



Central Region
School Insurance Group

**ANNUAL REPORT
2022/23**

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LETTER FROM EXECUTIVE DIRECTOR

Central Region School Insurance Group has completed its 43rd 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 continued their efforts to manage risks and control costs during a challenging pandemic that finally came to an end this year. It's because of their efforts and support the JPA came through those unprecedented times stronger than before.

The most significant change that occurred at CRSIG during the year was the retirement of Executive Director, Susan Adams, who lead CRSIG since 2013. Through succession planning the Board appointed me as her successor and provided early hiring of our new Finance & Operations Specialist which afforded me the opportunity to work closely alongside Susan as well with the new employee, Lillian Parnoutsoukian, for several months, allowing for a seamless transition.

CRSIG staff had another big undertaking this year with the implementation of a new financial accounting system. This spanned several months, but provides much more efficiency with workflow processes.

The Workers' Compensation program continues to perform well with favorable claims development, no doubt a result of the cost containment efforts of the nurse reporting and the return to work program. By using nurse triage, there was an avoidance of 46% claims and allowing employees to self-treat at home. In addition, 98% of injured employees returned to full duty within an average of 32 days due to the return to work program.

The Property & Liability insurances have seen its fifth year in a hard market, with the same challenges related to sexual abuse and molestation and catastrophic property claims as a result of an increase in extreme weather events. These conditions continue to deliver high premium increases in the excess markets and less competition among carriers. CRSIG has been able to continue to provide the same coverages during these difficult times.

Loss control services and resources were enhanced this year in the area of safety incentive funds to address hazards leading to employee injuries and property loss. In addition to members receiving an increase in the annual allotment, any unused funds will be offered back to members in the form of a grant to first come, first served. Additionally, CRSIG rolled out a new risk management program for cyber liability exposures by focusing on member vulnerability scans.

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.

2022/23 EXECUTIVE COMMITTEE

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
Shawn Posey	Newman-Crows Landing School District	2 nd Alternate

