



California Sanitation Risk Management Authority
c/o ALLIANT INSURANCE SERVICES, INC.
560 Mission Street, 6th Floor, San Francisco, CA 94105

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OFFICERS:

Sandeep Karkal, President
415.892.1694
Vince De Lange, Vice President
925.756.1920

RECENT PAST PRESIDENTS:

Craig Murray
2020-2024
Greg Baatrup
2018-2020

BOARD OF DIRECTORS MEETING AGENDA

Date/Time: Wednesday, July 30, 2025
12:30 PM

Location: Marriott Marquis San Diego Marina
333 West Harbor Drive
San Diego, CA 92101
Hotel Phone: (619) 234-1500
Room: Balboa/Mission Hills

A.	CALL TO ORDER	I: Information	
		V: Verbal	
B.	PUBLIC COMMENTS	A: Action	
		H: Handout	
C.	BOARD MEMBER COMMENTS	S: Separate	
D.	RISK MANAGEMENT SEMINAR COMMENTS		
E.	CONSENT CALENDAR		
1.	Meeting Minutes - June 18, 2025	A	p. 3
	<i>Recommendation: Approve minutes from their last meeting.</i>		
2.	Investment Update	I/S	p. 8
	<i>Recommendation: Review CSRMA's Investment Portfolio at 6/30/25.</i>		
3.	Pooled Liability Program Quarterly Claims Report as of June 30, 2025	I	p. 9
	<i>Recommendation: Review the quarterly claims report as of 6/30/25.</i>		
4.	Workers' Compensation Program Quarterly Claims Report as of June 30, 2025	I	p. 10
	<i>Recommendation: Review the quarterly claims report as of 6/30/25.</i>		
5.	Budget to Date Report as of June 30, 2025	I	p. 11
	<i>Recommendation: Review the budget to date report.</i>		
6.	State of the Public Entity Insurance Market	I	p. 25
	<i>Recommendation: Receive a report on the state of the insurance market.</i>		
F.	GENERAL ADMINISTRATION		
1.	Clean Water Insurance Captive Update	I	p. 49
	<i>Recommendation: Receive an update on CWIC.</i>		
G.	OFFICER/STAFF/COMMITTEE REPORTS		
1.	Pooled Liability Program		
a.	Preliminary Renewal Expectations	V	
	<i>Recommendation: Receive a verbal report on expectations for the upcoming renewal.</i>		
2.	Workers' Compensation Program		
a.	Program Year 36 (2025/26) Post Renewal Report	I	p. 74
	<i>Recommendation: Receive a report on the program renewal.</i>		
3.	Property Program		
a.	Program Year 36 (2025/26) Post Renewal Report	I	p. 76
	<i>Recommendation: Receive a report on the property program renewal, including cyber.</i>		
4.	Primary Insurance Program		
a.	Preliminary Renewal Expectations	V	
	<i>Recommendation: Receive a verbal report on expectations for the upcoming renewal.</i>		

H.	RESOLUTIONS		
1.	Resolution Recognizing the Contributions of Teresa Herrera	A	p. 89
	<i>Recommendation: Approve a resolution honoring the contributions of Teresa Herrera.</i>		
I.	INFORMATION ITEMS		
1.	Article - Liability rates keep rising during midyear renewals - businessinsurance.com	I	p. 91
2.	Article - Microsoft server hack hit about 100 organizations researchers say - businessinsurance.com	I	p. 95
3.	CSRMA 2025 Meeting Calendar	I	p. 97
4.	CSRMA Organizational Chart	I	p. 98
5.	CSRMA Service Team Chart	I	p. 99
	<i>The Board of Directors will be asked to review the Information Items.</i>		
J.	ADJOURNMENT		
	<i>The next meeting will be held in conjunction with CASA, January 2026</i>		

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location requires routine provision of identification to building security. However, CSRMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS MEETING
JUNE 18, 2025
TELECONFERENCE**

MEMBERS PRESENT

Sandeep Karkal, Novato Sanitary District, President
 Vincent De Lange, Delta Diablo, Vice President
 Shari Deutsch, Central Contra Costa Sanitary District
 Sonia Rivas, Crockett Community Services District
 William Bosworth, Cupertino Sanitary District
 Roland Williams, Castro Valley Sanitary District, Secretary
 Michelle Gallardo, Dublin San Ramon Services District
 Jennifer Sabine, Encina Wastewater Authority
 Jordan Damerel, Fairfield Suisun Sewer District
 Steve Wagner, Goleta Sanitary District
 Tyson Zimmerman, Ironhouse Sanitary District
 Curtis Paxton, Las Gallinas Valley Sanitary District
 Ryan Green, Leucadia Wastewater District
 Kelye McKinney, Lincoln-Sewer Maintenance District 1 Wastewater Authority
 Leara Sampson, Monterey One Water
 John Weigold, Montecito Sanitary District
 Patrick Ostly, North of River Sanitary District
 Jimmy Dang, Oro Loma Sanitary District
 Michael Thornton, San Elijo Joint Powers Authority
 Saundra Jacobs, Santa Margarita Water District
 Teresa Herrera, Silicon Valley Clean Water
 Jeffery Tucker, Vallejo Flood and Wastewater District
 Jason Dafforn, Valley Sanitary District
 Sergio Ramirez, West Bay Sanitary District
 Justin Lovell, West County Wastewater District
 Kent Edler, West Valley Sanitation District

GUESTS AND CONSULTANTS

Crystal Yezman, Las Gallinas Valley Sanitary District
 Matt Anderson, Silicon Valley Clean Water
 Tanya Williams, West County Wastewater District
 Seth Cole, Alliant Insurance Services, Inc.
 Myron Leavell, Alliant Insurance Services, Inc.
 Dennis Mulqueeney, Alliant Insurance Services, Inc.
 P.J. Skarlanic, Alliant Insurance Services, Inc.
 Steve Davidson, Alliant Insurance Services, Inc.
 David Patzer, DKF Solutions Group
 Byrne Conley, Gibbons & Conley

A. CALL TO ORDER

The meeting was called to order by President Sandeep Karkal at 8:05 a.m.

B. PUBLIC COMMENTS

There were no public comments.

C. BOARD MEMBER COMMENTS

There were no Board Member comments.

D. CONSENT CALENDAR

D.1. Meeting Minutes: January 29, 2025

The minutes of the meeting held on January 29, 2025 were reviewed.

A motion was made to approve the meeting minutes from January 29, 2025 as presented.

MOTION: Saundra Jacobs

SECOND: Tyson Zimmerman

MOTION CARRIED

AYES: Dafforn, Damerel, Dang, De Lange, Deutsch, Edler, Gallardo, Herrera, Jacobs, Karkal, Lovell, McKinney, Ostly, Paxton, Ramirez, Rivas, Sabine, Sampson, Thornton, Tucker, Wagner, Weigold, Williams, Zimmerman

NAYS: None

ABSTAIN: Bosworth, Green

D.2. Captive Update

An update on Clean Water Insurance Captive, Inc. (CWIC) was provided in the agenda packet.

E. GENERAL ADMINISTRATION

E.1. Estimated Actual 24/25 Budget & Proposed 25/26 Budget

Seth Cole presented a high-level overview of the Budget Packet to the Board and reported that the investment policy included in the packet is in compliance. PFM is not recommending any changes to the investment policy. While the majority of CSRMA's budget each year is allocated towards insurance premiums, Seth reported that the insurance market overall has improved but certain lines still present a challenge. Improvements in the Property insurance market have contributed to a small projected rate decrease. Liability remains a challenge, with claims severity continuing an upward trend in recent years.

Seth reviewed key budget points with the Board.

- Seth advised that the budget format has been remapped this year to line up with the financial audit report so that all financial reporting will be consistent.
- Seth reminded the Board that CSRMA's captive, CWIC, was launched in 2023 and the pooled layer risk for workers' compensation and liability has been transferred to CWIC.

Consolidated budget schedules for CSRMA and CWIC are included in the agenda. On a consolidated basis, the change in net position is positive. Seth reviewed the CSRMA/CWIC Consolidated Budget Schedule for FY 25/26 with the Board.

- Seth advised that CSRMA is embracing Artificial Intelligence and a new initiative regarding AI and a Large Language Model was budgeted for in the coming year. \$75,000 was budgeted to hire a consultant to scope and build an LLM, but the entire amount may not be fully utilized. Saundra Jacobs expressed interest in ensuring that any contractor with which CSRMA engages on the matter allows CSRMA to retain ownership of the work product created during the engagement.
- Operating revenues (what we charge are members) for 25/26 are conservatively projected at + 10% overall. This will vary by program and by member, based on changes in exposure and losses for individual members. If insurance premiums come in less, we will bill the members less.

Seth reviewed the Summary Projected Current Year Final Revenue and Expense numbers with the Board. This is a true up of what was budgeted in FY 24/25 versus projected final revenues and expenses. Revenues are projected to come in 1% more than budget and expenses are projected to less than 1% more than budgeted, largely due to liability claims settlements. Overall expenses are greater than revenues as monies are shifted to CWIC's balance sheet.

In 25/26, CSRMA's revenues are projected to increase approximately 9% overall, being driven largely by an increase in insurance premiums. Investment earnings are budgeted to come down by approximately 5%. The projection is provided by PFM. As we pay off older year claims we will have less to invest in CSRMA's portfolio.

Operating expenses in FY 25/26 are tracking higher than revenues primarily due to claims & loss adjustment expense as we run off claims in the older years. The increase in operating expenses is related to the increase in insurance premiums.

A total operating loss is anticipated in 25-26 for CSRMA, but when consolidated with CWIC's projected underwriting gain, a small operating gain is anticipated between the two entities.

Seth reviewed a slide showing administrative expenses as a percentage of member contributions. Administrative expenses are budgeted to be 9.61% of member contributions in FY 25/26.

A motion was made to approve the estimated actual 2024-2025 budget and proposed 2025-2026 budget as presented.

MOTION: Saundra Jacobs

SECOND: Michael Thornton

MOTION CARRIED

AYES: Bosworth, Dafforn, Damerel, Dang, De Lange, Deutsch, Edler, Gallardo, Green, Hererra, Jacobs, Karkal, Lovell, McKinney, Ostly, Paxton, Ramirez, Rivas, Sabine, Sampson, Thornton, Tucker, Wagner, Weigold, Williams, Zimmerman

NAYS: None

ABSTAIN: None

E.2. Proposed Amendment to Vision Statement

P.J. Skarlanic reviewed the item for the Board. Following the 2024 Long Range Planning session, CSRMA formed an Ad Hoc Committee to explore opportunities for rebranding and to conduct a detailed review of the current Mission, Vision & Values Statements. The Ad Hoc Committee recommended changes to the Vision portion of the statement, with no recommended changes to the Mission or Values statements.

P.J. reviewed the recommended new Vision statement with the Board:

“CSRMA will actively engage with member agencies to achieve sustained organizational excellence through strategic, proactive, and innovative risk management solutions.”

A motion was made to adopt the recommended revision to CSRMA’s Vision Statement as presented.

MOTION: Sandra Jacobs

SECOND: Roland Williams

MOTION CARRIED

AYES: Bosworth, Dafforn, Damerel, Dang, De Lange, Deutsch, Edler, Gallardo, Green, Herrera, Jacobs, Karkal, Lovell, McKinney, Ostly, Paxton, Ramirez, Rivas, Sabine, Sampson, Thornton, Tucker, Wagner, Weigold, Williams, Zimmerman

NAYS: None

ABSTAIN: None

F. OFFICERS/STAFF/COMMITTEE REPORTS

F.1. Pooled Liability Program

None.

F.2. Workers’ Compensation Program

F.2.a. Triunfo Water and Sanitation District – Prospective New Member

Seth Cole reported that Triunfo Water and Sanitation District, an existing member of CSRMA, has requested a quote to join CSRMA’s Workers’ Compensation Program effective July 1, 2025. The District had previously contracted out operations to another district, and has recently transitioned to hiring their own staff. The Program Administrators has received approval by all pertinent reinsurance and excess carriers for the addition. The approximate annual deposit is \$90,000.

A motion was made to approve Triunfo Water and Sanitation District’s participation in the Pooled Workers’ Compensation Program.

MOTION: Tyson Zimmerman

SECOND: Ryan Green

MOTION CARRIED

AYES: Bosworth, Dafforn, Damerel, Dang, De Lange, Deutsch, Edler, Gallardo, Green, Herrera, Jacobs, Karkal, Lovell, McKinney, Ostly, Paxton, Ramirez, Rivas, Sabine, Sampson, Thornton, Tucker, Wagner, Weigold, Williams, Zimmerman

NAYS: None

ABSTAIN: None

F.3. Property Program

None.

F.4. Primary Insurance Program

None.

G. RESOLUTIONS

None.

H. INFORMATION ITEMS

H.1. Article – *KYND 5 Essential Steps to Improve Your Cyber Risk Posture*

H.2. Article – *Water scarcity has some cities turning to sewage as a solution* – NPR

Saundra Jacobs commented on her region's positive experience with utilizing wastewater as an asset for reuse.

H.3. Article – *Should Your Workplace Embrace Unhappy Leave? – You Make The Call*

H.4. CSRMA 2025 Meeting Calendar

H.5. CSRMA Organizational Chart

H.6. CSRMA Service Team Chart

The Board of Directors reviewed the presented information items.

H. ADJOURNMENT

The meeting was adjourned at 8:36 a.m. The next meeting is scheduled for July 30, 2025 at the CASA Annual Conference in San Diego.

Investment Update

ISSUE: PFM prepared a review of CSRMA's current investments and a market outlook as of June 30, 2025. A copy of the report is included in the agenda packet for the Board's review.

CSRMA's current investments are summarized on page 28 of the report. The portfolio's performance is highlighted on page 32.

RECOMMENDATION: None at this time.

FISCAL IMPACT: As depicted in the attachment.

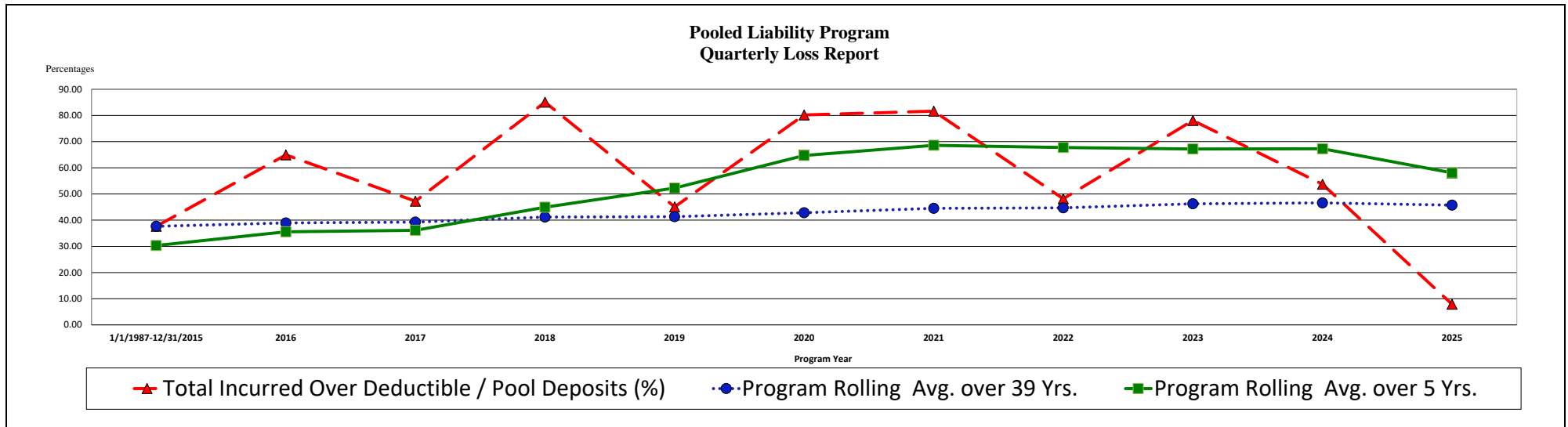
BACKGROUND: None.

ATTACHMENTS: Investment Performance Review for the Quarter Ended June 30, 2025
(Separate)

POOLED LIABILITY PROGRAM
Quarterly Claims Report
As of June 30, 2025

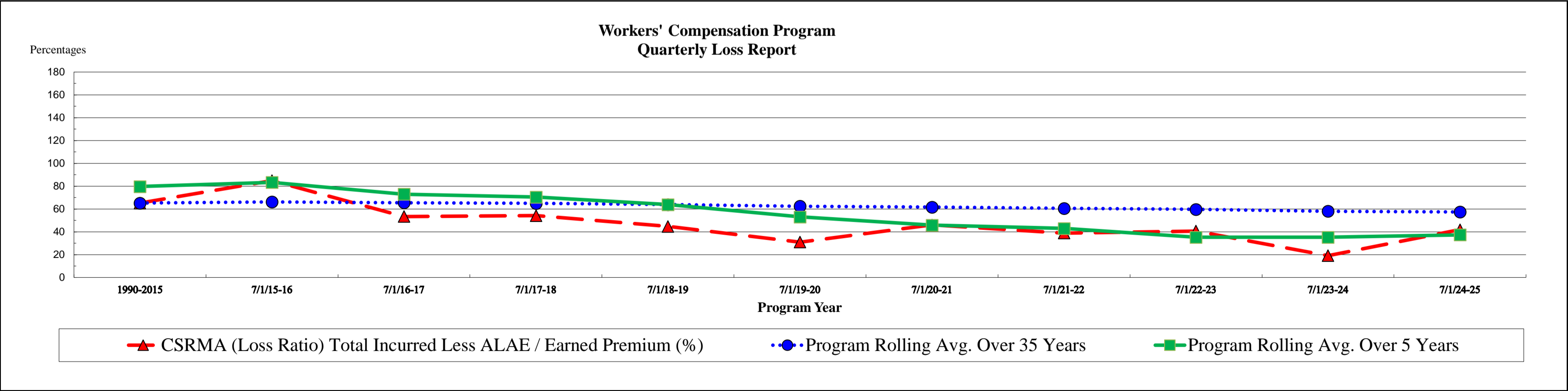
Program Year	PY 1-29 1987-2015	PY 30 2016	PY 31 2017	PY 32 2018	PY 33 2019	PY 34 2020	PY 35 2021	PY 36 2022	PY 37 2023	PY 38* 2024	PY39* 2025	Program Avg Over 5 yrs	Program Avg Over 39 yrs
Number of Members	N/A	40	40	40	40	40	40	41	41	41	41	N/A	N/A
Total Number of Claims	2,573	119	76	57	74	37	73	49	46	37	12	43	81
Initial Pool Deposits	56,058,894	2,715,342	2,718,212	2,682,244	2,496,726	2,641,494	3,206,015	3,436,283	3,679,709	4,020,058	1,947,387	3,257,890	2,194,932
Total Paid To Date	34,676,817	2,597,876	1,979,513	2,941,250	1,922,836	2,476,282	3,541,678	1,124,101	3,029,823	1,387,468	164,192	1,849,452	1,431,842
Total Reserved	126,880	0	0	1,263	74,406	0	234,101	1,239,331	597,190	1,346,079	156,981	714,736	96,826
Total Incurred	34,803,697	2,597,876	1,979,513	2,942,514	1,997,241	2,476,282	3,775,779	2,363,432	3,627,012	2,733,546	321,173	2,564,188	1,528,668
POOL PENETRATION													
No. of Occurrences Over Deductible	337	13	12	12	6	8	11	7	9	7	2	7	11
Total Paid Over Deductible (per occurrence)	20,982,894	1,763,028	1,284,123	2,280,558	1,125,665	2,117,867	2,383,193	595,656	2,477,656	1,044,019	78,062	1,315,717	926,480
Total Reserves Over Deductible (per occurrence)	126,880	0	0	1,263	0	0	234,101	1,060,472	395,150	1,115,100	75,373	576,039	77,137
Total Incurred Over Deductible	21,109,774	1,763,028	1,284,123	2,281,822	1,125,665	2,117,867	2,617,294	1,656,128	2,872,806	2,159,120	153,435	1,891,757	1,003,617
Total Incurred Over Deductible / Pool Deposits (%)	37.66	64.93	47.24	85.07	45.09	80.18	81.64	48.20	78.07	53.71	7.88	58.07	45.72

* - The pooled layer has been reinsured by CWIC as of 12/31/2023.



WORKERS' COMPENSATION PROGRAM Quarterly Claims Report as of June 30, 2025													
	PY 1-25	PY 26	PY 27	PY 28	PY 29	PY 30	PY 31	PY 32	PY 33	PY 34 *	PY 35 *	Program	Program
	Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Average	Average
Program Year	1990-2015	7/1/15-16	7/1/16-17	7/1/17-18	7/1/18-19	7/1/19-20	7/1/20-21	7/1/21-22	7/1/22-23	7/1/23-24	7/1/24-25	Over 5 yrs	Over 35 yrs
Number of Members	N/A	43	43	44	43	43	43	43	43	40	40	N/A	N/A
Total Number of Claims	4,169	139	155	131	124	112	114	141	135	121	126	127	156
Earned Premiums	63,879,952	3,585,857	3,819,319	3,799,075	4,060,508	3,849,105	4,109,108	4,187,792	4,343,504	4,081,842	3,823,534	4,109,156	2,958,274
Paid Indemnity, Medical, & Rehab	39,332,810	2,359,961	1,940,930	1,917,179	1,564,180	1,083,370	1,417,166	1,216,360	1,141,586	373,200	611,233	951,909	1,513,085
Paid Expenses	6,876,125	799,167	629,263	694,272	479,494	408,185	361,707	290,616	166,619	96,028	94,880	201,970	311,324
Reserved Indemnity, Medical, & Rehab	2,280,505	682,087	100,228	142,890	252,186	108,593	474,042	414,029	623,243	406,443	989,731	581,498	184,971
Reserved Expenses	161,576	43,940	14,309	15,613	28,908	19,523	47,069	45,941	58,395	48,920	62,718	52,609	15,626
Total Incurred	48,651,016	3,885,155	2,684,730	2,769,953	2,324,768	1,619,671	2,299,983	1,966,946	1,989,843	924,592	1,758,562	1,787,985	2,025,006
Total Incurred Less ALAE	41,613,315	3,042,048	2,041,158	2,060,069	1,816,366	1,191,963	1,891,207	1,630,389	1,764,829	779,643	1,600,963	1,533,407	1,698,056
CSRMA (Loss Ratio) Total Incurred Less ALAE / Earned Premium (%)	65.14	84.83	53.44	54.23	44.73	30.97	46.02	38.93	40.63	19.10	41.87	37.32	57.40

* - The pooled layer is reinsured by CWIC for these Program Years.



Budget to Date Report as of June 30, 2025

ISSUE: Attached is the budget to date report as of June 30, 2025, and corresponding balance sheet. A variance report highlighting notable variances in the actual year to date figures versus what was budgeted is included.

There are no major concerns about CSRMA's finances at this writing.

RECOMMENDATION: None at this time.

FISCAL IMPACT: As depicted in the attached document.

BACKGROUND: None.

