



July 6, 2022

**RE: FDAC EBA (EBA) and FASIS Consolidation**

Greetings EBA and FASIS Member Districts,

On behalf of the EBA and FASIS Board of Directors, it is with great excitement we announce the consolidation of our programs effective July 1, 2023. This consolidation will culminate with a multi-line risk-sharing program initially providing employee benefits and workers' compensation coverage to eligible fire districts across the State of California.

Following years of informal discussions, negotiations between our programs began in earnest in 2019 with the formation of an Advisory Committee comprised of EBA and FASIS Board member representatives. The Committee held regular meetings to identify the most effective method by which to consolidate the programs, with the desired outcome of increased efficiencies, improved accountability, enhanced member services, and overall administrative and fiscal savings. As comprehensive discussions and plans materialized, EBA and FASIS executed a Memorandum of Understanding and Letter of Intent on March 21, 2021, to formally establish a relationship intended to develop, operate, manage, and administer one multi-line risk-sharing program.

The combined 55 years of experience across the more than 210 fire districts under the EBA and FASIS joint power authority agreements has proven both programs to be viable and successful alternatives to the commercial insurance marketplace. The long-standing goal of both Boards is to establish a "one-stop shop", providing insurance coverage and ancillary services essential to conducting business as a California fire district.

On June 23, 2022, the EBA and FASIS Boards approved a Consolidation and Communication Plan to be executed by staff over the next twelve months, with oversight and guidance from the Advisory Committee. As consolidation activities commence, we wish to ensure each EBA and FASIS member district possesses a thorough understanding of the process and resulting efforts. In preparation, we have prepared the attached FAQ to address important questions related to the consolidation. If you have additional questions after reviewing the document, please contact Carmen Berry, EBA Administrator, at [cberry@firebenefits.org](mailto:cberry@firebenefits.org) or (916) 231-2143 or Jennifer Jobe, FASIS Administrator, at [jennifer.jobe@sedgwick.com](mailto:jennifer.jobe@sedgwick.com) or (916) 244-1141.

We are of the collective belief the consolidation will result in the strong foundation of an operational framework conducive to providing our California fire districts with a successful multi-line risk-sharing program. Thank you in advance for your support of this monumental endeavor.

Yours Sincerely,

Chief Steve Kovacs  
President, FDAC EBA

Chief Howard Wood  
President, FASIS

## CONSOLIDATION FREQUENTLY ASKED QUESTIONS

### Who serves on the Advisory Committee?

*The Advisory Committee is comprised of two EBA and three FASIS Board members.*

#### EBA

- Chief Steve Kovacs, Murphys Fire
- Chief Don Butz, Lakeside Fire

#### FASIS

- Chief Howard Wood, Vacaville Fire
- Chief Steve Akre, Sonoma Valley Fire
- Director Carol Pigoni, Cloverdale Fire

### Why have the EBA and FASIS decided to consolidate?

*The EBA and FASIS, primarily homogeneous risk pools, have discussed the value of consolidation for years. The combined leadership determined that a multi-line risk pool would recognize economies of scale, streamline financial and administrative resources, and reduce duplicative programs, thus providing efficient and effective service to an expanded membership.*

### How will the consolidation benefit my district?

*The consolidated pool will provide a “one-stop shop” for health benefits and workers’ compensation for public safety/fire districts throughout California. Governed by the Board of Directors, the consolidated pool will expand and enhance member services as a joint body.*

### Will my rates change?

*No. Both programs will continue to provide the most competitive rates available.*

### Is my district required to participate in both programs within the consolidated Joint Power Authority (JPA)?

*No. Dependent upon eligibility, districts may choose to participate in one or both programs under a single Joint Powers Agreement.*

### Are all members eligible to participate in all programs?

*Unfortunately, not all existing members may be eligible to participate in all programs. Although health care benefits will continue to be available to existing EBA members, these benefits will not be available to new/prospective non-fire districts. Existing non-fire districts providing emergency services will be included in the consolidated risk pool.*

**Will there be a benefit to my district if we participate in both programs?**

*Yes. Your district will benefit from streamlined financial and administrative resources in a “one-stop shop” for workers’ compensation and health care benefits.*

**Will my district be required to execute a new Joint Powers Agreement?**

*Yes. All members are required to execute a new Joint Powers Agreement.*

**Will the consolidated program operate under a new governance structure?**

*Yes. A new governance structure including a consolidated Board of Directors and standing committees (workers’ compensation, health benefits, etc.) will be established under new program Bylaws.*

**Who will administer the consolidated program?**

*Initially, the Administrators of both the EBA (Smith Moore & Associates) and FASIS (Sedgwick) will work together to administer the consolidated program. The new Board of Directors will determine how best to proceed with the administration moving forward.*

**When will the consolidation be complete?**

*The consolidated JPA will launch on July 1, 2023.*

**What is next for my district?**

*EBA and FASIS member districts will receive regular communications regarding consolidation activities, including execution of the new Joint Powers Agreement and other governing documents. This and additional information can be found on the [EBA](#) and [FASIS](#) websites.*