Property Program Committee Meeting

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

Wednesday
March 22, 2023
3:00 p.m.

Chairman: Chris Kapheim, Kings River Conservation District

Vice-Chair: Randall Reed, Cucamonga Valley Water District

Tom Coleman, Rowland Water District

Mark A. Gilkey, Berrenda Mesa Water District

Shawn Huckaby, Fair Oaks Water District

Theresa Lee, Walnut Valley Water District

Scott Ratterman, Calaveras County Water District

Oliver Smith, Valley Center Municipal Water District

Eugene F. West, Camrosa Water District

PROPERTY PROGRAM COMMITTEE MEETING

AGENDA

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

Wednesday – March 22, 2023 - 3:00 p.m.

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

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

- Lee - 1300 Valley Vista Drive #100, Diamond Bar
- Gilkey – 5555 California Ave., Suite 209, Bakersfield
- Huckaby - 10326 Fair Oaks Boulevard, Fair Oaks

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

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

EVACUATION PROCEDURES

PUBLIC COMMENT Members of the public will be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chairman know.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter				Page#
		I.	**CONSENT AGENDA**	**2**
Kapheim	*	A.	Approve the minutes of the meeting of November 28, 2022.	**4**
All		B.	Report on meetings attended on behalf of the JPIA.	

Preliminary Agenda-date issued: February 14, 2023
Final Agenda-date issued: March 13, 2023

Presenter			Page#
		II. LOSS REPORTS	
Greenfield	*	A. Property claims data.	**8**
		III. NEW BUSINESS	
Beatty	*	A. Property Program update and renewal strategy.	**19**
Greenfield	*	B. Review of the Property Program claim's audit.	**27**
Sells	*	C. CEO update.	**36**
		IV. UPCOMING MEETING	
Kapheim		A. Announce next meeting date of June 20, 2023.	

ADJOURN

*****Related items enclosed.

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

Written materials relating to an item on this Agenda that are distributed to the JPIA's Property Program Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.

Unapproved Minutes

Property Program Committee Meeting

Hyatt Regency Resort
Ballroom OP
44600 Indian Wells Lane
Indian Wells, CA 92210

November 28, 2022

MEMBERS PRESENT

Chair: Brent Hastey, Yuba Water Agency
Vice-Chair: Randall Reed, Cucamonga Valley Water District
Scott Ratterman, Calaveras County Water District
Tom Coleman, Rowland Water District
Oliver Smith, Valley Center Municipal Water District
Eugene West, Camrosa Water District

MEMBERS ABSENT

Mark A. Gilkey, Berrenda Mesa Water District
Shawn Huckaby, Fair Oaks Water District
Theresa Lee, Walnut Valley Water District

STAFF PRESENT

See attendance list.

OTHERS IN ATTENDANCE

See attendance list.

WELCOME

Chair Hastey welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Hastey called the meeting to order at 8:30 a.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

Chair Hastey led the Pledge of Allegiance and Mr. Sells gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MEETING

Chair Hastey announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the California Brown Act.

EVACUATION PROCEDURES

Mr. Sells gave the evacuation procedure instructions.

PUBLIC COMMENT

Chair Hastey noted that, as the agenda stated, members of the public would be allowed to address the Executive Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Chair Hastey introduced the Property Program Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Hastey asked for any additions to, or deletions from, the agenda. There were none from staff.

CONSENT AGENDA

Chair Hastey called for approval of the Consent Agenda:

> M/S/C (West/Ratterman) (Coleman-Yes; Ratterman-Yes; Smith-Yes; West-Yes; Reed-Yes; Hastey-Yes) : That the Property Program Committee approve the minutes of the June 20, 2022 meeting.

ADMINISTRATION

Meetings attended on behalf of the JPIA
None reported.

Review Property Program Updates
Ms. Beatty stated that the Property Program has experienced some significant changes in the past year and market conditions remain challenging and volatile. She provided a recap of the major changes implemented as of July 1 that were recommended by this Committee and approved by the Executive Committee. Among them, an increase in JPIA's retention from $100,000 (plus a $1M aggregate deductible) to $10,000,000 and excess carrier rate increases of approximately 16%. Minimum member deductibles based on Total Insured Values (TIV) were established to bring this Program into alignment with the JPIA's other casualty pooled programs, and in light of the significantly increased cost per occurrence that is now being shared by all members of the Program in the pooled layer. Additionally, for the 2022-23 Program Year, a 20% rate increase was approved, and a 7.5% real property and 5% personal property inflationary trend was applied to member assets.

Looking forward, in light of self-insuring to a higher limit and sharply increased excess costs, it is likely that the Property Program will need to increase rates by approximately 15-20% per year for the foreseeable future to properly fund anticipated losses, build up

reserves, and balance out years with negative equity. Additionally, in light of the significant increase to the pooled retention and quantifiable increases in not only loss experience and large claims but purchased insurance costs, the importance of continuing to fund the Natural Disaster Fund has been amplified. At a future meeting, staff intends to discuss with the Executive Committee how annual funding of this important Fund can be resumed.

Review State of the Property Market

Mr. Cole from Alliant Insurance Services presented an overview of current property market conditions. The property market continues to face emerging challenges from significant and increasing catastrophic events. Most catastrophic losses not only include wildfires, but also flooding, hurricanes, and the drought that has affected the lower 48 states. Catastrophic losses are what drives the insurance market. In 2021, there were 20 separate billion-dollar weather and climate disasters in the US and in 2022, there were 15 (through September 2022). Looking into the future, the economy/inflation, supply chain issues, and continued/increasing frequency of catastrophic weather events will continue to contribute to high premiums in the coming years.

Availability for next meeting: There are no additional Property Program Committee meeting scheduled for 2022.

The Property Program Committee meeting adjourned at 9:56 a.m.

ATTENDEES & JPIA STAFF IN ATTENDANCE – NOVEMBER 28, 2022

District / Organization	First Name	Last Name	Position
ACWA JPIA	Laura	Baryak	Administrative Assistant II
ACWA JPIA	Adrienne	Beatty	Assistant Executive Officer
ACWA JPIA	Chimene	Camacho	Executive Assistant (Recording Secretary)
ACWA JPIA	Sarah	Crawford	Training Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Andy	Sells	Chief Executive Officer
ACWA JPIA	Patricia	Slaven	Director of HR/Admin.
ACWA JPIA	Sandra	Smith	Employee Benefits Manager
ACWA JPIA	Dan	Steele	Finance Manager
ACWA	David	Eggerton	Executive Director
ACWA	Tiffany	Giammona	Director of Member Outreach
Alliant Insurance Services, Inc.	Seth	Cole	Senior Vice President
Rowland Water District	Vanessa	Hsu	Director

ACWA JPIA
Property Claims Data
March 22, 2023

BACKGROUND
The claims history for the JPIA Property Program prior to the past few years had been very favorable. The graphs represent recent history in the Property Program.

