



20
23

Annual Report



CalMutuals JPRIMA Protects Water Systems Statewide

CalMutuals JPRIMA provides insurance and support to California water systems spanning from Crescent City to San Diego.

Contents

02 Board President and Chief
Executive Officer's Message

04 2023
Highlights

06 About
CalMutuals JPRIMA

08 Organizational
Overview

12 Membership/Insured
Resources

14 Membership
Profile

15 Partner
Insurance Brokers

16 Our
Community



Board President and Chief Executive Officer's Message



In 2023 CalMutuals JPRIMA and the insurance industry nationwide faced a complex and volatile set of circumstances including economic downturn and slow recovery, the cost and availability of reinsurance, exposure to systemic catastrophic losses as a result of climate change and natural catastrophes and growing cyber threats. CalMutuals JPRIMA successfully navigated these challenges with the extraordinary talent of our insurance administrator, Allied Public Risk, our engaged staff and the diligence of the Board of Directors of the Authority. CalMutuals JPRIMA remains committed to the California water industry and to providing best in class insurance for our members/insureds while actively managing increasing costs.

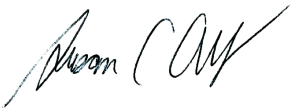
Board President and Chief Executive Officer's Message

In 2023 CalMutuals JPRIMA's Board of Directors refreshed its five-year Strategic Plan which centers around retaining current and enrolling new insureds; providing long-term financial support to CalMutuals and playing a primary role in providing relevant resources to mutual water companies as well as community service, fire, reclamation and other special district members.

CalMutuals JPRIMA appreciates the trust and confidence our members/insureds place in us and look forward to continued successes on all fronts as we move forward together.



P. David Michalko
Board of Directors President



Susan E Allen, Ed.D.
Chief Executive Officer



P. David Michalko
Board of Directors President



Susan E Allen, Ed.D.
Chief Executive Officer

2023 Highlights

The California Association of Mutual Water Companies, Joint Powers Risk and Insurance Management Authority (CalMutuals JPRIMA) remains committed to its mission to provide first in class insurance, technical support and resources for California's small and independently-minded water systems.



CalMutuals JPRIMA is proud to provide our members/insureds with:

- High quality and cost-effective insurance products to protect and enhance its members' assets and operations and reduce overall risk management costs
- Efficient and effective claims, underwriting, distribution and risk control services
- Technical support, continuing education, safety engineering, operational and managerial advisory assistance in order to reduce risk liabilities and to enhance members' technical, managerial, and financial capacity.

CalMutuals JPRIMA is further gratified to reinvest in programs and services to support small systems and disadvantaged communities, helping to bring free services to member systems with under 500 connections.

2023 Highlights

In 2023, CalMutuals JPRIMA:

- Limited rate increases for Property and Casualty and Workers' Compensation coverage
- Declared a dividend for all Workers' Comp clients insured in policy year 2020, (fifth consecutive year)
- Funded a portfolio of technical assistance and other resources and shared these resources with CalMutuals 500+ members
- Received an unqualified opinion on our Annual Financial Audit Report, the most favorable opinion you can get in an audit.
- Reaffirmed its status as a government agency and aligned policies and practices accordingly.
- Further developed small system focused Cybersecurity protection and insurance product

55

Fire Protection Districts
welcomed as new insureds

33%

Enrollment increase in 2022

16%

Enrollment increase in 2023

About CalMutuals JPRIMA



JPRIMA is a joint powers authority formed in 2016 after the passage of AB 656. CalMutuals JPRIMA was formed with three purposes:

- to provide best in class insurance to its members
- to provide financial sustainability for CalMutuals
- to enable technical and managerial resources to small and independently-minded water systems

Upon formation, CalMutuals JPRIMA became the first joint powers insurance authority in the nation to provide insurance and technical assistance to help small community water systems.

About CalMutuals JPRIMA



CalMutuals JPRIMA insurance products include:

Property & Casualty

CalMutuals JPRIMA provides high quality and cost-effective Property & Liability insurance to protect and enhance member assets and operations and reduce overall risk management costs. While many carriers offer property and liability coverage, CalMutuals JPRIMA offers creative underwriting expertise to craft policies designed to meet each water system's needs.

