

California Association of Joint Powers Authorities (CAJPA)



CAJPA
California Association of
Joint Powers Authorities

*Trusted Leadership
for California's Public
Risk Sharing Pools*

2017-2018 ACCREDITATION MANUAL

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FOREWORD

California public entities have led the nation in the development of risk retention pools. These organizations, generally referred to as “Joint Powers Authorities”, “JPAs”, or “pools” derive their statutory authority from Article 1 (commencing with § 990.4 and 990.8, which allows two or more public entities to join with one another to exercise powers common to all. This power common to the contracting entities is granted under Government Code § 990.4 and 990.8, which allow public entities to jointly self-insure costs of tort liability, workers’ compensation, property and other insurance coverages.

Since the 1970’s, when only a few existed, the number of risk management JPAs in California has grown to nearly 150. Within this rapidly growing sector of public entities, there is a wide diversity of organizational structures, operational characteristics, and administrative methods. This diversity is one of the greatest strengths of the JPA movement. JPAs were designed and developed to meet specific needs of the member entities themselves. Although many JPAs were formed during the insurance crises of the 1970’s and 1980’s the membership of these pools has remained virtually intact since formation.

Although different in many ways, pools in California share a unique opportunity to operate in an efficient, cost-effective environment. Pools are exempt from regulation by the Department of Insurance (Government Code § 990.8). Pools must make various state-required filings and reports, but the true responsibility of pools for prudent management and fiscally sound practices is to themselves, their member entities, and to the industry as a whole. As such, pools are responsible for a standard of operation both to themselves and to other JPAs. This greater responsibility imposed upon JPAs is the main reason for the CAJPA Accreditation Program. The purpose of the Accreditation Program is to foster the development and improvement in knowledge and professionalism within public entity pools in California. By joining together in implementing a self-regulation program through accreditation, all pools benefit from higher levels of technical and organizational skills.

It is to foster this continuing improvement that this Accreditation Manual has been prepared. We wish to recognize the Accreditation Committee Advances Risk Management Techniques, Inc. and consultants for their special efforts and technical knowledge in the preparation of this manual. We welcome any comments or suggestions for future improvements.

Mike Fleming
Chairman
CAJPA Accreditation Committee

James P. Marta
Accreditation Manager

CALIFORNIA ASSOCIATION OF JOINT POWERS AUTHORITIES

The California Association of Joint Powers Authorities (CAJPA) was formed in 1981 as a nonprofit organization with membership from public entity joint powers authorities which provide risk management services, self-insurance and insurance programs to their members. The association currently has nearly 100 member entities.

The purpose of CAJPA is:

1. To provide a forum for members to exchange information on mutual issues arising in the administration of self-funded coverage and group purchasing insurance programs and other programs associated with the operation of joint powers authorities;
2. To work effectively in initiating legislation and administrative policies and regulations and provide support for, or opposition to, legislation affecting programs of JPAs;
3. To provide accreditation standards and award Certificates of Accreditation to JPAs which meet those standards;
4. To act as a peer resource to members in administering programs: and
5. To sponsor education conferences and programs to benefit and enhance the administration of JPAs.

CAJPA MEMBERSHIP

Membership is open to all JPAs which provide pooled coverage programs or group purchase insurance programs for their members. Each JPA member must designate on its annual membership registration one representative to receive mailings and official communications.

Associate membership is open to JPA service providers such as insurance brokers, third party administrators, adjusters, auditors, actuaries, and consultants. Associate members may attend association meetings, but do not have voting privileges.

The association holds at least one general membership meeting each year, normally held in conjunction with the Annual Fall Conference. In addition, special meetings and training sessions are held as required by the needs of its membership.

