



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT

**DATE ISSUED:** November 23, 2016

**REPORT NO:** HCR16-095

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of December 2, 2016

**SUBJECT:** 2017 Procurement of Workers' Compensation Insurance Coverage

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego approve the procurement of workers' compensation insurance coverage from the California Housing Workers' Compensation Authority in an amount not to exceed \$330,059, with effective dates of January 1, 2017, to December 31, 2017.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) authorize the Housing Commission President & Chief Executive Officer (President & CEO) to approve the procurement of workers' compensation insurance coverage for the Housing Commission from the California Housing Workers' Compensation Authority (CHWCA) in an amount not to exceed \$330,059, with effective dates of January 1, 2017, to December 31, 2017.

### **SUMMARY**

Housing Commission staff is asking for authorization to procure workers' compensation insurance coverage from CHWCA in an amount not to exceed \$330,059, with effective dates of January 1, 2017, to December 31, 2017. The Housing Commission currently procures its workers' compensation insurance coverage from the CHWCA insurance pool. The rates are good this year, and expected losses for the program as whole have decreased, according to the Actuary's 2017 report.

The Housing Commission has been recognized by CHWCA for achieving a level of workplace safety that reduces its premium for workers' compensation insurance. Attachment 1 is the 2015 Agency Safety Award for Large Agency Most Improved Uncapped Experience Modification Factor from CHWCA, which the Housing Commission received on May 24, 2016. "Experience modifier" or "experience modification" is a term used in insurance business and more specifically in workers' compensation insurance. It is the adjustment of annual premium based on previous loss experience.

Attachment 2 is the 2017 budget model that was recommended for approval at the November 10, 2016, CHWCA Executive Committee Meeting. The overall budget includes a 1.5 percent premium decrease from last year; however, the Housing Commission's 2017 premium will be \$330,059, a decrease of approximately

3 percent from last year's premium of \$340,096. This reduction is largely due to a nearly flat rate renewal across class codes and a decrease in the Housing Commission's workers' compensation claims. The number of Housing Commission employees has increased in the last two years; however, the premium has decreased due to the agency-wide successful efforts to decrease loss experience.

In order to ensure that the Housing Commission has the most comprehensive and price competitive coverage available, in 2014 staff marketed the Housing Commission's workers' compensation insurance coverage through its insurance broker, Alliant Insurance Services (Alliant). Alliant identified and solicited quotes from 17 potential insurers in addition to CHWCA. Weighing all factors, Alliant staff recommended that the Housing Commission remain a member of CHWCA for the 2015 policy year, and Housing Commission staff concurred. On November 21, 2014, the Housing Commission Board authorized the President & CEO to approve the procurement of workers' compensation insurance coverage from CHWCA with effective dates of January 1, 2015, to December 31, 2015 (HCR14-103).

Based upon this competitive process for the January 1, 2015, renewal, staff does not recommend a new competitive process again for the policy year beginning January 1, 2017. Generally, staff considers it a best practice to remarket its insurance coverages every three years to continue to obtain the most competitive pricing. Staff recommends procuring coverage from CHWCA for the Calendar Year 2017 policy year renewal based on a combination of pricing, continuity of coverage, coverage terms, exclusions, policy form, sub-limits and the fact that the policy was competitively marketed for the policy year beginning January 1, 2015.

**2015 – 2016**

NUMBER OF EMPLOYEES			
		CHANGES	
2015	2016	AMOUNT	PERCENTAGE
275	298	23	8%
EX MOD FACTOR			
		CHANGES	
2015	2016	AMOUNT	PERCENTAGE
0.917	0.667	-0.250	-27%
PREMIUM			
		CHANGES	
2015	2016	AMOUNT	PERCENTAGE
\$ 462,282	\$ 340,906	\$ (121,376)	-26%

**2016 - 2017**

NUMBER OF EMPLOYEES			
		CHANGES	
2016	2017	AMOUNT	PERCENTAGE
298	315	17	6%
EX MOD FACTOR			
		CHANGES	
2016	2017	AMOUNT	PERCENTAGE
0.667	0.580	-0.087	-13%
PREMIUM			
		CHANGES	
2016	2017	AMOUNT	PERCENTAGE
\$ 340,906	330,059	(10,847)	-3%

**FISCAL CONSIDERATIONS**

The proposed Fiscal Year (FY) 2017 funding sources and uses approved by this action were approved by the Housing Authority in the FY 2017 Budget. Approving this action will not change the FY 2017 Total Budget.

Funding sources for the portion of the policy year from July 1, 2017, to December 31, 2017, will be budgeted in FY 2018.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On November 20, 2015, the Housing Commission Board of Commissioners authorized the President & CEO to approve the procurement of workers' compensation insurance coverage from CHWCA with effective dates of January 1, 2016, to December 31, 2016.

On December 8, 2015, the Housing Authority of the City of San Diego authorized the Housing Commission's President & CEO to approve the procurement of workers' compensation insurance coverage from CHWCA, with effective dates of January 1, 2016, to December 31, 2016.

**ENVIRONMENTAL REVIEW**

The purchase of insurance is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. This activity is also exempt from the National Environmental Policy Act (NEPA) pursuant to Section 58.34(a)(6) of the Title 24 Code of Federal Regulations.