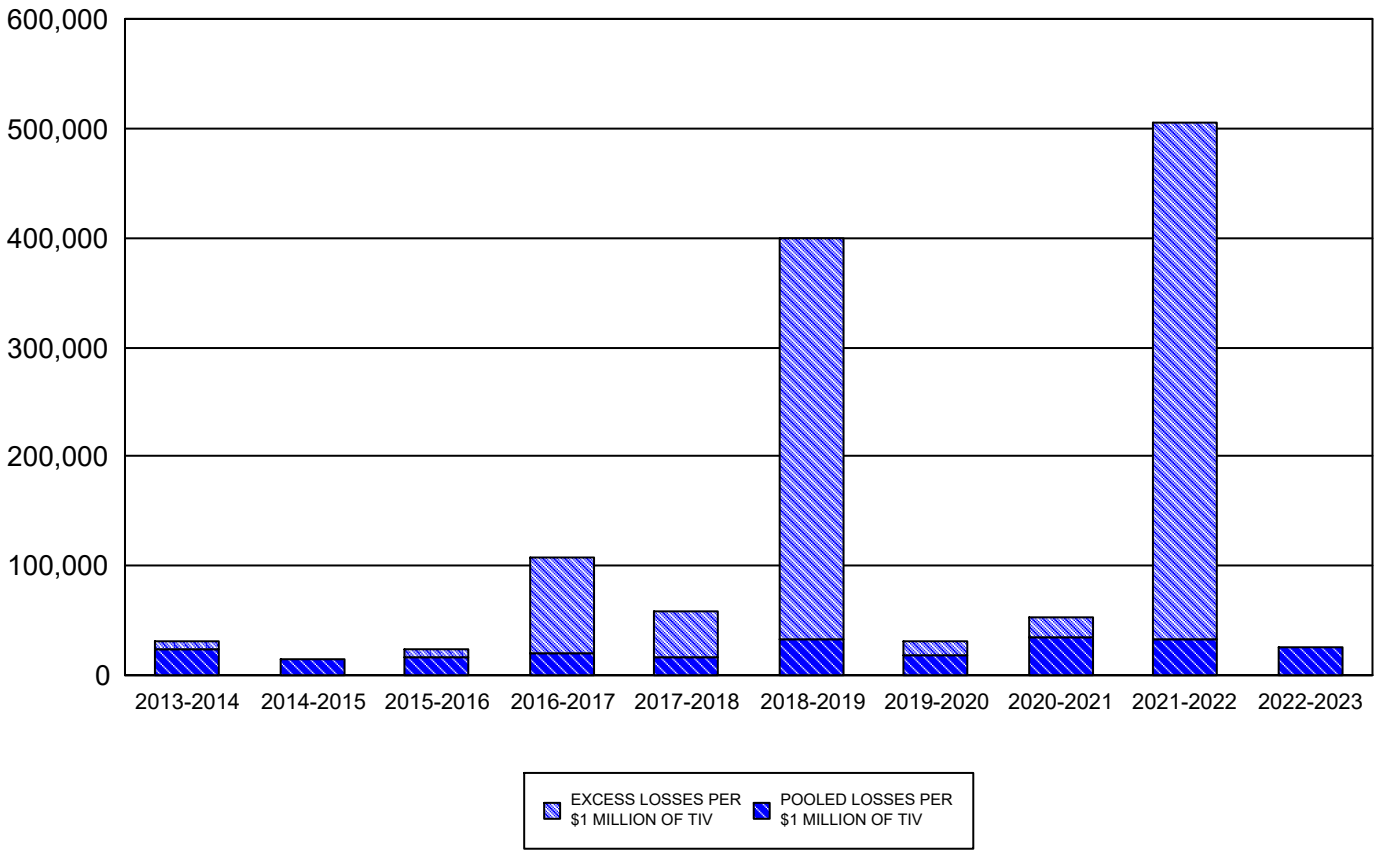
CURRENT SITUATION
The three-year period between 2016 and 2019 suffered higher than historical losses. The 2016-17 policy year currently has projected losses near $6 million which includes two large flood losses. The 2017-18 and the 2018-19 policy years have sustained combined losses that may exceed $18 million as a result of wildfires losses in both Northern and Southern California. The 2021-22 policy year includes the Caldor fire, estimated at approximately $32 million.

The Program insures approximately $11.4 billion in property values.

RECOMMENDATION
None, informational only.

Prepared by: Robert H. Greenfield, General Counsel Date prepared: March 13, 2023

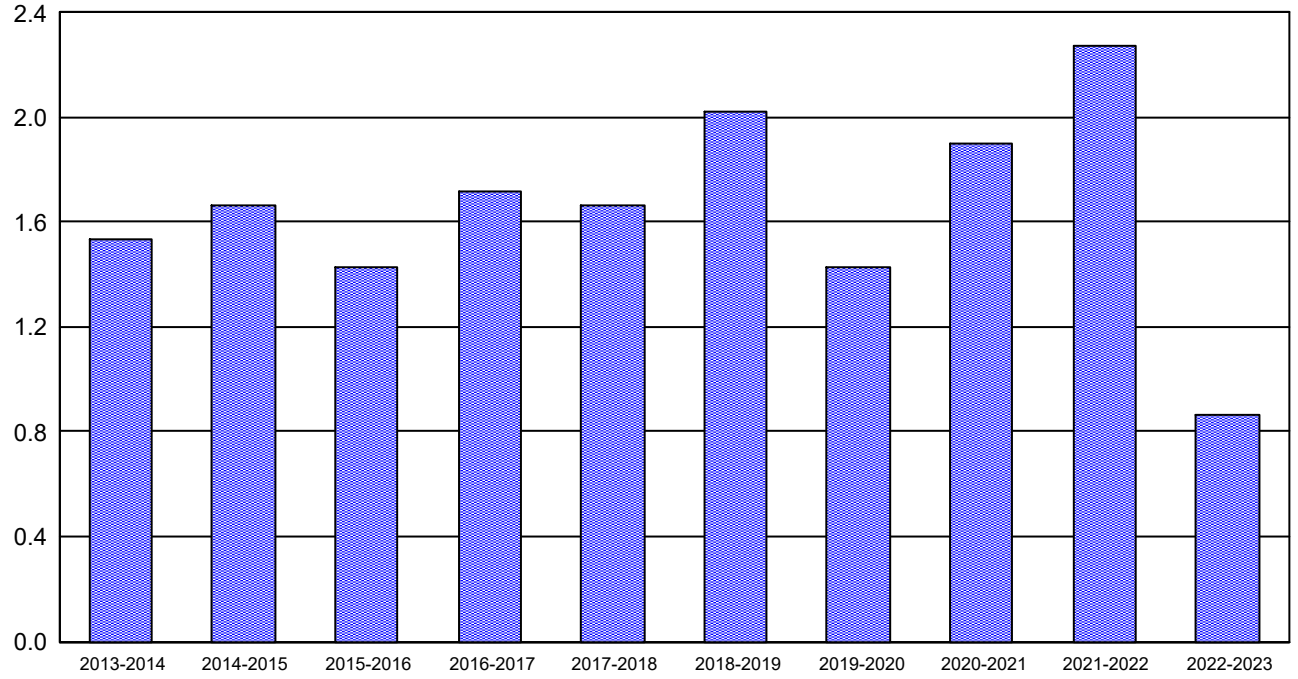
ACWA JPIA - PROPERTY PROGRAM
REPORTED LOSSES PER $100 MILLION OF INSURED VALUES
FOR MONTH ENDING 2/28/2023



POLICY YEAR (4/1)	TOTAL INSURED VALUES	SELF INSURED RETENTION	POOLED LOSSES	EXCESS LOSSES	INCURRED LOSSES	POOLED LOSSES PER $100 MILLION OF VALUES	TOTAL LOSSES PER $100 MILLION OF VALUES
2008-2009	3,463,027,227	50,000	512,340	189,526	701,866	14,795	20,267
2009-2010	3,717,578,379	50,000	665,781	2,355,173	3,020,954	17,909	81,261
2010-2011	4,011,604,591	50,000	801,074	1,693,574	2,494,649	19,969	62,186
2011-2012	4,231,903,723	50,000	922,930	1,585,784	2,508,715	21,809	59,281
2012-2013	4,485,928,834	50,000	615,618	657,678	1,273,296	13,723	28,384
2013-2014	4,737,610,119	100,000	1,105,398	342,512	1,447,910	23,332	30,562
2014-2015	4,992,740,567	100,000	759,655	0	759,655	15,215	15,215
2015-2016	5,245,004,171	100,000	871,182	398,104	1,269,286	16,610	24,200
2016-2017	5,473,946,519	100,000	1,131,746	4,770,189	5,901,936	20,675	107,819
2017-2018	6,129,714,513	100,000	1,054,412	2,529,516	3,583,927	17,202	58,468
2018-2019	7,097,455,423	100,000	2,393,997	25,935,059	28,329,056	33,730	399,144
2019-2020	7,825,713,447	100,000	1,359,724	1,080,000	2,439,724	17,375	31,176
2020-2021	9,560,434,709	100,000	2,234,952	1,089,500	3,324,452	35,066	52,160
2021-2022	10,570,123,529	100,000	2,278,742	33,348,138	35,626,880	32,338	505,579
2022-2023	11,440,191,992	10,000,000	1,994,717	0	1,994,717	26,154	26,154

- Latest Policy Year's 'Losses' include partial activity.
- Latest Policy Year's 'Losses Per $100 Million of Values' has been annualized using 8 months data.