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CAJPA ACCREDITED JOINT POWERS AUTHORITIES

ACCREDITED WITH EXCELLENCE

ALAMEDA COUNTY SCSCHOOLS INSURANCE GROUP (ACSIG)
AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY (ACCEL)
ASSOCIATION OF CA WATER AGENCIES JPIA (ACWA)
BAY AREA SCHOOLS INSURANCE COOPERATIVE (BASIC)
BAY CITIES JOINT POWERS INSURANCE AUTHORITY
BIG INDEPENDENT CITIES EXCESS POOL (BICEP)
BUTTE SCHOOLS SELF-FUNDED PROGRAMS
CALIFORNIA AFFILIATED RISK MANAGEMENT AUTHORITY (CARMA)
CALIFORNIA FAIR SERVICES AUTHORITY (CFSA)
CALIFORNIA HOUSING WORKERS' COMPENSATION AUTHORITY (CHWCA)
CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA)
CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY (CJPRMA)
CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY (CSRMA)
CALIFORNIA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION
CALIFORNIA SCHOOLS RISK MANAGEMENT
CALIFORNIA TRANSIT INSURANCE POOL (CALTIP)
CENTRAL REGION SCHOOL INSURANCE GROUP (CRSIG)
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY
CONTRA COSTA COUNTY SCHOOLS INSURANCE GROUP (CCCSIG)
CONTRA COSTA SOLANO SIA JPA (CCSSIA)
CSAC EXCESS INSURANCE AUTHORITY
EAST BAY SCHOOLS INSURANCE GROUP
EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
FIRE AGENCIES SELF INSURANCE SYSTEM (FASIS)
FRESNO COUNTY SELF-INSURANCE GROUP (FCSIG)
GOLDEN STATE RISK MANAGEMENT AUTHORITY (GSRMA)
HIGH DESERT SCHOOLS JOINT POWERS AUTHORITY (HDSJPA)
INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY (ICRMA)
LOCAL AGENCY WORKERS' COMPENSATION EXCESS JPA (LAWCX)
MONTEREY EDUCATIONAL RISK MANAGEMENT AUTHORITY (MERMA)
MUNICIPAL POOLING AUTHORITY (MPA)
NORTH BAY SCHOOLS INSURANCE AUTHORITY
NORTH VALLEY SCHOOLS INSURANCE GROUP (NVSIG)
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND
NORTHERN CALIFORNIA COMMUNITY COLLEGES SIA
NORTHERN CALIFORNIA RELIEF
NORTHERN CALIFORNIA SCHOOLS INSURANCE GROUP
NORTHERN ORANGE COUNTY LIABILITY & PROPERTY SELF-INSURANCE
AUTHORITY
NORTHERN ORANGE COUNTY SELF-FUNDED WORKERS' COMPENSATION
AGENCY
ORGANIZATION OF SELF-INSURED SCHOOLS (OSS)
PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA (PARSAC)

PUBLIC ENTITY RISK MANAGEMENT AUTHORITY (PERMA)
REDWOOD EMPIRE SCHOOLS INSURANCE GROUP (RESIG)
RIVERSIDE SCHOOLS INSURANCE AUTHORITY
RIVERSIDE SCHOOLS RISK MANAGEMENT AUTHORITY (RSRMA)
SAN MATEO COUNTY SCHOOLS INSURANCE GROUP
SANTA CLARA COUNTY SCHOOLS' INSURANCE GROUP (SCCSIG)
SANTA CRUZ/SAN BENITO COUNTY SCHOOLS INSURANCE GROUP
SCHOOLS ALLIANCE FOR WORKERS' COMPENSATION EXCESS JPA (SAWCX II)
SCHOOLS EXCESS LIABILITY FUND (SELF)
SCHOOLS INSURANCE AUTHORITY (SIA)
SHASTA TRINITY SCHOOLS INSURANCE GROUP
SMALL CITIES ORGANIZED RISK EFFORT (SCORE)
SOUTHERN CALIFORNIA RELIEF
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA)
STATEWIDE ASSOCIATION OF COMMUNITY COLLEGES (SWACC)
TRINDEL INSURANCE FUND
VALLEY INSURANCE PROGRAM JOINT POWERS AUTHORITY
VECTOR CONTROL JOINT POWERS AGENCY (VCJPA)
YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY
(YCPARMIA)

ACCREDITED

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY (SBASIA)

The list of Accredited JPAs was current at the time it was published. Additional JPAs may be in the process of accreditation or re-accreditation and may not appear in this listing. Please contact the CAJPA office for a current list.

