



Central Region
School Insurance Group

2023/24

**Annual
Report**

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LETTER TO MEMBERS

Central Region School Insurance Group has completed its 44th year of providing stable insurance programs and valuable risk management resources for its 31 school district members in Stanislaus and Merced counties. Each of our members is to be recognized for their commitment to the safety and good health of their staff, students and surrounding communities. The Board of Directors continue to invest in loss prevention and control resources and release surplus equity in an intentional and planned manner to help offset rising insurance costs. It's because of their efforts and support the JPA maintains financially strong.

During 2023/24, claims increased across all programs, returning to normal levels seen prior to the pandemic. The reduction in claims activity during the pandemic contributed to a surplus in the dental and vision programs, exceeding our target equity funding policy. To address this, the Board of Directors approved a plan this year to return funds to members in those programs.

The Workers' Compensation program continues to perform well with favorable claims development, attributed to the cost containment efforts of the nurse reporting and the return to work program. This year the nurse triage program resulted in a claim avoidance of 52% by allowing employees to self-treat at home. In addition, 98% of injured employees returned to full duty due to the return to work program.

The Property & Liability insurances have seen its sixth straight year in a hard market. Increases in frequency and severity of sexual abuse and molestation claims, mostly attributed to changes in state legislation removing statutes of limitations, has created less appetite for risk by carriers. In property, consistent catastrophic weather events year after year have impacted the capacity of coverage. These circumstances have led to coverage limitations, higher self-insured retentions, and even loss of coverage experienced by public entities, in addition to high premium increases. CRSIG has been able to continue to provide the same coverages during these times.

We continually strive to provide loss control services and resources to support members in employee training and compliance. This year, CRSIG was pleased to implement district wide training in the areas of appropriate staff and student interactions on a continual basis. In response to SB 553, legislation mandating implementation of a workplace violence prevention program, CRSIG responded with resources to aid districts in creating their plans and offering a solution for employee reporting.

Thank you to each of the CRSIG members, the Board members, staff and business partners for your efforts, commitment and continued support of CRSIG.

Sincerely,

Angela Jacobson, ARM

Executive Director

GOVERNANCE

CRSIG's Board of Directors is comprised of one representative and one alternate from each participating member. Each member district has one (1) vote. The board meets twice a year. The day-to-day business is overseen by the Executive Committee, consisting of seven voting members and two alternates. These positions are elected biennially by the Board of Directors.

<u>2023/24 EXECUTIVE COMMITTEE</u>		
Twila Tosh	Salida Union School District	President
Andrey Viscovich	Empire Union School District	Vice President
Julie Betschart	Stanislaus County Office of Education	Treasurer
Shannon Sanford	Stanislaus Union School District	Member
Brenda Smith	Hughson Unified School District	Member
David Viss	Ceres Unified School District	Member
Helio Brasil	Keyes Union School District	Member
Kassandra Booth	Oakdale Joint Unified School District	1 st Alternate
Terry Metzger	Denair Unified School District	2 nd Alternate

<u>CRSIG Staff Members</u>
Angela Jacobson, ARM Executive Director
Lillian Parnoutsoukian Finance & Operations Specialist
Kari Hornberger, CPDM Return To Work Specialist
Lorena Jimenez Administrative Assistant