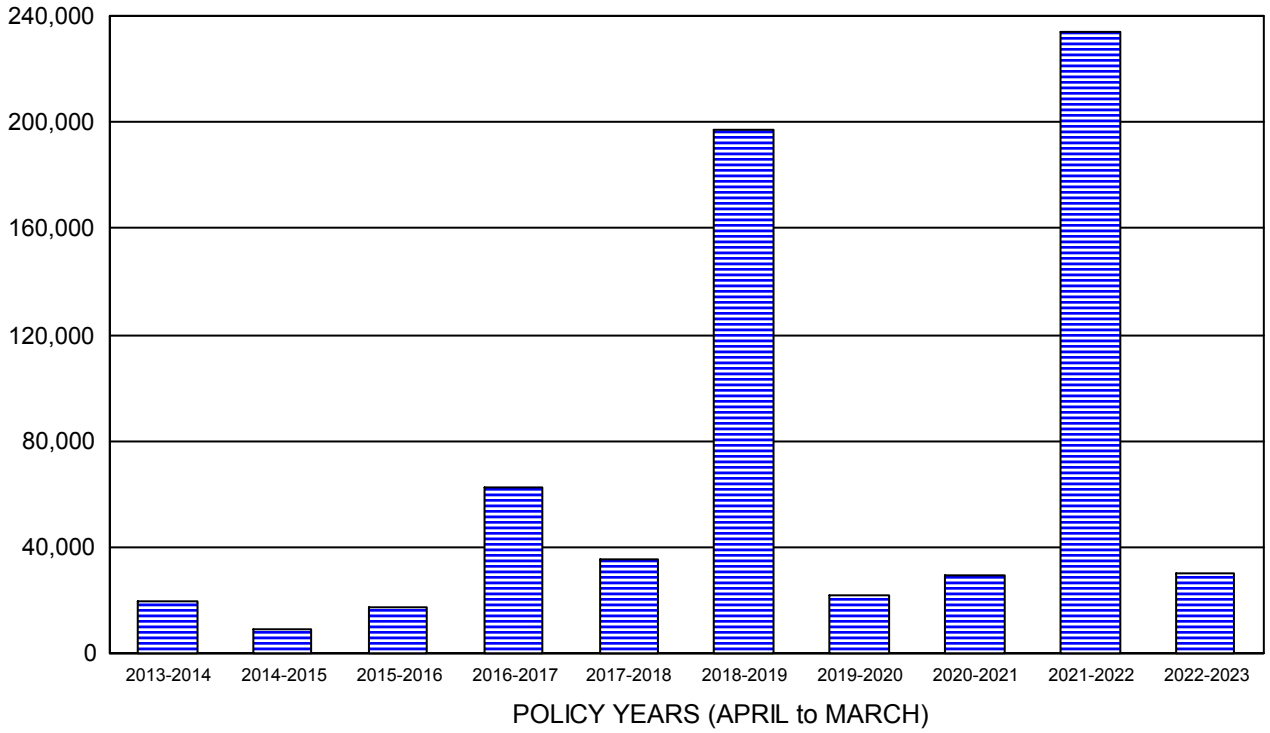
ACWA JPIA - PROPERTY PROGRAM
OCCURRENCES PER $100 MILLION OF INSURED VALUES
FOR MONTH ENDING 2/28/2023



PROGRAM YEAR (4/1)	NUMBER OF OCCUR	TOTAL INSURED VALUES (TIV)	INFLATION ADJUSTMENT ANNUAL %	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED TIV	# OF OCCURRENCES PER $100 MILLION OF INFLATION ADJUSTED TOTAL INSURED VALUES
2008-2009	79	3,463,027,227	0.00	1.323	4,582,035,291	1.7241
2009-2010	100	3,717,578,379	1.50	1.323	4,918,839,562	2.0330
2010-2011	86	4,011,604,591	3.00	1.304	5,229,432,976	1.6445
2011-2012	102	4,231,903,723	2.10	1.266	5,355,931,767	1.9044
2012-2013	95	4,485,928,834	1.30	1.240	5,560,654,274	1.7084
2013-2014	89	4,737,610,119	1.80	1.224	5,797,268,124	1.5352
2014-2015	100	4,992,740,567	1.00	1.202	6,001,437,549	1.6663
2015-2016	89	5,245,004,171	1.80	1.190	6,242,244,214	1.4258
2016-2017	110	5,473,946,519	2.90	1.169	6,399,524,257	1.7189
2017-2018	116	6,129,714,513	3.20	1.136	6,964,212,476	1.6657
2018-2019	158	7,097,455,423	0.00	1.101	7,813,664,164	2.0221
2019-2020	123	7,825,713,447	2.90	1.101	8,615,411,168	1.4277
2020-2021	121	9,560,434,709	1.70	1.070	9,560,434,709	1.8984
2021-2022	160	10,570,123,529	5.20	1.052	10,570,123,529	2.2706
2022-2023	66	11,440,191,992	8.30	1.000	11,440,191,992	0.8654

- Latest Policy Year's 'Number of Occur' include partial activity.
- Latest Policy Year's '# of Occurrences Per $100 Million of Inflation Adjusted Total Insured Values' has been annualized using 8 months data.

ACWA JPIA - PROPERTY PROGRAM
AVERAGE CLAIM SIZE REPORT
FOR MONTH ENDING 2/28/2023



PROGRAM YEAR (4/1)	MONTHS AFTER INCEPTION	AVERAGE LOSS	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED AVERAGE LOSS
2008-2009	176	12,158	1.32	$16,086.43
2009-2010	164	30,210	1.32	$39,971.15
2010-2011	152	29,103	1.30	$37,938.59
2011-2012	140	24,595	1.27	$31,127.94
2012-2013	128	13,697	1.24	$16,979.05
2013-2014	116	16,269	1.22	$19,907.45
2014-2015	104	7,597	1.20	$9,131.30
2015-2016	92	14,262	1.19	$16,973.23
2016-2017	80	53,654	1.17	$62,726.19
2017-2018	68	30,896	1.14	$35,102.09
2018-2019	56	179,298	1.10	$197,390.88
2019-2020	44	19,835	1.10	$21,836.73
2020-2021	32	27,475	1.07	$29,394.86
2021-2022	20	222,668	1.05	$234,246.74
2022-2023	8	30,223	1.00	$30,222.98

- Latest Policy Year's 'Inflation Adjusted Average Loss' have been annualized using 8 months data.
- Factor based on CPI for West Coast from US Dept of Labor

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 1987-1988					
87011	08/11/1987	Glenn-Colusa Irrigation District	Fire destroyed shop building	Closed	100,592
87020	10/22/1987	Yuima Municipal Water District	Mudslide damaged building	Closed	145,322
				TOTAL	**245,914**
POLICY YEAR 1989-1990					
89011	07/14/1989	Central California Irrigation District	Fire destroyed building	Closed	100,259
				TOTAL	**100,259**
POLICY YEAR 1991-1992					
91035	06/10/1991	Oakdale Irrigation District	Vandals damaged canal	Closed	85,250
				TOTAL	**85,250**
POLICY YEAR 1992-1993					
92017	08/22/1992	Ramona Municipal Water District	Seam on water tank cover split	Closed	260,474
92015	08/17/1992	South Coast Water District	Garage and shop destroyed by fire	Closed	223,359
				TOTAL	**483,833**
POLICY YEAR 1995-1996					
95006	05/24/1995	San Diego County Water Authority	Mudslide damaged control room.	Closed	94,729
				TOTAL	**94,729**
POLICY YEAR 1996-1997					
96057	11/26/1996	East Orange County Water District	Wind damaged reservoir roof	Closed	113,898
96072	02/15/1997	Lower Tule River Irrigation District	Capacitor fire resulted in business interruption claim	Closed	75,860
96032	08/11/1996	Semitropic Water Storage District	Turbine flooded during power outage	Closed	75,495
96028	08/06/1996	Valley Center Municipal Water District	Power surge damaged electrical panel	Closed	127,265
				TOTAL	**392,518**
POLICY YEAR 1997-1998					
97001	04/02/1997	East Orange County Water District	Wind damaged reservoir roof	Closed	85,535
97015	07/03/1997	Elsinore Valley Municipal Water District	Fire damaged building	Closed	94,483
97050	10/04/1997	Orange County Water District	Power surge damaged electrical panel	Closed	89,851
97035	08/31/1997	Reclamation District #108	Fire damaged building	Closed	263,928
				TOTAL	**533,798**

