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<https://www.planjpa.org/>

BOARD OF DIRECTORS MEETING AGENDA

**Thursday, December 3, 2020
10:00 a.m.**

**Videoconference
Please Contact Katie Sullivan for Videoconference Information.**

This meeting will be conducted by teleconferencing in accordance with the State of California Executive Order N-29-20.

Members of the public may observe and listen to the meeting telephonically. No physical location will be available from which members of the public may observe the meeting and offer public comment. Public comments may be submitted in advance of the meeting by emailing Katie Sullivan at katie.sullivan@sedgwick.com no later than 5 p.m. on Wednesday, December 2, 2020. If a member of the public would like to address the Board of Directors during the meeting, the person may email Ms. Sullivan during the meeting and, if timely received, Ms. Sullivan will read or summarize the email to the Board members.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Katie Sullivan at (916) 244-1164 or katie.sullivan@sedgwick.com. Requests must be made as early as possible, and preferably at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the SHARP Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection by contacting Katie Sullivan at (916) 244-1164 or katie.sullivan@sedgwick.com.

- | | |
|--------------------|--|
| <u>Page</u> | 1. CALL TO ORDER |
| | 2. INTRODUCTIONS |
| | 3. APPROVAL OF AGENDA AS POSTED (OR AMENDED) |
| | 4. PUBLIC COMMENTS - This time is reserved for members of the public to address the Board relative to matters of the Shared Agency Risk Pool (SHARP) not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total. |

Page 5. **CONSENT CALENDAR**

If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- 5** *A. Minutes from the June 9, 2020, Board of Directors Meeting
- 11** *B. Warrant List June 1, 2020, through October 31, 2020
- 12** *C. SHARP Loss Prevention Grant Balances as of October 31, 2020
- 13** *D. Treasurer's Report as of June 30, 2020
- 27** *E. Treasurer's Report as of September 30, 2020
- 41** *F. Annual Self-Insurers Report
- 48** *G. SHARP Claims Manual 2020

Recommendation: Staff recommends the Board of Directors approve the Consent Calendar.

6. **FINANCIAL MATTERS**

- 81** *A. Presentation of the Financial Audit Report by James Marta & Company
Recommendation: Staff recommends the Board accept and file the 2019/20 Financial Audit Report for the Fiscal Year Ended June 30, 2020.
- 131** *B. Update from SHARP's Finance Manager
Recommendation: None.
- 140** C. Consideration of the Financial Auditor Contract
Recommendation: Staff recommends the Board of Directors provide direction.

7. **GENERAL MANAGER'S REPORT**

- 141** A. Report from SHARP's General Manager
Recommendation: None.

8. **ADMINISTRATIVE MATTERS**

- 142** A. Consideration of Program Administration Contract Renewal
Recommendation: Staff makes no recommendation as there is a financial interest in the outcome.

9. **WORKERS' COMPENSATION MATTERS**

- 143** A. Update on Workers' Compensation Program
Recommendation: None.
- 144** *B. Legislative Updates
Recommendation: None.

10. CLOSED SESSION

A. Pursuant to Government Code Section 54956.95(a), the Committee will hold a closed session to discuss the following claims:

- Watch Report
- Settlement Authority Report

B. Pursuant to Government Code Section 54957.1, the Committee will report in open session any reportable action taken in closed session.

11. CLOSING COMMENTS

This time is reserved for comments by SHARP Board members and/or staff and to identify matters for future SHARP Board business.

- A. SHARP Board of Directors
- B. Staff

12. ADJOURNMENT

NOTICES:

- The next SHARP Board of Directors meeting will be held on June 16, 2021, at 10:00 a.m.

December 3, 2020

Agenda Item 5.A.-5.G.

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND HISTORY:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Minutes from the June 9, 2020, Board of Directors Meeting
- B. Warrant List June 1, 2020, through October 31, 2020
- C. SHARP Loss Prevention Grant Balances as of October 31, 2020
- D. Treasurer's Report as of June 30, 2020
- E. Treasurer's Report as of September 30, 2020
- F. Annual Self-Insurer's Report
- G. SHARP Claims Manual 2020

SHARED AGENCY RISK POOL (SHARP)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF JUNE 9, 2020

A regular meeting of the Board of Directors was held on June 9, 2020, via videoconference.

MEMBERS PRESENT: Joe Chinn, President, Town of Ross
Monica Labossiere, City of Saratoga
Maria Ojeda, City of American Canyon
Sarina Revillar, Town of Los Altos Hills (*Arrived during Agenda Item 7.A*)

MEMBERS ABSENT: None

OTHERS PRESENT: Jon Paulsen, General Manager
Katie Sullivan, Assistant Board Secretary
Ritesh Sharma, Finance Manager
Jackie Miller, Workers' Compensation Program Manager
Greg Rubens, Board Counsel (*Arrived during Agenda Item 5.A*)
Lesley Murphy, PFM Asset Management (*Left after Agenda Item 9.A*)
Jesse Deol, James Marta & Company, LLP (*Left after Agenda Item 7.A*)

1. **CALL TO ORDER**

The June 9, 2020, Board of Directors meeting was called to order at 10:10 a.m. by President, Joe Chinn.

2. **INTRODUCTIONS**

Roll call introductions were made and it was determined there was a quorum present.

3. **APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)**

Monica Labossiere moved to approve the agenda. Joe Chinn seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

4. **PUBLIC COMMENTS**

None.

5. CONSENT CALENDAR

Monica Labossiere moved to approve the following items: A) Minutes from the December 4, 2019, Board of Directors meeting; B) Warrant List November 1, 2019, through May 31, 2020; C) Financial Statements as of December 31, 2019; D) Financial Statements as of March 31, 2020; E) SHARP 2020/21 Calendar of Meeting Dates; F) Draft LAWCX Board of Directors Minutes – November 5, 2019; G) Treasurer’s Report as of December 31, 2019; H) Treasurer’s Report as of March 31, 2020; I) Investment Policy Review Memo from PFM Asset Management; J) Investment Policy Review by PFM Asset Management – Redline; and K) Investment Policy Review by PFM Asset Management - Clean. Sarina Revillar seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

6. GENERAL MANAGER’S REPORT

Jon Paulsen, General Manager provided a quick update regarding new membership participation for SHARP. He informed he discussed options with various PLAN JPA members and, while most were interested, it was not feasible for the members to join SHARP in time for the 2020/21 program year.

Mr. Paulsen stated he would remain in contact with potential members for future participation.

7. FINANCIAL MATTERS

A. Presentation and Consideration of the 2018/19 Financial Audit Report

The financial audit for the year ending June 30, 2019, was prepared by James Marta & Company, LLP.

Jesse Deol, James Marta & Company, was present to discuss the audit report with the Board of Directors. Mr. Deol indicated the auditor’s opinion on the audit report is “unqualified,” which means the financial statements are presented fairly.

Maria Ojeda moved to approve the 2018/19 Financial Audit Report. Monica Labossiere seconded the motion A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

B. Review of the Draft Operating Budget for Program Year 2020/21, including the Actuarial Study

Ritesh Sharma, SHARP's Finance Manager, was present to present the Draft Operating Budget for Program Year 2020/21. He informed the Board member contributions are presented at the 65% confidence level (CL) and discounted at 2%. The budget shows operations at the pooled SIR of \$250,000, and attachment to LAW CX at \$250,000. The budget shows total Member Contributions at \$709,000, a 4% increase from the 2019/20 approved budget.

Monica Labossiere moved to approve the Draft Operating Budget for Program Year 2020/21, including the Actuarial Study. Sarina Revillar seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

8. ADMINISTRATIVE MATTERS

A. Consideration of Memorandum of Coverage for 2020/21

Annually, staff reviews SHARP's Memorandum of Coverage (MOC) for updates to language or to provide additional clarification. Staff presents updates to the Board of Directors prior to the new program year.

Mr. Paulsen indicated the only updates staff was presenting was simply changing the coverage program dates to reflect the 2020/21 program year.

Maria Ojeda moved to approve the 2020/21 Memorandum of Coverage. Sarina Revillar seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

B. Consideration of Logo for SHARP

At the December 2019 Board of Directors meeting, staff presented three options to the Board for a logo for SHARP. After a brief discussion, the Board agreed on the Venn Gloves design; however, requested more options be provided with SHARP's name spelled out in the logo.

Katie Sullivan, Assistant General Manager, presented the updated Venn Gloves options to the Board of Directors. After a short discussion, the Board agreed on an option provided on page 260 of the agenda.

Joe Chinn moved to approve Venn Gloves option for SHARP's logo. Monica Labossiere seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

9. WORKERS' COMPENSATION MATTERS

A. Update on SHARP's Workers' Compensation Program

The SHARP Workers' Compensation Program has been in place since 1986, with the claims administered by York Risk Services Group, Inc. since 2006, and with Workers' Compensation Oversight services provided by Jackie Miller, Workers' Compensation Program Manager.

Ms. Miller provided an overview of the Workers' Compensation Program and discussed the Who Does What Reference Guide.

B. Legislative Updates

Ms. Miller discussed the following proposed legislative changes within the workers' compensation industry:

1. AB 932 Firefighter Injuries Out of State (Low and Petrie-Norris)

Similar to AB 1749 from the last session which expanded out of state coverage for Peace Officers **IF** the employer had passed a resolution agreeing to provide coverage, this proposal expands out of state coverage for Firefighters, including those which may have been injured during the Las Vegas shooting on 10/01/2017.

Status: Passed out of the Assembly and now in the Senate.

2. AB 1107: Medical Treatment (Chu and Reyes) – a bill initially introduced regarding the Utilization Review (UR) process in place to review, approve, modify or deny medical care. However, it recently went through a significant 'gut and amend' which altered the focus to now apply only to perceived delays in providing medical care. The bill proposes to impose penalties if care that had been denied through the appropriate UR process was then overturned by Independent Medical Review (IMR).

Status: Amended and no longer applies to Workers' Compensation

3. SB 731 Permanent Disability Apportionment (Bradford)

SB 731 proposes to remove the ability to apportion PD to race, religious creed, color, national origin, age, gender, marital status, sex, sexual identity, sexual orientation, or genetic characteristics. This bill is similar to SB 899 proposed last year which was

vetoed by the Governor with the statement, “This bill is unnecessary as it would not change existing law and may disturb settled court decisions, which already provide protection from the inappropriate application of the apportionment statutes. Additionally, the proposed wording of the amended statute may create ambiguities in the law, resulting in increased litigation, costs for employers and confusion for injured workers and their experience.”

Status: This bill made it through the Senate to the Assembly

Ms. Miller provided update on legislative regard COVID-19 and workers’ compensation, discussing various bills that were introduced. She informed there is concern and opposition to these bills as they extend presumptive injuries, propose expansion to non-safety personnel and in the case of AB 196 and AB 664 would implement “conclusive” presumptions which remove any defense and extend benefits beyond traditional workers’ compensation benefits.

10. CLOSED SESSION

A. Pursuant to Government Code Section 54956.95(a), the Board will hold a closed session to discuss the following claims:

- Watch Report

B. Pursuant to Government Code Section 54957.1, the Board will report in open session any reportable action taken in closed session.

No reportable action was taken during closed session.

11. ELECTIONS

In preparation for the new program year, the Board of Directors shall elect members of the Board to act as Chair, Vice-Chair, and Secretary. The Board elected the following for the 2020/21 program year:

- Chair/President: Joe Chinn
- Vice-Chair/Vice President: Monica Labossiere
- Secretary: Jon Paulsen

Monica Labossiere moved to approve Joe Chinn as Chair of the SHARP Board of Directors. Maria Ojeda seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

Joe Chinn moved to approve Monica Labossiere as Vice-Chair of the SHARP Board of Directors. Maria Ojeda seconded the motion. A roll call vote was taken and the motion passed unanimously by Joe Chinn, Monica Labossiere, Maria Ojeda, and Sarina Revillar.

12. CLOSING COMMENTS

A. Board of Directors

None.

B. Staff

Mr. Paulsen reminded the Board of Directors the next meeting will be held on December 3, 2020.

13. ADJOURNMENT

The SHARP Board of Directors Meeting was adjourned at 11:34 a.m.



Katie Sullivan, Assistant Board Secretary

SHARP JPA
Warrant List
6/1/20-10/31/20

| Document Number | Vendor ID | Vendor Name | Document Date | Checkbook | Document Amount | Voided | TRX Source | Transaction Description |
|-----------------|-----------|---|---------------|-----------|----------------------|--------|---------------|--|
| EFT00092 | YOR100 | York Risk Services Group | 6/23/2020 | CBT | \$ 1,263.33 | No | PMCHK00000046 | WC Admin 5.1-5.31.20 |
| EFT00093 | YOR200 | York Risk Services | 6/23/2020 | CBT | \$ 13,659.00 | No | PMCHK00000046 | Program Admin July- Sept 2020 |
| EFT00095 | AAR100 | Aaronson, Dickerson, Cohn & Lanzone | 7/21/2020 | CBT | \$ 1,573.00 | No | PMCHK00000047 | June Legal Fees |
| EFT00096 | LAW100 | Local Agency Workers' Compensation Excess | 7/21/2020 | CBT | \$ 239,764.00 | No | PMCHK00000047 | 2020-21 Excess WC Premium |
| EFT00097 | LOS100 | Town of Los Altos Hills | 7/21/2020 | CBT | \$ 13,451.40 | No | PMCHK00000047 | Employess wellness |
| EFT00099 | AAR100 | Aaronson, Dickerson, Cohn & Lanzone | 8/25/2020 | CBT | \$ 71.50 | No | PMCHK00000048 | July 2020 Legal Fees |
| EFT00100 | AMC100 | City of American Canyon | 8/25/2020 | CBT | \$ 29,500.74 | No | PMCHK00000048 | Saftey meeting/ Covid-19 Sup |
| EFT00101 | BIC200 | Bickmore Actuarial | 8/25/2020 | CBT | \$ 2,360.00 | No | PMCHK00000048 | CAJPA Conference Lodging |
| EFT00102 | ROSS100 | Town of Ross | 8/25/2020 | CBT | \$ 3,493.66 | No | PMCHK00000048 | Equipment for Covid-19 |
| EFT00103 | SAR100 | City of Saratoga | 8/25/2020 | CBT | \$ 4,401.58 | No | PMCHK00000048 | CAJPA Conference Lodging, Q4 Wellness and Saftey Grant |
| EFT00104 | YOR100 | York Risk Services Group | 8/25/2020 | CBT | \$ 2,564.58 | No | PMCHK00000048 | WC Admin 6.1-6.30.20, WC Admin 7/1-7/31 |
| EFT00106 | CSJ100 | CSJRMA | 9/23/2020 | CBT | \$ 27.50 | No | PMCHK00000049 | Remote Deposit Bank Serices |
| EFT00107 | YOR100 | York Risk Services Group | 9/23/2020 | CBT | \$ 1,301.25 | No | PMCHK00000049 | WC admin 9/1/20-9/30/20 |
| EFT00108 | YOR200 | York Risk Services | 9/23/2020 | CBT | \$ 13,659.00 | No | PMCHK00000049 | Program Admin Oct-Dec 2020 |
| EFT00110 | AAR100 | Aaronson, Dickerson, Cohn & Lanzone | 10/26/2020 | CBT | \$ 286.00 | No | PMCHK00000050 | September Legal Fees |
| EFT00111 | JAM100 | James Marta & Company LLP | 10/26/2020 | CBT | \$ 6,000.00 | No | PMCHK00000050 | Audit for 6/30/20 |
| EFT00112 | SAR100 | City of Saratoga | 10/26/2020 | CBT | \$ 1,173.00 | No | PMCHK00000050 | Wellness and Grant reimburseme |
| EFT00113 | YOR100 | York Risk Services Group | 10/26/2020 | CBT | \$ 1,301.25 | No | PMCHK00000050 | WC admin 10/1-10/31/20 |
| | | | | | <u>\$ 335,850.79</u> | | | |

SHARP - Loss Prevention Grants

Updated: 10/31/20

| | FY18-19 | FY19-20 | FY20-21 | Total | FY18-19 | FY19-20 | FY20-21 | Total | FY18-19 | FY19-20 | FY20-21 | Total | FY18-19 | FY19-20 | FY20-21 | Total | Grand Total |
|--|------------------|------------|-----------|-------------|------------|------------|-----------|------------|------------|-----------|-----------|------------|-----------------|------------|-----------|-------------|-------------|
| | Loss Altos Hills | | | | SARATOGA | | | | ROSS | | | | American Canyon | | | | Grand Total |
| | FY18-19 | | | Total | FY18-19 | | | Total | FY18-19 | | | Total | FY18-19 | | | Total | |
| FY 19-20 GRANT | | | | | | | | | | | | | | | | | |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | 10,000.00 | | | 10,000.00 | 10,000.00 | | | 10,000.00 | 10,000.00 | | | 10,000.00 | 10,000.00 | | | 10,000.00 | 40,000.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| 8/15/2019 Re-allocate Unused FY 17-18 Fund Balance (B) | 2,462.31 | | | 2,462.31 | 5,908.40 | | | 5,908.40 | 4,193.55 | | | (4,015.39) | 15,315.02 | | | 5,644.67 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| 11/22/2019 Apprv-Exp Reimb | | | | 0.00 | | | | 0.00 | (2,246.89) | | | (2,246.89) | | | | 0.00 | (2,246.89) |
| 11/22/2019 Apprv-Exp Reimb | | | | 0.00 | (1,938.00) | | | (1,938.00) | | | | 0.00 | | | | 0.00 | (1,938.00) |
| 12/9/2019 Apprv-Exp Reimb | | | | 0.00 | | | | 0.00 | (539.26) | | | (539.26) | | | | 0.00 | (539.26) |
| 1/19/2020 Apprv-Exp Reimb | | | | 0.00 | (2,621.68) | | | (2,621.68) | | | | 0.00 | | | | 0.00 | (2,621.68) |
| 4/27/2020 Exp Reimb Refund | | | | 0.00 | | | | 0.00 | | | | 0.00 | 1,920.00 | | | 1,920.00 | 1,920.00 |
| 5/18/2020 Apprv-Exp Reimb | | | | 0.00 | (2,359.45) | | | (2,359.45) | | | | 0.00 | | | | 0.00 | (2,359.45) |
| 7/30/2020 Apprv-Exp Reimb | (4,418.10) | (9,033.30) | | (13,451.40) | (2,323.06) | | | (2,323.06) | (3,493.66) | | | (3,493.66) | (27,235.02) | (2,265.72) | | (29,500.74) | (48,768.86) |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| Balance | 0.00 | 966.70 | 0.00 | 966.70 | 4,875.25 | 10,000.00 | 0.00 | 14,875.25 | 7,913.74 | 10,000.00 | 0.00 | 17,913.74 | 0.00 | 7,734.28 | 0.00 | 7,734.28 | 41,489.98 |
| FY 20-21 GRANT | | | | | | | | | | | | | | | | | |
| | 0 | | 10,000.00 | 10,000.00 | | | 10,000.00 | 10,000.00 | | | 10,000.00 | 10,000.00 | | | 10,000.00 | 10,000.00 | 40,000.00 |
| | | 6,567.97 | | 6,567.97 | (4,875.25) | 1,360.78 | | (3,514.47) | (7,913.74) | 1,953.84 | | (5,959.90) | 0.00 | 2,906.40 | | 2,906.40 | 0.00 |
| 8/3/2020 Apprv-Exp Reimb | | | | 0.00 | | (2,078.52) | | (2,078.52) | | | | 0.00 | | | | 0.00 | (2,078.52) |
| 10.14.10 Apprv-Exp Reimb | | | | 0.00 | | (1,173.00) | | (1,173.00) | | | | 0.00 | | | | 0.00 | (1,173.00) |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| | | | | 0.00 | | | | 0.00 | | | | 0.00 | | | | 0.00 | 0.00 |
| Balance | 0.00 | 7,534.67 | 10,000.00 | 17,534.67 | 0.00 | 8,109.26 | 10,000.00 | 18,109.26 | 0.00 | 11,953.84 | 10,000.00 | 21,953.84 | 0.00 | 10,640.68 | 10,000.00 | 20,640.68 | 78,238.46 |

Shared Agency Risk Pool
Treasurer's Report
As of June 30, 2020

| | Book Value | Market Value | % of Total | Effective Yield |
|--|---------------------|---------------------|-------------------|------------------------|
| California Bank & Trust - General Operating | \$ 174,570 | \$ 174,570 | 3.17% | 0.00% |
| State of California - Local Agency Investment Fund | \$ 5,008,866 | \$ 5,033,474 | 91.44% | 1.22% |
| CA Asset Mgmt. Program - Liquidity Account | \$ 43,703 | \$ 43,703 | 0.79% | 0.51% |
| Bank of West - Capital Markets | \$ 250,000 | \$ 252,803 | 4.59% | 0.00% |
| Total Cash and Investments | \$ 5,477,139 | \$ 5,504,549 | 100.00% | 1.21% |

Attached are the Local Agency Investment Fund (LAIF), PFM Asset Management, and Bank of the West Capital Market statements detailing all investment holdings and transactions for the quarter ended. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data Corporation, Bloomberg, TRACE, and other widely-used third-party pricing vendors.

We certify that this report reflects all cash and investments and is in conformance with the Pool's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Pool's expenditures for the next six months.



Ritesh Sharma
Finance Manager



Monica Labossiere
Treasurer



P.O. Box 489, Lawndale, CA 90260-0489

Statement of Accounts

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This Statement: June 30, 2020

Last Statement: May 29, 2020

Account 5795358620

DIRECT INQUIRIES TO:

Customer Service 1 (800) 400-6080

0044695

4183-06-0000-CBT-PG0023-00000

SHARED AGENCY RISK POOL
BICKMORE, ADMINISTRATOR
1750 CREEKSIDE OAKS DR STE 200
SACRAMENTO CA 95833-3648

Sacramento Main
520 Capitol Mall Suite 100
Sacramento, CA 95814-4714
(916) 341-4800

Effective July 1, 2020, we are revising our funds availability policy. At least \$225 of every daily deposit of checks will be made available to you by the next business day after the date of deposit (increasing from \$200 in paragraph 6(a)(i)). Also, the large daily deposit level of checks that may trigger a delay on funds availability is increased to \$5,525 (increasing from \$5,000 in paragraph 6(a)(ii)(2)). In addition, for accounts of new customers, the first \$5,525 deposited in one day from cashier's, certified, teller's, traveler's, and government checks will generally be made available to you by the next business day after the date of deposit (increasing from \$5,000 in paragraph 6(b)).

We are revising our Deposit Account Agreement, a copy which can be obtained by visiting your local branch or found in the Agreement Center online at www.calbanktrust.com. Effective 08/19/2020, the Daily Overdraft Service Fee (Section 7(q)) will be replaced by a Continuing Overdraft Fee ("COF"). We will charge a COF of \$30 if your account remains overdrawn more than \$5.00 for 7 consecutive calendar days. The COF will be charged for up to three consecutive 7-calendar day periods that your account is overdrawn more than \$5.00. For additional details, please refer to calbanktrust.com/overdrafts or visit your local branch.

Effective 08/19/2020, the fees in the schedule provided below will apply to all CB&T deposit accounts. These fees will replace those in effect when you opened your account or disclosed to you in prior notifications. If you have any questions, please contact your banker to discuss solutions that can minimize your fees.

Overdraft Transactions

Insufficient Funds - Paid and Returned Items -\$36/each

-Per check, ACH, or wire transaction posted against insufficient funds, whether the bank pays or returns the transaction.

-Per multiple-use debit card transaction paid against insufficient funds.

-Per non-debit card withdrawal transaction paid against insufficient funds.

A maximum of 10 fees will be charged per account per business day. Fees will be charged if the account is overdrawn \$5 or less after all transactions post following the close of business.

SUMMARY OF ACCOUNT BALANCE

| Account Type | Account Number | Checking/Savings Ending Balance | Outstanding Balances Owed |
|------------------------------|----------------|------------------------------------|------------------------------|
| PF Business Analyzed Account | 5795358620 | \$174,569.77 | |

PF BUSINESS ANALYZED ACCOUNT 5795358620

129 0

| Previous Balance | Deposits/Credits | Charges/Debits | Checks Processed | Ending Balance |
|------------------|------------------|----------------|------------------|----------------|
| 198,814.14 | 0.00 | 24,244.37 | 0.00 | 174,569.77 |
| | | | | 14 |

0044695-0000001-0118998





P.O. Box 489, Lawndale, CA 90260-0489

Page 3 of 4
June 30, 2020
SHARED AGENCY RISK POOL
5795358620

0 DEPOSITS/CREDITS

There were no transactions this period.

3 CHARGES/DEBITS

| Date | Amount | Description |
|-------|-----------|---|
| 06/02 | 9,152.18 | ACH OFFSET SHARP Escrow R 200602 REF # 020154005183751 1107851811 |
| 06/22 | 169.86 | ANALYSIS SERVICE FEE |
| 06/25 | 14,922.33 | ACH OFFSET SHARP PAYABLES 200625 REF # 020177001321442 1107833789 |

0 CHECKS PROCESSED

There were no transactions this period.

AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

| | Total for This Period | Total Year-to-Date |
|--------------------------|-----------------------|--------------------|
| Total Overdraft Fees | \$0.00 | \$0.00 |
| Total Returned Item Fees | \$0.00 | \$0.00 |

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

DAILY BALANCES

| Date..... | Balance | Date..... | Balance | Date..... | Balance |
|-----------|------------|-----------|------------|-----------|------------|
| 06/02 | 189,661.96 | 06/22 | 189,492.10 | 06/25 | 174,569.77 |



SHARP
LAIF Market Value and Interest
June 30, 2020
Account# 35-01-002

LAIF Statement Balance 5,008,865.99

FAIR VALUE FACTOR 1.004912795
6/30/2020

Market Value \$5,033,473.52

Laif Mkt Value 6/30/2020 \$24,607.53

Laif Mkt Value 3/31/2020 \$33,934.03

LAIF Adjustment **(\$9,326.50)**

POST QUARTERLY

LAIF QUARTERLY Interest 16,300.48

JE #

LAIF Market Valuation

6/30/2020 300-1092-50

300-4320-50

LAIF Market Valuation

-

(9,326.50)

Interest Earned in LAIF

9,326.50

-

JE #

Accrued Interest

6/30/2020 300-1320-50

300-4320-50

Interest Receivable-LAIF

16,300.48

Interest Earned in LAIF

(16,300.48)



PMIA/LAIF Performance Report as of 07/15/20



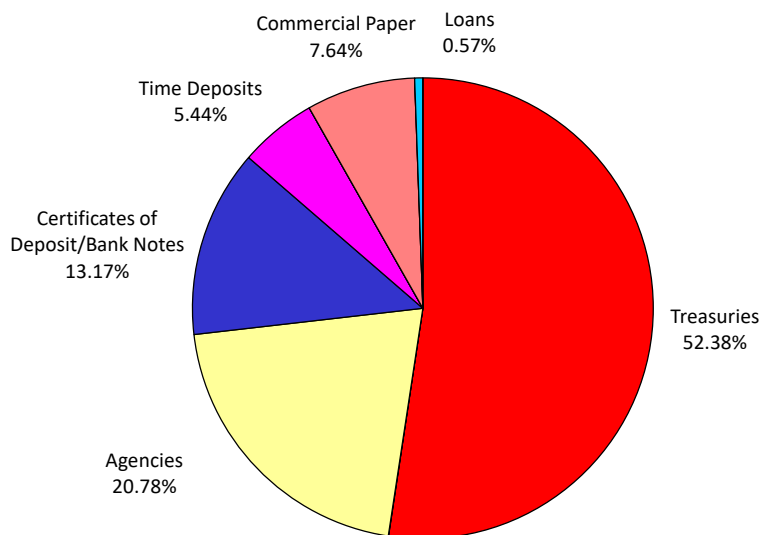
PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----|-------|
| Jun | 1.217 |
| May | 1.363 |
| Apr | 1.648 |

Quarterly Performance Quarter Ended 06/30/20

| | |
|--|-------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 1.36 |
| LAIF Earnings Ratio ⁽²⁾ : | 0.000037106682614 |
| LAIF Fair Value Factor ⁽¹⁾ : | 1.004912795 |
| PMIA Daily ⁽¹⁾ : | 1.08% |
| PMIA Quarter to Date ⁽¹⁾ : | 1.41% |
| PMIA Average Life ⁽¹⁾ : | 191 |

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 06/30/20 \$101.0 billion



Percentages may not total 100% due to rounding

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 06, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

//

Account Number: 35-01-002

June 2020 Statement

Account Summary

| | | | |
|-------------------|------|--------------------|--------------|
| Total Deposit: | 0.00 | Beginning Balance: | 5,008,865.99 |
| Total Withdrawal: | 0.00 | Ending Balance: | 5,008,865.99 |

California State Treasurer

Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

June 01, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

Account Number: 35-01-002

May 2020 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount |
|----------------|------------------|-----------|----------------|--------------------|-------------------|------------|
| 5/7/2020 | 5/7/2020 | RD | 1641345 | 1601407 | RITESH SHARMA | 450,000.00 |

Account Summary

| | | | |
|-------------------|------------|--------------------|--------------|
| Total Deposit: | 450,000.00 | Beginning Balance: | 4,558,865.99 |
| Total Withdrawal: | 0.00 | Ending Balance: | 5,008,865.99 |

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

May 05, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

//

Account Number: 35-01-002

April 2020 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount |
|----------------|------------------|-----------|----------------|--------------------|-------------------|-----------|
| 4/15/2020 | 4/14/2020 | QRD | 1636434 | N/A | SYSTEM | 22,846.18 |

Account Summary

| | | | |
|-------------------|-----------|--------------------|--------------|
| Total Deposit: | 22,846.18 | Beginning Balance: | 4,536,019.81 |
| Total Withdrawal: | 0.00 | Ending Balance: | 4,558,865.99 |



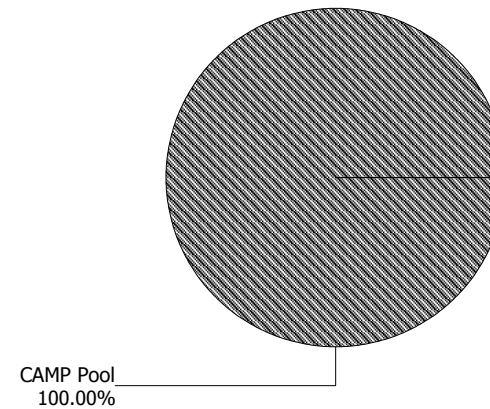
Account Statement - Transaction Summary

For the Month Ending **June 30, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| CAMP Pool | |
|-----------------------------|--------------------|
| Opening Market Value | 43,684.61 |
| Purchases | 18.37 |
| Redemptions | 0.00 |
| Unsettled Trades | 0.00 |
| Change in Value | 0.00 |
| Closing Market Value | \$43,702.98 |
| Cash Dividends and Income | 18.37 |

| Asset Summary | | |
|------------------|--------------------|--------------------|
| | June 30, 2020 | May 31, 2020 |
| CAMP Pool | 43,702.98 | 43,684.61 |
| Total | \$43,702.98 | \$43,684.61 |
| Asset Allocation | | |





Account Statement

For the Month Ending **June 30, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,684.61 |
| 06/30/20 | 07/01/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 18.37 | 43,702.98 |
| Closing Balance | | | | | 43,702.98 |

| | Month of June | Fiscal YTD July-June | | |
|-----------------------------------|------------------|----------------------|-----------------------------------|-----------|
| Opening Balance | 43,684.61 | 4,100,485.55 | Closing Balance | 43,702.98 |
| Purchases | 18.37 | 343,217.43 | Average Monthly Balance | 43,685.22 |
| Redemptions (Excl. Checks) | 0.00 | (4,400,000.00) | Monthly Distribution Yield | 0.51% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,702.98 | 43,702.98 | | |
| Cash Dividends and Income | 18.37 | 43,217.43 | | |



Account Statement

For the Month Ending **May 31, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,659.87 |
| 05/29/20 | 06/01/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 24.74 | 43,684.61 |
| Closing Balance | | | | | 43,684.61 |

| | Month of May | Fiscal YTD July-May | | |
|-----------------------------------|------------------|---------------------|-----------------------------------|-----------|
| Opening Balance | 43,659.87 | 4,100,485.55 | Closing Balance | 43,684.61 |
| Purchases | 24.74 | 343,199.06 | Average Monthly Balance | 43,662.26 |
| Redemptions (Excl. Checks) | 0.00 | (4,400,000.00) | Monthly Distribution Yield | 0.67% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,684.61 | 43,684.61 | | |
| Cash Dividends and Income | 24.74 | 43,199.06 | | |



Account Statement

For the Month Ending **April 30, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,624.80 |
| 04/30/20 | 05/01/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 35.07 | 43,659.87 |
| Closing Balance | | | | | 43,659.87 |

| | Month of April | Fiscal YTD July-April | | |
|-----------------------------------|------------------|-----------------------|-----------------------------------|-----------|
| Opening Balance | 43,624.80 | 4,100,485.55 | Closing Balance | 43,659.87 |
| Purchases | 35.07 | 343,174.32 | Average Monthly Balance | 43,625.97 |
| Redemptions (Excl. Checks) | 0.00 | (4,400,000.00) | Monthly Distribution Yield | 0.98% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,659.87 | 43,659.87 | | |
| Cash Dividends and Income | 35.07 | 43,174.32 | | |



BANK OF THE WEST
BNP PARIBAS

ACCOUNT NO. ABA00077

BANK OF THE WEST
TREASURY OPERATIONS
2527 CAMINO RAMON
SAN RAMON, CA 94583

>000031 4486419 0001 008230 10Z NC-807-2FT
COMP SHARED RISK POOL ASSN OF
BAY AREA GOVT.
1750 CREEKSIDE OAKS DR.
SUITE 200
SACRAMENTO CA 95833

SAFEKEEPING CONSOLIDATED STATEMENTS

PERIOD ENDING 06/30/2020

ACCOUNT NO ABA00077

CAPITAL MARKETS-FIXED INCOME INVESTMENT OFFICER

MONTAQUILA, PAUL

(866) 748-6862

THIS STATEMENT IS FOR PURPOSES OF DISCLOSING THE MARK-TO-MARKET VALUE OF THE TRANSACTION(S) YOU HAVE. IT IS PROVIDED FOR INFORMATION PURPOSES ONLY AND SUBJECT TO CHANGE WITHOUT NOTICE. THE MARKET VALUE IS DERIVED FROM SOURCES BELIEVED TO BE RELIABLE, AND IS A REASONABLE APPROXIMATION OF THE FAIR VALUE OF YOUR TRANSACTION. BANK OF THE WEST MAKES NO REPRESENTATION OR WARRANTY THAT SUCH INFORMATION IS ACCURATE OR COMPLETE. THESE VALUES ARE FOR GENERAL GUIDANCE ONLY, ARE NOT GUARANTEED BY BANK OF THE WEST, AND DO NOT REFLECT PRICES AT WHICH ANY TRANSACTION COULD BE CLOSED OUT OR ANY NEW TRANSACTION ENTERED INTO. TO OBTAIN CURRENT PRICING INFORMATION, PLEASE CONTACT YOUR TREASURY REPRESENTATIVE.



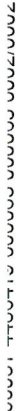


COMP SHARED RISK POOL ASSN OF
BAY AREA GOV'T.
1750 CREEKSIDE OAKS DR.
SUITE 200
SACRAMENTO CA 95833

DDA: 101003895
PAGE 1

SAFEKEEPING INVENTORY
06/30/20

| CUSIP SETTLE | RATE MATURITY | CALL/PUT INFORMATION SECURITY DESCRIPTION | RECEIPT# | ORIGINAL COST UNIT/PAR VALUE | INFLATED PAR/ ORIGINAL FACE | MARKET PRICE MARKET VALUE |
|---------------------------------|------------------|--|----------|---------------------------------|--------------------------------|------------------------------|
| CLASS: CERT. OF DEPOSIT | | | | | | |
| 40434AC72 | 3.100 | HSBC BANK USA NA CTF DEP | | 250,000.00 | | 101.121000000 |
| 11/17/15 | 11/17/20 | ACT/365 | 028444 | 250,000.00 | | 252,802.50 |
| GRAND TOTAL: ORIGINAL COST | | | | 250,000.00 | | |
| GRAND TOTAL: UNITS/CURRENT FACE | | | | 250,000.00 | MARKET VALUE | 252,802.50 |

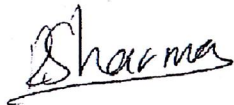


Shared Agency Risk Pool
Treasurer's Report
As of September 30, 2020

| | Book Value | Market Value | % of Total | Effective Yield |
|--|---------------------|---------------------|-------------------|------------------------|
| California Bank & Trust - General Operating | \$ 268,280 | \$ 268,280 | 5.05% | 0.00% |
| State of California - Local Agency Investment Fund | 4,726,494 | 4,745,941 | 89.40% | 0.69% |
| CA Asset Mgmt. Program - Liquidity Account | 43,738 | 43,738 | 0.82% | 0.27% |
| Bank of West - Capital Markets | 250,000 | 250,985 | 4.73% | 0.00% |
| Total Cash and Investments | \$ 5,288,511 | \$ 5,308,943 | 100.00% | 0.68% |

Attached are the Local Agency Investment Fund (LAIF), CA Asset Management, and Bank of the West Capital Market statements detailing all investment holdings and transactions for the quarter ended. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data Corporation, Bloomberg, TRACE, and other widely-used third-party pricing vendors.

We certify that this report reflects all cash and investments and is in conformance with the Pool's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Pool's expenditures for the next six months.



Ritesh Sharma
Finance Manager



Monica Labossiere
Treasurer



P.O. Box 489, Lawndale, CA 90260-0489

Statement of Accounts

Page 1 of 4

This Statement: September 30, 2020

Last Statement: August 31, 2020

Account 5795358620

DIRECT INQUIRIES TO:

Customer Service 1 (800) 400-6080

0043499

4275-06-1000-CBT-PG0023-00000

SHARED AGENCY RISK POOL
BICKMORE, ADMINISTRATOR
1750 CREEKSIDE OAKS DR STE 200
SACRAMENTO CA 95833-3648

Sacramento Main
520 Capitol Mall Suite 100
Sacramento, CA 95814-4714
(916) 341-4800

Please review the additional insert for important information regarding changes to your account.

California Bank & Trust is changing the way we notify clients of changes that we make to our Deposit Account Agreement. Moving forward, any notice of a change in your statement may refer to the disclosures in our online Agreement Center. The full amendment will be stated within the Deposit Account Agreement, which will include accompanying disclosures or summaries of the Amendment. The Bank will keep the latest version of the Agreement online, which can be accessed through the "Agreement Center" link, located at the bottom of the Bank's website. If you are not able to access these links online, you may obtain a printed version of the Amendment or the entire Agreement by contacting Customer Service at P.O. BOX 489, Lawndale, CA, 90260, or by calling (800) 400-6080.

SUMMARY OF ACCOUNT BALANCE

| Account Type | Account Number | Checking/Savings Ending Balance | Outstanding Balances Owed |
|------------------------------|----------------|------------------------------------|------------------------------|
| PF Business Analyzed Account | 5795358620 | \$268,279.99 | |

PF BUSINESS ANALYZED ACCOUNT 5795358620

129 0

| Previous Balance | Deposits/Credits | Charges/Debits | Checks Processed | Ending Balance |
|------------------|------------------|----------------|------------------|----------------|
| 304,179.63 | 0.00 | 35,899.64 | 0.00 | 268,279.99 |

0 DEPOSITS/CREDITS

There were no transactions this period.

3 CHARGES/DEBITS

| Date | Amount | Description |
|-------|-----------|---|
| 09/01 | 20,752.52 | ACH OFFSET SHARP Escrow R 200901 REF # 020245008992238 1107666525 |
| 09/21 | 159.37 | ANALYSIS SERVICE FEE |
| 09/29 | 14,987.75 | ACH OFFSET SHARP PAYABLES 200929 REF # 020273007890166 1109541488 |

0 CHECKS PROCESSED

There were no transactions this period.





AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

| | <i>Total for This Period</i> | <i>Total Year-to-Date</i> |
|--------------------------|------------------------------|---------------------------|
| Total Overdraft Fees | \$0.00 | \$0.00 |
| Total Returned Item Fees | \$0.00 | \$0.00 |

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

DAILY BALANCES

| <i>Date.....Balance</i> | <i>Date.....Balance</i> | <i>Date.....Balance</i> |
|-------------------------|-------------------------|-------------------------|
| 09/01 283,427.11 | 09/21 283,267.74 | 09/29 268,279.99 |



SHARP
LAIF Market Value and Interest
September 30, 2020
Account# 35-01-002

LAIF Statement Balance 4,726,493.55

FAIR VALUE FACTOR 1.004114534
9/30/2020

Market Value \$4,745,940.87

| | | |
|----------------|-----------|-------------|
| Laif Mkt Value | 9/30/2020 | \$19,447.32 |
| Laif Mkt Value | 6/30/2020 | \$24,607.53 |

LAIF Adjustment (\$5,160.21)

POST QUARTERLY

LAIF QUARTERLY Interest 10,175.03

JE #

| | | | | |
|-----------------------|-------------|-------------------------|----------|------------|
| LAIF Market Valuation | | | | |
| 9/30/2020 | 300-1092-50 | LAIF Market Valuation | - | (5,160.21) |
| | 300-4320-50 | Interest Earned in LAIF | 5,160.21 | - |

JE #

| | | | | |
|------------------|-------------|--------------------------|-----------|-------------|
| Accrued Interest | | | | |
| 9/30/2020 | 300-1320-50 | Interest Receivable-LAIF | 10,175.03 | |
| | 300-4320-50 | Interest Earned in LAIF | | (10,175.03) |



PMIA/LAIF Performance Report as of 10/14/20



PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----|-------|
| Sep | 0.685 |
| Aug | 0.784 |
| Jul | 0.920 |

Quarterly Performance Quarter Ended 09/30/20

| | |
|--|---------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 0.84 |
| LAIF Earnings Ratio ⁽²⁾ : | 0.00002309407394024 |
| LAIF Fair Value Factor ⁽¹⁾ : | 1.004114534 |
| PMIA Daily ⁽¹⁾ : | 0.65% |
| PMIA Quarter to Date ⁽¹⁾ : | 0.80% |
| PMIA Average Life ⁽¹⁾ : | 169 |

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 09/30/20 \$109.2 billion

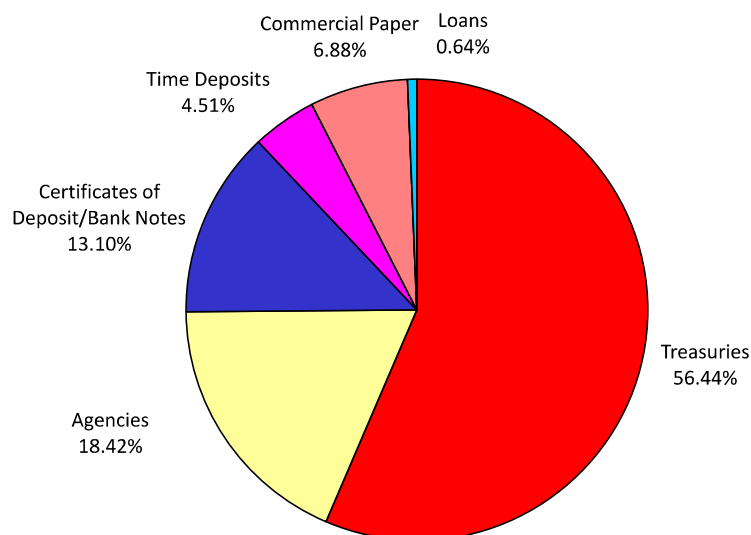


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 21, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

Account Number: 35-01-002

September 2020 Statement

Account Summary

| | | | |
|-------------------|------|--------------------|--------------|
| Total Deposit: | 0.00 | Beginning Balance: | 4,726,493.55 |
| Total Withdrawal: | 0.00 | Ending Balance: | 4,726,493.55 |

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

September 08, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

//

Account Number: 35-01-002

August 2020 Statement

Account Summary

| | | | |
|-------------------|------|--------------------|--------------|
| Total Deposit: | 0.00 | Beginning Balance: | 4,726,493.55 |
| Total Withdrawal: | 0.00 | Ending Balance: | 4,726,493.55 |

California State Treasurer

Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

August 14, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

[Tran Type Definitions](#)

//

Account Number: 35-01-002

July 2020 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount |
|----------------|------------------|-----------|----------------|--------------------|-------------------|-------------|
| 7/15/2020 | 7/14/2020 | QRD | 1646090 | N/A | SYSTEM | 16,300.48 |
| 7/15/2020 | 7/29/2020 | QRD | 1649555 | N/A | SYSTEM | 1,327.08 |
| 7/21/2020 | 7/20/2020 | RW | 1648286 | 1608373 | RITESH SHARMA | -300,000.00 |

Account Summary

| | | | |
|-------------------|-------------|--------------------|--------------|
| Total Deposit: | 17,627.56 | Beginning Balance: | 5,008,865.99 |
| Total Withdrawal: | -300,000.00 | Ending Balance: | 4,726,493.55 |



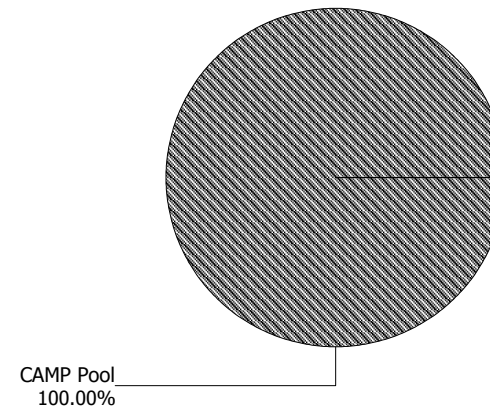
Account Statement - Transaction Summary

For the Month Ending **September 30, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| CAMP Pool | |
|-----------------------------|--------------------|
| Opening Market Value | 43,727.81 |
| Purchases | 9.83 |
| Redemptions | 0.00 |
| Unsettled Trades | 0.00 |
| Change in Value | 0.00 |
| Closing Market Value | \$43,737.64 |
| Cash Dividends and Income | 9.83 |

| Asset Summary | | |
|------------------|--------------------|--------------------|
| | September 30, 2020 | August 31, 2020 |
| CAMP Pool | 43,737.64 | 43,727.81 |
| Total | \$43,737.64 | \$43,727.81 |
| Asset Allocation | | |





Account Statement

For the Month Ending **September 30, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,727.81 |
| 09/30/20 | 10/01/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 9.83 | 43,737.64 |
| Closing Balance | | | | | 43,737.64 |

| | Month of September | Fiscal YTD July-September | | |
|-----------------------------------|--------------------|---------------------------|-----------------------------------|-----------|
| Opening Balance | 43,727.81 | 43,702.98 | Closing Balance | 43,737.64 |
| Purchases | 9.83 | 34.66 | Average Monthly Balance | 43,728.14 |
| Redemptions (Excl. Checks) | 0.00 | 0.00 | Monthly Distribution Yield | 0.27% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,737.64 | 43,737.64 | | |
| Cash Dividends and Income | 9.83 | 34.66 | | |



Account Statement

For the Month Ending **August 31, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,716.72 |
| 08/31/20 | 09/01/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 11.09 | 43,727.81 |
| Closing Balance | | | | | 43,727.81 |

| | Month of August | Fiscal YTD July-August | | |
|-----------------------------------|------------------|------------------------|-----------------------------------|-----------|
| Opening Balance | 43,716.72 | 43,702.98 | Closing Balance | 43,727.81 |
| Purchases | 11.09 | 24.83 | Average Monthly Balance | 43,717.08 |
| Redemptions (Excl. Checks) | 0.00 | 0.00 | Monthly Distribution Yield | 0.30% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,727.81 | 43,727.81 | | |
| Cash Dividends and Income | 11.09 | 24.83 | | |



Account Statement

For the Month Ending **July 31, 2020**

Shared Agency Risk Pool - SHARP - 4010-001

| Trade Date | Settlement Date | Transaction Description | Share or Unit Price | Dollar Amount of Transaction | Total Shares Owned |
|------------------------|-----------------|---|---------------------|------------------------------|--------------------|
| CAMP Pool | | | | | |
| Opening Balance | | | | | 43,702.98 |
| 07/31/20 | 08/03/20 | Accrual Income Div Reinvestment - Distributions | 1.00 | 13.74 | 43,716.72 |
| Closing Balance | | | | | 43,716.72 |

| | Month of July | Fiscal YTD July-July | | |
|-----------------------------------|------------------|----------------------|-----------------------------------|-----------|
| Opening Balance | 43,702.98 | 43,702.98 | Closing Balance | 43,716.72 |
| Purchases | 13.74 | 13.74 | Average Monthly Balance | 43,703.42 |
| Redemptions (Excl. Checks) | 0.00 | 0.00 | Monthly Distribution Yield | 0.37% |
| Check Disbursements | 0.00 | 0.00 | | |
| Closing Balance | 43,716.72 | 43,716.72 | | |
| Cash Dividends and Income | 13.74 | 13.74 | | |



BANK OF THE WEST
TREASURY OPERATIONS
2527 CAMINO RAMON
SAN RAMON, CA 94583

>000030 5069885 0001 008230 10Z NC-807-2FT
COMP SHARED RISK POOL ASSN OF
BAY AREA GOVT.
1750 CREEKSIDE OAKS DR.
SUITE 200
SACRAMENTO CA 95833

ACCOUNT NO ABA00077

(866) 748-6862

THIS STATEMENT IS FOR PURPOSES OF DISCLOSING THE MARK-TO-MARKET VALUE OF THE TRANSACTION(S) YOU HAVE. IT IS PROVIDED FOR INFORMATION PURPOSES ONLY AND SUBJECT TO CHANGE WITHOUT NOTICE. THE MARKET VALUE IS DERIVED FROM SOURCES BELIEVED TO BE RELIABLE, AND IS A REASONABLE APPROXIMATION OF THE FAIR VALUE OF YOUR TRANSACTION. BANK OF THE WEST MAKES NO REPRESENTATION OR WARRANTY THAT SUCH INFORMATION IS ACCURATE OR COMPLETE. THESE VALUES ARE FOR GENERAL GUIDANCE ONLY, ARE NOT GUARANTEED BY BANK OF THE WEST, AND DO NOT REFLECT PRICES AT WHICH ANY TRANSACTION COULD BE CLOSED OUT OR ANY NEW TRANSACTION ENTERED INTO. TO OBTAIN CURRENT PRICING INFORMATION, PLEASE CONTACT YOUR TREASURY REPRESENTATIVE.





COMP SHARED RISK POOL ASSN OF
BAY AREA GOV'T.
1750 CREEKSIDE OAKS DR.
SUITE 200
SACRAMENTO CA 95833

DDA: 101003895
PAGE 1

CLASS: CERT. OF DEPOSIT

| | | | | | |
|-----------|----------|--------------------------|--------|------------|----------------|
| 40434AC72 | 3.100 | | | 250,000.00 | 100.3940000000 |
| 11/17/15 | 11/17/20 | HSBC BANK USA NA CTF DEP | | | |
| | | ACT/365 | 028444 | 250,000.00 | 250,985.00 |

| | | | |
|--------------|--------------------|------------|-------------------------|
| GRAND TOTAL: | ORIGINAL COST | 250,000.00 | |
| GRAND TOTAL: | UNITS/CURRENT FACE | 250,000.00 | MARKET VALUE 250,985.00 |

[illegible]Member
FDIC



Public Self Insurers ER Annual Report

For Fiscal Year 2019-20

September 28, 2020
Shared Agency Risk Pool
375 Beale Street, Ste 800
San Francisco, CA 94105 2066

FORM AR-2 (1-2016)

State of California

Employer

General Information:

| | | | |
|--------------------|------------|------------------|------------|
| Certificate Number | 5809 | Period Of Report | Annual |
| (Period) From | 07/01/2019 | (Period) To | 06/30/2020 |

Master Certificate Holder:

| | | | |
|------------------------|---------------------------|-------|-------------------|
| Name | Shared Agency Risk Pool | | |
| Address 1 | 375 Beale Street, Ste 800 | | |
| Address 2 | | FTIN | 94-3090140 |
| City | San Francisco | State | CA Zip 94105 2066 |
| State of Incorporation | | | |

Affiliates:

| | Full Legal Name | Subsidiaries Affiliate Certificate Number | State |
|----|-------------------------|---|-------|
| 1) | City of Saratoga | 5809-003 | |
| 2) | Town of Los Altos Hills | 5809-006 | |
| 3) | Town of Ross | 5809-008 | |
| 4) | City of American Canyon | 5809-0009 | |

During the reporting period of this report, has there been any of the following with respect to the Master Certificate Holder for any affiliate?

None

Any additions to the Self Insurance Program?