PURPOSE OF ACCREDITATION

The purpose of this manual is to provide California Joint Powers Authorities with the information necessary to evaluate and prepare their organizations for the accreditation process. The Accreditation Standards presented in this manual are those developed by CAJPA Accreditation Committee and adopted by the CAJPA Board of Directors. The Standards, of which there are two levels, are effective January 1, 2014, and are expected to remain in effect for one year. However, the CAJPA Board of Directors reserves the right to change them any time it deems necessary.

The foundation of the accreditation program is:

- To promote professional management and fiscally sound practices of California JPAs.
- To provide industry standards which can be used by member entities, Board members, and the public in evaluating levels of performance and compliance with State required and commonly accepted practices.
- To develop a self-regulating process which is more thorough, responsive and less expensive to the taxpaying public than State or Federal regulations.

To achieve these objectives two levels of accreditation have been created: Accreditation with Excellence and Full Accreditation. Fully Accredited JPAs comply with all mandatory standards. Accreditation with Excellence is reserved for those JPAs that exceed the legislative requirements and meet the higher, more strenuous standards that the CAJPA Board believes are reflective of an outstanding JPA.

DESCRIPTION OF THE ACCREDITATION PROCESS

Accreditation Options

Accreditation is open to JPAs that are members of CAJPA. The CAJPA Accreditation Program offers two options for California JPAs:

1. **Accreditation** - The accreditation review is a goal, which all JPAs should achieve. The process entails a detailed examination of the JPA's legal and operational documents, risk management, loss control and claims programs and statutory compliance.
2. **Pre-Accreditation Review** - This option allows the potential accreditation applicant to submit to a preliminary review by the Accreditation Manager/Consultant. This preliminary review does not include a site visit. The results of this review are provided directly to the JPA and are not submitted to the Accreditation Committee for action. Any deficiencies are detailed and the necessary corrective action is recommended in order to bring the JPA into compliance with the Accreditation Standards.

If the JPA elects to proceed with the full accreditation process within three months after completion of the Pre-Accreditation Review 10 percent of the fee paid for the pre-accreditation review is applied to the full Accreditation Study.

Application Process

The application process for Accreditation with Excellence and Full Accreditation are detailed below. The process is shown in a flow chart on Exhibit 1.

JPA Requests Information on Accreditation Program - The JPA may request information regarding the Accreditation Program from the CAJPA Administrative Office. The mailing address for the CAJPA Administrative Office is 1215 K Street, Suite 940, Sacramento, CA 95814. The phone number is (916) 231-2139 and the fax is (916) 231-2141. You may also request information by e-mail to catherine@cajpa.org.

The CAJPA Office Provides JPA with Information - Upon request, the CAJPA Office will mail information to the requesting JPA about accreditation and the options available.

JPA Requests Accreditation Review and Provides CAJPA with a Signed Application and Payment of the Full Accreditation Fee - The JPA requesting

accreditation must return the signed application (contained in Appendix A) and accompany such signed application with payment of the full accreditation fee.

JPA Submits Documents as Requested by the Accreditation Consultant - As soon as possible after submission of the application and fee, the JPA should submit as many of the requested documents as possible to the Accreditation Manager/Consultant. The list of required documents is contained in Appendix C of this manual. If it is not possible to submit all documents at the beginning of the project, the JPA may submit any remaining documents as they are available.

Accreditation Consultant Evaluates Documents - Upon receipt of all documents, the Accreditation Consultant will review them and contact the JPA representative by telephone concerning any questions or missing documents.

Accreditation Consultant Makes On-site Visit - After a review of the documents, the Accreditation Consultant will contact the JPA representative to schedule a mutually agreeable date to conduct the site visit. The purpose of the site visit is to meet the person or persons responsible for management of the pool, discuss any questions arising from the documents and the operations of the pool, and to review other documents or materials not requested for advanced submittal. In general, site visits require approximately 3-4 hours.

The Accreditation Consultant Prepares a Draft Report and Submits it to Accreditation Committee and Applicants - A written report containing the findings and recommendations of the Accreditation Consultant will be prepared and submitted to the Accreditation Committee and the JPA applicant.

Accreditation Committee Meets to Review Draft Accreditation Report - The Accreditation Consultant will present the written report to the Accreditation Committee. The JPA representative will be notified of the date and time of this meeting and will be invited and encouraged to attend.

The CAJPA Accreditation Committee Takes Action as Listed in Step Ten, Below.

