

Attachment 5



Special District Risk Management Authority  
11101 Lakeview Drive  
San Jose, CA 95137  
Tel: (408) 291-4111  
Fax: (408) 291-4111  
www.sdrma.org

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April 24, 2006

UPDATED 2006-2007 QUOTE

Ms. Tegan Speiser  
Senior Transportation Planner  
Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue  
Santa Cruz, California 95060

Dear Ms. Speiser:

Thank you for the opportunity to provide the Santa Cruz County Regional Transportation Commission with a 2006-2007 workers' Compensation quotation. We are confident that our Workers' Compensation program offers the highest level of protection at the lowest possible rate.

Valid for sixty (60) days from the date of this letter, the following quotation represents twelve (12) months of coverage and is subject to verification and final underwriting review. The Santa Cruz County Regional Transportation Commission quotation, based upon a calculated Experience Modification of 89%, is as follows:

Special District Risk Management Authority Workers' Compensation Program (July 1, 2006 through June 30, 2007)	\$ 9,723
California Special Districts' Association 2006 Dues	500
Total 2006-2007 Quote plus CSDA Dues	\$10,223

Additionally, members can reduce their future year premiums through the Special District Risk Management Authority's Credit Incentive Program (CIP). Credit incentives of up to 15% of the annual contribution can be earned for completion of approved risk management and training programs.

Please note that coverage may be bound by:

- The Adoption of a Resolution by the Santa Cruz County Regional Transportation Commission's Board of Directors approving the form and authorizing the Execution of the Fifth Amended Joint Powers Agreement and approving membership in the Special District Risk Management Authority Workers' Compensation program.
- The Execution and delivery of the Fifth Amended Joint Powers Agreement Related to Special District Risk Management Authority.
- The Adoption of the Resolution and Approval of the State Application for a Certificate to Self-Insure by Santa Cruz County Regional Transportation Commission. This may require an Agency seal or notarized signature.
- The Completion of the State Application for a Certificate to Self-Insure by the Santa Cruz County Regional Transportation Commission. This requires an Agency seal or notarized signature.
- The Approval of Santa Cruz County Regional Transportation Commission's membership in the Workers' Compensation program by Special District Risk Management Authority's Board of Directors.
- Annual Membership in CSDA is required. The 2006 Associate Membership Dues are \$500.
- Upon receipt of all original membership documents, SDRMA will forward a quarterly invoice of the estimated deposit premium.

Tegan, should you have any questions, or if we can provide any additional information, please do not hesitate to contact me toll free at 800.537.7790.

Sincerely,  
Special District Risk Management Authority

*Nicole Rushing*

Nicole Rushing  
Manager of Member Services

11-25

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## Workers' Compensation Program

Special District Risk Management Authority (SDRMA) offers an alternative workers' compensation program for special districts and other public agencies. Established in 1982, this program has a proven reputation for stable, competitive rates, actuarially based fiscal management and sound underwriting practices. Moreover, responsive claims management and cost containment, combined with tailored safety and loss prevention, provides members an unequalled full-service workers' compensation program.

### COVERAGE

- \$150 Million Workers' Compensation
- \$5 Million Employer's Liability
- Zero Member Deductible
- SDRMA maintains a Self-insured Retention that is periodically adjusted based on market conditions

### CLAIMS MANAGEMENT PROGRAM

Our primary objective is to prevent employee injuries and positively impact the overall cost of workers' compensation coverage, as well as provide employees and employers fair and equitable claims management and resolution. Under the supervision of Special District Risk Management Authority Claims and Loss Prevention Manager, Gregory B. Bragg & Associates, Incorporated (Bragg) provides members efficient claims management.

SDRMA takes a very proactive approach to claims management. We believe claims management and handling is a critical component of risk management and is the strength of our program. Our philosophy and established practice is to work with and on behalf of our members to satisfactorily resolve claims, not only within the self-insured retention level, but also with the excess insurance carrier.

### LOSS CONTROL AND PREVENTION PROGRAM

Each new member will receive a comprehensive on-site safety analysis by a certified safety professional and will be provided a written safety report. Additionally, we provide our members with a safety claims procedure manual and training sessions to assist with preliminary claims processing. Our claims management team evaluates reported claims to determine coverage and liability, and if needed, coverage counsel reviews claims. All claims activity is closely communicated and discussed with our members. SDRMA and Bragg use state-of-the-art claims management software to provide accurate up-to-date claims information, including loss run reports and payment activity.

### VALUE ADDED SERVICES

Members participate in a complimentary safety management program including:

- Online Certified Safety Training Program
- Monthly Safety Management Meeting Materials
- Occupational Safety and Health Program
- Hazard Identification Survey Manual
- Safety and Claims Policy Manuals
- On-site Safety Inspection
- Comprehensive Safety Report and Analysis
- Monthly Review of Claims Loss Reports
- Ergonomic Evaluations of Work Areas
- Variable Discount of Premium for Participation in Safety Management Programs
- Risk Management and Claims Training Workshops
- Safety and Risk Management Video Library

### CREDIT INCENTIVE PROGRAM

Members are able to reduce their workers' compensation premiums through Special District Risk Management Authority Workers' Compensation Credit Incentive Program. Credit incentives up to 15% of the workers' compensation contribution can be earned for completion of approved program guidelines.

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*SDRMA is committed to establishing a strategic partnership with our members...*

**PAYROLL AUDIT**

Payroll audits are not required. They may however, be performed periodically by random selection of an account. However, all accounts are required to annually submit copies of their Employment Development Department quarterly payroll tax report (form DE-6) and the Internal Revenue Services quarterly payroll tax report (form 941) for the fiscal year ending June 30. SDRMA Member Services will provide an audit packet to the agency in early July to be completed and returned to SDRMA by the second week in August.

**ELIGIBILITY REQUIREMENTS**

SDRMA's eligibility requirements provide that member agencies:

- Must be a public agency formed under the California Government Code
- Execute the SDRMA Joint Powers Agreement
- Commit to an initial three-year member enrollment (thereafter coverage may be renewed annually)
- Maintain annual membership in California Special Districts Association (CSDA)
- Have at least one full-time employee on staff

CSDA's annual dues are based on the Agency's annual operating budget defined as the total budget less principal and interest on long-term debt, less one-time grants and less reserves set aside for future expenditures.

**PREMIUM AND PAYMENT TERMS**

SDRMA's workers' compensation program policy period for all accounts is July 1 through June 30. Payments are billed quarterly based on estimated payroll. For new members, the first quarter is pro-rated based on the policy effective date followed by equal quarterly payments. On existing accounts, the second quarterly invoice will include premium adjustments for the prior year based on actual reported payroll for the prior year. Quarterly invoices are billed and payable as follows:

QUARTERLY SCHEDULE	INVOICE DATE	DUE DATE
1st Quarter: July 1 – September 30	Third Week in May	Last Day in June
2nd Quarter: October 1 – December 31	Third Week in October	Last Day in November
3rd Quarter: January 1 – March 31	Third Week in November	Last Day in December
4th Quarter: April 1 – June 30	Third Week in February	Last Day in March

**CONTACT INFORMATION**

Nicole Rushing or Greg Hall  
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 Sacramento, California 95814  
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