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 1998-1999					
99-1633	01/15/1999	Madera-Chowchilla Water an Power Authority	Hydro generator down	Closed	181,786
98002	04/09/1998	Palmdale Water District	Water backed up into water treatment plant	Closed	176,027
98008	04/22/1998	Wheeler Ridge-Maricopa Water Storage District	Fire damaged building	Closed	149,666
				TOTAL	**507,478**
POLICY YEAR 1999-2000					
99-1771	06/13/1999	Madera-Chowchilla Water an Power Authority	Hydro-electric plant turbine sustained damage of unknown origin.	Closed	155,095
00-2212	12/29/1999	Rancho California Water District	Fire damaged building and contents	Closed	80,822
				TOTAL	**235,916**
POLICY YEAR 2000-2001					
01-2850	10/10/2000	Arvin-Edison Water Storage District	Fire damaged a pump motor	Closed	151,567
01-2747	09/01/2000	Bella Vista Water District	Lightning strike damaged transformer	Closed	123,113
01-3162	02/26/2001	Santa Clarita Valley Water Agency	Water leaked into ozone output line, flooding 2 ozone generator units.	Closed	202,400
01-2770	09/11/2000	Yorba Linda Water District	Toilet backed up in District office	Closed	146,176
				TOTAL	**623,256**
POLICY YEAR 2002-2003					
02-4208	04/25/2002	Kern Water Bank Authority	Lightning strike damaged 3 recovery wells and pump station	Closed	81,348
03-4395	08/02/2002	Madera-Chowchilla Water an Power Authority	Plant shutdown - cause - unknown.	Closed	1,321,842
				TOTAL	**1,403,190**
POLICY YEAR 2003-2004					
03-5189	05/22/2003	Berrenda Mesa Water District	2000 HP motor & control switch was damaged due to PG&E interruption	Closed	76,488
04-5514	08/01/2003	Friant Power Authority	Fire damaged electrical panel and resulted in business interruption claim	Closed	386,149
04-5662	10/28/2003	Helix Water District	Fire damaged residential building and garage	Closed	380,036
04-6013	02/26/2004	Mountain Gate Community Services District	Hail damaged the District office	Closed	79,895
				TOTAL	**922,568**
POLICY YEAR 2004-2005					
05-6526	09/04/2004	Calaveras County Water District	Fire damaged District's "602" tank	Closed	205,341
05-6805	12/20/2004	Cucamonga Valley Water District	Fire damaged control panel	Closed	107,938
05-6398	07/21/2004	Merced Irrigation District	Vandalism to heavy equipment	Closed	111,928

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 2004-2005					
05-6378	07/16/2004	Serrano Water District	District pump failed - damage to pump and control panel.	Closed	111,340
04-6239	06/11/2004	Stockton-East Water District	Fire damaged control panel	Closed	153,314
05-6797	12/19/2004	Western Canal Water District	Water/sewage backed up into ice maker drain - flooded office	Closed	77,337
				TOTAL	**767,198**
POLICY YEAR 2005-2006					
07-8600	03/01/2006	American River Flood Contro District	District employee embezzled funds from District.	Closed	104,221
06-7661	11/15/2005	Mission Hills Community Services District	Fire damaged building	Closed	235,885
06-7741	12/22/2005	North Coast County Water District	Fire damaged vactor truck	Closed	124,057
06-7777	12/22/2005	Reclamation District #108	Electrical short damaged pump motor	Closed	82,134
				TOTAL	**546,297**
POLICY YEAR 2006-2007					
07-8416	09/07/2006	Arvin-Edison Water Storage District	Fire damaged building	Closed	194,849
07-8725	01/14/2007	Golden Hills Community Services District	Fire sprinkler line broke & flooded office	Closed	145,348
07-8891	03/19/2007	San Diego County Water Authority	Flood damaged hydroelectric plant wher two water supply lines ruptured	Closed	1,575,000
				TOTAL	**1,915,197**
POLICY YEAR 2007-2008					
08-9455	10/22/2007	Fallbrook Public Utility District	Rice Canyon Fire burned 2 chlorine stations	Closed	968,918
08-9450	10/26/2007	Helix Water District	Fire destroyed caretaker's residence @ diversion dam.	Closed	180,404
07-9107	06/05/2007	San Luis Water District	Fire damaged residence	Closed	104,129
08-9424	10/12/2007	Yolo County Flood Control & Water Conservation District	Fire destroyed Hunting Lodge rental	Closed	145,809
				TOTAL	**1,399,260**
POLICY YEAR 2008-2009					
09-0508	10/01/2008	Merced Irrigation District	Rented boomlift rolled	Closed	98,959
				TOTAL	**98,959**
POLICY YEAR 2009-2010					
10-0956	05/07/2009	Cachuma Operation and Maintenance Board	Fire damaged Core Shed	Closed	312,035
10-1202	05/28/2009	Calleguas Municipal Water District	Boiler & Machinery - Well #12	Closed	90,084
13-0295	10/30/2009	Calleguas Municipal Water District	B&M - Well #10	Closed	135,715

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 2009-2010					
13-0307	09/04/2009	Calleguas Municipal Water District	B&M - Well 9	Closed	198,902
13-0309	08/31/2009	Calleguas Municipal Water District	B&M - Well 16	Closed	122,111
10-1458	02/15/2010	Kanawha Water District	Fire damaged shop	Closed	440,577
10-1495	11/07/2009	Merced Irrigation District	Contractor dropped washer into 100 MVA transformer	Closed	1,032,000
10-1143	09/20/2009	West Basin Municipal Water District	Water damaged building due to pump failure	Closed	108,275
				TOTAL	**2,439,699**
POLICY YEAR 2010-2011					
11-0352	09/02/2010	Beaumont-Cherry Valley Water District	Diesel spill near Well 21	Closed	160,682
13-0308	05/31/2010	Calleguas Municipal Water District	B&M Well 14	Closed	171,458
10-1581	04/12/2010	Friant Power Authority	Lightening strike hit KV line and shorted out circuit breaker starting fire that burned for 45 minutes.	Closed	1,244,845
11-0409	12/21/2010	Mammoth Community Water District	Quonset hut #1 collapsed	Closed	109,349
11-0413	12/16/2010	Serrano Water District	PLD failed causing overflow in filtration tank into gallery	Closed	75,959
				TOTAL	**1,762,294**
POLICY YEAR 2011-2012					
12-0495	09/10/2011	Arvin-Edison Water Storage District	Lightning strike damage 3 - 5,500 HP motors @ Forest Frick Pump Station	Closed	616,557
14-0508	12/27/2011	Bard Water District	Employee dishonesty	Closed	100,000
12-0101	08/12/2011	Fresno Irrigation District	Kitchen fire @ 9451 E. Olive	Closed	139,653
12-0049	07/13/2011	Helix Water District	Explosion in Ozone Destruct Unit #2	Closed	224,117
12-0190	09/10/2011	Kern County Water Agency	Switch gear @ 2B & 4B melted	Closed	164,802
12-0112	07/07/2011	Lower Tule River Irrigation District	Bearing damage @ LakeSuccess Turbin	Closed	293,739
12-0171	09/07/2011	Mission Springs Water District	Sprinkler system went off sending 3" of water into building	Closed	214,319
				TOTAL	**1,753,186**
POLICY YEAR 2012-2013					
12-0769	05/07/2012	Banta Carbona Irrigation District	B&M - Pumping Station #1	Closed	207,856
13-0393	12/11/2012	Del Puerto Water District	Unknowns stole 200K generator/utility trailer	Closed	88,000
12-0681	05/01/2012	Palmdale Water District	Hydro-electric generator burned.	Closed	292,341
13-0336	12/02/2012	South Feather Water and Power Agency	Tree fell into shop building	Closed	127,212
				TOTAL	**715,409**

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 2013-2014					
13-0658	04/25/2013	Bella Vista Water District	1,000 HP pump/motor @ Wintu failed	Closed	149,736
14-0396	01/22/2014	Coastside County Water District	Fire in District's server room	Closed	277,915
13-0644	04/20/2013	Fresno Metropolitan Flood Control District	Theft of copper wire	Closed	77,400
14-0548	03/24/2014	Oakdale Irrigation District	Excavator caught fire & burn	Closed	162,003
14-0320	12/03/2013	Twentynine Palms Water District	Generator at flouride removal treatment plant failed.	Closed	119,755
				TOTAL	**786,808**
POLICY YEAR 2014-2015					
15-0454	02/06/2015	Wheeler Crest Community Services District	Wildfire burned District's building & contents @ Rimrock Regulation Station	Closed	80,123
				TOTAL	**80,123**
POLICY YEAR 2015-2016					
16-0100	07/09/2015	Orange County Water District	Vandalism/fire damaged HDPE pipe @ Santiago Basin	Closed	416,000
16-0230	10/06/2015	Thermalito Water & Sewer District	Fire @ District office	Closed	152,104
				TOTAL	**568,104**
POLICY YEAR 2016-2017					
17-0499	02/09/2017	Clearlake Oaks County Water District	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.	Closed	768,770
16-0591	04/07/2016	Placer County Water Agency	During a planned outage, water backed up into electrical area of Foothill Treatment Plant because a valve wasn't opened.	Closed	678,179
16-0693	04/17/2016	Reclamation District #2068	Circuit breaker failure resulted in control cabinet fire	Closed	101,198
17-0474	02/10/2017	South Feather Water and Power Agency	Debris from Oroville's damaged spillway caused water to back up and flood the Kelly Ridge Powerhouse.	Closed	3,337,906
17-0583	03/07/2017	Water Replenishment District of Southern California	Field Office & Storage Annex burglarized and vandalized.	Closed	150,157
17-0505	02/17/2017	West Valley Water District	Recent storms washed out box culvert at tank site 2-2/2-3.	Closed	79,454
				TOTAL	**5,115,663**
POLICY YEAR 2017-2018					
18-0131	08/14/2017	Arvin-Edison Water Storage District	Damage to 5500 HP motor @ Forest Frick Plant	Closed	129,545
18-0348	12/10/2017	Montecito Water District	Thomas Fire damaged/burned District property and later caused mud/debris flow on 1/9/18.	Closed	2,125,434
18-0222	10/09/2017	Redwood Valley County Water District	Wildfire damaged District's Tomki Booster Pump Station	Closed	421,571