None

Employment and wages paid in current fiscal year:

Number of Employees 371
Total Wages and Salaries Paid \$19,911,016

Addressed Correspondence For Related Self-Insurance Matters:

| | | | | |
|---------------|------------------------------------|-------|---|-----------|
| Company Name | York Pooling | | | |
| Name | Jacquelyn L Miller | Title | Manager, Workers' Compensation Services | |
| Phone | (800) 541-4591 | Fax | | |
| Email Address | Jacquelyn.Miller@yorkrisk.com | | | |
| Address 1 | 1750 Creekside Oaks Drive, Ste 200 | | | |
| Address 2 | | | | |
| City | Sacramento | State | CA | Zip 95833 |
| Web Site | | | | |

TPA Adjusting Locations:

Has there been a change in TPA Adjusting Locations during this reporting period that has not yet been reported to OSIP? No

Have you added any new TPA Adjusting Locations during this reporting period that has not yet been reported to OSIP? No

Record Storage:

Are there open and closed claims stored at a location other than the adjusting location? No

Insurance Coverage:

1) During this reporting period, does your company maintain a standard workers' compensation insurance policy to cover any of your California liabilities? No

2) During this reporting period, does your company have a specific excess workers' compensation policy in force to cover any of your California liabilities? Yes

| Insurance Company Name | | Policy Number | Policy Issue Date |
|------------------------|--|------------------|-------------------|
| 1) | Local Agency Workers' Compensaiton Excess JPA (LAWCX) | LAWCX 19.20 | 07/01/2019 |
| | Attachment SHARP.pdf | | |
| | Retention Limit 5,000,000 | | |
| 2) | California State Assoc of Counties Excess Ins Authority (CSAC-EIA) | EIA-PE 19 EWC-32 | 07/01/2019 |
| | Attachment EWC_Coverage_LAWCX-Coverage-Documents_Dec Page.pdf | | |
| | Retention Limit STATUTORY | | |
| 3) | Do you carry an aggregate(stop loss) workers' compensation insurance policy? | | No |

Certification By Authorized Representative:

| | | | |
|----------------------|------------------------------------|--------------|---|
| Company Name | York Pooling | Title | Manager, Workers' Compensation Services |
| Name | Jacquelyn L Miller | Fax | |
| Phone | (800) 541-4591 | | |
| Email Address | Jacquelyn.Miller@yorkrisk.com | | |
| Address 1 | 1750 Creekside Oaks Drive, Ste 200 | | |
| Address 2 | | | |
| City | Sacramento | State | CA Zip 95833 |

Name of Person Legally Responsible for this Electronic Signature:

Jacquelyn Miller (Date/Time of Signature) - 09/28/2020 12:16

State of California

Report Location Number:

Identification of Location

Certificate Holder

5809-01-132 A

YORK RISK SERVICES GROUP, INC. at ROSEVILLE

Shared Agency Risk Pool

| CASES AND BENEFITS (to the nearest dollar) | | | | From Date- | 07/01/2019 | To Date- | 06/30/2020 |
|--|----|--------------------|-----------|--------------|------------|------------------|------------|
| | | Incurred Liability | | Paid To Date | | Future Liability | |
| Date | # | Indemnity | Medical | Indemnity | Medical | Indemnity | Medical |
| 1) Cases open as of 06/30/2020 reported prior to 2015/16 | 5 | \$255,055 | \$361,372 | \$209,923 | \$201,284 | \$45,132 | \$160,088 |
| 2) Open and closed Liabilities | | | | | | | |
| A) All Cases reported in 2015/16 | 14 | \$7,420 | \$24,168 | \$7,420 | \$24,168 | \$0 | \$0 |
| 2015/16 Cases open | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| B) All Cases reported in 2016/17 | 13 | \$48,165 | \$77,403 | \$41,130 | \$12,534 | \$7,035 | \$64,869 |
| 2016/17 Cases open | 2 | \$48,165 | \$77,403 | \$41,130 | \$12,534 | \$7,035 | \$64,869 |
| C) All Cases reported in 2017/18 | 7 | \$1,003 | \$3,295 | \$1,003 | \$3,295 | \$0 | \$0 |
| 2017/18 Cases open | 0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| D) All Cases reported in 2018/19 | 7 | \$97,819 | \$69,371 | \$44,698 | \$33,525 | \$53,121 | \$35,846 |
| 2018/19 Cases open | 3 | \$87,766 | \$64,856 | \$34,645 | \$29,010 | \$53,121 | \$35,846 |
| E) All Cases reported in 2019/20 | 12 | \$53,545 | \$41,208 | \$5,841 | \$8,193 | \$47,704 | \$33,015 |
| 2019/20 Cases open | 5 | \$53,545 | \$39,819 | \$5,841 | \$6,804 | \$47,704 | \$33,015 |

| | \$ Indemnity | \$ Medical |
|----------|--------------|------------|
| SUBTOTAL | \$152,992 | \$293,818 |
| TOTAL | | \$446,810 |

3) Estimate Future Liability (Indemnity Plus Medical)

4) Total Benefits Paid During 2019/20 (Including all case expenditures). The indemnity amount includes the amount of LC § 4800/4850 benefits paid for the year (total of Lines 11 and 12)

5) Number of MEDICAL-ONLY Cases Reported in 2019/20

6) Number of INDEMNITY Cases Reported in 2019/20

7) Total of 5 and 6 (Also entered in 2E above)

8) Total Number of open Indemnity Cases (All Years)

9) Number of Fatality Cases Reported In 2019/20

10) (a) Number of FY 2019/20 claims for which the employer or administrator was notified of representation by an attorney or legal representative in 2019/20

10) (a) Number of non-FY 2019/20 claims for which the employer or administrator was notified of representation by an attorney or legal representative in 2019/20

11) Amount from salary continuation payments made pursuant to LC § 4800/4850 that is in excess of the applicable temporary disability rate for the period paid.

12) Amount from salary continuation payments made pursuant to LC § 4800/4850 capped at the temporary disability rate for the period paid.

| |
|-----|
| 6 |
| 6 |
| 12 |
| 14 |
| 0 |
| 0 |
| 1 |
| \$0 |
| \$0 |

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ALL Open Indemnity Claims (by reporting and by year) reported and with claims: Shared Agency Risk Pool (SHARP) caopenindemlist with 4850 3627.pdf

Dual Jurisdiction Claims

Please note that California Labor Code Section 3702.2(b) requires that "... the annual report of a self-insured employer who has self-insured both state and federal workers' compensation liability shall also be set forth (1) amount of all compensation liability incurred, paid-to-date, the estimated future liability under both this chapter and under the federal longshore and Harbor Worker's Compensation Act (33 U.S.C Sec. 901 et seq.), and (2) the identity and the amount of the security deposit securing the employer's liability under state and federal self-insured programs."

Accordingly, please indicate all California exposure on your Self Insurer's Annual Report, and, in addition identify each Claim with dual jurisdiction on Separate List of Open Indemnity Claims. For those claims, indicate the incurred, paid-to-date, and estimated future liabilities for federal exposure. Please also indicate the amount and the type of security deposit securing those claims.

Instructions To Claims Administrator For Specific Excess Insurance

The TPA should provide a sum of the unpaid excess carrier excess liability under "Calculation of Specific Excess Coverage Entry for the Annual Reports". In addition, provide a list of claims for which specific excess credit is being claimed. This may be provided as a spreadsheet. Indicate in the list of claims the following information:

The list shall include the name of the claimant, claim number, date of injury, description of injury, carrier name and policy number, policy coverage period, retention level of policy and paid to date in indemnity or medical benefits, and the estimated future liability of the claim minus the total unpaid employer retention, which equals the total unpaid carrier liability, whether the claim has been reported to a carrier, if the claim has been accepted by the carrier, if the carrier has denied any part of the liability of the claim.

Refer to OSIP website for sample format of the Excess Credit Calculation form.

Calculation Of Specific Excess Coverage Entry For Annual Reports:

Enter the sum of the total unpaid carrier excess liability claimed from the "Specific Excess Insurance Policy Coverage". If none enter "0". \$ 0

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Certification

Administrating Agency's Certificate Number 132

☐ Or Self Administered

I declare under penalty of perjury that I have prepared or caused this report to be prepared and I have examined this liabilities report to be prepared and I have examined this liabilities report of this self insurer's worker's compensation liabilities. To the best of my knowledge and belief this report is true, correct and complete with respect to the worker's compensation liabilities incurred and paid. I further declare under the penalty of perjury that the estimates of future liability of worker's compensation claims made in this report reflect the administrator's best judgement as to the future liability of claims, using prevailing industry standards, and the signatory intends Self Insurance Plans to rely upon the representation.

Agency Name YORK RISK SERVICES GROUP, INC.
Name Jeff Ponta
Phone (800) 922-5020 Fax
Email Address jeff.ponta@yorkrisk.com
Address 1 1101 Creekside Ridge Drive #100
Address 2
City Roseville State CA Zip 95678

Name of Person Legally Responsible for this Electronic Signature:

Kathy Wainscott (Date/Time of Signature) - 09/15/2020 14:49

SHARED AGENCY RISK POOL

WORKERS' COMPENSATION PROGRAM CLAIMS MANUAL

SHARP
1750 Creekside Oaks Drive, Suite 200
Sacramento, California 95833
(800) 541-4591  www.planjpa.org

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I. Introduction

Under California law, an employer is legally obligated to provide benefits to its employees for injuries or illnesses that arise out of and in the course of employment. Employers may choose coverage for workers' compensation from the commercial insurance market or elect to self-insure for this exposure. As public agencies, SHARP members have elected to self-insure and share their workers' compensation coverage and risks in a pooling environment.

This handbook is provided as a tool to help you manage your workers' compensation program, answer frequently asked questions, and provide general information regarding workers' compensation and the SHARP program

II. The SHARP Workers' Compensation Program

A. How the Program Works

Members of SHARP share in all workers' compensation risks, as well as enjoy the benefits of reduced workers' compensation costs for providing pooled coverage for injured employees. Comprehensive first dollar workers' compensation coverage is offered to the SHARP members. SHARP self-insures the first \$250,000, and purchases excess coverage through Local Agency Workers' Compensation Excess Joint Powers Member (LAWCX) up to statutory limits. Through the joint purchase of services including claims administration, financial and claims audits, actuarial, and risk control services, members are assured SHARP remains a solvent and viable solution to costly commercial insurance.

Specific coverage includes:

- Primary Coverage through SHARP up to \$250,000
- Excess Coverage provided through LAWCX - \$250,001 to statutory limits
- Employer's Liability Coverage through LAWCX to \$5,000,000

SHARP contracts with Sedgwick, a firm specializing in the management of joint powers authorities, to handle the day-to-day operations of SHARP. Sedgwick's employees provide general administration, financial management, underwriting, loss prevention, claims management oversight, risk management, and other services as necessary for the operations of the organization.

SHARP offers a joint protection program to its members. Coverage includes workers' compensation and common law employer's liability risks. When an employee sustains an injury or illness that arises out of and in the course of employment, SHARP provides first dollar coverage up to a limit of \$250,000 per occurrence.

SHARP provides workers' compensation claims oversight through a dedicated, experienced Workers' Compensation Program Manager (WCPM) who conducts regular reviews of the claims program to assure quality claims handling and serves as a resource for members regarding workers' compensation concerns or questions. This emphasis on experience, oversight, and resource has resulted in reduced claims costs and claims resolution to the benefit of SHARP members.

The primary goal of SHARP is to provide quality protection at a reasonable cost to its members. SHARP strives to accomplish this goal through managing its rates, and remaining competitive in a constantly fluctuating market.

Sedgwick is the selected Third Party Administrator (TPA) who is responsible for the payment of workers' compensation benefits and for the general direction of each claim.

Accurate and prompt reporting of injuries will help to direct the employee to appropriate care, begin benefits in a timely manner, and allow the claims administrator to make timely and informed decisions regarding claims.

Members are encouraged to work with the SHARP WCPM and the TPA as a team regarding specific claims, and to address questions from member staff as well as employees.

B. Who Do I Contact?

Communication is important to the success of the SHARP program.

| | |
|--|---|
| General Email: | www.Planjpa.org |
| SHARP Web Site: | www.Planjpa.org |
| To report new injuries or claims: | Sedgwick https://firstreport.yorkrsg.com |
| Sedgwick Address: | P.O. Box 619079 Roseville, CA 95661 |
| Sedgwick Phone: | 1-916-960-0900 |
| To obtain information on existing claims: | Sedgwick |
| Supervisor's name and direct phone line: | 1-916-746-8892 Julie Long Extension 15261 |
| To obtain information on the workers' compensation program: | Sedgwick Toll Free 1-800-541-4591 |
| Workers' Compensation Program Manager's name and direct phone line: | Jacquelyn Miller 1-800 541-4591 Ext 19015 |
| Assistant General Manager's name and direct phone line: | Katie Sullivan 1-800 541-4591 Ext 19164 |
| To obtain Risk Control Assistance: | Sedgwick Toll Free 1-800-541-4591 Ext 19055 |

C. What is an Injury or Illness?

An injury is defined in the California Labor Code (LC3208) as including "any injury or disease arising out of the employment, including injuries to artificial members (*limbs*), dentures, hearing aids, eyeglasses and medical braces of all types; provided, however, that eyeglasses and hearing aids will not be replaced, repaired, or otherwise compensated for, unless injury to them is incident to an injury causing disability."

Further Labor Code 3208.1 indicates, "An injury may be either: (a) "specific," occurring as the result of one incident or exposure which causes disability or need for medical treatment; or (b) "cumulative," occurring as repetitive mentally or physically traumatic activities extending over a period of time, the combined effect of which causes any disability or need for medical treatment."

It is the responsibility of the management of any SHARP member to report possible industrial injuries or illnesses to SHARP. Determination of industrial causation will be made by the SHARP TPA after a thorough review of all available information.

Any questions as to whether or not an injury or illness should be reported should be directed to the SHARP WCPM or the TPA.

D. Who is Covered?

Workers' compensation benefits are provided through SHARP to all legally employed individuals of the covered Member.

The covered member is named in Endorsement No. 1 of the Declarations Page of the Memorandum of Coverage and is a "Member" as defined in the System's Agreement. If a covered member named in Endorsement No. 1 of the Declarations Page loses its status as an active "Member" of the System, the coverage under this Memorandum of Coverage shall terminate immediately upon such change in status.

This agreement shall also apply to loss on account of injury, illness, or disease sustained by volunteer workers performing duties for or on behalf of the covered member while acting within the scope of their duties on behalf of the covered Member, provided the member's Board has first adopted a resolution as provided in Section 3363.5 of the California Labor Code declaring such volunteer workers to be employees of the covered member for purposes of workers' compensation law.

1. COVERAGE APPLIES TO:

- a. Injuries that occur during the coverage period.
- b. Illness by disease that is caused or aggravated by the conditions of employment by the Covered Member. The employee's last day of exposure to the conditions causing or aggravating such injury by disease must occur during the coverage period.

The System is not responsible for any payments in excess of benefits regularly provided by the Workers' Compensation Law including those required because:

- of the covered member's serious and willful misconduct (except as stated herein above);
- the covered member employs an employee in violation of law;
- the covered member fails to comply with a health or safety law or regulation;
- the covered member discharges, coerces, or otherwise discriminates against any employee in violation of the Workers' Compensation Law; or
- the covered member violates or fails to comply with any Workers' Compensation Law.

2. COVERAGE DOES NOT APPLY TO:

Any liability imposed by the Workers' Compensation Laws because of injury, illness, or disease to prisoners or inmates who receive compensation from an entity, other than the covered member, for the work performed except for liability imposed by the Workers' Compensation Laws because of injury, illness, or disease to participants of a work release program or other community service program established by a county of the State of California.

QUESTIONS OF COVERAGE SHOULD BE DIRECTED TO EITHER THE WCPM OR THE TPA.

**WCPM – 1-800 541-4591 Ext 19015
TPA – 1-916-746-8892 Ext 15261**

E. What Benefits Are Payable?

Five specific benefits are provided through the SHARP Workers' Compensation program. The provision of these benefits, as well as the determination of benefit rates, is mandated through the State of California.

1. BENEFITS PROVIDED ARE:

a. MEDICAL TREATMENT

Treatment that is reasonably required to cure or relieve the effects of a work-related injury or illness until pre-injury or maximum medical improvement is reached.

Note: Medical treatment on claims under investigation is payable up to \$10,000 during the period of investigation.

b. TEMPORARY DISABILITY

Standard Temporary Disability is a non-taxable, wage replacement benefit payable to an injured worker who is temporarily unable to work as the result of an industrial injury.

Wage Loss is a supplemental benefit payable to an injured worker who returns to temporary modified work at a reduced salary either due to reduced hours or assignment to an alternative position or task.

c. PERMANENT DISABILITY

Permanent Disability is a monetary benefit payable to an injured worker who sustains a permanent limitation or impairment as the result of a work injury.

d. JOB DISPLACEMENT BENEFITS

Job Displacement is an educational voucher, payable by SHARP and provided to injured workers whose employer cannot provide permanent/modified work.

e. DEATH BENEFITS

Death Benefits are payable to the surviving dependents when a work injury or illness results in death.

III. SB 1159 – COVID-19 Reporting

On September 17, 2020, Governor Newsom approved Senate Bill (SB) 1159 which establishes certain COVID-19 illnesses/injuries as presumptively compensable for workers' compensation benefits. SB 1159 includes an "urgency" clause in which the bill requirements shall go into effect immediately. While benefits for all workers who suffer industrial injury/illness will be administered in a timely and appropriate manner by the third party administrator (TPA), Sedgwick, the requirements of SB 1159 will require increased cooperation and information gathering by each Member.

SB 1159 states that the presumption is triggered if an employee tests positive for COVID-19 during a period of an outbreak at the employee's worksite. SB 1159 also states that TPAs will be responsible for tracking the reported information from each employer and determining whether it meets the "outbreak" requirements outlined in the bill. While SB 1159 has established a rebuttably presumptive injury for employees who have contracted COVID-19, each claim will be reviewed with compensability determined by the TPA on an individual basis.

To ensure members are compliant with SB 1159, please take note of the following guidelines:

MEMBER RESPONSIBILITIES IF AN EMPLOYEE TESTS POSITIVE AFTER SEPTEMBER 17, 2020 - Within three (3) business days of knowledge that an employee has tested positive for COVID-19 (non-work or work-related), employers **must** provide the following information to TPAs:

- A. Location Name
- B. Date the employee was tested
- C. Specific worksite address or addresses the employee was working 14 days preceding the test positive
- D. Last day of work at each worksite the employee worked during the last 45-day period
- E. Provide the highest number of employees at the specific worksite(s), preceding the 45 days prior to the employee's last day worked
- F. NOTE: SB 1159 positive test reporting to the TPA is separate than the Assembly Bill 685 reporting to local public health officials

MEMBER RESPONSIBILITIES IF AN EMPLOYEE TESTED POSITIVE FROM JULY 6 TO SEPTEMBER 17, 2020

No later than October 29, 2020, employers **must** provide the following information to the TPA for any employee that has tested positive for COVID-19 (non-work or work-related) during this period:

- A. Location name
- B. Date the employee was tested
- C. Specific worksite address or addresses the employee was working 14 days preceding the test positive
- D. Last day of work at each worksite they worked during the last 45-day period
- E. Provide the highest number of employees at the specific worksite(s), preceding the 45 days prior to the employee's last day worked

ADDITIONAL INFORMATION

- A. This required reporting will remain in effect until January 1, 2023.
- B. Please note that civil penalties for intentional misrepresentation or failure to submit the information may be assessed up to \$10,000.
- C. Any request for access to this confidential information should be discussed with me as the JPA's Workers' Compensation Program Manager, Jackie Miller, or JPA Administrator, Jon Paulsen.

IV. When an Injury Occurs

A. Directing and Providing Medical Care

When notified of an industrial injury, the first concern should be to provide medical care to the employee. Direct the employee to the Member's designated industrial clinic, if the need for care is not an emergency. In the case of a medical emergency, please follow emergency procedures, with follow-up care directed to the Member's designated clinic.

It is recommended the Member require all employees to report injuries, even though minor, to their immediate supervisor.

The designated industrial clinic should be specifically selected for the treatment of the Member's employees' work-related injuries and familiar with any return to work programs available.

1. PREDESIGNATED PHYSICIANS

If the employee received medical coverage from any source (medical insurance), an employee who notifies the Member in writing prior to the date of injury that he or she would like to be treated by their personal physician may do so, if the physician agrees to do so.

2. EMPLOYER MEDICAL CONTROL

Unless a physician has been pre-designated, the Member controls medical care for the first 30 days of the claim, through coordination with the SHARP TPA. The employee may then choose to change their treating physician. All medical care and direction should be coordinated with the designated SHARP TPA to assure benefits are timely and appropriately provided.

If you are unsure of your responsibility regarding authorizing medical care, please direct your questions to either the WCPM or TPA.

B. Forms to Complete

1. DWC FORM 1 – EMPLOYEE’S CLAIM FORM

Due – Within One day of Date of Knowledge of Injury

Provide each injured employee the Employee’s Claim Form for Workers’ Compensation Benefits within one (1) working day of receiving notice or knowledge of the claimed injury. If the employee refuses to accept the form, document the refusal. If the employee is unavailable or unable to accept the form, mail the form to the employee or his/her designated representative via first class mail (certified mail is recommended).

The burden of proof for providing the form is on the employer and will rely upon sufficient documentation that the form was provided.

The employee will complete the TOP PORTION of the form only. Once the form has been returned by the employee, complete the BOTTOM PORTION of the form and provide the employee with a completed copy.

Note: The employee is NOT obligated to complete their portion of the form and return it to the Member. The form should be distributed as follows:

- ✓ Original: OSHA File
- ✓ 1st Copy: Employee
- ✓ 2nd Copy: Sedgwick
- ✓ 3rd Copy: Employee’s temporary copy until you has completed the Bottom Portion.

Please see Appendix A for a sample of the DWC Form 1 – Employee’s Claim Form.

2. **DWC FORM 5020 – EMPLOYER’S REPORT OF OCCUPATIONAL INJURY**

Due – Within five days of Date of Knowledge of Injury

The Employer’s Report of Occupational Injury is to be completed by management at the time of injury and is due to the SHARP TPA within five Days of knowledge of the injury requiring benefits or for which benefits have been requested. The report is not necessary if the injury did not involve medical treatment, lost time or litigation. Please direct any questions regarding submission of the report to either the SHARP WCPM or the TPA. The form should be submitted to

Sedgwick as the designated TPA. The form should be distributed by the Member as follows:

- ✓ Original: Sedgwick
- ✓ Copy: OSHA File

Please see Appendix B for a sample of the DWC Form 5020 – Employer’s Report of Occupational Injury.

The Employer’s Report can also be made via the Sedgwick web site at: internet by accessing the SHARP Web Site at:
<https://firstreport.yorkrsg.com>

Copies of documents can be provided to Sedgwick either by fax or U.S. Mail at:

Sedgwick
P.O. Box 619079
Roseville, CA 95661
Fax 1-866.548.2637

Notify the nearest Authority office of the Division of Occupational Safety and Health (OSHA) by telephone of any injury or illness which: (a) results in death; (b) requires inpatient hospitalization; or (c) produces permanent disfigurement.

C. Reporting Concerns or Additional Information

1. REPORTING CONCERNS

If you are unsure about reporting a claim, please contact the TPA or the SHARP WCPM to discuss your concerns. Some claims need additional investigation to verify the claimed injury or illness is related to or caused by the work environment. If you possess information, which you feel may aid

in the investigation, prompt reporting of this information to the TPA is very important to allow them to make an informed decision on compensability.

It may become necessary during the investigation of a claim for an independent investigative company to be assigned to gather information. The TPA will notify the Member when an investigator has been engaged. Information provided to the investigator may be confidential in nature and should be assumed to be provided directly to the TPA by the investigator.

2. ADDITIONAL INFORMATION

Additional information may become available to the Member during the “life” of the claim. This information can take the form of return to work information, secondary employment, retirement application, termination of employment, or other information which you receive that may impact the timely and accurate provision of benefits. Prompt reporting of additional information to the TPA is expected and required by SHARP.

D. Information to Request, Secure or Maintain

A workers’ compensation claim can remain active for a few weeks to a few years. During this period of time, the SHARP member must gather information to aid in providing accurate benefits to the injured worker. The information may be requested by the SHARP TPA at any time during the life of the claim and will aid in determining benefits.

If the member has any question regarding information you have or should be gathering, please contact the SHARP TPA and/or the SHARP WCPM.

1. REQUEST:

- a. The employee should provide the Member with any release from work or return-to-work information or documentation they receive from their treating physician. This information should be provided to the SHARP TPA immediately.
- b. The TPA contacts the Member and discusses with them any need to conduct an investigation of the claim if there is any question regarding the validity of the claim or ongoing benefits.
- c. The employee completes the DWC1 Form (Employee’s Claim Form).
- d. Obtain copies of any police reports relating to the injury. This information should be provided to the SHARP TPA immediately.
- e. Obtain Information regarding any potential 3rd party involved in the injury (driver of another vehicle, owner of property) and provide this information to the SHARP TPA.

2. SECURE:

Any damaged equipment that may have caused or been involved in the injury. ***DO NOT DISPOSE OF EQUIPMENT WITHOUT DISCUSSION WITH THE SHARP TPA.***

- a. Photographs of the scene and equipment involved.

3. MAINTAIN:

- a. Employment records (applications, vacation requests, etc.) relating to employees/volunteers injured on the job.
- b. Copies of DWC1 Form.
- c. Training records.
- d. Maintenance records (for building and equipment).

IV. Returning Employees to Work

A. Transitional or Modified Work

1. TEMPORARY MODIFIED DUTY

Employers find that modified duty jobs have dramatically decreased costs for workers' compensation injuries.

Returning the injured employee/volunteer to work in a modified capacity can reduce not only the cost for lost-time injuries, but may also reduce medical costs, litigation and "back-fill" or temporary coverage costs. Employees/volunteers may not have full capabilities during the healing process. This does not mean that the employee/volunteer cannot perform work duties or functions that will not exceed their physical abilities.

Modified duty restrictions are determined by the treating physician. The physician may determine, for example, that the employee must refrain from lifting more than 10 pounds for a two-week period. It is then the employer's responsibility to evaluate available work to determine if they can accommodate this restriction.

2. HOW DO WE DO THIS?

- a. The Member should coordinate efforts with the SHARP TPA to contact the treating physician and determine if work modifications are appropriate.
- b. Once modifications are determined and work is available, the Member will contact the injured worker/volunteer and notify

them to return to work under the restrictions and notify the TPA that the offer has been made.

- c. If the employee does not return to work on modified duty, the Member should immediately notify the TPA as this may negatively impact benefits.
- d. The employee/volunteer should be advised by the Member of their work restrictions and their responsibility to abide by these restrictions.

Over time, the work restrictions are generally reduced with the intention of returning the employee to their usual and customary occupation. Modified duty programs are designed to be temporary in nature and by recommendation should not exceed a period of 90 days without review and consideration as to whether or not they should continue.

3. PERMANENT MODIFIED DUTY

There are cases where an injured worker's condition may not improve to the point of returning them to their usual and customary occupation. At that time, the treating physician will issue a report outlining their permanent work restrictions.

The Member is then under an obligation to review these restrictions and determine if they can make a good faith offer of permanent modified work. A good faith offer is characterized as:

- a. located within a "reasonable" commuting distance of the employee's residence **AT THE TIME OF INJURY**, unless the employee waives this condition;
- b. available for a period of at least 12 months;
- c. ability to perform all of the functions of the job; and
- d. wages at least 85% of those paid **AT THE TIME OF INJURY**

B. Developing a Return-to-Work Program

To implement a Return-to-Work Program, the Member will need to track injured employees/volunteers and match them with available work opportunities. All employees/volunteers and occupational clinics should be advised of the focus on return-to-work for those individuals injured on the job.

