



Central Region  
School Insurance Group

2007/08  
ANNUAL REPORT

*In Pursuit of Excellence*  
Protecting students  
Advocates for staff  
Safety & Health for All

## **Our Mission**

*The mission of the Central Region School Insurance Group is to pursue excellence in the protection of students, advocacy of staff and the provision of services for the safety and health of all who enter member sites.*

*-Adopted December 7, 2007*

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## Message To The Members

Congratulations are due to all CRSIG members as the Group completed its 28<sup>th</sup> year on June 30, 2008. The 2007/08 year brought continued success in the areas of employee medical, vision and dental benefits as well as property & liability and workers' compensation indemnification. Along with issuing \$700,000 in rebates to our Workers' Compensation members, members of the Property & Liability pool received their seventh dividend totaling \$300,000.

The Board and Executive Committee were diligent in protecting the assets accumulated by CRSIG through the revision of the Investment Policy and implementation of underwriting guidelines for new members to the Property & Liability and Workers' Compensation programs. In addition, numerous language changes to the JPA Agreement and Bylaws were constructed in preparation for an updated Agreement document to be proposed to members during the 2008/09 year. Numerous trainings were also conducted in the areas of Employer Liability, Campus Supervision, Online Tracking of Insurable Values, Disaster Preparation and a bi-monthly New Employee Required Training Program.

Loss Control services were ramped up to offer inspections of all high school shops, extensive removal of chemicals from labs as well as the development of a CRSIG in-house Return To Work and Nurse Triage and Claim reporting system.

The most notable accomplishment for CRSIG was the implementation of a Capital Target Equity Policy which sets out the funding target for each self-insured program to answer the questions: "How much funding is enough?", "How do we know we have set aside enough to cover catastrophic events, prior year liabilities and fluctuations in the market place?". I encourage you to spend time on page 8 of this report to get a feel for the targets we have set.

The training rooms located at the new CRSIG building are available for use by our members and include one smaller (40 occupants) to a larger room which can accommodate up to 100 individuals.

Finally, I invite you to visit the CRSIG website at [www.crsig.com](http://www.crsig.com) which includes specific information on each of the programs, forms, schedules for meetings and helpful links to other school-related agencies and organizations. (see page 11)

Thank you to each of the members of CRSIG, its Executive Board, staff and business partners for your continued efforts and support.

Sincerely,  
*Becky Slaughter, ARM*  
Executive Director

## Governance

### *2007/08 CRSIG Officers:*

#### ***President***

Tony Borba, Salida Union School District

#### ***Vice-President***

Pam Wall, Empire Union School District

#### ***Treasurer***

Don Gatti, Stanislaus Co. Office of Ed.

#### ***Secretary***

Becky Slaughter, CRSIG

### *2007/08 CRSIG Executive Committee:*

<b>Tony Borba</b>	Salida Union School District	Representative
<b>Pam Wall</b>	Empire Union School District	Representative
<b>Don Gatti</b>	Stanislaus County Office of Ed.	Representative
<b>Joe Galindo</b>	Riverbank Unified School District	Representative
<b>Ream Lochry</b>	Hart-Ransom Union School District	Representative
<b>Patricia McGuire</b>	Turlock Unified School District	Representative
<b>Scott Siegel</b>	Ceres Unified School District	Representative
<b>Tim Hern</b>	Oakdale Unified School District	Alternate/Rep. as of 6/1/08
<b>Ed Parraz</b>	Denair Unified School District	Alternate
<b>Jim Yardy</b>	Salida Union School District	Alternate as of 6/1/08