Respectfully submitted,

*Tracey McDermott*

Tracey McDermott  
Vice President &  
Chief Financial Officer  
Financial Services Department

Approved by,

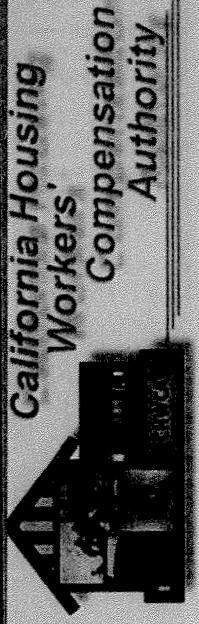
*Jeff Davis*

Jeff Davis  
Executive Vice President &  
Chief of Staff  
San Diego Housing Commission

Attachments:

- 1) 2015 Agency Safety Award – Large Agency Most Improved Uncapped Experience Modification Factor
- 2) CHWCA Executive Committee Meeting 2017 Budget Model
- 3) 2016 Insurance Summary

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)



CALIFORNIA HOUSING  
WORKERS' COMPENSATION AUTHORITY

# 2015 Agency Safety Award

This award is presented to

*San Diego  
Housing Commission*

*Large Agency Most Improved Uncapped  
Experience Modification Factor*

*Adrienne Beatty*  
Adrienne Beatty, CHWCA Executive Director

*5/24/16*  
Date

**Cash for SAFETY**  
**CULTURE**  
Change Happens One Idea At A Time

California Housing Workers' Compensation Authority

2017 Proposed Operating Budget

At the 80% Confidence Level - \$250,000 SIR - 2.0% Discount Factor  
 Mid-layer Pool to Fund Losses from \$250k - \$500k

	Prior Year - 2016		2017 Proposed Budget	Incr/(Decr) Over P/Y Budget	% Change
	Projected Actual	Approved Budget			
<b>Claims Expenses</b>					
Pooled Losses \$0-\$250k	\$3,431,820	\$3,431,820	\$3,241,920 *	(189,900)	-5.5%
Excess Coverage \$500k-Statutory	577,022	574,230	604,330	30,100	5.2%
Claims Servicing	368,376	368,380	375,750	7,370	2.0%
Dept. of Self-Insurance Assessment	72,420	90,000	90,000	0	0.0%
<b>Total Claims Expenses</b>	<b>4,449,638</b>	<b>4,464,430</b>	<b>4,312,000</b>	<b>(152,430)</b>	<b>-3.4%</b>
<b>Administrative Expenses</b>					
<b>General Administrative Expenses:</b>					
Program Administration	450,635	450,635	467,000	16,365	3.6%
Meetings & Conferences	38,000	40,000	43,000	3,000	7.5%
<i>Executive Committee Meetings</i>	0	4,000	0		
<i>RMC Committee Meetings</i>	0	1,000	0		
<i>Annual Meeting</i>	31,000	35,000	40,000		
<i>Executive &amp; RMC Committee Meetings</i>	7,000		3,000		
Financial Audit	13,645	13,645	13,900	255	1.9%
Legal Services	8,500	10,000	10,000	0	0.0%
Actuarial Study	8,620	8,620	8,750	130	1.5%
Fidelity Bond/E & O	2,700	3,000	3,000	0	0.0%
Website Maintenance	600	600	600	0	0.0%
CAJPA Accreditation	0	0	0	0	0.0%
Investment Services	19,250	22,000	22,000	0	0.0%
Bank Fees	4,600	4,600	4,600	0	0.0%
Miscellaneous	450	3,000	3,000	0	0.0%
<b>Safety and Loss Control:</b>					
Safety Program Awards	12,000	18,000	18,000	0	0.0%
Safety On-line Training	6,550	3,750	0	(3,750)	-100.0%
Regional Training	0	0	0	0	
Virtual Safety Manager Program	29,700	0	59,400	59,400	
<b>Total Administrative Expenses</b>	<b>595,250</b>	<b>577,850</b>	<b>653,250</b>	<b>75,400</b>	<b>13.0%</b>
<b>Total Deposit Premium</b>	<b>\$5,044,888</b>	<b>\$5,042,280</b>	<b>\$4,965,250</b>	<b>(\$77,030)</b>	<b>-1.5%</b>

\* Premiums reflect the withdrawal of Riverside HA (merged with the County of Riverside), and the merge of Upland HA into the HA of the County of San Bernardino. Both changes are effective 1/1/2017.