C. Return to Regular Work

It is the goal of the employee, the Member, and SHARP to return the employee to "regular work" or their usual and customary work as quickly as possible to minimize the financial impact of the claim to all parties.

Once the employee/volunteer is ready to return to their regular work, they will provide the Member with a release form from their treating physician. It is recommended the Member call the SHARP TPA and notify them of the release as well as send a copy of the release form to the TPA immediately, to assure all benefits are appropriately administered and any notices are issued to the injured worker.

A copy of this form should be maintained by the Member in a file separate from the employee's personnel file.

If there is a dispute or concern as to whether the employee/volunteer should return to regular work, please consult with the SHARP TPA.

D. Retirement and Workers' Compensation

Retirement benefits may have a significant impact on workers' compensation benefits and case resolution. SHARP Members with employees who are members of retirement systems may have claims which also involve applications for disability retirement. Retirements of this type are generally non-taxable, however retirements based upon length of service may be taxable.

Members should keep the SHARP TPA informed of retirement applications for those individuals with open workers' compensation claims.

While determination and approval of regular and disability retirements are not made by SHARP, the coordination of workers' compensation benefits impacted by these retirements will rely upon prompt notification from the Members.

V. Legal Actions

A. What if My Employee Hires an Attorney?

Employees hire attorneys for a variety of reasons:

- unsure of how their claim will be handled;
- unclear or conflicting information from the Member, the TPA or other parties not directly involved in the claim;
- severe injury;
- pending personnel issues (job elimination, retirement pending, disciplinary action, etc. . . .); and
- an assumption that you *MUST* have an attorney to receive benefits.

While some or all of these reasons may be valid, communication with the employee remains important.

1. CAN THE MEMBER TALK TO THE EMPLOYEE/VOLUNTEER?

Absolutely! They remain the Member's employee or in some cases volunteer and the responsibilities as an employer continue whether or not the employee has hired an attorney. Some areas in which communication should be maintained are:

- a. availability of modified duty;
- b. follow-up calls to the employee to see how they are doing, if they have any questions;
- c. keeping the employee informed and involved in the Member's activities (such as community events); and
- d. requirements for returning to work (fitness for duty, etc.)

The only areas in which the Member should not engage in conversation are those primarily focused on the employee's litigation of their claim. If the Member is unsure of discussing a topic with the employee, please contact either the TPA or the WCPM to discuss any concerns.

B. Requests for Information

Requests for information can come from many sources regarding a workers' compensation claim. In order to provide the most accurate information in a timely manner, we recommend the following:

1. REQUESTS FOR PERSONNEL FILES

Follow your internal guidelines regarding access to personnel files. If the injured employee has an active workers' compensation claim, please notify the TPA before complying with this request as confidential medical or legal information may inadvertently be released.

a. Subpoena Requests for Information

Contact the SHARP TPA before complying with this request. The subpoena will request specific information regarding a specific employee/volunteer. Prior to complying with this request, please ask the TPA to review the subpoena and provide guidance on compliance regarding any workers' compensation information.

b. Attorney Requests

The Member will be notified in advance if the TPA has requested the defense attorney (the attorney representing the Member and SHARP) obtain information from the Member. If the Member has not been notified in advance, please consult with the TPA before responding to this request.

c. Investigator Requests

The Member will be notified in advance if the TPA has requested an investigator obtain information from the Member. If the Member has not been notified in advance, please consult with the TPA before responding to this request.

d. SB 1159 Reporting Form Requests

A request for the Member's SB 1159 COVID-19 Reporting forms should be directed to the CHWCA Workers' Compensation Program Manager (WCPM) as well as the TPA. Please do not release this information without discussion with the program.

If the Member is unsure about the request and/or providing the requested information, please contact either the TPA or WCPM to discuss any concerns.

C. Subrogation /3rd Party Liability

Injuries can result from the actions or inactions of other parties. Examples of this may be injuries resulting from auto accidents and faulty equipment maintenance or manufacture. When these types of injuries occur, an investigation into the person or company responsible may be necessary and will be undertaken by the TPA.

The TPA will look to the SHARP Member to aid them in gathering information such as police reports, maintenance records, and purchasing records. It may become necessary for the Member to “secure” broken or faulty equipment to assure its availability should a dispute arise regarding the condition of the equipment at the time of injury. The TPA will provide guidance to the Member should this become necessary.

Occasions may occur when the 3rd party makes a request to access the SHARP Member’s records or property. The Member is directed to contact the TPA or the SHARP WCPM **before** providing this access.

When a 3rd party is responsible for the injury, the injured worker or their representative may file a claim for reimbursement from this party. SHARP has the right to consider and pursue reimbursement as well for any payments or benefits issued to the injured worker.

The SHARP Memorandum of Coverage (MOC) states regarding subrogation:

SUBROGATION - RECOVERY FROM OTHERS

The Authority has the Covered Party's rights, and the rights of persons entitled to compensation benefits from the Covered Party, to recover the Authority's loss from any third party liable for the bodily injury. The Covered Party will do everything necessary to protect those rights for the Authority and to assist in enforcing them. Any recovery, after deducting the Authority's recovery expenses, will first be used to reduce the Authority's loss. The balance, if any, will be returned to the Covered Party.

If the Covered Party waives its rights to subrogation on a claim covered under, or that may be covered under, this MOC, and if the amount of the claim exceeds the Covered Party's Retained Limit (and therefore comes within the Authority's layer), then the Authority's coverage shall not apply to the claim and the Authority shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the Covered Party's Retained Limit, unless the Authority's Workers' Compensation Program Manager approves the waiver of subrogation in writing.

The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a Covered Party after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the Covered Party prior to the date of the injury or illness that resulted in the claim.

Should an injury occur which involves a 3rd party and any concern develop between the SHARP Member and the TPA regarding whether or not to pursue subrogation recovery, these concerns should be directed to the SHARP WCPM for discussion.

D. Case Settlement and Closure

The majority of workers' compensation injury claims resolve with the injured worker returning to their full employment and suffering no residual disability. Files can be closed when the employee's medical condition has reached a permanent and stationary level (when the injury has resolved to a point that no further recovery is expected); and when all issues and benefits have been resolved (such as benefit payments and medical care).

Some claims involve litigation. The participation of an attorney representing either the injured worker or SHARP DOES NOT indicate the injury is more serious or severe. Attorneys are frequently utilized by either party to facilitate the administration of benefits or provide discovery options and opportunities.

When a claim reaches litigation status, it will generally resolve by one of three methods:

1. STIPULATION WITH REQUEST FOR AWARD

Used to settle the employee's claim based upon written agreements of the parties. This agreement may or may not provide for an award of lifetime medical benefits.

The Stipulation is primarily used for settling claims where the injured worker remains employed with the same employer.

2. COMPROMISE AND RELEASE

Typically used to settle claims in a "lump sum" payment which will resolve all outstanding issues. Use of this type of settlement may include a provision that no admission of injury is made. The Compromise and Release is generally utilized when the injured worker is no longer employed by the same employer.

3. FINDINGS AND AWARD OR FINDINGS AND ORDER

This type of settlement is issued by the Workers' Compensation Judge (WCJ) and generally follows a trial in which each party states their case and provides evidence. In general terms:

If the Workers' Compensation Appeals Board (WCAB) agrees with the injured worker, they will issue a "Findings and Award" providing a benefit or a determination which will benefit the injured worker;

If the WCAB agrees with the employer, they will issue a "Findings and Order" declining a benefit or a determination which will benefit the employer.

SHARP strives to keep their members informed regarding case resolution and the TPA will contact you to discuss settlement offers. Should the member have any questions or concerns regarding a proposed settlement, they are encouraged to contact the SHARP WCPM.

Lifetime Medical Awards can be awarded to injured workers providing them with benefits for treatment to their industrial injury. However, this should not be considered a “blanket” medical coverage as the medical benefit will only apply to the injury indicated in the award. Any questions on care relating to a Lifetime Medical Award should be directed to the SHARP TPA.

When the employee is no longer employed by a SHARP member, the TPA may consider settlement of a remaining Lifetime Medical Award. The employee’s usage of medical care will be considered and a reasonable offer to “buyout” the award may be made. Should the employee agree to this offer, the file will be closed with all issues resolved at that time.

Workers’ Compensation claims that have resolved with a Lifetime Medical Award can be administratively closed two years after the last provision of benefits. However, if the injured worker again requests care, the file will be reopened at that time.

VI. Program Questions from the Member

A. Requesting Specific Claims Information

Information regarding specific claims can be requested from two sources:

1. The TPA can answer claim specific questions. The Member can contact either the claims adjuster assigned to their claims or the Claims Supervisor for the SHARP program.

Julie Long - Sedgwick
1-916-746-8892 Extension 15261

The SHARP Workers’ Compensation Program Manager (WCPM) is available to discuss specific claims or any concerns regarding benefit administration:

SHARP WCPM
1-800 541-4591 Ext 19015

B. Requesting Loss Run Data

Requests for loss runs or claim history information should be directed to the SHARP WCPM:

SHARP WCPM
1-800 541-4591 Ext 19015

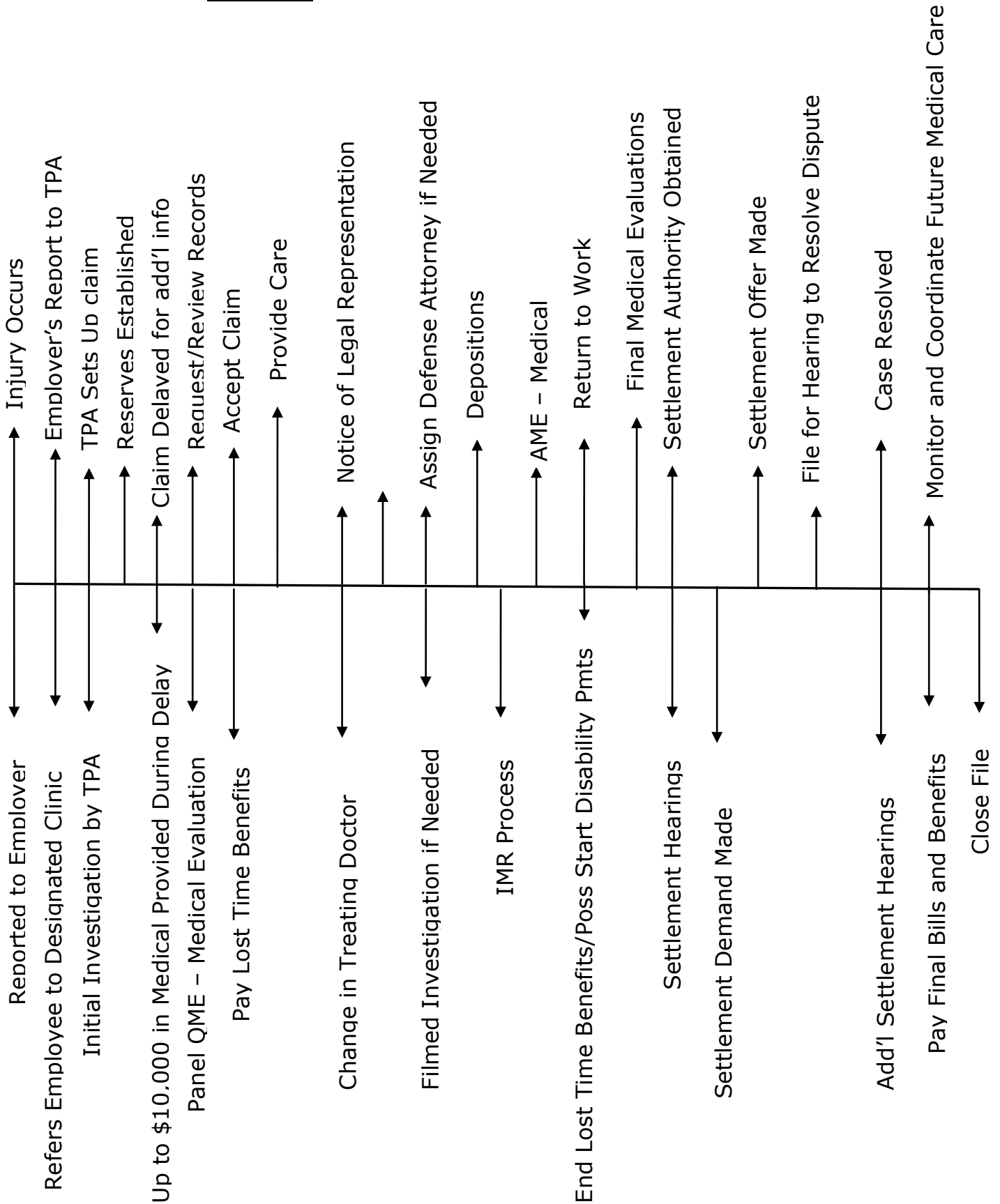
C. Requesting Premium Information

Requests for premium information should be directed to the SHARP Finance Manager:

Finance Manager 800-541-4591 x 19146
Finance@SHARP.org

VII. The Claims Process

A. Flowchart



B. Important Time Lines to Remember

1. CLAIM SET-UP TIMELINES

- a. Within 24 Hours from the Date of Knowledge (defined as One Working Day) – Provide the employee a claim form (DWC1).
- b. Within Five Days from the Date of Knowledge – Report the injury to the Third Party Administrator (TPA).
- c. Within 14 Days from the Date of Knowledge – The TPA must make their initial determination on acceptance, delay/investigation or denial of benefits.
- d. Within 90 Days from the Date of Knowledge – The TPA must make their informed decision on acceptance or denial of delayed and investigated claims.

2. BENEFIT PAYMENT TIMELINES

- a. Within 14 Days from Knowledge of Compensable Time Loss - Initial payment, denial or delay of Temporary Disability payments.
- b. At 14-Day Intervals – Continued payment of Temporary Disability payments.
- c. Within 14 Days from the End of Temporary Disability and with Knowledge of Likely or Known Permanent Disability – Initial payment, denial or delay of Permanent Disability payments.
- d. At 14-Day Intervals – Continued payment of Permanent Disability payments.
- e. Within 60 Days from Receipt – Payment or objection of medical bills.

Appendix A Form DWC-



Workers' Compensation Claim Form (DWC 1) & Notice of Potential Eligibility

Formulario de Reclamo de Compensación de Trabajadores (DWC 1) y Notificación de Posible Elegibilidad

If you are injured or become ill, either physically or mentally, because of your job, including injuries resulting from a workplace crime, you may be entitled to workers' compensation benefits. Use the attached form to file a workers' compensation claim with your employer. **You should read all of the information below.** Keep this sheet and all other papers for your records. You may be eligible for some or all of the benefits listed depending on the nature of your claim. If you file a claim, the claims administrator, who is responsible for handling your claim, must notify you within 14 days whether your claim is accepted or whether additional investigation is needed.

To file a claim, complete the "Employee" section of the form, keep one copy and give the rest to your employer. Do this right away to avoid problems with your claim. In some cases, benefits will not start until you inform your employer about your injury by filing a claim form. Describe your injury completely. Include every part of your body affected by the injury. If you mail the form to your employer, use first-class or certified mail. If you buy a return receipt, you will be able to prove that the claim form was mailed and when it was delivered. Within one working day after you file the claim form, your employer must complete the "Employer" section, give you a dated copy, keep one copy, and send one to the claims administrator.

Medical Care: Your claims administrator will pay for all reasonable and necessary medical care for your work injury or illness. Medical benefits are subject to approval and may include treatment by a doctor, hospital services, physical therapy, lab tests, x-rays, medicines, equipment and travel costs. Your claims administrator will pay the costs of approved medical services directly so you should never see a bill. There are limits on chiropractic, physical therapy, and other occupational therapy visits.

The Primary Treating Physician (PTP) is the doctor with the overall responsibility for treatment of your injury or illness.

- If you previously designated your personal physician or a medical group, you may see your personal physician or the medical group after you are injured.
- If your employer is using a medical provider network (MPN) or Health Care Organization (HCO), in most cases, you will be treated in the MPN or HCO unless you predesignated your personal physician or a medical group. An MPN is a group of health care providers who provide treatment to workers injured on the job. You should receive information from your employer if you are covered by an HCO or a MPN. Contact your employer for more information.
- If your employer is not using an MPN or HCO, in most cases, the claims administrator can choose the doctor who first treats you unless you predesignated your personal physician or a medical group.
- If your employer has not put up a poster describing your rights to workers' compensation, you may be able to be treated by your personal physician right after you are injured.

Within one working day after you file a claim form, your employer or the claims administrator must authorize up to \$10,000 in treatment for your injury, consistent with the applicable treating guidelines until the claim is accepted or rejected. If the employer or claims administrator does not authorize treatment right away, talk to your supervisor, someone else in management, or the claims administrator. Ask for treatment to be authorized right now, while waiting for a decision on your claim. If the employer or claims administrator will not authorize treatment, use your own health insurance to get medical care. Your health insurer will seek reimbursement from the claims administrator. If you do not have health insurance, there are doctors, clinics or hospitals that will treat you without immediate payment. They will seek reimbursement from the claims administrator.

Switching to a Different Doctor as Your PTP:

- If you are being treated in a Medical Provider Network (MPN), you may switch to other doctors within the MPN after the first visit.
- If you are being treated in a Health Care Organization (HCO), you may switch at least one time to another doctor within the HCO. You may switch to a doctor outside the HCO 90 or 180 days after your injury is reported to your employer (depending on whether you are covered by employer-provided health insurance).
- If you are not being treated in an MPN or HCO and did not predesignate, you may switch to a new doctor one time during the first 30 days after your injury is reported to your employer. Contact the claims administrator to switch doctors. After 30 days, you may switch to a doctor of your choice if

Si Ud. se lesiona o se enferma, ya sea físicamente o mentalmente, debido a su trabajo, incluyendo lesiones que resulten de un crimen en el lugar de trabajo, es posible que Ud. tenga derecho a beneficios de compensación de trabajadores. Utilice el formulario adjunto para presentar un reclamo de compensación de trabajadores con su empleador. **Ud. debe leer toda la información a continuación.** Guarde esta hoja y todos los demás documentos para sus archivos. Es posible que usted reúna los requisitos para todos los beneficios, o parte de éstos, que se enumeran dependiendo de la índole de su reclamo. Si usted presenta un reclamo, el administrador de reclamos, quien es responsable por el manejo de su reclamo, debe notificarle dentro de 14 días si se acepta su reclamo o si se necesita investigación adicional.

Para presentar un reclamo, llene la sección del formulario designada para el "Empleado," guarde una copia, y déle el resto a su empleador. Haga esto de inmediato para evitar problemas con su reclamo. En algunos casos, los beneficios no se iniciarán hasta que usted le informe a su empleador acerca de su lesión mediante la presentación de un formulario de reclamo. Describa su lesión por completo. Incluya cada parte de su cuerpo afectada por la lesión. Si usted le envía por correo el formulario a su empleador, utilice primera clase o correo certificado. Si usted compra un acuse de recibo, usted podrá demostrar que el formulario de reclamo fue enviado por correo y cuando fue entregado. Dentro de un día laboral después de presentar el formulario de reclamo, su empleador debe completar la sección designada para el "Empleador," le dará a Ud. una copia fechada, guardará una copia, y enviará una al administrador de reclamos.

Atención Médica: Su administrador de reclamos pagará por toda la atención médica razonable y necesaria para su lesión o enfermedad relacionada con el trabajo. Los beneficios médicos están sujetos a la aprobación y pueden incluir tratamiento por parte de un médico, los servicios de hospital, la terapia física, los análisis de laboratorio, las medicinas, equipos y gastos de viaje. Su administrador de reclamos pagará directamente los costos de los servicios médicos aprobados de manera que usted nunca verá una factura. Hay límites en terapia quiropráctica, física y otras visitas de terapia ocupacional.

El Médico Primario que le Atiende (Primary Treating Physician- PTP) es el médico con la responsabilidad total para tratar su lesión o enfermedad.

- Si usted designó previamente a su médico personal o a un grupo médico, usted podrá ver a su médico personal o grupo médico después de lesionarse.
- Si su empleador está utilizando una red de proveedores médicos (*Medical Provider Network- MPN*) o una Organización de Cuidado Médico (*Health Care Organization- HCO*), en la mayoría de los casos, usted será tratado en la *MPN* o *HCO* a menos que usted hizo una designación previa de su médico personal o grupo médico. Una *MPN* es un grupo de proveedores de asistencia médica quien da tratamiento a los trabajadores lesionados en el trabajo. Usted debe recibir información de su empleador si su tratamiento es cubierto por una *HCO* o una *MPN*. Hable con su empleador para más información.
- Si su empleador no está utilizando una *MPN* o *HCO*, en la mayoría de los casos, el administrador de reclamos puede elegir el médico que lo atiende primero a menos de que usted hizo una designación previa de su médico personal o grupo médico.
- Si su empleador no ha colocado un cartel describiendo sus derechos para la compensación de trabajadores, Ud. puede ser tratado por su médico personal inmediatamente después de lesionarse.

Dentro de un día laboral después de que Ud. presente un formulario de reclamo, su empleador o el administrador de reclamos debe autorizar hasta \$10,000 en tratamiento para su lesión, de acuerdo con las pautas de tratamiento aplicables, hasta que el reclamo sea aceptado o rechazado. Si el empleador o administrador de reclamos no autoriza el tratamiento de inmediato, hable con su supervisor, alguien más en la gerencia, o con el administrador de reclamos. Pida que el tratamiento sea autorizado ya mismo, mientras espera una decisión sobre su reclamo. Si el empleador o administrador de reclamos no autoriza el tratamiento, utilice su propio seguro médico para recibir atención médica. Su compañía de seguro médico buscará reembolso del administrador de reclamos. Si usted no tiene seguro médico, hay médicos, clínicas u hospitales que lo tratarán sin pago inmediato. Ellos buscarán reembolso del administrador de reclamos.

Cambiando a otro Médico Primario o PTP:

- Si usted está recibiendo tratamiento en una Red de Proveedores Médicos

your employer or the claims administrator has not created or selected an MPN.

Disclosure of Medical Records: After you make a claim for workers' compensation benefits, your medical records will not have the same level of privacy that you usually expect. If you don't agree to voluntarily release medical records, a workers' compensation judge may decide what records will be released. If you request privacy, the judge may "seal" (keep private) certain medical records.

Problems with Medical Care and Medical Reports: At some point during your claim, you might disagree with your PTP about what treatment is necessary. If this happens, you can switch to other doctors as described above. If you cannot reach agreement with another doctor, the steps to take depend on whether you are receiving care in an MPN, HCO, or neither. For more information, see "Learn More About Workers' Compensation," below.

If the claims administrator denies treatment recommended by your PTP, you may request independent medical review (IMR) using the request form included with the claims administrator's written decision to deny treatment. The IMR process is similar to the group health IMR process, and takes approximately 40 (or fewer) days to arrive at a determination so that appropriate treatment can be given. Your attorney or your physician may assist you in the IMR process. IMR is not available to resolve disputes over matters other than the medical necessity of a particular treatment requested by your physician.

If you disagree with your PTP on matters other than treatment, such as the cause of your injury or how severe the injury is, you can switch to other doctors as described above. If you cannot reach agreement with another doctor, notify the claims administrator in writing as soon as possible. In some cases, you risk losing the right to challenge your PTP's opinion unless you do this promptly. If you do not have an attorney, the claims administrator must send you instructions on how to be seen by a doctor called a qualified medical evaluator (QME) to help resolve the dispute. If you have an attorney, the claims administrator may try to reach agreement with your attorney on a doctor called an agreed medical evaluator (AME). If the claims administrator disagrees with your PTP on matters other than treatment, the claims administrator can require you to be seen by a QME or AME.

Payment for Temporary Disability (Lost Wages): If you can't work while you are recovering from a job injury or illness, you may receive temporary disability payments for a limited period. These payments may change or stop when your doctor says you are able to return to work. These benefits are tax-free. Temporary disability payments are two-thirds of your average weekly pay, within minimums and maximums set by state law. Payments are not made for the first three days you are off the job unless you are hospitalized overnight or cannot work for more than 14 days.

Stay at Work or Return to Work: Being injured does not mean you must stop working. If you can continue working, you should. If not, it is important to go back to work with your current employer as soon as you are medically able. Studies show that the longer you are off work, the harder it is to get back to your original job and wages. While you are recovering, your PTP, your employer (supervisors or others in management), the claims administrator, and your attorney (if you have one) will work with you to decide how you will stay at work or return to work and what work you will do. Actively communicate with your PTP, your employer, and the claims administrator about the work you did before you were injured, your medical condition and the kinds of work you can do now, and the kinds of work that your employer could make available to you.

Payment for Permanent Disability: If a doctor says you have not recovered completely from your injury and you will always be limited in the work you can do, you may receive additional payments. The amount will depend on the type of injury, extent of impairment, your age, occupation, date of injury, and your wages before you were injured.

Supplemental Job Displacement Benefit (SJDB): If you were injured on or after 1/1/04, and your injury results in a permanent disability and your employer does not offer regular, modified, or alternative work, you may qualify for a nontransferable voucher payable for retraining and/or skill enhancement. If you qualify, the claims administrator will pay the costs up to the maximum set by state law.

Death Benefits: If the injury or illness causes death, payments may be made to a

(Medical Provider Network- MPN), usted puede cambiar a otros médicos dentro de la MPN después de la primera visita.

- Si usted está recibiendo tratamiento en un Organización de Cuidado Médico (Healthcare Organization- HCO), es posible cambiar al menos una vez a otro médico dentro de la HCO. Usted puede cambiar a un médico fuera de la HCO 90 o 180 días después de que su lesión es reportada a su empleador (dependiendo de si usted está cubierto por un seguro médico proporcionado por su empleador).
- Si usted no está recibiendo tratamiento en una MPN o HCO y no hizo una designación previa, usted puede cambiar a un nuevo médico una vez durante los primeros 30 días después de que su lesión es reportada a su empleador. Póngase en contacto con el administrador de reclamos para cambiar de médico. Después de 30 días, puede cambiar a un médico de su elección si su empleador o el administrador de reclamos no ha creado o seleccionado una MPN.

Divulgación de Expedientes Médicos: Después de que Ud. presente un reclamo para beneficios de compensación de trabajadores, sus expedientes médicos no tendrán el mismo nivel de privacidad que usted normalmente espera. Si Ud. no está de acuerdo en divulgar voluntariamente los expedientes médicos, un juez de compensación de trabajadores posiblemente decida qué expedientes serán revelados. Si usted solicita privacidad, es posible que el juez "selle" (mantenga privados) ciertos expedientes médicos.

Problemas con la Atención Médica y los Informes Médicos: En algún momento durante su reclamo, podría estar en desacuerdo con su PTP sobre qué tratamiento es necesario. Si esto sucede, usted puede cambiar a otros médicos como se describe anteriormente. Si no puede llegar a un acuerdo con otro médico, los pasos a seguir dependen de si usted está recibiendo atención en una MPN, HCO o ninguna de las dos. Para más información, consulte la sección "Aprenda Más Sobre la Compensación de Trabajadores," a continuación.