CRSIG Staff Members

Susan Adams
Executive Director

Angela Jacobson, ARM
Chief Operations Officer

Lillian Parnoutsoukian
Finance & Operations Specialist

Kari Hornberger, CPDM
Return To Work Specialist

Valerie Caratachea
Administrative Assistant

2022/23 MEMBERSHIP

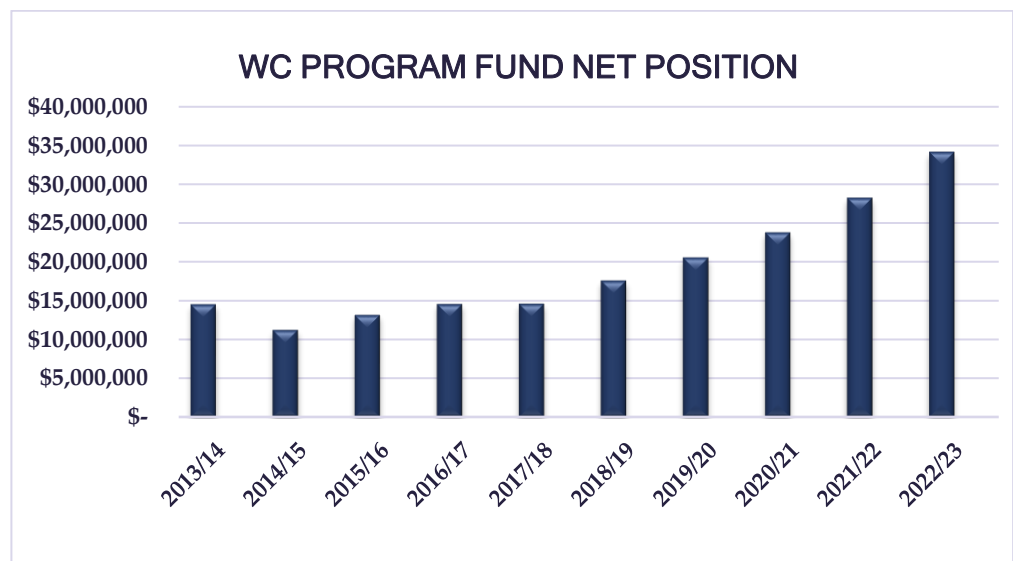
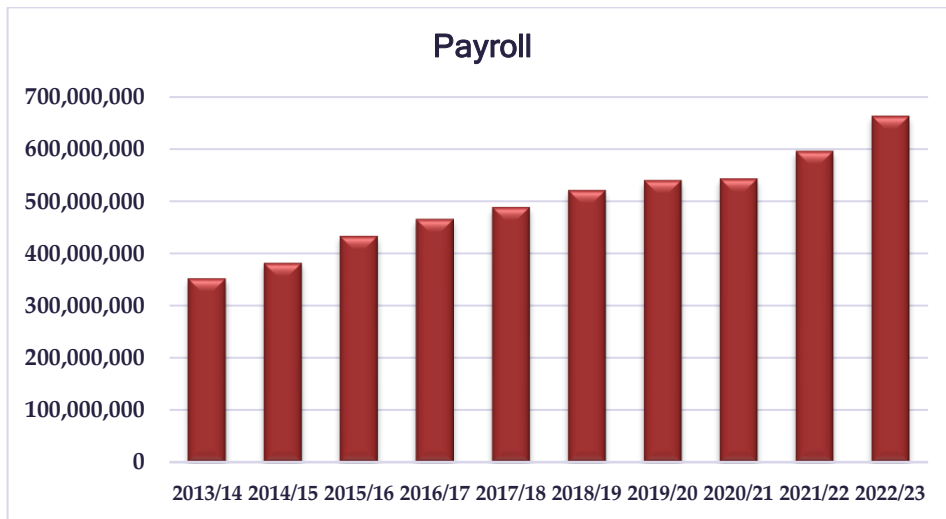
CRSIG Member	Property & Liability	Workers' Compensation	Vision	Dental
Central Region School Insurance Group	✓	✓	✓	✓
Ceres Unified School District	✓	✓	✓	✓
Chatom Union School District	✓	✓		
Denair Unified School District	✓	✓		
Dos Palos-Oro Loma Unified School District	✓			
El Nido School District	✓			
