



## San Mateo County Schools Insurance Group EXECUTIVE COMMITTEE MEETING MEETING SUMMARY

---

San Mateo County Schools Insurance Group  
Web Conference/Telephonic Meeting

Thursday, May 8, 2025  
9:00 a.m.  
Sixth Meeting – 2024-2025

---

### **Members Present**

Patrick Gaffney – President  
Kevin Bultema – Vice President  
Valerie Miller  
Amy Wooliever  
Tina Van Raaphorst  
Aida Gamba  
Roberta Zarea

### **Members Absent**

### **B. Adoption of Agenda**

Adoption of the Agenda was approved unanimously.

### **E. Meeting Minutes**

The March 6, 2025 meeting minutes were approved unanimously.

### **F. Consent Agenda**

F1-F5 were approved unanimously. The following consent agenda items were approved: Ratification of P/L Check Register, Ratification of Accounts Payable, Deposit Permit Summary, Quarterly Investment Report, Quarterly Financial Report, Roof Repair Contract, Financial Audit Contract, Workers Compensation Actuarial Report, and Property/Liability Actuarial Report.

### **G1. Executive Director Contract**

The Executive Committee approved appointment of Tom Ledda as Executive Director for a two-year term, effective July 1, 2025, and expiring on June 30, 2027.

### **H1. Structured Equity Utilization Statement**

The Executive Committee approved the revision to Capital Target Statement and approved the Structured Equity Utilization Statement and recommend it for approval at the JPA Board meeting on May 22, 2025. The policy outlines the framework for evaluating, approving, and implementing equity utilization consistent with SMCSIG's financial objectives and fiduciary obligations. The policy includes a moderation in the use of equity to ensure stability and annual evaluation.

### **H2. Recommended Increase to WC SIR Level**

The Executive Committee approved the increase in the Self-Insured Retention for the Workers Compensation program from \$250,000 to \$500,000, effective July 1, 2025, and forward this recommendation to the JPA Board for approval at the May 22, 2025 meeting. By increasing the SIR from \$250,000 to \$500,000, SMCSIG would accept a greater level of risk on individual claims but is expected to realize substantial savings in annual excess premium costs. Based on actuarial projections and broker estimates, the net financial position over time would be improved, even accounting for occasional higher-cost claims.

### **H3. Recommended 25/26 Workers Compensation Rates**

The Executive Committee approved developing a contribution schedule with the \$500,000 threshold and forward this recommendation to the JPA Board for approval at the May 22, 2025 meeting. Ritesh presents the recommended 2025-2026 workers' compensation rates, noting a 5% decrease in rates but a 7% increase in estimated payroll. The new rates result in a 6% increase in contributions from the previous year, with the cost of insurance rising to \$2.07 per \$100 of payroll.

### **H4. Recommended Property/Liability SIR Level**

SMCSIG currently maintains a \$250,000 self-insured retention (SIR) for both its liability and property programs, with exceptions for certain property exposures (e.g., \$150K for flood, \$1M for water damage). Excess coverage is secured through PRISM, SELF, and PEPIP.

#### **Capital Considerations**

- Current fund balance does **not meet the target minimum** required to responsibly assume additional retained risk.
- Increasing the SIR could **threaten solvency** and undermine long-term funding goals in an already unstable market.

Maintaining \$250K retention level is the most prudent course given market instability, uncertain loss projections, and current capital limitations.

### **H5. Recommended 25/26 Property/Liability Rates**

The Executive Committee approved the proposed Property/Liability rates for 2025/2026 and recommend these rates to the SMCSIG JPA Board for adoption at its May 22, 2025, annual meeting.

## **H6. SELF AB 218 Assessment**

SELF (Schools Excess Liability Fund) has announced a fourth funding call for its AB 218 Revived Liability Funding Plan (RLFP), in response to the continued volume and severity of revived AB 218 claims, which are driving up liability costs across participating districts. The total assessment amount is \$6.63 million for SMCSIG members. Payment options include a two-year plan or a 3% discount for full payment.

Payment Options:

1. Two-Year Payment Plan:
  - 50% due in 2025/26
  - 50% due in 2026/27
2. One-Time Payment with Discount:
  - Pay in full by December 31, 2025
  - Receive a 3% discount
  - Invoices dated May 2025 (can be paid in 2024/25 or 2025/26)

In keeping with past practice, SMCSIG members should carefully review their annual assessments to determine whether to remit payment in full—reflecting 3% discount—or to elect the extended two-year installment option themselves.

The group agrees to push for earlier estimates in the future, ideally by January or February. There is also discussion about the possibility of overlapping assessments and the need for legislative action to address these costs for school districts.

## **H7. Recommended 2026 Dental Rates**

SMCSIG discussed three options for renewing their status quo, with no benefit changes. The first option is an 11.4% increase across all plans, which is a result of a 10% reduction in rates last year due to an increase in claims. The second option is a diagnostic and preventive waiver, which would not accumulate to the calendar year maximum, resulting in a 15.6% increase. The third option is to increase the usual and customary on three plans, which would have a 17.6% increase. SMCSIG sought feedback and recommendations for moving forward to the board.

The Executive Committee approved Option 1, with 15.6% increase in all plans, Diagnostic & Preventative waiver, and estimated claims impact of \$573K. The Executive Committee approved to recommend this option to the JPA board at the May 22, 2025 meeting.

### **H8. Recommended 2026 Vision Rates**

The committee discussed the vision rates, with three options presented: status quo, a minor increase of 2.2%, and an increase in the frame allowance from 150 to 200, which would result in a 14.1% increase. The committee recommended option one, which would bring the rates more in line with VSP's standard frame allowance. The Executive Committee approved Option 1 and forward this recommendation to the JPA Board at the May 22, 2025 meeting.

### **H9. Approval of Equity Utilization**

The meeting also discussed the equity utilization, with the recommendation to utilize 1/5th of the equity from the workers compensation program, which would result in a 2.2 million dollar credit. The committee also discussed the possibility of utilizing 1/3rd of the equity, but decided to go with the 1/5th option. The conversation ended with a discussion about the self-assessment costs and the possibility of accelerating the equity utilization in the future.

The meeting focused on the utilization of equity to provide relief and the potential for aggressive action due to the assessments. The board requested to create two additional options for the full board's consideration at the May 22, 2025 meeting.

### **H10. Optum EAP Renewal**

The Executive Committee approved the 7/1/2025 renewal at new rate of \$1.18 pepm (18-month rate guarantee through 12/31/2026) and forward this recommendation to the SMCSIG JPA Board for adoption at its annual meeting on May 22, 2025.

As part of Life Insurance Marketing to be conducted in May 2025, with results presented in July, we recommend reviewing no cost EAP program included in Life insurance program as a possible alternative solution effective 1/1/2026. If a change is desired, JPA can terminate Optum EAP with 60-day termination notice.

### **H11. Recommended Adoption of 25/26 SMCSIG Budget**

The proposed 2026 budget was presented, showing a projected increase in contributions and direct expenses, with administration costs expected to increase by 0.4%. The Executive Committee approved the adoption of the Preliminary 2025/2026 SMCSIG budget and recommend it for adoption by the full SMCSIG JPA board at its meeting on May 22, 2025 meeting.

### **H13. Meeting Calendar**

Next meeting will be a JPA Board meeting on May 22, 2025.