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
				TOTAL	**2,676,550**
POLICY YEAR 2018-2019					
18-0688	06/11/2018	Glenn-Colusa Irrigation District	Trailer carrying a backhoe fell off the roa and overturned	Closed	116,577
19-0237	10/14/2018	Mesa Water District	Pipe burst in District's Water Ops building - approx. 1 foot of water in building when discovered	Closed	113,790
19-0464	02/03/2019	Montecito Water District	Heavy rainfall to areas damaged by the Thomas Fire (12/10/17) caused mud & debris flows onto MWD roads and damage to culvert.	Closed	531,060
20-0104	12/17/2018	San Juan Water District	Engine that powers generator blew a head gasket after being serviced	Closed	97,457
19-0644	04/26/2019	Semitropic Water Storage District	Fire @ P-384	Closed	110,480
19-0244	10/15/2018	Solano County Water Agency	Agency's Excavator caught fire	Closed	95,181
18-0726	06/25/2018	South Feather Water and Power Agency	Boulder (5 ft. diameter) fell from 100 ft up hillside onto penstock.	Closed	549,536
19-0088	08/06/2018	Terra Bella Irrigation District	Fire @ empty residence	Closed	92,374
				TOTAL	**1,706,455**
POLICY YEAR 2019-2020					
21-0163	02/27/2020	Arvin-Edison Water Storage District	5,500 HP motor failed to start, when examined for repair, bobcat was found in the motor causing it to short and caused damage	Closed	386,443
				TOTAL	**386,443**
POLICY YEAR 2020-2021					
21-0614	08/06/2020	Diablo Water District	Pump shaft failure	Closed	86,005
21-0210	09/21/2020	El Dorado Irrigation District	Broken piece of ceiling plaster fell into and damaged generator also resulting in loss of revenue.	Closed	93,572
22-0117	05/14/2021	Placer County Water Agency	District sent EFT payment to non-valid account of vendor	Closed	78,377
21-0151	08/18/2020	Rural North Vacaville Water District	LNU Lightning Complex fire destroyed property	Closed	342,148
21-0183	09/03/2020	Tehachapi-Cummings County Water District	Engine #3 suffered a catastrophic failure from a broken connecting rod in cylinder #6, which exited the engine through an inspection cover & damaged the cast engine block.	Closed	346,413
				TOTAL	**946,514**
POLICY YEAR 2021-2022					
22-0554	01/21/2022	Rosedale-Rio Bravo Water Storage District	High winds in the area caused severe damage to the roof on two buildings at the headquarters.	Closed	80,418
				TOTAL	**80,418**

ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER $75,000
FOR MONTH ENDING 2/28/2023

CLAIM NUMBER	LOSS DATE	DISTRICT	DESCRIPTION	STATUS	LOSS AMOUNT
POLICY YEAR 2022-2023					
23-0330	11/13/2022	Marina Coast Water District	Cat Generator was stolen by unknowns	Closed	95,240
23-0016	07/06/2022	Moulton Niguel Water District	MNWD received fraudulent email from vendor Pac Hydro with payment instructions and paid fraudulent account twice - CRIME	Closed	94,669
				TOTAL	**189,909**
				GRAND TOTAL	**29,563,195**

ACWA JPIA
Property Program Update & Renewal Strategy
March 22, 2023

BACKGROUND
The Property Program experienced some significant changes over the past year. Staff intends to recap the major changes implemented as of July 1 and forecast future changes under consideration to ensure members can access the broadest, most cost-effective coverage possible and help protect the Program's financial security and increase its financial stability.

CURRENT SITUATION
Recap of the 2022-23 Renewal
JPIA losses, coupled with unprecedented catastrophic losses worldwide, made this renewal particularly challenging. In light of the severely hardening market and the JPIA's loss ratio, the purchase of excess Property coverage at the pool's existing retention was significantly cost prohibitive. As such, after careful consideration of actuarial projections, in June 2022, the Property Program Committee recommended, and the Executive Committee approved, an increase in JPIA's retention from $100,000 (plus a $1M aggregate deductible) to $10,000,000. Even with the significant increase in pool retention, premiums for this year's excess coverage still increased by approximately 16%.

Program Funding
Overall historical costs in the pooled layer, and claims frequency, have been on the rise. Members have been made aware for quite some time that several recent program years are in a significant deficit and that, with both the cost of self-insuring to a higher limit and sharply increased excess costs, it was likely that the Property Program would need to increase rates by approximately 15-20% per year for the foreseeable future to properly fund anticipated losses, build up reserves, and balance out years with negative equity. As such, in June 2022, the Property Program Committee recommended, and the Executive Committee approved, a 20% rate increase for the 2022-23 Program Year. Also included this year was a 7.5% real property and 5% personal property inflationary trend on member assets.

Property Program Natural Disaster Fund
The Property Program Natural Disaster Fund was created in 2015 by building $500,000 into program funding for years 2015-16 through 2018-19 for a current total fund balance of $2,000,000. In recent years, funding of the Natural Disaster Fund ceased in order to mitigate the dramatically increasing costs the Program has been experiencing. The purpose of this Fund is to mitigate the need for potential large assessments relative to unfavorable policy years or unique and unanticipated large losses, similar to the intended functionality of the Liability and Workers' Compensation Catastrophic Loss Funds.

In light of the significant increase to the pooled retention, as of July 1, from $100,000 to $10,000,000, and quantifiable increases in not only loss experience and large claims but purchased insurance costs, the importance of continuing to fund the Natural Disaster Fund has been amplified. As such, staff will continue to monitor the need to potentially use, and/or add funding to, this important Fund.

Renewal Strategy

Over the past year, and in anticipation of a less than desirable 2022-2023 renewal, staff has been diligently and strategically working towards the identification of alternative program structures, broker and carrier relationships, and other resources that might position JPIA more favorably for the 2023-2024 renewal. A result of that process was the identification of the need to transition the JPIA's Property Program from our existing broker, Alliant, back to its prior broker, AON. Committee members may be aware that AON is also currently the broker for the JPIA's Liability and Workers' Compensation Programs and has been since May 1, 2013.

This transition will, at the very least, save the JPIA significant dollars in service provider fees, by transitioning away from a commission-based contract, to a flat fee arrangement. The contract will also include incentive fees that will allow AON to earn additional fees as a percentage of premiums saved or refund fees to the JPIA if premiums exceed industry averages. Additionally, staff anticipates this transition to allow the Property Program to have access to additional, and perhaps more appropriate, markets for this year's renewal and staff is optimistic that renewal options will be significantly more desirable than the current Program structure. Alex Tokar, JPIA's principal consultant at AON, will be present at the meeting to provide further information on the JPIA's 2023-2024 renewal strategy.

RECOMMENDATION

None, informational only.

Prepared by: Adrienne Beatty, Assistant Executive Officer Date prepared: February 28, 2023



ACWA JPIA

Property Program Renewal Strategy

March 2, 2023

Aon Risk Insurance Services West, Inc.
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Proprietary & Confidential | Edition Date: January 24, 2020

ACWA JPIA Renewal Objectives - Property



ACWA JPIA Priorities

PROGRAM DESIGN & LIMITS

ACWA would prefer a one-carrier solution or quota share structure with fewer insurance partners. We agree and believe this approach will generate cost savings long-term stability and more meaningful relationships. The program limit of $500M appears more than adequate and most technical underwriters are not concerned about limits beyond the calculated MFL or PML on any facility.

EARTHQUAKE LIMITS

ACWA has not been a historical buyer of CAT limits, which is extremely helpful from a marketing perspective. This eliminates one of the major areas of underwriter concern due to treaty restrictions following the 1-1-2023 reinsurance renewal season.

FLOOD LIMITS

We plan to add sufficient limits for flood to address the needs of all members, including Yuba County

DAM FAILURE

We will be focused on power/utility markets that are comfortable with the risks associated with dams and hydro facilities. These will all be covered in full.

