



CALIFORNIA STATE FIREFIGHTERS' EMPLOYEE WELFARE BENEFITS CORPORATION

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2011 Annual Conference Report Covering Calendar Year 2010

As we begin this year's annual conference, our 89th, I want to share with you one of the main reasons that CSFEWBC is so successful in providing quality benefits to CSFA members. That is the dedication of our Board Members who have served the membership with anywhere from nine to 44 years of service. Additionally, we have maintained long term relationships with our service providers, dating back to the start of our insurance programs in 1967.

As for the benefits offered, your Trustees have reviewed hundreds of possible programs over the years and implemented dozens of new programs, improvements and expanded limits of coverage. Over the years, CSFEWBC has continued to make sure that our programs are financially sound, meet all legal requirements and are serviced with you the CSFA member being our top priority.

This 2010 Summary Report is to help share and acknowledge the accomplishments and efforts the CSFEWBC team provided for the benefit of members of CSFA. We have provided information from reports submitted by the various parties. It is our belief that gains in new members & increased retention of many others is directly related to the amount and quality of the efforts in these areas by all concerned. The CSFEWBC Board applauds these efforts and long term commitment to the betterment of the CSFA family.

Sincerely,

Sam Winner
President/CFO



ANNUAL INSURANCE REPORT (2011) MYERS-STEVENSON & Toohey & CO., Inc.

Long-Term Disability (LTD)

For almost 40 years, the California State Firefighters' Employee Welfare Benefits Corporation (CSFEWBC) has provided the best and safest Long Term Disability (LTD) program available to California Firefighters. We are very excited to continue this service by offering a new LTD Program for 2011.

Effective January 1, 2011, we are replacing the Partially Self Funded LTD program with a new Fully Insured, Long Term Disability program. This new LTD Plan will be 100% insured by The Standard, a multi-billion dollar insurance company. We have most of the same great benefits you are used to with a few enhancements such as rehabilitation benefit and reasonable accommodation benefit up to \$25,000 to name a few. Give us a call to obtain new plan design and set-up an appointment.

Life Insurance

2011 will bring CSFA members richer benefits at lower cost for Life Insurance.

A nationwide search was conducted for the best possible benefit/price options for CSFA members; ReliaStar a Member of the ING family of companies proved to be the best choice. ReliaStar is the nation's leading provider of life insurance benefits to association members. The new offering and brochures will be available in the near future. Below is a short preview of the new program.

- ❖ New 10 & 20 -Year Level Term Group Life products. Rates for these plans will remained fixed during the term of coverage. Benefit amounts up to \$1 million.
- ❖ 100% Department Group Coverage up to \$150,000 life/accidental death & dismemberment insurance with no medical questions required for coverage.
- ❖ New academy graduates will be eligible for \$100,000 of group term life insurance with no medical questions required for approval of coverage.
- ❖ Special Offering: Will be made available after the first of the year. Full time actively at work members may enroll in \$100,000 group term life insurance on a Simplified Issue basis ... This means that if you are currently an active working firefighter, you may be issued a \$100,000 term life policy simply by answering just three health questions satisfactorily to the insurer.

Provident Accident and Medical Plans

Volunteer departments continue to take advantage of the Provident Accident Medical Program. The Provident Plan is one of the leading providers in the state for accident and medical coverage to the California Volunteer. This is accredited to the sponsorship of CSFA and its 25,000 member-strong membership. The Provident Accident and Medical program is a great way to provide a valuable benefit to the volunteer/reserve while maintaining a positive retention program for the district/department. CSFA departments receive a 10% discount, plus an additional 10% discount is offered if a 3-year contract is signed and prepaid by the department.

Long Term Care

We continue to provide CSFA members and their family's quality Long Term Care products. Our Long Term Care Specialist stay apprised to the many changes in this market and provides the top rated insurance companies and benefit packages. All we need to get started is your age and marital status and we will search the market to provide a plan design to meet your families needs.

