

AGENDA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**

MEETING: Board of Directors Annual Meeting
Schools Program Alliance
Teleconference Meeting

DATE/TIME: January 11, 2021 at 10:00 AM PDT

LOCATION VIA TELECONFERENCE: [\(669\) 900-6833](tel:(669)900-6833) US Toll or [\(346\) 248-7799](tel:(346)248-7799)
Meeting number (access code): 971 1089 4467
<https://alliantinsurance.zoom.us/j/97110894467?pwd=cHNRN0NCTkx2Yys5bC8xTjFJLzUrdz09>

<i>PAGE</i>	A. CALL TO ORDER, ROLL CALL, QUORUM	A 4
	B. APPROVAL OF AGENDA AS POSTED	A 4
	C. PUBLIC COMMENTS <i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	I 4
	D. CONSENT CALENDAR <i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	A 1
<i>Pg. 4</i>	1. Minutes of SPA Board Meeting November 16, 2020	
	E. ADMINISTRATIVE REPORTS	
	1. Alliant Update <i>The Board will receive an update on matters pertinent to SPA.</i>	
	a. Rolling OCIP	
	b. Form 700	
	F. GENERAL ADMINISTRATION	
<i>Pg. 8</i>	1. Excess Liability Program Development <i>Members will be presented with information related to the launch of a SPA Group Purchase Excess Liability Program.</i>	I 4
<i>Pg. 9</i>	2. SPA Operating Processes, Policies and Procedures <i>The Board will receive information regarding Policies and Procedures.</i>	I 4
<i>Pg. 10</i>	3. Property Appraisals <i>Members will review and may approve the agreement of the selected Appraisal Firm Duff & Phelps.</i>	A 1

Pg. 18	4. CoreLogic Wildfire Risk Scoring Agreement <i>The Board will consider a budget to score member properties and special meeting to review the results. .</i>	A	4
Pg. 19	5. Pre-Renewal Discussion and Timeline Review <i>The Board will receive an update on pre-renewal activities and a timeline of important milestones in the renewal process for FY 21/22.</i>	I	1
Pg. 27	6. Alliant Connect Property Schedules <i>The Board will consider the use of Alliant Connect Property Schedules to maintain members Schedule of Values.</i>	I	4
Pg. 28	7. SPA Underwriting Policy <i>The Board requested the language of the policy be revised & will review the changes and consider approval.</i>	A	1
Pg. 31	8. SPA Website and Logo <i>The Board will consider potential website domains and may approve a domain and budget for setting up a website.</i>	A	1
Pg. 34	9. Loss Control Services		
	a. Paragon Proposal <i>The Board will receive and may approve a proposal for property risk engineering surveys from Paragon Engineering Services.</i>	A	1
Pg. 80	b. Additional Loss Control Services <i>Members will discuss and may approve or provide direction regarding matching training funds and an announcement for shared risk control services.</i>		
	G. INFORMATION ITEMS AND DISCUSSION <i>This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.</i>	I	4
Pg. 86	1. 2020 Financial Update 2. Program Administration Service Team Update		

H. ADJOURNMENT A 4

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting.

The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SPA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



Item No: D.

CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar are to be reviewed. If any item requires clarification, discussion, or amendment by any member of the Board, such item(s) may be pulled from Consent Calendar and placed on the agenda for separate discussion.

Items pulled from the Consent Calendar will be placed on the agenda in an order determined by the President.

RECOMMENDATION: Adoption of items presented on the Consent Calendar after review by the Board.

FISCAL IMPACT: As indicated on any item included.

BACKGROUND: Items of importance that may not require discussion are included on the Consent Calendar for adoption.

ATTACHMENTS:

1. Minutes of SPA Board Meeting November 16, 2020

SCHOOLS PROGRAM ALLIANCE

November 16, 2020 Teleconference Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
North Bay Schools Insurance Authority (NBSIA)	Janet Selby
North Bay Schools Insurance Authority (NBSIA)	Brandon Schlenker
Redwood Empire Schools Insurance Group (RESIG)	Rose Burcina
Redwood Empire Schools Insurance Group (RESIG)	Steven Fields
Redwood Empire Schools Insurance Group (RESIG)	Chris Spenser
Schools Insurance Authority (SIA)	Martin Brady
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Group (SIG)	Cindy Wilkerson
Schools Insurance Group (SIG)	Nancy Mosier

Consultants & Guests

Daniel Howell, Alliant Insurance Services	Dan Madej, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services	Seth Cole, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services	Dennis Mulqueeney, Alliant Insurance Services

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 10:03 a.m. The above-mentioned members were present constituting a quorum.