ATTACHMENTS:

1. Profit & Loss Budget to Actual
2. Variance Report
3. Balance Sheet

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	TOTAL			% of Budget
	Actual	Budget	over Budget	
Income				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	1,143,706.33	1,175,971.00	-32,264.67	97.26%
4220 Pooled Deposit	655,062.01	653,298.00	1,764.01	100.27%
4400 Insurance Premium (Net)	15,121,306.12	15,978,913.00	-857,606.88	94.63%
4450 Affiliate Insurance Premium Rev	7,179,488.50	6,806,001.00	373,487.50	105.49%
Total 400 Member Contributions	\$ 24,099,562.96	\$ 24,614,183.00	-\$ 514,620.04	97.91%
410 Retrospective Contribution				
4300 Retro Adjustment	16,021.25	-500,000.00	516,021.25	-3.20%
Total 410 Retrospective Contribution	\$ 16,021.25	-\$ 500,000.00	\$ 516,021.25	-3.20%
420 Member Fees				
4110 Program Directors' Fee	1,450,833.70	1,451,000.00	-166.30	99.99%
Total 420 Member Fees	\$ 1,450,833.70	\$ 1,451,000.00	-\$ 166.30	99.99%
Total 40 Operating Revenue	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%
Total Income	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%
Gross Profit	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%
Expenses				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries	-459,356.95	-400,000.00	-59,356.95	114.84%
5201 Claims Expense	4,917,652.82	4,000,000.00	917,652.82	122.94%
Total 500 Program Expense	\$ 4,458,295.87	\$ 3,600,000.00	\$ 858,295.87	123.84%
610 Insurance Expense				
6432 Net Insurance Premium	15,507,499.37	15,978,913.00	-471,413.63	97.05%
6435 Affiliate Insurance Premium Exp	7,040,910.50	7,776,601.00	-735,690.50	90.54%
Total 610 Insurance Expense	\$ 22,548,409.87	\$ 23,755,514.00	-\$ 1,207,104.13	94.92%
620 Management Consultants				
6523 Outside Safety Consultant	502,629.47	549,560.00	-46,930.53	91.46%
Total 620 Management Consultants	\$ 502,629.47	\$ 549,560.00	-\$ 46,930.53	91.46%
630 Program Director Fee				
6330 Program Directors' Fee Exp.	1,450,999.20	1,451,000.00	-0.80	100.00%
Total 630 Program Director Fee	\$ 1,450,999.20	\$ 1,451,000.00	-\$ 0.80	100.00%
640 Other Program Expense				
6464 User/Fraud Fund Assessment	87,842.08	124,379.00	-36,536.92	70.62%
6506 Actuarial	62,200.00	69,890.00	-7,690.00	89.00%
6510 Claims Audit	8,200.00	9,000.00	-800.00	91.11%
6512 Claims Admin. Annual Fee	24,600.00	24,600.00	0.00	100.00%
6516 Coverage Counsel	0.00	5,000.00	-5,000.00	0.00%
6650 Program Legal	18,719.99	26,500.00	-7,780.01	70.64%
6652 Program Committee	881.65	2,500.00	-1,618.35	35.27%
6660 Program Consulting	15,354.50	35,000.00	-19,645.50	43.87%
6667 CSRMA Provided Seminars	81,656.48	95,000.00	-13,343.52	85.95%
Total 640 Other Program Expense	\$ 299,454.70	\$ 391,869.00	-\$ 92,414.30	76.42%
700 General & Administrative Expense				
7804 Accounting Consulting				
7808 Financial Audit	18,945.00	22,946.00	-4,001.00	82.56%
7822 Board Counsel	15,672.55	20,700.00	-5,027.45	75.71%
8942 Supplies	86.88	0.00	86.88	

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	TOTAL			% of
	Actual	Budget	over Budget	Budget
8944 Printing/Promotion	0.00	1,000.00	-1,000.00	0.00%
8945 Computer Software/Programming	36,140.12	34,900.00	1,240.12	103.55%
8946 Memberships/Other	13,225.00	10,987.00	2,238.00	120.37%
8948 Banking Service Charges	3,414.94	5,804.00	-2,389.06	58.84%
8954 Executive/Officers Committee	32,558.00	35,000.00	-2,442.00	93.02%
8956 Board of Directors	11,526.83	13,800.00	-2,273.17	83.53%
8960 JPA Insurance	83,301.94	83,406.00	-104.06	99.88%
8990 General Contingency	-0.79	6,000.00	-6,000.79	-0.01%
Total 700 General & Administrative Expense	\$ 214,870.47	\$ 234,543.00	-\$ 19,672.53	91.61%
Total 50 Operating Expense	\$ 29,474,659.58	\$ 29,982,486.00	-\$ 507,826.42	98.31%
Total Expenses	\$ 29,474,659.58	\$ 29,982,486.00	-\$ 507,826.42	98.31%
Net Operating Income	-\$ 3,908,241.67	-\$ 4,417,303.00	\$ 509,061.33	88.48%
Other Income				
4660 Investment Earnings				
Total 4660 Investment Earnings	\$ 716,774.58	\$ 830,503.00	-\$ 113,728.42	86.31%
Total Other Income	\$ 716,774.58	\$ 830,503.00	-\$ 113,728.42	86.31%
Other Expenses				
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%
Total Other Expenses	\$ 0.00	\$ 500,000.00	-\$ 500,000.00	0.00%
Net Other Income	\$ 716,774.58	\$ 330,503.00	\$ 386,271.58	216.87%
Net Income	-\$ 3,191,467.09	-\$ 4,086,800.00	\$ 895,332.91	78.09%

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	.021 - PIP			
	Actual	Budget	over Budget	% of Budget
Income				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	65,942.06	72,482.00	-6,539.94	90.98%
4220 Pooled Deposit				
4400 Insurance Premium (Net)	869,215.68	911,300.00	-42,084.32	95.38%
4450 Affiliate Insurance Premium Rev				
Total 400 Member Contributions	\$ 935,157.74	\$ 983,782.00	-\$ 48,624.26	95.06%
410 Retrospective Contribution				
4300 Retro Adjustment				
Total 410 Retrospective Contribution	\$ 0.00	\$ 0.00	\$ 0.00	
420 Member Fees				
4110 Program Directors' Fee	137,837.13	138,000.00	-162.87	99.88%
Total 420 Member Fees	\$ 137,837.13	\$ 138,000.00	-\$ 162.87	99.88%
Total 40 Operating Revenue	\$ 1,072,994.87	\$ 1,121,782.00	-\$ 48,787.13	95.65%
Total Income	\$ 1,072,994.87	\$ 1,121,782.00	-\$ 48,787.13	95.65%
Gross Profit	\$ 1,072,994.87	\$ 1,121,782.00	-\$ 48,787.13	95.65%
Expenses				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries				
5201 Claims Expense				
Total 500 Program Expense	\$ 0.00	\$ 0.00	\$ 0.00	
610 Insurance Expense				
6432 Net Insurance Premium	862,768.52	911,300.00	-48,531.48	94.67%
6435 Affiliate Insurance Premium Exp				
Total 610 Insurance Expense	\$ 862,768.52	\$ 911,300.00	-\$ 48,531.48	94.67%
620 Management Consultants				
6523 Outside Safety Consultant	36,313.15	38,256.00	-1,942.85	94.92%
Total 620 Management Consultants	\$ 36,313.15	\$ 38,256.00	-\$ 1,942.85	94.92%
630 Program Director Fee				
6330 Program Directors' Fee Exp.	138,000.00	138,000.00	0.00	100.00%
Total 630 Program Director Fee	\$ 138,000.00	\$ 138,000.00	\$ 0.00	100.00%
640 Other Program Expense				
6464 User/Fraud Fund Assessment				
6506 Actuarial				
6510 Claims Audit				
6512 Claims Admin. Annual Fee				
6516 Coverage Counsel				
6650 Program Legal				
6652 Program Committee				
6660 Program Consulting	474.40	1,500.00	-1,025.60	31.63%
6667 CSRMA Provided Seminars	7,965.65	9,500.00	-1,534.35	83.85%
Total 640 Other Program Expense	\$ 8,440.05	\$ 11,000.00	-\$ 2,559.95	76.73%
700 General & Administrative Expense				
7804 Accounting Consulting				
7808 Financial Audit	1,894.50	2,295.00	-400.50	82.55%
7822 Board Counsel	1,567.26	2,070.00	-502.74	75.71%
8942 Supplies	8.69		8.69	

California Sanitation Risk Management Authority
Unconsolidated
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	.021 - PIP			
	Actual	Budget	over Budget	% of Budget
8944 Printing/Promotion		100.00	-100.00	0.00%
8945 Computer Software/Programming	1,426.76	3,490.00	-2,063.24	40.88%
8946 Memberships/Other	1,322.50	1,099.00	223.50	120.34%
8948 Banking Service Charges	341.50	332.00	9.50	102.86%
8954 Executive/Officers Committee	3,243.05	3,500.00	-256.95	92.66%
8956 Board of Directors	1,152.69	1,400.00	-247.31	82.34%
8960 JPA Insurance	8,330.19	8,341.00	-10.81	99.87%
8990 General Contingency		600.00	-600.00	0.00%
Total 700 General & Administrative Expense	\$ 19,287.14	\$ 23,227.00	-\$ 3,939.86	83.04%
Total 50 Operating Expense	\$ 1,064,808.86	\$ 1,121,783.00	-\$ 56,974.14	94.92%
Total Expenses	\$ 1,064,808.86	\$ 1,121,783.00	-\$ 56,974.14	94.92%
Net Operating Income	\$ 8,186.01	-\$ 1.00	\$ 8,187.01	-818601.00%
Other Income				
4660 Investment Earnings				
Total 4660 Investment Earnings	\$ 4,020.64	\$ 5,219.00	-\$ 1,198.36	77.04%
Total Other Income	\$ 4,020.64	\$ 5,219.00	-\$ 1,198.36	77.04%
Other Expenses				
9120 Dividends				
Total Other Expenses	\$ 0.00	\$ 0.00	\$ 0.00	
Net Other Income	\$ 4,020.64	\$ 5,219.00	-\$ 1,198.36	77.04%
Net Income	\$ 12,206.65	\$ 5,218.00	\$ 6,988.65	233.93%

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	.023 - Property			% of
	Actual	Budget	over Budget	Budget
Income				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	111,893.97	111,894.00	-0.03	100.00%
4220 Pooled Deposit	655,062.01	653,298.00	1,764.01	100.27%
4400 Insurance Premium (Net)	9,303,048.36	9,602,238.00	-299,189.64	96.88%
4450 Affiliate Insurance Premium Rev				
Total 400 Member Contributions	\$ 10,070,004.34	\$ 10,367,430.00	-\$ 297,425.66	97.13%
410 Retrospective Contribution				
4300 Retro Adjustment				
Total 410 Retrospective Contribution	\$ 0.00	\$ 0.00	\$ 0.00	
420 Member Fees				
4110 Program Directors' Fee	191,999.96	192,000.00	-0.04	100.00%
Total 420 Member Fees	\$ 191,999.96	\$ 192,000.00	-\$ 0.04	100.00%
Total 40 Operating Revenue	\$ 10,262,004.30	\$ 10,559,430.00	-\$ 297,425.70	97.18%
Total Income	\$ 10,262,004.30	\$ 10,559,430.00	-\$ 297,425.70	97.18%
Gross Profit	\$ 10,262,004.30	\$ 10,559,430.00	-\$ 297,425.70	97.18%
Expenses				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries				
5201 Claims Expense	246,505.10	500,000.00	-253,494.90	49.30%
Total 500 Program Expense	\$ 246,505.10	\$ 500,000.00	-\$ 253,494.90	49.30%
610 Insurance Expense				
6432 Net Insurance Premium	9,302,347.61	9,602,238.00	-299,890.39	96.88%
6435 Affiliate Insurance Premium Exp				
Total 610 Insurance Expense	\$ 9,302,347.61	\$ 9,602,238.00	-\$ 299,890.39	96.88%
620 Management Consultants				
6523 Outside Safety Consultant	68,708.80	70,652.00	-1,943.20	97.25%
Total 620 Management Consultants	\$ 68,708.80	\$ 70,652.00	-\$ 1,943.20	97.25%
630 Program Director Fee				
6330 Program Directors' Fee Exp.	192,000.00	192,000.00	0.00	100.00%
Total 630 Program Director Fee	\$ 192,000.00	\$ 192,000.00	\$ 0.00	100.00%
640 Other Program Expense				
6464 User/Fraud Fund Assessment				
6506 Actuarial	5,500.00	5,500.00	0.00	100.00%
6510 Claims Audit				
6512 Claims Admin. Annual Fee				
6516 Coverage Counsel				
6650 Program Legal	0.00	1,500.00	-1,500.00	0.00%
6652 Program Committee				
6660 Program Consulting	474.40	1,500.00	-1,025.60	31.63%
6667 CSRMA Provided Seminars	7,965.64	9,500.00	-1,534.36	83.85%
Total 640 Other Program Expense	\$ 13,940.04	\$ 18,000.00	-\$ 4,059.96	77.44%
700 General & Administrative Expense				
7804 Accounting Consulting				
7808 Financial Audit	1,894.50	2,295.00	-400.50	82.55%
7822 Board Counsel	1,567.26	2,070.00	-502.74	75.71%
8942 Supplies	8.69		8.69	

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
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	.023 - Property			
	Actual	Budget	over Budget	% of Budget
8944 Printing/Promotion		100.00	-100.00	0.00%
8945 Computer Software/Programming	1,299.29	3,490.00	-2,190.71	37.23%
8946 Memberships/Other	1,322.50	1,099.00	223.50	120.34%
8948 Banking Service Charges	341.50	348.00	-6.50	98.13%
8954 Executive/Officers Committee	3,370.52	3,500.00	-129.48	96.30%
8956 Board of Directors	1,152.69	1,400.00	-247.31	82.34%
8960 JPA Insurance	8,330.19	8,341.00	-10.81	99.87%
8990 General Contingency		600.00	-600.00	0.00%
Total 700 General & Administrative Expense	\$ 19,287.14	\$ 23,243.00	-\$ 3,955.86	82.98%
Total 50 Operating Expense	\$ 9,842,788.69	\$ 10,406,133.00	-\$ 563,344.31	94.59%
Total Expenses	\$ 9,842,788.69	\$ 10,406,133.00	-\$ 563,344.31	94.59%
Net Operating Income	\$ 419,215.61	\$ 153,297.00	\$ 265,918.61	273.47%
Other Income				
4660 Investment Earnings				
Total 4660 Investment Earnings	\$ 16,886.04	\$ 31,157.00	-\$ 14,270.96	54.20%
Total Other Income	\$ 16,886.04	\$ 31,157.00	-\$ 14,270.96	54.20%
Other Expenses				
9120 Dividends				
Total Other Expenses	\$ 0.00	\$ 0.00	\$ 0.00	
Net Other Income	\$ 16,886.04	\$ 31,157.00	-\$ 14,270.96	54.20%
Net Income	\$ 436,101.65	\$ 184,454.00	\$ 251,647.65	236.43%

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

Preliminary Unaudited*	.024 - Liability			
	Actual	Budget	over Budget	% of Budget
Income				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	412,561.50	438,287.00	-25,725.50	94.13%
4220 Pooled Deposit				
4400 Insurance Premium (Net)	3,642,055.99	3,702,029.00	-59,973.01	98.38%
4450 Affiliate Insurance Premium Rev	3,355,954.50	2,982,467.00	373,487.50	112.52%
Total 400 Member Contributions	\$ 7,410,571.99	\$ 7,122,783.00	\$ 287,788.99	104.04%
410 Retrospective Contribution				
4300 Retro Adjustment	275,885.00	-250,000.00	525,885.00	-110.35%
Total 410 Retrospective Contribution	\$ 275,885.00	-\$ 250,000.00	\$ 525,885.00	-110.35%
420 Member Fees				
4110 Program Directors' Fee	685,997.50	686,000.00	-2.50	100.00%
Total 420 Member Fees	\$ 685,997.50	\$ 686,000.00	-\$ 2.50	100.00%
Total 40 Operating Revenue	\$ 8,372,454.49	\$ 7,558,783.00	\$ 813,671.49	110.76%
Total Income	\$ 8,372,454.49	\$ 7,558,783.00	\$ 813,671.49	110.76%
Gross Profit	\$ 8,372,454.49	\$ 7,558,783.00	\$ 813,671.49	110.76%
Expenses				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries	-459,356.95	-400,000.00	-59,356.95	114.84%
5201 Claims Expense	2,672,917.32	1,750,000.00	922,917.32	152.74%
Total 500 Program Expense	\$ 2,213,560.37	\$ 1,350,000.00	\$ 863,560.37	163.97%
610 Insurance Expense				
6432 Net Insurance Premium	3,642,055.36	3,702,029.00	-59,973.64	98.38%
6435 Affiliate Insurance Premium Exp	3,355,954.50	2,982,467.00	373,487.50	112.52%
Total 610 Insurance Expense	\$ 6,998,009.86	\$ 6,684,496.00	\$ 313,513.86	104.69%
620 Management Consultants				
6523 Outside Safety Consultant	195,456.34	209,652.00	-14,195.66	93.23%
Total 620 Management Consultants	\$ 195,456.34	\$ 209,652.00	-\$ 14,195.66	93.23%
630 Program Director Fee				
6330 Program Directors' Fee Exp.	686,000.00	686,000.00	0.00	100.00%
Total 630 Program Director Fee	\$ 686,000.00	\$ 686,000.00	\$ 0.00	100.00%
640 Other Program Expense				
6464 User/Fraud Fund Assessment				
6506 Actuarial	13,500.00	15,250.00	-1,750.00	88.52%
6510 Claims Audit				
6512 Claims Admin. Annual Fee	18,600.00	18,600.00	0.00	100.00%
6516 Coverage Counsel		5,000.00	-5,000.00	0.00%
6650 Program Legal	18,674.99	23,500.00	-4,825.01	79.47%
6652 Program Committee	9.00	1,500.00	-1,491.00	0.60%
6660 Program Consulting	12,695.30	16,750.00	-4,054.70	75.79%
6667 CSRMA Provided Seminars	36,845.41	42,750.00	-5,904.59	86.19%
Total 640 Other Program Expense	\$ 100,324.70	\$ 123,350.00	-\$ 23,025.30	81.33%
700 General & Administrative Expense				
7804 Accounting Consulting				
7808 Financial Audit	8,525.25	10,325.00	-1,799.75	82.57%
7822 Board Counsel	7,052.64	9,315.00	-2,262.36	75.71%
8942 Supplies	39.09		39.09	

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
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.024 - Liability				
	Actual	Budget	over Budget	% of Budget
8944 Printing/Promotion		450.00	-450.00	0.00%
8945 Computer Software/Programming	28,420.41	15,705.00	12,715.41	180.96%
8946 Memberships/Other	5,951.25	4,944.00	1,007.25	120.37%
8948 Banking Service Charges	1,536.71	2,363.00	-826.29	65.03%
8954 Executive/Officers Committee	14,593.75	15,750.00	-1,156.25	92.66%
8956 Board of Directors	5,187.06	6,200.00	-1,012.94	83.66%
8960 JPA Insurance	37,485.88	37,532.00	-46.12	99.88%
8990 General Contingency	-0.79	2,700.00	-2,700.79	-0.03%
Total 700 General & Administrative Expense	\$ 108,791.25	\$ 105,284.00	\$ 3,507.25	103.33%
Total 50 Operating Expense	\$ 10,302,142.52	\$ 9,158,782.00	\$ 1,143,360.52	112.48%
Total Expenses	\$ 10,302,142.52	\$ 9,158,782.00	\$ 1,143,360.52	112.48%
Net Operating Income	-\$ 1,929,688.03	-\$ 1,599,999.00	-\$ 329,689.03	120.61%
Other Income				
4660 Investment Earnings				
Total 4660 Investment Earnings	\$ 237,108.72	\$ 289,266.00	-\$ 52,157.28	81.97%
Total Other Income	\$ 237,108.72	\$ 289,266.00	-\$ 52,157.28	81.97%
Other Expenses				
9120 Dividends		500,000.00	-500,000.00	0.00%
Total Other Expenses	\$ 0.00	\$ 500,000.00	-\$ 500,000.00	0.00%
Net Other Income	\$ 237,108.72	-\$ 210,734.00	\$ 447,842.72	-112.52%
Net Income	-\$ 1,692,579.31	-\$ 1,810,733.00	\$ 118,153.69	93.47%

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	.025 - WC			
	Actual	Budget	over Budget	% of Budget
Income				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	553,308.80	553,308.00	0.80	100.00%
4220 Pooled Deposit				
4400 Insurance Premium (Net)	1,306,986.09	1,763,346.00	-456,359.91	74.12%
4450 Affiliate Insurance Premium Rev	3,823,534.00	3,823,534.00	0.00	100.00%
Total 400 Member Contributions	\$ 5,683,828.89	\$ 6,140,188.00	-\$ 456,359.11	92.57%
410 Retrospective Contribution				
4300 Retro Adjustment	-259,863.75	-250,000.00	-9,863.75	103.95%
Total 410 Retrospective Contribution	-\$ 259,863.75	-\$ 250,000.00	-\$ 9,863.75	103.95%
420 Member Fees				
4110 Program Directors' Fee	434,999.11	435,000.00	-0.89	100.00%
Total 420 Member Fees	\$ 434,999.11	\$ 435,000.00	-\$ 0.89	100.00%
Total 40 Operating Revenue	\$ 5,858,964.25	\$ 6,325,188.00	-\$ 466,223.75	92.63%
Total Income	\$ 5,858,964.25	\$ 6,325,188.00	-\$ 466,223.75	92.63%
Gross Profit	\$ 5,858,964.25	\$ 6,325,188.00	-\$ 466,223.75	92.63%
Expenses				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries				
5201 Claims Expense	1,998,230.40	1,750,000.00	248,230.40	114.18%
Total 500 Program Expense	\$ 1,998,230.40	\$ 1,750,000.00	\$ 248,230.40	114.18%
610 Insurance Expense				
6432 Net Insurance Premium	1,700,327.88	1,763,346.00	-63,018.12	96.43%
6435 Affiliate Insurance Premium Exp	3,684,956.00	4,794,134.00	-1,109,178.00	76.86%
Total 610 Insurance Expense	\$ 5,385,283.88	\$ 6,557,480.00	-\$ 1,172,196.12	82.12%
620 Management Consultants				
6523 Outside Safety Consultant	202,151.18	231,000.00	-28,848.82	87.51%
Total 620 Management Consultants	\$ 202,151.18	\$ 231,000.00	-\$ 28,848.82	87.51%
630 Program Director Fee				
6330 Program Directors' Fee Exp.	434,999.20	435,000.00	-0.80	100.00%
Total 630 Program Director Fee	\$ 434,999.20	\$ 435,000.00	-\$ 0.80	100.00%
640 Other Program Expense				
6464 User/Fraud Fund Assessment	87,842.08	124,379.00	-36,536.92	70.62%
6506 Actuarial	43,200.00	49,140.00	-5,940.00	87.91%
6510 Claims Audit	8,200.00	9,000.00	-800.00	91.11%
6512 Claims Admin. Annual Fee	6,000.00	6,000.00	0.00	100.00%
6516 Coverage Counsel				
6650 Program Legal	45.00	1,500.00	-1,455.00	3.00%
6652 Program Committee	872.65	1,000.00	-127.35	87.27%
6660 Program Consulting	1,710.40	15,250.00	-13,539.60	11.22%
6667 CSRMA Provided Seminars	28,879.78	33,250.00	-4,370.22	86.86%
Total 640 Other Program Expense	\$ 176,749.91	\$ 239,519.00	-\$ 62,769.09	73.79%
700 General & Administrative Expense				
7804 Accounting Consulting				
7808 Financial Audit	6,630.75	8,031.00	-1,400.25	82.56%
7822 Board Counsel	5,485.39	7,245.00	-1,759.61	75.71%
8942 Supplies	30.41		30.41	

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program
July 2024 - June 2025
Preliminary Unaudited*

	.025 - WC			
	Actual	Budget	over Budget	% of Budget
8944 Printing/Promotion	0.00	350.00	-350.00	0.00%
8945 Computer Software/Programming	4,993.66	12,215.00	-7,221.34	40.88%
8946 Memberships/Other	4,628.75	3,845.00	783.75	120.38%
8948 Banking Service Charges	1,195.23	2,761.00	-1,565.77	43.29%
8954 Executive/Officers Committee	11,350.68	12,250.00	-899.32	92.66%
8956 Board of Directors	4,034.39	4,800.00	-765.61	84.05%
8960 JPA Insurance	29,155.68	29,192.00	-36.32	99.88%
8990 General Contingency		2,100.00	-2,100.00	0.00%
Total 700 General & Administrative Expense	\$ 67,504.94	\$ 82,789.00	-\$ 15,284.06	81.54%
Total 50 Operating Expense	\$ 8,264,919.51	\$ 9,295,788.00	-\$ 1,030,868.49	88.91%
Total Expenses	\$ 8,264,919.51	\$ 9,295,788.00	-\$ 1,030,868.49	88.91%
Net Operating Income	-\$ 2,405,955.26	-\$ 2,970,600.00	\$ 564,644.74	80.99%
Other Income				
4660 Investment Earnings				
Total 4660 Investment Earnings	\$ 458,759.18	\$ 504,861.00	-\$ 46,101.82	90.87%
Total Other Income	\$ 458,759.18	\$ 504,861.00	-\$ 46,101.82	90.87%
Other Expenses				
9120 Dividends				
Total Other Expenses	\$ 0.00	\$ 0.00	\$ 0.00	
Net Other Income	\$ 458,759.18	\$ 504,861.00	-\$ 46,101.82	90.87%
Net Income	-\$ 1,947,196.08	-\$ 2,465,739.00	\$ 518,542.92	78.97%

