



Central Region
School Insurance Group

2009/10 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

Table of Contents

Message To The Members.....	1
Governance & Staff	2
Membership & Program Participation.....	3
Growth Trends	4
Program Highlights.....	6
Goals & Objectives 2009/10.....	7
Combining Statement of Net Assets – 6/30/09	8
Combining Statement of Revenues, Expenses & Changes in Net Assets – 6/30/09	9
Member Services	10

Message To The Members

Thanks to the efforts and commitment from its member, the Central Region Schools Insurance Group completed its 30th operational year on June 30, 2010. The 2009/10 year brought intensified challenges in the employee health care and liability programs, repeated superior performance in the workers' compensation program and continued success in the vision and dental programs. In accordance with the CRSIG Target Equity Policy, workers' compensation members received a \$2 million rebate for the second year in a row while rates remained flat in the vision program for the fifth year.

The Executive Committee and Board revisited governance of the JPA by executing revisions to the JPA Agreement and Bylaws. Most of the changes brought the Agreement up to date or into compliance with new Government Code. Other changes involved clarification and fine tuning of the language, which has governed CRSIG for three decades of pool operation. Each member Board of Trustees adopted the changes made illustrating the strength of their commitment to the Central Region School Insurance Group.

Significantly increases in loss control services, regulatory required trainings, indoor air assessments and safety issue resolutions tripled during the first full year of outsourced Loss Control services. In addition, CRSIG published its first wave of Risk Management Guidelines for members spanning from special events to student field trips and transportation.

The 2009/10 year also brought new membership for CRSIG with the California Health Care Coalition and the Public Schools Risk Institute. CRSIG also welcomed five new charter school members including the Gratton Charter School, Independence Charter School, Shiloh Charter School, Roberts Ferry Charter School Academy and the Denair Academic Avenues Charter School

I invite you to visit the CRSIG website at 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. 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

2009/10 CRSIG Officers:

<i>President</i> Pam Wall, Empire Union School District	<i>Vice-President</i> Ream Lochry, Hart-Ransom Union School Dist.
<i>Treasurer</i> Don Gatti, Stanislaus Co. Office of Ed.	<i>Secretary</i> Becky Slaughter, CRSIG

2009/10 CRSIG Executive Committee:

Pam Wall	Empire Union School District	Representative
Don Gatti	Stanislaus County Office of Education	Representative
Ream Lochry	Hart-Ransom Union School District	Representative
Scott Siegel	Ceres Unified School District	Representative
Tim Hern	Oakdale Unified School District	Representative
Ed Parraz	Denair Unified School District	Representative
Jim Yardy	Salida Union School District	Representative
Rick Fauss	Newman-Crows Landing Unified School District	Alternate
Ed Felt	Turlock Unified School District	Alternate