B. APPROVAL OF AGENDA AS POSTED

1. Minutes of SPA Board Meeting October 12, 2020
2. SPA MOC Declarations Page

A motion was made to approve the Agenda as posted.

MOTION: Rose Burcina

SECOND: Janet Selby

**MOTION CARRIED
UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

A motion was made to accept the Consent Calendar as presented.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

E. ADMINISTRATIVE REPORTS

E.1. Alliant Update

- a. Rolling OCIP Follow Up**
- b. Form 700**
- c. Financial Update**

Dan Howell reminded members that the Rolling OCIP was placed as a reminder as the Alliant Staff has received a report that includes a list of the major projects and will be reaching out to have a conversation with those individual members. Michelle Minnick reminded the Board that they recently received an email communication directly from the FPPC as they have set up the members on the platform – members were encouraged to reach out with any questions. Dan Howell indicated that he has drafted a Financial Summary with help from Debbie at SIA and mentioned that he will bring a proper report at the next meeting in January.

F. GENERAL ADMINISTRATION

F.1. Property Appraisals

Marcus Beverly thanked those members who helped to review the five RFP responses received and provided the Board with a review of the criteria used to rank the responses. After a general discussion of the responses to the RFP, it was generally agreed that Duff & Phelps was the most competitive but noted that Duff & Phelps charges an annual fee (including eRISK but could including trending) to maintain the appraisal schedule in their system. It was also mentioned that Alliant has an online platform where members can manage their Property Schedules that allows for trend factors and no fee to use the platform, it was also noted that the Alliant system is also compatible with the Duff & Phelps system. Program Administration was provided with direction to set up a demo of the Alliant service for members to review the service and then to bring back to the board as an item on the next agenda to consider use of the service.

A motion was made to move forward with negotiations with Duff & Phelps including delegation of Program Administration with authority to execute an agreement.

MOTION: Janet Selby

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

F.2. Member Outreach and Marketing

Dan Madej provided the group a review of the initial draft of the marketing sheet created for reaching out to new members, and noted that we could include member logos if preferred. It was mentioned that it may be helpful to have testimonial quotes from current SPA members, more narrative about the group which can provide additional context as to why this group was created.

F.3. SPA Underwriting Policy

Dan Howell presented the Board with a sample Underwriting policy that was drafted for the Board's review. It was requested that the language of the policy be revised to include reference to the specific required items necessary for underwriting as well as an agreement for all members to participate in the appraisal process and be presented again for approval at the January Meeting.

F.4. Service Calendar

Marcus Beverly provided a small review of the proposed Service Calendar for the SPA group. There was a question related to the timing of interim invoices being released and it was mentioned that any changes could be rolled into the renewal pricing and Program Administration will research. It was also noted that Program Administration is working on a renewal timeline with more structure which will be shared with the group.

F.5. Loss Control Services

Marcus Beverly note that the AIG Proposal that was presented to the board previously which was approved and noted the \$24,000 was intended to be an annual cost (rather than a total cost). After a discussion it was generally agreed the service would be beneficial. Dan Howell also wanted to confirm with the group that they are still in favor of SPA sponsoring half of the cost of Fire/Smoke Restoration Cleanup training that meets the Institute of Inspection Cleaning and Restoration Certification (IICRC). Members provided direction for Alliant to create 2 separate flyers: 1) a flyer that explains the available funding for Fire/Smoke or Water Restoration Cleanup that could tailored and shared with the underlying members; and 2) a flyer that explains Loss Control resources underlying members have access to through SPA (e.g. Alliant Risk Control, the SIA Arson video, Local County Resources, water damage mitigation, etc.). Program Administration also recommended that whether or not we use the CoreLogic service we conduct an analysis of the locations that are high risk and come back with a proposal to consider funding some mitigation for locations that are driving loss for average annual wildfire. It was noted that CoreLogic provided a demo of their service to some of the SPA members and confirmed that Program Administration is working on pricing and recommended requesting a proposal to discuss at the January meeting.

A motion was made to give Alliant authority to engage AIG on the risk engineering service plan not to exceed \$72k. That Alliant develop two flyers on training and resources as discussed and that we extend the 50/50 match by SPA to cover both Fire/Smoke Remediation and Water Improvement Restoration Cleanup, and that we authorize Alliant to work with Core logic to obtain a proposal to be presented in January.