### CRSIG Staff Members

***Becky Slaughter, ARM***  
Executive Director

***Christina Stark***  
Loss Control Specialist

***Angela Jacobson***  
Administrative Assistant

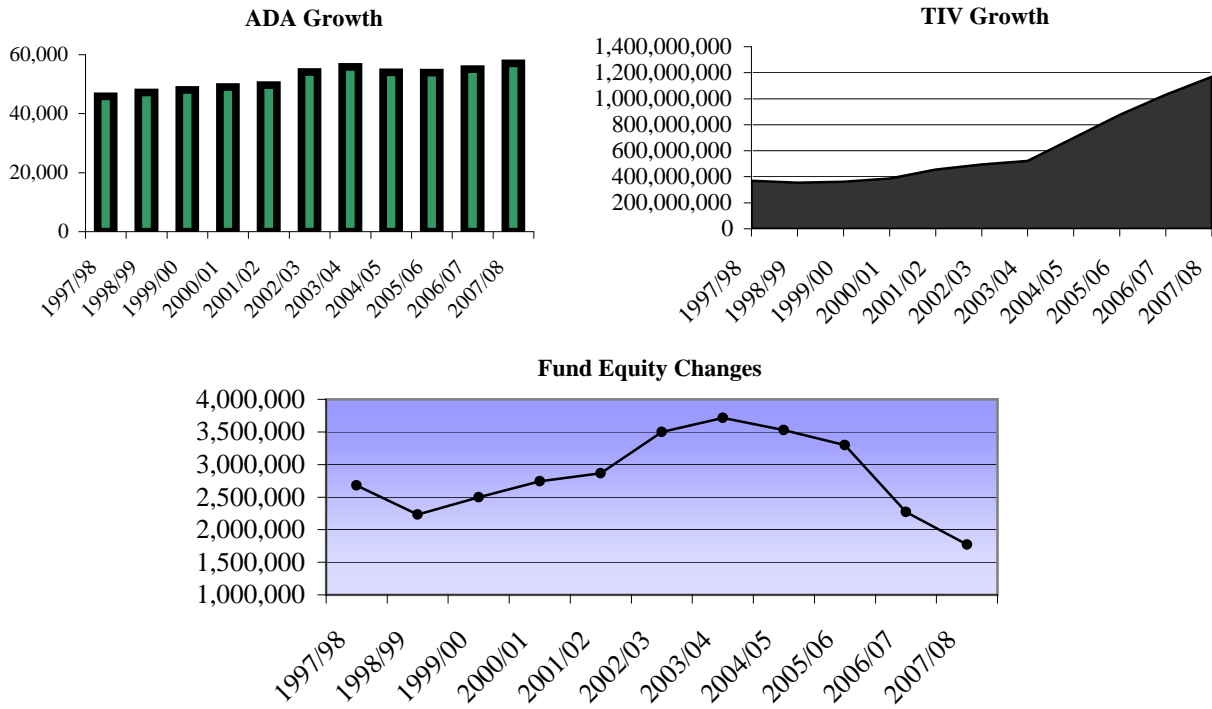
***Andrea Stewart***  
Office Technician

## 2008/09 MEMBERSHIP & PROGRAM PARTICIPATION

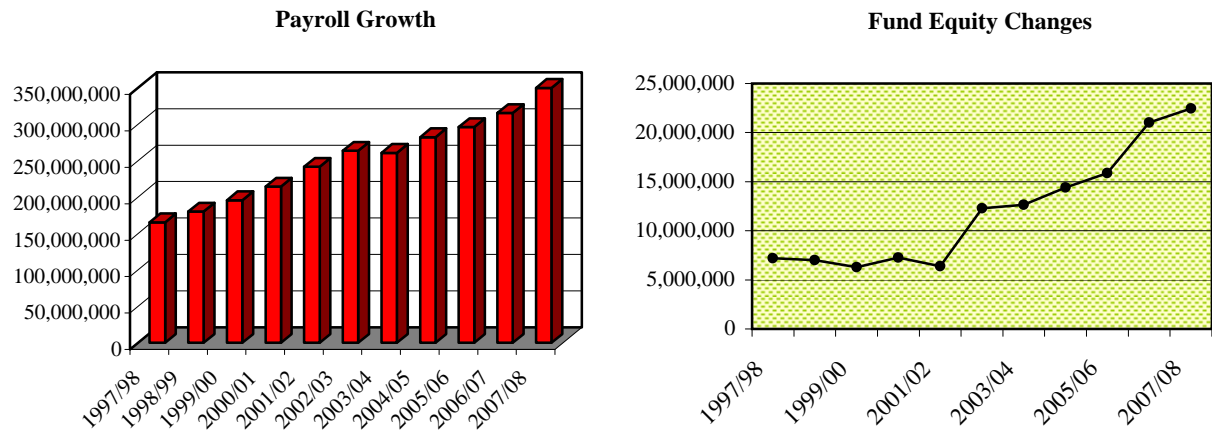
CRSIG Member	Medical Benefits	Vision Benefits	Dental Benefits	Property & Liability	Workers' Comp.
Ballico-Cressey Union School District				x	
Ceres Unified School District	x	x	x	x	x
Chatom Union School District				x	x
Denair Unified School District	x			x	x
Dos Palos-Oro Loma Unified School				x	
El Nido School District				x	
Empire Union School District	x	x	x	x	x
Gratton School District	x	x	x	x	x
Gustine Unified School District				x	
Hart-Ransom Union School District	x	x	x	x	x
Hickman Community Charter District	x	x	x	x	x
Hughson Unified School District		x	x	x	x
Keyes Union School District	x	x	x	x	x
Knights Ferry School District			x	x	x
La Grange School District			x	x	x
Le Grand High School District				x	
Le Grand Union School District				x	
Newman-Crows Landing Unified School				x	x
Oakdale Joint Unified School District		x	x	x	x
Paradise Elementary School District		x	x	x	x
Patterson Unified School District		x	x	x	x
Plainsburg School District				x	
Planada Elementary School District				x	
Riverbank Unified School District	x	x	x	x	x
Roberts Ferry Union School District	x	x	x	x	x
Salida Union School District	x	x	x	x	x
Shiloh School District	x	x	x	x	x
Snelling-Merced Falls Union School				x	
Stanislaus County Office of Education		x	x	x	x
Valley Home Joint School District				x	x
Waterford Unified School District			x	x	x
Winton School District				x	

