

2004/05 MEMBER LETTER

Over the past ten years since CCCSIG became self-administered, we have continued to strive for excellence in enhancing the human and financial resources of our members in order to contribute to public education. Throughout this 2004/05 annual report, you will see a common goal in providing excellent and continually enhanced services to our member districts, as well as continuing our quest for excellence in the next fiscal year and ongoing.

Over the past ten years CCCSIG has seen many milestones, including self-administration of claims, a total of \$20 million in premium rebates, CAJPA re-accreditation *with excellence* and a move to a newer and larger facility. CCCSIG has maintained a culture which supports our mission and service commitment to our members with the addition of an Early Return to Work Specialist, Nurse Case Manager and numerous health and wellness services promoting employee well-being and reducing costs for our districts. In addition, we have brought bill review services in-house, added pre-employment testing and recently launched our Health Benefits program.

The achievements and accomplishments of CCCSIG over the past ten years, were realized under the vision and leadership of Guy Schuelke, who has been the Executive Director since 1991. Guy has left the Group as of August 1, 2005, after more than 14 years of leadership. On behalf of CCCSIG Staff and the Board of Directors, we would like to thank Guy for his dedication, vision and leadership that has grown CCCSIG to the outstanding Agency it is today.

CCCSIG is looking forward to continuing to provide excellent service to its members for the next ten years and forward.

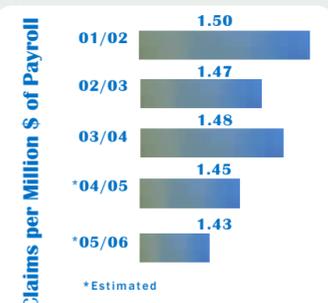
Ellen Elster, Board President
Deputy Supt./Bus. Svcs., CCCOE

CCCSIG FINANCIAL UPDATE

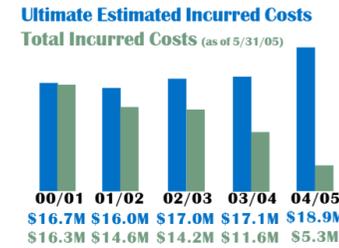
Stable Assets: CCCSIG continues to hold a very stable asset base made up primarily of cash, investments and facilities that has consistently been in excess of \$52 million since the 1999/00 fiscal year. Along with Net Assets, these assets are available to cover the future cost of workers' compensation claims.

Low Member Rates: Despite the highly volatile state of workers' compensation in California over the past several years, CCCSIG has been very successful at controlling claims costs and our members enjoyed 2004/05 rates that were 23% lower than in 1992/93!

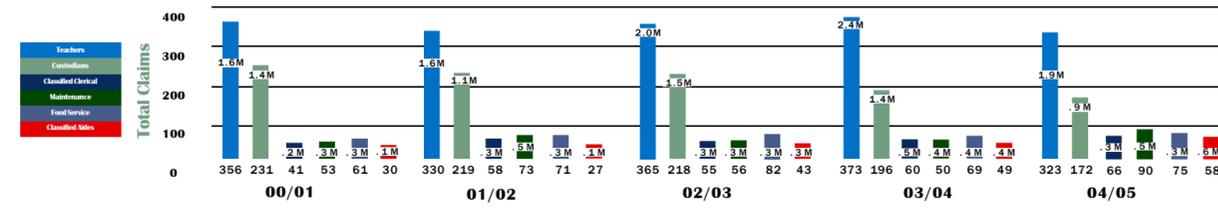
Declining Net Assets: The number of annual claims over the last 10 years has fluctuated within a narrow 5% band, which can be attributable to many factors, one of which was CCCSIG's Health and Safety Services. However, due to dramatically rising medical costs and Indemnity benefit increases, the overall liability for outstanding claims has risen nearly 145% since 1999 which, in addition to \$20 million in premium rebates over the years, has gradually eroded Net Assets (members' equity) from a high of \$34 million in 1996 to just over \$600,000 in 2004.



All loss data provided in this report is valued as of June 30th of each fiscal year represented, unless noted.