Final Steps - Action by the Accreditation Committee will be to grant:

- a. Accreditation with Excellence. This level of accreditation is reserved for those JPAs that exceed the mandatory requirements for accreditation and for which no conditions remain. The effective date of accreditation will be determined by the Accreditation Committee and will continue for a three year period.
- b. Full Accreditation. When a JPA fully complies with all mandatory requirements and no conditions remain the Accreditation Committee will grant Full Accreditation status to the JPA. The effective date of accreditation will be determined by the Accreditation Committee and will continue for a three year period.

- c. Conditional Accreditation. If there are conditions which must be met by the JPA prior to receiving Full Accreditation status, Conditional Accreditation is granted. The JPA has six months in which to fulfill these conditions to the satisfaction of the Accreditation Manager/Consultant. Upon satisfaction of such conditions, the conditional status is removed and the effective date of accreditation will be determined by the Accreditation Committee and will continue for a three year period.
- d. Accreditation Deferred. The Accreditation Committee may require that the applicant JPA comply with various requirements prior to reconsideration by the Accreditation Committee. The JPA has six months to correct or to comply with the requirements as acted upon by the Accreditation Committee. The matter will then be reconsidered by the Accreditation Committee and, if all material items have been complied with, the Accreditation Committee will grant the appropriate accreditation status. The effective date of accreditation will be determined by the Accreditation Committee and will continue for a three year period.
- e. Accreditation Denied. If the JPA is unable to meet the conditions and recommendations in Steps (a), (b) or (c) above, the application for Accreditation will be denied. The JPA will then have the option of resubmitting an application once it believes it meets the Accreditation Standards.

Estimated Time for Accreditation Review

The usual time necessary for a full accreditation review (Steps 1 through 10) is between four and six months. The actual time depends upon the complexity of the JPA and the time needed to compile and submit the documents. In addition, time must be allowed for a site visit and presentation of the report and recommendations to the Accreditation Committee.

Cost

The cost of a full accreditation review is based upon a fee structure that accounts for the size of the JPA (in terms of annual revenues) and the number of coverage programs. The cost is subject to a minimum of \$2,750 and a maximum of \$10,000.

The cost for pre-accreditation review is 60percent of the fee for accreditation and this fee can be applied to a subsequent accreditation review if initiated within three months after completion of the pre-accreditation review, or 50 percent can be applied if initiated after three months, but within 12 months.

Exhibit 2 is the current Accreditation Fee Schedule in effect on January 1, 2014, and remains in effect until changed by the CAJPA Board of Directors. If accreditation is not granted, there will be no refund of fees.

