



**FAIRA BOARD & EXECUTIVE
BOARD MEETING
March 15, 2021**



FAIRA Key Contacts

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FAIRA MEETING CALENDAR 2021

MEETING DATES	TIME	MEETING	LOCATION
Monday, March 15, 2021	10:00 a.m.	Board and Executive Meeting	Telephonic Meeting Via WebEx
Monday, June 14, 2021	10:30 a.m.	Board and Executive Meeting	Telephonic Meeting Via WebEx
Monday, September 13, 2021	10:30 a.m.	Annual Board and Executive Meeting	TBD
Monday, December 13, 2021 AS CALLED ON BY THE BOARD PRESIDENT	10:30 a.m.	Board and Executive Meeting	TBD

*All dates and meeting venues are subject to change as directed by the President of the Board

President

Criss Brainard

San Miguel Consolidated FPD
Spring Valley, CA

Director

Chief Scott Draper

Mason Valley FPD
Yerington, NV

Director

Chief Richard Pearce

Tiburon FPD
Tiburon, CA

Vice President

Chief Don Butz

Lakeside FPD
Lakeside, CA

Director

Chief Mike Sims

Bonita-Sunnyside FPD
San Diego, CA

Director

Chief Howard Wood

Vacaville FPD
Vacaville, CA

Treasurer

Chief Mark Pomi

Kentfield, FPD
Kentfield, CA

Director

Chief Sean Bailey

Northstar CSD
Truckee, CA

Director

Chief Reno DiTullio Jr

Aromas Tri-County FPD
Monterey, CA

Secretary

Chief Mark A. Johnson

Fresno FPD
Sanger, CA

Director

Ken Musso

South Placer FPD
Granite Bay, CA

Director

Chief Brian Boggeln

Alpine FPD
Alpine, CA

Elected Executive Board Member

Rhonda Haynes

Orange County FA
Irvine, CA



1 Call to Order and Determination of a Quorum

Call to Order and Determination of a Quorum

2 Confirmation of Agenda

NOTICE AGENDA OF THE FIRE AGENCIES MEETING OF THE BOARD

March 15, 2021 at 10:00 a.m.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

This meeting will be conducted in a manner that protects the statutory and constitutional rights of the parties or public appearing before the FAIRA Board of Directors. The following can be utilized by the public who wish to attend and/or address the FAIRA Board: WebEx 981 078 398

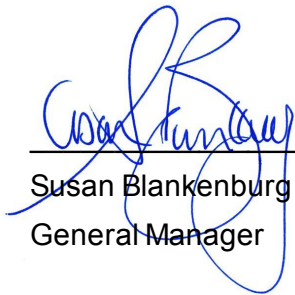
Telephonic Attendance

WebEx Meeting Number: 981 078 398

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I certify that this Authority Agenda was posted and sent by First Class United States Mail to all Members of the Authority 72 hours before the noted meeting.-----	78



Susan Blankenburg
General Manager

Date: March 9, 2021

FAIRA, in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to disability, to please contact the General Manager at 415-536-4005 at least two (2) business days prior to the scheduled meeting to ensure that the Authority may assist you. Others with questions concerning this Agenda please contact the General Manager at 415-536-4005.

Consideration and Possible Action

3 Public Comment

Oral Communications to the Board, opportunity for public comment with respect to matters not on the Agenda

This portion of the Agenda may be utilized by any person to address the Board of Directors' on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the Agenda for a future meeting. Speakers are limited to three (3) minutes

Approval of the Minutes of the September 14, 2020 Board and Executive Board Meeting
FAIRA Board and Executive Board Meeting Minutes – September 14, 2020



FIRE AGENCIES INSURANCE RISK AUTHORITY MINUTES OF THE BOARD AND
EXECUTIVE BOARD MEETING

September 14, 2020 at 10:30 a.m.

**To be posted by all Districts in accordance with the Ralph M. Brown Act, California
Government Code Section 54950, et seq.**

Telephonic Meeting held on WebEx

PRESENT: Brian Boggeln (Alpine FPD); Mark Pomi (Kentfield FPD); Criss Brainard (San Miguel Consolidated FPD); Sean Bailey (Northstar CSD); Eric Walder (South Placer FPD); Don Butz (Lakeside FPD); Scott Draper (Mason Valley FPD); Mike Sims (Bonita-Sunnyside FPD);

Absent: David Fulcher (Aromas Tri-County FPD) President Jonathan Wilby (Orange County FA); Howard Wood (Vacaville FPD); Richard Pearce (Tiburon FPD) Mark Johnson (Fresno FPD).

Staff: Susan Blankenburg (FAIRA General Manager); Zack Phillips (Arthur J. Gallagher); Ryan Jacques (Arthur J. Gallagher); Alex Banks (FAIRA Analyst); Eric Kikalo (Arthur J. Gallagher); Jim Smith (FAIRA); Andrew Diesel (Arthur J. Gallagher).

Guests: Lawrence Shaw (AAAtraq); Dale Bacigalupi (FAIRA General Counsel).

ITEM 1 - CALL TO ORDER AND DETERMINATION OF A QUORUM

Vice President Criss Brainard called the meeting to order at 10:41 am and confirmed we have a quorum.

Item 2 – Confirmation of Agenda

A **motion** was made to approve the **Agenda**.

M/S/P Walder/Butz

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

ITEM 3 - ORAL COMMUNICATIONS TO THE BOARD, OPPORTUNITY FOR PUBLIC COMMENT WITH RESPECT TO MATTERS NOT ON THE AGENDA

There was no public comment.

ITEM 4 - APPROVAL OF MINUTES OF THE June 15, 2020 BOARD MEETING OF THE FAIRA BOARD AND EXECUTIVE BOARD.

A **motion** was made to approve the minutes of the June 15, 2020 FAIRA Board and Executive Meeting, as submitted.

M/S/P Sims/Bailey

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 5 – AAAtraq Website Compliance for Visually Impaired

Susan Blankenburg introduced Lawrence Shaw who gave a presentation on Gallagher partner AAAtraq – an organization that ensures entities' websites are compliant for the visually and auditory impaired. Mr. Shaw gave his background which includes 17 years in website compliance. With the ongoing COVID pandemic, many entities are pushing to an online platform, which many law firms and individuals are using to their advantage to find websites that are non-compliant with ADA regulations. Mr. Shaw gave examples of some ADA cases and gave some potential costs that can be associated with a lawsuit related to non-compliance with ADA. A test was run and it determined that roughly 94% of websites worldwide are non-compliant, with 68% at "high risk." If purchased, each Member would have access to see their compliance. It is an automated report that generates independent audits of your website, and lets you know what needs to be done in order to become compliant. An additional perk is that if there is any litigation against your District, AAAtraq has a wide range of law firms on standby that are ready to act quickly with your District. Mr. Shaw finished with a note stating that with one lawsuit equivalent to a 50-year AAAtraq subscription, it is an unnecessary risk to not sign up. Ms. Blankenburg asked the Board if they are aware of the ADA compliance. Mike Sims noted this is very similar to the California Voter Rights and that the same type of lawyers are targeting ADA. He thinks it is a good idea to address it before it is a problem and asked Mr. Shaw if there is a discount for a full Membership registration. Mr. Shaw confirmed there is a discount – about 70%. The total cost that FAIRA is promised for life is \$28,500 a year. He added that many cases are being dropped when the defendant can prove that they have been taking necessary steps to gain compliance. Ms. Blankenburg advised that if we cannot get the Board to agree for the full Membership to register, individual Districts can sign up for \$500 a year. Eric Walder added that there is a lot of risk and it is the first presentation that he has seen and needs to read more on it before voicing his opinion. He asked if anyone has looked into this and Don Butz said they have. He thought his website was compliant and with a quick AAAtraq review, it showed they were not. Director Butz is in favor of engaging and believes that it is their responsibility to reduce the liability.

A **motion** was made to give FAIRA staff and Board President the authority to finalize the details of the proposal with legal review and execute all documents to engage AAAtraq.

M/S/P Butz/Sims

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 6.1 – Deductible Update

Zack Phillips said it is a similar story in that we are benefiting from AWAC being slow with invoicing FAIRA for the deductibles. Though the process has been slow, we are getting AWAC to submit supporting documentation for the deductibles around faster.

No action required.

Item 6.2 – Investment Update as of 8/31/20

Mr. Phillips stated that we exceeded interest income budget despite the big dip in March. This year we are looking good with being right on budget.

No action required.

Item 7.1 – Update on FAIRA Board Positions

Ms. Blankenburg noted that with President Jonathan Wilby's departure, FAIRA needs to replace him as the Board President. Orange County Fire Authority has a permanent seat as they are the largest Member in FAIRA. They have a resolution on file that notes whoever is the Risk Manager is appointed to the FAIRA Board. That position is filled by Ronda Haynes effective immediately. Typically, the Vice President steps into the President role. Ms. Blankenburg advised she spoke to Director Brainard and he was more than happy to assume the role. Ms. Blankenburg asked if there were any additional nominations and there were none. After the first motion passed, President Brainard was advised by Director Butz that he was interested in the role of Vice President. President Brainard asked if there were any other nominations and there were none. After the motion passed, President Brainard asked the Board that if anyone had an interest in serving as the Member At Large position, previously held by Director Butz, to contact him offline. Subsequent to the Board meeting, President Brainard advised that Director Walder was interested in the position and was appointed per the authority of our new Board President.

A **motion** was made to appoint Criss Brainard as the President.

M/S/P Walder/Pomi

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

A **motion** was made to appoint Don Butz as the Vice President.

M/S/P Sims/Boggeln

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 7.2 – Brokerage: Scope of Services

President Brainard advised the Board that the Brokerage team executed an updated scope of services. All additions were presented in red to simplify what has been added since the last update.

A **motion** was made to approve the Brokerage Scope of Services.

M/S/P Butz/Walder

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 7.3 – General Manager: Scope of Services

Ms. Blankenburg noted that similar to the Brokerage scope of services, the FAIRA staff executed an updated scope of services, with this one too having changes in red. There is no increase in the fee this year, saving about \$7,000. There is a cap of a 2-4% increase year to year. In 2018, FAIRA staff picked up the financial services for an additional \$4,000 a year. Considering the amount of additional work picked up by Mr. Phillips, the \$4,000 is a bargain.

A **motion** was made to approve the General Manager Scope of Services.

M/S/P Pomi/Bailey

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 7.4 – John Paget – Request for Increase in Fee

John Paget, FAIRA's accountant, has held his fee of \$1,350 flat for the last six years. Since that time, his work and responsibilities has been increased, mostly with following renewal payments and deductible reimbursements. He is asking for a fee increase of \$150, bringing the monthly fee to \$1,500. On page 5 of the agreement, there is a reference to workers compensation and auto liability coverage requirements. He has no employees and does not do any driving on behalf of FAIRA. Dale Bacigalupi, FAIRA's General Counsel, advised these requirements are not necessary and we can proceed with just the errors and omissions and general liability, which Mr. Paget has provided. President Brainard asked when the agreement would be effective and Mr. Bacigalupi advised it would be effective September 1, 2020.

A **motion** was made to approve the fee increase with the amendment of the insurance requirements.

M/S/P Butz/Sims

Motion passed via Roll Call. Approvals by: Sean Bailey, Northstar; Mike Sims, Bonita-Sunnyside; Mark Pomi, Kentfield; Eric Walder, South Placer; Criss Brainard, San Miguel; Brian Boggeln, Alpine; Scott Draper, Mason Valley; Don Butz, Lakeside.

Item 8.1 – Loss Control Fleet Safety Analysis

Ms. Blankenburg advised the Board of longtime Loss Control Consultant Marco Guardi's departure from Gallagher. Jim Smith is the new day-to-day Consultant and Andrew Diesel will be running with the Fleet Safety Analysis. Mr. Diesel noted he had previously held a meeting with Mr. Wilby and Mr. Guardi to discuss FAIRA as a whole. He presented FAIRA offerings from Gallagher which include: Risk Evaluation & Analysis, Business Intervention Strategy, and Implementation. The Fleet Safety Analysis consists of this three prong approach. Mr. Smith presented an overview of the project. They have selected the top three high loss Districts from small Districts (0-10 vehicles), medium Districts (11-20 vehicles) and large Districts (21+ vehicles). The way the top three are decided is by claims per 100 calls. Under the small District category, the top three that will be examined are Alta FPD, Chalfant Valley FD CSD, and Lee Vining FPD. The medium sized Districts that will be examined will be South Coast FPD, Montezuma FPD, and Smith Valley FPD. The large group consists of Vacaville FPD, Montecito FPD, and San Ramon Valley FPD.