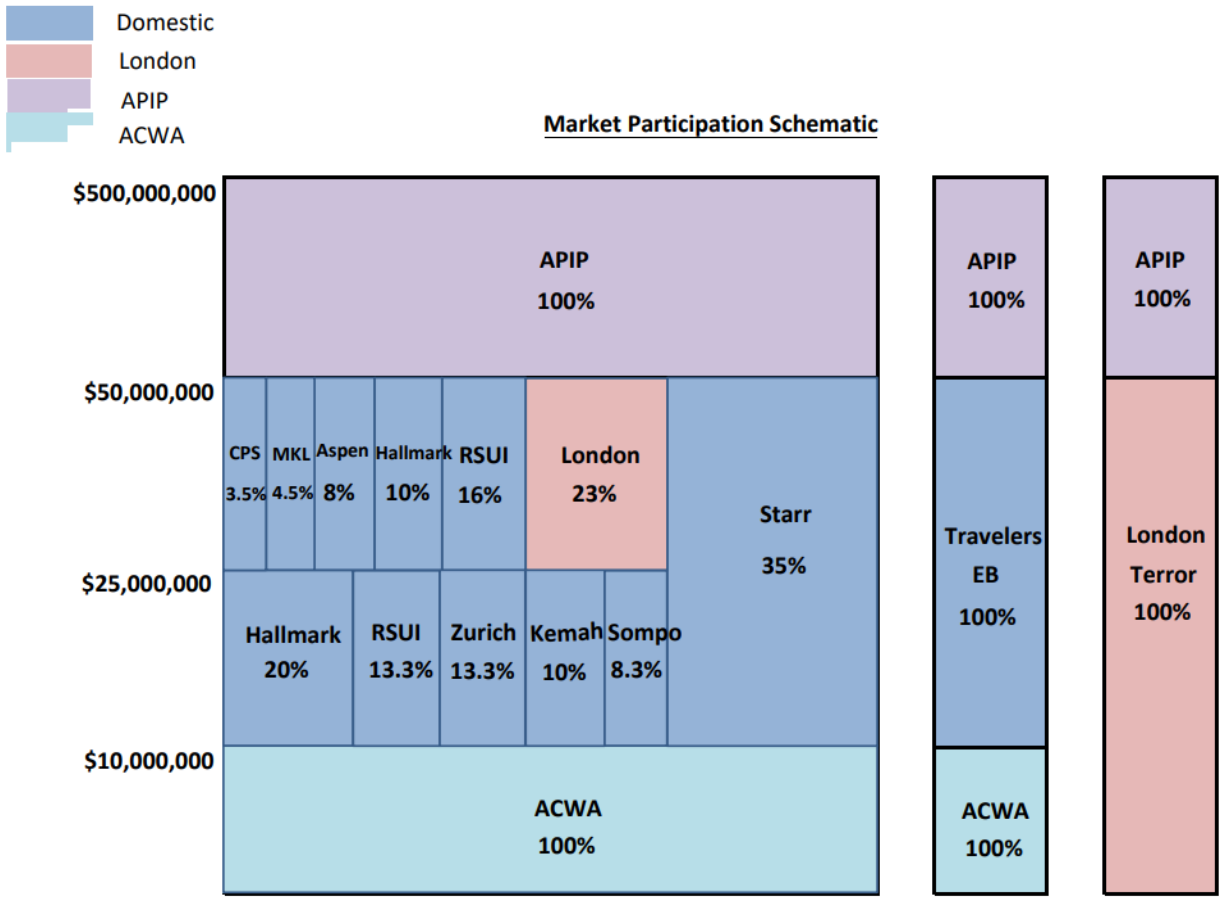
DEDUCTIBLES

The current deductible does not represent a good value against the average asset size of the portfolio. The renewal objective will be deductible options of between $1M and $5M. We foresee no difficulty with a maximum deductible of $5M.

ENGINEERING

Water districts are technical risks and ACWA JPIA members have demonstrated a strong commitment to up-keep and improvements at their facilities. We believe this makes your account an excellent match for underwriters such as FM Global and Aegis that are engineering-oriented and base their rate models on the protections available at a facility vs the loss history.

2022-2023 ACWA JPIA PROGRAM SCHEMATIC



New & Potential New Markets - Property

Mutual, Power/Utility & Specialty Options

Mutual Markets

These markets have an appetite for power/utility risks and operate as mutual insurers, so that they typically offer a membership credit that increases over time to encourage long-term relationships. In the case of Aegis and FM Global they generally will write an entire program of very substantial percentage of a program themselves without the need for other capacity.

- Aegis
- EIM
- FM Global
- NEIL

Power/Utility Markets

These markets have a demonstrated appetite for power/utility risks and can be accessed in the US without the added expense of a wholesale broker. Most of these markets can write up to 20% of a risk of ACWA's size. They are frequent quote share partners on programs led by Aegis and FM Global.

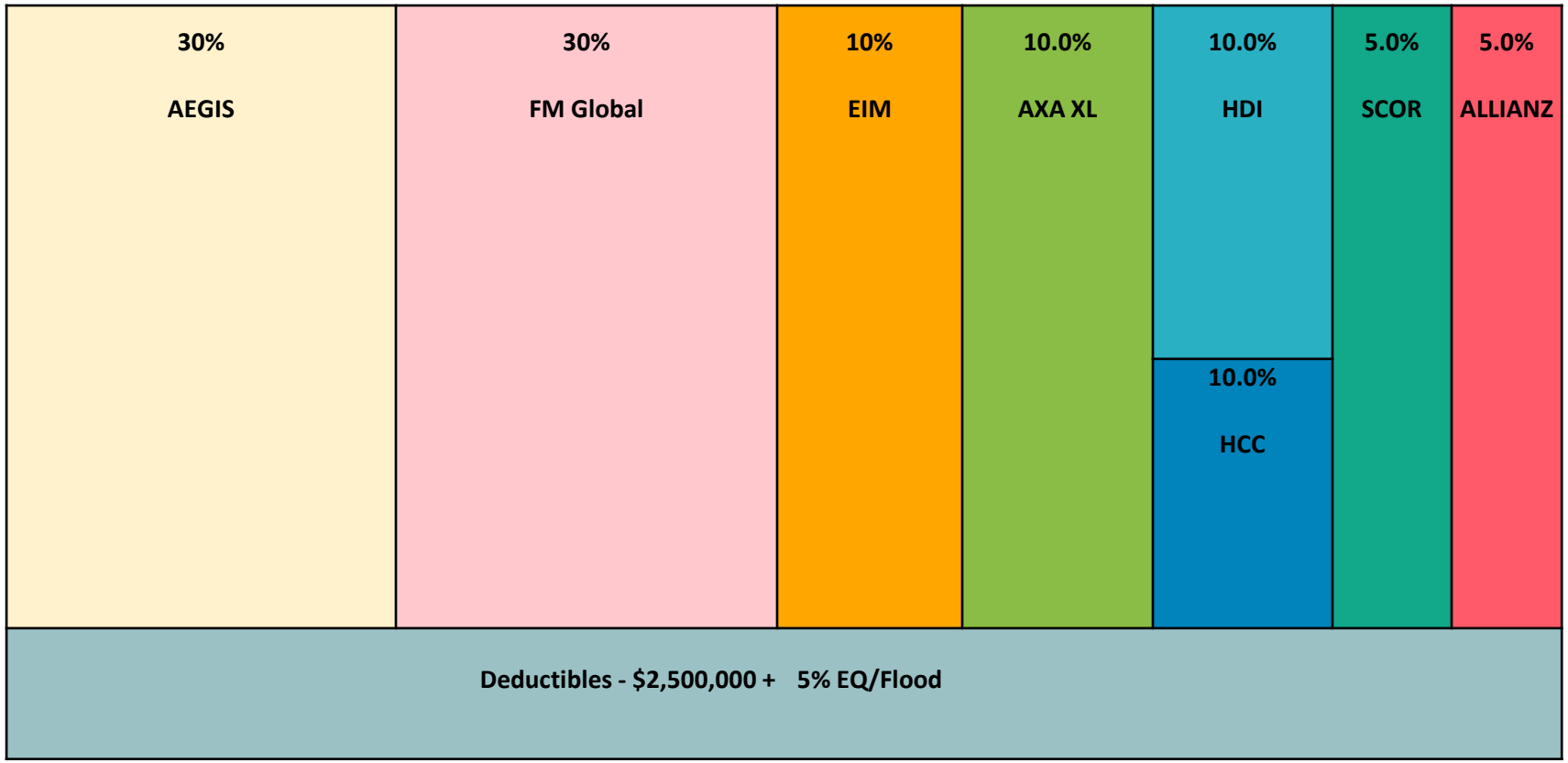
- AIG
- Allianz
- AXA XL
- Chubb
- HCC
- HDI
- Munich RE
- Scor
- Sompo
- Starr Tech
- Swiss RE
- Zurich

Specialty Markets

These markets offer more limited capacity but may be useful to "fill-in" small percentages in the unusual case that the mutuals and domestic power/utility markets do not offer sufficient capacity to complete the placement. In some cases, they are also willing to act as reinsurers to captives, which might be a good fit for CWIF.