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 2022/23 renewal saw a decrease of 12% at the self-insured layer and a flat renewal with excess insurance. This is due to another year of favorable claims development, resulting in a decrease in claims liability of \$6,676,000. Total payrolls increased over 11% to \$662,175,883 and the amount of covered employees rose to 15,878, compared to 2021/22 at 14,088.

Though the number of employees grew, the claims count decreased to 450, compared to 476 the previous year. The decrease in claims liability and increase in contributions created a growth in Net Position totaling \$5,886,729.

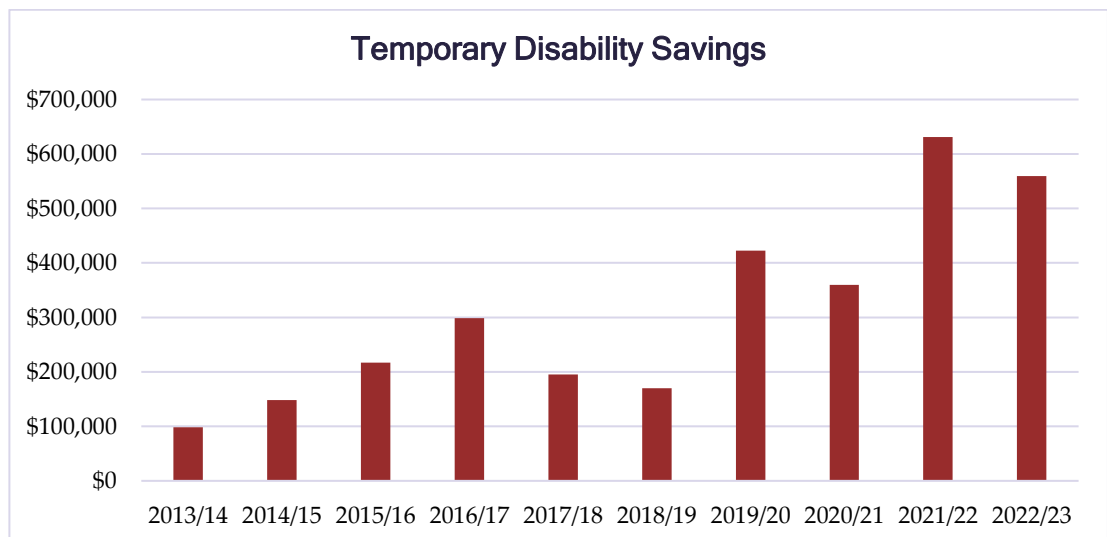
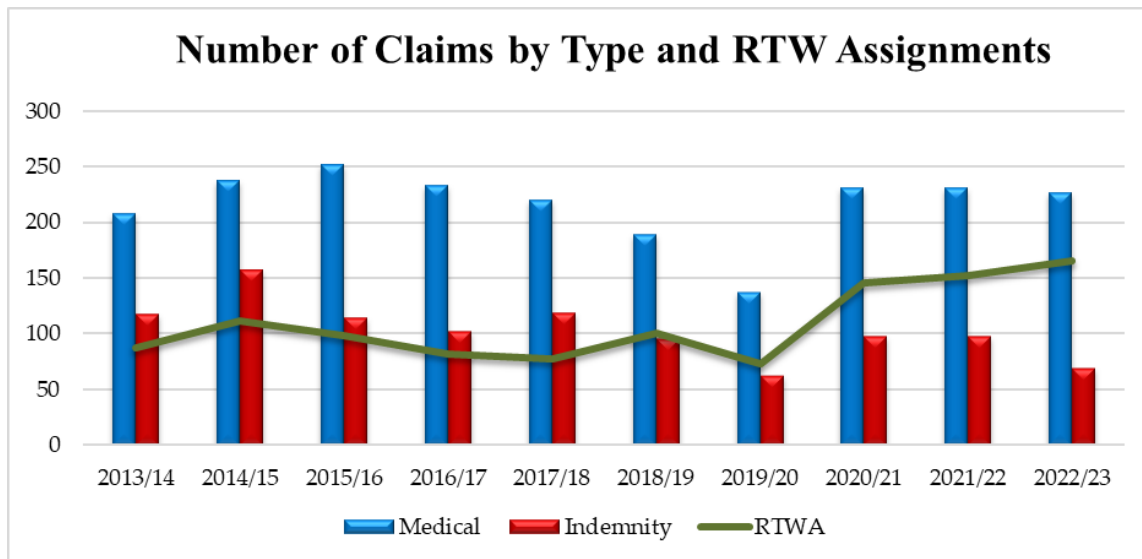