Among trends that were found in FAIRA Auto Losses, the top five were collisions with stationary objects, collisions with parked cars, backing accidents, intersection collisions, and rear end collisions. Mr. Diesel advised that they are not here to tell you how to drive a fire truck, but their goal is conversational interaction to implement safe driving habits and protocol to ensure fewer claims. Ms. Blankenburg asked when we will see some information back and Mr. Diesel advised that once we get approvals from the Districts, it can be completed in a few months. They see the project starting late this year or early 2021. She then asked the Board who they should be contacting and they advised it should go through the Fire Chief. She asked if the Chiefs will be ready for these meetings and Director Walder advised that with the heavy fire season expected to go through November, it may be hard to get in contact with Chiefs or get them to commit time to this. He thinks maybe December would be a better time to start.

No action required.

Item 8.2 – Drive to Survive Courses

Alex Banks noted that at the June meeting, it was determined that the Drive to Survive courses were not going to happen in July as they typically do. Ms. Blankenburg noted that at the June meeting, we would secure dates for November. Dates were secured, though Director Butz recommended that we push it to spring 2021. President Brainard agreed and Ms. Blankenburg advised we will secure dates for March.

No action required.

Item 8.3 – Update Regarding Districts’ Compliance with AB1825

Mr. Banks said that at the last September meeting, we had a total of 32 Districts that were non-compliant with the state mandated AB1825 law. As of October, that is now down to 18. This is in part to the Gallagher Core360 Loss Control marketing efforts Mr. Banks has pushed on Districts to ensure they are compliant. Director Butz asked if it would make sense to send a letter to the non-compliant Districts to remind them about their non-compliance. Ms. Blankenburg said we can send out a letter reminding them, with another note on Gallagher’s Core360 Loss Control Portal. Scott Draper asked if this applies to the Nevada Districts and Mr. Banks said it does not. Ms. Blankenburg asked Eric Kikalo and Mr. Banks to put together a letter for the non-complaint Districts.

No action required.

Item 9.1 – Potential Litigation. [Government Code 54956.9(b)]

Item 9.2 – Potential Litigation. [Government Code 54956.9(a)]

Item 9.3 – FAIRA Claims and Loss Report

No action required.

Item 10 – Other Business

No other business.

Item 11 – Correspondence and Informational Items

Ms. Blankenburg presented a letter that was sent to Sean Grinnell, the Secretary/Treasurer at Sonoma County FDA, who asks for a quarterly FAIRA activity update.

No action required.

Item 12 – Adjournment

The meeting was adjourned at 12:18 p.m.

A **motion** was made to adjourn the meeting.

M/S/P Sims/Butz

Consideration and Possible Action

4 General Manager Report

4.1 Implementation of Experience Modifications

Back in 2008 the Board was presented with a report for consideration in adopting Experience Modifications. This was while the pool rates were very low and the Board decided against implementing Ex Mods.

In 2020 staff suggested that consideration be given to review Experience Modifications as rates in the marketplace escalate and it may be the right time to acknowledge those with favorable and unfavorable experience, by use of a slight credit or debit.

Experience Modification reports with four options were created by Faisal Alabsy, CRIS and Analytics Leader of Gallagher's National Risk Solutions. The reports were based on a 10 year loss period and the modification factors were limited to .90 to 1.15. The four options are as follows:

- (1) Losses capped at \$50,000 with 25% loss rating and 75% exposure rating**
- (2) Losses capped at \$50,000 with 50% loss rating and 50% exposure rating
- (3) Losses capped at \$100,000 with 25% loss rating and 75% exposure rating
- (4) Losses capped at \$100,000 with 50% loss rating and 50% exposure rating

Staff has worked with Faisal to summarize the impact of four options in the table below and believes that it is in the pools best interest to adopt initial experience modifications and recommend starting with option **(1)** that has the smallest impact for 2021-22. The factors are to be updated and reviewed annually with the goal of stair stepping to the Board's ultimate goal, whether that be option (2), (3) or (4), or a combination of higher caps on losses and/or heavier loss rating.

Member Characteristics			Experience Modification Options			
Example Member	Exposure Rating	Loss Ratio	(1) \$50K @ 25%	(2) \$50K @ 50%	(3) \$100K @ 25%	(4) \$100K @ 50%
A	Top 10	Top 10	1.06	1.11	1.12	1.15
B	Top 30	Top 10	1.00	1.00	1.03	1.06
C	Top 10	Top 30	1.04	1.08	1.04	1.09
D	Top 30	Top 30	1.00	.99	.98	.96
E	Top 30	Bottom 10	.96	.91	.95	.90
F	Bottom 20	Nil	.95	.90	.95	.90

Consideration and Possible Action

4.2 Actuarial Study from Bay Actuarial

We received our updated Actuarial Study from Jack Joyce of Bay Actuarial Consultants.

The Study provides projected loss estimates using a 75% Probability Level for losses within our \$100,000 Deductible, up to the \$750,000 Annual Aggregate. Staff requested optional Deductibles ranging from \$50,000 to \$1,000,000 and Annual Aggregates from \$750,000 to \$1,500,000.

Since the 2018 study, the blended Liability rate is up 20%, Property is up 33% due to a final payment on an open Fire claim from 2016 and two larger Automobile Physical Damage losses pushing the rate up 40%. (These increases are relative to only the funding that is collected for FAIRA's Deductible.)

The Annual Aggregate at \$750,000 has brought value, as uncapped losses are expected to be \$1,238,000. Carrier's typically price Aggregates at an attachment point that they do not expect claims will rise to.

This report is based on the membership and loss data as of 12/31/20.

Consideration and Possible Action

4.3 Professional Property Appraisals

In a hardening insurance market, premium increases are not uncommon and it is beneficial to FAIRA Members as well as the markets to have currently valued property appraisals. The last appraisals were done by Specialty Property Appraisals starting in late 2016 and finishing in early 2017. Best practices are to have appraisals done every 5 years.

This year FAIRA staff has reached out to Duff & Phelps along with CBIZ to obtain quotes. The Options include all buildings \$10,000+ (266 were under) with options for consideration being excess of \$50,000 and \$100,000 as a means to contain cost.

A summary of the cost can be found below.

Duff & Phelps - \$140 per building

CBIZ - \$138 per building

Appraiser	> \$10,000 (633 buildings)	>\$50,000 (492 buildings)	>\$100,000 (451 buildings)
Duff & Phelps	\$ 88,620	\$ 68,880	\$ 63,140
CBIZ	\$ 87,354	\$ 67,896	\$ 62,238

Regardless of the option selected, the scope of the project will take 3+ months.

Consideration and Possible Action

4.4 CAJPA Data Analysis Report

We were advised by Julie Theirl, who is heading the Tort Liability Study project, that it is due to be presented to the CAJPA Board at the end of March and we will be advised of the outcome and next steps.

Receive and File

4.5 FAIRA Webinars

The following three (3) **FREE** webinars have been scheduled over the next couple of months that are available to all FAIRA Members.

1. **Morin Jacob**, Managing Partner at Liebert Cassidy Whitmore, will be giving a presentation on **Diversity, Equality and Inclusion (DEI)**. The WebEx will be after this Board Meeting starting at 12:30PM PST and will be one hour in length.
2. **Peter Flanderka** of Law Office of Peter C. Flanderka will be hosting a webinar on Wednesday, April 14, 2021 at 10AM PST to discuss **Hiring, Firing and (Almost) Everything In Between**. There will be a 45 minute presentation followed by a Q&A open to all attendees.
3. **Chris Daly**, owner and instructor of **Drive to Survive**, is hosting a one hour webinar on Monday, March 29, 2021 at 10AM PST. **Drive to Survive: Preventing Rollovers**, is designed specifically for Fire District's and covers how to prevent rollovers and improve your Department's driving safety skills.

Receive and File

4.6 FDAC Agreement

The FDAC agreement is due to expire on 6/30/2021. If the Board would like to extend the current contract for a 12 month term, staff will forward the following agreement to their Executive Director at the current \$15,000 fee.

Consideration and Possible Action

**AGREEMENT BETWEEN FIRE AGENCIES INSURANCE RISK
AUTHORITY AND FIRE DISTRICTS ASSOCIATION
OF CALIFORNIA**

THIS AGREEMENT ("Agreement") is made and entered into as of July 1, 2021, by and between the Fire Agencies Insurance Risk Authority, a joint powers authority, organized and existing under the provisions of the Joint Exercise of Powers Act (Government Code 6500, et. seq.) ("FAIRA") and Fire Districts Association of California, a California non-profit public benefit corporation ("FDAC") with respect to terms and conditions of certain services and consideration to be exchanged between FAIRA and FDAC.

WHEREAS, FAIRA desires FDAC to promote the insurance and self-insurance services of FAIRA with respect to existing and prospective members of the FDAC; and,

WHEREAS, FDAC desires FAIRA to promote the membership in FDAC with local agency members of FAIRA who are not currently members of FDAC;

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

1. Term

1.1 The parties ratify the obligations as set forth hereinafter in the Agreement from and after July 1, 2021, the Agreement effective date, through June 30, 2022. The parties agree to review the terms of the Agreement from time-to-time for possible modification and if modification is sought then give written notice of such proposed modification consistent with Section 4 of this Agreement, at least thirty (30) days prior to July 1 of any calendar year that the Agreement is in effect.

1.2 Termination

Notwithstanding anything to the contrary herein, either party may terminate this agreement with or without cause by giving the other party 30 days written notice. In such event, any unearned or unpaid portion of the annual fee shall be prorated to the date of termination and paid or refunded, as the case may be.

2. Obligations of FAIRA

2.1 FAIRA shall, on or before January 15 of each calendar year in which this Agreement is in effect, pay to FDAC the amount of \$15,000 as an annual fee as payment for FDAC actions described below, after being invoiced for that amount by FDAC.

2.2 FAIRA shall promote and encourage membership in the FDAC to prospective members of FAIRA and to current members of FAIRA not currently members of FDAC.

3. Obligations of FDAC

3.1 FDAC shall allow the use, name and logo of the FDAC to FAIRA.

3.2 FDAC shall invoice FAIRA a fee as described in Section 2.1 of this Agreement on or after January 1 of each calendar year.

3.3 FDAC shall exclusively promote and encourage membership in FAIRA to all new and prospective members of FDAC and to all current members of FDAC not currently members of FAIRA.

3.4 FDAC shall maintain as current its membership data base and share the same with FAIRA for promotional services and shall maintain a link to the web site for FAIRA from the FDAC web site.

3.5 FDAC shall provide FAIRA a vendor booth at no cost at the annual conference of FDAC and other FDAC sponsored programs where vendor booths are provided and a half page box advertisement in the FDAC Report or similar newsletter published by the FDAC.

3.6 FDAC shall provide to FAIRA legislative advocacy and tracking through FDAC legislative committees.

3.7 It shall be the policy of the FDAC Board of Directors that FAIRA's Insurance Program shall be the exclusive Liability; Auto Liability, Property and Auto Physical Damage insurance program to receive the sponsorship, services and obligations described hereinabove in Sections 3.1 through 3.6 of this Agreement.

3.8 In order to fully carry out the FDAC duties to exclusively support and promote FAIRA and FAIRA's insurance programs, as set forth in sections 3.3 and 3.7, FDAC further agrees

that neither the FDAC Board, nor any of its employees or staff, shall participate in, finance, endorse, support, or encourage any effort that would inhibit or interfere with its duty of exclusive support of FAIRA.

4. Notices

4.1 Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally or by generally recognized overnight courier service, or three (3) business days after deposit in the United States Mail, certified or registered, return receipt requested with postage prepaid addressed as follows:

If to FAIRA:

General Manager
Fire Agencies Insurance Risk Authority
1255 Battery Street, Suite 450
San Francisco, CA 94111

If to FDAC:

Executive Director
Fire Districts Association of California
700 R Street, Suite 200
Sacramento, CA 95811

5. Indemnification

5.1 FAIRA agrees to indemnify, defend and hold harmless FDAC, its officers, agents and employees from any and all claims for losses accruing or resulting to any person or entity arising out of FAIRA's breach of or its obligation hereunder or sole negligence in FAIRA's performance of this Agreement.