CRSIG Staff Members

Becky Slaughter, ARM
Executive Director

Angela Jacobson
Business/Program Specialist

Kari Hornberger
Return To Work Specialist

Rebecca Perez
Office Technician

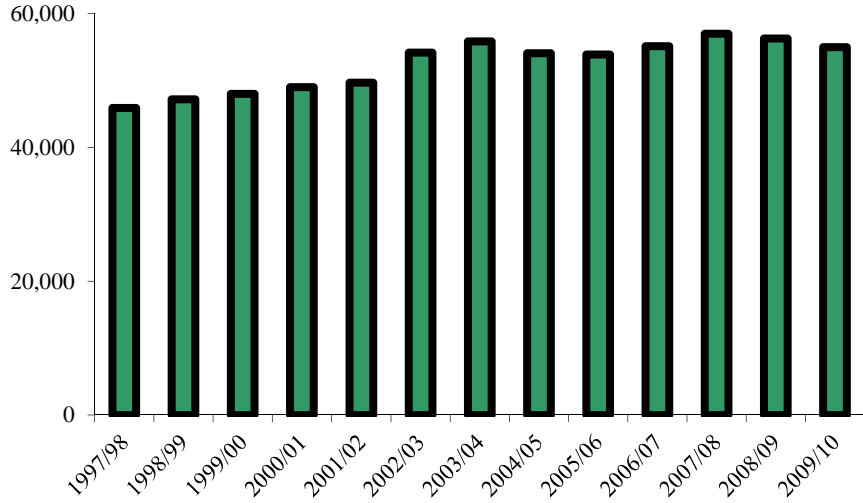
2009/10 MEMBERSHIP & PROGRAM PARTICIPATION

CRSIG Member	Medical Benefits	Vision Benefits	Dental Benefits	Property & Liability	Workers' Compensation
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 District				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 Elementary School District				x	
Le Grand High 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 District				x	
Stanislaus County Office of Education		x	x	x	x
Stanislaus Union School District	x	x	x		
Turlock Unified School District					x
Valley Home Joint School District				x	x
Waterford Unified School District			x	x	x
Winton School District				x	