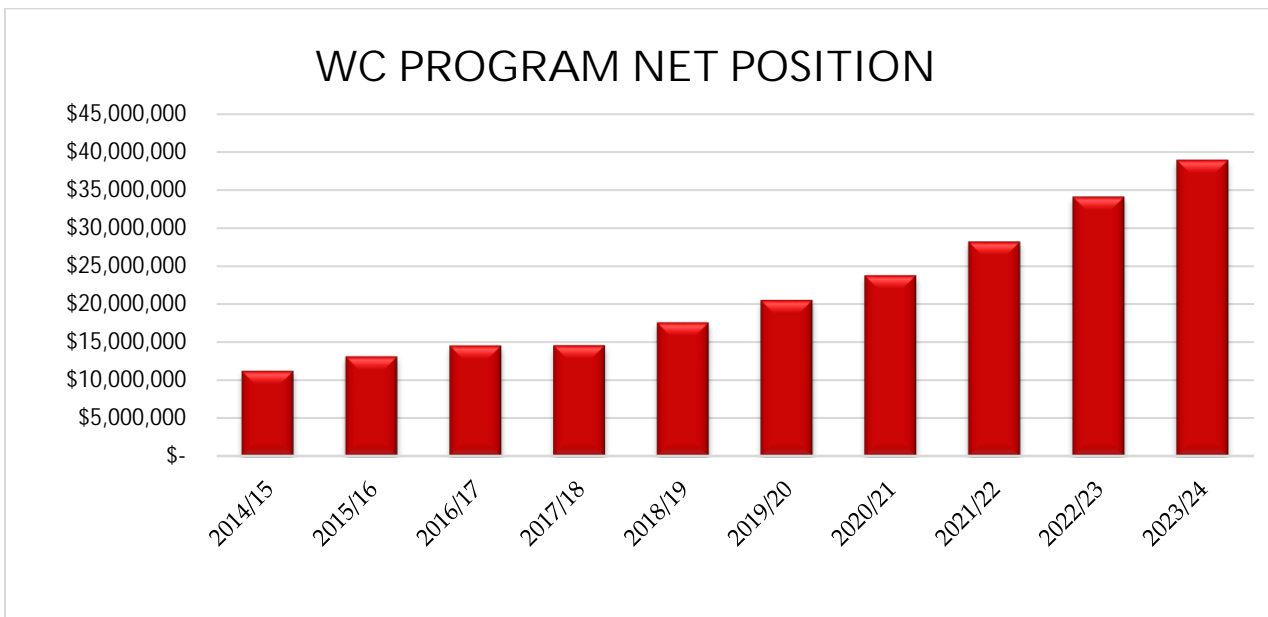
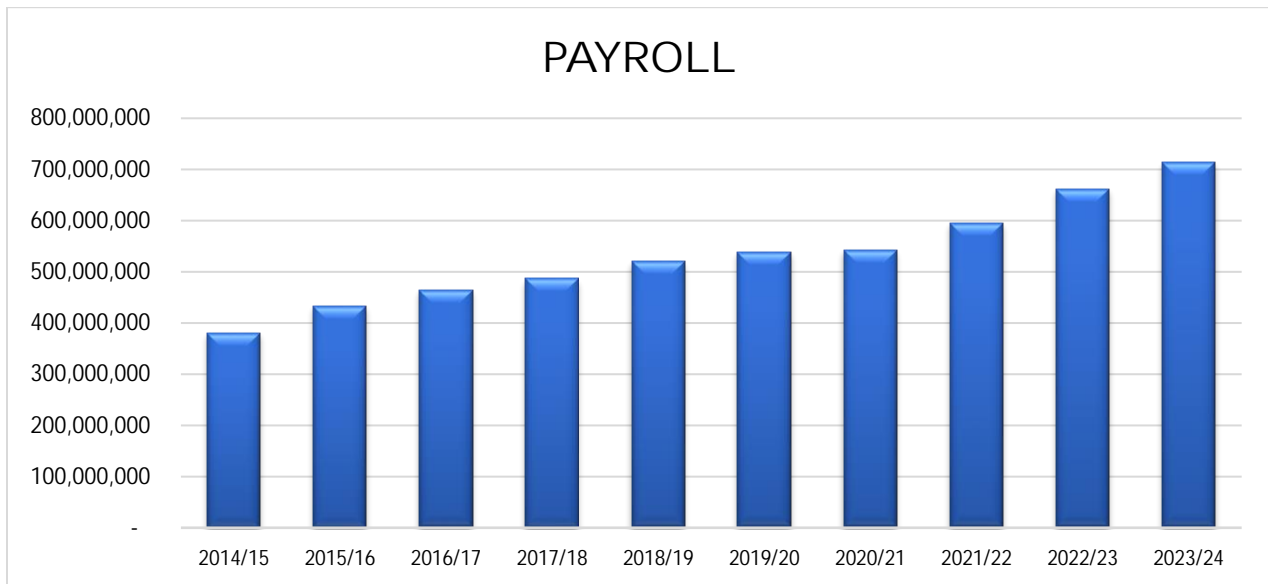
2023/24 MEMBERSHIP

