

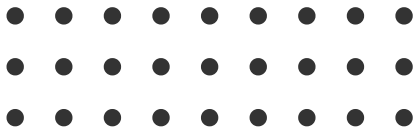
**FRMS**

Fire Risk  
Management Services

# 2023-2024 ANNUAL REPORT

[www.frmsrisk.org](http://www.frmsrisk.org)





# TABLE OF CONTENTS

1	President's Message
2	Organizational Profile
3	FRMS Membership
4	Members
5	Governance
6	Staff and Service Providers
7	Workers Compensation
13	Excess Workers Compensation
14	Safety & Risk Control
16	Benefits
21	Health & Wellness Programs
23	Financials



# PRESIDENT'S MESSAGE

Dear Fellow FRMS Members and Board of Directors:

The 2023/24 fiscal program year was a major step forward for our organization. Fire Risk Management Services (FRMS) was created by combining Fire Agencies Self Insurance System (FASIS) and FDAC Employment Benefits Association (EBA) into a single entity – a joint powers authority currently providing coverage and services to over 200 fire districts throughout California.

I am personally very proud of our determination to finalize this initiative many years in the making. Thank you to our Board of Directors, staff, and key service partners for their dedication and collaborative effort to realize this critical goal.

Our overall mission continues to be providing workers' compensation coverage, employee benefits, and comprehensive risk management services to our member districts at reasonable and stable cost. To do so, we must ensure that FRMS remains financially stable and viable in the long-term for the membership. FRMS' financial position and audit results in this report continue to reflect that commitment and success.

In addition to the successful merger of organizations and strong financial position, we would also like to highlight some of the additional activities and accomplishments of the past year:

- Finalized updated governing and coverage documents to support the merger
- Established a five-member Benefits Committee to support further health and wellness initiatives for the combined organization
- Developed a reimbursement program for First Responders Resiliency, Inc. (FRR) participation to support first responder mental health and resiliency
- Expanded annual physical examination network of providers

Looking forward, we continue to be excited with opportunities for membership growth and enhanced services to support our community. Together we will be able to expand upon the strong foundation we have built and dedication of FRMS' members throughout the state.



**Sincerely,  
Chief Steve Akre**



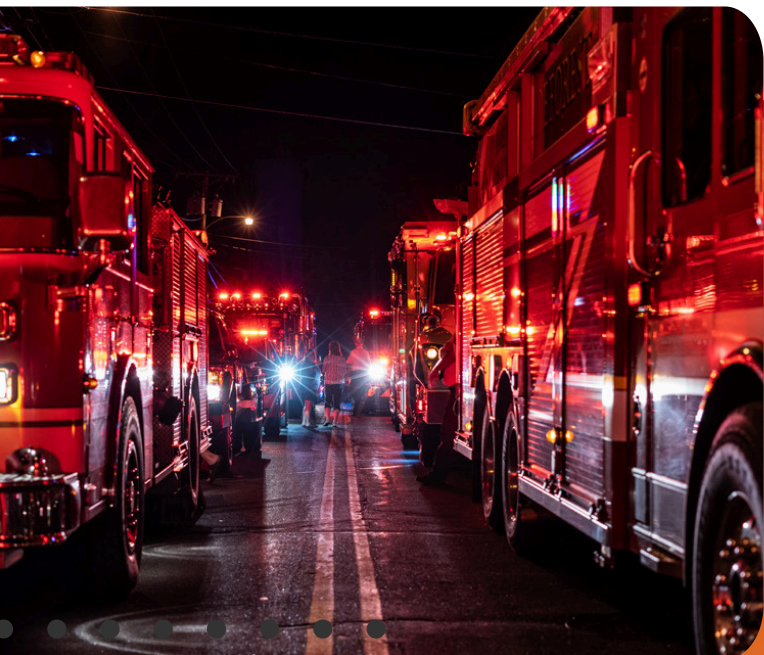


# ORGANIZATIONAL PROFILE

**Fire Risk Management Services** (FRMS) was formed through a consolidation of the Fire Districts Association of California: Employee Benefits Authority (FDAC EBA) and the Fire Agencies Self Insurance System (FASIS). FRMS builds upon the combined 60 years of experience of more than 200 fire districts, cities, and community service districts under FDAC EBA and FASIS. The pool continues to provide rate stability, broad coverage, and expanded benefits and services.

FRMS provides a cost-effective form of workers' compensation coverage unique to firefighters and volunteers and retains the first \$750,000 of each loss. The workers' compensation program also extends to include excess coverage above the pool's threshold through the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) and Public Risk Innovation, Solutions and Management (PRISM), up to statutory limits.

Fire Risk Management Services (FRMS) Benefit Program provides employee benefit plans to 77 participating fire districts, cities, and special districts. Plan offerings include medical, dental, vision, and life/AD&D plans, as well as critical illness benefits, Medicare, and an annual district wellness stipend.



In addition to workers' compensation coverage and benefits, FRMS provides a suite of dedicated services to its members. Program administration, claims oversight, training, and loss control services are contracted through **sedgwick**. Additional services include the administration and auditing of claims, actuarial studies, financial audits, an employee assistance program, pre-placement & annual physicals, resiliency training, a legal assistance telephone hotline for personnel-related issues, and participation in FDAC.



# 2023/2024 FRMS MEMBERSHIP

Adin Fire Protection District  
Alpine Fire Protection District  
Alta Fire Protection District  
Amador Fire Protection District  
American Canyon Fire Protection District  
Arcata Fire District  
Anderson Fire Protection District  
Arbuckle-College City Fire Protection District  
Bald Mountain Fire Protection District  
Ben Lomond Fire Protection District  
Big Valley Fire Protection District  
Bollinas Fire Protection District  
Boulder Creek Fire Protection District  
Bridgeport Fire Protection District  
Burbank-Paradise Fire Protection District  
Burney Fire Protection District  
Cachagua Fire Protection District  
Canby Volunteer Fire Department  
Carlotta Community Services District  
Carmel Highlands Fire Protection District  
Castella Fire Protection District  
Cazadero Community Services District  
Cedarville Fire Protection District  
Central Calaveras Fire & Rescue Protection District  
Central Coast Community Energy  
Central Fire Protection District of Santa Cruz County  
Chalfant Valley Fire Department  
Community Service District  
City of Antioch  
City of Beaumont  
City of Blue Lake  
City of Ceres  
City of Duarte  
City of Ferndale  
City of Glendora  
City of Hollister  
City of Jurupa Valley  
City of Palos Verdes Estates  
City of Pleasant Hill  
City of Plymouth  
City of San Joaquin  
City of Sausalito  
City of Shafter  
City of South Lake Tahoe  
City of Willows  
Clements Rural Fire Protection District  
Cloverdale Fire Protection District  
Coastside Fire Protection District  
Collegeville Fire Protection District  
Copperopolis Fire Protection District  
Cordelia Fire Protection District  
Cottonwood Fire Protection District

Covelo Fire Protection District  
Crescent Mills Fire Protection District  
Cypress Fire Protection District  
Daggett Community Services District  
Davis Creek Fire Protection District  
Denair Fire Protection District  
Diamond Springs/El Dorado Fire Protection District  
Douglas City Community Services District  
Doyle Fire Protection District  
Ebbetts Pass Fire District  
El Dorado County Fire Protection District  
Escalon Consolidated Fire District  
Fairview Fire Protection District  
Farmington Rural Fire Protection District  
Felton Fire Protection District  
Ferndale Fire Protection District  
Foresthill Fire Protection District  
Fort Bidwell Fire District  
Fort Bragg Fire Protection Authority  
Fort Dick Fire Protection District  
Fortuna Fire Protection District  
French Camp-McKinley Rural Fire Protection District  
Fresno County Fire Protection District  
Garberville Fire Protection District  
Gasquet Fire Protection District  
Gazelle Fire Protection District  
Georgetown Fire District  
Gold Ridge Fire Protection District  
Graeagle Fire Protection District  
Graton Fire Protection District  
Happy Valley Fire Protection District  
Hayfork Fire Protection District  
Hayward Area Recreation District  
Higgins Fire Protection District  
Huntington Lake Volunteer Fire Department  
Hyampom Community Services District  
Independence Fire Protection District  
Indian Valley Community Services District  
Janesville Fire Protection District  
Junction City Fire Protection District  
June Lake Fire Protection District  
Kanawha Fire Protection District  
Kelseyville Fire Protection District  
Kentfield Fire Protection District  
Kenwood Fire Protection District  
Keyes Fire Protection District  
Klamath Fire Protection District  
Lake City Volunteer Fire Department  
Lake County Fire Protection District  
Lake Forest Fire Protection District  
Lakeside Fire Protection District  
Lathrop-Manteca Fire Protection District