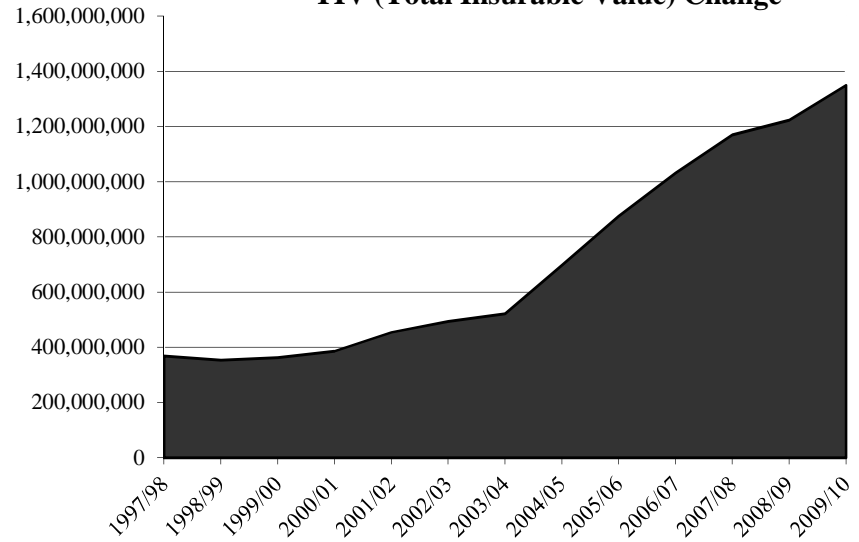
Total Participants: 12 16 19 33 23

Property & Liability Pool

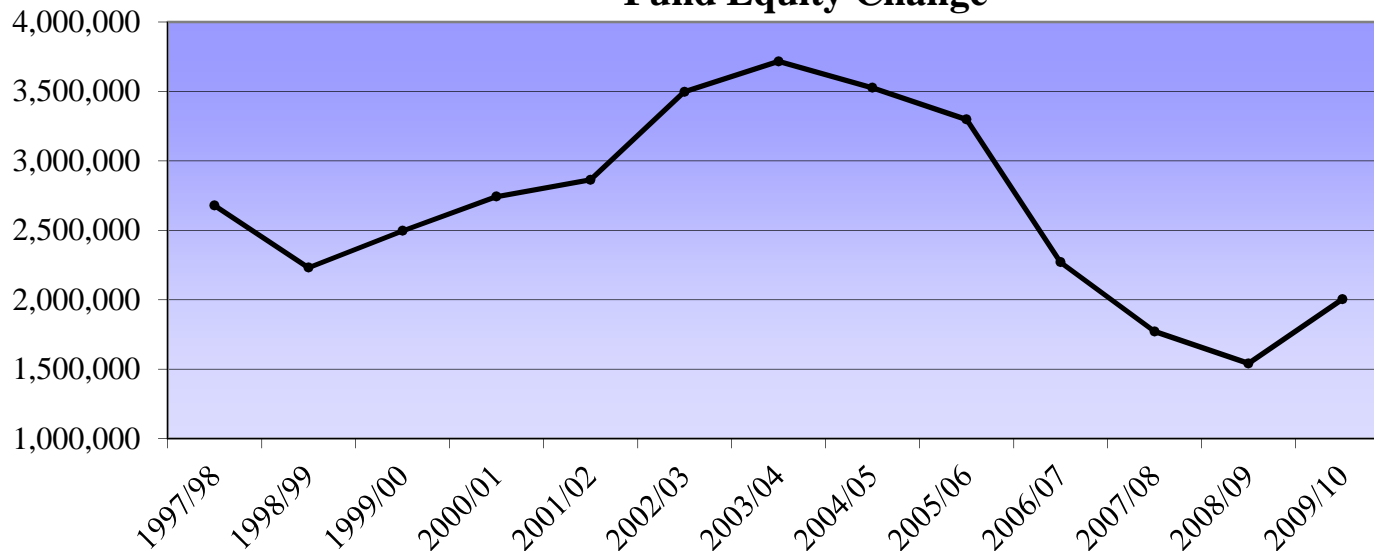
ADA (Average Daily Attendance) Change



TIV (Total Insurable Value) Change

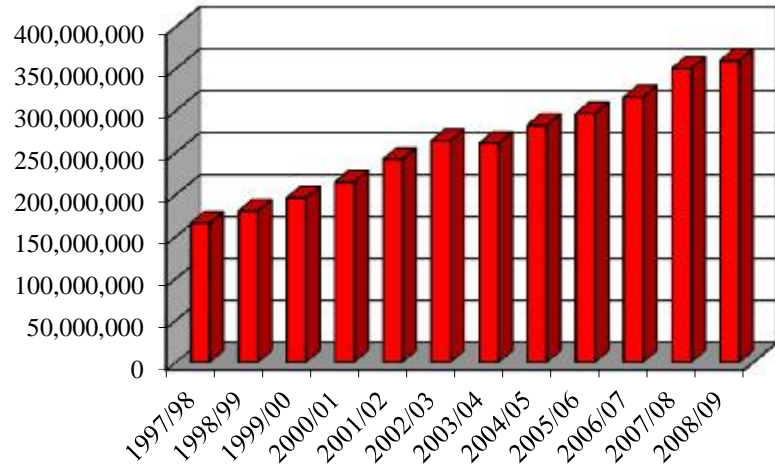


Fund Equity Change

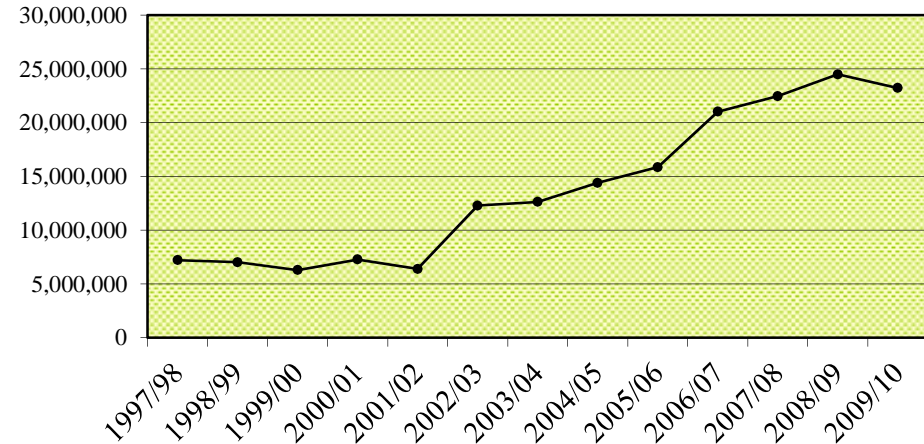


Workers' Compensation Pool

Payroll Change

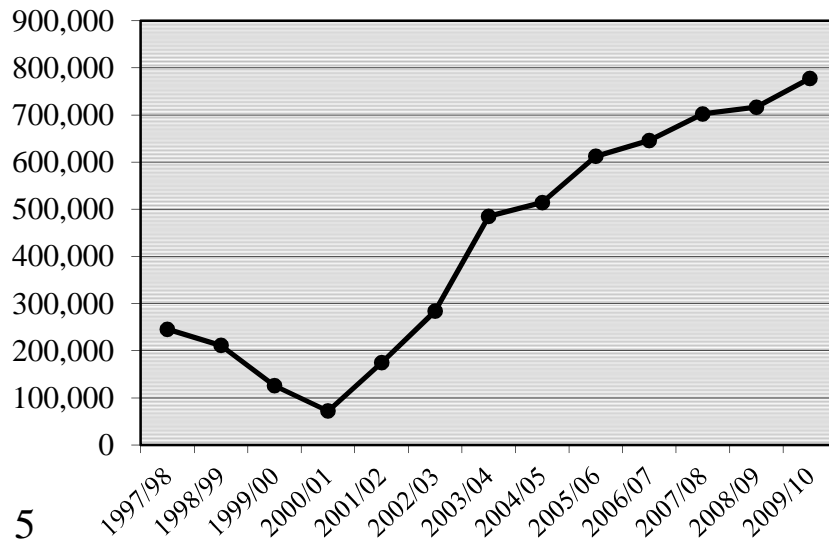


Fund Equity Change



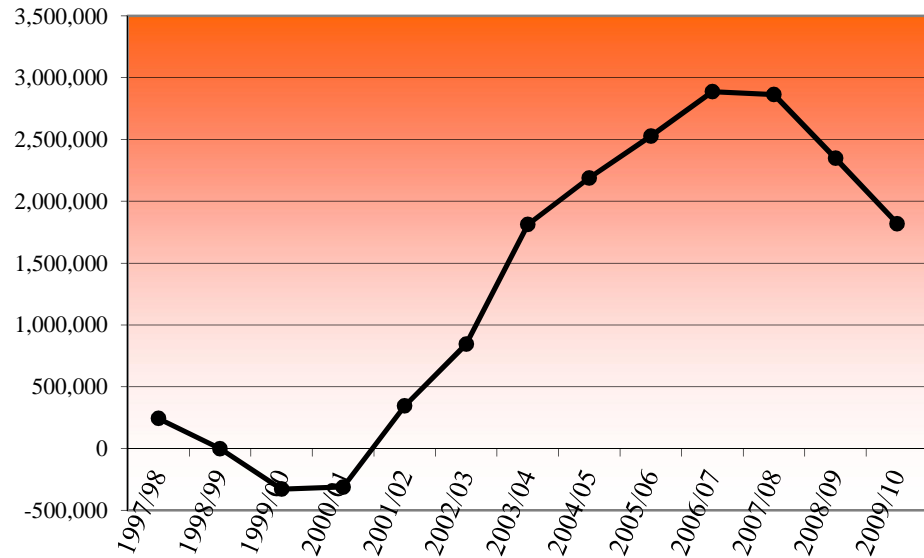
Vision Pool

Fund Equity Change



Dental Pool

Fund Equity Change



Program Highlights

As California schools coped with drastic funding cuts, salaries and staff levels dropped severely in comparison to the overall decline in average daily attendance. In order to ease the fiscal changes faced by members, CRSIG made every effort to keep insurance programs as cost effective as possible for 2009/10.