PROGRAM HIGHLIGHTS

WORKERS' COMPENSATION

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.

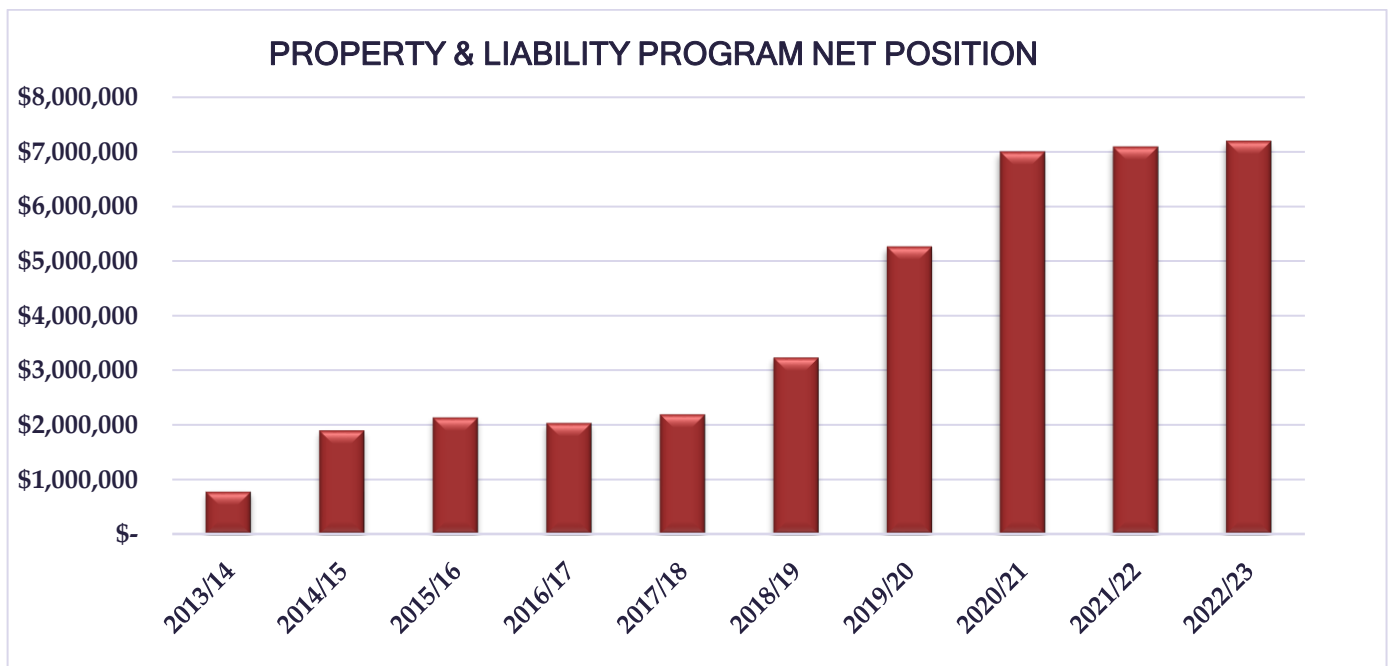
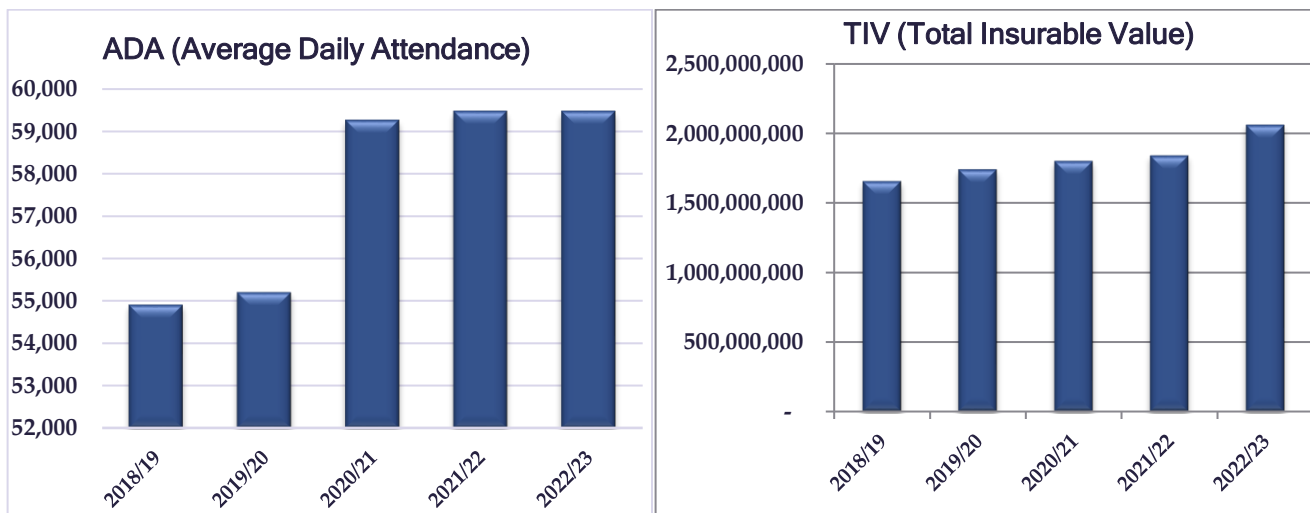
In 2022/23, there were a total of 450 injuries, resulting in 166 employees being returned to a modified position and a savings of \$559,427 in temporary disability.



PROGRAM HIGHLIGHTS

PROPERTY & LIABILITY

The 2022/23 renewal delivered a rate increase of 31% on the excess liability and 7.5% on the excess property, while our self-insured layer had a less than 1% increase and 16% decrease respectively. The increase in contributions was not only due to higher excess premiums, but also due to a growth of 12% in member Total Insured Values (TIVs). The program experienced a slight decrease in claims liability, resulting in a increase of \$106,038 to the Net Position.