# California Housing Workers' Compensation Authority

## 2017 Proposed Operating Budget

### Program Contribution by Member

At the 80% Confidence Level - \$250,000 SIR - 2.0% Discount Factor

Member	Pooled Losses \$1-\$250k	Excess Coverage \$500k - Statutory ***	Claims Servicing	DIR Assessment	Allocation of Administration Costs			TOTAL DEPOSIT PREMIUM	Prior Year Comparison	
					30% Equal Allocation	70% Variable Allocation	Total Administration		Prior Year Contribution	Percent Change
Alameda City	\$18,802	\$3,505	\$2,179	\$522	\$6,278	\$13,404	\$19,682	\$44,690	\$57,782	-22.7%
Alameda County	111,004	20,692	12,866	3,082	6,278	16,219	22,497	170,141	189,782	-10.3%
Benicia	23,225	4,329	2,692	645	6,278	2,084	8,362	39,254	33,955	15.6%
Butte	35,111	6,545	4,069	975	6,278	6,850	13,128	59,828	77,660	-23.0%
Contra Costa	128,280	23,913	14,868	3,561	6,278	19,633	25,911	196,533	224,867	-12.6%
Eureka	36,416	6,788	4,221	1,011	6,278	4,276	10,554	58,991	53,264	10.8%
Fresno	408,715	76,189	47,371	11,346	6,278	35,368	41,646	585,267	602,543	-2.9%
Kern	315,350	58,785	36,550	8,755	6,278	19,642	25,920	445,361	359,553	23.9%
Kings	54,662	10,190	6,335	1,518	6,278	3,389	9,667	82,373	78,899	4.4%
Madera	14,768	2,753	1,712	410	6,278	3,559	9,837	29,480	26,914	9.5%
Marin	29,788	5,553	3,452	827	6,278	9,901	16,179	55,799	56,410	-1.1%
Mendocino	24,720	4,608	2,865	686	6,278	4,166	10,444	43,323	32,277	34.2%
Merced	70,827	13,203	8,209	1,966	6,278	5,820	12,098	106,303	133,595	-20.4%
Monterey	85,466	15,932	9,906	2,373	6,278	16,183	22,461	136,139	224,308	-39.3%
Paso Robles	8,178	1,524	948	227	6,278	2,457	8,735	19,612	16,230	20.8%
Plumas	7,722	1,439	895	214	6,278	3,110	9,388	19,658	22,278	-11.8%
Riverbank	4,588	855	532	127	6,278	286	6,564	12,666	12,837	-1.3%
<i>Riverside*</i>										
Sacramento	426,307	79,468	49,413	11,835	6,278	43,514	49,792	616,816	553,958	11.3%
San Bernardino**	139,055	25,921	16,117	3,860	6,278	26,476	32,754	217,707	226,841	-4.0%
San Diego	190,696	35,548	22,102	5,294	6,278	70,141	76,419	330,059	340,906	-3.2%
San Joaquin	113,004	21,065	13,097	3,137	6,278	15,331	21,609	171,912	205,740	-16.4%
San Luis Obispo	66,099	12,322	7,661	1,835	6,278	9,836	16,114	104,032	91,289	14.0%
San Mateo	68,870	12,838	7,982	1,912	6,278	12,826	19,104	110,706	139,452	-20.6%
Santa Barbara	46,397	8,649	5,378	1,288	6,278	15,619	21,897	83,610	100,945	-17.2%
Santa Clara	95,616	17,824	11,082	2,654	6,278	39,672	45,950	173,126	220,182	-21.4%
Stanislaus	233,758	43,575	27,093	6,489	6,278	13,296	19,574	330,489	283,612	16.5%
Sutter	62,037	11,564	7,190	1,722	6,278	7,440	13,718	96,231	86,737	10.9%
Tulare	320,183	59,686	37,110	8,889	6,278	18,004	24,282	450,150	366,967	22.7%
<i>Upland**</i>										
Ventura	61,717	11,505	7,153	1,713	6,278	7,776	14,054	96,143	88,833	8.2%
Wasco	6,190	1,154	717	172	6,278	745	7,023	15,257	14,056	8.5%
Yolo	34,362	6,405	3,983	954	6,278	7,099	13,377	59,081	73,781	-19.9%
<b>Total</b>	<b>\$3,241,920</b>	<b>\$604,330</b>	<b>\$375,750</b>	<b>\$90,000</b>	<b>\$194,625</b>	<b>\$454,122</b>	<b>\$648,747</b>	<b>\$4,960,740</b>	<b>\$5,042,280</b>	<b>-1.6%</b>
<b>Prior Year Budget</b>	<b>\$3,431,820</b>	<b>\$574,230</b>	<b>\$368,380</b>	<b>\$90,000</b>	<b>\$173,355</b>	<b>\$404,493</b>	<b>\$577,848</b>	<b>\$5,042,280</b>		
<b>Incr./(Decr.)</b>	<b>(\$189,900)</b>	<b>\$30,100</b>	<b>\$7,370</b>	<b>\$0</b>	<b>\$21,270</b>	<b>\$49,629</b>	<b>\$70,899</b>	<b>(\$81,540)</b>		
<b>% Increase/(Decrease)</b>	<b>-5.53%</b>	<b>5.24%</b>	<b>2.00%</b>	<b>0.00%</b>	<b>12.27%</b>	<b>12.27%</b>	<b>12.27%</b>	<b>-1.62%</b>		

\*\*\* Budgeted LAWCX premium includes 5% increase at 7/1/2017.