- Amlin
- Ark
- CNA
- Hamilton
- Hannover
- Lancashire
- Partner Re
- Rockstone

2023-2024 ACWA JPIA Potential Program Structure



The completed program for 2023 should have a simpler structure with more substantial participation by key partners, including some combination of mutual insurers, markets committed to the utility space and other specialty markets. We believe our strategy will result in a more competitive rate, more reasonable deductible and better engineering services for ACWA JPIA Members

Aon Service Team

San Francisco Leadership



Jessica Fields
Resident Managing Director
415.486.7135 o
415.238-4961 c
jessica.fields@aon.com

Account Management



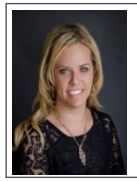
Alex Tokar
Account Executive
Managing Director
415.486.7377 o
415.860.8434 c
alex.tokar@aon.com



Krishna Shirodkar
Senior Account Specialist
415.486.7432 o
krishna.shirodkar@aon.com

Brokerage

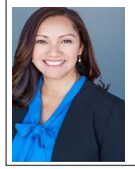
Casualty Excess Liability (Los Angeles)



Jennifer Hetzel
Senior Broker
213.996.15371 o
jennifer.hetzel.aon.com



Kyle Powell
Consulting Broker
213.996.1544 o
kyle.powell@aon.com



Gabriela Richards
Senior Broker
213.630.3358 o
323.397.1571 c
gabriela.richards@aon.com

Excess Workers Compensation (Forth Worth, TX)

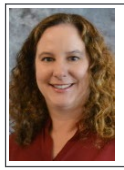


Anna Nurse
Broker
817.339.2010 o
314.283.5175 c
anna.nurse@aon.com



Crystal Walker
National Practice Leader
817.339.2042 o
crystal.walker@aon.com

Environmental (San Francisco)



Trish Blau
Managing Director
415.486.6936 o
415.806.7774 c
trisha.blau@aon.com

Property (San Francisco)



Garry Edwards
Broker
415.402.6398 o
garry.m.edwards@aon.com

Cyber E&O (San Francisco)



Matt Kuhn
Broker
212.479.8722 c
matt.kuhn@aon.com

Actuarial Specialist



Tracy Fleck
Consultant & Actuary
949.608.6365 o
714.2534.7200 c
tracy.fleck@aon.com

Public Entity/Utility Leadership

National Resources



Julie Theirl
Managing Director
Public Sector Pooling
909-967-9091
julie.theirl@aon.com



Jose Peralta
Director, National Resource
Public Sector
202.862.5631 o
202.412.3543 c
jose.peralta@aon.com



Mark A. Fishbaugh
Practice Leader, Global Power Practice
704-5820-2476
mark.fishbaugh@aon.com

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ACWA JPIA
Property Program Claim's Audit
March 22, 2023

BACKGROUND
Every two years the JPIA retains an independent auditor to review the claim files of the Liability and Property programs. The auditors review selected files and provide an evaluation of the department.

CURRENT SITUATION
The latest audits were completed in Fall of 2022. Following in the packet are the Executive Summaries from the audit report. The Property program received a well-deserved, excellent evaluation.

RECOMMENDATION
None, informational only.

Prepared by: Robert H. Greenfield, General Counsel Date prepared: March 13, 2023

Praxis
Claims Consulting

36 East Mountain Road
Peterborough, NH 03458
Mobile: (802) 249-6320
Toll free & Fax: (800) 651-7021
www.praxisclaims.com

SENT VIA E-MAIL- October 18, 2022

Jennifer Nogosek, ARM
Liability & Property Claims Manager
Association of California Water Agencies JPIA
2100 Professional Drive
Roseville, CA 95561-3700

RE: ASSOCATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY
CLAIM FILE REVIEW

Audit Dates: September 12-15, 2022
Remote Audit

Ms. Nogosek:

This narrative will serve as Praxis' report of findings following the remote audit and claims handling review for the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). The claim files reviewed were handled by ACWA JPIA's in-house claims team.

EXECUTIVE SUMMARY

Observations:

- The initial set-up and contacts are made timely.
- Claims are evaluated for sufficiency and timeliness.
- Potential coverage issues are documented and addressed.
- There is evidence of a proactive and comprehensive investigation in the majority of claim files reviewed. Praxis identified three files that do not fully outline the investigation.
- With two exceptions, liability assessments are timely and comprehensive taking into consideration government codes, immunities, case law, etc.

- Overall, the claim activity notes outline interactions with claimants, insured contacts, and legal counsel. Praxis identified three claim files with significant gaps in documentation as well as two claim files with minimal notes.
- With three exceptions, claim file documentation outlines current status and plan of action.
- Claim files are actively managed with appropriate diary spans. Praxis identified two claim files with overdue diaries.
- Supporting documents are stored within iVOS claims management system and have descriptions with sufficient detail to determine content.
- With three exceptions, damage evaluations are present within the claim files and take into consideration both compensatory and general damages.
- Initial reporting of claims to excess is generally in accordance with excess reporting requirements. Praxis identified one claim file involving a traumatic brain injury that required reporting.
- Status reports are submitted to excess in accordance with reporting requirements.
- The management of litigation in terms of assignment, defense strategy, and disposition is appropriate.
- Overall, the reporting and communication with defense counsel is in accordance with best practices. There is one file with delayed receipt of an initial case evaluation by defense counsel, one file with no updated status report since the initial case evaluation in May 2022, as well as another file where an answer to the complaint could not be located.
- Praxis noted four claim files in which the independent adjuster assigned by the excess carrier has not been responsive to ACWA JPIA or the insured. There is also one file with an independent adjuster assigned by ACWA JPIA in which an interim report is overdue.
- Co-defendants are identified and cross complaints are filed when appropriate. The pursuit of tender of defense & indemnity is pursued in all applicable files reviewed.
- Reserves are established taking into account the liability and damage evaluations to reflect the expected outcome. Praxis recommends one loss reserve increase.
- Reserves are re-evaluated when new facts are presented. There is no evidence of stair-stepping or suppression of reserves.
- Negotiations and settlements are proactively pursued which helps mitigate damages.
- There is evidence of supervisory involvement and review of claim files.

Recommendation:

- To assist in identifying claim files which contain gaps in documentation, Praxis recommends the implementation and distribution of off-diary and overdue diary reports that are generated out of iVOS, the claims management system. The reports should be distributed to all members of the claims team either biweekly or monthly.

AUDIT LOGISTICS

A pre-audit introductory virtual meeting was conducted with Jennifer Nogosek, ARM, Liability and Property Claims Manager, and Robert Greenfield, Esq, General Counsel on July 5, 2022.

Erik Kowalewski, Network/Systems Administrator, facilitated the remote set-up and credentials to access ACWA JPIA's environment and iVOS, the claims management system.

Ms. Nogosek provided the following information as supporting documentation for the claim review audit:

- Loss run of property and liability claim files for two years
- 2022 Organizational Chart
- Authority limits effective 6/21/22
- Claims staff bios
- Defense Attorney Rates
- Coverage documents 2019- current

Praxis remotely reviewed 46 claim files. The files were reviewed by Timothy Vincent, CPCU, of Praxis.

EXHIBITS

The following exhibit is included with this report:

Audit review spreadsheet - Exhibit 1.

TECHNICAL REVIEW

Government Codes:

It is evident in the files reviewed that each case being brought against the JPIA is analyzed to determine that proper claim reporting procedures are followed to ensure that files are timely and sufficient.

The initial set-up and contacts are made timely. Claims are evaluated for sufficiency and timeliness.

Coverage:

This category evaluates the assessment of coverage, potential exclusions, available immunities, limitations, and sub-limits. Praxis also assesses whether reservation of rights letters are drafted timely to address potential coverage concerns.

Each claim file reviewed showed an appropriate assessment of coverage.

Potential coverage issues are documented and addressed. Reservation of rights letters are issued when appropriate.

Liability Determination/Investigation:

The liability determination takes into consideration government codes and immunities as well as case law. Following that initial assessment, the claim handler needs to evaluate the duties owed as well as the duties breached. In determining comparative aspects, the importance of each duty is also evaluated. If there is evidence of a breach of a duty owed, the claims handler then evaluates whether there was notice, either actual or constructive. Each of these components make up the overall liability assessment.