# 2007/08 Growth Trends

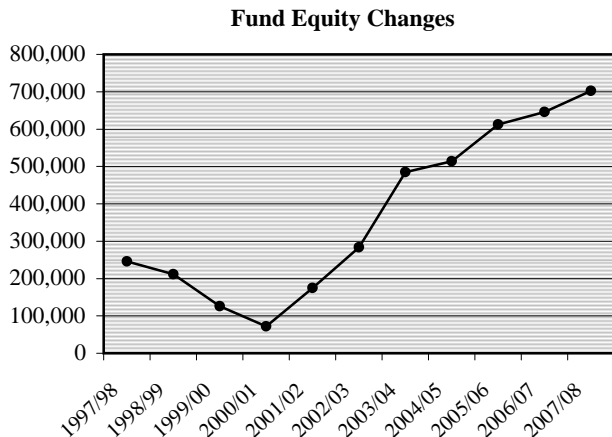
## Property & Liability Pool



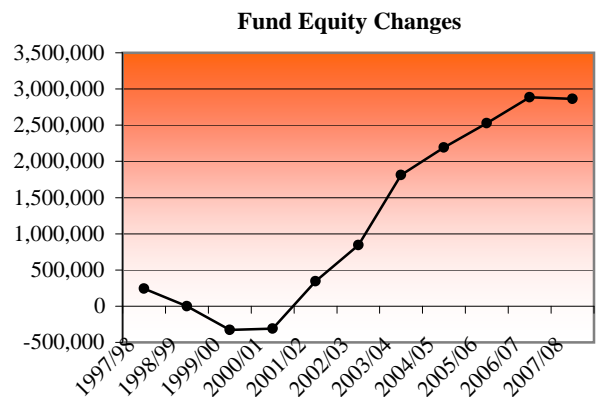
## Workers' Compensation Pool



## Vision Pool



## Dental Pool



## Program Highlights

In the face of challenged funding for schools, CRSIG members were able to receive the following increases and decreases to their insurance costs for 2007/08:

**Property & Liability:** On July 1<sup>st</sup> rates increased 9.2% for a SIR (Self Insured Retention) of \$250,000 per occurrence for liability claims. The layer of liability coverage between \$250,000 and \$5 million remained with Genesis Re with coverage from \$5 million to \$25 million placed in the SELF (Schools Excess Liability Fund). CRSIG's Executive Director continued to serve on the SELF Board. The property SIR remained at \$100,000 per occurrence with excess coverage held by Travellers Insurance. A \$300,000 rebate was also credited to members in their annual invoices. CRSIG continued its membership in the SCEL (Superior California Excess Liability Pool) with two other school JPAs for leverage in the current marketplace and preparation for hardening in the future liability market.

