



SHASTA-TRINITY SCHOOLS
INSURANCE GROUP

Serving Schools Since 1980

MEETING ANNOUNCEMENT

DATE: September 21, 2010

TO: Shasta-Trinity Schools Insurance Group
EXECUTIVE COMMITTEE

FROM: Adam Hillman, President
Michael Strech, Executive Director

EXECUTIVE COMMITTEE MEETING
FRIDAY, SEPTEMBER 24, 2010
3:00 P.M. TO 5:00 P.M.
Hilton Garden Inn
5050 Bechelli Lane – Wintu B
Redding, CA 96002

You are cordially invited to attend an Executive Committee Meeting to be held on Friday, March 26, 2010 to be held at the Hilton Garden Inn, 5050 Bechelli Lane, Redding, CA, from 3:00 to 5:00 p.m., immediately following the Board Retreat.

Following is the Agenda packet with backup material for your review prior to the meeting. If you need a copy provided for you at the meeting, please let Nancy know.

If you have any questions or concerns, please do not hesitate to contact Nancy Panks at 530/221-4816.

cc: Board of Directors

Next Meeting:

FRIDAY, JANUARY 21, 2011
Board of Directors Meeting
9:00 a.m. to Noon

AGENDA
SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING
Hilton Garden Inn – Wintu B
5050 Bechelli Lane, Redding, CA
FRIDAY, SEPTEMBER 24, 2010 3:00 P.M. TO 5:00 P.M.

Page 1 of 3

Item No.	Item	Background/Recommendation	Action/ Information	Page No.
1.0	CALL TO ORDER PLEDGE OF ALLEGIANCE	Announcement of Quorum	A	
2.0	APPROVAL OF AGENDA	Approve Agenda of September 24, 2010 Exec. Comm. Meeting	A	
3.0	APPROVAL OF MINUTES	Approve Minutes of March 26, 2010 Exec. Comm. Meeting	A	1
4.0	PUBLIC COMMENTS	Members of the public may address the Board regarding any items on the agenda within the subject matter jurisdiction of the Board, provided that NO action may be taken on off-agenda items unless authorized by law. Comments shall be limited to 3 minutes per person and 20 minutes for all comments, unless different time limits are set by the President subject to the approval of the Committee.	I	
5.0	GENERAL BUSINESS			
5.1	Financial Reports 5.1.1 Unaudited Year-End Financial Reports-2009/10 5.1.2 Year-to-Date Financial Reports - 2010/11	Financial Reports are presented for the Committee's information.	I	8 9 11
5.2	List of Expenditures	A list of all checks and wires from March through July 2010 is presented for the Committee's review and approval.	A	13
5.3	Investment Report	Quarterly Investment Reports for the third and fourth quarters are presented for the Committee's information.	I	22
5.4	Finance Committee Report 5.4.1 Recommend Adoption of Revised Workers' Comp. Stabilization Policy 5.4.2 Policy Recommendation re: Loaning Funds to Districts from Workers' Comp. Program	The Finance Committee met on June 15, 2010. A report is presented for the Executive Committee's information. The Stabilization Policy for the Workers' Compensation Program was sent back to the Committee for reevaluation and recommendation. Within the Finance Committee minutes is the recommendation to fund at an 80% confidence level. The Finance Committee is recommending against loaning districts funds from the JPA's Workers' Compensation Program as it may become a conflict of interest for Board Members as well as the fact that the JPA should maintain its primary role as a conduit for insurance services.	I A A	25 29 30
5.5	Internal Controls	Grant the Executive Director the authority to conduct day to day financial operations with regular vendors at a threshold to be determined in order to create efficiency within the administration of the fund. These transactions will be reviewed on a monthly basis by the Treasurer and/or President.	A	31
5.6	CAJPA Conference	A brief overview of the recent conference and information on CAJPA's accreditation program will be presented.	I	32

Item No.	Item	Background/Recommendation	Action/ Information	Page No.
6.0	WORKERS' COMPENSATION PROGRAM			
6.1	Equity Transfer	The Board approved an equity transfer at their April 2008 Board Meeting. The districts that were in the Medical Program utilized the equity to "buy down" the rate increase. Those not in the Medical program were to receive the equity. See enclosed share of equity.	I	33
6.2	2010/11 Loss Control Training Schedule	The schedule of trainings is enclosed for the Committee's information.	I	34
6.3	ADJOURN TO CLOSED SESSION	Per Gov. Code Sec. 54956.9(a) the Executive Committee will enter into a closed session to discuss settlement of Workers' Compensation claims as proposed by LWP Claims Solutions, Inc., and the Claims Committee	A	
6.4	RECONVENE IN OPEN SESSION Announcement of Any Reportable Actions Taken in Closed Session	Open Session/Call to Order With respect to every item of business discussed in Closed Session	A	
7.0	HEALTH BENEFITS PROGRAMS			
7.1	Medical Program			
	7.1.1 Year-End Claims Experience for 2009/10	Claims Experience for Year-End 2009/10 will be discussed.	I	37
	7.1.2 Claims Experience for 2010/11	Mercer will report on the Medical Program and how it is developing for the 2010/11 Plan Year	I	40
	7.1.3 Report on the Wellness Program Implementation	Phase 1 of the Wellness Plan has concluded. An additional deadline was extended for those that began their Health Risk Assessment but didn't finish it. However, the JPA would recommend that an extension not be considered after the October 31 st Phase 2 deadline due to administrative difficulties and the fact that the JPA has sent numerous correspondence to remind the membership of the need to complete the steps before the October 31 st deadline.	A	42
	7.1.4 Smoking Cessation Benefit	The JPA is committed to help its membership get healthy and one way is to help those that smoke STOP. After considering the importance of the benefit and the cost, the JPA is proposing a \$500 lifetime maximum for smoking cessation aids, as long as the member is involved in an approved smoking cessation class to increase their chance of success.	A	44
	7.1.5 Health Benefits Committee	The Health Benefits Committee is in the process of being repopulated and a meeting will convene in October.	I	45
	7.1.6 Implementation Audit	An Implementation Audit for the 2010/11 Plan Changes will be completed in order to verify that the system is paying claims as it should so that the JPA is not overcharged. Anthem is paying for the Audit up to \$15,000.	I	46

Item No.	Item	Background/Recommendation	Action/ Information	Page No.
7.2	Dental Program – Grace Period for Reinstatement as it Pertains to Incentive Levels	The Dental plan is underwritten and rates are based upon the policy that if there is a break in service the member's incentive level would drop to 70% when they are re-enrolled, even though the break is just a matter of months. Explore the options of a one-time back dating for employees who were laid off in July but rehired September 1 st so that their level of coverage can remain unchanged. Or consider a grace period policy similar to the medical program.	A	47
8.0	ADJOURNMENT NEXT MEETING: The next meeting will be an Executive Committee Meeting on Friday, January 21, 2011 from 9:00 a.m. to 12:00 p.m. (Location to be determined based on experience of 9/24/10)		A	

AMERICANS WITH DISABILITIES ACT ASSISTANCE - Auxiliary aids and services include a wide range of services and devices that promote effective communication for individuals with disabilities. If you require such assistance, please notify our office (221-6444) as soon as possible. We will make every effort to give primary consideration to expressed preferences, or provide equally effective means of communication to ensure equal access to Shasta-Trinity Schools Insurance Group programs and events.

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
EXECUTIVE COMMITTEE MEETING MINUTES**

March 26, 2010

Hilltop Inn, 2300 Hilltop Drive, Redding

ATTENDANCE

Members Present:	President, Adam Hillman, Shasta County Office of Education Vice President, Donna Heller, Columbia ESD Treasurer, Phillip Brown, Enterprise Elementary School District Patricia Demo, Shasta College RoseAnn Adams, Redding Elementary School District Tom Mancuso, North Cow Creek Elementary School District Jim French, Trinity County Office of Education Dana Reginato, Shasta Union High School District
Ex-Officio:	Michael Strech, Executive Director, Secretary to the Board
Staff:	Nancy Panks, Benefits Administrator DeDe Davis, Benefits Administrator Mari Moore, Accountant (Contracted)
Others Present:	Melanie Cich, Shasta County Office of Education Bordan Darm, Mercer Paul Ford, Mercer Jeanette Price, Anthem Blue Cross Lorie McElligott, Anthem Blue Cross Ryan Neese, Delta Dental of California Donna Paxson, Fall River Jt. Unified School District Shelly Glover, Shasta Union High School District Gretchen Deichler, Lewiston Elementary School District Bob Lowden, Cottonwood Union Elementary School District Mindy Whitman, Junction Elementary School District Ruth Shankles, Shasta-Trinity Regional Occupational Program Jackie Thurmond, Redding Elementary School District Christine Noll, Redding Elementary School District George DeFillipo, Bella Vista Elementary School District

- 1.0 **CALL TO ORDER** – The meeting was called to order at 9:00 a.m. by President, Adam Hillman.
- 2.0 **APPROVAL OF AGENDA** – It was decided that Item 5.1.3, Preliminary 2010/11 Budget, be moved to the end of the agenda once rates are established. A motion was made by RoseAnn Adams, seconded by Patricia Demo, and unanimously approved to accept the agenda as amended.
- 3.0 **APPROVAL OF MINUTES** – Minutes of the January 22, 2010 Executive Committee meeting was presented for approval. It was moved by Jim French, seconded by Tom Mancuso; the motion was approved unanimously.
- 4.0 **PUBLIC COMMENTS** – None
- 5.0 **GENERAL BUSINESS**
 - 5.1 **Financial Reports**
 - 5.1.1 Year to Date Financial Reports (2009/10) -- The Financial Reports were presented to the Executive Committee in their packets, including the year to date Scoreboard showing how the JPA is projected to end the year, as well as current progress from last year's deficit. It is projected that the Medical plan will end with an \$882,099 deficit which is a \$1.8 million change from the previous year,

showing once again how necessary the large increase was in order to increase reserves and stay on target to fund the IBNR and Stabilization Fund. The Income Statement and Balance Sheets were presented. On the Income Statement, under Program Expenses, Michael Strech pointed out the Medical Stop Loss Recoveries and reported that while the number of claims is less than the previous years (five to date), the cost is higher. Stop Loss Insurance is going up considerably because of this (up to 46%). Regarding the Balance Sheet, Michael brought to the Committee's attention that the Medical drives the JPA. When asked about the Intercompany Receivables, Michael explained that these were loans that the Medical & Dental programs needed for cash flow purposes and are ready to be paid back. There is no Board Action needed to pay back these funds and Michael was instructed to make that transfer back into the Workers' Comp. program funds.

- 5.1.2 Approve Final Revised Budget for 2009/10 – The Final Revised Budget was presented to the Committee for review and approval. It was requested of the Executive Director that “Comments” be added to the Budget that reflect the reason for changes throughout the year as well as the Current Year Actual to Date. Donna Heller asked about the Administration budget and how the Legal Fees that were expended the year for PARS, etc., were allocated? Michael explained that the amounts were spread over the entire JPA's programs. She did not believe this is consistent and that a Policy should be developed wherein costs should stay in the budget until the end of the year when it can be allocated to other programs. It was believed that this would be something that the Finance Committee should take up. Michael Strech will draft the policy for review at the next Finance Committee meeting. The policy will also include a definition for such expenses which will be limited to unanticipated legal fees or in the case of 2009 - recruitment expenses. The 2010/11 Budget was also presented in this item together with the Final Revised. Therefore, it was moved by Phil Brown, seconded by Jim French, and unanimously approved to recommend to the Board of Directors.
- 5.2 List of Expenditures through February 28, 2010 – The List of Expenditures through February 28, 2010 was presented to the Committee for approval. Moved by Patricia Demo, seconded by Donna Heller, unanimous.
- 5.3 Investment Report – The Investment Report was presented to the Committee for their information. Not surprisingly, investment income is down. It was decided that an Investment Policy must be revisited by the Finance Committee, including the Investment Philosophy. Donna Heller asked about a previous conversation that the Committee had for making funds available to districts to borrow money if needed. Adam Hillman suggested that instead, perhaps the districts could be provided with a reprieve from paying their medical premiums with interest charged. This is another topic for the Finance Committee.
- 5.4 Approve Financial Audit Contract – A letter of understanding from Matson & Isom was presented for Audit Contract services. This is a two-year agreement proposal with no increase to perform the 2009/10 Audit and a nominal increase for the 2010/11 Audit. Likewise for the Special Districts Report which is a separate contract service. It was moved by Phil Brown, seconded by Patricia Demo to recommend the 2-year contract to the Board of Directors, unanimous.

