



CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

RISK MANAGEMENT COMMITTEE MEETING

December 10, 2009 - 8:00 A.M.

**CarrAmerica Conference Center
Camellia Room
4400 Rosewood Drive
Pleasanton, CA 94588
925-398-2222**

AGENDA

I. CALL TO ORDER: 8:00 a.m.

II. ROLL CALL

III. APPROVAL OF MINUTES

- None

IV. PRESENTATIONS

- None

V. COMMUNICATIONS

A. Board Members

B. General Manager/Secretary

C. Next Scheduled Meetings: Board of Directors (12/10/2009)

Executive Committee (1/12/2010)

VI. CONSENT CALENDAR

- None

VII. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE RISK MANAGEMENT COMMITTEE ON MATTERS OF RISK MANAGEMENT COMMITTEE BUSINESS

VIII. ACTION CALENDAR

1. Risk Management Committee Formation

IX. CLOSED SESSION

- None

X. ACTION ON CLOSED SESSION ITEMS

XI. ADJOURNMENT

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

Item #: RM 1	<u>Title:</u> RISK MANAGEMENT COMMITTEE FORMATION
Meeting: 12/10/2009	
Agenda Bill #: 1094	
A.G.M./R.M. : DJC	

Recommended Action:

None. This item is being provided for informational purposes only.

Item Explanation:

President Henderson created the Risk Management Committee as a standing committee of the Executive Committee. This will be the first meeting of this committee. The committee is charged with developing a Mission Statement, a schedule of meetings, the location and type of meetings, a review of the items assigned to the committee from the adopted 2009-2010 General Manager Goals and Objectives, and developing a method for reporting actions to the Executive Committee and Board of Directors. The committee will utilize the adopted Strategic Plan in determining its direction. The committee is also encouraged to review outside programs for possible development within CJPRMA. The CJPRMA Risk Manager has been assigned as Staff to this Committee.

The Executive Committee reviewed and modified the General Managers' Goals and Objectives at its meeting in November. A number of the items identified in the Goals have been referred to the Risk Management Committee for review, development and implementation. The 2009-2010 Goals and Objectives have been attached to this agenda item for reference. In addition, a copy of the adopted CJPRMA Strategic Plan has been attached for review. At the Board of Directors meeting, held on October 15, 2009, President Henderson told the Board Members to submit their preferences on committee appointments, his assignments reflect their preferences.

The Risk Management Committee assignments are as follows:

Risk Management

Chris Carmona, Redding, Chair
Harry Maurer, Vallejo, Vice Chair
Dixon Coulter, NCCSIF
Ron Blanquie, Petaluma
Stacy Haney, Roseville
Lynne Margolies, Santa Rosa
Tony Giles, Sunnyvale

President Henderson, Livermore, will participate on all three committees as needed.

The CJPRMA Board of Directors adopted the following revised mission statement at its June 2009 meeting:

The California Joint Powers Risk Management Authority is a member-directed excess liability risk retention pool that is dedicated to protecting its members from catastrophic losses and meeting the needs of its members by:

- Providing comprehensive, stable, and affordable excess liability coverage***
- Offering competitive and flexible coverage programs***
- Delivering quality risk management services***
- Preserving financial strength and solvency***

The mission statement for this committee should be written in a format that compliments the goals of this organization. This statement will establish direction of the committee, the process for evaluating options and a method for delivery of programs. The committee will also be responsible for communicating with the Executive Committee and working with Staff in the development of their recommendations.

Fiscal Impact:

None

Exhibits:

- 1) 2009-2010 GM Goals and Objectives
- 2) CJPRMA Strategic Plan

Risk Management Committee Action:



GENERAL MANAGER GOALS & OBJECTIVES FOR 2009-2010

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
1. Maintain financial strength and solvency. 50%	A. Maintain affordable premiums for members.	Reinsurance Liability premiums will be maintained at the current level through 6/2011. Reinsurance Property premiums will be the same for two consecutive years through 6/2011.	Completed for 2010.	The General Manager provided the Board with a two year fixed premium annual renewal for all commercial programs. The Board adopted the program at the 2009 Annual Meeting.
	B. Explore and evaluate enhanced services at affordable costs.	Refer to coverage committee to review alternative coverage programs for members.	April 2010	
	C. Monitor organizational spending for budget compliance.	Ongoing	April 30, 2010	
	D. Establish a vendor pool providing discounted services to members.	Work with committees in defining vendor needs for members.	February 2010	
	E. Compare programs and services provided by other organizations.	Ongoing. To be discussed with Risk Management Committee.	June 2010	
	F. Monitor, review and evaluate all claims.	Ongoing. Report to Claim and Coverage Committee.		
	G. Monitor the use of outside counsel services in order to ensure that they are cost effective and efficient.	Ongoing. To be discussed with Claim and Coverage Committee.		
	H. Negotiate settlements that minimize the financial impact on organizational resources.	Ongoing. To be discussed with Claim and Coverage Committee.		
	I. Develop annual budget for approval.	Budget to be prepared for adoption at the annual meeting.	April 2010	

