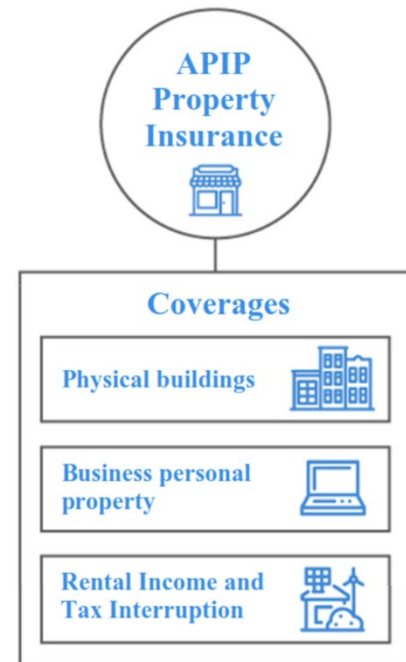
View of Mount Shasta

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
- \$10,000 deductible per claim
- **Rental Income and Tax Interruption**
- Auto Coverage with optional Replacement Cost, with a \$10,000 deductible
- 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
- 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.

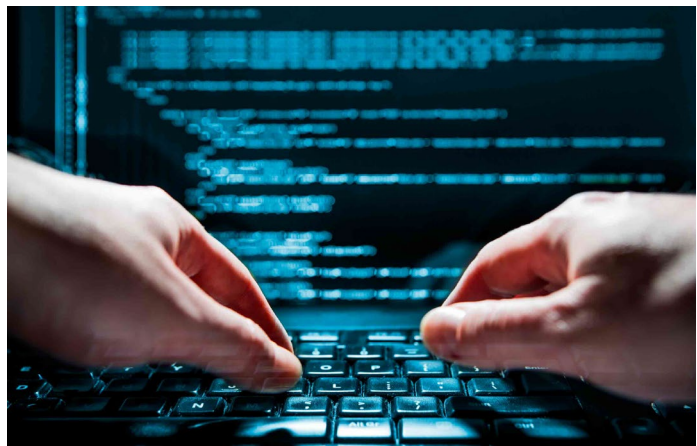


POLLUTION LIABILITY – CSAC EIA Pollution Program

- 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.

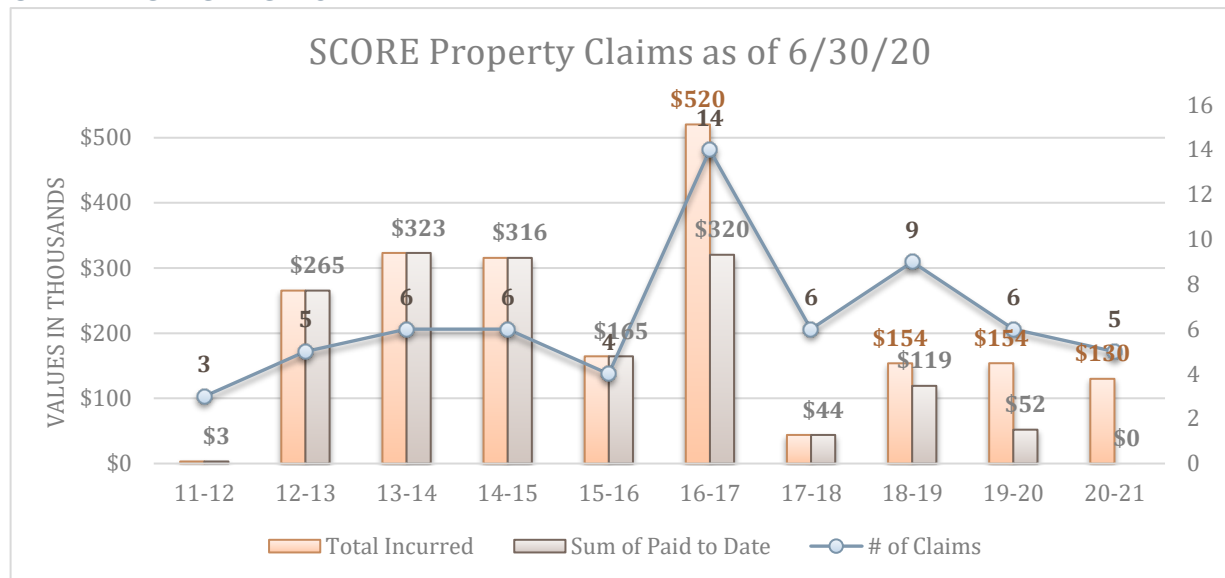
CYBER LIABILITY

- 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.