- 5.5 Approve Multi-County Local Agency Biennial Report – The Report was presented in the packet for approval. Moved by Donna Heller, seconded by Patricia Demo, unanimous.
- 5.6 Resolution Appointing Michael Strech and Adam Hillman, President, as PARS Plan Administrators – The Resolution was presented to the Committee; moved by RoseAnn Adams, seconded by Phil Brown, unanimous.
- 5.7 Finance Committee
 - 5.7.1 Formalize Finance Committee as a Standing Committee -- Moved by Donna Heller, seconded by Tom Mancuso, unanimous.
 - 5.7.2 Adopt Stabilization Fund Policy – The Stabilization Fund Policy had been previously reviewed by the Executive Committee but wasn't formally acted upon. This policy presents the IBNR Goals and Standards that were recommended by the Finance Committee. The Policy was presented in the packet; moved by RoseAnn, seconded by Tom Mancuso, unanimous.
- 5.8 Request Permission to Explore Office Relocation – The JPA was approached by the Lockheed Drive landlord and asked to consider relocating into another suite in the building. Due to the fact the location is less than desirable at the location off Knighton Road by the Airport, Michael Strech asked if he could have permission to explore other options as long as it was cost-neutral. RoseAnn Adams suggested that a District may have some office space available for a good price. Moved by RoseAnn Adams, seconded by Phil Brown, unanimous.
- 5.9 April Executive Committee Meeting – Michael Strech explained that an additional Executive Committee meeting may be necessary if the JPA receives an Intent to Withdraw from a district that affects 10 to 15% of the participation level. In this case, Mr. Strech will reach out to the Committee to develop a conducive date for the meeting. However, if the aforementioned doesn't happen, no meeting will be necessary. Moved by Tom Mancuso, seconded by Patricia Demo, unanimous.
- 6.0 **WORKERS' COMPENSATION PROGRAM**
 - 6.1 Actuarial Study – The Actuarial Study was performed by BRS and draft portions of the report were presented in the packet. This information is used to develop rates and Ex-Mods for the Workers' Compensation Program. The Study will be brought in its entirety at another meeting for approval and is informational at this time.
 - 6.2 2010/11 Workers' Compensation Rates – Currently, the rate is \$2.17/\$100 of payroll and that has been the rate since July 2008. The rate was not increased last year; instead a \$1.8 million allocation of reserves was ear-marked in order to keep the rate to \$2.17. Michael Strech reported that the \$1.8 million was not used nor was it necessary as outlined in the March 2010 Actuarial Report. However, he pointed out that the \$2.17 rate is for a 70% confidence level, not the 90% once thought. Therefore, adhering to the Finance Committee's recommendation of no less than a 90% confidence level and two times the SIR, the rate would have to increase \$3.71. However, because the program is doing so well and there are ample reserves, Michael Strech recommended that the Finance Committee revisit their recommendation. In addition, he recommended an increase to the Workers' Comp rate of 5% to 7.5% would be necessary. This will incorporate medical inflation and not send the wrong message by keeping the rate flat. A higher rate increase would be necessary in the future if an increase is not put into place this year. RoseAnn Adams expressed that she was not comfortable with only a 70-75% confidence level and that 80-85% should be the minimum. She's concerned that the Committee just accepted the recommendation of the Finance Committee and now the Executive Committee is going against the Policy. Michael Strech explained that the assumption of the Finance

Committee was that the current rate was at 90% confidence level, when 70% was the reality. If the Committee had known 70% was adequate, the recommendation would have been different. Therefore, the policy will go back to the Finance Committee for reconsideration. Michael Strech explained that he will invite Mike Harrington of BRS to the next meeting to explain confidence levels and their impact on rates. Therefore, it was moved by Jim French, seconded by Phil Brown, to table the rate setting until the next meeting; unanimous.

- 6.3 Risk Management/Loss Control Programs – A list of training sessions that Danté Bellino has or will perform was enclosed in the packet for the Committee's review. In addition Michael Strech explained that work under the 2009/10 contract was slow during the first half of the year, while the JPA was without an Executive Director. Since January, the Executive Director has met with InterWest and developed a strategy to complete several projects including educational sessions, ergonomic reviews and a comprehensive risk assessment of the ten districts that have generated the highest numbers of claims (frequency not severity). Once the risk assessments have been completed and shared with the districts, the results and a review of the LWP loss run will allow the JPA and InterWest to develop a specific and measurable program for the 2010/11 plan year. The new agreement will not be in the form of "days" which has been the method for the last several years, but instead will be more specific and perhaps project driven. RoseAnn Adams asked if an hourly rate could be established and Michael stated that he would definitely be exploring that as an option. Moved by RoseAnn Adams, seconded by Donna Heller to explore a proposal for next year with no increase, not to exceed \$60,000; unanimous.

- 6.4 InterWest Insurance Services Proposal for Broker Services – Currently, InterWest charges \$3,800/mo for Broker Services, \$800 of which is for placing Reinsurance and \$3,000 for Claims Assistance (Liz Foley). Michael Strech explained that InterWest agreed to another year at this same rate, no increase. Originally they had proposed an increase concerned that more of Liz Foley's time was needed; however, they agreed to 0% increase. Moved by Donna Heller, seconded by Phil Brown; unanimous.

7.0 **HEALTH BENEFITS PROGRAM**

7.1 Medical Program

- 7.1.1 Review Claims and Discuss Trend for 2010/11 – Mercer presented claims experience for the 2009/10 plan year through February 2010. It showed that both plans are doing well financially and proved that the large increase and plan elimination of 2009/10 was essential to the success of the program. Stop Loss recoveries were high, \$1.4 million, which helped to keep the cost of claims down. However, due to such a high loss, the Stop Loss Insurance premiums will increase for the 2010/11 plan year, up to 46%. Mercer is continuing to go to market to receive the best quote. The loss ratio for this year is 93.6%, compared to 108.2% from the previous year, a marked decrease and a very positive sign. Mercer shared a high cost claimant report by ailment showing the top 25 causes of high dollar claims. The top two were Respiratory Failure/Pulmonary Manifestations, which totaled almost half of the high dollar claims. These, along with the 23 other high dollar claims totaled \$4.1 million, compared to the \$7.35 million by all other claimants, totaling \$11.5 million in claims through February 2010. Industry standard for Trend is 13%, however, our numbers show a much better picture for the JPA.

7.1.2 2010/11 Plan Changes for Cost-Cutting Measures – Mike Strech explained that the Health Committee had met multiple times and their first task was to discuss cost-cutting measures that would reduce the premium increase for the 2010/11 plan year. Options were presented including increasing the office visit copay by \$10 which would reduce the increase by 2%; increasing the Emergency Room copay to \$150 which would reduce the increase by 1%; and reducing the Generic Rx copay to \$10 retail/\$10 Mail Order, decreasing the increase by .2%. These three measures would reduce the overall premium increase by 3.2%. Moved by RoseAnn Adams, seconded by Tom Mancuso, unanimous to recommend to the Full Board these cost cutting measures equaling 3.2% decrease to rate increase.

7.1.3 Report on the Health Benefits Committee – The Health Benefits Committee has met five times as either the Working Group or Full Committee. Discussions about a Wellness Incentive Plan began and a proposal was brought to the Committee by Mercer. Mercer explained that only \$400,000 had been spent in Wellness Services by the plan compared to \$1.2 million in Emergency Room Services. This statistics bolsters the need for the increased ER copay to encourage people to find alternatives to ERs, such as Urgent Care facilities and the NurseLine. People need to be incentivized to make healthier choices and the plan presented does just that. By increasing Deductibles and Copays, and then allowing the member to “buy them down” by participating in a few Wellness steps can greatly incentivize them to participate in preventive programs that could catch illnesses well before they escalate into a costly claim. The steps that the member has to take in order to receive the benefits of the lower cost deductibles & copays are as follows:

- Attend Open Enrollment Meetings (the JPA will be holding 28 regional meetings in May);
- Complete an On-Line Health Assessment Survey;
- Attend a Wellness Workshop offered by Mercy;
- Get their annual physical.

By doing these four things, they would enjoy a lower deductible/copay and decreased coinsurance for some services. The cost to administer the program, including a Disease Management program, will be \$216,288. The savings projected by implementing the Wellness Incentive Plan is \$250,000 or 1% of claims. Therefore, the program is cost neutral. Donna pointed out that the proposed Wellness Credit for Generic Copay should not be part of this, as it was already acted upon in 7.1.2. Therefore, the Generic Copay should be \$10/\$20 regardless. That was agreed to by the Committee. Another proposal would be for those involved in the Disease Management Program, a \$10 deduction in prescriptions for their participation. Donna suggested that she’d rather see a \$10 drop for all. However, this would drive cost up. Jim French asked about the employee’s obligation to participate in the disease management program and Bordan explained that it would be at their discretion, however, hopefully the employee would be motivated to change behavior and participate. Moved by Jim French, seconded by Donna Heller, unanimous to recommend to the Full Board the Wellness Incentive Plan.

7.1.4 Forecast of the 2010/11 Rate – Michael Strech presented charts showing the net results of last year’s increase as it pertains to building of IBNR and Stabilization Fund, as well as a forecast of expenses through 2013. The graphs shows that

with no increase and status quo plan, the program's reserves would go from - \$882,099 this year to a positive \$87,689 by the end of 2010/11. However, with the Wellness Program in place, the 2010/11 year-end reserves are projected to be a positive \$705,609. However, it would not be prudent to give a 0% increase as the philosophy of the JPA is to build reserves and Stabilization Fund. RoseAnn Adams asked what the JPA's specific Trend is and Mercer did not have that information readily available, stating that being Self-Insured, you typically experience a lower trend compared to the national average. Specific JPA Trend will be brought to the next meeting. Jim French asked how much reserves are needed; 3 months or \$6 million. Therefore, Michael Strech recommended a 5.85% increase which shows that the JPA will have projected reserves of \$2.1 million in 2010/11, \$3.7 million in 2011/12, and \$4.4 million 2012/13 assuming a similar number of participants in the medical program. RoseAnn reported that Redding has decided to stay for at least one more year. Donna Heller said that Columbia is staying as well for the time being. Therefore, it was moved by RoseAnn Adams, seconded by Jim French, unanimous, to recommend to the Full Board a 5.85% increase to medical rates for the 2010/11 Plan Year.

- 7.1.5 Health Care Reform – Paul Ford of Mercer gave a report on how Health Care Reform would impact the JPA. Most importantly, because it doesn't go into effect until October 2010, the JPA doesn't have to enact any of the changes until its Plan Renewal July 2011. The biggest impact will be Over Age Dependent status being moved to age 26. At that point, tiered rates will be very important. He stressed that communication is imperative in the next year. Because the reform goes into effect in October, CVT will be affected this year because their plan year begins in October.

