1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.planjpa.org/

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, June 24, 2026
10:00 A.M.

Zoom
Meeting ID: 869 4298 9956
Passcode: 456330

All or portions of this meeting will be conducted by teleconferencing in accordance with Government Code Section 54953(b). Teleconference locations are as follows: Sedgwick, 1750 Creekside Oak Drive, Suite 200, Sacramento, CA 95833; City of American Canyon; 4381 Broadway Street, Suite 201, American Canyon, CA 94503; Town of Los Altos Hills, 26379 Fremont Road, Los Altos Hills, CA 94022; Town of Ross, 31 Sir Francis Drake Boulevard, Ross, CA 94957; City of Saratoga, 13777 Fruitvale Avenue, Saratoga, CA 95070; and Town of Woodside, 2955 Woodside Road, Woodside, CA 94062.

Each location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Kassandra Batista at kassandra.batista@sedgwick.com (916) 244-1103 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Shared Agency Risk Pool (SHARP) Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

Page

1. **CALL TO ORDER**

2. **INTRODUCTIONS**

3. **APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

4. **PUBLIC COMMENTS** - This time is reserved for members of the public to address the Board relative to matters of the Shared Agency Risk Pool (SHARP) not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

* Reference materials attached with staff report.

Page		
	5.	**CONSENT CALENDAR**
		If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.
5		*A. Minutes from the December 11, 2026, Board of Directors Meeting
9		*B. Minutes from the March 4, 2026, Board of Directors Special Meeting
13		*C. Warrant List December 1, 2025, through May 31, 2026
14		*D. Financial Statements as of March 31, 2026
17		*E. Treasurer's Report as of September 30, 2025
35		*F. Treasurer's Report as of December 31, 2025
55		*G. SHARP Grant Fund Balance Worksheet as of May 31, 2026
57		*H. SHARP 2026/27 Calendar of Meeting Dates
	6.	**GENERAL MANAGER'S REPORT**
58		A. Report from SHARP's General Manager *Recommendation: None.*
	7.	**WORKERS' COMPENSATION MATTERS**
60		A. Local Agency Workers' Compensation Excess (LAWCX) Update *Recommendation: None.*
61		B. Update on Workers' Compensation Program *Recommendation: None.*
62		*C. Legislative Updates *Recommendation: None.*
	8.	**ADMINISTRATIVE MATTERS**
68		*A. Consideration and Approval of the Memorandum of Coverage for 2026/27 *Recommendation: Staff recommends the Board of Directors approve the 2026/27 Memorandum of Coverage as presented.*
86		*B. Consideration and Approval of Extension the Engagement Letter for Financial Auditor *Recommendation: Staff recommends the Board of Directors approve the engagement letter with James Marta & Company LLP for independent financial audit services for the fiscal years ending June 30, 2026, 2027, and 2028.*
99		*C. Consideration of Amendment of Board Counsel Agreement *Recommendation: Staff recommends that the Board of Directors approve the renewal of the agreement for Board Counsel under the proposed terms and conditions, with any necessary updates as outlined in this report.*
120		*D. Consideration and Approval of Engagement Letter for Actuarial Services *Recommendation: Staff recommends the Board of Directors approve the engagement letter with Bickmore Actuarial to provide actuarial services for the upcoming program year.*

* Reference materials attached with staff report.

9. FINANCIAL MATTERS

124 *A. Consideration and Approval of the Draft Actuarial Report as of March 25, 2026

Recommendation: Staff recommends the Board of Directors receive and file the Draft Actuarial Reports, as presented.

219 *B. Consideration and Approval of the 2026/27 Operating Budget

Recommendation: Staff recommends that the Board of Directors approve the 2026/27 June Budget for billing in the next fiscal year, pending the final LAWCX indication.

226 *C. Discussion of Dividend Policy

Recommendation: Staff recommends the Board of Directors approve the release of a dividend equal to 25% of each member's balance of available equity as of June 30, 2025.

10. ELECTIONS

228 *A. Elections of Officers for 2026/27 Program Year

Recommendation:

1. *Staff recommends the Board of Directors elect members to fill the Officer positions of Chair, Vice-Chair, and Secretary for SHARP's 2026/27 Program Year.*
2. *Staff recommends the Board approve Resolution 2026-02 if it desires to continue with the General Manager serving the Board as its Secretary.*

231 *B. Consideration of Resolution Naming SHARP's Representatives to LAWCX

Recommendation: Staff recommends the Board of Directors approve Resolution 2026-03 to represent SHARP to the excess coverage provider LAWCX for the 2026/27 Program Year.

11. CLOSING COMMENTS

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

A. SHARP Board of Directors
B. Staff

12. ADJOURNMENT

* Reference materials attached with staff report.

Agenda Items 5. A.- 5. G.

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND HISTORY:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

A. Minutes of the December 11, 2026, Board of Directors Meeting
B. Minutes from the March 4, 2026, Board of Directors Special Meeting
C. Warrant List December 1, 2025, through May 31, 2026
D. Financial Statements as of March 31, 2026
E. Treasurer's Report as of September 30, 2025
F. Treasurer's Report as of March 31, 2026
G. SHARP Grant Fund Balance Worksheet as of May 31, 2026
H. SHARP 2026/27 Calendar of Meeting Dates

DRAFT

SHARED AGENCY RISK POOL (SHARP)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF DECEMBER 11, 2025

A regular meeting of the Board of Directors was held on December 11, 2025, via videoconference.

MEMBERS PRESENT: Christa Johnson, President, Town of Ross
Thomas Lueng, Vice President/Treasurer, Town of Los Altos Hills
Juan Gomez, City of American Canyon
Melissa Cardinale, Town of Woodside

MEMBERS ABSENT: Monica LaBossiere, City of Saratoga

OTHERS PRESENT: Eric Dahlen, General Manager
Kassandra Batista, Administrative Analyst
Joe Roy, Interim Finance Manager
Miguel Beas, Sedgwick
Tammy Vitali, Workers' Compensation Program Manager
Jon Paulsen, Vice President Pooling, Sedgwick
Marc Zafferano, Board Counsel
Kim Santon, James Marta & Company

1. **CALL TO ORDER**

   The December 11, 2025, Board of Directors meeting was called to order at 10:04 a.m. by President, Christa Johnson.

2. **INTRODUCTIONS**

   Roll call introductions were made, and it was determined there was a quorum present.

3. **APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)**

   Juan Gomez moved to approve the agenda as posted. Melissa Cardinale seconded the motion. A roll call vote was taken, and the motion passed unanimously.

4. **PUBLIC COMMENTS**

None.

5. CONSENT CALENDAR

Juan Gomez moved to approve the following items: A) Warrant List June 1, 2024, through November 30, 2025; B) SHARP Loss Prevention Grant Balances as of November 30, 2025; C) Treasurer's Report as of June 30, 2025; D) Treasurer's Report as of September 30, 2025; E) Annual Self-Insurers Report; F) Update on Workers' Compensation Program; and G) Legislative Updates. Melissa Cardinale seconded the motion. A roll call vote was taken and the motion passed unanimously.

6. ADMINISTRATIVE MATTERS

A. Discussion Regarding the Future of SHARP JPA

Mr. Jon Paulsen, Vice President of Pooling, Sedgwick, provided an overview of options available to SHARP and its members regarding the future structure of the pool. He explained that SHARP could continue operating with as few as two members, provided the remaining members wished to do so; however, administrative costs would likely need to be redistributed among a smaller membership. Mr. Paulsen also reviewed potential alternatives, including a loss portfolio transfer, merger into another pool such as Pooled Liability Assurance Network (PLAN JPA), runoff, or dissolution of SHARP. He noted that any transition would require additional analysis, particularly related to outstanding claim liabilities, surplus assets, administrative costs, and the long-term sustainability of the program.

The Board discussed member interest in exploring participation in PLAN JPA's Workers' Compensation Program. It was noted that Ross and American Canyon had expressed interest, Los Altos Hills and Woodside were also interested in receiving additional information, and staff would follow up with Saratoga regarding its position. Mr. Paulsen advised that SHARP should consider providing provisional notice to their current excess pool Local Agency Workers' Compensation Excess Join Powers Authority (LAWCX), if the Board wished to preserve its options while further evaluating alternatives.

Following discussion, the Board provided direction for staff to submit provisional notice to LAWCX on behalf of SHARP. The Board also requested that staff prepare a template letter for individual members to use, if desired, to provide notice to SHARP prior to the applicable deadline. Staff will continue gathering information, follow up with Saratoga, and coordinate a future special meeting if needed to consider next steps regarding SHARP's future structure.

7. FINANCIAL MATTERS

A. Audited Financial Statements as of June 30, 2025

Ms. Kim Santon, James Marta & Company, presented the results of the audit of SHARP's financial statements as of June 30, 2025. Ms. Santon reported that the audit opinion was unmodified, which is the highest level of assurance provided by the auditors. She reviewed the responsibilities of management, the auditors, and the Board, noting that management is responsible for preparing the financial statements and maintaining internal controls, while the auditors are responsible for expressing an opinion on the financial statements.

Ms. Santon reported that there were no material weaknesses or findings identified during the audit. She explained that a significant portion of SHARP's financial statements relies on actuarial estimates, particularly related to claim liabilities. She further noted that SHARP remains financially stable, with a positive net position and claim liabilities that appear reasonable based on the audit review.

The Board discussed the audit presentation and staff noted that the final audit report had not yet been completed because the management representation letter still needed to be signed. Following discussion, the Board provided consensus direction for staff to place the final audited financial statements on the consent calendar at the next meeting for receipt and filing.

B. Discussion of Dividend Policy

Joe Roy, SHARP Finance Manager, presented information regarding SHARP's dividend policy and reviewed a proposed methodology for determining a potential dividend distribution. Mr. Roy explained that SHARP's current bylaws provide limited guidance on dividend calculations and that, given the ongoing discussions regarding SHARP's future structure, staff reviewed whether PLAN JPA's dividend methodology could be applied to SHARP. He noted that the PLAN methodology generally limits dividend distributions to program years outside the five most recent years and applies a conservative claims liability approach.

Mr. Roy reviewed an estimated dividend calculation using the PLAN methodology, including consideration of SHARP's total assets, claim liabilities at a higher confidence level, other liabilities, and available equity. He also discussed possible approaches for allocating any dividend among members, including allocation based on historical contributions, estimated contributions, or a loss-based methodology. Staff noted that additional review of historical records may be needed to determine whether actual historical contribution data is available and materially different from the estimated approach.

The Board discussed the proposed methodology and provided consensus direction supporting use of the PLAN dividend methodology, proportional allocation based on contributions, and not engaging an actuarial consultant at this time. The Board also supported removing the actuarial consultant requirement from the bylaws or otherwise addressing the requirement through an appropriate governing action. Staff and General Counsel will review the best method for memorializing the dividend methodology, including whether it should be brought back by resolution, and staff will return to the Board with a formal calculation and recommended action at a future meeting.

8. CLOSING COMMENTS

A. Board of Directors

Christa Johnson thanked the Board, General Counsel, and staff for another successful year. She specifically recognized Kassandra Batista for her support throughout the year and asked that appreciation be extended to Eric Dahlen, Jackie Miller, and the full staff team.

B. Staff

John Paulsen thanked the Board for its discussion and noted that the meeting covered several complex items efficiently.

9. ADJOURNMENT

The SHARP Board of Directors Meeting was adjourned at 11:06 a.m.

Eric Dahlen, Board General Manager

DRAFT

SHARED AGENCY RISK POOL
(SHARP)

MINUTES OF THE BOARD OF DIRECTORS
MEETING OF MARCH 4, 2026

A regular meeting of the Board of Directors was held on March 4, 2026, via videoconference.

MEMBERS PRESENT:

Christa Johnson, President, Town of Ross
Juan Gomez, City of American Canyon
Monica LaBossiere, City of Saratoga (*joined during item 5.A.)*
Melissa Cardinale, Town of Woodside

MEMBERS ABSENT: Thomas Leung, Vice President/Treasurer, Town of Los Altos Hills

OTHERS PRESENT:

Eric Dahlen, Senior Consultant/General Manager
Kassandra Batista, Administrative Analyst
Joe Roy, Interim Finance Manager
Jackie Miller, Workers' Compensation Program Manager
Marc Zafferano, Board Counsel

1. **CALL TO ORDER**

   The March 4, 2026, Board of Directors meeting was called to order at 2:03 p.m. by President, Christa Johnson.

2. **INTRODUCTIONS**

   Roll call introductions were made and it was determined there was a quorum present.

3. **APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)**

   Melissa Cardinale moved to approve the agenda as posted. Juan Gomez seconded the motion. A roll call vote was taken, and the motion passed unanimously.

4. **PUBLIC COMMENTS**

   None.

5. ADMINISTRATIVE MATTERS

A. Discussion Regarding the Future of SHARP JPA

Mr. Eric Dahlen, SHARP General Manager, provided an update regarding the prior discussion about whether SHARP members should consider transitioning into Pooled Liability Assurance Network (PLAN JPA)'s workers' compensation program, PLAN-WORKS. Staff reviewed the cost indications and determined that, under the current structure,
PLAN-WORKS would be significantly more expensive for SHARP members than anticipated. The primary cost differences were attributed to PLAN-WORKS' higher confidence level funding, higher exposure and payroll levels, public safety exposure, and different funding methodology.

Staff noted that SHARP currently remains in a strong position, with favorable loss history, low exposure, and a 65% confidence level funding approach that continues to work well for the pool. The Board discussed the potential for PLAN-WORKS to become more attractive in the future if its rate structure is revised, including the possibility of separate rates for public safety and non-public safety agencies. Staff recommended postponing further consideration of a transition for approximately one year while PLAN-WORKS continues to develop and its funding structure is further evaluated.

The Board also discussed SHARP's equity balance, potential dividend considerations, and whether increasing SHARP's confidence level could strengthen the pool or make it more attractive to prospective members. Questions were raised regarding how member self-insured retention (SIR)s would apply under PLAN-WORKS, particularly for agencies with public safety exposure. Staff clarified that the required SIR would apply per claim/occurrence for new claims only, and that legacy SHARP claims would likely remain with SHARP if a future merger occurred.

No formal action was taken. Staff indicated that the matter would be tabled until next year and that any future timeline would begin earlier to allow members more time for review, actuarial evaluation, and agency-level approvals.

B. SHARP Business Partner Contracts

Mr. Dahlen presented an overview of SHARP's business partner contracts, noting that several key agreements are set to expire on June 30, 2026. The contracts discussed included Bickmore Actuarial Services, James Marta & Company for financial auditing services, Boucher Law for general counsel services, and Sedgwick Claims Management Services for third-party claims administration.

Mr. Dahlen explained that staff was seeking Board direction on whether to negotiate new multi-year agreements with the current service providers or pursue an request for proposal (RFP) process for any of the services. Staff indicated that a typical agreement would be structured as a three-year term with two optional one-year extensions, while also including an appropriate termination provision due to the uncertainty regarding SHARP's long-term future.

The Board discussed each provider individually. Staff expressed satisfaction with Bickmore's Actuarial Services and recommended moving forward with negotiating a new agreement, including a 60-day termination provision. Regarding James Marta & Company, the Board discussed prior concerns related to a significant fee increase request, as well as the length of time the firm has provided audit services. Staff indicated they would also explore whether Sampson & Sampson may be interested in providing audit services.

The Board also discussed Boucher Law's services and expressed support for negotiating a three-year agreement, assuming rates remain consistent. For Sedgwick Claims Management Services, Staff noted that service levels have been satisfactory and that changing the third-party administrator may be difficult due to SHARP's small claims volume and potential transition costs. The Board discussed allowing staff some flexibility to negotiate reasonable fee increases, including consideration of increases up to approximately 10% if warranted.

Staff received direction to proceed with contract discussions and return to the Board with proposed agreements for approval at a future meeting.

6. FINANCIAL MATTERS

A. Preliminary Budget for the 2026/27 Program Year

Mr. Joe Roy, SHARP Finance Manager, presented the preliminary budget for the 2026/27 Program Year, explaining that SHARP does not typically review a preliminary budget at this point in the year; however, one was prepared to support the comparison between SHARP and PLAN-WORKS. He noted that several budget assumptions remain preliminary because key items, including business partner contract costs, the actuarial report, and final excess coverage information from SHARPs excess carrier, Local Agency Workers Compensation Excess (LAWCX), had not yet been finalized.

Mr. Roy explained that the budget structure remained generally consistent with the prior year, including the same approach to calculating member funding. He noted that preliminary figures included estimated increases, including an assumed 15% increase applied to certain costs and higher payroll figures, which contributed to the projected member contribution amounts. He also clarified that the projected net income or loss was primarily due to the difference between expected claims costs and SHARP's 65% confidence level funding.

The Board discussed the timing of final budget numbers, noting that member agencies would need updated contribution estimates for their internal budget processes. Staff indicated that final numbers are typically available in May after the actuarial report is completed, but they would work with the actuary to provide updated information as soon as possible.

7. CLOSING COMMENTS

A. Board of Directors

None.

B. Staff

None.

8. ADJOURNMENT

The SHARP Board of Directors Meeting was adjourned at 3:09 p.m.

Eric Dahlen, Board General Manager

Shared Agency Risk Pool
Check register

Date	Vendor	Document no.	Amount
	Bank: 10000_CBT General - California Bank & Trust	**Account no: 5795358620**	
12/16/2025	VEND00006--Department of Industrial Relations		13,837.50
12/16/2025	VEND00010--Sedgwick	121002040000077	18,500.50
12/16/2025	VEND00004--City of Saratoga	121002040000078	974.17
01/26/2026	VEND00007--James Marta & Company LLP	121002040000079	10,000.00
01/26/2026	VEND00010--Sedgwick	121002040000080	2,132.25
02/27/2026	VEND00010--Sedgwick	121002040000081	2,156.25
02/27/2026	VEND00014--Boucher Law, PC	121002040000082	390.00
03/27/2026	VEND00004--City of Saratoga	121002040000083	3,444.74
03/27/2026	VEND00003--City of American Canyon	121002040000084	7,932.23
03/27/2026	VEND00014--Boucher Law, PC	121002040000085	750.00
03/27/2026	VEND00001--Bickmore Actuarial	121002040000086	7,900.00
03/27/2026	VEND00010--Sedgwick	121002040000087	18,524.50
04/30/2026	VEND00014--Boucher Law, PC	121002040000088	1,020.00
04/30/2026	VEND00010--Sedgwick	121002040000089	2,132.25
	Total for 10000_CBT General		**89,694.39**

SHARP JPA

Statement of Net Position

As of March 31, 2026 and March 2025

(Unaudited)

	3/31/2026	3/31/2025	Variance $	Variance %
ASSETS				
Current Assets				
Cash and cash equivalents	$ 7,048,039	$ 6,622,141	425,898	6%
Accounts Receivable	57,601	9,485	48,116	507%
Prepaid Expenses	99,369	110,745	(11,376)	-10%
Total Assets	**7,205,009**	**6,742,372**	**462,637**	**7%**
LIABILITIES				
Current Liabilities				
Unearned Revenue	-	36,905	(36,905)	0%
Accounts Payable	5,194	2,680	2,514	94%
Reserve for Known Claims, IBNR & ULAE	260,000	284,000	(24,000)	-8%
Total Current Liabilities	**265,194**	**323,585**	**(58,391)**	**-18%**
Noncurrent Liabilities				
Reserve for Known Claims, IBNR & ULAE	1,016,139	998,841	17,298	2%
Total Liabilities	**1,281,333**	**1,322,426**	**(41,093)**	**-3%**
NET POSITION				
Unrestricted	**$ 5,923,676**	**$ 5,419,946**	**503,730**	**9%**

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

SHARP JPA
Statement of Revenues, Expenses & Changes in Net Position
For Year Ended March 31, 2026 and 2025
(Unaudited)

	3/31/2026	3/31/2025	Variance $	Variance %
OPERATING REVENUES				
Member Contributions	$ 783,007	$ 767,256	15,751	2%
Total Revenues	**783,007**	**767,256**	**15,751**	**2%**
OPERATING EXPENSES				
Claims Paid - Net	183,625	204,027	(20,402)	-10%
Incr/(Decr) in Reserves, IBNR & ULAE	117,811	86,138	31,673	37%
DIR Assessment	10,378	6,742	3,636	54%
Sub-total Claims Expense	**311,814**	**296,907**	**14,907**	**5%**
Other Direct Expenses:				
Claims Administration Fees	19,262	18,600	662	4%
Excess Insurance	298,106	277,979	20,127	7%
Loss Prevention Programs	18,560	17,423	1,137	7%
Sub-total Other Direct Expenses	**335,928**	**314,002**	**21,926**	**7%**
Administrative Expenses				
Program Administration	49,105	47,513	1,592	3%
Legal Services	2,610	801	1,809	226%
Actuarial Studies	10,450	2,430	8,020	330%
Financial Audit	19,500	8,500	11,000	129%
Bank Fees	1,938	1,662	276	17%
Total Administrative Expenses	**83,603**	**60,906**	**22,696**	**37%**
Operating Income (Loss)	**51,662**	**95,440**	**(43,778)**	**-46%**
NONOPERATING INCOME				
Investment income (Loss)	205,293	231,887	52,563	20%
CHANGE IN NET POSITION	**256,955**	**327,326**	**(70,371)**	**-21%**
Net Position				
Beginning Net Position	**5,666,721**	**5,092,620**	**574,102**	**11%**
End Net Position	**$ 5,923,676**	**$ 5,419,946**	**503,730**	**9%**

SHARP JPA
Actual vs Budget Comparison
Year-to-Date March 31, 2026
(Unaudited)

	Actual	Budget	$ Variance	% Variance	
Revenues					
Member Contributions-Workers' Comp	$ 783,007	$ 1,044,009	(261,002)	-25%	
Total Revenues	**783,007**	**1,044,009**	**(261,002)**	**-25%**	
Expenses					
Claims Expense*	301,436	446,862	(145,426)	-33%	a
DIR Assessment	10,378	10,338	40	0%	
Sub-total Claims Expense	**311,814**	**457,201**	**(145,387)**	**-32%**	
Other Direct Expenses:					
Claims Administration Fees	19,262	26,533	(7,271)	-27%	
Excess Insurance	298,106	397,475	(99,369)	-25%	
Loss Prevention Programs	18,560	50,000	(31,440)	-63%	
Total Other Direct Expenses	**335,928**	**474,008**	**(138,080)**	**-29%**	
Administrative Expenses					
Program Administration	49,105	68,644	(19,539)	-28%	
Legal Services	2,610	2,000	610	31%	
Actuarial Studies	10,450	10,450	-	0%	
Financial Audit	19,500	19,500	-	0%	
Board & Committee Meetings	-	-	-	0%	
Conference & Seminars	-	-	-	0%	
Bank Fees	1,938	3,000	(1,062)	-35%	
Allowance for Contingencies	-	-	-	0%	
Total Administrative Expenses	**83,603**	**103,594**	**(19,991)**	**-19%**	
Total Expenses	**731,345**	**1,034,803**	**(303,458)**	**-29%**	
Operating Income	**$ 51,662**	**$ 9,206**	**42,456**	**461%**	
Nonoperating Income (Loss)					
Investment income (Loss)	205,293				
Change in Net Position	**256,955**				

*Summation of Claims Paid - Net, Incr/(Decr) in Reserves, IBNR & ULAE.

Notes:

The budget is 75% completed through March 31, 2026. Any significant budget variances (greater than or equal to +/- 25% and greater than $5,000) are explaine

a Claims expense lower than budgeted (budgeted amount based on expected claims expense for program year, actual based on claims paid for all program years).

Shared Agency Risk Pool
Treasurer's Report
As of September 30, 2025

	Book Value	Market Value	% of Total	Effective Yield
California Bank & Trust - General Operating	$ 12,820	$ 12,820	0.19%	0.00%
State of California - Local Agency Investment Fund	$ 9,501	$ 9,519	0.14%	4.34%
CA Asset Mgmt. Program - Liquidity Account	$ 6,576,476	$ 6,576,476	98.93%	4.36%
Wells Fargo - Claims Trust Account	$ 48,485	$ 48,485	0.73%	0.00%
Total Cash and Investments	**$ 6,647,281**	**$ 6,647,300**	**100.00%**	**4.36%**

Attached are the Local Agency Investment Fund (LAIF), and statements detailing all investment holdings and transactions for the quarter ended. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data Corporation, Bloomberg, TRACE, and other widely-used third-party pricing vendors.

We certify that this report reflects all cash and investments and is in conformance with the Pool's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Pool's expenditures for the next six months.

Joseph Roy

Joe Roy
Finance Manager

Thomas Leung
Treasurer

Shared Agency Risk Pool
Reconciliation report
As of 09/30/2025
Account: Checking Account - General

Statement ending balance	**12,820.07**
Deposits in transit	**0.00**
Outstanding checks and charges	**0.00**
Adjusted bank balance	**12,820.07**
Book balance	**12,820.07**
Adjustments*	**0.00**
Adjusted book balance	**12,820.07**

Total Checks and charges Cleared	**67,467.91**	**Total Deposits Cleared**	**53,000.00**

Deposits

Name	Memo	Date	Doc no.	Cleared	In transit
	Transfer from CAMP to CB&T	09/03/2025		13,000.00	
	Transfer from CAMP to CB&T	09/23/2025		40,000.00	
Total Deposits				**53,000.00**	**0.00**

Checks and charges

Name	Memo	Date	Check no.	Cleared	Outstanding
General Ledger entry	Transfer to claims for funding	09/01/2025		29,825.70	
	September 2025 Bank Fee	09/22/2025		223.46	
Sedgwick		09/23/2025	121002040000071	34,868.75	
Bickmore Actuarial		09/23/2025	121002040000072	2,550.00	
Sedgwick		10/09/2023	Voided - 121002040000069		0.00
Bickmore Actuarial		10/09/2023	Voided - 121002040000070		0.00
Total Checks and charges				**67,467.91**	**0.00**

CALIFORNIA BANK & TRUST
PO BOX 26547
SALT LAKE CITY, UT 84126-0547

Statement of Accounts

This Statement: September 30, 2025
Last Statement: August 29, 2025

Account: 5795358620

Direct Inquiries to:
800-400-6080
WWW.CALBANKTRUST.COM

0009966 4195-06-0000-CBT-PG0007-00000

SHARED AGENCY RISK POOL
1750 CREEKSIDE OAKS DR STE 200
SACRAMENTO, CA 95833-3648

Effective November 16, 2025, the Deposit Account Agreement will be amended. You can access the current version of the Deposit Account Agreement and a list of upcoming changes by visiting the Agreement Center at www.calbanktrust.com/personal/agreement-center/.

SUMMARY OF ACCOUNT BALANCE

Account Type	*Account Number*	*Account Ending Balance*
PUBLIC FUNDS ANALYZED CHECKING	5795358620	$12,820.07

PUBLIC FUNDS ANALYZED CHECKING 5795358620

0177

	Previous Balance	*Deposits/Credits*	*Withdrawals/Debits*	*Checks Processed*	*Ending Balance*
Count:		2	3	0	
Amount:	27,287.98	53,000.00	67,467.91-	0.00	12,820.07

DEPOSITS/CREDITS

Posting Date	*Effective Date*	*Amount*	*Description*
09/03	09/03	13,000.00	CAMP ACH REDEMPTION REF # 02524 6002914671 CAMP ACH 19466250
09/23	09/23	40,000.00	CAMP ACH REDEMPTION REF # 02526 5011369924 CAMP ACH 19466250

CHARGES/DEBITS

Posting Date	*Effective Date*	*Amount*	*Description*
09/04	09/04	29,825.70-	ACH OFFSET SHARP ACH REF # 02524 7005601967 SHARP 1943090140
09/22	09/22	223.46-	ANALYSIS SERVICE FEE
09/23	09/23	37,418.75-	ACH OFFSET SHARP AP REF # 02526 6002272257 SHARP 1943090140A

CHECKS PROCESSED

There were no transactions this period.

ACTIVITY COUNT

	During this period
Total Items	5

SHARP
LAIF Market Value and Interest
September 30, 2025
Account# 35-01-002

LAIF Statement Balance		9,500.52
FAIR VALUE FACTOR 9/30/2025		1.001929581
Market Value		$9,518.85
Laif Mkt Value	9/30/2025	$18.33
Laif Mkt Value	6/30/2025	$11.26
LAIF Adjustment		**$7.07**

POST QUARTERLY

LAIF QUARTERLY Interest	103.78

JE #				
LAIF Market Valuation				
9/30/2025	11050	LAIF Market Valuation	7.07	-
	80010	Interest Earned in LAIF	-	7.07
JE #				
Accrued Interest				
9/30/2025	13400	Interest Receivable-LAIF	103.78	
	80010	Interest Earned in LAIF		103.78

MALIA M. COHEN

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	SHARED AGENCY RISK POOL
Account Number	35-01-002

As of 10/15/2025, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 9/30/2025.

Earnings Ratio		0.00011893333163814
Interest Rate		4.34%
Dollar Day Total	$	872,606.40
Quarter End Principal Balance	$	9,500.52
Quarterly Interest Earned	$	103.78

PMIA/LAIF Performance Report
as of 10/15/25

Quarterly Performance
Quarter Ended 9/30/25

LAIF Apportionment Rate(2):	4.34
LAIF Earnings Ratio(2):	0.00011893333163814
LAIF Administrative Cost(1)*:	TBD
LAIF Fair Value Factor(1):	1.001929581
PMIA Daily(1):	4.19
PMIA Quarter to Date(1):	4.24
PMIA Average Life(1):	254

PMIA Average Monthly Effective Yields(1)

September	**4.212**
August	4.251
July	4.258
June	4.269
May	4.272
April	4.281

Pooled Money Investment Account
Monthly Portfolio Composition (1)
9/30/25
$161.7 billion

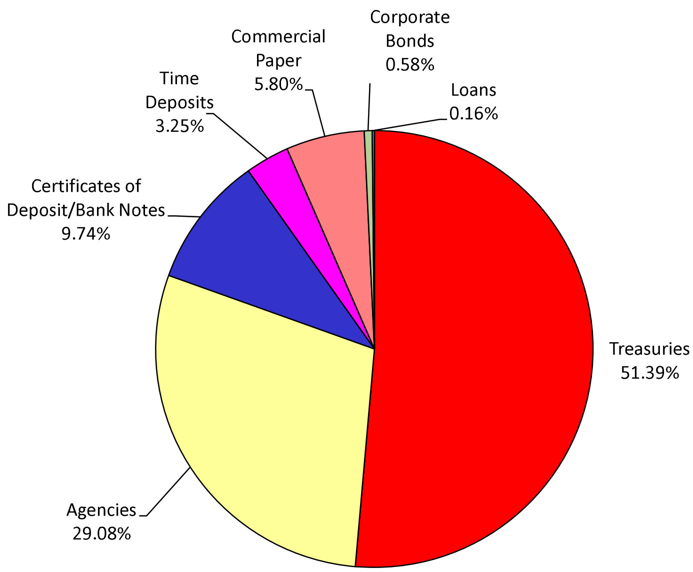


Chart does not include $987,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. **View PMIA Daily Rates**

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) .

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
(1) State of California, Office of the Treasurer
(2) State of California, Office of the Controller

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 06, 2025

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

September 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,500.52
Total Withdrawal:	0.00	Ending Balance:	9,500.52

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

September 29, 2025

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

August 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,500.52
Total Withdrawal:	0.00	Ending Balance:	9,500.52

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

August 20, 2025

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

July 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/15/2025	7/14/2025	QRD	1778525	N/A	SYSTEM	102.96

Account Summary

Total Deposit:	102.96	Beginning Balance:	9,397.56
Total Withdrawal:	0.00	Ending Balance:	9,500.52

Account Statement - Transaction Summary

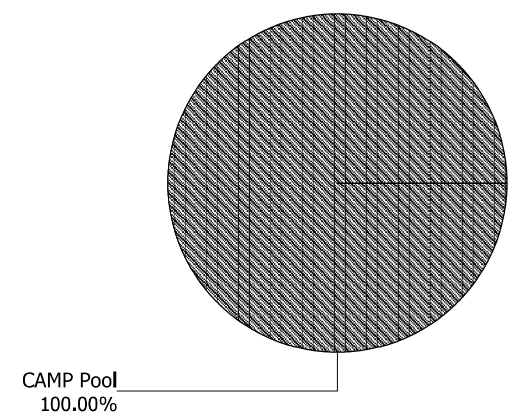
For the Month Ending **September 30, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

CAMP Pool	
Opening Market Value	6,605,879.37
Purchases	23,596.71
Redemptions	(53,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$6,576,476.08**
Cash Dividends and Income	23,596.71

Asset Summary	September 30, 2025	August 31, 2025
CAMP Pool	6,576,476.08	6,605,879.37
Total	**$6,576,476.08**	**$6,605,879.37**

Asset Allocation



Account Statement

For the Month Ending **September 30, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,605,879.37**
09/03/25	09/03/25	Redemption - ACH Redemption	1.00	(13,000.00)	6,592,879.37
09/23/25	09/23/25	Redemption - ACH Redemption	1.00	(40,000.00)	6,552,879.37
09/30/25	10/01/25	Accrual Income Div Reinvestment - Distributions	1.00	23,596.71	6,576,476.08
Closing Balance					**6,576,476.08**

	Month of September	Fiscal YTD July-September
Opening Balance	6,605,879.37	6,746,285.90
Purchases	23,596.71	223,190.18
Redemptions (Excl. Checks)	(53,000.00)	(393,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,576,476.08**	**6,576,476.08**
Cash Dividends and Income	23,596.71	73,190.18

Closing Balance	6,576,476.08
Average Monthly Balance	6,583,865.93
Monthly Distribution Yield	4.36%

Account Statement

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,431,480.83**
08/13/25	08/13/25	Purchase - ACH Purchase	1.00	150,000.00	6,581,480.83
08/29/25	09/02/25	Accrual Income Div Reinvestment - Distributions	1.00	24,398.54	6,605,879.37
Closing Balance					**6,605,879.37**

	Month of August	Fiscal YTD July-August
Opening Balance	6,431,480.83	6,746,285.90
Purchases	174,398.54	199,593.47
Redemptions (Excl. Checks)	0.00	(340,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,605,879.37**	**6,605,879.37**
Cash Dividends and Income	24,398.54	49,593.47

Closing Balance	6,605,879.37
Average Monthly Balance	6,525,777.46
Monthly Distribution Yield	4.40%

CAMP®

Account Statement

For the Month Ending **July 31, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,746,285.90**
07/30/25	07/30/25	Redemption - ACH Redemption	1.00	(340,000.00)	6,406,285.90
07/31/25	08/01/25	Accrual Income Div Reinvestment - Distributions	1.00	25,194.93	6,431,480.83
Closing Balance					**6,431,480.83**

	Month of July	Fiscal YTD July-July
Opening Balance	6,746,285.90	6,746,285.90
Purchases	25,194.93	25,194.93
Redemptions (Excl. Checks)	(340,000.00)	(340,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,431,480.83**	**6,431,480.83**
Cash Dividends and Income	25,194.93	25,194.93

Closing Balance	6,431,480.83
Average Monthly Balance	6,725,163.16
Monthly Distribution Yield	4.41%

SHARP
BANK RECONCILIATION
WORKERS' COMP ACCOUNT
September 30, 2025

Prior Book Balance:	**$**	**53,152.87**
Checks for the Month of June		(34,773.43)
Deposit - Transfer from CB & T		29,825.70
Voids		279.65
Adjusted Book Balance:	**$**	**48,484.79**
Balance Per Bank Statement:	$	57,976.86
Outstanding Checks		(9,492.07)
Adjusted Bank Balance:	**$**	**48,484.79**
Difference	$	-

Centralized Disb Mgr - Clients

WELLS FARGO

SEDGWICK CLAIMS MANAGEMENT SERVICES, IN
C.
AS AGENT FOR SHARED AGENCY RISK POOL
(SHARP)
8125 SEDGWICK WAY
MEMPHIS TN 38125-1128

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: *wellsfargo.com*

Write: Wells Fargo Bank, N.A. (182)
PO Box 63020
San Francisco, CA 94163

Account summary

Centralized Disb Mgr - Clients

Account number	*Beginning balance*	*Total credits*	*Total debits*	*Ending balance*
4120551825	$55,689.63	$29,858.98	-$27,571.75	$57,976.86

Credits

Electronic deposits/bank credits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	09/05	29,825.70	Sharp ACH Sedgwick Sedgwick Claims
	09/22	14.46	Cdm Credit Transaction Cdm Company Credit Transfer 4245833272 Peninsula Orthopedic 0146949788
	09/22	18.82	Cdm Credit Transaction Cdm Company Credit Transfer 2000006153056 Sedgwick Indexing 0001170328
		$29,858.98	**Total electronic deposits/bank credits**
		$29,858.98	**Total credits**

Debits

Electronic debits/bank debits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	09/02	85.75	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001159374
	09/02	173.48	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001158672
	09/02	393.60	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001159373
	09/02	544.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Physician A 0001158673
	09/03	131.20	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001161091
	09/03	3,360.58	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Melanie Olson 0001160258

WELLS FARGO

Electronic debits/bank debits *(continued)*

Effective date	*Posted date*	*Amount*	*Transaction detail*
	09/08	13.98	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Tmesys, Inc 0001165835
	09/08	44.31	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001164698
	09/08	48.14	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001165834
	09/08	236.79	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Kimberly Bonney Aud 0146949785
	09/08	249.17	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001165833
	09/08	837.75	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/09	204.47	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001167100
	09/12	14.46	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Peninsula Orthopedic 0146949788
	09/12	14.46	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Peninsula Orthopedic 0146949788
	09/12	18.82	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Indexing 0001170328
	09/12	18.82	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Indexing 0001170328
	09/15	59.10	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001171934
	09/15	95.52	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001172706
	09/15	275.31	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 California Spine Cen 0146949787
	09/15	309.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/15	393.60	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001172704
	09/17	3,360.58	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Melanie Olson 0001174933
	09/18	131.20	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001175982
	09/22	85.65	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001179461
	09/22	477.42	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/23	846.74	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/25	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001183526
	09/26	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001184671
	09/26	5,771.26	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/29	31.84	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001187973
	09/29	35.51	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001186981
	09/29	131.20	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001187972

WELLS FARGO

Electronic debits/bank debits *(continued)*

Effective date	*Posted date*	*Amount*	*Transaction detail*
	09/29	259.61	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001186980
	09/29	8,448.90	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	09/30	143.53	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001189396
		$27,571.75	**Total electronic debits/bank debits**
		$27,571.75	**Total debits**

Daily ledger balance summary

Date	*Balance*	*Date*	*Balance*	*Date*	*Balance*
08/31	55,689.63	09/12	79,125.55	09/23	73,124.71
09/02	54,492.80	09/15	77,993.02	09/25	72,961.71
09/03	51,001.02	09/17	74,632.44	09/26	67,027.45
09/05	80,826.72	09/18	74,501.24	09/29	58,120.39
09/08	79,396.58	09/22	73,971.45	09/30	57,976.86
09/09	79,192.11				

Average daily ledger balance **$71,599.99**

9.30.25 SHARP Treasurer's Report

Final Audit Report 2025-11-14

Created:	2025-11-14
By:	Joseph Roy (joe.roy@sedgwick.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAL6TDvI10C90t9ozw0u4r5DsFzbJEa9Ix

"9.30.25 SHARP Treasurer's Report" History

Document created by Joseph Roy (joe.roy@sedgwick.com)
2025-11-14 - 9:08:23 PM GMT

Document emailed to Thomas Leung (tleung@losaltoshills.ca.gov) for signature
2025-11-14 - 9:08:36 PM GMT

Email viewed by Thomas Leung (tleung@losaltoshills.ca.gov)
2025-11-14 - 9:08:43 PM GMT

Document e-signed by Thomas Leung (tleung@losaltoshills.ca.gov)
Signature Date: 2025-11-14 - 11:04:35 PM GMT - Time Source: server

Agreement completed.
2025-11-14 - 11:04:35 PM GMT

Shared Agency Risk Pool
Treasurer's Report
As of December 31, 2025

	Book Value		Market Value		% of Total	Effective Yield
California Bank & Trust - General Operating	$	20,219	$	20,219	0.30%	0.00%
State of California - Local Agency Investment Fund	$	9,604	$	9,625	0.14%	4.20%
CA Asset Mgmt. Program - Liquidity Account	$	6,719,596	$	6,719,596	99.22%	3.95%
Wells Fargo - Claims Trust Account	$	23,289	$	23,289	0.34%	0.00%
Total Cash and Investments	**$**	**6,772,708**	**$**	**6,772,729**	**100.00%**	**3.92%**

Attached are the Local Agency Investment Fund (LAIF), and statements detailing all investment holdings and transactions for the quarter ended. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data Corporation, Bloomberg, TRACE, and other widely-used third-party pricing vendors.