5.2 FDAC agrees to indemnify, defend and hold harmless FAIRA, its officers, agents and employees from any and all claims for losses accruing or resulting to any person or entity arising out of FDAC's breach of or its obligation hereunder or sole negligence in FDAC's performance of this Agreement.

6. Entire Agreement. The terms and conditions and covenants of this Agreement are intended by the parties as a final expression of their agreement with respect to such terms, conditions and covenants that are included in this Agreement and may not be contradicted by evidence by any prior or contemporaneous agreements. This Agreement specifically supersedes any prior written or oral agreements between the parties.

7. Amendment. This agreement may be amended from time-to-time only by the mutual written agreement of the parties, when preceded by the notice provisions of Section 1 of this Agreement.

8 Governing Law. This Agreement shall be governed by the laws of the State of California, and the rights and obligations of the parties set forth shall be construed and enforced in accordance with applicable Federal Law and the laws of the State of California.

9. Waiver. Any waiver at any time by any party of its rights with respect to default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other default or matter. The exercise by a party of any remedy provided in the Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

10. Severability. If any terms, provisions, conditions and covenants of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and thereby shall be valid and enforceable to the fullest extent permitted by law.

11. Neutral Interpretation. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based on any attribution to such party as the source of the language in question. Headings used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

12. Counterparts. This Agreement is executed in two (2) duplicate originals, each of which shall be deemed an original, but each of which together shall constitute one in the same instrument. This

Agreement consists of four (4) pages, which constitutes the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement with the intent to be bound thereby as of the date first written above, ratifying performance, which has occurred since the Agreement Effective Date.

“FAIRA”

FIRE AGENCIES INSURANCE RISK AUTHORITY

Dated:_____By:

Criss Brainard, President

“FDAC”

FIRE DISTRICTS ASSOCIATION OF CALIFORNIA

Dated:_____By:

_____, President

4.7 Distribution of 10 Year Loss Reports

Districts with a loss ratio of 30% or greater (33) received a packet containing an overview of their losses sorted by line of coverage and dollar amounts for the last 10 years, with the back-up loss detail on each claim.

The Loss Ratios reflect the ground-up losses with no loss development or Incurrent But Not Reported (IBNR) factors applied.

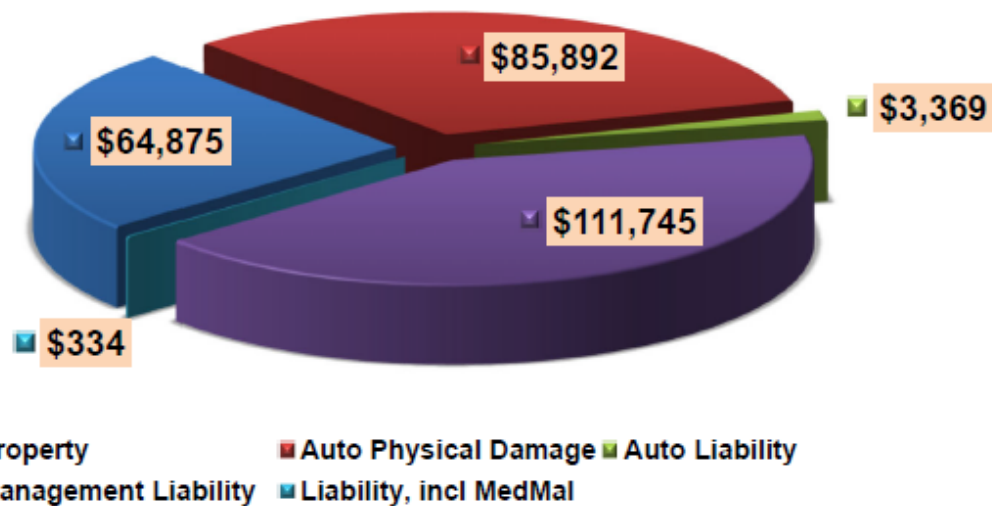
Receive and File

10 Year - FAIRA Loss Summary 7/1/2011 to Present

\$385,249 FAIRA Premium

\$266,215 Incurred

69% Loss Ratio



As of 12/31/2020

FAIRA - Annual Loss and Member Premium

7/1/2011 to Present (as of 12/31/2020)

Policy Inception Year	Claim Type	Number of Claims	Incurred Loss	% of Total	Annual Total
2020	Property	1	\$2,000	12%	\$17,307 Incurred \$57,646 Premium 30% Loss Ratio
	Auto Physical Damage	3	\$15,307	88%	
	Auto Liability	0	\$0	0%	
	Management Liability	0	\$0	0%	
	Liability, incl MedMal	0	\$0	0%	
2019	Property	1	\$6,252	9%	\$73,302 Incurred \$45,781 Premium 160% Loss Ratio
	Auto Physical Damage	3	\$65,812	90%	
	Auto Liability	4	\$1,238	2%	
	Management Liability	0	\$0	0%	
	Liability, incl MedMal	0	\$0	0%	

2018	Property	0	\$0	0%	\$12,801 Incurred
	Auto Physical Damage	0	\$0	0%	
	Auto Liability	1	\$681	5%	\$55,621 Premium
	Management Liability	1	\$12,120	95%	23% Loss Ratio
	Liability, incl MedMal	0	\$0	0%	
2017	Property	1	\$39,519	99%	\$39,853 Incurred
	Auto Physical Damage	0	\$0	0%	
	Auto Liability	1	\$0	0%	\$40,343 Premium
	Management Liability	0	\$0	0%	99% Loss Ratio
	Liability, incl MedMal	2	\$334	1%	
2016	Property	1	\$3,235	53%	\$6,160 Incurred
	Auto Physical Damage	2	\$901	15%	
	Auto Liability	2	\$1,450	24%	\$41,621 Premium
	Management Liability	2	\$574	9%	15% Loss Ratio
	Liability, incl MedMal	0	\$0	0%	
2015	Property	3	\$13,868	46%	\$29,836 Incurred
	Auto Physical Damage	7	\$2,373	8%	
	Auto Liability	1	\$0	0%	\$44,716 Premium
	Management Liability	3	\$13,595	46%	67% Loss Ratio
	Liability, incl MedMal	0	\$0	0%	
2014	Property	0	\$0	0%	\$1,198 Incurred
	Auto Physical Damage	3	\$1,198	100%	
	Auto Liability	0	\$0	0%	\$48,900 Premium
	Management Liability	0	\$0	0%	2% Loss Ratio
	Liability, incl MedMal	0	\$0	0%	
2013	Property	0	\$0	0%	\$85,758 Incurred
	Auto Physical Damage	1	\$301	0%	
	Auto Liability	0	\$0	0%	\$50,621 Premium
	Management Liability	2	\$85,457	100%	169% Loss Ratio
	Liability, incl MedMal	0	\$0	0%	

2012	Property	0	\$0	0%	\$0 Incurred Loss Ratio N/A
	Auto Physical Damage	0	\$0	0%	
	Auto Liability	0	\$0	0%	
	Management Liability	0	\$0	0%	
	Liability, incl MedMal	0	\$0	0%	
2011	Property	0	\$0	0%	\$0 Incurred Loss Ratio N/A
	Auto Physical Damage	0	\$0	0%	
	Auto Liability	0	\$0	0%	
	Management Liability	0	\$0	0%	
	Liability, incl MedMal	0	\$0	0%	

FAIRA Loss Report

Losses - All Amounts:

As Of 12/31/2020 for Policy Periods 2011 Through 2020

44	Average per Claim: \$	6,050	Paid, less Recoveries: \$	(4,675)
33	Average per Claim >\$0: \$	8,067	Reserved: \$	270,890
9	Average per Open Claim: \$	10,931	Total Incurred: \$	266,215

Year Date of Loss	Accident Description	Coverage Line	Closed Date	Indemnity Reserve	Other Reserve	Indemnity Paid	Other Paid	Subro & Salvage	TOTAL INCURRED
2020				\$ -	\$ -	\$ 17,247	\$ 60	\$ -	\$ 17,307
09/16/2020	BA-COLL IV BACKED INTO TREE	APD-Coll	12/21/2020	\$ -	\$ -	\$ 3,108	\$ -	\$ -	\$ 3,108
09/16/2020	PROP - BLDG DELIVERY DRIVER STRUCK INSD RETAINING WALL	PROP	Open	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
10/03/2020	BA-COLL GRAB HANDLE STRUCK TREE; BENT GRAB BAR	APD-Coll	Open	\$ -	\$ -	\$ 1,719	\$ -	\$ -	\$ 1,719
10/03/2020	BA-COLL IV SLID OF SOIL; HIT TREE	APD-Coll	Open	\$ -	\$ -	\$ 10,420	\$ 60	\$ -	\$ 10,480
2019				\$ 900	\$ 1	\$ 71,561	\$ 840	\$ -	\$ 73,302
08/27/2019	BA - PD IV KICKED UP ROCK & DMGD CV WINDSHIELD	AL	12/09/2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12/29/2019	BA-COLL IV RESPONDING TO CALL/CV R/E IV	AL	Open	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12/29/2019	BA-COLL IV RESPONDING TO CALL/CV R/E IV	APD-Coll	Open	\$ -	\$ -	\$ 2,966	\$ 139	\$ -	\$ 3,105
01/10/2020	PROP-BLDG CV DROVE INTO INSD TRAFFIC SIGNAL	PROP	Open	\$ -	\$ -	\$ 6,252	\$ -	\$ -	\$ 6,252
02/01/2020	BA - PD IV BACKED INTO UNOCCUPIED CV	AL	07/29/2020	\$ -	\$ -	\$ 1,238	\$ -	\$ -	\$ 1,238
02/11/2020	BA-COLL/PD IV R/E CV	AL	09/04/2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
02/11/2020	BA-COLL/PD IV R/E CV	APD-Coll	Open	\$ -	\$ -	\$ 7,397	\$ 156	\$ -	\$ 7,553
06/19/2020	BA - COLL IV ROLLED OVER	APD-Coll	Open	\$ 900	\$ 1	\$ 53,708	\$ 545	\$ -	\$ 55,154
2018				\$ -	\$ -	\$ 681	\$ 12,120	\$ -	\$ 12,801
07/09/2018	BA-PD IV HIT PARKED CAR	AL	08/16/2018	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ 681
02/08/2019	EPLI - WRGA CLMT ALGS NOT BEING ALLOWED TO RETURN TO WORK AFTER LEAVE	EPL	Open	\$ -	\$ -	\$ -	\$ 12,120	\$ -	\$ 12,120
2017				\$ -	\$ -	\$ 38,620	\$ 1,232	\$ -	\$ 39,853
07/30/2017	GL-PD INSD CAUSED ROCK TO HIT HIS PERSONAL VEHICLE	LIAB	10/04/2017	\$ -	\$ -	\$ 334	\$ -	\$ -	\$ 334
09/06/2017	BA-PD IV BACKED INTO CV	AL	09/22/2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
09/06/2017	GL-PERS SUIT RE BREACH OF CONTRACT	LIAB	01/22/2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
05/18/2018	PROP-BLDG WATER DMG TO TEMP FIRE STATION	PROP	09/05/2018	\$ -	\$ -	\$ 38,287	\$ 1,232	\$ -	\$ 39,519

Prepared by Arthur J. Gallagher & Co.
FAIRA Loss Database_Reports & Ratios_@ 2020-12-31_Adjusted - All Losses

Printed: 2/23/2021
Page 1 of 3

FAIRA Loss Report
Losses - All Amounts:

As Of 12/31/2020 for Policy Periods 2011 Through 2020

44	Average per Claim: \$	6,050	Paid, less Recoveries: \$	(4,675)
33	Average per Claim >\$0: \$	8,067	Reserved: \$	270,890
9	Average per Open Claim: \$	10,931	Total Incurred: \$	266,215