- 7.2 **VISION PROGRAM** – Recommend 2010/11 Rate – The Vision Program continues to do well, utilizing reserves that had been built up with excess and therefore it is believed that no increase is necessary. Moved by Jim French, seconded by RoseAnn Adams, unanimous.

- 7.3 **DENTAL PROGRAM** – Currently reserves are building as planned based on last year's increase in rate and plan design change (Crowns to 70%). While the current trend for the dental program is 6%, it does not appear to be necessary to increase the rate this year. Moved by Donna Heller, seconded by Tom Mancuso, unanimous, to recommend to the Full Board a 0% increase to the dental program.

- 5.1.3 Approve Preliminary 2010/11 Budget – Preliminary Budgets were presented to the Committee. Regarding Medical and based on the proposed increase, she is concerned that, as in the past, the number of lives may be overstated and believes there will be even less this year with the layoffs. Mike Strech reported that he took this into consideration and that there's no way to tell for sure how many lives will be affected. Adam Hillman suggested the number can be changed when we know for sure. Donna also brought up that employees are asking for lower-cost, high deductible plans and they want more options. Also, she wondered what happened to the conversation about loaning districts cash at a low rate if needed. Adam suggested perhaps a reprieve on their medical premiums as a loan. This will need to be researched and reviewed by the Finance Committee. Also, Composite Rates vs. Tiered Rates need to be discussed. It was determined that the Health Benefits Committee should continue. Question called, moved by

Phil Brown, seconded by Jim French, unanimous, to approve Preliminary
2010/11 Budget.

- 8.0 **ADJOURNMENT** – There being no further business to come before the Executive Committee, it was moved by Tom Mancuso, seconded by Jim French, and unanimously approved to adjourn at 1:10 p.m.

Respectfully Submitted,

Nancy Panks
Benefits Administrator

Adam Hillman, President

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: **9-24-10**

Item No: **5.1**

Action Item: **Yes** **No X**

Description of Item: **Financial Reports**

History: **Financial Reports are presented for the Committee's information.**

Status: **Both the Unaudited Year-End financial reports from 2009-10 plan year and the year-to-date reports for the 2010-11 through July are presented for the Committee to review**

Recommendation/Conclusion: **No action is required. Information only.**

Shasta-Trinity Insurance Group
Balance sheet
As of June 30, 2010

Cash	Admin	Dental	Vision	Medical	Self-Insured Worker's Compensation	Group Worker's Compensation	Combined Totals
LAIIF		312	75,937	833	17,546,221	21,595	17,644,898
Operating Accounts	14,155	320,658	231,062	1,043,492	1,067,716	147,823	2,824,906
Trust Accounts					52,174	5,818	57,992
Total Cash	14,155	320,970	306,999	1,044,325	18,666,111	175,236	20,527,796
Accounts Receivable		657	1,169	3,819	281,456		287,101
Intercompany Receivables <Payables>	45,306	(163)	(1,763)	(28,008)	(14,561)	(811)	0
Undeposited Funds							0
Prepaid Expenses				11,482			11,482
Equipment, Net							0
TOTAL ASSETS	59,461	321,464	306,405	1,031,618	18,933,006	174,425	20,826,379
Liabilities							
Accounts Payable	1,071	68,459	44,372	342,370	119,946	19,182	595,400
Payroll Liabilities	858						858
Accrued Vacation	8,269						8,269
Accrued Expenses							0
Accrued Claims Expense				262,274			262,274
Total Current Liabilities	10,198	68,459	44,372	604,644	119,946	19,182	866,801
Claims Admin- Run Out		11,551	9,734			846,870	868,155
Claims - Run Out		179,359	30,865				210,224
Actuarial Estimated Liabilities					13,912,000		13,912,000
IBNR				2,255,200			2,255,200
Total Long Term Liabilities	0	190,910	40,599	2,255,200	13,912,000	846,870	17,245,579
Equity							
Claims Fluctuation			26,541				26,541
Equity Transfer			177,657	416,222			593,879
Designated Reserves Overage (Shortage)	41,211	(275,713)		(3,115,502)	2,874,177	(691,627)	(1,167,454)
Net Income	8,052	337,808	17,236	871,054	2,026,883		3,261,033
Total Equity	49,263	62,095	221,434	(1,828,226)	4,901,060	(691,627)	2,713,999
TOTAL LIABILITIES AND EQUITY	59,461	321,464	306,405	1,031,618	18,933,006	174,425	20,826,379

These balances represent audited amounts excluding the Medical, Dental, & Vision IBNR and corresponding claims expense.
Awaiting close of tail claims period, ended 9.30.10, prior to booking.

Shasta-Trinity Schools Insurance Group
Income Statement
7/1/09 - 6/30/10

INCOME							Combined Totals
	Admin	Dental	Vision	Medical	Self-Insured Worker's Compensation	Group Worker's Compensation	Eliminations
Contributions		3,291,861	599,777	23,919,164	4,082,236		
Program Fees	336,000						(336,000)
Allocated Administrative Expenses	45,306						(45,306)
Interest		307	2,766	4,108	114,030	1,829	
Miscellaneous	40						
							123,040
							40
TOTAL INCOME	381,346	3,292,168	602,543	23,923,272	4,196,266	1,829	(381,306)
EXPENSES							
GENERAL & ADMINISTRATIVE							
Audit & Accounting	36,350						
Consulting Services	12,541			60,000	55,969		
Contracting Services	30,452						
Legal Fees	20,047						
Administrative Fees		28,800	14,400	178,800	108,000	6,000	(336,000)
Allocated Administrative Expenses		3,883	1,944	24,107	14,561	811	(45,306)
Salaries & Benefits	227,512						
							227,512
Bank Fees	183			23,021			
Rent & Utilities	13,440						
Property & Liability Insurance	3,524						
Equipment Lease	5,010						
General Office Expenses	24,235						
							24,235
TOTAL GENERAL & ADMINISTRATIVE	373,294	32,683	16,344	285,928	178,530	6,811	(381,306)
PROGRAM EXPENSES							
General Claims Expense		2,733,183	503,804		2,942,051		
Medical Claims Expense				17,530,510			
Pharmacy Claims Expense				4,700,426			
Stop-Loss Recoveries				(2,044,468)	(1,175)		
IBNR Adjustment					(1,426,890)		
							6,179,038
							17,530,510
							4,700,426
							(2,045,643)
							(1,426,890)
Claims Administrative Expense		188,494	65,159	1,314,870	175,037		
Excess Insurance				1,264,952	169,937		
							1,743,560
							1,434,889
User Funding Assessment					39,908		
Preplacement Physicals					31,772		
Loss Control/Safety					60,213		
							39,908
							31,772
							60,213
TOTAL PROGRAM EXPENSES	0	2,921,677	568,963	22,766,290	1,990,853	0	0
TOTAL EXPENSES	373,294	2,954,360	585,307	23,052,218	2,169,383	6,811	(381,306)
NET INCOME <LOSS>	8,052	337,808	17,236	871,054	2,026,883	(4,982)	0

These balances represent audited amounts excluding the Medical, Dental, & Vision IBNR and corresponding claims expense. Awaiting close of tail claims period, ended 9.30.10, prior to booking.

Shasta-Trinity Insurance Group
Balance sheet
As of July 31, 2010

	Admin	Dental	Vision	Medical	Self-Insured Worker's Compensation	Group Worker's Compensation	Combined Totals
Cash							
LAIF		312	75,972	833	17,553,373	21,605	17,652,095
Operating Accounts	10,657	320,083	224,821	817,158	1,016,371	128,211	2,517,301
Trust Accounts					52,174	15,671	67,845
Total Cash	10,657	320,395	300,793	817,991	18,621,918	165,487	20,237,241
Accounts Receivable		7,315	2,062	127,049	84,924		221,350
Intercompany Receivables <Payables>	45,306	(163)	(1,763)	(28,008)	(33,743)	18,371	0
Undeposited Funds							0
Prepaid Expenses	4,491			11,482	115,378		131,351
Equipment, Net	0						0
TOTAL ASSETS	60,454	327,547	301,092	928,514	18,788,477	183,858	20,589,942
Liabilities							
Accounts Payable	1,078	142,741	40,219	326,191	80,884	19,939	611,052
Payroll Liabilities							0
Accrued Expenses	(1,000)						(1,000)
Accrued Vacation	8,269						8,269
Accrued Claims Expense							0
Total Current Liabilities	8,347	142,741	40,219	326,191	80,884	19,939	618,321
Claims Admin- Run Out		11,551	9,734	262,273		846,870	1,130,428
Claims - Run Out		179,359	30,865				210,224
Actuarial Estimated Liabilities					13,912,000		13,912,000
IBNR				2,255,200			2,255,200
Total Long Term Liabilities	0	190,910	40,599	2,517,473	13,912,000	846,870	17,507,852
Equity							
Claims Fluctuation			26,542				26,542
Equity Transfer			194,893	416,222			611,115
Designated Reserves Overage (Shortage)	49,263	62,095		(2,244,448)	4,901,060	(691,628)	2,076,342
Net Income	2,844	(68,199)	(1,161)	(86,924)	(105,467)	8,677	(250,230)
Total Equity	52,107	(6,104)	220,274	(1,915,150)	4,795,593	(682,951)	2,463,769
TOTAL LIABILITIES AND EQUITY	60,454	327,547	301,092	928,514	18,788,477	183,858	20,589,942

Shasta-Trinity Schools Insurance Group
Income Statement
7/1/10 - 7/31/10

	Self-Insured Worker's Compensation					Group Worker's Compensation		Eliminations	Combined Totals
	Admin	Dental	Vision	Medical					
INCOME									
Contributions		247,530	45,525	1,890,945		92,497			2,276,497
Program Fees	31,360							(31,360)	0
Allocated Administrative Expenses									0
Interest		29	234			7,151	137		7,551
Miscellaneous									0
TOTAL INCOME	31,360	247,559	45,759	1,890,945		99,648	137	(31,360)	2,284,048
EXPENSES									
GENERAL & ADMINISTRATIVE									
Audit & Accounting									0
Consulting Services				5,000		3,800			8,800
Contracting Services	215								215
Legal Fees									0
Administrative Fees			1,344	16,688		10,083	557	(31,360)	0
Allocated Administrative Expenses		2,688						0	0
Salaries & Benefits	24,597								24,597
Bank Fees									0
Rent & Utilities	1,120			1,886					3,006
Property & Liability Insurance	317								317
Equipment Lease	464								464
General Office Expenses	1,803								1,803
TOTAL GENERAL & ADMINISTRATIVE	28,516	2,688	1,344	23,574		13,883	557	(31,360)	39,202
PROGRAM EXPENSES									
General Claims Expense		302,656	40,219			171,615	10,085		524,575
Medical Claims Expense		10,414	5,357	1,374,549					1,390,320
Pharmacy Claims Expense				323,791					323,791
Stop-Loss Recoveries							(19,182)		(19,182)
Administrative Expense				129,486					129,486
Excess Insurance				126,469		14,617			141,086
User Funding Assessment									0
Preplacement Physicals									0
Loss Control/Safety						5,000			5,000
TOTAL PROGRAM EXPENSES	0	313,070	45,576	1,954,295		191,232	(9,097)	0	2,495,076
TOTAL EXPENSES	28,516	315,758	46,920	1,977,869		205,115	(8,540)	(31,360)	2,534,278
NET INCOME <LOSS>	2,844	(68,199)	(1,161)	(86,924)		(105,467)	8,677	0	(250,230)

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.2

Action Item: Yes ☒ No

Description of Item: List of Expenditures

History: A list of expenditures from March 2010 through July 2010 is presented for the Committee's review and approval.

Status: All program expenditures are presented.

Recommendation/Conclusion: Approve as presented.