CRSIG Member	Property & Liability	Workers' Compensation	Vision	Dental
Central Region School Insurance Group	✓	✓	✓	✓
Ceres Unified School District	✓	✓	✓	✓
Chatom Union School District	✓	✓		
Denair Unified School District	✓	✓		
Dos Palos-Oro Loma Unified School District	✓			
El Nido School District	✓			
Empire Union School District	✓	✓	✓	✓
Gratton School District	✓	✓	✓	✓
Gustine Unified School District	✓			
Hart-Ransom Union School District	✓	✓	✓	✓
Hickman Community Charter District	✓	✓	✓	✓
Hughson Unified School District	✓	✓	✓	✓
Keyes Union School District	✓	✓	✓	✓
Knights Ferry School District	✓	✓		✓
Le Grand Elementary School District	✓			
Le Grand High School District	✓			
Newman-Crows Landing Unified School	✓	✓		
Oakdale Joint Unified School District	✓	✓	✓	✓
Paradise Elementary School District	✓	✓	✓	✓
Patterson Unified School District	✓	✓	✓	✓
Plainsburg School District	✓			
Planada Elementary School District	✓			
Riverbank Unified School District	✓	✓	✓	✓
Roberts Ferry Union School District	✓	✓	✓	✓
Salida Union School District	✓	✓	✓	✓
Shiloh School District	✓	✓	✓	✓
Snelling-Merced Falls Union School District	✓			
Stanislaus County Office of Education	✓	✓	✓	✓
Stanislaus Union School District	✓	✓	✓	✓
Turlock Unified School District		✓		
Valley Home Joint School District	✓	✓		
Waterford Unified School District	✓	✓		✓
Total Participants:	31	24	17	19

PROGRAM HIGHLIGHTS

WORKERS' COMPENSATION

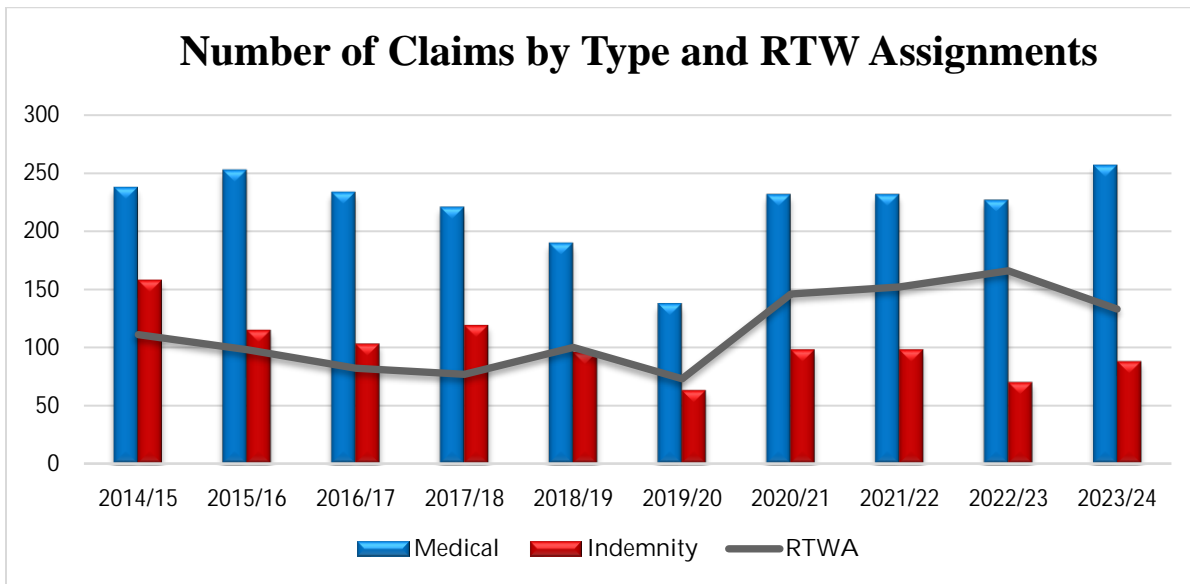
The 2023/24 renewal delivered an overall decrease of 8%. The program continues to enjoy favorable claims development, resulting in a decrease in claims liability of \$5,933,000. Total payrolls increased over 7% to \$713,343,877 and the amount of covered employees rose to 16,984, compared to 2022/23 at 15,878. The claims count was up slightly to 477, compared to 450 the previous year. With the decrease in claims, Net Position grew \$4,862,470.