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority

Unconsolidated

Budget vs. Actual By Program

July 2024 - June 2025

Preliminary Unaudited*

Preliminary Unaudited*	TOTAL				
	Actual	Budget	over Budget	% of Budget	
Income					
40 Operating Revenue					
400 Member Contributions					
4100 JPA Charge	1,143,706.33	1,175,971.00	-32,264.67	97.26%	
4220 Pooled Deposit	655,062.01	653,298.00	1,764.01	100.27%	
4400 Insurance Premium (Net)	15,121,306.12	15,978,913.00	-857,606.88	94.63%	
4450 Affiliate Insurance Premium Rev	7,179,488.50	6,806,001.00	373,487.50	105.49%	
Total 400 Member Contributions	\$ 24,099,562.96	\$ 24,614,183.00	-\$ 514,620.04	97.91%	
410 Retrospective Contribution					
4300 Retro Adjustment	16,021.25	-500,000.00	516,021.25	-3.20%	Retro adjustments in the WC and PLP
Total 410 Retrospective Contribution	\$ 16,021.25	-\$ 500,000.00	\$ 516,021.25	-3.20%	Programs offset each other
420 Member Fees					
4110 Program Directors' Fee	1,450,833.70	1,451,000.00	-166.30	99.99%	
Total 420 Member Fees	\$ 1,450,833.70	\$ 1,451,000.00	-\$ 166.30	99.99%	
Total 40 Operating Revenue	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%	
Total Income	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%	
Gross Profit	\$ 25,566,417.91	\$ 25,565,183.00	\$ 1,234.91	100.00%	
Expenses					
50 Operating Expense					
500 Program Expense					
4500 Deductible Recoveries	-459,356.95	-400,000.00	-59,356.95	114.84%	
5201 Claims Expense	4,917,652.82	4,000,000.00	917,652.82	122.94%	Liability settlements more than expected; WC slightly higher; Property lower
Total 500 Program Expense	\$ 4,458,295.87	\$ 3,600,000.00	\$ 858,295.87	123.84%	
610 Insurance Expense					
6432 Net Insurance Premium	15,507,499.37	15,978,913.00	-471,413.63	97.05%	
6435 Affiliate Insurance Premium Exp	7,040,910.50	7,776,601.00	-735,690.50	90.54%	
Total 610 Insurance Expense	\$ 22,548,409.87	\$ 23,755,514.00	-\$ 1,207,104.13	94.92%	
620 Management Consultants					
6523 Outside Safety Consultant	502,629.47	549,560.00	-46,930.53	91.46%	
Total 620 Management Consultants	\$ 502,629.47	\$ 549,560.00	-\$ 46,930.53	91.46%	
630 Program Director Fee					
6330 Program Directors' Fee Exp.	1,450,999.20	1,451,000.00	-0.80	100.00%	
Total 630 Program Director Fee	\$ 1,450,999.20	\$ 1,451,000.00	-\$ 0.80	100.00%	
640 Other Program Expense					
6464 User/Fraud Fund Assessment	87,842.08	124,379.00	-36,536.92	70.62%	Less than expected
6506 Actuarial	62,200.00	69,890.00	-7,690.00	89.00%	
6510 Claims Audit	8,200.00	9,000.00	-800.00	91.11%	

California Sanitation Risk Management Authority
Unconsolidated
Budget vs. Actual By Program

July 2024 - June 2025

Preliminary Unaudited*

	TOTAL				
	Actual	Budget	over Budget	% of Budget	
6512 Claims Admin. Annual Fee	24,600.00	24,600.00	0.00	100.00%	
6516 Coverage Counsel	0.00	5,000.00	-5,000.00	0.00%	
6650 Program Legal	18,719.99	26,500.00	-7,780.01	70.64%	
6652 Program Committee	881.65	2,500.00	-1,618.35	35.27%	Travel expenses less than expected
6660 Program Consulting	15,354.50	35,000.00	-19,645.50	43.87%	
6667 CSRMA Provided Seminars	81,656.48	95,000.00	-13,343.52	85.95%	
Total 640 Other Program Expense	\$ 299,454.70	\$ 391,869.00	-\$ 92,414.30	76.42%	
700 General & Administrative Expense					
7804 Accounting Consulting					
7808 Financial Audit	18,945.00	22,946.00	-4,001.00	82.56%	
7822 Board Counsel	15,672.55	20,700.00	-5,027.45	75.71%	
8942 Supplies	86.88	0.00	86.88		
8944 Printing/Promotion	0.00	1,000.00	-1,000.00	0.00%	
8945 Computer Software/Programming	36,140.12	34,900.00	1,240.12	103.55%	
8946 Memberships/Other	13,225.00	10,987.00	2,238.00	120.37%	CAJPA membership/accreditation;CASA; Cert of Achievement
8948 Banking Service Charges	3,414.94	5,804.00	-2,389.06	58.84%	
8954 Executive/Officers Committee	32,558.00	35,000.00	-2,442.00	93.02%	
8956 Board of Directors	11,526.83	13,800.00	-2,273.17	83.53%	
8960 JPA Insurance	83,301.94	83,406.00	-104.06	99.88%	
8990 General Contingency	-0.79	6,000.00	-6,000.79	-0.01%	
Total 700 General & Administrative Expense	\$ 214,870.47	\$ 234,543.00	-\$ 19,672.53	91.61%	
Total 50 Operating Expense	\$ 29,474,659.58	\$ 29,982,486.00	-\$ 507,826.42	98.31%	
Total Expenses	\$ 29,474,659.58	\$ 29,982,486.00	-\$ 507,826.42	98.31%	
Net Operating Income	-\$ 3,908,241.67	-\$ 4,417,303.00	\$ 509,061.33	88.48%	
Other Income					
4660 Investment Earnings					
Total 4660 Investment Earnings	\$ 716,774.58	\$ 830,503.00	-\$ 113,728.42	86.31%	Total investement earnings are budgeted.
Total Other Income	\$ 716,774.58	\$ 830,503.00	-\$ 113,728.42	86.31%	
Other Expenses					
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%	Dividends were not declared
Total Other Expenses	\$ 0.00	\$ 500,000.00	-\$ 500,000.00	0.00%	
Net Other Income	\$ 716,774.58	\$ 330,503.00	\$ 386,271.58	216.87%	
Net Income	-\$ 3,191,467.09	-\$ 4,086,800.00	\$ 895,332.91	78.09%	

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.

California Sanitation Risk Management Authority
Unconsolidated
Balance Sheet
As of June 30, 2025
Preliminary & Unaudited*

ASSETS

Current Assets	
Bank Accounts	
1002 LAIF	1,333,679.81
1005 Checking - US Bank	223,311.71
1006 WC Trust - US Bank 280	62,152.01
1007 Liability Trust - US Bank 272	54,277.58
1008 PFM/CA Asset Mgmt Program	20,323,996.79
1009 PFM-CAMP Cash Reserve	97,140.23
Total Bank Accounts	\$ 22,094,558.13
Accounts Receivable	
1100 Accounts Receivable	1,582,031.23
Total Accounts Receivable	\$ 1,582,031.23
Other Current Assets	
1150 Due from/to Subsidiary	435,857.90
1200 Interest Receivable	173,041.12
1300 Other Current Assets	173,462.36
1540 Prepaid Insurance Premium	4,309,708.88
1550 Prepaid Program Directors' Fee	412,000.00
Total Other Current Assets	\$ 5,504,070.26
Total Current Assets	\$ 29,180,659.62
Other Assets	
1700 Investment in Subsidiary	1,365,000.00
Total Other Assets	\$ 1,365,000.00
TOTAL ASSETS	\$ 30,545,659.62
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	426,287.39
Total Accounts Payable	\$ 426,287.39
Other Current Liabilities	
2200 Deferred JPA Charge	255,268.20
2210 Deferred Program Directors' Fee	411,917.57
2240 Deferred Insurance Premium	4,289,798.82
Total Other Current Liabilities	\$ 4,956,984.59
Total Current Liabilities	\$ 5,383,271.98
Long-Term Liabilities	
2300 Claims Reserves	8,264,986.00
2500 Claims IBNR	8,826,350.00
2600 Claims ULAE	1,500,465.00
Total Long-Term Liabilities	\$ 18,591,801.00
Total Liabilities	\$ 23,975,072.98
Equity	
3900 Retained Earnings	9,762,053.73
Net Income	-3,191,467.09
Total Equity	\$ 6,570,586.64
TOTAL LIABILITIES AND EQUITY	\$ 30,545,659.62

*Excludes results of CWIC subsidiary; excludes unrealized income/loss from investments and changes to longterm claim liability.



Public Entity State of the Insurance Market

California Sanitation Risk Management Authority

July 30, 2025

Alliant Insurance Services
www.alliant.com

(THIS INFORMATION HAS BEEN CONSOLIDATED FROM VARIOUS INDUSTRY SOURCES)



Insurance Market & Financial Performance

P&C Market Pressures...



Great Resignation &
Quiet Quitting



Social Inflation/
Nuclear Verdicts
& Legislation



Geo Political



Cyber Attacks



Mass Shootings



Ukraine & Middle
East War/Conflicts

Global insured catastrophe losses for the first quarter of 2025 exceeded \$53 billion, driven by the Los Angeles wildfires and well above the Q1 average of \$17 billion.

The world is on pace to see insured natural catastrophe losses of \$145 billion in 2025 and the potential exists for a future “peak” year to result in insured losses as high as \$300 billion, according to Swiss Re’s latest sigma report.



Aging
Infrastructure



Climate Change



Inflation &
Increased Loss Cost



Natural Disasters

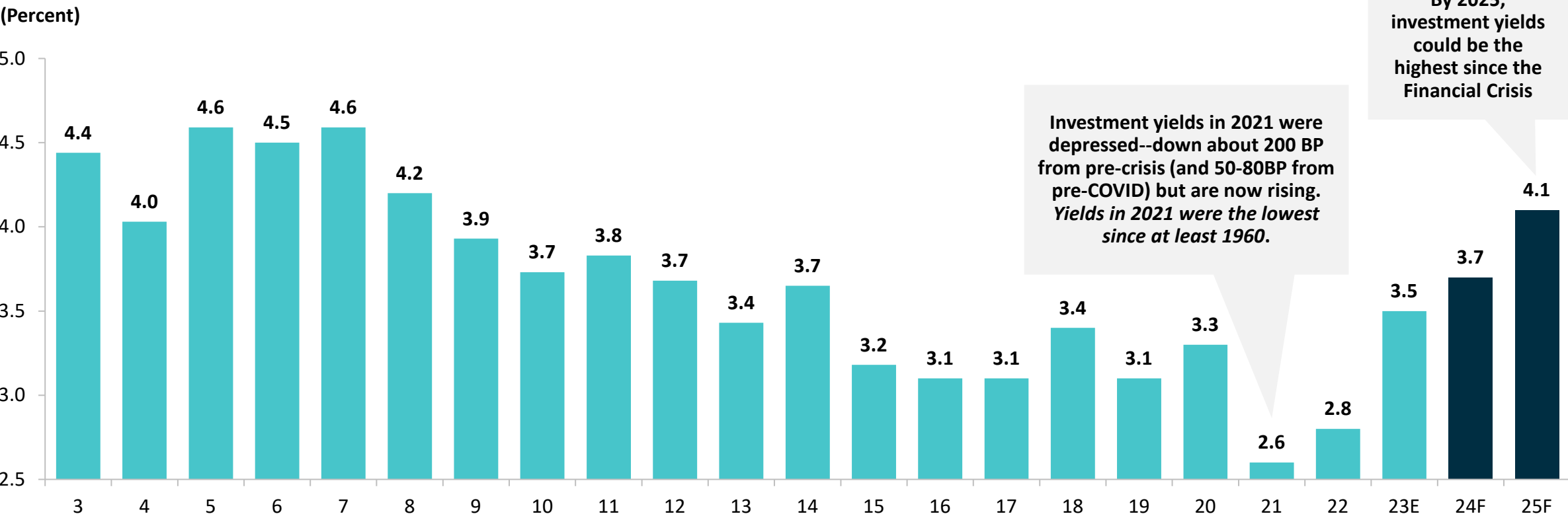


Supply Chain &
Labor Shortage



Proliferation of
“secondary”
perils (SCS)

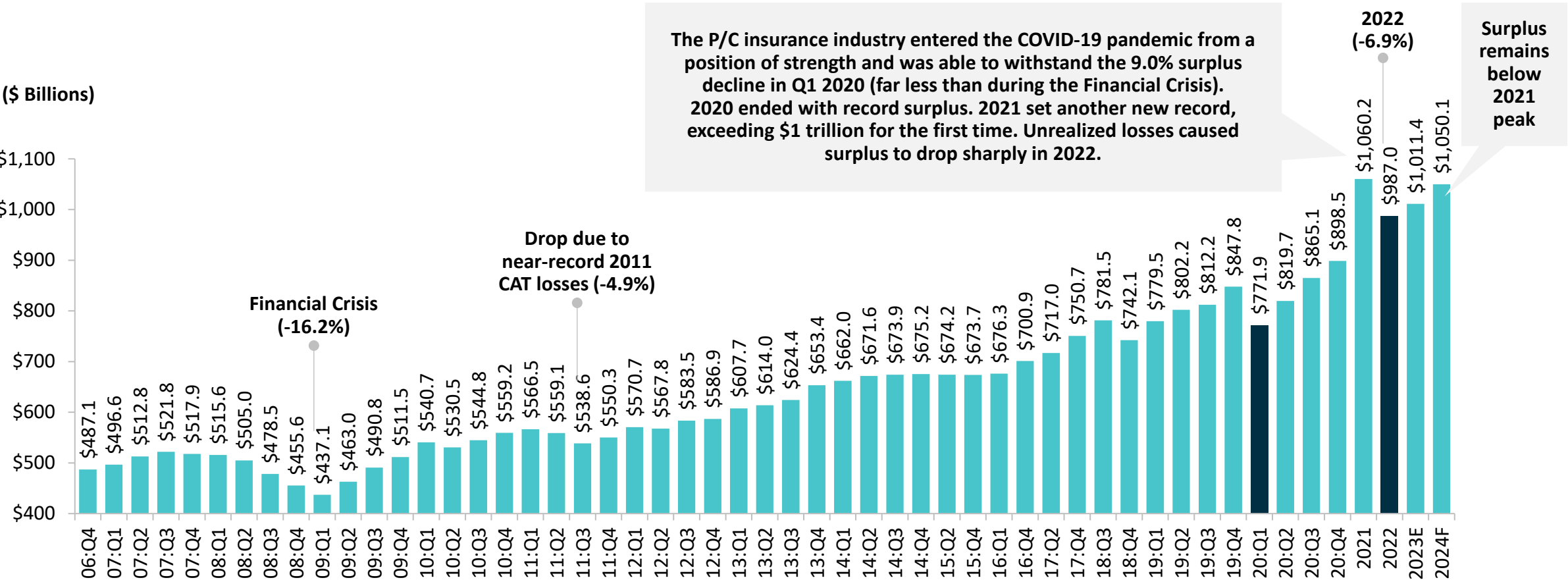
Net Investment Yield on Property/Casualty Insurance Invested Assets, 2007–2025F



The yield on invested assets remains depressed relative to pre-financial crisis and pre-COVID yields. Fed rate hikes in 2022-23 are lifting yields and investment income.

Average: 1960-2019 = 4.9% | Low: 2.8% (1961) | High: 8.2% (1984/85)

Policyholder Surplus (Capacity), 2006:Q4 – 2024F

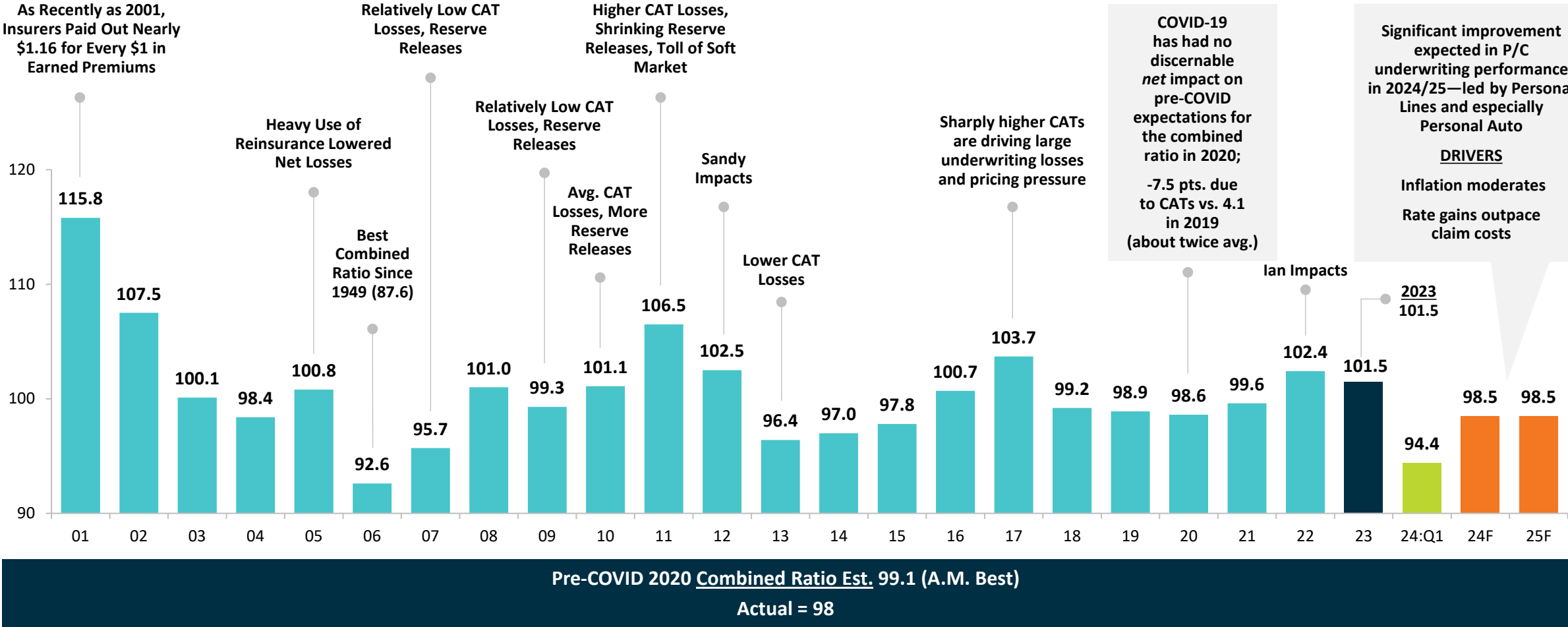


Policyholder Surplus is the industry’s financial cushion against large insured events, periods of economic stress and financial market volatility. It is also a source of capital to underwrite new risks.

Sources: ISO, A.M. Best, NAIC. Risk and Uncertainty Management Center, University of South Carolina.



P/C Insurance Industry Combined Ratio, 2001–2025F*



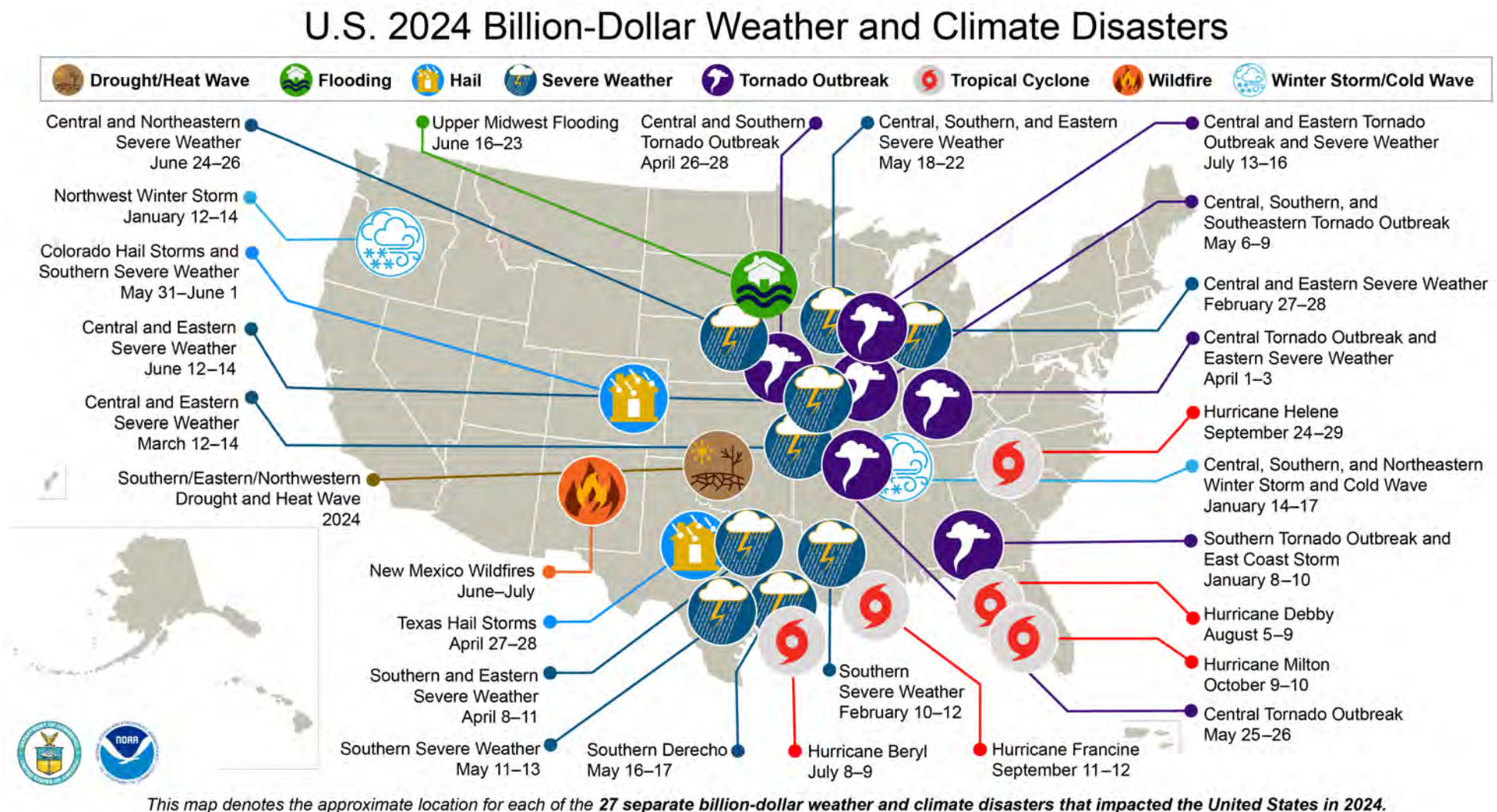
**Excludes Mortgage & Financial Guaranty insurers 2008–2014.
Sources: A.M. Best, ISO (2014–2024F).