Exhibit 1 – Accreditation Process

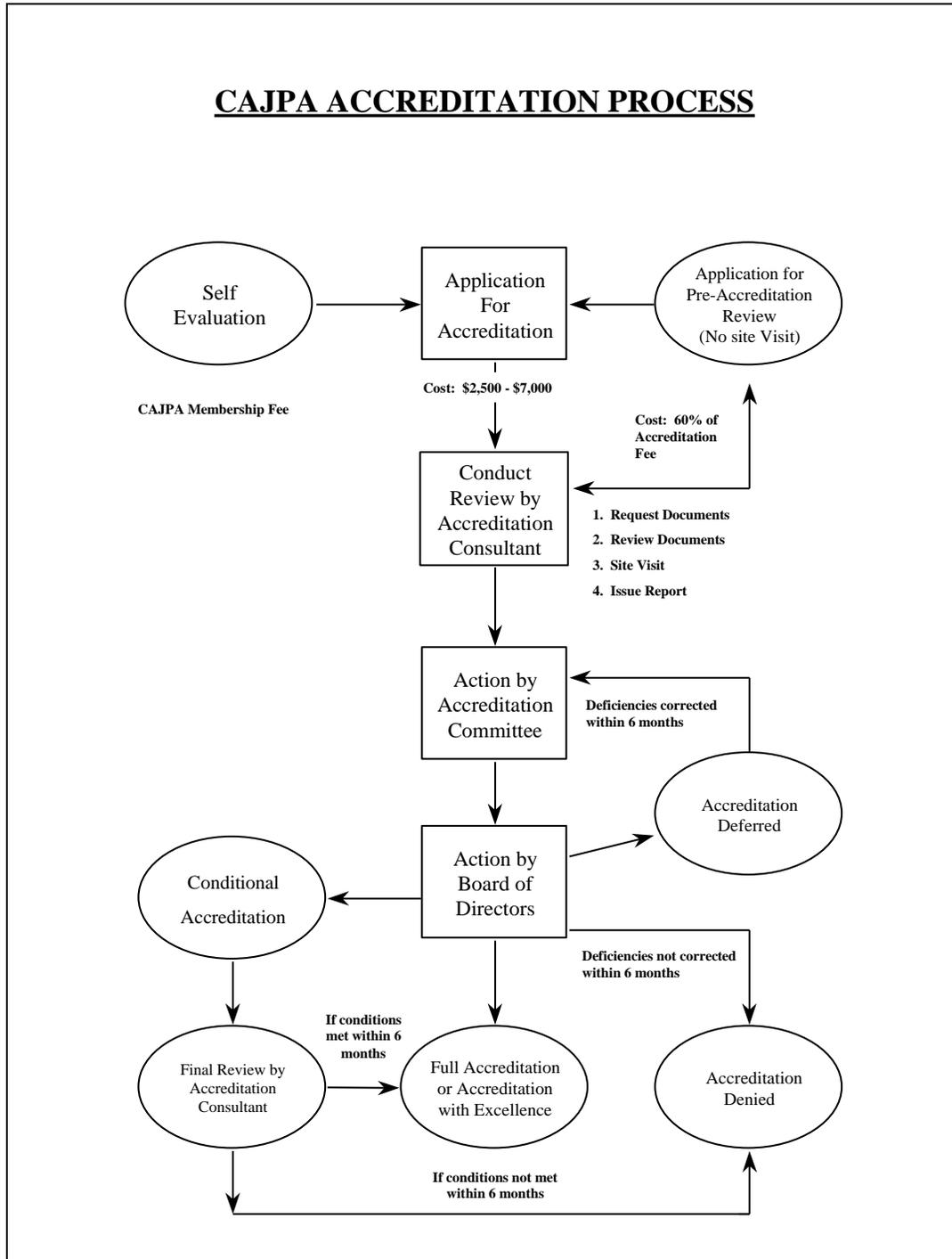


Exhibit 2 – Accreditation Fee Schedule

I. ACCREDITATION REVIEW

A. Base Fee

Annual Revenues Under \$2.5 million	\$2,250
Annual Revenues Between \$2.5 million - \$5 million	\$3,000
Annual Revenues Between \$5 million - \$7.5 million	\$3,500
Annual Revenues Over \$7.5 million	\$4,000

B. Program Charges (In addition to Base Fee)

	Group Purchase	Self-Funded
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1. Workers' Compensation Program	\$250	\$750
2. Liability	\$250	\$750
a. Medical Malpractice	\$250	\$750
3. Property	\$250	\$500
4. Property/Casualty Package	\$250	\$1,000
5. Benefits		
a. Medical	\$250	\$750
b. Dental	\$100	\$250
c. Vision	\$100	\$250
d. Life/ADD	\$100	\$250
e. LTD	\$100	\$250
6. Miscellaneous separate programs	\$100	\$250

C. Minimum Accreditation Fee:	\$2,750
Maximum Accreditation Fee:	\$10,000

II. PRE-ACCREDITATION REVIEW

Cost: 60% of Accreditation Review

The Pre-Accreditation review will be performed by the CAJPA Accreditation Manager/Consultant. All necessary documents will be reviewed and a letter report with findings will be issued to the JPA noting areas of compliance and deficiencies. This report WILL NOT be submitted to the Accreditation Committee. No site visit will be conducted.

If the JPA elects to proceed with the Accreditation Review within 3 months from the date of report issuance, 100% of the fee paid for the Pre-Accreditation Review will be credited against the cost of the Accreditation Review. If the JPA proceeds with the Accreditation Review after three months, but before 12 months, 50% of the fee paid for the Pre-Accreditation Review will be credited to the Accreditation Review.

III. REACCREDITATION

Re-accreditation will be required at the end of the three year accreditation period. This re-accreditation will be a full review, similar to the initial accreditation review, but based upon standards in effect upon application for re-accreditation. Re-accreditation will require payment of an accreditation fee.