Si el administrador de reclamos niega el tratamiento recomendado por su PTP, puede solicitar una revisión médica independiente (*Independent Medical Review-IMR*), utilizando el formulario de solicitud que se incluye con la decisión por escrito del administrador de reclamos negando el tratamiento. El proceso de la IMR es parecido al proceso de la IMR de un seguro médico colectivo, y tarda aproximadamente 40 (o menos) días para llegar a una determinación de manera que se pueda dar un tratamiento apropiado. Su abogado o su médico le pueden ayudar en el proceso de la IMR. La IMR no está disponible para resolver disputas sobre cuestiones aparte de la necesidad médica de un tratamiento particular solicitado por su médico.

Si no está de acuerdo con su PTP en cuestiones aparte del tratamiento, como la causa de su lesión o la gravedad de la lesión, usted puede cambiar a otros médicos como se describe anteriormente. Si no puede llegar a un acuerdo con otro médico, notifique al administrador de reclamos por escrito tan pronto como sea posible. En algunos casos, usted arriesga perder el derecho a objetar a la opinión de su PTP a menos que hace esto de inmediato. Si usted no tiene un abogado, el administrador de reclamos debe enviarle instrucciones para ser evaluado por un médico llamado un evaluador médico calificado (*Qualified Medical Evaluator-QME*) para ayudar a resolver la disputa. Si usted tiene un abogado, el administrador de reclamos puede tratar de llegar a un acuerdo con su abogado sobre un médico llamado un evaluador médico acordado (*Agreed Medical Evaluator- AME*). Si el administrador de reclamos no está de acuerdo con su PTP sobre asuntos aparte del tratamiento, el administrador de reclamos puede exigirle que sea atendido por un QME o AME.

Pago por Incapacidad Temporal (Sueldos Perdidos): Si Ud. no puede trabajar, mientras se está recuperando de una lesión o enfermedad relacionada con el trabajo, Ud. puede recibir pagos por incapacidad temporal por un periodo limitado. Estos pagos pueden cambiar o parar cuando su médico diga que Ud. está en condiciones de regresar a trabajar. Estos beneficios son libres de impuestos. Los pagos por incapacidad temporal son dos tercios de su pago semanal promedio, con cantidades mínimas y máximas establecidas por las leyes estatales. Los pagos no se hacen durante los primeros tres días en que Ud. no trabaje, a menos que Ud. sea hospitalizado una noche o no puede trabajar durante más de 14 días.

Permanezca en el Trabajo o Regreso al Trabajo: Estar lesionado no significa que usted debe dejar de trabajar. Si usted puede seguir trabajando, usted debe hacerlo. Si no es así, es importante regresar a trabajar con su empleador actual tan

spouse and other relatives or household members who were financially dependent on the deceased worker.

It is illegal for your employer to punish or fire you for having a job injury or illness, for filing a claim, or testifying in another person's workers' compensation case (Labor Code 132a). If proven, you may receive lost wages, job reinstatement, increased benefits, and costs and expenses up to limits set by the state.

Resolving Problems or Disputes: You have the right to disagree with decisions affecting your claim. If you have a disagreement, contact your employer or claims administrator first to see if you can resolve it. If you are not receiving benefits, you may be able to get State Disability Insurance (SDI) or unemployment insurance (UI) benefits. Call the state Employment Development Department at (800) 480-3287 or (866) 333-4606, or go to their website at www.edd.ca.gov.

You Can Contact an Information & Assistance (I&A) Officer: State I&A officers answer questions, help injured workers, provide forms, and help resolve problems. Some I&A officers hold workshops for injured workers. To obtain important information about the workers' compensation claims process and your rights and obligations, go to www.dwc.ca.gov or contact an I&A officer of the state Division of Workers' Compensation. You can also hear recorded information and a list of local I&A offices by calling (800) 736-7401.

You can consult with an attorney. Most attorneys offer one free consultation. If you decide to hire an attorney, his or her fee will be taken out of some of your benefits. For names of workers' compensation attorneys, call the State Bar of California at (415) 538-2120 or go to their website at www.californiaspecialist.org.

Learn More About Workers' Compensation: For more information about the workers' compensation claims process, go to www.dwc.ca.gov. At the website, you can access a useful booklet, "Workers' Compensation in California: A Guidebook for Injured Workers." You can also contact an Information & Assistance Officer (above), or hear recorded information by calling 1-800-736-7401.

pronto como usted pueda medicamente hacerlo. Los estudios demuestran que entre más tiempo esté fuera del trabajo, más difícil es regresar a su trabajo original y a sus salarios. Mientras se está recuperando, su *PTP*, su empleador (supervisores u otras personas en la gerencia), el administrador de reclamos, y su abogado (si tiene uno) trabajarán con usted para decidir cómo va a permanecer en el trabajo o regresar al trabajo y qué trabajo hará. Comuníquese de manera activa con su *PTP*, su empleador y el administrador de reclamos sobre el trabajo que hizo antes de lesionarse, su condición médica y los tipos de trabajo que usted puede hacer ahora y los tipos de trabajo que su empleador podría poner a su disposición.

Pago por Incapacidad Permanente: Si un médico dice que no se ha recuperado completamente de su lesión y siempre será limitado en el trabajo que puede hacer, es posible que Ud. reciba pagos adicionales. La cantidad dependerá de la clase de lesión, grado de deterioro, su edad, ocupación, fecha de la lesión y sus salarios antes de lesionarse.

Beneficio Suplementario por Desplazamiento de Trabajo (Supplemental Job Displacement Benefit- SJDDB): Si Ud. se lesionó en o después del 1/1/04, y su lesión resulta en una incapacidad permanente y su empleador no ofrece un trabajo regular, modificado, o alternativo, usted podría cumplir los requisitos para recibir un vale no-transferible pagadero a una escuela para recibir un nuevo curso de reentrenamiento y/o mejorar su habilidad. Si Ud. cumple los requisitos, el administrador de reclamos pagará los gastos hasta un máximo establecido por las leyes estatales.

Beneficios por Muerte: Si la lesión o enfermedad causa la muerte, es posible que los pagos se hagan a un cónyuge y otros parientes o a las personas que viven en el hogar que dependían económicamente del trabajador difunto.

Es ilegal que su empleador le castigue o despidan por sufrir una lesión o enfermedad laboral, por presentar un reclamo o por testificar en el caso de compensación de trabajadores de otra persona. (Código Laboral, sección 132a.) De ser probado, usted puede recibir pagos por pérdida de sueldos, reposición del trabajo, aumento de beneficios y gastos hasta los límites establecidos por el estado.

Resolviendo problemas o disputas: Ud. tiene derecho a no estar de acuerdo con las decisiones que afecten su reclamo. Si Ud. tiene un desacuerdo, primero comuníquese con su empleador o administrador de reclamos para ver si usted puede resolverlo. Si usted no está recibiendo beneficios, es posible que Ud. pueda obtener beneficios del Seguro Estatal de Incapacidad (*State Disability Insurance- SDI*) o beneficios del desempleo (*Unemployment Insurance- UI*). Llame al Departamento del Desarrollo del Empleo estatal al (800) 480-3287 o (866) 333-4606, o visite su página Web en www.edd.ca.gov.

Puede Contactar a un Oficial de Información y Asistencia (Information & Assistance- I&A): Los Oficiales de Información y Asistencia (*I&A*) estatal contestan preguntas, ayudan a los trabajadores lesionados, proporcionan formularios y ayudan a resolver problemas. Algunos oficiales de *I&A* tienen talleres para trabajadores lesionados. Para obtener información importante sobre el proceso de la compensación de trabajadores y sus derechos y obligaciones, vaya a www.dwc.ca.gov o comuníquese con un oficial de información y asistencia de la División Estatal de Compensación de Trabajadores. También puede escuchar información grabada y una lista de las oficinas de *I&A* locales llamando al (800) 736-7401.

Ud. puede consultar con un abogado. La mayoría de los abogados ofrecen una consulta gratis. Si Ud. decide contratar a un abogado, los honorarios serán tomados de algunos de sus beneficios. Para obtener nombres de abogados de compensación de trabajadores, llame a la Asociación Estatal de Abogados de California (*State Bar*) al (415) 538-2120, o consulte su página Web en www.californiaspecialist.org.

Aprenda Más Sobre la Compensación de Trabajadores: Para obtener más información sobre el proceso de reclamos del programa de compensación de trabajadores, vaya a www.dwc.ca.gov. En la página Web, podrá acceder a un folleto útil, "Compensación del Trabajador de California: Una Guía para Trabajadores Lesionados." También puede contactar a un oficial de Información y Asistencia (arriba), o escuchar información grabada llamando al 1-800-736-7401.



WORKERS' COMPENSATION CLAIM FORM (DWC 1)

PETITION DEL EMPLEADO PARA DE COMPENSACIÓN DEL TRABAJADOR (DWC 1)

Employee: Complete the "Employee" section and give the form to your employer. Keep a copy and mark it "Employee's Temporary Receipt" until you receive the signed and dated copy from your employer. You may call the Division of Workers' Compensation and hear recorded information at (800) 736-7401. An explanation of workers' compensation benefits is included in the Notice of Potential Eligibility, which is the cover sheet of this form. Detach and save this notice for future reference.

You should also have received a pamphlet from your employer describing workers' compensation benefits and the procedures to obtain them. You may receive written notices from your employer or its claims administrator about your claim. If your claims administrator offers to send you notices electronically, and you agree to receive these notices only by email, please provide your email address below and check the appropriate box. If you later decide you want to receive the notices by mail, you must inform your employer in writing.

Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony.

Empleado: Complete la sección "Empleado" y entregue la forma a su empleador. Quédese con la copia designada "Recibo Temporal del Empleado" hasta que Ud. reciba la copia firmada y fechada de su empleador. Ud. puede llamar a la División de Compensación al Trabajador al (800) 736-7401 para oír información grabada. Una explicación de los beneficios de compensación de trabajadores está incluido en la Notificación de Posible Elegibilidad, que es la hoja de portada de esta forma. Separe y guarde esta notificación como referencia para el futuro.

Ud. también debería haber recibido de su empleador un folleto describiendo los beneficios de compensación al trabajador lesionado y los procedimientos para obtenerlos. Es posible que reciba notificaciones escritas de su empleador o de su administrador de reclamos sobre su reclamo. Si su administrador de reclamos ofrece enviarle notificaciones electrónicamente, y usted acepta recibir estas notificaciones solo por correo electrónico, por favor proporcione su dirección de correo electrónico abajo y marque la caja apropiada. Si usted decide después que quiere recibir las notificaciones por correo, usted debe de informar a su empleador por escrito.

Toda aquella persona que a propósito haga o cause que se produzca cualquier declaración o representación material falsa o fraudulenta con el fin de obtener o negar beneficios o pagos de compensación a trabajadores lesionados es culpable de un crimen mayor "felonia".

| | | | |
|--|--|---|----------------------------------|
| Employee—complete this section and see note above | | Empleado—complete esta sección y note la notación arriba. | |
| 1. Name. <i>Nombre.</i> _____ | | Today's Date. <i>Fecha de Hoy.</i> _____ | |
| 2. Home Address. <i>Dirección Residencial.</i> _____ | | | |
| 3. City. <i>Ciudad.</i> _____ | | State. <i>Estado.</i> _____ | Zip. <i>Código Postal.</i> _____ |
| 4. Date of Injury. <i>Fecha de la lesión (accidente).</i> _____ | | Time of Injury. <i>Hora en que ocurrió.</i> _____ a.m. _____ p.m. | |
| 5. Address and description of where injury happened. <i>Dirección/lugar dónde ocurrió el accidente.</i> _____ | | | |
| 6. Describe injury and part of body affected. <i>Describe la lesión y parte del cuerpo afectada.</i> _____ | | | |
| 7. Social Security Number. <i>Número de Seguro Social del Empleado.</i> _____ | | | |
| 8. <input type="checkbox"/> Check if you agree to receive notices about your claim by email only. <input type="checkbox"/> Marque si usted acepta recibir notificaciones sobre su reclamo solo por correo electrónico. Employee's e-mail. _____ Correo electrónico del empleado. _____ | | | |
| You will receive benefit notices by regular mail if you do not choose, or your claims administrator does not offer, an electronic service option. <i>Usted recibirá notificaciones de beneficios por correo ordinario si usted no escoge, o su administrador de reclamos no le ofrece, una opción de servicio electrónico.</i> | | | |
| 9. Signature of employee. <i>Firma del empleado.</i> _____ | | | |
| Employer—complete this section and see note below. Empleador—complete esta sección y note la notación abajo. | | | |
| 10. Name of employer. <i>Nombre del empleador.</i> _____ | | | |
| 11. Address. <i>Dirección.</i> _____ | | | |
| 12. Date employer first knew of injury. <i>Fecha en que el empleador supo por primera vez de la lesión o accidente.</i> _____ | | | |
| 13. Date claim form was provided to employee. <i>Fecha en que se le entregó al empleado la petición.</i> _____ | | | |
| 14. Date employer received claim form. <i>Fecha en que el empleado devolvió la petición al empleador.</i> _____ | | | |
| 15. Name and address of insurance carrier or adjusting agency. <i>Nombre y dirección de la compañía de seguros o agencia administradora de seguros.</i> _____ | | | |
| 16. Insurance Policy Number. <i>El número de la póliza de Seguro.</i> _____ | | | |
| 17. Signature of employer representative. <i>Firma del representante del empleador.</i> _____ | | | |
| 18. Title. <i>Título.</i> _____ | | 19. Telephone. <i>Teléfono.</i> _____ | |

Employer: You are required to date this form and provide copies to your insurer or claims administrator and to the employee, dependent or representative who filed the claim within one working day of receipt of the form from the employee.

SIGNING THIS FORM IS NOT AN ADMISSION OF LIABILITY

Empleador: Se requiere que Ud. feche esta forma y que propéa copias a su compañía de seguros, administrador de reclamos, o dependiente/representante de reclamos y al empleado que hayan presentado esta petición dentro del plazo de un día hábil desde el momento de haber sido recibida la forma del empleado.

EL FIRMAR ESTA FORMA NO SIGNIFICA ADMISION DE RESPONSABILIDAD

☐ Employer copy/Copia del Empleador ☐ Employee copy/Copia del Empleado ☐ Claims Administrator/Administrador de Reclamos ☐ Temporary Receipt/Recibo del Empleado

Appendix B Form DWC 5020

| | | | | |
|--|---|---|--|---|
| State of California EMPLOYER'S REPORT OF OCCUPATIONAL INJURY OR ILLNESS | | Please complete in triplicate (type if possible) Mail two copies to: | | OSHA CASE NO. |
| | | | | FATALITY <input type="checkbox"/> |
| Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers compensation benefits or payments is guilty of a felony. | | California law requires employers to report within five days of knowledge every occupational injury or illness which results in lost time beyond the date of the incident OR requires medical treatment beyond first aid. If an employee subsequently dies as a result of a previously reported injury or illness, the employer must file within five days of knowledge an amended report indicating death. In addition, every serious injury, illness, or death must be reported immediately by telephone or telegraph to the nearest office of the California Division of Occupational Safety and Health. | | |
| EMPLOYER | 1. FIRM NAME | | 1a. Policy Number | Please do not use this column CASE NUMBER OWNERSHIP INDUSTRY |
| | 2. MAILING ADDRESS: (Number, Street, City, Zip) | | 2a. Phone Number | |
| | 3. LOCATION If different from Mailing Address (Number, Street, City and Zip) | | 3a. Location Code | |
| | 4. NATURE OF BUSINESS; e.g., Painting contractor, wholesale grocer, sawmill, hotel, etc. | | 5. State unemployment insurance acct.no | |
| EMPLOYEE | 6. TYPE OF EMPLOYER: <input type="checkbox"/> Private <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> School District <input type="checkbox"/> Other Gov't, Specify: _____ | | 7. DATE OF INJURY / ONSET OF ILLNESS (mm/dd/yy) | |
| | 8. TIME INJURY/ILLNESS OCCURRED _____ AM _____ PM | | 9. TIME EMPLOYEE BEGAN WORK _____ AM _____ PM | |
| | 11. UNABLE TO WORK FOR AT LEAST ONE FULL DAY AFTER DATE OF INJURY? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 12. DATE LAST WORKED (mm/dd/yy) | |
| | 13. DATE RETURNED TO WORK (mm/dd/yy) | | 14. IF STILL OFF WORK, CHECK THIS BOX. <input type="checkbox"/> | |
| INJURY | 15. PAID FULL DAYS WAGES FOR DATE OF INJURY OR LAST DAY WORKED? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 16. SALARY BEING CONTINUED? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | 17. DATE OF EMPLOYER'S KNOWLEDGE / NOTICE OF INJURY/ILLNESS (mm/dd/yy) | | 18. DATE EMPLOYEE WAS PROVIDED CLAIM FORM (mm/dd/yy) | |
| | 19. SPECIFIC INJURY/ILLNESS AND PART OF BODY AFFECTED, MEDICAL DIAGNOSIS if available, e.g., Second degree burns on right arm, tendonitis on left elbow, lead poisoning | | 20. LOCATION WHERE EVENT OR EXPOSURE OCCURRED (Number, Street, City, Zip) | |
| | 20a. COUNTY | | 21. ON EMPLOYER'S PREMISES? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| OR | 22. DEPARTMENT WHERE EVENT OR EXPOSURE OCCURRED, e.g., Shipping department, machine shop. | | 23. Other Workers injured or ill in this event? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | 24. EQUIPMENT, MATERIALS AND CHEMICALS THE EMPLOYEE WAS USING WHEN EVENT OR EXPOSURE OCCURRED, e.g., Acetylene, welding torch, farm tractor, scaffold | | 25. SPECIFIC ACTIVITY THE EMPLOYEE WAS PERFORMING WHEN EVENT OR EXPOSURE OCCURRED, e.g., Welding seams of metal forms, loading boxes onto truck. | |
| | 26. HOW INJURY/ILLNESS OCCURRED. DESCRIBE SEQUENCE OF EVENTS. SPECIFY OBJECT OR EXPOSURE WHICH DIRECTLY PRODUCED THE INJURY/ILLNESS, e.g., Worker stepped back to inspect work and slipped on scrap material. As he fell, he brushed against fresh weld, and burned right hand. USE SEPARATE SHEET IF NECESSARY | | 27. Name and address of physician (number, street, city, zip) | |
| | 27a. Phone Number | | 28. Hospitalized as an inpatient overnight? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes then, name and address of hospital (number, street, city, zip) | |
| ILLNESSES | 28a. Phone Number | | 29. Employee treated in emergency room? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | ATTENTION This form contains information relating to employee health and must be used in a manner that protects the confidentiality of employees to the extent possible while the information is being used for occupational safety and health purposes. See CCR Title 8 14300.23 (b)(6)-(10) & 14300.35(b)(2)(E)2. Note: Shaded boxes indicate confidential employee information as listed in CCR Title 8 14300.35(b)(2)(E)2. | | 30. EMPLOYEE NAME | |
| | 31. SOCIAL SECURITY NUMBER | | 32. DATE OF BIRTH (mm/dd/yy) | |
| | 33. HOME ADDRESS (Number, Street, City, Zip) | | 33a. PHONE NUMBER | |
| EMPLOYEE | 34. SEX <input type="checkbox"/> Male <input type="checkbox"/> Female | | 35. OCCUPATION (Regular job title, NO initials, abbreviations or numbers) | |
| | 36. DATE OF HIRE (mm/dd/yy) | | 37. EMPLOYEE USUALLY WORKS _____ hours per day, _____ days per week, _____ total weekly hours | |
| | 37a. EMPLOYMENT STATUS <input type="checkbox"/> regular, full-time <input type="checkbox"/> part-time <input type="checkbox"/> temporary <input type="checkbox"/> seasonal | | 37b. UNDER WHAT CLASS CODE OF YOUR POLICY WHERE WAGES ASSIGNED | |
| | 38. GROSS WAGES/SALARY \$ _____ per _____ | | 39. OTHER PAYMENTS NOT REPORTED AS WAGES/SALARY (e.g. tips, meals, overtime, bonuses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Completed By (type or print) | | Signature & Title | | Date (mm/dd/yy) |
| * Confidential information may be disclosed only to the employee, former employee, or their personal representative (CCR Title 8 14300.35), to others for the purpose of processing a workers' compensation or other insurance claim; and under certain circumstances to a public health or law enforcement agency or to a consultant hired by the employer (CCR Title 8 14300.30). CCR Title 8 14300.40 requires provision upon request to certain state and federal workplace safety agencies. | | | | |

FORM 5020 (Rev7) June 2002

FILING OF THIS FORM IS NOT AN ADMISSION OF LIABILITY

Appendix C

Glossary of Terms

| | |
|----------------------|---|
| AA | Applicant's Attorney (Usually the employee's Attorney) |
| ACOEM | American College of Occupational and Environmental Medicine |
| ADA | Americans with Disabilities Act (Federal) |
| AMA Guides | American Medical Association Guides to the Evaluation of Permanent Disability |
| AME | Agreed Medical Evaluator/Examination |
| AOE/COE | Arising Out of Employment and Occurring in the Course of Employment |
| App | Application of Adjudication of Claim |
| Appeals Board | Workers' Compensation Appeal Board (WCAB) |
| Applicant | Usually the employee who files an application |
| ARTW | Actual return to work |
| Attny/Atty | Attorney |
| Award | Award by the WCAB |
| AWW/AWE | Average Weekly Wage or Average Weekly Earnings |
| Board | Workers' Compensation Appeals Board (WCAB) |
| C&R | Compromise and Release (form of settlement) |
| Comp | Workers' Compensation |
| CT | Cumulative Trauma or Carpal Tunnel Syndrome |
| DA/Def Attny | Defense Attorney – usually represents the employer |
| Depo | Deposition testimony under oath |
| DEU | Disability Evaluation Unit (determines level of disability) |
| DIR | Division of Industrial Relations |

| | |
|------------------|--|
| DOI | Department of Insurance or Date of Injury |
| DOK | Date of Knowledge of injury or disability |
| DOR | Declaration of Readiness to Proceed (request for Hearing) |
| Dr | Doctor/physician |
| DWC | Division of Workers' Compensation |
| DWC1 | Employee's Claim for Workers' Compensation (form) |
| E&O | Errors and Omissions insurance coverage |
| EDD | Employment Development Department (State Disability) |
| Ee | Employee |
| ER | Employer or Emergency Room |
| F&A | Findings and Award (a court award of benefits) |
| FCE | Functional Capacity Evaluation |
| I&A | Information and Assistance Officer |
| IW | Injured worker (employee) |
| IME | Independent Medical Evaluation/Evaluator |
| IBR | Independent Bill Review |
| IMR | Independent Medical Review |
| JA | Job Analysis |
| LC | Labor Code of California (rules and regulations) |
| LDW | Last day of work |
| LTD | Long-Term Disability |
| Med-Legal | Medical-Legal opinion or evaluation |
| MMI | Maximum medical improvement (the condition has improved as much as possible) |
| MSC | Mandatory Settlement Conference (Settlement Hearing) |
| New and | A Petition to reopen a claim for additional benefits |

Further

| | |
|------------------|--|
| NOPE | Notice of Potential Disability advising an employee of their potential rights to Supplemental Job Displacement benefits |
| OSHA | Occupational Safety and Health Act |
| Pro Per | Unrepresented employee acting as their own attorney |
| P&S | Permanent and Stationary (the condition has improved as much as possible) |
| PD/PPD | Permanent Disability or Permanent Partial Disability |
| PDA | Permanent Disability Advance |
| PDR | Permanent Disability Rating |
| PERS | Public Employees' Retirement System |
| PQME | Panel Qualified Medical Evaluation/Evaluator |
| PRN | Medical term – return for care “as needed” |
| PTP | Primary Treating Physician |
| QME | Qualified Medical Evaluator/Evaluation |
| Rating | A calculation of permanent disability |
| RRTW | Released to return to work |
| S&W | A petition for additional benefits due to the employer's Serious and Willful misconduct leading to an injury or illness |
| SAWW | State Average Weekly Wage |
| SCIF | State Compensation Insurance Fund |
| SII | Self-Imposed Increase. An increase in benefits paid as the result of late provision of benefits. |
| SIU | Special Investigations Unit. A unit generally managed by the TPA that investigated potentially fraudulent claims and issues. |
| SJDB/SJDV | Supplemental Job Displacement Benefit/Voucher (relates to retraining costs) |
| SOL | Statute of Limitations |
| SSA/SS | Social Security Administration or benefits |

| | |
|---------------------|--|
| SSN | Social Security Number |
| Stips | Stipulated Award (an agreed-upon award) |
| Sub Rosa | Undercover investigation (usually filmed) |
| Take Nothing | A determined by the judge that the party “takes nothing” or receives no award (usually the employee) |
| TD/TTD | Temporary Disability/Temporary Total Disability (payment for time loss from work) |
| TPD | Temporary Partial Disability (payment for part-time loss from work – wage loss) |
| U&C | Usual and Customary occupation (regular work) |
| UR | Utilization Review |
| Voucher | Supplemental Job Displacement Voucher (relates to retraining) |
| VR/Voc Rehab | Vocational Rehabilitation (relates to retraining) |
| WC | Workers’ Compensation |
| WCAB | Workers’ Compensation Appeals Board |
| WCJ | Workers’ Compensation Judge |

December 3, 2020

Agenda Item 6.A.

FINANCIAL MATTERS

SUBJECT: Presentation of the Financial Audit Report by James Marta & Company

BACKGROUND AND HISTORY:

The financial audit for the year ending June 30, 2020, prepared by James Marta & Company, LLP, is attached for the Board's review. There are four sections within the audit report:

- Section One: contains the independent auditor's report which states the auditor's opinion. The opinion on the financial audit report is unqualified, which means that the financial statements are presented fairly.
- Section Two: contains the Management Discussion and Analysis (MD&A) which is written by your management team. MD&A is a very informative section as it provides analysis and discussion about what transpired during the year.
- Section Three: contains the Basic Financial Statements comprised of Statement of Net Position, Statement of Activities, Statement of Cash Flows and Notes to the Financial Statements.
- Section Four: contains required supplementary information such as the ten-year claims development information.

In addition, the Communication with Those Charged with Governance Letter and Report on Internal Control Letter are included for review.

RECOMMENDATION:

Staff recommends the Board accept and file the 2019/20 Financial Audit Report for the Fiscal Year Ended June 30, 2020.

