

2006/07 MEMBER LETTER

This past year CCCSIG celebrated 30 years since the JPA was established in 1977, which was close in time to when JPAs were formed in California to provide an alternative risk solution for public entities to the insurance markets.

CCCSIG is one of the largest JPAs in California, providing workers' compensation claims administration and cost containment programs, along with onsite health and safety education and prevention services to its members. CCCSIG continues to be a leader in the pooling community.

Through the stability of the JPA, experience and commitment to quality and dedicated services to its members, CCCSIG has been recognized as a JPA Accredited with Excellence through CAJPA! The CAJPA accreditation demonstrates CCCSIG's track record and strengths within the claims administration, health and safety education and prevention, governance and program funding areas of workers' compensation pooling.

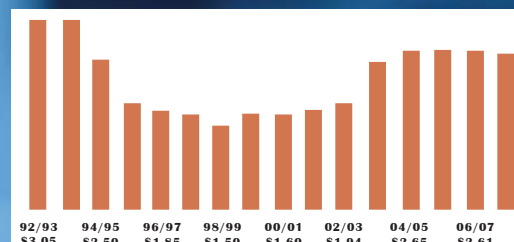
What stands out within the pooling community are the relationships that have been built, including the dedication of all working in partnership at each district, site and within CCCSIG to maximize the human and financial resources of its members in order to contribute to and enhance public education. This upcoming year looks very promising for the JPA as highlighted throughout this report.

Ellen Elster, Board President
Deputy Superintendent./Bus. Svcs., CCCCO

Bridget Moore
Executive Director



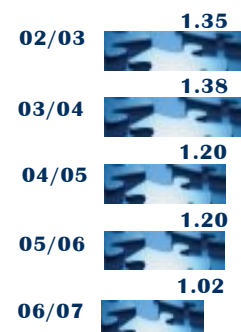
History of CCCSIG Rates



One of the main purposes of JPAs is to maintain stable rates throughout the years, whether there is a hard or soft insurance market. As the above graph shows, CCCSIG has been successful at this!

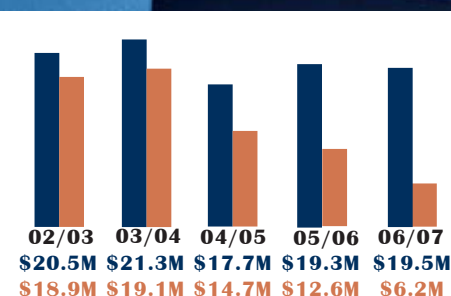
NOTE: 02/03 - 06/07 are effective rates

Claims per Million \$ of Payroll



Ultimate Estimated Incurred Costs

Total Incurred Costs (as of 6/30/07)



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, reaching a high of \$86 million in 2006/07. These assets, and their continued earnings, 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 its members continue to enjoy rates that are below the average rate for employers in California (insured and self-insured).

History of Net Assets: The number of annual claims over the last 10 years has been very consistent, which can be attributed to many factors, one of which is 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 almost 340% since 2000 which, in addition to \$20 million in premium rebates over the years, gradually eroded Net Assets (members' equity) from a high of \$34 million in 1996 to a deficit of \$10 million in 2005.

As a result, the Board of Directors authorized a Net Asset Deficit Assessment which began with reclassifying the \$2.2 million Supplemental Assessment collected in 2005/06 towards the Net Asset Deficit, and collecting the remaining \$7.9 million over the next 10 years. This assessment, along with the prior two years having a surplus, have created a Net Asset Surplus of \$2.4 million as of 6/30/07. CCCSIG plans to continue this positive trend by continuing to help members control their claims costs and by the use of programs which reduce overall costs. In addition, the Executive Committee established a Target Equity Plan in 2007, intended to grow equity to a healthy level, which will allow CCCSIG options if faced with any future negative trends in workers' compensation!

WC Premium Contributions



AUDITED 2006/07 FINANCIAL STATEMENTS INCLUDED AS INSERT IN THIS REPORT

HEALTH & SAFETY SERVICES

PEP PROGRAM UPDATE

The purpose of the Post Offer, Pre-Placement Employment Program (PEP) is to assist member districts in selecting new hires that possess the minimum level of strength necessary to perform those essential functions of the job that require physical strength, thereby, reducing the frequency and severity of injuries on-the-job. Participating districts have had one or more of the following occupations validated for testing: custodian, food service, special education instructional assistant, building maintenance, grounds maintenance, special education bus driver and equipment mechanic.