Year Date of Loss	Accident Description	Coverage Line	Closed Date	Indemnity Reserve	Other Reserve	Indemnity Paid	Other Paid	Subro & Salvage	TOTAL INCURRED
2016				\$ -	\$ -	\$ 5,074	\$ 1,086	\$ -	\$ 6,160
07/01/2016	EPLI-WRGA CLAIMANT ALLEGES DISCRIMINATION, HARASSMENT, RETAILIATION	EPL	11/10/2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
07/01/2016	PO-WRGA RETROACTIVE DEPRIVATION OF RETIREMENT BENEFITS	E&O	04/26/2018	\$ -	\$ -	\$ -	\$ 574	\$ -	\$ 574
07/24/2016	Glass claim.	APD-Comp	01/10/2017	\$ -	\$ -	\$ 393	\$ 230	\$ -	\$ 623
07/25/2016	BA-BI CLMT HIT HEAD ON ROOF OF AMBULANCE	AL	09/05/2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
09/30/2016	Rock hit IV windshield.	APD-Comp	12/23/2016	\$ -	\$ -	\$ 278	\$ -	\$ -	\$ 278
02/20/2017	PROP-BLDG FLOODING FROM RAIN	PROP	04/18/2017	\$ -	\$ -	\$ 2,953	\$ 282	\$ -	\$ 3,235
04/26/2017	BA-PD IV BACKED INTO BUILDING	AL	07/21/2017	\$ -	\$ -	\$ 1,450	\$ -	\$ -	\$ 1,450
2015				\$ -	\$ -	\$ 18,159	\$ 17,253	\$ (5,576)	\$ 29,836
07/01/2015	FORMER EMPLOYEE FILED EEOC NOTICE OF CHARGE OF RACIAL DISCRIMINATION	EPL	07/10/2017	\$ -	\$ -	\$ -	\$ 8,093	\$ -	\$ 8,093
09/09/2015	PLAINTIFF CLAIMS THE INSURED HAS WRONGFULLY DENIED HIS PENSION BENEFITS THAT WERE PREVIOUSLY APPROVED AND DETERMINED A NEW, LOWER, PENSION BENEFIT FOR HIM.	EPL	05/05/2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
09/09/2015	PLAINTIFF CLAIMS THE INSURED HAS WRONGFULLY DENIED HIS PENSION BENEFITS THAT WERE PREVIOUSLY APPROVED AND DETERMINED A NEW, LOWER, PENSION BENEFIT FOR HIM.	EPL	05/02/2017	\$ -	\$ -	\$ -	\$ 5,502	\$ -	\$ 5,502
09/15/2015	INSV VEH HAS GLASS DAMAGE	APD	10/15/2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
09/15/2015	INSV VEH HAS GLASS DAMAGE	APD	10/27/2015	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ 120
09/16/2015	INSV VEH HAS GLASS DAMAGE	APD	10/27/2015	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ 60
10/06/2015	CLMT PROCEEDED STRAIGHT IN LEFT TURN ONLY LANE AND STRUCK INSD VEH	AL	11/12/2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10/06/2015	CLMT PROCEEDED STRAIGHT IN LEFT TURN ONLY LANE AND STRUCK INSD VEH	APD	10/15/2015	\$ -	\$ -	\$ 5,576	\$ 985	\$ (5,576)	\$ 985
10/26/2015	INSV VEH HAS GLASS DAMAGE	APD	11/09/2015	\$ -	\$ -	\$ 360	\$ -	\$ -	\$ 360
01/25/2016	SHOWER WALL CRACKED	PROP	04/12/2016	\$ -	\$ -	\$ -	\$ 1,185	\$ -	\$ 1,185

 Prepared by Arthur J. Gallagher & Co.
 FAIRA Loss Database_Reports & Ratios_@ 2020-12-31_Adjusted - All Losses

 Printed: 2/23/2021
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FAIRA Loss Report
Losses - All Amounts:

As Of 12/31/2020 for Policy Periods 2011 Through 2020

44	Average per Claim: \$	6,050	Paid, less Recoveries: \$	(4,675)
33	Average per Claim >\$0: \$	8,067	Reserved: \$	270,890
9	Average per Open Claim: \$	10,931	Total Incurred: \$	266,215

Year Date of Loss	Accident Description	Coverage Line	Closed Date	Indemnity Reserve	Other Reserve	Indemnity Paid	Other Paid	Subro & Salvage	TOTAL INCURRED
02/09/2016	INSD VEH HAS GLASS DAMAGE	APD	03/30/2016	\$ -	\$ -	\$ 848	\$ -	\$ -	\$ 848
02/15/2016	SEWER BACK UP IN BATHROOM.	PROP	02/26/2016	\$ -	\$ -	\$ 7,124	\$ 664	\$ -	\$ 7,788
04/10/2016	INSD PROPERTY DAMAGED WHEN DISHWASHER PUMP LEAKED	PROP	05/18/2016	\$ -	\$ -	\$ 4,071	\$ 825	\$ -	\$ 4,896
2014				\$ -	\$ -	\$ 1,198	\$ -	\$ -	\$ 1,198
07/14/2014	ROCK STRUCK INSD VEH	APD	08/13/2014	\$ -	\$ -	\$ 259	\$ -	\$ -	\$ 259
06/04/2015	ROCK DAMAGED INSD VEH	APD	10/27/2015	\$ -	\$ -	\$ 364	\$ -	\$ -	\$ 364
06/27/2015	INSD VEH DAMAGED	APD	10/12/2015	\$ -	\$ -	\$ 575	\$ -	\$ -	\$ 575
2013				\$ -	\$ -	\$ 27,801	\$ 57,957	\$ -	\$ 85,758
08/23/2013	EMPLOYEE ALLEGES HARRASMENT, UNFAIR LABOR PRACTICE, WRONGFUL TERMINATION, INTIMIDATION, THREATS, COERCED RESIGNATION	EPL	01/30/2018	\$ -	\$ -	\$ 27,500	\$ 57,957	\$ -	\$ 85,457
08/23/2013	EMPLOYEE ALLEGES HARRASMENT, UNFAIR LABOR PRACTICE, WRONGFUL TERMINATION, INTIMIDATION, THREATS, COERCED RESIGNATION	EPL	01/30/2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
01/02/2014	UNKNOWN OBJECT STRUCK INSD VEH	APD	02/21/2014	\$ -	\$ -	\$ 301	\$ -	\$ -	\$ 301
Grand Total				\$ 900	\$ 1	\$ 180,341	\$ 90,548	\$ (5,576)	\$ 266,215

4.8 FAIRA Loss Experience

FAIRA's loss experience since 2016 is on the rise. This was a combination of multiple Employment Practice Liability claims, two fire station & apparatus fire losses, and one significant mudslide. Combined with social inflation and runaway jury awards the new reality is not a pretty picture.

Carriers have begun imposing minimum deductibles where lines of coverage are deteriorating. EPLI and Law Enforcement deductible increases are the most commonly seen. We expect to receive pressure to increase our current Deductible.

In 2018 the pool adopted a \$100,000 Deductible with a \$750,000 Annual Aggregate. The Aggregate being the maximum amount the pool would have to pay in any given year. For both years 2018/2019 and 2019/2020 our Aggregate has been exhausted and all additional claims falling within those policy years will be paid by the carrier.

FAIRA's Loss Control Consultants are focusing on Automobile Losses through 6/30/2021. We will likely revisit Employment Practice Liability practices to provide protection against one of the greatest threats seen to California Public Entities today.

Receive and File

4.9 FAIRA Board of Directors

At the September 2020 Board Meeting, the Board voted to elect Director Brainard as President, replacing President Jonathan Wilby, leaving a vacancy for Vice President that has since been filled by Chief Don Butz. Director Butz had served as the Elected Executive Board Member, upon the appointment of the Board President. That vacancy has recently been filled by the acceptance of Rhonda Haynes, Risk Manager from Orange County Fire Authority.

Director Walder advised FAIRA Staff of his retirement effective March 8, 2021. South Placer FPD provided a formal resolution appointing Director Ken Musso to South Placer's seat on the FAIRA Board.

On January 26th, Theresa Volland, the Board Secretary at Aromas Tri-County FPD sent a letter to FAIRA General Management advising that Reno DiTullio Jr. will be assuming Director Fulcher's position on the FAIRA Board. This is effective immediately. It is our understanding that Director Fulcher received a promotion and we wish him well.

In April, staff will be sending out ballots to all FAIRA Members for the 2021 election. Four of the six seats will be up for election: Alpine, Lakeside, Bonita-Sunnyside and Aromas Tri-County.

Receive and File

4.10 Annual Board and Executive Meeting

We propose holding the Annual Board and Executive Meeting scheduled on June 14, 2021 in person at the Orange County Fire Authority Headquarters in Irvine, CA in one of their large training rooms. As in past years, the meeting will be followed by a dinner with the location to be determined.

Consideration and Possible Action

5 Brokerage Report

5.1 Gallagher Service Team

We are excited to have Natalie Bates join the Gallagher Team serving as the day-to-day Account Manager, the role previously held by Eric Kikalo.

She has over 17 years of experience in the insurance industry, with 11 of those being in the Public Sector practice. Natalie has hit the ground running, joining Ryan Jacques and the rest of the Gallagher Team.

Receive and File

5.2 Stewardship Report

FAIRA's Broker has presented the July 1, 2021-2022 Strategic Review to the General Manager providing an overview of the accomplishments, an update on the State of the Marketplace through to the proposed Renewal Strategy for the 2021-2022 policy term.

Ryan Jacques, Area Vice President of Gallagher will touch on the highlights of the report.

Receive and File

5.3 Renewal Status

Gallagher has reported that they are currently in the marketplace negotiating FAIRA's renewal. For the coming year many options are being explored that Natalie Bates, FAIRA's Account Manager, will present the status to date.

Consideration and Possible Action

6 Financial Update

6.1 Audited Financial Statement Year Ending June 30, 2020 and 2019

As of 6/30/2020 FAIRA held \$600K of cash which would have been paid out if AWAC's deductible reimbursement requests hadn't been delayed. These audited financials for the second consecutive year of insurance policy deductibles reflect improved communication and understanding by both FAIRA and the audit firm.

Consideration and Possible Action

FIRE AGENCIES INSURANCE RISK AUTHORITY

FINANCIAL STATEMENTS

for the years ended June 30, 2020 and 2019

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CUTTONE & MASTRO
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fire Agencies Insurance Risk Authority
San Francisco, California

We have audited the accompanying financial statements of Fire Agencies Insurance Risk Authority (the Authority) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's office and State regulations governing special districts.

1

phone 559-261-4300

7543 North Ingram, Suite 102
Fresno, California 93711

fax 559-261-4301

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Cuttone & Mastro

Fresno, California
January 27, 2021

FIRE AGENCIES INSURANCE RISK AUTHORITY
Statements of Net Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 309,708	\$ 250,950
Investments	2,702,570	2,859,471
Prepaid expenses	4,000	112,750
Deductible receivable from members	268,001	223,170
Accrued investment income	<u>25,739</u>	<u>37,935</u>
Total Assets	\$ <u>3,310,018</u>	\$ <u>3,484,276</u>
LIABILITIES, AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 115,625	\$ 12,859
Unpaid Insurance Claims	608,633	687,535
Rate Stabilization Refunds Due	<u>5,017</u>	<u>6,352</u>
Total current liabilities	729,275	706,746
Net Position:		
Unrestricted	<u>2,580,743</u>	<u>2,777,530</u>
Total liabilities and net position	\$ <u>3,310,018</u>	\$ <u>3,484,276</u>

The accompanying notes are an integral part of the financial statements.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Statements of Revenues, Expenses and Changes in Net Position
for the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Premiums assessed	\$ 3,027,316	\$ 2,784,713
Rate stabilization fund utilized	<u>(113,024)</u>	<u>(135,389)</u>
Net premium earned	2,914,292	2,649,324
Commission credit	375,223	358,050
Member deductibles	174,866	223,170
Other	<u>63</u>	<u>-</u>
	<u>3,464,444</u>	<u>3,230,544</u>
Operating expenses		
Insurance	2,512,143	2,396,983
Dividend	-	10,591
SIR Pool	750,000	750,000
Risk management	1,800	3,444
Audit fee	8,700	7,170
Accounting and bookkeeping	20,200	20,200
Legal	9,076	10,203
Brokerage services	225,500	225,500
Sponsor fee	15,000	15,000
Management fee	211,822	205,254
Office	28	28
Meals and lodging	1,680	5,736
Meetings	-	51
Travel	2,120	4,602
Other	<u>20,633</u>	<u>15,323</u>
	<u>3,778,702</u>	<u>3,670,085</u>
Operating income (loss)	<u>(314,258)</u>	<u>(439,541)</u>
Non-operating revenue (expense):		
Investment income	125,097	129,152
Investment management fees	<u>(7,626)</u>	<u>(7,366)</u>
	<u>117,471</u>	<u>121,786</u>
Net income (loss)	(196,787)	(317,755)
Net position, beginning of year	<u>2,777,530</u>	<u>3,095,285</u>
Net position, end of year	<u>\$ 2,580,743</u>	<u>\$ 2,777,530</u>

