



MEETING AT A GLANCE

APRIL 2000

EXCESS LIABILITY PROGRAM

Due to increasing claim trends outlined in this year's actuarial report, the Board has followed the recommendations to increase the basic rates. This is the first rate increase in history of the program.

Rates for 2000/01

\$ 1 million retention **\$2.60/ADA** providing \$14 million excess \$ 1 million coverage
\$ 5 million retention **\$0.60/ADA** providing \$10 million excess \$ 5 million coverage
Non -ADA members **\$550.00**

\$4 Million Rate Credit

This rate credit will reduce the average cost of coverage to below **\$1.85/ADA** for members at the \$1 million retention level. Most members at the \$5 million retention level will receive the coverage **at no cost**.

Optional Excess Liability Program (OELP)

Option 1 - \$ 5 million xs of \$15 mil **\$0.20/ADA** * new **Option 3** - \$ 25 million xs \$15 mil **\$0.45/ADA**
Option 2 - \$10 million xs of \$15 mil **\$0.28/ADA** * new **Option 4** - \$ 35 million xs \$15 mil **\$0.54/ADA**

Excess Workers' Compensation Program

The Board voted for rate increases, following the actuary's recommendations. (Rates are per \$100 payroll)

\$ 250,000 retention	\$0.055
\$ 300,000 retention	\$0.043
\$ 350,000 retention	\$0.034
\$ 500,000 retention	\$0.020

Overall funding decreased from 77% confidence level to slightly below expected level of funding. The Board proposed a Stakeholders meeting for Tuesday, May 9 to review the program status, phase out of \$250,000 retention level and future options for deficit funding.

Life Program Grows

In completing our fourth year, the program has members totaling \$2.3 million of premium representing life benefit, long-term disability and medical stop-loss coverages. The program continues to grow as word of the profit sharing option spreads. For more information, contact Ron Shepherd at (650) 329-8111.

Claims Audits Completed

Both the Excess Liability and Excess Workers Compensation programs received high marks from the claims audits which concluded this past winter.

The auditors discussed issues between SELF and member claims administrators. We are planning a debriefing workshop to discuss the claims payments, trends and results of the claims audits in more detail. Look for an invitation this fall.

Employment Practices Liability Coverage Reviewed

SELF's Memorandum of Coverage was initially developed following the Industrial Indemnity form excluding coverage for employment practices, providing only defense cost coverage. Our form is broad compared to most commercial insurance policies.

In 1995, the exclusion for employment practices was deleted. Language defining Personal Injury was added indicating that coverage was available for unintentional discrimination or harassment. We are finding more reports of employment practice related claims. In discussing the coverage available to members, the Board is not clear of the application of the definition.

The Board has scheduled a Pool Managers Meeting on Thursday April 25 to review this and other important issues with member representatives.