REFERENCE MATERIALS ATTACHED:

- SHARP 2019-20 Audit Report
- SHARP 2019-20 Internal Control Letter
- SHARP 2019-20 Governance Letter

**SHARED AGENCY RISK POOL
(SHARP)**

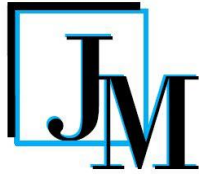
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

SHARED AGENCY RISK POOL

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Shared Agency Risk Pool
Sacramento, California

Report on the Financial Statements

We have audited the accompanying Statements of Net Position of Shared Agency Risk Pool (SHARP) as of June 30, 2020 and 2019 and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the fiscal years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

Required Supplementary Information

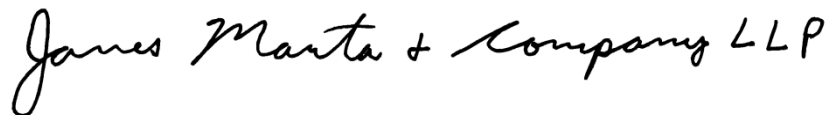
Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Claims Development Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of SHARP. The Graphical Summary of Claims is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Graphical Summary of Claims is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2020 on our consideration of Shared Agency Risk Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shared Agency Risk Pool's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

The management of the Shared Risk Agency Pool (SHARP) is pleased to present the following discussion and analysis of the operating results, financial condition, and liquidity of SHARP for the fiscal year ended June 30, 2020. This discussion should be read in conjunction with the financial statements and notes to the financial statements included with this report.

Overall Program Highlights

General

SHARP is a public entity, joint powers authority (JPA), created in 1989 by the Association of Bay Area Governments (ABAG) for certain San Francisco Bay Area public entities to provide a pooled approach for workers' compensation coverage, as allowed under the California Government Code. SHARP currently consists of four municipalities.

SHARP provides first dollar coverage for each member to SHARP's self-insured retention (SIR) limit, which is \$250,000. SHARP purchases excess workers' compensation coverage to the statutory limit per occurrence.

SHARP contracts with Sedgwick, a company specializing in the management of joint powers authorities, to handle the day-to-day operations of SHARP. The firm's employees provide general administrative, financial accounting, underwriting, loss prevention, claims management oversight, risk management, and other services as necessary for the operations of SHARP.

FISCAL YEAR 2019/2020 FINANCIAL HIGHLIGHTS

SHARP's financial highlights for the fiscal year include the following:

| | | |
|--------------|----------------|---|
| Revenues | \$806 thousand | Operating revenues decreased by 8% over the prior year due to a decrease in primary layer funding rates as well as a decrease in excess insurance cost. Non-operating revenues increased 2% due to market interest rates. |
| Expenses | \$634 thousand | Increased 20% from the prior year due to an increase in the claims expense, and changes in excess insurance and risk management grant. |
| Assets | \$5.6 million | Increased by 6%, over the prior year, due to an increase in cash and investments. |
| Liabilities | \$1.1 million | Increased by 15% from the prior year due to claims liabilities. |
| Net Position | \$4.5 million | Increased by 4% from the prior year. |

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Description of the Basic Financial Statements

SHARP's financial statements are prepared in conformity with generally accepted accounting principles and include certain amounts based upon reliable estimates and judgments. The financial statements include Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows along with accompanying Notes to the Financial Statements.

The **Statements of Net Position** present information on SHARP's assets and liabilities and the difference between the two, representing net position, or pool equity.

The **Statements of Revenues, Expenses and Changes in Net Position** present information regarding revenues versus expenses and how SHARP's net position changed during the year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the disbursement or collection of cash during future years (e.g., increase/decrease in claims liability).

The **Statements of Cash Flows** present the changes in SHARP's cash and cash equivalents during the fiscal year. The statements are prepared using both the direct and indirect method of cash flow. The statements detail the sources and uses of SHARP's cash and cash equivalents into two categories: operating activities and investing activities.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of SHARP's operations and significant accounting policies as well as clarify unique financial information.

SHARP's accounting system is organized so that each program year can be accounted for and evaluated independently. The assets, liabilities, revenues, and expenses are reported on a full-accrual basis. There were no significant accounting changes during the year.

James Marta & Company, Certified Public Accountants has performed an independent audit of the accompanying financial statements in accordance with generally accepted auditing standards. Their opinion is included in the Independent Auditor's Report section of this report.

Bickmore Actuarial provided an independent actuarial review to value the amounts recorded as outstanding claims liabilities for each program year.

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

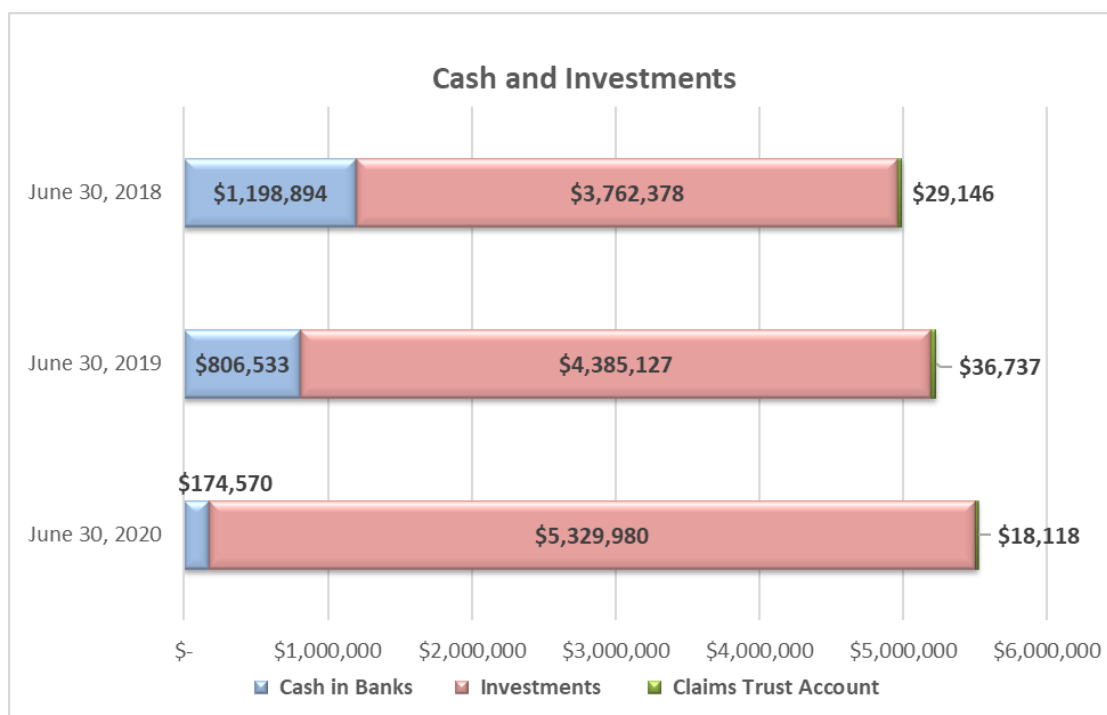
JUNE 30, 2020

CONDENSED STATEMENTS OF NET POSITION

| | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>% Change</u> | <u>6/30/2018</u> | <u>% Change</u> |
|------------------------|---------------------|---------------------|-----------------|---------------------|-----------------|
| Current Assets | \$ 5,561,324 | \$ 4,991,053 | 11% | \$ 4,521,616 | 10% |
| Noncurrent Assets | - | 252,808 | -100% | 497,199 | -49% |
| Total Assets | <u>5,561,324</u> | <u>5,243,861</u> | <u>6%</u> | <u>5,018,815</u> | <u>4%</u> |
| Current Liabilities | 303,095 | 328,820 | -8% | 245,810 | 34% |
| Noncurrent Liabilities | 803,671 | 632,000 | 27% | 824,033 | -23% |
| Total Liabilities | <u>1,106,766</u> | <u>960,820</u> | <u>15%</u> | <u>1,069,843</u> | <u>-10%</u> |
| Net Position | <u>\$ 4,454,558</u> | <u>\$ 4,283,041</u> | <u>4%</u> | <u>\$ 3,948,972</u> | <u>8%</u> |

Total Assets:

Overall, Total Assets of SHARP increased 6% from June 30, 2019, which is primarily due to an increase in cash and investments as funding for losses for the current fiscal year are collected up front but paid over time. Below is a graph depicting cash and investment balance over the past 3 years.



SHARED AGENCY RISK POOL

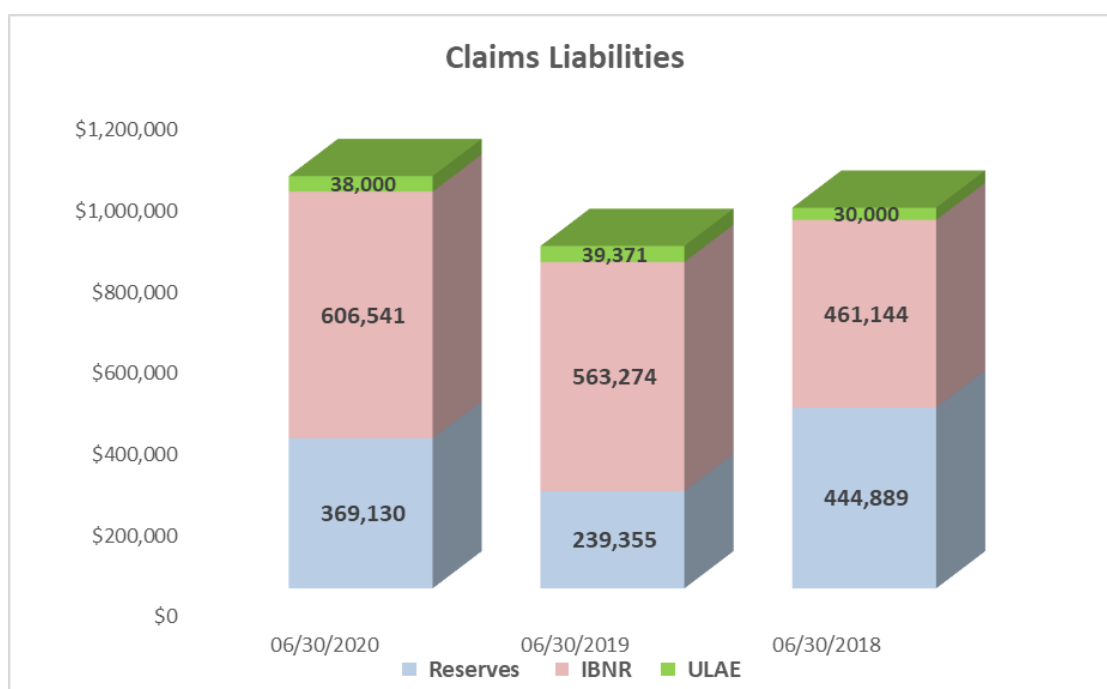
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Total Liabilities:

Overall, liabilities of SHARP increased 15% from June 30, 2019. The increase is in relation to claims liabilities which increased \$171 thousand from prior year. As shown in the chart below, Claims Reserves increased \$130 thousand to \$369 thousand, Claims Incurred but Not Reported (IBNR) increased \$43 thousand to \$606 thousand and Unallocated Loss Adjustment Expense (ULAE) decreased \$1 thousand to \$38 thousand. While Claims Reserves are estimates determined by the claim's adjuster, claims IBNR and ULAE are estimated by SHARP's actuary. SHARP discounts claims liabilities at 2%.

Claims have developed better than expected as the new program year (19/20) ultimate loss of \$318 thousand was added to the claims liabilities. However, the outstanding claims liabilities increased only \$171 thousand from the prior year.



Net Position:

Net Position, which is funded well above 85% confidence level, increased by \$171 thousand or 4% from June 30, 2019.

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>% Change</u> | <u>6/30/2018</u> | <u>% Change</u> |
|----------------------------------|---------------------|---------------------|-----------------|---------------------|-----------------|
| Operating Revenues | \$ 685,999 | \$ 747,003 | -8% | \$ 684,371 | 9% |
| Operating Expenses | | | | | |
| Claims expense | 264,040 | 126,578 | 109% | 210,831 | -40% |
| Excess insurance | 239,824 | 293,578 | -18% | 344,776 | -15% |
| Risk management | 40,000 | 28,024 | 43% | 94,065 | -70% |
| Claims administration | 15,160 | 14,720 | 3% | 14,291 | 3% |
| Administrative expense | 75,600 | 67,654 | 12% | 56,684 | 19% |
| Total Operating Expenses | <u>634,624</u> | <u>530,554</u> | <u>20%</u> | <u>720,647</u> | <u>-26%</u> |
| Net Operating Income (Loss) | 51,375 | 216,449 | -76% | (36,276) | -697% |
| Investment income | <u>120,142</u> | <u>117,620</u> | <u>2%</u> | <u>53,055</u> | <u>122%</u> |
| Change in Net Position | 171,517 | 334,069 | -49% | 16,779 | 1891% |
| Net Position - Beginning of Year | <u>4,283,041</u> | <u>3,948,972</u> | <u>8%</u> | <u>3,932,193</u> | <u>0%</u> |
| Net Position - Ending of Year | <u>\$ 4,454,558</u> | <u>\$ 4,283,041</u> | <u>4%</u> | <u>\$ 3,948,972</u> | <u>8%</u> |

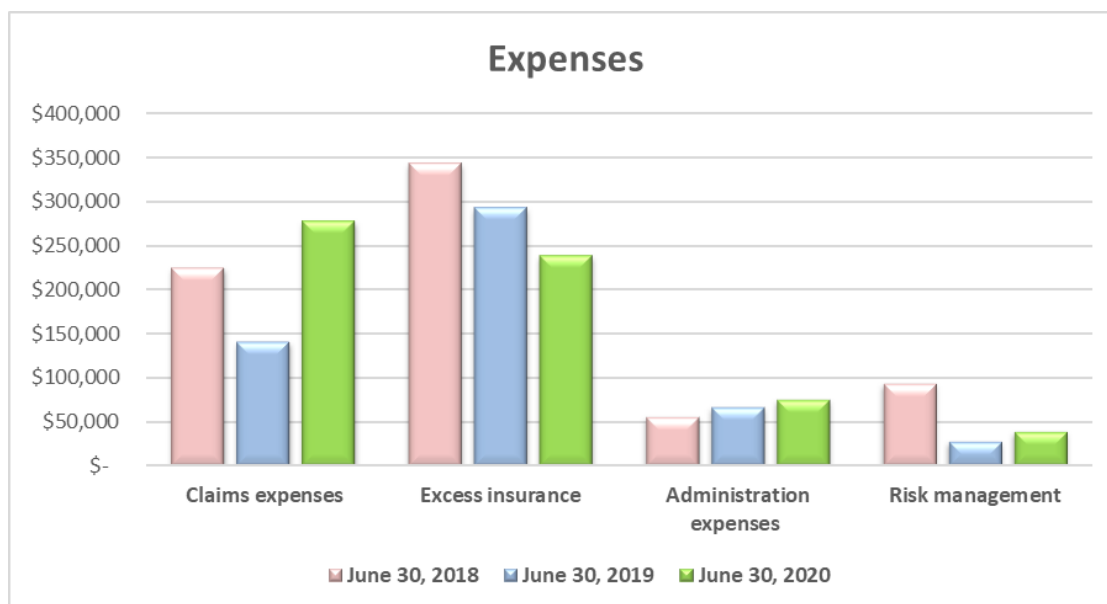
Operating revenues consist of member contributions. Member contributions decreased by 8% due to a decrease in primary layer funding rates (favorable claims development) as well as a decrease in excess insurance cost (ABAG leaving the SHARP program).

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Total operating expenses increased 20% from prior year. The increase is related to claims expense, changes in excess insurance and risk management grant.



Claims expense: increase is a result of the actuary increasing the current year ultimate loss by \$54 thousand when compared to 18/19 year. The increase was offset by decreasing ultimate losses by \$53 thousand for the older years. In 18/19 year, the actuary had lowered prior year ultimate losses by \$137 thousand.

Excess insurance: which reflects a decrease of 18% over the prior year, a result ABAG leaving the SHARP program. The attachment point is \$250,000 for excess coverage.

Risk management grant: In prior years, this grant was expensed when the reimbursements were received from the members. In the current year, a liability was recorded for the annual grant. This resulted in a 43% increase over the prior year.

Administrative expense: increased 12% or \$8 thousand over the prior year. Expenses included in administrative expense are: program administration, legal expenses, actuarial services, and financial audit fees. These expenses are ordinary and necessary expenses to operate SHARP.

Non-operating Revenues: As of June 30, 2020, both total book value and fair market value of cash and investments was nearly \$5.5 million. The cash and investments balance is comprised of cash in banks (3%), investments in LAIF (91%), and bank certificates of deposit (5.5%). The investment income earnings, which is mainly interest earnings, increased 2% over the prior year.

SHARED AGENCY RISK POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

MAJOR PROGRAM INITIATIVES AND ECONOMIC OUTLOOK

SHARP continues to promote Workplace Injury Prevention and Wellness as an integral part of its Workers' Compensation program. We continue to encourage the use of Best Practices (IIPP) and offer continuous training in Safety and Loss prevention to our members. Members also favor Wellness Programs to be offered to their employees.

The outlook for FY 2020/21 continues to be bright. SHARP's financial performance continues to reflect ongoing efforts to reduce claim frequency and manage claim severity. In addition to maintaining focus on core competencies, SHARP is also focused on further cost savings.

Statewide California experience indicates that costs started to decrease in 2014, and after a period of flattening, decreases were realized into 2019. The WCIRB filed for rate decreases on seven occasions between 7/1/15 to 2019. The decreases were due mostly to lower medical costs, which were affected by a variety of changes associated with the passing of SB 863, including the implementation of Resource-Based Relative Value Scale (RBRVS) and Independent Medical Review (IMR). SB 863 also significantly increased permanent disability benefits, and those increases continue to be implemented as expected. Declining costs were also due to the reduction in claims involving opioid prescriptions. Due to the COVID-19 pandemic, the WCIRB will be filing for the first-rate increase since the rates began falling. It is estimated that the pandemic costs will add six cents per \$100 of payroll, which is approximately a 4% increase. From a legislative standpoint, there has been significant activity pertaining to COVID-19. With the passing of SB 1159, AB 685, and AB 1867, additional benefits due as a result of these bills may increase future rates. Since the burden lies with the employee to establish industrial causation of their COVID-19 infection, litigation may be increased to pursue these benefits.

CONTACTING SHARP'S FINANCIAL MANAGEMENT

The Basic Financial Statements are intended to provide SHARP members, citizens, creditors and other interested parties a general financial overview of the SHARP's operation. Questions about these statements should be directed to SHARP, c/o Sedgwick, 1750 Creekside Oaks, Suite 200, Sacramento, CA 95833.

BASIC FINANCIAL STATEMENTS

SHARED AGENCY RISK POOL
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|---------------------------|--------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 5,251,747 | \$ 4,938,852 |
| Receivables | 24,997 | 2,203 |
| Deposits | 18,118 | 36,737 |
| Prepaid expenses | 13,659 | 13,261 |
| Investments | 252,803 | - |
| Total Current Assets | 5,561,324 | 4,991,053 |
| Noncurrent Assets | | |
| Investments | - | 252,808 |
| Total Assets | 5,561,324 | 5,243,861 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 93,095 | 118,820 |
| Claim liabilities | 210,000 | 210,000 |
| Total Current Liabilities | 303,095 | 328,820 |
| Noncurrent Liabilities | | |
| Claim liabilities | 803,671 | 632,000 |
| Total Liabilities | 1,106,766 | 960,820 |
| NET POSITION | | |
| Unrestricted | \$ 4,454,558 | \$ 4,283,041 |

SHARED AGENCY RISK POOL**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION****FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

| | 2020 | 2019 |
|-------------------------------|--------------|--------------|
| OPERATING REVENUES | | |
| Premium contributions | \$ 683,999 | \$ 745,003 |
| Other income | 2,000 | 2,000 |
| Total Revenues | 685,999 | 747,003 |
| OPERATING EXPENSES | | |
| Claims expense | 264,040 | 126,578 |
| Excess insurance | 239,824 | 293,578 |
| Risk management | 40,000 | 28,024 |
| Claims administration | 15,160 | 14,720 |
| Other operating expenses | 75,600 | 67,654 |
| Total Expenses | 634,624 | 530,554 |
| Operating Income (Loss) | 51,375 | 216,449 |
| NONOPERATING INCOME | | |
| Investment income | 120,142 | 117,620 |
| Change in net position | 171,517 | 334,069 |
| Net Position | | |
| Beginning of year | 4,283,041 | 3,948,972 |
| End of year | \$ 4,454,558 | \$ 4,283,041 |

SHARED AGENCY RISK POOL

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|---|--------------------------|--------------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from members | \$ 661,205 | \$ 758,323 |
| Cash paid for claims | (92,369) | (220,611) |
| Cash paid for insurance | (265,549) | (308,568) |
| Cash paid to others | (110,539) | (116,375) |
| Net Cash Flows Provided (Used) by Operating Activities | 192,748 | 112,769 |
| Cash Flows From Investing Activities: | | |
| Sale/Maturity of investments | - | 244,391 |
| Cash received from investment income | 120,147 | 117,620 |
| Net Cash Flows Provided (Used) by Investing Activities | 120,147 | 362,011 |
| Net Increase in Cash | 312,895 | 474,780 |
| Beginning Cash and Cash Equivalents | 4,938,852 | 4,464,072 |
| Ending Cash and Cash Equivalents | <u>\$ 5,251,747</u> | <u>\$ 4,938,852</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income (Loss) | \$ 51,375 | \$ 216,449 |
| (Increase) Decrease in: | | |
| Accounts receivable | (22,794) | 13,320 |
| Deposits | 18,619 | (7,591) |
| Prepaid expenses | (398) | (386) |
| Increase (Decrease) in: | | |
| Accounts payable | (25,725) | (14,990) |
| Claims liabilities | 171,671 | (94,033) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 192,748</u> | <u>\$ 112,769</u> |
| Supplemental Disclosures | | |
| Noncash Investing Activities | | |
| Increase (decrease) in Fair Market Value of Investments | <u>\$ (5)</u> | <u>\$ -</u> |

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Shared Agency Risk Pool (SHARP) is a joint powers authority created by the Association of Bay Area Governments (ABAG) for certain San Francisco Bay Area public entities to provide a pooled approach for workers' compensation coverage, as allowed under the California Government Code. SHARP operates a joint program under which members share risks, develop risk management programs, jointly purchase excess insurance and share administrative costs. SHARP sets and collects premiums, pays claims and administrative expenses and invests excess cash. SHARP is governed by a Board of Directors comprising officials appointed by each member entity.

Admission

Any California public entity may be admitted to SHARP upon submission of an approved application form no less than 30 days before the start of the next policy year and approval by a two-thirds vote of the Board of Directors.

Withdrawal

Any participating member may withdraw from SHARP upon giving written notice no later than April 30, provided the member has met the three (3) year minimum participation requirement. The effect of withdrawal does not terminate the responsibility of the member for any unpaid premiums and debts or assessments levied against program years during which the member participated.

Coverage

The workers' compensation coverage includes employer liability coverage.

| | |
|------------------|--|
| SHARP SIR Limit: | \$250,000 WC \$250,000 Employer Liability |
| Excess Carrier: | LAWCX |
| Excess Limit: | \$5,000,000 WC per occurrence \$5,000,000 Employer Liability per occurrence |

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

B. REPORTING ENTITY

SHARP has reviewed criteria to determine whether other entities with activities that benefit SHARP should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationship.

SHARP has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in these financial statements. In addition, SHARP is not aware of any entity that would exercise such oversight responsibility that would result in SHARP being considered a component unit of that entity. In determining its reporting entity, SHARP considered all governmental units that were members of SHARP since inception. The criteria did not require the inclusion of these entities in these financial statements principally because SHARP does not exercise oversight responsibility over any members.

C. BASIS OF ACCOUNTING

The financial statements are prepared on the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues from contributions and interest are recognized when earned and expenses are recognized when goods or services have been received, except when a premium deficiency exists where unearned premiums are recognized currently in accordance with GASB pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a governmental entity, SHARP follows the accounting standard hierarchy established by the GASB.

SHARP accounts for all transactions in one fund, which is comprised of all its assets, liabilities, deferred inflows/outflows of resources, net position, revenues and expenses. All transactions are accounted for on the accrual basis, which means that expenses are recorded when the liability is incurred and revenues are recorded when earned, rather than when cash changes hands.

D. CASH AND EQUIVALENTS

For purposes of the statement of cash flows, SHARP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. RECEIVABLES

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At June 30, 2020 and 2019, the total accounts receivable portfolio was considered collectible. Interest on investments is recorded in the year the interest is earned.

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

F. UNEARNED REVENUE/PREPAID EXPENSES

The policy year-end for SHARP is June 30. As such, certain revenues are treated as unearned and certain expenses as prepaid. This is to reflect a proper matching of revenues and expenses for the fiscal year-end financial statements.

G. INVESTMENTS

Under provision of SHARP's investment policy, and in accordance with Section 53601 of the California Government Code, SHARP may deposit and invest in the following:

- United States Treasury Securities
- Federal Agency Obligations
- Medium-term Corporate Notes
- Bankers' Acceptances
- Commercial Paper
- FDIC-Insured Certificates of Deposits and other CDs
- Negotiable CDs
- Money Market Funds
- State of California Local Agency Investment Fund
- Municipal Obligations
- Asset-Backed Securities
- Local Government Investment Pools
- Supranational Obligations

SHARP records its investments in LAIF at fair market value. The effect of recording investments in LAIF at fair market value is reflected as a net increase/decrease in the fair value of investments on the Statement of Revenues, Expenses and Changes in Net Position. Fair market value of investments in LAIF has been determined by the sponsoring government based on quoted market prices. SHARP's investments in LAIF have been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

H. OPERATING AND NONOPERATING REVENUES

Proprietary fund operating revenues, which include program contributions, related fees and assessments, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Revenues classified as non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

I. MEMBER CONTRIBUTIONS

Each member is assessed a contribution which is intended to cover its share of SHARP's claims, operating costs and claim settlement expenses. Contributions are based on an actuarially determined estimate of the probable losses and expenses attributable to a policy year. Additional cash contributions may be assessed on the basis of adverse loss experience. Refunds to members may be made if funds are determined to be in excess of the desired confidence level. All contributions are recognized as revenues in the year they are assessed.

Each year, SHARP performs an actuarial study to evaluate its financial risk position, defined as contributions less expenses, losses paid, and claim reserves. Contributions from members are assessed based on this evaluation.

J. EXCESS INSURANCE

SHARP purchases excess insurance coverage to reduce its members' exposure to losses in excess of the pool's \$250,000 limit. Excess insurance coverage permits recovery of a portion of losses from providers, although it does not discharge the primary liability of SHARP as direct insurer of the risks above this level. SHARP does not report excess insurance coverage risks as liabilities unless it is probable that those risks will not be covered by excess insurance.

K. UNPAID CLAIMS LIABILITIES: CLAIMS PENDING AND CLAIMS INCURRED BUT NOT REPORTED (IBNR)

SHARP's pooling fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future allocated claim adjustment expense) that have been reported but not settled, and of claims that have been incurred but not reported. Estimated amounts of subrogation and excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities is unlikely to result in an exact amount.

Claims liabilities are recomputed periodically to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

L. UNALLOCATED LOSS ADJUSTMENT EXPENSE (ULAE)

The liability for ULAE includes all costs expected to be incurred in connection with the settlement of unpaid claims that cannot be related to a specific claim. Management has estimated the accrual based upon the current actuarial projection.