The accompanying notes are an integral part of the financial statements.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Statements of Cash Flows
for the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from members	\$ 3,044,390	\$ 2,638,733
Cash paid for insurance and claims	(3,192,657)	(2,320,546)
Cash paid to suppliers of goods and services	<u>(79,543)</u>	<u>(290,929)</u>
Net cash provided (used) by operating activities	<u>(227,810)</u>	<u>27,258</u>
Cash flows from investing activities:		
Interest	139,238	159,318
Net sales (purchase) of investments	154,956	(31,857)
Investment management fees paid	<u>(7,626)</u>	<u>(7,366)</u>
Net cash provided by investing activities	<u>286,568</u>	<u>120,095</u>
Net increase (decrease) in cash and cash equivalents	58,758	147,353
Cash and cash equivalents at beginning of year	<u>250,950</u>	<u>103,597</u>
Cash and cash equivalents at end of year	<u>\$ 309,708</u>	<u>\$ 250,950</u>
SUPPLEMENTAL SCHEDULE OF NON CASH INVESTING ACTIVITIES:		
Change in fair value of investments	\$ <u>(1,945)</u>	\$ <u>(32,024)</u>
Change in accrued investment income	\$ <u>(12,196)</u>	\$ <u>1,858</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income (loss)	\$ <u>(314,258)</u>	\$ <u>(443,541)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Prepaid expense	108,750	-
Deductibles receivable	(44,831)	(223,170)
Increase (decrease) in:		
Accounts payable	102,766	(3,918)
Unpaid insurance claims	(78,902)	687,535
Rate stabilization refunds due	<u>(1,335)</u>	<u>6,352</u>
Total adjustments	<u>86,448</u>	<u>466,799</u>
Net cash provided (used) by operating activities	<u>\$ (227,810)</u>	<u>\$ 27,258</u>

The accompanying notes are an integral part of the financial statements.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Fire Agencies Insurance Risk Authority (the Authority) was created effective July 1, 1988 by a joint powers agreement among local Fire Agencies organized and operating under the laws of the State of California. The Authority currently has approximately 100 members. The Authority is organized pursuant to the provisions of the California Government Code for the purposes of:

- Developing an effective risk management program to reduce the amount and frequency of losses,
- Pooling self-insured losses and/or purchase of first dollar coverage
- Jointly purchasing excess insurance and administrative services in connection with a joint protection program.

Effective July 1, 2018, the Authority moved to a new high deductible insurance program. A \$100,000 deductible applies per occurrence to all insured losses, including, general liability, auto liability, property, director and officers errors and omissions, and medical malpractice, subject to a \$750,000 maximum annual aggregate. Once the annual aggregate has been exhausted, the deductible is only \$5,000 for any additional claims occurring during the same policy year.

The Authority purchases first dollar coverage in the amount of \$1,000,000 per occurrence, with a \$10,000,000 annual aggregate for general liability, \$1,000,000 auto liability (with no annual aggregate), management/EPLI/public officials' liability for \$1,000,000 per occurrence, with a \$10,000,000 annual aggregate. Property is insured for total insurable values of \$917,413,158 and auto physical damage with values of \$411,232,383. All coverage is purchased from the Allied World Assurance Company. The Authority also purchases umbrella coverage. The insurer is the Argonaut Insurance Company and Allied World Assurance Company. The limit of liability Argonaut is for \$5,000,000 each occurrence with a \$5,000,000 annual aggregate and the limit of liability Allied World Assurance \$5,000,000 each occurrence with a \$5,000,000 annual aggregate. These two policies pay limits in excess of the primary Allied World Assurance Company policy for a combined potential limits total of \$13,000,000 per occurrence and \$40,000,000 for all various liability coverage parts in the annual aggregate. Both the Authority's policies were in force through July 1, 2019 and have been renewed through July 1, 2020.

Each Member Agency has the following responsibilities:

- Adopt a risk management statement;
- Adopt and implement a risk management program which can reasonably be expected to reduce, or minimize the Member Agency's losses;
- Establish and maintain an active safety committee;
- Cooperate fully with the Authority in determining the cause of losses and in the settlement of losses;

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

- Upon withdrawal from the Authority, a Member Agency must pay a penalty to the Authority the equivalent of ten percent (10%) of its annual premium;
- Cooperate with and assist the Authority, and any insurer, claims adjuster or legal counsel of the Authority, in all matters relating to the joint powers agreement and covered losses and comply with all by-laws, policies, rules and regulations adopted by the Board.

The more significant accounting policies of the Authority are summarized as follows:

a. Basis of accounting:

Basis of accounting refers to when revenues and expenses are recognized in the accounts of the Authority and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the Authority. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

This report has been prepared in conformance with accounting principles generally accepted in the United States of America. The Authority applies Governmental Accounting Standards Board pronouncements.

b. Operating and Non-operating Revenues

Operating revenues, such as premiums, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such investment earnings, result from non-exchange transactions or ancillary activities.

c. Premium revenue:

Premiums are recognized as revenue over the period covered by the policies.

Unearned premiums represent paid premiums for policy periods beginning after June 30, 2020 or 2019, which have not been earned as of that date.

d. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

e. Cash and cash equivalents:

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less and deposits in the Local Agency Investment Fund to be cash equivalents.

f. Income Taxes

The Authority is a governmental agency and is not subject to federal or state income taxes.

g. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses. Net position is classified in the following component:

Unrestricted net assets - This component of net position consists of net position that does not meet the definition of "restricted net position" or "invested in capital assets, net of related debt."

When the Authority incurs an expense for which both restricted and unrestricted resources may be used, it is the policy of the Authority to use restricted resources first, then unrestricted resources.

h. Subsequent Events

Management has evaluated subsequent events through January 27, 2021, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

i. Investments:

Under provisions of the California Government Code, the Authority is authorized to invest in:

- U.S. Treasury notes, bonds, bills or certificates of indebtedness
- Time Certificates of Deposit
- Repurchase Agreements
- Bankers' Acceptances
- Registered state warrants or treasury notes or bonds of California
- Commercial paper of "prime" quality
- Medium-term corporate notes
- Local Agency Investment Fund
- Governmental Mortgage Backed Securities
- Closed End Diversified Management Corporations

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

i. Investments, continued:

The Authority's investment policy is to achieve an optimum rate of return on available assets not required for current operating needs. All investments shall take into consideration prudent investment standards and practices. An appropriate risk level consistent with applicable law shall be maintained by purchasing securities that are liquid, marketable and of high quality.

Maturities of investment will be selected taking into consideration the maximum rates of return and the Authority's cash flow requirements.

The Authority's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The Authority generally holds all investments until maturity or until market values equal or exceed cost.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash and cash equivalents are summarized as follows:

	<u>2020</u>	<u>2019</u>
Operating accounts	\$ 261,762	\$ 61,238
Local Agency Investment Fund (LAIF)	45,698	44,648
Charles Schwab	<u>2,248</u>	<u>136,780</u>
	<u>\$ 309,708</u>	<u>\$ 242,666</u>

The Local Agency Investment Fund (LAIF) is a special fund of the California State Treasury. The fund invests in governmental securities and commercial paper. The Authority may withdraw monies upon one-day notice. The fair market value of the position in the pool is the same as the value of pool shares. The fund is not rated. Cash in this fund is uncollateralized.

The Authority's cash, with JP Chase and West America is entirely insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pools of securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. At June 30, 2020 \$261,036 of the Authority's operating accounts were not fully insured. At June 30, 2019, the Authority's operating accounts were fully insured by the Federal Deposit Insurance Corporation.

The money market funds are on deposit with Charles Schwab brokerage house which is a member of the Securities Investor Protection Corporation (SIPC) a non-profit membership corporation created by Congress who's main purpose is the protection of cash and securities held by member broker-dealers in client accounts. In the case of broker-dealer insolvency, SIPC protects such assets for up to \$500,000, of which \$100,000 may be cash.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

2. CASH, CASH EQUIVALENTS AND INVESTMENTS, continued:

Investments consist of the following:

Accounting pronouncements require disclosure of the Authority's deposit or investment policies related to the Authority's exposure to credit risk, concentration of credit risk, and interest rate risk or disclosure that there are no such policies. The Authority does not have policies related to these risks.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

Concentration of credit risk is the loss attributed to the magnitude of the Authority's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage noted having a value of 150% of the secure public deposits.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

2. CASH, CASH EQUIVALENTS AND INVESTMENTS, continued:

The custodial credit risk for investments is the risk that, in the events of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

All of the Authority's investments are insured or registered, or for which the securities are held by the Authority's agent in the Authority's name. Investments are stated at fair value based on information provided by one or more market data resources and are summarized as follows as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Charles Schwab:		
Corporate Bonds	\$ 2,649,162	\$ 2,476,909
Municipal Bonds	53,408	382,562
	<u>\$ 2,702,570</u>	<u>\$ 2,859,471</u>
The components of investment gain (loss) are as follows:		
Interest	\$ 127,042	\$ 161,176
Net realized and unrealized gain (loss)	<u>(1,945)</u>	<u>(32,024)</u>
	<u>\$ 125,097</u>	<u>\$ 129,152</u>

Credit Risk

The Authority's investments had the following credit risk structure as of June 30, 2020:

Investment Type	Credit Rating (1)	Fair Value	Maturities	
			Less than 1 year	1 - 5 Years
Corporate Bonds:				
Advance Auto Part	Baa2	\$ 27,112	\$ -	\$ 27,112
Aetna Inc.	Baa2	26,306	-	26,306
Allergan Inc	Baa3	50,194	50,194	-
American Express	A3	27,204	-	27,204
Amgen Incorporated	Baa1	43,101	-	43,101
Analog Devices I	Baa1	62,277	35,415	26,862
Anthem Inc	Baa2	26,154	-	26,154
Apple	Aa1	20,127	20,127	-
Autozone Inc	Baa1	31,854	-	31,854
Bank of America	A2	35,000	35,000	-
Brunswick Corp	Baa2	22,602	-	22,602
Bunge Limited Fi	Baa3	54,440	-	54,440
Campbell Soup Co	Baa2	50,745	50,745	-
Capital One Financial	Baa1	27,180	-	27,180
Chevron Corp	Aa2	37,489	-	37,489
Church & Dwight	A3	25,719	-	25,719
Constellation Bra	Baa3	26,487	-	26,487
CRH American Inc	Baa1	30,713	30,713	-
CVS Health Corp	Baa2	170,052	-	170,052

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

2. CASH, CASH EQUIVALENTS AND INVESTMENTS, continued:

Credit Risk, continued

Investment Type	Credit Rating (1)	Fair Value	Maturities	
			Less than 1 year	1 - 5 Years
D.R. Horton, Inc	Baa2	54,028	-	54,028
Discovery, Inc	Baa3	51,636	51,636	-
Dollar General	Baa2	32,017	-	32,017
Duke Energy Corp	Baa1	50,559	50,559	-
Dupont De Nemou	Baa1	27,414	-	27,414
Ebay Inc	Baa1	52,493	-	52,493
Essex Portfolio L	Baa1	87,119	60,780	26,339
Fed Ex	Baa2	27,662	-	27,662
Fidelity National Inf	Baa2	26,783	-	26,783
Fiserv Inc	Baa2	31,989	-	31,989
Genereal Mills Inc	Baa2	\$ 54,552	\$ -	\$ 54,552
General Motors Financials	Baa3	30,432	-	30,432
Hewlett Packard Enterprise	Baa2	32,116	-	32,116
JP Morgan Chase	A2	26,094	-	26,094
Kellog Co	Baa2	25,959	-	25,959
Kohl's Corp	Baa2	48,562	-	48,562
Kroger Co	Baa1	86,094	25,322	60,772
Laboratory Corp	Baa2	26,859	-	26,859
LYB International Fin	Baa1	81,252	-	81,252
Marsh & McLennan	Baa1	26,589	-	26,589
McDonalds Corp	Baa1	25,027	25,027	-
McKesson Corp	BBB+	26,176	-	26,176
Microsoft Corp	Aaa	26,359	-	26,359
Morgan Stanley	A3	26,313	-	26,313
Norfolk Southern	Baa1	25,746	-	25,746
Parker-Hamfin C	Baa1	26,579	-	26,579
PNC Financial Services	A3	52,625	-	52,625
Public Service Co	A3	51,124	51,124	-
Reinsurance Group	Baa1	27,650	-	27,650
Roper Technologies	Baa2	27,152	-	27,152
RPM International In	Baa3	51,232	-	51,232
The J.M. Smucker	Baa2	51,817	-	51,817
Toyota Motor	A1	25,756	-	25,756
Verizon Communic	Baa1	102,083	102,083	-
Verisk Analytics	Baa2	46,901	46,901	-
Walmart Inc	Aa2	53,439	-	53,439
Waste Management	Baa1	61,069	61,069	-
Wells Fargo Bk N	A2	126,769	100,875	25,894
Westrock Co	Baa2	31,990	-	31,990
Whirlpool Corp	Baa1	52,061	52,061	-
Xerox Corporation	Baa1	30,037	30,037	-
Xylem Inc	Baa2	26,292	-	26,292
Municipal Bonds:				
California State	Aa3	53,408	-	53,408
		<u>\$ 2,702,570</u>	<u>\$ 879,668</u>	<u>\$ 1,822,902</u>