We certify that this report reflects all cash and investments and is in conformance with the Pool's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Pool's expenditures for the next six months.

Joseph Roy
Joe Roy
Finance Manager

Thomas Leung
Thomas Leung (Mar 27, 2026 17:58:07 PDT)
Thomas Leung
Treasurer

Shared Agency Risk Pool
Reconciliation report
As of 12/31/2025
Account: Checking Account - General

Statement ending balance	**20,218.81**
Deposits in transit	**0.00**
Outstanding checks and charges	**0.00**
Adjusted bank balance	**20,218.81**
Book balance	**20,218.81**
Adjustments*	**0.00**
Adjusted book balance	**20,218.81**

Total Checks and charges Cleared	**144,273.88**	**Total Deposits Cleared**	**0.00**

Deposits

Name	Memo	Date	Doc no.	Cleared	In transit
Total Deposits				**0.00**	**0.00**

Checks and charges

Name	Memo	Date	Check no.	Cleared	Outstanding
General Ledger entry	Transfer to claims for funding	12/02/2025		757.79	
	Transfer from CB&T to CAMP	12/10/2025		110,000.00	
Sedgwick		12/16/2025	121002040000077	18,500.50	
City of Saratoga		12/16/2025	121002040000078	974.17	
Department of Industrial Relations		12/16/2025		13,837.50	
	December 2025 Bank Fee	12/22/2025		203.92	
Total Checks and charges				**144,273.88**	**0.00**

CALIFORNIA BANK & TRUST

PO BOX 26547
SALT LAKE CITY, UT 84126-0547

Statement of Accounts

This Statement: December 31, 2025
Last Statement: November 28, 2025

Account: 5795358620

Direct Inquiries to:
800-400-6080
WWW.CALBANKTRUST.COM

0000422 4003-06-0000-CBT-PG0007-00000

SHARED AGENCY RISK POOL
1750 CREEKSIDE OAKS DR STE 200
SACRAMENTO, CA 95833-3648

SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Account Ending Balance
PUBLIC FUNDS ANALYZED CHECKING	5795358620	$20,218.81

PUBLIC FUNDS ANALYZED CHECKING 5795358620

0177

	Previous Balance	Deposits/Credits	Withdrawals/Debits	Checks Processed	Ending Balance
Count:		0	5	0	
Amount:	164,492.69	0.00	144,273.88-	0.00	20,218.81

DEPOSITS/CREDITS

There were no transactions this period.

CHARGES/DEBITS

Posting Date	Effective Date	Amount	Description
12/09	12/09	757.79-	ACH OFFSET SHARP ACH REF # 02534 3009739161 SHARP 1943090140
12/10	12/10	110,000.00-	CAMP ACH PURCHASE REF # 02534 3010325131 CAMP ACH 1946625010
12/17	12/17	19,474.67-	ACH OFFSET SHARP AP REF # 02535 1008300704 SHARP 1943090140A
12/18	12/18	13,837.50-	CALIFORNIA DIR DIR PAYMNT REF # 02535 2008884758 CALIFORNIA
12/22	12/22	203.92-	ANALYSIS SERVICE FEE

CHECKS PROCESSED

There were no transactions this period.

ACTIVITY COUNT

	During this period
Total Items	5

AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

	Total for This Period	Total Year-to-Date
Total Overdraft Fees	$0.00	$0.00
Total Returned Item Fees	$0.00	$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

DAILY BALANCE

Date	Balance	Date	Balance	Date	Balance
11/29	$164,492.69	12/10	$53,734.90	12/18	$20,422.73
12/09	$163,734.90	12/17	$34,260.23	12/22	$20,218.81

SHARP
LAIF Market Value and Interest
December 31, 2025
Account# 35-01-002

LAIF Statement Balance		9,604.30
FAIR VALUE FACTOR 12/31/2025		1.002181483
Market Value		$9,625.25
Laif Mkt Value	12/31/2025	$20.95
Laif Mkt Value	9/30/2025	$18.33
LAIF Adjustment		**$2.62**

POST QUARTERLY

LAIF QUARTERLY Interest	101.55

JE #			
LAIF Market Valuation			
12/31/2025	11050 LAIF Market Valuation	2.62	-
	80010 Interest Earned in LAIF	-	2.62
JE #			
Accrued Interest			
12/31/2025	13400 Interest Receivable-LAIF	101.55	
	80010 Interest Earned in LAIF		101.55

MALIA M. COHEN

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	SHARED AGENCY RISK POOL
Account Number	35-01-002

As of 1/15/2026, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2025.

Earnings Ratio		0.00011512010685708
Interest Rate		4.20%
Dollar Day Total	$	882,142.68
Quarter End Principal Balance	$	9,604.30
Quarterly Interest Earned	$	101.55

PMIA/LAIF Performance Report
as of 01/21/26

Quarterly Performance
Quarter Ended 12/31/25

LAIF Apportionment Rate[2]:	4.20
LAIF Earnings Ratio[2]:	0.00011512010685708
LAIF Administrative Cost[1]*:	0.27
LAIF Fair Value Factor[1]:	1.002181483
PMIA Daily[1]:	3.97
PMIA Quarter to Date[1]:	4.09
PMIA Average Life[1]:	244

PMIA Average Monthly Effective Yields[1]

December	**4.025**
November	4.096
October	4.150
September	4.212
August	4.251
July	4.258

Pooled Money Investment Account
Monthly Portfolio Composition [1]
12/31/25
$162.6 billion

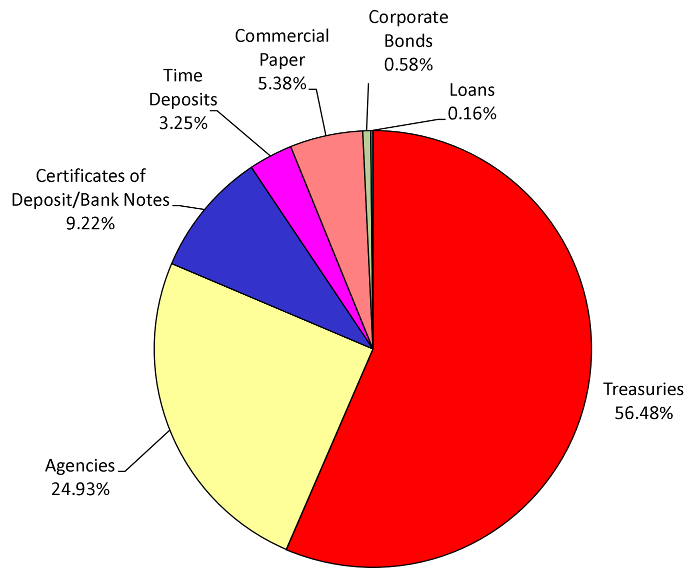


Chart does not include $910,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. **View PMIA Daily Rates**

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) .

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
(1) State of California, Office of the Treasurer
(2) State of California, Office of the Controller

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 14, 2026

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

December 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,604.30
Total Withdrawal:	0.00	Ending Balance:	9,604.30

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 14, 2026

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

November 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,604.30
Total Withdrawal:	0.00	Ending Balance:	9,604.30

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 14, 2026

LAIF Home
PMIA Average Monthly Yields

SHARED AGENCY RISK POOL (SHARP)

FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

Tran Type Definitions

Account Number: 35-01-002

October 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2025	10/14/2025	QRD	1784064	N/A	SYSTEM	103.78

Account Summary

Total Deposit:	103.78	Beginning Balance:	9,500.52
Total Withdrawal:	0.00	Ending Balance:	9,604.30

CAMP®

Account Statement - Transaction Summary

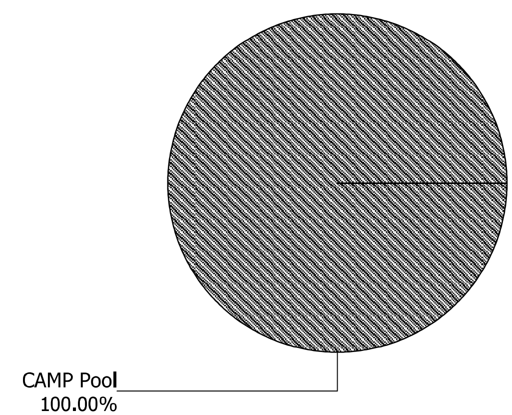
For the Month Ending **December 31, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

CAMP Pool	
Opening Market Value	6,587,261.74
Purchases	132,333.92
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$6,719,595.66**
Cash Dividends and Income	22,333.92

Asset Summary	December 31, 2025	November 30, 2025
CAMP Pool	6,719,595.66	6,587,261.74
Total	**$6,719,595.66**	**$6,587,261.74**

Asset Allocation



CAMP®

Account Statement

For the Month Ending **December 31, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,587,261.74**
12/10/25	12/10/25	Purchase - ACH Purchase	1.00	110,000.00	6,697,261.74
12/31/25	01/02/26	Accrual Income Div Reinvestment - Distributions	1.00	22,333.92	6,719,595.66
Closing Balance					**6,719,595.66**

	Month of December	Fiscal YTD July-December
Opening Balance	6,587,261.74	6,746,285.90
Purchases	132,333.92	401,309.76
Redemptions (Excl. Checks)	0.00	(428,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,719,595.66**	**6,719,595.66**
Cash Dividends and Income	22,333.92	141,309.76

Closing Balance	6,719,595.66
Average Monthly Balance	6,666,046.71
Monthly Distribution Yield	3.95%

Account Statement - Transaction Summary

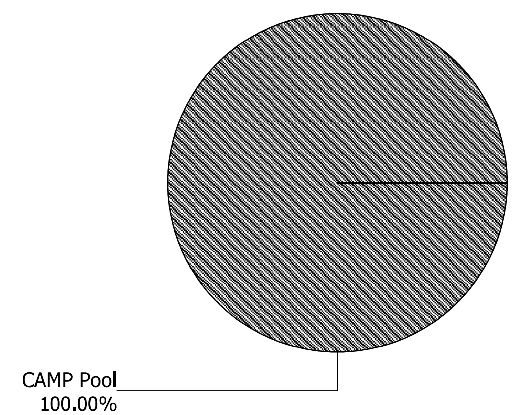
For the Month Ending **November 30, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

CAMP Pool	
Opening Market Value	6,565,153.68
Purchases	22,108.06
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$6,587,261.74**
Cash Dividends and Income	22,108.06

Asset Summary	November 30, 2025	October 31, 2025
CAMP Pool	6,587,261.74	6,565,153.68
Total	**$6,587,261.74**	**$6,565,153.68**

Asset Allocation



CAMP®

Account Statement

For the Month Ending **November 30, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,565,153.68**
11/28/25	12/01/25	Accrual Income Div Reinvestment - Distributions	1.00	22,108.06	6,587,261.74
Closing Balance					**6,587,261.74**

	Month of November	Fiscal YTD July-November
Opening Balance	6,565,153.68	6,746,285.90
Purchases	22,108.06	268,975.84
Redemptions (Excl. Checks)	0.00	(428,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,587,261.74**	**6,587,261.74**
Cash Dividends and Income	22,108.06	118,975.84

Closing Balance	6,587,261.74
Average Monthly Balance	6,567,364.49
Monthly Distribution Yield	4.10%

Account Statement - Transaction Summary

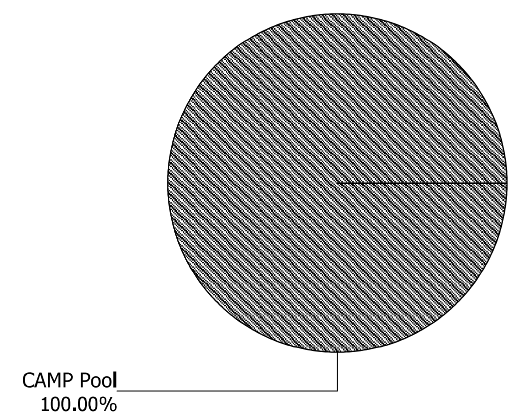
For the Month Ending **October 31, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

CAMP Pool	
Opening Market Value	6,576,476.08
Purchases	23,677.60
Redemptions	(35,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$6,565,153.68**
Cash Dividends and Income	23,677.60

Asset Summary	October 31, 2025	September 30, 2025
CAMP Pool	6,565,153.68	6,576,476.08
Total	**$6,565,153.68**	**$6,576,476.08**

Asset Allocation



CAMP®

Account Statement

For the Month Ending **October 31, 2025**

Shared Agency Risk Pool - SHARP - 4010-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**6,576,476.08**
10/03/25	10/03/25	Redemption - ACH Redemption	1.00	(35,000.00)	6,541,476.08
10/31/25	11/03/25	Accrual Income Div Reinvestment - Distributions	1.00	23,677.60	6,565,153.68
Closing Balance					**6,565,153.68**

	Month of October	Fiscal YTD July-October
Opening Balance	6,576,476.08	6,746,285.90
Purchases	23,677.60	246,867.78
Redemptions (Excl. Checks)	(35,000.00)	(428,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**6,565,153.68**	**6,565,153.68**
Cash Dividends and Income	23,677.60	96,867.78

Closing Balance	6,565,153.68
Average Monthly Balance	6,544,497.94
Monthly Distribution Yield	4.26%

SHARP
BANK RECONCILIATION
WORKERS' COMP ACCOUNT
December 31, 2025

Prior Book Balance:	**$**	**39,242.21**
Checks for the Month of December		(16,723.37)
Deposit - Transfer from CB & T	$	757.79
Voids		12.21
Adjusted Book Balance:	**$**	**23,288.84**
Balance Per Bank Statement:	$	25,278.17
Outstanding Checks		(1,989.33)
Adjusted Bank Balance:	**$**	**23,288.84**
Difference	$	-

SEDGWICK CLAIMS MANAGEMENT SERVICES, IN
C.
AS AGENT FOR SHARED AGENCY RISK POOL
(SHARP)
8125 SEDGWICK WAY
MEMPHIS TN 38125-1128

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: *wellsfargo.com*

Write: Wells Fargo Bank, N.A. (182)
PO Box 63020
San Francisco, CA 94163

Account summary

Centralized Disb Mgr - Clients

Account number	*Beginning balance*	*Total credits*	*Total debits*	*Ending balance*
4120551825	$40,020.41	$757.79	-$15,500.03	$25,278.17

Credits

Electronic deposits/bank credits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	12/10	757.79	Sharp ACH Sedgwick Sedgwick Claims
		$757.79	**Total electronic deposits/bank credits**
		$757.79	**Total credits**

Debits

Electronic debits/bank debits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	12/01	206.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/02	262.40	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001262201
	12/03	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001262985
	12/03	234.60	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/04	242.46	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/05	14.46	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Peninsula Orthopedic 0146949788
	12/05	18.82	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Indexing 0001170328
	12/05	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001265308
	12/05	262.40	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001265307
	12/08	175.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030

WELLS FARGO

***Electronic debits/bank debits** (continued)*

Effective date	*Posted date*	*Amount*	*Transaction detail*
	12/08	184.57	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001268674
	12/10	245.99	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/10	3,360.58	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Melanie Olson 0001271724
	12/11	131.20	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001272669
	12/11	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001272670
	12/11	203.04	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Kimberly Bonney Aud 0152089032
	12/12	163.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Claims Mana 0001273748
	12/12	382.58	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 California Spine Cen 0152089029
	12/15	44.61	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001276253
	12/15	544.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Physician A 0001276255
	12/16	308.25	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/16	544.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Physician A 0001278136
	12/17	214.62	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Peninsula Orthopedic 0152089035
	12/18	191.29	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 California Spine Cen 0152089038
	12/19	295.91	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/19	375.00	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 Maximus Federal Serv 0152089040
	12/22	85.63	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001285475
	12/22	261.70	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 California Spine Cen 0152089039
	12/22	1,643.50	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/24	147.63	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Medrisk, LLC 0001289563
	12/24	352.33	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/24	3,360.58	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Melanie Olson 0001288811
	12/26	222.54	Cdm Debit Transaction Cdm Client Debit Transfer 4245833272 California Spine Cen 0152089042
	12/29	9.78	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001294118
	12/29	18.82	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Indexing 0001294119
	12/29	61.53	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153056 Sedgwick Cms - Natio 0001292974

WELLS FARGO

Electronic debits/bank debits *(continued)*

Effective date	*Posted date*	*Amount*	*Transaction detail*
	12/30	12.21	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
	12/31	230.00	Cdm Debit Transaction Cdm Client Debit Transfer 2000006153030
		$15,500.03	**Total electronic debits/bank debits**
		$15,500.03	**Total debits**

Daily ledger balance summary

Date	*Balance*	*Date*	*Balance*	*Date*	*Balance*
11/30	40,020.41	12/10	35,244.92	12/19	31,684.42
12/01	39,814.41	12/11	34,747.68	12/22	29,693.59
12/02	39,552.01	12/12	34,202.10	12/24	25,833.05
12/03	39,154.41	12/15	33,613.49	12/26	25,610.51
12/04	38,911.95	12/16	32,761.24	12/29	25,520.38
12/05	38,453.27	12/17	32,546.62	12/30	25,508.17
12/08	38,093.70	12/18	32,355.33	12/31	25,278.17

Average daily ledger balance **$32,648.39**

12.31.25 SHARP Treasurer's Report

Final Audit Report 2026-03-28

Created:	2026-03-25
By:	Joe Roy (joe.roy@sedgwick.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3zN30huSxOJ5AoRi-nmWMyu0Gt44o5_T

"12.31.25 SHARP Treasurer's Report" History

Document created by Joe Roy (joe.roy@sedgwick.com)
2026-03-25 - 6:29:39 PM GMT

Document emailed to Thomas Leung (tleung@losaltoshills.ca.gov) for signature
2026-03-25 - 6:30:23 PM GMT

Email viewed by Thomas Leung (tleung@losaltoshills.ca.gov)
2026-03-25 - 6:30:28 PM GMT

Document e-signed by Thomas Leung (tleung@losaltoshills.ca.gov)
Signature Date: 2026-03-28 - 0:58:07 AM GMT - Time Source: server

Agreement completed.
2026-03-28 - 0:58:07 AM GMT

SHARP - Loss Prevention Grants
Updated: 5.20.26

	FY 24-25	FY 25-26	Total	FY 24-25	FY 25-26	Total	FY 24-25	FY 25-26	Total	FY 24-25	FY 25-26	Total	FY 24-25	FY 25-26	Total	
	Los Altos Hills			**SARATOGA**			**ROSS**			**American Canyon**			**Woodside**			Grand
FY 25-26 GRANT	(278.00)	10,000.00	9,722.00	14,406.26	10,000.00	24,406.26	5,720.82	10,000.00	15,720.83	15,840.48	10,000.00	25,840.48	5,190.57	10,000.00	15,190.57	90,880.14
			0.00			0.00			0.00			0.00			0.00	0.00
7.21.25 Apprv-Exp Reimb			0.00			0.00	(935.13)		(935.13)			0.00			0.00	(935.13)
8.8.25 Apprv-Exp Reimb			0.00			0.00	(1,549.43)		(1,549.43)			0.00			0.00	(1,549.43)
10.9.25 Apprv-Exp Reimb			0.00	(3,470.69)		(3,470.69)			0.00			0.00			0.00	(3,470.69)
11.19.25 Apprv-Exp Reimb			0.00	(974.17)		(974.17)			0.00			0.00			0.00	(974.17)
2.4.26 Apprv-Exp Reimb			0.00		-3444.74	(3,444.74)			0.00			0.00			0.00	(3,444.74)
3.2.26 Apprv-Exp Reimb			0.00			0.00			0.00		-7932.23	(7,932.23)			0.00	(7,932.23)
4.14.26 Apprv-Exp Reimb			0.00		-3724.03	(3,724.03)			0.00			0.00			0.00	(3,724.03)
5.20.26 Apprv-Exp Reimb			0.00			0.00			0.00		(18,424.60)	(18,424.60)			0.00	(18,424.60)
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
			0.00			0.00			0.00			0.00			0.00	0.00
																50,425.12
	(278.00)	10,000.00	**9,722.00**	9,961.40	2,831.23	**12,792.63**	3,236.26	10,000.00	**13,236.27**	15,840.48	(16,356.83)	**(516.35)**	5,190.57	10,000.00	**15,190.57**	

	ROSS	(0.00)	
	AC	(0.00)	
	woosside	0.00	
	21/22 balance	241.96	
22/23 Budget	To be reallocated among members.		
	LAH	80,282.00	9%
	SARA	202,603.00	22%
	ROSS	124,636.00	14%
	AC	396,083.00	43%
	woodside	114,087.00	12%
		917,691.00	
	LAH	(0.00)	
	SARA	(0.00)	
	ROSS	0.00	
	AC	5,423.81	
	woosside	0.00	
	22/23 balance	5,423.81	
23/24 Budget	To be reallocated among members.		
	LAH	100,352.00	11%
	SARA	253,254.00	27%
	ROSS	137,939.00	15%
	AC	337,818.00	36%
	woodside	115,715.00	12%
		945,078.00	
24/25 Budget	To be reallocated among members.		
	LAH	110,387.00	11%
	SARA	278,579.00	27%
	ROSS	147,620.00	14%
	AC	369,255.00	36%
	woodside	117,167.00	11%
		1,023,008.00	

SHARED AGENCY RISK POOL

Resolution No. 2026-01

ESTABLISHING THE BOARD OF DIRECTORS MEETING DATES FOR THE 2026/27 FISCAL YEAR

BE IT RESOLVED THAT:

The following Board of Directors meeting dates are hereby established for the 2026/27 fiscal year:

BOARD OF DIRECTORS MEETING SCHEDULE
Fiscal Year 2026/27

Board of Directors Meetings:

- December 15, 2026, 10:00 a.m. – via videoconference
- June 15, 2027, 10:00 a.m. – via videoconference

PASSED AND ADOPTED by the Board of Directors of the SHARED AGENCY RISK POOL, County of Sacramento, State of California, on June 24, 2026, by the following vote:

AYES ____
NOES
ABSENT
ABSTAIN

APPROVED:

____
President

ATTEST:

____
Secretary

GENERAL MANAGER'S REPORT

SUBJECT: Report from SHARP's General Manager

BACKGROUND AND HISTORY:

Eric Dahlen, SHARP General Manager, will be present to discuss the following:

Program Update

Staff is currently evaluating participation opportunities within PLAN's primary workers' compensation coverage program for the 2027–2028 program year, effective July 1, 2027. As the program continues to mature, staff is working in coordination with the actuarial team to assess and identify potential cost restructuring strategies. With increasing participation and continued program stabilization, staff anticipates that overall participation costs will become more predictable and cost-efficient for members.

The current Third-Party Administrator (TPA) agreement with Sedgwick Claims Management Services is set to expire on June 30, 2026. SHARP has exercised its option to extend the agreement for an additional one-year term through June 30, 2027, ensuring continuity of claims administration services.

Staffing Update

The SHARP Workers' Compensation Program has provided comprehensive benefits to its members since 1986. Oversight of workers' compensation services is delivered through Sedgwick under the existing Administration Agreement.

Following the retirement of Ms. Jacqueline Miller, effective June 1, 2026, Mr. Kyle Rodriguez has assumed the role of Workers' Compensation Program Manager. Mr. Rodriguez brings over seven years of experience in workers' compensation, with expertise in managing complex and high-exposure claims. His background includes providing consultative claims support and collaborating closely with key stakeholders to achieve favorable claim outcomes. He is focused on process improvement and operational efficiency and looks forward to continuing to strengthen the SHARP program in partnership with its members.

Mr. Rodriguez provides ongoing oversight of the Workers' Compensation Program, working directly with SHARP members and the claims administration team. Staff continues to support members through targeted file reviews and by responding to general program inquiries.

In preparation for this report, Mr. Rodriguez has conducted a comprehensive review of all open and unresolved claims. There are currently 17 open claims, with a total incurred value of $1,851,432. There are no open claims for the Los Altos Hills or Saratoga members.

No settlement requests have been submitted or authorized since November 2025.

Members are encouraged to contact Mr. Rodriguez directly to discuss individual claims or any general workers' compensation matters.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

- None.

WORKERS' COMPENSATION PROGRAM MATTERS

SUBJECT: Local Agency Workers' Compensation Excess (LAWCX) Update

---

BACKGROUND AND HISTORY:

SHARP JPA participates in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), a joint powers authority that provides excess workers' compensation coverage.

At the June 2, 2026, Board of Directors meeting, the LAWCX Board of Directors reviewed and discussed several program items relevant to member agencies. Key updates from the meeting are summarized below:

- Risk Control Service Plan for the 26/27 Program Year
  - Focus on reducing workers' compensation exposures through data-driven loss analysis, targeted training, and expanded member resources. Core services include in-depth claims analysis to identify loss drivers and guide targeted risk control strategies, as well as six scheduled webinars covering key topics such as de-escalation, supervisor safety, accident investigation, and Cal/OSHA compliance.
  - Member outreach and accessibility of resources, including safety program templates, wellness tools, and expanded online materials. Members benefit from self-assessment tools and best practice guidance, along with ongoing safety communications that address emerging risks.
  - Dedicated consultation services, a Safety and Risk Management Reimbursement Program, and access to additional consulting support for compliance, training, and ergonomic evaluations.

- Mental Health and Wellness Reimbursement Program
  - LAWCX is developing a broader reimbursement program to support a wider range of mental health and wellness initiatives, including training, resources, and services that support first responder wellbeing. The program is intended to provide greater flexibility than the prior model, allowing members to select options that align with their operational needs and existing programs.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None.

WORKERS' COMPENSATION PROGRAM MATTERS

SUBJECT: Update on SHARP's Workers' Compensation Program

BACKGROUND AND HISTORY:

The SHARP Workers' Compensation Program has been providing benefits for the SHARP members since 1986. Workers' Compensation Oversight services are provided by Sedgwick as part of the Administration Agreement. With Ms. Jacqueline Miller's retirement effective June 1, 2026, Mr. Kyle Rodriguez is now serving as the Workers' Compensation Program Manager. Mr. Rodriguez brings over seven years of experience in workers' compensation, handling complex claims and working closely with stakeholders to drive strong claim outcomes. With a background in high-exposure claims and providing consultative claims support, he focuses on improving processes and helping claims teams succeed. As the new Workers' Compensation Program Manager for SHARP, he's excited to partner with our members and continue strengthening the program.

Mr. Rodriguez provides an overview of the Workers' Compensation Program, collaborating directly with the SHARP Members and the claims administration team. Staff has provided services regarding specific file reviews and general program inquiries.

The current Third-Party Administrator (TPA) contract with Sedgwick Claims expires June 30, 2026. SHARP has elected to extend the contract one year through June 30, 2027.

Mr. Rodriguez has reviewed all open and unresolved claims in advance of the meeting. There are 17 open and active claims with an incurred value of $1,851,432. There are no open and active claims for Los Altos Hills and Saratoga.

No settlement requests have been received or authorized since November 2025.

Members are invited to contact Mr. Rodriguez directly to discuss any claims or general workers' compensation matters.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None.

Agenda Item 7. C.

WORKERS' COMPENSATION PROGRAM MATTERS

SUBJECT: Legislative Updates

BACKGROUND AND HISTORY:

Mr. Kyle Rodriguez, SHARP Workers' Compensation Program Manager, will be in attendance to discuss the current legislative session and the impact to the SHARP Program.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

- SHARP Legislative Updated Dated June 4, 2026

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.sharpjpa.org/

Workers' Compensation Legislative Update
June 4, 2026

This is a review of workers' compensation legislative bills and industry update that may impact SHARP members:

Legislative Updates:

Assembly Bill (AB) 1048 (Chen ~ District 59 in Orange and San Bernardino Counties) – Contract Transparency

Introduced January 20, 2025, the bill would state the intent of the Legislature to enact legislation to improve transparency and accountability in contracts between payers and medical providers in the workers' compensation system. As amended, this bill would include contract disputes regarding payment in the Independent Bill Review (IBR) Process outside of the Official Medical Fee Schedule (OMFS).

Opposition to this bill stated, "AB 1048 ignores contracted dispute resolution provisions and instead forces these disputes into an IBR process that isn't built for contract disputes."

The bill was amended September 5, 2025, to remove the IBR process and require when "the basis for any adjustment, change, or denial of an item or procedure is a contract, require the explanation of review to include information on that underlying contract, including whom the medical provider may contact to seek a copy of the relevant, applicable contract."

The bill would define automated decision system (ADS) to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is designed or used to assist or replace human discretionary decision making and materially impacts natural persons. This bill would require a developer of a covered ADS, as defined, to take certain actions, including conduct impact assessments of the covered ADS and provide deployers to whom the developer transfers the covered ADS with certain information, including a high-level summary of the results of those impact assessments.

While the removal of involvement of the IBR process is a positive step. The requirement to provide contracted vendor information on a contract they entered into seems unnecessary. The additional amendment of January 22, 2026, includes a requirement for a Request for Authority (RFA) shall be signed by the treating physician and may be mailed, faxed, or sent electronically using a secure email system or via electronic data interchange to the address, fax number, email address, or clearinghouse designated by the claims administrator. California Association of Joint Powers Authorities (CAJPA) and California Coalition on Workers' Compensation (CCWC) remain in opposition to this bill as part of a coalition of employer agencies.

STATUS – In process by Committee on Rules on January 22, 2026.

AB 1331 (Elhawary ~ District 57 in Los Angeles County) – Workplace surveillance

AB 1331 would limit the use of workplace surveillance tools by employers, including prohibiting an employer from monitoring or surveilling workers in off-duty areas. The bill would provide workers with the right to disable or leave behind workplace surveillance tools that are on their person or in their possession during off-duty hours.

This bill was opposed in coalition with the Chamber of Commerce (CalChamber) and CAJPA. Opposition includes statements concerns such as "AB 1331 will needlessly endanger public workforces and severely impair our ability to prevent and investigate instances of workplace violence. The bill restricts the ability for public agencies to review data collected through a surveillance tool in any "off-duty area," defined to include breakrooms and cafeterias unless directed by a court order or upon request by either a court, law enforcement, or an employee. These restrictions needlessly inhibit the use of tools that can be used to keep employees safe from workplace violence incidents or, worse, provide the worst actors with a roadmap of locations where they can more easily hide bad behavior, including abuse of vulnerable populations like children, the elderly, or those experiencing mental health crises."

Status – Action was expected in January 2026 but was moved to the inactive file at the request of a Senator.

AB 1576 (Ortega ~ District 20 in Alameda County) – Subsequent Injuries Benefit Trust Fund

The Subsequent Injuries Benefit Trust Fund (SIBTF) is a continuously appropriated fund which provides additional benefits to permanently partially disabled employees in addition to workers' compensation benefits. To qualify the employee must have a documented disability prior to the new work-related injury with a combined disability of at least 70% with the new injury contributing at least 35% to the combined disability.

The bill previously included a provision for subsequent injuries occurring on or after January 1, 2027, requiring the employee to file an application within five years from the date of the subsequent injury

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.sharpjpa.org/

or one year from the date the level of PD from the subsequent injury was determined by the Workers' Compensation Appeals Board, whichever is later. This language was removed in a revision April 20, 2026.

AB 1576 proposes to change the methodology for determining eligibility for these funds. Due to a substantial increase in the number of applications for SIBTF, the Department of Industrial Relations (DIR) indicates there are more than 30,000 outstanding claims in process.

The SIBTF is funded by annual employer assessments which are estimated for the factors determining assessments to increase by 85 – 95% in 2026 because of the outstanding claims as well as increased staffing to process outstanding claims.

In contrast to the methodology proposed in AB 1576, the Governor has directed the DIR and Division of Workers' Compensation (DWC) to implement a coordinated administrative fiscal strategy rather than a piecemeal statutory fix. CAJPA strongly supports the Governor's Budget Trailer Bill language addressing these issues.

Status – Passed by Committee on Insurance on May 14, 2026, and to be heard by the Assembly on unknown date.

AB 1900 (20 Multiple Assembly and Senate Members ~ 20 Multiple Districts) – Create California Health Care for All Act

This bill would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for benefit of all residents of the state. Under the bill, CalCare would be a health care service plan subject to the Knox-Keene Act, which regulates health care service plans, ensure compliance, consumer protections and oversight for better healthcare access.

The bill, among other things, would provide that CalCare covers a wide range of medical benefits including workers' compensation benefits.

Status – This bill was heard on April 20, 2026, and is pending a referral to a Committee.

AB 2098 (Kalra ~ District 25 in Santa Clara County) – Medical Leave/Appointment Protection

AB 2098 would require an employee to make a reasonable (undefined) effort to schedule treatment outside of work hours. If unable to do so, the employer then must allow time off work unless there is a business necessity for the employee to remain at work, not a simple convenient or cost-effective reason.

Denial of an employee's request to attend treatment during work hours may lead to discrimination charges under Labor Code 132a as well as misdemeanor charges.

Similar language was introduced in 2024 but did not proceed.

This bill is supported by the California Teachers Association and opposed by a coalition of employers including CalChamber, CCWC, the California Hospital Association, and the California State Association of Counties.

Opposition offers arguments that include "AB 2098 provides that all employers (regardless of size) must provide time off work for employees who are attending workers' compensation appointments. There is no time limit on the amount or frequency of leave. While there is an exception for a "business necessity," that exception is quite narrow."

Status – This bill was moved to the Suspense File and has since been held "under submission" by the Assembly.

SB 536 (Menjivar ~ District 20 in Los County County) – Insurance Fraud Reporting

This bill would require the employer or claim administrator to notify the Employment Development Department, the Department of Insurance, and associated District Attorney of potential fraud. Additionally, it would provide for to release payroll information upon written request.

Status – Referred to Committee on Insurance on May 18, 2026.

SB 555 (Caballero ~ District 14 in Madera County) – Average Weekly Earnings

This bill would involve an increase to the permanent partial disability rate and would require that the current limits (not adjusted since 2014) be adjusted by the amount equal to the cost-of-living adjustment for Federal Social Security benefits.

Status – Referred to Committee on Insurance on May 4, 2026.

Industry Update:

SHARP
Shared Agency Risk Pool

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.sharpjpa.org/

The DWC adopted updated regulations regarding Utilization Review (UR), which became effective April 1, 2026. These regulations, designed to streamline and standardize the medical treatment authorization process, are available on the DWC website.

In light of these updates, the DWC has received several inquiries regarding whether the use of the DWC Form RFA (Request for Authorization) is mandatory for treating physicians.

Pursuant to California Code of Regulations, title 8, section 9792.6.1, a "Request for Authorization" is formally defined as a written request for a specific course of proposed medical treatment. The regulations mandate that this request be set forth on the DWC Form RFA (as found in section 9785.5) and completed by the treating physician.

The standardized use of the DWC Form RFA is a critical regulatory requirement intended to ensure clear, consistent communication between medical providers and claims administrators, thereby reducing delays in the delivery of necessary medical care.

While the DWC Form RFA is the primary standard, a narrative report may serve as a functional equivalent only under specific conditions outlined in CCR section 9792.9.1(b) and 9792.6.1(u):

1. Mutual Acceptance: The claims administrator must voluntarily agree to accept a narrative report in lieu of the formal DWC Form RFA.
2. Minimum Content Standards: To be deemed "completed," the narrative report must contain all essential data elements required by law, including:

    - Clear identification of both the employee and the requesting provider.
    - Specific identification of all recommended treatments on the first page of the narrative.
    - Substantiating documentation created no earlier than 30 days prior to the request.
    - Treating Physician’s Signature: The report must be signed by the physician (electronic signatures are permitted by agreement of the parties).

DWC reminds all stakeholders that failure to provide a "completed" request (one that lacks specificity or the required substantiating documentation) may impact the timelines for UR decisions and the overall adjudication of treatment requests. Regulations referenced in the statement require claims administrators who do not voluntarily accept a narrative report to notify the requesting physician within five business days that the request is incomplete and explain the deficiency.

Agenda Item 8.A.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration and Approval of Memorandum of Coverage for 2026/27

BACKGROUND AND HISTORY:

On an annual basis, SHARP's Memorandum of Coverage (MOC) is reviewed to ensure accuracy and alignment with current regulatory and program standards. This review also includes updating all relevant dates to reflect the forthcoming program year. Following staff evaluation, any recommended revisions are presented to the SHARP Board of Directors for consideration and approval in advance of the new program term.

Attached is the draft MOC for the 2026/2027 Program Year. Staff's recommended revisions are reflected using underline and strikeout formatting.

The accompanying redlined version highlights primarily administrative updates, including applicable date revisions.

RECOMMENDATION:

Staff recommends the Board of Directors approve the 2026/27 Memorandum of Coverage as presented.

REFERENCE MATERIALS ATTACHED:

- Draft 2026/27 Memorandum of Coverage

SHARED AGENCY RISK POOL JOINT POWERS AUTHORITY (SHARP)

POOLED WORKERS' COMPENSATION PROGRAM

MEMORANDUM OF COVERAGE

FOR THE 2026-2027 PROGRAM YEAR
EFFECTIVE JULY 1, 2027

FORM NO. SHARP 2026-27 WC

SHARED AGENCY RISK POOL JOINT POWERS AUTHORITY

POOLED WORKERS' COMPENSATION COVERAGE

POLICY NUMBER SHARP 2026-27 WC

DECLARATIONS

NAMED COVERED PARTY:
Shared Agency Risk Pool Joint Powers Authority, et. al., as per Endorsement No. 1

1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

POLICY PERIOD:
From 7-1- 2026 to 7-1- 2027
12:01 a.m. Pacific Time

LIMIT OF LIABILITY: $250,000 Each Occurrence

FORM AND ENDORSEMENTS:
Form No. SHARP 2026-27 WC,
FORMING PART OF THE POLICY AT INCEPTION
Endorsement No. 1

ON BEHALF OF SHARED AGENCY RISK POOL JOINT POWERS AUTHORITY

Authorized Representative

POOLED WORKERS’ COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE

TABLE OF CONTENTS

ENDORSEMENT #1

POOLED WORKERS' COMPENSATION PROGRAM (PWCP)

MEMORANDUM OF COVERAGE

FORM NO. SHARP 2026-27 WC

2026-2027

This Memorandum of Coverage (MOC) sets forth the terms, conditions, and limitations of coverage provided under the Pooled Workers' Compensation Program (PWCP). The terms of this MOC may not be changed or waived except by amendment made a part of this MOC.

Throughout this MOC, words and phrases that appear in **bold** have special meaning. They are defined in General Section A, "Definitions" or in the Master Program Document.

GENERAL SECTION

A. DEFINITIONS

The terms in bold print are defined as follows:

1. **Authority** shall mean the Shared Agency Risk Pool Joint Powers Authority.

2. **Bodily injury** shall mean bodily injury by accident or disease, including death resulting therefrom, but shall not include **occupational disease**.

3. **Covered Party** shall mean a participant in this PWCP which has sustained a loss

which is covered under this MOC of Coverage.

4. **Cumulative Injury or Illness** means occupational disease or cumulative injury caused by repeated events or repeated exposures at work, limited to the last date on which the employee was employed in an occupation exposing him or her to the hazards of the occupational disease or cumulative injury, whichever occurs first. The liability period for occupational disease or cumulative injury shall be limited to one year per California Labor Code 5500.5(a).

5. **Employee** shall mean any person performing work which renders the **Covered Party** legally liable as an employer under the Workers' Compensation Act of the State of California, or under the common law of the State of California.

6. **Loss** shall mean only such amounts as are actually paid by the **Covered Party** in payment or benefits under the applicable Workers' Compensation Law, in settlement
of claims, or in satisfaction of awards or judgments for liabilities imposed by the Workers' Compensation Act or other law for **bodily injury** or **occupational disease** to an **employee**.

7. **Occupational Disease** shall include (1) death resulting therefrom and (2) cumulative injuries.

8. **Occurrence** means A) All bodily injury sustained or alleged by one (1) or more employees involving one (1) or more Covered Parties, from any one (1) disaster, accident or event, or any series of disasters, accidents, or events, and is traceable to the same single disaster, accident or event, or series of disasters accidents or events, shall be deemed to arise from a single occurrence; however, any one (1) occurrence shall be limited to no more than seven (7) calendar days such that each individual employee claimant's date of injury must fall within the seven (7) calendar day period. SHARP will defer to SHARP's excess carrier, Local Agency Worker's Compensation Excess JPA (LAWCX) as to the date when any such seven (7) calendar day period begins, provided that it is not earlier than the date and time of the first recorded employee claimant's date of injury, and provided that no two (2) periods overlap. Should this Memorandum expire or terminate while an occurrence covered hereunder is in progress, SHARP will be responsible for its portion of loss arising from such occurrence under this Memorandum through the conclusion of the seven (7) calendar day period, even if such period extends beyond the term of this Memorandum, subject to the terms and conditions hereof, provided that no amount of loss for the same occurrence shall be claimed against any renewal or replacement of this Memorandum, and provided the Covered party has continued coverage under the subsequent policy period. (B) Occupational disease and communicable disease sustained or alleged by each employee shall be deemed to arise from a separate occurrence, and the occurrence shall be deemed to take place on the last day of the last exposure, in the employment of the Covered Party, to conditions causing or aggravating the disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the Covered Party, whichever comes first.