CCCSIG expanded the program last fiscal year to include two more districts: Orinda Union SD and John Swett Unified SD, for a total of 14 participating member districts. Since June 2000, CCCSIG has tested a total of 3,225 applicants, with current fail and medical clearance rates of 8% and 1%, respectively.

It is CCCSIG's intent in FY2007/08 to continue seeking member districts interested in joining the program and/or validating for additional occupations in those districts already participating. CCCSIG has also enhanced the educational component of the 45-minute testing session to include more education and demonstration of, safe lifting techniques and body mechanics, as well as healthy lifestyles education, with occupation-specific materials for each applicant at the end of the session.

HEALTH & SAFETY SERVICES 2006/07 OVERVIEW

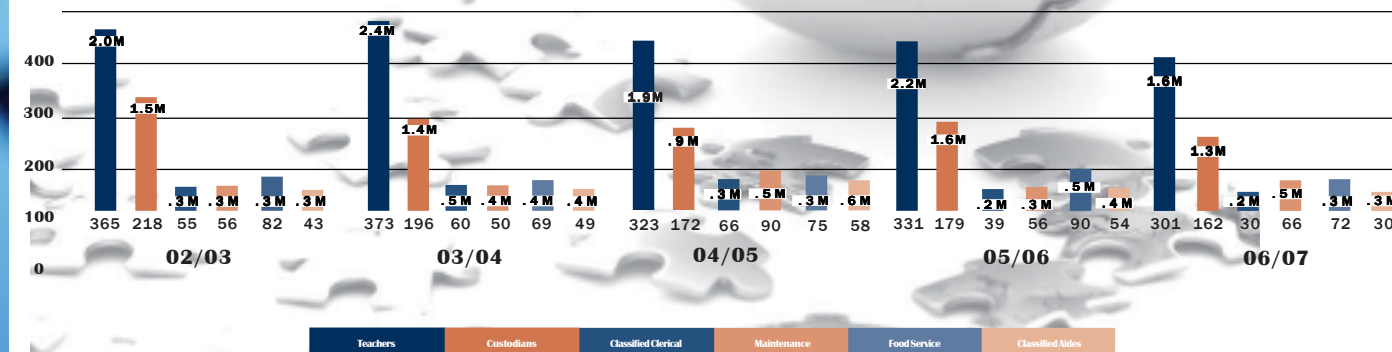
FY 2006/07 was a busy and productive year for the Health and Safety Services Department as it diligently created and provided quality and useful services for member districts, leading to a 10% increase in district utilization of CCCSIG health and safety services! Most frequently requested services were health and safety trainings, ergonomic evaluations and walking programs.

The year also involved accomplishing department objectives, two of which included 1) modifying the District Health and Safety Incentive Program (which was approved by the Executive Committee and is now in place for FY2007/08) and 2) improving the overall quality and delivery of all health and safety services. One of the ways the department succeeded in accomplishing the latter, was by routinely collecting data from participant and supervisor evaluations to arrive at an average overall rating of 4.7 at year's end, on a scale from 1 to 5 (with 1 being poor and 5 being excellent). The department also enhanced its walking program evaluation methods to be able to capture and report more valuable participant information. For example, "Summitting Mt. C-Sigley" walking program finishers set a healthy lifestyle goal prior to beginning the program. 89% reached their goal with 95.7% of them marking 'yes' to the question, "Do you plan to maintain your current level of physical activity even though the program is over?" The department also collected participant self-report data which include: "I've lost 13 pounds and several inches, which I've noticed from the way my clothes fit"; "I've gone down one dress size and one pant size"; and "I definitely feel that the weight loss, increased energy, decreased stress and increase in self-esteem and confidence came as a result of this program."

This fiscal year, the department's objectives include 1) continuing to work toward improving the quality and effectiveness of services, especially as it pertains to the ergonomic evaluation process and the marketing communications/methods used to promote services; 2) exploring the possibilities of piloting an online safety training program for teachers; 3) assisting districts in completing the requirements of the district health and safety incentive program; 4) promoting and conducting a fee-based smoking cessation and/or health screening service for interested districts and 5) developing and conducting a workshop for special education instructional assistants that addresses personal safety in the classroom.