Workers' Compensation

CalMutuals JPRIMA partners with *The Zenith Insurance Company* to provide high quality workers' compensation insurance that blend competitive rates with meaningful value-added service and impeccable financial security.

Cybersecurity

CalMutuals JPRIMA provides water entities with best-in-class cyber liability and network security insurance protection at affordable and stable rates. An experienced claims team of privacy attorneys, data forensics experts, and crisis managers stand ready to help before, during, and after a covered event.

Environmental Pollution

CalMutuals JPRIMA offers environmental pollution insurance tailored for water & sewer districts and provides third-party pollution liability and remediation expenses as well as first-party pollution clean-up. Coverage applies to losses arising from your onsite activities (i.e. your locations including piping infrastructure) as well as transportation & hauling, contracting operations, non-owned disposal sites, and spreading of bio-solids. This innovative product, with its proprietary water-related emphasis is one of the first of its kind in California if not the entire United States.

Employee Benefits

CalMutuals JPRIMA has partnered with a trusted insurance broker, *WSP Corporate Benefits and Insurance Services* as preferred provider for Employee Benefits insurance needs.

Organizational Overview

CalMutuals JPRIMA Board of Directors

The Joint Power Risk Insurance Management Authority is managed by strong leaders on the board. The officers include:



President
David Michalko
Valencia Heights
Mutual Water Company



Vice President
Doug Nunneley
North of the River
Water District



Secretary
Kenneth Bradbury
Montebello Land
& Water Company



Treasurer
Marina West
Bighorn-Desert View
Water Agency

Board Members



David Armstrong
South Mesa
Water Company



Lynda Noriega
California Domestic
Water Company



David Pedersen
Virgenes Municipal
Water District



Kenneth Tcheng
Sunny Slope
Water Company



Lisa Yamashita-Lopez
Rubio Cañon Land
& Water Association

Organizational Overview

Staff



Susan Allen
Chief Executive
Officer



James Ciampa
General
Counsel



Paul Fuller
Insurance
Administrator



George Pappas
Insurance
Administrator



Chase Gilmore
Insurance
Administrator



Adan Ortega
Communications
Director



Ceili Tuttle
Member Services
Specialist



Gloria Galindo
Financial
Manager



Insurance Partners

Insurance Partners

CalMutuals JPRIMA partners with distinguished leaders in the insurance industry who are experts in water system risk-management, including:



Allied Public Risk

Allied Public Risk, LLC (APR) is a full-service Managing General Underwriter (MGU) providing a broad spectrum of services to CalMutuals JPRIMA. Their tenure in the public water system space goes back 20+ years, one of the longest of any insurance organization in California.

APR assists in the management of our property & liability and workers' compensation insurance and reinsurance solutions. They have assisted CalMutuals JPRIMA in securing reinsurers that are "A" rated by AM Best for financial security. Equally important, APR is experienced, knowledgeable, and respected within the California marketplace.



The Zenith

For more than 60 years, The Zenith has been a specialist in workers' compensation. The Zenith has built its reputation as an industry leader by providing its customers superior service and achieving results that continually outperform the industry.

In June 2015, A.M. Best Company affirmed the financial strength rating of A (Excellent) of Zenith National Insurance Corp. and its subsidiaries.

Insurance Partners

Insurance Partners (cont.)



Navigators Specialty Insurance Company

CalMutuals JPRIMA's Environmental Pollution reinsurance partner is Navigators Specialty Insurance Company (Navigators), a brand of The Hartford. Similar to our Property & Liability and Workers' Compensation products, they bear 100% of the risk and oversee the underwriting and claims operations.

Navigators is a specialist in environmental underwriting and offers experienced professionals, industry-leading policy forms, augmented pollution appetite, and flexibility to meet the needs of water-related entities. With expertise in environmental law, engineering, insurance, compliance, and regulation, Navigators is uniquely positioned to assist CalMutuals JPRIMA members with protecting their balance sheets against environmental liabilities. Navigator's is rated 'A' (Excellent) by A.M. Best and 'A+' (Strong) by Standard & Poor's.