9. **Participant** shall mean a **Member Entity**, which shall mean a signatory to the **Agreement** establishing the Shared Agency Risk Pool Joint Powers Authority, who has elected to participate in the PWCP.

10. **Retained limit** shall mean the amount stated on the Declarations page and all endorsements listed on the Declarations page, which will be paid by the **Covered Party** before the **Authority** is obligated to make any payment from the pooled funds.

B. THE MEMORANDUM OF COVERAGE

This MOC includes at its effective date the Declarations Page and all endorsements listed on the Declarations Page. This MOC is the coverage document between the **Covered Party** and the **Authority**. The terms of this MOC may not be changed or waived except by endorsement issued by the **Authority** to be part of this MOC.

C. COVERAGE PERIOD

This MOC applies to **losses** occurring during the coverage period defined in the Declarations.

D. WHO IS COVERED

The **Covered Party** is a **Participant** in the **Authority's** PWCP. If a **Covered Party** loses its status as a **Member Entity**, the coverage under this MOC shall terminate immediately upon such change in status.

Volunteer workers are also afforded workers' compensation benefits for performing duties for or on behalf of the **Covered Party** while acting within the scope of their duties on behalf of the **Covered Party** provided that the **Covered Party** has first adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2 of the California Labor Code declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of Workers' Compensation Law.

E. WORKERS' COMPENSATION LAW

Workers' Compensation Law means the workers' or workmen's compensation law and **occupational disease** law of the State of California, or any similar law. It includes any amendments to that law that are in effect during the term of this MOC. It does not include any federal workers' or workmen's compensation law, any federal **occupational disease** law, or the provisions of any law that provide non-occupational disability benefits.

F. QUALIFIED SELF-INSURER

The **Covered Party** represents that it is a duly qualified self-insurer under the Workers' Compensation Law of the State of California and will continue to maintain such qualifications during the term this MOC is in effect. If the **Covered Party** should fail to qualify or fail to maintain such qualifications, the coverage provided under this MOC shall automatically terminate at the first date of such failure.

PART I – WORKERS' COMPENSATION COVERAGE

The **Authority** will provide coverage for workers' compensation **losses** up to the **Authority's** Limit of Liability stated in the Declarations Page.

This coverage applies to **bodily injury**.

1. **Bodily injury** by accident must occur during the coverage period.

2. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party.** The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.

A. DEFENSE OF SERIOUS AND WILLFUL CLAIMS AND 132a ACTIONS:

The **Authority** will provide a defense for serious and willful claims and Labor Code Section 132a actions, as set forth below, brought before the Workers' Compensation Appeals Board (WCAB), but in no event shall the **Authority** provide any indemnity for any such claim or action:

1) Serious and willful misconduct by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §4553.).

2) Discrimination by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §132a.)

Such defense will be provided only until such time as the underlying claim for workers' compensation has concluded. The **Authority** shall have the sole discretion to determine when and whether the underlying claim has "concluded." The **Authority** may, at any time, exercise its right to withdraw from the defense of these claims, and such decision shall be final.

B. PAYMENTS THE COVERED PARTY MUST MAKE

The **Authority** is not responsible for any payments in excess of benefits regularly provided by the Workers' Compensation Law including any payment based on the following conduct by the **Covered Party**:

1. Serious and willful misconduct;

2. Knowing employment of an **employee** in violation of law;

3. Knowing failure to comply with a health or safety law or regulation;

4. Discharge, coercion or otherwise discriminating against any **employee** in violation of the Workers' Compensation Law; or

5. Violation of or failure to comply with any Workers' Compensation Law.

If the **Authority** makes any payments in excess of the benefits regularly provided by the Workers' Compensation Law on the **Covered Party's** behalf, the **Covered Party** will reimburse the **Authority** promptly for such payment.

PART II – EMPLOYER'S LIABILITY COVERAGE

The **Authority** will provide coverage for employer's liability **losses** up to the **Authority's** Limit of Liability stated in the Declarations Page.

This coverage applies to **bodily injury**. This coverage will apply to amounts awarded against the **Covered Party** in excess of the **Covered Party's Retained Limit** and subject to the Limit of Liability set forth herein, provided that those amounts awarded are the direct consequence of **bodily injury** that arises out of and in the course of the injured **employee's** employment by the **Covered Party and** are claimed against the **Covered Party** in a capacity other than as employer.

1. The **bodily injury** must arise out of and in the course of the injured **employee's** employment by the **Covered Party**.

2. **Bodily injury** by accident must occur during the coverage period.

3. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party.** The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.

PART III - POLICY EXCLUSIONS

This MOC shall not apply to:

A. Liability imposed by the Workers' Compensation Laws because of **bodily injury** to prisoners or inmates who receive compensation from an entity, other than the **Covered Party**, for the work performed except for liability imposed by the Workers' Compensation Laws because of **bodily injury** to participants of a work release program or other community service program established by a county of the State of California;

B. Employer's Liability Coverage herein does not apply to any obligation imposed by a workers' compensation, **occupational disease**, unemployment compensation, or disability benefits law, or any similar law.

C. **Bodily injury** intentionally caused or aggravated by the **Covered Party**.

D. **Bodily injury** to an **employee** while employed in violation of law with the actual knowledge of the **Covered Party**.

E. Liability for additional compensation imposed on the **Covered Party** under Labor Code Section 4557 by reason of injury to an **employee** under sixteen years of age and illegally employed at the time of the injury.

F. Liability imposed by Labor Code Section 4856.

PART IV - THE COVERED PARTY'S RETENTION AND AUTHORITY'S LIMIT OF LIABILITY

A. LIMIT OF COVERAGE BY AUTHORITY

The **Authority** will indemnify the **Covered Party** for loss under Workers' Compensation Laws but will not exceed the Limit of Liability stated in the Declarations Page on any one **loss**. Coverage will include all benefits required under Workers' Compensation Laws, including full salary benefits listed in Labor Code Section 4850. The **Authority** will pay on behalf of the **Covered Party** for Employer's Liability losses but will not exceed the Limits of Liability stated in the Declarations Page on any one loss.

B. HOW THE LIMIT OF COVERAGE APPLIES

The **Authority's** Limit of Coverage stated in the Declarations Page applies to claims covered under the Workers Compensation Coverage or Employer's Liability Coverage as follows:

1. To one or more **employees** for **bodily injury** or death in any one accident;

2. To any one **employee** for **bodily injury** or death by disease; and

If, an employee of two or more **Covered Parties** incurs a cumulative injury or illness as defined in General Section A(10) then the Retained Limits of the involved **Covered Parties** will be adjusted by applying the pro-rata percentage of exposure for the Cumulative Trauma period to each Member's SIR.

Nothing contained herein shall operate to increase the **Authority's** Limit of Coverage under this MOC.

PART V - CONDITIONS

A. NOTICE OF ACCIDENT OR CLAIM

1. The Covered Party shall give written notice within five days of the Covered Party's knowledge to the **Authority** if a claim for a **bodily injury** or disease occurs which appears to involve coverage by the **Authority**.

2. Notice of accident given to the **Authority** shall contain complete details on the **bodily injury**, disease, or death. If a suit, claim, or other proceeding is commenced which appears to involve coverage by the **Authority**, the **Covered Party** shall give the **Authority**:

   a) All notices and legal papers related to the claim, proceeding, or suit, or copies of these notices and legal papers; and

   b) Copies of reports on investigations made by the **Covered Party** on such claims, proceedings, or suits.

3. If written notice is not provided by the **Covered Party** to the **Authority** within thirty (30) days of knowledge of such claim, coverage may not be provided under this MOC. This requirement is a condition precedent to coverage under this MOC.

B. SUBROGATION - RECOVERY FROM OTHERS

The **Authority** has the **Covered Party's** rights, and the rights of persons entitled to compensation benefits from the **Covered Party**, to recover the **Authority's loss** from any third party liable for the **bodily injury**. The **Covered Party** will do everything necessary to protect those rights for the **Authority** and to assist in enforcing them. Any recovery, after deducting the **Authority's** recovery expenses, will first be used to reduce the **Authority's loss**. The balance, if any, will be returned to the **Covered Party**.

If the **Covered Party** waives its rights to subrogation on a claim covered under, or that may be covered under, this MOC, and if the amount of the claim exceeds the **Covered Party's Retained Limit** (and therefore comes within the **Authority's** layer), then the **Authority's** coverage shall not apply to the claim and the **Authority** shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the **Covered Party's Retained Limit**, unless the **Authority's** Workers' Compensation Program Manager approves the waiver of subrogation in writing.

The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a **Covered Party** after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the **Covered Party** prior to the date of the injury or illness that resulted in the claim.

C. MEMORANDUM CONFORMS TO LAW

If any provision of this MOC is in conflict with Workers' Compensation Laws applicable to this MOC, the **Authority's Agreement**, the **Authority's** Bylaws, or the **Authority's** PWCP Master Program Document, this statement amends this MOC to conform to such law or document.

D. ALTERNATIVE DISPUTE RESOLUTION

THE PARTIES TO THIS MEMORANDUM UNDERSTAND THAT BY AGREEING TO THIS MEMORANDUM OF COVERAGE THEY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY AND TO CERTAIN TYPES OF DAMAGES FOR THE PURPOSE OF ADJUDICATING ANY DISPUTE OR DISAGREEMENT AS TO COVERAGE UNDER THIS MEMORANDUM.

Decisions by the **Authority** whether to assume control of the negotiation, investigation, defense, appeal, or settlement of a claim, or whether or not coverage exists for a particular claim or part of a claim shall be made by the **Board**. An appeal to the **Board** from a coverage decision or opinion by general counsel must be made in writing to the **Authority** by the **covered party** within one hundred and twenty (120) days of receipt of such opinion or decision.

The **Board** will take action on any appeal within sixty (60) days or the next scheduled **Board** of Directors meeting, whichever is later, unless an extension is agreed to by the parties. The action taken by the **Board** will include written notice to the **covered party** **Board's** final decision.

The **covered party** must exhaust the right to appeal, as set forth above, before pursuing either Option A - Arbitration or Option B - Declaratory Relief, as set forth below.

The **covered party** must submit to the Administrator of the **Authority** a written request for Arbitration to pursue Option A - Arbitration, or a written notice of intent to file an action for Declaratory Relief to pursue Option B – Declaratory Relief, within ninety (90) days of receipt of the **Board's** final written decision. If no such written request or notice is submitted to the Administrator of the **Authority**, the **covered party** shall be deemed to have waived any and all other forms of relief or appeal as to the coverage dispute.

<u>Option A - Arbitration</u>:

If both the **Board** and the **covered party** agree in writing, then the coverage dispute may be resolved by binding arbitration or by any other means mutually agreed between the **Authority** and the **covered party**.

Once the **covered party** submits to the Administrator of the **Authority** a written request for Arbitration, the **Authority** shall have 20 (twenty) days from the date of receipt of the written request to respond. If the **Authority** does not agree in writing to Arbitration by the expiration of that time period, it will be deemed to have denied the request. In the event the written request for Arbitration is denied, the **covered party** shall have 10 (ten) days from the date the request is denied or deemed to have been denied to submit to the Administrator of the **Authority** a written notice of intent to file an action for Declaratory Relief. If no such written notice is submitted to the Administrator of the **Authority**, the **covered party** shall be deemed to have waived any and all other forms of relief or appeal as to the coverage dispute.

In the event both the **Board** and the **covered party** agree to arbitrate, they shall be deemed to waive any rights to pursue any adjudication or relief as to the coverage dispute in any other forum or court, including any rights to appeal.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single arbitrator. The arbitrator shall not be employed by or affiliated with the **Authority** or the **covered party** or any **covered parties**.

The parties shall select the arbitrator within twenty (20) calendar days from the date of the mutual agreement to arbitrate. If the parties are unable to agree upon an arbitrator within that time period, they may mutually agree to a reasonable extension of time not to exceed thirty (30) days. If the parties are unable to agree upon an arbitrator within that extended time period, the **Authority** shall file a petition with the Sacramento County Superior Court requesting appointment of a neutral arbitrator, and the procedures set forth in the California Code of Civil Procedure Sections 1281.6 shall be followed. Unless mutually agreed otherwise, the arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall pay one half the cost of the selected arbitrator. In addition, each party shall be responsible for its own attorneys' fees, costs and expenses of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure Sections 1282 et seq. for the scheduling of hearing(s) and matters relating to the hearing, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings. The procedures set forth in California Code of Civil Procedure Section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 9. Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280). The decision of the arbitrator shall be final and binding and shall not be subject to appeal.

<u>Option B – Declaratory Relief</u>:

If the **covered party** chooses Declaratory Relief or if the parties are unable to agree to Arbitration an action for Declaratory Relief seeking to resolve the coverage dispute must be filed within 90 days of submittal of the written notice of intent to file an action for Declaratory Relief, and any unexpired statute of limitations shall be tolled until expiration of that 90 day period. If an action for Declaratory Relief is not filed in the Superior Court within the time limitations of this paragraph, then notwithstanding any statute of limitations provided in the California Code of Civil Procedure or otherwise, the **covered party** shall be deemed to have waived and be barred from pursuing any further relief, adjudication, action, arbitration or appeal regarding the coverage dispute.

The scope of the action for Declaratory Relief shall be limited to seeking a judicial interpretation of this Memorandum, and, as appropriate, determination and declaration of the amount, if any, to be paid by the **Authority** for indemnity or defense owed under this Memorandum, plus interest as provided herein. No other legal theories or causes of action relating to or arising out of a coverage disagreement under this Memorandum shall be allowed, and such are expressly waived, including but not limited to causes of action for breach of contract or breach of the covenant of good faith and fair dealing. Neither the **Authority** nor the **covered party** shall be entitled to a trial by jury. Neither the **Authority** nor the **covered party** shall be entitled to any damages or relief other than as provided in this paragraph, plus simple interest at the rate of 1% per year on any amounts adjudicated to be owed. Interest on any amounts adjudicated to be owed shall run from the time any invoices for defense fees and costs are actually submitted to the **Authority** (in the event it is adjudicated that the **Authority** had a duty to defend the **covered party** and did not defend the **covered party**), and/or from the time the **Authority** is provided written confirmation of the amount of actual payment by the **covered party** of any judgment or settlement (in the event it is adjudicated that the **Authority** had a duty to pay for any settlement or judgment on behalf of the **covered party** and did not pay for any settlement or judgment on behalf of the **covered party**). Notwithstanding anything in this paragraph, any party to the Declaratory Relief action preserves the right to appeal any judicial decision to the appropriate appellate court, as provided by California law.

<u>Provisions Applicable to Both Option A – Arbitration and Option B – Declaratory Relief</u>:

Regardless of the existence or outcome of a coverage dispute, a Declaratory Relief action or any arbitration proceeding, the maximum amount or limit of coverage owed under this Memorandum by the **Authority** shall remain unchanged. Further, the **Authority** shall owe defense costs only to the extent they are incurred in compliance with all guidelines for billing and case handling applicable to any defense counsel retained to defend covered claims.

If any coverage dispute results in a settlement, or in a judgment or arbitration award, the amount paid by the **Authority** shall be deemed to be **ultimate net loss** under this Memorandum, and shall be considered and treated as any other payment of **ultimate net loss** by the **Authority** as if there had been no coverage dispute.

SHARED AGENCY RISK POOL JOINT POWERS AUTHORITY

MEMORANDUM OF COVERAGE

WORKERS' COMPENSATION COVERAGE

ENDORSEMENT NO. 1

It is understood that the named Covered Party of the Declarations is completed as follows:

American Canyon, City of
Los Altos Hills, Town of
Ross, Town of
Saratoga, City of
Woodside, Town of

Attached to and forming part of Policy No. SHARP 2026-27 WC

Effective Date: July 1, 2026

____
AUTHORIZED REPRESENTATIVE

Agenda Item 8.B.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration and Approval of Extension of Engagement Letter for Financial Auditor

BACKGROUND AND HISTORY:

In 2021, SHARP JPA entered into an agreement by way of the enclosed Engagement Letter for Independent Financial Audit service with James Marta & Company LLP, a certified public accounting firm. The scope of the agreement was to provide services for the fiscal years ending June 30, 2022, 2023, and 2024.

At the March 4, 2026, Board of Directors special meeting, the Board directed Staff to contact James Marta & Company to request a new agreement for audit services for an additional three-year term.

Marta & Company has provided an engagement letter for a three-year extension of services that reflects the following costs:

Fiscal Year Ended	2026	2027	2028
Cost	$25,000	$26,250	$27,500

RECOMMENDATION:

Staff recommends the Board of Directors approve the engagement letter with James Marta & Company LLP for independent financial audit services for the fiscal years ending June 30, 2026, 2027, and 2028.

REFERENCE MATERIALS ATTACHED:

- James Marta - Engagement Letter for Independent Financial Audit – 2025/26

James Marta & Company LLP
Certified Public Accountants

Accounting ▪ Audit ▪ Consulting ▪ Tax

June 17, 2026

Eric Dahlen
Director, Pool Administration
Shared Agency Risk Pool (SHARP)
1750 Creekside Oaks Drive, Suite 200
Sacramento, California 95833

To the Board of Directors of Shared Agency Risk Pool:

RE: Engagement Letter for Independent Financial Audit

We are pleased to confirm our understanding of the services we are to provide for Shared Agency Risk Pool (SHARP) related to fiscal years ending June 30, 2026, 2027 and 2028.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

1. OBJECTIVE AND SCOPE OF THE AUDIT

You have requested that we audit the financial statements of SHARP as of June 30, 2026, 2027 and 2028, and the related Statements of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows for the years then ended and the related notes to the financial statements, which collectively comprise SHARP's basic financial statements and provide assistance with the preparation of the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, and the State Controller's Minimum Audit Requirements for California Special Districts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Accounting principles generally accepted in the United States of America and Governmental Accounting Standards require that the Management's Discussion and Analysis, Reconciliation of Claims Liabilities by Program, and the Claims Development Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Claims Development Information
- Notes to Claims Development Information

Supplementary information other than RSI will accompany SHARP's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Graphical Summary of Claims

2. THE RESPONSIBILITIES OF THE AUDITOR

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Applicable standards include:

- The AICPA Audit Guide, Audits of State and Local Government Units, generally accepted auditing standards;
- The California State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts; and
- The United States General Accounting Office (GAO) Government Auditing Standards, Office of Management and Budget (OMB), Audits of States, Local Governments and Nonprofit Organizations.

As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SHARP's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards, and the State Controller's Minimum Audit Requirements for California Special Districts.

3. CHARACTER AND LIMITATIONS OF AN AUDIT

The purpose of an audit is to express an opinion as to whether your financial statements are fairly presented, in all material respects in conformity with United States generally accepted accounting principles, and is limited to the period covered by our audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. In the event we must withdraw from the engagement, our fees will be limited to the fees incurred up to the point of withdrawal.

We will also issue a written report on internal control, a report to those charged with governance and a management comment letter (if applicable).

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;

- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Our audit will be conducted in accordance with generally accepted auditing standards. Those standards require that we initially assess the risk that errors, fraud, irregularities, and illegal acts may cause the financial statements to contain a material misstatement. This is necessary because we do not audit all the transactions and balances in the financial statements, only a selected portion of them, in some cases a very small portion. The costs for us to examine a large portion of them, or all of them of a certain category, or all of them in all categories, would be prohibitive. Consequently, there are risks.

In making this initial assessment, we are required to obtain an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of financial statements and to design appropriate audit procedures. Those considerations mandate your complete cooperation and honesty about your knowledge and understanding of the possibility of the existence of errors, fraud, irregularities and illegal acts. By signing this letter, you agree that you will provide this cooperation and that you will be totally honest with us.

Based on that assessment, the standards require us to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by errors, fraud, irregularities and illegal acts. Accordingly, a material misstatement may remain undetected. While we are required to exercise due care and professional skepticism, since our opinion is based on the concept of reasonable assurance, we are not an insurer and our report does not constitute a guarantee. We will inform you of all matters of fraud that come to our attention. We will also inform you of illegal acts that come to our attention, unless they are clearly inconsequential. We will inform you of any need to extend our procedures because of them and our estimate of their additional cost.

The discovery, subsequent to the date of the auditor's report, that one or more errors, frauds, irregularities, or illegal acts causing the financial statements to contain one or more material misstatements, have occurred does not necessarily mean that our audit was not conducted in accordance with generally accepted auditing standards.

An audit includes obtaining an understanding of internal control sufficient to SHARP the audit, but is not designed to provide assurance on internal control or to identify significant deficiencies conditions. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets, revenues and expenses by correspondence with selected individuals, legal counsel, creditors, and financial institutions.

In the event that the financial information provided is incomplete or inaccurate, then we will either complete the work at our standard rate, or delay the audit until this information is complete and accurate.

At the conclusion of our audit, we will require you to furnish us a management representation letter confirming, among others, your responsibility for your financial statements and for the design and implementation of program and controls to prevent and detect fraud. This letter is a required audit procedure prior to issuing our report. By signing this engagement letter and furnishing a management representation letter, you agree to indemnify us and hold us harmless for any liability and costs arising from knowing misrepresentations by management.

In accordance with auditing standards generally accepted in the United States of America, we will also issue a written report describing the scope of our testing over internal control over financial reporting, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

4. COMPLIANCE WITH LAWS AND REGULATIONS

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SHARP's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

5. INDEPENDENT CONTRACTOR STATUS

James Marta & Company LLP shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of SHARP. Although SHARP reserves the right to evaluate the quality of the service provided by James Marta & Company LLP, SHARP will not control the means or manner of James Marta & Company LLP's performance.

6. REPORTING

We will issue a written report upon completion of our audit of SHARP's basic financial statements. Our report will be addressed to the Board of Directors of SHARP. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances is may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report, or if necessary, withdraw from the engagement.

7. MANAGEMENT RESPONSIBILITIES

At the outset, it is imperative that we state the scope of your responsibilities in connection with this engagement:

a. The financial statements are the responsibility of SHARP's management. As such, management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
b. Encompassed in that responsibility is the establishment and maintenance of effective internal control over financial reporting, the establishment and maintenance of proper accounting records, and the selection of appropriate accounting principles.
c. Management is responsible for the design and implementation of programs and controls to prevent or detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (a) management, (b) individuals who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements.
d. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the organization received in communications from members, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.
e. Management is responsible for:
   i. Identification of the applicable reporting framework;
   ii. Preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America; and
   iii. Design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
   iv. Having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company that involves management, employees who have significant roles in internal control, and others where fraud could have a material impact on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the company complies with the applicable laws and regulations.
   v. Accuracy and completeness of all data, information and representations provided to us for the purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, SHARP releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.
f. Management is responsible to provide us with:

i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
ii. Additional information that we may request from management for the purpose of the audit; and
iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on your financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these activities.

8. OTHER STIPULATIONS

We understand that SHARP employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing or review.

Our liability as auditors shall be limited to the period covered by our audit and shall not extend to later periods for which we are not engaged as auditors.

9. PROVISIONS OF ENGAGEMENT ADMINISTRATION AND TIMING

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in September and to complete and issue our report no later than October.

James Marta, CPA, CGMA, ARPM is the Engagement Partner for the audit services specified in this letter. His responsibilities include supervising James Marta & Company LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

10. RECORD RETENTION

It is our policy to keep records related to this engagement for seven (7) years. However, James Marta & Company LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period, James Marta & Company LLP's shall be free to destroy our records related to this engagement.

11. INSURANCE

During the term of this Contract, James Marta & Company LLP shall maintain in force insurance coverage as follows:

a. Commercial General Liability insurance applicable to the services provided to SHARP, with a combined single limit, or the equivalent, of not less than $2,000,000 per claim ($4,000,000 aggregate) for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
b. Workers' Compensation insurance: Up to 1,000,000 per claim.
c. Business Automobile Coverage insurance applicable to the operation of James Marta & Company LLP's trucks or automobiles with a combined single limit of not less than $2,000,000 per claim for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
d. Professional Liability insurance: Up to $1,000,000 per claim and $2,000,000 aggregate.

Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without 30 days prior written notice from James Marta & Company LLP or its insurer(s) to SHARP.

Certificates of Insurance. As evidence of the insurance coverages required by this contract, James Marta & Company LLP shall provide acceptable insurance certificates to SHARP as soon as practicable upon written request by SHARP. If requested, complete copies of insurance policies, shall be provided to SHARP.

12. ASSUMPTIONS

The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current audit and accounting standards.

This fee is based upon the assumption that the closing journal entries will be made and accounting will be finalized and closed before the year end audit fieldwork. If compliance requirements change, or if the Authority is involved in issuing an exempt offering, additional fees and an amended engagement letter may be required. Additional time and billing charges will be charged at our standard hourly rates and costs in the event of the following:

- Account reconciliations are not completed for (example but not limited to):

    - Cash Accounts
    - Accounts Receivable and Allowance for Doubtful Accounts
    - Investments
    - Prepaid Expenses
    - Accounts Payable
    - Accrued Expenses
    - Unearned Revenue
    - Deposits
    - Claims Liabilities
    - Prior year equity not in agreement with prior year audit

- Accounting system or account group changes from prior year
- Allocation of expenses not completed
- Allocation of investments not completed
- Allocation of income not completed
- Changes in accounts after beginning of audit work that necessitates additional or redo of audit work.
- Changes or revision of the initial trial balance
- Addition of new activities
- New funding sources
- New funds
- New debt

Whenever possible, we will attempt to use your personnel to assist in the preparation of schedules and analyses of accounts. We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Our initial fee estimate assumes we will receive the aforementioned assistance from your personnel and unexpected circumstances will not be encountered. In the event that the GASB, FASB, AICPA, GAO, OMB, or the State of California issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be at our standard hourly rates for each person involved in the additional work.

In the event we are required to respond to discovery requests, subpoenas, and outside inquiries, we will first obtain your permission unless otherwise required to comply under the law. Our time and expense to comply with such requests will be charged at our standard hour rates in addition to the stated contract.

At the conclusion of our audit engagement, we will communicate to the governing board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;

- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of James Marta & Company LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

13. REPORTS

We will provide you with 1 bound copy of the report. If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

The intended users of the report are the board of directors of SHARP. You agree to be responsible to distribute the reports to those charged with governance and to the appropriate officials of the responsible party.

Reports included in this engagement include:

- Independent Auditor's Report, Financial Statements and associated notes (1 bound copy and a PDF version);
- Management Letter including notification of reportable conditions (if necessary), statements, observations, opinions, comments and recommendations regarding the financial statement of SHARP and its systems of internal control;
- Report on Internal Control and Compliance and Other Matters in accordance with Government Auditing Standards;
- Present Audit results to the Audit Committee and to the Board of Directors;

14. WORKING PAPERS

The audit documentation for this engagement is the property of James Marta & Company LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available pursuant to authority given to any regulator by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of James Marta & Company LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any regulator. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

15. FEES

Our fees for the audit will be:

- $25,000 for the fiscal years beginning July 1, 2025 and ending June 30, 2026.
- $26,250 for the fiscal years beginning July 1, 2026 and ending June 30, 2027.
- $27,500 for the fiscal years beginning July 1, 2027 and ending June 30, 2028.

We will submit monthly progress billings for our services during the project. Invoices are payable upon presentation. Unpaid fee balances 30 days overdue will bear interest at 18 percent per annum. Payment by Credit Card is subject to a 5% processing fee.

16. INDEMNIFICATION

Pursuant to the contract with James Marta & Company LLP, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

17. TERMINATION

- Either Party may terminate this contract in whole or in part, with 30 days written notice to the other Party.
- In the event of contract termination, SHARP agrees to pay James Marta & Company LLP the fees and expenses incurred prior to such termination.
- SHARP may terminate this contract upon notice to James Marta & Company LLP, or at such later date as SHARP may establish in such notice, if James Marta & Company LLP commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of SHARP's notice, or such longer period as SHARP may specify in such notice.
- James Marta & Company LLP may terminate this contract upon 10 days' written notice to SHARP if SHARP fails to pay James Marta & Company LLP pursuant to the terms of this contract and

SHARP fails to cure within 30 days after receipt of James Marta & Company LLP written notice, or such longer period as James Marta & Company LLP may specify in such notice.

18. MEDIATION PROVISION

Disputes arising under this agreement (including scope, nature, and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

19. ENGAGEMENT EXECUTION

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. Several technical accounting and auditing words and phrases have been used herein. We presume you to understand their meaning or that you will notify us otherwise so that we can furnish appropriate explanations. If you have any questions, please let us know.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. This letter will continue in effect until canceled by either party.

Respectfully,

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

20. RESPONSE

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Shared Agency Risk Pool

Authorized Signature: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

Agenda Item 8.C.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration and Approval of Extension of Board Counsel Agreement

---

BACKGROUND AND HISTORY:

SHARP Board of Directors retains independent legal counsel to provide advice and guidance on governance, regulatory compliance, and other legal matters affecting the organization. Board Counsel serves as a critical resource to ensure that Board actions and policies are consistent with applicable laws, regulations, and best practices.

The current agreement for Board Counsel is scheduled to expire on June 30, 2026. Staff has conducted a review of services provided under the agreement and has determined that continued legal support is necessary to maintain effective governance and risk management.

Board Legal Counsel has consistently provided timely, knowledgeable, and practical legal advice to the Board of Directors. Services provided include, but are not limited to:

- Advising on governance matters, including Brown Act compliance and conflict-of-interest issues
- Reviewing and providing guidance on Board policies, resolutions, and agreements
- Supporting the Board during meetings and strategic discussions
- Assisting with legal risk assessment and mitigation strategies

Staff has evaluated the performance of current counsel and finds the services to be responsive, effective, and aligned with the organization's needs. Continuity of legal services is particularly important to ensure consistency in legal guidance and to preserve institutional knowledge.

The proposed renewal maintains the existing scope of services. Any proposed adjustments to compensation or billing structure, if applicable, are consistent with market standards and reflect the level of expertise provided.

Fiscal Impact

The cost of Board Legal Counsel services is included in the proposed budget for the 2026/27. Approval of this renewal will not result in any unbudgeted financial impact.

RECOMMENDATION:

Staff recommends that the Board of Directors approve the renewal of the agreement for Board Counsel under the proposed terms and conditions, with any necessary updates as outlined in this report.

REFERENCE MATERIALS ATTACHED:

- Professional Services Agreement – Legal Consulting Services

PROFESSIONAL SERVICES AGREEMENT

By and Between

SHARP JPA

and

Boucher Law, PC

for

LEGAL CONSULTING SERVICES

July 1, 2026

TABLE OF CONTENTS

ARTICLE **PAGE**

PROFESSIONAL SERVICES AGREEMENT

By and Between SHARED AGENCY RISK POOL, JPA

and Boucher Law, PC

For LEGAL CONSULTING SERVICES

THIS AGREEMENT (this "Agreement") is made and entered into as of the 1st day of July 1, 2026, by and between Shared Agency Risk Pool (herein called "SHARP."), a Joint Powers Authority, and Boucher Law, a Professional Corporation.

RECITALS

WHEREAS, SHARP requires certain work services as described in Attachment "A" of this Contract; and

WHEREAS, the services required for the Project cannot be performed satisfactorily by the officers of SHARP; and

WHEREAS, the parties hereto now wish to enter into this Agreement pursuant to which CONSULTANT will render professional services in connection with the Project as hereinafter provided.

NOW, THEREFORE, the parties hereto agree as follows:

1. **SCOPE OF SERVICES**

   CONSULTANT's services are generally described in Attachment A, Scope of Work, attached hereto and incorporated herein by this reference. CONSULTANT agrees to provide legal services for the tasks identified as directed by the General Manager.

2. **PERIOD OF PERFORMANCE**

   CONSULTANT's services hereunder shall commence upon issuance of a written Notice to Proceed (NTP) issued by SHARP's General Manager and shall continue in full force and effect through **June 30, 2029, or** until otherwise terminated or extended as hereinafter provided by written amendment, except that all indemnity and defense obligations hereunder shall survive termination of this Contract. CONSULTANT shall not be compensated for any Work performed or costs incurred prior to issuance of the NTP.

   SHARP, at its sole discretion, may extend the original term of the Contract through the issuance of a Board approved amendment.

3. COMPENSATION AND METHOD OF PAYMENT

A. Compensation. CONSULTANT shall be compensated for services based on the hourly rates for the key personnel set forth in Attachment B, Key Personnel and Billing Rates, attached hereto and incorporated herein by this reference, which include all applicable surcharges such as taxes, insurance, and fringe benefits as well as indirect costs, overhead and profit allowance, materials, and supplies.

B. Expenses. SHARP will reimburse CONSULTANT for all expenses deemed reasonable and necessary by SHARP incurred by CONSULTANT in the performance of this Agreement. Reimbursable expenses shall include actual courier messenger services, docket/search fees, outbound faxes, express mail or special handling mail; mileage; public transportation, parking, bridge tolls, outside document production; photocopying charges; publication charges; postage; long distance telephone charges; actual on-line legal research charges, not to exceed $100 without prior approval; court and other litigation costs; and pre-authorized transportation and other expenses incurred by employees or agents of CONSULTANT on SHARP's behalf.

C. Method of Payment. CONSULTANT shall submit invoices for services rendered on a monthly basis, identifying the work for which payment is requested; the hours worked or the deliverable completed; any authorized expenses, together with receipts for such expenses, if requested; the total amount requested; and the cumulative amount billed and paid under this Agreement. Payment shall be made by SHARP within thirty (30) days of receipt of an acceptable invoice, approved by a designated representative. All invoices shall be made in writing and delivered or mailed to SHARP as follows:

"Attention: SHARP"

4. KEY PERSONNEL

The key personnel to be assigned to this work by CONSULTANT and their hourly rates, if applicable, are set forth in Attachment B, Key Personnel and Billing Rates, attached hereto and incorporated herein by this reference. CONSULTANT agrees that all personnel assigned to this work will be professionally qualified for the assignment to be undertaken.

5. AMENDMENTS

SHARP reserves the right to request changes in the services to be performed by CONSULTANT. All such changes shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by the General Manager or a designated representative and CONSULTANT and specifically identified as amendments to the Agreement. Any services added to the scope of the Agreement by an amendment shall be subject to all applicable conditions of the Agreement. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.

6. TERMINATION

SHARP may terminate this Agreement, in whole or in part, at any time by written notice to CONSULTANT. Upon receipt of notice of termination, CONSULTANT shall stop work under this Agreement immediately, to the extent provided in the notice of termination, and shall promptly submit its termination claim to SHARP. CONSULTANT shall be reimbursed for hours performed, plus expenses, up to the time of termination, not to exceed the maximum amount payable under the Agreement or, for deliverables-based payment, not to exceed the maximum payable for the deliverable.

CONSULTANT may withdraw from representation of SHARP, and terminate this Agreement, at any time, as required or permitted by Rule 3-700 of the California Rules of Professional Conduct, on "Termination of Employment," operative May 27, 1989 (and as those Rules may be amended from time to time).

7. INSURANCE REQUIREMENTS

a. Minimum Coverages. CONSULTANT shall, at its own expense, obtain and maintain in effect at all times during the life of this Agreement the following types of insurance against claims, damages and losses due to injuries to persons or damage to property or other losses that may arise in connection with the performance of work under this Agreement, placed with insurers with a Best's rating of A-VIII or better.

i. Workers' Compensation Insurance in the amount required by the applicable laws, and Employer's Liability insurance with a limit of not less than $1,000,000 per employee and $1,000,000 per occurrence, and any and all other coverage of CONSULTANT's employees as may be required by applicable law. Such policy shall contain a Waiver of Subrogation endorsement in favor of SHARP.

ii. Commercial General Liability Insurance for Bodily Injury and Property Damage liability, covering the operations of CONSULTANT and CONSULTANT's officers, agents, and employees and with limits of liability which shall not be less than $1,000,000 combined single limit per occurrence with a general aggregate liability of not less than $2,000,000, and Personal & Advertising Injury liability with a limit of not less than $1,000,000. Expense for Indemnitee's defense costs shall be outside of policy limits and such policy shall be issued on a Duty to Defend Primary Occurrence Form.

SHARP and its board members, officers, representatives, agents, and employees are to be named as additional insureds. Such insurance as afforded by this endorsement shall be primary as respects any claims, losses or liability arising directly or indirectly from CONSULTANT's operations.

iii. Business Automobile Insurance for all automobiles owned, used, or maintained by CONSULTANT and CONSULTANT's officers, agents, and employees, including but not limited to owned, leased, non-owned and hired automobiles, with limits of liability which shall not be less than $1,000,000 combined single limit per occurrence.

iv. Umbrella Insurance in the amount of $2,000,000 providing excess limits over Employer's Liability, Automobile Liability, and Commercial General Liability Insurance.

v. Errors and Omissions Professional Liability Insurance (if applicable) in an amount no less than $1,000,000 per occurrence/$2,000,000 aggregate. If such policy is written on a "Claims-Made" (rather than an "occurrence") basis, CONSULTANT agrees to maintain continuous coverage in effect from the date of the commencement of services to at least three (3) years beyond the termination or completion of services or until expiration of any applicable statute of limitations, whichever is longer. The policy shall provide coverage for all work performed by the CONSULTANT and any work performed or conducted by any subcontractor/subconsultant working for or performing services on behalf of the CONSULTANT. No contract or agreement between the CONSULTANT and any subcontractor/subconsultant shall relieve the CONSULTANT of the responsibility for providing this Errors & Omissions or Professional Liability coverage for all work performed by the CONSULTANT and any subcontractor/subconsultant working on behalf of the CONSULTANT on the project.

vi. Property Insurance. Property Insurance covering CONSULTANT'S own business personal property and equipment to be used in performance of this Agreement. Coverage shall be written on a "Special Form" ("All Risk") that includes theft, but may exclude earthquake, with limits at least equal to the replacement cost of the property. Such policy shall contain a Waiver of Subrogation in favor of SHARP. If such insurance coverage has a deductible, CONSULTANT shall also be liable for the deductible.

vii. Non-Limitation of Insurance Requirements. The insurance coverage provided, and limits required under this Contract are minimum requirements and are not intended to limit the CONSULTANT's indemnification obligations under the Contract, nor do the indemnity obligations limit the rights of the Indemnified Parties to the coverage afforded by their insured status. To the extent required by Law in connection with Work to be performed, the CONSULTANT shall obtain and maintain, or cause to be obtained and maintained, in addition to the insurance coverage expressly required under this Contract, such other insurance policies for such amounts, for such periods of time and subject to such terms as required by Law and any other agreements with which the CONSULTANT is required to comply, including any Third-Party Agreements. Liability insurance coverage will not be limited to the specific location designated as the Site, except that if the CONSULTANT arranges project-specific general liability, excess liability, or workers' compensation coverage, limitations of coverage to the Site will be permitted subject to SHARP approval and use of the broadest available site-specific endorsements. No liability policy will contain any provision or definition that would serve to eliminate so-called "third-party-over action" claims, including any exclusion for bodily injury to an employee of the insured or of any Subcontractor. The CONSULTANT acknowledges and will at all times comply with the provisions of Labor Code Section 3700 which require every employer in the State to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code.

b. Deductibles and Retentions. CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from SHARP. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that SHARP seeks coverage as an additional insured under any CONSULTANT insurance policy that contains a deductible or self-insured retention, CONSULTANT shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy, for any lawsuit arising from or connected with any alleged act of CONSULTANT, subconsultant, subcontractor, or any of their employees, officers or directors, even if CONSULTANT or subconsultant is not a named defendant in the lawsuit.

c. Notice of Termination. All CONSULTANT policies shall provide that the insurance carrier shall give written notice to SHARP at least 30 days prior to cancellation of the policy or policies (unless canceled for non-payment, then 10 days prior written notice will be given) and shall provide notice of such cancellation to SHARP and any other additional insured.

d. Additional Provisions. Each policy or policies of insurance described in Commercial General Liability Insurance, above, shall contain the following provisions:

- Inclusion of SHARP, its successor entity, and their respective commissioners, officers, representatives, agents and employees, as additional insureds with respect to work or operations in connection with this Agreement.
- Endorsement providing that such insurance is primary insurance, and no insurance of SHARP will be called on to contribute to a loss.

e. Certificates of Insurance. Prior to commencement of any work hereunder, CONSULTANT shall deliver to SHARP Certificates of Insurance verifying the aforementioned coverages. Such certificates shall make reference to all provisions and endorsements referred to above and shall be signed on behalf of the insurer by an authorized representative thereof. CONSULTANT agrees, upon written request by SHARP, to furnish copies of such policies or endorsements, certified by an authorized representative of the insurer.

f. Disclaimer. The foregoing requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant hereto.