Stay tuned as the Fiscal Year 2007/08 unfolds and more creative, interactive and useful health and safety services are developed and available to all member districts through their membership in CCCSIG!

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

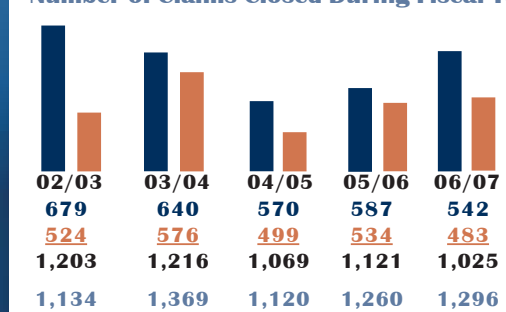


HEALTH & SAFETY SERVICES

- Health & Safety Workshops
- Ergonomic Evaluations
- Healthy Lifestyle Incentive Programs
- Walking Programs
- Health Fair Assistance
- Health Screenings
- Health & Safety Bulletin Board
- Health & Safety Email Tips
- Health & Safety DVD/Video Library
- Monthly Health & Safety Newsletter
- Health & Safety Brochures
- Job Safety Analysis

These services are held onsite and can be customized! Contact the Health & Safety Services Department at 1 (866) 922-2744 or visit CCCSIG's website at www.cccsig.org.

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



EXCITING CHANGES IN BILL REVIEW SERVICES!

The CCCSIG Bill Review Team, comprised of Workers' Compensation Bill Review professionals, recently changed software programs. In February 2007, CCCSIG converted to the StrataCare bill review software for its claims administration program, which CCCSIG does in-house (not common among JPAs).

With the change in software, CCCSIG is able to offer bill review services to other public agencies. Currently CCCSIG is providing these services to both Contra Costa County Risk Management and Schools Insurance Authority (in Sacramento).

Over the next year, CCCSIG's goal is to strategically grow its Bill Review Services, to aid other public agencies in reducing costs, while benefiting CCCSIG members by offsetting some of its administrative costs.



WORKERS' COMPENSATION

NEW TELEPHONIC CLAIMS REPORTING SYSTEM: COMPANY NURSE!

During the last quarter of the 06/07 fiscal year, the claims department introduced and implemented a new claims reporting method through Company Nurse. Company Nurse is a third party medical triage center that telephonically receives all of the countywide first injury reports for workers' compensation.

This program is designed to be more than just an administrative claim intake system. All of the employees at Company Nurse are actual occupational registered nurses and are qualified to not only accept the injury/incident information, but also assess and provide telephonic medical triage. In CCCSIG's short period of time utilizing Company Nurse there have been many potential claims turned into merely a reportable "incident only" claim, based on the nurses' ability to provide immediate treatment remedies, which in many cases can be as simple as ice or aspirin.

In addition to telephonic medical triage, the injured workers are also being directed to one of the district's approved medical treatment facilities for immediate care. Company Nurse provides the medical treatment clinics advance notice that the district employee will be arriving for medical treatment.

To finish the line of communication, the Company Nurse Supervisor's Report of Injury is generated and directed to the appropriate district personnel and CCCSIG, where coordinated efforts take place to prevent any lost time through the Early Return to Work program, as **return to work on the day of injury** is the goal.

From the implementation of Company Nurse (April 2007) through the end of the fiscal year (June 2007) there were 153 non-referrals (34% of total calls), which are work related injuries that would have been workers' compensation claims prior to Company Nurse!!!

EARLY RETURN TO WORK PROGRAM

With the implementation and success of Company Nurse, administrators are now spending far less time completing paperwork associated with workers' compensation injuries. This time is now being focused on return to work activities for those employees who have reasonable work restrictions and who qualify for the program. Whether it is a modification to the employee's current position, or placing that employee into a temporary work assignment, CCCSIG is continuing efforts to educate and promote this cost containing program, as it can greatly affect a district's experience modification factor and workers' compensation premium contributions, while assisting in the employee's recovery.