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
2. Establish training programs for Board Members, staff and member entities. 10%	A. Identify essential core competencies for Board members and alternates.	Open, To be discussed with Education and Training Committee.		
	B. Develop a training curriculum focused on identified core competencies.	Open, To be discussed with Education and Training Committee.		
	C. Conduct New Board Member Orientation twice annually.	Schedule additional Board Member Orientations and consider a session at CAJPA.	December 3, 2009	Staff created a program for Board Member Orientation. First training of this fiscal year completed.
	D. Create a training program focused on frequency and severity of losses.	Open, To be discussed with Education and Training Committee.		
	E. Implement a training program that optimizes member involvement and minimizes impact on member resources.	Open, To be discussed with Education and Training Committee.		
	F. Evaluate alternative methods for delivery of training programs.	Open, To be discussed with Education and Training Committee.		
	G. Create training program for professional development of staff.	Staff members attending CAJPA and PARMA Conferences. Additional programs being researched.	September 09 and February 10	Two staff members attended the 2009 CAJPA Conference. Four staff members to attend the 2010 PARMA Conference.

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
3. Create standards for member Risk Management programs. 15%	A. Develop minimum standards for member Risk Management programs.	To be discussed with Risk Management Committee.		
	B. Develop organizational standards (benchmarks) for comparing member programs.	To be discussed with Risk Management Committee.		
	C. Provide enhanced Risk Management services to members.	To be discussed with Risk Management Committee.		
	D. Create a member Risk Management audit policy and procedure.	To be discussed with Risk Management Committee.		
	E. Create a member Risk Management accreditation program.	To be discussed with Risk Management Committee.		
	F. Create model policies and procedures.	Ongoing		
	G. Establish minimum standards for best practices.	To be discussed with Risk Management Committee.		
	H. Provide enhanced communication to members including jury verdicts, legislative developments and other industry related developments.	Open		
	I. Provide enhanced briefings on closing cases.	To commence with December Board Meeting.	December 10, 2009	
	H. Establish a process for collecting member loss data.	Open. The CJPRMA Claims Auditor will be collecting loss data. The data will be transferred to CJPRMA for analysis.		

	I. Analyze loss data for categorical frequency and severity.	Open		
	J. Develop a comparative analysis for member to member experience.	Open		

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
<p>4. Improve the agenda process by creating policies and procedures for agenda preparation and distribution.</p> <p>10%</p>	<p>A. Create an agenda calendar which addresses dates for development and preparation of agendas. Agendas will be delivered via email one week prior to Board Meetings.</p>	<p>In Process.</p>	<p>December 10, 2009</p>	<p>A CJPRMA Annual Calendar was created and will be added as a standing agenda item beginning at the December 09 meeting.</p>
	<p>B. Increase the amount of background information provided in agenda bills.</p>	<p>Ongoing</p>		
	<p>C. Review preliminary agenda with the Board President at least 14 days prior to each meeting.</p>	<p>Commence in October 2009</p>		

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
5. Establish a permanent office site with meeting space. 5%	A. Award contracts for construction of improvements.	Complete		Contracts for Construction, furniture, cabling, exterior signage and audio visual have been executed.
	B. Purchase furniture and equipment for new facility.	Complete		A contract for new furniture for the facility has been executed. The equipment is currently on order with a delivery date in late January.
	C. Relocate staff and equipment to new facility.		February 2010	An RFP for mover services has been issued. Responses for the RFP are due December 14, 2009.
	D. Sublease/terminate lease for existing office space.	Open until move completed.		Preliminary discussions with broker have started. The broker is in the process of creating advertising for existing space.
	E. Complete the new facility within allocated budget.	In progress.	February 2010	
	F. Schedule an Open House for new facility.		March 2010	
	G. Develop policy for use of the facility by members and outside parties.		March 2010	
	H. Provide periodic status updates to the Board and Executive Committee.	Ongoing		The General Manager will report the status of the new building at all Executive Committee Meetings and Board Meetings. The GM provided status reports in October and November.