\* Riverside HA merged with the County of Riverside effective 1/1/2017

\*\* Upland HA merged with HA of the County of San Bernardino County effective 1/1/2017

# California Housing Workers' Compensation Authority

## 2017 Proposed Operating Budget

### Funding for Pooled Losses at the 80% Confidence Level - \$250,000 SIR

Member	Payroll by Class Code					Funding for Losses	2017 Final Experience Modification	Funding Adjusted for Ex-Mod	Funding Adjusted for Off-Balance**
	Clerical 8810	Out-Sales 8742	Maintenance 9033	Carpentry 5645/5403	Total Payroll				
Alameda City	\$2,615,310	\$462,115	\$717,429	\$0	\$3,794,854	\$111,145	0.165	\$18,352	\$18,802
Alameda County	2,684,738	1,692,803	214,326	0	4,591,867	75,545	1.434	108,345	111,004
Benicia	250,444	152,719	186,791	0	589,954	22,204	1.021	22,669	23,225
Butte	662,238	1,014,613	262,484	0	1,939,335	42,149	0.813	34,270	35,111
Contra Costa	2,721,891	1,826,003	1,010,481	0	5,558,375	149,662	0.837	125,207	128,280
Eureka	689,332	227,269	293,852	0	1,210,453	39,619	0.897	35,544	36,416
Fresno	4,305,665	4,105,402	1,602,108	0	10,013,175	246,084	1.621	398,924	408,715
Kern	1,807,564	2,170,079	1,583,302	0	5,560,945	189,580	1.624	307,796	315,350
Kings	354,438	325,279	239,867	40,002	959,586	37,101	1.438	53,353	54,662
Madera	429,072	264,392	314,145	0	1,007,609	37,526	0.384	14,414	14,768
Marin	0	2,349,614	453,502	0	2,803,116	58,701	0.495	29,074	29,788
Mendocino	857,238	186,600	135,601	0	1,179,439	27,621	0.874	24,128	24,720
Merced	466,844	549,977	630,766	0	1,647,587	69,095	1.001	69,130	70,827
Monterey	1,784,455	1,860,672	936,592	0	4,581,719	128,001	0.652	83,419	85,466
Paso Robles	380,000	127,500	188,000	0	695,500	24,226	0.329	7,982	8,178
Plumas	23,021	617,157	240,388	0	880,566	26,839	0.281	7,537	7,722
Riverbank	45,206	0	35,666	0	80,872	3,982	1.125	4,478	4,588
<i>Riverside*</i>									
Sacramento	9,157,272	1,323,839	1,838,353	0	12,319,464	325,618	1.278	416,095	426,307
San Bernardino**	4,276,744	1,995,759	1,223,214	0	7,495,717	195,487	0.694	135,724	139,055
San Diego	11,671,825	7,335,244	850,672	0	19,857,741	320,861	0.580	186,128	190,696
San Joaquin	2,674,570	560,355	1,105,573	0	4,340,498	148,192	0.744	110,297	113,004
San Luis Obispo	960,698	1,298,343	525,494	0	2,784,535	73,044	0.883	64,516	66,099
San Mateo	1,812,635	1,444,429	374,176	0	3,631,240	74,141	0.907	67,220	68,870
Santa Barbara	1,963,814	1,754,088	703,973	0	4,421,875	108,926	0.416	45,286	46,397
Santa Clara	10,133,623	1,027,285	70,756	0	11,231,664	178,212	0.524	93,325	95,616
Stanislaus	2,227,973	669,045	867,223	0	3,764,241	120,048	1.901	228,158	233,758
Sutter	703,300	827,045	575,933	0	2,106,278	69,981	0.865	60,551	62,037
Tulare	2,160,097	1,006,978	1,859,492	70,653	5,097,220	224,386	1.393	312,513	320,183
<i>Upland**</i>									
Ventura	1,433,895	767,642	0	0	2,201,537	28,910	2.084	60,239	61,717
Wasco	90,974	0	119,885	0	210,859	12,395	0.487	6,042	6,190
Yolo	1,168,039	274,397	567,328	0	2,009,764	72,636	0.462	33,539	34,362
<b>Total</b>	<b>\$70,512,915</b>	<b>\$38,216,643</b>	<b>\$19,727,372</b>	<b>\$110,655</b>	<b>\$128,567,585</b>	<b>\$3,241,917</b>	\$59,400	<b>\$3,164,255</b>	<b>\$3,241,917</b>

\* Riverside HA merged with the County of Riverside effective 1/1/2017

\*\* Upland HA merged with HA of the County of San Bernardino County effective 1/1/2017

Members who elected to provide Estimated Payroll

Actuarial Rates at the Discounted 80% Confidence Level (\$1 - \$250K SIR)				
Class Code	8810	8742	9033	5403
Current Year Rate - Disc. 2.0%	\$1.62	\$0.74	\$9.11	\$17.75
Prior Yr Rate @ \$250k SIR; 80% CL; Disc. 2.0%	\$1.80	\$0.80	\$9.93	\$19.53
Percentage Change	-10.00%	-7.50%	-8.26%	-9.11%