Lee Vining Fire Protection District  
Leggett Valley Fire Protection District  
Liberty Rural County Fire Protection District  
Linda Fire Protection District  
Linden-Peters Rural Fire Protection District  
Little Lake Fire Protection District  
Lockwood Fire Protection District[RH1]  
Loma Rica/Browns Valley Community Services District  
Lone Pine Fire Department  
Long Valley Community Services District  
Lookout Fire Protection District  
Mammoth Lakes Fire Protection District  
Meadow Valley Fire Protection District  
Milford Fire District  
Millville Fire Protection District  
Mokelumne Hill Fire Protection District  
Mokelumne Rural Fire Protection District  
Mono City Volunteer Fire Protection District  
Monte Rio Fire Protection District  
Monterey County Mosquito Abatement District  
Monterey County Regional Fire Protection District  
Moraga-Orinda Fire District  
Mosquito Fire Protection District  
Mountain Gate Community Services District  
Mountain Valley Fire Department  
Mountain View Fire Protection District  
Murphys Fire Protection District  
Napa Valley Transportation Authority  
Nevada County Consolidated Fire District  
Newberry Community Services District  
Newcastle Fire Protection District  
North Central Fire Protection District  
North County Fire Protection District  
North County Fire Protection District of Monterey County  
North San Juan Fire Protection District  
North Sonoma Coast Fire Protection District  
North Tahoe Fire Protection District  
Northern Sonoma County Fire Protection District  
Novato Fire Protection District  
Occidental Community Services District  
Oceano Community Services District  
Olancho Community Service District  
Ophir Hill Fire Protection District  
Orange Cove Fire Protection District  
Paradise Fire Protection District

# 2023/2024 FRMS MEMBERSHIP

Peardale-Chicago Park Fire Protection District  
 Peninsula Community Services District  
 Penn Valley Fire Protection District  
 Penryn Fire Protection District  
 Petrolia Fire Protection District  
 Pioneer Fire Protection District  
 Plumas Eureka Community Services District  
 Post Mountain Public Utility District  
 Prattville-Almanor Fire Protection District  
 Princeton County Fire Protection District  
 Quincy Fire Protection District  
 Redway Community Services District  
 Rescue Fire Protection District  
 Resource Conservation District of Tehama County  
 Rio Dell Fire Protection District  
 Ripon Consolidated Fire District  
 Rodeo-Hercules Fire Protection District  
 Ross Valley Fire Department  
 Sacramento River Fire Protection District of Colusa  
 Salida Fire Protection District  
 Salyer Community Service District  
 San Mateo County Mosquito & Vector Control District  
 Santa Margarita Fire Protection District  
 Schell-Vista Fire Protection District  
 Scott Valley Fire Protection District  
 Scotts Valley Fire Protection District  
 Shasta Fire Protection District  
 Shasta Lake Fire Protection District  
 Shaver Lake Volunteer Fire District  
 Sierra City Volunteer Fire Protection District  
 Smith River Fire Protection District  
 Sonoma County Fire District  
 Sonoma Valley Fire District  
 South Lake County Fire Protection District  
 South Monterey County Fire Protection District  
 South Placer Fire Protection District  
 Southern Inyo Fire Protection District  
 Southern Marin Fire Protection District  
 Southern Trinity Volunteer Fire Department  
 Spalding Community Service District  
 Standish-Litchfield Fire District  
 Stanislaus Consolidated Fire Protection District  
 Stones-Bengard Community Service District  
 Suisun Fire Protection District



CALIFORNIA  
 COUNTIES  
 WITH FRMS  
 MEMBERS

Susan River Fire Protection District  
 Sutter Basin Fire District  
 Sutter Creek Fire Protection District  
 Sutter Yuba Mosquito and Vector Control District  
 Telegraph Ridge Fire Protection District  
 Thornton Rural County Fire Protection District  
 Tiburon Fire Protection District  
 Timber Cove Fire Protection District  
 Truckee Fire Protection District  
 Turlock Rural Fire Protection District  
 Vacaville Fire Protection District  
 Valley Center Fire Protection District  
 Walnut Grove Fire Protection District

Waterloo-Morada Rural County Fire Protection District  
 West Almanor Community Services District  
 West Point Fire Protection District  
 West Stanislaus County Fire Protection District  
 Westport Fire Protection District  
 Westport Volunteer Fire Department  
 Wheeler Crest Fire Protection District  
 Whitethorn Fire Protection District  
 Willow Ranch Fire District  
 Woodbridge Fire Protection District  
 Woodland Avenue Fire Protection District

# 2024/2025 GOVERNANCE

FRMS would not be able to support its members or sustain its financial strength without the proper management and sound governance provided by our eleven-member Board of Directors. Each Board member has a fiduciary responsibility to perform duties as defined by the governing documents, including attending meetings and serving on behalf of FRMS member districts. Board meetings are held at least three times per year and each Board member, regardless of size, is afforded one vote. Three Officers serve the Board of Directors: the elected President and Vice President, and the appointed Treasurer.

Committees may be appointed by the Board of Directors on an as-needed basis in order to conduct business.

## 2024/2025 OFFICERS

<b>President:</b>	<b>Steve Akre</b> , Sonoma Valley Fire District
<b>Vice President:</b>	<b>Steve Kovacs</b> , Murphys Fire Protection District
<b>Treasurer:</b>	<b>Carol Pigoni</b> , Cloverdale Fire Department

## 2024/2025 BOARD OF DIRECTORS

Sonoma Valley Fire District	<b>Steve Akre</b> , Fire Chief
Murphys Fire Protection District	<b>Steve Kovacs</b> , Fire Chief
Cloverdale Fire Department	<b>Carol Pigoni</b> , Director
Alpine Fire Protection District	<b>Brian Boggeln</b> , Fire Chief
Central Fire District of Santa Cruz	<b>Jason Nee</b> , Fire Chief
Lakeside Fire Protection District	<b>Don Butz</b> , Fire Chief
Novato Fire District	<b>Bill Tyler</b> , Fire Chief
Sonoma County Fire District	<b>Sean Grinnell</b> , Division Chief
South Lake County Fire District	<b>Jim Comisky</b> , Director
Southern Marin Fire District	<b>Tom Perazzo</b> , Director
Tiburon Fire District	<b>Richard Pierce</b> , Fire Chief

## LAWCX BOARD REPRESENTATION

<b>Jim Comisky</b> , South Lake County Fire District
<b>Tom Perazzo</b> , Southern Marin Fire District



# STAFF & SERVICE PROVIDERS

## STAFF

<b>Interim Executive Director:</b>	Jon Paulsen
<b>Assistant Pool Administrator:</b>	Maria De Leon
<b>Analyst:</b>	Amanda Bistolfo
<b>Administrative Services Coordinator:</b>	Ramon Hernandez
<b>Workers' Compensation Manager:</b>	Sarah Centeno
<b>Risk Control Manager:</b>	Eric Marcinkowski
<b>Finance Manager:</b>	Kemble Ng
<b>Senior Accountant:</b>	Ashten Bennett
<b>Staff Accountant:</b>	Alex Gilbert

## SERVICE PROVIDERS

<b>Program Administration:</b>	Sedgwick
<b>Actuarial Services:</b>	Bay Actuarial Consultants
<b>Employee Assistance Program:</b>	Simple Therapy EAP
<b>Benefits Brokerage and Consulting:</b>	Keenan & Associates
<b>Third Party Medical Administrators:</b>	Keenan & Associates
<b>Financial Audit Services:</b>	Eide Bailly LLP
<b>Board Counsel:</b>	Alliston Law Office
<b>Investment Advisor:</b>	PFM Asset Management
<b>Workers' Compensation Counsel:</b>	Laughlin, Falbo, Levy & Moresi, LLP
<b>Workers' Compensation Claims Administrator:</b>	Athens Administrators
<b>First Responders Resiliency Training:</b>	First Responders Resiliency, Inc.
<b>Annual Physical Exam Providers:</b>	Pinnacle Training Systems, 1582, On Duty Health, & Occu-Med
<b>Website Management:</b>	Smith Moore & Associates

# WORKERS' COMPENSATION

The **Workers' Compensation Program** provides affordable benefits up to the statutory limits of coverage in California relating to injuries and illnesses arising out of and in the course of employment. Our member districts participate at dollar-one, with pooled coverage of **\$750,000** per occurrence.



At the 80% confidence level, the rates for 2023/2024 increased by **9.5% for safety** and **6.5% for non-safety personnel** as compared to the rates for 2022/2023.

FRMS continues a utilization review process focused on providing appropriate care while eliminating unnecessary delays and reducing costs. In further support of cost containment efforts, use of bill review services resulted in **a total net savings of \$8,273,349** in medical charges billed for 2023/2024.

Member participation in and understanding of your JPA is important. Staff, along with Athens Administrators (the designated third party claims administrator), presents regular webinars and in-person trainings focused on member roles and responsibilities. Targeted in-person trainings that address scenarios ranging from minor injuries to injuries that may severely impact the employee's career are also provided.