Loss Trends & Market Disruptors

Major U.S Losses in 2024

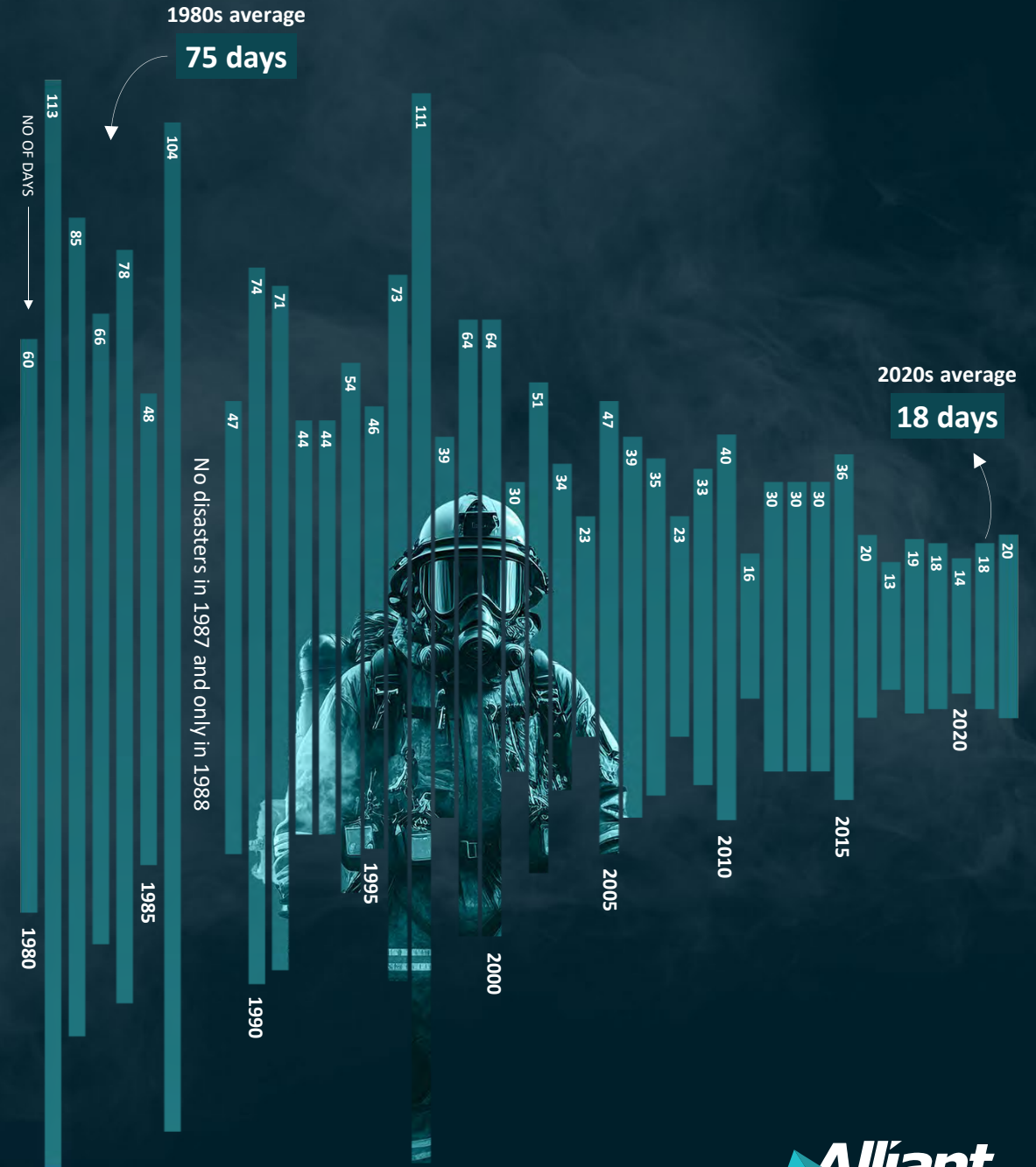


Days between billion-dollar disasters



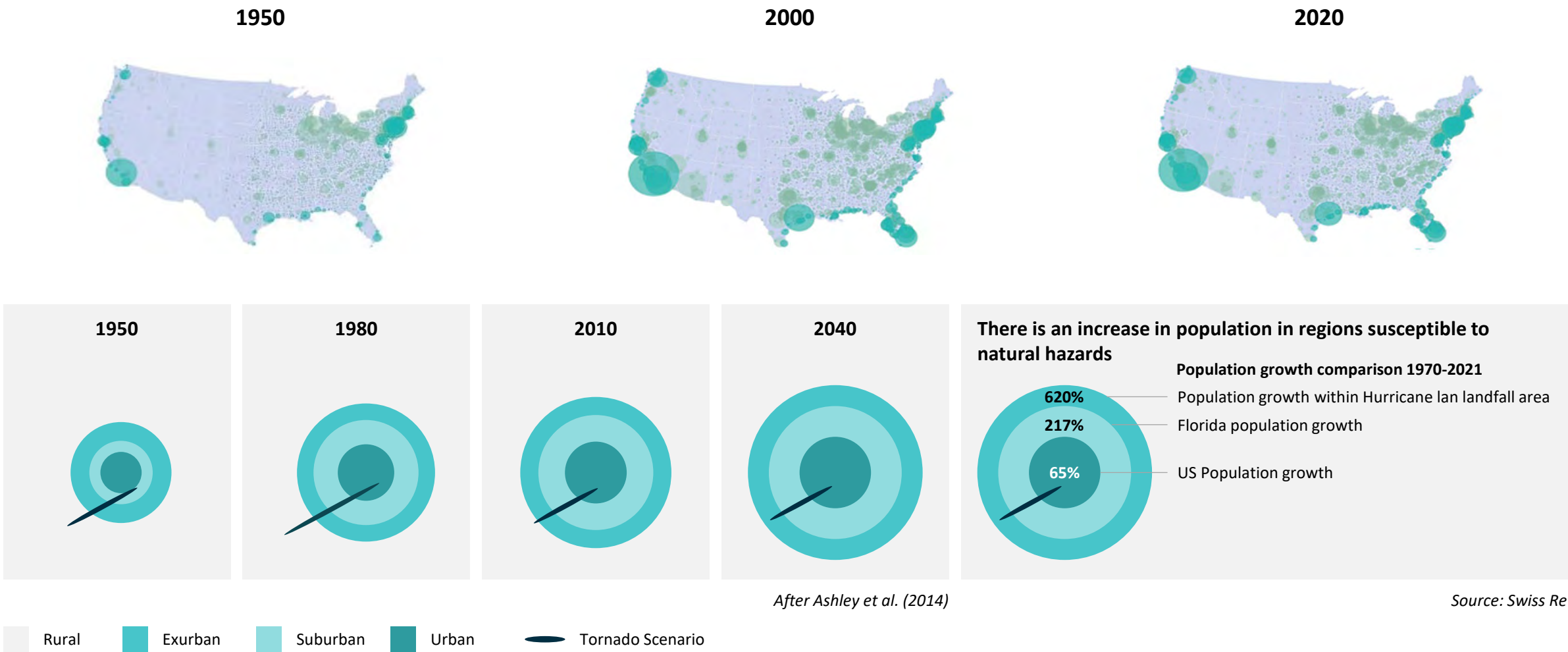
Since the 1980s, the U.S. has faced more frequent climate disasters with every passing decade. Between 2020 to 2022, the average number of days between billion-dollar disaster events within one year dropped to just 18.

Billion-dollar disasters are events where overall damages/costs reached or exceeded \$1 billion (including CPI adjustment to 2023).



Population Growth and Bullseye Effect

Martin Bertogg, Swiss Re’s head of catastrophic peril, said in a 2022 AP interview that **two-thirds**, perhaps more, of the recent rise in weather-related disaster losses is the result of more people and things in harm’s way.



After Ashley et al. (2014)

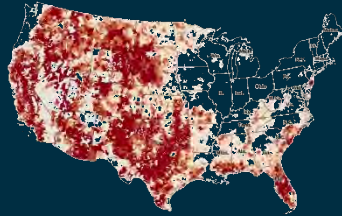
Source: Swiss Re

Ascending CAT Perils: Wildfire and SCS



Wildfire

Proportional to the degree of wildfire risk.
10 20 40 60 80 100 SCS. See legend at end.
to know more a zip code to view details



- 01 Climatic changes are resulting in larger and hotter wildfires occurring each summer and later into fall.
- 02 Beyond the physical damage and destruction of wildfires, intense smoke significantly impacts the health and economy of communities:
 - Reduced travel and tourism leading to loss of sales and occupancy taxes.
 - Reduced school attendance and outdoor activities.
 - Smoke can hurt your eyes, irritate your respiratory system, and worsen chronic heart and lung diseases.
- 03 Worsening conditions, from the future “warming world”, that ultimately lead to wildfires strike concern for many insureds
- 04 Peril-specific retentions and sublimits are being pushed in at risk areas
- 05 Valuation in high density areas are particularly challenging (Coastal, West Los Angeles, Bay Area, etc.)



Severe Convective Storm (SCS)

- SCS insured losses have continued to increase their frequency at nearly 9% since 1990.
 - This is showcased by the fact that nearly 60% (\$71B) of all global Insured losses in 2023 were from SCS
 - According to Gallagher Re, six of the top 10 most expensive insured events of the year were SCS events in the U.S.
- SCS events are common, destructive, and largely unique to the United States due to its geography. Air masses in the U.S. have free rein to collide over the Midwest and Great Plains, generating destructive tornadoes and thunderstorms. Continued population growth in areas susceptible to hail and thunderstorms poses a growing challenge for the insurance industry.
- Due to the combination of event frequency not being well captured in statistical data as well as the continued volatility of SCS annual losses, insureds are continuing to develop new solutions to limit their exposure and ultimately their loss expectancy.

Severe convective Storm Hazards and Loss

Loss by SCS Hazard from Risk Management Solutions

Hail

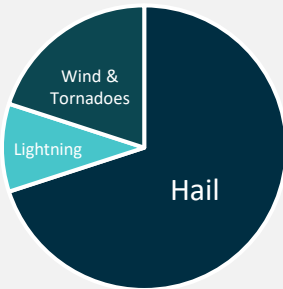
Hail accounts for 70% of annual average loss. In any given year hail is 60-80% of the damage produced by severe convective storms

Wind & Tornadoes

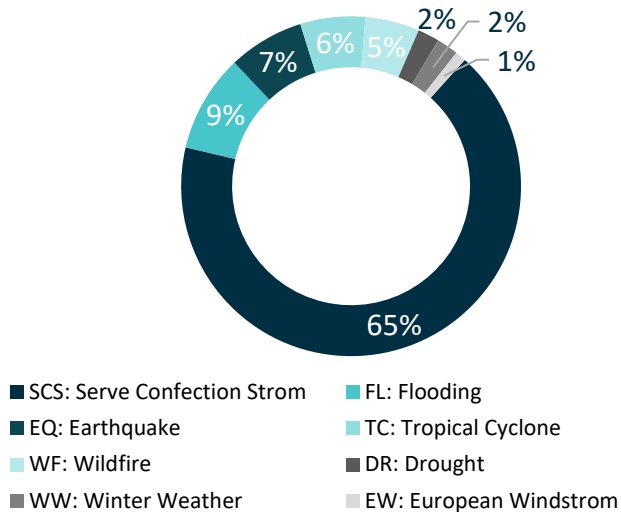
Severe winds both from straight-line wind events and tornadoes account for about 20% of average annual loss.

Lightning

Lightning, including fires started by lightning accounts for about 10%

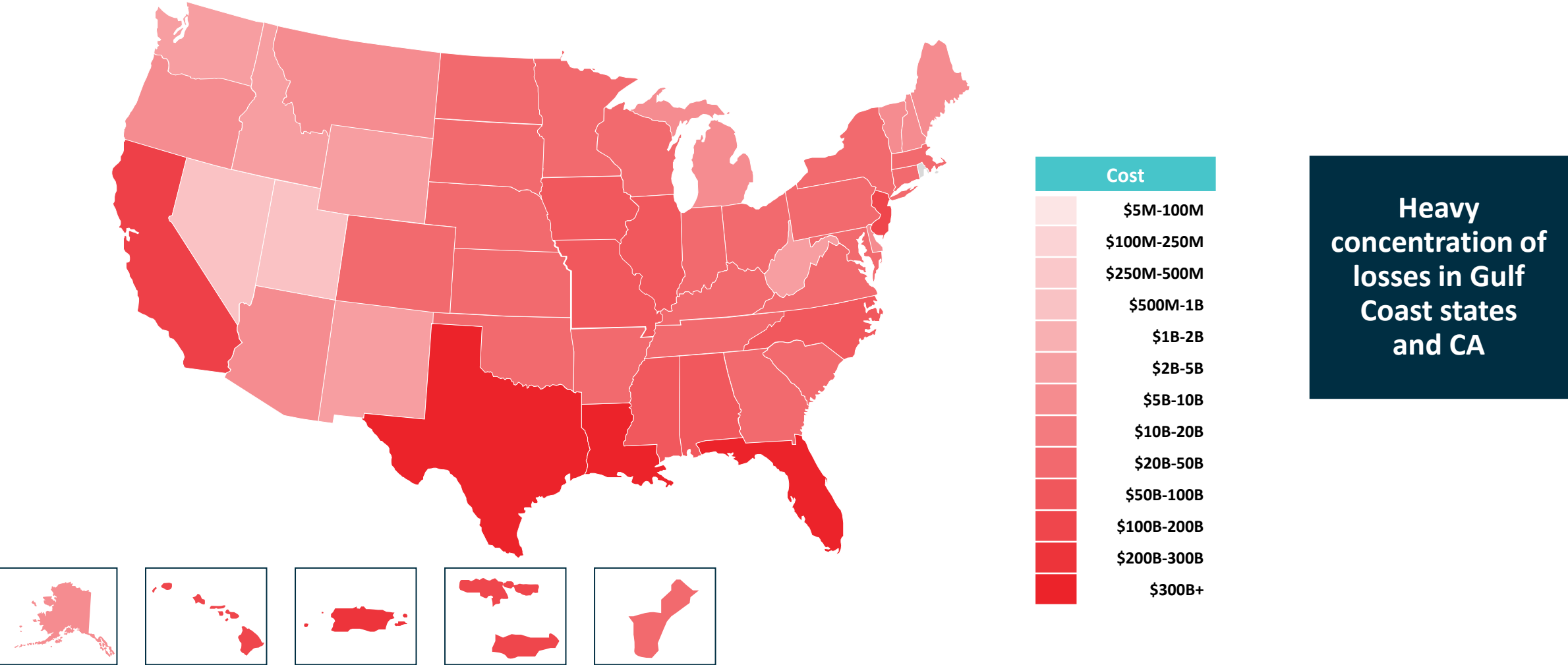


Insured loss by peril



Source: Gallagher Re

Distribution of Losses from US Billion-Dollar Weather and Climate Disaster Events, 1980–2024* (CPI-Adjusted)



*As of May 8, 2024.
Source: NOAA, accessed at: <https://www.ncei.noaa.gov/access/billions/mapping>.

Property

Market Conditions

The Market

- Experiencing the most competitive environment in years.
- Carriers are eager for growth, and capacity is readily available.
- Following an extended period of exceptionally challenging hard market conditions, more favorable dynamics have emerged.
- Despite this, commercial property losses remain elevated—2025 has already seen over \$20 billion in insured losses from severe convective storms and more than \$40 billion from California wildfires.
- Nonetheless, the significant rate increases from 2017 through 2023 have left carriers well-positioned to withstand these losses, supported by back-to-back profitable years in 2023 and 2024.

Liability Claim Trends and Inflationary Pressures



Liability Claims frequency has increased

- Third-party litigation funding (TPLF)
- Aging Infrastructure
- Dissatisfaction



Liability Claim severity has increased

- Social Inflation
- Medical Cost Inflation
- Plaintiff Bar Success – Advertising, Reptile Theory, etc.



Inflation Toll

- As inflation increases, Insurance Carriers seek increased premiums
 - Higher claims payouts, operational costs, etc.
 - Investment Portfolio is impacted
- Claims more likely to approach retention levels, retentions increases are common

Social Inflation: Many Interrelated Causes, Difficult to Manage



Nuclear verdicts

Number of reported verdicts over **\$100 million** hit an all-time high of at least 23 in 2023

2023

\$23.8 million

Median nuclear verdict

\$21.1 million

Median nuclear verdict for personal injury/wrongful death cases

\$88.9 million

Median nuclear verdict for personal injury/wrongful death cases

Insurance claim costs



Increasing Propensity to Sue



Size of Jury Awards



Courts/Juries Favoring Plaintiffs



Growing Distrust of Large Corps.



Litigation Financing



Aggressive Plaintiff Bar Ads



Changes in Regulatory and Legal Environment



Jurisdictional Challenges and Legal System Abuse

Third Party Litigation Funding

Third Party Litigation Funding or Financing



Largely unregulated.



Information is limited because disclosure is not required.



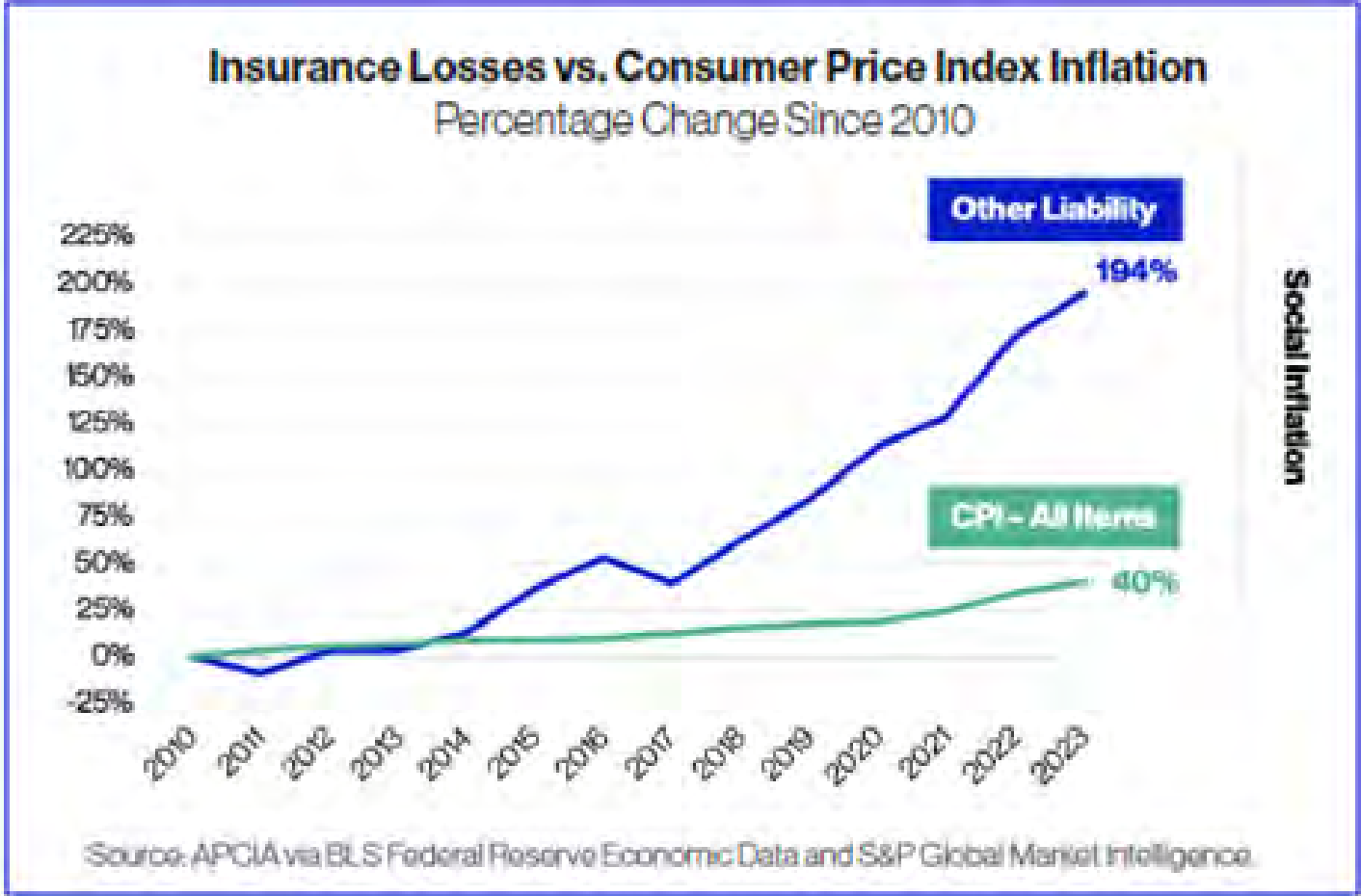
The lack of data.



Funding is expensive and may deter plaintiffs from accepting a settlement offer.

Source: GAO-23-105210 - Government Accountability Office: THIRD-PARTY LITIGATION FINANCING Market Characteristics, Data, and Trends. Dec 2022"

Insured Losses vs. Consumer Price Index Inflation



Why are Costs Continuing to Increase?



Here's Another Reason!



Increasing Impact on Liability Market



Reduced Capacity

Reinsurer withdrawals have been significant over the past two years



Litigation Financing

Continues to drive large claims. Funding increased \$3.5B in 2022



Plaintiff Attorney Strategies

Specialization and strategies have evolved to get larger verdicts and settlements



Hyper Social Inflation

1.7b award given in Missouri on October 31, 2023 for conspiring to inflate real estate commissions and will triple to 5.3b under US antitrust law



Labor Shortage

Everyone is doing more with less



Reviver Legislation Amendments

A rise in Sexual Abuse and Molestation claims and settlements



Law Enforcement

Increased focus on policing policy and procedures as well as pressure on Qualified Immunity



Auto Liability

Frequency & Severity of losses has returned to pre COVID figures



Underwriter Scrutiny

Reinsurers are seeking to grow prudently and are maintaining a disciplined, conservative underwriter approach



Inflation

Rising cost are increasing the size of claims



Exclusions

Continued restrictions surrounding sexual abuse, Wildfire Exclusions, COVID, cyber, opioids, man made chemicals (PFAS) and Biometric Identifiers (new focus)



Emerging Risk

New Technologies such as AI, Telematics, Biometrics and machine learning systems risks are not fully understood given historical information

Environmental risks relative to climate change are substantial

Growing concerns around mental health impacts including impact on productivity, access to care, medical inflation and the steady rise of healthcare costs

Worker's Compensation

Hardening Market?

- The “relatively” stable line of coverage in recent years
- Accident frequency has been steady or slightly down
- However, severity continues to trend upward and there are some disturbing trends to keep an eye on.



Worker's Compensation

Trends to Watch:

- **Rising** medical costs for catastrophic claims
 - Accident survivability
 - **Increased** life expectancy for catastrophically injured workers
 - **Higher** costs for medical care technology
 - 30% **increase** in claims incurred over \$10M in last 3 years*
- Home Health and Skilled Care Facility costs **increasing** at rates far more significant than average medical inflation.
- Number of claims and cost to deliver benefits very high in CA

Cyber Market Cyber Liability Trends



Ransomware losses continue to be a major concern, as it is the #1 cybersecurity threat to all businesses



MetaPixel and Movelt claims have skyrocketed and as such, underwriters are adding exclusions to those without sufficient controls



Select U.S. markets have begun inserting 'widespread event' or 'catastrophic first party loss' exclusions on their renewals



As the war in Ukraine continues, London underwriters are all deploying proprietary/Lloyd's war exclusion language



Despite some groups conducting politically-motivated ransomware and data extortion attacks the vast majority of ransomware and data extortion attacks continue to be financially motivated. Fewer of these attacks involve encryption (locking) of data compared to years past

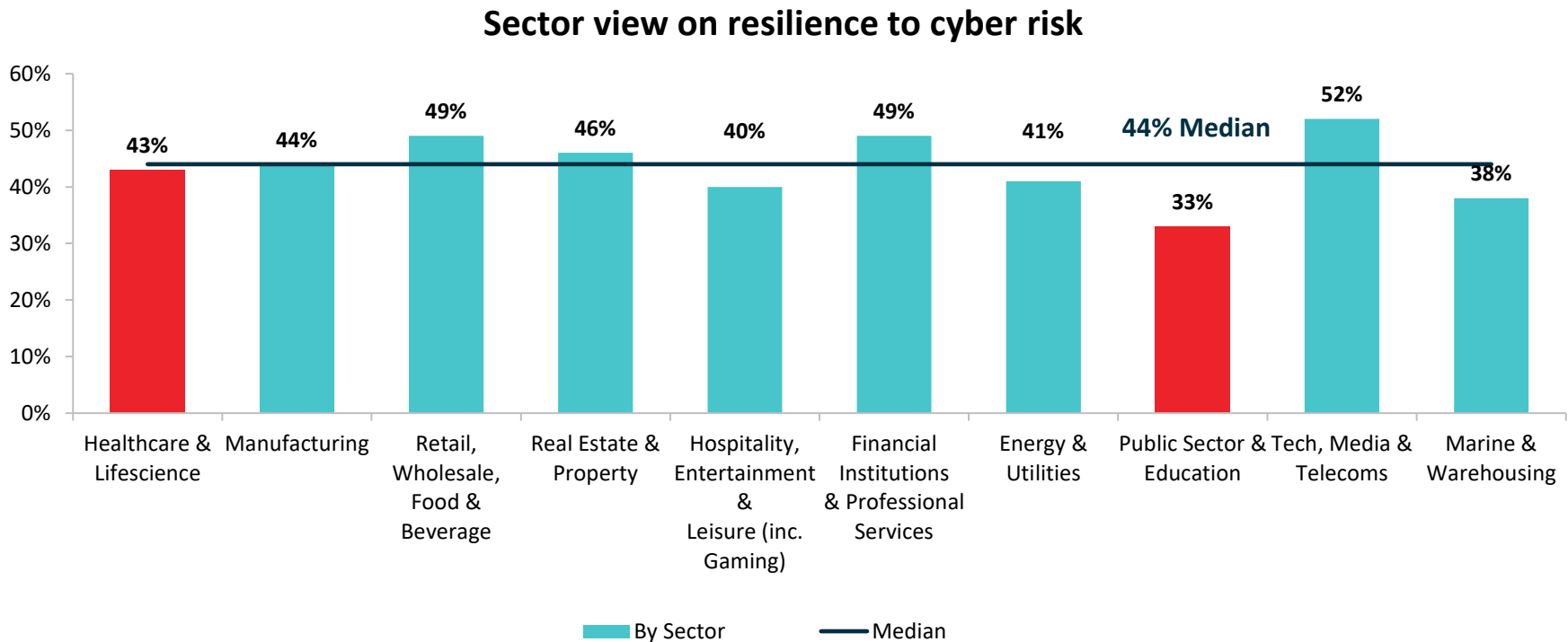


Expected increase in state and federal regulations and cyber related enforcement actions

Targeting Public Entities and Healthcare

Security standards across the marketplace:

- Multi-factor authentication
- Well managed end point detection
- Well managed RDP connections – VPN, MFA, etc.
- Back Ups
- Planning and Training (and Frequency)
- Reasonable patching schedule/plan
- Plan or adequate measures in place to protect end of life software
- IT Security Budgets
- Email Security
- Identity Access Management
- Service Account Management



Percentage of US and UK companies feeling ‘very prepared’ to anticipate and respond to cyber risk in 2021.
Median line indicates the mid-point of the data set across all industries surveyed.