MOTION: Janet Selby

SECOND: Rose Burcina

**MOTION CARRIED
UNANIMOUSLY**

F.6. Property Renewal Data Request

Dan Howell noted that we will be using the 12/31/20 data to start the discussions with the underwriters and the goal is to have updated information around April 1, 2021. As long as there are no larger wildfire losses we should be in a better place to negotiate but there could be some

changes that we should be anticipating (perhaps a higher deductible for BSSP for wildfire) but it was noted that other groups are seeing increases of 20% in the market.

G. INFORMATION ITEMS AND DISCUSSION

Dan Howell noted that the Markel information was well written and wanted to share it with the Board.

H. ADJOURNMENT

A motion to adjourn was made at 12:11 P.M.

MOTION: Rose Burcina

SECOND: Janet Selby

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 12:11 P.M.

NEXT MEETING DATE: Monday January 18, 2020 10 A.M.

Respectfully Submitted,

Martin Brady, Secretary

Date

Item No: F.1.

EXCESS LIABILITY PROGRAM DEVELOPMENT

INFORMATION ITEM

ISSUE: The SPA joint powers agreement allows for various programs and shared services. Members of the BASIC Excess Liability Program (BSSFP, NBSIA, and RESIG) are discussing with SIA whether to jointly purchase excess liability coverage together. SPA would be a natural vehicle to support this program. There is no requirement that every member of SPA participate in every program or joint services activity and SIG is not expected to participate at July 1, 2021.

BASIC's Program Administrator, Jaesa McCulligan of Sedgwick, and the excess liability brokers of both BASIC and SIA, Jim Wilkey and Mark Stokes of ABD, will attend the meeting to participate in discussions.

RECOMMENDATION: Discuss proposed development of a SPA Excess Liability Coverage program and give direction to staff on next steps as appropriate.

FISCAL IMPACT: No direct fiscal impact is expected from action at today's meeting.

BACKGROUND: None.

ATTACHMENTS: None.

Item No: F.2.

SPA OPERATING PROCESSES, POLICIES AND PROCEDURES

ACTION ITEM

ISSUE: The SPA joint powers agreement establishes SPA as an entity that is not a separate legal entity from its members. Rather, it establishes a vehicle through which the members can contract for shared services, coverages and any powers available to the members via their underlying joint powers agreements and operating strictures. To date and considering that SPA has five members participating in one group purchase property program, it has not been necessary to have formal bylaws and a detailed register of policies and procedures. Board members requested that this item be placed on today's agenda for discussion.

RECOMMENDATION: It is recommended that the SPA Board discuss whether SPA needs to develop additional operating processes, policies and procedures.

FISCAL IMPACT: No direct fiscal impact is expected from action at today's meeting.

BACKGROUND: The SPA joint powers agreement establishes SPA as an entity that is not a separate legal entity from its members. Rather, it establishes a vehicle through which the members can contract for shared services, coverages and any powers available to the members via their underlying joint powers agreements and operating strictures.

ATTACHMENTS: None.

Item No: F.3.

PROPERTY APPRAISALS

ACTION ITEM

ISSUE: The Agreement with Duff & Phelps for property appraisal services is attached for review and approval. The Program Administrators have negotiated the terms based on direction given when the Board selected the Duff and Phelps proposal at their last meeting. Key items negotiated:

- Annual fee of \$12,000 – was for trending and not needed since will be done by Alliant.
- Locations – now includes the eighteen high schools in the AIG inspection proposal
- Threshold – will consider some buildings below \$1M based on SOV, square footage, location, and unique risk factors
- IT Support – commitment to improve responsiveness

RECOMMENDATION: Review Duff & Phelps agreement and approve as presented or amended.

FISCAL IMPACT: Pricing is \$115 per building, with an *estimated* 4,036 buildings to be appraised over 4-5 year period, for a total of \$464,140.

BACKGROUND: SPA members have prioritized implementing a regular appraisal process to maintain accurate values for underwriting and claims purposes. The budget for FY 20/21 includes \$150,000 for appraisals and \$200,000 for general loss control services.

SPA issued a Request for Proposals (RFP) for property insurance appraisal services to five firms, with all providing responses. The Board selected the Duff & Phelps proposal with direction to the Program Administrators to negotiate the scope and other terms as outlined above.

ATTACHMENTS: Duff & Phelps Agreement – *schedule of locations sent under separate cover*

January 5, 2021

Mr. Marcus Beverly
First Vice President
Alliant Insurance Services, Inc.

Dear Mr. Beverly:

Duff & Phelps, LLC (“Duff & Phelps”), will provide Schools Program Alliance (“SPA”) the appraisal services described within this agreement (“Agreement”).