PROGRAM HIGHLIGHTS

The Return to Work program was implemented in 2008 to assist our injured workers into a temporary or modified position during their recovery. By returning the injured worker in a modified assignment it aids in a faster recovery for the injured worker and allows them to continue to provide crucial functions of their role, while providing savings to our members.

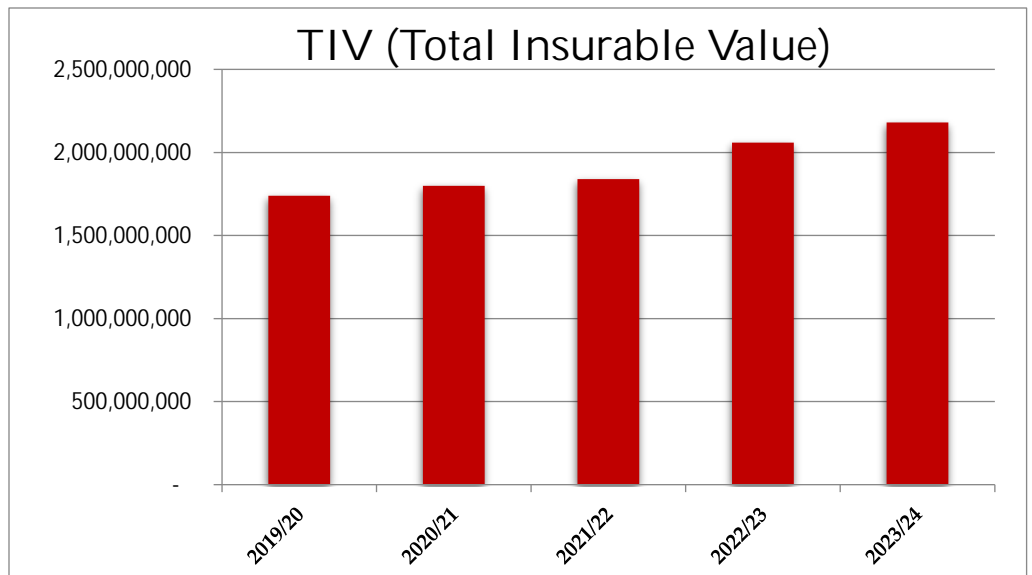
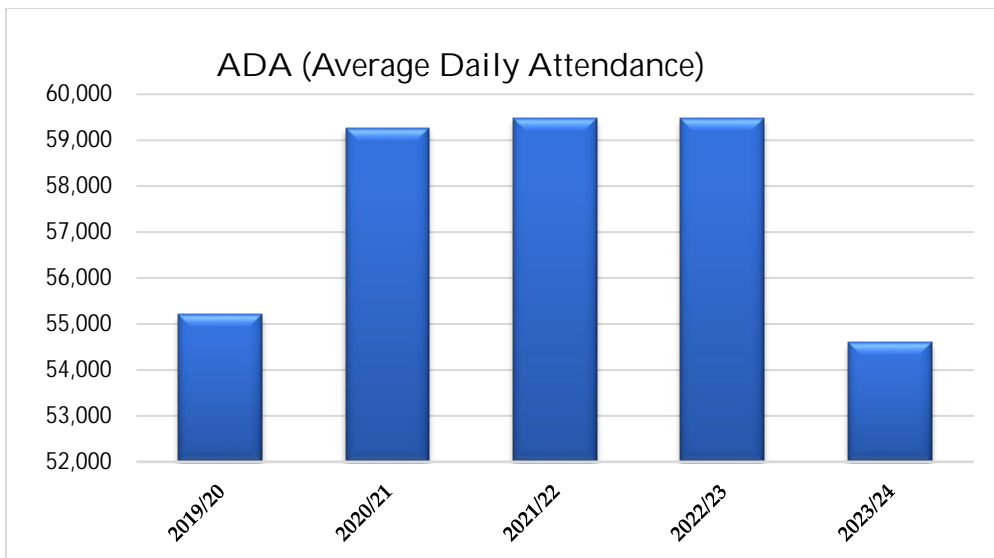
In 2023/24, there were a total of 477 injuries resulting in 133 employees being returned to a modified position and a savings of \$316,357 in temporary disability.



