



Cornerstone Comp, Inc.

Workers Compensation Group
Self-Insurance

*A Program exclusively for members of the
Association of Christian Schools International
and Christian Schools International*

History & Background

Cornerstone Comp, Inc.

Cornerstone Comp, Inc. was formed in 2004 with a mission of establishing a California self-insured group, specifically for churches and private schools affiliated with the Association of Christian Schools International (ACSI) and Christian Solidarity International (CSI).

On July 1, 2004, with the assistance of 3 founding members, an application was approved by the Department of Industrial Relations (DIR), Office of Self Insurance Plans (OSIP), to provide workers' compensation insurance to qualified members of the ACSI and CSI, located in the state of California.

In its inaugural year, 2004, Cornerstone Comp, Inc. expanded from 3 founding members to 14 members covering 3,816 employees and \$36,937,737 in combined payroll.

16 years later, in 2020, Cornerstone Comp has roughly 50 members, 8,000 employees, and \$170 million in combined payroll.

The Group

Cornerstone Comp, Inc. is made up of the following:

- General Membership (the Members)
 - Elected Board of Trustees Consisting of Five Voting Members and One Non-Voting
- The PATH Alliance, Inc.
- LWP Claims Solutions



Group Administration Services

JERRY LAVAL, PRESIDENT

LISA BROGAN,
ADMINISTRATION

JON WROTEN,
COMPLIANCE

JACK PASSARELLA,
SAFETY AND LOSS
CONTROL

DANIEL YOHMAN,
BUSINESS ADVISOR



- Based in Fresno, CA
- Privately Held Since 2016
- Specializes in Formation and Operation of Self-Insured Workers' Compensation Programs and Groups
- Philosophy
 - **Performance**
 - **Accountability**
 - **Transparency**
 - **Honor**
- Supporting Service Provider Appointments
 - Huggins Actuarial Services, Inc.
 - Moss Adams LLC – Audit and Tax
 - Kathmere Capital/Vanguard



- California Claims Management Specialist
- Privately Held Since 1990
- Current Management Since 1998
- Offices in Sacramento, Walnut Creek and Glendale
- Clients
 - Self-Insured Groups
 - Self-Insured Employers (public and private)
 - Insurance Companies
 - Large Deductible Clients
 - Captive Groups
 - Individual Captive Clients

Claims Administration Services

JUDY ADLAM,
PRESIDENT

BRIAN ESPARZA,
VICE-PRESIDENT CLAIMS

SCOTT WILLIAMS,
CLAIMS MANAGER

What is a Self-Insured Group?

Self-Insured Groups are regulated alternatives to traditional insurance and are approved by the State of California to provide workers compensation insurance to member employers. In California, a SIG is a Not-for-Profit Mutual Benefit Corporation run by a Board of Trustees.

A SIG is made up of the following parts:

- Members who share a common industry
- A Board of Trustees
- A Group Administrator
- Third Party Claims Administrator (TPA)
- Safety and Loss Control Services
- Independent Accountants and Actuaries
- Excess Insurance Carrier

Each self-insured group is reviewed, approved and monitored by California's Department of Industrial Relations, Office of Self Insurance Plans (OSIP). Just as each self-insured group is reviewed and approved, each member of a self-insured group is similarly reviewed to ensure that individual employers meet the requirement of membership. A SIG is a "shared-risk" pool where all members make contributions to cover their joint and several liability for workers compensation costs.

Member Rates and Contributions

- Rates are developed for each member based on loss experience, modification factors and risk management programs
- Group members make contributions in fixed installments based on rates quoted at the beginning of each coverage year or time of entry
- Group contributions are invested at the discretion of the Board, through a registered investment advisor
- All members move to common renewal date of January 1st

Joint and Several Liability

- California law requires members to be joint and severally liable
- Program protected by excess insurance, proper management and conservative actuarial identified funding
- Members may owe assessments for inadequate funding
- Liability extends beyond termination of membership for all participating coverage years
- Surplus from previous program years can be applied to reduce future years' funding or liability

Excess Insurance Coverage

- Self-Insured Retention (SIR) \$500,000
- Statutory Limits over SIR
- Aggregate Excess – Limits Max. Group Exposure
- Aggregate Limit - \$2M
- Aggregate Attachment - \$3M
- “A+” Rated by A.M. Best
- Admitted Company - Guarantee Fund (C.I.G.A.)
- CA Self-Insurers Guarantee Fund (S.I.S.F.)

Group Self-Insurance Advantages



Increased Flexibility and Control



More Predictable and Consistent Rates



Cost Savings



Focused Services to the Group Industry



Greater Claims Management Control



Opportunity for Return of Surplus



Member Owned and Governed

Ideal Candidates of a Self-Insured Group

Committed to Safety

Comfortable Managing Risk

Seeking Control and Stability

Small to Medium Operations

Desiring Improved Outcomes

Collaborative and Innovative

Long-Term Vision and Strategy

Why Cornerstone Comp?

- Stability in Membership
- Dividends Paid to Members
- Surplus Contributing to Financial Strength
- As of 2020 No Assessments Have Been Made to Group Members
- Program Rates Have Decreased by 38% Since 2004
- Claims Costs Less than 50% of Statewide Average
- Average of 1 Indemnity Claim and 1 Medical Only Claim per Member Annually

