

February 22, 2017

Ms. Martha Poyatos
Executive Officer
San Mateo Local Agency Formation Commission
455 County Center
Redwood City, California 94063

RE: Property/Liability Longevity Distribution

Dear Ms. Poyatos,

On February 2, 2017, the SDRMA Board of Directors approved a longevity distribution for the eighth year in a row. The Longevity Distribution Policy was adopted by the Board 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.

This year, the Board approved a longevity distribution in the amount of \$247,965 for Property/Liability members and \$463,920 for Workers' Compensation members. For the Property/Liability program, over 91% of members will receive the distribution credit and for the Workers' Compensation program, over 90% of members will receive the distribution credit.

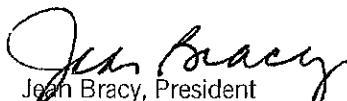
Congratulations! Since you have participated in our Property/Liability Program for 8 years as of June 30, 2016, your agency will receive a longevity distribution credit on your 2017-18 renewal invoice in the amount of \$28. We encourage you to share this valuable news with your governing body!

There is no action required by your agency. Every member that has completed the 3 full program year initial commitment period for the Property/Liability program is eligible to receive a longevity distribution credit when they renew coverage. The longevity distribution may 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.

REMINDER – SDRMA's Safety/Claims Education Day/Annual Membership Meeting is Tuesday, March 28 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including breakfast, lunch and refreshments. For more information, please visit our website at www.sdrma.org and click on "Register for a Training Workshop" on the right side of the page.

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


Jean Bracy, President
Board of Directors