ADDITIONAL COUNTYWIDE SAVINGS IN 2006/07

UTILIZATION REVIEW \$704,355

EARLY RETURN TO WORK \$1,132,766

BILL REVIEW \$357,756*

CRITICAL CLAIMS TASK FORCE \$549,944

COMBINED TOTAL \$2,744,821

* Estimated

ADDING PIECES TO THE PUZZLE..... 2007/08 STRATEGIC PLANNING

CCCSIG STRATEGIC PLAN OVERVIEW
2007 - 2008

CCCSIG will work throughout the year to complete and implement the objectives listed below, as established by CCCSIG Management and Executive Committee, in order to work towards achieving CCCSIG's mission statement: *To enhance the human and financial resources of our members in order to contribute to enhance public education.*

<p>HEALTH & SAFETY SERVICES QUALITY:</p> <p>TO PROMOTE A SAFE & HEALTHY MORNING ENVIRONMENT</p> <ul style="list-style-type: none"> To Enhance Communications & Promote Online Safety Training Program for Teachers as They Relate to Implementation in 2008/09 To Provide a One Hour workshop on How to Institute Personal Safety When a Special Education Student is Being Kissed, Twisted or Punished To Further Enhance Risk Eval. Marketing & Communication Strategies & Materials To Assess all Schools in Completing Requirements of New Governor Program To Promote Two Fire-Drill Programs, Smoking Cessation & Cholesterol Disease Health Screenings 	<p>COST CONTAINMENT & CLAIMS CONTROL: TO IMPLEMENT EFFECTIVE COST CONTAINMENT ACTIVITIES</p> <ul style="list-style-type: none"> To Undertake Marketing Effort for Repeal of Bill Review Services To Report Outcomes/Benefits from Multiple Cost Containment Projects in Claims Dept.
<p>GOVERNANCE & MEMBERSHIP OUTREACH: TO ACTIVELY ENGAGE ALL PARTICIPANTS AT ALL LEVELS IN COOPERATIVE EFFORTS TO ACHIEVE CCCSIG'S MISSION</p> <ul style="list-style-type: none"> To Undertake 20th Year Celebration BBQ/Open House To Establish Policy for Services for Departing Members To Make Contact with New Superintendents To Develop New JPA/WC Membership To Establish Ongoing Educational Workshops for Board Members 	<p>FINANCIAL STRENGTH: TO ADMINISTER PROGRAMS THAT ARE FINANCIALLY SOUND AND PROVIDE STABLE RATES</p> <ul style="list-style-type: none"> To Achieve Accreditation with Excellence To Prepare Budget Analysis with Staffing Alternatives To Consider Offering Third Party Claims Administrative Services To Recover the Deficit Within Five Years

ORGANIZATIONAL EXCELLENCE: TO WORK TOGETHER TO MAINTAIN AND CELEBRATE A POSITIVE AND PRODUCTIVE CCCSIG WORK ENVIRONMENT

- To Undertake Process of Developing Groupwide Core Values Defining CCCSIG Culture
- Document & Test Internal Processes Throughout CCCSIG



HEALTH BENEFIT PROGRAM HIGHLIGHTS

The CCCSIG Health Benefits Program, which launched in October of 2004, providing member district employees with a variety of PPO and HMO plans through Blue Cross, has been successful in working with Kaiser to join the Health Benefits Program, commencing January 2008. Districts will no longer be required to work individually with Kaiser for this healthcare option.

This past year, using the program's Wellness funds received from Blue Cross, the committee elected to offer flu shots to all member district employees - free to Blue Cross subscribers and "at cost" to non-members. The program will be providing the same service, along with health screens, during open enrollment this fall.

As we all know, there is a constant search for ways to mitigate the high cost of healthcare. One area that is finding success in the industry is the HSA (Health Savings Accounts), which provides a means for subscribers to set aside funds for medical reimbursement. The CCCSIG Health Benefits Program is offering this option to its member districts for consideration January 2008.