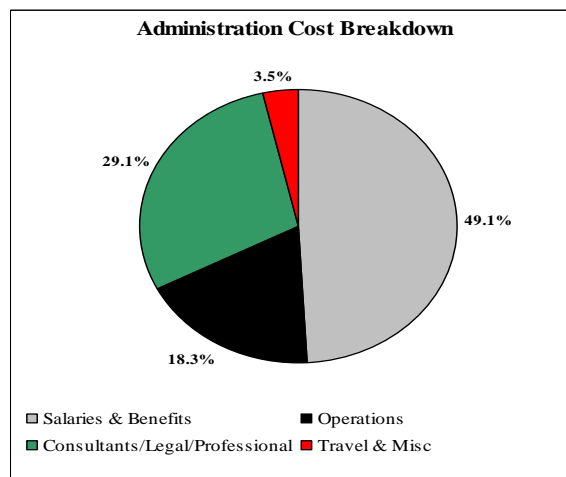
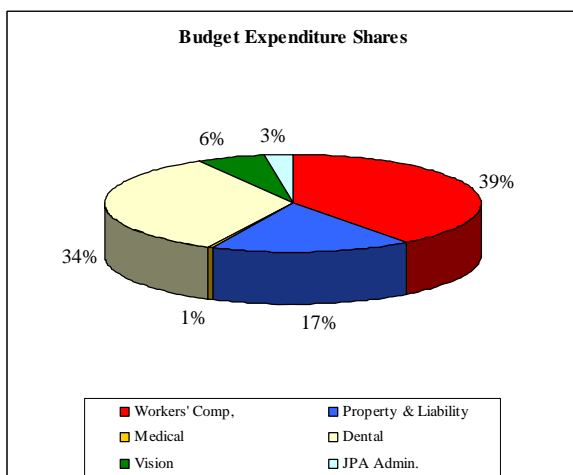
**Workers' Compensation:** On July 1<sup>st</sup> rates decreased by 10% to a base rate of \$1.86 due to the continued success of the program. The SIR for the program remained at a \$1 million per occurrence level and claims above \$1 million to statutory limits remained with CNA Wexford. The 2<sup>nd</sup> \$700,000 of a five-year \$3.5 million rebate was credited to members through a .201 cent reduction in rates. Unexpected growth in the fund equity continued to accumulate.

**Medical:** January 1st 2008 brought an 8% increase to the PacifiCare HMO rates and replacement of the PacifiCare PPOs with United Healthcare PPOs. The rate changes to the PPO plans equated to a 9.7% increase for a \$250 deductible, 90% plan and (11.5%) decrease for a high deductible health plan (\$1,000 deductible, 80% plan) which allowed employees to utilize HSAs (Health Savings Accounts).

**Vision:** For the 3<sup>rd</sup> year, the Vision Plan rates received a 0% increase while benefits for the frame allowance were increased.

**Dental:** For the sixth year, Dental Plan premium rates experienced no increase at the renewal and benefits were increased to allow for three screenings for pregnant women.

**JPA Administration:** Administrative costs made up less than 3% of the total expenditures of the Central Region School Insurance Group for 2007/08. The Workers' Compensation program expenditures made up 39% of the total JPA costs while the Property & Liability pool generated 17% of total costs, the Medical program 1%, the Vision Pool 6% and Dental Pool 34% of the total JPA expenditures. Of the JPA administration costs, breakdowns included 49.1% for salaries and benefits, 18.3% for operation costs, 3.5% for travel and miscellaneous expenses and 29.1% for outside consultants and professional services.



## *Central Region School Insurance Group*

# **MEMBER RESOURCES**

2007 / 2008

### **SITE SAFETY**

Site Safety Inspections  
Air Pressure Vessel Inspections  
Playground Safety Inspections – Certified  
We Tip – Crime Reporting Hotline  
Science Chemical – Inventory / Disposal  
Sharps / Medication Disposal

### **INJURY & ILLNESS PREVENTION PROGRAM**

Monthly Safety Newsletters  
Personal Protective Equipment – PPE  
Safety Committee Consultation and Assistance  
Safety Stickers / Labels  
Safety Posters

### **CRSIG WEBSITE – [www.crsig.com](http://www.crsig.com)**

Helpful Links – to carriers, agencies & codes  
News – Heads Up Notices on various topics  
Forms – for all CRSIG programs

### **INCENTIVE PROGRAMS**

Safety Incentive Funding Program  
Safety Credit Program

### **TRAINING**

General Safety Training  
New Hire Safety Orientation  
CPR / First Aid Training  
Safe Lifting Classes  
DOT - Supervisor Reasonable Suspicion  
Ergonomic  
Forklift Certification  
Utility Cart Certification  
Heat Injury and Illness Prevention  
Safety Training Video Library  
Illness & Injury Prevention Program (IIPP)  
Hazardous Communication Program  
AB 1825 Sexual Harassment Prevention