M. INCOME TAXES

SHARP's income is exempt from federal income taxes under Internal Revenue Code Section 115, which excludes income derived from the exercise of any essential governmental function and accrues to a state political subdivision.

N. MANAGEMENT ESTIMATES

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

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

2. CASH AND INVESTMENTS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of June 30:

| | 2020 | 2019 |
|---------------------------------|---------------------|---------------------|
| Cash in Bank | \$ 174,570 | \$ 806,533 |
| Cash in CAMP Pool | 43,703 | 4,100,486 |
| Local Agency Investment Fund | 5,033,474 | 31,833 |
| Total Cash and Cash Equivalents | <u>\$ 5,251,747</u> | <u>\$ 4,938,852</u> |

The carrying amount of SHARP's cash in bank is covered by federal depository insurance up to \$250,000 for each account. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All funds held in banks are collateralized.

Local Agency Investment Fund

Shared Agency Risk Pool is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of SHARP's investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon SHARP's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. As of June 30, 2020, this fund has an average life of 191 days. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

2. CASH AND INVESTMENTS (CONTINUED)

CAMP

Shared Agency Risk Pool is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (o), inclusive, of Section 53601 of the California Government Code. SHARP reports its investments in CAMP at amortized cost.

B. INVESTMENTS

SHARP's Investment Policy and the California Government Code allow SHARP to invest in the following, provided the credit ratings of the issuers are acceptable to SHARP.

| Authorized Investment Type | Maturity Limits | Rating Requirements | Maximum Portfolio Percentage Holdings | Maximum Investment in One Issuer |
|--------------------------------------|-----------------|---------------------|---------------------------------------|----------------------------------|
| US Treasury Securities | 7 years | None | 100% | None |
| Federal Agency Obligations | 7 years | None | 100% (A) | None |
| Medium-Term Corporate Notes | 5 years | A/AA | 30% | 5% |
| Bankers' Acceptances | 180 days | A1/P1 | 25% | 5% |
| Commercial Paper | 270 days | A1/P1/F1 | 25% | 5% |
| FDIC-Insured Certificates of Deposit | 7 years (B) | AA+ | 30% | 10% |
| Certificates of Deposit - Other | 1 year | AA/A1 (C) | 10% | 10% |
| Negotiable CDs | 5 years | A/A1 | 30% | 5% |
| Money Market Funds | N/A | AAA (D) | 10% | None |
| Local Agency Investment Fund | N/A | None | 100% | None |
| Municipal Obligations | 5 years | A/A1 | 30% | 5% |
| Asset-Backed Securities | 5 years | AAA | 20% | 5% |
| Local Government Investment Pools | N/A | AAA | 100% | None |
| Supranational Obligations | 5 years | AA | 30% | None |

(A) Maximum limit on mortgage-backed securities is 20% of the investment portfolio

(B) The Board-approved investment policy allows maximum maturity of 7 years, which is longer than the 5 years as specified in the Government code

(C) Issuer with an AA long-term debt rating and/or A-1 short-term debt rating; must have "satisfactory" CRA rating

(D) Minimum 5-year history and \$500 million under management

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

2. CASH AND INVESTMENTS (CONTINUED)

Investment Interest Rate Risk

Interest rate risk is the potential adverse effect resulting from changes in market interest rates on the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates.

The sensitivity of the fair values of SHARP's investments to market interest rate fluctuations can be analyzed by the following distribution of SHARP's cash and investments by maturity which has been prepared using the earlier of stated maturity date or callable dates, if applicable:

| Investment Type | Fair Value | Investment Maturities | | |
|-------------------------|------------|-----------------------|---------|---------|
| | | < 1yr | 1-3 yrs | > 3 yrs |
| Certificates of Deposit | \$ 252,803 | \$ 252,803 | \$ - | \$ - |
| Total | \$ 252,803 | \$ 252,803 | \$ - | \$ - |

Investment Credit Risk

Credit risk is the risk of failure of an issuer of an investment in fulfilling its obligation to the holder of the investment. As of June 30, 2020, SHARP had investments in Certificates of Deposit amounting to \$252,803 which are not rated.

Concentration of Investment Credit Risk

SHARP's investment policy contains limitations on the amount that can be invested in any one issuer as listed in the previous page. No investments exceeded these limits as of June 30, 2020. Included in the investments are the investments held by the Trust Fund.

Fair Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2020 are as shown below:

| Description | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|---------|------------|---------|------------|
| Certificates of Deposit | \$ - | \$ 252,803 | \$ - | \$ 252,803 |
| Total | \$ - | \$ 252,803 | \$ - | \$ 252,803 |

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

3. CLAIM LIABILITIES

SHARP establishes a liability for both reported and unreported insured events. Claim liabilities are reflected on a discounted basis at 2.0% for 2020 and 2019, in accordance with actuarially determined discount formulas.

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|--------------------------|
| Unpaid claims and claim adjustment expenses at beginning of the fiscal year | \$ 842,000 | \$ 936,033 |
| Incurring claims and claim adjustment expenses: | | |
| Provision for insured events of the current fiscal year | 317,613 | 263,574 |
| Increases (decreases) in provision for insured events of prior fiscal years | <u>(53,572)</u> | <u>(136,996)</u> |
| Total incurred claims and claim adjustment expenses | <u>264,040</u> | <u>126,578</u> |
| Payments: | | |
| Claims and claim adjustment expenses attributable to insured events of the current fiscal year | (19,277) | (23,041) |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal years | <u>(73,092)</u> | <u>(197,570)</u> |
| Total Payments | <u>(92,369)</u> | <u>(220,611)</u> |
| Total unpaid claims and claim adjustment expenses at end of the fiscal year | <u><u>\$ 1,013,671</u></u> | <u><u>\$ 842,000</u></u> |

The components of unpaid claims liability and claims adjustment expense as of June 30, 2020 and 2019 were as follows:

| | | |
|---|----------------------------|--------------------------|
| <u>Components of Claims Liabilities</u> | | |
| Claim Reserves | \$ 369,130 | \$ 239,355 |
| Claims Incurred But Not Reported (IBNR) | 606,541 | 563,274 |
| Reserves for unallocated loss adjustment expense (ULAE) | <u>38,000</u> | <u>39,371</u> |
| Total Claims Liabilities | <u><u>\$ 1,013,671</u></u> | <u><u>\$ 842,000</u></u> |
| Claims liabilities - current portion | \$ 210,000 | \$ 210,000 |
| Claims liabilities - noncurrent portion | <u>803,671</u> | <u>632,000</u> |
| Total Claims Liabilities | <u><u>\$ 1,013,671</u></u> | <u><u>\$ 842,000</u></u> |

As of June 30, 2020 and 2019, the undiscounted unpaid claims and claim adjustment expenses were \$1,123,930 and \$985,571, respectively.

SHARED AGENCY RISK POOL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

4. JOINT VENTURE

SHARP participates in a joint venture under a joint powers agreement with Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). The relationship between SHARP and LAWCX is such that LAWCX is not a component unit of SHARP for financial reporting purposes.

LAWCX arranges for and provide workers' compensation coverage for its members. A board consisting of a representative from each member agency governs LAWCX. The board controls the operations of LAWCX including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member's agency pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in LAWCX. Full financial statements are available separately from LAWCX at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833. The most recent condensed audited financial information available is as follows:

| | <u>June 30, 2019</u> |
|---|----------------------|
| Total Assets | \$ 112,433,860 |
| Total Liabilities | <u>86,248,503</u> |
| Net Position | <u>\$ 26,185,357</u> |
| | |
| Total Revenues | \$ 21,497,100 |
| Total Expenditures | <u>14,871,395</u> |
| Net Increase (Decrease) in Net Position | <u>\$ 6,625,705</u> |

5. NET POSITION

Net Position is the excess of a fund's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. All of SHARP's net position is classified as unrestricted, describing the portion of net position which may be used for any purpose.

6. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on SHARP's operations and financial results at this time.

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2020, through November 18, 2020, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SHARED AGENCY RISK POOL

CLAIMS DEVELOPMENT INFORMATION

AS OF JUNE 30, 2020

| | | For the Policy Years Ended: | | | | | | | | | |
|--|--|-----------------------------|----------|--------|----------|--------|--------|---------|--------|---------|--------|
| | | (In thousands) | | | | | | | | | |
| | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2019 |
| Total Required Contribution and Investment Revenue: | | | | | | | | | | | |
| Earned | | \$ 550 | \$ 511 | \$ 653 | \$ 746 | \$ 723 | \$ 722 | \$ 667 | \$ 737 | \$ 865 | \$ 806 |
| Ceded- Excess Ins. | | 114 | 118 | 172 | 176 | 192 | 224 | 236 | 345 | 294 | 240 |
| (1) Net Earned Required Contribution and Investment Revenues | | 436 | 393 | 481 | 570 | 531 | 498 | 431 | 392 | 571 | 566 |
| (2) Unallocated Expenses | | 98 | 102 | 131 | 154 | 131 | 123 | 141 | 151 | 110 | 131 |
| (3) Estimated Incurred Claims and Expenses | | | | | | | | | | | |
| End of Year | | 78 | 88 | 160 | 19 | 98 | 18 | 72 | (127) | (558) | (558) |
| Ceded | | (114) | (118) | (172) | (176) | (192) | (224) | (236) | (345) | (294) | (240) |
| Net Incurred | | 192 | 206 | 332 | 195 | 290 | 242 | 308 | 218 | 264 | 318 |
| (4) Paid (Cumulative) | | | | | | | | | | | |
| End of Year | | 9 | 41 | 32 | 4 | 31 | 17 | 39 | 5 | 23 | 19 |
| One Year Later | | 23 | 76 | 64 | 34 | 66 | 21 | 147 | 38 | 94 | |
| Two Years Later | | 32 | 90 | 162 | 62 | 120 | 37 | 230 | 38 | | |
| Three Years Later | | 56 | 98 | 168 | 188 | 154 | 37 | 228 | | | |
| Four Years Later | | 57 | 114 | 168 | 216 | 156 | 37 | | | | |
| Five Years Later | | 56 | 342 | 168 | 292 | 164 | | | | | |
| Six Years Later | | 56 | 342 | 168 | 292 | | | | | | |
| Seven Years Later | | 54 | 340 | 168 | | | | | | | |
| Eight Years Later | | 56 | 340 | | | | | | | | |
| Nine Years Later | | 56 | | | | | | | | | |
| (5) Reestimated Ceded Claims and Expenses | | - | - | - | - | - | - | - | - | - | - |
| (6) Reestimated Incurred Claims and Expenses | | | | | | | | | | | |
| End of Year | | 192 | 206 | 332 | 195 | 290 | 242 | 308 | 218 | 264 | 318 |
| One Year Later | | 173 | 210 | 255 | 190 | 303 | 190 | 426 | 181 | 319 | |
| Two Years Later | | 139 | 412 | 261 | 196 | 311 | 108 | 347 | 174 | | |
| Three Years Later | | 93 | 369 | 210 | 352 | 291 | 82 | 318 | | | |
| Four Years Later | | 94 | 299 | 202 | 343 | 288 | 76 | | | | |
| Five Years Later | | 85 | 373 | 195 | 347 | 288 | | | | | |
| Six Years Later | | 66 | 372 | 196 | 321 | | | | | | |
| Seven Years Later | | 60 | 368 | 190 | | | | | | | |
| Eight Years Later | | 64 | 361 | | | | | | | | |
| Nine Years Later | | 56 | | | | | | | | | |
| (7) Increase (Decrease) in Estimated Incurred Claims Expense from End of Policy Year | | \$ 136 | \$ (155) | \$ 142 | \$ (126) | \$ 2 | \$ 166 | \$ (10) | \$ 44 | \$ (55) | \$ - |

SHARED AGENCY RISK POOL

NOTES TO CLAIMS DEVELOPMENT INFORMATION

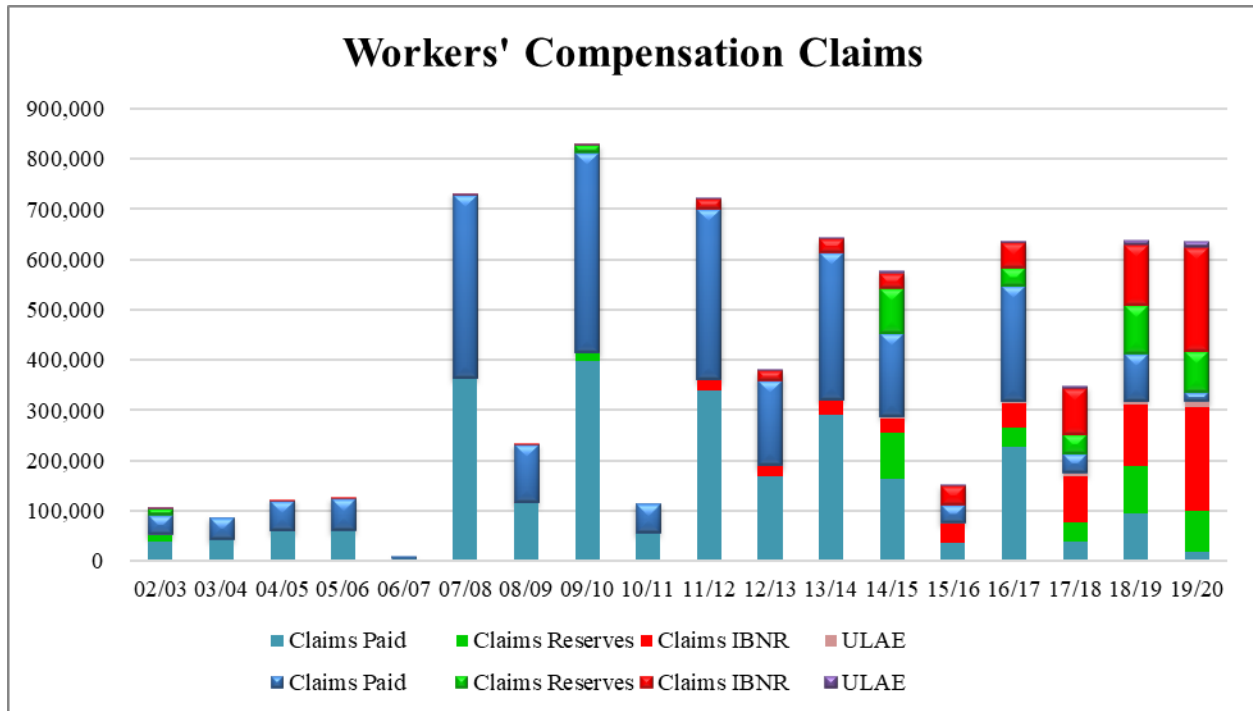
CUMULATIVE FROM INCEPTION THROUGH JUNE 30, 2020

The table on the previous page illustrates how SHARP earned revenues and investment income compare to related costs of loss and other expenses assumed by SHARP as of the end of each of the last ten years. The rows of the tables are defined as follows:

1. Total of each fiscal year's gross earned contribution and investment income less ceded (excess insurance cost, assessments/dividends) contributions to arrive at net earned contribution and investment revenues.
2. Fiscal year's other operating costs of SHARP for each fiscal year including overhead and loss expenses not allocable to individual claims.
3. SHARP's gross incurred losses and allocated loss adjustment expenses, losses assumed by reinsurers and net incurred losses and allocated loss adjustment expenses as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred.
4. Cumulative amounts paid as of the end of successive years for each policy year.
5. The latest re-estimated amount of losses assumed by reinsurers as of the end of the current year for each policy year.
6. Shows how each policy year's net incurred losses increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known losses, reevaluation of existing information on known losses and emergence of new losses not previously known.
7. Compares the latest re-estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally projected. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature policy years.

SUPPLEMENTARY INFORMATION

SHARED AGENCY RISK POOL
GRAPHICAL SUMMARY OF CLAIMS
AS OF JUNE 30, 2020





James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Shared Agency Risk Pool
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shared Agency Risk Pool, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Shared Agency Risk Pool's basic financial statements, and the related notes to the financial statements, which collectively comprise Shared Agency Risk Pool's basic financial statements, and have issued our report thereon dated November 18, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shared Agency Risk Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shared Agency Risk Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of Shared Agency Risk Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

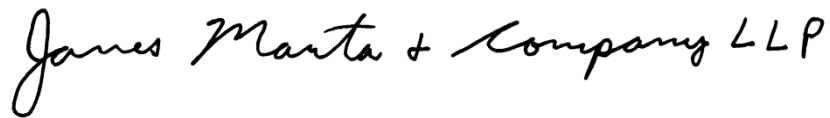
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shared Agency Risk Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 18, 2020



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
Shared Agency Risk Pool
Sacramento, California

We have audited the financial statements of Shared Agency Risk Pool as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated November 18, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 26, 2019 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Shared Agency Risk Pool solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal controls over financial reporting and compliance, and other matters noted during our audit in a separate letter to you dated November 18, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Shared Agency Risk Pool is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are upcoming Governmental Accounting Standards that we have listed in Attachment I.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are estimating outstanding claims liabilities.

Management's estimate of the outstanding claims liabilities is based on annual actuarial studies. We evaluated the key factors and assumptions used to develop the outstanding claims liabilities and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Shared Agency Risk Pool's financial statements relate to claim liabilities.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also

communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected immaterial misstatements identified as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment II, "Journal Entries Report", for adjustments identified as a result of our audit procedures or provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Shared Agency Risk Pool's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 18, 2020 (Attachment III).

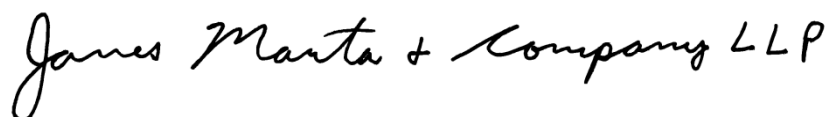
Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Shared Agency Risk Pool, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Shared Agency Risk Pool's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of Shared Agency Risk Pool and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 18, 2020

The following pronouncement of the Governmental Accounting Standards Board (GASB) has been released recently and may be applicable to SHARP in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to SHARP. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 84, Fiduciary Activities

Effective for the fiscal year ending June 30, 2020

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government’s fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

We do not expect GASB 84 to have any significant impact on SHARP at this time.

GASB Statement No. 87, Leases

Effective for the fiscal year ending June 30, 2021

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

We do not expect GASB 87 to have any significant impact on SHARP at this time.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

Effective for the fiscal year ending June 30, 2020

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

We do not expect GASB 88 to have any significant impact on SHARP at this time.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

Effective for the fiscal year ending June 30, 2021

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

We do not expect GASB 89 to have any significant impact on SHARP at this time.

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61

Effective for the fiscal year ending June 30, 2020

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

We do not expect GASB 90 to have any significant impact on SHARP at this time.

GASB Statement No. 91, Conduit Debt Obligations

Effective for the fiscal year ending June 30, 2022

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

We do not expect GASB 91 to have any significant impact on SHARP at this time.

GASB Statement No. 92, Omnibus 2020

Effective dates vary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports – *Effective for the fiscal year ending June 30, 2021*
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan – *Effective for the fiscal year ending June 30, 2021*
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits – *Effective for the fiscal year ending June 30, 2021*
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements – *Effective for the fiscal year ending June 30, 2021*
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition – *Effective for the government acquisitions occurring in reporting periods beginning after June 15, 2020*
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers – *Effective for the fiscal year ending June 30, 2021*
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature – *Effective for the fiscal year ending June 30, 2021*
- Terminology used to refer to derivative instruments. – *Effective for the fiscal year ending June 30, 2021*

We do not expect GASB 92 to have any significant impact on SHARP at this time.

GASB Statement No. 93, Replacement of Interbank Offered Rates

Effective for the fiscal year ending June 30, 2022

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap

- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

We do not expect GASB 93 to have any significant impact on SHARP at this time.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Effective for the fiscal year ending June 30, 2023

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

We do not expect GASB 94 to have any significant impact on SHARP at this time.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

Effective immediately

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of the preceding statements have been updated to reflect the impact of the issuance of GASB 95.

We do not expect GASB 95 to have any significant impact on SHARP at this time.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

Effective for the fiscal year ending June 30, 2023

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

We do not expect GASB 96 to have any significant impact on SHARP at this time.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

Effective for the fiscal year ending June 30, 2021

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

We do not expect GASB 97 to have any significant impact on SHARP at this time.

Adjusting Journal Entries

Adjusting Journal Entries JE # 1

To agree beginning equity to PY AFS

| | | | |
|--------------|--------------------------------|----------|----------|
| 300-5075-50 | Banking Service Charges | 1 | |
| 300-3200-50 | Retained Earnings - Prior Year | | 1 |
| Total | | 1 | 1 |

Adjusting Journal Entries JE # 2

PBC To record LAIF FMV Adjustment as of 6/30/20

| | | | |
|--------------|------------------------|---------------|---------------|
| 300-4320-50 | Interest Earned - LAIF | 24,553 | |
| 300-4350-50 | Unrealized Gain/(Loss) | | 24,553 |
| Total | | 24,553 | 24,553 |

Adjusting Journal Entries JE # 3

PBC to correct miscellaneous income and claims expense for the claims reimbursement from FY 2018-19

| | | | |
|--------------|-------------|--------------|--------------|
| 300-4590-50 | Misc Income | 5,375 | |
| 300-5110-50 | Claims Paid | | 5,375 |
| Total | | 5,375 | 5,375 |

Reclassifying Journal Entries

None.

Proposed Journal Entries

None.



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MANAGEMENT REPRESENTATION LETTER

November 18, 2020

James Marta & Company LLP
Certified Public Accountants
701 Howe Avenue, Suite E3
Sacramento, California 95825

This representation letter is provided in connection with your audit of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows of Shared Agency Risk Pool as of June 30, 2020 and 2019 and for the fiscal years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Shared Agency Risk Pool in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 18, 2020:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 26, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- There were no uncorrected misstatements during the current engagement to the applicable opinion units and to the financial statements as a whole.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment A.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards

Codification (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Shared Agency Risk Pool has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Shared Agency Risk Pool is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Shared Agency Risk Pool has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with *Government Auditing Standards*.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting standards generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the following significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

| <i>Significant Assumption or Interpretation</i> | <i>Basis for Assumption or Interpretation</i> |
|---|---|
| Estimated claims liabilities | Actuarial review |

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with *Government Auditing Standards*.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting standards generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the following significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

| <i>Significant Assumption or Interpretation</i> | <i>Basis for Assumption or Interpretation</i> |
|---|---|
| Estimated claims liabilities | Actuarial review |

- e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- f. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- g. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Use of a Specialist

The work of a specialist has been used by the entity.

We agree with the findings of specialists in evaluating the claims liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.


Jonathan Paulsen, Executive Director


Ritesh Sharma, Finance Manager

ATTACHMENT A
JOURNAL ENTRIES REPORT

Adjusting Journal Entries

Adjusting Journal Entries JE # 1

To agree beginning equity to PY AFS

| | | | |
|--------------|--------------------------------|----------|----------|
| 300-5075-50 | Banking Service Charges | 1 | |
| 300-3200-50 | Retained Earnings - Prior Year | | 1 |
| Total | | 1 | 1 |

Adjusting Journal Entries JE # 2

PBC To record LAIF FMV Adjustment as of 6/30/20

| | | | |
|--------------|------------------------|---------------|---------------|
| 300-4320-50 | Interest Earned - LAIF | 24,553 | |
| 300-4350-50 | Unrealized Gain/(Loss) | | 24,553 |
| Total | | 24,553 | 24,553 |

Adjusting Journal Entries JE # 3

PBC to correct miscellaneous income and claims expense for the claims reimbursement from FY 2018-19

| | | | |
|--------------|-------------|--------------|--------------|
| 300-4590-50 | Misc Income | 5,375 | |
| 300-5110-50 | Claims Paid | | 5,375 |
| Total | | 5,375 | 5,375 |

Reclassifying Journal Entries

None.

Proposed Journal Entries

None.

December 3, 2020

Agenda Item 6.B.

FINANCIAL MATTERS

SUBJECT: Update from SHARP's Finance Manager

BACKGROUND AND HISTORY:

Ritesh Sharma, SHARP's Finance Manager, will provide an update on the following financial matters:

June 30, 2020 Financial Statements

Attached are the Statement of Net Position (Balance Sheet) Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) as of June 30, 2020 and 2019, and Budget versus Actual as of June 30, 2020.