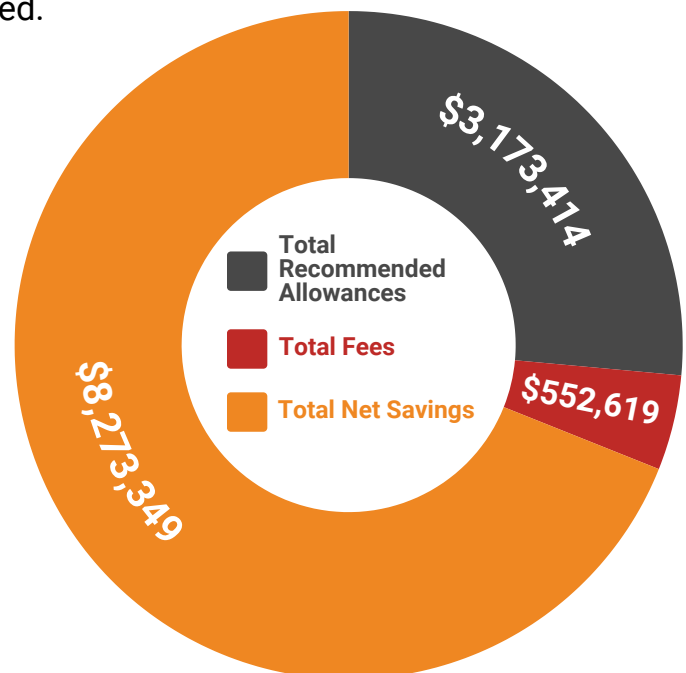
## Bill Review Savings for 2023/2024

**\$11,999,382**

Total Medical Billed for 2023/24

**\$3,173,414**

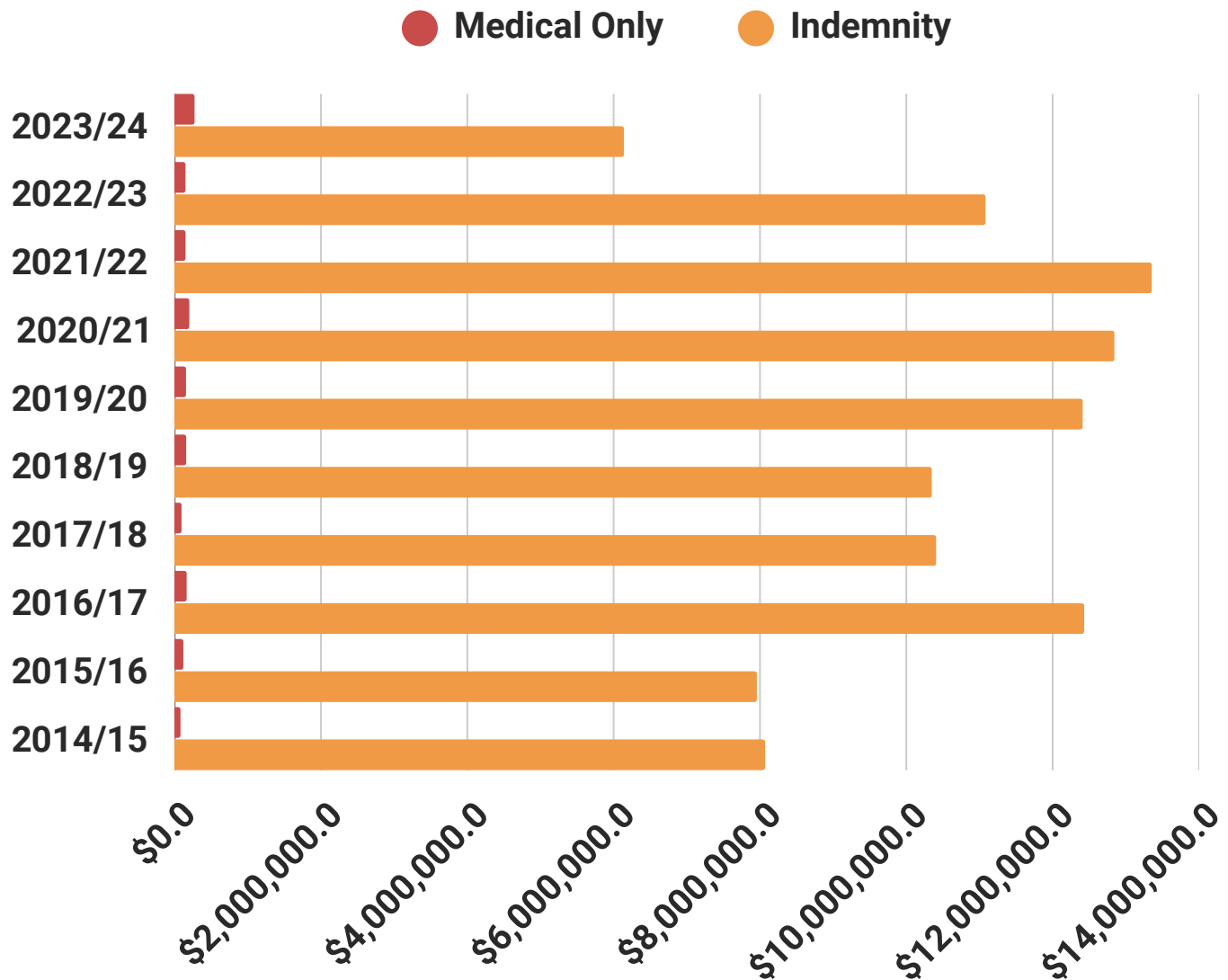
Total Medical Paid for 2023/24



# WORKERS' COMPENSATION (cont.)

FRMS provides workers' compensation program management services to the members in the form of quarterly claims reviews, claims assistance, and workers' compensation expertise and training. FRMS undergoes an independent claims audit once every two years, the most recent of which occurred in 2024 and resulted in an **overall audit score of 98.8%**.

## INDEMNITY VS. MEDICAL-ONLY CLAIMS



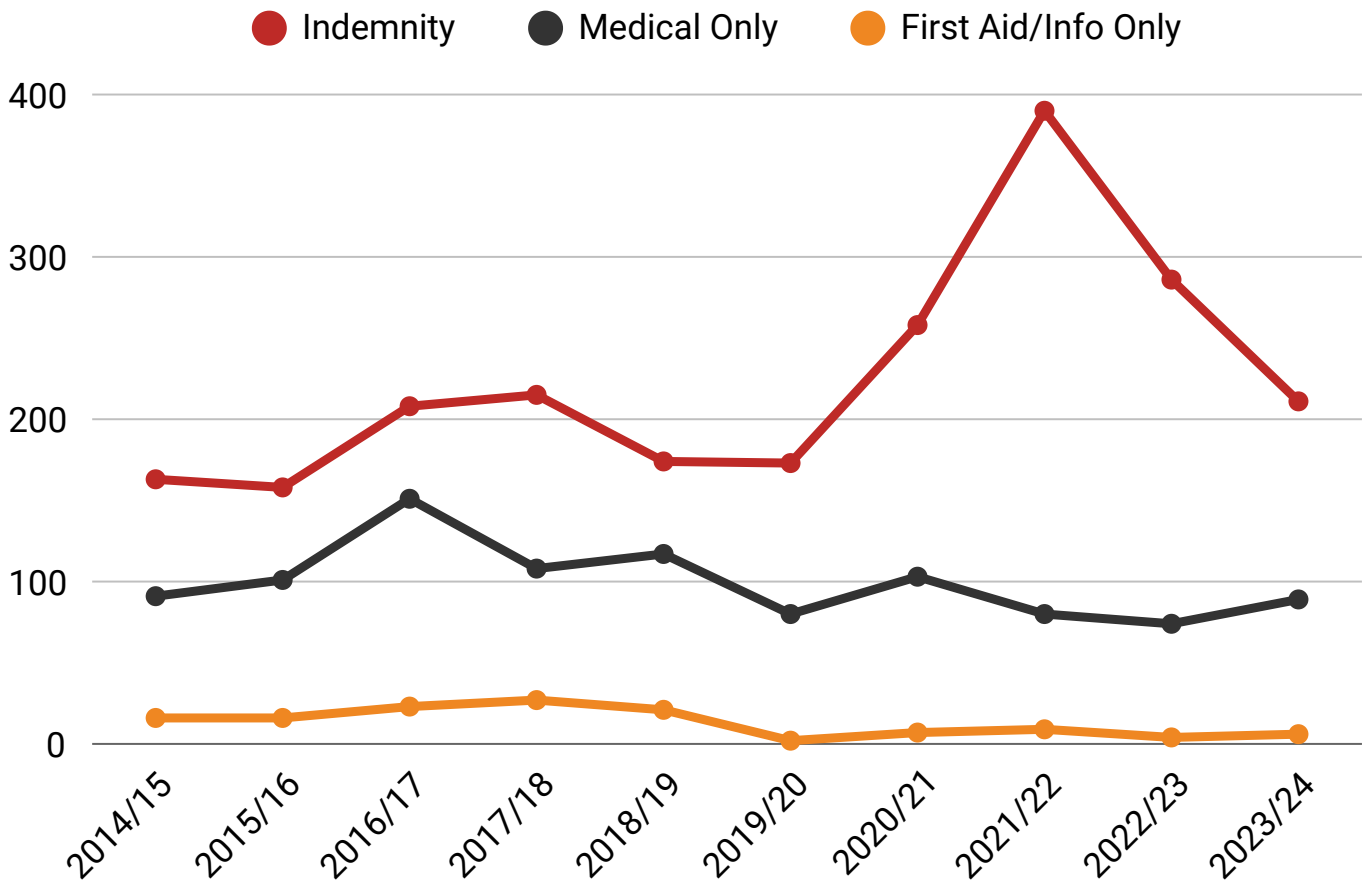


# WORKERS' COMPENSATION

(cont.)