8. STATUS OF CONSULTANT

CONSULTANT is an independent contractor retained through this Agreement to provide legal services in specific areas of law and not to participate in or advise SHARP on general ongoing decisions. CONSULTANT is not an employee of SHARP and has no authority to contract or enter into any other agreement in the name of SHARP. CONSULTANT has, and hereby retains, full control over the employment, direction, compensation and discharge of all persons employed by CONSULTANT who are assisting in the performance of services under this Agreement. CONSULTANT shall be fully responsible for all matters relating to the payment of its employees, including compliance with social security, withholding tax and all other laws and regulations governing such matters. CONSULTANT shall be responsible for its own acts and those of its agents and employees during the term of this Agreement.

CONSULTANT shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendations, or counsel independent of the control and direction of SHARP or any SHARP official, other than normal contract monitoring, and shall possess no authority with respect to any SHARP decision beyond rendition of information, advice, recommendations, or counsel. The authority of CONSULTANT to make representations or statements on behalf of SHARP shall be limited to representations or statements that reflect or convey agency decisions of SHARP, and which are of a type that outside counsel normally make in the context of representation of a client.

9. WORK PRODUCTS CONFIDENTIAL

Work products prepared or assembled by CONSULTANT, obtained from others by CONSULTANT or made available to CONSULTANT by SHARP in connection with the services under this Agreement shall be treated as confidential by CONSULTANT and subject to the Attorney Work Product Doctrine and the attorney-client privilege, and CONSULTANT agrees that they shall not be made available to any individual or organization without prior approval of SHARP.

10. SUBCONTRACTS

CONSULTANT shall not subcontract all or any portion of its services under this Agreement without the prior written approval of the Project Manager or a designated representative, and any attempt to do so shall be void and unenforceable. In the event that CONSULTANT enters into one or more subcontracts pursuant to this Article, it is understood and agreed that the participating subcontractors shall be solely and directly responsible to CONSULTANT, and SHARP shall have no obligation to them.

11. ASSIGNMENT OF AGREEMENT

CONSULTANT shall not assign this Agreement, or any part hereof without prior express written consent of SHARP or a designated representative, and any attempt thereat shall be void and unenforceable.

12. RECORDS

CONSULTANT shall maintain full and adequate books, records, and accounts in accordance with generally accepted accounting practices. All such books, records, accounts, and any and all work products, materials, and other data relevant to its performance under this Agreement shall be retained by CONSULTANT for a minimum of four (4) years following the fiscal year of the last expenditure under this Agreement.

13. AUDITS

CONSULTANT shall permit SHARP and its authorized representatives to have access to CONSULTANT's books, records, accounts, and any and all work products, materials, and other data relevant to this Agreement, for the purpose of making an audit, examination, excerpt and transcription during the term of this Agreement, and for the period specified in Article 12. CONSULTANT shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, work products, materials, and data for that period of time.

14. NOTICES

Except for invoices submitted by CONSULTANT pursuant to Article 3, all notices, or other communications to either party by the other shall be deemed given when made in writing and delivered, mailed, emailed, or faxed to such party at their respective addresses as follows:

To SHARP: Attention:

Eric Dahlen, General Manager
SHARP
1750 Creekside Oaks, Suite 200
Sacramento, CA 95833-3648

To CONSULTANT: Attention:

Email:

Tel:

Fax:

15. PROHIBITED INTEREST

16. No member, officer, employee, or agent of SHARP, during his/her tenure shall have any prohibited interest as defined by California Government Code Sections 1090, *et seq*. and 87100 *et seq*., direct or indirect, in the Agreement or the proceeds thereof. Prohibited interests include interests of immediate family members, domestic partners, and their employers or prospective employers. CONSULTANT further covenants that it has made a complete disclosure to SHARP of all facts of which it is aware upon due inquiry bearing upon any possible interest, direct or indirect, which it believes any member, officer, agent or employee of SHARP (or an immediate family member, domestic partner or employer or prospective employer of such member, officer, agent or employee) presently has, or will have in the Agreement, or in the performance thereof, or in any portion of the profits thereunder. Willful failure to make such disclosure, if any, shall constitute grounds for cancellation and termination hereof by SHARP.**SOLICITATION OF CONTRACT**

CONSULTANT warrants that it has not employed or retained any company or persons, other than a bona fide employee working solely for CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person other than bona fide employees working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of the Agreement. For breach or violation of this warranty, SHARP shall have the right to terminate the Agreement without liability or, at its discretion, the right to deduct from CONSULTANT's maximum payment the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent consideration.

17. INTEREST OF THE CONSULTANT

CONSULTANT covenants that it has a duty to disclose any potential conflicts of interest and has disclosed any potential conflicts of interest existing at the time of execution of the Agreement. CONSULTANT will otherwise act in accordance with its ethical obligations in performing its work for SHARP. SHARP acknowledges that CONSULTANT may represent individual members of SHARP, and hereby acknowledges and waives any potential conflict of interest. In the event of an actual conflict, CONSULTANT will be required to recuse itself from matters giving rise to the conflict.

To the extent that an actual or potential conflict of interest is identified in the course of this engagement, CONSULTANT will seek the informed written consent of both SHARP and the other client where appropriate, in accordance with the State Bar of California Rules of Professional Conduct.

18. LAWS AND REGULATIONS

CONSULTANT shall comply with any and all laws, statutes, ordinances, rules, regulations, and procedural requirements of any national, state, or local government, and of any agency of such government, including but not limited to SHARP, that relate to or in any manner affect the performance of the Agreement. Those laws, statutes, ordinances, rules, regulations, and procedural requirements which are imposed on SHARP as a recipient of federal or state funds are hereby in turn imposed on CONSULTANT.

19. REMEDIES FOR BREACH

The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by SHARP or CONSULTANT shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

20. CHOICE OF LAW

All questions pertaining to the validity and interpretation of the Agreement shall be determined in accordance with the laws of California applicable to agreements made and to be performed within the State.

21. MEDIATION

Prior to the initiation of any legal proceedings, the parties of this Agreement agree to submit all claims, disputes or controversies arising out of or in relation to the interpretation, application, or enforcement of this Agreement to non-binding mediation. Such mediation shall be conducted under the auspices of the American Arbitration Association or such other mediation service or mediator upon which the parties agree. The Party seeking to initiate mediation shall do so by submitting a formal, written request to the other party to this Agreement. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceeding to litigate such claim or dispute under the laws of the State of California.

22. ENTIRE AGREEMENT

The Agreement is the entire agreement of the parties. CONSULTANT represents that in entering into the Agreement it has not relied on any previous representations, inducements, or understandings of any kind or nature.

23. PARTIAL INVALIDITY

If any term or condition of the Agreement is found to be illegal or unenforceable, such term or condition shall be deemed stricken and the remaining terms and conditions shall remain valid and in full force and effect.

24. BENEFIT OF AGREEMENT

The Agreement shall bind and benefit the parties hereto and their heirs, successors, and permitted assigns.

IN WITNESS WHEREOF, the Agreement has been executed by the parties hereto as of the day and year first written above.

SHARP	CONSULTANT
Rebecca Mendenhall, President of the Board of Directors	Christopher Boucher Boucher Law, PC
Date	Date

ATTACHMENT A
Scope of Work

I. INTRODUCTION

The Shared Agency Risk Pool (SHARP) is a public entity comprised of 5 cities located throughout the greater Bay Area. SHARP was formed January 1, 2018, by a joint powers agreement in accordance with the California Government Code, and is one of an estimated 150 joint powers authority self-insurance pools operating in California. SHARP provides self-insured workers' compensation coverage.

The membership requirements of SHARP are:

- A member must be an incorporated municipality;
- Be located within the State of California;
- Have professional management as typified by a bona fide council, city manager/administrator form of government; and,
- Be approved for participation in the manner provided by SHARP's Bylaws.

SHARP members share losses on a self-insured basis, jointly purchase excess coverage, and jointly share in the costs of services such as, but not limited to, administration, litigation management, loss prevention programs, accounting services, actuarial services, third party claims adjusting services, and legal services in connection with the coverage programs. SHARP is administered by Sedgwick Claims Services, Inc.

SHARP is governed by a 5-member Board of Directors (Board) that meets three times per program year. The Board appoints the Administrator, who serves at the pleasure of the Board.

II. SCOPE OF SERVICES

The services to be provided by the selected legal counsel include, but may not be limited to, the following at the direction of the Administrator, Board, and/or Executive Committee:

A. Review, analyze and interpret SHARP's governing documents, including the Joint Powers Agreement, Master Program Documents, Bylaws, Resolutions and other policies adopted by the Board and/or Executive Committee. Develop language revising such documents as directed;

B. Review, analyze, and as requested, negotiate contracts with outside vendors on behalf of SHARP;

C. Attend regularly scheduled and special Board meetings.

D. Provide legal advice to staff, the Board on *Brown Act* and *Public Records Act* issues and other legal issues under the California Government Code and other relevant statutes; advise staff, Board, and Committee members on conflicts of interest; advise on state and federal laws, rules, and regulations, that affect operation of California joint powers insurance authorities;

E. Provide advice when needed regarding the order of process to conduct open, public entity meetings;

F. Represent SHARP in legal proceedings on contested matters affecting SHARP, as directed; and

G. Perform other such duties that may be requested.

III. DESIRED QUALIFICATIONS

To qualify, the law firm or counsel should meet the following minimum qualifications:

A. Active member of the State Bar of California and licensed to practice in the state.

B. Minimum of seven (7) years as general counsel to a California joint powers authority or other public agency.

C. Minimum of seven (7) years' experience in civil litigation, preferably in representing governmental clients, and knowledge in the areas of contract interpretation, tort liability, and municipal liability.

D. Extensive experience and knowledge of coverage interpretations of joint powers insurance authorities' memoranda of coverage.

E. Experience with and knowledge of the *Brown Act* and *California Public Records Act, and other laws governing the operation of joint powers insurance authorities*.

F. Knowledge of Robert's Rules of Order and Rosenberg's Rules of Order.

G. Experience in advising public officials and staff on conflicts of interest.

H. Knowledge of state and federal laws, rules, and regulations that affect operation of a California joints powers insurance authority and experience in advising staff and public officials on those laws.

I. Experience with and knowledge of joint powers insurance authority agreements, bylaws, and other governing documents. This includes the ability to analyze and suggest language clarifying intended policies.

J. Ability to work effectively with the staff, Board with respect to any of the services required by SHARP.

K. Ability to provide clear, effective written and oral communication.

ATTACHMENT B
Key Personnel Assignments and Billing Rates

	Name	Rate/hour	Description
1.	Marc Zafferano		Attorney
2.			

The use of others not listed above, with the approval of SHARP, or its designated representative, shall be within the range of rates set forth above, based on comparable experience.

Agenda Item 8.D.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration and Approval of Engagement Letter for Actuarial Services

BACKGROUND AND HISTORY:

SHARP retains a qualified actuarial firm to provide independent actuarial services in support of its financial reporting, funding analysis, and long-term risk management. These services are essential to ensure the adequacy of reserves for workers' compensation liabilities and to support sound financial decision-making.

Bickmore Actuarial has extensive experience providing actuarial services to public agency risk pools and joint powers authorities. The firm is familiar with SHARP's program structure, historical loss experience, and reporting requirements, allowing for continuity and efficiency in service delivery.

The engagement letter outlines the scope of work, timeline, and fee structure for the actuarial services to be performed during the upcoming program year. The proposed fees are consistent with prior years and reflect the scope and complexity of services provided.

Fiscal Impact

The cost of actuarial services is $10,570 and is included in the proposed administrative budget for the 2026-27 program year.

Approval of the engagement letter with Bickmore will ensure continuity of actuarial services and support SHARP's ongoing financial stability and compliance with reporting requirements.

RECOMMENDATION:

Staff recommends the Board of Directors approve the engagement letter with Bickmore Actuarial to provide actuarial services for the upcoming program year.

REFERENCE MATERIALS ATTACHED:

- Actuarial Services Engagement Letter – 2026-27 Analysis

June 19, 2026

Shared Agency Risk Pool
Attn: Eric Dahlen
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

RE: Actuarial Services Engagement Letter – 2026-27 Analysis

Dear Mr. Dahlen:

Thank you for the opportunity to provide actuarial services to Shared Agency Risk Pool (SHARP) ("SHARP"). SHARP is seeking professional actuarial advice with regard to its self-insured workers' compensation program. The following is a brief outline of our understanding of the scope of work to be performed and our fees.

The objective of this study is to provide an estimate of outstanding liabilities, projection of loss costs, cash flow and investment income. Our report will include the following information:

SHARP WORKERS' COMPENSATION PROGRAM

Reserve and Funding Study

- Estimate outstanding loss and loss adjustment expense (LAE) liabilities as of June 30, based on losses evaluated as of December 31. Estimates should be provided on a discounted basis and at various confidence levels to be specified by SHARP.
- Project funding amounts for losses and allocated loss adjustment expenses (ALAE) for the next fiscal year.
- Determine the confidence level of the program assets as of June 30 relative to the outstanding liabilities.

Ex-Mods

- Produce experience modification factors for each Member Jurisdiction based on SHARP's formula.

June 30 Update

- Update the estimated outstanding loss and LAE liabilities as of June 30 using actual loss information evaluated as of June 30.

We will agree to complete the scope of work discussed above for the following fees:

Project Component	Fees
WC Reserve and Funding Study	$6,640
WC Ex-Mods	$1,350
WC June 30 Update	$2,580
Total	**$10,570**

Our target delivery date for the draft reports will be within four weeks of receipt of complete data.

Finalized reports will be provided in electronic (PDF) format via email. Printed and bound copies of reports can be provided at an additional cost of $25 per report copy.

Should other services beyond the scope of work outlined above be required, we will bill for our time and out-of-pocket expenses at the rates specified below.

Consultant	Hourly Rate
Partners	$350
Managers	250
Actuarial Staff	150
Administrative Staff	80

Upon delivery of a draft report, consultant shall be entitled to the entire fee. If this agreement is terminated prior to delivery of a draft report, client agrees to pay contractor for all hours incurred through the date notice of termination is given. Such amount shall be limited to the maximum fees stated in this agreement.

Please call me at (916) 244-1183 with any questions you may have with regard to our proposal.

Respectfully Submitted,

____

Becky Richard, ACAS, MAAA
Asst. Vice President and Partner

Accepted By:
Bickmore Actuarial

____

Mike Harrington, FCAS, MAAA
President and Managing Partner

Accepted By:
SHARP

____

FINANCIAL MATTERS

SUBJECT: Consideration and Approval of Draft Actuarial Report as of March 25, 2026

BACKGROUND AND HISTORY:

Becky Richard, Bickmore Actuarial, has completed the following actuarial analysis:

- Outstanding Liabilities as of June 30, 2026, Forecast for Program Year 2026-27 dated March, 2026 ("**Report**")

Ms. Richard will be in attendance to present the Report.

The Report is composed of two main components: (1) a review of the estimates of the ultimate liabilities projected to June 30, 2026; and (2) a loss forecasting analysis to determine the appropriate contribution rate in the 2026/27 Program Year.

This report relies on loss data available as of December 31, 2025.

Review of Ultimate Liability Estimates

The estimate of SHARP's Ultimate Loss and Allocated Loss Adjustment Expense (ALAE) for program years up to 2025/26 has decreased by 4.6 %, or $254,000 compared to the prior report dated May 13, 2025, which relied on loss data as of December 31, 2024.

See document page 9 of the Report for a table showing the revised ultimate loss estimates.

Loss Forecasting Analysis

The discounted contribution amount required to collect at the 65% confidence level (CL) for the upcoming 2026/27 program year in SHARP's primary risk-sharing layer is $519,000, which is a 2.6% increase, or $13,000, from the prior year. This is primarily due to an increase in member payroll.

The proposed discount factor remains 2.0%, the same factor as last year's study and also used in the 2026/27 Draft Operating Budget.

See document page 5 of the Report comparing Discounted Loss Funding rates at different confidence levels.

RECOMMENDATION:

Staff recommends the Board of Directors receive and file the actuarial study, as presented.

REFERENCE MATERIALS ATTACHED:

- Outstanding Liabilities as of June 30, 2026, Forecast for Program Year 2026-27 dated March 25, 2026

Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2026
Forecast for Program Year 2026-27

Presented to
SHARP JPA

March 25, 2026 - DRAFT

SCOPE AND SIGNATURE

The SHARP JPA ("SHARP") has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2026 for its self-insured workers' compensation program utilizing data valued as of December 31, 2025. SHARP also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate SHARP's net liability for outstanding claims as of June 30, 2026. Liabilities net of reinsurance are presented on both an undiscounted basis as well as a discounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.
2. Project ultimate claims costs for the 2026-27 program year. Similar to the liability projections, the ultimate program year costs are presented on both undiscounted and discounted bases. Projections with and without risk margins are also included.
3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to SHARP in preparing this report. Please feel free to call Becky Richard at (916) 244-1183 or Mike Harrington at (916) 244-1162 with any questions you may have concerning this report.

Becky Richard and Mike Harrington meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries' qualification standards to sign Statements of Actuarial Opinion.

DRAFT

Becky Richard, ACAS, MAAA
Asst. Vice President and Partner

DRAFT

Mike Harrington, FCAS, MAAA
President and Managing Partner

DRAFT

David Kim
Actuarial Consultant

TABLE OF CONTENTS

Bickmore Actuarial

EXECUTIVE SUMMARY

Net Claim Liabilities

The following table presents our conclusions regarding SHARP's net claim liabilities.

Loss & LAE Claim Liabilities
As of June 30, 2026, Net of Reinsurance

		←	Confidence Level		→
Dollars ($000s)	**Expected[1]**	**65%**	**70%**	**75%**	**80%**	**85%**
Loss & ALAE	$1,262	$1,379	$1,454	$1,540	$1,640	$1,763
Claims Admin. (ULAE)	46	50	53	56	59	64
Total Loss & LAE	**$1,307**	**$1,429**	**$1,507**	**$1,596**	**$1,699**	**$1,827**
NPV Adjustment[2]	(133)	(146)	(153)	(162)	(173)	(186)
Discounted Loss & LAE	**$1,174**	**$1,283**	**$1,354**	**$1,434**	**$1,526**	**$1,641**
Assets	6,947	6,947	6,947	6,947	6,947	6,947
Surplus/(Deficit)	5,773	5,664	5,593	5,513	5,421	5,306
Short Term[3]	$255	$279	$294	$312	$332	$357
Long Term[3]	919	1,004	1,060	1,122	1,194	1,284

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 2.0% and assumes that invested assets are equal to the recommended discounted reserve level.
3 Short-term liabilities are projected to be paid within 12 months of the accounting date. Long-term liabilities are projected to be paid after 12 months.

Per CAJPA accreditation requirements, the 98% and 99% CL discounted outstanding liabilities are $2,483,000 and $2,760,000, respectively.

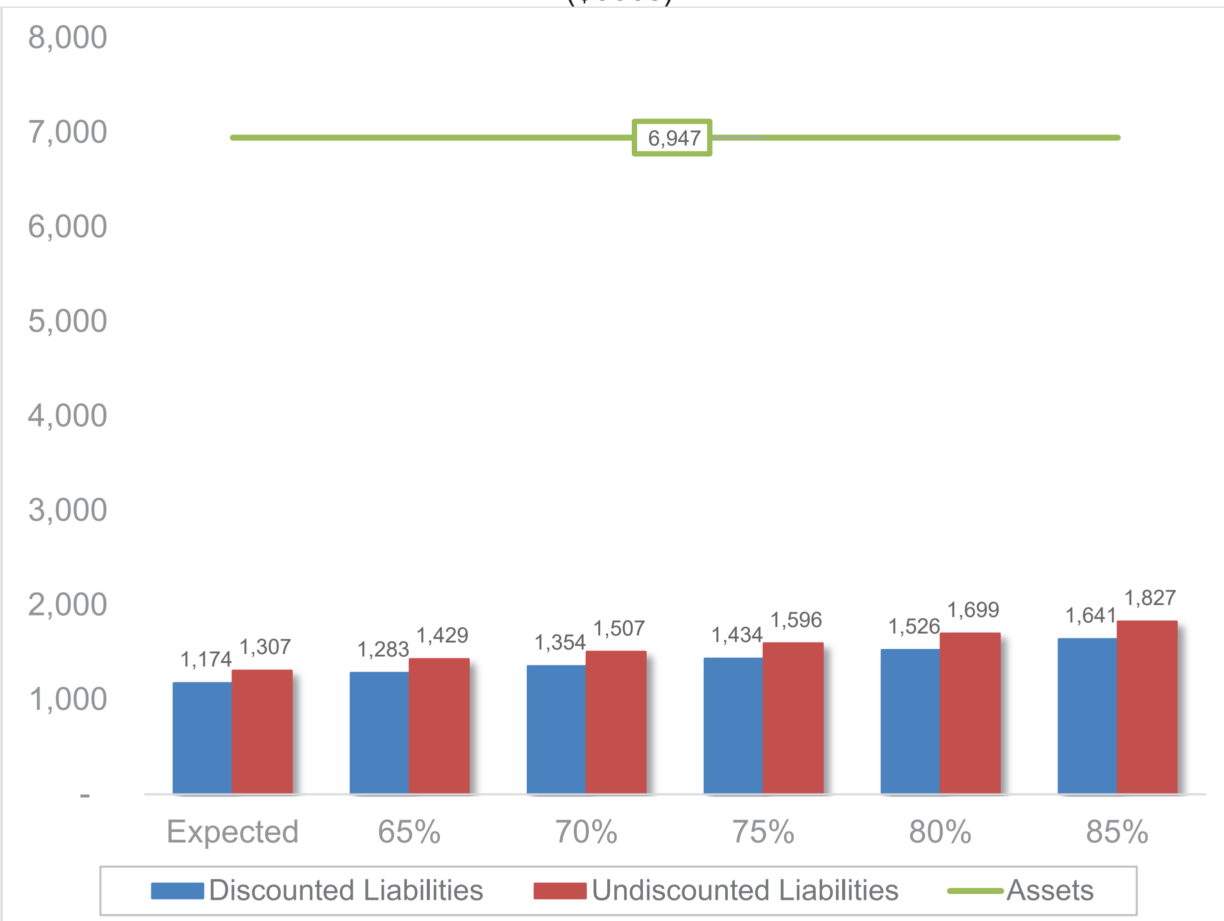
The following table shows estimated liability for unpaid loss and LAE at various discount rate assumptions at the expected confidence level.

Loss & LAE Claim Liabilities
As of June 30, 2026, Net of Reinsurance

Discount Rate	Outstanding Liability
1.50%	$1,205,000
1.75%	1,189,000
2.00%	**1,174,000**
2.25%	1,160,000
2.50%	1,146,000

The following graph displays the comparison of the program's net claim liabilities and assets as of June 30, 2026 as shown on the prior page.

Loss & LAE Claim Liabilities and Assets
As of June 30, 2026, Net of Reinsurance
($000s)



Discounted recommendations assume that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed.

We generally recommend that risk pools maintain assets for historical liabilities at no less than the 90% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

Funding Projections

The following table presents our estimates of ultimate costs for the upcoming program year.

Projected Ultimate Costs
Fiscal Year 2026-27, SIR of $250,000

		←		Confidence Level		→
Dollars ($000s)	Expected[1]	60%	65%	70%	75%	80%
Loss & ALAE	**$462**	**$522**	**$571**	**$626**	**$774**	**$886**
NPV Adjustment[2]	(42)	(47)	(52)	(56)	(70)	(80)
Discounted Loss & ALAE	**$420**	**$475**	**$519**	**$570**	**$704**	**$806**
Total Loss Funding Rate[3]	$1.363	$1.541	$1.684	$1.849	$2.284	$2.615

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 2.0% and assumes that invested funding is equal to the recommended discounted funding level and is invested at the beginning of the fiscal year.
3 Rate is per $100 of payroll.

The following table shows projected ultimate costs for loss and ALAE for SHARP for the 2026-27 fiscal year assuming a $250,000 self-insured retention at various discount rate assumptions at the expected confidence level.

Projected Ultimate Loss & ALAE Costs
Fiscal Year 2026-27, SIR of $250,000

Discount Rate	Loss & ALAE
1.50%	$429,000
1.75%	425,000
2.00%	**420,000**
2.25%	415,000
2.50%	411,000

Bickmore Actuarial

BACKGROUND

All claims prior to 2002-03 have been closed and thus were not included in this analysis. Effective July 1, 2022, an additional member, Town of Woodside, joined the pool. Woodside's loss experience prior to July 1, 2022 was not assumed by the pool.

Claims administration services for SHARP's workers' compensation program are provided by Sedgwick.

The following table shows a history of SHARP's self-insured retentions (SIRs) by year.

Policy Year Start Date	Policy Year End Date	Per Occurrence Retention	Aggregate Retention
7/1/2002	6/30/2005	$150,000	(none)
7/1/2005	6/30/2006	150,000	(none)
7/1/2006	6/30/2007	150,000	(none)
7/1/2007	6/30/2008	150,000	(none)
7/1/2008	6/30/2009	250,000	(none)
7/1/2009	6/30/2010	250,000	(none)
7/1/2010	6/30/2011	250,000	(none)
7/1/2011	6/30/2012	250,000	(none)
7/1/2012	6/30/2013	250,000	(none)
7/1/2013	6/30/2014	250,000	(none)
7/1/2014	6/30/2015	250,000	(none)
7/1/2015	6/30/2016	250,000	(none)
7/1/2016	6/30/2017	250,000	(none)
7/1/2017	6/30/2018	250,000	(none)
7/1/2018	6/30/2019	250,000	(none)
7/1/2019	6/30/2020	250,000	(none)
7/1/2020	6/30/2021	250,000	(none)
7/1/2021	6/30/2022	250,000	(none)
7/1/2022	6/30/2023	250,000	(none)
7/1/2023	6/30/2024	250,000	(none)
7/1/2024	6/30/2025	250,000	(none)
7/1/2025	6/30/2026	250,000	(none)
7/1/2026	6/30/2027	250,000	(none)

Additional background on the program is given in Appendix Reserve K.

Bickmore Actuarial

OBSERVATIONS AND ANALYSIS

In this section, we present a comparison to the prior analysis as well as an overview of claims trends that we have observed. The prior report for SHARP was dated May 13, 2025 and relied on data evaluated as of December 31, 2024. The current analysis relies on data evaluated as of December 31, 2025.

Comparison of Actual versus Expected Activity

The following tables describe how paid and reported losses have emerged between the two points in time referenced above. We also compare how our projected ultimate loss & ALAE amounts have changed between these two points in time.

Actual Versus Expected Incurred Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Expected Emergence	Actual Emergence	Actual Minus Expected Emergence
Prior	$0	($31)	($31)
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	1	20	19
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	1	6	6
2015-16	0	0	0
2016-17	1	0	(1)
2017-18	0	0	(0)
2018-19	5	12	7
2019-20	6	3	(3)
2020-21	9	(35)	(45)
2021-22	18	8	(10)
2022-23	39	0	(39)
2023-24	103	35	(67)
2024-25	229	118	(111)
Total	**$411**	**$136**	**($275)**

1 Loss & ALAE are limited to SHARP's self-insured retention.

Actual Versus Expected Paid Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Expected Payments	Actual Payments	Actual Minus Expected Payments
Prior	$4	$0	($4)
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	3	7	5
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	7	17	10
2015-16	0	0	0
2016-17	1	0	(1)
2017-18	0	0	(0)
2018-19	23	20	(3)
2019-20	9	2	(7)
2020-21	21	46	25
2021-22	16	7	(8)
2022-23	37	17	(19)
2023-24	70	35	(35)
2024-25	105	73	(32)
Total	**$296**	**$227**	**($69)**

[1] Loss & ALAE are limited to SHARP's self-insured retention.

Bickmore Actuarial

Change in Projected Ultimate Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Prior Ultimate	Current Ultimate	Change in Ultimate
Prior	$178	$146	($32)
2005-06	62	62	0
2006-07	5	5	0
2007-08	427	427	0
2008-09	121	121	0
2009-10	443	464	21
2010-11	61	61	0
2011-12	340	340	0
2012-13	168	168	0
2013-14	293	293	0
2014-15	292	299	7
2015-16	37	37	0
2016-17	236	228	(8)
2017-18	40	40	0
2018-19	590	599	9
2019-20	501	499	(2)
2020-21	363	321	(42)
2021-22	129	124	(5)
2022-23	436	409	(27)
2023-24	303	226	(77)
2024-25	451	353	(98)
Total	**$5,474**	**$5,220**	**($254)**

[1] Projected ultimate loss & ALAE are limited to SHARP's self-insured retention, at expected (no risk margin), and not discounted to reflect net present value.

Comparison of Liabilities: Prior vs. Current Reports

The table below compares our prior update report's estimated liability for outstanding claims by component as of June 30, 2025 to our current report's estimated liability for outstanding claims as of June 30, 2026.

Change in Claims Liabilities
At Expected (without Risk Margin), Net of Reinsurance

Dollars ($000s)	Prior Update Report at 6/30/2025	Current Report at 6/30/20256	Dollar Change	Percent Change
Case Reserves[1]	$437	$520	$83	19.0%
IBNR[2]	795	742	(53)	-6.7%
Claims Administration	45	46	1	2.0%
Total (Undiscounted)	**$1,276**	**$1,307**	**$31**	**2.4%**
NPV Adjustment[3]	(129)	(133)	(4)	3.0%
Total (Discounted)	**$1,148**	**$1,174**	**$27**	**2.3%**

1 Established by the claims administrator.
2 IBNR: Incurred But Not Reported for development beyond the case reserves.
3 Net present value is based on an annual discount rate of 2.0%.

Comparison of Funding Projections: Prior vs. Current Reports

The following table compares our loss and ALAE estimate for the 2025-26 year from our prior report to our funding estimate of the 2026-27 year from our current report.

Change in Loss and ALAE Estimates
At 65% CL, Net of Reinsurance

Dollars ($000s)	Prior Report[1] 2025-26	Current Report[1] 2026-27	Dollar Change	Percent Change
Ultimate Loss and ALAE	$491	$462	($29)	-5.9%
NPV Adjustment[2]	(44)	(42)	2	-4.5%
65% Confidence Level Margin	59	99	40	67.8%
Total Loss & ALAE at 65% CL	**$506**	**$519**	**$13**	2.6%
Loss & ALAE Rate at 65% CL[3]	$1.795	$1.684	($0.111)	-6.2%

1 The SIR in both the prior and current reports is $250,000.
2 Net present value is based on an annual discount rate of 2.0%.
3 Rate is per $100 of payroll.

Loss Rate Trend

We have evaluated the trend in SHARP's projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to either $100,000 per occurrence or the SIR) divided by payroll in $100s, as displayed in the following graph.

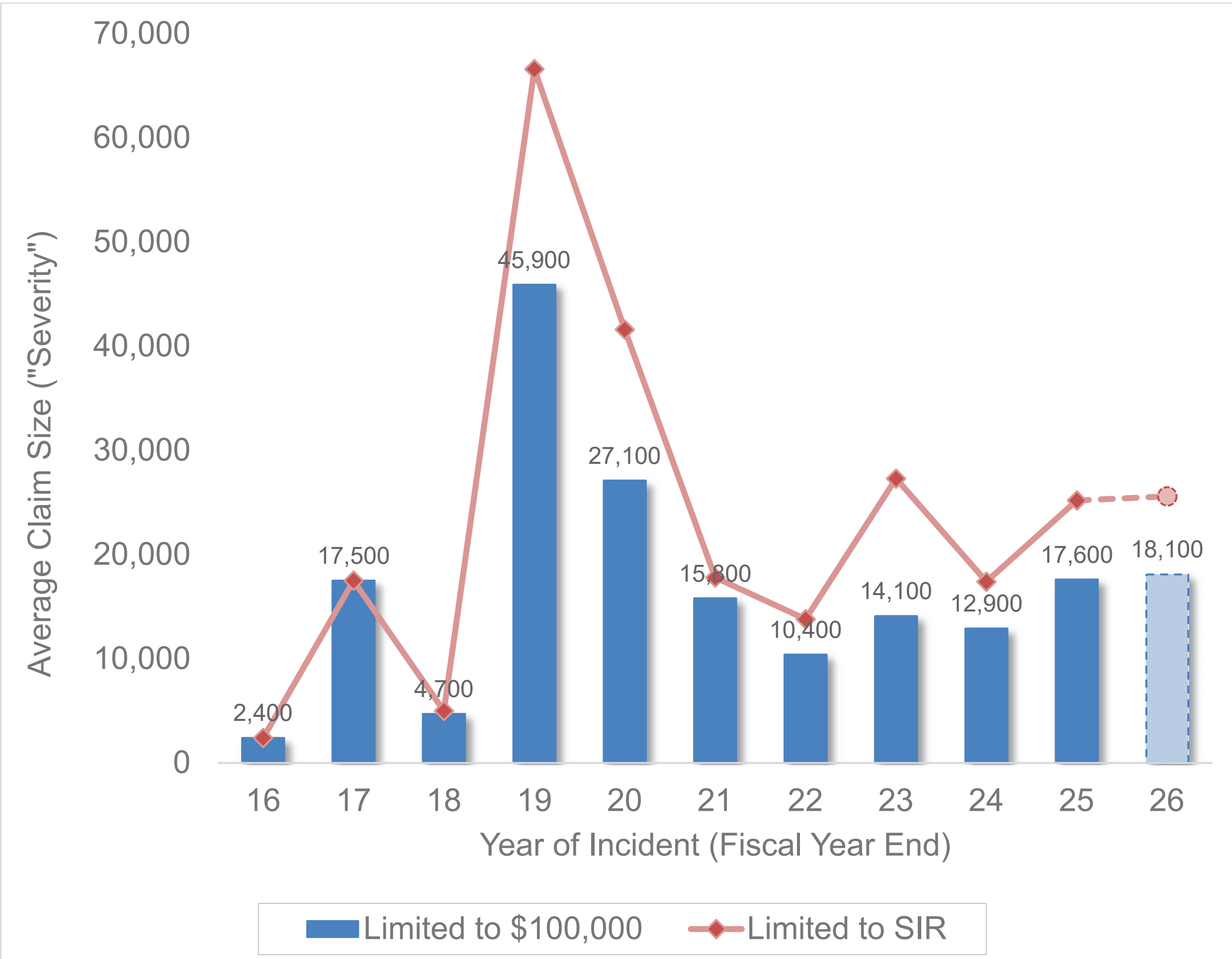
Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / Payroll ($100s)

[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Average Claim Size (Severity) Trend

We have evaluated the trend in SHARP's projected ultimate claim size (or "severity"). The ultimate claim size equals projected ultimate loss & ALAE (limited to either $100,000 per occurrence or the SIR) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims

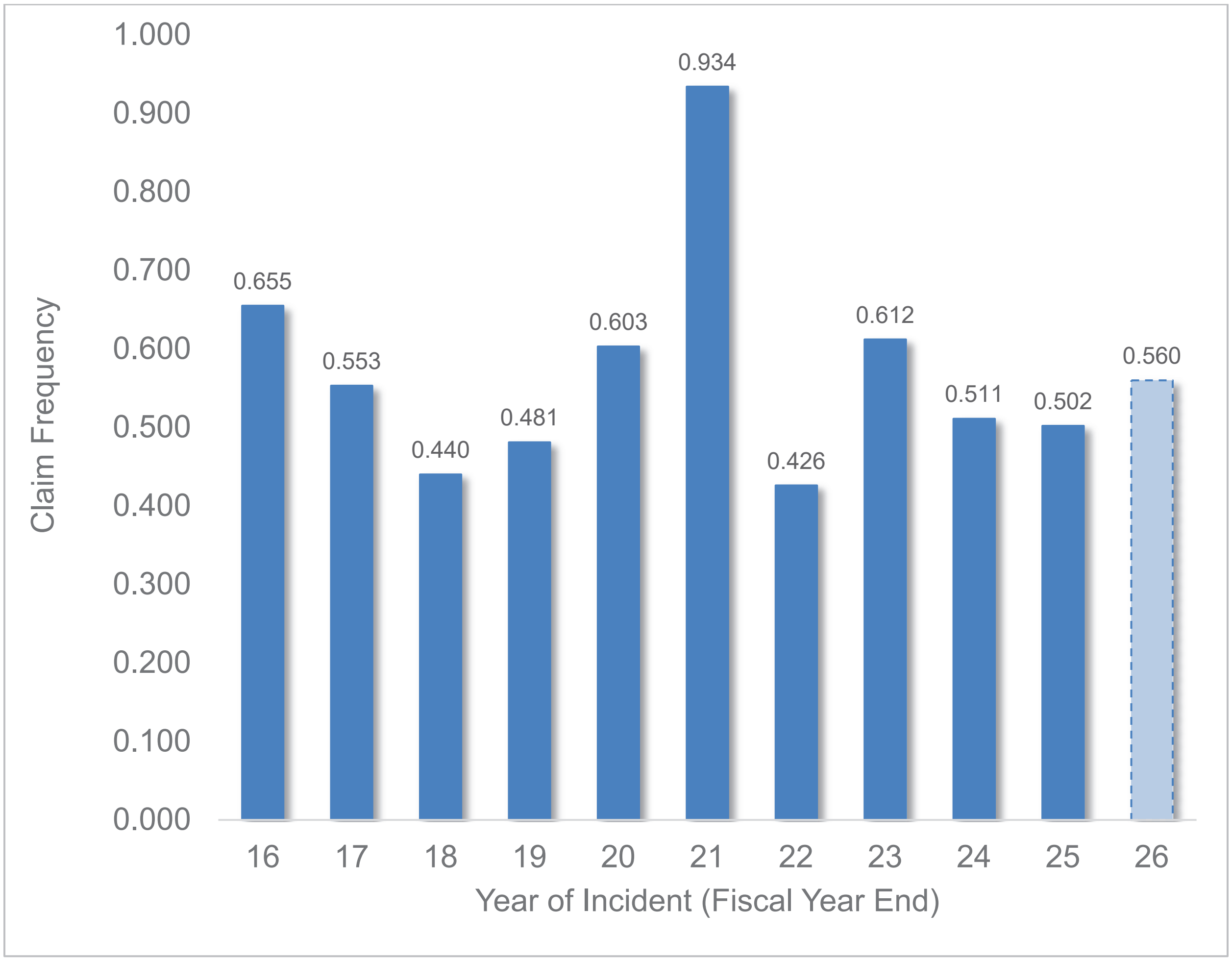


[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Claim Frequency Trend

We have evaluated the trend in SHARP's claim frequency. The claim frequency equals projected ultimate number of reported claims divided by payroll in $ millions, as displayed in the following graph.

Claim Frequency Trend
Ultimate Reported Claims / Payroll ($ Millions)



Loss and LAE Liabilities by Category

The following table shows the categories that compose our ultimate loss & LAE liability estimates.

Loss & ALAE Liabilities by Category and Year[1]
As of June 30, 2026, Net of Reinsurance
($000s)

Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
Prior	$0	$0	$0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	31	7	39
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	61	8	69
2015-16	0	0	0
2016-17	0	0	0
2017-18	(0)	2	2
2018-19	135	23	159
2019-20	27	23	50
2020-21	6	18	25
2021-22	30	30	60
2022-23	44	61	105
2023-24	60	83	143
2024-25	61	183	244
2025-26	64	303	367
Total Loss & ALAE	$519	$742	$1,262
ULAE	n/a	46	46
Total Loss & LAE	**$519**	**$788**	**$1,307**

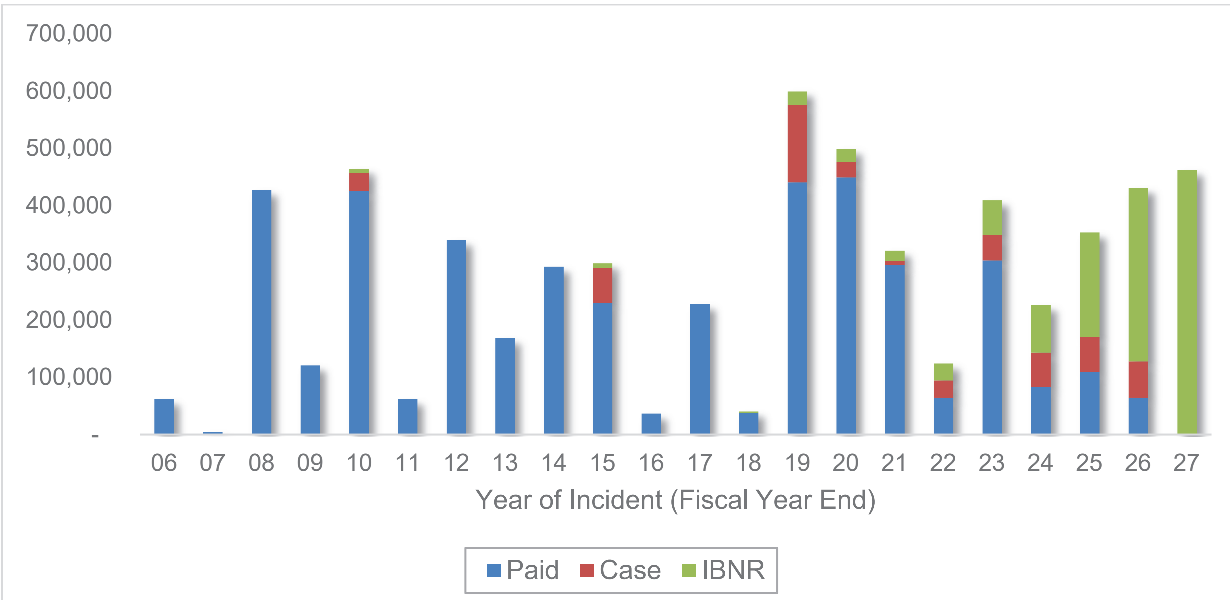
[1] Loss & ALAE liabilities are limited to SHARP's self-insured retention, at expected (no risk margin), and not discounted to reflect net present value.