PROGRAM HIGHLIGHTS

PROPERTY & LIABILITY

The 2023/24 renewal delivered a rate increase of 27% on the excess liability and 34% on the excess property, while our self-insured layers had less than 1% increase on liability and no increase on property. The increase in contributions was not only due to higher excess property premiums, but also due to a growth of 6% in member Total Insured Values (TIVs). Average Daily Attendance (ADA) data is gathered from the December state lottery annually. CRSIG's ADA dropped significantly in the December 2022 data, which was reflective of the fluctuations during the COVID-19 pandemic. The program experienced an increase in claims liability, resulting in a decrease of \$253, 571 to the Net Position.



PROGRAM HIGHLIGHTS

PROPERTY & LIABILITY

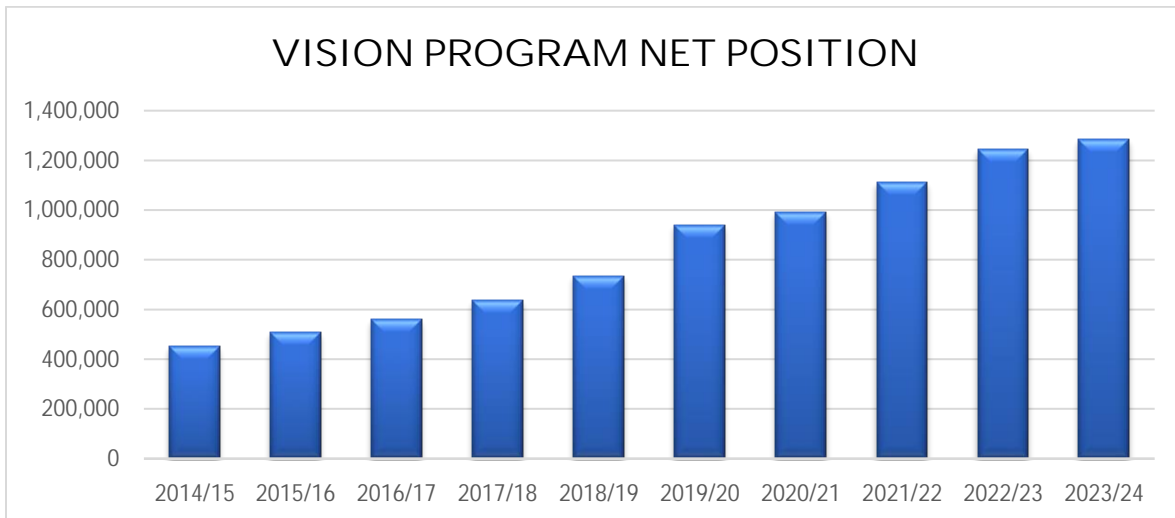