## NUMBER OF CLAIMS BY TYPE (2014/15 - 2023/24)

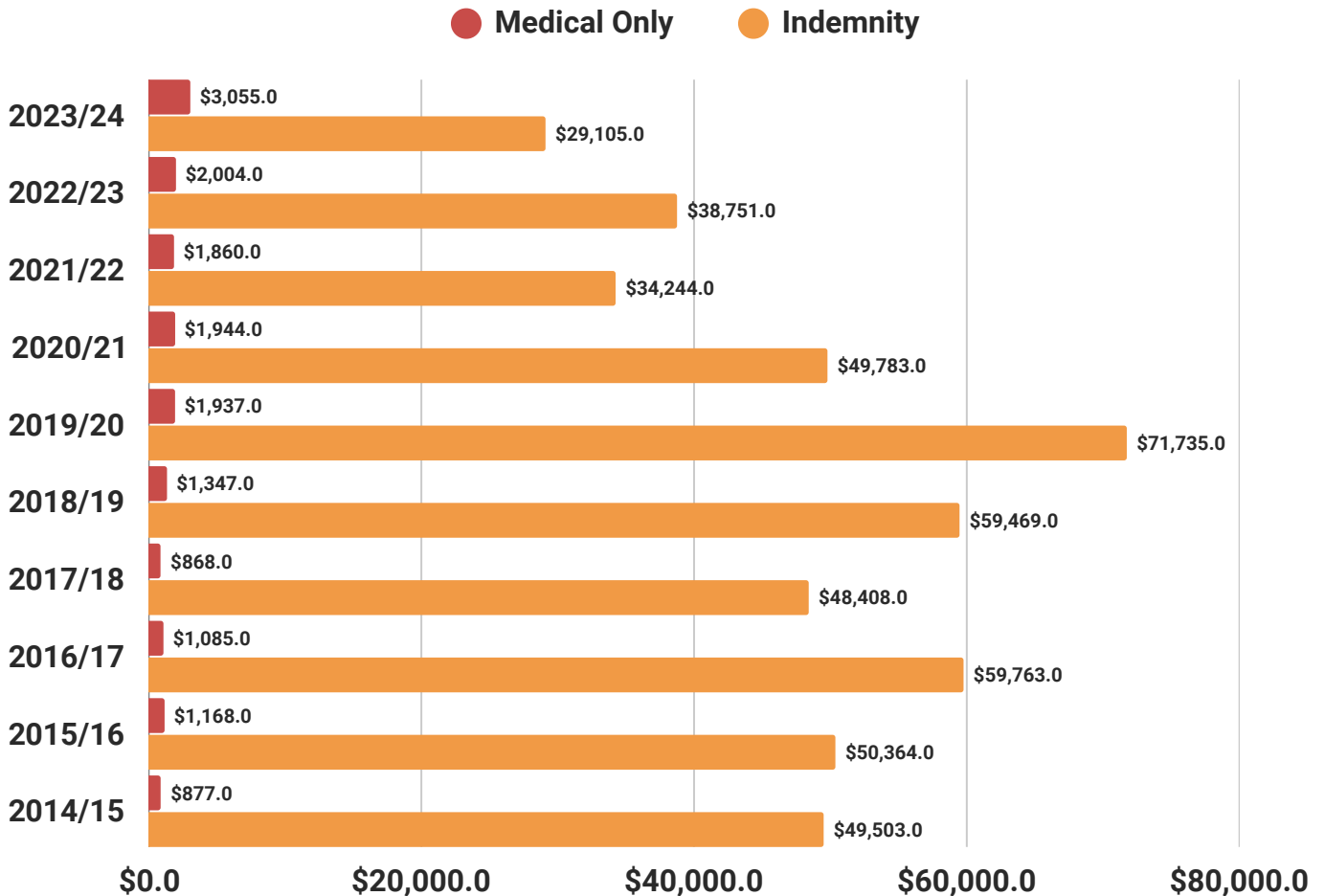


# WORKERS' COMPENSATION

(cont.)



## AVERAGE INDEMNITY AND MEDICAL-ONLY COSTS PER CLAIM BY PROGRAM YEAR

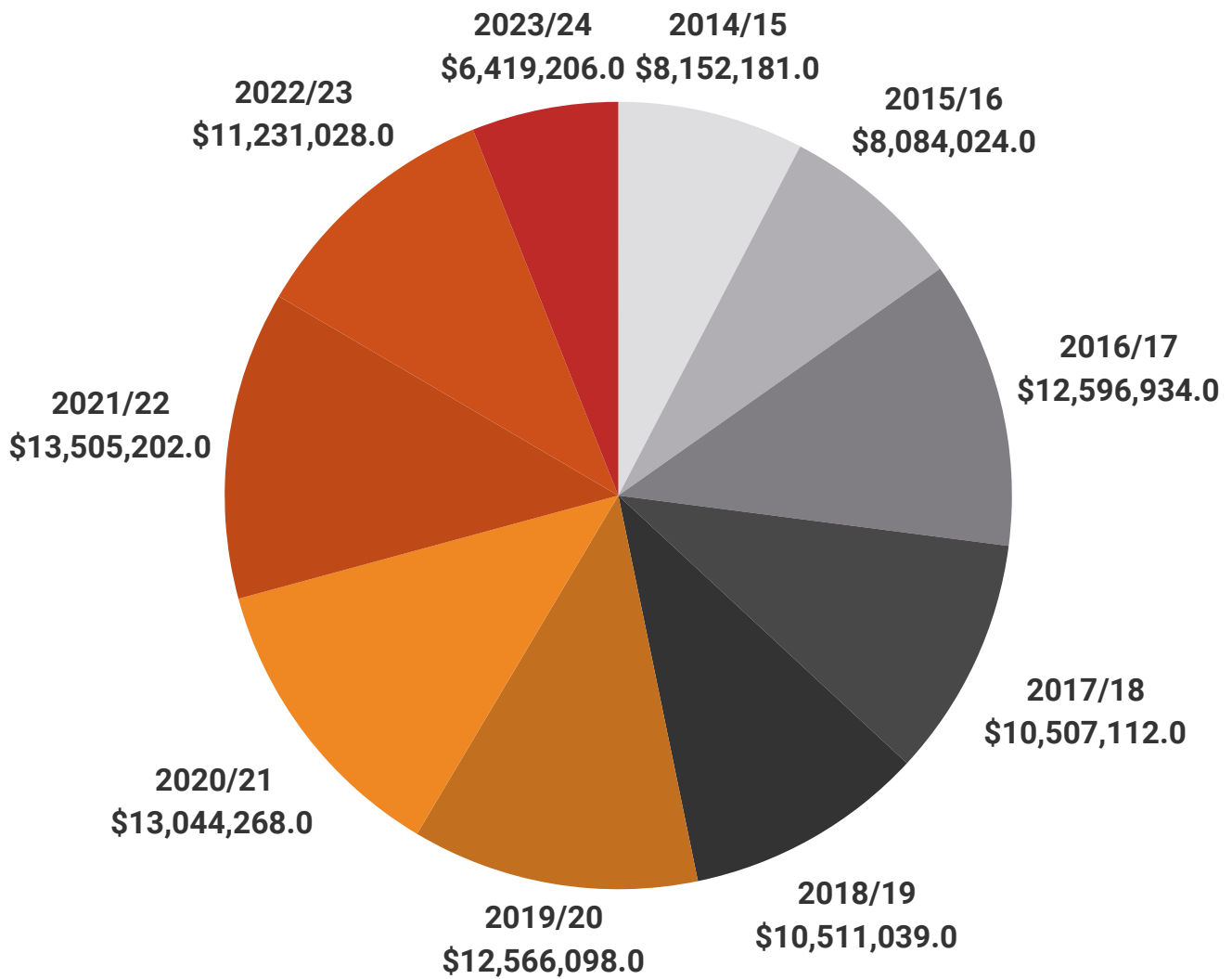


# WORKERS' COMPENSATION

(cont.)