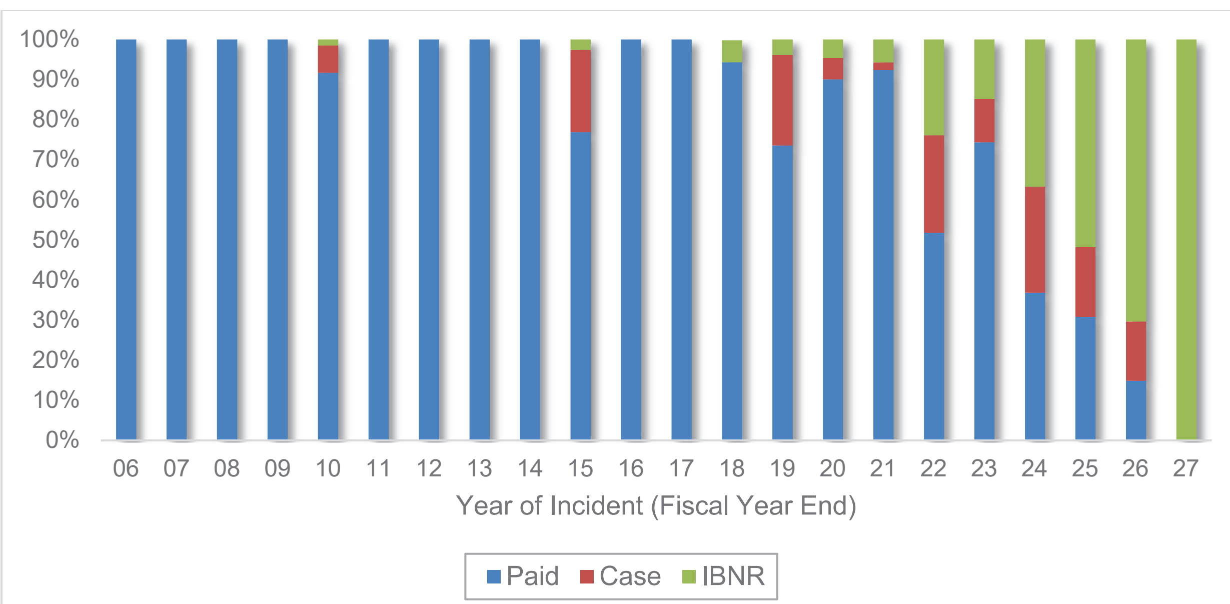
Bickmore Actuarial

Losses by Component

The following graphs illustrate our selected ultimate loss and ALAE amount for each accident year, and segregates each ultimate into its component parts of (1) amounts already paid, (2) amounts already reserved for individual claims, and (3) IBNR reserves to cover both unreported claims as well as any adverse development on known claims.

Ultimate Loss & ALAE by Component
As of June 30, 2026[1]



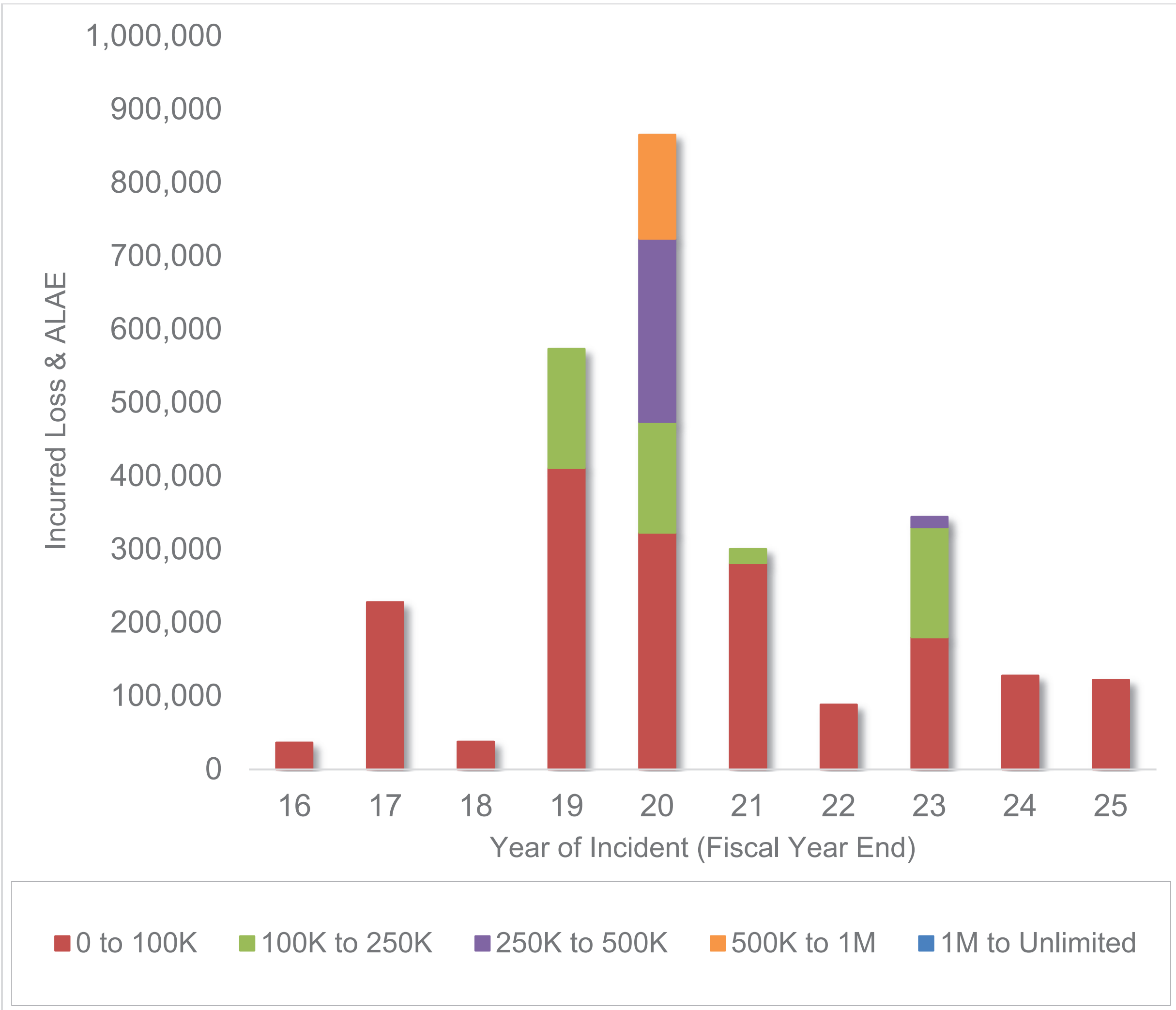


[1] Projected 2026-27 year is informational and displayed for comparison purposes.

Losses by Layer

The following graph shows the incurred losses by layer as of the valuation date of December 31, 2025.

Incurred Loss & ALAE by Layer
As of December 31, 2025



METHODOLOGY

The methodology that we have used to estimate ultimate Loss & LAE liabilities is in accordance with standard actuarial principles. The 6-step process described below outlines the methods used to calculate the liabilities.

1. Estimate Ultimate Loss & ALAE: The ultimate value of losses associated with a given policy year is usually not known until many years after the policy year has expired. One estimate of future payments for a given policy year is the case reserve. However, to accurately project future payments for a given policy year, we also calculate indicated IBNR reserves that consider the following three factors:

   - The amount that case reserves are redundant or deficient.
   - Losses that occurred during the policy period but have not yet been reported. This is called "Pure IBNR".
   - Future payments on claims which are closed but will reopen in the future.

   Separate ultimate loss & ALAE projections are developed for costs limited to $100,000 and limited to retention. Loss development factors are primarily based on SHARP's own historical experience supplemented with industry data. The following methods are used to estimate ultimate loss & ALAE:

   - Reported Loss Development: Includes paid losses and case reserves.

   - Paid Loss Development: Based on payments only.

   - Reported Exposure Method: This calculates IBNR based on expected ultimate loss times an IBNR factor. For the first layer of losses, the expected ultimate loss is based on exposure times initial loss rates. These loss rates are based on historical losses in that layer developed to ultimate using loss development factors. The loss rates in the higher layer incorporate increased limits factors based on SHARP's historical losses and industry data. Where appropriate, historical data is adjusted for both claims and exposure trend, to reflect issues such as inflation, benefit level changes, and legal changes.

   - Paid Exposure Method: This calculates unpaid costs based on expected ultimate loss times an unpaid factor. The loss rates are identical to those utilized in the reported exposure method.

   - Frequency x Severity: This calculates ultimate costs based on expected ultimate severity and expected ultimate frequency derived from historical experience.

2. Select Ultimate Loss & ALAE: Based on the indicated ultimate loss and ALAE from the various methods described previously, the ultimate losses by year are selected.

3. Calculate Expected Undiscounted Unpaid Loss & ALAE: Unpaid loss & ALAE equals ultimate Loss & ALAE (calculated in step #2, above) minus payments to date.

4. Discounting/Net Present Value: Since payments associated with claims liabilities will be spread out over several years, they are discounted to reflect anticipated investment income on the assets set aside to pay these costs. The expected Loss & ALAE payout pattern is based on the paid loss development factors previously described.

5. Claims Administration: Liabilities associated with claims administration expenses are calculated based on the average cost per claim method.

   For the average cost per claim method, we first develop an average cost per claim by comparing historical ULAE costs to historical claim counts. We then apply this cost per claim to open and IBNR claims to arrive at the ULAE liability.

6. Confidence Levels: The "expected" estimate of unpaid Loss & ALAE is our best estimate given current information. However, there is uncertainty inherent in the claims settlement process. This uncertainty is quantified via confidence levels. For example, we believe that future payments have a 75% chance of being less than the liabilities at the 75% confidence level and have only a 25% chance of exceeding the 75% confidence level estimates. The confidence levels are based on the Heckman Meyers approach.

CONSIDERATIONS AND KEY ASSUMPTIONS

Several considerations should be taken into account when evaluating property/casualty claim liabilities and funding projections for upcoming years. The following is a list of issues that we have considered in this report, along with some key assumptions that we have made.

Data

Data Quality: Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by or on behalf of SHARP. While we have not independently audited or verified this information, we have reviewed it for reasonability and internal consistency. We have assumed that the data is accurate and complete. Any material inaccuracy or omission could invalidate the conclusions in this report and should be brought to our attention immediately.

Exposure: The exposure base utilized in this study is payroll, which was provided to us by SHARP. A list of exposure by year can be found in Appendix Reserve N.

Claims: The claims data utilized in this study was provided to us by SHARP.

Other Program Information: Key program information, including historical retentions, claims administration costs, other program costs, and program assets, were provided to us by SHARP. We relied on this information without audit.

Key Dates

Accounting Date: This study presents liabilities as of an accounting date of June 30, 2026.

Valuation Date: The data underlying this study are valued as of December 31, 2025.

Review Date and Information Date: We have not reflected any actual claims activity subsequent to the valuation date.

Accounting Standard

The accounting standards applicable to this analysis follow the guidance promulgated by the Governmental Accounting Standards Board (GASB).

Bickmore Actuarial

Other Actuarial Considerations

Discounting to Reflect Net Present Value: Reserves in this report are presented on both undiscounted and discounted bases. At SHARP's instruction, we have assumed that assets held for investment will generate an average annual rate of return of 2.0% over the time during which the loss liabilities are paid out. Discounted recommendations assume that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon prevailing investment market conditions.

Uncertainty & Risk Margin: There is uncertainty regarding the ultimate cost of the reserves and funding amounts that are estimated in this report. Our estimates are presented both at the expected level (also known as the actuarial central estimate) and at higher confidence levels. The projections at higher confidence levels reflect uncertainty by including a risk margin for the potential of costs coming in higher than at the expected level.

Trending: We have adjusted historical payroll and claims costs to reflect inflation as well as other changes in the claims environment. The payroll, claim frequency, and claim cost trend factors by year are in Appendices Reserve N and E, respectively. Benefit level changes are based on estimates from the California Workers' Compensation Rating Bureau (WCIRB). We have also projected payroll and claim costs to account for future changes in cost levels.

External Influences: This analysis contemplates a continuation of current social, economic, judicial, and legislative trends. Historical changes have been reflected through the use of trend factors.

Homogeneity: The accuracy of loss estimates may be improved by subdividing loss experience into groups exhibiting similar characteristics. In evaluating SHARP's loss experience, we considered all of the experience together.

Credibility: Credibility is a measure of the predictive value attached to a body of data. The degree to which consideration is given to homogeneity is related to the consideration of credibility. While making more homogeneous groupings may increase the credibility of the data, partitioning into cells too small to be reliable statistically may also decrease it. As discussed above, further subdivision of data (by individual department, for instance) would reduce the statistical credibility too greatly. This aggregation of data assumes that there has been a relatively stable distribution of exposures among various risk characteristics during the years included in this analysis.

Loss Development: The rate at which costs develop to their ultimate level was included in the calculation of loss development factors. The loss development factors are described in the Methodology section of this report.

Claim Emergence Patterns: The delay between the occurrence of claims and the recording of claims was considered in the estimation of loss development factors.

Claim Settlement Patterns: The rate at which claims are closed and the impact upon incurred losses are considered in the calculation of loss development factors.

Reopened Claim Potential: The effect of reopened claims is included in the calculation of loss development factors.

Claim Frequency and Average Claim Size: The average and potential claim frequency and average claim size have been measured and considered in the liability estimates.

Large Losses & Catastrophes: The impact of large losses and catastrophes have the potential to distort the results of actuarial analyses. We have mitigated this risk by separating loss development and loss rates into the lower layer (limited to $100,000 per occurrence) and the excess layer. In addition, our net liability and funding estimates limit loss & ALAE to the appropriate SIR. Lastly, we have utilized industry size of loss curves and increased limits factors where we feel that SHARP's experience is not fully credible.

Loss Limitations: Our projections of claim costs are limited to SHARP's SIR. We have assumed that all relevant reinsurance purchased by SHARP for costs above the SIR is collectible. The retentions are displayed by year in the Background section of this report.

Recoveries: The data underlying this report are net of salvage, subrogation and other recoveries.

Portfolio Transfers, Commutations, and Structured Settlements: No historical loss portfolio transfers or commutations have been reflected in this analysis. To the extent there are structured settlements, they have been reflected in the claims data utilized in this analysis.

Operational Changes: This analysis has not made special adjustment for any specific operational changes at SHARP.

Reasonableness: We have established the reasonability of our results by utilizing standard actuarial techniques and reasonable assumptions.

Claims Administration Costs (Unallocated Loss Adjustment Expense or ULAE): ULAE costs have been

- included in our estimate of outstanding liabilities, and
- excluded in our estimate of funding amounts for future program years.

Other Program Costs: Our estimate of the funding amounts for future program years

- excludes contributions for excess insurance to cover claims or portions of claims that fall outside the program, and
- excludes costs for loss control, overhead, and other expenses associated with the program.

CONDITIONS AND LIMITATIONS

It is important to recognize that the projections in this report are estimates at one point in time and are subject to future changes. Since the emergence and settlement of claims are subject to uncertainty, actual developments likely will vary, perhaps significantly, from the amounts carried in this report. No warranty is expressed or implied that such variance will not occur. The accuracy of the conclusions in this report depends on many factors, including the following:

Loss Activity since the Evaluation Date: The losses in this study were valued as of December 31, 2025. It is possible that there has been significant loss activity that has occurred since that date which would change the findings of this report.

Data Accuracy: This report relies on unaudited loss and exposure information provided by SHARP. The accuracy of our projections relies on the accuracy of this data.

Loss Development: The appropriateness of SHARP's historical and industry loss development patterns in projecting future loss development.

Trend Changes: The appropriateness of the trend indices used to adjust historical losses.

Discounting/Net Present Value: Our estimates that are discounted to reflect net present value assume a certain investment return on assets. This adjustment to reflect net present value is inaccurate to the extent that actual investment returns deviate from the assumed returns.

Insurance: Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than SHARP's excess coverage.

Future Law Changes: We cannot predict, nor have we attempted to predict, the impact of future law changes and court rulings on claims costs.

New Classes of Claims: Our projections make no provision for the extraordinary future emergence of new classes of loss or types of loss not sufficiently represented in SHARP's historical data, or which are not yet quantifiable.

DISTRIBUTION AND USE

This report was prepared for the sole use of the SHARP JPA and its auditors. This report is neither intended nor necessarily suitable for any other use. It may be forwarded to regulatory authorities as required by law. Any other distribution of this report requires the express written consent of Bickmore Actuarial. If such consent is granted, the report should be forwarded in its entirety, including all exhibits and appendices. It should also be understood that Bickmore Actuarial would be available to answer any questions regarding this report and its conclusions.

GLOSSARY OF ACTUARIAL TERMS

Accident Year – Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) – Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, utilization review, bill review, etc.)

Benefit Level Factor – Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve – The amount left to be paid on an open claim, as estimated by the claims administrator.

Claim Count Development Factor – A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency – Number of claims per $1 million of payroll.

Confidence Level – An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor – A factor to adjust estimated loss costs to reflect net present value.

Expected Losses – The best estimate of the full, ultimate value of losses.

Exposure Base – An objective and easily measurable quantity that is correlated with loss. Commonly used exposure bases include payroll, population, revenue, number of employees (FTE), average daily attendance (ADA), number of vehicles and total insured value (TIV).

Incurred but not Reported (IBNR) Losses – This is the ultimate value of losses less any amount that has been paid to date or set up as a case reserve by the claims adjuster. It includes amounts for claims incurred but not yet received by the administrator as well as loss development on already reported claims.

Loss Adjustment Expense – The sum of Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE).

Loss Development Factor – A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled. See the Methodology section.

Loss Rate – Ultimate losses per $100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses – Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses – Losses actually paid on all reported claims.

Program Losses – Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses – The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) – The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity – Average claim cost.

Ultimate Losses – The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims administration expenses, taxes, etc.)

2026-27 EXPERIENCE MODIFICATION FACTOR EXHIBITS

DRAFT

SHARP
Experience Modification Factors
Workers' Compensation

Calculation of 2026-27 Experience Modification Factors

Member	2020-21 2024-25 Payroll (A)	Weighting (B)	2020-21 2024-25 Incurred Losses (C)	2020-21 2024-25 Incurred Limited to $100K (D)	2020-21 2024-25 Inc $100K Loss Ratio (E)	Unbalanced 2026-27 Experience Modification Factor (F)	Balanced 2026-27 Experience Modification Factor (G)
American Canyon	$41,699,694	50.0%	$279,254	$279,254	0.670	1.012	1.063
Los Altos Hills	16,165,690	27.9%	7,667	7,667	0.047	0.750	0.787
Ross	12,388,311	22.9%	535,547	255,020	2.059	1.250	1.312
Saratoga	40,257,876	49.1%	74,997	74,997	0.186	0.750	0.787
Woodside	12,269,880	22.7%	271,011	185,885	1.515	1.250	1.312
Total	$122,781,453	100.0%	$1,168,475	$802,822	0.654	0.953	1.000

Notes:
(A) From Exhibit 2.
(B) (A) / ((A) + Maximum of (A))
(C) From Exhibit 3.
(D) From Exhibit 3.
(E) Limited to $100K / Payroll x 100
(F) [(B) x (E) + [1 - (B)] x All Members (E)] / All Members (E). Subject to mimimum 75% and maximum125%.
(G) (F) x an off-balance factor of 1.05

DRAFT

SHARP
Experience Modification Factors
Workers' Compensation

Summary of Payroll

Member	Payroll 2020-21 (A)	2021-22 (B)	2022-23 (C)	2023-24 (D)	2024-25 (E)	2026-27 (F)
American Canyon	$6,767,367	$7,565,670	$8,579,975	$8,885,775	$9,900,907	$11,122,800
Los Altos Hills	2,919,810	2,968,500	3,243,146	3,339,263	3,694,972	4,568,600
Ross	2,162,011	2,452,537	2,431,449	2,507,741	2,834,573	3,202,800
Saratoga	7,424,705	8,128,706	7,984,522	8,269,639	8,450,305	8,838,400
Woodside	2,252,000	2,308,243	2,285,950	2,428,561	2,995,127	3,090,300
Total	$21,525,894	$23,423,655	$24,525,042	$25,430,978	$27,875,884	$30,822,900

Notes:
1. Amounts were provided by the JPA.

DRAFT

SHARP

Experience Modification Factors
Workers' Compensation

Summary of Loss Data

	Incurred Losses					Incurred Losses Capped at $100K				
Member	2020-21 (A)	2021-22 (B)	2022-23 (C)	2023-24 (D)	2024-25 (E)	2020-21 (F)	2021-22 (G)	2022-23 (H)	2023-24 (I)	2024-25 (J)
American Canyon	$109,644	$65,759	$187	$93,173	$10,491	$109,644	$65,759	$187	$93,173	$10,491
Los Altos Hills	939	4,547	1,671	0	511	939	4,547	1,671	0	511
Ross	176,393	0	306,311	28,838	24,005	100,026	0	102,152	28,838	24,005
Saratoga	13,530	18,030	34,525	5,932	2,980	13,530	18,030	34,525	5,932	2,980
Woodside	185,126	0	1,768	0	84,116	100,000	0	1,768	0	84,116
Total	485,632	88,336	$344,462	$127,942	$122,103	$324,139	$88,336	$140,303	$127,942	$122,103

Notes:
1. Reported incurred losses are the sum of losses paid and the total of the case loss reserves on individual claims. Reported incurred losses do not include actuarial estimates of loss development on reported claims and losses on claims incurred, but not reported.
2. Incurred losses include allocated loss expenses.
3. Incurred losses include 4850 benefits.
4. Losses are evaluated as of December 31, 2025.

RATE EXHIBITS AND APPENDICES

SHARP JPA - Workers' Compensation

Funding Options for Program Year 2026-2027 (SIR = $250,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2026-2027: (From Appendix Rate - G)	$462,000	$1.499
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2026-2027: (From Exhibit Rate - 3, Page 1, (L))	0	0.000
(C)	Total Claims Costs Incurred in Accident Year 2026-2027: ((A) + (B))	$462,000	$1.499
(D)	Loss Discount Factor (Based on a Discount Rate of 2.00%.): (Not Applicable)	0.909	
(E)	Discounted Total Claims Costs Incurred in Accident Year 2026-2027: ((C) x (D))	$420,000	$1.363

		Marginally Acceptable	Recommended			Conservative
		65%	70%	75%	85%	90%
(F)	Confidence Level Factor: (From Appendix Rate - J)	1.130	1.236	1.356	1.676	1.918
(G)	Margin for Adverse Experience: ((E) x [(F) - 1])	55,000	99,000	150,000	284,000	386,000
(H)	Recommended Funding in 2026-2027 for Claims Costs and Other Expenses: ((E) + (G))	$475,000	$519,000	$570,000	$704,000	$806,000
(I)	Rate per $100 of Payroll: ((H) / $308,229)	$1.541	$1.684	$1.849	$2.284	$2.615

Payroll rates are per hundred dollars of 2026-2027 payroll of $30,822,900.

SHARP JPA - Workers' Compensation

Estimated Ultimate Limited Losses Capped at $100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2004-2005	$59,078	$59,373	$0	$0	$59,085	$59,078
2005-2006	60,935	61,544	0	0	60,940	60,935
2006-2007	4,440	4,507	0	0	4,444	4,440
2007-2008	289,782	295,578	289,782	295,579	289,783	289,782
2008-2009	119,055	122,031	119,055	121,914	119,054	119,055
2009-2010	281,092	287,163	281,092	286,949	281,088	281,092
2010-2011	62,995	65,200	62,995	65,134	63,000	62,995
2011-2012	289,525	301,106	289,525	300,530	289,524	289,525
2012-2013	167,879	175,434	167,879	175,101	167,877	167,879
2013-2014	147,750	155,138	147,750	154,839	147,750	147,750
2014-2015	225,836	194,895	225,836	196,542	225,996	226,000
2015-2016	94,369	100,314	94,369	99,968	95,004	95,000
2016-2017	225,494	241,730	225,494	240,598	225,498	225,494
2017-2018	37,839	40,901	37,839	40,676	37,800	37,801
2018-2019	473,716	438,172	473,721	441,178	474,001	474,000
2019-2020	285,780	285,949	285,792	286,021	285,996	286,000
2020-2021	327,056	366,814	326,021	345,946	279,091	328,000
2021-2022	90,898	72,182	94,954	110,274	140,121	95,000
2022-2023	154,614	211,016	163,688	224,541	242,025	170,000
2023-2024	147,645	124,700	163,561	191,005	219,479	167,000
2024-2025	172,776	241,761	210,342	282,402	247,618	247,000
Totals						$3,833,826

Projected Losses for the Year 2025-2026 (G)	$305,000
Projected Losses for the Year 2026-2027 (H)	326,000

Notes:

(A) From Appendix Rate - A, Column (D).
(B) From Appendix Rate - B, Column (D).
(C) Based on results in Appendix Rate - C, Page 1.
(D) Based on results in Appendix Rate - C, Page 2.
(E) Based on results in Appendix Rate - D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit Rate - 3, Page 1, Line (K) / Line (G).
(H) From Exhibit Rate - 3, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

SHARP JPA - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ALAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll ($00) (D)	Trended Limited Loss Rate (E)
2004-2005	$0	1.857	$0	0	0.000
2005-2006	0	2.121	0	0	0.000
2006-2007	0	2.124	0	0	0.000
2007-2008	289,782	1.997	578,695	198,788	2.911
2008-2009	119,055	1.856	220,966	195,957	1.128
2009-2010	281,092	1.712	481,230	206,650	2.329
2010-2011	62,995	1.617	101,863	230,417	0.442
2011-2012	289,525	1.569	454,265	232,051	1.958
2012-2013	167,879	1.557	261,388	219,833	1.189
2013-2014	147,750	1.547	228,569	222,073	1.029
2014-2015	226,000	1.510	341,260	230,929	1.478
2015-2016	95,000	1.503	142,785	233,171	0.612
2016-2017	225,494	1.505	339,368	241,878	1.403
2017-2018	37,801	1.457	55,076	247,234	0.223
2018-2019	474,000	1.391	659,334	247,902	2.660
2019-2020	286,000	1.340	383,240	256,453	1.494
2020-2021	328,000	1.270	416,560	243,673	1.710
2021-2022	95,000	1.192	113,240	258,598	0.438
2022-2023	170,000	1.145	194,650	264,134	0.737
2023-2024	167,000	1.088	181,696	267,280	0.680
2024-2025	247,000	1.034	255,398	285,728	0.894
Totals	$3,709,373		$5,409,582	4,282,749	$1.263
19/20-23/24	1,046,000		1,289,386	1,290,138	0.999
20/21-24/25	1,007,000		1,161,544	1,319,413	0.880
				(F) Selected Limited Rate:	$1.017
				Prior:	$1.172

Program Year:	2025-2026	2026-2027
(G) Factor to SIR:	1.412	1.419
(H) Trend Factor:	1.000	1.039
(I) Program Rate:	$1.437	$1.500
(J) Trended Payroll ($00):	300,125	308,229
(K) Projected Program Losses:	431,000	462,000
(L) Projected ULAE:	0	0
(M) Projected Loss and ULAE:	$431,000	$462,000

Notes appear on the next page.

SHARP JPA - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ALAE

Notes:

(A) From Exhibit Rate - 2, Page 1, Column (F).
For purposes of projecting future losses, losses
are capped at $100,000 per occurrence.
(B) From Appendix Rate - E, Column (B).
(C) (A) x (B).
(D) Appendix Rate - F, Column (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Weibull distribution, a mathematical model
of claims sizes.
(H) From Appendix Rate - E.
(I) (F) x (G) x (H).
(J) Appendix Rate - F, Column (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and SHARP JPA's
historical claims administration expenses.
(M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

SHARP JPA - Workers' Compensation

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/25 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 12/31/25 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2004-2005	$59,078	1.000	$59,078	$59,078	1.005	$59,373
2005-2006	60,935	1.000	60,935	60,935	1.006	61,301
2006-2007	4,440	1.000	4,440	4,440	1.006	4,467
2007-2008	289,782	1.000	289,782	364,460	1.007	367,011
2008-2009	119,055	1.000	119,055	119,055	1.014	120,722
2009-2010	281,092	1.000	281,092	455,585	1.016	462,874
2010-2011	62,995	1.000	62,995	62,995	1.018	64,129
2011-2012	289,525	1.000	289,525	446,851	1.020	455,788
2012-2013	167,879	1.000	167,879	167,879	1.022	171,572
2013-2014	147,750	1.000	147,750	297,750	1.025	305,194
2014-2015	225,836	1.000	225,836	286,994	1.028	295,030
2015-2016	94,369	1.000	94,369	94,369	1.031	97,294
2016-2017	225,494	1.000	225,494	225,494	1.033	232,935
2017-2018	37,801	1.001	37,839	37,801	1.038	39,237
2018-2019	472,299	1.003	473,716	634,848	1.044	662,781
2019-2020	284,076	1.006	285,780	435,260	1.053	458,329
2020-2021	324,139	1.009	327,056	485,632	1.066	517,684
2021-2022	88,336	1.029	90,898	88,336	1.104	97,523
2022-2023	140,303	1.102	154,614	290,303	1.208	350,686
2023-2024	127,942	1.154	147,645	127,942	1.338	171,186
2024-2025	122,103	1.415	172,776	122,103	1.764	215,390
Totals	$3,625,229		$3,718,554	$4,868,110		$5,210,507

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix Rate - A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the Pool's SIR. Amounts are provided by SHARP JPA.
(F) Derived from factors on Appendix Rate - A, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/25 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 12/31/25 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2004-2005	$59,078	1.005	$59,373	$59,078	1.029	$60,791
2005-2006	60,935	1.010	61,544	60,935	1.035	63,068
2006-2007	4,440	1.015	4,507	4,440	1.042	4,626
2007-2008	289,782	1.020	295,578	364,460	1.050	382,683
2008-2009	119,055	1.025	122,031	119,055	1.089	129,651
2009-2010	278,799	1.030	287,163	423,004	1.100	465,304
2010-2011	62,995	1.035	65,200	62,995	1.111	69,987
2011-2012	289,525	1.040	301,106	446,851	1.122	501,367
2012-2013	167,879	1.045	175,434	167,879	1.135	190,543
2013-2014	147,750	1.050	155,138	297,750	1.147	341,519
2014-2015	184,560	1.056	194,895	223,527	1.162	259,738
2015-2016	94,369	1.063	100,314	94,369	1.180	111,355
2016-2017	225,494	1.072	241,730	225,494	1.201	270,818
2017-2018	37,801	1.082	40,901	37,801	1.225	46,306
2018-2019	400,889	1.093	438,172	493,357	1.256	619,656
2019-2020	255,997	1.117	285,949	407,180	1.306	531,777
2020-2021	318,139	1.153	366,814	479,632	1.376	659,974
2021-2022	55,439	1.302	72,182	55,439	1.582	87,705
2022-2023	140,303	1.504	211,016	290,303	1.881	546,060
2023-2024	67,007	1.861	124,700	67,007	2.427	162,626
2024-2025	76,410	3.164	241,761	76,410	4.288	327,646
Totals	$3,336,646		$3,845,506	$4,456,966		$5,833,202

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix Rate - B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the Pool's SIR. Amounts are provided by SHARP JPA.
(F) Derived from factors on Appendix Rate - B, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll ($00) (A)	Reported Losses as of 12/31/25 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2004-2005	0		1.005	0.005	0.657	0	
2005-2006	0		1.006	0.006	0.576	0	
2006-2007	0		1.006	0.006	0.577	0	
2007-2008	198,788	364,460	1.007	0.007	1.643	2,286	366,746
2008-2009	195,957	119,055	1.014	0.014	0.783	2,148	121,203
2009-2010	206,650	455,585	1.016	0.016	1.762	5,826	461,411
2010-2011	230,417	62,995	1.018	0.018	0.356	1,477	64,472
2011-2012	232,051	446,851	1.020	0.020	1.634	7,583	454,434
2012-2013	219,833	167,879	1.022	0.022	1.006	4,865	172,744
2013-2014	222,073	297,750	1.025	0.024	0.881	4,696	302,446
2014-2015	230,929	286,994	1.028	0.027	1.304	8,131	295,125
2015-2016	233,171	94,369	1.031	0.030	0.545	3,812	98,181
2016-2017	241,878	225,494	1.033	0.032	1.255	9,714	235,208
2017-2018	247,234	37,801	1.038	0.037	0.207	1,894	39,695
2018-2019	247,902	634,848	1.044	0.042	2.603	27,102	661,950
2019-2020	256,453	435,260	1.053	0.050	1.526	19,567	454,827
2020-2021	243,673	485,632	1.066	0.062	1.181	17,842	503,474
2021-2022	258,598	88,336	1.104	0.094	1.264	30,726	119,062
2022-2023	264,134	290,303	1.208	0.172	1.323	60,105	350,408
2023-2024	267,280	127,942	1.338	0.253	1.400	94,671	222,613
2024-2025	285,728	122,103	1.764	0.433	1.480	183,106	305,209
Totals	4,282,749	$4,743,657				$485,550	$5,229,207

Notes:

(A) Appendix Rate - F, Column (C).
(B) Provided by SHARP JPA. These losses exclude amounts incurred above the Pool's SIR for each year.
(C) From Appendix Rate - A, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix Rate - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

SHARP JPA - Workers' Compensation

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll ($00) (A)	Paid Losses as of 12/31/25 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2004-2005	0		1.029	0.028	0.657	0	
2005-2006	0		1.035	0.034	0.576	0	
2006-2007	0		1.042	0.040	0.577	0	
2007-2008	198,788	364,460	1.050	0.048	1.643	15,677	380,137
2008-2009	195,957	119,055	1.089	0.082	0.783	12,582	131,637
2009-2010	206,650	423,004	1.100	0.091	1.762	33,135	456,139
2010-2011	230,417	62,995	1.111	0.100	0.356	8,203	71,198
2011-2012	232,051	446,851	1.122	0.109	1.634	41,330	488,181
2012-2013	219,833	167,879	1.135	0.119	1.006	26,317	194,196
2013-2014	222,073	297,750	1.147	0.128	0.881	25,043	322,793
2014-2015	230,929	223,527	1.162	0.139	1.304	41,857	265,384
2015-2016	233,171	94,369	1.180	0.153	0.545	19,443	113,812
2016-2017	241,878	225,494	1.201	0.167	1.255	50,694	276,188
2017-2018	247,234	37,801	1.225	0.184	0.207	9,417	47,218
2018-2019	247,902	493,357	1.256	0.204	2.603	131,639	624,996
2019-2020	256,453	407,180	1.306	0.234	1.526	91,575	498,755
2020-2021	243,673	479,632	1.376	0.273	1.181	78,563	558,195
2021-2022	258,598	55,439	1.582	0.368	1.264	120,287	175,726
2022-2023	264,134	290,303	1.881	0.468	1.323	163,542	453,845
2023-2024	267,280	67,007	2.427	0.588	1.400	220,025	287,032
2024-2025	285,728	76,410	4.288	0.767	1.480	324,347	400,757
Totals	4,282,749	$4,332,513				$1,413,676	$5,746,189

Notes:

(A) Appendix Rate - F, Column (C).
(B) Provided by SHARP JPA. These losses exclude amounts paid above the Pool's SIR for each year.
(C) From Appendix Rate - B, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix Rate - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

SHARP JPA - Workers' Compensation

Exposure and Development Method

Accident Year	Trended Payroll ($00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2004-2005	0		1.857			0.587	1.119	0.657
2005-2006	0		2.121			0.514	1.121	0.576
2006-2007	0		2.124			0.513	1.124	0.577
2007-2008	198,788	289,782	1.997	578,695	2.911	1.458	1.127	1.643
2008-2009	195,957	119,055	1.856	220,966	1.128	0.608	1.288	0.783
2009-2010	206,650	281,092	1.712	481,230	2.329	1.360	1.295	1.762
2010-2011	230,417	62,995	1.617	101,863	0.442	0.273	1.302	0.356
2011-2012	232,051	289,525	1.569	454,265	1.958	1.248	1.309	1.634
2012-2013	219,833	167,879	1.557	261,388	1.189	0.764	1.317	1.006
2013-2014	222,073	147,750	1.547	228,569	1.029	0.665	1.324	0.881
2014-2015	230,929	226,000	1.510	341,260	1.478	0.979	1.332	1.304
2015-2016	233,171	95,000	1.503	142,785	0.612	0.407	1.339	0.545
2016-2017	241,878	225,494	1.505	339,368	1.403	0.932	1.347	1.255
2017-2018	247,234	37,801	1.457	55,076	0.223	0.153	1.354	0.207
2018-2019	247,902	474,000	1.391	659,334	2.660	1.912	1.361	2.603
2019-2020	256,453	286,000	1.340	383,240	1.494	1.115	1.368	1.526
2020-2021	243,673	328,000	1.270	416,560	1.710	0.858	1.376	1.181
2021-2022	258,598	91,000	1.192	108,472	0.419	0.914	1.383	1.264
2022-2023	264,134	155,000	1.145	177,475	0.672	0.952	1.390	1.323
2023-2024	267,280	148,000	1.088	161,024	0.602	1.002	1.398	1.400
2024-2025	285,728	173,000	1.034	178,882	0.626	1.054	1.405	1.480
Total/Avg	4,282,749	$3,597,373		$5,290,451	$1.235			
19/20-23/24	1,290,138	1,008,000		1,246,771	0.966			
20/21-24/25	1,319,413	895,000		1,042,413	0.790			
				Selected Limited Rate:	$1.090			
				Prior:	$1.149			

Notes:

(A) Appendix Rate - F, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix Rate - E, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2019-2020 and prior (B) / (A).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

SHARP JPA - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2004-2005	$4,408	15	$66,120
2005-2006	6,832	10	68,320
2006-2007	454	11	4,994
2007-2008	25,115	13	326,495
2008-2009	11,793	13	153,309
2009-2010	40,458	9	364,122
2010-2011	8,205	10	82,050
2011-2012	31,592	12	379,104
2012-2013	24,568	9	221,112
2013-2014	19,564	10	195,640
2014-2015	25,082	12	300,984
2015-2016	7,066	18	127,188
2016-2017	23,356	13	303,628
2017-2018	6,395	8	51,160
2018-2019	58,655	11	645,205
2019-2020	32,608	12	391,296
2020-2021	20,211	19	384,009
2021-2022	21,530	9	193,770
2022-2023	22,426	15	336,390
2023-2024	23,596	13	306,748
2024-2025	24,843	14	347,802
Total		256	$5,249,446

Notes:

(A) From Appendix Rate - D, Page 2, Column (H).
(B) From Appendix Rate - D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

SHARP JPA - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2004-2005	$59,078	15	$3,939	1.674	$6,594	$3,939	1.119	$4,408
2005-2006	60,935	10	6,094	1.922	11,713	6,094	1.121	6,832
2006-2007	4,440	11	404	1.934	781	404	1.124	454
2007-2008	289,782	13	22,291	1.827	40,726	22,291	1.127	25,115
2008-2009	119,055	13	9,158	1.706	15,624	9,158	1.288	11,793
2009-2010	281,092	9	31,232	1.582	49,409	31,232	1.295	40,458
2010-2011	62,995	10	6,300	1.502	9,463	6,300	1.302	8,205
2011-2012	289,525	12	24,127	1.465	35,346	24,127	1.309	31,592
2012-2013	167,879	9	18,653	1.460	27,233	18,653	1.317	24,568
2013-2014	147,750	10	14,775	1.458	21,542	14,775	1.324	19,564
2014-2015	226,000	12	18,833	1.430	26,931	18,833	1.332	25,082
2015-2016	95,000	18	5,278	1.431	7,553	5,278	1.339	7,066
2016-2017	225,494	13	17,346	1.439	24,961	17,346	1.347	23,356
2017-2018	37,801	8	4,725	1.401	6,620	4,725	1.354	6,395
2018-2019	474,000	11	43,091	1.344	57,914	43,091	1.361	58,655
2019-2020	286,000	12	23,833	1.301	31,007	23,833	1.368	32,608
2020-2021	328,000	19	17,263	1.239	21,389	14,689	1.376	20,211
2021-2022	95,000	9	10,556	1.169	12,340	15,569	1.383	21,530
2022-2023	181,000	15	12,067	1.128	13,612	16,135	1.390	22,426
2023-2024	169,000	13	13,000	1.078	14,014	16,883	1.398	23,596
2024-2025	247,000	14	17,643	1.029	18,155	17,687	1.405	24,843