Property & Liability: On July 1st program rates were increased 7.5%. Total insurable values increased incremental to the modernization and new construction plans that have been underway for a number of years. While overall ADA decreased, some members experienced growth in their ADA. In the liability arena several significant claims were resolved and the upward trend for claims slowed. Property losses remained stable with the exception of one large fire.

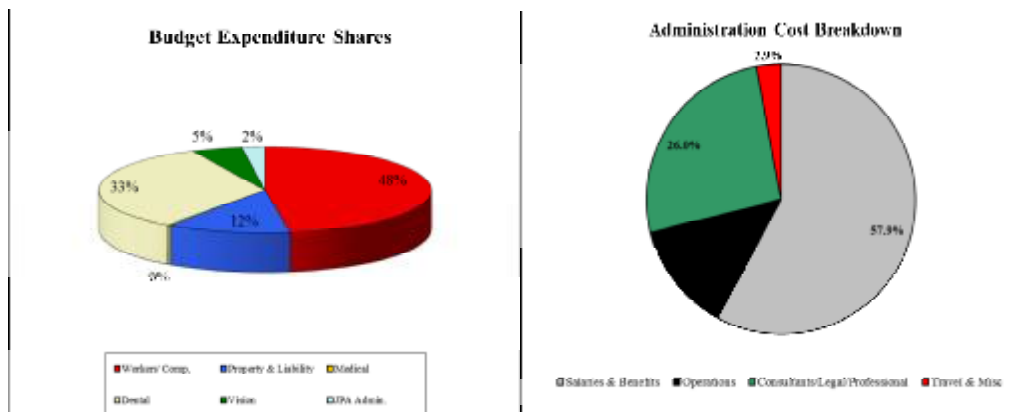
Workers' Compensation: On July 1st program rates remained flat and the Board declared a \$2 million rebated for the second year in a row. CRSIG enjoyed its first full year with the new third party administrator, nurse triage for claim reporting and in-house return to work management. Frequency and severity trends are downward as CRSIG is able to realize continued savings from reform efforts in anticipation of their deterioration over time.