GOALS	ACTION STEPS	STATUS	TARGET COMPLETION	TASKS COMPLETED
<p>6. Conduct analysis to determine optimum organizational size and explore options for the provision of additional coverages, products and services.</p> <p>10%</p>	A. Conduct member survey to identify additional exposures.	Ongoing. To be discussed with Claim and Coverage Committee.	February 2010	
	B. Evaluate optional coverage programs for common member exposures.	Ongoing. To be discussed with Claim and Coverage Committee.	February 2010	
	C. Develop an enhanced special event program.	Complete. Continued development of the coverage to be discussed with Claim and Coverage Committee.	July 1, 2009	The Board adopted the special event program in June 2009.
	D. Conduct an actuarial analysis.	ARM Tech to review existing data to make recommendations for optimum size of organization based upon exposures.	March 1, 2010	
	E. Create a marketing program based upon organizational needs.	Open		
	F. Identify potential new members, create a priority list, and market accordingly.	Open		
	G. Maintain an organizational size that provides optimal pricing and delivery of services.		March 2010	
	H. Develop marketing plan for members and non-members.	Open		

California Joint Powers Risk Management Authority Strategic Plan 09-10

Priority	Long Range Goals	Initiatives to achieve goals	Fiscal Year	Assignment	Date completed
Strategic Direction					
High	Maintain an effective strategic plan	Review strategic plan annually, update as necessary and formally review at annual meeting.	Ongoing	BOD & GM	
		Provide status update of strategic initiatives at all board of director meetings	Ongoing	GM & Staff	
		Conduct strategic planning workshop annually	2009-2010	GM & Staff	
High	Evaluate the General Manager annually based upon goals and objectives.	Create an evaluation tool to be utilized by BOD and GM.	2008-2009	BOD & GM	
		Establish agreed upon goals and objectives for fiscal year.	2008-2009	BOD & GM	
		Identify and agree upon weighting of objectives.	2008-2009	BOD & GM	
		Create a process with timelines for the annual evaluation of the General Manager.	2008-2009	BOD & GM	
		Conduct an evaluation of the General Manager and review compensation based upon board adopted policy.	2009-2010	BOD & GM	

Internal Excellence					
High	Establish a governance approach which includes involvement of multiple board members.	Establish a policy for the creation of and performance guidelines for board committees.	2009-2010	BOD & GM	
		Identify core business areas that will be assigned to committees for oversight.			
High	Enhance the agenda deliverables to members.	Agenda review by President.	2009-2010	President/GM	
		Create a board agenda calendar including the dates for development and preparation of board agendas.	2009-2010	GM & Staff	
		Enhance the written materials included within the agenda packet and modify board agenda format.	2009-2010	GM & Staff	
Low	Review the continuing performance of the Insurance Broker.	Prepare and distribute an RFP for Broker of Record to qualified brokerage firms.	2010-2011	GM & Staff	
		Staff review of RFP submissions, including oral interviews, reference checks and program review.			
		Recommendation to Board of Directors for adoption at October Board Meeting.	2010-2011	GM & Staff	
		Award Broker of Record and begin marketing process for 2010-2011 program year.	2010-2011	BOD	
High	Establish a permanent office site with meeting space	Purchase a building for office space	2008-2009	BOD	
		Design the internal improvements	2008-2009	GM & Staff	
		Award contract and manage construction	2008-2009	GM & Staff	
		Purchase furniture and equipment for office space	2009-2010	GM & Staff	
		Relocation of staff and equipment to new facility	2009-2010	GM & Staff	
		Terminate existing facility lease	2009-2010	GM & Staff	
		Complete project within allocated budget	2009-2010	GM & Staff	
		Provide ongoing project status update to Board of Directors.	Duration of project	GM & Staff	
		Schedule grand opening celebration of new facility.	2009-2010	GM & Staff	
		Develop usage policy of facility for members and outside parties.	2009-2010	BOD & GM	

Marketing					
High	CJPRMA optimum membership	Determine optimal size parameters for the organization	2009-2010	GM & Staff	
		Perform actuarial review to determine minimum and maximum organizational limits	2009-2010	GM & Staff	
		Create a marketing program for new membership based upon identified needs of the organization.	2009-2010	GM & Staff	
		Establish a prioritized list of potential new members and market as necessary.	2009-2010	GM & Staff	
		Maintain the size of the organization that provides optimal pricing and delivery of service.	Ongoing	GM & Staff	