You can contact a Myers-Stevens & Toohey representative at **800-827-4695** for more information.

Living Trust Services - Paul Goyette & Associates

In June of 2008 we were forced to replace our previous service provider. We were very fortunate to have one of our CSFA sponsored labor attorneys, Paul Goyette & Associates headquartered in Gold River, add a Trust Department. In December of 2008, Rafael Ruano, Esq. was introduced to the CSFA Board and welcomed into the CSFA Family.

During 2010, Rafael has been working with various associations and locals to provide educational workshops and individual trust services to our members. He has been working closely with members in the Los Angeles City Fire Department, City of orange F.D. and also the Beverly Hills F.D. Currently, there are over 100 CSFA members interested in the program and in various stages of the process.

They also work closely with the CSFA/CSFEWBC RMR's to set up presentations at various meetings and will increase those types of activities in 2010. The first quarter of 2010 also brought about the production of short informational video presentation that can be left at a fire station after a presentation so that the other platoons can also obtain the valuable information covered. These DVDs can also be mailed to interested members or even made available online at www.csfa.net for all to see.

CSFA Member Health Insurance Plan Underwritten by Health Net Anderson-Shea Insurance Agency



2010 Annual Report

Results for	2009	2010:
CSFA Member Leads:	106	82
Quoted Rates:	89	77
Applications Submitted:	24	39
Declined in Underwriting:	6	13
Issued Health Policies:	18	26
Total Dental & Vision Customers:	130	152
<u>CSFA Member Policies Currently in Force:</u>		203

Customer Service Results

- 0 Complaints to CSFA Office on the Health Net Benefit
- CSFA Members are very satisfied with Health Net's claims process

Plans Available to CSFA Members

Group Health Insurance

- Lowest rating factor for fire districts/departments for PPO, HMO and HSA plans
- Flexibility of options to work with every budget & employee needs
- One of the largest Physician networks in California
- Online plan administration to manage enrollment and print reports

Individual Health Insurance in California

- Affordable quality insurance options for volunteers, retired members, career firefighters, and dependents
- PPO, HMO and HSA plans available
- Options to fit each individuals specific needs and budget

Dental and Vision Insurance – Available Nationwide

- PPO plans make it easy to find participating providers in your area
 - No waiting period for general and major services
 - Includes coverage for orthodontia
 - Every CSFA member & dependent guaranteed acceptance
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CSFEWBC Volunteer Length of Service Award

In 1974, CSFA started in motion legislation to establish a program that would enable fire departments to offer their volunteer firefighters an incentive and monetary reward for their dedicated service to their communities.

In 1979 the California legislature passed the Volunteer Firefighters Length of Service Award Act and the program went into effect on January 1, 1980, administered by CalPERS. On March 1, 2008 the administration of the program was taken over by the CSFEWBC.

The Program runs on a July 1st Fiscal Year. Departments enroll during July/August of the first year but for budgeting purposes are not billed until June 30th of the following year and have until November 1st to pay the premium.

To receive an Award, firefighters must attain age 60 and have a minimum of 10 years in the Program. Benefits increase with each Year of Active Participation. The Minimum Award Payment is \$50.00 per month after 10 years of service up to a Maximum of \$100.00 per month with 20 years of service.

The FY 2008 - 2009 Department Cost per Firefighter were originally set by PERS at \$426.85 but after our 2009 Actuarial Study we were able to reduce this amount to \$400.00. For FY 2009 - 2010 it was again reduced, to \$350.00 and for FY 2010 – 2011 it was again reduced to \$300.00, but only for those Departments that pay by the November 1st deadline.

As of the close of 2010, the status of the VLSA is as follows:

Currently there are twenty-four departments enrolled in the program and there are 224 volunteer firefighters receiving award payments from the system. Since taking over the program the CSFEWBC has paid out over \$450,000.00 to Award recipients. As of 12/30/2010, the fund held \$3,951,228.04.