(1) Per Moody's

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

2. CASH, CASH EQUIVALENTS AND INVESTMENTS, continued:

The Authority's investments had the following credit risk structure as of June 30, 2019:

Investment Type	Credit Rating (1)	Fair Value	Maturities	
			Less than 1 year	1 - 5 Years
Corporate Bonds:				
Air Lease Corp	NR	\$ 50,714	\$ 50,714	\$ -
Agilent Technologies	Baa2	35,853	-	35,853
Allergan Inc	Baa3	50,542	-	50,542
American Intl GP	Baa1	60,641	-	60,641
Amgen Incorporated	Baa1	20,610	-	20,610
Analog Devices I	Baa1	35,318	-	35,318
Apple	Aa1	19,985	-	19,985
Autodesk Inc	Baa2	25,127	25,127	-
Bank of America	A3	36,134	-	36,134
Bemis Co Inc	Baa2	100,304	100,304	-
Boston Pptys Li	Baa1	51,819	-	51,819
CA Inc	Baa2	70,701	70,701	-
Capital One Financial	Baa1	94,025	-	94,025
CRH American Inc	Baa1	31,164	-	31,164
CVS Health Corp	Baa1	214,705	50,194	164,511
Discovery Comms	Baa3	51,675	-	51,675
Dollar General	Baa2	30,768	-	30,768
Duke Energy Corp	Baa1	51,331	-	51,331
Essex Portfolio L	Baa1	62,322	-	62,322
Exelon Generation	Baa2	30,198	30,198	-
General Electric	A2	56,390	56,390	-
General Motors Financials	Baa3	30,143	-	30,143
Hewlett Packard Enterprise	Baa2	31,606	-	31,606
Kraft Heinz Foods	Baa3	52,258	52,258	-
Kroger Co	Baa1	83,195	-	83,195
LYB International Fin	Baa1	78,919	-	78,919
McDonalds Corp	Baa1	25,303	-	25,303
Moodys Corp	BBB+ (2)	41,393	-	41,393
Morgan Stanley	A3	131,556	-	131,556
Omnicom Group	Baa1	\$ 51,096	\$ -	\$ 51,096
Public Service Co	A3	51,520	-	51,520
Realty Income Corp	A3	52,131	-	52,131
Simon Financial Group	A3	51,887	-	51,887
SVB Financial Group	A3	25,843	-	25,843
Thermo Fisher Sci	Baa1	108,660	-	108,660
Union Pacific	A3	56,125	56,125	-
Verizon Communic	Baa1	102,003	-	102,003
Verisk Analytics	Baa2	47,647	-	47,647
Waste Management	Baa1	61,904	-	61,904
Westrock Co	Baa2	100,192	-	100,192
Wells Fargo Bk N	A2	31,199	-	31,199
Whirlpool Corp	Baa1	52,116	-	52,116
Xerox Corporation	Baa3	29,887	-	29,887
Municipal Bonds:				
California State	Aa3	382,562	328,250	54,312
		\$ 2,859,471	\$ 820,261	\$ 2,039,210

(1) Per Moody's

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS, continued:

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs — other than quoted prices included within Level 1 — that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of June 30, 2020:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	\$ 2,649,162	\$ -	\$ 2,649,162	\$ -
Municipal Obligations	<u>53,408</u>	-	<u>53,408</u>	-
Total	<u>\$ 2,702,570</u>	\$ -	<u>\$ 2,702,570</u>	\$ -

As of June 30, 2019:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Bonds	\$ 2,476,909	\$ -	\$ 2,476,909	\$ -
Municipal Obligations	<u>382,562</u>	-	<u>382,562</u>	-
Total	<u>\$ 2,859,471</u>	\$ -	<u>\$ 2,859,471</u>	\$ -

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

3. UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES:

The liability for unpaid claims and claim adjustment expenses at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ <u>687,535</u>	\$ <u>-</u>
Incurring claims and claim adjustment expenses:		
Provision for insured events of the current year	750,000	750,000
Change in provision for insured events of prior years	<u>-</u>	<u>-</u>
Total incurred claims and claim adjustment expenses	<u>750,000</u>	<u>750,000</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	216,210	62,465
Claims and claim adjustment expenses attributable to insured events of prior years	<u>612,692</u>	<u>-</u>
Total payments	<u>828,902</u>	<u>62,465</u>
Total unpaid claims and claim adjustment expenses at end of year	\$ <u>608,633</u>	\$ <u>687,535</u>

Unpaid claims and claim adjustment expenses of \$608,633 and \$687,535 at June 30, 2020 and 2019, respectively are not discounted to net present value because it's all anticipated to be paid with the year.

The components of the unpaid claims and claim adjustment expenses as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Reported claims	\$ 608,633	\$ 687,535
Claims incurred but not reported	-	-
Unallocated loss adjustment expenses	<u>-</u>	<u>-</u>
Total	608,633	687,535
Less current portion	<u>608,633</u>	<u>687,535</u>
Long-term portion	\$ <u>-</u>	\$ <u>-</u>

There are no amounts reported as claims incurred but not reported and as unallocated loss adjustments expenses, because reported claims have exceeded the \$750,000 maximum annual aggregate as discussed in Note 1.

4. DESIGNATED UNRESTRICTED NET POSITION:

During the year ended June 2008 the Authority established the Rate Stabilization Fund. The purpose of the Rate Stabilization Fund is to provide a prudent contingency to absorb fluctuations that may occur from time to time in the cost of insurance and insurance products provided through the Authority to Member Districts. The Rate Stabilization Fund shall not be used to pay the other budget expenses of operating the Authority.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

4. DESIGNATED UNRESTRICTED NET POSITION, continued:

The Board of Directors shall annually determine whether the balance is adequate or, in light of market conditions and other considerations, should be increased or reduced. In general, the Board will attempt to maintain the Rate Stabilization Fund in the 10% to 15% range of total annual premium.

All Member Districts shall make assigned payments into the Rate Stabilization Fund during those years in which the Board determines that such payments are needed. Exceptions may be granted by the Manager for Member Districts whose annual insurance premium is less than \$2,000. For Member Districts whose annual premium exceeds \$2,000, exceptions may only be granted by the Board. The payments received from Member Districts were reported as Premiums Earned in the year received.

The Board may determine to use Member District balances in the Rate Stabilization Fund in any year in which the Board determines that the increase in premiums for insurance or insurance products would likely cause a hardship upon Member Districts. The Board shall determine the amount of the Rate Stabilization Fund usage and will notify all Member Districts of any decision to use District balances in the Rate Stabilization Fund. A decision by the Board to use Rate Stabilization Fund balances in any fiscal year shall not require the prior approval of Member Districts.

Member Districts shall not have the right to withdraw funds from the Rate Stabilization Fund, except upon the termination of membership. If a Member District terminates its membership with the Authority, the Authority shall return the withdrawing Member District's balance in the Rate Stabilization Fund, provided that the withdrawing District has fully paid all other remaining obligations to the Authority. The payment of the Member District's balance is reported as dividend expense.

The current balance of the Rate Stabilization Fund of \$113,024 is reported as designated unrestricted net position. The first third of the Rate Stabilization Fund was used in 2018-2019, the second third was used in 2019-2020, with the last third expected to be used in 2020-2021.

5. COMMITMENTS:

a. Brokerage Agreement:

Effective September 14, 2014 the Authority entered into an agreement with Arthur J. Gallagher & Co Insurance Brokers of California (Gallagher) to perform the following:

- Gallagher shall provide the following services to the Authority in connection with the development, implementation and marketing of an excess insurance program for property, general liability and automobile liability risk of the Authority Members. Use its best efforts to secure the following lines of insurance coverage on Client's behalf: Property and Liability package policy and Umbrella.
- Consult with the Authority to formulate a marketing strategy that focuses on delivering a cost-effective risk management strategy and structure based upon current market conditions.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

5. COMMITMENTS, continued:

a. Brokerage Agreement, continued:

- Work with the Authority to produce comprehensive underwriting data and criteria and negotiate terms on behalf of the Authority.
- Formally present coverage submissions to agreed upon insurance carrier(s) and negotiate terms on behalf of the Authority.
- Summarize the results of executing the marketing strategy developed with the Authority and communicate program recommendations.
- Provide consultation to the Authority on exposures, existing coverage, and the desirability and/or feasibility of potential program changes when recommended by Gallagher or when requested by the Client.
- Request change endorsements, when requested by the Client or when otherwise necessary, ensuring accuracy and delivery in a timely manner.
- Administration of insurance program, including policy review and issuance, invoicing, coordination and/or issuance of required documentation, i.e., certificates of insurance including contractual review, and other program administration, as required by the Client.
- Review accounting and billing data received from insurance markets on Client's behalf to ensure accuracy. Provide the Authority with premium allocations for all members.
- Develop a plan for marketing insurance coverages to insurance carriers including preparation of (1) specifications for those coverages; (b) gathering and preparing underwriting information for submission to the insurance carrier; (c) a list of at least three carriers to market the coverages; (d) proposed modifications or enhancements to existing programs; and (e) policy language, if needed. Since Gallagher must rely upon information provided by the Authority, its members and its employees, Gallagher cannot assume responsibility for the accuracy or completeness of such information.
- Assist any actuary hired to provide services to the Authority, review and consult with the Authority concerning any actuarial study performed with respect to the Authority's self-insurance program and make recommendations concerning risk sharing, self-insured retention levels and funding requirements.
- Evaluate and make recommendations to the Authority concerning the insurers' proposals in terms of competitiveness, sufficiency, service capabilities, and financial and operating condition of the insurance companies Gallagher will monitor published financial information of the Authority's current insurers and alert the Authority when their status falls below Gallagher's minimum guidelines.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

5. COMMITMENTS, continued:

a. Brokerage Agreement, continued:

- Monitor loss exposures and insurance programs as they related to the Authority 's needs and provide recommendations concerning the same.
- Review insurance policies and endorsements for conformity to agreed terms and coverages.
- If requested, provide certificates of insurance and endorsements on policies placed by Gallagher.
- Consult with the Authority with respect to risk identification and evaluation, loss control, rate adequacy, retention levels and funding options.
- Prepare and submit to the Authority an annual comprehensive written report on all activities conducted by Gallagher on behalf of the Authority including placement of insurance coverages, program marketing, premium and loss information and a summary of all insurance programs then in place.
- Meet with the Authority at the end of each contract year to establish goals, objectives and propose activities for the next contract year.
- Provide an annual forecast of insurance premiums, service costs and program changes to assist the Authority in preparing its budget. Any estimates or forecasts provided by Gallagher will be based upon a number of assumptions, conditions and factors. If these assumptions should be incorrect, incomplete or inapplicable, if conditions and factors should change, if the data and documents provided to Gallagher are unreliable, inaccurate, incomplete or inadequate, or if data that is necessary to provide a reliable analysis is unavailable, the estimates and/or analysis provided by Gallagher would be materially affected. Moreover, The Authority acknowledges that loss projections and reserve estimation is subject to inherent uncertainty and that, as a result, actual loss experience may differ materially from that contained or relied upon in Gallagher's estimate or analysis.
- Consult with and provide the Authority information concerning risk management, insurance market, legislative and regulatory trends and conditions throughout the term of the Agreement.
- Assist in the preparation and distribution of a request for a proposal for a third party claim administrator for the Authority and assist the Authority to select the third party claims administrator. Notwithstanding the foregoing, the selection of the third party claims administrator shall be in the Authority 's sole discretion.
- Consult with the Authority concerning selection of counsel for claims administration and representations on claims that proceed to litigation.
- Consult with and assist the Authority with catastrophic claims and related disputes with carriers throughout the term of the Agreement.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

5. COMMITMENTS, continued:

a. Brokerage Agreement, continued:

- Assist the Authority in obtaining information and the preparation of premium allocation and invoices for its members.
- Accumulate and make available to the Authority information in Gallagher possession regarding membership, claims, losses, premiums, exposures, finances, settlements and other data and information as reasonably required by the Authority and in a timely manner.
- Assist the Authority with periodic updates to its Bylaws regarding new membership criteria.
- Provide review of insurance related provisions of contracts.
- Provide personnel to meet with the Authority's Board of Directors at regular and special meetings, and the Authority members and prospective members with respect to risk management and insurance issues.