### **EVALUATIONS**

Post-Offer Pre-Employment Physicals  
DOT Random Drug and Alcohol Testing  
Ergonomic Workplace Evaluations  
Noise Level Testing  
Indoor Air Quality (IAQ)  
Hazardous Conditions



Central Region  
School Insurance Group



**Central Region School Insurance Group  
2007/08 Objectives  
Final Report**

**JPA ADMINISTRATION:**

- √ Revise Mission Statement – **Adopted 12/17/07**
- √ Develop Rebate/Dividend Policy – **Target Equity Policy adopted 10/22/07**
- √ Develop Underwriting Guidelines for new members to the Property & Liability and Workers' Compensation programs – **Adopted 5/28/08**
- ◇ Develop a Code of Conduct for CRSIG Board Members- **Recommended Code presented at Nov. 2007 Exec. Comm. Meeting – additional work to be completed at September 2008 Retreat**
- ◇ Continue update of the JPA Agreement/Bylaws – **Numerous Draft Language changes developed, additional work to be completed at September 2008 Retreat and fall 2008**
- ◇ Complete CRSIG Member Manual for Property & Liability – **ongoing**

**PROPERTY & LIABILITY:**

- √ Develop and conduct a “Train The Trainer” workshop for specific directors (Food Service, M&O, Custodial, Transportation) utilizing TPA and defense counsel – **Training 5/6/08**
- √ Develop and conduct a workshop for school administrators on employer liability, campus supervision issues utilizing TPA and defense counsel - **Training held 5/5/08**
- √ Explore online access to an Employer Guidance vendor for members – **No recommendation**
- √ Continue implementation of Web Int. Tracking System (WITS-V) – **Launched Nov 2, 2007**
- ◇ Continue Job Task Analysis for Job Descriptions – **Revisions to be completed August 2008**
- √ Loss Control:
  - √ Redesign site inspection process incorporating OPSC & Williams Act requirements where possible – **Determination not to incorporate OBSC & Williams Act Nov. 2007. New format launched July 2008**
  - √ Disaster Preparation Coordination with Co. EOC/CHD – **Ongoing – Pandemic Preparedness training held 4/17/08**

**WORKERS' COMPENSATION:**

- √ Finalize New Employee Training Program – **Bi-monthly trainings to be launched July 2008 (2<sup>nd</sup> & 4<sup>th</sup> Wednesday of each month)**
- √ Finalize Implementation of Return To Work (OUR Program) for Waterford – eliminated in anticipation of replacement program
- √ Revitalize Claim Review Cycles for Critical and Regular member reviews- **November 2007**
  - √ Develop and implement functional IIPP plans at member sites – ***IIPP services delivered to Gustine, Planada, Hart Ransom, Keyes, Ceres, Salida***

**HEALTH & WELFARE:**

- √ 2008 Renewal:
  - √ Establish new United Healthcare PPOs – ***Established as of 1/1/08***
  - √ Develop education materials for CDHC (Consumer Driven Health Care) and HSAs (Health Savings Accounts) – ***Launched during Open Enrollment October 2007***



## Central Region School Insurance Group

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### ***CAPITAL TARGET EQUITY***

#### **OBJECTIVES (In priority order):**

##### 1. Increased Confidence Level Target:

- A. Workers' Compensation: 90% confidence level as estimated by the most recent actuarial for the current and all prior years
- B. Property & Liability: 90% confidence level as estimated by the most recent actuarial for the current and all prior years
- C. Dental: ½ of Total Required Reserves as estimated by the most recent actuarial
- D. Vision: ½ of Total Required Reserves as estimated by the most recent actuarial

##### 2. Catastrophic Loss Target:

- A. Workers' Compensation: Funding for 10 current SIR losses
- B. Property & Liability: Funding for 4 current SIR property and 4 SIR liability losses
- C. Dental: 200 annual maximums at \$2,000 (\$400,000)
- D. Vision: \$100,000

##### 3. Rate Stabilization Reserve Target:

- A. Workers' Compensation: Funding for 10% of the current total funding required
- B. Property & Liability: Funding for 10% of the current year total funding required
- C. Dental: None
- D. Vision: None

##### 4. Program Changes Target:

- A. Workers' Compensation: Minimum of \$1,000,000, Maximum of \$2,000,000
- B. Property & Liability: Minimum of \$250,000, Maximum of \$500,000
- C. Dental: None
- D. Vision: None