3 AM

1/10

ual Basis

Self-Insured Workers' Comp CHECK REPORT March through July 2010

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/11/2010	1544	InterWest	January Broker and Loss Control Fees	-8,800.00
3/11/2010	1545	Redding Physical Therapy	Ergo Eval	-212.50
3/11/2010	1546	Redding Physical Therapy	February POPPS	-1,739.00
3/25/2010	1547	3E MSDS Holdings ULC	MSDS Documents and License Renewal F...	-2,476.00
4/14/2010	1548	InterWest	April Broker and Loss Control Services	-8,800.00
4/14/2010	1549	Redding Physical Therapy	March POPPS	-1,927.00
4/29/2010	1550	InterWest	May Broker and Loss Control Services	-8,800.00
5/19/2010	1551	Bickmore Risk Services	Actuarial Study	-6,600.00
5/19/2010	1552	Redding Physical Therapy	April POPPS	-1,316.00
5/27/2010	1553	3E MSDS Holdings ULC	MSDS License Renewals	-53.52
5/27/2010	1554	InterWest	June Broker and Loss Control Fees	-8,800.00
6/1/2010	1555	Redding Physical Therapy	May POPPS	-1,081.00
7/23/2010	1556	Redding Physical Therapy	June POPPS	-1,457.00
7/23/2010	1557	InterWest	Excess Worers' Compensation Coverage	-129,996.00
7/23/2010	1558	InterWest	July Broker Fees and Loss Control Services	-8,800.00
Mar - Jul 10				-190,858.02

Shasta-Trinity Schools Insurance Group - WORKERS COMP LIST OF WIRE TRANSFERS March through July 2010

1/10

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/27/10	IBT	STSIG	March JPA Allocation	-500.00
4/27/10	WIRE	STSIG	April JPA Allocation	-500.00
5/27/10	IBT	STSIG	May JPA Allocation	-500.00
6/27/10	IBT	STSIG	June JPA Allocation	-500.00
7/27/10	IBT	STSIG	July JPA Allocation	-557.00
Mar - Jul 10				

Self-Insured Workers' Comp

LIST OF WIRE TRANSFERS

March through July 2010

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/2/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request	-39,539.80
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-31.60
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-2,908.82
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-121.94
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-663.49
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-3,897.54
3/2/2010	WIRE	LWP Claims Solutions, Inc.	February Claims RVS Fees	-4,557.81
3/2/2010	WIRE	LWP Claims Solutions, Inc.	VOID: February Claims RVS Fees	-6,100.87
3/4/2010	WIRE	LWP Claims Solutions, Inc.	February Claims Admin	-14,355.00
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-612.23
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-8,104.70
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-7,981.95
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-9,958.06
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-23,853.74
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-21,463.24
3/11/2010	WIRE	LWP Claims Solutions, Inc.	February Claims	-21,081.61
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-680.59
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-5,089.65
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-1,524.81
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-7,698.76
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-9,270.71
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-7,279.30
3/24/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-11,976.29
3/25/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request SAC0000102828	-20,964.66
3/27/2010	IBT	STSIG	March JPA Allocation	-9,000.00
3/31/2010	WIRE	LWP Claims Solutions, Inc.	Claim # SAC0000092380	-14,999.00
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-1,854.64
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-5,944.77
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-518.78
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-9,099.62
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-11,205.64
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-17,280.73
4/5/2010	WIRE	LWP Claims Solutions, Inc.	March Claims	-35,076.42
4/7/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request	-19,456.00
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March Claims Admin	-17,490.00
4/7/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request for RVS/Bill Review...	-45.61
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-558.59
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-147.53
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-327.99
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-1,849.42
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-1,415.19
4/7/2010	WIRE	LWP Claims Solutions, Inc.	March RVS/Bill Review Fees	-22,862.86
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-685.24
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-11,591.33
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-3,196.35
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-10,279.63
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-14,928.70
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-15,197.71
4/15/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-21,945.52
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-395.61
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-958.59
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-1,162.96
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-17,439.01
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-8,197.23
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-4,090.70
4/23/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-4,769.27
4/27/2010	IBT	STSIG	April JPA Allocation	-9,000.00
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-6,465.60
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-1,080.59
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-16,256.09
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-20,384.43
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-19,651.95
4/30/2010	WIRE	LWP Claims Solutions, Inc.	April Claims	-22,738.41
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-503.53
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-600.99
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-625.00
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-1,274.35

Self-Insured Workers' Comp

LIST OF WIRE TRANSFERS

March through July 2010

Date	Num	Name	Memo	Amount
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-20,100.39
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-2,393.89
5/6/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-12,108.90
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-59.43
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-33,354.41
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-34.42
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-7,426.59
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-15,924.52
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-2,776.64
5/6/2010	WIRE	LWP Claims Solutions, Inc.	April Claims RVS Fees	-9,801.69
5/12/2010	WIRE	LWP Claims Solutions, Inc.	April Claims Admin	-12,705.00
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-454.12
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-6,679.51
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-4,205.92
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-6,212.90
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-17,541.35
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-10,591.53
5/18/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-15,638.41
5/20/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request Claim# SAC0000...	-36,076.97
5/26/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request Claim# SAC0000...	-12,050.00
5/26/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request Claim# SAC0000...	-18,202.19
5/27/2010	IBT	STSIG	May JPA Allocation	-9,000.00
6/2/2010	WIRE	LWP Claims Solutions, Inc.	Steve Florreich	-12,060.63
6/3/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-611.24
6/3/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-1,940.62
6/3/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-10,334.51
6/3/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-28,775.16
6/3/2010	WIRE	LWP Claims Solutions, Inc.	May Claims	-47,439.90
6/10/2010	WIRE	LWP Claims Solutions, Inc.	May Claims Admin	-12,870.00
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-201.19
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-166.90
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-715.70
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-13,294.56
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-1,331.80
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-50,723.87
6/10/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-11,714.68
6/11/2010	WIRE	LWP Claims Solutions, Inc.	Special Funds Request	-30,000.00
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-1,198.29
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-2,868.58
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-1,330.36
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-16,267.57
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-21,150.60
6/23/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-39,077.25
6/27/2010	IBT	STSIG	June JPA Allocation	-9,000.00
7/8/2010	WIRE	LWP Claims Solutions, Inc.	June S-I W/C Claims Admin	-8,085.00
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-2,338.87
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-1,257.08
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-948.64
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-2,415.15
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-22,617.97
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-16,505.06
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June Claims	-19,376.78
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-306.97
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-168.62
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-4,723.57
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-2,646.07
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-21,634.58
7/13/2010	WIRE	LWP Claims Solutions, Inc.	June RVS	-15,464.84
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-890.78
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-5,525.78
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-9,124.23
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-11,315.10
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-18,754.21
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-15,080.54
7/23/2010	WIRE	LWP Claims Solutions, Inc.	July Claims	-30,040.48
7/27/2010	IBT	STSIG	July JPA Allocation	-10,083.00
Mar - Jul 10				-1,397,984.26

Shasta-Trinity Schools Insurance Group - JPA ADMIN

LIST OF WIRE TRANSFERS

March through July 2010

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/12/10	IBT	STSIG	March W/C Prem	-342.84
3/12/10	IBT	STSIG	Vision Contribution	-84.00
3/12/10	IBT	STSIG	Dental Contribution	-414.00
4/1/10	WIRE	STSIG	April Employee Medical Premi...	-1,349.00
4/12/10	IBT	STSIG	W/C Prem	-342.84
4/12/10	IBT	STSIG	Vision Contribution	-84.00
4/12/10	IBT	STSIG	Dental Contribution	-414.00
5/12/10	IBT	STSIG	W/C Prem	-342.84
5/12/10	IBT	STSIG	Vision Contribution	-84.00
5/12/10	IBT	STSIG	Dental Contribution	-414.00
5/13/10	WIRE	STSIG	May Employee Medical Premium	-1,349.00
6/3/10	WIRE	STSIG	June Employee Medical Premi...	-1,349.00
6/12/10	IBT	STSIG	W/C Prem	-342.84
6/12/10	IBT	STSIG	Vision Contribution	-84.00
6/12/10	IBT	STSIG	Dental Contribution	-414.00
7/1/10	WIRE	STSIG	July Employee Medical Premium	-1,316.00
7/12/10	IBT	STSIG	July W/C Prem	-342.84
7/12/10	IBT	STSIG	July Vision Contribution	-84.00
7/12/10	IBT	STSIG	July Dental Contribution	-414.00
Mar - Jul 10				

Shasta-Trinity Schools Insurance Group - JPA ADMIN

LIST OF CHECKS

Type	Date	Num	March through July 2010 Name	Memo	Amount
Bill Pmt -Check	03/11/2010	4137	Neopost Inc.	Annual Postage ACH Fee	-50.00
Bill Pmt -Check	03/11/2010	4138	Office Depot	Office Supplies	-249.76
Bill Pmt -Check	03/11/2010	4139	Shasta Union High SD	Web Updates	-49.00
Bill Pmt -Check	03/11/2010	4140	Margaret Davis	Reimbursement for Key Purchase	-8.12
Bill Pmt -Check	03/11/2010	4141	PARS	Pars Admin Fees	-200.00
Bill Pmt -Check	03/11/2010	4142	Wilgus	Office Fire Extinguisher Service	-26.00
Bill Pmt -Check	03/11/2010	4143	Lane Computer Repair	IT Services	-162.50
Bill Pmt -Check	03/11/2010	4144	Michael Strech	Lunch Meeting with Mercer	-50.79
Bill Pmt -Check	03/16/2010	4145	Lozano Smith	Legal Fees	-4,271.60
Bill Pmt -Check	03/16/2010	4146	Diversied Office Systems	February Xerox Service Contract	-43.84
Paycheck	03/25/2010	4147	Margaret J. Davis		-1,834.85
Paycheck	03/25/2010	4148	Michael E. Strech		-8,985.71
Paycheck	03/25/2010	4149	Nancy K. Panks		-3,675.63
Bill Pmt -Check	03/25/2010	4150	AT&T	March Phones	-255.28
Bill Pmt -Check	03/25/2010	4151	Marlin Leasing	Xerox Copier Lease	-274.44
Bill Pmt -Check	03/25/2010	4152	Michael Strech	Reimbursement for Lunch Meeting	-50.70
Bill Pmt -Check	03/25/2010	4153	Nancy Panks	Reimbursement for Supplies	-31.92
Bill Pmt -Check	03/25/2010	4154	North Valley Rentals	April Office Lease and Utilities	-1,120.00
Liability Check	03/25/2010	4155	American Fidelity Asurance Company		-300.00
Bill Pmt -Check	03/26/2010	4156	Fouche's Elite Office Cleaning	March Office Cleaning Services	-90.00
Bill Pmt -Check	03/26/2010	4157	Nancy Panks	March Mileage	-49.50
Bill Pmt -Check	04/14/2010	4158	Diversied Office Systems	Xerox Machine Service Contract for March	-314.68
Bill Pmt -Check	04/14/2010	4159	Eye4design	Logo Design	-326.25
Bill Pmt -Check	04/14/2010	4160	Hilltop Inn	Executive Committee Meeting	-222.37
Bill Pmt -Check	04/14/2010	4161	L. Alan Swanson	Legal Fees	-157.50
Bill Pmt -Check	04/14/2010	4162	Michael Strech	Mileage for Meeting with Mercer	-131.00
Bill Pmt -Check	04/14/2010	4163	Moore Enterprises	Accounting Services	-2,610.00
Bill Pmt -Check	04/14/2010	4164	Multiplex	File Storage	-80.16
Bill Pmt -Check	04/14/2010	4165	MailFinance	Postage Machine Lease	-255.42
Bill Pmt -Check	04/14/2010	4166	PARS	February Admin Fees	-200.00
Bill Pmt -Check	04/14/2010	4167	Shasta Union High SD	Web Updates	-220.50
Liability Check	04/22/2010	4168	EDD	698-1438-2	-3,278.65
Paycheck	04/29/2010	4169	Margaret J. Davis		-2,265.85
Paycheck	04/29/2010	4170	Michael E. Strech		-8,985.71
Paycheck	04/29/2010	4171	Nancy K. Panks		-3,675.63
Bill Pmt -Check	04/29/2010	4172	AT&T	April Phones	-286.77
Bill Pmt -Check	04/29/2010	4173	Bank of America	Office Supplies	-8.99
Bill Pmt -Check	04/29/2010	4174	Federal Express	Shipping Charges	-23.60
Bill Pmt -Check	04/29/2010	4175	Fouche's Elite Office Cleaning	April Office Cleaning Services	-90.00
Bill Pmt -Check	04/29/2010	4176	Hilltop Inn	Board Meeting April 23rd	-217.26
Bill Pmt -Check	04/29/2010	4177	Lozano Smith	Legal Fees	-2,319.30
Bill Pmt -Check	04/29/2010	4178	Marlin Leasing	Xerox Lease	-375.07
Bill Pmt -Check	04/29/2010	4179	North Valley Rentals	May Office Lease and Utilities	-1,120.00
Liability Check	04/29/2010	4180	American Fidelity Asurance Company	557-82-7744	-100.00