Medical: January 1, 2010 brought a 17.9% increase to the PacifiCare HMO while the United Healthcare PPOs increased 3% for the High Deductible Health Plan and 5.4% for the low deductible plan. In addition, the Kaiser Permanente HMO was reintroduced as the new medical campus completed its first full year of operation.

Vision: On January 1, 2010, all of the plan benefits remained the same without any increase in rates for the fifth year.

Dental: January 1, 2010 brought a 5% increase in rates as CRSIG continued its long term plan to bring premium rates to the current cost level while utilizing excess reserves at a planned rate.

JPA Administration: Administration costs were reduced from 3% to 2% in line with reductions experienced at the member level for 2009/10. The Workers' Compensation program expenditures made up 48% of the total JPA costs while the Property & Liability pool generated 12% of total costs, the Medical program less than 1%, the Vision pool 5% and Dental pool 33% of the total JPA expenditures. Of the JPA administration costs, breakdowns included 58% for salaries and benefits, 13% for operation costs, 2.9% for travel and miscellaneous expenses and 26% for outside consultants and professional services.



**Central Region School Insurance Group
2009/10 Objectives
Final Report**

JPA ADMINISTRATION:

Carry Over Convert hard copy records to electronic media. **Computerized scanning began in June 2010 and will continue into 2010/11.**

- ✓ Assist all CRSIG members in the adoption of the revised CRSIG Agreement and Bylaws by their School boards – **All Board adoptions were completed and the revised Agreement/Bylaws were executed.**

PROPERTY & LIABILITY:

- ✓ Develop an in-house claims tracking and analysis system- **Claims administration software was implemented and generation of reports began April 2010.**
- ✓ Grow member utilization of resources; trainings, incentive programs, signs, etc. – **Numerous face to face meetings were held between members and the Executive Director to review the P&L Member Manual. Numerous on-site trainings were provided by the loss control vendor, CPR/first aid vendor and at the CRSIG office. 1,754 employees were trained on some form of regulatory/safety subject while 372 safety assessment or services were provided. 56% of the membership accessed the incentive safety credits that were made available.**

WORKERS' COMPENSATION:

- ✓ Develop an in-house claims tracking and analysis system - **Claims administration software was implemented and generation of reports commenced in May 2010.**
- ✓ Grow member utilization of resources; trainings, incentive programs, signs, etc. –**A Workers' Comp. 101 training was held on 11/5/09, IIPP program development is underway and claims reviews for 100% of the membership were conducted. 1,754 employees were trained on some form of regulatory/safety subject while 372 safety assessment or services were provided. 61% of the membership accessed the incentive funds that were made available.**
- ✓ Streamline regularly scheduled claim reviews and data reporting for members. **Ongoing schedule was set up to include annual and several biannual member reviews each November and May.**

HEALTH & WELFARE:

- ✓ Renewal 2010 & 2011: Continue to work with Ad Hoc Committee and Board- **Final negotiations for the 2010 renewal were completed and quotations from carriers were requested for the 2011 year.**
- ✓ Expand employee attendance at webinars geared to ease access to resources- **Monthly webinars held for six months received attendance by 3 covered employees. Marketing included a monthly newsletter, posters at school sites, a presentation to the Ad Hoc Committee and invitation to bargaining unit reps. Also set as a 09/10 goal for the Ad Hoc Committee.**
- ✓ Establish regular reporting on claims utilization in the medical, vision and dental programs for the Executive Committee – **Quarterly scheduled to be provided at the February, May, August and November meetings began in February 2010.**

