



SB 260 Update

FSSB Meeting
January 31, 2006

DMHC Disclosure Requirements

Within 120 days following each reporting period due date, the Department will make the following information available on its website for public inspection:

1. A list of all RBOs
2. Whether the RBOs have 'met' or 'not met' each of the Grading Criteria:
 - Positive Working Capital
 - Positive TNE
 - 95% Claims Timeliness
 - IBNR Methodology/Estimates
 - Cash-to-Claims ratio (effective 1/1/06)



DMHC Disclosure Requirements (continued)

3. Relative financial information including:
 - Actual claims timeliness % reported
 - TNE as a relative ratio calculated by DMHC
 - Relative working capital ratio calculated by DMHC
4. A list of all RBOs that have not filed either a financial survey or compliance statement to date.
5. Aggregated data that enables consumers to assess an RBO's relative financial viability in a format consistent with confidentiality requirements.



DMHC will display the RBO's Financial Survey Data including:

- RBO/DMHC Number
- Region
- County
- Reporting Period
- FYE
- Working Capital (Met / Not Met)
- DMHC *Calculated* - Relative Working Capital
- TNE (Met / Not Met)
- DMHC *Calculated* - Relative TNE
- Cash-to-Claims ratio (effective 1/1/2006 shown as Met / Not Met)
- 95% Claims Timeliness (Met / Not Met)
- Actual Claims Timeliness %
- IBNR Methodology/Estimates (Met / Not Met)
- Whether a CAP is required
- Whether CAP is implemented or in progress
- Whether compliant with final CAP



DMHC will display the RBO's Compliance Statement Data:

- RBO/DMHC Number
- Region
- County
- Reporting Period
- FYE
- Working Capital (Met / Not Met)
- TNE (Met / Not Met)
- Cash-to-Claims (effective 1/1/2006 shown as Met / Not Met)
- 95% Claims Timeliness (Met / Not Met)
- IBNR Estimates
- Claims Timeliness percentage
- If DMHC Required RBO to file Quarterly Financial Survey⁵



Comparative Data Available to the Public

DMHC will publish a summary of comparative aggregated financial data including:

- Averages
- Statewide and Regional comparisons





Region 1

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Plumas
Shasta
Sierra
Siskiyou
Tehama
Trinity

Region 2

Alameda
Amador
Contra Costa
El Dorado
Marin
Napa
Nevada
Placer
Sacramento
San Francisco
San Joaquin
San Mateo
Santa Clara
Santa Cruz
Solano
Sonoma
Sutter
Yolo
Yuba

Region 3

Alpine
Calaveras
Fresno
Inyo
Kings
Madera
Mariposa
Merced
Mono
Monterey
San Benito
Stanislaus
Tulare
Tuolumne

Region 4

Kern
San Luis Obispo
Santa Barbara

Region 5

Los Angeles
Orange
Ventura

Region 6

Riverside
San Bernardino

Region 7

Imperial
San Diego



DMHC's RBO Regional and Statewide Summary

Summary of Reported RBO Data	STATEWIDE	REGION 1	REGION 2	REGION 3	REGION 4	REGION 5	REGION 6	REGION 7
Number of RBOs reporting financial surveys	161	0	30	5	4	90	23	9
Number of RBOs reporting compliance statements	36	1	5	1	0	23	2	4
Number of Non-filing RBOs (based upon inhouse data)	20	0	2	0	0	16	1	1
Number of RBOs non-compliant with the working capital requirement	14	0	5	1	0	6	2	0
Number of RBOs non-compliant with the Tangible Net Equity (TNE) requirement	14	0	4	2	0	5	2	1
Number of RBOs non-compliant with the cash-to-claims requirement (eff. 1/1/06)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of RBOs non-compliant with the 95% claims timeliness requirement	4	0	2	0	0	1	0	1
Number of RBOs non-compliant with the IBNR methodology requirement	0	0	0	0	0	0	0	0
Average relative working capital ratio	1.65	0	1.55	0.84	1.71	1.72	1.95	1.15
Average relative TNE ratio	1.76	0	1.98	1.01	2.34	1.71	2.04	1.25
Average cash-to-claims requirement (eff. 1/1/06)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average claims timeliness percentage	98.42	0	99.00	98.98	98.5	98.48	98.73	94.38
Average claims timeliness for those RBO reported non-compliant with 95%	51.38	0	49.5	0	0	87	0	69
Number of RBOs meeting all grading criteria	141	0	25	3	4	81	21	7
Number of RBOs non-compliant with 1(one) grading criteria	9	0	1	1	0	5	0	2
Number of RBOs non-compliant with 2 (two) grading criteria	9	0	2	1	0	4	2	0
Number of RBOs non-compliant with 3 (three) grading criteria	2	0	2	0	0	0	0	0
Number of RBOs non-compliant with 4 (four) grading criteria	0	0	0	0	0	0	0	0
Number of RBOs non-compliant with all grading criteria	0	0	0	0	0	0	0	0
Number of Corrective Action Plans (CAP) required	19	0	4	2	0	9	2	2
Number of CAPs in the development process	19	0	4	2	0	9	2	2
Number of CAPs approved by the Department	0	0	0	0	0	0	0	0
Number of RBOs compliant with approved CAP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of RBOs non-compliant with approved CAP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: The data herein is evolving as DMHC and RBO staff work together to ensure correct filings.

Quarterly Financial Survey Data (by region)

- Number of RBOs reporting financial surveys
- Number of RBOs reporting compliance statements
- Number of Non-Filing RBOs (based upon in-house data)
- Number of RBOs non-compliant with the working capital requirement
- Number of RBOs non-compliant with the Tangible Net Equity (TNE) requirement
- Number of RBOs non-compliant with the cash-to-claims requirement (effective 1/1/2006)
- Number of RBOs non-compliant with the 95% claims timeliness requirement
- Number of RBOs non-compliant with the IBNR methodology requirement



Quarterly Financial Survey Data (by region) continued

- Average relative working capital ratio
- Average relative TNE ratio
- Average cash-to-claims requirement (effective 1/1/06 as a %)
- Average claims timeliness percentage
- Average claims timeliness for those RBOs that reported non-compliance with the 95% claims timeliness requirement



Quarterly Financial Survey Data (by region) continued

- Number of RBOs meeting all grading criteria
- Number of RBOs non-compliant with 1 (one) grading criteria
- Number of RBOs non-compliant with 2 (two) grading criteria
- Number of RBOs non-compliant with 3 (three) grading criteria
- Number of RBOs non-compliant with 4 (four) grading criteria
- Number of RBOs non-compliant with all grading criteria
- Number of Corrective Action Plans (CAP) required
- Number of CAPs in the development process
- Number of CAPs approved by the Department
- Number of RBOs compliant with approved CAP
- Number of RBOs non-compliant with approved CAP

