

February 7, 2014

Mr. Jose C. Henriquez
Executive Officer
El Dorado Local Agency Formation Commission
550 Main Street, Suite E
Placerville, CA 95667

Dear Mr. Henriquez,

On January 8, 2014, the SDRMA Board of Directors approved a longevity distribution for the fifth year in a row. The Longevity Distribution Policy was originally approved by the Board in 2010 to recognize and reward members for their loyalty and commitment to SDRMA programs. The policy is consistent with the goals and objectives of the Board's strategic business plan and helps ensure pool stability by rewarding members for remaining in our Property/Liability and Workers' Compensation programs.

There is no action required by your agency. Every member that has completed the 3 full program year initial commitment period for either the Property/Liability or Workers' Compensation program is eligible to receive a longevity distribution credit for that particular program when they renew coverage. The longevity distribution may only be declared by the Board of Directors each year only after all Board policy reserve requirements have been met. The amount available for the longevity distribution is the amount of investment earnings on reserves above the Board approved confidence level for each program as of June 30. The distribution is weighted based on the member's length of time in that program and the amount of the member's annual contributions compared to the total contributions of all pool members.

This year, the Board approved a longevity distribution in the amount of \$257,476 for Property/Liability members and \$252,660 for Workers' Compensation members. For the Property/Liability program, over 94% of members will receive the distribution credit and for the Workers' Compensation program, over 92% of members will receive the distribution credit.

Congratulations! Since you have participated in our Workers' Compensation program for 9 years as of June 30, 2013, your agency will receive a longevity distribution credit on your 2014-15 renewal contribution invoice in the amount of \$13! We encourage you to share this valuable news with your governing body!

REMINDER – We hope to see you at our Annual Membership Meeting and Safety/Claims Education Day on March 18, 2014 at the Sacramento Hilton Hotel! Visit our website, www.sdrma.org and click on "Register for a training workshop" in the lower right-hand column for more information.

Thank you for your participation and helping make SDRMA a premier risk management provider! If you have any questions, please contact the SDRMA Finance Department at 800.537.7790 or 916.231.4141.

Sincerely,
Special District Risk Management Authority

A handwritten signature in blue ink, appearing to read "David Aranda".

David Aranda, President
Board of Directors