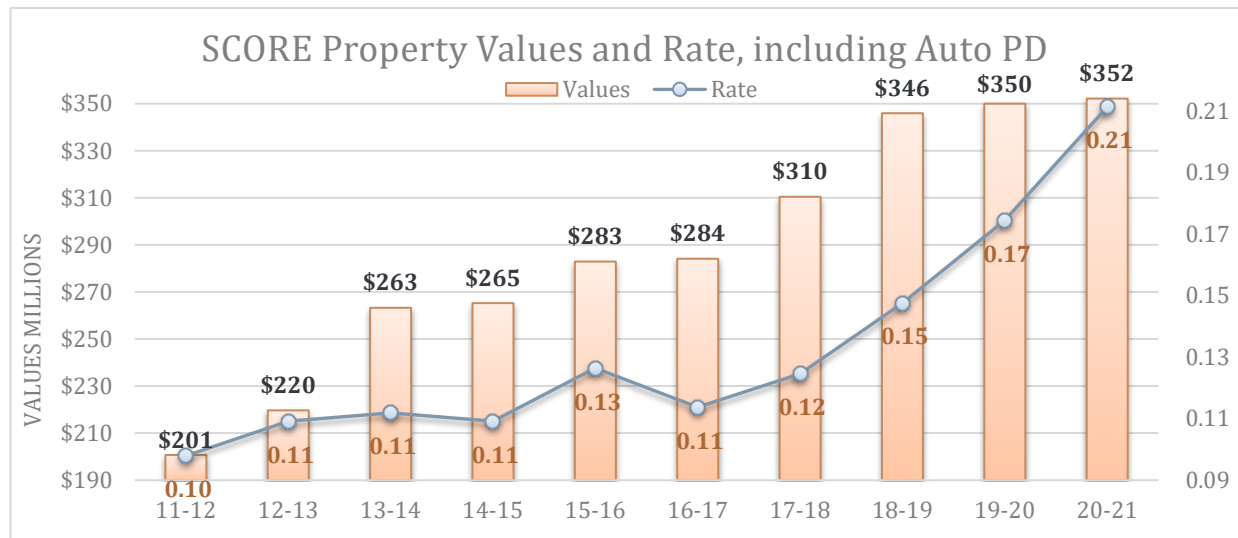
PROPERTY PROGRAM

OPERATING HIGHLIGHTS



As of December 31, 2020, all claims prior to FY 15/16 have closed and there are only seven (7) total Property Claims open — one claim in FY 16/17, three claims in FY 19/20 and three claims in FY 20/21.

FINANCIAL HIGHLIGHTS



The SCORE Property Program's Total Insured Values increased from \$350,006,110 to \$352,697,891 in FY 20/21 as a result of trending members Real and Personal Property at each member's location to ensure that locations are appropriately valued. The overall rate for property increased from \$0.17 per \$100 of value for FY 19/20 to \$0.21 per \$100 of value for FY 20/21 due to increasing rates in the property program.

LOOKING AHEAD

Property Appraisals of buildings are conducted every five years to maintain accurate valuations. Members received property appraisals prior to the FY 20/21 renewal to help ensure accurate valuation while Property insurance rates are increasing. 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 with the exception of 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 specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides a Risk Equipment coverage including earthquake and flood for scheduled 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 (not new for old). The deductible varies for each member as selected.

Currently six of the eighteen SCORE Members are enrolled in this program: Cities of Etna, Live Oak, Mt. Shasta, Portola, Weed and the Town of Loomis.



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 of 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

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



TARGET 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. **Target 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 LAWEX, 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

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Small Cities Organized Risk Effort - A Joint Powers Authority



FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

SMALL CITIES ORGANIZED RISK EFFORT COMBINING SCHEDULE OF NET POSITION BY PROGRAM JUNE 30, 2020

	Liability	Workers' Compensation	Other Programs	Total
ASSETS				
Current Assets				
Cash and cash equivalents (Note 2)	\$1,757,293	\$1,816,954	\$17,572	\$3,591,819
Receivables:				
Contributions	27,819	13,786		41,605
Interest	32,717	33,819	335	66,871
Other	31,192	404,206		435,398
Investments maturing within one year	547,035	565,460	5,595	1,118,090
Prepaid expenses	3,405	4,980	1,152	9,537
Total current assets	2,399,461	2,839,205	24,654	5,263,320
Noncurrent Assets				
Investments, excluding portion maturing in one year	5,327,781	5,507,238	54,497	10,889,516
Receivables:				
Contributions	132,958			132,958
Total current assets	5,460,739	5,507,238	54,497	11,022,474
Total assets	7,860,200	8,346,443	79,151	16,285,794
LIABILITIES				
Current Liabilities				
Accounts payable	5,601	29,763		35,364
Dividends payable to members	5,835			5,835
Current portion of unpaid claims and claim adjustment expenses	587,039	862,789		1,449,828
Total current liabilities	598,475	892,552		1,491,027
Noncurrent Liabilities				
Accounts payable		103,675		103,675
Unpaid claims and claim adjustment expenses	1,242,264	4,387,625		5,629,889
Total noncurrent liabilities	1,242,264	4,491,300		5,733,564
Total liabilities	1,840,739	5,383,852		7,224,591
NET POSITION				
Net position - unrestricted	\$6,019,461	\$2,962,591	\$79,151	\$9,061,203

SUMMARY OF RESULTS

- Total Assets increased \$1,649,983, or 10.1%, to \$16,285,794, as compared to \$14,635,811 on June 30, 2019.
- Total Liabilities increased by \$1,095,022 (15.2%), from \$6,129,569 to \$7,224,591.
- **Net Position increased by \$554,961 (6.1%), from \$8,506,242 to \$9,061,203.**
- Both the Liability and Workers' Compensation Programs continue to meet their financial benchmarks, including Net Position to SIR ratios of 12:1 and 13:1, respectively.

FINANCIAL STATEMENTS

STATEMENT OF REVENUES AND EXPENSES

SMALL CITIES ORGANIZED RISK EFFORT COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM FOR THE YEAR ENDED JUNE 30, 2020

	Liability	Workers' Compensation	Other Programs	Total
OPERATING REVENUES				
Member contributions	\$1,549,246	\$2,256,898	\$715,682	\$4,521,826
Member assessments	17,508			17,508
Total operating revenues	1,566,754	2,256,898	715,682	4,539,334
OPERATING EXPENSES				
Provision for claims and claim adjustment expenses	955,535	1,146,012		2,101,547
Insurance premiums	214,110	333,103	715,683	1,262,896
Program administration	110,235	158,238		268,473
Claims administration	101,440	102,530		203,970
Member dividends	260,036	167,494		427,530
General and administrative	187,811	196,702	1,100	385,613
Total operating expenses	1,829,167	2,104,079	716,783	4,650,029
Net operating income	(262,413)	152,819	(1,101)	(110,695)
NON-OPERATING REVENUES				
Investment income	325,677	339,978		665,655
Change in net position	63,264	492,797	(1,101)	554,960
Net position, beginning of year	5,956,197	2,469,794	80,252	8,506,243
NET POSITION, END OF YEAR	\$6,019,461	\$2,962,591	\$79,151	\$9,061,203

SUMMARY OF RESULTS

- Total claims expenses were \$2,101,547 up from \$1,308,732 in FY 19/20 due to an increase in Liability Program reserves. That made the distribution of the claims expenses relatively similar, with Workers' Compensation at \$1,146,012 and the Liability Program at \$955,535.
- Expenses during the year included **dividends to members totaling \$427,530**.
- Total revenues for fiscal year ending 2020 were \$4,539,334, an increase of 2.5% from fiscal year ending 2019 at \$4,426,540.
- Both programs, while reflecting the volatile nature of the risks they cover, have maintained steady to above average results over the past five years.

PROGRAM ADMINISTRATION CONTACT INFORMATION

CONOR BOUGHEY
FIRST VICE PRESIDENT



Tel 415-403-1411
Fax 916-643-2750
Conor.Boughey@alliant.com

MARCUS BEVERLY
FIRST VICE PRESIDENT



Tel 916-643-2704
Fax 916-643-2750
Marcus.Beverly@alliant.com

MICHELLE MINNICK
ACCOUNT MANAGER



Tel 916-643-2715
Fax 916-643-2750
Michelle.Minnick@alliant.com

MICHAEL SIMMONS
VICE CHAIRMAN,
PUBLIC ENTITIES



Tel 415-403-1425
Cell 925-708-3374
msimmons@alliant.com

Company Information

Alliant Insurance
Services, Inc.
2180 Harvard Street,
Suite 460
Sacramento, California 95815

Tel (916) 643-2700

Fax (916) 643-2750

www.alliantinsurance.com

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