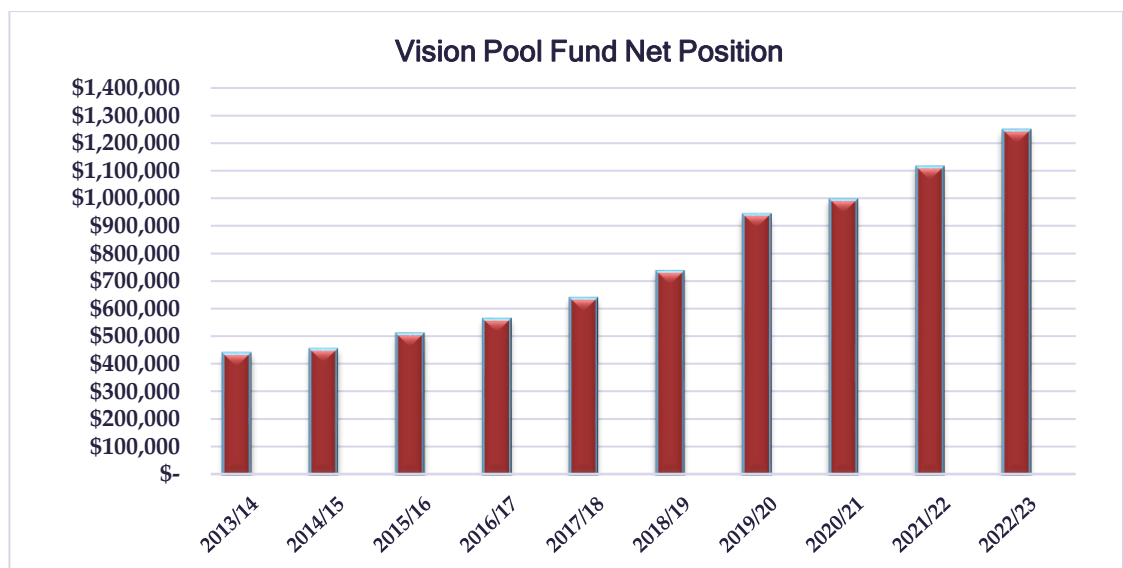
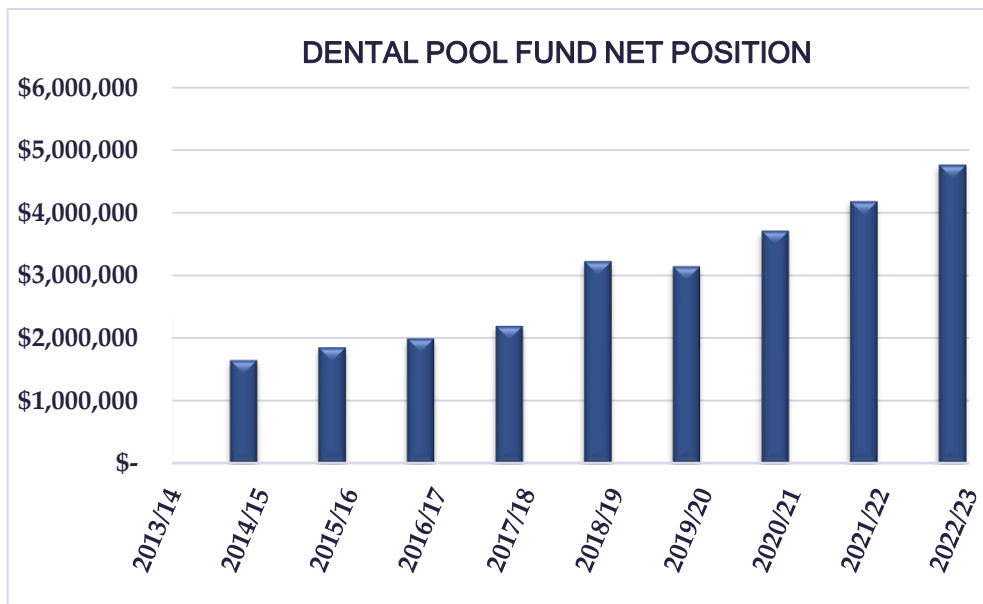


PROGRAM HIGHLIGHTS

DENTAL & VISION

The Dental Program renewed October 1, 2022 with no rate increase. There was an enhancement added to the program through the Diagnostic and Preventative Waiver, which allows covered employees to receive their diagnostic and prevention care without affecting their annual maximum. Net Position did grow by \$578,642.

The Vision program renewed October 1, 2022 with no rate increase. Costs remain stable in this program. Net Position increased by \$132,667.