LIST OF CHECKS

March through July 2010

Liability Check	04/29/2010	4181	IRS	68-0258745	-2,874.36
Bill Pmt -Check	04/29/2010	4182	Jimmy Bryant's Entertainment	Projector Rental	-250.00
Bill Pmt -Check	04/29/2010	4183	Nancy Panks	April Mileage	-37.50
		4184	VOID		
		4185	VOID		
Bill Pmt -Check	05/19/2010	4186	Diversied Office Systems	April Xerox Service Contract	-118.08
Bill Pmt -Check	05/19/2010	4187	Giles Lock & Security Systems	Lock Change and Duplicate Keys	-141.46
Bill Pmt -Check	05/19/2010	4188	Margaret Davis		-35.96
Bill Pmt -Check	05/19/2010	4189	Multiplex	Record Storage	-80.16
Bill Pmt -Check	05/19/2010	4190	Office Depot		-365.21
Bill Pmt -Check	05/19/2010	4191	PARS	March Admin Fees	-200.00
Bill Pmt -Check	05/19/2010	4192	Shasta County OE	Graphics	-398.00
Bill Pmt -Check	05/27/2010	4193	AT&T	May Phones	-263.66
Bill Pmt -Check	05/27/2010	4194	Lozano Smith	Legal Fees	-344.25
Bill Pmt -Check	05/27/2010	4195	Marlin Leasing	Xerox Lease	-274.44
Bill Pmt -Check	05/27/2010	4196	Moore Enterprises	March, April and May Accounting Services	-2,655.00
Bill Pmt -Check	05/27/2010	4197	Nancy Panks	May Mileage	-338.00
Bill Pmt -Check	05/27/2010	4198	North Valley Rentals	June Office Lease and Utilities	-1,120.00
Bill Pmt -Check	05/27/2010	4199	Margaret Davis	May Mileage	-27.00
Paycheck	05/27/2010	4200	Margaret J. Davis		-2,265.85
Paycheck	05/27/2010	4201	Michael E. Strech		-8,985.71
Paycheck	05/27/2010	4202	Nancy K. Panks		-3,675.63
Liability Check	05/27/2010	4203	American Fidelity Asurance Company		-100.00
Liability Check	05/27/2010	4204	EDD	698-1438-2	-1,715.74
Bill Pmt -Check	05/27/2010	4205	Bank of America	May Charges	-3,159.73
Bill Pmt -Check	06/10/2010	4206	Diversied Office Systems	May Xerox Service Contract	-500.27
Bill Pmt -Check	06/10/2010	4207	L. Alan Swanson	Legal Fees	-270.00
Bill Pmt -Check	06/10/2010	4208	Louise Costello	May Office Cleaning	-135.00
Bill Pmt -Check	06/10/2010	4209	Multiplex	File Storage	-61.95
Bill Pmt -Check	06/10/2010	4210	Office Depot	Office supplies	-32.07
Bill Pmt -Check	06/10/2010	4211	PARS	April Admin Fees	-200.00
Paycheck	06/30/2010	4212	Margaret J. Davis		-2,265.85
Paycheck	06/30/2010	4213	Michael E. Strech		-8,847.31
Paycheck	06/30/2010	4214	Nancy K. Panks		-3,675.63
Bill Pmt -Check	06/30/2010	4215	Advanced Concepts	IT Services	-240.00
Bill Pmt -Check	06/30/2010	4216	AT&T	June Phones	-270.84
Bill Pmt -Check	06/30/2010	4217	Bank of America	June Credit Card Expenses	-414.64
Bill Pmt -Check	06/30/2010	4218	Louise Costello	June Office Cleaning	-90.00
Bill Pmt -Check	06/30/2010	4219	Marlin Leasing	Xerox Lease	-274.44
Bill Pmt -Check	06/30/2010	4220	Nancy Panks		-74.64
Bill Pmt -Check	06/30/2010	4221	Office Depot		-212.72
Bill Pmt -Check	06/30/2010	4222	Shasta County OE	Wellness Poster Printing	-48.00
Liability Check	06/30/2010	4223	American Fidelity Asurance Company	557-82-7744	-100.00
Bill Pmt -Check	07/01/2010	4224	Hartnell Land, LLC	New Office July Lease and Security Deposit	-2,000.00
Bill Pmt -Check	07/01/2010	4225	Leadership Redding	Leadership Program Tuition	-650.00
Bill Pmt -Check	07/01/2010	4226	NCSIG	2010/2011 Annual Liability Insurance Premium	-3,808.00
Bill Pmt -Check	07/01/2010	4227	North Valley Rentals	July Office Lease and Utilities	-1,120.00

LIST OF CHECKS

March through July 2010

Paycheck	07/23/2010	4228	Margaret J. Davis		-2,265.85
Paycheck	07/23/2010	4229	Michael E. Strech	VOID:	0.00
Paycheck	07/23/2010	4230	Nancy K. Panks		-3,675.63
Paycheck	07/23/2010	4231	Amy B Cavalleri		-505.80
Liability Check	07/23/2010	4232	American Fidelity		-138.40
Liability Check	07/23/2010	4233	EDD	698-1438-2	-857.87
		4234	VOID		
Bill Pmt -Check	07/23/2010	4235	AT&T	July Phones	-289.58
Bill Pmt -Check	07/23/2010	4236	Bank of America	July Bank Card Expense	-337.99
Bill Pmt -Check	07/23/2010	4237	Diversied Office Systems	Xerox Service Contract	-189.49
Bill Pmt -Check	07/23/2010	4238	Federal Express	VOID: July Shipping	0.00
Bill Pmt -Check	07/23/2010	4239	MailFinance	Quarterly Postage Machine Lease	-255.42
Bill Pmt -Check	07/23/2010	4240	Marlin Leasing	July Xerox Lease	-274.44
Bill Pmt -Check	07/23/2010	4241	Michael Strech	July Mileage	-145.00
Bill Pmt -Check	07/23/2010	4242	Multiplex	File Storage	-61.95
Bill Pmt -Check	07/23/2010	4243	Nancy Panks	July Mileage	-33.50
Bill Pmt -Check	07/23/2010	4244	Office Depot	Office Supplies	-41.29
Bill Pmt -Check	07/23/2010	4245	PARS	PARS Admin	-200.00
Bill Pmt -Check	07/23/2010	4246	Shasta Union High SD	June WEB Updates	-196.00
Liability Check	07/23/2010	4247	EDD	698-1438-2	-861.72
Paycheck	07/23/2010	4248	Michael E. Strech		-8,952.64
Liability Check	07/27/2010	4249	American Fidelity Asurance Company		-50.00

Shasta-Trinity Schools Insurance Group - DENTAL

LIST OF WIRE TRANSFERS

March through July 2010

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/4/2010	WIRE	ACSIG	Week ending 3-4-10	-72,584.68
3/11/2010	WIRE	ACSIG	Week ending 3-11-10	-65,004.08
3/25/2010	WIRE	ACSIG	Week ending 3-18-10	-60,537.86
3/25/2010	WIRE	ACSIG	Week ending 3-25-10	-53,775.54
3/27/2010	IBT	STSIG	March JPA Allocation	-2,400.00
4/7/2010	WIRE	ACSIG	Week ending 4-1-10	-55,946.31
4/14/2010	WIRE	ACSIG	Week ending 4-8-10	-64,975.20
4/15/2010	WIRE	ACSIG	Week ending 4-15-10	-53,807.81
4/26/2010	WIRE	ACSIG	Week ending 4-22-10	-71,324.66
4/27/2010	IBT	STSIG	April JPA Allocation	-2,400.00
5/6/2010	WIRE	ACSIG	Week ending 4-29-10	-62,393.25
5/12/2010	WIRE	ACSIG	Week ending 5-6-10	-64,030.90
5/13/2010	WIRE	ACSIG	Week ending 5-13-10	-62,600.29
5/20/2010	WIRE	ACSIG	Week ending 5-20-10	-53,054.27
5/27/2010	IBT	STSIG	May JPA Allocation	-2,400.00
5/27/2010	WIRE	ACSIG	Week ending 5-27-10	-53,595.58
6/3/2010	WIRE	ACSIG	Week ending 6-3-10	-38,644.43
6/17/2010	WIRE	ACSIG	Week ending 6-10-10	-41,076.79
6/23/2010	WIRE	ACSIG	Week ending 6-17-10	-56,249.12
6/27/2010	IBT	STSIG	June JPA Allocation	-2,400.00
6/30/2010	WIRE	ACSIG	Week ending 6-24-10	-77,866.87
7/8/2010	WIRE	ACSIG	Week ending 7-1-10	-68,459.44
7/14/2010	WIRE	ACSIG	wk ending 7/8/10	-43,350.67
7/20/2010	WIRE	ACSIG	week ending 7-15-10	-60,313.06
7/27/2010	IBT	STSIG	July JPA Allocation	-2,688.00
7/30/2010	WIRE	ACSIG	July Dental Claims	-66,665.39
Mar - Jul 10				

Shasta-Trinity Schools Insurance Group - VISION

LIST OF WIRE TRANSFERS

March through July 2010

Date	Num	Name	Memo	Amount
Mar - Jul 10				
3/2/2010	WIRE	VSP	March Claims Admin	-5,379.70
3/4/2010	WIRE	VSP	February Claims	-37,574.78
3/27/2010	IBT	STSIG	March JPA Allocation	-1,200.00
4/1/2010	WIRE	VSP	April Claims Admin	-5,379.70
4/7/2010	WIRE	VSP	March Claims	-41,550.47
4/27/2010	IBT	STSIG	April JPA Allocation	-1,200.00
5/6/2010	WIRE	VSP	April Claims	-37,605.38
5/6/2010	WIRE	VSP	April Claims Admin	-5,375.10
5/27/2010	IBT	STSIG	May JPA Allocation	-1,200.00
6/2/2010	WIRE	VSP	June Claims Admin	-5,359.00
6/10/2010	WIRE	VSP	May Claims	-34,472.35
6/27/2010	IBT	STSIG	June JPA Allocation	-1,200.00
7/1/2010	WIRE	VSP	July Claims Admin	-5,356.70
7/8/2010	WIRE	VSP	June Claims	-44,372.15
7/27/2010	IBT	STSIG	July JPA Allocation	-1,344.00
Mar - Jul 10				

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.3

Action Item: Yes No ☒ X

Description of Item: Investment Report

History: Investment Reports for the third and fourth quarters are presented for the Committee's review.