LLOYD'S

Lloyds of London

CalMutuals JPRIMA enjoyed partnership with Lloyd's of London as our major carrier partner and one of the world's largest insurance writers of cyber liability and network protection.

Lloyd's provides access to the combined scale, expertise and capacity of more than 77 expert cyber risk insurers in one place. It is this ability to create relevant and tailored insurance solutions from the diversity of the market that sets Lloyd's apart.

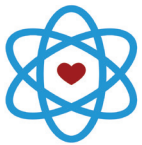
Access to CalMutuals JPRIMA's Cybersecurity insurance program requires verification of a managed security provider (MSP) that provides timely critical and time-sensitive patching with follow-up patch verification. CalMutuals JPRIMA has established partnerships with cutting edge information and operational technology experts to provide resources at discounted rates for CalMutuals JPRIMA members/insureds.

Member/Insured Resources

Member/Insured Resources include:



Continuing Education. CalMutuals JPRIMA provides online water treatment and distribution operator training courses. All training courses are in compliance with the State Water Board certification requirements.



AB54/AB240 Board of Directors' Training. In response to AB 54 which requires all mutual water company directors to complete ethics training, CalMutuals JPRIMA developed an online 2 hour compliant training course available at no cost to its membership. In 2023, 86 of our members/insureds completed this training.



Background Checks. Through OPENonline CalMutuals JPRIMA provides its membership with background checks for potential employees and board members to assure quality of employees.



Financial Management Tools and Training. CalMutuals JPRIMA partnered with the Rural Communities Assistance Corporation to offer financial management training and tools to our members/insureds. This year CalMutuals JPRIMA provided workshop participants with a one-year QuickBooks subscription to support their work.



Internship and Apprenticeship Support. In 2021 CalMutuals JPRIMA became a member of the *IE Works* and funded participation for interested Inland Empire members/insureds. *IE Works* supports Inland Empire community college outreach efforts and workforce development programs for students exploring water industry careers and helps ensure sufficient numbers of qualified candidates are available meet the needs of Inland Empire water suppliers and the communities they serve.

Member/Insured Resources

Member/Insured Resources Included:

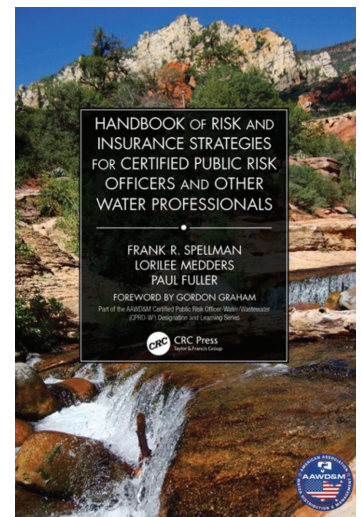
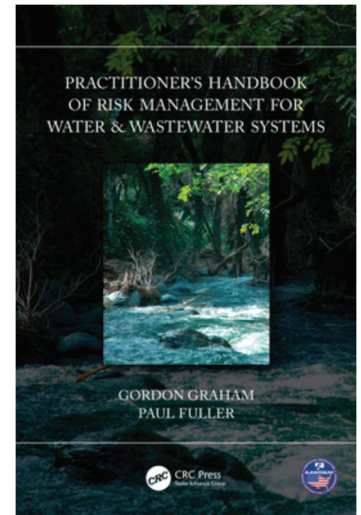


Management Training. In conjunction with the American Association of Water Distribution & Management (AAWD&M), CalMutuals JPRIMA produced management training films on subjects such as inverse condemnation, critical infrastructure, and climate change. The courses provide a comprehensive overview from the perspectives from attorneys, insurance professionals and case studies. Additionally the Association produced a nine part series on risk management, available to all members at no cost.