FINANCIAL REPORTS

COMBINING STATEMENT OF NET POSITION

June 30, 2023

ASSETS	Workers' Compensation	Dental	Vision	Property/ Liability	JPA Administration	Total
Current Assets:						
Cash and cash equivalents	14,027,976	\$ 4,584,011	\$ 981,462	\$ 7,526,034	\$ 68,432	\$ 27,187,915
Interest receivable	151,724	16,830	2,901	13,596	27	185,078
Investments	4,929,555	110,681	55,575	419,608	-	5,515,419
Accounts receivable	940,748	1,304	205	111	-	942,368
Prepaid expenses	-	-	-	-	561	561
Total Current Assets	<u>20,050,003</u>	<u>4,712,826</u>	<u>1,040,143</u>	<u>7,959,349</u>	<u>69,020</u>	<u>33,831,341</u>
Non-Current Assets:						
Investments	34,451,245	773,518	388,398	2,932,518	-	38,545,679
Capital assets, net	910,251	-	-	123	13,529	923,903
Total Non-Current Assets	<u>35,361,496</u>	<u>773,518</u>	<u>388,398</u>	<u>2,932,641</u>	<u>13,529</u>	<u>39,469,582</u>
Total Assets	<u>55,411,499</u>	<u>5,486,344</u>	<u>1,428,541</u>	<u>10,891,990</u>	<u>82,549</u>	<u>73,300,923</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	111,727	308,027	96,160	68,056	13,878	597,848
Accrued vacation	19,047	-	-	-	14,046	33,093
Dividends payable	134,068	-	2,367	-	-	136,435
Current portion of claims payable	4,400,000	413,264	85,333	770,000	-	5,668,597
Total Current Liabilities	<u>4,664,842</u>	<u>721,291</u>	<u>183,860</u>	<u>838,056</u>	<u>27,924</u>	<u>6,435,973</u>
Noncurrent Liabilities:						
Unpaid claims liability	16,625,025	-	-	2,865,423	-	19,490,448
Total Liabilities	<u>21,289,867</u>	<u>721,291</u>	<u>183,860</u>	<u>3,703,479</u>	<u>27,924</u>	<u>25,926,421</u>
NET POSITION						
Net investment in capital assets	910,251	-	-	123	13,529	923,903
Unrestricted	33,211,381	4,765,053	1,244,681	7,188,388	41,096	46,450,599
Total Net Position	<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>

FINANCIAL REPORTS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITON

June 30, 2023

	<u>Workers' Compensation</u>	<u>Dental</u>	<u>Vision</u>	<u>Property/ Liability</u>	<u>JPA Administration</u>	<u>Eliminating Entries</u>	<u>Total</u>
Operating Revenues							
Member contributions	\$ 9,840,398	\$ 7,038,527	\$ 1,262,083	\$ 8,074,496	\$ -	\$ -	\$ 26,215,504
Other income	20,731	-	-	-	778,000	(778,000)	20,731
Total Operating Revenues	<u>9,861,129</u>	<u>7,038,527</u>	<u>1,262,083</u>	<u>8,074,496</u>	<u>778,000</u>	<u>(778,000)</u>	<u>26,236,235</u>
Operating Expenses							
Claims expense	2,579,691	6,377,740	1,027,367	1,470,344	-	-	11,455,142
Insurance expense	500,381	-	-	5,522,650	3,831	-	6,026,862
Risk management expense	595,691	-	-	772,074	-	-	1,367,765
Professional fees	8,800	32,141	32,141	5,300	38,147	-	116,529
General and administrative	583,467	70,019	70,022	225,622	736,474	(778,000)	907,604
Total Operating Expenses	<u>4,268,030</u>	<u>6,479,900</u>	<u>1,129,530</u>	<u>7,995,990</u>	<u>778,452</u>	<u>(778,000)</u>	<u>19,873,902</u>
Operating Income (Loss)	<u>5,593,099</u>	<u>558,627</u>	<u>132,553</u>	<u>78,506</u>	<u>(452)</u>	<u>-</u>	<u>6,362,333</u>
Nonoperating Income							
Investment income	265,964	26,216	4,884	44,227	1,041	-	342,332
Rental income	27,666	-	-	-	3,400	(27,666)	3,400
Rental expense	-	(6,201)	(4,770)	(16,695)	-	27,666	-
Net Nonoperating Income	<u>293,630</u>	<u>20,015</u>	<u>114</u>	<u>27,532</u>	<u>4,441</u>	<u>-</u>	<u>345,732</u>
Change in Net Position	<u>5,886,729</u>	<u>578,642</u>	<u>132,667</u>	<u>106,038</u>	<u>3,989</u>	<u>-</u>	<u>6,708,065</u>
Net Position, Beginning	<u>28,234,903</u>	<u>4,186,411</u>	<u>1,112,014</u>	<u>7,082,473</u>	<u>50,636</u>	<u>-</u>	<u>40,666,437</u>
Net Position, Ending	<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>\$ -</u>	<u>\$ 47,374,502</u>