Total Claims & Incurred Costs by Six Occupations with Highest Number of Claims



HEALTH & SAFETY SERVICES

HEALTH & SAFETY SERVICES UPDATE

Over the past fiscal year, district utilization of proactive health and safety services by CCCSIG's four dedicated staff members, has increased. CCCSIG's Commitment, Active Involvement, and Dedication to Quality and Service are all major components in achieving an increase in utilization of CCCSIG programs by districts, which in turn assisted in reducing the number and severity of workers' compensation claims, and improved overall health, safety and wellness. The total number of claims in 2003/04 was 1,216, and **decreased by 147** to 1,069 in 2004/05!! The higher dollar Indemnity claims **decreased by 77** from 2003/04 to 2004/05!

One major factor that assisted in reducing these on the job injuries was the **COMMITMENT** by both CCCSIG and member districts! With the cooperative efforts of district and CCCSIG staff, and the support of the CCCSIG Board of Directors, during the past fiscal year, districts were able to commit the staff time and internal resources necessary to implement ongoing staff Safety Trainings, site safety inspections, ergonomic evaluations of workstations, and supervisor /management safety training. As the districts provided the commitment and CCCSIG provided the excellent Health & Safety Services, it has proven to be a great success and we look forward to even greater commitment and results over the next year!!

MEMBER DISTRICTS' RESOURCES!

- Health Workshops
- Safety Trainings
- Ergonomic Assessments
- Walking Programs
- Health Fair Assistance
- Health Screenings
- Health & Safety Bulletin Board
- Bi-Monthly Wellness Emails
- Health & Safety Video Library
- Quarterly Wellness Insert
- Health & Safety by Occupation
- Fitness Activity Guide

CCCSIG Health & Safety Services Programs can be Customized to Fit Your District's Needs!!

For More Information Contact CCCSIG's Health & Safety Services Department at 1(866) 922-2744

HEALTH & WELLNESS

Over the past few years, and especially over the past fiscal year, CCCSIG has increased the focus on overall employee health & wellness. Employees who are relaxed and feel safe and happy at work, are much more productive, less likely to get injured and have a more positive outlook, which can positively affect co-workers and the overall work environment. One of CCCSIG's wellness programs, the "Worksite Walking Program" has become a huge success. Denise Dickson, our Health & Wellness Services Coordinator, who designed and implemented the program, continues to receive success stories from district employees who have noticed improvements in their energy, attitude and overall well being since participating in the program.

CCCSIG also continued to provide services to districts to assist in conflict resolution, stress management, healthy eating, physical activity and many other areas to improve employee's overall health and wellness. Through the past fiscal year, the requests for these programs at districts have continued to increase as district personnel realized the positive effects such programs can have on employees. CCCSIG will continue to strive to offer new and exciting programs to motivate and assist employees in their overall health and wellness, while at work and in life!!

POST OFFER PRE-PLACEMENT EVALUATION PROGRAM

The Post Offer Pre-Placement Evaluation Program (PEP), which is a program that results in long-term cost containment for 12 participating districts, has continued to expand since its June 2000 inception date. Since that date, CCCSIG has tested **1,841** employees, **154** of which failed the test, which is an **8%** failure rate!! Applicants who fail the strength test, which requires the minimum strength for the position, are not able to perform the functions of the position, and are likely to injure themselves on the job.

In the next fiscal year, CCCSIG will be working to expand the program to other job classifications to continue to assist in reducing workers' compensation injuries and costs.

WORKERS' COMPENSATION

UTILIZATION REVIEW HAS PROVEN TO BE SUCCESSFUL COST CONTAINMENT TOOL

Through recent legislation, mandatory utilization review for workers' compensation became effective April 2004. Over the course of the 2004/05 fiscal year, CCCSIG Claims Department has saved a combined **\$788,404.00** for member districts as CCCSIG utilizes this new workers' compensation tool.

In all cases, the savings is the result of either denied or modified medical treatment on the basis that it was neither reasonable nor necessary in the course of recovery of the injured worker.