\*\* - Off balance Factor:  
1.025

## CHWCA

### PAYROLL, EXPERIENCE MODIFICATION FACTOR AND CONTRIBUTION CHANGES FROM 2016 to 2017

#### 2017 Funding for Pooled Losses at the 80% Confidence Level - \$250,000 SIR

MEMBER	PAYROLL*				EX MOD FACTOR				CONTRIBUTION			
			CHANGES				CHANGES				CHANGES	
	2016	2017	AMOUNT	PERCENTAGE	2016	2017	AMOUNT	PERCENTAGE	2016	2017	AMOUNT	PERCENTAGE
Alameda City	\$3,739,419	<b>\$3,794,854</b>	\$55,435	1.48%	0.255	<b>0.165</b>	(0.09)	-35.19%	\$57,782	<b>\$44,690</b>	(\$13,092)	-22.66%
Alameda County	4,334,940	<b>4,591,867</b>	256,927	5.93%	1.684	<b>1.434</b>	(0.25)	-14.84%	189,782	<b>170,141</b>	(19,641)	-10.35%
Benicia	399,068	<b>589,954</b>	190,886	47.83%	1.252	<b>1.021</b>	(0.23)	-18.43%	33,955	<b>39,254</b>	5,299	15.61%
Butte	1,946,638	<b>1,939,335</b>	(7,303)	-0.38%	1.066	<b>0.813</b>	(0.25)	-23.69%	77,660	<b>59,828</b>	(17,831)	-22.96%
Contra Costa	4,872,050	<b>5,558,375</b>	686,325	14.09%	1.087	<b>0.837</b>	(0.25)	-23.01%	224,867	<b>196,533</b>	(28,334)	-12.60%
Eureka	1,143,697	<b>1,210,453</b>	66,756	5.84%	0.840	<b>0.897</b>	0.06	6.78%	53,264	<b>58,991</b>	5,727	10.75%
Fresno	9,937,705	<b>10,013,175</b>	75,470	0.76%	1.630	<b>1.621</b>	(0.01)	-0.54%	602,543	<b>585,267</b>	(17,276)	-2.87%
Kern	5,104,515	<b>5,560,945</b>	456,430	8.94%	1.374	<b>1.624</b>	0.25	18.20%	359,553	<b>445,361</b>	85,807	23.87%
Kings	999,494	<b>959,586</b>	(39,908)	-4.0%	1.279	<b>1.438</b>	0.16	12.4%	78,899	<b>82,373</b>	3,473	4.4%
Madera	847,277	<b>1,007,609</b>	160,332	18.9%	0.454	<b>0.384</b>	(0.07)	-15.3%	26,914	<b>29,480</b>	2,566	9.5%
Marin	2,838,529	<b>2,803,116</b>	(35,413)	-1.2%	0.503	<b>0.495</b>	(0.01)	-1.5%	56,410	<b>55,799</b>	(611)	-1.1%
Mendocino	1,093,816	<b>1,179,439</b>	85,623	7.8%	0.624	<b>0.874</b>	0.25	40.1%	32,277	<b>43,323</b>	11,047	34.2%
Merced	1,619,342	<b>1,647,587</b>	28,245	1.7%	1.251	<b>1.001</b>	(0.25)	-20.0%	133,595	<b>106,303</b>	(27,292)	-20.4%
Monterey	4,632,219	<b>4,581,719</b>	(50,500)	-1.1%	0.879	<b>0.652</b>	(0.23)	-25.9%	224,308	<b>136,139</b>	(88,169)	-39.3%
Paso Robles	488,150	<b>695,500</b>	207,350	42.5%	0.395	<b>0.329</b>	(0.07)	-16.5%	16,230	<b>19,612</b>	3,382	20.8%
Plumas	848,042	<b>880,566</b>	32,524	3.8%	0.355	<b>0.281</b>	(0.07)	-20.9%	22,278	<b></b>	(22,278)	-100.0%
Riverbank	84,481	<b>80,872</b>	(3,609)	-4.3%	1.040	<b>1.125</b>	0.08	8.1%	12,837	<b></b>	(12,837)	-100.0%
Riverside												
Sacramento	11,685,466	<b>12,319,464</b>	633,998	5.4%	1.162	<b>1.278</b>	0.12	10.0%	553,958	<b>616,816</b>	62,857	11.3%
San Bernardino	7,541,113	<b>7,495,717</b>	(45,396)	-0.6%	0.695	<b>0.694</b>	(0.00)	-0.1%	226,841	<b>217,707</b>	(9,133)	-4.0%
San Diego	17,725,935	<b>19,857,741</b>	2,131,806	12.0%	0.667	<b>0.580</b>	(0.09)	-13.0%	340,906	<b>330,059</b>	(10,846)	-3.2%
San Joaquin	4,041,463	<b>4,340,498</b>	299,035	7.4%	0.883	<b>0.744</b>	(0.14)	-15.7%	205,740	<b>171,912</b>	(33,828)	-16.4%
San Luis Obispo	2,719,008	<b>2,784,535</b>	65,527	2.4%	0.659	<b>0.883</b>	0.22	34.0%	91,289	<b>104,032</b>	12,742	14.0%
San Mateo	3,398,713	<b>3,631,240</b>	232,527	6.8%	1.157	<b>0.907</b>	(0.25)	-21.6%	139,452	<b>110,706</b>	(28,746)	-20.6%
Santa Barbara	4,017,305	<b>4,421,875</b>	404,570	10.1%	0.622	<b>0.416</b>	(0.21)	-33.1%	100,945	<b>83,610</b>	(17,336)	-17.2%
Santa Clara	10,493,315	<b>11,231,664</b>	738,349	7.0%	0.774	<b>0.524</b>	(0.25)	-32.3%	220,182	<b>173,126</b>	(47,056)	-21.4%
Stanislaus	3,517,116	<b>3,764,241</b>	247,125	7.0%	1.651	<b>1.901</b>	0.25	15.1%	283,612	<b>330,489</b>	46,877	16.5%
Sutter	1,816,885	<b>2,106,278</b>	289,393	15.9%	0.870	<b>0.865</b>	(0.00)	-0.5%	86,737	<b>96,231</b>	9,494	10.9%
Tulare	4,641,864	<b>5,097,220</b>	455,356	9.8%	1.228	<b>1.393</b>	0.16	13.4%	366,967	<b>450,150</b>	83,184	22.7%
Upland												
Ventura	2,237,388	<b>2,201,537</b>	(35,851)	-1.6%	1.834	<b>2.084</b>	0.25	13.6%	88,833	<b>96,143</b>	7,310	8.2%
Wasco	185,540	<b>210,859</b>	25,319	13.6%	0.567	<b>0.487</b>	(0.08)	-14.0%	14,056	<b>15,257</b>	1,201	8.5%
Yolo	1,903,782	<b>2,009,764</b>	105,982	5.6%	0.631	<b>0.462</b>	(0.17)	-26.9%	73,781	<b>59,081</b>	(14,699)	-19.9%
<b>Total</b>	<b>\$121,650,988</b>	<b>\$128,567,585</b>	<b>\$7,713,310</b>	<b>5.7%</b>	<b>0.95</b>	<b>59400.00</b>	(Averages)	<b>6227002.6%</b>	<b>\$5,042,280</b>	<b></b>	<b>(\$68,040)</b>	<b></b>