As a result, many markets are revisiting their appetite for new Public Entity cyber



Thank you!

Please contact us if you would like a copy of this presentation.

Seth Cole

Senior Vice President

scole@alliant.com

Clean Water Insurance Captive Update

ISSUE: The Program Administrators will provide the Board of Directors with an update on the Clean Water Insurance Captive (CWIC).

RECOMMENDATION: None. Information Only.

FISCAL IMPACT: None.

BACKGROUND: Below is an update since the last Board of Directors meeting, as well as a brief history on CSRMA's formation of CWIC.

- 1) **Investment Performance Update** – CWIC's investment manager PFM has provided their Investment Performance Report for the quarter ending 6/30/25, and the report is attached to this item for the Board's review. Total returns through the first two quarters of 2025 are 6.3%, and 11.45% since CWIC's inception in 2023.
- 2) **Annual In-Person Board Meeting** – The CWIC Board has scheduled their annual in-person meeting, as required by the State of Utah, for October 24, 2025.
- 3) **CSRMA Workers' Compensation Renewal** – Effective July 1, 2025 CSRMA renewed coverage with CWIC to reinsure the pooled layer (\$0 - \$250K) of the Pooled Workers' Compensation Program as approved by the Executive Board at their June meeting.
- 4) **Annual CWIC Investment Performance Comparison to CSRMA** – One way to measure the financial benefit of CWIC is to compare its investment performance to CSRMA, and as requested by the Executive Board this comparison will be provided on an annual basis. The below table compares CWIC performance to that of CSRMA's over the same full calendar year 2024 period. The table shows that the \$8.5M invested in CWIC at the beginning of 2024 earned \$354K more than it would have had that same amount been invested in CSRMA. The financial benefit of CWIC will of course fluctuate over time due to factors such as claims payments to CSRMA and the investment environment, but in taking a long-term strategic approach with the captive, over time the expectation is that CWIC's investment portfolio will yield a higher rate of return.

Total Calendar Year 2024			
	Beginning Principal	Rate of Return %	ROI \$
CSRMA	23,608,660	3.21%	757,838
CWIC	8,534,484	7.36%	628,138
CWIC Benefit	n/a	4.15%	354,181

*Note: 1) CWIC's overhead expenses in FY 2023-24 were \$182,999.
2) CWIC's Investment Policy allows for a 60% equities / 40% fixed income balance.*

A Brief History on CSRMA's Formation of CWIC

A captive insurance company (captive) is a special purpose insurance or reinsurance company that is owned and controlled by its parent company, (in this case CSRMA). The captive's purpose is to insure some or all the risk of its parent. In so doing, the parent can secure coverage from the captive, and benefit from the captive's profitable underwriting of the parents' risk.

Many public agency risk-sharing pools have formed captives for both insurance needs and investment purposes. A captive could be used to expand product offerings to include new lines of insurance that may not be applicable to all members, or to offer coverage to third parties, or in CSRMA's case, assume risk in CSRMA programs to diversify our panel of program carriers and capture underwriting profit. Captives are also created to broaden the pool's permissible investment universe and increase the opportunity for higher investment returns. As the captive matures the goal is to have surplus funds that can then be utilized for the financial benefit of CSRMA and its members (i.e. issue dividends, retrospectively rate coverage programs, provide rate relief, etc.).

ATTACHMENTS: CWIC Investment Performance Report, Quarter Ending 6/30/25



Clean Water Insurance Captive

Investment Performance Review For the Quarter Ended June 30, 2025

Client Management Team

Mallory Sampson, Director

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

1 California Street
Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

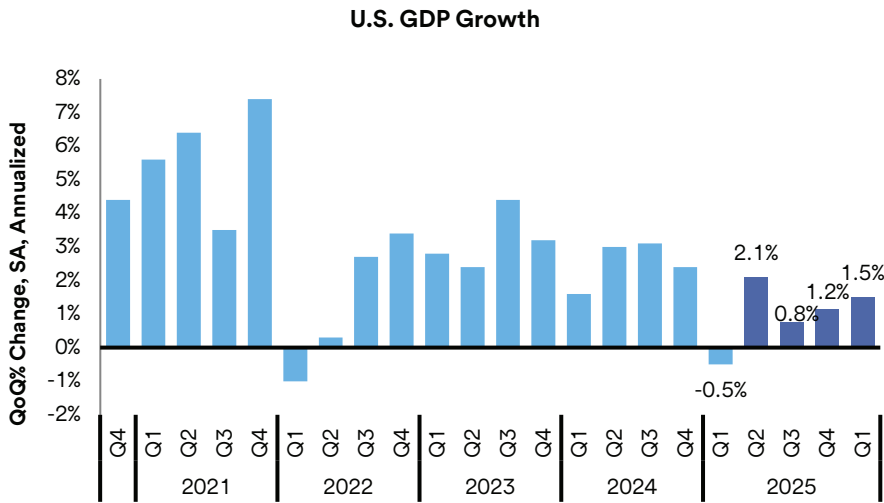
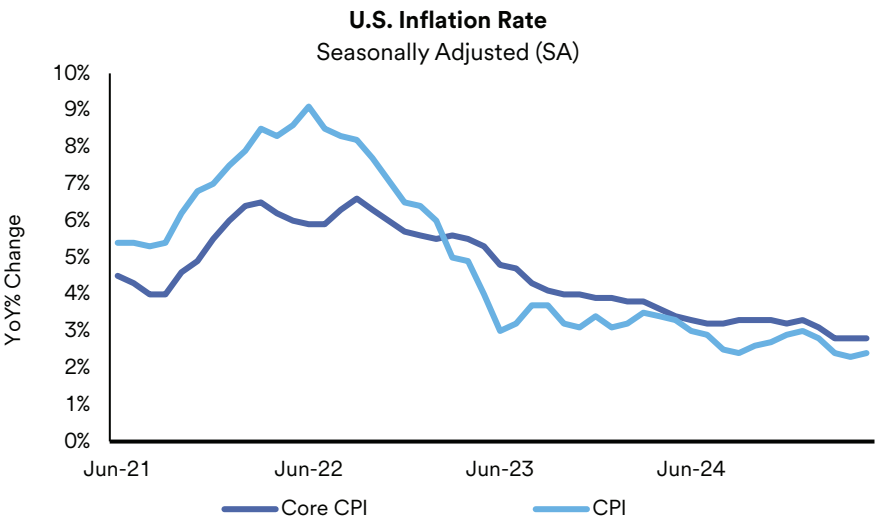
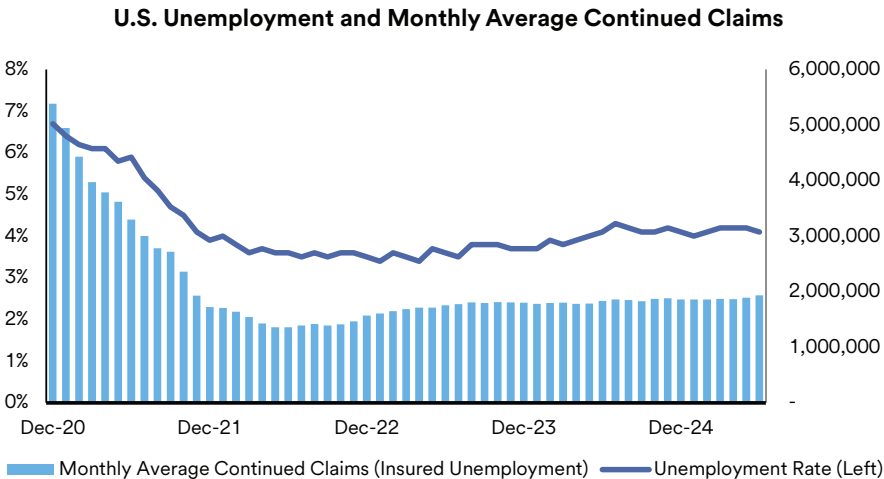
Financial Markets & Investment Strategy Review

Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	10.94%	6.20%	15.16%	19.69%	16.63%	14.38%	13.63%
Russell 3000	10.99%	5.75%	15.30%	19.06%	15.95%	13.54%	12.95%
Russell 1000 Growth	17.84%	6.09%	17.22%	25.73%	18.13%	17.88%	17.00%
Russell 1000	11.11%	6.12%	15.66%	19.57%	16.29%	14.08%	13.34%
Russell 1000 Value	3.79%	6.00%	13.70%	12.75%	13.92%	9.58%	9.18%
Russell Midcap	8.53%	4.84%	15.21%	14.32%	13.10%	10.02%	9.88%
Russell Midcap Growth	18.20%	9.79%	26.49%	21.44%	12.65%	12.72%	12.11%
Russell Midcap Value	5.35%	3.12%	11.53%	11.33%	13.70%	8.21%	8.39%
Russell 2000 Growth	11.97%	-0.48%	9.73%	12.37%	7.41%	5.68%	7.13%
Russell 2000	8.50%	-1.79%	7.68%	9.99%	10.03%	5.51%	7.12%
Russell 2000 Value	4.97%	-3.16%	5.54%	7.45%	12.46%	4.84%	6.71%
INTERNATIONAL EQUITY							
MSCI EAFE	11.78%	19.45%	17.73%	15.95%	11.15%	7.20%	6.50%
MSCI AC World	11.53%	10.05%	16.17%	17.33%	13.64%	10.77%	9.99%
MSCI AC World ex USA	12.03%	17.90%	17.72%	13.98%	10.12%	6.57%	6.12%
MSCI AC World ex USA Small Cap	16.93%	17.68%	18.34%	13.45%	10.74%	5.94%	6.54%
MSCI EM (Emerging Markets)	11.99%	15.27%	15.29%	9.69%	6.80%	4.48%	4.81%
ALTERNATIVES							
FTSE Nareit / Equity REITs - INV	-1.16%	-0.25%	8.60%	5.34%	8.62%	5.58%	6.32%
MSCI US REIT Index	-1.46%	-0.71%	7.62%	4.08%	7.37%	4.35%	5.03%
MSCI World Core Infrastructure	5.45%	13.44%	21.38%	6.78%	8.08%	7.25%	7.46%
Bloomberg Commodity Index	-3.08%	5.53%	5.77%	0.13%	12.67%	4.91%	1.98%
FIXED INCOME							
Bloomberg US Aggregate	1.21%	4.02%	6.08%	2.55%	-0.73%	1.77%	1.76%
Bloomberg US Government/Credit	1.22%	3.95%	5.89%	2.60%	-0.83%	1.96%	1.92%
Bloomberg US Intermediate Government/Credit	1.67%	4.13%	6.74%	3.57%	0.63%	2.42%	2.04%
Bloomberg US Treasury (1-3 Y)	1.20%	2.84%	5.72%	3.43%	1.33%	2.10%	1.59%
ICE BofA US High Yield	3.57%	4.55%	10.24%	9.84%	6.00%	5.18%	5.29%
Bloomberg Global Aggregate	4.52%	7.27%	8.91%	2.74%	-1.16%	0.57%	1.17%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.05%	2.10%	4.73%	4.64%	2.81%	2.58%	2.01%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

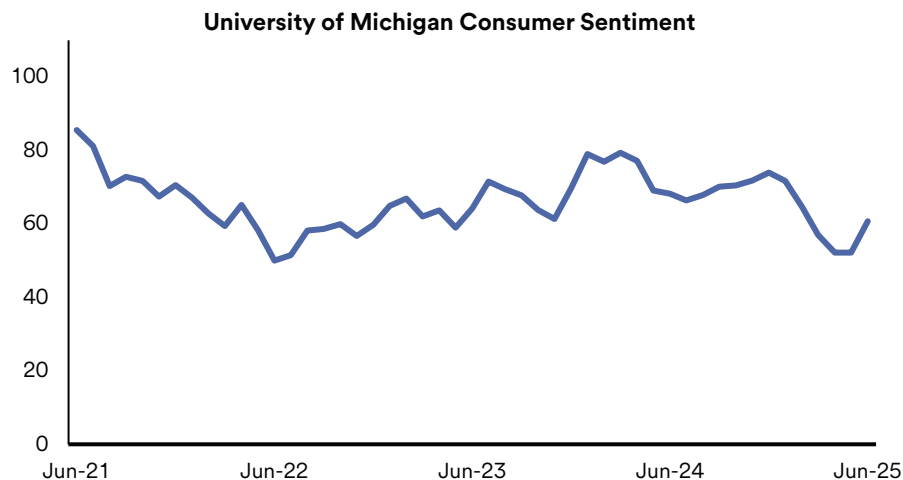
THE ECONOMY

- In the first quarter, U.S. real gross domestic product (GDP) contracted at a seasonally adjusted annualized rate of -0.5%, marking the first quarterly contraction since 2022. This figure was due in large part to a surge in imports as companies hoped to get ahead of tariffs, however other areas including consumption also saw some softening over the quarter. Outside the U.S., some developed countries saw similar contraction such as Japan, which saw (annualized) GDP decline by -0.2% over the quarter; while the Eurozone grew at annualized rate of 2.5%.
- The U.S. unemployment rate held relatively steady over the quarter with a reading of 4.1% in June. The latest initial jobless claims for the week ending June 28 ticked slightly higher to 233,000 in June, while the outstanding claims rose to approximately 2 million as unemployed workers struggled to find suitable employment. Businesses appear to be in a relative “low hire, low fire” mode.
- Inflation remained relatively flat in the second quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.4% in May after a slight dip in April. Core CPI, which excludes volatile food and energy, grew at 2.8% on an annual basis, the lowest rate since March 2021, however it has been growing at this pace since March.

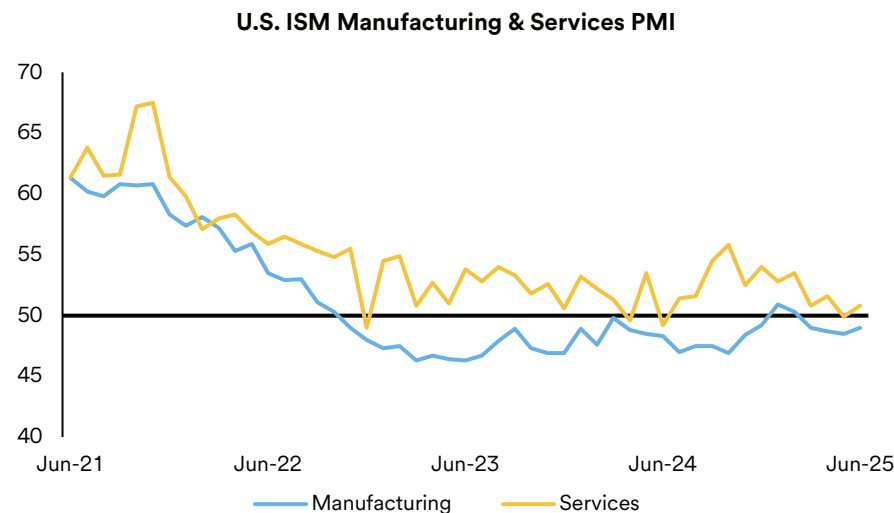


WHAT WE'RE WATCHING

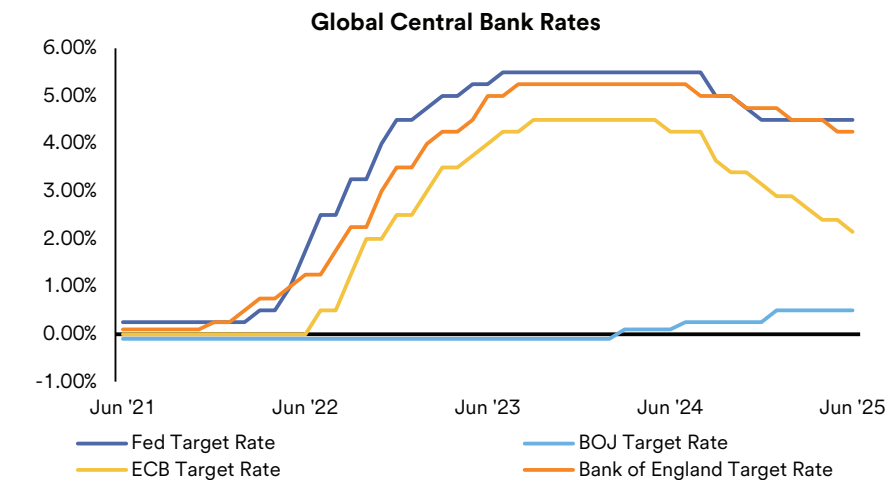
- The Federal Reserve (Fed) held rates flat again in the second quarter and it continues to maintain a 'wait-and-see' approach until more supportive data points to a clearer path regarding the impacts of tariffs. The latest Fed projections continue to forecast two quarter-percentage-point rate reductions by the end of 2025. Outside of the U.S., the European Central Bank (ECB) cut rates twice in the second quarter, bringing rates near neutral as inflation fell within targets.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, recovered after a precipitous drop in March and April, but still remains relatively gloomy, and down significantly from December 2024 levels, as consumers remain cautious about the risks of both an economic slowdown and further increases in inflation. Consumer spending, which drives more than two-thirds of the economy, has seen a slight pullback, falling 0.1% month-over-month, in May.
- Continued geopolitical risk and trade relations remain areas of concern for the markets. Conflict in the Middle East has the potential to impact energy prices, a consequence that we briefly saw before the ceasefire between Israel and Iran. Trade deals have not been finalized with a variety of important partners, and while continued trade negotiations may clear up some of the tariff uncertainty in the third quarter, many questions have not yet been resolved and their possible effects on inflation remain unclear.



Source: Bloomberg.



Source: Bloomberg.



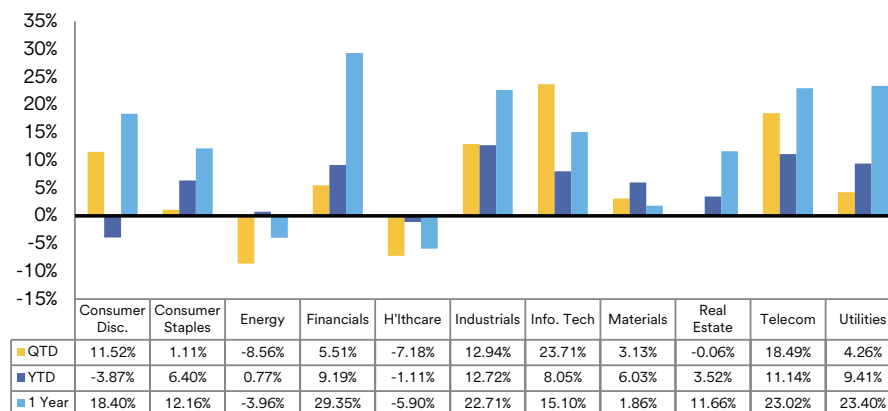
Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted a 10.9% return for the second quarter of 2025, recovering from a steep drop at the start of the quarter as markets reacted to the tariff announcements.
- Within the S&P 500, performance was mixed across the 11 GICS sectors. Only three sectors saw declines in the quarter: Energy (-8.6%), Healthcare (-7.2%) and Real Estate (-0.1%). The best performing sectors were Information Technology (23.7%), Communication Services (18.5%), and Industrials (12.9%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 11.1% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices both returned approximately 8.5%.
- According to FactSet Earnings Insight (as of June 27, 2025), analysts are projecting moderate earnings growth of 5.0% for Q2 2025, and for calendar year 2025, analysts are projecting year-over-year earnings growth of 9.1%. If the projected earnings growth for Q2 is correct, this will mark the lowest earnings growth since Q4 2023.
- As of the end of the quarter, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) for the S&P 500 is 25.7, which is above the 5-year average of 23.3. The Russell 2000, which represents small cap stocks, had an adjusted positive forward P/E ratio of 19.6, also above its 5-year average of 17.7.

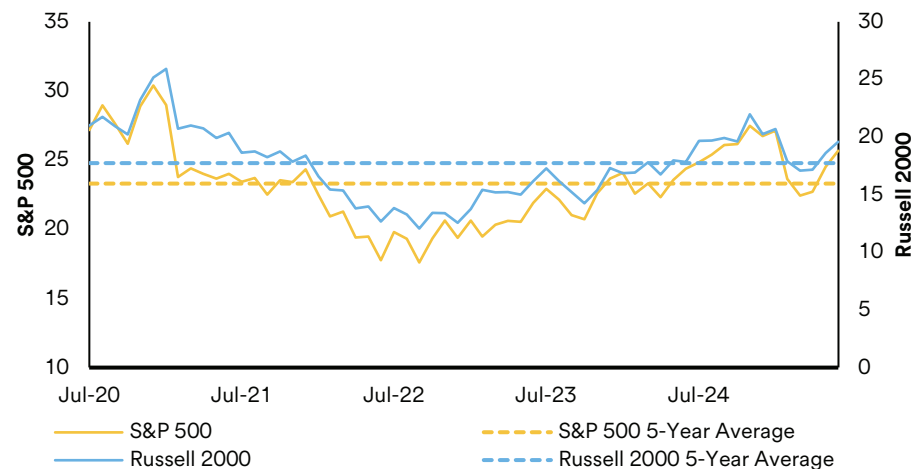
S&P 500 Index Performance by Sector

Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

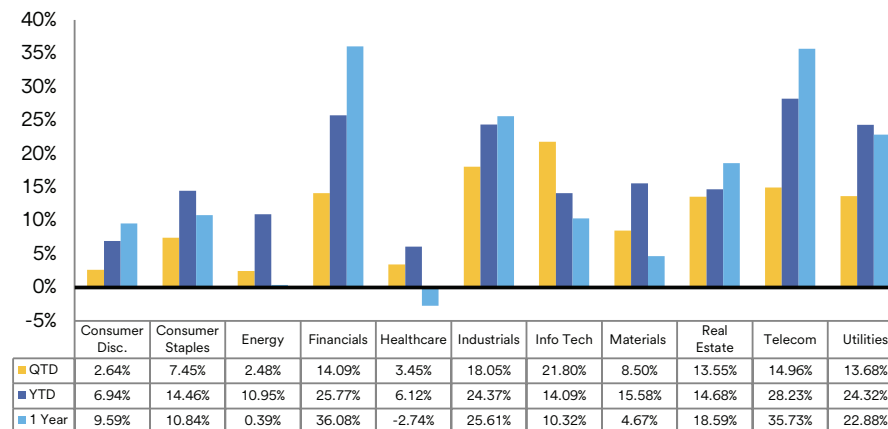
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

INTERNATIONAL EQUITY

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, outperformed their U.S. counterparts, returning 12.0% for the quarter.
- All 11 sectors posted positive returns for the quarter. The top performing sectors were Information Technology (21.8%), Industrials (18.0%) and Communication Services (15.0%). The worst performers for the quarter were Energy (2.5%), Consumer Discretionary (2.6%), and Healthcare (3.5%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 11.8% versus 12.0% for the quarter. Returns from all international indices are in USD, which positively impacted performance due to the weakening dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index the MSCI Germany Index (16.3%) outperformed while MSCI Japan (11.4%) performed in line with EAFE. The MSCI France (9.3%), MSCI United Kingdom (8.7%), and MSCI Switzerland (7.5%) indices all underperformed, though they still saw solid returns.
- Of the five largest-weighted countries in Emerging Markets, MSCI China (2.0%) and MSCI India (9.2%) underperformed the MSCI Emerging Markets index, while MSCI Taiwan (26.1%), MSCI Korea (32.7%), and MSCI Brazil (13.3%) all outperformed. Taiwan and Korea were both boosted to their double digit returns by the continued demand for semiconductors.
- Growth stocks outperformed value stocks for the quarter as represented by the broad benchmarks. MSCI AC World ex-USA Growth returned 13.7%, while MSCI AC World ex-USA Value returned 10.4%. Within EM, growth outperformed value as well, returning 13.4% versus 8.5%.
- Small-caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index, also saw strong positive returns during the quarter, posting a return of 16.9%.
- Non-U.S. equity valuations rose over the second quarter but remain close to their long-term averages. As of quarter-end, the MSCI EAFE's Adjusted Positive Forward P/E stood at 16.6 versus a 5-year average of 16.0. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 13.6, slightly above its 5-year average of 13.3.