September 30, 2020 Financial Statements

Attached are the Statement of Net Position (Balance Sheet) Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) as of September 30, 2020 and June 30, 2020 and Budget versus Actual as of September 30, 2020.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

- Financial Statements as of June 30, 2020
- Financial Statements as of September 30, 2020

SHARP JPA
Statement of Net Position
As of June 30, 2020 and March 31, 2020
(Unaudited)

| | | | Change | |
|---|----------------------|-----------------------|---------------|-----------|
| | June 30, 2020 | March 31, 2020 | \$ | % |
| Assets | | | | |
| Cash - Operating Accounts | \$ 174,570 | \$ 500,933 | \$ (326,363) | -65% |
| Cash - LAIF (FMV) | 5,033,474 | 4,569,954 | 463,520 | 10% |
| Cash - Investments (FMV) | 252,803 | 253,023 | (220) | 0% |
| Cash - Restricted (York Trust) | 18,118 | 30,570 | (12,452) | -41% |
| Cash - CAMP | 43,703 | 43,625 | 78 | 0% |
| Accounts Receivable | 7,369 | 5,372 | 1,997 | 0% |
| Prepaid Expenses | 13,659 | 74,280 | (60,621) | -82% |
| Interest Receivable | 17,628 | 22,846 | (5,219) | -23% |
| Total Assets | 5,561,322 | 5,500,602 | 60,720 | 1% |
| Liabilities | | | | |
| Accounts Payable | 2,836 | - | 2,836 | |
| Accrued Liabilities - Other | - | - | - | |
| Accrued Liabilities - Risk Management Grant | 90,258 | 90,697 | (439) | 0% |
| Reserve for Known Claims, IBNR & ULAE | 1,013,671 | 1,002,849 | 10,822 | 1% |
| Total Liabilities | 1,106,765 | 1,093,546 | 13,219 | 1% |
| Net Position | \$ 4,454,558 | \$ 4,407,056 | 47,501 | 1% |

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

SHARP JPA
Statement of Revenues, Expenses & Changes in Net Position
For the Year Ended June 30, 2020 and Nine Months Ended March 31, 2020
(Unaudited)

| | 6/30/2020 | 3/31/2020 | Change | |
|--------------------------------------|---------------------|---------------------|------------------|--------------|
| | | | \$ | % |
| Revenues | | | | |
| Member Contributions-WC | \$ 683,999 | \$ 512,999 | \$ 171,000 | 33.3% |
| Misc. Income | 2,000 | 5,372 | (3,372) | -62.8% |
| Interest Income | 120,143 | 108,119 | 12,024 | 11.1% |
| Total Income | 806,142 | 626,490 | 179,651 | 28.7% |
| Expenses | | | | |
| Claims Expense: | | | | |
| Claims Paid - Net | 92,372 | 63,309 | 29,063 | 100.0% |
| Claims Management Fees | 15,160 | 10,107 | 5,053 | 100.0% |
| Incr/(Decr) in Reserves, IBNR & ULAE | 171,671 | 160,849 | 10,822 | 6.7% |
| Sub-total Claims Expense | 279,203 | 234,265 | 44,938 | 19.2% |
| Other Direct Expenses: | | | | |
| Excess Insurance-WC | 228,716 | 171,535 | 57,181 | 33.3% |
| DIR Assessment | 15,350 | 11,513 | 3,837 | 33.3% |
| LAWCX Assessment | (4,242) | (4,242) | - | 0.0% |
| Loss Prevention Programs | 40,000 | 40,000 | - | 0.0% |
| Sub-total Other Direct Expenses | 279,825 | 218,806 | 61,018 | 27.9% |
| Total Direct Expenses | 559,028 | 453,072 | 105,956 | 23.4% |
| Administrative Expenses | | | | |
| Program Administration | 53,045 | 39,784 | 13,261 | 33.3% |
| Legal Services | 3,218 | - | 3,218 | 0.0% |
| Actuarial Studies | 9,670 | 2,360 | 7,310 | 309.7% |
| Audit Fees | 7,250 | 5,500 | 1,750 | 31.8% |
| Claims Audit fee | - | - | - | 100.0% |
| Board & Committee Meetings | - | - | - | #DIV/0! |
| Bank Fees | 2,416 | 1,761 | 655 | 37.2% |
| Total Administrative Expenses | 75,598 | 49,404 | 26,194 | 53.0% |
| Change in Net Position | 171,516 | 124,014 | 47,501 | 38% |
| Beginning Net Position | 4,283,040 | 4,283,040 | - | 0.0% |
| Ending Net Position | \$ 4,454,558 | \$ 4,407,056 | \$ 47,501 | 1.1% |

SHARP JPA
Budget vs Actual
As of June 30, 2020
(Unaudited)

| | 2019/20 | | Change | |
|---|---------------------|----------------------|-----------------|---------------|
| | Budget | June 30, 2020 | \$ | % |
| Revenues | | | | |
| Member Contributions-Workers' Comp | \$ 684,000 | \$ 683,999 | \$ (1) | 100% |
| Funding from Equity for Risk Management | 40,000 | - | (40,000) | 0% |
| Misc Income | - | 2,000 | 2,000 | |
| Interest Income | - | 120,143 | 120,143 | |
| Total Revenues | 724,000 | 806,142 | 82,142 | 111% a |
| Expenses | | | | |
| Claims Expense: | | | | |
| Claims Paid | 297,000 | 92,372 | (204,628) | 31% |
| Claims Management Fees | 15,160 | 15,160 | (0) | 100% |
| Incr/(Decr) in Reserves, IBNR & ULAE | - | 171,671 | 171,671 | |
| Sub-total Claims Expense | 312,160 | 279,203 | (32,957) | 89% b |
| Other Direct Expenses: | | | | |
| Excess Insurance-Workers' Comp | 235,000 | 224,474 | (10,526) | 96% c |
| DIR Assessment | 10,000 | 15,350 | 5,350 | 154% d |
| Loss Prevention Programs | 40,000 | 40,000 | - | 100% e |
| Total Direct Expenses | 597,160 | 559,028 | (38,132) | 94% |
| Administrative Expenses | | | | |
| Program Administration | 53,045 | 53,045 | - | 100% |
| Legal Services | 5,000 | 3,218 | (1,783) | 64% |
| Actuarial Studies | 10,000 | 9,670 | (330) | 97% |
| Audit Fees | 7,500 | 7,250 | (250) | 97% |
| Claims Audit Fees | 2,500 | - | (2,500) | 0% |
| Other Consultants | 700 | - | (700) | 0% |
| Board & Committee Meetings | 600 | - | (600) | 0% |
| Conference & Seminars | 500 | - | (500) | 0% |
| Bank Fees | 2,000 | 2,416 | 416 | 121% |
| Miscellaneous Expense | 5,000 | - | (5,000) | 0% |
| Total Administrative Expenses | 86,845 | 75,598 | (11,247) | 87% f |
| Total Expenses | 684,005 | 634,626 | (49,379) | 93% |
| Change in Net Position | 39,995 | 171,516 | 131,521 | 429% |
| Beginning Net Position | 4,283,040 | 4,283,040 | - | |
| Ending Net Position | \$ 4,323,035 | \$ 4,454,558 | 131,523 | 103% |

Notes:

- a** Increase in total revenues due to interest income and miscellaneous revenues, which were not budgeted for.
- b** Claims expense, as a whole, is within the budgeted expectation.
- c** Excess workers' compensation premium is within the budgeted expectation.
- d** Department of Industrial (DIR) fee of \$15,350 was paid for the entire year. The budgeted cost is below the actual payment.
- e** Loss control grant has been expensed for the entire year.
- f** Total expenditures is below budgeted cost.

SHARP
Statement of Net Position
As of September 30, 2020 and June 30, 2020
(Unaudited)

| | | | Change | |
|---|---------------------|---------------------|-----------------|------------|
| | 9/30/2020 | 6/30/2020 | \$ | % |
| Assets | | | | |
| Cash - Operating Accounts | \$ 268,280 | \$ 174,570 | \$ 93,710 | 54% |
| Cash - LAIF (FMV) | 4,745,941 | 5,033,474 | (287,533) | -6% |
| Cash - Investments (FMV) | 250,985 | 252,803 | (1,818) | -1% |
| Cash - Restricted (York Trust) | 17,379 | 18,118 | (739) | -4% |
| Cash - CAMP | 43,738 | 43,703 | 35 | 0% |
| Accounts Receivable | 4,751 | 7,369 | (2,618) | 0% |
| Prepaid Expenses | 193,482 | 13,659 | 179,823 | 1317% |
| Interest Receivable | 10,175 | 17,628 | (7,453) | -42% |
| Total Assets | 5,534,730 | 5,561,322 | (26,592) | 0% |
| Liabilities | | | | |
| Accounts Payable | 1,587 | 2,836 | (1,249) | |
| Accrued Liabilities - Risk Management Grant | 79,410 | 90,258 | (10,847) | -12% |
| Reserve for Known Claims, IBNR & ULAE | 1,015,740 | 1,013,671 | 2,070 | 0% |
| Total Liabilities | 1,096,738 | 1,106,765 | (10,027) | -1% |
| Net Position | \$ 4,437,993 | \$ 4,454,558 | (16,565) | 0% |

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

SHARP
Statement of Revenues, Expenses & Changes in Net Position
For the Three Months Ended September 30, 2020 and Year Ended June 30, 2020
(Unaudited)

| | 9/30/2020 | 6/30/2020 | Change | |
|--------------------------------------|---------------------|---------------------|--------------------|---------------|
| | | | \$ | % |
| Revenues | | | | |
| Member Contributions-WC | \$ 177,176 | \$ 683,999 | \$ (506,823) | -74.1% |
| Misc. Income | - | 2,000 | (2,000) | -100.0% |
| Interest Income | 3,232 | 120,143 | (116,911) | -97.3% |
| Total Income | 180,408 | 806,142 | (625,733) | -77.6% |
| Expenses | | | | |
| Claims Expense: | | | | |
| Claims Paid - Net | 74,004 | 92,372 | (18,369) | 100.0% |
| Claims Management Fees | 3,904 | 15,160 | (11,256) | 100.0% |
| Change in Claims Liabilities | 2,070 | 171,671 | (169,601) | -98.8% |
| Sub-total Claims Expense | 79,977 | 279,203 | (199,226) | -71.4% |
| Other Direct Expenses: | | | | |
| Excess Insurance-WC | 59,941 | 228,716 | (168,775) | -73.8% |
| DIR Assessment | - | 15,350 | (15,350) | -100.0% |
| LAWCX Assessment | - | (4,242) | 4,242 | 0.0% |
| Loss Prevention Programs | 40,000 | 40,000 | - | 0.0% |
| Sub-total Other Direct Expenses | 99,941 | 279,825 | (179,884) | -64.3% |
| Total Direct Expenses | 179,918 | 559,028 | (379,110) | -67.8% |
| Administrative Expenses | | | | |
| Program Administration | 13,659 | 53,045 | (39,386) | -74.3% |
| Legal Services | 358 | 3,218 | (2,860) | 0.0% |
| Actuarial Studies | 2,360 | 9,670 | (7,310) | -75.6% |
| Audit Fees | - | 7,250 | (7,250) | -100.0% |
| Bank Fees | 679 | 2,416 | (1,737) | -71.9% |
| Total Administrative Expenses | 17,055 | 75,598 | (58,543) | -77.4% |
| Change in Net Position | (16,565) | 171,516 | (188,081) | -110% |
| Beginning Net Position | 4,454,558 | 4,283,040 | 171,518 | 4.0% |
| Ending Net Position | \$ 4,437,993 | \$ 4,454,558 | \$ (16,565) | -0.4% |

SHARP
Budget vs Actual
As of September 30, 2020
(Unaudited)

| | 2020/21 Budget | 1st Qtr Budget | Actual | Change \$ | % |
|---|---------------------------|---------------------------|---------------------|----------------------|---------------------|
| Revenues | | | | | |
| Member Contributions-Workers' Comp | \$ 708,704 | \$ 177,176 | \$ 177,176 | \$ 0 | 100% a |
| Funding from Equity for Risk Management | 40,000 | 40,000 | - | (40,000) | 0% |
| Interest Income | - | - | 3,232 | 3,232 | 0% |
| Total Revenues | 748,704 | 217,176 | 180,408 | (36,768) | 83% |
| Expenses | | | | | |
| Claims Expense: | | | | | |
| Claims Paid | 303,000 | 75,750 | 74,004 | (1,746) | 98% |
| Claims Management Fees | 15,615 | 3,904 | 3,904 | - | 100% |
| Change in Claims Liabilities | - | - | 2,070 | 2,070 | |
| Sub-total Claims Expense | 318,615 | 79,654 | 79,977 | 323 | 25% b |
| Other Direct Expenses: | | | | | |
| Excess Insurance-Workers' Comp | 240,000 | 60,000 | 59,941 | (59) | 100% c |
| DIR Assessment | 17,653 | 4,413 | - | (4,413) | 0% |
| Loss Prevention Programs | 40,000 | 10,000 | 40,000 | 30,000 | 400% d |
| Total Direct Expenses | 616,268 | 154,067 | 179,918 | 25,851 | 117% |
| Administrative Expenses | | | | | |
| Program Administration | 54,636 | 13,659 | 13,659 | - | 100% |
| Legal Services | 5,000 | 1,250 | 358 | (893) | 29% |
| Actuarial Studies | 11,000 | 2,750 | 2,360 | (390) | 86% |
| Audit Fees | 8,000 | 2,000 | - | (2,000) | 0% |
| Claims Audit Fees | 2,500 | 625 | - | (625) | 0% |
| Other Consultants | 700 | 175 | - | (175) | 0% |
| Board & Committee Meetings | 600 | 150 | - | (150) | 0% |
| Conference & Seminars | 500 | 125 | - | (125) | 0% |
| Bank Fees | 2,500 | 625 | 679 | 54 | 109% |
| Miscellaneous Expense | 5,000 | 1,250 | - | (1,250) | 0% |
| Total Administrative Expenses | 90,436 | 22,609 | 17,055 | (5,554) | 75% e |
| Total Expenses | 706,704 | 176,676 | 196,973 | 20,297 | 111% |
| Change in Net Position | 42,000 | 40,500 | (16,565) | (57,065) | -41% |
| Beginning Net Position | 4,454,558 | 4,454,558 | 4,454,558 | | |
| Ending Net Position | \$ 4,496,558 | \$ 4,495,058 | \$ 4,437,993 | | |

Notes:

The budget is 25% completed through September 30, 2020.

a Contribution billing matches budgeted contributions.

b Claims expense, as a whole, is within the budgeted expectation.

c Excess workers' compensation premium is within the budgeted expectation.

d Loss control grant has been expensed for the entire year. Budget shows the 1st quarter. This will even out by the end of the year.

e Total expenditures is below budgeted cost.

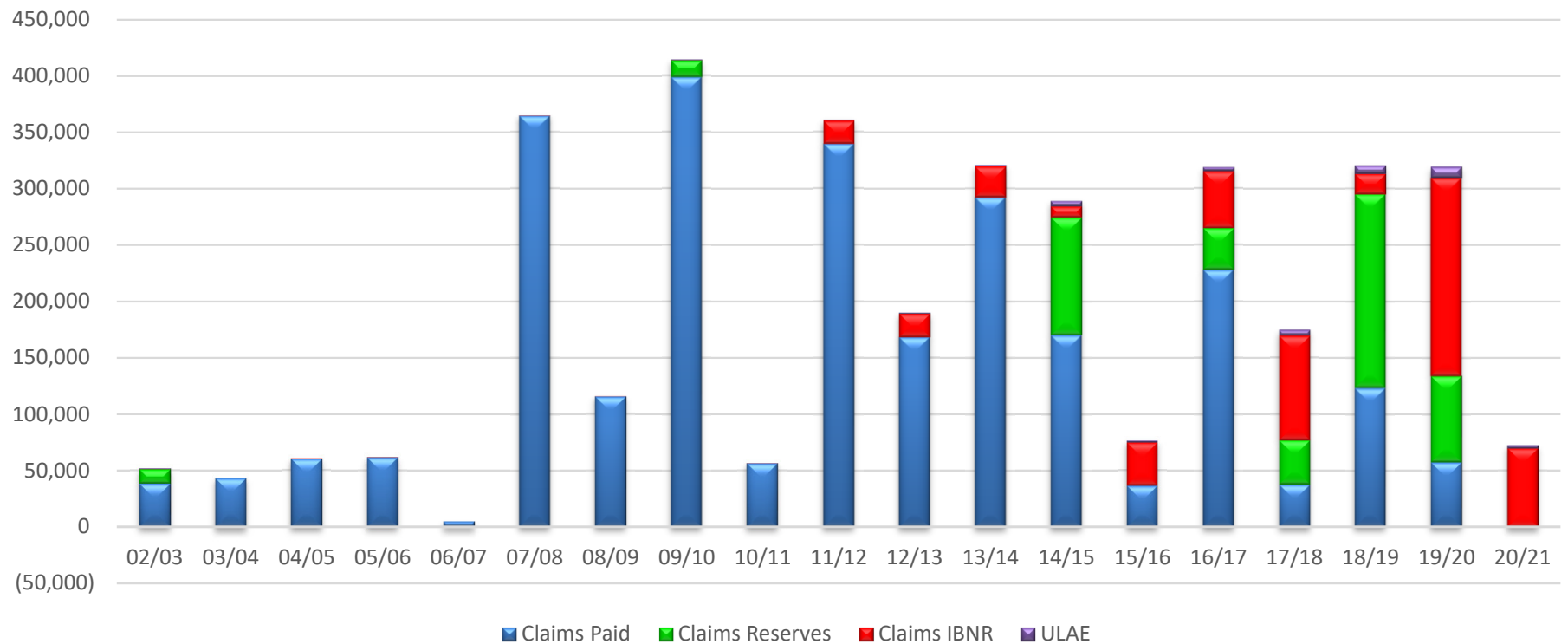
SHARP

RECONCILIATION OF CLAIMS LIABILITIES

September 30, 2020 AND June 30, 2020

| | <u>9/30/2020</u> | <u>6/30/2020</u> |
|--|----------------------------|----------------------------|
| Unpaid claims and claim adjustment expenses at beginning of the fiscal year | <u>\$ 1,013,671</u> | <u>\$ 842,000</u> |
| Incurring claims and claim adjustment expenses: | | |
| Provision for insured events of the current fiscal year | 72,261 | 317,613 |
| Increases (Decreases) in provision for insured events of prior fiscal years | <u>3,813</u> | <u>(53,572)</u> |
| Total incurred claims and claim adjustment expenses | <u>76,074</u> | <u>264,040</u> |
| Payments: | | |
| Claims and claim adjustment expenses attributable to insured events of the current fiscal year | - | (19,277) |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal years | <u>(74,005)</u> | <u>(73,092)</u> |
| Total Payments | <u>(74,005)</u> | <u>(92,369)</u> |
| Total unpaid claims and claim adjustment expenses at end of the fiscal year | <u><u>\$ 1,015,740</u></u> | <u><u>\$ 1,013,671</u></u> |
| <u>Components of Claims Liabilities</u> | | |
| Claim Reserves | 456,064 | \$ 369,130 |
| Claims Incurred But Not Reported (IBNR) | 521,676 | 606,541 |
| Reserves for unallocated loss adjustment expense (ULAE) | <u>38,000</u> | <u>38,000</u> |
| Total Claims Liabilities | <u><u>\$ 1,015,740</u></u> | <u><u>\$ 1,013,671</u></u> |

SHARP Claims



December 3, 2020

Agenda Item 6.C.

FINANCIAL MATTERS

SUBJECT: Consideration of the Financial Auditor Contract

BACKGROUND AND HISTORY:

The contract with James Marta & Company, LLP for financial auditing services expires after the June 30, 2021, financial audit. James Marta & Company was selected by PLAN JPA, after a Request for Proposal (RFP) process which included submissions from firms experienced with insurance risk pools. The SHARP Board elected to rely on PLAN JPA's RFP process and contract with James Marta & Company for audit services, as well. The contract was signed November 27, 2019, and the negotiated audit fee has been \$8,000 since 2019.

As the contract is set to expire next year, staff is requesting guidance if the SHARP Board would like to submit a RFP for audit services, or should staff coordinate on a multi-year contract with the current auditor, James Marta & Company, LLP.

RECOMMENDATION:

Staff recommends the Board of Directors provide direction.

REFERENCE MATERIALS ATTACHED:

None

December 3, 2020

Agenda Item 7.A.

GENERAL MANAGER'S REPORT

SUBJECT: Report from SHARP's General Manager

BACKGROUND AND HISTORY:

This time is reserved for discussion of various matters of interest or importance to SHARP. Particular items include the following:

- New Membership Update
- Target Equity

Jon Paulsen, SHARP General Manager, will be present to discuss topics and answer any questions of the Board.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 3, 2020

Agenda Item 8.A.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration of Program Administration Contract Renewal

BACKGROUND AND HISTORY:

SHARP contracted with Sedgwick (formerly Bickmore Risk Services/York Pooling) for Program Administration services. The contract began on November 2, 2017, and was set to expire on June 30, 2020. During the December 4, 2019, Board of Directors meeting, the Board approved a one-year contract extension for administrative services set to expire on June 30, 2021. Additional one-year extensions are available for the Board to exercise at the following rates:

- 2021/22 Program Year: \$57,336
- 2022/23 Program Year: \$59,056

The Board will need to consider one of the following options:

- Utilize an available one-year contract extension;
- Sign a new multi-year contract;
- Issue a Request For Proposal (RFP) for Administration Services.

Staff requests the Board provide direction.

RECOMMENDATION:

Staff makes no recommendation as there is a financial interest in the outcome.

REFERENCE MATERIALS ATTACHED:

None.

December 3, 2020

Agenda Item 9.A.

WORKERS' COMPENSATION MATTERS

SUBJECT: Update on SHARP's Workers' Compensation Program

BACKGROUND AND HISTORY:

The SHARP Workers' Compensation Program Sedgwick has been administering benefits for the SHARP program since 1986. Workers' Compensation Oversight services are provided by Sedgwick as part of the Administration agreement and managed by Jackie Miller as the Workers' Compensation Program Manager.

An overview of the Workers' Compensation Program will be provided by Ms. Miller. A Watch Report of the open, active and unresolved claims has been provided to the members prior to this meeting along with a report on any settlements authorized by the Workers' Compensation Program Manager.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 3, 2020

Agenda Item 9.B.

WORKERS' COMPENSATION MATTERS

SUBJECT: Legislative Updates

BACKGROUND AND HISTORY:

Jackie Miller, SHARP's Workers' Compensation Program Manager, will be in attendance to discuss the end of the 2020 Legislative Session as well as what to expect in 2021.

Key bills impacting SHARP were submitted to Governor Newsom for his review and final veto or approval. An update regarding the Governor's final decisions will be discussed.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

- Legislative and Industry Update

Shared Agency Risk Pool

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(800) 541-4591 Fax (916) 244-1199
<https://www.planjpa.org/about/sharpwc/>

Legislative and Industry Updates – November 18, 2020

As indicated in prior updates, due to the impact of COVID-19 to SHARP members, much of the Workers' Compensation litigation was expected to stall, with little progress that did not involve the pandemic. The following is an update on what has happened to date, the Governor's decisions on legislation that made it to his desk and what we may expect in the future:

WHAT TO EXPECT

The legislature will return for a brief "swearing in" of new members in December following the elections. We may see some bills introduced at that time, but the legislative session will not fully return until January 2021 when we can expect to start seeing "clean up" legislation regarding SB 1159 (COVID-19 Presumption). With the turnover due to elections, the retirement of key legislative staff combined with a somewhat restricted budget, we may see a decrease in legislative activity in 2021.

LEGISLATIVE ACTIVITY

COVID-19 WC BILLS:

AB 196 COVID-19, Essential Occupations/Industries (Gonzalez) - DID NOT PROGRESS

This bill references the Governor's Executive Order N-33-20 regarding COVID-19 and would define this as a conclusively presumptive "injury," for certain employees who are employed in an occupation or industry deemed essential by this order or who are subsequently deemed essential.

The conclusive presumption would be in effect for injuries occurring on or after March 1, 2020, and would extend that presumption following termination of service for a period of 90 days, starting from the last day the employee actually worked.

Note – This bill DOES NOT apply to Health Care Employees who provide acute direct patient care or Safety Officers (Police and Fire) as their exposure is covered in other legislation.

This bill was opposed by employers as it would create an indisputable presumption that all COVID-19 infections suffered by "essential workers" are work related for purposes of workers' compensation benefit eligibility. CAJPA's opposition states "This proposal violates any reasonable standard of fairness that could possibly be expected by employers across our state, and it would divert vital resources away from recovering businesses and stretched state and local budgets."

STATUS – This bill did not progress to the Governor's desk.

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AB 664 COVID-19, Communicable Disease (Cooper, Bonta, Gonzalez) – DID NOT PROGRESS

This bill proposed to define “injury,” for certain Safety Officers and hospital employees, to include “exposure to” or contracting on or after January 1, 2020, a communicable disease, including coronavirus disease 2019 (COVID-19), that is the subject of a state or local declaration of a state of emergency that is issued on or after January 1, 2020. The bill would create a conclusive presumption of compensability and would apply to injuries occurring PRIOR to the declaration and EXEMPT apportionment of Permanent Disability to non-industrial conditions.

As amended July 31, 2020 the conclusive presumption was amended to “rebuttable”, apportionment of Permanent Disability was returned and the bill now includes a provision for housing while in quarantine and modified the state of emergency to remove “local” declaration. Additional benefits were added for purchase of or reimbursement for PPE. It is noted, the bill is NOT specific to COVID-19 only, but includes all “communicable diseases”.

While many of the recent amendments are positive, the wide ranging presumption of all communicable diseases and expansion of traditional Workers’ Compensation benefits such as housing remain a concern for employers.

STATUS – This bill did not progress to the Governor’s desk.

SB 1159 COVID-19 Presumptive Injury (Hill and Daly) – APPROVED BY GOVERNOR

This bill as amended August 3, 2020 and would specify COVID-19 as a *rebuttably* presumptive injury for certain Safety Officers and Health Care workers *until January 1, 2024, and July 1, 2024, for employees generally*. Essentially codifying the Governors Executive Order N-62-20 regarding COVID-19.

As in other proposals and the Executive Order, the period of determining compensability is reduced to 30 days, and temporary disability and LC 4850 benefits would be payable only AFTER exhaustion of paid sick leave benefits

The presumption is extended to ALL Employees who test positive for COVID-19 where there are 5 or more employees. This bill is a “work in progress” with suggested language received on a continual basis. Staff continues to work with CAJPA to refine the language to limit the presumption to Safety Officer.

The final amendment of the bill generally applied to all employees dependent upon the determination of “OUTBREAK”, with special consideration for Health Care workers and Safety Officers.

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SB 1159 was approved by the Governor with an urgency clause September 17, 2020 making it immediately active, requiring retroactive positive test reporting from July 6, 2020 to September 17, 2020 due by October 29, 2020 with ongoing reporting due within 3 business days of the employer's knowledge of positive test results. SB 1159 is in place until January 1, 2023.

The SHARP released information regarding the specific reporting requirements and provided guidance and a reporting form to meet these requirements.

STATUS – Approved by Governor with Urgency Clause.

UPDATE ON NON-COVID LEGISLATION:

AB 932 Firefighter Injuries Out of State (Low and Petrie-Norris) – DID NOT PROGRESS

Similar to AB 1749 from the last session which expanded out of state coverage for Peace Officers **IF** the employer had passed a resolution agreeing to provide coverage, this proposal expands out of state coverage for Firefighters, including those which may have been injured during the Las Vegas shooting 10/01/17. At this time, one of the primary differences in the bill as proposed is that it **DOES NOT** require a resolution from the employer to provide coverage, but rather mandates the coverage.

The Legislative Analysis provided April 26, 2019 states: "In order to obtain workers' compensation benefits under the bill, injured firefighters would have to prove that they were engaging in rescue and protective actions, as opposed to merely being one of the many innocent bystanders shot by the sniper. This is true of virtually all workers' compensation claims – the burden is on the employee to show that the injuries grew out of activities that are job/duty related." CAJPA staff has been trying to work with the Author to amend the bill and follow the language in AB 1749, without much success. Due to unfortunate testimony presented in *defense* of this bill, this bill is not expected to proceed to the Governor's desk, no Hearings set at this time.

STATUS – – This bill did not progress to the Governor's desk.

AB 1107 Medical Treatment (Chu and Reyes) - DID NOT PROGRESS

This bill was initially introduced regarding the Utilization Review (UR) process in place to review, approve, modify or deny medical care. However, it recently underwent a significant "gut and amend" which altered the focus to now apply only to perceived delays in providing medical care.

The bill was amended again July 2, 2020 and no longer relates to Workers' Compensation.

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<https://www.planjpa.org/about/sharpwc/>

STATUS – No longer pertains to Workers’ Compensation and did not progress to the Governor’s desk.

SB 731 Permanent Disability Apportionment (Bradford) – DID NOT PROGRESS

SB 731 proposed to remove the ability to apportion PD to race, religious creed, color, national origin, age, gender, marital status, sex, sexual identity, sexual orientation, or genetic characteristics. This bill is similar to SB 899 proposed last year which was vetoed by the Governor with the statement “This bill is unnecessary as it would not change existing law and may disturb settled court decisions, which already provide protection from the inappropriate application of the apportionment statutes.

The bill was amended again July 27, 2020 and no longer relates to Workers’ Compensation

STATUS – No longer pertains to Workers’ Compensation and did not progress to the Governor’s desk.