\* Payroll that was used in the calculation for each budget year.  
For 2017, Reported actual payroll from 4Q 2015- 3Q 2016, inflated by 5%  
Members who elected to provide Estimated Payroll

CHWCA

2017 Internal Ex Mod Calculation

~ Data: 2013-2015 ~ Losses valued as of 9/30/16 ~

MEMBER	TRADITIONAL EX MOD CALCULATION COMPONENTS					CALCULATION OF 2017 EX MOD				FINAL CALCULATION: Comparison to Prior Year and Capped at a .25 Change				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	(11)	(12)	
	3 YEAR EXPECTED LOSS	3 YEAR ACTUAL LOSS	RAW EXMOD	INDEXED RAW EXMOD	CREDIBILITY	INDEXED Prior Year CAPPED EXMOD <i>(For credibility)</i>	RAW EXMOD <i>With Credibility Factors</i>	2017 RAW EX MOD * 3 YR EXPECTED LOSS	CALCULATED 2017 INDEXED EXMOD	MEMBER	CALCULATED 2017 INDEXED EXMOD	INDEXED Prior Year CAPPED EXMOD	DIFFERENCE <i>(Over .25 Highlighted)</i>	FINAL 2017 INDEXED/CAPPED EX MOD
Alameda City	276,836	6,092	0.022	0.041	0.417	0.255	0.165	45,794	0.165	Alameda City	0.165	0.255	(0.09)	0.165
Alameda County	188,770	94,081	0.498	0.923	0.345	1.684	1.422	268,372	1.419	Alameda County	1.419	1.684	(0.27)	1.434
Benicia	53,072	-	-	-	0.183	1.252	1.023	54,284	1.021	Benicia	1.021	1.252	(0.23)	1.021
Butte	113,324	7,714	0.068	0.126	0.267	1.066	0.815	92,311	0.813	Butte	0.813	1.066	(0.25)	0.813
Contra Costa	342,913	100,021	0.292	0.540	0.465	1.087	0.833	285,526	0.831	Contra Costa	0.831	1.087	(0.26)	0.837
Eureka	100,803	58,411	0.579	1.073	0.252	0.840	0.899	90,602	0.897	Eureka	0.897	0.840	0.06	0.897
Fresno	626,990	548,786	0.875	1.621	0.628	1.630	1.624	1,018,277	1.621	Fresno	1.621	1.630	(0.01)	1.621
Kern	447,070	637,836	1.427	2.642	0.531	1.374	2.046	914,853	2.043	Kern	2.043	1.374	0.67	1.624
Kings	101,241	104,911	1.036	1.919	0.252	1.279	1.441	145,856	1.438	Kings	1.438	1.279	0.16	1.438
Madera	87,048	7,490	0.086	0.159	0.234	0.454	0.385	33,498	0.384	Madera	0.384	0.454	(0.07)	0.384
Marin	154,131	40,044	0.260	0.481	0.312	0.503	0.496	76,481	0.495	Marin	0.495	0.503	(0.01)	0.495
Mendocino	70,932	126,945	1.790	3.314	0.211	0.624	1.192	84,553	1.190	Mendocino	1.190	0.624	0.57	0.874
Merced	179,159	29,648	0.165	0.306	0.336	1.251	0.933	167,230	0.932	Merced	0.932	1.251	(0.32)	1.001
Monterey	432,234	103,960	0.241	0.445	0.522	0.879	0.653	282,209	0.652	Monterey	0.652	0.879	(0.23)	0.652
Paso Robles	44,662	227	0.005	0.009	0.168	0.395	0.330	14,742	0.329	Paso Robles	0.329	0.395	(0.07)	0.329
Plumas	68,187	-	-	-	0.207	0.355	0.281	19,184	0.281	Plumas	0.281	0.355	(0.07)	0.281
Riverbank	12,111	13,283	1.097	2.031	0.087	1.040	1.127	13,645	1.125	Riverbank	1.125	1.040	0.08	1.125
Riverside	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sacramento	892,962	636,519	0.713	1.320	0.750	1.162	1.280	1,143,183	1.278	Sacramento	1.278	1.162	0.12	1.278
San Bernardino	560,790	210,776	0.376	0.696	0.594	0.695	0.696	390,066	0.694	San Bernardino	0.694	0.695	(0.00)	0.694
San Diego	841,038	249,392	0.297	0.549	0.728	0.667	0.581	488,774	0.580	San Diego	0.580	0.667	(0.09)	0.580
San Joaquin	439,431	147,695	0.336	0.622	0.526	0.883	0.746	327,664	0.744	San Joaquin	0.744	0.883	(0.14)	0.744
San Luis Obispo	193,935	136,670	0.705	1.305	0.349	0.659	0.885	171,608	0.883	San Luis Obispo	0.883	0.659	0.22	0.883
San Mateo	193,813	378	0.002	0.004	0.349	1.157	0.754	146,110	0.752	San Mateo	0.752	1.157	(0.40)	0.907
Santa Barbara	249,053	13,934	0.056	0.104	0.396	0.622	0.417	103,734	0.416	Santa Barbara	0.416	0.622	(0.21)	0.416
Santa Clara	419,486	11,876	0.028	0.052	0.514	0.774	0.403	169,055	0.402	Santa Clara	0.402	0.774	(0.37)	0.524
Stanislaus	314,348	440,577	1.402	2.595	0.445	1.651	2.071	650,936	2.067	Stanislaus	2.067	1.651	0.42	1.901
Sutter	148,051	68,736	0.464	0.860	0.305	0.870	0.867	128,336	0.865	Sutter	0.865	0.870	(0.00)	0.865
Tulare	542,593	443,757	0.818	1.514	0.584	1.228	1.395	757,085	1.393	Tulare	1.393	1.228	0.16	1.393
Upland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ventura	83,421	277,446	3.326	6.158	0.229	1.834	2.825	235,642	2.820	Ventura	2.820	1.834	0.99	2.084
Wasco	30,541	-	-	-	0.139	0.567	0.488	-	0.487	Wasco	0.487	0.567	(0.08)	0.487
Yolo	177,213	12,046	0.068	0.126	0.334	0.631	0.463	81,976	0.462	Yolo	0.462	0.631	(0.17)	0.462
	\$ 8,386,158	\$ 4,529,251	0.540	1.000				\$ 8,401,586						
	<i>Total (2) / Total (1)</i>					0.999	1.004		1.002	1.002	0.999			