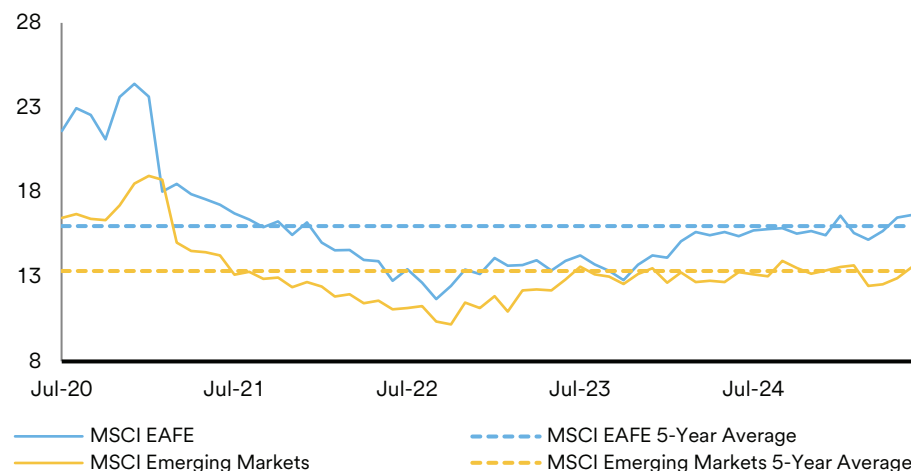
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



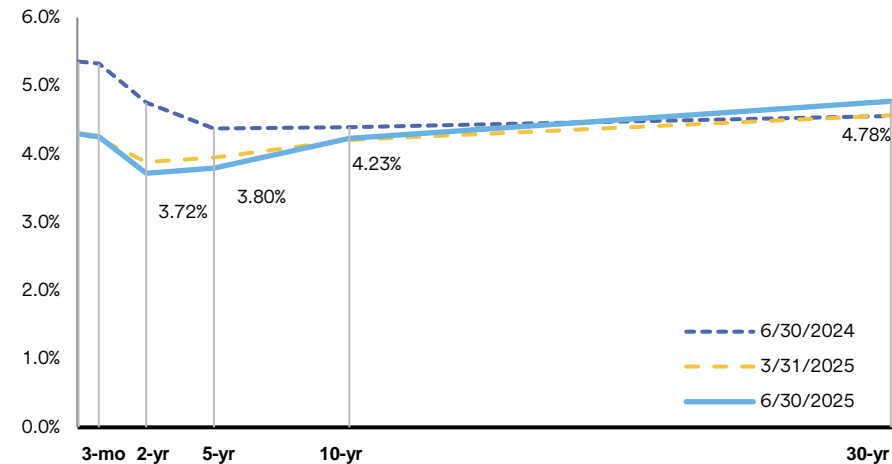
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

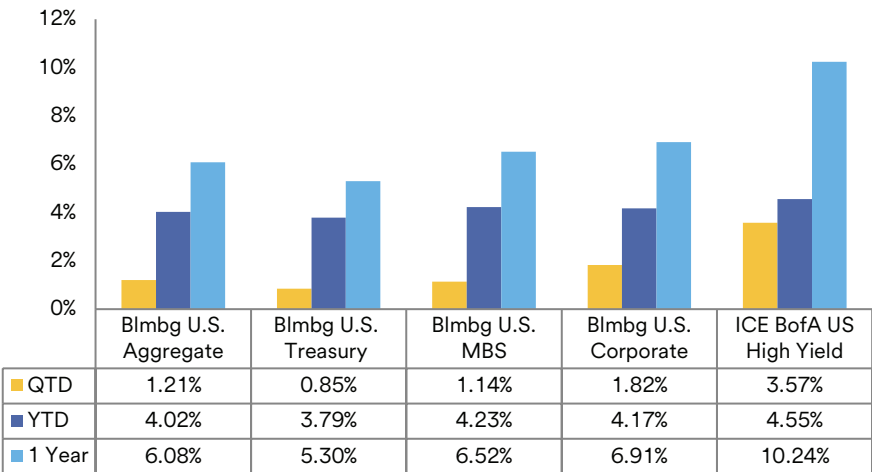
- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, saw positive returns in the first quarter, returning 1.2%.
- The Bloomberg U.S. Treasury Index closed the quarter returning 0.8%. During the period, the Federal Open Market Committee (FOMC) held rates steady, marking the second quarter with no changes as policy makers continue their cautious stance as uncertainty remains over the final impact of tariffs on inflation and economic activity. The official dot plot continues to project two cuts for the remainder of the year. The yield curve steepened over the quarter as rates rose on the very long end and fell in the intermediate-term. The 30-year rose to 4.8%, while the 2-year ended at 3.7%. Cash markets currently provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 1.8% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 3.6%. After a spike in April, spreads returned to levels below the 10-year average for both investment-grade and high yield, in line with a broad “risk on” sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 1.1%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.8% while the non-agency CMBS Index posted a return of 2.0%.

U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments
 Periods Ended June 30, 2025

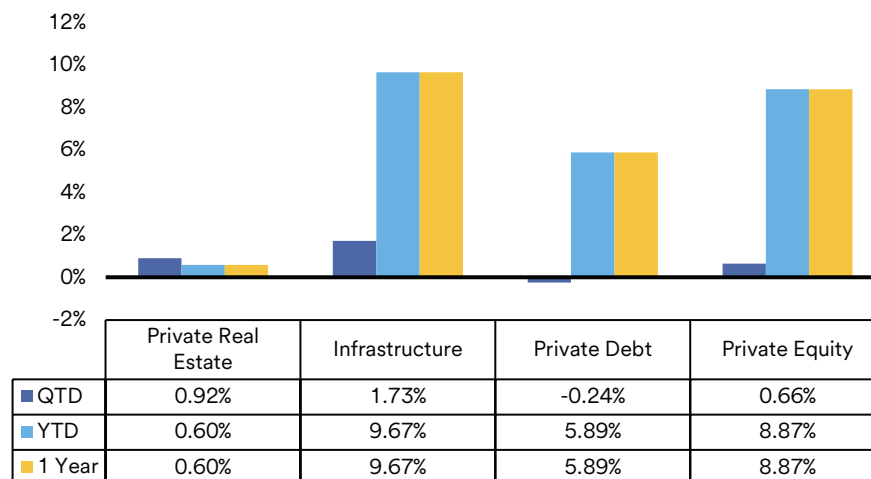


Source: Bloomberg.

ALTERNATIVES

- Real estate investment trusts (REITs), as measured by the FTSE NAREIT Equity REITs Index, returned -1.5% in the second quarter, down from the 0.9% return in the prior quarter. Three of the nine major sectors saw positive returns. Private real estate, as measured by the NCREIF Property Index, gained 0.9% in the fourth quarter of 2024, resulting in a 0.6% return for the year. Q4 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. Senior Housing was the top performer, returning 2.1%, while Office Properties continued to fare poorly, returning -0.6%.
- Listed infrastructure, as measured by the MSCI World Infrastructure Index, performed strongly in the second quarter, growing 5.4%. This compares to a 7.6% return in the prior quarter. In Q1 2025, 13 private infrastructure funds raised \$49.7 billion, a strong quarter following a year of subdued fundraising. Most of the capital went to funds larger than \$5 billion which seek to capitalize on secular trends around the adoption of artificial intelligence (AI) and decarbonization. Infrastructure dry powder has fallen from the previous year and stands at \$394.4 billion as of Q3 2024. According to PitchBook, infrastructure funds posted a return of 1.7% in Q4 2024. The asset class has generated an annualized return of 10.7% for the five years ended Q4 2024.
- In Q1 2025, 42 private debt funds raised \$68.7 billion. Private debt dry powder remains above the long-term average at \$556.7 billion as of Q3 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of -0.2% in Q4 2024. The asset class has generated an annualized return of 8.1% for the five years ended Q4 2024.
- In Q1 2025, 131 private equity funds raised \$115.5 billion – a slower pace compared to the prior year as constrained distributions hindered fundraising efforts. The bulk of the capital raised went to experienced managers raising capital for funds larger than \$1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.6 trillion as of Q3 2024. Recent private equity performance has been muted due to higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.7% in Q4 2024. The asset class has generated an annualized return of 15.8% for the five years ended Q4 2024.

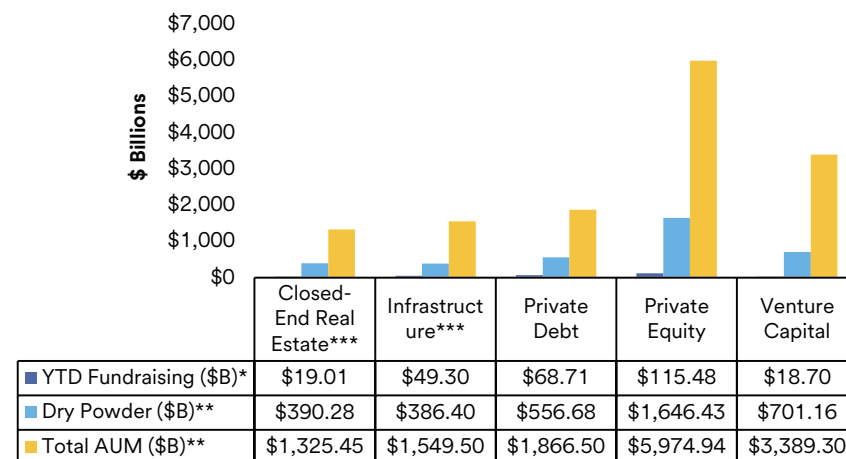
Returns for Private Capital Assets



Source: NCREIF, PitchBook.

As of December 31, 2024, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder












Sources: Pitchbook.

* Total capital raised in 2025 as of March 31, 2025 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder and total AUM as of September 30, 2024.

*** Excluding open-end, evergreen fund vehicles.

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):  <ul style="list-style-type: none"> The Fed continued to hold the rates unchanged through the second quarter amid healthy labor markets and tariff-induced inflation concerns. Latest dot plot points to two rate cuts before year end. While inflation continues to cool globally, tariffs add to future inflation pressures and complicate the outlook. 	Economic Growth (Global):  <ul style="list-style-type: none"> U.S. GDP is expected to grow at a slower pace for rest of the year but uncertainty over economic growth outcomes remains elevated even as higher tariff rates have been paused. Escalating trade and geopolitical tensions create the potential for slower global growth while fiscal stimulus within Eurozone a positive for growth. 	Inflation (U.S.):  <ul style="list-style-type: none"> Progress has been made towards the Fed's 2% inflation target over recent months. However, future price pressures from tariffs are expected in coming months. Fed Chair Powell said that he expects tariffs to impact inflation and that the size, duration, and time of tariff effects are highly uncertain.
Financial Conditions (U.S.):  <ul style="list-style-type: none"> Even after the recent bout of volatility, risk and credit conditions still point to the stability of financial conditions. The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months especially if inflation and growth concerns take hold. 	Consumer Spending (U.S.):  <ul style="list-style-type: none"> Sentiment has remained subdued as consumers continue to expect higher prices and weaker labor market conditions. Tax extension support is a positive while higher prices are a negative. A material deterioration of labor market conditions remains the biggest risk factor to consumer spending. 	Labor Markets (U.S.):  <ul style="list-style-type: none"> The labor market remains healthy, but signs of labor market cooling have begun to show on the margin particularly through initial and continuing jobless claims. With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.
Corporate Fundamentals:  <ul style="list-style-type: none"> Earnings growth expectations are positive across global equities, but expectations within U.S. have seen a pullback over the course of this year. In the U.S., any deregulation initiatives are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention. 	Valuations:  <ul style="list-style-type: none"> U.S. equities and credit markets sold off due to reciprocal tariffs in April but have recovered most of the losses over the quarter, bringing them back into expensive valuations relative to history. We believe that economic and policy risks are not fully reflected in the current valuations. 	Political/Policy Risks:  <ul style="list-style-type: none"> Geopolitical conflict in the Middle East and other regions remains a source of concern. Deglobalization and global trade and tariff policy risks continue to create market uncertainty and strained relationships with major trading partners for the U.S.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable
to Risk Assets



Stance Favorable
to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Long-Term Strategic Approach to Private Capital/Alternatives

Sub-Asset Class	Long-Term Strategic View	Recent Trends
Private Equity	Provide attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	<ul style="list-style-type: none"> Higher interest rates, wide bid-ask spreads, a lack of deal transparency, and economic uncertainty have been headwinds for this group over the past couple of quarters leading to a decline in activity across the board. Buyout transactions volume increased in H2 2024; although, transactions have been low YTD 2025 given increased uncertainty, thereby extending this period of lower-than-average distributions. The current environment is favoring strategies such as secondaries and coinvesting while venture capital and growth investing strategies have seen a pull-back.
Private Debt	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	<ul style="list-style-type: none"> Less leveraged buyout transactions, lowering leverage levels for private companies, and increased competition from banks and private lenders for deal flow has led to spread compression in deals being completed. Higher interest rates are creating attractive credit opportunities in higher risk/return areas of the market.
Real Assets Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	<ul style="list-style-type: none"> Real Estate: High interest rates and tight lending standards have been a drag on the real estate market; although, property value declines are leveling off and transaction activity is increasing, suggesting new opportunities on the horizon. Infrastructure: Increased adoption of AI is continuing to drive demand for data centers and improved power generation & transmission capabilities while decarbonization trend is driving demand for clean energy infrastructure.
Diversifying Assets Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies.	<ul style="list-style-type: none"> Equity hedge and event-driven strategies outperformed as equity markets overcame trade-related uncertainty in Q2. Whereas macro strategies – including commodity and trend-following – saw mixed performance in the volatile environment. Largely, hedge funds appear well-positioned to provide relative stability for investors in a rapidly evolving environment.

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc. at the time of distribution (June 30, 2025) and are subject to change.

Investment Strategy Overview

Asset Class	Our Q3 2025 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Tariffs and their possible impact on business and consumer confidence, corporate profit margins, inflation and economic growth has led to increased uncertainty in 2025. We maintain defensive stance due to expensive valuations amidst uncertainty around economic and policy outcomes. Reciprocal tariffs are being quickly renegotiated but any negative news can lead to swift pullback in equities. Small cap have lagged large caps on YTD basis while recent performance has been positive. Small caps are more attractively valued but vulnerable to higher level of rates and growth slowdown leading us to stay neutral.
Large-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities have outperformed U.S. equities on YTD basis, helped by a weaker USD. Improved sentiment is driven by increased fiscal spending efforts in Europe and continued stimulus in China but we remain defensive due to worry about global slowdown from tariff and trade tensions. Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance.
Developed Markets		
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> Latest Fed projections call for higher inflation, higher unemployment and lower growth by year-end while rate cut path still remains uncertain. We maintain an overweight to fixed income due to attractive yields and ability to preserve capital during risk-off periods. We maintain duration close to the benchmark duration across the portfolios. We remain positive on investment grade credit due to underlying corporate fundamentals but are neutral to high yield given the tighter spreads pointing to higher downside than upside in case of stress.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> During the S&P 500 sell-off of close to 20%, listed REITs and listed infrastructure held up well pointing to their characteristics of lower correlation. While the long-term fundamentals within listed real estate and listed infrastructure are healthy, we remain neutral due to ongoing interest rate uncertainty.
Listed Real Estate		
Listed Global Infrastructure		

Current outlook
 Outlook one quarter ago

Negative	Slightly Negative	Neutral	Slightly Positive	Positive
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The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change.

SOURCES

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empst.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

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Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund	15,103,353	100.00	5.22	6.30	9.56	N/A	N/A	11.45	12/01/2023
<i>Blended Benchmark</i>			5.22	6.45	10.19	N/A	N/A	11.83	
Domestic Equity	3,945,929	26.13							
First American Multi-Manager Domestic Equity Fund	3,945,929	26.13	10.83	5.45	14.06	16.90	14.67	21.04	12/01/2023
<i>Russell 3000 Index</i>			10.99	5.75	15.30	19.08	15.96	22.49	
Schwab US Large-Cap ETF - 74.6%			11.24	6.19	15.64	19.76	16.34	17.99	06/01/2024
<i>Russell 1000 Index</i>			11.11	6.12	15.66	19.59	16.30	17.87	
Aristotle Atlantic Core Equity - 10.2% (^)			14.45	7.70	16.53	20.08	N/A	27.13	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			11.11	6.12	16.12	19.37	16.13	23.04	
Putnam US Core Equity - 10.0% (^)			9.96	5.04	N/A	N/A	N/A	2.38	12/01/2024
<i>Russell 1000 Index</i>			11.11	6.12	15.66	19.59	16.30	3.16	
Jacobs Levy Small Cap - 4.9% (^)			5.02	-5.24	5.13	5.88	13.84	8.53	12/01/2023
<i>Russell 2000 Index (since 8/1/24, S&P 600 prior)</i>			8.50	-1.79	8.30	8.90	12.46	12.96	
International Equity	2,111,403	13.98							
First American Multi-Manager International Equity Fund	2,111,403	13.98	13.37	20.10	19.29	14.08	9.70	19.96	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			12.03	17.90	17.72	13.99	10.13	18.41	
WCM Focused Growth International - 15.2% (^)			20.26	26.10	23.53	19.12	12.29	26.27	12/01/2023
Ninety One Int'l Dynamic Equity - 15.1% (^)			15.78	23.22	22.29	16.47	N/A	24.63	12/01/2023
Acadian Non-U.S. Equity - 7.5% (^)			12.66	21.01	23.70	17.99	13.81	24.39	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			12.03	17.90	17.72	13.99	10.13	18.41	
Aristotle International Equity - 7.4% (^)			10.82	14.67	18.61	14.64	11.13	17.06	12/01/2023
<i>MSCI EAFE (net)</i>			11.78	19.45	17.73	15.97	11.16	18.37	
Schwab International Equity ETF - 32.6%			12.84	19.65	18.37	15.51	11.36	11.36	09/01/2024
<i>MSCI EAFE (net)</i>			11.78	19.45	17.73	15.97	11.16	10.77	
Schroders Global Emerging Markets - 10.1% (^)			12.85	15.20	14.25	10.55	7.59	17.34	12/01/2023
<i>MSCI EM (net)</i>			11.99	15.27	15.29	9.70	6.81	17.31	
Schwab Emerging Markets Equity ETF - 11.6%			9.34	11.85	15.76	9.34	7.26	13.40	09/01/2024
<i>MSCI EM (net)</i>			11.99	15.27	15.29	9.70	6.81	13.12	

Returns are net of mutual fund fees and are expressed as percentages.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the First American Multi-Manager Equity Fund, First American Multi-Manager International Equity Fund and First American Multi-Manager Fixed-Income Fund.

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	9,010,691	59.66							
First American Multi-Manager Fixed Income Fund	9,010,691	59.66	1.20	3.71	6.11	3.55	0.28	6.36	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			1.21	4.02	6.08	2.55	-0.73	5.81	
PGIM Core Fixed - 31.8% (^)			1.33	4.14	6.62	3.44	-0.02	6.81	12/01/2023
TIAA Core Fixed - 31.9% (^)			1.47	4.24	6.81	3.20	0.10	6.97	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			1.21	4.02	6.08	2.55	-0.73	5.81	
Penn Mutual Core Plus - 8.7% (^)			1.34	4.32	N/A	N/A	N/A	4.46	08/01/2024
<i>Blmbg. U.S. Aggregate</i>			1.21	4.02	6.08	2.55	-0.73	3.66	
iShares Core U.S. Aggregate Bond ETF - 11.2%			1.21	4.00	6.09	2.55	-0.73	5.81	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			1.21	4.02	6.08	2.55	-0.73	5.81	
iShares 10-20 Year Treasury Bond ETF - 5.1%			-1.07	3.72	3.06	-1.76	-6.64	2.37	03/01/2024
<i>ICE U.S. Treasury 10-20 Year Bond Index</i>			-1.01	3.80	3.14	-1.92	-6.62	2.45	
PineBridge IG Credit - 4.7% (^)			1.82	4.34	7.32	4.32	0.80	7.33	12/01/2023
<i>Blmbg. U.S. Credit Index</i>			1.82	4.22	6.83	4.19	0.12	6.69	
Brown Bros. Harriman Structured - 6.5% (^)			1.86	3.89	8.21	6.66	4.54	8.68	12/01/2023
<i>ICE BofA ABS Fxd & Flting Rate AA-BBB Idx</i>			1.43	3.40	7.05	5.95	3.64	8.01	
Brandywine Global High Yield - 4.0%			1.73	2.14	7.93	10.49	6.90	9.80	12/01/2023
<i>Blmbg. Ba to B U.S. High Yield</i>			3.51	4.74	9.15	9.34	5.36	9.60	
NYLI MacKay High Yield Corp Bond Fund - 2.2%			2.63	3.84	7.89	8.82	5.86	8.99	12/01/2023
<i>ICE BofA US High Yield Index</i>			3.58	4.55	10.24	9.85	6.01	10.60	
Cash Equivalent	35,330	0.23							
First American Government Obligation - Z	35,330	0.23	1.05	2.11	4.64	4.53	2.73	4.89	12/01/2023
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.04	2.07	4.68	4.56	2.76	4.94	

Returns are net of mutual fund fees and are expressed as percentages.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the First American Multi-Manager Equity Fund, First American Multi-Manager International Equity Fund and First American Multi-Manager Fixed-Income Fund.

Comparative Performance - Calendar Year

	2024	2023	2022	2021	2020
Total Fund	7.36	N/A	N/A	N/A	N/A
Blended Benchmark	7.43	N/A	N/A	N/A	N/A
Domestic Equity					
First American Multi-Manager Domestic Equity Fund	21.53	22.05	-18.97	26.28	20.05
Russell 3000 Index	23.81	25.96	-19.21	25.66	20.89
Schwab US Large-Cap ETF - 74.6%	24.91	26.87	-19.45	26.75	20.90
Russell 1000 Index	24.51	26.53	-19.13	26.45	20.96
Vaughan Nelson Select - 0.0% (^)	11.06	22.81	-15.79	41.05	20.01
Russell 1000 Index (since 8/1/24, Russell 3000 prior)	24.26	25.96	-19.21	25.66	20.89
Aristotle Atlantic Core Equity - 10.2% (^)	27.91	23.37	-21.43	N/A	N/A
Russell 1000 Index (since 8/1/24, Russell 3000 prior)	24.26	25.96	-19.21	25.66	20.89
Putnam US Core Equity - 10.0% (^)	N/A	N/A	N/A	N/A	N/A
Russell 1000 Index	24.51	26.53	-19.13	26.45	20.96
Jacobs Levy Small Cap - 4.9% (^)	7.35	13.86	-15.58	39.61	18.81
Russell 2000 Index (since 8/1/24, S&P 600 prior)	9.47	16.05	-16.10	26.82	11.29
International Equity					
First American Multi-Manager International Equity Fund	5.41	14.63	-20.79	9.38	13.74
MSCI AC World ex USA (Net)	5.53	15.62	-16.00	7.82	10.65
WCM Focused Growth International - 15.2% (^)	9.11	18.14	-28.14	18.78	32.21
Ninety One Int'l Dynamic Equity - 15.1% (^)	9.21	13.61	-19.77	N/A	N/A
MSCI AC World ex USA (Net)	5.53	15.62	-16.00	7.82	10.65
Acadian Non-U.S. Equity - 7.5% (^)	10.43	15.37	-12.37	14.31	11.10
Aristotle International Equity - 7.4% (^)	6.29	18.54	-20.52	17.21	10.14
MSCI EAFE (net)	3.82	18.24	-14.45	11.26	7.82
Schwab International Equity ETF - 32.6%	3.42	18.29	-14.89	11.41	9.86
MSCI EAFE (net)	3.82	18.24	-14.45	11.26	7.82
Schroders Global Emerging Markets - 10.1% (^)	7.91	8.32	-21.44	-4.65	26.16
MSCI EM (net)	7.50	9.83	-20.09	-2.54	18.31
Schwab Emerging Markets Equity ETF - 11.6%	11.59	7.97	-17.09	-0.72	14.78
MSCI EM (net)	7.50	9.83	-20.09	-2.54	18.31

Returns are net of mutual fund fees and are expressed as percentages.

(*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the First American Multi-Manager Equity Fund, First American Multi-Manager International Equity Fund and First American Multi-Manager Fixed-Income Fund.