This Agreement which ended on December 31, 2018, was extended by mutual agreement. The Authority has the option of renewing or extending the agreement for two additional on-year extensions at a mutually agreed upon fee. Either party may terminate the Agreement at any time upon thirty (30) days' prior written notice to the other party. The fee for these services shall be as follows:

- a. For the period July 1, 2014 through June 30, 2015, the fee was \$220,000.
- b. For the period July 1, 2015 through December 31, 2015 the fee was \$110,000.
- c. For the period January 1, 2016 through December 31, 2018, the Authority paid Gallagher an annual fee of \$225,500.
- d. For the period January 1, 2019 through December 31, 2019, the annual fee of \$225,500 was approved on June 11, 2018.
- e. For the period January 1, 2020 through December 31, 2020 the annual fee of \$225,500 was approved on March 2, 2020.

b. General Management Service Agreement:

The Authority entered into an agreement with Arthur J. Gallagher & Co Insurance Brokers of California (Gallagher) to provide general management services to commence July 1, 2015. The term of this Agreement was from July 1, 2015 through June 30, 2018, with options for two (2) one-year extensions, subject to the mutual agreement of the parties. The fourth and fifth year extensions were approved on July 16, 2018. The fees for these services are as follows:

- a. For the year ending June 30, 2019 – annual base fee of year three, plus an increase as determined by the CPI, as published here by the U.S. Bureau of Labor Statistics, All Urban Consumers (San Francisco area), but not less than a 2% increase or greater than a 5% increase, plus an increase of \$4,000 yearly for additional responsibilities of providing oversight of monthly financial reports, shall constitute the fourth year base fee.

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Financial Statements
June 30, 2020 and 2019

5. COMMITMENTS, continued:

b. General Management Service Agreement, continued:

- b. For the year ending June 30, 2020 – annual base fee of year three, plus an increase as determined by the CPI, as published here by the U.S. Bureau of Labor Statistics, All Urban Consumers (San Francisco area), but not less than a 2% increase or greater than a 5% increase, plus an increase of \$4,000 yearly for additional responsibilities of providing oversight of monthly financial reports, shall constitute the fifth year base fee.
- c. For the years ending June 30, 2021 through June 30, 2025 – annual base fee of year three, plus an increase as determined by the CPI, as published here by the U.S. Bureau of Labor Statistics, All Urban Consumers (San Francisco area), but not less than a 2% increase or greater than a 5% increase, plus an increase of \$4,000 yearly for additional responsibilities of providing oversight of monthly financial reports, shall constitute the sixth through tenth year base fee.

c. Administrative Services Agreement:

The Authority entered into an agreement with Artex Risk Solutions, Inc., effective June 1, 2018, to provide invoicing, premium collection, and related administrative services. The term of this agreement was from July 1, 2018 through June 30, 2019, and automatically renews for successive one-year terms after the end of the initial term. The fees for services are \$4,000 annually.

SUPPLEMENTARY INFORMATION

FIRE AGENCIES INSURANCE RISK AUTHORITY
Notes to Supplementary Information
June 30, 2020 and 2019

The table that follows illustrates how the Authority's earned revenue (net of reinsurance) and investment income compared to related costs of loss and other expenses assumed by the Authority as of the end of each of the years for the liability program. The year ended June 30, 2020 and 2019 is the first year of the Authority. The table will report up to ten years as the years are incurred. The rows of the table are defined as follows:

1. Total of each fiscal year's gross earned premiums and reported investment revenue, amount of premiums ceded, reported premiums (net of reinsurance) and reported investment revenue.
2. Each fiscal year's other operating costs of the program, including overhead and loss adjustment expenses not allocable to individual claims.
3. Program's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called policy year).
4. Cumulative net amounts paid as of the end of successive years for each policy year.
5. Latest reestimated amount of losses assumed by the reinsurers for each policy year.
6. Each policy year's net, incurred losses as of the end of successive years. This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses and emergence of new losses not previously known.
7. Compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature policy years.

The columns of the tables show data for successive policy years.

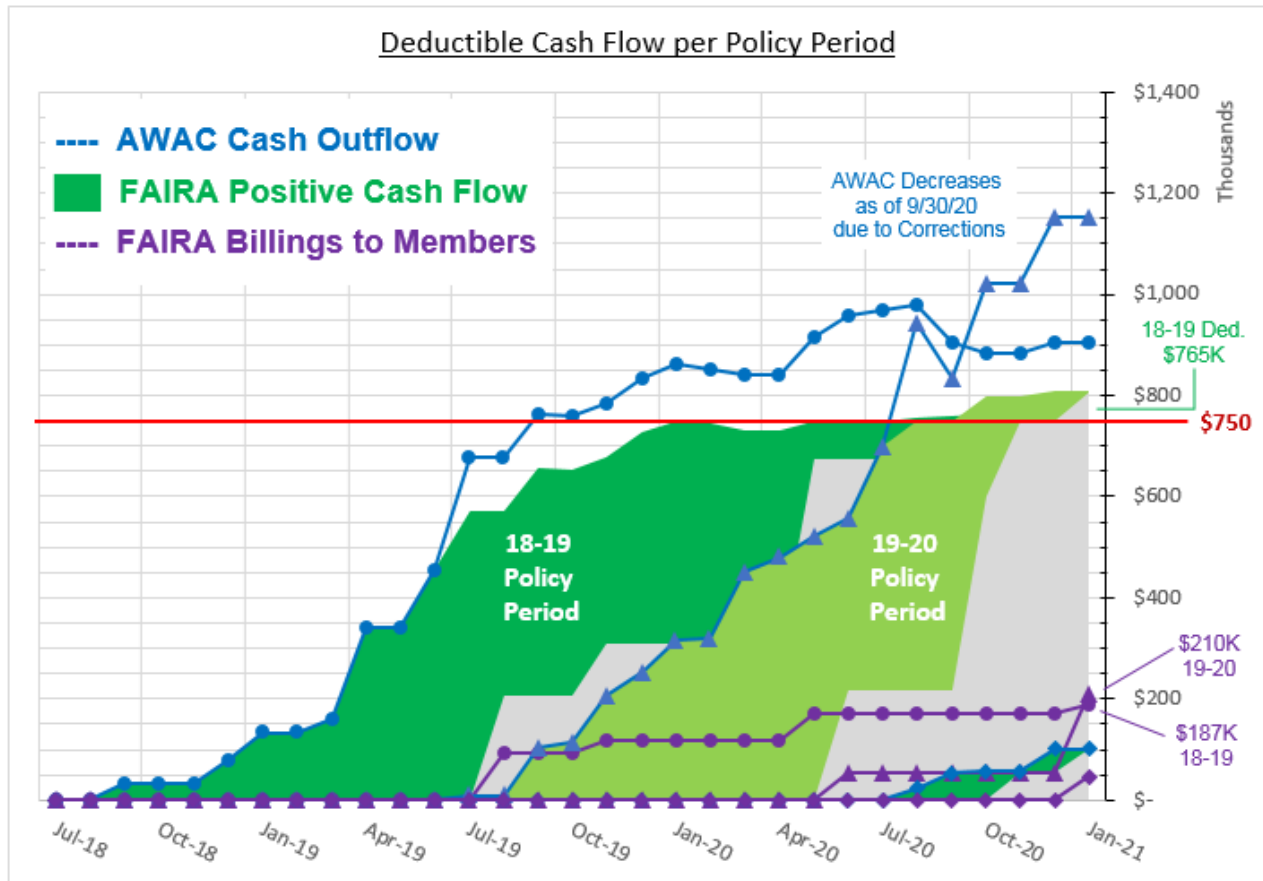
FIRE AGENCIES INSURANCE RISK AUTHORITY
Claims Development Information
For the Year Ended June 30, 2020

	<u>2019</u>	<u>2020</u>
1. Premiums and investment revenue:		
Earned	\$ 3,359,696	\$ 3,641,334
Insurance rebate		
Ceded	<u>(2,622,483)</u>	<u>(2,737,643)</u>
Net earned	<u>\$ 737,213</u>	<u>\$ 903,691</u>
2. Unallocated expenses	\$ 294,377	\$ 298,685
3. Estimated losses and expenses, end of policy year:		
Incurred	\$ 750,000	\$ 750,000
Ceded	<u>-</u>	<u>-</u>
Net incurred	<u>\$ 750,000</u>	<u>\$ 750,000</u>
4. Net paid (cumulative) as of:		
End of policy year	\$ 62,465	\$ 216,210
One year later	612,692	
Two years later		
Three years later		
Four years later		
Five years later		
Six years later		
Seven years later		
Eight years later		
Nine years later		
Ten years later		
5. Reestimated ceded losses and expenses	\$ -	\$ -
6. Reestimated net incurred losses and expenses:		
End of policy year	\$ 750,000	\$ 750,000
One year later	\$ 750,000	
Two years later		
Three years later		
Four years later		
Five years later		
Six years later		
Seven years later		
Eight years later		
Nine years later		
Ten years later		
7. (Decrease) increase in estimated net incurred losses and expense from end of policy year	\$ -	\$ -

6.2 Deductible Update

FAIRA has fully reimbursed AWAC for the \$750,000 aggregate deductibles for policy years 2018-19 and 2019-20. Including trailing deductibles (i.e. \$5,000 per claim occurrence), FAIRA has reimbursed AWAC **\$765K and \$805K** for those policy years. For policy year 2020-21 FAIRA has reimbursed AWAC **\$100K** as of 1/31/2021.

AWAC has paid out **\$140K and \$350K** in excess of deductibles for policy years 2018-19 and 2019-20, respectively. FAIRA members have been billed **\$187K, \$211K and \$46K** policy years 2018-19, 2019-20 and 2020-21, respectively.