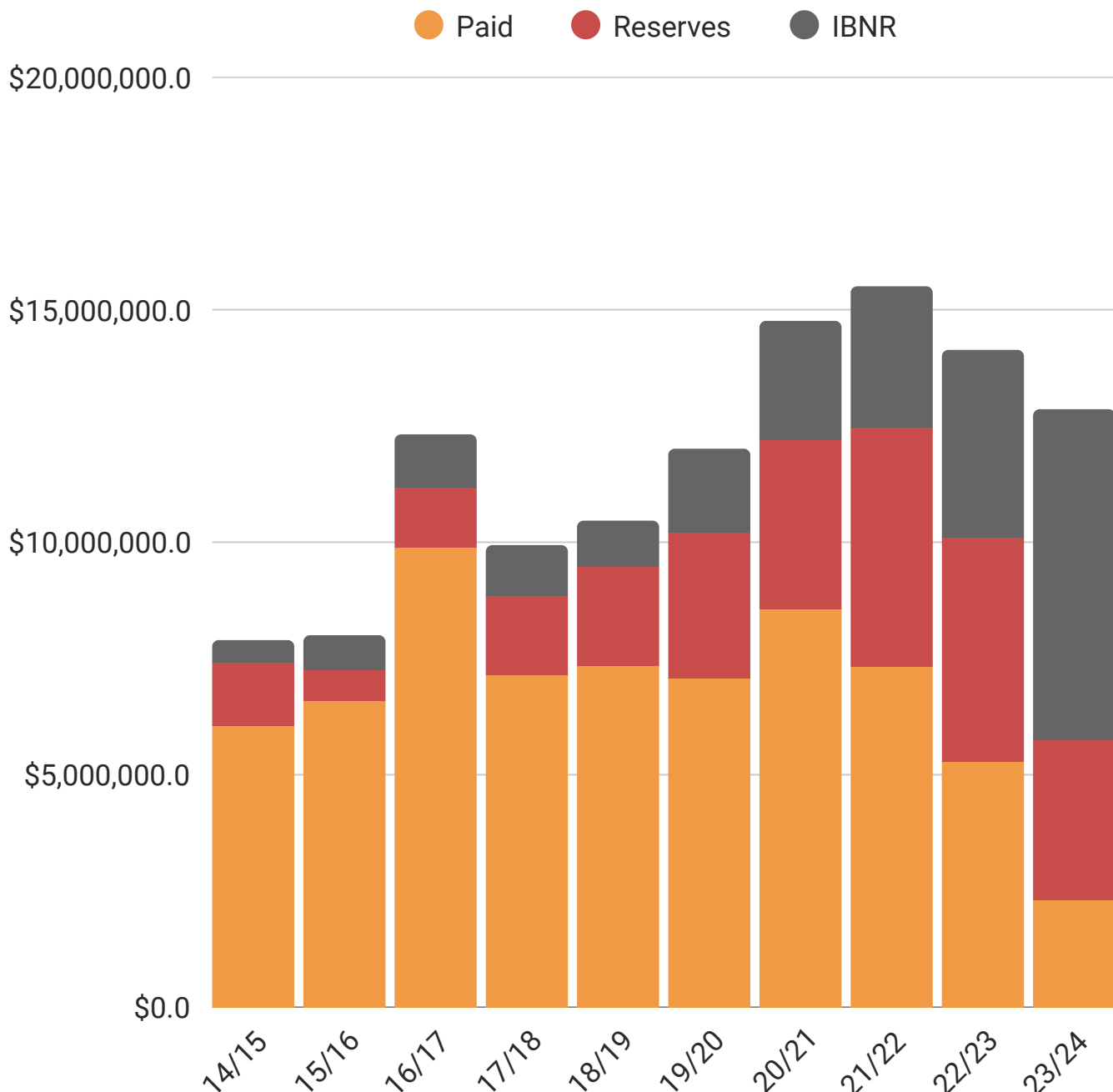


## TOTAL INCURRED COST FOR ALL CLAIMS BY LOSS YEAR





# WORKERS' COMPENSATION (cont.)



*In the above illustration, incurred-but-not-reported (IBNR) is the estimate of funds needed to pay for covered losses that have occurred but have not yet been reported to the Member and/or FRMS*

# WORKERS' COMPENSATION EXCESS COVERAGE



**The Local Agency Workers' Compensation Excess JPA** (LAWCX) was formed on July 1, 1992, as a state-wide joint powers authority to self-insure and pool excess workers' compensation losses. The Program was established exclusively for California self-insured joint powers authorities, individual public entities, and special districts. Since 2004 FRMS has participated in LAWCX.

The LAWCX program is designed to provide all services necessary and appropriate for the establishment, operation, and maintenance of a joint program of excess workers' compensation coverage for its member agencies.

There are currently **31 LAWCX members**, consisting of 22 municipalities, eight joint powers authorities, and one special district, covering a total of 378 agencies. LAWCX offers \$250,000, \$350,000, \$500,000, \$750,000, and \$1,000,000 self-insured retentions (**SIR**) or a member may attach directly to the purchased excess coverage. LAWCX covers the layer above the member's SIR up to \$5 million. Since 2022, LAWCX has transferred the pooled layer to **Public Risk Captive of California** (PRCC), LAWCX's captive insurance company. PRCC reinsures LAWCX's SIR to \$5M layer and is a vehicle for LAWCX to invest the pool's funds in a diversified portfolio, creating savings for LAWCX members. For excess coverage, LAWCX is a member of **PRISM**. For the fiscal year ended June 30, 2024, PRISM provided coverage to statutory limits.



## 2023/2024 COVERAGE



- statutory: PRISM
- \$5 million: LAWCX
- \$750,000: FRMS mid-layer
- \$500,000: FRMS primary layer

# SAFETY & RISK CONTROL

Members have access to many resources to improve their safety and risk control programs and reduce firefighter injuries.

## **Safety & Risk Control Reviews**

Staff provides members with a focused visit, including an interview and examination of loss drivers, changes in exposures, Cal/OSHA demands, industry best practices, and identification of priorities in their employee safety programs including the use of an effective Injury and Illness Prevention Program (IIPP). Services may be onsite or virtual as needed or requested.

## **Pre-Placement Physicals**

These are important resources for members to ensure candidates are medically qualified to perform their essential job functions. Members are provided access to pre-placement medical exams, questionnaire reviews, and fitness for duty services.



## **Member Support**

Risk Control professionals are continually available by phone and email for guidance, technical information, and consultation. A dedicated safety manager will work with staff and the Board to evaluate risk management and safety program needs and establish goals and priorities. The manager will support services orientation and the implementation of occupational health and safety programs, and will coordinate with other team members when specialized expertise is warranted.



# SAFETY & RISK CONTROL (cont.)

## TRAINING RESOURCES

As requested by districts, staff provides on-site or virtual risk control services to assist with employee safety programs and training needs. Some of the training topics include:

- **Aerial Lift/Elevated Platforms**
- **Aerosol Transmissible Diseases**
- **Bloodborne Pathogens**
- **Defensive Driver**
- **Ergonomics (Office & Industrial)**
- **Fall Protection**
- **Hazard Communication**
- **Hearing Conservation**
- **Heat Illness Prevention (Indoor & Outdoor)**
- **Injury & Illness Prevention Program**
- **Respiratory Protection**
- **Workplace Violence Prevention**

## RISK CONTROL WEBSITE

Members have **unlimited access** to the website. The media library maintains webinars on a variety of safety, employment practices, and other loss control topics. Staff regularly develop safety publications, policies, forms, and training resources. Much of the website content has a special emphasis on **fire and rescue services**. These dedicated documents also contain sample standard operating procedures such as emergency road control, vehicle safety, and protective gear.

# BENEFITS

As of **December 31, 2024**, Fire Risk Management Services (FRMS) Benefit Program provides employee benefit plans to 77 participating fire districts, cities and special districts offering emergency services.

For the 2024 plan year, the group health insurance rate increase was 6.5% for the Blue Shield EPO, PPO and HDHP plans, and 13.5% for the Kaiser plans. The Delta Dental and VSP Vision plan rates have not changed for nine years. There were four new agencies that joined the FRMS Benefits Program in 2024, and two existing agencies that added new FRMS benefits to the plans offered to their employees. ThrivePass remains the COBRA Administration and Retiree Billing vendor for the 2024 plan year, and now offers Flexible Spending Accounts as a new benefit offering.



Keenan provided additional informational webinars during the annual open enrollment season, focusing on the processes for administrative group contacts. Ongoing training sessions were offered for the online employee benefits platform **Myworkplace**. Virtual employee meetings were also included during open enrollment.



# BENEFITS (cont.)

The FRMS Benefits Program continued to offer a robust collection of plan offerings in 2024, including:

- Blue Shield EPO, PPO and HDHP medical plans, with a group critical illness benefit *Third party health plan administration services moved from HealthNow to Keenan Employee Benefits TPA effective July 1, 2024.*
- EmpiRx pharmacy benefit manager for Blue Shield plans
- Kaiser Traditional and Deductible HMO medical plans, with a group critical illness benefit
- Transamerica and Express Scripts Medicare Plan administered by RetireeFirst
- Delta Dental PPO dental plans
- MetLife DHMO dental plans
- Vision Service Plan PPO vision plans
- The Hartford Basic Group Life/AD&D and Voluntary Employee and Dependent Life plans
- CORDICO Health & Wellness App
- Annual District Wellness Stipend

Our medical plans continue to provide competitive benefits for regions in both Northern and Southern California



2024 monthly average enrollment of employees for the core plans:

- **350** Blue Shield Medical plans
- **614** Kaiser HMO medical plans
- **2,025** Delta Dental PPO dental plans
- **71** MetLife DHMO dental plans
- **2,237** VSP Vision PPO plans
- **2,086** The Hartford Basic Group Life/AD&D and Voluntary Employee and Dependent Life plans