The CSFEWBC Board will continue to provide oversight to this important program, looking to honor the dedication of many of the California volunteer firefighters for their years of dedicated service to their local communities.

California Casualty Annual Report

- 1) CSFA has sponsored California Casualty for over 35 years to provide a specialized Auto & Home Insurance Program for CSFA members. Our relationship has been a true collaboration providing members with excellent service, coverage and savings.
- 2) This valuable member benefit is available to our entire CSFA family so active and retired members are eligible to take advantage of this program. Approximately 1 out of every 4 CSFA members choose California Casualty for their personal auto and home insurance needs.
- 3) Service continues to remain a cornerstone at California Casualty and the 2010 survey results from CSFA members show that 99.7% of the respondents would recommend California Casualty to other CSFA members. This result exemplifies the commitment to excellence in servicing CSFA members.
- 4) Since 2007, California Casualty has provided free and automatic access to Identity Theft Resolution Services to CSFA members through a partnership with Identity Theft 911. We are proud to announce that effective September 1, 2010 we are now able to provide a new expanded program called ID Defense that adds new preventative services to protect your identity in every stage of life. A CSFA member must have an auto or home insurance policy with California Casualty to qualify for this benefit.
- 5) You will receive a multi-policy discount of 17% off the auto and 10% off the home policy if you have both your auto & home insurance with California Casualty.
- 6) 24/7 Emergency Claims Service / Guaranteed lock-in rates for an entire year.
- 7) Fallen Hero Benefit – Should a Firefighter's life end in the line of duty, the premium will be waived for the surviving partner / spouse for the remainder of the current policy year and the subsequent policy year.
- 8) Online account management
- 9) Coverage available for Earthquake, Flood, and Umbrella
- 10) Coverage available for Motorhome, RV, Boat, Motorcycle and Personal Watercraft.
- 11) Convenient monthly payment plans at no additional cost.
- 12) The auto policy includes \$500 personal property protection for items lost in a collision, fire, or theft – including turn out gear and safety equipment.
- 13) Unlimited Emergency Roadside Service available that pays for towing to the nearest place of repair.
- 14) California Casualty has assigned 19 Field Marketing Managers across the state to assist CSFA members with their insurance needs.

If you would like more information or a quote on your auto and home insurance, please contact California Casualty at (866) 680-5142. Dan Barclay and Lisa Almeida, CSFA Account Managers, will also be available at the CSFA Conference to answer any immediate questions you may have.

ORBA Financial Management CSFEWBC/CSFA 2010 Recap Report

Looking back on 2010, we observe the conclusion of an ever-improving year for ORBA Financial Management (ORBA) and its relationship with the members of CSFA. Faithful to our message, we continued to be upbeat in a “what goes up can go down market.” Equipped with the knowledge of stock market history, we know that bear markets do eventually end. So, ever mindful of the other side of the coin, “what goes down can also go up!” we shared the message that things most likely will get better. Fortunately, the 2010 financial market year results ended up with a little bit better than average performance.

The economic crunch of 2008-2009 created significant headwinds for us as we began the year. Retirement planning was often a difficult subject to discuss with association members on the heels of recent 30%-40% stock market losses coupled with the intense media attention thereof. Additionally, municipalities were under increased financial pressure to cut benefits, overtime and re-work retirement contracts. The need for knowledgeable, responsive, independent financial advisors and benefits consultants has never been greater and ORBA is well positioned in the marketplace to assist.

Our active representative/insurance agent count currently stands at 8. In 2010, we were successful in placing 105 new cases (new policies/investment accounts) on the books. Though the expectation was for 120 cases, we met 87.5% of our goal. We are pleased with the 2010 results knowing that we’re continually getting better at what we do every year. We also have a few reps/agents in training who should be productive in the first quarter of 2011.