Status: Investments are cash in banks.

Recommendation/Conclusion: Information only.

Shasta-Trinity Schools Insurance Group
Quarterly Investment Report
For the Quarter Ended March 31, 2010

	JPA Administration		Medical		Dental		Vision		Self-Insured Worker's Compensation		Take Over/ Old Worker's Compensation		Grand Total
	Balance	Interest Rate	Balance	Interest Rate	Balance	Interest Rate	Balance	Interest Rate	Balance	Interest Rate	Balance	Interest Rate	
LAIF			\$735	0.5600%	\$35	0.5600%	\$75,728	0.5600%	\$17,317,552	0.5600%	\$21,536	0.5600%	\$ 17,415,586
North Valley Bank	\$ 25,649	0.0000%			\$348,395	0.1000%	\$214,936	1.1406%	\$851,917	0.10%	\$156,125	1.1500%	\$ 1,597,022
Bank of America			\$1,101,501										\$ 1,101,501
Trust Accounts													
North Valley Bank									\$134,030	0.0000%	\$7,236	0.0000%	\$ 141,266
Wells Fargo Bank													\$ -
Total Cash Investments	<u>\$25,649</u>		<u>\$1,102,236</u>		<u>\$348,430</u>		<u>\$290,664</u>		<u>\$18,303,499</u>		<u>\$184,897</u>		<u>\$20,255,375</u>
23													

Pursuant to G.C. 53646 the above is the quarterly investment report for the Shasta-Trinity Schools Insurance Group JPA funds.

Balances on all accounts are balances per bank statement as of the noted period.

The portfolio complies with the organization's investment policy. The agency has the ability to meet its pool's expenditure requirements for the next six months.

None of the funds, investments, or programs is managed by contracted parties.

Shasta-Trinity Schools Insurance Group
Quarterly Investment Report
For the Quarter Ended June 30, 2010

	JPA Administration			Medical			Dental			Vision			Self-Insured Worker's Compensation			Take Over/ Old Worker's Compensation			Grand Total
	Balance	Interest Rate		Balance	Interest Rate		Balance	Interest Rate		Balance	Interest Rate		Balance	Interest Rate		Balance	Interest Rate		
LAIF																			
North Valley Bank	\$32,825	0.0000%		\$835	0.5600%		\$312	0.5600%		\$75,937	0.5600%		\$17,546,221	0.5600%		\$21,595	0.5600%		\$17,644,900
Bank of America				\$1,160,474	0.0288%		\$320,658	0.1000%		\$231,061	1.1406%		\$1,067,716	0.1000%		\$147,823	1.1500%		\$1,800,083
																			\$1,160,474
Trust Accounts																			
North Valley Bank																\$8,782	0.0000%		\$8,782
Wells Fargo Bank													\$106,509	0.0000%					\$106,509
Total Cash Investments	<u>\$32,825</u>			<u>\$1,161,309</u>			<u>\$320,970</u>			<u>\$306,998</u>			<u>\$18,720,446</u>			<u>\$178,200</u>			<u>\$20,720,748</u>

Pursuant to G.C. 53646 the above is the quarterly investment report for the Shasta-Trinity Schools Insurance Group JPA funds.

Balances on all accounts are balances per bank statement as of the noted period.

The portfolio complies with the organization's investment policy. The agency has the ability to meet its pool's expenditure requirements for the next six months.
None of the funds, investments, or programs is managed by contracted parties.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: **9-24-10**

Item No: **5.4**

Action Item: **Yes** **No X**

Description of Item: **Finance Committee Report**

History: **The Finance Committee met June 15th and the minutes are presented for information.**

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
FINANCE COMMITTEE MEETING MINUTES**

June 15, 2010

Shasta County Office of Education Board Room

ATTENDANCE

Members Present: Adam Hillman, Shasta County Office of Education
Philip Brown, Enterprise Elementary School District
Cathy Campbell, Gateway Unified School District
Robert Lowden, Cottonwood Union Elementary School District
Gretchen Deichler, Lewiston Elementary School District

Ex-Officio: Mike Strech, Executive Director

Staff: Nancy Panks, Benefits Administrator

Consultants: Mari Moore, CPA
Bordan Darm, Mercer
Paul Ford, Mercer

Phil Brown opened the meeting at 3:05 p.m.

Review of Financials

The financial reports were presented in the agenda packet and the projected numbers appeared to be solid. There was a general concern that the recent rate increase (medical) was insufficient and the Committee needed confirmation that it is sufficient to sustain the program's financial goals. Bordan Darm presented a letter to the Committee regarding the status of medical claims and the development as it pertains to the decided 5.85% rate increase for the 2010/11 plan year. With 2 weeks left in the plan year, he reassured the Committee that the rate increase is sufficient, despite the recent fluctuation in claims experience. March through May were bad months, but overall the rate is sound. Phil Brown reminded the Committee that the combined financial statements reflect a \$1 million increase compared to the previous year. Mike Strech commented that an increase may be in order for the dental and vision programs next year.

Regarding the Workers' Compensation program, an audit of stop loss recoveries is going to be performed for the pre-1995 self-insured years and additional recoveries are expected which would help the \$900,000 reserve in the program. For the current self-insured program, Mike reported that it is doing well and the claims development seems to be bucking trend. Phil asked if this was attributable to cash and Mike answered yes. He reminded the Committee of Mike Harrington's (BRM) comment that there was developing a steady increase of cost/trend.

Cash Flow Impact/IBNR Notice – Cascade Teachers

When rates were set in April, the projected increase necessary was -1.9%; however, in order to fund an 8% margin, a 5.85% rate increase was set. With the adverse claims activity in the latest quarter, the projected -1.9% became +2.0% which is almost 4% margin instead of the desired 8%. Because Cascade's teachers had a higher claims experience (\$1,074 per employee per month compared to \$704 for the rest of the population), the impact is significant. It will positively impact the JPA in both claims cost and by reducing the cost of Stop Loss Reinsurance Premium. Individual experience is only calculated upon a district exiting to calculate their IBNR. It was felt by the Committee that if this group were ever to ask to return to the JPA, a surcharge should be charged because they have adversely affected the JPA.

Another reason that the last quarter claims may have been high is because of the end-of-the-year spike phenomenon caused by pending layoffs. If this anomaly becomes a trend, the Committee asked if it would make sense to set rates one month later? However, Bordan suggested that it made more sense to add a margin for confidence level: perhaps consider an 80 to 95% confidence level next year. Higher copays and deductibles this year will impact the plan both financially and behaviorally. Phil asked Mercer to come up with a recommendation for a methodology for next year, whether we should stay with March through February claims experience or moved to April through March. Mike Strech suggested that more answers will come with the new program changes and asked Mercer to include pros and cons in order for the Finance Committee to determine if it should go to the Executive Committee for consideration.

Mike asked if more months' experience should be considered? Bordan said either 12 or 24 months are typical for consideration however the 24-month scenario would not be favorable for this group. He suggested a 2% increase should be considered for reserve building in addition to the IBNR and Stabilization Fund to be conservative. This will go to the Executive Committee for discussion.

Regarding cash flow as it pertains to Cascade, while there are 3 months less premium being received, there is also 3 months of expenses which could create a cash flow problem. Bylaws currently state that the first payment of half of the IBNR is not due until January 1st of the current plan year and the second half is due January 1st of the following plan year. The Committee suggested that the Bylaws be revised and that the balance should be paid by June 30th of the current plan year for year-end purposes. It was suggested to have the payment due November 1st based on a 99% calculation of the IBNR. Gretchen Deichler asked about a surplus and how that would be returned. The Committee felt there was a need for a Bylaws Committee to review the Bylaws for revisions, not only to this policy but overall. Therefore it will be recommended to the Executive Committee to appoint a Bylaws Committee and that the Bylaws be revised.

Budget/Allocation Policy on Unanticipated Expenses

In the last budget, members of the Executive Committee questioned an amount that was allocated to program expenses. It was suggested that the Gross Number should be used, not the Net Number for Allocated Expenses and that expenses should be charged to Admin first as a miscellaneous expense to track entire cost and then parcel the expenses to the appropriate programs at year end. After discussing whether expenses should be charged to the programs directly, it was decided that only extraordinary items go to Admin to be allocated at year end (i.e., legal expenses other than program related, Executive Director Search expenses, PARS expenses). These types of expenses will not happen every year.

Workers' Compensation Stabilization Policy

The Stabilization Policy that was set at the last Finance Committee was brought to the Executive Committee where it was recognized as a contradiction to the current rate increase proposed for the 2010/11 plan year. While it was agreed philosophically that a 90% confidence level would be ideal, practically speaking it is unreasonable. In addition, the Actuary, Mike Harrington of BRS, stated that due to the amount of cash available, an 80% confidence level was sufficient to fund at a reasonable level. Therefore, the Finance Committee will recommend to the Executive Committee the following policy:

- Fund program at an 80% confidence level
- Stabilization minimum at 2X SIR. SIR has been at \$1 million last several years where it remains in 10/11
- Review SIR levels on an annual basis for adequacy and market conditions

Role of Finance Committee – Audit Functions

Typically, an Audit Committee is available to the Auditors as an impartial third party to review and findings and recommendations apart from the Administration. Therefore, it was recommended that the Finance Committee act as the Audit Committee. This will be brought to the Executive Committee for recommendation to the Board.

Early Retirement Reinsurance Program – Federal Subsidy

As part of the Affordable Care Act, the government is offering the Early Retirement Reinsurance Program which allows an 80% subsidy for claims from \$15,000 to \$90,000 for those retirees aged 55 to 64. This would be a significant savings for the Shasta-Trinity Schools Insurance Group. The JPA will apply to the program and, if it is accepted, the JPA will have to decide how to use the savings: lower copays/deductibles or reduce premiums. Retirees are not rated separately and that policy may need to be revisited. It was recommended that a new bank account be opened to hold these specific funds as it is part of the application process. The Finance Committee agreed and Mike Strech and Adam Hillman will facilitate the opening of the new account.

Health Care Reform Issues – Cadillac Plans, Tiered versus Composite, Broadened Coverage

Health Care Reform will bring changes to the JPA's plans and its cost. It is anticipated that rates will need to increase 4 to 6% on top of our trend to pay for the mandated benefits of Health Care Reform. Mike suggested a Board Retreat to explain the effects of Health Care Reform as well as brainstorm for the future of the JPA.

Policy Discussion – Workers' Compensation Fund Loans to Districts

It has been brought up by Board Members that the funds available in the JPA's workers' compensation program could be offered to districts as a loan for cash flow purposes. However the Committee generally agreed that the JPA should not act like a bank and that it could be a conflict of interest (voting). Phil Brown suggested the Board realize the four purposes of the JPA and that one of them is not to help districts with cash flow.

Other Issues

It was asked whether the IBNR should be posted before the Audit for communication to Cascade. Phil Brown said he was leery of changing accounting practices just because Cascade left. Bylaws state that the JPA has 150 days to provide the IBNR to the withdrawing district. Why create more work for the JPA when Cascade made a voluntary decision to leave. The Committee concurred.

There being no further business to come before the Committee, adjournment at 6:05 p.m.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.4.1

Action Item: Yes ☒ No ☐

Description of Item: Recommend Adoption of Revised Workers' Comp. Stabilization Policy

History: At the March 26, 2010 Executive Committee Meeting, the Stabilization Policy recommended by the Finance Committee was found to be inconsistent with the rate recommendation and actuarial study. Therefore, the Workers' Compensation Program Stabilization Policy was sent back to the Finance Committee for review.

Status: The Finance Committee has reviewed the policy and recommends an 80% confidence level rather than the original 90% recommended in March.