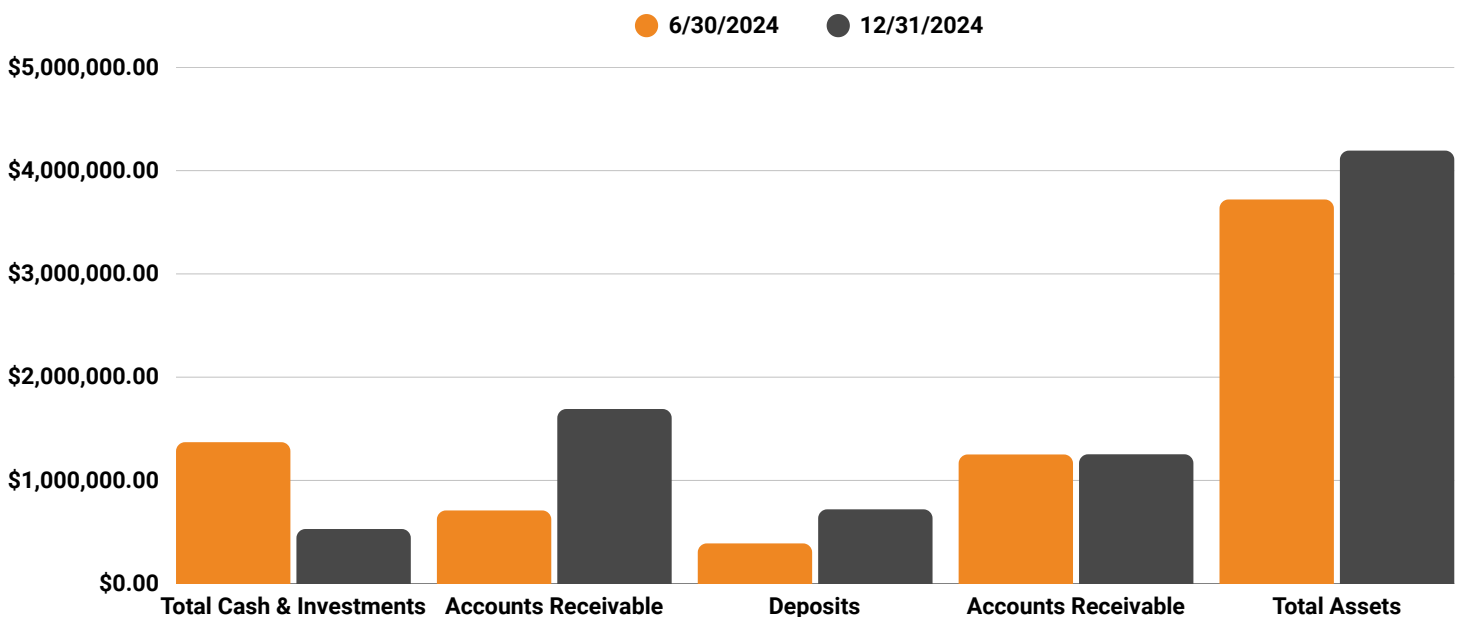
# BENEFITS (cont.)

## FINANCIAL HIGHLIGHTS

Over the past 36 months, the FRMS pool has continued to experience higher volume and severity in claims due to pent up demand, as employees and families become more comfortable visiting their healthcare providers after years of delayed care. The continued efforts of Keenan to negotiate competitive rates and terms while successfully managing reserves on behalf of the FRMS Employee Benefits members resulted in renewals averaging lower than the double-digit trend seen across all industries. In 2024, the Board voted to utilize reserves in order to mitigate unprecedented renewal increases that hit the healthcare market in hopes to alleviate the financial strain for all its members.

- Blue Shield 6.5%
- Kaiser 13.5%
- Delta Dental 0%
- MetLife DHMO Dental 0%
- VSP Vision 0%
- The Hartford Life/AD&D 0%, Voluntary Life 0%

## FINANCIAL SUMMARY



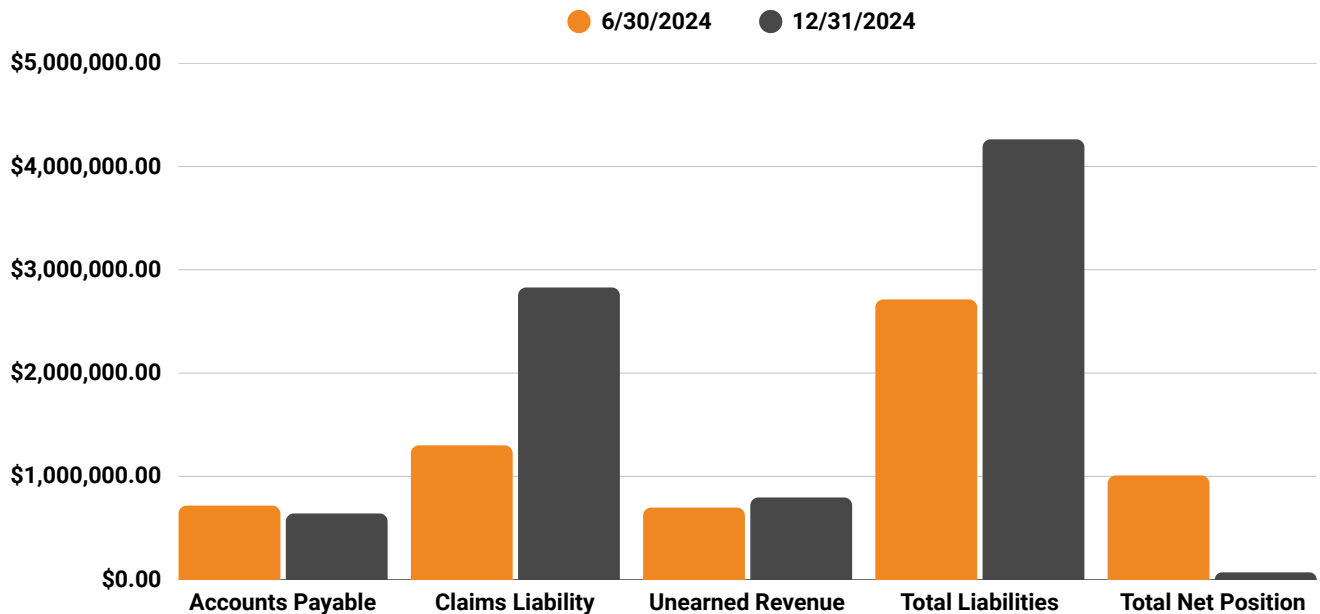
### TOTAL ASSETS

6/30/2024	12/31/2024
\$3,720,764	\$4,194,155



# BENEFITS (cont.)

## FINANCIAL SUMMARY



### TOTAL LIABILITIES

6/30/2024	12/31/2024
\$2,173,001	\$4,263,795

### TOTAL NET POSITION

6/30/2024	12/31/2024
\$1,007,763	\$69,640

At the end of 2024 plan year, the FRMS Benefits Program's reserve balance decreased from \$1,007,763 to \$(69,640). This is a decrease of \$1,077,403 from 6/30/2024, due to significant claims impact and an increase in overall expenses.

The reserve balance is used to:

- Fund the Incurred but Not Reported (IBNR) reserve liability
- Establish a stabilization reserve
- Make enhancements to the plans & benefits offered by the FRMS Benefits Program

# BENEFITS (cont.)

The reserve balance is funded from margin built into the FRMS Benefits Program premium rates and from the self-funded plans plan revenue exceeding plan costs.

The IBNR reserve liability is based on an actuarial process and certification of the claims that are open. Specifically, it is a projection of claims that have been incurred but have not yet been paid by the FRMS Benefits Program. The 2024 IBNR reserve estimate is based on self-funded medical & dental claims. **The 2024 ending IBNR reserve is estimated at \$2,828,584.**

The stabilization reserve is designed to provide a reserve to fund adverse claim fluctuation and lasered claimants. The FRMS Benefits Program should aim to keep a stabilization reserve equal to a minimum of 6 months of self-funded claims and any lasered claimants' specific deductible amounts.



**Lasered claimants** are defined as claimants that have had high claims in the previous year and have the potential to continue at a high dollar amount going forward. Lasered claimants are determined by the reinsurer. The FRMS Benefits Program maintained the reinsurance specific deductible of \$120,000 for 2024, and if a claimant is lasered, a higher reinsurance level applies to that individual. There was one lasered claimant for 2024 with a separate individual specific deductible of \$700,000.

# HEALTH & WELLNESS PROGRAMS



## Employee Assistance Program

Eligible members may participate in an **Employee Assistance Program** (EAP) administered through **SimpleEAP**. Benefits for members include work and life services, clinical counseling, and online services. SimpleEAP's licensed behavioral health clinicians are specially trained to help employees address and resolve everyday issues such as anxiety, depression, trauma, marital issues, grief, and substance abuse.



## Firestrong.org

**Firestrong** is an anonymous online resource that offers mental, emotional, and physical support to fire service members and their families. Members and their families have access to professional counselors through the Fire Crisis Network Line, testimonials, general mental health information, assessments, a peer support team network, and additional resource pages.

# HEALTH & WELLNESS PROGRAMS



## First Responders Resiliency Program

Members have access to one-of-a-kind training designed to prevent and mitigate the effects of stress and trauma on first responders. All FRMS member districts have access to this unique training program at contracted rates. Reimbursement opportunities are also available for members participating in the pool's Workers' Compensation Program.



## Pre-Placement and Annual Medical Exams

Through the Health & Wellness Program, FRMS provides eligible member districts with subsidies to offset the costs associated with pre-placement and annual medical exams administered in both a traditional clinic and on-site environment (provider dependent). Member Districts may select from one of the contracted providers for such services. All four vendors provide NFPA 1582-compliant physicals, with varying optional add-ons, dependent upon the District's needs:

- 1582
- Pinnacle Training Systems
- On-Duty
- Occu-Med



# FINANCIALS

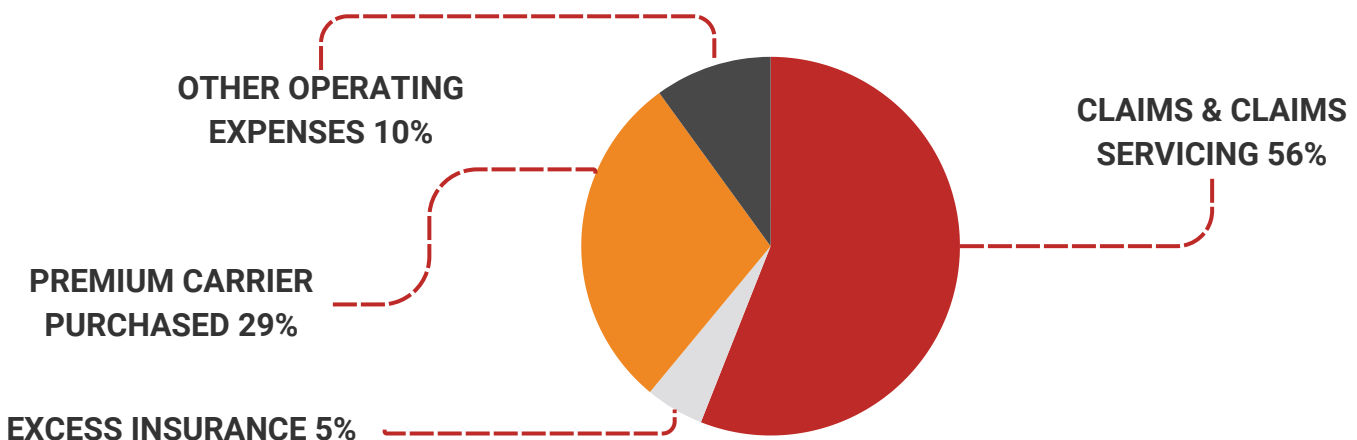
## OPERATING BUDGET

FRMS utilizes actuarial estimates to determine necessary funding through the annual budget process to pay for anticipated claims, and provide administrative, risk management, loss prevention, and claims management services. The rates provided by the actuary are applied to estimates of member payroll to determine the amount of contributions to be collected during the fiscal year.