2020-21 Member Deductibles per Insurance Summaries:

NIL GL, Auto & Garage Liability

\$10,000 or \$7,500 or \$5,000 Management Liability

\$5,000 Auto Physical Damage: Emergency Vehicles Comp & Collision

\$1,000 Auto Physical Damage: Private Passenger Comp & Collision

\$250 / \$500 Garage Keepers Comprehensive / Collision

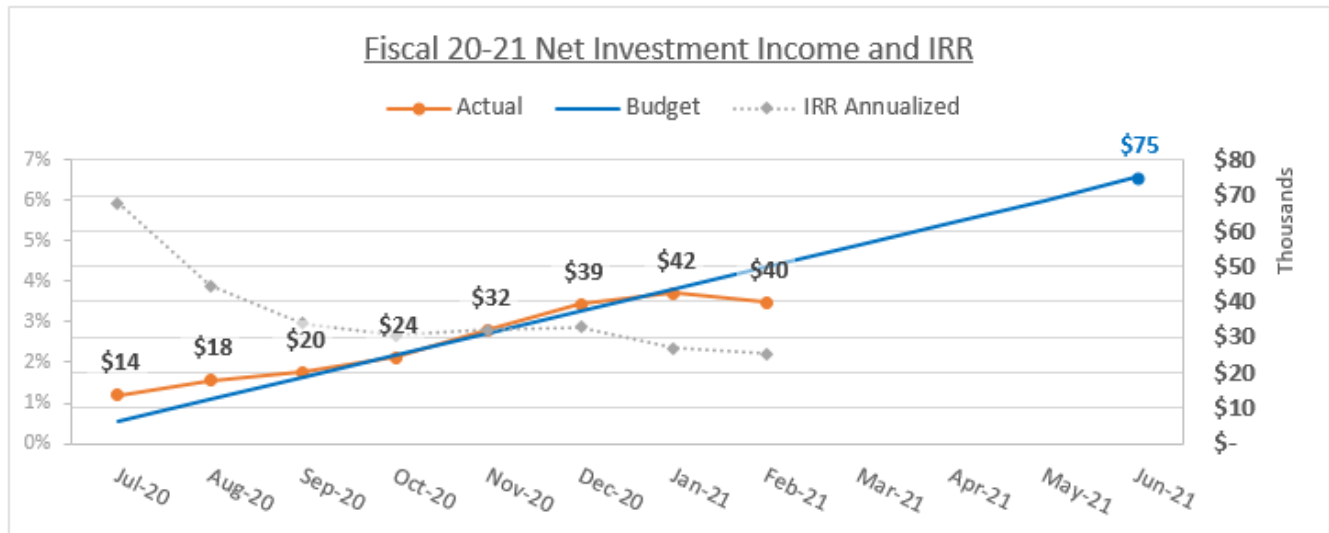
\$5,000 Property

\$1,000 Crime

Receive and File

6.3 Review of KCM Investments

The investment portfolio annualized rate of return is 2.2% for fiscal 2020-21 year-to-date.



KCM's Don Jesper noted the following in his January 2021 report:

"Your portfolio is well positioned for 2021. You should stay fully invested as the rebound in the US economy begins to take hold. Bonds remain attractive securities for producing current income.

"Bottom line, we remain optimistic, and will be ready to react to any of the unforeseen changes that occur in the investment climate. We anticipate some inflationary pressures and asset price appreciation (including housing). Interest rates are expected to stay extremely low through 2023."

Receive and File

7 Loss Control Consultant

7.1 Fleet Safety Analysis

Jim Smith with the Gallagher Loss Control team will provide an update on the status of the Fleet Gap Analysis. Recently, FAIRA staff sent out an email to each District that is a part of the analysis advising that our Gallagher Loss Control Team will be reaching out in the coming days to schedule time to meet. They will be conducting meetings with:

- Carmel Highlands FPD
- Shasta CSD
- Lee Vining FPD
- South Coast FPD
- Montezuma FPD
- Smith Valley FPD
- Vacaville FPD
- Montecito FPD
- San Ramon Valley FPD

Receive and File

7.2 Drive to Survive Online Course

Drive to Survive will not be available for in-person courses until the first quarter of 2022. Chris Daly, the owner and instructor of Drive to Survive, has created a new online course that is up and running! The training includes two parts that totals approximately 6 hours of instruction.

A 25% discount has been afforded to FAIRA Members for a rate of \$35 per seat for 101 or more seats, for \$3,535, or we can wait until the following year for in person training.

DRIVE TO SURVIVE One of the Nation's Leading Fire & EMS Safety Seminars

Each year nearly 25% of Firefighters and EMS fatalities are the result of motor vehicle crashes, yet few agencies train their members on safe operation of emergency apparatus and person vehicles. The "Drive to Survive" training program is designed to teach members that no matter how long they have been driving or how "good" they think they are, there are limits to safe operations.

Consideration and Possible Action



FAIRA – SAN FRANCISCO, CALIFORNIA

QUOTATION FOR ONLINE “DRIVE TO SURVIVE” TRAINING CLASS

Cost of Each Annual License:	\$100.00 per student for (1) student
	\$75.00 per student for (1) – (100) students
	\$35.00 per student for (101) – (1000) students
	\$25.00 per student for (1001) – (2000) students
	\$20.00 per student for (2001) – (3000) students
	\$15.00 per student for (3001) – (4000) students
	\$12.50 per student for (4001) – (5000) students

The above listed quotation provides the cost for the online Drive to Survive training class. Each license is valid for one student and will allow that student to register and complete the two-module online training program (equivalent to the 8-hour “Drive to Survive” training program). Each license is valid for one year from the time of purchase. Group viewing is prohibited. Each license purchased is only valid for members of an agency that is a member or employee of FAIRA. Please feel free to contact Drive to Survive with any questions regarding this quotation, or to schedule a date for the class, by calling 610-960-7248. This quotation is valid for 90 days.

AVERAGE COST OF A PROPERTY DAMAGE CRASH \$16,000 AVERAGE COST OF A PERSONAL INJURY CRASH \$75,000

1205 Winthrop Circle, West Chester PA, 19380 610-960-7248

7.3 Core360 Loss Control Platform Update

We are excited to share that 27 FAIRA Districts, totaling 380 users, have registered for the Gallagher Core360 Loss Control Training Portal. As a reminder, Gallagher offers over 60 training modules from which each District can select 10 a year FREE of charge, with unlimited seats.

The majority of District's have taken advantage of this platform to satisfy State mandated sexual harassment training such as AB1825 and SB 1343.

If you would like help getting registered, please contact Alex Banks.

Receive and File

8 Closed Session Conference with Legal Counsel

The Board may enter into Closed session at this time.

8.1 Potential Litigation. [Government Code § 54956.9(b)]

8.2 Pending Litigation. [Government Code § 54956.9(a)]

8.3 FAIRA Claims and Loss Reports

The above matters described on the agenda may be held in closed session as a conference with counsel under the provisions of Government Code § 54956.9 (a) and (b). If closed sessions are held, a report of actions subject to disclosure will be made by the Authority's Counsel upon return to open session respectively.

9 Other Business

Other business as necessary so that FAIRA can perform its functions as authorized by law and which has arisen within seventy-two (72) hours prior to the initiation of this meeting and may be considered under the Brown Act.

10 Presidents Report (as needed)

This item has been posted in the event that the Board President has information to share with the Board. No action can be taken.

11 Correspondence and Informational Items



Fire Agencies Insurance Risk Authority

Susan Blankenburg, General Manager

1255 Battery Street, Suite 450

San Francisco, CA 94111

Office 415-536-4005, Cellular 415-517-8028, Fax 415-536-8499

Date: October 20, 2020
To: Sean Grinnell, Secretary/Treasurer Sonoma County Fire Districts Association
From: Susan Blankenburg, FAIRA General Manager
Subject: FAIRA Update

All members were sent their annual insurance and risk management packets via email that included: FAIRA's Insurance Coverage Outline, a customized Summary of Insurance, schedules of insured buildings and vehicles, copies of all Certificates of Insurance issued to vendors, a Certificate that serves as Evidence of the District's coverage, and a document with suggestions for Insurance Requirements and Indemnification language for use in third party agreements.

FAIRA, along with 17 other JPA's in California, made a one-time contribution to undertake a project to address sky rocketing Tort Liability costs driven by high jury verdicts, settlements and defense costs that are putting financial pressures on all public entities. This coupled with the additional costs incurred to operate and comply with COVID -19 mandates, makes the effort even more important today than ever. Phase one has been completed that was a significant undertaking of data. Phase two is to analyze the loss data. Once the actuary has confirmed that there is adequate loss data to represent the large losses for California's public sector, the oversight committee will recommend initiating Phase two that is to focus on Joint and Several Liability, Inverse Condemnation, and Sexual Abuse/Molestation.

Lastly, FAIRA will be sending out invitations to all members with an invitation to a 45 minute webinar on December 14, 2020 at 10:30am to provide an overview of the **State of the Insurance Marketplace**. 2020 is the most challenging year the insurance industry has faced in over 15 years. With the civil unrest, impacts of the Corona virus and a Wildfire season that has already hit record highs – the perfect storm has hit. Carriers have begun to walk away from business if they don't think that that can write it profitably. Please join us to hear what is driving the marketplace and what we can do to be prepared.

If we can be of any assistance please reach out to me at 415.517.8028 or Alex Banks at 510.499.3415.

Best regards,

Susan Blankenburg, FAIRA General Manager

cc: FAIRA Board of Directors

Alex Banks

From: Susan Blankenburg
Sent: Friday, October 23, 2020 10:32 AM
Subject: CAJPA TORT LIABILITY REFORM STUDY
Attachments: CAJPA Phase 1 Membership.pdf

In September, FAIRA, along with 17 other California JPA's, made a one-time contribution to undertake a project to address sky rocketing Tort Liability costs driven by high jury verdicts, settlements and defense costs that are putting financial pressures on all public entities. This coupled with the additional costs incurred to operate and comply with COVID -19 mandates, makes the effort even more important today than ever. The Phase 1 report has been completed that consisted of a significant undertaking of data.

Phase 2 will analyze the loss data. This will entail confirmation from the actuary that the large losses for California's public sector loss date is sufficient, next the oversight committee will initiate Phase 2 that is to focus on Joint and Several Liability, Inverse Condemnation, and Sexual Abuse/Molestation with an aggressive target completion date of November, 2020.

We will keep you posted as we receive further updates.

Best regards,

Susan Blankenburg
General Manager
FAIRA
Office 415.543.8417
Cell 415.517.8028
Susan.Blankenburg@faira.org



Alex Banks

From: Alex Banks
Sent: Tuesday, February 23, 2021 1:42 PM
Cc: Susan Blankenburg
Subject: Drive to Survive: FREE One Hour Webinar - Register Today

Dear FAIRA Member,

Chris Daly, the instructor and author of Drive to Survive is hosting a FREE one hour webinar on Monday, March 29th at 10AM PST. The webinar is designed specifically for Fire District's and covers how to prevent rollovers and improve your Department's driving skills.

Follow this [link](#) to register for the webinar. Please distribute within your District and anyone you may think benefit from this webinar.

Chris has 30 years of experience in the fire industry and now works as a crash reconstruction specialist.

Topic: Drive to Survive: Preventing Rollovers
Time: March 29, 2021 10:00 AM PST
Registration Link: [Webinar Registration - Zoom](#)

Please contact me if you have any questions.

Thank you!

Best,

Alex Banks, CLCS Client Service Associate II
Public Sector Practice



direct: 415.536.4004 | cell: 510.499.3415
alex_banks@ajg.com | [LinkedIn Profile](#)
www.ajg.com

Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.
595 Market Street, Suite 2100
San Francisco, CA 94105

Please Note: Coverage cannot be bound or altered via email until confirmation is provided by Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. | CA License #0726293

Alex Banks

Subject: Diversity, Equality and Inclusion in the Fire Department
Location: Webex Online

Dear FAIRA Member,

FAIRA is inviting you to attend a cutting edge presentation by Morin Jacob, Managing Partner at Liebert Cassidy Whitmore on the value of embracing Diversity, Equality and Inclusion in your workplace. You will learn:

- What DEI is and is not
- Protected Classifications
- Five (5) Steps to Diversity Thinking
- From Diversity to Inclusion
- Identifying the Generations and Generational Differences

Who is the target audience for DEI training? All personnel!

Date: Monday, March 15, 2021

Time: 12:30pm – 1:15pm, followed by questions and answers

Should you have any questions please reach out to me.

DO NOT DELETE OR CHANGE ANY OF THE TEXT BELOW THIS LINE

Alex Banks has scheduled this WebEx Collaboration meeting.

Diversity, Equality and Inclusion in the Fire Department
Host: Alex Banks

When it's time, start or join the WebEx Collaboration meeting from here:
<https://collaborate.ajg.com/orion/joinmeeting.do?MTID=5719b99b617a51083735323d32c41330>

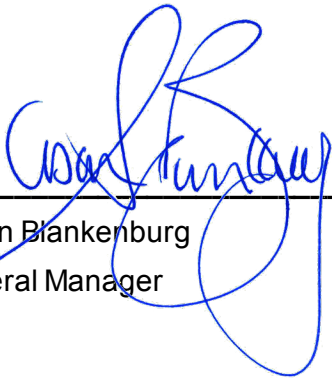
Access Information

Meeting Number: 997 737 089
Meeting Password: (This meeting does not require a password.)

12 Adjournment

I certify that this Authority Agenda was posted and sent by First Class United States Mail to all Members of the Authority 72 hours before the noted meeting.

Sean Grinnell, the Secretary/Treasurer at Sonoma County FDA asked FAIRA staff for a FAIRA activity update. Below is the letter that was sent to him.



Susan Blankenburg
General Manager

Date: March 15, 2021