Recommendation/Conclusion: Approve 80% confidence level as the standard for rate setting/stabilization fund policy, and stabilization at 2 x SIR. Review SIR levels on an annual basis for adequacy and market conditions.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.4.2

Action Item: Yes ☒ No ☐

Description of Item: Policy Recommendation re: Loaning Funds to Districts from Workers' Comp. Program

History: At a previous meeting, the Finance Committee was asked to explore the viability of loaning funds from the Workers' Compensation Program to districts for cash flow purposes.

Status: The Finance Committee discussed the issue and decided that this would not be a good policy as the JPA is not a bank and there are too many areas of responsibility that go along with loaning money that administratively should not become the burden of the JPA. In addition, it was determined that there could be conflicts of interest by Board Members as decision are made to loan money to districts.

Recommendation: It is the recommendation of the Finance Committee that loans not be extended to Districts for the purpose of cash flow.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.5

Action Item: Yes X No

Description of Item: Internal Controls

History: Previously, the Executive Consultant was empowered with the authority to conduct day to day financial operations; this action is to solidify the authority of the Executive Director, Michael Strech, to conduct the financial operations with regular vendors at a threshold to be determined in order to create efficiency within the administration of the JPA.

Status: Transactions will be reviewed on a monthly basis by the Treasurer and/or President for Internal Control purposes.

Recommendation/Conclusion: Grant the Executive Director, Michael Strech, the authority to conduct day to day financial operations at a threshold to be based upon historical payment levels for monthly vendors.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 5.6

Action Item: Yes No ☒

Description of Item: CAJPA Conference

History: Executive Director, Michael Strech, and President, Adam Hillman, attended this year's CAJPA conference.

Status: A report will be given particularly as it pertains to CAJPA's accreditation program.

Recommendation/Conclusion: Informational purposes only.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 6.1

Action Item: Yes No X

Description of Item: Worker's Compensation Program Equity Transfer

History: At the April 2008 Board Meeting, the Board approved a transfer of equity from the Workers' Compensation Program to the Medical Program. However, five districts were not part of the Medical Program and it was decided that the equity would be dispersed to them separately. At the time, some districts wanted to explore using their equity for additional risk management/safety programs. The SUHSD was paid their equity in September of 2008.

Status: Four districts remain unpaid as follows:

- Enterprise Elementary School District \$198,267
- Happy Valley Elementary School District 33,219
- Millville Elementary School District 11,381
- Trinity Union High School District 28,596

Recommendation/Conclusion: Since action was already taken to pay the districts their equity, no addition action is necessary. However, the Executive Director wanted to make sure the Committee was aware of the equity that will be owed to these districts and it has been made part of the 2009/10 Audit.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 6.2

Action Item: Yes No ☒ X

Description of Item: 2010/11 Loss Control Training Schedule

History: This year, the STSIG JPA has set a schedule of regional Loss Control Trainings that can be utilized by all districts regardless of its location.

Status: 29 Trainings have been scheduled and are attached for the Committee's information. In addition notification has been sent to the District's as well as posted on the website www.stsigjpa.com

Recommendation/Conclusion: Informational purposes only.

**SHASTA-TRINITY SCHOOLS INSURANCE GROUP
LOSS CONTROL TRAINING SCHEDULE
2010/11**

Training	Location	Time
BBP/Exposure Control		
10/7/2010	SCOE - Downstairs Conf. Room	9 a.m.
11/4/2010	Enterprise ESD - Family Literacy Center	1 p.m.
1/13/2011	W. Cottonwood School - Library	3:30 p.m.
2/3/2011	Sequoia Middle School - Library	TBA
Food Service Safety Training		
1/11/2011	Anderson High School - Perf. Arts Ctr.	1:30 p.m.
Body Mechanics Proper Lifting		
10/12/2010 - Phase 3	Gateway Dist. Office - Board Room	1 p.m.
11/8/2010 - Phase 1 & 2	Monte Vista Cafeteria - Aides Only	8 a.m.
12/2/2010 - Transportation	Shasta UHSD - Board Room	9 a.m.
12/6/2010 - Phase 3	Enterprise ESD - Family Literacy Center	2 p.m.
1/6/2011 - Transportation	SCOE's Transportation Yard	9:30 a.m.
Office Ergonomics Train the Trainer (T3)		
2/10/2011	SCOE - Downstairs Conf. Room	9:30 a.m.
Annual Pesticide Training		
3/17/2011	Shasta UHSD - Board Room	9 a.m.
Forklift Train-the-Trainer (T3)		
4/7/2011	Shasta UHSD - Board Room	9 a.m.
Aerial Train-the-Trainer (T3)		
5/3/2011	Shasta UHSD - Board Room	8:30 a.m.
Safety Committee Development Cal-OSHA Regulations		
9/28/2010	SCOE - Downstairs Conf. Room	9 a.m.
10/4/2010	Enterprise ESD - Family Literacy Center	9 a.m.
10/11/2010	Gateway Dist. Office - Board Room	10:30 a.m.
10/14/2010	W. Cottonwood School - Library	1 p.m.
General Safety, Ladder Safety, PPE, Grounds, Hand Tool		
9/30/2010	Junction Elem. - Board Room (#1)	9 a.m.
11/15/2010	SCOE's Caterpillar Site	9 a.m.
1/18/2011	Enterprise ESD - Family Literacy Center	9 a.m.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: **9-24-10**

Item No: **6.3/6.4**

Action Item: Yes **X** No

Description of Item: **Closed Session**

History: **Workers' Compensation Claims can be settled by either the Board or the Executive Committee. Because the timeline of settlement is particularly important, the Executive Committee will entertain settlement of claims as recommended by LWP Claims and the Claims Committee who met September 13, 2010.**

Recommendation/Conclusion: **Closed Session action will be reported, if any, upon Reconvening to Open Session (6.4)**

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: **9-24-10**

Item No: **7.1.1**

Action Item: **Yes** **No X**

Description of Item: **Year-End Claims Experience for 2009/10**

History: **A report will be given by Mercer regarding the claims experience at year-end of 2009/10.**

Shasta Trinity Schools Insurance Group
Self-Funded Medical / RX Plan Experience Loss Ratio
 July 1, 2009 through June 30, 2010

Month	FY 2009-2010 Paid Claims			Other Costs			Total Cost	Total Premium Equivalent	Loss Ratio	Surplus / Deficit	Reserve Build-up	Enrollment
	Medical	RX	Total	Reinsurance	Anthem Admin.	JPA/Mercer						
Jul-09	\$ 1,846,278	\$ 486,004	\$ 2,332,282	\$ 108,198	\$ 109,926	\$ 19,900	\$ 2,570,305	\$ 2,076,338	123.8%	\$	\$ (444,079)	
Aug-09	\$ 1,398,357	\$ 381,531	\$ 1,779,888	\$ 107,204	\$ 108,916	\$ 19,900	\$ 2,015,908	\$ 2,039,044	98.9%	\$ 23,136	\$ (938,046)	2,504
Sep-09	\$ 1,042,095	\$ 353,652	\$ 1,395,747	\$ 105,994	\$ 107,687	\$ 19,900	\$ 1,629,328	\$ 1,970,007	82.7%	\$ 340,679	\$ (574,231)	2,481
Oct-09	\$ 961,499	\$ 498,945	\$ 1,460,444	\$ 105,994	\$ 107,687	\$ 19,900	\$ 1,694,025	\$ 2,022,807	83.7%	\$ 328,782	\$ (245,449)	2,453
Nov-09	\$ 909,642	\$ 358,120	\$ 1,267,762	\$ 105,519	\$ 107,204	\$ 19,900	\$ 1,500,385	\$ 2,002,901	74.9%	\$ 502,516	\$ 257,067	2,442
Dec-09	\$ 1,550,907	\$ 342,667	\$ 1,893,574	\$ 105,303	\$ 106,984	\$ 19,900	\$ 2,125,761	\$ 1,997,622	106.4%	\$ (128,139)	\$ 128,929	2,437
Jan-10	\$ 1,085,860	\$ 366,178	\$ 1,452,037	\$ 104,827	\$ 106,501	\$ 19,900	\$ 1,683,266	\$ 1,983,400	84.9%	\$ 300,134	\$ 429,062	2,426
Feb-10	\$ 1,248,924	\$ 343,040	\$ 1,591,963	\$ 104,050	\$ 105,711	\$ 19,900	\$ 1,821,624	\$ 1,961,049	92.9%	\$ 139,425	\$ 568,487	2,408
Mar-10	\$ 1,704,134	\$ 376,591	\$ 2,080,725	\$ 104,093	\$ 105,755	\$ 19,900	\$ 2,310,473	\$ 1,983,434	116.5%	\$ (327,039)	\$ 241,449	2,409
Apr-10	\$ 1,342,189	\$ 502,708	\$ 1,844,897	\$ 103,790	\$ 105,448	\$ 19,900	\$ 2,074,035	\$ 1,967,543	105.4%	\$ (106,492)	\$ 134,956	2,402
May-10	\$ 1,305,687	\$ 342,891	\$ 1,648,578	\$ 103,358	\$ 105,009	\$ 19,900	\$ 1,876,845	\$ 1,948,793	96.3%	\$ 71,948	\$ 206,904	2,392
Jun-10	\$ 1,143,010	\$ 374,011	\$ 1,517,021	\$ 103,142	\$ 104,789	\$ 19,900	\$ 1,744,853	\$ 1,961,566	89.0%	\$ 216,703	\$ 423,608	2,387
Total	\$ 15,538,581	\$ 4,726,337	\$ 20,264,917	\$ 1,261,473	\$ 1,281,617	\$ 238,800	\$ 23,046,807	\$ 23,914,494	96.4%	\$ 867,687	\$ 423,608	29,194
Monthly Average	\$ 1,294,882	\$ 393,861	\$ 1,688,743	\$ 105,123	\$ 106,801	\$ 19,900	\$ 1,920,567	\$ 1,992,875	96.4%	\$ 72,307		2,433
FY 09/10 Avg Cost per EE	\$ 532.25	\$ 161.89	\$ 694.15	\$ 43.21	\$ 43.90	\$ 8.18	\$ 789.44	\$ 819.16	96.4%	\$ 867,687	\$ 423,608	2,433
FY 08/09 Avg Cost per EE	\$ 514.20	\$ 194.76	\$ 708.96	\$ 28.05	\$ 48.46*		\$ 785.47	\$ 725.99	108.2%	\$ (1,841,190)	\$ (444,079)	2,580
FY 07/08 Avg Cost per EE	\$ 444.62	\$ 170.26	\$ 614.87	\$ 28.05	\$ 48.46*		\$ 691.38	\$ 696.02	99.3%	\$ 145,985	\$ 1,245,357	2,622
FY 06/07 Avg Cost per EE	\$ 394.84	\$ 167.61	\$ 562.45	\$ 24.87	\$ 47.86*		\$ 635.18	\$ 657.87	96.6%	\$ 699,372	\$ 1,099,372	2,568