- Adopted October 22, 2007

**CENTRAL REGION SCHOOL INSURANCE GROUP**  
**COMBINING STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

<b>ASSETS</b>	<b>Workers' Compensation</b>	<b>Health</b>	<b>Dental</b>	<b>Vision</b>	<b>Property/ Liability</b>	<b>JPA Administration</b>	<b>Total</b>
Current Assets:							
Cash and equivalents	\$ 10,363,483	\$ 45,286	\$ 1,352,372	\$ 376,877	\$ 253,239	\$ 67,547	\$ 12,458,804
Interest receivable	300,475	1,661	30,297	6,464	32,802	308	372,007
Investments	11,228,468	5,481	894,715	200,043	1,372,901	-	13,701,608
Accounts receivable	499,710	53,283	-	-	-	92	553,085
Prepaid expenses	266,175	-	-	-	1,051,826	-	1,318,001
Total Current Assets	<u>22,658,311</u>	<u>105,711</u>	<u>2,277,384</u>	<u>583,384</u>	<u>2,710,768</u>	<u>67,947</u>	<u>28,403,505</u>
Non-Current Assets:							
Deposit with SCEL P	-	-	-	-	266,049	-	266,049
Investments	13,122,859	108,247	1,023,802	225,878	474,261	-	14,955,047
Capital assets, net	1,337,289	-	-	-	1,807	4,510	1,343,606
Total Non-Current Assets	<u>14,460,148</u>	<u>108,247</u>	<u>1,023,802</u>	<u>225,878</u>	<u>742,117</u>	<u>4,510</u>	<u>16,564,702</u>
Total Assets	<u>\$ 37,118,459</u>	<u>\$ 213,958</u>	<u>\$ 3,301,186</u>	<u>\$ 809,262</u>	<u>\$ 3,452,885</u>	<u>\$ 72,457</u>	<u>\$ 44,968,207</u>
<b>LIABILITIES AND NET ASSETS</b>							
Current Liabilities:							
Accounts payable	\$ 45,294	\$ 20,000	\$ 112,995	\$ 72,144	\$ 407	\$ 3,764	\$ 254,604
Accrued payroll	1,490	-	-	-	1,490	875	3,855
Accrued vacation	144	-	-	-	144	4,817	5,105
Deferred revenue	-	-	-	-	-	-	-
Dividends payable	2,000,602	-	-	-	-	-	2,000,602
Current portion of claims payable	3,000,000	-	325,108	34,889	800,000	-	4,159,997
Total Current Liabilities	<u>5,047,530</u>	<u>20,000</u>	<u>438,103</u>	<u>107,033</u>	<u>802,041</u>	<u>9,456</u>	<u>6,424,163</u>
Noncurrent Liabilities:							
Unpaid claims liability	9,600,978	-	-	-	879,804	-	10,480,782
Total Noncurrent Liabilities	<u>9,600,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>879,804</u>	<u>-</u>	<u>10,480,782</u>
Total Liabilities	14,648,508	20,000	438,103	107,033	1,681,845	9,456	16,904,945
Net Assets	<u>22,469,951</u>	<u>193,958</u>	<u>2,863,083</u>	<u>702,229</u>	<u>1,771,040</u>	<u>63,001</u>	<u>28,063,262</u>
Total Liabilities and Net Assets	<u>\$ 37,118,459</u>	<u>\$ 213,958</u>	<u>\$ 3,301,186</u>	<u>\$ 809,262</u>	<u>\$ 3,452,885</u>	<u>\$ 72,457</u>	<u>\$ 44,968,207</u>