CENTRAL REGION SCHOOL INSURANCE GROUP

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2010

ASSETS	Workers' Compensation	Health	Dental	Vision	Property/ Liability	JPA Administration	Total
Current Assets:							
Cash and equivalents	\$ 9,336,556	\$ 87,703	\$ 241,526	\$ 448,920	\$ 906,075	\$ 91,155	\$ 11,111,935
Interest receivable	200,043	1,258	20,172	3,878	27,330	41	252,722
Investments	3,012,312	1,470	240,029	53,667	368,315	-	3,675,793
Accounts receivable	35,965	-	-	-	273,128	177	309,270
Due to (from) other pools	2,000,000	-	-	-	(2,000,000)	-	-
Prepaid expenses	212,948	-	-	-	1,206,319	524	1,419,791
Total Current Assets	<u>14,797,824</u>	<u>90,431</u>	<u>501,727</u>	<u>506,465</u>	<u>781,167</u>	<u>91,897</u>	<u>16,769,511</u>
Non-Current Assets:							
Deposit with SCEL P	-	-	-	-	832,322	-	832,322
Investments	23,281,706	120,268	1,847,920	416,366	1,651,499	-	27,317,759
Capital assets, net	1,258,086	-	-	-	123	25,343	1,283,552
Total Non-Current Assets	<u>24,539,792</u>	<u>120,268</u>	<u>1,847,920</u>	<u>416,366</u>	<u>2,483,944</u>	<u>25,343</u>	<u>29,433,633</u>
Total Assets	<u>39,337,616</u>	<u>210,699</u>	<u>2,349,647</u>	<u>922,831</u>	<u>3,265,111</u>	<u>117,240</u>	<u>46,203,144</u>
LIABILITIES							
Current Liabilities:							
Accounts payable	253,032	-	133,915	70,585	60,189	22,897	540,618
Accrued vacation	679	-	-	-	-	3,623	4,302
Dividends payable	2,830,626	-	-	-	-	-	2,830,626
Current portion of claims payable	2,900,000	-	397,073	74,674	400,000	-	3,771,747
Total Current Liabilities	<u>5,984,337</u>	<u>-</u>	<u>530,988</u>	<u>145,259</u>	<u>460,189</u>	<u>26,520</u>	<u>7,147,293</u>
Noncurrent Liabilities:							
Unpaid claims liability	10,128,851	-	-	-	800,659	-	10,929,510
Total Noncurrent Liabilities	<u>10,128,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,659</u>	<u>-</u>	<u>10,929,510</u>
Total Liabilities	<u>16,113,188</u>	<u>-</u>	<u>530,988</u>	<u>145,259</u>	<u>1,260,848</u>	<u>26,520</u>	<u>18,076,803</u>
NET ASSETS							
Net Assets	<u>\$ 23,224,428</u>	<u>\$ 210,699</u>	<u>\$ 1,818,659</u>	<u>\$ 777,572</u>	<u>\$ 2,004,263</u>	<u>\$ 90,720</u>	<u>\$ 28,126,341</u>