** Includes \$400,000 transferred into program

*** Includes \$151,754 to true up report to financial report

**Shasta Trinity Schools Insurance Group
Self-Funded Medical / RX Plan Experience**
July 1, 2009 through June 30, 2010

Month	Medical					Rx					Total	Premium	Enrollment
	Gross Medical	Blue Card Cms/Fees	Adjustments	NCN Fees	Stop Loss Reimbursements	Medical**	Active Rx	Retiree Elig. Claims	Med D Credit	CMS Admin Fees	Pharmacy Rebates	RX**	
Jul-09	\$ 1,844,537	\$ 35,741	\$ (34,273)	\$ 273	\$ -	\$ 1,846,278	\$ 439,543	\$ 93,837	\$ (20,801)	\$ 2,472	\$ (29,046)	\$ 486,004	\$ 2,332,282
Aug-09	\$ 1,432,482	\$ 25,826	\$ (50,070)	\$ 348	\$ (10,229)	\$ 1,398,357	\$ 342,608	\$ 83,323	\$ (18,049)	\$ 2,430	\$ (28,780)	\$ 381,531	\$ 1,779,898
Sep-09	\$ 1,449,914	\$ 18,781	\$ (16,905)	\$ -	\$ (409,696)	\$ 1,042,095	\$ 299,523	\$ 97,308	\$ (17,094)	\$ 2,370	\$ (28,455)	\$ 353,652	\$ 1,395,747
Oct-09	\$ 1,025,071	\$ 2,196	\$ (49,526)	\$ 17	\$ (16,259)	\$ 961,499	\$ 459,192	\$ 82,811	\$ (16,955)	\$ 2,352	\$ (28,455)	\$ 486,945	\$ 1,460,444
Nov-09	\$ 1,812,219	\$ 12,587	\$ (7,180)	\$ -	\$ (807,974)	\$ 909,642	\$ 315,191	\$ 85,837	\$ (16,961)	\$ 2,400	\$ (28,327)	\$ 358,170	\$ 2,022,807
Dec-09	\$ 1,604,823	\$ 14,020	\$ (14,035)	\$ -	\$ (53,903)	\$ 1,550,907	\$ 295,319	\$ 90,346	\$ (17,135)	\$ 2,408	\$ (28,269)	\$ 342,667	\$ 2,002,901
Jan-10	\$ 1,118,920	\$ 11,547	\$ (22,802)	\$ -	\$ (21,805)	\$ 1,085,860	\$ 294,335	\$ 113,678	\$ (16,164)	\$ 2,370	\$ (28,142)	\$ 366,178	\$ 1,893,574
Feb-10	\$ 1,231,917	\$ 34,156	\$ (12,093)	\$ -	\$ (87,024)	\$ 1,248,924	\$ 322,183	\$ 62,666	\$ (16,240)	\$ 2,364	\$ (27,933)	\$ 343,040	\$ 1,452,037
Mar-10	\$ 1,742,403	\$ 119,206	\$ (70,452)	\$ -	\$ (87,024)	\$ 1,704,134	\$ 327,169	\$ 91,346	\$ (16,356)	\$ 2,376	\$ (27,944)	\$ 376,591	\$ 2,080,725
Apr-10	\$ 1,348,777	\$ 25,434	\$ (14,982)	\$ -	\$ (17,040)	\$ 1,342,189	\$ 451,325	\$ 93,267	\$ (16,385)	\$ 2,364	\$ (27,863)	\$ 502,708	\$ 1,844,897
May-10	\$ 1,794,112	\$ 17,448	\$ (14,395)	\$ -	\$ (491,478)	\$ 1,305,687	\$ 302,217	\$ 82,794	\$ (16,226)	\$ 2,358	\$ (28,253)	\$ 342,891	\$ 1,648,578
Jun-10	\$ 1,174,651	\$ 16,176	\$ (23,813)	\$ -	\$ (24,004)	\$ 1,143,010	\$ 326,140	\$ 89,466	\$ (16,514)	\$ 2,608	\$ (27,689)	\$ 374,011	\$ 1,517,021
Total	\$ 17,579,828	\$ 333,120	\$ (330,536)	\$ 637	\$ (2,044,468)	\$ 15,538,581	\$ 4,174,843	\$ 1,066,679	\$ (204,900)	\$ 28,870	\$ (339,156)	\$ 4,726,337	\$ 20,264,917
Monthly Avg Total Cost	\$ 1,464,986	\$ 27,760	\$ (27,545)	\$ 53	\$ (170,372)	\$ 1,294,882	\$ 347,904	\$ 88,890	\$ (17,075)	\$ 2,406	\$ (28,263)	\$ 393,861	\$ 1,688,743
Monthly Avg Cost per EE	\$ 602.17	\$ 11.41	\$ (11.32)	\$ 0.02	\$ (70.03)	\$ 532.25	\$ 143.00	\$ 36.54	\$ (7.02)	\$ 0.99	\$ (11.52)	\$ 161.89	\$ 694.15

** Includes Blue Card Claims & Fees, Medical Adjustments, NCN Fees.
*** Includes Active RX Claims, Medicare D Claims & Credits, CMS Admin Fees, Pharmacy Rebates.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: **9-24-10**

Item No: **7.1.2**

Action Item: **Yes** **No X**

Description of Item: **Claims Experience for 2010/11**

History: **A report will be given by Mercer regarding the claims experience development for the 2010/11 plan year.**

Shasta Trinity Schools Insurance Group
Self-Funded Medical / RX Plan Experience Loss Ratio
 July 1, 2010 through June 30, 2011

Month	FY 2010-2011 Paid Claims			Other Costs			Total Cost	Total Premium Equivalent	Loss Ratio	Surplus / Deficit	Reserve Build-up	Enrollment
	Medical	RX	Total	Reinsurance	Anthem Admin.	JPA/Mercer/Wal Iness						
Jul-10	\$ 1,323,452	\$ 349,325	\$ 1,672,777	\$ 126,298	\$ 98,764	\$ 30,498	\$ 1,928,337	\$ 1,879,209	102.6%	\$ (49,128)	\$ 423,608	2,208
Aug-10												
Sep-10												
Oct-10												
Nov-10												
Dec-10												
Jan-11												
Feb-11												
Mar-11												
Apr-11												
May-11												
Jun-11												
Total	\$ 1,323,452	\$ 349,325	\$ 1,672,777	\$ 126,298	\$ 98,764	\$ 30,498	\$ 1,928,337	\$ 1,879,209	102.6%	\$ (49,128)	\$ 374,480	2,208
Monthly Average	\$ 1,323,452	\$ 349,325	\$ 1,672,777	\$ 126,298	\$ 98,764	\$ 30,498	\$ 1,928,337	\$ 1,879,209	102.6%	\$ (49,128)		2,208
FY 10/11 Avg Cost per EE	\$ 599.39	\$ 158.21	\$ 757.60	\$ 57.20	\$ 44.73	\$ 13.81	\$ 873.34	\$ 851.09	102.6%	\$ (49,128)	\$ 374,480	2,208
FY 09/10 Avg Cost per EE	\$ 532.25	\$ 161.89	\$ 694.15	\$ 43.21	\$ 43.90	\$ 8.18	\$ 789.44	\$ 819.16	96.4%	\$ 867,687	\$ 423,608	2,433
FY 08/09 Avg Cost per EE	\$ 514.20	\$ 194.76	\$ 708.96	\$ 28.05	\$ 48.46*		\$ 785.47	\$ 725.99	108.2%	\$ (1,841,190)	\$ (444,079) ***	2,580
FY 07/08 Avg Cost per EE	\$ 444.62	\$ 170.26	\$ 614.87	\$ 28.05	\$ 48.46*		\$ 691.38	\$ 696.02	99.3%	\$ 145,985	\$ 1,245,357	2,622
FY 06/07 Avg Cost per EE	\$ 394.84	\$ 167.61	\$ 562.45	\$ 24.87	\$ 47.86*		\$ 635.18	\$ 657.87	96.6%	\$ 699,372	\$ 1,099,372	2,568

** Includes \$400,000 transferred into program

*** Includes \$151,754 to true up report to financial report

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 7.1.3

Action Item: Yes X No

Description of Item: Report on the Wellness Program Implementation

History: The Wellness Advantage Program began for our members in May of 2009 by attending an Open Enrollment Meeting, of which 30 regional meetings were held. Next the members were to fill out a short, 20-minute Wellness Assessment online, no later than June 13, 2010. If these two steps were not completed, the member would not be eligible for lower co pays and would not be eligible for participation in Phase 2 which would allow them to keep their deductibles at their current level. Many members successfully completed the assessment with little effort, however, some were confused by a date that was embedded in the website which is used by more employers than just STSIG. The December 31st date caused some members to believe they had more time than was instructed at the Open Enrollment Meeting and the handouts. Therefore, STSIG decided to allow those that started their profiles before the June 13th date an extension to August 31st to complete their Assessment. An additional 210 members subsequently finished their Assessment. Eighty (80) members that were eligible did not. All together, there were 1,600+ people who participated and qualified for Phase 1. However, the Administration of the extension has proven to be cumbersome and time consuming for STSIG, Anthem and Mercer.

Status: With the upcoming deadline for Phase 2 completion, October 31st, the JPA would like to request the support of the Executive Committee to maintain the Phase 2 completion date. Modifying the date may impact the ability for the deductible reset to take place on December 31st while creating significant administrative challenges. STSIG has advised all Phase 1 participants

of the upcoming deadline by mail several times as well as the original message during open enrollment. Anyone who successfully completes Phase 2 will receive a confirmation letter from the JPA, well in advance of the deductible reset date.

Recommendation/Conclusion: Affirm STSIG's Wellness Advantage Phase 2 deadline of October 31, 2010.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 7.1.4

Action Item: Yes X No

Description of Item: Smoking Cessation Benefit

History: The Wellness Advantage Program includes a Smoking Cessation component that to date has not been solidified. Upon meeting with Anthem Blue Cross and getting recommendations, along with Mercer, the Program has been developed.

Status: Along with enrollment in a qualified Smoking Cessation seminar either through Mercy Medical Center Redding or the online sessions available at www.behappystaywell.com, the member would be eligible for a \$500 lifetime benefit to receive smoking cessation products such as prescription Chantix, patches, nicotine gum, prescription nasal sprays and prescription inhalers.

Recommendation/Conclusion: Adopt Smoking Cessation Program as outlined with a \$500 lifetime maximum benefit to buy smoking cessation products.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 7.1.5

Action Item: Yes No ☒ X

Description of Item: Health Benefits Committee

History: The Health Benefits Committee and subsequent Working Group was very successful last year and the JPA will again start up the Committee which is planning to meet in October.

Status: An invitation was sent out to the districts to repopulate the Committee asking for volunteers. To date, 11 people have volunteered and the JPA will be working with the 2010/11 Chairperson of the Health Benefits Committee, Patricia Demo, to make certain that all stakeholders are represented on the Committee.

Recommendation/Conclusion: Informational purposes only.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 7.1.6

Action Item: Yes No ☒ X

Description of Item: Implementation Audit

History: With the change of vendors from NextRx to Express Scripts effective 7/1/10, Anthem's implementation of the new benefits had some difficulties which brought up the need to verify the benefits are being applied with little or no abnormalities.

Status: Anthem, through negotiation with Mercer, has agreed to pay for an Implementation Study to be performed by Mercer up to a cost of \$15,000. Any concerns will be brought to the attention of the JPA and corrected in a proactive manner.

Recommendation/Conclusion: Informational purposes only.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP

Executive Committee Meeting Detail

Date of Meeting: 9-24-10

Item No: 7.2

Action Item: Yes ☒ No ☐

Description of Item: Dental Program – Grace Period for Reinstatement as it Pertains to Incentive Levels

History: The Dental program is designed with incentive levels that would reset at 70% with any break in benefits. Dental plans are underwritten and rated as such. With this year's employment volatility, a few employees who were laid off in July and then brought back in August experienced a break and therefore, their dental benefits were reset to 70% causing concern. The employees could have elected COBRA to keep their benefits at their current level, however, this option was not chosen because the employees didn't know they were going to be brought back and experience a break.

Status: The district who has the affected employees is requesting the JPA consider the one-time back dating for employees keeping them at their current level before the break or consider a grace period policy similar to the medical program which gives 90 days before there are repercussions to their benefit levels.

Recommendation/Conclusion: Allow the one-time back dating for employees' dental benefits to alleviate resetting of benefit levels to 70%.