Row Calculations:	(1)	(2)	(3) = (2) / (1)	(4) = (3) / Total (3)	(5) = (1) / (A) * SR	(6) = Prior Year Capped Ex Mod	(7) = (4) * (5) + (6) * 1 - (5)	(8) = (1) * (7)	(9) = (7) * Total (1) / Total (8)	(9) = (7) * Total (1) / Total (8)	(10) = (6)	(11) = (9) - (10)	(12) = (9) Unless capped at a .25 change from prior year
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**SAN DIEGO HOUSING COMMISSION  
2016 - 2017 INSURANCE SUMMARY**

<b>Program</b>	<b>FY2016 Premium</b>	<b>FY2017 Premium</b>	<b>Variance \$</b>	<b>Variance %</b>
Property Insurance	\$231,186	\$284,669	\$53,483	23.1%
Fiduciary Liability	\$5,600	\$6,100	\$500	8.9%
General Liability	\$183,090	\$182,579	(\$511)	-0.3%
Master Crime Program *	\$7,134	\$7,134	\$0	0.0%
Pollution Program	\$2,674	\$2,674	\$0	0.0%
Smart Corner Liability *	\$36,402	\$36,402	\$0	0.0%
Auto Liability *	\$36,676	\$38,057	\$1,381	3.8%
Cyber Insurance *	\$9,428	\$8,157	(\$1,271)	-13.5%
Flood Insurance *	\$6,093	\$6,483	\$390	6.4%
Contractors Pollution Liability	\$2,005	\$1,845	(\$160)	-8.0%
Director's & Officers Liability *	\$112,109	\$128,889	\$16,780	15.0%
Workers' Compensation	\$340,906	\$330,059	(\$10,847)	-3.2%
<b>TOTAL</b>	<b>\$973,303</b>	<b>\$1,033,048</b>	<b>\$59,745</b>	<b>6.1%</b>