CCCSIG WEBSITE DESIGNED TO ASSIST INJURED WORKERS

As noted on the back of this Annual Report, CCCSIG has developed an all new website that will benefit our member districts and injured workers - the design, look and feel from the old to the new has changed dramatically! A new key feature enables employees to understand the workers' compensation benefits, programs and processes through a simple and effective format. We have taken basic questions that are asked on a regular basis by injured workers and placed those into a Frequently Asked Questions (FAQ) format for users to easily find answers to immediate needs, i.e. "Do I have to report Temporary Disability to the IRS?"; "What happens if I don't fully recover from my injury?"

Another major website benefit is the ability to view the current listing of facilities authorized for treatment through the districts' Medical Panels, as well as access to forms and current and future workers' compensation regulation changes. Once the new website goes live, it will be announced to all members.

WORKERS' COMPENSATION BENEFIT RATES INCREASE & CCCSIG CLAIM PAYMENTS DECREASE!

Since 2002, workers' compensation benefit rates for temporary and permanent disability have continued to increase as mandated by law. This, along with medical cost inflation, has caused claim costs throughout the State of California to continue to rise.

CCCSIG Claims Department's focus is on providing quality claims administration services for our injured workers, in addition to containing member districts' costs. In the late 1990's and early 2000's, the claims payments made each fiscal year were increasing annually; one of the biggest increase in over ten years was 2001/02 compared to 2002/03, up \$3.1 million. Since that time, even though benefit rates are at their highest in workers' compensation history, through CCCSIG and member district's efforts in containing costs, total district claims' payments have **decreased by \$1.2 Million!!**

EARLY RETURN-TO-WORK IS A WIN/WIN FOR EMPLOYEES & MEMBER DISTRICTS

As temporary disability rates increase annually (2005 maximum rate is \$840 per week), employees and district's benefit greatly by utilizing CCCSIG's Early Return to Work Program.

CCCSIG's proactive Early Return to Work Program is designed to decrease costs of work-related injuries by immediately providing a temporary work assignment (TWA) or modifying the regular job duties for the injured worker with district cooperation. The TWA allows the employee to remain in the workforce, physically recovering from their injury without utilizing their sick leave or vacation benefits, as required by the Education Code, and provides a resource to the district versus having to obtain temporary assistance.

As a result of the CCCSIG ERTW Program, Countywide savings for Fiscal Year 2004/05 totaled **\$943,789**.

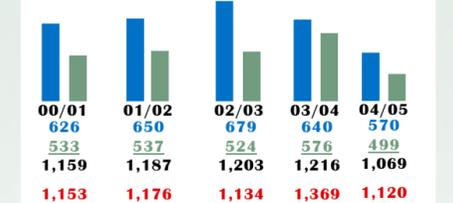
THREE MEMBERS OF CLAIMS DEPARTMENT REACH TEN YEAR SERVICE MILESTONE!!

Congratulations are in order for the following members of the Claims Department, who have reached a significant milestone of ten years of service with CCCSIG:

Christopher Torres
Jackie Bailey
Kim Williams

All of these employees were part of the original claims department ten years ago when CCCSIG began self-administration of the member districts' workers' compensation claims program.

Medical Only/Indemnity Claims & Number of Claims Closed During Fiscal Year



HEALTH BENEFITS PROGRAM

2004/05 was a landmark occasion for CCCSIG....The first districts' date of coverage through CCCSIG's new Health Benefits Program (HBP) was October 1, 2004!! CCCSIG's Health Benefits Program Member Districts are:

Brentwood Union School District
Lafayette School District
Moraga School District
Oakley Union Elementary School District
St Helena Unified School District
Walnut Creek School District
Byron Union School District (Effective January 2005)

We would like to thank our "founding" CCCSIG Health Benefits Committee Representatives for their dedication and enthusiasm for our Program!