### 2024/2025 PROPOSED OPERATING BUDGET

	Workers' Compensation	Employee Benefits	<i>Exhibit A</i> 2024/2025 Budget
<b>REVENUES</b>			
TOTAL REVENUE	21,643,725	25,167,783	46,811,508
<b>EXPENSES</b>			
CLAIMS & CLAIMS SERVICING	14,921,711	9,858,357	24,780,068
EXCESS INSURANCE	2,023,706	-	2,203,706
PREMIUM CARRIER PURCHASED	-	12,955,342	12,955,342
OTHER OPERATING EXPENSES	2,489,315	1,855,077	4,344,392
TOTAL OPERATING EXPENSES	19,434,732	24,668,776	44,103,508
Inc (Dec) in Net Position	2,208,993	499,007	2,708,001
<b>Contribution Rates Per \$100 Payroll</b>			
Safety Personnel	11,280		
Non-Safety Personnel	7,040		

### OPERATING BUDGET EXPENSE ALLOCATION



# FINANCIALS (cont.)

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2024

### Condensed Audited Financial Information

	Workers' Compensation	Benefits Actual	Total Actual
<b>REVENUES</b>			
<b>TOTAL REVENUES</b>	21,861,124	25,643,304	<b>47,504,428</b>
<b>EXPENSES</b>			
<b>CLAIMS &amp; CLAIMS SERVICING</b>	11,485,925	13,093,344	<b>24,579,269</b>
<b>EXCESS INSURANCE</b>	2,206,315	-	<b>2,206,315</b>
<b>PREMIUM PURCHASED</b>	-	15,995,818	<b>15,995,818</b>
<b>OTHER OPERATING EXPENSES</b>	1,994,545	1,831,137	<b>3,825,683</b>
<b>TOTAL OPERATING EXPENSES</b>	15,686,785	30,920,299	<b>46,607,084</b>
<b>OPERATING INCOME (LOSS)</b>	6,174,338	(5,276,995)	<b>897,343</b>
<b>NON OPERATING REVENUES</b>			
<b>INVESTMENT INCOME</b>	1,708,179	1,382,484	<b>3,090,663</b>
<b>CHANGES IN NET POSITION</b>	7,882,517	(3,894,511)	<b>3,988,006</b>
<b>NET POSITION</b>			
<b>BEGINNING OF PERIOD</b>	15,600,188	4,902,274	<b>20,502,462</b>
<b>NET POSITION</b>			
<b>END OF PERIOD</b>	\$23,482,705	\$1,007,763	<b>\$24,490,468</b>

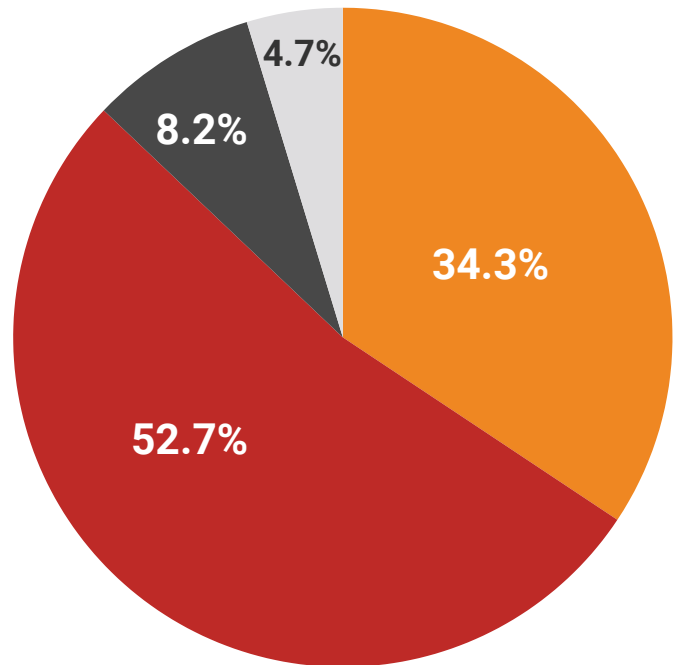
## Financial Highlights for the Fiscal Year Ended June 30, 2024

<b>ASSETS</b>	<b>\$84.6 million</b>	Total Cash and investments equated to \$80.8M, Account Receivable make up \$1.6M, Prepaid Expenses make up \$1.8M, and Interest Receivable totals \$0.4M.
<b>LIABILITIES</b>	<b>\$60.1 million</b>	Claims Reserves and Claims IBNR total \$58.1M makes up the significant portion (96.7%) of the total liabilities.
<b>TOTAL REVENUES</b>	<b>\$50.6 million</b>	Member contributions consist of \$47.5M and interest income total \$3.1M.
<b>TOTAL EXPENSES</b>	<b>\$46.6 million</b>	Claims Expense, Claims Servicing, and Premium Purchased total \$40.5M. Excess Insurance makes up \$2.2M and Program Administration totals \$1.3M. The remaining expenses are made up of General and Administrative expenses.

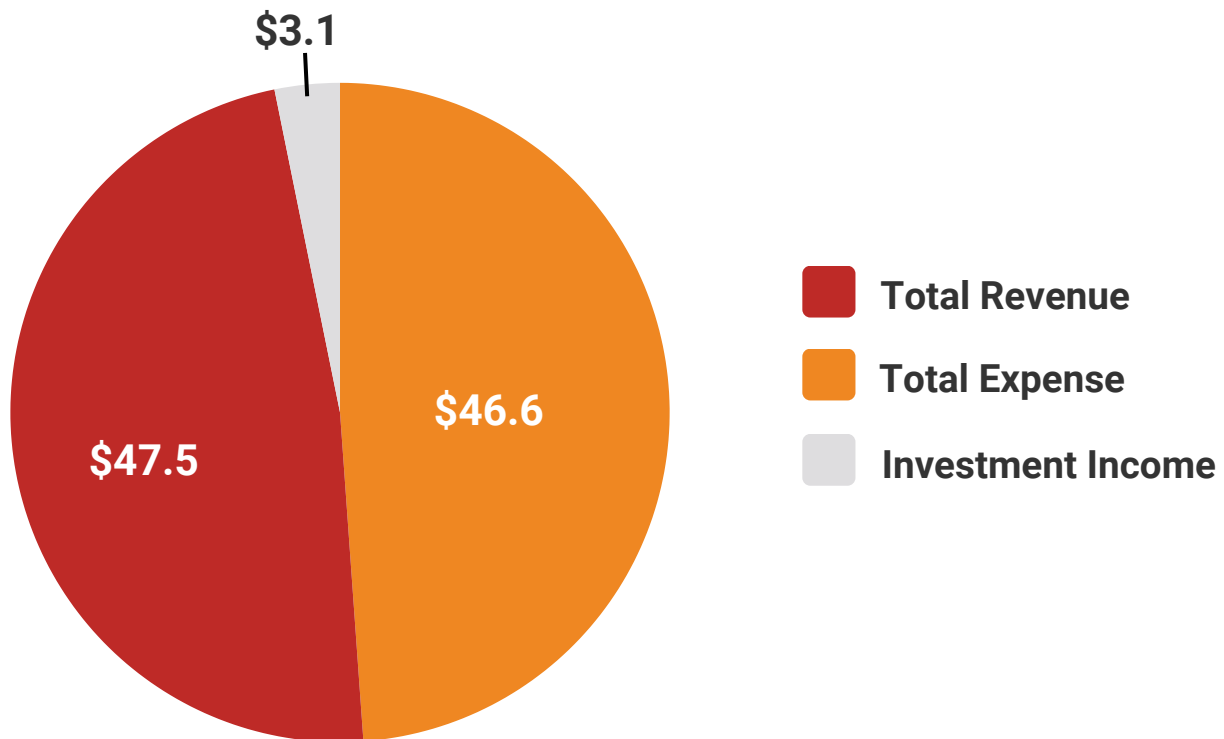
# FINANCIALS (cont.)