Average Limited Severity:	$21,568
Average 20/21-23/24 Limited Severity:	15,339
Average 21/22-24/25 Limited Severity:	14,530
Selected Limited Severity:	$18,200
Prior:	$20,350

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix Rate - D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix Rate - E, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2004-2005	15	15	15	0.0		1.107	
2005-2006	10	10	10	0.0		1.101	
2006-2007	11	11	11	0.0		1.096	
2007-2008	13	13	13	19.9	0.654	1.090	0.713
2008-2009	13	13	13	19.6	0.663	1.084	0.719
2009-2010	9	8	9	20.7	0.436	1.079	0.470
2010-2011	10	10	10	23.0	0.434	1.074	0.466
2011-2012	12	12	12	23.2	0.517	1.069	0.553
2012-2013	9	9	9	22.0	0.409	1.064	0.435
2013-2014	10	9	10	22.2	0.450	1.059	0.477
2014-2015	12	10	12	23.1	0.520	1.054	0.548
2015-2016	18	17	18	23.3	0.772	1.049	0.810
2016-2017	13	13	13	24.2	0.537	1.044	0.561
2017-2018	8	8	8	24.7	0.324	1.039	0.337
2018-2019	11	8	11	24.8	0.444	1.034	0.459
2019-2020	12	11	12	25.6	0.468	1.030	0.482
2020-2021	19	18	19	24.4	0.780	1.025	0.800
2021-2022	9	9	9	25.9	0.348	1.020	0.355
2022-2023	15	16	15	26.4	0.568	1.015	0.577
2023-2024	13	12	13	26.7	0.486	1.010	0.491
2024-2025	14	13	14	28.6	0.490	1.005	0.492
Total	256	245	256	428.3			0.537
19/20-23/24	68	66	68	129.0			0.538
20/21-24/25	70	68	70	131.9			0.539
					(H) Selected Frequency:		0.555
					Prior:		0.575

		2025-2026	2026-2027
	Program Year:	2025-2026	2026-2027
(I)	Trend Factor:	1.000	1.005
(J)	Selected Frequency:	0.555	0.558
(K)	Est. Payroll ($000,000):	30.0	30.8
(L)	Ultimate Claims:	17	17

Notes:

(A) Appendix Rate - D, Page 4, (C).
(B) Appendix Rate - D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix Rate - F, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix Rate - E, Column (H).
(G) (E) x (F).
(H) The selected frequency of 0.555 is based on (G).
(I) Appendix Rate - E, Column (H).
(J) (H) x (I).
(K) Appendix Rate - F, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended payroll.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2025 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2004-2005	15	1.000	15	
2005-2006	10	1.000	10	
2006-2007	11	1.000	11	
2007-2008	13	1.000	13	0.713
2008-2009	13	1.000	13	0.719
2009-2010	9	1.000	9	0.470
2010-2011	10	1.000	10	0.466
2011-2012	12	1.000	12	0.553
2012-2013	9	1.000	9	0.436
2013-2014	10	1.000	10	0.477
2014-2015	12	1.000	12	0.548
2015-2016	18	1.000	18	0.810
2016-2017	13	1.000	13	0.561
2017-2018	8	1.000	8	0.336
2018-2019	11	1.000	11	0.459
2019-2020	12	1.000	12	0.482
2020-2021	19	1.000	19	0.799
2021-2022	9	1.005	9	0.355
2022-2023	15	1.010	15	0.576
2023-2024	13	1.015	13	0.491
2024-2025	14	1.027	14	0.492
Total	256		256	0.537

Notes:

(A) Provided by SHARP JPA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix Rate - D, Page 3, (D)] x [Appendix Rate - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by SHARP JPA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2025 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2004-2005	15	1.000	15	
2005-2006	10	1.000	10	
2006-2007	11	1.000	11	
2007-2008	13	1.000	13	0.713
2008-2009	13	1.000	13	0.719
2009-2010	8	1.000	8	0.418
2010-2011	10	1.000	10	0.466
2011-2012	12	1.001	12	0.553
2012-2013	9	1.002	9	0.436
2013-2014	9	1.003	9	0.429
2014-2015	10	1.004	10	0.456
2015-2016	17	1.006	17	0.765
2016-2017	13	1.009	13	0.561
2017-2018	8	1.013	8	0.336
2018-2019	8	1.018	8	0.334
2019-2020	11	1.028	11	0.442
2020-2021	17	1.050	18	0.757
2021-2022	8	1.082	9	0.355
2022-2023	14	1.114	16	0.615
2023-2024	10	1.174	12	0.453
2024-2025	10	1.280	13	0.457
Total	236		245	0.510

Notes:

(A) Provided by SHARP JPA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix Rate - D, Page 3, (D)] x
[Appendix Rate - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by SHARP JPA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation

Incurred Losses as of 12/31/25

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $100,000 (G)	Incurred Capped at $100,000 (H)	Incurred $100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2004-2005	$59,078	$0	$0	$59,078	$0	$0	$59,078	$0	$59,078	$59,078
2005-2006	60,935	0	0	60,935	0	0	60,935	0	60,935	60,935
2006-2007	4,440	0	0	4,440	0	0	4,440	0	4,440	4,440
2007-2008	426,594	0	0	426,594	62,134	136,812	289,782	74,678	364,460	364,460
2008-2009	119,055	0	0	119,055	0	0	119,055	0	119,055	119,055
2009-2010	455,585	0	0	455,585	0	174,493	281,092	174,493	455,585	455,585
2010-2011	62,995	0	0	62,995	0	0	62,995	0	62,995	62,995
2011-2012	626,137	0	0	626,137	179,286	336,612	289,525	157,326	446,851	446,851
2012-2013	167,879	0	0	167,879	0	0	167,879	0	167,879	167,879
2013-2014	419,658	0	0	419,658	121,908	271,908	147,750	150,000	297,750	297,750
2014-2015	286,994	0	0	286,994	0	61,158	225,836	61,158	286,994	286,994
2015-2016	94,369	0	0	94,369	0	0	94,369	0	94,369	94,369
2016-2017	225,494	0	0	225,494	0	0	225,494	0	225,494	225,494
2017-2018	37,801	0	0	37,801	0	0	37,801	0	37,801	37,801
2018-2019	634,848	0	0	634,848	0	162,549	472,299	162,549	634,848	634,848
2019-2020	865,552	0	0	865,552	430,292	581,476	284,076	151,184	435,260	435,260
2020-2021	485,632	0	0	485,632	0	161,493	324,139	161,493	485,632	485,632
2021-2022	88,336	0	0	88,336	0	0	88,336	0	88,336	88,336
2022-2023	344,462	0	0	344,462	54,160	204,160	140,303	150,000	290,303	290,303
2023-2024	127,942	0	0	127,942	0	0	127,942	0	127,942	127,942
2024-2025	122,103	0	0	122,103	0	0	122,103	0	122,103	122,103
2025-2026	19,696	0	0	19,696	0	0	19,696	0	19,696	19,696
Total	$5,735,585	$0	$0	$5,735,585	$847,780	$2,090,662	$3,644,923	$1,242,882	$4,887,805	$4,887,805

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C)
(D)
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Rate - K.

SHARP JPA - Workers' Compensation

Paid Losses as of 12/31/25

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $100,000 (G)	Paid Capped at $100,000 (H)	Paid $100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2004-2005	$59,078	$0	$0	$59,078	$0	$0	$59,078	$0	$59,078	$59,078
2005-2006	60,935	0	0	60,935	0	0	60,935	0	60,935	60,935
2006-2007	4,440	0	0	4,440	0	0	4,440	0	4,440	4,440
2007-2008	426,594	0	0	426,594	62,134	136,812	289,782	74,678	364,460	364,460
2008-2009	119,055	0	0	119,055	0	0	119,055	0	119,055	119,055
2009-2010	423,004	0	0	423,004	0	144,205	278,799	144,205	423,004	423,004
2010-2011	62,995	0	0	62,995	0	0	62,995	0	62,995	62,995
2011-2012	626,137	0	0	626,137	179,286	336,612	289,525	157,326	446,851	446,851
2012-2013	167,879	0	0	167,879	0	0	167,879	0	167,879	167,879
2013-2014	404,505	0	0	404,505	106,756	256,756	147,750	150,000	297,750	297,750
2014-2015	223,527	0	0	223,527	0	38,968	184,560	38,968	223,527	223,527
2015-2016	94,369	0	0	94,369	0	0	94,369	0	94,369	94,369
2016-2017	225,494	0	0	225,494	0	0	225,494	0	225,494	225,494
2017-2018	37,801	0	0	37,801	0	0	37,801	0	37,801	37,801
2018-2019	493,357	0	0	493,357	0	92,468	400,889	92,468	493,357	493,357
2019-2020	837,473	0	0	837,473	430,292	581,476	255,997	151,184	407,180	407,180
2020-2021	479,632	0	0	479,632	0	161,493	318,139	161,493	479,632	479,632
2021-2022	55,439	0	0	55,439	0	0	55,439	0	55,439	55,439
2022-2023	291,476	0	0	291,476	1,173	151,173	140,303	150,000	290,303	290,303
2023-2024	67,007	0	0	67,007	0	0	67,007	0	67,007	67,007
2024-2025	76,410	0	0	76,410	0	0	76,410	0	76,410	76,410
2025-2026	19,696	0	0	19,696	0	0	19,696	0	19,696	19,696
Total	$5,256,303	$0	$0	$5,256,303	$779,641	$1,899,963	$3,356,341	$1,120,321	$4,476,662	$4,476,662

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C)
(D)
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Rate - K.

SHARP JPA - Workers' Compensation

Case Reserves as of 12/31/25

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $100,000 (G)	Reserves Capped at $100,000 (H)	Reserves $100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2004-2005	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0
2009-2010	32,581	0	0	32,581	0	30,288	2,293	30,288	32,581	32,581
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	15,152	0	0	15,152	15,152	15,152	0	0	0	0
2014-2015	63,466	0	0	63,466	0	22,190	41,276	22,190	63,466	63,466
2015-2016	0	0	0	0	0	0	0	0	0	0
2016-2017	0	0	0	0	0	0	0	0	0	0
2017-2018	0	0	0	0	0	0	0	0	0	0
2018-2019	141,491	0	0	141,491	0	70,081	71,410	70,081	141,491	141,491
2019-2020	28,079	0	0	28,079	0	0	28,079	0	28,079	28,079
2020-2021	6,000	0	0	6,000	0	0	6,000	0	6,000	6,000
2021-2022	32,896	0	0	32,896	0	0	32,896	0	32,896	32,896
2022-2023	52,986	0	0	52,986	52,986	52,986	0	0	0	0
2023-2024	60,935	0	0	60,935	0	0	60,935	0	60,935	60,935
2024-2025	45,693	0	0	45,693	0	0	45,693	0	45,693	45,693
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	$479,282	$0	$0	$479,282	$68,139	$190,699	$288,583	$122,560	$411,143	$411,143

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix Rate - E, Page 1, Column (B) - Appendix Rate - E, Page 2, Column (B).
(C) Appendix Rate - E, Page 1, Column (C) - Appendix Rate - E, Page 2, Column (C).
(D) Appendix Rate - E, Page 1, Column (D) - Appendix Rate - E, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Rate - K.

SHARP JPA - Workers' Compensation

Claim Counts as of 12/31/25

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2004-2005	15	0	0	15	15	0	0	15	0	0
2005-2006	10	0	0	10	10	0	0	10	0	0
2006-2007	11	0	0	11	11	0	0	11	0	0
2007-2008	13	0	0	13	13	0	0	13	0	0
2008-2009	13	0	0	13	13	0	0	13	0	0
2009-2010	9	0	0	9	8	0	0	8	1	1
2010-2011	10	0	0	10	10	0	0	10	0	0
2011-2012	12	0	0	12	12	0	0	12	0	0
2012-2013	9	0	0	9	9	0	0	9	0	0
2013-2014	10	0	0	10	9	0	0	9	1	1
2014-2015	12	0	0	12	10	0	0	10	2	2
2015-2016	18	0	0	18	17	0	0	17	1	1
2016-2017	13	0	0	13	13	0	0	13	0	0
2017-2018	8	0	0	8	8	0	0	8	0	0
2018-2019	11	0	0	11	8	0	0	8	3	3
2019-2020	12	0	0	12	11	0	0	11	1	1
2020-2021	19	0	0	19	17	0	0	17	2	2
2021-2022	9	0	0	9	8	0	0	8	1	1
2022-2023	15	0	0	15	14	0	0	14	1	1
2023-2024	13	0	0	13	10	0	0	10	3	3
2024-2025	14	0	0	14	10	0	0	10	4	4
2025-2026	2	0	0	2	2	0	0	2	0	0
Total	258	0	0	258	238	0	0	238	20	20

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C)
(D)
(E) (B) + (C) - (D).
(F) Provided by SHARP JPA.
(G)
(H)
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

SHARP JPA - Workers' Compensation

Exposure Measures

Accident Year	Total Payroll ($00) (A)	Inflation Trend Factor (B)	Trended Payroll ($00) (C)
2004-2005	0		0
2005-2006	0		0
2006-2007	0		0
2007-2008	127,510	1.559	198,788
2008-2009	128,834	1.521	195,957
2009-2010	139,252	1.484	206,650
2010-2011	159,128	1.448	230,417
2011-2012	164,226	1.413	232,051
2012-2013	159,415	1.379	219,833
2013-2014	165,110	1.345	222,073
2014-2015	176,013	1.312	230,929
2015-2016	182,165	1.280	233,171
2016-2017	193,657	1.249	241,878
2017-2018	202,817	1.219	247,234
2018-2019	208,496	1.189	247,902
2019-2020	221,080	1.160	256,453
2020-2021	215,259	1.132	243,673
2021-2022	234,237	1.104	258,598
2022-2023	245,250	1.077	264,134
2023-2024	254,310	1.051	267,280
2024-2025	278,759	1.025	285,728
2025-2026	300,125	1.000	300,125
2026-2027	308,229	1.000	308,229

Notes:

(A) Provided by SHARP JPA.
(B) Based on WCIRB.
(C) (A) x (B).

RESERVE EXHIBITS AND APPENDICES

SHARP JPA - Workers' Compensation

Funding Guidelines for Outstanding Liabilities at
June 30, 2026

(A)	Estimated Ultimate Losses Incurred through 6/30/26: (From Appendix Reserve - G)	$5,651,346
(B)	Estimated Paid Losses through 6/30/26: (From Appendix Reserve - G)	4,389,769
(C)	Estimated Liability for Claims Outstanding at 6/30/26: (From Appendix Reserve - G)	$1,261,577
(D)	Estimated Liability for Outstanding Claims Administration Fees at 6/30/26: (From Appendix Reserve - F)	45,558
(E)	Total Outstanding Liability for Claims at 6/30/26: ((C) + (D))	$1,307,135
(F)	Reserve Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix Reserve - I, Page 1, (H))	0.898
(G)	Discounted Outstanding Liability for Claims at 6/30/26: ((E) x (F))	$1,174,441

		Marginally Acceptable		Recommended		Conservative
	Confidence Level of Adequacy:	65%	70%	75%	80%	85%
(H)	Confidence Level Factor: (From Appendix Reserve - J)	1.093	1.153	1.221	1.300	1.398
(I)	Margin for Adverse Experience: ((G) x [(H) - 1])	109,000	180,000	260,000	352,000	467,000
(J)	Total Required Assets at 6/30/26: ((G) + (I))	$1,283,000	$1,354,000	$1,434,000	$1,526,000	$1,641,000
(K)	Estimated Total Assets at 6/30/26: (From Appendix Reserve - L)	6,947,000	6,947,000	6,947,000	6,947,000	6,947,000
(L)	Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	$5,664,000	$5,593,000	$5,513,000	$5,421,000	$5,306,000

* May differ from (E) x (F) due to rounding.

SHARP JPA - Workers' Compensation

IBNR as of 6/30/26 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/25 (B)	Estimated IBNR as of 12/31/25 (C)	Estimated Percent of IBNR Reported Between 1/1/26 and 6/30/26 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/26 (F)
Prior	$146,124	$146,124	$0	15.0%	$0	$0
2005-2006	61,573	61,573	0	16.6%	0	0
2006-2007	4,599	4,599	0	0.0%	0	0
2007-2008	426,594	426,594	0	14.2%	0	0
2008-2009	120,576	120,576	0	28.3%	0	0
2009-2010	464,000	455,721	8,279	6.2%	1,000	7,279
2010-2011	61,481	61,481	0	5.5%	0	0
2011-2012	339,525	339,525	0	4.9%	0	0
2012-2013	168,373	168,373	0	4.5%	0	0
2013-2014	293,038	293,038	0	7.8%	0	0
2014-2015	299,000	290,175	8,825	7.0%	1,000	7,825
2015-2016	36,524	36,524	0	6.3%	0	0
2016-2017	227,939	227,939	0	2.9%	0	0
2017-2018	40,000	37,801	2,199	7.6%	0	2,199
2018-2019	599,000	573,579	25,421	6.5%	2,000	23,421
2019-2020	499,000	473,791	25,209	9.0%	2,000	23,209
2020-2021	321,000	300,506	20,494	10.0%	2,000	18,494
2021-2022	124,000	88,336	35,664	16.8%	6,000	29,664
2022-2023	409,000	330,088	78,912	22.5%	18,000	60,912
2023-2024	226,000	127,942	98,058	15.8%	15,000	83,058
2024-2025	353,000	122,103	230,897	20.8%	48,000	182,897
2025-2026	431,000	19,696	196,304	26.2%	108,000	303,304
Totals	$5,651,346	$4,706,084	$730,262		$203,000	$742,262

Notes:

(A) From Exhibit Reserve - 3, Page 1.
(B) Provided by SHARP JPA. These losses exclude amounts incurred above the Pool's SIR for each year.
(C) (A) - (B).
(D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/26 and 6/30/26. The percentage is based on the development pattern selected in Appendix Reserve - A.
(E) ((A) - (B)) x (D).
(F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/26. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

SHARP JPA - Workers' Compensation

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)	Selected Estimate of Ultimate Losses Limited to Aggregate (G)
Prior	$146,855	$150,215	$0	$0	$163,116	$146,124	$146,124
2005-2006	61,942	63,728	61,987	63,921	69,024	61,573	61,573
2006-2007	4,627	4,792	4,630	4,806	5,160	4,599	4,599
2007-2008	429,580	447,924	429,439	446,103	406,350	426,594	426,594
2008-2009	122,264	131,307	122,749	133,302	155,264	120,576	120,576
2009-2010	463,013	465,454	461,730	457,319	375,590	464,000	464,000
2010-2011	62,588	68,305	62,919	69,470	80,072	61,481	61,481
2011-2012	346,316	380,947	344,488	366,576	248,172	339,525	339,525
2012-2013	172,077	191,103	173,248	194,744	221,760	168,373	168,373
2013-2014	300,364	336,115	297,578	317,251	189,400	293,038	293,038
2014-2015	298,300	263,436	298,444	269,281	306,306	299,000	299,000
2015-2016	37,656	43,098	37,992	44,010	48,900	36,524	36,524
2016-2017	235,461	273,755	237,755	279,169	306,930	227,939	227,939
2017-2018	39,237	46,306	39,688	47,185	51,160	40,000	40,000
2018-2019	598,816	542,703	597,195	546,793	562,176	599,000	599,000
2019-2020	498,902	582,099	496,022	549,751	444,660	499,000	499,000
2020-2021	320,339	405,240	316,482	364,850	350,820	321,000	321,000
2021-2022	97,523	87,705	116,034	163,872	186,849	124,000	124,000
2022-2023	398,746	548,266	390,193	455,018	324,375	409,000	409,000
2023-2024	171,186	162,626	222,613	287,032	295,789	226,000	226,000
2024-2025	215,390	327,646	305,209	400,757	335,370	353,000	353,000
Totals						$5,220,346	$5,220,346
		Projected Losses for the Year 2025-2026 (H)				$431,000	$431,000
		Projected Losses for the Year 2026-2027 (I)				462,000	462,000

Notes:

(A) From Appendix Reserve - A, Page 1, Column (G).
(B) From Appendix Reserve - B, Page 1, Column (G).
(C) From Appendix Reserve - C, Page 1, Column (G).
(D) From Appendix Reserve - C, Page 2, Column (G).
(E) From Appendix Reserve - D, Page 1, Column (C).
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) (F) limited to applicable aggregate.
(H) From Exhibit Reserve - 4, Page 1, Line (K).
(I) From Exhibit Reserve - 4, Page 1, Line (K).

This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

SHARP JPA - Workers' Compensation

Estimated Ultimate Limited Losses Capped at $100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
Prior	$146,124	$146,855	$0	$0	$146,142	$146,124
2005-2006	61,573	62,189	61,573	62,189	61,572	61,573
2006-2007	4,599	4,668	4,599	4,667	4,596	4,599
2007-2008	360,665	367,878	360,665	367,879	360,660	360,665
2008-2009	120,576	123,590	120,576	123,468	120,576	120,576
2009-2010	289,937	296,273	289,937	296,053	289,940	289,937
2010-2011	61,481	63,633	61,481	63,569	61,480	61,481
2011-2012	189,525	197,106	189,525	196,724	189,528	189,525
2012-2013	168,373	175,950	168,373	175,607	168,370	168,373
2013-2014	143,038	150,190	143,038	149,900	143,040	143,038
2014-2015	229,017	198,255	229,017	199,935	229,996	230,000
2015-2016	36,524	38,825	36,524	38,685	36,525	36,524
2016-2017	227,939	244,351	227,939	243,202	227,942	227,939
2017-2018	37,839	40,901	37,839	40,666	37,800	37,801
2018-2019	412,263	371,205	412,269	374,728	413,001	413,000
2019-2020	324,543	328,987	324,557	328,649	324,996	325,000
2020-2021	283,910	317,511	283,063	300,276	254,970	284,000
2021-2022	90,898	72,182	94,302	104,870	135,117	94,000
2022-2023	198,457	270,852	203,473	264,326	233,385	211,000
2023-2024	147,645	124,700	163,561	191,005	211,640	167,000
2024-2025	172,776	241,761	210,342	282,402	238,770	247,000
Totals						$3,819,155

Projected Losses for the Year 2025-2026 (G)	$305,000
Projected Losses for the Year 2026-2027 (H)	326,000

Notes:

(A) From Appendix Reserve - A, Page 1, Column (D).
(B) From Appendix Reserve - B, Page 1, Column (D).
(C) Based on results in Appendix Reserve - C, Page 1.
(D) Based on results in Appendix Reserve - C, Page 2.
(E) Based on results in Appendix Reserve - D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit Reserve - 4, Page 1, Line (K) / Line (G).
(H) From Exhibit Reserve - 4, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

SHARP JPA - Workers' Compensation

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/25 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 12/31/25 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	$146,124	1.000	$146,124	$146,124	1.005	$146,855
2005-2006	61,573	1.000	61,573	61,573	1.006	61,942
2006-2007	4,599	1.000	4,599	4,599	1.006	4,627
2007-2008	360,665	1.000	360,665	426,594	1.007	429,580
2008-2009	120,576	1.000	120,576	120,576	1.014	122,264
2009-2010	289,937	1.000	289,937	455,721	1.016	463,013
2010-2011	61,481	1.000	61,481	61,481	1.018	62,588
2011-2012	189,525	1.000	189,525	339,525	1.020	346,316
2012-2013	168,373	1.000	168,373	168,373	1.022	172,077
2013-2014	143,038	1.000	143,038	293,038	1.025	300,364
2014-2015	229,017	1.000	229,017	290,175	1.028	298,300
2015-2016	36,524	1.000	36,524	36,524	1.031	37,656
2016-2017	227,939	1.000	227,939	227,939	1.033	235,461
2017-2018	37,801	1.001	37,839	37,801	1.038	39,237
2018-2019	411,030	1.003	412,263	573,579	1.044	598,816
2019-2020	322,607	1.006	324,543	473,791	1.053	498,902
2020-2021	281,378	1.009	283,910	300,506	1.066	320,339
2021-2022	88,336	1.029	90,898	88,336	1.104	97,523
2022-2023	180,088	1.102	198,457	330,088	1.208	398,746
2023-2024	127,942	1.154	147,645	127,942	1.338	171,186
2024-2025	122,103	1.415	172,776	122,103	1.764	215,390
Totals	$3,610,656		$3,707,701	$4,686,388		$5,021,182

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix Reserve - A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the Pool's SIR. Amounts are provided by SHARP JPA.
(F) Derived from factors on Appendix Reserve - A, Page 4.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

SHARP JPA - Workers' Compensation
Reported Loss Development

Limited Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2004-2005	40,746	66,443	77,832	86,799	67,911	67,911	67,911	67,911	121,845	58,395	59,858
2005-2006	652	8,131	9,327	9,633	9,633	17,133	76,025	77,263	77,263	61,573	61,573
2006-2007	1,275	4,158	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599
2007-2008	48,542	142,627	303,952	297,751	289,654	289,654	289,782	289,782	289,782	289,782	289,782
2008-2009	25,267	105,061	115,373	130,560	150,116	115,576	115,576	115,576	115,576	115,576	115,576
2009-2010	33,372	241,819	265,864	298,131	266,057	315,545	281,228	281,228	273,053	270,173	271,348
2010-2011	2,992	20,124	87,062	101,528	66,414	56,481	56,481	56,481	56,481	56,481	56,481
2011-2012	56,920	103,910	202,358	226,741	232,454	189,525	189,525	189,525	189,525	189,525	189,525
2012-2013	74,101	94,857	189,657	221,117	168,364	168,329	168,329	168,329	168,329	168,373	168,373
2013-2014	1,500	62,107	155,761	205,397	186,893	161,921	142,230	142,230	142,670	143,038	143,038
2014-2015	47,420	174,495	284,278	266,430	258,325	250,894	250,894	229,017	229,017	229,017	229,017
2015-2016	21,825	20,632	36,524	36,524	36,524	36,524	36,524	36,524	36,524	36,524	36,524
2016-2017	46,539	296,547	298,330	269,834	269,834	227,939	227,939	227,939	227,939	227,939	
2017-2018	8,412	81,225	81,331	37,801	37,801	37,801	37,801	37,801	37,801		
2018-2019	3,614	146,262	228,839	252,423	283,952	411,030	411,030	411,030			
2019-2020	28,616	198,215	243,470	251,285	293,574	319,900	322,607				
2020-2021	48,817	210,059	217,269	274,881	290,257	281,378					
2021-2022	44,122	85,625	113,946	80,030	88,336						
2022-2023	27,130	180,924	180,088	180,088							
2023-2024	11,897	92,676	127,942								
2024-2025	4,314	122,103									
2025-2026	19,696										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2004-2005	1.631	1.171	1.115	0.782	1.000	1.000	1.000	1.794	0.479	1.025	1.000
2005-2006	12.471	1.147	1.033	1.000	1.779	4.437	1.016	1.000	0.797	1.000	1.000
2006-2007	3.261	1.106	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	2.938	2.131	0.980	0.973	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009	4.158	1.098	1.132	1.150	0.770	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	7.246	1.099	1.121	0.892	1.186	0.891	1.000	0.971	0.989	1.004	1.000
2010-2011	6.726	4.326	1.166	0.654	0.850	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012	1.826	1.947	1.120	1.025	0.815	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013	1.280	1.999	1.166	0.761	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013-2014	41.405	2.508	1.319	0.910	0.866	0.878	1.000	1.003	1.003	1.000	1.000
2014-2015	3.680	1.629	0.937	0.970	0.971	1.000	0.913	1.000	1.000	1.000	1.000
2015-2016	0.945	1.770	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2016-2017	6.372	1.006	0.904	1.000	0.845	1.000	1.000	1.000	1.000		
2017-2018	9.656	1.001	0.465	1.000	1.000	1.000	1.000	1.000			
2018-2019	40.471	1.565	1.103	1.125	1.448	1.000	1.000				
2019-2020	6.927	1.228	1.032	1.168	1.090	1.008					
2020-2021	4.303	1.034	1.265	1.056	0.969						
2021-2022	1.941	1.331	0.702	1.104							
2022-2023	6.669	0.995	1.000								
2023-2024	7.790	1.381									
2024-2025	28.304										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average	9.524	1.574	1.029	0.976	1.035	1.201	0.995	1.055	0.944	1.002	1.000
Dollar-Wtd. Avgs.											
Total	4.252	1.380	1.044	0.983	1.014	1.003	0.991	1.024	0.958	1.002	1.000
3-yr	9.130	1.175	1.046	1.109	1.167	1.004	1.000	1.000	1.000	1.000	1.000
4-yr	5.503	1.123	1.042	1.114	1.160	1.003	1.000	1.000	1.001	1.000	1.000
Comparative											
Factors	2.795	1.264	1.061	1.008	1.004	1.003	1.004	1.003	1.003	1.002	1.002
Prior	6.003	1.303	1.050	1.030	1.020	1.003	1.003	1.002	1.001	1.000	1.000
Selected	6.660	1.226	1.047	1.071	1.020	1.003	1.003	1.002	1.001	1.000	1.000
Cumulated	9.424	1.415	1.154	1.102	1.029	1.009	1.006	1.003	1.001	1.000	1.000

SHARP JPA - Workers' Compensation
Reported Loss Development

Limited Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	59,858	59,858	59,858	59,858	59,858	59,858	59,858	59,858	59,867	59,867	63,404
2005-2006	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	
2006-2007	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599		
2007-2008	289,782	289,782	289,782	289,782	289,782	360,665	360,665	360,665			
2008-2009	115,576	115,576	130,576	130,629	120,576	120,576	120,576				
2009-2010	271,348	265,786	271,351	289,937	289,937	289,937					
2010-2011	56,481	61,481	61,481	61,481	61,481						
2011-2012	189,525	189,525	189,525	189,525							
2012-2013	168,373	168,373	168,373								
2013-2014	143,038	143,038									
2014-2015	229,017										
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
2025-2026											

Reported Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.059	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2007-2008	1.000	1.000	1.000	1.000	1.245	1.000	1.000				
2008-2009	1.000	1.130	1.000	0.923	1.000	1.000					
2009-2010	0.980	1.021	1.068	1.000	1.000						
2010-2011	1.089	1.000	1.000	1.000							
2011-2012	1.000	1.000	1.000								
2012-2013	1.000	1.000									
2013-2014	1.000										
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.007	1.017	1.009	0.989	1.041	1.000	1.000	1.000	1.000	1.059	
Dollar-Wtd. Avgs											
Total	1.000	1.017	1.017	0.989	1.086	1.000	1.000	1.000			
3-yr	1.000	1.000	1.036	0.979	1.101	1.000	1.000	1.000			
4-yr	1.009	1.008	1.029	0.987	1.101	1.000	1.000				
Comparative											
Factors	1.003	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.026
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

SHARP JPA - Workers' Compensation
Reported between $100,000 and $500,000 Loss Development

Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2004-2005											
2005-2006											
2006-2007											
2007-2008			166,735	232,304	248,877	262,862	136,643	136,578	136,803	136,803	136,803
2008-2009			5,512	5,419	40,360						
2009-2010		9,367	10,000	162,185	144,205	156,779	154,655	154,424	144,205	144,205	144,205
2010-2011											
2011-2012			163,501	174,416	58,665	152,319	152,319	152,319	152,319	152,319	152,319
2012-2013											
2013-2014				106,190	137,484	303,538	303,538	303,538	303,538	304,635	304,635
2014-2015				17,438	23,792	17,438	39,738	39,738	44,857	44,857	54,844
2015-2016											
2016-2017		6,631									
2017-2018											
2018-2019			49,773	50,684	50,996	138,759	150,720	162,549			
2019-2020		22,382	133,913	400,000	411,230	401,184	401,184				
2020-2021		109,468	93,356	36,117	45,718	19,128					
2021-2022											
2022-2023		94,217	164,990	164,374							
2023-2024											
2024-2025											
2025-2026											

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2004-2005											
2005-2006											
2006-2007											
2007-2008			1.393	1.071	1.056	0.520	1.000	1.002	1.000	1.000	1.000
2008-2009			0.983	7.448							
2009-2010		1.068	16.219	0.889	1.087	0.986	0.999	0.934	1.000	1.000	1.000
2010-2011											
2011-2012			1.067	0.336	2.596	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013											
2013-2014				1.295	2.208	1.000	1.000	1.000	1.004	1.000	0.893
2014-2015				1.364	0.733	2.279	1.000	1.129	1.000	1.223	1.115
2015-2016											
2016-2017											
2017-2018											
2018-2019			1.018	1.006	2.721	1.086	1.078				
2019-2020		5.983	2.987	1.028	0.976	1.000					
2020-2021		0.853	0.387	1.266	0.418						
2021-2022											
2022-2023		1.751	0.996								
2023-2024											
2024-2025											

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average		2.414	3.131	1.745	1.474	1.124	1.013	1.013	1.001	1.045	1.002
Dollar-Wtd. Avgs.											
Total		1.709	1.556	0.980	1.295	0.934	1.012	0.994	1.001	1.013	0.967
3-yr					1.101						
4-yr											
Comparative											
Factors	4.605	2.073	1.403	1.175	1.086	1.042	1.022	1.016	1.012	1.010	1.010
Prior	4.362	1.973	1.381	1.179	1.083	1.042	1.027	1.015	1.011	1.010	1.010
Selected	4.484	2.023	1.392	1.177	1.085	1.042	1.025	1.016	1.012	1.010	1.010
Cumulated	20.225	4.511	2.230	1.602	1.361	1.255	1.204	1.175	1.157	1.144	1.133

DRAFT

SHARP JPA - Workers' Compensation
Reported between $100,000 and $500,000 Loss Development

Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months
2004-2005								
2005-2006								
2006-2007								
2007-2008	136,812	136,812	136,812	136,812	136,812	65,930	65,930	65,930
2008-2009								
2009-2010	144,205	144,205	144,205	138,055	145,820	165,784		
2010-2011								
2011-2012	152,319	329,286	329,286	329,286				
2012-2013								
2013-2014	271,908	271,908						
2014-2015	61,158							
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
2025-2026								

Reported Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
2004-2005								
2005-2006								
2006-2007								
2007-2008	1.000	1.000	1.000	1.000	0.482	1.000	1.000	
2008-2009								
2009-2010	1.000	1.000	0.957	1.056	1.137			
2010-2011								
2011-2012	2.162	1.000	1.000					
2012-2013								
2013-2014	1.000							
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
Average	1.291	1.000	0.986	1.028	0.810	1.000	1.000	
Dollar-Wtd. Avgs								
Total	1.251	1.000	0.990	1.028	0.820	1.000	1.000	
3-yr								
4-yr								
Comparative								
Factors	1.011	1.010	1.009	1.009	1.007	1.006	1.005	1.062
Prior	1.010	1.010	1.010	1.008	1.008	1.006	1.057	
Selected	1.010	1.010	1.010	1.009	1.008	1.006	1.005	1.062
Cumulated	1.122	1.111	1.100	1.090	1.081	1.073	1.067	1.062

SHARP JPA - Workers' Compensation

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/25 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 12/31/25 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	$146,124	1.005	$146,855	$146,124	1.028	$150,215
2005-2006	61,573	1.010	62,189	61,573	1.035	63,728
2006-2007	4,599	1.015	4,668	4,599	1.042	4,792
2007-2008	360,665	1.020	367,878	426,594	1.050	447,924
2008-2009	120,576	1.025	123,590	120,576	1.089	131,307
2009-2010	287,644	1.030	296,273	423,140	1.100	465,454
2010-2011	61,481	1.035	63,633	61,481	1.111	68,305
2011-2012	189,525	1.040	197,106	339,525	1.122	380,947
2012-2013	168,373	1.045	175,950	168,373	1.135	191,103
2013-2014	143,038	1.050	150,190	293,038	1.147	336,115
2014-2015	187,741	1.056	198,255	226,709	1.162	263,436
2015-2016	36,524	1.063	38,825	36,524	1.180	43,098
2016-2017	227,939	1.072	244,351	227,939	1.201	273,755
2017-2018	37,801	1.082	40,901	37,801	1.225	46,306
2018-2019	339,620	1.093	371,205	432,088	1.256	542,703
2019-2020	294,527	1.117	328,987	445,711	1.306	582,099
2020-2021	275,378	1.153	317,511	294,506	1.376	405,240
2021-2022	55,439	1.302	72,182	55,439	1.582	87,705
2022-2023	180,088	1.504	270,852	291,476	1.881	548,266
2023-2024	67,007	1.861	124,700	67,007	2.427	162,626
2024-2025	76,410	3.164	241,761	76,410	4.288	327,646
Totals	$3,322,072		$3,837,860	$4,236,633		$5,522,770

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix Reserve - B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the Pool's SIR. Amounts are provided by SHARP JPA.
(F) Derived from factors on Appendix Reserve - B, Page 4.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

SHARP JPA - Workers' Compensation
Paid Loss Development

Limited Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2004-2005	14,656	32,711	45,871	46,987	47,612	47,852	47,855	50,938	56,191	58,395	59,858
2005-2006	652	8,131	9,327	9,633	9,633	9,633	54,718	61,573	61,573	61,573	61,573
2006-2007	1,275	4,158	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599
2007-2008	2,392	63,598	261,957	289,654	289,654	289,654	289,782	289,782	289,782	289,782	289,782
2008-2009	2,772	87,203	91,399	102,811	115,576	115,576	115,576	115,576	115,576	115,576	115,576
2009-2010	9,490	73,649	93,054	182,921	222,144	238,149	247,637	249,058	251,225	252,584	253,545
2010-2011	2,992	14,792	26,633	35,920	56,481	56,481	56,481	56,481	56,481	56,481	56,481
2011-2012	35,690	57,935	81,050	94,297	104,267	189,525	189,525	189,525	189,525	189,525	189,525
2012-2013	11,780	55,935	72,665	167,167	168,364	168,329	168,329	168,329	168,329	168,373	168,373
2013-2014		20,411	56,059	127,493	142,206	142,230	142,230	142,230	142,670	143,038	143,038
2014-2015	7,219	47,371	87,262	135,365	155,499	157,259	173,814	186,698	186,879	187,260	187,595
2015-2016	8,643	19,816	36,524	36,524	36,524	36,524	36,524	36,524	36,524	36,524	36,524
2016-2017	5,793	87,512	190,312	227,923	227,931	227,939	227,939	227,939	227,939	227,939	
2017-2018	112	37,562	37,668	37,801	37,801	37,801	37,801	37,801	37,801		
2018-2019	1,125	61,635	173,941	194,771	209,233	318,959	331,270	339,620			
2019-2020	5,166	96,866	165,488	202,930	288,173	292,160	294,527				
2020-2021	27,293	131,139	145,793	208,307	228,949	275,378					
2021-2022	1,972	16,458	25,028	48,012	55,439						
2022-2023	13,012	161,253	180,088	180,088							
2023-2024	4,829	31,945	67,007								
2024-2025	2,922	76,410									
2025-2026	19,696										

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2004-2005	2.232	1.402	1.024	1.013	1.005	1.000	1.064	1.103	1.039	1.025	1.000
2005-2006	12.471	1.147	1.033	1.000	1.000	5.680	1.125	1.000	1.000	1.000	1.000
2006-2007	3.261	1.106	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	26.588	4.119	1.106	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009	31.459	1.048	1.125	1.124	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	7.761	1.263	1.966	1.214	1.072	1.040	1.006	1.009	1.005	1.004	1.006
2010-2011	4.944	1.801	1.349	1.572	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012	1.623	1.399	1.163	1.106	1.818	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013	4.748	1.299	2.301	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013-2014		2.747	2.274	1.115	1.000	1.000	1.000	1.003	1.003	1.000	1.000
2014-2015	6.562	1.842	1.551	1.149	1.011	1.105	1.074	1.001	1.002	1.002	1.001
2015-2016	2.293	1.843	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2016-2017	15.107	2.175	1.198	1.000	1.000	1.000	1.000	1.000	1.000		
2017-2018	335.375	1.003	1.004	1.000	1.000	1.000	1.000	1.000			
2018-2019	54.787	2.822	1.120	1.074	1.524	1.039	1.025				
2019-2020	18.751	1.708	1.226	1.420	1.014	1.008					
2020-2021	4.805	1.112	1.429	1.099	1.203						
2021-2022	8.346	1.521	1.918	1.155							
2022-2023	12.393	1.117	1.000								
2023-2024	6.615	2.098									
2024-2025	26.150										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average	29.314	1.729	1.357	1.114	1.097	1.305	1.020	1.008	1.004	1.003	1.001
Dollar-Wtd. Avgs.											
Total	7.298	1.668	1.307	1.115	1.112	1.037	1.015	1.004	1.002	1.002	1.001
3-yr	12.985	1.298	1.244	1.247	1.220	1.023	1.014	1.000	1.001	1.001	1.000
4-yr	12.583	1.226	1.238	1.195	1.210	1.017	1.013	1.000	1.001	1.001	1.000
Comparative											
Factors	3.520	1.628	1.220	1.107	1.059	1.035	1.022	1.015	1.009	1.007	1.006
Prior	10.118	1.700	1.235	1.112	1.072	1.041	1.022	1.010	1.009	1.008	1.007
Selected	11.184	1.700	1.237	1.155	1.129	1.032	1.022	1.010	1.009	1.008	1.007
Cumulated	35.388	3.164	1.861	1.504	1.302	1.153	1.117	1.093	1.082	1.072	1.063