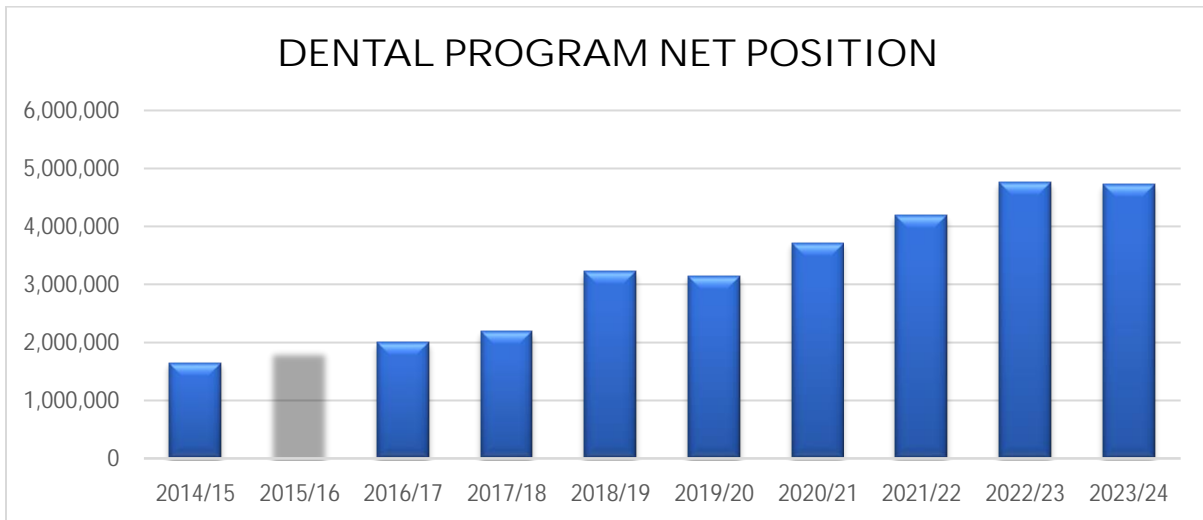


PROGRAM HIGHLIGHTS

DENTAL & VISION

The Dental program renewed October 1, 2023 with a 10% rate decrease. The Board of Directors adopted a rate mitigation plan to intentionally spend down surplus funding that exceeds the target equity funding. This resulted in a 5% decrease to the rates, making up part of the overall 10% reduction in rates. This plan will be evaluated annually. As a result, Net Position decreased slightly by \$39,417.

The Vision program renewed October 1, 2023 with a 13% rate decrease. Similar to the dental program the Board of Directors adopted a rate mitigation plan to intentionally spend down surplus. This resulted in a 5% decrease to the rates, making up part of the overall 13% reduction in rates. This plan will be evaluated annually. Net Position did increase slightly by \$40,253.