Safety and Human Resources Tools. All CalMutuals JPRIMA Workers' Compensation members/insureds are given access to the Zenith Solution Center, which includes a large selection of safety training literature and videos, compliance report templates, HR compliance regulations and much more. The Solution Center offers assistance such as draft job descriptions, benchmark salary information, and webinar training opportunities.

In addition to coverage, CalMutuals JPRIMA offers a variety of services through the California Association of Mutual Water Companies to make sure that its members/insureds get the support that they need to be successful. Most resources are available at no cost for member systems with fewer than 500 connections and members purchasing both CalMutuals JPRIMA P&C AND Workers' Comp Insurance. All remaining members have access to the resources at significant discounts.



Membership Profile



CalMutuals JPRIMA members/insureds include some of the leading water agencies in California such as the San Diego County Water Authority, Westlands Water District, Friant Water Authority, Salton Sea Authority, Las Virgenes Municipal Water District and the Palo Verde Irrigation District. While CalMutuals JPRIMA values its large clients, it effectively supports smaller water systems, because larger insurance residuals from the larger water agencies bring needed funding for small system programs.

Membership to the California Association of Mutual Water Companies is required to access CalMutuals JPRIMA Insurance. CalMutuals JPRIMA will waive the first year of annual membership dues for new members. Dues are based on annual revenue; ranging from \$50 to \$1,000 per year.

To date, JPRIMA has:

430

members/insureds
with Property and
Casualty Insurance

123

member insureds
with Workers'
Compensation

57%

of insureds are
mutual water companies

43%

of insureds
are special districts

(Dec 2023 insurance report)

Partner Insurance Brokers

CalMutuals JPRIMA enjoys the partnership and support of talented brokers across the state of California. CalMutuals JPRIMA partner brokers share a keen understanding of water suppliers, small and large, a commitment to finding the best insurance products to meet their unique needs and a strong customer service ethos. CalMutuals JPRIMA annually recognizes an insurance administrator and broker whose contributions exceed the high baseline provided by all of our partners.

2023 Broker and Insurance Administrator of the Year



Hilary Erickson
Atwood Insurance Agency

Hilary Erickson singularly drove membership growth by bringing fire protection districts into the CalMutuals JPRIMA family, and, because

of Ms. Erickson, CalMutuals JPRIMA now has a significant presence with California fire protection districts.

CalMutuals JPRIMA Insurance Administrator Paul Fuller added that: "I appreciate that while Hillary Erickson is Vice President of ISU Atwood Agency, a big company, she hasn't forgotten her roots as a broker. For example, she represents one of our smallest CalMutuals JPRIMA members, a small community improvement association. She made the effort to explain to their board why CalMutuals JPRIMA would be a good solution attending many of their meetings. Hillary spent the time doing what a good broker does."

Erickson graciously accepted the award noting, "2022-23 was a big year, and a hard year in the insurance market. CalMutuals JPRIMA gave us good solutions for our insureds. I am very grateful that you made the changes necessary to on-board new clients."



Beth Espinoza
AssuredPartners of California

Beth Espinoza provides mentorship and leadership to Assured's account managers and also provides management with confidence, given she has

taken up additional responsibility with marketing duties. Espinoza has a great service mentality that is noticed by all her clients. CalMutuals JPRIMA Insurance Administrator Paul Fuller notes, "Beth Espinoza is good at what she does and is diligent. She is a very nice person who advocates for the client but doesn't set false expectations."

Past Broker of the Year Recipients

- 2017 – Susan Blankenburg - Arthur J. Gallagher Insurance
- 2021 – David McNeil - EPIC Insurance Brokers & Consultants
- 2022 – Shaun Alley - InterWest Insurance Services

Past Broker of Excellence Recipients

- 2017 - David McNeil - Edgewood Partners Insurance Center
- 2017 – Oscar Panero - Roberge-Fries Insurance Agency

Past Insurance Administrator of the Year Recipients

- 2021 – Mayra Hernandez - Walter Mortensen Insurance/INSURICA
- 2022 – Shelley Birdzell - EPIC Insurance Brokers & Consultants

Our Community