Another avenue for cost-savings is awareness of prescription drugs through the use of generic brands and mail order "maintenance Rx" system, which was part of CCCSIG's educational information this past year. CCCSIG looks forward to a new plan year, with an opportunity to work with both healthcare providers to continue health education and wellness efforts for member districts

CCCSIG thanks the dedicated Committee Members:

- *Margaret Kruse, Brentwood Union SD - Chair
- *Lenee Cadotte, Lafayette SD - Vice-Chair
- *Bev Nicolaisen, Byron Union SD
- *Kathy Bell, Moraga SD
- *Debra Fogarty and Tammi Lauderdale, Oakley Union Elementary SD
- *Catrina Howatt, St. Helena USD
- *Lisa Erwin, Walnut Creek SD

Executive Committee Representatives:

- *Roberta Silverstein, San Ramon Valley USD
- *Chris Learned - Acalanes Union High SD

HEALTH BENEFITS PROGRAM

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). CCCSIG's Board of Directors (as of 9/07) :

EXECUTIVE COMMITTEE

- *Ellen Elster, Board President
CCC Office of Education
- *Chris Learned, Vice President
Acalanes Union High SD
- *Roberta Silverstein, Secretary
San Ramon Valley USD
- *Margaret Kruse, Brentwood Union SD
- *Kathy Bell, Moraga SD
- *Lenee Cadotte, Lafayette SD
- *Mark Bonnett, Pittsburg USD
- *Tim Rahill, Martinez USD
- *Bryan Richards, John Swett USD
Denise Porterfield, Antioch USD
- Ann Hern, Byron SD
- Gloria Faircloth, Canyon SD
- Doug Roberts, CCC College District
- Jan Lindgren, Knightsen SD
- Jerry Glenn, Liberty Union High SD
- Greg Rolen, Mt. Diablo USD
- Debra Fogarty, Oakley Union SD
- Jerry Bucci, Orinda Union SD
- Allan Gordon, St. Helena USD
- Lisa Erwin, Walnut Creek SD
- Sheri Gamba, West Contra Costa USD



THE MISSION OF CCCSIG IS TO ENHANCE THE HUMAN & FINANCIAL RESOURCES OF OUR MEMBERS IN ORDER TO CONTRIBUTE TO & ENHANCE PUBLIC EDUCATION

CCCSIG STAFF

CCCSIG's staff is experienced and dedicated to providing excellent customer service to member districts and injured workers. CCCSIG's staff (as of 9/07) :

ADMINISTRATION

- Bridget Moore, Executive Director**
- Denise Cifelli, Executive Asst.
- Heidi Flanagan, Executive Asst.
- Joe Emmett, Chief Financial Officer**
- Veeda Jafari, Accountant
- Deborah Anderson, Accounting Spec.
- Victor Ammay, IS Spec.
- Donna Martinez, IS Spec.
- Erica Williamson, HR Manager**
- Tisha Roberts, Office Assistant II
- Maria Villar, Office Assistant
- Stephanie Tyler, Office Assistant
- HEALTH & SAFETY SERVICES**
- Denise Schreiner, Health & Safety Svcs. Mgr.**
- Jeremy Hatch, Health & Safety Svcs. Sup./WCCUSD
- Steve Webber, Health & Safety Svcs. Spec.
- Abbie Place, Health & Safety Svcs. Spec.
- Susan Patterson, Health & Safety Svcs. Spec.

WORKERS' COMPENSATION

- Michael Clark, Claims Manager**
- Connie Ray, Nurse Case Manager
- Marilyn Verducci, Early Return to Work Spec.
- Spivey Nugent, Sr. Bill Review Spec.
- Deberia Gold, Bill Review Spec.
- Debra Mallett, Bill Review Spec.
- Karen Ward, Claims Supervisor**
- Phyllis Robinson, Claims Supervisor**
- Kim Williams, Sr. Claims Examiner
- Jackie Balley, Sr. Claims Examiner
- Christopher Torres, Sr. Claims Examiner
- Melanie Marz, Sr. Claims Examiner
- Mary Phillips, Claims Examiner
- Michele Sibilla, Claims Examiner
- Sarah Robinson, Claims Examiner
- Cathy Bullert, Claims Assistant
- Lisa Stewart, Claims Assistant
- Cherry O'Mary, Claims Assistant

Contra Costa County Schools Insurance Group 2006/07 Annual Report



PARTNERSHIP FOR SUCCESS IN OUR SCHOOLS



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

550 Ellinwood Way, Pleasant Hill, CA 94523
Tel: 1 (866) 9-CCCSIG or 1 (866) 922-2744 - Fax: (925) 692-1137
www.cccsig.org