**CENTRAL REGION SCHOOL INSURANCE GROUP**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>Property/ Liability</u>	<u>JPA Administration</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Operating Revenues</b>								
Member contributions	\$ 5,342,063	\$ -	\$ 4,784,307	\$ 875,691	\$ 1,949,508	\$ -	\$ -	\$ 12,951,569
Other income	799,406	1,078	-	-	-	370,770	(370,770)	800,484
Total Operating Revenues	<u>6,141,469</u>	<u>1,078</u>	<u>4,784,307</u>	<u>875,691</u>	<u>1,949,508</u>	<u>370,770</u>	<u>(370,770)</u>	<u>13,752,053</u>
<b>Operating Expenses</b>								
Claims expense	4,865,357	-	4,906,838	810,398	925,308	-	-	11,507,901
Insurance expense	424,143	-	-	-	1,225,266	1,693	-	1,651,102
Risk management expense	224,255	-	-	-	164,017	-	-	388,272
Professional fees	78,575	260	11,425	11,425	57,955	19,002	-	178,642
General and administrative	181,621	74,242	37,121	25,984	146,451	343,326	(370,770)	437,975
Total Operating Expenses	<u>5,773,951</u>	<u>74,502</u>	<u>4,955,384</u>	<u>847,807</u>	<u>2,518,997</u>	<u>364,021</u>	<u>(370,770)</u>	<u>14,163,892</u>
Operating Income (Loss)	<u>367,518</u>	<u>(73,424)</u>	<u>(171,077)</u>	<u>27,884</u>	<u>(569,489)</u>	<u>6,749</u>	<u>-</u>	<u>(411,839)</u>
<b>Nonoperating Income</b>								
Investment income	1,486,679	7,117	174,417	36,817	143,923	5,111	-	1,854,064
Rental income	32,436	-	-	-	-	-	(32,436)	-
Rental expense	-	(9,540)	(4,770)	(3,339)	(14,787)	-	32,436	-
Net Nonoperating Income	<u>1,519,115</u>	<u>(2,423)</u>	<u>169,647</u>	<u>33,478</u>	<u>129,136</u>	<u>5,111</u>	<u>-</u>	<u>1,854,064</u>
<b>Change in Net Assets</b>	<u>1,886,633</u>	<u>(75,847)</u>	<u>(1,430)</u>	<u>61,362</u>	<u>(440,353)</u>	<u>11,860</u>	<u>-</u>	<u>1,442,225</u>
<b>Net Assets, Beginning</b>	<u>20,583,318</u>	<u>269,805</u>	<u>2,864,513</u>	<u>640,867</u>	<u>2,211,393</u>	<u>51,141</u>	<u>-</u>	<u>26,621,037</u>
<b>Net Assets, Ending</b>	<u>\$ 22,469,951</u>	<u>\$ 193,958</u>	<u>\$ 2,863,083</u>	<u>\$ 702,229</u>	<u>\$ 1,771,040</u>	<u>\$ 63,001</u>	<u>\$ -</u>	<u>\$ 28,063,262</u>

# Consider CRSIG's Website !

[crsig.com](http://crsig.com)

Learn about your representatives & the CRSIG staff

Find out what services we can provide to your district!

Get detailed info. on the programs: plan summaries, TPA contacts, where & how to file claims, connect to insurance

Get the latest "Heads Up" & training news

Download & print CRSIG forms

**INSURANCE WORKING FOR YOU**

**Central Region School Insurance Group**

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**Officers, Executive Committee & Staff**

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**About Central Region School Insurance Group**

Having completed its 28th year, the Central Region School Insurance Group remains successfully focused on providing stellar management of the risks associated with the provision public education to the children of our community. [Learn More >>](#)

**2007/08 Annual Report**

Each year, CRSIG issues an update on the status of each program, governance, membership and financial position. The direction of the JPA is also monitored by its ability to achieve objectives set on an annual basis. [Learn More >>](#)

**Programs**

CRSIG administers insurance programs for Property & Liability and Workers' Compensation indemnification as well as Medical, Vision and Dental benefits for school employees. [Learn More >>](#)

Make our site the place you go for all types of resources! Check out our **Helpful Links** page

Insurance Carriers: PacifiCare/Vision Service Plan/Delta Dental

Quick Access

- CA Dept of Ed
- Education Codes
- State Controllers Office
- Govt. Codes & Laws
- Calif. Senate/Assembly Bills

School & Risk Management

- CAJPA
- PRIMA
- PARMA
- CASBO, ACSA, CASTO

Emergency & Disasters

- FEMA
- CDC
- Stanislaus Co. OES
- Merced Co. OES

Safety & Regulatory Assistance

- MSDS Database
- Cal-OSHA
- Federal OSHA
- Nat. Inst Occupational Safety
- Nat. Parks & Recreation
- Calif. Interscholastic Federation
- Partnership for Food Safety Education

California State Agencies

- Dept. of Alcohol & Drug
- Office of Traffic Safety
- Health & Human Service
- Environ. Protection Agency
- Dept. of Pesticide Regulation
- Dept. of Toxic Substances

- State OES
- CHP
- State Fire Marshall
- Dept. of Justice
- Dept. of Health
- Dept. of Forestry