SHARP JPA - Workers' Compensation
Paid Loss Development

Limited Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2004-2005	59,858	59,858	59,858	59,858	59,858	59,858	59,858	59,858	59,867	59,867	63,404
2005-2006	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	
2006-2007	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599		
2007-2008	289,782	289,782	289,782	289,782	289,782	360,665	360,665	360,665			
2008-2009	115,576	115,576	115,576	115,576	120,576	120,576	120,576				
2009-2010	254,990	255,479	257,601	274,834	280,392	287,644					
2010-2011	56,481	61,481	61,481	61,481	61,481						
2011-2012	189,525	189,525	189,525	189,525							
2012-2013	168,373	168,373	168,373								
2013-2014	143,038	143,038									
2014-2015	187,741										
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											
2025-2026											

Paid Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.059	
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2007-2008	1.000	1.000	1.000	1.000	1.245	1.000	1.000				
2008-2009	1.000	1.000	1.000	1.043	1.000	1.000					
2009-2010	1.002	1.008	1.067	1.020	1.026						
2010-2011	1.089	1.000	1.000	1.000							
2011-2012	1.000	1.000	1.000								
2012-2013	1.000	1.000									
2013-2014	1.000										
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											
2024-2025											

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-234 Months	234-246 Months	246-258 Months	258-Ult. Months
Average	1.009	1.001	1.008	1.009	1.045	1.000	1.000	1.000	1.000	1.059	
Dollar-Wtd. Avgs											
Total	1.004	1.002	1.017	1.012	1.096	1.000	1.000	1.000			
3-yr	1.000	1.000	1.034	1.023	1.113	1.000	1.000	1.000			
4-yr	1.009	1.003	1.028	1.014	1.112	1.000	1.000				
Comparative											
Factors	1.006	1.005	1.003	1.004	1.002	1.002	1.003	1.002	1.002	1.002	1.056
Prior	1.006	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Selected	1.006	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Cumulated	1.056	1.050	1.045	1.040	1.035	1.030	1.025	1.020	1.015	1.010	1.005

DRAFT

SHARP JPA - Workers' Compensation
Paid between $100,000 and $500,000 Loss Development

Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2004-2005											
2005-2006											
2006-2007											
2007-2008			23,565	126,631	113,197	128,886	136,643	136,578	136,803	136,803	136,803
2008-2009											
2009-2010				144,205	144,205	144,205	144,205	144,205	144,205	144,205	144,205
2010-2011											
2011-2012						152,319	152,319	152,319	152,319	152,319	152,319
2012-2013											
2013-2014				9,798	53,238	170,376	189,109	205,432	222,444	240,748	248,654
2014-2015								2,411	10,869	17,359	21,830
2015-2016											
2016-2017											
2017-2018											
2018-2019			49,773	50,684	50,996	61,537	80,561	92,468			
2019-2020			67,689	250,827	270,205	401,184	401,184				
2020-2021		34,813	76,253	19,128	19,128	19,128					
2021-2022											
2022-2023			93,967	111,388							
2023-2024											
2024-2025											
2025-2026											

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
2004-2005											
2005-2006											
2006-2007											
2007-2008			5.374	0.894	1.139	1.060	1.000	1.002	1.000	1.000	1.000
2008-2009											
2009-2010				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010-2011											
2011-2012						1.000	1.000	1.000	1.000	1.000	1.000
2012-2013											
2013-2014				5.434	3.200	1.110	1.086	1.083	1.082	1.033	1.018
2014-2015								4.508	1.597	1.258	1.785
2015-2016											
2016-2017											
2017-2018											
2018-2019			1.018	1.006	1.207	1.309	1.148				
2019-2020			3.706	1.077	1.485	1.000					
2020-2021		2.190	0.251	1.000	1.000						
2021-2022											
2022-2023			1.185								
2023-2024											
2024-2025											

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average		2.190	2.307	1.735	1.505	1.080	1.047	1.719	1.136	1.058	1.161
Dollar-Wtd. Avgs.											
Total		2.190	1.795	1.083	1.421	1.043	1.040	1.040	1.037	1.018	1.031
3-yr					1.416						
4-yr											
Comparative											
Factors	8.014	3.544	1.996	1.463	1.278	1.176	1.124	1.089	1.057	1.050	1.042
Prior	8.015	3.238	1.934	1.454	1.263	1.177	1.137	1.098	1.067	1.057	1.050
Selected	8.015	3.391	1.965	1.459	1.271	1.177	1.131	1.094	1.062	1.054	1.046
Cumulated	281.012	35.063	10.340	5.262	3.608	2.840	2.414	2.135	1.952	1.838	1.745

DRAFT

SHARP JPA - Workers' Compensation
Paid between $100,000 and $500,000 Loss Development

Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months
2004-2005								
2005-2006								
2006-2007								
2007-2008	136,812	136,812	136,812	136,812	136,812	65,930	65,930	65,930
2008-2009								
2009-2010	144,205	144,205	144,205	135,496	135,496	135,496		
2010-2011								
2011-2012	152,319	329,286	329,286	329,286				
2012-2013								
2013-2014	253,006	256,756						
2014-2015	38,968							
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								
2025-2026								

Paid Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
2004-2005								
2005-2006								
2006-2007								
2007-2008	1.000	1.000	1.000	1.000	0.482	1.000	1.000	
2008-2009								
2009-2010	1.000	1.000	0.940	1.000	1.000			
2010-2011								
2011-2012	2.162	1.000	1.000					
2012-2013								
2013-2014	1.015							
2014-2015								
2015-2016								
2016-2017								
2017-2018								
2018-2019								
2019-2020								
2020-2021								
2021-2022								
2022-2023								
2023-2024								
2024-2025								

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
Average	1.294	1.000	0.980	1.000	0.741	1.000	1.000	
Dollar-Wtd. Avgs								
Total	1.263	1.000	0.986	1.000	0.740	1.000	1.000	
3-yr								
4-yr								
Comparative Factors	1.035	1.033	1.027	1.025	1.025	1.025	1.022	1.360
Prior	1.040	1.035	1.035	1.032	1.030	1.028	1.404	
Selected	1.038	1.034	1.031	1.029	1.028	1.027	1.022	1.360
Cumulated	1.668	1.608	1.555	1.508	1.466	1.427	1.390	1.360

SHARP JPA - Workers' Compensation

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll ($00) (A)	Reported Losses as of 12/31/25 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
Prior	0		1.005	0.005	0.655	0	
2005-2006	201,893	61,573	1.006	0.006	0.342	414	61,987
2006-2007	215,289	4,599	1.006	0.006	0.024	31	4,630
2007-2008	234,662	426,594	1.007	0.007	1.732	2,845	429,439
2008-2009	234,439	120,576	1.014	0.014	0.662	2,173	122,749
2009-2010	248,901	455,721	1.016	0.016	1.509	6,009	461,730
2010-2011	249,658	61,481	1.018	0.018	0.320	1,438	62,919
2011-2012	246,690	339,525	1.020	0.020	1.006	4,963	344,488
2012-2013	290,063	168,373	1.022	0.022	0.764	4,875	173,248
2013-2014	290,574	293,038	1.025	0.024	0.651	4,540	297,578
2014-2015	299,977	290,175	1.028	0.027	1.021	8,269	298,444
2015-2016	292,974	36,524	1.031	0.030	0.167	1,468	37,992
2016-2017	293,555	227,939	1.033	0.032	1.045	9,816	237,755
2017-2018	221,745	37,801	1.038	0.037	0.230	1,887	39,688
2018-2019	222,421	573,579	1.044	0.042	2.528	23,616	597,195
2019-2020	230,968	473,791	1.053	0.050	1.925	22,231	496,022
2020-2021	218,181	300,506	1.066	0.062	1.181	15,976	316,482
2021-2022	233,114	88,336	1.104	0.094	1.264	27,698	116,034
2022-2023	264,134	330,088	1.208	0.172	1.323	60,105	390,193
2023-2024	267,280	127,942	1.338	0.253	1.400	94,671	222,613
2024-2025	285,728	122,103	1.764	0.433	1.480	183,106	305,209
Totals	5,042,246	$4,540,264				$476,132	$5,016,396

Notes:

(A) Appendix Reserve - N, Column (C).
(B) Provided by SHARP JPA. These losses exclude amounts incurred above the Pool's SIR for each year.
(C) From Appendix Reserve - A, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix Reserve - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

SHARP JPA - Workers' Compensation

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll ($00) (A)	Paid Losses as of 12/31/25 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
Prior	0		1.028	0.027	0.655	0	
2005-2006	201,893	61,573	1.035	0.034	0.342	2,348	63,921
2006-2007	215,289	4,599	1.042	0.040	0.024	207	4,806
2007-2008	234,662	426,594	1.050	0.048	1.732	19,509	446,103
2008-2009	234,439	120,576	1.089	0.082	0.662	12,726	133,302
2009-2010	248,901	423,140	1.100	0.091	1.509	34,179	457,319
2010-2011	249,658	61,481	1.111	0.100	0.320	7,989	69,470
2011-2012	246,690	339,525	1.122	0.109	1.006	27,051	366,576
2012-2013	290,063	168,373	1.135	0.119	0.764	26,371	194,744
2013-2014	290,574	293,038	1.147	0.128	0.651	24,213	317,251
2014-2015	299,977	226,709	1.162	0.139	1.021	42,572	269,281
2015-2016	292,974	36,524	1.180	0.153	0.167	7,486	44,010
2016-2017	293,555	227,939	1.201	0.167	1.045	51,230	279,169
2017-2018	221,745	37,801	1.225	0.184	0.230	9,384	47,185
2018-2019	222,421	432,088	1.256	0.204	2.528	114,705	546,793
2019-2020	230,968	445,711	1.306	0.234	1.925	104,040	549,751
2020-2021	218,181	294,506	1.376	0.273	1.181	70,344	364,850
2021-2022	233,114	55,439	1.582	0.368	1.264	108,433	163,872
2022-2023	264,134	291,476	1.881	0.468	1.323	163,542	455,018
2023-2024	267,280	67,007	2.427	0.588	1.400	220,025	287,032
2024-2025	285,728	76,410	4.288	0.767	1.480	324,347	400,757
Totals	5,042,246	$4,090,509				$1,370,701	$5,461,210

Notes:

(A) Appendix Reserve - N, Column (C).
(B) Provided by SHARP JPA. These losses exclude amounts paid above the Pool's SIR for each year.
(C) From Appendix Reserve - B, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix Reserve - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

SHARP JPA - Workers' Compensation

Exposure and Development Method

Accident Year	Trended Payroll ($00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
Prior	0		1.857			0.587	1.116	0.655
2005-2006	201,893	61,573	2.121	130,596	0.647	0.305	1.121	0.342
2006-2007	215,289	4,599	2.124	9,768	0.045	0.021	1.124	0.024
2007-2008	234,662	360,665	1.997	720,248	3.069	1.537	1.127	1.732
2008-2009	234,439	120,576	1.856	223,789	0.955	0.514	1.288	0.662
2009-2010	248,901	289,937	1.712	496,372	1.994	1.165	1.295	1.509
2010-2011	249,658	61,481	1.617	99,415	0.398	0.246	1.302	0.320
2011-2012	246,690	189,525	1.569	297,365	1.205	0.768	1.309	1.006
2012-2013	290,063	168,373	1.557	262,157	0.904	0.580	1.317	0.764
2013-2014	290,574	143,038	1.547	221,280	0.762	0.492	1.324	0.651
2014-2015	299,977	230,000	1.510	347,300	1.158	0.767	1.332	1.021
2015-2016	292,974	36,524	1.503	54,896	0.187	0.125	1.339	0.167
2016-2017	293,555	227,939	1.505	343,048	1.169	0.776	1.347	1.045
2017-2018	221,745	37,801	1.457	55,076	0.248	0.170	1.354	0.230
2018-2019	222,421	413,000	1.391	574,483	2.583	1.857	1.361	2.528
2019-2020	230,968	325,000	1.340	435,500	1.886	1.407	1.368	1.925
2020-2021	218,181	284,000	1.270	360,680	1.653	0.858	1.376	1.181
2021-2022	233,114	91,000	1.192	108,472	0.465	0.914	1.383	1.264
2022-2023	264,134	199,000	1.145	227,855	0.863	0.952	1.390	1.323
2023-2024	267,280	148,000	1.088	161,024	0.602	1.002	1.398	1.400
2024-2025	285,728	173,000	1.034	178,882	0.626	1.054	1.405	1.480
Total/Avg	5,042,246	$3,565,031		$5,308,206	$1.053			
19/20-23/24	1,213,677	1,047,000		1,293,531	1.066			
20/21-24/25	1,268,437	895,000		1,036,913	0.817			
				Selected Limited Rate:	$1.090			
				Prior:	$1.185			

Notes:

(A) Appendix Reserve - N, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix Reserve - E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2019-2020 and prior (B) / (A).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

SHARP JPA - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
Prior	$3,546	46	$163,116
2005-2006	5,752	12	69,024
2006-2007	430	12	5,160
2007-2008	27,090	15	406,350
2008-2009	9,704	16	155,264
2009-2010	37,559	10	375,590
2010-2011	10,009	8	80,072
2011-2012	20,681	12	248,172
2012-2013	22,176	10	221,760
2013-2014	18,940	10	189,400
2014-2015	23,562	13	306,306
2015-2016	3,260	15	48,900
2016-2017	23,610	13	306,930
2017-2018	6,395	8	51,160
2018-2019	62,464	9	562,176
2019-2020	37,055	12	444,660
2020-2021	19,490	18	350,820
2021-2022	20,761	9	186,849
2022-2023	21,625	15	324,375
2023-2024	22,753	13	295,789
2024-2025	23,955	14	335,370
Total		290	$5,127,243

Notes:

(A) From Appendix Reserve - D, Page 2, Column (H).
(B) From Appendix Reserve - D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

SHARP JPA - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
Prior	$146,124	46	$3,177	1.674	$5,318	$3,177	1.116	$3,546
2005-2006	61,573	12	5,131	1.922	9,862	5,131	1.121	5,752
2006-2007	4,599	12	383	1.934	741	383	1.124	430
2007-2008	360,665	15	24,044	1.827	43,928	24,044	1.127	27,090
2008-2009	120,576	16	7,536	1.706	12,856	7,536	1.288	9,704
2009-2010	289,937	10	28,994	1.582	45,869	28,994	1.295	37,559
2010-2011	61,481	8	7,685	1.502	11,543	7,685	1.302	10,009
2011-2012	189,525	12	15,794	1.465	23,138	15,794	1.309	20,681
2012-2013	168,373	10	16,837	1.460	24,582	16,837	1.317	22,176
2013-2014	143,038	10	14,304	1.458	20,855	14,304	1.324	18,940
2014-2015	230,000	13	17,692	1.430	25,300	17,692	1.332	23,562
2015-2016	36,524	15	2,435	1.431	3,484	2,435	1.339	3,260
2016-2017	227,939	13	17,534	1.439	25,231	17,534	1.347	23,610
2017-2018	37,801	8	4,725	1.401	6,620	4,725	1.354	6,395
2018-2019	413,000	9	45,889	1.344	61,675	45,889	1.361	62,464
2019-2020	325,000	12	27,083	1.301	35,235	27,083	1.368	37,055
2020-2021	284,000	18	15,778	1.239	19,549	14,165	1.376	19,490
2021-2022	94,000	9	10,444	1.169	12,209	15,013	1.383	20,761
2022-2023	211,000	15	14,067	1.128	15,868	15,559	1.390	21,625
2023-2024	167,000	13	12,846	1.078	13,848	16,280	1.398	22,753
2024-2025	247,000	14	17,643	1.029	18,155	17,055	1.405	23,955

Average Limited Severity:	$20,756
Average 20/21-23/24 Limited Severity:	15,369
Average 21/22-24/25 Limited Severity:	15,020
Selected Limited Severity:	$17,550
Prior:	$19,950

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix Reserve - D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix Reserve - E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
Prior	46	46	46	0.0		1.107	
2005-2006	12	12	12	20.2	0.594	1.101	0.654
2006-2007	12	12	12	21.5	0.557	1.096	0.610
2007-2008	15	15	15	23.5	0.639	1.090	0.697
2008-2009	16	16	16	23.4	0.682	1.084	0.739
2009-2010	10	9	10	24.9	0.402	1.079	0.434
2010-2011	8	8	8	25.0	0.320	1.074	0.344
2011-2012	12	12	12	24.7	0.486	1.069	0.520
2012-2013	10	10	10	29.0	0.345	1.064	0.367
2013-2014	10	9	10	29.1	0.344	1.059	0.364
2014-2015	13	11	13	30.0	0.433	1.054	0.456
2015-2016	15	15	15	29.3	0.512	1.049	0.537
2016-2017	13	13	13	29.4	0.443	1.044	0.462
2017-2018	8	8	8	22.2	0.361	1.039	0.375
2018-2019	9	6	9	22.2	0.405	1.034	0.419
2019-2020	12	11	12	23.1	0.520	1.030	0.536
2020-2021	18	18	18	21.8	0.825	1.025	0.846
2021-2022	9	9	9	23.3	0.386	1.020	0.394
2022-2023	15	16	15	26.4	0.568	1.015	0.577
2023-2024	13	12	13	26.7	0.486	1.010	0.491
2024-2025	14	13	14	28.6	0.490	1.005	0.492
Total	290	281	290	504.2			0.509
19/20-23/24	67	66	67	121.4			0.563
20/21-24/25	69	68	69	126.8			0.552
					(H) Selected Frequency:		0.560
						Prior:	0.575

	Program Year:	2025-2026	2026-2027
(I)	Trend Factor:	1.000	1.005
(J)	Selected Frequency:	0.560	0.563
(K)	Est. Payroll ($000,000):	30.0	30.8
(L)	Ultimate Claims:	17	17

Notes:

(A) Appendix Reserve - D, Page 4, (C).
(B) Appendix Reserve - D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix Reserve - N, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix Reserve - E, Page 1, Column (F).
(G) (E) x (F).
(H) The selected frequency of 0.560 is based on (G).
(I) Appendix Reserve - E, Page 1, Column (F).
(J) (H) x (I).
(K) Appendix Reserve - N, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended payroll.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2025 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	46	1.000	46	
2005-2006	12	1.000	12	0.654
2006-2007	12	1.000	12	0.611
2007-2008	15	1.000	15	0.697
2008-2009	16	1.000	16	0.740
2009-2010	10	1.000	10	0.434
2010-2011	8	1.000	8	0.344
2011-2012	12	1.000	12	0.520
2012-2013	10	1.000	10	0.367
2013-2014	10	1.000	10	0.364
2014-2015	13	1.000	13	0.457
2015-2016	15	1.000	15	0.537
2016-2017	13	1.000	13	0.462
2017-2018	8	1.000	8	0.375
2018-2019	9	1.000	9	0.418
2019-2020	12	1.000	12	0.535
2020-2021	18	1.000	18	0.846
2021-2022	9	1.005	9	0.394
2022-2023	15	1.010	15	0.576
2023-2024	13	1.015	13	0.491
2024-2025	14	1.027	14	0.492
Total	290		290	0.509

Notes:

(A) Provided by SHARP JPA.
(B) From Appendix Reserve - D, Page 6.
(C) (A) x (B).
(D) (C) / [Appendix Reserve - D, Page 3, (D)] x [Appendix Reserve - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by SHARP JPA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2025 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	46	1.000	46	
2005-2006	12	1.000	12	0.654
2006-2007	12	1.000	12	0.611
2007-2008	15	1.000	15	0.697
2008-2009	16	1.000	16	0.740
2009-2010	9	1.000	9	0.390
2010-2011	8	1.000	8	0.344
2011-2012	12	1.001	12	0.520
2012-2013	10	1.002	10	0.367
2013-2014	9	1.003	9	0.328
2014-2015	11	1.004	11	0.386
2015-2016	15	1.006	15	0.537
2016-2017	13	1.009	13	0.462
2017-2018	8	1.013	8	0.375
2018-2019	6	1.018	6	0.279
2019-2020	11	1.028	11	0.491
2020-2021	17	1.050	18	0.846
2021-2022	8	1.082	9	0.394
2022-2023	14	1.114	16	0.615
2023-2024	10	1.174	12	0.453
2024-2025	10	1.280	13	0.457
Total	272		281	0.490

Notes:

(A) Provided by SHARP JPA.
(B) From Appendix Reserve - D, Page 7.
(C) (A) x (B).
(D) (C) / [Appendix Reserve - D, Page 3, (D)] x [Appendix Reserve - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by SHARP JPA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

SHARP JPA - Workers' Compensation
Reported Claim Count Development

Claims Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2004-2005	8	18	18	18	18	18	18	18	18	18	18	18	18	18
2005-2006	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2006-2007	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2007-2008	3	15	15	15	15	15	15	15	15	15	15	15	15	15
2008-2009	4	15	16	16	16	16	16	16	16	16	16	16	16	16
2009-2010	3	9	10	10	10	10	10	10	10	10	10	10	10	10
2010-2011	4	8	8	8	8	8	8	8	8	8	8	8	8	8
2011-2012	7	11	12	12	12	12	12	12	12	12	12	12	12	12
2012-2013	7	10	10	10	10	10	10	10	10	10	10	10	10	10
2013-2014	1	10	10	10	10	10	10	10	10	10	10	10	10	
2014-2015	6	13	13	13	13	13	13	13	13	13	13	13		
2015-2016	8	15	15	15	15	15	15	15	15	15	15			
2016-2017	7	14	13	13	13	13	13	13	13	13				
2017-2018	3	7	7	8	8	8	8	8	8					
2018-2019	3	8	8	8	8	9	9	9						
2019-2020	6	12	12	12	12	12	12							
2020-2021	6	18	18	18	18	18								
2021-2022	5	9	9	9	9									
2022-2023	8	15	15	15										
2023-2024	6	12	13											
2024-2025	4	14												
2025-2026	2													

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
2004-2005	2.250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005-2006	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	5.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009	3.750	1.067	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	3.000	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010-2011	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012	1.571	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013	1.429	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2013-2014	10.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2014-2015	2.167	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2015-2016	1.875	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2016-2017	2.000	0.929	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
2017-2018	2.333	1.000	1.143	1.000	1.000	1.000	1.000	1.000						
2018-2019	2.667	1.000	1.000	1.000	1.125	1.000	1.000							
2019-2020	2.000	1.000	1.000	1.000	1.000	1.000								
2020-2021	3.000	1.000	1.000	1.000	1.000									
2021-2022	1.800	1.000	1.000	1.000										
2022-2023	1.875	1.000	1.000											
2023-2024	2.000	1.083												
2024-2025	3.500													

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
Average	2.867	1.014	1.008	1.000	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Claim-Wtd. Avgs.														
Total	2.402	1.012	1.004	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3-yr	2.278	1.028	1.000	1.000	1.026	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	2.174	1.019	1.000	1.000	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.459	1.044	1.012	1.007	1.005	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Prior	2.385	1.008	1.005	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.400	1.012	1.005	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.465	1.027	1.015	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

DRAFT

SHARP JPA - Workers' Compensation
Closed Claim Development

Claims Closed as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2004-2005	3	15	16	16	17	17	17	17	17	18	16	16	16	16
2005-2006	4	12	12	12	12	11	11	11	11	11	11	11	11	12
2006-2007	4	12	12	12	12	12	12	12	12	12	12	12	12	12
2007-2008	1	10	11	12	13	13	15	15	15	15	15	15	15	15
2008-2009	1	14	14	14	14	16	16	16	16	16	16	16	16	15
2009-2010	1	6	6	7	8	8	9	9	9	9	9	9	9	9
2010-2011	4	7	7	7	7	8	8	8	8	8	8	8	8	8
2011-2012	5	7	9	8	9	11	11	12	12	12	12	12	12	12
2012-2013		8	8	9	10	10	10	10	10	10	10	10	10	10
2013-2014		7	8	8	8	8	9	9	9	9	9	9	9	
2014-2015	2	9	9	10	10	11	11	11	11	11	11	11		
2015-2016	6	14	15	15	15	15	15	15	15	15	15			
2016-2017	3	7	11	12	12	13	13	13	13	13				
2017-2018	1	6	6	8	8	8	8	8	8					
2018-2019	2	5	6	6	6	6	6	6						
2019-2020	2	8	8	9	9	10	11							
2020-2021	3	15	16	16	15	17								
2021-2022		7	7	8	8									
2022-2023	7	13	14	14										
2023-2024	4	8	10											
2024-2025	3	10												
2025-2026	2													

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
2004-2005	5.000	1.067	1.000	1.063	1.000	1.000	1.000	1.000	1.059	0.889	1.000	1.000	1.000	1.125
2005-2006	3.000	1.000	1.000	1.000	0.917	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.091	1.000
2006-2007	3.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	10.000	1.100	1.091	1.083	1.000	1.154	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009	14.000	1.000	1.000	1.000	1.143	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.938	1.000
2009-2010	6.000	1.000	1.167	1.143	1.000	1.125	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010-2011	1.750	1.000	1.000	1.000	1.143	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012	1.400	1.286	0.889	1.125	1.222	1.000	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013		1.000	1.125	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2013-2014		1.143	1.000	1.000	1.000	1.125	1.000	1.000	1.000	1.000	1.000	1.000		
2014-2015	4.500	1.000	1.111	1.000	1.100	1.000	1.000	1.000	1.000	1.000	1.000			
2015-2016	2.333	1.071	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2016-2017	2.333	1.571	1.091	1.000	1.083	1.000	1.000	1.000	1.000					
2017-2018	6.000	1.000	1.333	1.000	1.000	1.000	1.000	1.000						
2018-2019	2.500	1.200	1.000	1.000	1.000	1.000	1.000							
2019-2020	4.000	1.000	1.125	1.000	1.111	1.100								
2020-2021	5.000	1.067	1.000	0.938	1.133									
2021-2022		1.000	1.143	1.000										
2022-2023	1.857	1.077	1.000											
2023-2024	2.000	1.250												
2024-2025	3.333													

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
Average	4.334	1.092	1.057	1.026	1.050	1.032	1.006	1.000	1.005	0.991	1.000	1.000	1.003	1.016
Claim-Wtd. Avgs.														
Total	3.179	1.079	1.041	1.021	1.049	1.028	1.006	1.000	1.006	0.986	1.000	1.000	1.000	1.020
3-yr	2.214	1.107	1.027	0.970	1.100	1.042	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr		1.093	1.044	0.974	1.079	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Comparative														
Factors	2.766	1.256	1.080	1.060	1.045	1.031	1.022	1.015	1.011	1.008	1.005	1.006	1.004	1.004
Prior	4.375	1.100	1.067	1.030	1.030	1.021	1.010	1.005	1.004	1.003	1.002	1.001	1.001	1.001
Selected	3.775	1.090	1.054	1.030	1.030	1.021	1.010	1.005	1.004	1.003	1.002	1.001	1.001	1.001
Cumulated	4.832	1.280	1.174	1.114	1.082	1.050	1.028	1.018	1.013	1.009	1.006	1.004	1.003	1.002

SHARP JPA - Workers' Compensation

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2025-2026 Loss Rate Level (B)	Factor to 2026-2027 Loss Rate Level (C)	Factor to 2027-2028 Loss Rate Level (D)	Factor to 2028-2029 Loss Rate Level (E)	Factor to 2025-2026 Frequency Level (F)	Factor to 2026-2027 Frequency Level (G)	Factor to 2027-2028 Frequency Level (H)	Factor to 2028-2029 Frequency Level (I)	Factor to 2025-2026 Severity Level (J)
Prior	0.997	1.857	1.929	1.987	2.047	1.107	1.113	1.118	1.124	1.674
2005-2006	1.173	2.121	2.203	2.269	2.338	1.101	1.107	1.112	1.118	1.922
2006-2007	1.210	2.124	2.206	2.273	2.341	1.096	1.101	1.106	1.112	1.934
2007-2008	1.172	1.997	2.074	2.137	2.201	1.090	1.095	1.100	1.106	1.827
2008-2009	1.122	1.856	1.928	1.986	2.045	1.084	1.089	1.095	1.100	1.706
2009-2010	1.066	1.712	1.778	1.832	1.887	1.079	1.084	1.090	1.095	1.582
2010-2011	1.037	1.617	1.680	1.731	1.783	1.074	1.079	1.085	1.090	1.502
2011-2012	1.037	1.569	1.630	1.679	1.729	1.069	1.074	1.080	1.085	1.465
2012-2013	1.059	1.557	1.617	1.666	1.716	1.064	1.069	1.075	1.080	1.460
2013-2014	1.084	1.547	1.607	1.655	1.705	1.059	1.064	1.070	1.075	1.458
2014-2015	1.090	1.510	1.569	1.616	1.664	1.054	1.059	1.065	1.070	1.430
2015-2016	1.117	1.503	1.561	1.608	1.656	1.049	1.054	1.060	1.065	1.431
2016-2017	1.152	1.505	1.563	1.610	1.658	1.044	1.050	1.055	1.060	1.439
2017-2018	1.150	1.457	1.513	1.559	1.606	1.039	1.045	1.050	1.055	1.401
2018-2019	1.131	1.391	1.445	1.489	1.533	1.034	1.040	1.045	1.050	1.344
2019-2020	1.121	1.340	1.392	1.434	1.477	1.030	1.035	1.040	1.045	1.301
2020-2021	1.095	1.270	1.319	1.359	1.400	1.025	1.030	1.035	1.040	1.239
2021-2022	1.058	1.192	1.238	1.276	1.314	1.020	1.025	1.030	1.035	1.169
2022-2023	1.047	1.145	1.189	1.225	1.262	1.015	1.020	1.025	1.030	1.128
2023-2024	1.026	1.088	1.131	1.165	1.200	1.010	1.015	1.020	1.025	1.078
2024-2025	1.004	1.034	1.074	1.107	1.140	1.005	1.010	1.015	1.020	1.029
2025-2026	1.000	1.000	1.039	1.070	1.102	1.000	1.005	1.010	1.015	1.000
2026-2027	0.992	--	1.000	1.030	1.061	--	1.000	1.005	1.010	--
2027-2028	0.992	--	--	1.000	1.030	--	--	1.000	1.005	--
2028-2029	0.992	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	Based on WCIRB.
(B) - (E)	(A) adjusted for a 3.0% annual loss rate trend.
(F) - (I)	(A) adjusted for a 0.5% annual frequency trend.
(J)	(A) adjusted for a 2.5% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in statutory workers' compensation benefit levels and changes in actual claims costs in excess of changes in payroll. Changes in the ways in which claims are filed as a result of greater awareness of workers' compensation benefits are not generally reflected in the statutory benefit level factors shown above, but may be part of the reason for changes in actual claims costs in excess of payroll changes.

SHARP JPA - Workers' Compensation

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Payroll ($00) (E)	Ultimate Frequency (F)
Prior	$146,124	46	0.997	3,169		
2005-2006	61,573	12	1.173	6,020	201,893	0.594
2006-2007	4,599	12	1.210	464	215,289	0.557
2007-2008	360,665	15	1.172	28,185	234,662	0.639
2008-2009	120,576	16	1.122	8,454	234,439	0.682
2009-2010	289,937	10	1.066	30,910	248,901	0.402
2010-2011	61,481	8	1.037	7,973	249,658	0.320
2011-2012	189,525	12	1.037	16,378	246,690	0.486
2012-2013	168,373	10	1.059	17,838	290,063	0.345
2013-2014	143,038	10	1.084	15,511	290,574	0.344
2014-2015	230,000	13	1.090	19,290	299,977	0.433
2015-2016	36,524	15	1.117	2,720	292,974	0.512
2016-2017	227,939	13	1.152	20,208	293,555	0.443
2017-2018	37,801	8	1.150	5,432	221,745	0.361
2018-2019	413,000	9	1.131	51,879	222,421	0.405
2019-2020	325,000	12	1.121	30,372	230,968	0.520
2020-2021	284,000	18	1.095	17,273	218,181	0.825
2021-2022	91,000	9	1.058	10,703	233,114	0.386
2022-2023	199,000	15	1.047	13,894	264,134	0.568
2023-2024	148,000	13	1.026	11,676	267,280	0.486
2024-2025	173,000	14	1.004	12,407	285,728	0.490

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2024-2025	1.041	1.023
Mvg 5-Yr Wtd Latest 10 x 2024-2025	1.053	1.040
Latest 5 x 2024-2025	0.808	0.951
Mvg 5-Yr Wtd Latest 5 x 2024-2025	0.956	1.048
Prior	1.030	1.010
Default	1.025	0.980
Selected Residual Trend	1.025	1.005

Notes:

(A) Selected average of results from Reserve - Appendices A and B.
(B) Appendix Reserve - D, Page 3, Column (C).
(C) Appendix Reserve - E, Page 1, Column (A).
(D) (A) x (C) / (B).
(E) Appendix Reserve - N, Column (C).
(F) (B) / (E) x 10,000.

SHARP JPA - Workers' Compensation

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/26

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2026-2027	19.6	$798	1.050	$838	$16,425
2027-2028	10.4	798	1.103	880	9,152
2028-2029	6.6	798	1.158	924	6,098
2029-2030	4.2	798	1.216	970	4,074
2030-2031	2.6	798	1.277	1,019	2,649
2031-2032	1.8	798	1.341	1,070	1,926
2032-2033	1.3	798	1.408	1,124	1,461
2033-2034	0.8	798	1.478	1,179	943
2034-2035	0.6	798	1.552	1,238	743
2035-2036	0.5	798	1.630	1,301	651
2036-2037	0.4	798	1.712	1,366	546
2037-2038	0.3	798	1.798	1,435	431
2038-2039	0.2	798	1.888	1,507	301
2039-2040	0.1	798	1.982	1,582	158
2040-2041	0.0	798	2.081	1,661	0
2041-2042	0.0	798	2.185	1,744	0
2042-2043	0.0	798	2.294	1,831	0
2043-2044	0.0	798	2.409	1,922	0

(G) Total ULAE Outstanding as of 6/30/26: $45,558

Notes:

(A) We assume fiscal years will be 7/1 to 6/30.
(B) Based on an estimated claim closing pattern.
(C) Based on claims administration payment information provided by SHARP JPA.
(D) We assume ULAE costs will increase at 5.0% per year.
(E) (C) x (D).
(F) (B) x (E).
(G) Total of Column (F).

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

SHARP JPA - Workers' Compensation

Payment and Reserve Forecast

		Calendar Period	
Accident Year	As of 12/31/2025	1/1/2026 to 6/30/2026	7/1/2026 to 6/30/2027
Prior			
Ultimate Loss	$759,466	$759,466	$759,466
Paid in Calendar Period	-		
Paid to Date	759,466	759,466	759,466
Outstanding Liability			
2009-2010			
Ultimate Loss	$464,000	$464,000	$464,000
Paid in Calendar Period	-	2,247	9,615
Paid to Date	423,140	425,387	435,002
Outstanding Liability	40,860	38,613	28,998
2010-2011			
Ultimate Loss	$61,481	$61,481	$61,481
Paid in Calendar Period	-		
Paid to Date	61,481	61,481	61,481
Outstanding Liability			
2011-2012			
Ultimate Loss	$339,525	$339,525	$339,525
Paid in Calendar Period	-		
Paid to Date	339,525	339,525	339,525
Outstanding Liability			
2012-2013			
Ultimate Loss	$168,373	$168,373	$168,373
Paid in Calendar Period	-		
Paid to Date	168,373	168,373	168,373
Outstanding Liability			
2013-2014			
Ultimate Loss	$293,038	$293,038	$293,038
Paid in Calendar Period	-		
Paid to Date	293,038	293,038	293,038
Outstanding Liability			
2014-2015			
Ultimate Loss	$299,000	$299,000	$299,000
Paid in Calendar Period	-	3,109	5,119
Paid to Date	226,709	229,818	234,937
Outstanding Liability	72,291	69,182	64,063
2015-2016			
Ultimate Loss	$36,524	$36,524	$36,524
Paid in Calendar Period	-		
Paid to Date	36,524	36,524	36,524
Outstanding Liability			

SHARP JPA - Workers' Compensation

Payment and Reserve Forecast

		Calendar Period	
Accident Year	As of 12/31/2025	1/1/2026 to 6/30/2026	7/1/2026 to 6/30/2027
2016-2017			
Ultimate Loss	$227,939	$227,939	$227,939
Paid in Calendar Period	-		
Paid to Date	227,939	227,939	227,939
Outstanding Liability			
2017-2018			
Ultimate Loss	$40,000	$40,000	$40,000
Paid in Calendar Period	-	97	191
Paid to Date	37,801	37,898	38,089
Outstanding Liability	2,199	2,102	1,911
2018-2019			
Ultimate Loss	$599,000	$599,000	$599,000
Paid in Calendar Period	-	8,346	14,747
Paid to Date	432,088	440,434	455,181
Outstanding Liability	166,912	158,566	143,819
2019-2020			
Ultimate Loss	$499,000	$499,000	$499,000
Paid in Calendar Period	-	3,410	5,886
Paid to Date	445,711	449,121	455,007
Outstanding Liability	53,289	49,879	43,993
2020-2021			
Ultimate Loss	$321,000	$321,000	$321,000
Paid in Calendar Period	-	1,881	3,323
Paid to Date	294,506	296,387	299,710
Outstanding Liability	26,494	24,613	21,290
2021-2022			
Ultimate Loss	$124,000	$124,000	$124,000
Paid in Calendar Period	-	8,776	12,495
Paid to Date	55,439	64,215	76,710
Outstanding Liability	68,561	59,785	47,290
2022-2023			
Ultimate Loss	$409,000	$409,000	$409,000
Paid in Calendar Period	-	12,575	24,453
Paid to Date	291,476	304,051	328,504
Outstanding Liability	117,524	104,949	80,496
2023-2024			
Ultimate Loss	$226,000	$226,000	$226,000
Paid in Calendar Period	-	16,217	29,697
Paid to Date	67,007	83,224	112,921
Outstanding Liability	158,993	142,776	113,079

SHARP JPA - Workers' Compensation

Payment and Reserve Forecast

		Calendar Period	
Accident Year	As of 12/31/2025	1/1/2026 to 6/30/2026	7/1/2026 to 6/30/2027
2024-2025			
Ultimate Loss	$353,000	$353,000	$353,000
Paid in Calendar Period	-	32,361	53,730
Paid to Date	76,410	108,771	162,501
Outstanding Liability	276,590	244,229	190,499
2025-2026			
Ultimate Loss	$216,000	$431,000	$431,000
Paid in Calendar Period	-	44,421	82,182
Paid to Date	19,696	64,117	146,299
Outstanding Liability	196,304	366,883	284,701
2026-2027			
Ultimate Loss	-	-	$462,000
Paid in Calendar Period	-	-	58,674
Paid to Date	-	-	58,674
Outstanding Liability	-	-	403,326
Totals			
Ultimate Loss	$5,436,346	$5,651,346	$6,113,346
Paid in Calendar Period	-	133,440	300,112
Paid to Date	4,256,329	4,389,769	4,689,881
Outstanding Liability	1,180,017	1,261,577	1,423,465
Total Outstanding ULAE	46,679	45,558	45,195
Outstanding Liability plus ULAE	1,226,696	1,307,135	1,468,660

Notes appear on the next page.

SHARP JPA - Workers' Compensation

Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2023-2024, $16,217 is expected to be paid between 1/1/26 and 6/30/26, $83,224 will have been paid by 6/30/26, and the reserve for remaining payments on these claims should be $142,776.

- Ultimate Losses for each accident year are from Exhibit Reserve - 3, Page 1.

- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, $29,697 = $142,776 x 20.8%.

- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $112,921 = $29,697 + $83,224.

- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $142,776 = $226,000 - $83,224.

