



# 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 Survey<sup>5</sup>



# Comparative Data Available to the Public

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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