This category evaluates two aspects. There is the investigation process itself, then the actual documentation of the assessment of liability.

There is evidence of a proactive and comprehensive investigation in the majority of claim files reviewed. Praxis identified three files that do not fully outline the investigation.

With two exceptions, liability assessments are timely and comprehensive taking into consideration government codes, immunities, case law, etc.

File Documentation/Diary:

Throughout the life of the claim or litigated case, the file should contain chronological documentation of activities, and the cause and effect of these activities as they relate to exposure. Received and generated correspondence should be uniformly stored and identified for ease of access.

A properly documented claim file or litigated case, as applicable, should contain at a minimum:

- A clear, detailed description of the claim being made.
- An initial analysis of coverage and any applicable immunities.
- Known facts and unknown information needed.
- An initial plan of action.
- A prompt and detailed initial investigation with documented results.
- An assessment of that investigation as it relates to liability and damages.
- A detailed documented rationale supporting the loss reserve and as needed, expense reserves.
- An updated assessment of liability, damages and reserve changes as needed, and a revised detailed plan of action based on the results of any new or developing information.
- Files in litigation should contain an initial case evaluation report from defense counsel that details initial case analysis, a litigation budget, and a proposed litigation plan.
- Defense counsel should provide a meaningful updated status every ninety days depending on the stage in the life of the file.
- The file should contain a summary and analysis of all documents received. The file should reflect that the document has been read and its effect on the exposure.
- A diary span that is set at an interval commensurate with the needs of the file.

- A summary of any roundtable discussions or supervisory direction as applicable.

Overall, the claim activity notes outline interactions with claimants, insured contacts, and legal counsel. Praxis identified three claim files with significant gaps in documentation as well as two claim files with minimal notes.

To assist in identifying claim files which contain gaps in documentation, Praxis recommends the implementation and distribution of off-diary and overdue diary reports that are generated out of iVOS, the claims management system. The reports should be distributed to all members of the claims team either biweekly or monthly.

With three exceptions, claim file documentation outlines current status and plan of action.

Claim files are actively managed with appropriate diary spans. Praxis identified two claim files with overdue diaries.

Supporting documents are stored within iVOS claims management system and have descriptions with sufficient detail to determine content.

Damage Evaluation:

This category measures the evaluation and potential financial impact of each claim and the documentation within the claim file to support the evaluation. Industry claims handling practices require the claims handler to develop and document liability probabilities together with an estimate of reasonable economic and general damages. Further, the claims handler must adjust the evaluation as additional facts are developed. The claims handler, as early as possible, should form an opinion as to liability by applying the facts to the law, and estimate the probable outcomes to reach a reasonable range for settlement value. This process should also form the basis for ultimate reserve development. Evaluations should be properly documented to clearly explain and convey the claim handler's view of liability, damages and other factors that may influence the settlement value.

With three exceptions, damage evaluations are present within the claim files and take into consideration both compensatory and general damages.

Reporting to Excess/Reinsurance:

ACWA JPIA's required excess reporting triggers for property and liability are in accordance with industry standard practices. Claims handlers must report all claims that meet the reporting criteria to excess carriers per the reporting requirements.

Initial reporting of claims to excess is generally in accordance with excess reporting requirements. Praxis identified one claim file involving a traumatic brain injury that required reporting.

Status reports are submitted to excess in accordance with reporting requirements.

Litigation Management:

This category evaluates whether files being litigated are being handled in accordance with industry best practices. Assessment includes client communication, initial case evaluation, litigation plan, litigation reports, interim reporting, pleadings, discovery, and billing.

The management of litigation in terms of assignment, defense strategy, and disposition is appropriate.

Overall, the reporting and communication with defense counsel is in accordance with best practices. There is one file with delayed receipt of an initial case evaluation by defense counsel, one file with no updated status report since the initial case evaluation in May 2022, as well as another file where an answer to the complaint could not be located.

Vendor Management:

ACWA JPIA utilizes independent adjusters for claim investigations. This includes on-site evaluation of the loss location, assessment of liability and damages, as well as interviewing of insureds, claimants, and witnesses.

Cases were assigned to independent adjusters on a very prompt basis. Receipt of initial and follow up reports were generally timely and comprehensive. . There is one file with an overdue interim report.

Praxis noted four claim files in which the independent adjuster assigned by the excess carrier has not been responsive to ACWA JPIA or the insured.

Contribution/Subrogation:

This category measures whether opportunities for subrogation, third party contribution and indemnity are identified and pursued.

Subrogation potential is appropriately identified and pursued.

Co-defendants are identified and cross complaints are filed when appropriate. The pursuit of tender of defense & indemnity is pursued in all applicable files reviewed.

Reserves & Reserve Adequacy:

This category confirms that initial reserves are posted timely and in accordance with the claims handler's best estimate of exposure at the time the loss is received.

Loss reserves should reflect neither the best nor worst possible result, but a realistic assessment of the most likely outcome with any unresolved or disputed factors considered. The loss reserve should always reflect the analyzed ultimate value of the case.

Expense/Legal reserves should be based on defense counsel's proposed budgets, costs associated with independent adjuster involvement, as well as any claims adjudication expenses.

Reserves are established taking into account the liability and damage evaluations to reflect the expected outcome. Praxis recommends one loss reserve increase. The specific reserve recommendation can be found in the audit review spreadsheet.

Reserves are re-evaluated when new facts are presented. There is no evidence of stair-stepping or suppression of reserves.

Disposition/Settlement Factors:

This category evaluates the claims handler's evaluation of the liability and damages evaluation, potential for dismissal through motion practice or a defense verdict, and their communication with the claimant/plaintiff/counsel. In matters of adverse liability, we look to see if the claims handler is proactive in attempting to settle cases versus having prolonged litigation and increased defense expenses.

Negotiations and settlements are proactively pursued which helps mitigate damages.

Supervision:

The role of the manager and/or supervisor is to guide the process from claim receipt through resolution to ensure consistent claim management processes are implemented and to act as a "second set of eyes" specific to the claim handler actions and decisions. The supervisor should document the claim file notes with any supervisory activity and instruction for future claim handling.

There is evidence of supervisory involvement and review of claim files.

Wrap-up Discussions:

Upon completion of the claim file review, the scoring matrix spreadsheet was provided to Jennifer Nogosek for review and comment.

A wrap-up meeting was conducted on October 5, 2022, attended by Jennifer Nogosek and Timothy Vincent. Praxis' findings and recommendations were discussed.

CONCLUSION:

The ACWA JPIA claims team demonstrates the technical expertise and sophistication necessary to properly handle the Authority's liability and property claim exposures to proper resolution.

Sincerely,





Brian D. Stiefel, CPCU
President & Founder
Praxis Claims Consulting
brian@praxisclaims.com

Timothy Vincent, CPCU
Managing Partner
Praxis Claims Consulting
tim@praxisclaims.com

ACWA JPIA
CEO Update
March 22, 2023

BACKGROUND
This will be a standing item on Committee agendas.

CURRENT SITUATION
The JPIA's Chief Executive Officer, Andy Sells, will update the Committee on relevant current issues, potential future opportunities and challenges.

- JPIA update

RECOMMENDATION
None, informational only.

Prepared by: Walter "Andy" Sells, Chief Executive Officer Date prepared: March 13, 2023

ACWA JPIA MEETINGS & CONFERENCE CALENDAR – 2023

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 23			2:00 PM COSTA MESA							
Jan 30									2:00 PM	
Jan 31		8:00 AM								
Mar 22				1:00 PM			3:00 PM			
Mar 23		8:00 AM								
Apr 26					8:30 AM					
May 8	1:30 PM	10:15 AM						8:30 AM		
May 9-11 ACWA Spring Conference – Monterey										
May 25										9:00 AM Utah
June 8			11:00 AM							
June 14-15 Executive Committee Onboarding Meeting										
June 20							3:00 PM	1:00 PM		
June 21		8:00 AM								1:00 PM
July 26					2:15 PM	12:30 PM				
July 27		8:00 AM								
Sept 6			11:00 AM							
Sept 27				3:00 PM		1:00 PM				
Sept 28		8:00 AM								1:00 PM
Oct 25		8:30 AM								
Nov 27	1:30 PM	10:15 AM								
Nov 28										8:30 AM
ACWA Fall Conference – November 29 – December 1 – Indian Wells										

- CICA Conference, Rancho Mirage – March 5-7, 2023
- AGRiP Governance Conference, Orlando, FL – March 5-8, 2023
- CAJPA Conference, Lake Tahoe – September 12-14, 2023