CENTRAL REGION SCHOOL INSURANCE GROUP

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<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>
Operating Revenues								
Member contributions	\$ 5,465,419	\$ -	\$ 4,916,987	\$ 869,726	\$ 2,309,423	\$ -	\$ -	\$ 13,561,555
Other income	-	101,942	-	-	103,323	402,506	(402,506)	205,265
Total Operating Revenues	<u>5,465,419</u>	<u>101,942</u>	<u>4,916,987</u>	<u>869,726</u>	<u>2,412,746</u>	<u>402,506</u>	<u>(402,506)</u>	<u>13,766,820</u>
Operating Expenses								
Claims expense	5,058,413	-	5,474,495	802,517	372,371	-	-	11,707,796
Insurance expense	260,910	-	-	-	1,318,130	1,408	-	1,580,448
Risk management expense	288,061	-	-	-	185,233	-	-	473,294
Professional fees	68,000	-	10,000	10,000	51,860	18,051	-	157,911
General and administrative	317,472	48,000	44,000	24,000	103,861	358,260	(402,506)	493,087
Dividends expense	2,013,068	-	-	-	-	-	-	2,013,068
Total Operating Expenses	<u>8,005,924</u>	<u>48,000</u>	<u>5,528,495</u>	<u>836,517</u>	<u>2,031,455</u>	<u>377,719</u>	<u>(402,506)</u>	<u>16,425,604</u>
Operating Income (Loss)	<u>(2,540,505)</u>	<u>53,942</u>	<u>(611,508)</u>	<u>33,209</u>	<u>381,291</u>	<u>24,787</u>	<u>-</u>	<u>(2,658,784)</u>
Nonoperating Income								
Investment income	1,246,726	6,069	86,995	31,136	96,370	308	-	1,467,604
Rental income	32,436	-	-	-	-	-	(32,436)	-
Rental expense	-	(9,540)	(4,770)	(3,339)	(14,787)	-	32,436	-
Net Nonoperating Income	<u>1,279,162</u>	<u>(3,471)</u>	<u>82,225</u>	<u>27,797</u>	<u>81,583</u>	<u>308</u>	<u>-</u>	<u>1,467,604</u>
Change in Net Assets	<u>(1,261,343)</u>	<u>50,471</u>	<u>(529,283)</u>	<u>61,006</u>	<u>462,874</u>	<u>25,095</u>	<u>-</u>	<u>(1,191,180)</u>
Net Assets, Beginning	<u>24,485,771</u>	<u>160,228</u>	<u>2,347,942</u>	<u>716,566</u>	<u>1,541,389</u>	<u>65,625</u>	<u>-</u>	<u>29,317,521</u>
Net Assets, Ending	<u>\$ 23,224,428</u>	<u>\$ 210,699</u>	<u>\$ 1,818,659</u>	<u>\$ 777,572</u>	<u>\$ 2,004,263</u>	<u>\$ 90,720</u>	<u>\$ -</u>	<u>\$ 28,126,341</u>



MEMBER SERVICES WHO TO CONTACT

SITE SAFETY

Contact Terri Prichard to set up

Site Safety Inspections – (Terri will conduct)
Playground Safety Inspections
Science Chemical – Inventory / Disposal

Contact Angela Jacobson to set up

Air Pressure Vessel Inspections – (Travelers)
We Tip – Crime Reporting Hotline
Sharps / Medication Disposal

INJURY & ILLNESS PREVENTION PROGRAM

Terri Prichard will Provide

Quarterly Safety Newsletters
Personal Protective Equipment Consultation

Angela Jacobson/Becky Slaughter will provide

Safety Committee Consult/Assistance
Safety Stickers / Labels/Posters
Safety Posters - CRSIG

CRSIG WEBSITE – www.crsig.com

Helpful Links – to carriers, agencies & codes
News & Forms – Heads Up/Risk Management
Guidelines, form for all programs

INCENTIVE PROGRAMS

Contact Becky Slaughter for reimbursement

Safety Incentive Funding Program
Safety Credit Program

Terri Prichard - Prichard Health & Safety (209) 389-4054/(209) 564 7421

Email: tprichard@mcoe.org

CRSIG-Angela Jacobson & Becky Slaughter (209) 579-7535

Email: angela@crsig.com, becky@crsig.com

TRAINING

Contact Terri Prichard to set up

General Safety Training
Safe Lifting Classes
Ergonomic Classes
Illness & Injury Prevention Program (IIPP)
Heat Injury and Illness Prevention
Hazardous Comm. Program

Contact Angela Jacobson to set up

DOT – Supervisor/Reasonable Suspicion
CPR / First Aid Training
Forklift Certification
Utility Cart Certification
Safety Training Video Library
AB 1825 Sexual Harassment Prevention

EVALUATIONS

Contact Terri Prichard to set up

Ergonomic Workplace Evaluations
Noise Level Testing
Indoor Air Quality (IAQ)
Hazardous Conditions

Contact Angela Jacobson for assistance

DOT Random Drug & Alcohol Testing
Pre-Employment Physicals