Purpose of the Engagement

The purpose of this engagement is to provide SPA a property insurance appraisal for SPA’s use in connection with its internal analysis of its insurance needs with respect to the identified property. Our analysis will be dated as of the last day of our site inspection. Our opinion is intended to assist SPA in making informed business decisions; it is not a recommendation. Any decisions relating to insurance coverage shall remain SPA’s responsibility and be made solely at its discretion.

Engagement Scope

We will research and report the insurable value (our “Opinion”) of certain SPA property.

Description of Identified Property

The property is located at various sites as identified by SPA in the Property Schedule (**Exhibit B**).

These property classifications will be included in the engagement:

- 1) Buildings valued \$950,000 and greater (4,036 based upon SOV provided)
- 2) Personal property (modeling)
- 3) Land Improvements

Assets not identified above will be excluded from the engagement. In addition, the appraisal will exclude land, licensed vehicles, contractor’s equipment, infrastructure, art, intangible assets, personal property not insured by SPA. We understand SPA Members may provide Fine Art values, Business Interruption, and Tax Interruption values. If they provide; we will include and note as client-supplied.

If SPA’s insurance policy excludes coverage of specific property classifications, in part or whole, SPA should notify us in writing prior to beginning the engagement if those assets should be excluded.

We will work with SPA during the engagement to further refine the scope of the identified property to be included in the engagement, if applicable. Depending on the nature and extent of changes in the scope of the engagement we may need to revise our fee.

Definition of Insurable Value

We will develop our opinion of insurable value as cost of reproduction new (“CRN”), defined as the estimated amount required to reproduce a duplicate or a replica of the entire property at one time, in like kind and materials, in accordance with current market prices for materials, labor, and manufactured equipment; contractors’ overhead and profit; and fees, but without provision for overtime, bonuses for labor, or premiums for material or equipment. CRN, as defined, is synonymous with the insurance-industry term “replacement cost new.”

In estimating insurable value, we will allow for national building codes; however, we will not consider any construction codes imposed by state or local municipalities, ordinances, or other legal restrictions, nor will we consider the cost of demolition in connection with reconstruction or the cost of removal of destroyed property.

Valuation Methodology

Our appraisal will rely solely on the cost approach because the market and income approaches are not applicable for the purpose of this engagement.

Scope of Work

We anticipate this engagement will include the following:

Buildings

We will utilize a full-scope segregated cost approach including an inspection of each building to identify construction data that will be used in the valuation process. During inspection of the premises, we will calculate each building’s area and perimeter by measuring the structure, through an analysis of the as-built blueprints, or from other verified sources; identify and record data of the major construction components (type of structure, walls, roof, etc.); determine the construction class; record data of major service systems (electrical, plumbing, security, elevators, heating, ventilation, cooling, etc.); photograph the building; and record the GPS coordinates. The insurable value of each building and the related construction, occupancy, protection, and exposure data obtained during the inspection will be reported on an itemized basis.

Historic Properties

Where buildings/structures are considered “Historic” in designation or have been identified by SPA as having historic interest, we will account for the unique construction features, materials and finishes of the structures

Personal Property (Contents Modeling)

Our appraisals of the buildings will include an estimate of the insurable value of the building personal property. The modeling approach for building contents is based on an analysis of the square footage of space, the usage (occupancy) of each building and our internally developed, proprietary data base for equipment values. The equipment database contains contents data from thousands of detailed equipment inventories performed by Duff & Phelps’ Fixed Asset Management & Insurance Solutions practice over the last several years. This system categorizes buildings by like type (occupancy) and develops an average contents value per-square-foot of building area. This unique approach generates a replacement cost estimate for a given building’s personal property (based on building type and size) without requiring the more-lengthy and costly physical inventory process. In addition, the appraiser has the ability to alter the

model, when necessary, to account for above or below average density of personal property, based on the extent of equipment observed during the inspection. Based upon our experience with school pools this approach is the most common. However, if a member would like a detailed line by line equipment inventory; we can provide a separate quote based upon their requested specifications.

Land Improvements (Property in the Open)

We will review for reasonableness, any insurable site/ land improvements/property in the open that may be listed in the SOV provided and include in the final report based upon the supplied information.

Secondary Building Characteristics

At your request we will assist with collecting the following data for buildings valued at \$10 million and over: We will not charge any additional fees for this service.

- a. Whether Base Isolation exists
- b. Construction Quality- ‘Good’, ‘Average’, or ‘Poor’
- c. Whether ‘Soft Story’ exists
- d. Sprinkler Leakage Susceptibility- ‘Low’ or ‘High’
- e. Sprinkler Type – ‘Wet’ or ‘Dry’

The data elements we will report on require varying levels of inspection, some of which we will not be able to determine without the information provided to us by the on-site contact. Will only report on information as discussed with a location representative and/or through physical observations.