Core Services					
High	Policy creation and development	Develop model risk management polices for members	2009-2010	GM & Staff	
		Adopt risk management/best practice standards for membership	2009-2010	GM & Staff	
High	Affordable Premiums	Maintain affordable premiums for members	Ongoing	BOD & GM	
		Develop programs that enhance benefits to members	Ongoing	BOD & GM	
		Provide high level of service to members meeting their expectations	Ongoing	BOD & GM	
Medium	Auditing Standards	Develop a model for the performance of risk management audits for members	2009-2010	GM & Staff	
		Develop an organizational policy on the frequency of member audits	2009-2010	GM & Staff	
High	Products and Services	Develop optional individual services for members	2009-2010	GM & Staff	
		Create a CJPRMA approved vendor pool that provides discounted rates to members	2009-2010	GM & Staff	
High	Risk Management Information Services	Develop a standard on the reporting of loss information by member to CJPRMA	2009-2010	GM & Staff	
		Collect data from all members	2009-2010	GM & Staff	
		Create a reporting mechanism to deliver information to members	2009-2010	GM & Staff	
		Identify losses by frequency, severity and type.	2009-2010	GM & Staff	
		Create a member report card to effectively manage risks.	2009-2010	GM & Staff	
Low	Service enhancement deliverables	Service delivered based upon identified frequency and severity.	2009-2010	GM & Staff	
		Targeted service to members based upon individual loss history	2009-2010	GM & Staff	
Medium	Maintain data on offerings from comparable pools	Conduct ongoing assessment of programs offered by alternative JPA's and identify services to benefit membership.	Ongoing	GM & Staff	
Low	Explore expansion of claims audit to include evaluation of primary level work	Identify resources for claims audits and determine fiscal impact for expansion of services.	2009-2010	GM & Staff	
Med	Coverage audits for members	Audit of members insurance programs for adequa	2009-2010	GM & Staff	
High	Communication to membership	Provide ongoing information to members from Jury Verdicts, Appellate Cases and legislative developments	2009-2010	GM & Staff	
		Provide detailed case closure summary to BOD	2009-2010	GM & Staff	

High	Litigation Management Policy	Develop a litigation management policy	2009-2010	GM & Staff	
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	Core Services Continued				
		Claims and litigation management support for membership.	2009-2010	GM & Staff	
Medium	Member Accreditation Standards	Create a system for accrediting the performance of members based upon sound risk management practices and performance.	2009-2010	GM & Staff	

Education and Training					
Medium	Identify training needs and delivery methods	Develop a curriculum of standard board member training topics	2009-2010	GM & Staff	
		Establish minimum risk management competencies for Board Members and alternates	2009-2010	GM & Staff	
		Evaluate alternative methodologies for the delivery of training to member agencies	2009-2010	GM & Staff	
		Implement a training plan that optimizes member involvement and minimizes impact on member resources	2009-2010	GM & Staff	
		Create a training plan that includes delivery focusing on frequency and severity of losses	2009-2010	GM & Staff	
Medium	Training and Education	Provide members with a detailed training plan based upon frequency and severity of losses.	2009-2010	GM & Staff	
		Collect loss data from membership and develop a trending analysis based upon frequency and severity.	2009-2010	GM & Staff	
		Develop loss data evaluation for each members based upon performance to entire membership.	2009-2010	GM & Staff	
		Conduct new Board Member/Alternate Board Member orientation training programs at least semi-annually.	2009-2010	GM & Staff	
Medium	Establish a RM value for members	Identify the key components of an effective risk management program	2010-2011	GM & Staff	
		Develop a standard for comparison of programs for each member	2009-2010	GM & Staff	
Medium	Define additional program deliverables.	Develop core programs to market to existing members and non-members.	2009-2010	GM & Staff	

Coverage Options					
High	Market the foundation programs for CJPRMA	Annually market the GL/Auto/D&C reinsurance product	Ongoing	GM & Staff	
		Market the property,APD, and B&M Products	Ongoing	GM & Staff	
		Market the Special Event Program and focus on the development of a blanket special event coverage.	2009-2010	GM & Staff	
		Conduct a member survey to identify all CJPRMA exposures.	2009-2010	GM & Staff	
High	Identify coverage options for members and explore alternative products and services	With assistance of broker, evaluate optional coverage programs that include multiple exposures to members.	2009-2010	GM & Staff	