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

SHARP JPA - Workers' Compensation

Short- and Long-Term Liabilities

		Expected	Discounted
Liabilities as of 12/31/25:			
Current (Short Term)	Loss and ALAE:	$211,735	$209,649
	ULAE:	17,556	17,383
	Short-Term Loss and LAE:	$229,291	$227,032
Non-Current (Long Term)	Loss and ALAE:	$968,282	$849,188
	ULAE:	29,123	24,502
	Long-Term Loss and LAE:	$997,406	$873,690
Total Liability	Loss and ALAE:	$1,180,017	$1,058,837
	ULAE:	46,679	41,885
	Total Loss and LAE:	$1,226,696	$1,100,722
Liabilities as of 6/30/26:			
Current (Short Term)	Loss and ALAE:	$241,438	$239,059
	ULAE:	16,425	16,263
	Short-Term Loss and LAE:	$257,863	$255,322
Non-Current (Long Term)	Loss and ALAE:	$1,020,139	$894,449
	ULAE:	29,133	24,670
	Long-Term Loss and LAE:	$1,049,272	$919,119
Total Liability	Loss and ALAE:	$1,261,577	$1,133,508
	ULAE:	45,558	40,933
	Total Loss and LAE:	$1,307,135	$1,174,441

		Discounted with a Margin for Contingencies				
		65% Confidence	70% Confidence	75% Confidence	80% Confidence	85% Confidence
Liabilities as of 12/31/25:						
Current (Short Term)	Loss and ALAE:	$229,146	$241,725	$255,981	$272,544	$293,089
	ULAE:	19,000	20,043	21,225	22,598	24,301
	Short-Term Loss and LAE:	$248,146	$261,768	$277,206	$295,142	$317,390
Non-Current (Long Term)	Loss and ALAE:	$928,163	$979,114	$1,036,859	$1,103,944	$1,187,165
	ULAE:	26,780	28,250	29,917	31,853	34,254
	Long-Term Loss and LAE:	$954,943	$1,007,364	$1,066,776	$1,135,797	$1,221,419
Total Liability	Loss and ALAE:	$1,157,309	$1,220,839	$1,292,840	$1,376,488	$1,480,254
	ULAE:	45,780	48,293	51,142	54,451	58,555
	Total Loss and LAE:	$1,203,089	$1,269,132	$1,343,982	$1,430,939	$1,538,809
Liabilities as of 6/30/26:						
Current (Short Term)	Loss and ALAE:	$261,291	$275,635	$291,891	$310,777	$334,204
	ULAE:	17,775	18,751	19,857	21,142	22,736
	Short-Term Loss and LAE:	$279,066	$294,386	$311,748	$331,919	$356,940
Non-Current (Long Term)	Loss and ALAE:	$977,633	$1,031,300	$1,092,122	$1,162,783	$1,250,440
	ULAE:	26,965	28,444	30,122	32,071	34,489
	Long-Term Loss and LAE:	$1,004,598	$1,059,744	$1,122,244	$1,194,854	$1,284,929
Total Liability	Loss and ALAE:	$1,238,924	$1,306,935	$1,384,013	$1,473,560	$1,584,644
	ULAE:	44,740	47,195	49,979	53,213	57,225
	Total Loss and LAE:	$1,283,664	$1,354,130	$1,433,992	$1,526,773	$1,641,869

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix Reserve - G that is expected to be paid out within the coming year. Totals may vary from Exhibit Reserve - 1, due to rounding.

SHARP JPA - Workers' Compensation

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/25 (A)	Discount Factor (B)	Discounted Reserve at 12/31/25 (C)	Full Value of Reserve at 6/30/26 (D)	Discount Factor (E)	Discounted Reserve at 6/30/26 (F)
Prior	$0	0.990	$0	$0	1.000	$0
2005-2006	0	0.982	0	0	0.990	0
2006-2007	0	0.968	0	0	0.974	0
2007-2008	0	0.959	0	0	0.961	0
2008-2009	0	0.954	0	0	0.957	0
2009-2010	40,860	0.945	38,608	38,613	0.951	36,739
2010-2011	0	0.932	0	0	0.938	0
2011-2012	0	0.920	0	0	0.926	0
2012-2013	0	0.910	0	0	0.915	0
2013-2014	0	0.899	0	0	0.904	0
2014-2015	72,291	0.890	64,370	69,182	0.894	61,871
2015-2016	0	0.883	0	0	0.887	0
2016-2017	0	0.877	0	0	0.879	0
2017-2018	2,199	0.871	1,916	2,102	0.874	1,837
2018-2019	166,912	0.869	144,997	158,566	0.869	137,809
2019-2020	53,289	0.869	46,319	49,879	0.868	43,310
2020-2021	26,494	0.876	23,205	24,613	0.870	21,416
2021-2022	68,561	0.888	60,860	59,785	0.882	52,709
2022-2023	117,524	0.897	105,396	104,949	0.894	93,795
2023-2024	158,993	0.903	143,564	142,776	0.900	128,483
2024-2025	276,590	0.909	251,297	244,229	0.906	221,279
2025-2026	196,304	0.908	178,305	366,883	0.911	334,260
Totals	$1,180,017		$1,058,837	$1,261,577		$1,133,508

(G) Discount Factor at 12/31/25 for Overall Reserve: 0.897
(H) Discount Factor at 6/30/26 for Overall Reserve: 0.898

Notes:
- (A) From Appendix Reserve - G, Outstanding Liability at 12/31/25.
- (B) Based on Appendix Reserve - I, Page 2, Column (F).
- (C) (A) x (B).
- (D) From Appendix Reserve - G, Outstanding Liability at 6/30/26.
- (E) Based on Appendix Reserve - I, Page 2, Column (F).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.897, the discounted liability for outstanding claims is 89.7% of the full value.

SHARP JPA - Workers' Compensation

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
99%		2.350
98%		2.114
95%	2.317	1.744
90%	1.917	1.529
85%	1.675	1.398
80%	1.498	1.300
75%	1.356	1.221
70%	1.236	1.153
65%	1.130	1.093
60%	1.035	1.038
55%	0.947	0.989
50%	0.866	0.940
45%	0.788	0.895
40%	0.713	0.850
35%	0.640	0.805
30%	0.566	0.760
25%	0.490	0.713

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.917 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

SHARP JPA - Workers' Compensation

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention Per Occurrence	Self-Insured Retention Aggregate
7/1/2002	6/30/2005	Prior	$150,000	(none)
7/1/2005	6/30/2006	2005-2006	150,000	(none)
7/1/2006	6/30/2007	2006-2007	150,000	(none)
7/1/2007	6/30/2008	2007-2008	150,000	(none)
7/1/2008	6/30/2009	2008-2009	250,000	(none)
7/1/2009	6/30/2010	2009-2010	250,000	(none)
7/1/2010	6/30/2011	2010-2011	250,000	(none)
7/1/2011	6/30/2012	2011-2012	250,000	(none)
7/1/2012	6/30/2013	2012-2013	250,000	(none)
7/1/2013	6/30/2014	2013-2014	250,000	(none)
7/1/2014	6/30/2015	2014-2015	250,000	(none)
7/1/2015	6/30/2016	2015-2016	250,000	(none)
7/1/2016	6/30/2017	2016-2017	250,000	(none)
7/1/2017	6/30/2018	2017-2018	250,000	(none)
7/1/2018	6/30/2019	2018-2019	250,000	(none)
7/1/2019	6/30/2020	2019-2020	250,000	(none)
7/1/2020	6/30/2021	2020-2021	250,000	(none)
7/1/2021	6/30/2022	2021-2022	250,000	(none)
7/1/2022	6/30/2023	2022-2023	250,000	(none)
7/1/2023	6/30/2024	2023-2024	250,000	(none)
7/1/2024	6/30/2025	2024-2025	250,000	(none)
7/1/2025	6/30/2026	2025-2026	250,000	(none)
7/1/2026	6/30/2027	2026-2027	250,000	(none)

This exhibit summarizes some of the key facts about the history of the program.

SHARP JPA - Workers' Compensation

Estimated Total Assets as of 6/30/26

(A)	Total Assets as of 6/30/25:	$6,825,000
(B)	Remaining Income to Fund during 2025-2026	
	Contributions:	$1,044,000
	Interest:	0
	Other:	0
	Total Income:	$1,044,000
(C)	Remaining Payments from Fund during 2025-2026	
	Loss and ALAE:	$383,000
	Additional Allocated Loss Adjustment Expense:	0
	In-House Unallocated Loss Adjustment Expense:	0
	Fees to Outside Administrator (TPA):	26,000
	Excess Insurance:	397,000
	Other:	116,000
	Total Payments:	$922,000
(D)	Estimated Total Assets as of 6/30/26:	$6,947,000

Notes:

(A) Provided by SHARP JPA.
(B) Provided by SHARP JPA.
(C) Provided by SHARP JPA.
(D) (A) + (B) - (C).

SHARP JPA - Workers' Compensation

Incurred Losses as of 12/31/25

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $100,000 (G)	Incurred Capped at $100,000 (H)	Incurred $100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
Prior	$144,420	$3,537	$1,833	$146,124	$0	$0	$146,124	$0	$146,124	$146,124
2005-2006	38,796	22,777	0	61,573	0	0	61,573	0	61,573	61,573
2006-2007	4,599	0	0	4,599	0	0	4,599	0	4,599	4,599
2007-2008	410,865	70,883	55,153	426,594	0	65,930	360,665	65,930	426,594	426,594
2008-2009	87,671	32,904	0	120,576	0	0	120,576	0	120,576	120,576
2009-2010	446,690	9,031	0	455,721	0	165,784	289,937	165,784	455,721	455,721
2010-2011	60,628	853	0	61,481	0	0	61,481	0	61,481	61,481
2011-2012	514,848	3,963	0	518,811	179,286	329,286	189,525	150,000	339,525	339,525
2012-2013	163,382	4,991	0	168,373	0	0	168,373	0	168,373	168,373
2013-2014	414,946	0	0	414,946	121,908	271,908	143,038	150,000	293,038	293,038
2014-2015	290,175	0	0	290,175	0	61,158	229,017	61,158	290,175	290,175
2015-2016	36,423	101	0	36,524	0	0	36,524	0	36,524	36,524
2016-2017	227,939	0	0	227,939	0	0	227,939	0	227,939	227,939
2017-2018	38,115	0	314	37,801	0	0	37,801	0	37,801	37,801
2018-2019	573,892	0	313	573,579	0	162,549	411,030	162,549	573,579	573,579
2019-2020	827,613	38,531	592	865,552	391,761	542,945	322,607	151,184	473,791	473,791
2020-2021	243,557	57,239	290	300,506	0	19,128	281,378	19,128	300,506	300,506
2021-2022	88,336	0	0	88,336	0	0	88,336	0	88,336	88,336
2022-2023	305,293	39,785	615	344,462	14,374	164,374	180,088	150,000	330,088	330,088
2023-2024	127,942	0	0	127,942	0	0	127,942	0	127,942	127,942
2024-2025	122,103	0	0	122,103	0	0	122,103	0	122,103	122,103
2025-2026	12,808	6,888	0	19,696	0	0	19,696	0	19,696	19,696
Total	$5,181,038	$291,483	$59,110	$5,413,411	$707,330	$1,783,063	$3,630,349	$1,075,733	$4,706,082	$4,706,082

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C) 4850
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Reserve - K.

SHARP JPA - Workers' Compensation

Paid Losses as of 12/31/25

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $100,000 (G)	Paid Capped at $100,000 (H)	Paid $100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
Prior	$144,420	$3,537	$1,833	$146,124	$0	$0	$146,124	$0	$146,124	$146,124
2005-2006	38,796	22,777	0	61,573	0	0	61,573	0	61,573	61,573
2006-2007	4,599	0	0	4,599	0	0	4,599	0	4,599	4,599
2007-2008	410,865	70,883	55,153	426,594	0	65,930	360,665	65,930	426,594	426,594
2008-2009	87,671	32,904	0	120,576	0	0	120,576	0	120,576	120,576
2009-2010	414,109	9,031	0	423,140	0	135,496	287,644	135,496	423,140	423,140
2010-2011	60,628	853	0	61,481	0	0	61,481	0	61,481	61,481
2011-2012	514,848	3,963	0	518,811	179,286	329,286	189,525	150,000	339,525	339,525
2012-2013	163,382	4,991	0	168,373	0	0	168,373	0	168,373	168,373
2013-2014	399,793	0	0	399,793	106,756	256,756	143,038	150,000	293,038	293,038
2014-2015	226,709	0	0	226,709	0	38,968	187,741	38,968	226,709	226,709
2015-2016	36,423	101	0	36,524	0	0	36,524	0	36,524	36,524
2016-2017	227,939	0	0	227,939	0	0	227,939	0	227,939	227,939
2017-2018	38,115	0	314	37,801	0	0	37,801	0	37,801	37,801
2018-2019	432,400	0	313	432,088	0	92,468	339,620	92,468	432,088	432,088
2019-2020	799,533	38,531	592	837,473	391,761	542,945	294,527	151,184	445,711	445,711
2020-2021	237,557	57,239	290	294,506	0	19,128	275,378	19,128	294,506	294,506
2021-2022	55,439	0	0	55,439	0	0	55,439	0	55,439	55,439
2022-2023	252,306	39,785	615	291,476	0	111,388	180,088	111,388	291,476	291,476
2023-2024	67,007	0	0	67,007	0	0	67,007	0	67,007	67,007
2024-2025	76,410	0	0	76,410	0	0	76,410	0	76,410	76,410
2025-2026	12,808	6,888	0	19,696	0	0	19,696	0	19,696	19,696
Total	$4,701,757	$291,483	$59,110	$4,934,130	$677,803	$1,592,364	$3,341,766	$914,561	$4,256,327	$4,256,327

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C) 4850
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Reserve - K.

SHARP JPA - Workers' Compensation

Case Reserves as of 12/31/25

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $100,000 (G)	Reserves Capped at $100,000 (H)	Reserves $100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
Prior	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0
2009-2010	32,581	0	0	32,581	0	30,288	2,293	30,288	32,581	32,581
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	0	0	0	0	0	0	0	0	0	0
2013-2014	15,152	0	0	15,152	15,152	15,152	0	0	0	0
2014-2015	63,466	0	0	63,466	0	22,190	41,276	22,190	63,466	63,466
2015-2016	0	0	0	0	0	0	0	0	0	0
2016-2017	0	0	0	0	0	0	0	0	0	0
2017-2018	0	0	0	0	0	0	0	0	0	0
2018-2019	141,491	0	0	141,491	0	70,081	71,410	70,081	141,491	141,491
2019-2020	28,079	0	0	28,079	0	0	28,079	0	28,079	28,079
2020-2021	6,000	0	0	6,000	0	0	6,000	0	6,000	6,000
2021-2022	32,896	0	0	32,896	0	0	32,896	0	32,896	32,896
2022-2023	52,986	0	0	52,986	14,374	52,986	0	38,612	38,612	38,612
2023-2024	60,935	0	0	60,935	0	0	60,935	0	60,935	60,935
2024-2025	45,693	0	0	45,693	0	0	45,693	0	45,693	45,693
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	$479,282	$0	$0	$479,282	$29,527	$190,699	$288,583	$161,172	$449,755	$449,755

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix M, Page 1, Column (B) - Appendix M, Page 2, Column (B).
(C) Appendix M, Page 1, Column (C) - Appendix M, Page 2, Column (C).
(D) Appendix M, Page 1, Column (D) - Appendix M, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix Reserve - K.

SHARP JPA - Workers' Compensation

Claim Counts as of 12/31/25

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
Prior	46	0	0	46	46	0	0	46	0	0
2005-2006	12	0	0	12	12	0	0	12	0	0
2006-2007	12	0	0	12	12	0	0	12	0	0
2007-2008	15	0	0	15	15	0	0	15	0	0
2008-2009	16	0	0	16	16	0	0	16	0	0
2009-2010	10	0	0	10	9	0	0	9	1	1
2010-2011	8	0	0	8	8	0	0	8	0	0
2011-2012	12	0	0	12	12	0	0	12	0	0
2012-2013	10	0	0	10	10	0	0	10	0	0
2013-2014	10	0	0	10	9	0	0	9	1	1
2014-2015	13	0	0	13	11	0	0	11	2	2
2015-2016	15	0	0	15	15	0	0	15	0	0
2016-2017	13	0	0	13	13	0	0	13	0	0
2017-2018	8	0	0	8	8	0	0	8	0	0
2018-2019	9	0	0	9	6	0	0	6	3	3
2019-2020	12	0	0	12	11	0	0	11	1	1
2020-2021	18	0	0	18	17	0	0	17	1	1
2021-2022	9	0	0	9	8	0	0	8	1	1
2022-2023	15	0	0	15	14	0	0	14	1	1
2023-2024	13	0	0	13	10	0	0	10	3	3
2024-2025	14	0	0	14	10	0	0	10	4	4
2025-2026	2	0	0	2	2	0	0	2	0	0
Total	292	0	0	292	274	0	0	274	18	18

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by SHARP JPA.
(C)
(D)
(E) (B) + (C) - (D).
(F) Provided by SHARP JPA.
(G)
(H)
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

SHARP JPA - Workers' Compensation

Exposure Measures

Accident Year	Total Payroll ($00) (A)	Inflation Trend Factor (B)	Trended Payroll ($00) (C)
Prior	0		0
2005-2006	123,256	1.638	201,893
2006-2007	134,724	1.598	215,289
2007-2008	150,521	1.559	234,662
2008-2009	154,135	1.521	234,439
2009-2010	167,723	1.484	248,901
2010-2011	172,416	1.448	249,658
2011-2012	174,586	1.413	246,690
2012-2013	210,343	1.379	290,063
2013-2014	216,040	1.345	290,574
2014-2015	228,641	1.312	299,977
2015-2016	228,886	1.280	292,974
2016-2017	235,032	1.249	293,555
2017-2018	181,907	1.219	221,745
2018-2019	187,066	1.189	222,421
2019-2020	199,110	1.160	230,968
2020-2021	192,739	1.132	218,181
2021-2022	211,154	1.104	233,114
2022-2023	245,250	1.077	264,134
2023-2024	254,310	1.051	267,280
2024-2025	278,759	1.025	285,728
2025-2026	300,125	1.000	300,125
2026-2027	308,229	1.000	308,229

Notes:

(A) Provided by SHARP JPA.
(B) Based on WCIRB.
(C) (A) x (B).

FINANCIAL MATTERS

SUBJECT: Consideration and Approval of the 2026/27 Operating Budget

---

BACKGROUND AND HISTORY:

Joe Roy, SHARP JPA Finance Manager, will present the June Draft Preliminary Operating Budget (Budget) for SHARP JPA for the 2026/27 Fiscal Year.

Overview of SHARP:

SHARP JPA provides workers' compensation coverage to its members. Excess coverage is provided through LAWCX.

Budget Structure:

The budget is structured as follows:

- Costs for the pooled layer of coverage are actuarially determined and applied to each member based on the relevant exposure base for the program.
- Excess insurance costs are allocated based on estimated payroll.
- Other direct and administrative costs are allocated based on estimated payroll.

Pool Layer Funding:

Program:	Layer of Coverage	Confidence Level	Discount Rate	Exposure Base
Worker's Compensation	\$0 - \$250K	65%	2%	Estimated Payroll

Excess Costs

Program:	Provider	Layer of Coverage	Allocated by:
Worker's Compensation	LAWCX	\$250K - Statutory Limit	Payroll

Administrative and Other Direct Costs:

Administrative and other direct costs are allocated by members' payroll.

Use of Estimates:

LAWCX (excess insurance) costs are based on the latest indication from LAWCX, which is in turn reliant another excess pool, PRISM, for their final cost indications. At the time of drafting of this staff report, final PRISM numbers had not yet been obtained, but the difference in cost is expected to be minimal.

RECOMMENDATION:

Staff recommends that the Board of Directors approve the 2026/27 June Budget for billing in the next fiscal year, pending the final LAWCX indication.

<u>REFERENCE MATERIALS ATTACHED</u>:

- Variance Analysis and Graphs
- 2026/27 SHARP June Draft Operating Budget

SHARP- Variance Analysis

	Variance from Prior Year		Variance From March	
PROGRAM	**% Variance**	**$ Variance (000's)**	**% Variance**	**$ Variance (000's)**
WORKERS COMPENSATION	10%	$ 102	-1%	$ (6)
TOTAL DEPOSIT	**10%**	**$ 102**	**-1%**	**$ (6)**

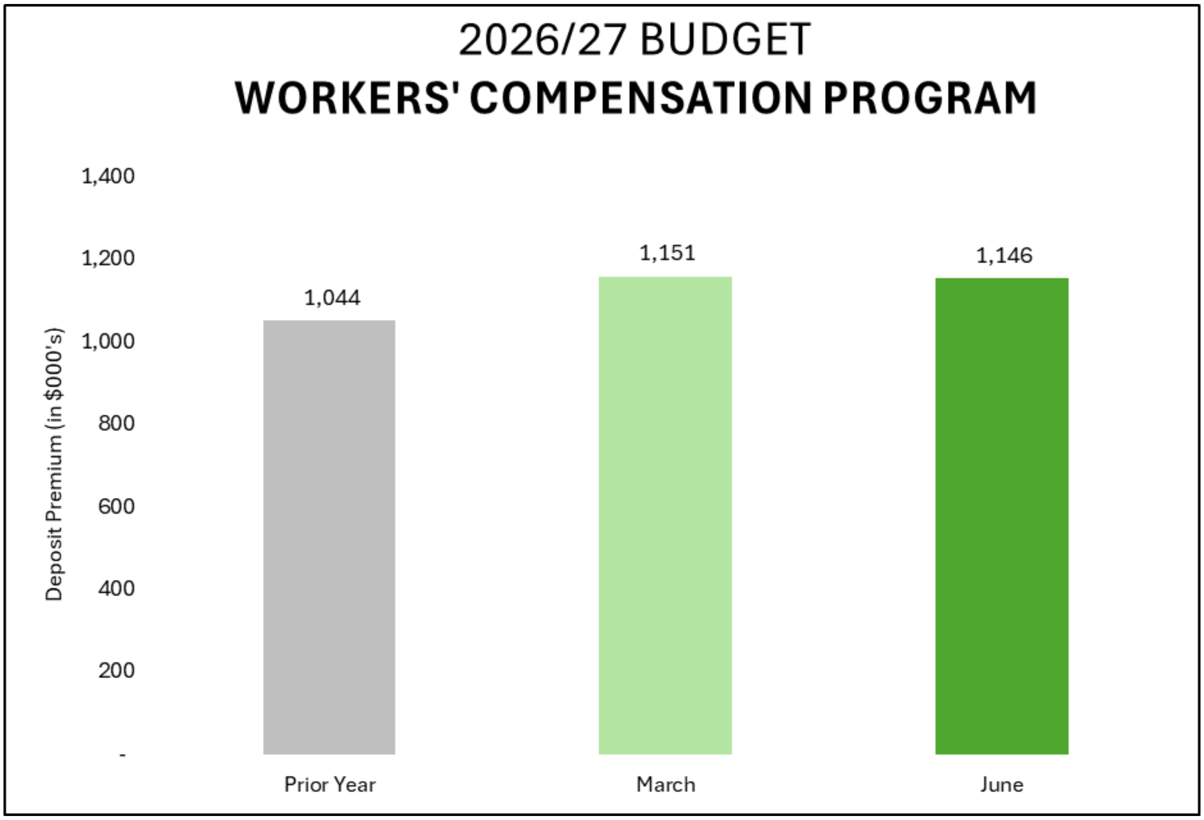
Prior Year to June Budget Variances:

- Primarily driven by an increase in the costs of Excess Coverage (↑ 15%).

March to June Budget Variances:

- Minimal variance.

SHARP – Variance Graphs



SHARED RISK POOL (SHARP)

2026/2027 Budget - June

Workers' Compensation Program

Pool Funding @ 65% Confidence Level, 2.0% Discount Factor

Primary Pool from 1st Dollar ~ LAWCX Excess from $250,000

		Prior Year Budget			Payroll Comparison				Ex-mod Comparison		
Member	2026/27 Total Contributions	2025/26 Total Contributions	*Increase/ (Decrease)*	*% Change*	Estimated Payroll 2026/27	2025/26	*Increase/ (Decrease)*	% Change	2026/27	2025/26	% Change
American Canyon	$ 426,507	$ 369,255	*$ 57,252*	*16%*	11,241,900	9,896,100	*1,345,800*	*14%*	*101.2%*	*92.5%*	*9%*
Los Altos Hills	$ 153,662	110,387	*43,275*	*39%*	4,617,500	3,523,500	*1,094,000*	*31%*	*75.0%*	*75.0%*	*0%*
Ross	$ 136,522	147,620	*(11,097)*	*-8%*	3,237,200	2,997,300	*239,900*	*8%*	*125.0%*	*125.0%*	*0%*
Saratoga	$ 297,275	278,579	*18,696*	*7%*	8,933,000	8,638,000	*295,000*	*3%*	*75.0%*	*75.0%*	*0%*
Woodside	$ 131,723	117,167	*14,556*	*12%*	3,123,400	3,138,300	*(14,900)*	*0%*	*125.0%*	*102.7%*	*22%*
Total	**$ 1,145,690**	**$ 1,023,008**	***$ 122,682***	***12%***	**31,153,000**	**28,193,200**	***2,959,800***	***10%***			

SHARED RISK POOL (SHARP)
2026/2027 Budget - June

	2025/26		2026/27	Budget v. Budget:		Budget v. Actual	
	Approved	Projected	Operating	*Dollar*	*Percent*	*Dollar*	*Percent*
Revenues:	Budget	Actuals	Budget	*Incr./(Decr.)*	*Incr./(Decr.)*	*Incr./(Decr.)*	*Incr./(Decr.)*
Contributions	$ 1,044,009	$ 1,044,009	**$ 1,145,690**	*$ 101,681*	*9.7%*	*$ 101,681*	*9.7%*
Total Revenues	**1,044,009**	**1,044,009**	**1,145,690**	*101,681*	*9.7%*	*101,681*	*9.7%*
Expenses:							
Claims Expense	446,862	303,790	424,615	*(22,247)*	*-5.0%*	*120,825*	*39.8%*
DIR Self Insurance Assessment	10,338	13,838	23,507	*13,169*	*127.4%*	*9,670*	*69.9%*
Claims Expense Total	**457,201**	**317,628**	**448,122**	*(9,078)*	*-2.0%*	*130,495*	*41.1%*
Excess Insurance Expense	397,475	397,475	456,684	*59,209*	*14.9%*	*59,209*	*14.9%*
Excess Insurance Expense Total	**397,475**	**397,475**	**456,684**	*59,209*	*14.9%*	*59,209*	*14.9%*
Other Direct Expenses							
Claims Administration	26,533	25,635	26,675	*142*	*0.5%*	*1,040*	*4.1%*
Loss Prevention							
Risk Management Grants*	50,000	6,917	50,000	*-*	*0.0%*	*43,083*	*622.8%*
Other Direct Expenses Total	**76,533**	**32,552**	**76,675**	*142*	*0.2%*		
Administration:							
Program Administration	68,644	68,644	73,037	*4,393*	*6.4%*	*4,393*	*6.4%*
Financial Audit	19,500	19,500	25,000	*5,500*	*28.2%*	*5,500*	*28.2%*
Actuarial Studies	10,450	10,450	10,570	*120*	*1.1%*	*120*	*1.1%*
Legal Counsel	2,000	2,280	3,000	*1,000*	*50.0%*	*720*	*31.6%*
Bank Fees	3,000	2,590	2,600	*(400)*	*-13.3%*	*10*	*0.4%*
Total Administration Expenses:	**103,594**	**103,464**	**114,207**	*10,613*	*10.2%*	*10,743*	*10.4%*
Total Expenses	**1,034,803**	**851,119**	**1,095,689**	60,886	*5.9%*	244,570	*28.7%*
Budgeted Net Income (Loss)	***$ 9,206***	***$ 192,890***	***$ 50,001***	*$ 40,795*	*-443.2%*	*$ (142,889)*	*-74.1%*
Reconciling Items							
WC Claims Expense (Expected) vs. Funding (65% CL)	59,206	-	100,001	*40,795*	*68.9%*	*100,001*	*N/A*
Risk Management Grant Funding	(50,000)	-	(50,000)	*-*	*0.0%*	*(50,000)*	*N/A*
Total Reconciling Items	9,206	-	50,001	*40,795*	*443.2%*	*50,001*	*N/A*
Adj. Net Income (Loss)	**$ -**	**$ 192,890**	**$ 0**	*$ 0*	*N/A*	*$ (192,890)*	*-100.0%*
Non-budgeted items:							
Investment Income		283,050					
Projected Net Income (Loss)		**$ 475,940**					

SHARED RISK POOL (SHARP)

2026/2027 Budget - June

Workers' Compensation Program

Pool Funding @ 65% Confidence Level, 2.0% Discount Factor

Primary Pool from 1st Dollar ~ LAWCX Excess from $250,000

Member	Estimated Payroll	Primary Pool Funding (Unmodified)	Experience Modification Factor	Primary Pool Funding (Modified)	Balancing Factor	Primary Pool Funding	Excess Coverage $250K - Statutory Limit	Other Direct Expense And Adminstrative Expense	Total Contributions
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
American Canyon	11,241,900	189,314	101.2%	191,585	106%	202,386	$ 164,799	$ 59,322	$ 426,507
Los Altos Hills	4,617,500	77,759	75.0%	58,319	106%	61,607	$ 67,690	$ 24,366	$ 153,662
Ross	3,237,200	54,514	125.0%	68,143	106%	71,985	$ 47,455	$ 17,082	$ 136,522
Saratoga	8,933,000	150,432	75.0%	112,824	106%	119,184	$ 130,952	$ 47,138	$ 297,275
Woodside	3,123,400	52,598	125.0%	65,748	106%	69,454	$ 45,787	$ 16,482	$ 131,723
Total	**$ 31,153,000**	**$ 524,617**		**$ 496,619**	**106%**	**$ 524,617**	**$ 456,684**	**$ 164,389**	**$ 1,145,690**
Rate Per $100 Payroll						*1.6840*	*1.4659*	*0.5277*	*3.6776*
Prior Year Budgeted	26,992,761					518,000	370,987	154,044	1,023,008
Incr./ (Decr.)	$ 4,160,239					$ 6,617	$ 85,697	$ 10,345	$ 122,682
% Change	15%					1%	23%	7%	12%

Notes:

Note 1: Based on Q1 and Q2 actual payroll data from fiscal year 2025-26, annualized with change in 2023-24 actual payroll data and incresed by inflation factor 3.8% (based on CCPI for Bay Area Cities annual data from latest month available).

Note 2: Pool Funding amount per member before the application of experience modification factor.

Note 3: Experience Modification Factor subject to minimum (75%) and maximum (125%).

Note 4: Primary Pool Funding amount after application of experience modification factor.

Note 5: Balancing factor ensures that the Primary Pool Funding Amount equals the Pool Rate times total Estimated Payroll.

Note 6: Funding needed for first dollar coverage to $250,000 at the 65% confidence level, discounted by 2% discount factor.

Note 7: LAWCX contribution, allocated by estimated payroll. LAWCX funds its losses at the 80% confidence level, discounted by 3% discount factor.

Note 8: Other Direct Expense and Administrative Expenses allocated by estimated payroll.

Note 9: Total Member Contributions (Sum of Notes 6 through 8).

FINANCIAL MATTERS

SUBJECT: Discussion of Dividend Policy

BACKGROUND AND HISTORY:

As of June 30, 2025, SHARP had an equity surplus of over $5M at the 90% Confidence Level.

Allocation of Dividends

Of that, $4.3M is from Program Years aged greater than 5 years (Program Years 2020 and prior) and is available for distribution to the members who participated in those years.

The SHARP Board directed staff to determine the allocation of the available dividend through the method described in the SHARP Master Plan Document, which allocates available dividends by the contributions of members to the Program Years which have achieved the surplus.

A table outlining the allocation to members of the available dividend is below.

Premium-Based Allocation Methodology

Member	Total Contributions*	Allocation %	Dividend Allocation
American Canyon	$ 2,561,982	22%	$ 950,214
Los Altos Hills	$ 1,909,636	16%	$ 708,265
Ross	$ 2,368,978	20%	$ 878,631
Saratoga	$ 4,786,852	41%	$ 1,775,396
Woodside	$ -	0%	$ -
Totals	$ 11,627,448	100%	$ 4,312,506

*Includes estimates for years of missing data (Program Years 1991 and 2008-2010).
Approximately 10% of contributions consist of estimates.

Release of Dividend

On average, the 2026/27 contribution premium billing represents 25% of the available Dividend Balance for each member entitled to receive dividends under the allocation methodology.

Member	2026-27 Contributions/Dividend
American Canyon	45%
Los Altos Hills	22%
Ross	15%
Saratoga	17%
Woodside	N/A
Average	**25%**

If this average were used as a proxy for the amount of dividend released to the membership with available equity balances, approximately $315K in contributions would be collected and $260K in refunds would be issued in the 2026/27 Fiscal Year. Please see the table below.

Member	2026/27 Total Contributions	25% Dividend Distribution	Net Billing (Refund)	Equity Available after Distribution
American Canyon	$ 426,507	$ 237,553	$ 188,954	$ 712,660
Los Altos Hills	$ 153,662	$ 177,066	$ (23,404)	$ 531,199
Ross	$ 136,522	$ 219,658	$ (83,135)	$ 658,973
Saratoga	$ 297,275	$ 443,849	$ (146,574)	$ 1,331,547
Woodside	$ 131,723	$ -	$ 131,723	$ -
Total	**$ 1,145,690**	**$ 1,078,127**	**$ 67,563**	**$ 3,234,380**

<u>RECOMMENDATION</u>:

Staff recommends the Board of Directors approve the release of a dividend equal to 25% of each member's balance of available equity as of June 30, 2025.

<u>REFERENCE MATERIALS ATTACHED</u>:

None.

Agenda Item 10. A.

ELECTIONS

SUBJECT: Elections of Officers for 2026/27 Program Year

BACKGROUND AND HISTORY:

In preparation for the upcoming program year, the Board of Directors shall elect officers to serve as Chair, Vice-Chair, and Secretary. The following officer positions are subject to election:

- Chair
- Vice-Chair
- Secretary

Currently, Christa Johnson (Town of Ross) serves as Chair, Thomas Leung (Town of Los Altos Hills) serves as Vice-Chair, and Eric Dahlen, SHARP General Manager serves as Secretary. Nominations for these positions will be accepted from the floor at the June 24, 2026, Board of Directors meeting.

The SHARP Bylaws provide the following direction:

> "As part of the purchase of commercial insurance and/or reinsurance, the Authority may elect to participate in a larger JPA for this specific business need. As such, the Chair of the Board shall be designated as the Authority's representative to the Board of Directors. Pursuant to the authority granted under Article VIII, the Chair of the Board may request that the General Manager of the Administrative Agency serve in the role of Alternate Director. However, both the Chair of the Board and the General Manager must be approved annually by resolution of the Board as the Director and Alternate Director, respectively."

This provision is significant because it requires that the Board Chair serve as SHARP's designated representative to the LAWCX Board of Directors.

In addition, the Bylaws allow for the General Manager of the administrative agency to assume particular duties but only by resolution passed by the Board of Directors. Should the Board decide to continue with the General Manager serving in the capacity of Secretary, a new resolution would be required.

RECOMMENDATION:

1. *Staff recommends the Board of Directors elect members to fill the Officer positions of Chair, Vice-Chair, and Secretary for SHARP's 2026/27 Program Year.*
2. *Staff recommends the Board approve Resolution 2026-02 if it desires to continue with the General Manager serving the Board as its Secretary.*

REFERENCE MATERIALS ATTACHED:

- Resolution 2026-02.

SHARED AGENCY RISK POOL

Resolution No. 2026-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF SHARP APPOINTING THE GENERAL MANAGER AS THE BOARD'S SECRETARY

BE IT RESOLVED THAT:

WHEREAS, the SHARP Board of Directors is required to elect officers annually for the upcoming program year, including the positions of Chair, Vice-Chair, and Secretary; and

WHEREAS, nominations for the offices of Chair, Vice-Chair, and Secretary will be accepted from the floor at the June 24, 2026, meeting of the Board of Directors; and

WHEREAS, the current officers are Christa Johnson (Town of Ross) serving as Chair, Thomas Leung (Town of Los Altos Hills) serving as Vice-Chair, and Eric Dahlen, SHARP General Manager, serving as Secretary; and

WHEREAS, the Bylaws also allow the General Manager of the Administrative Agency to perform duties such as Secretary, provided such assignment is authorized by resolution of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SHARP as follows:

1. **Secretary Appointment (if applicable)**
   If the Board elects to continue the General Manager in the role of Secretary, the Board hereby approves the General Manager of the Administrative Agency to serve in this capacity pursuant to the SHARP Bylaws.
2. **Effective Date**
   This Resolution shall take effect July 1, 2026, and remain in effect until June 30, 2027.

PASSED AND ADOPTED by the Board of Directors of the SHARED AGENCY RISK POOL, County of Sacramento, State of California, on June 24, 2026, by the following vote:

AYES ____
NOES
ABSENT
ABSTAIN

APPROVED:

____
President

ATTEST:

____
Secretary

Agenda Item 10.B.

ELECTIONS

SUBJECT: Consideration of Resolution Naming SHARP's Representatives to LAWCX

BACKGROUND AND HISTORY:

SHARP participates in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) to secure coverage above its $250,000 self-insured retention. As a member of LAWCX, SHARP is entitled to appoint one Director and one Alternate Director to the LAWCX Board of Directors.

The SHARP Bylaws provide as follows:

> "As part of the purchase of commercial insurance and/or reinsurance, the Authority may elect to participate in a larger JPA for this specific business need. As such, the Chair of the Board shall be designated as the Authority's representative to the Board of Directors. Pursuant to the authority granted under Article VIII, the Chair of the Board may request that the General Manager of the Administrative Agency serve in the role of Alternate Director. Both the Director and Alternate Director appointments must be approved annually by resolution of the Board."

In addition, SHARP is required to maintain active participation in LAWCX governance. Accordingly, either the designated Director or Alternate Director must attend at least one regularly scheduled LAWCX Board of Directors meeting per fiscal year. LAWCX typically conducts a minimum of two regular Board meetings per program year, in addition to an annual strategic planning session.

Failure to meet the attendance requirement will result in a financial penalty of $500 for the first year of noncompliance.

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution 2026-03 to represent SHARP to the excess coverage provider LAWCX for the 2026/27 Program Year.

REFERENCE MATERIALS ATTACHED:

- Resolution 2026-03.

SHARED AGENCY RISK POOL

Resolution No. 2026-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF SHARP APPROVING APPOINTMENT OF DIRECTOR AND ALTERNATE DIRECTOR TO THE LAWCX BOARD AND ESTABLISHING ATTENDANCE REQUIREMENTS

BE IT RESOLVED THAT:

WHEREAS, SHARP participates in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) to obtain excess workers' compensation coverage above its $250,000 self-insured retention; and

WHEREAS, as a member of LAWCX, SHARP is entitled to appoint one Director and one Alternate Director to serve on the LAWCX Board of Directors; and

WHEREAS, the SHARP Bylaws provide that the Chair of the Board shall be designated as SHARP's representative (Director) to the LAWCX Board of Directors; and

WHEREAS, the SHARP Bylaws further provide that the Chair of the Board may request that the General Manager of the Administrative Agency serve as Alternate Director, subject to annual approval by resolution of the Board of Directors; and

WHEREAS, the SHARP Bylaws require that both the Director and Alternate Director appointments be approved annually by resolution of the Board; and

WHEREAS, LAWCX requires active participation in its governance, including attendance by either the designated Director or Alternate Director at a minimum of one regularly scheduled LAWCX Board of Directors meeting per fiscal year; and

WHEREAS, LAWCX generally holds at least two regular Board meetings per program year, in addition to an annual strategic planning session; and

WHEREAS, failure to comply with the minimum attendance requirement will result in a financial penalty of $500 for the first year of noncompliance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SHARP as follows:

1. **Director Appointment**
   The Chair of the SHARP Board of Directors is hereby designated and approved as SHARP's Director to the LAWCX Board of Directors.
2. **Alternate Director Appointment**
   Upon request of the Chair, the General Manager of the Administrative Agency is hereby appointed and approved to serve as Alternate Director to the LAWCX Board of Directors.
3. **Effective Date**
   This Resolution shall take effect July 1, 2026 and shall remain in effect until June 30, 2026.

PASSED AND ADOPTED by the Board of Directors of the SHARED AGENCY RISK POOL, County of Sacramento, State of California, on June 24, 2026, by the following vote:

AYES ____
NOES
ABSENT
ABSTAIN

APPROVED:

____
President

ATTEST:

____
Secretary