Our products and services portfolio continues to meet the needs of the CSFA member. Our financial planning and benefits communication appointments continue to be the keystone of services offered. Once we have determined the needs of the client, we are able to help meet those needs with Mutual Funds, Permanent Insurance, Annuity products, WRAP Fee and advisory products. Our independence through our broker/dealer Transamerica Financial Advisors, Inc. allows us to choose from 100’s of insurance companies, 1000’s of mutual funds and many WRAP and privately managed portfolios. Our true independence and focus on the firefighter client’s individual needs drive our decisions and process.

Additionally, I continually strive to develop and share potential benefit and program ideas which would enhance CSFA’s value to members and potential members. I’m proud that the CSFA was able to capitalize on my idea and relationship with the leadership personnel of Brandman University as 2010 saw the kickoff of the new educational services with Brandman University. I believe that the CSFA - Brandman connection is an excellent tie-in for the member training & development focus of the CSFA.

ORBA is rolling into 2011 with a lot of momentum, additional representatives and agents, excellent products, and services. We are focused on the key element for success within this marketplace which is serving the California Fire Service member’s financial services needs to the very best of our ability. We are determined that 2011 will be a banner year for the performance of ORBA Financial Management within the California State Firefighters Association.

Curt Howard
January 2011

Representative Overview

Curt Howard: I still travel up and down the State providing claims service, financial planning and marketing services. The *RetIRAprep*[™], *DROP Plan Advantage*[™] and *PASS*[™] (457 deferred compensation asset allocation service) all continue to be enthusiastically received by CSFA members. The *PASS*[™] program especially continues to gain popularity as word gets out to the membership regarding its effectiveness.

The spring of 2010 welcomed the launch of www.curtishoward.com. The website has been an effective tool in disseminating information regarding our services to individual CSFA members. We also send out nearly 700 monthly financial planning and advisory newsletters to clients, potential clients and to agencies listed in the CSFA directory via email. The newsletter has also proven to not only be an excellent educational tool, but has also become an excellent communication vehicle as the readers are able to send a simple "Reply" email in order to contact our office.

Additionally, I'm very pleased that 2010 witnessed the kickoff of the Brandman University/CSFA educational program for firefighters which I conceived a few years ago. I look forward to seeing the positive benefits this Bachelor's degree program will bring to many CSFA members in the years to come.

Artie Ower (non-securities products only): Artie continues to perform excellent work within the Tulare, Fresno & Northern Kings Counties. Artie has shown tremendous proficiency at "Blending in" and becoming "The Go To Guy" for benefits and insurance services.

Dan Lamb (non-securities products only): Dan has been impressive at making positive contact with departments and stations which historically have not been CSFA friendly. Dan has a knack for demonstrating the "value added services" which ORBA offers to firefighters through its relationship with CSFA and has been embraced by many.

Ralph Dickenson (non-securities products only): A "high desert guy" like Dan, Ralph's decades of experience in the financial services business will assist us greatly in delivering quality insurance services for members within approximately 50 miles of Victorville.

Jeff Lundstrom: LA County Fire, Long Beach Fire, Costa Mesa, Orange County Fire Authority, Huntington Beach Fire and Santa Ana Fire

"Red Zone" Seminars – These seminars are a pivotal educational tool to enhance awareness regarding important elements of retirement preparation. They continue to be well-received by the members within all departments.

"CSFA Retirement Booklet" – Because the state, cities, and counties need to cut back, several departments offer incentives to encourage early retirement. The "CSFA Retirement Booklet" is a useful tool used to inform and educate the members regarding these incentives and all other benefits provided by their departments and the CSFA/CSFEWBC. (There were record numbers of members retiring last year, and the numbers are projected to be even higher in 2011.)

The "CSFA Benefits Booklet" continues to be a highly effective program helping members understand their benefits. With the current status of the economy, many members feel it is more important than ever to update and review their current situation.