Comparative Performance - Calendar Year

	2024	2023	2022	2021	2020
Fixed Income					
First American Multi-Manager Fixed Income Fund	2.57	6.70	-13.06	-0.85	7.86
Blmbg. U.S. Aggregate	1.25	5.53	-13.01	-1.55	7.51
PGIM Core Fixed - 31.8% (^)	2.33	6.70	-13.76	-0.98	9.01
TIAA Core Fixed - 31.9% (^)	2.82	6.35	-14.23	-0.64	9.76
Penn Mutual Core Plus - 8.7% (^)	N/A	N/A	N/A	N/A	N/A
iShares Core U.S. Aggregate Bond ETF - 11.2%	1.37	5.59	-13.06	-1.67	7.42
Blmbg. U.S. Aggregate	1.25	5.53	-13.01	-1.55	7.51
iShares 10-20 Year Treasury Bond ETF - 5.1%	-4.00	3.97	-25.44	-5.33	13.60
ICE U.S. Treasury 10-20 Year Bond Index	-3.98	3.32	-25.20	-5.00	13.56
PineBridge IG Credit - 4.7% (^)	2.61	8.40	-15.83	0.02	14.54
Blmbg. U.S. Credit Index	2.03	8.18	-15.26	-1.08	9.35
Brown Bros. Harriman Structured - 6.5% (^)	8.26	7.90	-3.87	3.01	3.42
ICE BofA ABS Fxd & Flting Rate AA-BBB Idx	7.29	8.23	-6.33	1.77	3.94
Brandywine Global High Yield - 4.0%	9.71	15.27	-9.38	5.52	13.92
Blmbg. Ba to B U.S. High Yield	6.76	12.57	-10.59	4.71	7.78
NYLI MacKay High Yield Corp Bond Fund - 2.2%	7.14	11.97	-7.81	5.35	5.28
ICE BofA US High Yield Index	8.20	13.46	-11.22	5.36	6.17
Cash Equivalent					
First American Government Obligation - Z	5.15	4.96	1.51	0.02	0.37
ICE BofA 3 Month U.S. T-Bill	5.25	5.02	1.46	0.05	0.67

Returns are net of mutual fund fees and are expressed as percentages.

(*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the First American Multi-Manager Equity Fund, First American Multi-Manager International Equity Fund and First American Multi-Manager Fixed-Income Fund.

Clean Water Insurance Captive
Account Reconciliation

As of June 30, 2025

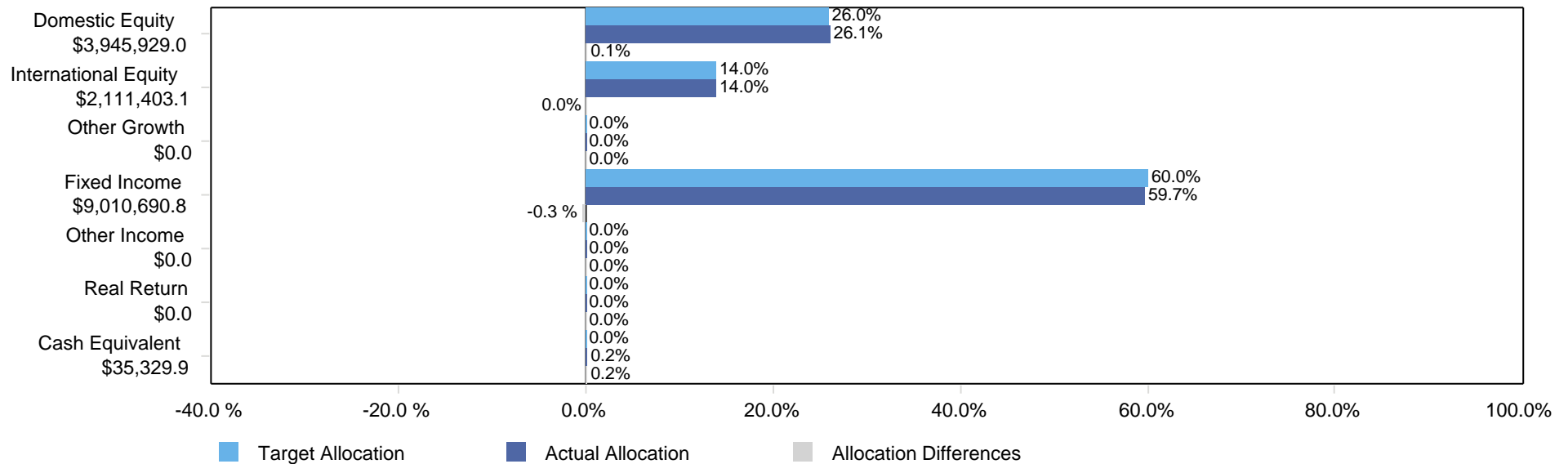
QTR				
	Market Value As of 04/01/2025	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	14,361,094	(6,483)	748,742	15,103,353

YTD				
	Market Value As of 01/01/2025	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	13,098,870	1,129,441	875,041	15,103,353

1 Year				
	Market Value As of 07/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	9,521,240	4,416,421	1,165,691	15,103,353

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	26.1	26.0	6.0	46.0	0.1
International Equity	14.0	14.0	0.0	34.0	0.0
Other Growth	0.0	0.0	0.0	10.0	0.0
Fixed Income	59.7	60.0	40.0	80.0	-0.3
Other Income	0.0	0.0	0.0	10.0	0.0
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Dec-2023	
Russell 3000 Index	26.0
MSCI AC World ex USA (Net)	14.0
Blmbg. U.S. Aggregate	60.0

IMPORTANT DISCLOSURES

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the First American Multi-Manager Equity Fund, First American Multi-Manager International Equity Fund and First American Multi-Manager Fixed-Income Fund.

This information does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation, or to anyone in any jurisdiction outside the United States. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the First American Multi-Manager Series Trust (the "Trust") portfolios (the "Funds"). This and other information about the Funds is available in the Funds' current Prospectus and Statement of Additional Information which should be read carefully before investing. Each Fund is classified as diversified under the Investment Company Act of 1940, as amended (the "1940 Act"). Each Fund is a series of the Trust that was formed as a Delaware statutory trust on December 21, 2016 under an Agreement and Declaration of Trust (the "Trust Agreement"). The First American Multi-Manager Domestic Equity Fund (the "Domestic Equity Fund") will seek to provide long-term capital appreciation. The First American Multi-Manager International Equity Fund (the "International Equity Fund") will seek to provide long-term capital appreciation. The First American Multi-Manager Fixed-Income Fund (the "Fixed-Income Fund") will seek to maximize total return (capital appreciation and income) consistent with reasonable risk.

IMPORTANT DISCLOSURES

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Workers' Compensation Program
PY 36 (2025-26) Post Renewal Report

ISSUE: The Workers' Compensation Program renewed effective July 1, 2025, at the expiring program structure transferring the Pooled Layer risk (\$0 - \$250,000) to the Clean Water Insurance Captive (CWIC). A new member joined the Program effective July 1, 2025, Triunfo Water and Sanitation District.

RECOMMENDATION: None. Information only.

FISCAL IMPACT: The following table outlines the fiscal impact to the members for Program Year 36.

Expense Item	PY 2024/25	PY 2025/26	Change	
Ult. Net Loss/ CWIC Gross Premium	3,823,534	3,360,105	-463,429	-12.12%
Est. XS Insurance Exp. (Net)	782,326	843,135	60,809	7.77%
Buy Down Insurance Exp.	913,420	1,036,267	122,847	13.45%
Estimated Program Expense	<u>988,308</u>	<u>984,565</u>	<u>-3,743</u>	<u>-0.38%</u>
Total Expected Costs	6,507,588	6,224,072	-283,516	-4.36%

**Does not include Triunfo Water and Sanitation District (\$83,413)*

Total expected costs varied by member based on changes in exposure (payroll) and experience modification factors.

BACKGROUND: The cost of the renewal can be summarized in three major categories: CWIC Gross Premium / Ultimate Net Loss, Estimated Excess/Reinsurance Insurance Expense and Estimated Program Expense.

Alliant's actuarial team performed the actuarial analysis to develop the "CWIC gross premium". The analysis includes the costs to fund losses in the \$0 - \$250K layer and CWIC's administrative expenses. The actuary projected a year-over-year decrease in funding as a result of favorable loss development.

The premium for the "estimated excess insurance expense" increased 7.77%, mainly due to an increase in member exposure (payroll) and loss development into the excess layer. Safety National provides Statutory Limits excess of \$1,000,000.

The premium for the "buy down insurance expense" (reinsurance) increased 13.45%. The rate remained flat however, the year over year payroll submitted to the reinsurer increased excess of

10%. State National Insurance Company provides coverage for a buffer layer (\$750,000 x \$250,000) between CWIC and Safety National.

The “Estimated Program Expense” comes from the Board approved budget. The 0.38% decrease is mainly due to a projected decrease in the User Fund/Fraud Assessment expense.

ATTACHMENTS: None.

Property Program Post Renewal Report FY 2025/26

ISSUE: The Pooled Property Insurance Program renewed July 1, 2025. CSRMA participates in the Alliant Property Insurance Program (APIP) excess of the Pooled Layer. APIP is a group purchase program that has historically offered extensive coverage and competitive rates. The Program also includes coverage for Cyber Liability and Pollution Liability insurance. The Executive Summary proposal document is included as an attachment, with a premium breakout by type of coverage provided on page 2 of the document. Also included in the proposal document is a listing of changes to the coverage provided in APIP, most notably the increase in the “All Risk” per occurrence limit from \$1B to \$1.25B.

Estimated costs were reviewed by the Pooled Liability Committee at their May meeting, and formal quotes were reviewed and approved by the Executive Board at their June meeting. After the Executive Board’s June meeting the Total Cost increased by \$117K due to member increases in their reported Total Insurance Values.

RECOMMENDATION: None, information only.

FISCAL IMPACT: The total cost of the Program is down by 2.5% compared to the expiring year. This is largely based on an 3.8% increase in TIV and 6.9% reduction in the rate charged by underwriters on the Insurance Costs. A detailed breakout of the renewal costs is shown below.

Expense Item	2024-25 \$1 Billion Limit Excess of \$100K Pooled Layer	2025-26 \$1.25 Billion Limit Excess of \$100K Pooled Layer	Cost Change	
			\$	%
Pool Deposits (70% CL, Discounted at 2%)	655,062	700,085	45,023	6.9%
Insurance Costs (Net)	9,149,125	8,840,394	-308,732	-3.4%
Dedicated Excess Cyber Liability Insurance	153,922	153,922	0	0.0%
Fixed Expense (JPA Charge)	111,894	121,820	9,926	8.9%
Program Director Fees	192,000	192,000	0	0.0%
Total Costs	10,262,003	10,008,221	-253,782	-2.5%

Insurance Cost includes Prop, B&M, Cyber & Pollution

Increase in JPA Charge due to an increase in computer software/programming expense

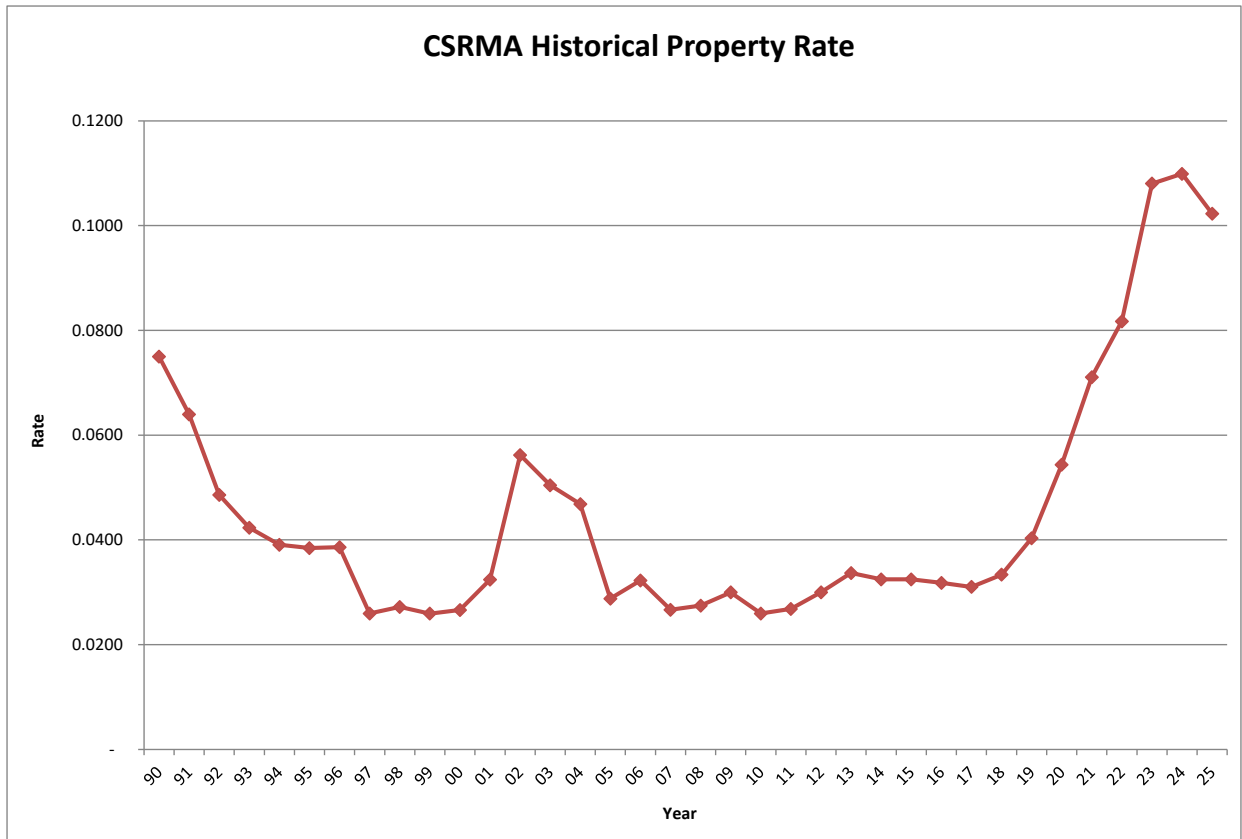
BACKGROUND: Over the past year the commercial property market has seen rates stabilize as capacity in the market has increased. The competition from this increased capacity has driven competition among carriers, generally resulting in improved pricing for insureds who have not been negatively impacted by losses. Although we are hopeful that this trend continues, large scale natural disasters such as hurricanes Milton and Helene, the recent California wildfires and severe convective storms, are keeping some pressure on the industry. While not all regions of

the United States are impacted by these particular exposures, the overall impact that these events have on the insurance and reinsurance markets does influence the underwriting decisions of carriers. Current key drivers of the commercial property market are:

- More frequent and severe natural catastrophes. The average insured catastrophe losses per year (inflation adjusted) have increased about 700% since the 1980's and continues to rise. In 2024, there were 27 weather related loss events that were greater than \$1 billion. This is the second largest in history, with the largest number of \$1B natural catastrophes in a year being 28 in 2023. This increased frequency of severe loss is challenging for the insurance industry.
- Increased cost of construction is resulting in inadequate values. Although inflation has tapered off, construction costs continue to rise because the cost of building materials are high, and contractors and skilled labor continue to be in short supply. Additionally, regulatory changes such as updates to building codes, have further driven up the cost of construction. Together, those factors are leading to increased replacement cost of buildings. Even with meticulous attention to valuation, accuracy can be a challenge when considering additional coverages. Across the industry carriers are paying claims that far exceed the reported values. As a result, many markets are performing their own analysis of values adequacy and pricing based on values assumptions that are often higher than reported.

The table in this item provides renewal pricing for CSRMA's "All Risk" Property Insurance Program, including Terrorism, Boiler & Machinery, Cyber Liability and Pollution Liability coverage.

A chart depicting CSRMA's rates over the past 35 years is shown below.



ATTACHMENTS: 1) APiP Executive Summary Proposal

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2025 – July 1, 2026

EXECUTIVE SUMMARY

Attached is the annual renewal summary for the Alliant Property Insurance Program (APIP) effective 7/1/2025. A summary of the most significant matters is provided below for your review.

After multiple years in a hard market cycle, the property market has significantly improved in 2025. Generally, Insured's that are loss free will see a rate reduction at the 2025/26 renewal. Insureds that have large increases in exposure or are loss challenged will be individually underwritten.

For the 2025/26 renewal, Berkshire Hathaway Specialty Insurance (BHSI) will lead the first \$30,000,000 of the program. Maximum program limits are \$1,250,000,000 and will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage (1st and 3rd parties) for eligible insureds continues to be provided as an option. Please refer to coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. Additional excess options are available, if requested for insureds with good security controls in place. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage (1st and 3rd parties) for eligible insureds continues to be provided as an option. Please refer to coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – it is important to note on the attached proposal whether the vehicle and/or contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet), and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV
- Alliant Business Services (ABS) continues to play a significant role, not only in providing a wide range of loss control services, but also by offering appraisal services, business interruption assessments, valuation, consulting, and infrared testing. Please refer to our program brochure inserts for further details of our ABS services. For the program, property valuations are a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every seven to ten years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on an insureds schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Finally, Alliant provides a Cyber Resilience Services Subscription Bundle which is available to APIP clients. The Alliant Cyber Consulting Practice helps clients identify, evaluate, remediate, transfer, and respond to the cyber risks that matter most, driving better cyber risk management, resilience and insurability outcomes. Brochure is included, ask your Alliant representative for more details.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative. Although this proposal packet is as complete as possible, the program is being negotiated up to the 7/1/2025 effective date. We will endeavor to provide any known material changes prior to renewal. All coverage items currently under review with APIP markets to be effective on 7/1/2025, are listed at the end of each coverage proposal being quoted.

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2025 – July 1, 2026

EXECUTIVE SUMMARY

The following table depicts key financial statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>California Sanitation Risk Management Authority (CSRMA)</u>	<u>2024-2025 (at 12/17/2024)</u>	<u>2025-2026</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 8,326,318,926	\$ 8,643,025,775	3.80%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 8,845,816.64	\$ 8,508,517.43	-3.81%
Cyber Liability Annual Cost:	\$ 218,375.39	\$ 232,798.84	6.60%
Pollution Liability Annual Cost:	\$ 84,933.30	\$ 99,077.56	16.65%
Total Account Rate (\$/100):	0.1098820	0.1022836	-6.91%
**Total Annual Cost:	\$ 9,149,125.33	\$ 8,840,393.83	-3.37%

*Property Annual Cost includes: all premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes: All Annual Costs listed above

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

APIP SUMMARY OF PROPERTY CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2025-2026 POLICY PERIOD

Coverage	2024-2025	2025-2026	Status
All Risk Limit	\$1,000,000,000	\$1,250,000,000	Enhancement
Tax Interruption Sub-limit	2.5% of Annual Tax Revenue Value per Location for Tax Interruption.	2.5% of Annual Tax Revenue Value per Location for Tax <u>Revenue</u> Interruption.	Clarification
Waiting Periods	24 Hour waiting periods	Added sub-section with new header identifying 24 hour waiting periods as " <u>Time Qualifiers</u> "	Clarification
Service Interruption	24 Hour Waiting Period for Service Interruption for All Perils and Coverages.	24 Hour Waiting Period for <u>Off Premises Service Interruption per Occurrence, as further defined in the Policy Form</u>	Clarification
Ingress/Egress	24 Hour Waiting Period for Ingress/Egress	24 Hour Waiting Period for Ingress/Egress per <u>Occurrence, as further defined in the Policy Form</u>	Clarification
Civil Authority	24 Hour Waiting Period for Civil Authority	24 Hour Waiting Period for <u>interruption by Civil Authority, per Occurrence, as further defined in the Policy Form</u>	Clarification
Unscheduled infrastructure	\$500,000 deductible	\$500,000 <u>or basic deductible whichever is higher</u>	Clarification

MASTER POLICY FORM PROPOSED CHANGES

Coverage	2024-2025	2025-2026	Status
Policy Period	July 1, 2024 to July 1, 2025	July 1, <u>2025</u> to July 1, <u>2026</u>	Update
USA Form No.	20	21	Update
Section I, A. Insuring Agreement	In consideration of the premium paid by the Named Insured to the Company, the <u>Company</u> agrees to insure the following per the terms and conditions herein.	In consideration of the premium paid by the Named Insured to the Company, the <u>program carriers</u> agree to insure the following per the terms and conditions herein, <u>including all carrier endorsements, thereto.</u>	Clarification
Section I E 2.n Sub-limits	n. Unscheduled infrastructure .. Unscheduled Infrastructure coverage is excluded for the peril of Earthquake Shock, and for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs.	Unscheduled Infrastructure coverage is excluded for the peril of Earthquake Shock and <u>excluded</u> for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs.	Clarification

MASTER POLICY FORM CHANGES CONTINUED

Coverage	2024-2025	2025-2026	Status
Section I, H. Unit of Insurance Defined	H. Unit of Insurance Defined	<p>H. <u>Percentage Deductibles – Unit(s) of Insurance Defined</u></p> <p><u>When the applicable deductible is on a unit(s) of insurance basis, subject to any applicable minimum deductible(s) the amount of the deductible shall be determined by applying the percentages separately to each of the following units of insurance:</u></p>	Clarification
Tax Interruption	Where Tax Interruption is referenced	Revised to read: Tax <u>Revenue</u> Interruption	Clarification
Section II, B. 6. Claim Preparation Expenses	This Policy also insures as a direct result of physical loss or damage insured hereunder any claim preparation expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded	This Policy also insures as a direct result of physical loss or damage insured hereunder <u>solely</u> to any claim preparation expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters, <u>or those expenses of any party associated with prosecuting a claim for coverage under this policy,</u> are specifically excluded.	Clarification
Section II, D. 6. Library Contents	Expiring values	Values inflated by 2024; 4 th quarter rate of 3.5%	Update
Section IV, 1. Definition of Vacant	However, the above definition of vacant, shall not apply when customary business operations at a building are temporarily suspended due to circumstances that are usual to such business operations, provided only that existing building safeguards as described in part J. Protective Safeguards are operational during the period of temporary suspension.	However, the above definition of vacant, shall not apply when customary business operations at a building are temporarily suspended due to circumstances that are usual to such business operations, provided only that <u>existing</u> building safeguards as described in part J. <u>Protective Safeguards</u> are operational during the period of temporary suspension.	Clarification
Section IV, I. 4. Other Vacancy Conditions	a.the maximum amount recoverable shall not be more than <u>120% of</u> the amount reported on the schedule of values held on file with Alliant Insurance Services, Inc. for that building.	a.the maximum amount recoverable shall not be more than the amount reported on the schedule of values held on file with Alliant Insurance Services, Inc. for that building.	Clarification
Endorsement		Endorsement 7 Pollution, Contamination, Debris Removal Exclusion	Clarification

CYBER SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY PERIOD

Coverage	2024-2025	2025-2026	Status
Beazley Breach Response Endorsement	Coverage offered to new and existing Members – Underwriting required	No Change	No Change
Retention Buy Down	Coverage is being offered to new and existing members; underwriting required	No Change	No Change
New members to APIP Cyber Core-Mid Term Transactions	New this year; no underwriting, all members requesting core coverage are eligible. Ransomware application, statement of no losses, and AFB warranty required.	All insureds requesting core cyber coverage are required to complete the Beazley Ransomware Supplemental application in the application portal, provide a signed statement of no losses, and an AFB warranty .	Update
New To APIP Core effective Mid-Term or July 1	Minimum Premium was \$500	Minimum Premium Changed to \$1,000	Update
Beazley Core Coverage-Website Tracking Exclusion	Website Pixel Tracking Exclusion specific to Hospitals defined as a Health Facility with overall administrative and professional responsibility and organized medical staff that provides 24-hour inpatient care, including the following services: Medical, nursing, surgical, anesthesia, laboratory, pharmacy, and dietary services.	No Change	No Change
Beazley Core Coverage-New Boost offering	By endorsement and included only with the BBR purchase. Open to all members. Provides full limit coverage for some First Party Limits; Business Interruption, Cyber Extortion, and Data Recovery.	No Change	No Change
Beazley Breach Response		No retention at time of loss for forensic services only when using Beazley Security; applicable to Beazley Breach Response Endorsement purchasers only.	Clarification

SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY TERM

Coverage	2024-2025	2025-2026	Status
Pollution Liability Policy Term	July 1, 2024 to July 1, 2025	July 1, 2025 to July 1, 2026	Update
Retroactive Date	<p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:</p> <ul style="list-style-type: none"> July 1, 2024 for Products Pollution and Exposure Liability; July 1, 2024 for Contractor's Pollution July 1, 2024 for Mold Matter 	<p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:</p> <ul style="list-style-type: none"> July 1, 2021 for Products Pollution and Exposure Liability; July 1, 2021 for Contractor's Pollution July 1, 2021 for Mold Matter 	Enhancement
A.M. Best Insurance Rating	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective August 8, 2023	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective August 2, 2024	Update
Standard and Poors Insurance Rating	A (Strong) as of February 28, 2024	A (Strong) as of May 19, 2024	Update
Covered Property	Covered locations are defined as any location identified in one of the SOVs listed above, on file with the Insurer, as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Location provided that such pipelines are located within a one thousand (1,000) foot radius of such Covered Location. Also includes any inadvertently omitted location and any location scheduled to this policy by endorsement.	Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Location provided that such pipelines are located within a one thousand (1,000) foot radius of such Covered Location. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.	Clarification
Sub-Limits	\$2,000,000 Mold Matter Loss, Business Interruption and Extra Expense Program Aggregate*	\$5,000,000 Mold Matter Loss, Business Interruption and Extra Expense Program Aggregate*	Enhancement
	\$1,000,000 Legionella Per Named Insured Aggregate*	<i>Deleted</i>	Enhancement
	\$2,000,000 Sewer Backup and Overcharge Program Aggregate*	\$3,000,000 Sewer Backup and Overcharge Program Aggregate*	Enhancement
	\$2,000,000 Lead or Lead Containing Materials Program	\$3,000,000 Lead or Lead Containing Materials Program	Enhancement

SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY TERM

Coverage	2024-2025	2025-2026	Status
Sub-Limits (Continued)	Aggregate – All Claims*	Aggregate – All Claims*	
	\$5,000,000 Products Pollution and Exposure Liability Program Aggregate*	\$5,000,000 Products Pollution and Exposure Liability Program Aggregate - Biosolids*	No Change
		\$10,000,000 Products Pollution and Exposure Liability Program Aggregate – Potable Water*	Enhancement
	\$5,000,000 Contractors Pollution Program Aggregate* - All other Operations*	\$10,000,000 Contractors Pollution Program Aggregate* - All other Operations*	Enhancement
	\$500,000 Inadvertently Omitted Location Per Named Insured Aggregate Sublimit*	<i>Deleted</i>	Enhancement
Specific Coverage Provisions (Continued)	Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of “your work”, provided the claim is first made and reported during the policy period. The Contractor’s Pollution must have commenced on or after 7/1/2024.	Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of “your work”, provided the claim is first made and reported during the policy period. The Contractor’s Pollution must have commenced on or after 7/1/2021.	Enhancement
	Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2024.	Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2021.	Enhancement

SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY TERM

Coverage	2024-2025	2025-2026	Status
	<p>Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.009885 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>	<p>Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter. To the extent that the Insured has a Phase I Environmental Assessment (“Phase I”) for such acquired real property, a copy must be provided to the Insurer’s underwriter, unless the acquired real property is leased, managed or rented.</p>	Clarification
	<p>Coverage is limited for Coverages A, B and D to Sudden and Accidental only for any location with Current or Historic use as an Airport or any associated facility. The pollution incident giving rise to such Remediation Expenses or Business Interruption Expenses and Extra Expenses must be discovered by the Insured during the policy period and within seven (7) days of commencement, the Pollution Incident is demonstrable as commencing on a specific date, and must be reported to the Insurer in writing during the policy period and no later than twenty-one (21) days following the discovery of such Pollution Incident.</p>	<p>Coverage is limited for Coverages A, B and D to Sudden and Accidental only for the Santa Barbara Municipal Airport. The pollution incident giving rise to such Remediation Expenses or Business Interruption Expenses and Extra Expenses must be discovered by the Insured during the policy period and within fifteen (15) days of commencement, the Pollution Incident is demonstrable as commencing on a specific date, and must be reported to the Insurer in writing during the policy period and no later than forty-five (45) days following the discovery of such Pollution Incident.</p>	Clarification
	<p>Blanket Underground Storage Tank coverage included, with a deductible of \$500,000 for storage tanks less than twenty-five years old, and a deductible of \$1,000,000 for storage tanks older than twenty-five years. Note: Does not meet financial assurance requirements.</p>	<p>Blanket Underground Storage Tank coverage included, with a deductible of \$500,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older. Note: Does not meet financial assurance requirements.</p>	Enhancement

SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY TERM

Coverage	2024-2025	2025-2026	Status
Exclusions	Any asbestos, asbestos containing materials, lead, lead containing materials, including but not limited to leadbased paint, polychlorinated biphenyls (PCBs) or materials containing PCBs in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to Claims for Bodily Injury or Property Damage, or Remediation Expenses for the remediation of any soil, groundwater body, surface water body or sediment; or	Any asbestos, asbestos containing materials, lead, lead containing materials, including but not limited to lead-based paint, polychlorinated biphenyls (PCBs) or materials containing PCBs in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to Claims for Bodily Injury or Property Damage, or Remediation Expenses for the remediation of any soil, groundwater body, surface water body or sediment; or	Clarification
	Airports – defined as any airport where enplanement occurs and/or cargo is moved for a fee and storage, transportation and the dispensing of fuel and/or de-icing solution operations are conducted. This exclusion shall not apply to passenger airports with less than 2,500 passenger boardings per year.	Airports – defined as any airport where enplanement occurs and/or cargo is moved for a fee and storage, transportation and the dispensing of fuel and/or de-icing solution operations are conducted. This exclusion shall not apply to passenger airports with less than 2,500 passenger boardings per year, or to the Santa Barbara Municipal Airport.	Clarification
	Damage to Property (Covered Operations Only)	Owned Property (Covered Operations Only)	Clarification
Exclusions, Continued	Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, “C8”, “ADONA,” perfluoroalkane sulfonyl fluoride (PASf), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid or ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. Further, Pollutants shall not include aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation by-products thereof.	Any perfluorinated compound (PFC) or perfluoroalkyl or polyfluoroalkyl substance, including but not limited to 10:2 fluorotelomer sulfonic acid (10:2 FTS); 11-chloroeicosafuoro-3-oxaundecane-1-sulfonic acid (11CIPF3OUdS); 2H,2H,3H,3H-perfluorodecanoic acid (7:3 FTCA); 2H,2H,3H,3H-perfluorohexanoic acid (3:3 FTCA); 2H,2H,3H,3H-perfluorooctanoic acid (5:3 FTCA); 4,8-dioxo-3H-perfluorononanoic acid (ADONA); 4:2 fluorotelomer sulfonic acid (4:2 FTS); 6:2 fluorotelomer sulfonic acid (6:2 FTS); 8:2 fluorotelomer sulfonic acid (8:2 FTS); 9-chlorohexadecafluoro-3oxanonane-1-sulfonic acid (9CIPF3ONS); n-ethyl perfluorooctane sulfonamido ethanol (NEtFOSE); hexafluoropropylene oxide dimer acid (HFPO-DA or GenX); n-methyl perfluorooctane sulfonamido ethanol (NMeFOSE); n-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA); n-ethyl perfluorooctane sulfonamide (NEtFOSA); n-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA); n-methyl perfluorooctane sulfonamide (MeFOSA); nonafluoro3,6-dioxahexanoic acid (NFDHA); perfluoro(2-ethoxyethane) sulfonic acid (PFEESA); perfluoro-3-methoxypropanoic acid (PFMPA); perfluoro-4-methoxybutanoic acid (PFMBA); perfluorobutane sulfonic acid (PFBS); perfluorobutanoic acid (PFBA); perfluorodecane sulfonic acid (PFDS); perfluorodecanoic acid (PFDA); perfluorododecanoic acid (PFDoA); perfluoroheptane sulfonic acid (PFHpS); perfluoroheptanoic acid (PFHpA); perfluorohexadecanoic acid (PFHxDA); perfluorohexane sulfonic acid (PFHxS); perfluorohexanoic acid (PFHxA); perfluorononane sulfonic acid (PFNS); perfluorononanoic acid (PFNA); perfluorooctadecanoic acid (PFODA);	Clarification

SUMMARY OF CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2025-2026 POLICY TERM

Coverage	2024-2025	2025-2026	Status
		perfluorooctane sulfonamide (PFOSA); perfluorooctane sulfonic acid (PFOS); perfluorooctanoic acid (PFOA); perfluoropentane sulfonic acid (PFPeS); perfluoropentanoic acid (PFPeA); perfluorotetradecanoic acid (PFTA); perfluorotridecanoic acid (PFTrDA); perfluoroundecanoic acid (PFUnA); perfluorodecane sulfonic acid (PFDoS); polytetrafluoroethylene (PTFE); 8:2 fluorotelomer unsaturated carboxylic acid (8:2 FTUCA) or 8:2 polyfluoroalkyl phosphate diester (8:2 diPAP), or any precursor chemicals. PFAS shall include: (i) any PFAS that falls within the structural definition set forth in 40 CFR 705.3, or any additions or amendments thereto; (ii) any anion forms, structural isomers or salts of PFAS associated with their corresponding acid forms, or any processing aids or residual materials contained therein; or (iii) any transformation or degradation compounds of PFAS. Further, PFAS shall also include aqueous film forming foam (AFFF) containing PFAS or any additives or component materials contained therein or degradation by-products thereof.	
Specific Deductibles	\$350,000	Mold Matter (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space, education, healthcare and hospitality locations only)	Enhancement
	\$500,000	Underground Storage Tanks (less than 25 years old)	Enhancement
	<Not Applicable>	Underground Storage Tanks (20-30 years old)	Enhancement
	\$1,000,000	Underground Storage Tanks (more than 25 years old)	Enhancement
Quote Valid Until	July 1, 2024	July 1, 2025	Update

**Resolution Recognizing the Contributions
of
Teresa Herrera**

ISSUE: The Board of Directors wishes to recognize in a formal manner Teresa Herrera's many contributions to CSRMA over the past seven years.

RECOMMENDATION: The Executive Board recommends that the Board of Directors honor the contributions of Teresa Herrera with a formal resolution.

BACKGROUND: Teresa Herrera has served on CSRMA's Workers' Compensation Program Committee, Executive Board, and Board of Directors and as Pooled Liability Program Committee Chair. CSRMA has greatly benefited from their experience, expertise, guidance and support.

ATTACHMENTS: Resolution No. 4-25 (BD)

**California Sanitation Risk
Management Authority**

**Board of Directors
Resolution No. 4-25 (BD)**

**Resolution Recognizing the Contributions of
Teresa Herrera
To the California Sanitation Risk Management Authority**

The Board of Directors of the California Sanitation Risk Management Authority finds and determines as follows:

- (a) Teresa Herrera has diligently served as Board Member, Executive Board Member, Workers' Compensation Committee Member and Pooled Liability Program Committee Chair of the California Sanitation Risk Management Authority.
- (b) Teresa Herrera has dedicated their time and effort and has made many contributions to ensure the growth and success of the California Sanitation Risk Management Authority.
- (c) For the many contributions made to the California Sanitation Risk Management Authority, its Board of Directors finds it incumbent to express sincere gratitude and appreciation.

In consideration of the foregoing findings and determinations,

IT IS RESOLVED by the Board of Directors of the California Sanitation Risk Management Authority as follows:

1. The California Sanitation Risk Management Authority does hereby recognize the many contributions of Teresa Herrera to the Authority, and by this Resolution does express to them sincere gratitude and appreciation.
2. The President and Secretary are directed to subscribe and execute on behalf of the Authority a true copy of this Resolution, and to cause a copy of the Resolution to be suitably bound, inscribed and presented to Teresa Herrera.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed at a meeting of the Board of Directors of the California Sanitation Risk Management Authority held on the 30th day of July 2025, which was approved by unanimous acclamation of all Board of Directors members in attendance.

ATTEST:

President

Secretary

Liability rates keep rising during midyear renewals

BI businessinsurance.com/liability-rates-keep-rising-during-mid-year-renewals

July 8, 2025



Commercial insurance buyers faced another round of increases for general and excess liability coverage during mid-year renewals despite new capacity entering the sector.

In the seventh year of rising liability rates, insurers cite increasing court awards and settlements, particularly for commercial auto risks and habitational real estate exposures, as the primary driver of price hikes.

As a result, policyholders are retaining more risk and looking to restructure coverage to minimize increases, brokers and insurers say.

“We are in a rate-increase environment for the liability lines,” said James Sallada, New York-based North American casualty leader at Willis Towers Watson PLC who focuses on large-account business.

Pricing

Primary general liability buyers are seeing mid-single-digit percentage increases, Mr. Sallada said. Lead umbrella rates are rising 7% to 12% for standard business and 10% to 15% for higher hazards, and excess rates are rising 5% to 12% on standard risks and 7% to 15% for high-hazard risks, he said.

Insurers are more willing to offer umbrella capacity if they also get a policyholder's workers compensation and primary general liability business, which is often more profitable, he said.

Rates in the market are rising 10% to 25% depending on the industry, and accounts hit by losses are seeing 25% to 40% increases, said Adam Pancoast, president-casualty at Ironshore Insurance, a unit of Liberty Mutual Insurance Co.

Axa XL often writes liability lines as a combination of workers comp, general liability and auto liability, and rates vary depending on loss experience, said Donnacha Smyth, Bermuda-based chief underwriting officer, casualty, Americas at Axa XL, a unit of Axa SA.

Comp is seeing low-single-digit decreases or increases, and primary general and auto liability increases ranged from mid- to high-single-digit increases, he said.

"The brokers are very effective at balancing the overall portfolio profitability view of the account, trying to minimize the rate need in the auto and the GL," Mr. Smyth said.

Limits

"We remain cautious with our capacity deployment, as I think many in the market are, and that tends to translate to even limit reduction in some places," Mr. Smyth said.

Auto liability, which has seen rate increases for a decade, is still the biggest problem in obtaining excess liability coverage, said Carol Murphy, Chicago-based executive vice president and North American casualty practice leader at Hub International Ltd.

Capacity continues to decline, with insurers that previously offered \$15 million excess layers reducing them to \$10 million, she said.

"But clients with very large vehicle fleets or low attachment points, like \$2 million primary, they might have only a \$3 million lead umbrella," she said.

Another problematic area is coverage for sexual abuse and molestation liabilities, particularly for schools and the hospitality sector, Ms. Murphy said.

"Many times, we're moving from where it had been included in the general liability and umbrella in the past to being excluded. So, we're placing separate coverage for that," she said.

Insurers are often imposing sublimits or excluding molestation coverage for some nonprofit and habitational real estate policyholders, said Ben Stern, Los Angeles-based managing senior vice president for Southern California at Heffernan Group.

Overall, policyholders are sometimes looking to restrict the general and excess liability limits they purchase to reduce premium costs, he said.

“We’re seeing an affordability dilemma. People are saying: ‘Can we afford the larger limits? What contractually do we need to carry, and does it make sense for us to take the lower limits if we’re satisfying our certificate holders and our contracts?’” Mr. Stern said.

Limits are smaller compared with the past, so it takes many more layers to build a coverage tower, said Wayne Zlotshewer, Philadelphia-based head of excess casualty, major accounts, at Liberty Mutual.

Smaller limits can have the effect of escalating claims because insurers with small limits lower in a tower may be more likely to pay out on large losses, which are occurring more frequently, to limit defense costs, he said.

“It does make controlling these large claims a lot more challenging,” Mr. Zlotshewer said.

In addition, policyholders are increasingly looking to retain more risk through structured solutions or fronted programs, he said.

“It has a couple of good effects for them: Number one, it gets them to the attachment point that ultimately they need to be at for a sustainable program, but it also has a very positive impact on pricing,” Mr. Zlotshewer said.

In addition, buyers can purchase buffer coverage through the excess and surplus lines markets to bridge any gaps between lead attachment points and excess layers, said Mr. Pancoast of Ironshore.

“It’s an area of growth for some of the MGAs and MGUs, but you will see some of the legacy players play down low with short limits as well,” he said.

New capacity

Several companies have entered the market over the past year, but most offer smaller limits in the mid- to high-excess part of the market, Mr. Sallada said.

Some London-market insurers have pulled back, but others have entered, and several insurers have added capacity to the North American market, including Tokio Marine HCC and MSIG USA, a unit of Japanese insurer Mitsui Sumitomo Insurance Co. Ltd., said Ms. Murphy of Hub.

Another block of capacity, offered on a claims made form rather than traditional occurrence, is a \$100 million excess liability facility by Chubb Ltd., Zurich North America and National Indemnity Co., offered from July 1.

Sources said they were not aware of any business bound on the facility but welcomed the additional capacity. Chubb and Zurich did not provide comment.

Microsoft server hack hit about 100 organizations, researchers say

businessinsurance.com/microsoft-server-hack-hit-about-100-organizations-researchers-say

July 21, 2025



(Reuters) — A sweeping cyber espionage operation targeting Microsoft server software compromised about 100 organizations as of the weekend, two of the organizations that helped uncover the campaign said on Monday.

Microsoft on Saturday issued an alert about “active attacks” on self-hosted SharePoint servers, which are widely used by organizations to share documents and collaborate within organizations. SharePoint instances run off of Microsoft servers were unaffected.

Dubbed a “zero-day” because it leverages a previously undisclosed digital weakness, the hacks allow spies to penetrate vulnerable servers and potentially drop a backdoor to secure continuous access to victim organizations.

Vaisha Bernard, the chief hacker at Eye Security, a Netherlands-based cybersecurity firm, which discovered the hacking campaign targeting one of its clients on Friday, said that an internet scan carried out with the Shadowserver Foundation had uncovered nearly 100 victims altogether — and that was before the technique behind the hack was widely known.

“It’s unambiguous,” Bernard said. “Who knows what other adversaries have done since to place other backdoors.”

He declined to identify the affected organizations, saying that the relevant national authorities had been notified.

The Shadowserver Foundation confirmed the 100 figure. It said most of those affected were in the United States and Germany, and the victims included government organizations.

Another researcher said that, so far, the spying appeared to be the work of a single hacker or set of hackers.

“It’s possible that this will quickly change,” said Rafe Pilling, director of Threat Intelligence at Sophos, a British cybersecurity firm.

Microsoft said it had “provided security updates and encourages customers to install them,” a company spokesperson said in an emailed statement.

It was not clear who was behind the ongoing hack, but Alphabet’s Google, which has visibility into wide swaths of internet traffic, said it tied at least some of the hacks to a “China-nexus threat actor.”

The Chinese Embassy in Washington didn’t immediately respond to a message seeking comment; Beijing routinely denies carrying out hacking operations.

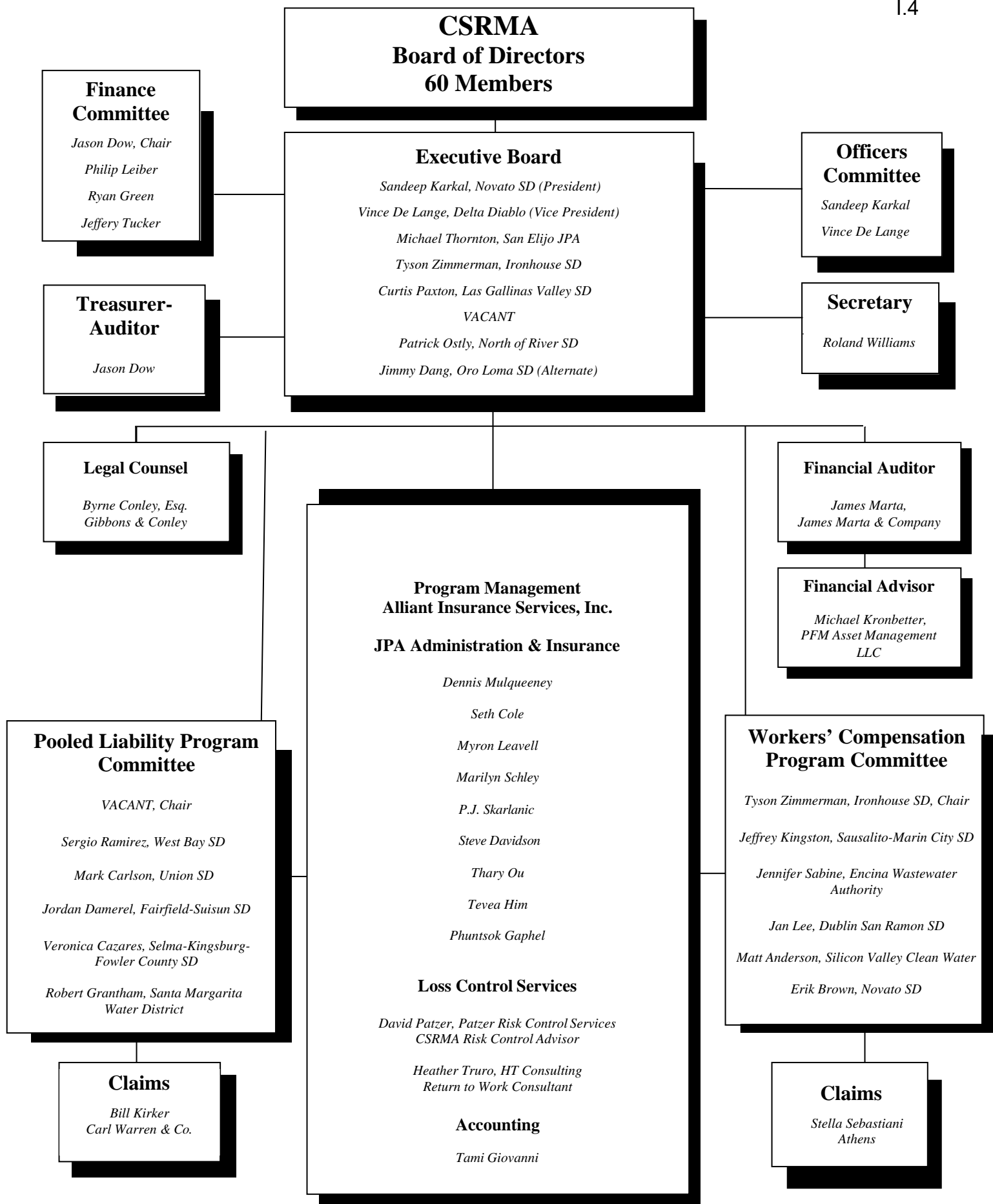
The FBI said on Sunday it was aware of the attacks and was working closely with its federal and private-sector partners, but offered no other details. Britain’s National Cyber Security Center said in a statement that it was aware of “a limited number” of targets in the United Kingdom. A researcher tracking the campaign said that the campaign appeared initially aimed at a narrow set of government-related organizations.

The pool of potential targets remains vast. According to data from Shodan, a search engine that helps to identify internet-linked equipment, over 8,000 servers online could theoretically have already been compromised by hackers. Shadowserver put the number at a little more than 9,000, while cautioning that the figure was a minimum.

Those servers include major industrial firms, banks, auditors, healthcare companies, and several U.S. state-level and international government entities.

CSRMA MEETING CALENDAR 2025			
JANUARY	FEBRUARY	MARCH	APRIL
CSRMA EB - TUE - 28	CSRMA LIAB (TC) - TUE - 18	CSRMA LRP - SUN - TUE - 16, 17, 18	CSRMA FIN - TUE - 15 (SFO)
CSRMA BD - WED - 29	CSRMA WC - THUR - 20 (SFO)		
<i>CASA January 29 - 31</i>	<i>PARMA February 23 - 26</i>		
<i>Palm Springs</i>	<i>Anaheim</i>		
MAY	JUNE	JULY	AUGUST
CSRMA LIAB - MON - 5 (WC OFFICE)	CSRMA EB (TC) - MON - 9	CSRMA EB - TUE - 29	
CSRMA OC (TC) - TUES - 6	CSRMA BOD (TC) - WED - 18	CSRMA BD - WED - 30	
CSRMA WC (TC) - THUR - 15	CSRMA OC (TC) - WED - 25		
		<i>CASA July 30 - August 1</i>	
		<i>San Diego</i>	
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CSRMA LIAB - MON - 8 (WC OFFICE)	CSRMA EB - MON - 6 (SFO)	CSRMA FIN (TC) - MON - 3	CSRMA EB (TC) - MON - 8
CSRMA OC (TC) - FRI - 12	CSRMA WC (TC) - WED - 15	CSRMA LIAB - MON - 17 (WC OFFICE)	CSRMA OC (TC) - THUR - 11
	CSRMA OC (TC) - FRI - 31		
<i>CAJPA September 16 - 19</i>			
<i>Monterey</i>			

Meetings in RED are IN-PERSON



CSRMA California Sanitation Risk Management Authority

Service Team