Margaret Kruse, Chair - Brentwood USD
Jane Rodriguez (alternate) - Brentwood USD
Bev Nicolaisen - Byron USD
Wendy Richard (alternate) - Byron USD (formerly)
Ann Hein (alternate) - Byron USD
Linda Weesner - Lafayette SD
Lenee Cadotte, Vice Chair (alternate) - Lafayette SD
Kathy Bell - Moraga SD
Rick Schafer (alternate) - Moraga SD
Mark Bonnett, Vice Chair- Oakley UESD (formerly)
Jan Carlson (alternate) - Oakley UESD
Justin Frese - St Helena USD
Gloria Ghiringhelli (alternate) - St Helena USD
Mike De Sa - Walnut Creek SD
Debra Fogarty (alternate) - Walnut Creek SD

Compared to prior renewal rates, the total savings for CCCSIG HBP member districts for October 2004 - December 2005 is **\$341,961!**

Combined Savings for Employee & District:

Brentwood	\$55,724.90
Byron	\$19,026.96
Lafayette	\$8,231.35
Moraga	\$100,284.55
Oakley	\$82,432.80
St. Helena	\$18,200.68
Walnut Creek	\$77,087.52

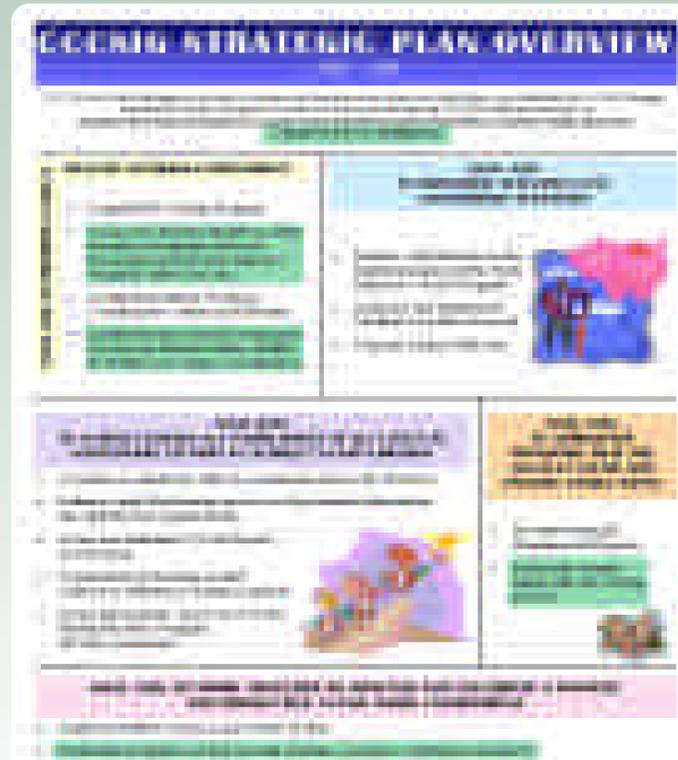
The spotlight must be turned on the Health Benefits Committee representatives for their dedication to shaping the program. In little over five months, the Committee established both short and long-term goals, with the first and foremost being implementation of District specific Health & Wellness activities for all employees. At the end of January, each District received an on-line health and wellness survey for all of their employees to complete. Once the results were tallied, Bridget Moore, CCCSIG's Deputy Director, worked individually with each member District to prepare a Wellness Platform tailored to the interests of their employees. Worksite Walking Programs, Fitting in Fitness, Eating Health in a Fast Food World, Core Strength Training and Kick Your Stress Habits were some of the top picks! CCCSIG also established discount rates at Fitness Clubs throughout the area. In addition, the HBP also received a \$50,000 fund from Blue Cross (to be allocated by District on a per subscriber basis) for Blue Cross worksite health services such as health screenings and assessments, flu shots (if available) and health education seminars.

In March 2005, eight JPA Districts submitted census data for rates quotes from Blue Cross for January 2006 entry into the CCCSIG HBP, and will make their determinations based on their current plan rates and new rates for their current plans, in August 2005. CCCSIG will continue to be dedicated to the Health Benefits Program, in order to allow the program to continue to grow and expand. CCCSIG's goal is to provide exceptional Health Benefits administration and services to member districts!

