

RESOLUTION NO. 2009-01

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PUBLIC AGENCY RISK SHARING
AUTHORITY OF CALIFORNIA ESTABLISHING A
LIABILITY PROGRAM SIR ADJUSTMENT POLICY.**

WHEREAS, each participating Member of the Liability Program selects a Self-Insured Retention (SIR) level, which is approved by the Board based on the Member's payroll, exposure or financial ability; and

WHEREAS, changes in a Member's payroll, exposure, or financial ability over time may affect the appropriateness of the selected SIR; and

WHEREAS, the Executive Committee is granted authority under the Bylaws to change a Member's SIR level, subject to ratification by the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Public Agency Risk Sharing Authority that a Liability Program SIR Policy be established as follows:

A Member SIR Evaluation shall be completed every three years in conjunction with the mid-year actuarial study. As a result, Members may be subject to an SIR adjustment based on the following:

1. Number of losses above its SIR, or a disproportionate number of losses within its SIR Level compared to the pool average; and/or
2. Payroll that is disproportionate in size to the payroll of the other Members within the SIR level.

A statistical model developed by PARSAC's actuary shall be the standard by which the Board determines which Members are candidates for SIR adjustments. Members who are identified as candidates for an adjustment will be notified within two weeks of such determination. Should the Member deem the adjustment is not warranted, they may make a presentation to the Board of Directors at the next regular meeting in order to provide new or updated information for consideration prior to ratification of the SIR adjustment.

Approved SIR adjustments shall, at minimum, increase the Member SIR to the next available SIR level and will become effective for the next program year. The Member shall remain at the adjusted SIR level for a minimum of three program years, unless otherwise approved by the Board, at which time the SIR may be re-evaluated based on the statistical model.

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Any Member may request to change to their SIR prior to the end of the program year. Requests for an SIR decrease must be received by the second week of February for evaluation under the statistical model and budgeting purposes, and will be considered for approval by the Board of Directors at their next meeting. Once a Member's SIR level is changed, it may not be adjusted again prior to the regularly scheduled Member SIR Evaluation process, unless otherwise approved by the Board.

Effective Date. This Resolution shall become effective on July 1, 2009 upon approval by a majority of the Board of Directors present and voting.

ADOPTED this 28th day of May, 2009.



Catherine DiCamillo, President

ATTEST:

PARSAC Board of Directors



Joanne Rennie, PARSAC Board Secretary