Kimberly Lundstrom (non-securities products only): San Diego County, Orange County
Kimberly obtained her California life and health licenses and has started personal production. She has worked in LA County, Santa Ana, Costa Mesa, Huntington Beach, and San Diego departments. During 2011, Kimberly will focus most of her effort in the San Diego area. She will also continue assisting Jeff in communicating with the membership.

Jerry Edwards: San Diego County

Jerry continues to work with the San Diego Fireman's Relief Association Administrator and Board of Directors. Although the SDFRA has withdrawn from CSFA, we will continue to emphasize the benefits of being a CSFA member. Furthermore, Jerry continues to provide excellent service in the following departments: North County Fire (Fallbrook), Rancho Santa Fe Fire, La Mesa, San Miguel Fire, Vista Fire, San Marcos.

Shaun Hayman (non-securities products only): San Diego County, Los Angeles County

Shaun is a graduate of San Diego State University, having earned a Business Degree in Finance. He has been licensed to sell life insurance for three years. While training, he will be assisting Jeff with his departments. Once Shaun is fully trained and has a complete understanding of the CSFA Benefits Program, he will service departments in San Diego and South Orange County Fire Departments.

Curt Howard and Jerry Edwards are Investment Advisor Representatives and Registered Representatives of and Securities and Investment Advisory Services are offered through Transamerica Financial Advisors, Inc. (TFA). Jeff Lundstrom is a Registered Representative of and Securities are offered through TFA. Member FINRA, SIPC and A Registered Investment Advisor. ORBA Financial Management is not a broker dealer and is not affiliated with TFA. Ralph Dickenson, Dan Lamb, Artie Ower, Shaun Hayman, and Kimberly Lundstrom are not affiliated with TFA. Non-security products are not offered through TFA. 2339 Gold Meadow Way, #200, Gold River, CA 95670.

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LD39367-01/11

CSFA/CSFEWBC RMR Overview of 2010

Bob Martin – RMR Coordinator

As 2010 has drawn to a close and we begin 2011, I wish to provide you with some of the facts and figures of the CSFA/CSFEWBC Member Benefit Specialist/Regional Member Representative Program.

For 2010 the following figures represent the basic statistics of station visits, workshops, benefit presentations and similar functions attended.

Station Visits: The three MBS/RMR's visited approximately 1100 fire stations. These station visits included meeting with crews to update members and non-members alike on the many benefits and programs available to as CSFA members. In cases where personnel were not available, CSFA/CSFEWBC marketing materials were left for their review.

Presentations: There were some 250 presentations made on behalf of CSFA and its Benefit Programs. Many of these presentations also included representatives from some or all of our service providers. Presentations were also provided to various Fire Academy Classes around the state.

Trade Shows, Special Meetings & Functions: There were tables and or booths set up marketing CSFA/CSFEWBC programs and membership at some 50 different training venues such as the Firehouse World, California Fire Mechanics Workshop, Continuing Challenge Haz Mat Workshop, LA City Chili Cook Off, LA Co. Retiree's Meetings, Forester & Fire Wardens Annual Conference, Burn Run Presentations, and the Annual CSFA Conference.

Additional special meetings included the Fullerton Retiree's Annual Meeting, SAFER Meetings, LA Heat vs. New York Firefighter Football Game at Rose Bowl, and CSFA support of the Firefighter Olympics in Anaheim. The Orange County Professional FF hosted a special presentation on Death Benefits.

These Special Presentations numbered some 150 special meetings to various Chief's Associations, Tribal firefighter groups and other local association, and union meetings. The MBS/RMR Teams attended several functions where the CSFA Steamer Team was in attendance to assist the Steamer Team.

They also assisted Goyette & Associates Living Trust services and ORBA representatives in setting up many meetings. They have also assisted EF Recovery with presentations at various departments. Thanks to the assistance by our RMR's, EF Recovery is also working on many small and volunteer fire departments and they are also making headway in the Central Valley area and on the Central Coast.