FINANCIAL REPORTS

COMBINING STATEMENT OF NET POSITION June 30, 2024

ASSETS	Workers' Compensation	Dental	Vision	Property/ Liability	JPA Administration	Total
Current Assets:						
Cash and cash equivalents	16,100,698	\$ 4,308,485	\$ 984,684	\$ 7,455,343	\$ 115,141	\$ 28,964,351
Interest receivable	242,270	26,542	5,487	33,038	25	307,362
Investments	2,293,213	57,069	26,914	202,806	-	2,580,003
Accounts receivable	834,430	644	105	553	-	835,732
Prepaid expenses	-	-	-	-	285	285
Total Current Assets	<u>19,470,611</u>	<u>4,392,740</u>	<u>1,017,190</u>	<u>7,691,740</u>	<u>115,451</u>	<u>32,687,733</u>
Non-Current Assets:						
Investments	38,548,816	959,321	452,420	3,409,164	-	43,369,720
Capital assets, net	883,901	-	-	123	9,739	893,763
Total Non-Current Assets	<u>39,432,717</u>	<u>959,321</u>	<u>452,420</u>	<u>3,409,287</u>	<u>9,739</u>	<u>44,263,483</u>
Total Assets	<u>58,903,328</u>	<u>5,352,061</u>	<u>1,469,610</u>	<u>11,101,027</u>	<u>125,190</u>	<u>76,951,216</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	22,370	192,558	92,709	28,505	11,240	347,382
Accrued vacation	25,831	-	-	-	23,177	49,008
Dividends payable	134,419	-	2,373	-	-	136,792
Current portion of claims payable	4,660,000	433,867	89,594	1,010,000	-	6,193,461
Total Current Liabilities	<u>4,842,620</u>	<u>626,425</u>	<u>184,676</u>	<u>1,038,505</u>	<u>34,417</u>	<u>6,726,643</u>
Noncurrent Liabilities:						
Unpaid claims liability	15,076,606	-	-	3,127,582	-	18,204,188
Total Liabilities	<u>19,919,226</u>	<u>626,425</u>	<u>184,676</u>	<u>4,166,087</u>	<u>34,417</u>	<u>24,930,831</u>
NET POSITION						
Net investment in capital assets	883,901	-	-	123	9,739	893,763
Unrestricted	38,100,201	4,725,636	1,284,934	6,934,817	81,034	51,126,622
Total Net Position	<u>\$ 38,984,102</u>	<u>\$ 4,725,636</u>	<u>\$ 1,284,934</u>	<u>\$ 6,934,940</u>	<u>\$ 90,773</u>	<u>\$ 52,020,385</u>

FINANCIAL REPORTS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION June 30, 2024

	Workers' Compensation	Dental	Vision	Property/ Liability	JPA Administration	Total
Operating Revenues						
Member contributions	\$ 8,950,194	\$ 6,674,283	\$ 1,174,840	\$ 9,148,994	\$ -	\$ 25,948,311
Other income	-	-	-	-	700,000	-
Total Operating Revenues	<u>8,950,194</u>	<u>6,674,283</u>	<u>1,174,840</u>	<u>9,148,994</u>	<u>700,000</u>	<u>25,948,311</u>
Operating Expenses						
Claims expense	3,835,741	6,763,094	1,079,387	1,692,782	-	13,371,004
Insurance expense	581,185	-	-	6,948,785	4,544	7,534,514
Risk management expense	658,793	-	-	812,686	-	1,471,479
Professional fees	9,046	25,892	25,892	7,551	48,145	116,526
General and administrative	554,199	63,000	63,000	203,000	615,468	798,667
Dividends expense	-	-	-	-	-	-
Total Operating Expenses	<u>5,638,964</u>	<u>6,851,986</u>	<u>1,168,279</u>	<u>9,664,804</u>	<u>668,157</u>	<u>23,292,190</u>
Operating Income (Loss)	<u>3,311,230</u>	<u>(177,703)</u>	<u>6,561</u>	<u>(515,810)</u>	<u>31,843</u>	<u>2,656,121</u>
Nonoperating Income						
Investment income	1,523,574	144,487	38,462	278,934	905	1,986,362
Rental income	27,666	-	-	-	3,400	3,400
Rental expense	-	(6,201)	(4,770)	(16,695)	-	-
Net Nonoperating Income	<u>1,551,240</u>	<u>138,286</u>	<u>33,692</u>	<u>262,239</u>	<u>4,305</u>	<u>1,989,762</u>
Change in Net Position	4,862,470	(39,417)	40,253	(253,571)	36,148	4,645,883
Net Position, Beginning	<u>34,121,632</u>	<u>4,765,053</u>	<u>1,244,681</u>	<u>7,188,511</u>	<u>54,625</u>	<u>47,374,502</u>
Net Position, Ending	<u>\$ 38,984,102</u>	<u>\$ 4,725,636</u>	<u>\$ 1,284,934</u>	<u>\$ 6,934,940</u>	<u>\$ 90,773</u>	<u>\$ 52,020,385</u>