## ACTUAL EXPENSES ALLOCATION AS OF JUNE 30, 2024

- Claims Expense
- Premium Purchased
- General & Administrative
- Excess Insurance

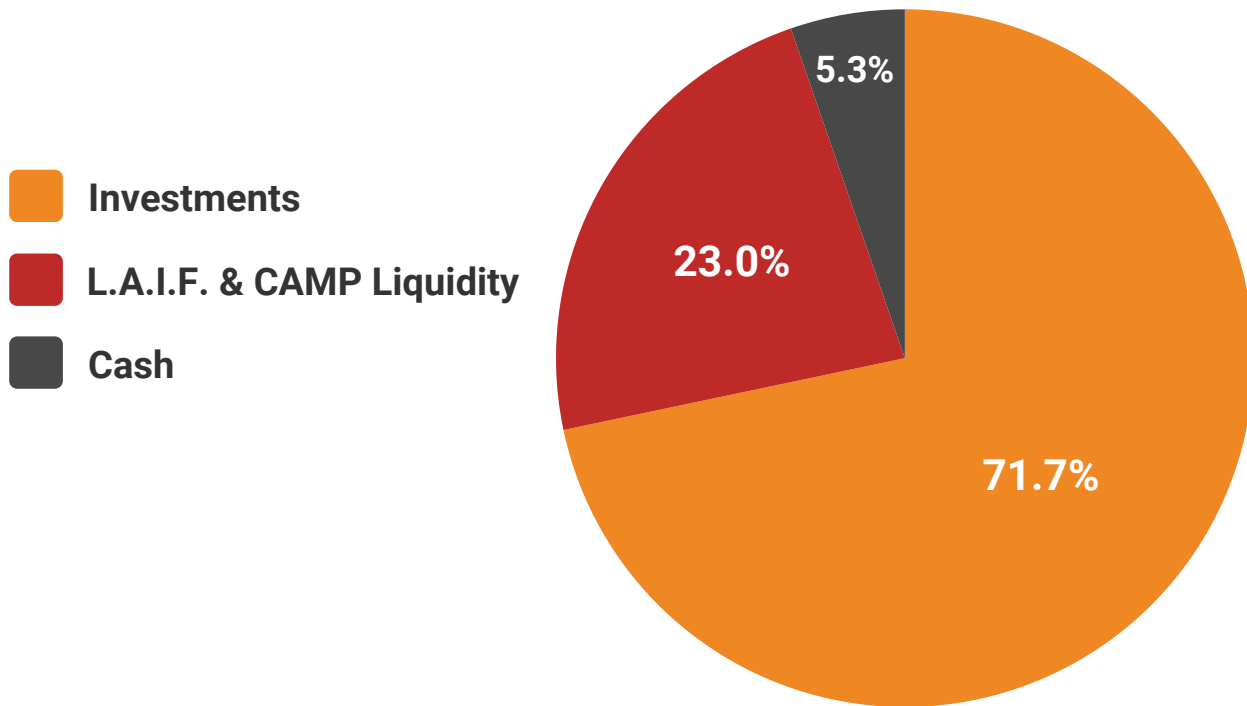


## ACTUAL REVENUE, EXPENSE, AND INTEREST INCOME FOR THE YEAR ENDING JUNE 2024

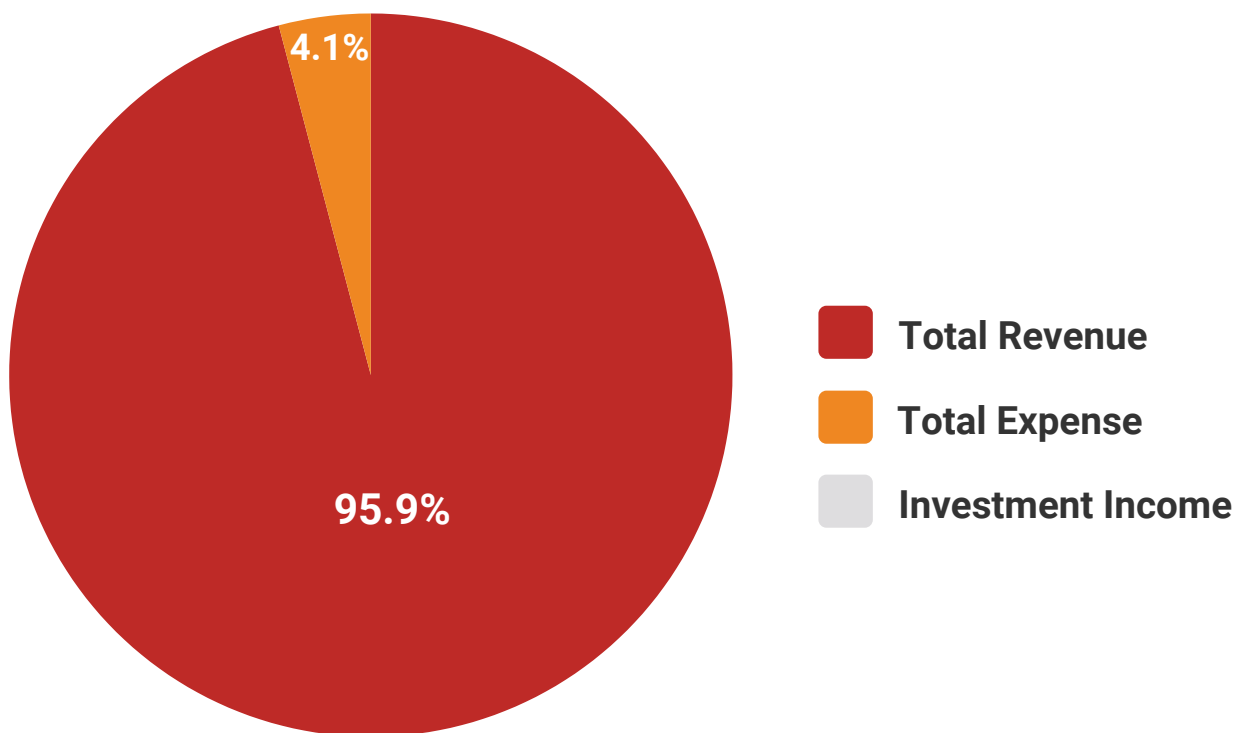


# FINANCIALS (cont.)

## CASH AND INVESTMENTS ALLOCATION



## NET POSITION AS OF JUNE 30, 2024





# FINANCIALS (cont.)

## STATEMENTS OF NET POSITION AS OF JUNE 30, 2024

(Audited Financials)

### ASSETS

#### CURRENT ASSETS

CASH & CASH EQUIVALENTS	\$22,800,753
INVESTMENTS MATURING WITHIN ONE YEAR	2,319,825
RECEIVABLES	
MEMBER	1,225,709
REINSURANCE	293,610
INTEREST	353,585
PREPAID EXPENSES	1,844,151
	<hr/>
TOTAL CURRENT ASSETS	28,837,633
	<hr/>

#### NON-CURRENT ASSETS

MEMBER RECEIVABLES	80,931
INVESTMENTS, LESS PORTION MATURING IN ONE YEAR	55,654,284
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TOTAL NON-CURRENT ASSETS	55,735,215
	<hr/>
TOTAL ASSETS	\$84,572,848
	<hr/> <hr/>

### LIABILITIES AND NET POSITION

#### CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$662,201
OTHER LIABILITIES	79,086
UNEARNED REVENUE	696,981
CURRENT PORTION OF CLAIMS LIABILITIES	11,462,970
	<hr/>
TOTAL CURRENT LIABILITIES	12,907,238
	<hr/>

#### NON-CURRENT LIABILITIES

MEMBER DEPOSITS	44,041
LOSS PORTFOLIO TRANSFER	480,000
CLAIMS LIABILITIES	46,657,100
	<hr/>
TOTAL NON-CURRENT LIABILITIES	47,181,141
	<hr/>

TOTAL LIABILITIES	60,082,379
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NET POSITION	24,490,469
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TOTAL LIABILITIES & NET POSITION	\$84,572,848
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# FINANCIALS (cont.)

## STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION AS OF JUNE 30, 2024

(Audited Financials)

### OPERATING REVENUES

MEMBER CONTRIBUTIONS	\$47,503,193
OTHER	1,235
TOTAL OPERATING REVENUES	<u>47,504,428</u>

### OPERATING EXPENSES

CLAIMS EXPENSE	\$23,505,337
CLAIMS SERVICING	1,073,932
PROGRAM ADMINISTRATION	1,305,167
EXCESS INSURANCE	2,206,315
EMPLOYEE ASSISTANCE PROGRAM	124,488
PREMIUM PURCHASED	15,871,330
HEALTH AND WELLNESS SERVICES	447,728
DEPARTMENT OF SELF-INSURANCE PLANS ASSESSMENT	778,572
FDAC PARTICIPATION FEE	60,000
INSURANCE/LIABILITY D&O	5,407
MEETINGS AND OFFICE COMMUNICATION	11,582
AGENT COMMISSION	729,897
PROFESSIONAL FEES	487,329
TOTAL OPERATING EXPENSES	<u>46,607,084</u>

OPERATING INCOME 897,344

### NON-OPERATING REVENUES

NET INVESTMENT INCOME	<u>3,090,663</u>
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CHANGE IN NET POSITION 3,988,007

NET POSITION, BEGINNING OF YEAR 20,502,462

NET POSITION, END OF YEAR \$24,490,469





**FRMS**  
Fire Risk Management Services


*Covering California's Fire Service Community*

## CONTACT US

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