CCCSIG Board of Directors

CCCSIG's Board of Directors includes one person from each district to represent the needs of all members. Nine members of the Board serve as the Executive Committee (noted by asterisks). The Group's Board of Directors are:

*Ellen Elster, Board President
Contra Costa County Office of Education
*Roberta Silverstein, Vice President
San Ramon Valley USD
*Tim Rahill, Secretary
Martinez USD
*Margaret Kruse, Brentwood Union SD
*Lenee Cadotte, Lafayette SD
*Mark Bonnett, Pittsburg USD
*Michael De Sa, Walnut Creek SD
*Chris Learned, Acalanes Union High SD
*Ruth Vedovelli, West Contra Costa USD
Sheri Gamba, Antioch USD
Thomas Meyer, Byron Union SD
Forrest Kan, Canyon SD
Lois Callahan, CCC College District
Jackie Durham, John Swett USD
Jan Lindgren, Knightsen SD
Jerry Glenn, Liberty Union High SD
Kathy Bell, Moraga SD
Greg Rolen, Mt. Diablo USD
VACANT, Oakley Union SD
Jerry Bucci, Orinda Union SD
Justin Frese, St. Helena USD



T H E C C C S I G T E A M

ADMINISTRATION

VACANT, Executive Director
Denise Cifelli, Executive Assistant
Bridget Moore, Deputy Director
Heidi Flanagan, Executive Assistant
Erica Williamson, Human Resources Mgr.
Monica Hutchins, Administrative Assistant
Maria Villar, Office Assistant
Kelli Parsons, Office Assistant

FINANCE/TECHNOLOGY

Tim O'Keefe, Chief Financial Officer
Veeda Jafari, Accountant
Debbie Anderson, Accounting Specialist
Victor Ammay, Information Systems Coord.
Donna Martinez, Information Systems Coord.

HEALTH & SAFETY SERVICES

Wade Gullledge, Loss Prevention Services Mgr.
John Tobias, Loss Prevention Specialist
Denise Dickson, Health & Wellness Svcs. Coord.
Jeremy Hatch, Loss Prevention & Safety Analyst
Steve Webber, Loss Prevention & Safety Analyst

CLAIMS UNIT

Michael Clark, Claims Manager
Karen Ward, Claims Supervisor
Joanne Milano, Nurse Case Manager
Marilyn Verducci, Early Return to Work Spec.
Spivey Nugent, Senior Bill Review Specialist
Deberia Gold, Bill Review Specialist
Debra Mallett, Bill Review Specialist
Kim Williams, Senior Claims Examiner
Christopher Torres, Senior Claims Examiner
Jackie Balley, Senior Claims Examiner
Dorothy Gilmer, Claims Examiner
Melanie Marz, Claims Examiner
Mary Phillips, Claims Examiner
Rebecca Pipes, Claims Examiner
Lorraine Maul, Claims Examiner
Cathy Bullert, Claims Assistant
Cherry O'Mary, Claims Assistant
Lisa Stewart, Claims Assistant
Tisha Roberts, Claims Assistant

Board of Directors and CCCSIG Staff as of August 1, 2005



CCCSIG's NEW & IMPROVED WEBSITE!!!

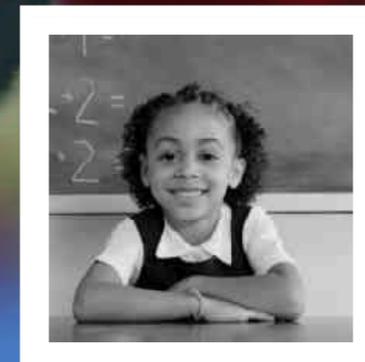
After much planning and design, CCCSIG will be presenting a new and improved website to member districts in late August 2005. The redesigned website will have information related to Health, Safety & Wellness, Workers' Compensation updates and information, a section devoted specifically to Injured Workers, Health Benefits information for member districts, easy access to forms and publications, as well as many other new and improved features. Further information will be provided to member districts when the website "goes live"!!

Contra Costa County Schools Insurance Group 2004/05 Annual Report



10 YEARS OF ACHIEVEMENT

Enhancing the human & financial resources of our members in order to contribute to public education



Contra Costa County Schools Insurance Group
Established 1977 - Self-Administration 1995
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