\*Contains multiple policies

**SAN DIEGO HOUSING COMMISSION  
2016 INSURANCE SUMMARY**

<b>Policy</b>	<b>Carrier</b>	<b>Effective Date</b>	<b>Premium</b>	<b>Limits</b>	<b>Deductible/ Retention</b>	<b>Description of Coverage</b>
Property	CSAC EIA	3/31/2016	\$ 284,669	\$25,000,000	\$ 25,000	Provides coverage for damage to Real and Personal property, and Business Income as a result of a covered peril such as a fire.
Fiduciary Liability	FLIP	7/01/2016	\$ 6,100	\$ 2,000,000 aggregate	-	If your company sponsors a retirement or health plan for the employees and if you are involved in any way with the management of that plan, you are likely considered a "Fiduciary" and can be held personally liable for what happens to the plan. This provides coverage for losses that arise as a result of alleged errors or omissions or breach of the fiduciary duties.
Pollution	CSAC EIA	7/1/2015	\$ 2,674	\$10,000,000 per Pollution Condition; \$10,000,000 per member aggregate	\$75,000	Provides coverage for pollution conditions and includes 1 <sup>st</sup> and 3 <sup>rd</sup> party coverages
Master Crime	CSAC EIA	6/30/2015	\$ 7,134	\$15,000,000	\$ 2,500	Coverage that manages the loss exposures resulting from criminal acts such as robbery, burglary and other forms of theft.

Policy	Carrier	Effective Date	Premium	Limits	Deductible/ Retention	Description of Coverage
Smart Corner- Premises Liability	Travelers	7/1/2016	\$ 17,670	\$5,000,000	-	Provides coverage for claims from SDHC's liability to damage or injury (caused by negligence or acts of omission) during performance of business. Premises liability coverage only, as operations are excluded. Example would be a "slip and fall" in the Smart corner premises.
Smart Corner- Excess Liability	Travelers	7/1/2016	\$ 18,732	\$20,000,000	-	Provides excess coverage specific to the Smart Corner location and follows the primary liability placement.
General Liability	HARRG	7/1/2016	\$ 182,579	\$20,000,000	\$ 10,000	Provides third party coverage for SDHC liabilities that occur as a result of negligence or omissions. Coverage includes bodily injury, physical damage and personal injury.
Commercial Auto	Travelers	7/1/2016	\$ 28,923	\$1,000,000	\$1000 Comp and Collision	Provides comprehensive and collision. "Any auto" applies to the Liability and "Owned auto" applies to all other coverages such as medical payments and physical damage. Example includes an employee gets in an accident while driving a SDHC owned vehicle during the scope of work.

Policy	Carrier	Effective Date	Premium	Limits	Deductible/ Retention	Description of Coverage
Excess Auto	Travelers	7/1/2016	\$ 9,133	\$9,000,000	-	Provides excess auto coverage following the primary auto placement.
Cyber	CSAC EIA	7/1/2016	\$ 1,832	\$20,000,000 with \$2,000,000 Aggregate for each Member	\$ 50,000	Provides first and third party coverage for cyber incidents such as liabilities that arise from but not limited to a breach of secured data, the notification costs associated with a breach, and taxes and penalties.
Cyber Buy Up Option	CSAC EIA	7/1/2016	\$ 6,325	50,000 Notified Individuals	-	Provides dedicated “per life” coverage for notification costs associated to a cyber breach, and this coverage does not erode the limit of liability or program aggregate associated to the primary cyber placement. For example: If SDHC experiences a data breach and \$20,000 lives were effected, the cost to notify the individuals would be covered by this buy up option.
Flood- 3051 54th Street	Hartford	8/7/2016	\$ 614	\$250,000 building / \$1,000 contents	\$1,000 building and contents	Provides flood (NFIP) coverage for the 3051 54 <sup>th</sup> Street location.

Policy	Carrier	Effective Date	Premium	Limits	Deductible/ Retention	Description of Coverage
Contractors Pollution Liability	One Beacon	8/15/2016	\$ 1,845	\$2,000,000	\$5,000 Contractors Pollution and Professional Services Liability, \$10,000 Non-Owned Disposal Site Liability	Contractor-based policy that provides third-party coverage for bodily injury, property damage, defense, and cleanup as a result of pollution conditions arising from contracting operations performed by or on behalf of the contractor.
Flood- 5077 1/2 Muir Ave	Hartford	10/4/2016	\$ 2,869	\$250,000 building	\$ 2,000	Provides flood (NFIP) coverage for the 5077 ½ Muir Ave location.
Flood- 5077 Muir Ave	Hartford	11/30/2016	\$ 3,000	\$250,000 building	\$ 2,000	Provides flood (NFIP) coverage for the 5077 Muir Ave location.
Director's & Officers	Western World	12/8/2016	\$ 96,889	\$5,000,000	\$ 150,000	Liability insurance payable to the directors and officers of a company as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers. Examples could include liabilities that arise from poor management decisions.
Excess Director's & Officers	Ironshore	12/8/2016	\$ 32,000	\$3,000,000	\$0 Deductible at \$5,000,000 attachment point	Provides excess coverage following the primary Director's & Officers placement.

Policy	Carrier	Effective Date	Premium	Limits	Deductible/ Retention	Description of Coverage
Workers' Compensation	CHWCA	1/1/2017	\$ 330,059	Statutory for WC and \$5,000,000 for EPLI	First Dollar	Form of insurance that provides wage replacement and medical benefits for employees that are injured during the course of employment. Also provides coverage for Employment Practice Liability to include wrongful termination.