



**BOARD OF DIRECTORS MEETING  
AGENDA**

**Tuesday, November 5, 2024  
9:30 a.m.**

**The Westin Sacramento  
Monaco II Room  
4800 Riverside Blvd.  
Sacramento, CA 95822  
(916) 443-8400**

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In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Taysha James at (916) 244-1186 or [taysha.james@sedgwick.com](mailto:taysha.james@sedgwick.com). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the LAWCX Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection.

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<b>Page</b>	<b>1. CALL TO ORDER</b>
	<b>2. INTRODUCTIONS</b>
	<b>3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)</b>
	<b>4. PUBLIC COMMENTS</b> – The public may submit any questions in advance of the meeting by contacting Rebekah Winger at <a href="mailto:rebekah.winger@sedgwick.com">rebekah.winger@sedgwick.com</a> . This time is reserved for members of the public to address the Board relative to matters of the LAWCX, not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.
<b>5</b>	<b>5. CONSENT CALENDAR</b> If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.
<b>6</b>	*A. Minutes from the June 4, 2024, Board of Directors Meeting
<b>17</b>	*B. Treasurer’s Report dated June 30, 2024
<b>61</b>	*C. Treasurer’s Report dated September 30, 2024
<b>105</b>	*D. Warrant Listing: June 1, 2024 – September 30, 2024
<b>106</b>	*E. Commutation Letter from PRISM’s Reinsurance Carrier, AmTrust

- 111 \*F. Overview of PRISM’s Excess Workers’ Compensation Program Premium and Fees
- 113 \*G. Biennial Review of Excess Reportable Workers’ Compensation Claims
- 122 \*H. Legal Services Agreement with Alliston Law Office
- 126 \*I. Annual Investment Policy Review
- 141 \*J. 2023/24 Compliance Survey Update and Reporting of Payroll
- 146 \*K. Risk Control Service Update
- 150 \*L. Workers’ Compensation Legislative Update
- 154 \*M. 2024/25 Activity Summary
- 158 \*N. Board Document Review Schedule

***Recommendation: Approve the Consent Calendar.***

**6. PRESENTATION**

- 162 \*A. PRISM Member Services S  
***Recommendation: None.***

**7. STRATEGIC PLAN FOCUS SESSION – MID-LAYER FUNDING DISCUSSION & ACTION ITEMS**

- 177 \*A. Target Equity and Funding Level Review S  
***Recommendation: The Executive Committee recommends the Board approve changes to the Target Equity Policy, as presented.***
- 190 \*B. Draft Actuarial Report with 2025/26 Funding Rates and Discussion of Confidence Level and Discount Rate  
***Recommendation: The Executive Committee recommends the Board receive and file the actuarial report and approve discounting the unpaid claims at 3.0% for PRCC and 2.0% for the LAWCX tail.***
- 238 C. Strategic Planning – Follow-Up Focus Session S  
***Recommendation: None.***
- 240 D. Discussion of Confidence Level and Program Rates for 2025/26  
***Recommendation: Approve setting rates for the 2025/26 program year, based on the actuarial study, discounted at 3.0% and establishing the confidence level for each layer.***

**8. ACTION/DISCUSSION ITEMS**

- 243 \*A. Draft Audited Financial Statements for Fiscal Year Ended June 30, 2024  
***Recommendation: Approve the draft audited financial statements as of June 30, 2024.***
- 279 \*B. Investment Report as of September 30, 2024, & U.S. Bank Merger  
***Recommendation: None.***
- 343 \*C. Appointment of Finance Manager

***Recommendation: Appoint Tony Pasquarello as LAWCX Finance Manager.***

- 345 \*D. California Coalition on Workers' Compensation (CCWC) & S  
LAWCX Legislative Policy Platform  
***Recommendation: The Executive Committee recommends the Board approve membership in the California Coalition on Workers' Compensation (CCWC) and approve the Workers' Compensation Policy Platform, as presented.***
- 349 \*E. Claims Auditing Services Contract with Farley Consulting Services  
***Recommendation: The Executive Committee recommends the Board approve a four-year renewal contract with Farley Consulting Services (FCS) for Workers' Compensation Claims Auditing Services effective July 1, 2025.***
- 361 \*F. Update to Claims Management Policy  
***Recommendation: None.***
- 365 \*G. Reinsurance Agreements with Public Risk Captive of California (PRCC) S  
***Recommendation: The Executive Committee recommends the Board approve the reinsurance agreement for the 2020/21 and 2021/22 Loss Portfolio Transfer (LPT) and retroactive amendments to the 2022/23, 2023/24, and 2024/25 reinsurance agreements, which add language regarding the interest due to LAWCX.***
- 370 H. Report on Partnership with First Responder's Resiliency, Inc. S  
***Recommendation: None.***
- 372 \*I. Public Risk Captive of California (PRCC) Board Report S  
***Recommendation: None.***
- 375 J. Board of Directors Meeting Schedule for the 2024/25 Program Year  
***Recommendation: Provide feedback and direction to staff.***

## 9. EXECUTIVE DIRECTOR'S REPORT

### 10. CLOSING COMMENTS

This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.

- A. Board Members
- B. Staff

### 11. ADJOURNMENT

**NOTICES:**

- The next regularly scheduled Executive Committee meeting will be held on Tuesday, February 13, 2025, at 10:30 a.m., via Zoom.
- The next regularly scheduled meeting of the PRCC Board of Directors will follow the Executive Committee meeting on Tuesday, February 13, 2025, via Zoom.
- The next regularly scheduled Board of Directors meeting will be held on Tuesday, June 3, 2025, at 10:00 a.m., in Sacramento, CA.