Terms and Conditions

This Agreement is subject to and incorporates the **Terms and Conditions** attached as **Exhibit A**.

Fees

Based on the information provided and the review of the schedule of values our fees and invoice schedule are below:

Service	Fee
Appraisal of buildings \$950,000 and greater	\$115.00 per building

Estimated Building Counts by SPA Member

Butte Schools Self-Funded Program	(123)
North Bay Schools Insurance Authority	(433)
Redwood Empire Schools Insurance Group	(624)
Schools Insurance Authority	(2,239)
Schools Insurance Group	(617)

- 30% of estimated annual fee will be billed at start of program year
- Progress billing as time is charged and expenses are incurred
- Final program year invoice will be issued after reconciliation of final appraised building counts

This fee includes issuing the deliverables below and responding to customary questions from SPA and its insurance brokers or advisors. Additional fee will be required for an increase in engagement scope or involvement in subsequent reviews beyond the customary work effort.

SPA may cancel this engagement at any time and will only be obligated for fees and expenses incurred. Our fee is not contingent on our Opinion or any subsequent event related to it.

Timing and Deliverables

This engagement will require cooperation, access and timely receipt of requested information from management of SPA. After this Agreement is signed and all requested information is received, we will work closely with SPA to establish project start, field work and report delivery schedules to meet your reporting requirements.

Our reports will be issued at the conclusion of the project and will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice. The summary appraisal report represents a summary discussion of the data, reasoning, and analyses used in the appraisal process to develop Duff & Phelps's opinion of value. Supporting exhibits include building details, photographs and the related construction, occupancy, protection, and exposure (COPE) data.

SPA Members will receive a full complement of reports including a .pdf file, and an Excel file. SPA will also have access to Property Clarity for their individual member reports. The reports and exhibits will include:

- **Summary Appraisal Report** – Narrative report intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice ("USPAP") for a Summary Appraisal Report. As such, the report will present summary discussions of the data, reasoning, and analyses used in the appraisal process to develop Duff & Phelps's opinion of value
- **Statement of Insurable Values Exhibit** – Includes the cost of reproduction new details for buildings, contents, and land improvements by location.
- **Inspection and Appraisal Exhibit** – Represents a listing of building Construction Occupancy, Protection and Exposure (COPE) data, fixed equipment details, and photographs for each property.
- **Variance Report** - Provides rationale for variances of 100% and greater
- **Alliant Connect Data File**
- **Appraisal Reports** – Reports will contain the following data:
 - Description of the appraisal process including the method of valuation used
 - Certificate of Appraiser
 - High quality color photographs of each building
 - Statement of values to include building description, address, square footage, construction type and details, year built and appraised values

Conclusion

We appreciate the opportunity to serve SPA. To authorize, please sign below and return the full executed copy to juan.iverson@duffandphelps.com. This Agreement shall remain valid for signature for 30 days. Please contact me at 310 598 4355 with any questions.

Sincerely,



Juan Iverson
Managing Director

Client of Record:

Schools Program Alliance

Signature: _____

Name: _____

Title: _____

Date: _____

Exhibit A – Terms and Conditions

Entire Agreement – This is the entire Agreement between Duff & Phelps and SPA and supersedes any prior oral or written agreements. This Agreement may only be modified in writing signed by both parties. Any purchase order covering this engagement is only for SPA's internal needs and shall not modify this Agreement.

Fees – Duff & Phelps' invoices are payable upon receipt. If payment of any invoice is not received within 45 days of the invoice date, Duff & Phelps shall be entitled, without prejudice to any other rights that it may have, to suspend services until all sums due are paid in full. In the event that Duff & Phelps is required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available, it shall be entitled to reimbursement of attorneys' fees and other costs of collection.

Limited Use and Reliance – SPA is the sole intended user of Duff & Phelps' report or other work product. SPA may disclose an informational copy of the report or other work product to its audit, tax, legal, or insurance professionals acting in an advisory capacity in connection with the purpose of this engagement. No third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

Confidentiality – Duff & Phelps shall maintain the confidentiality of SPA's information and will not disclose or use it for any purpose other than in connection with this engagement. This excludes information (i) available to the public, (ii) already in Duff & Phelps' possession, or (iii) received from a party having no confidentiality obligation to SPA. Duff & Phelps may include SPA's name and logo in its client list.

Ownership of Data - No grant or license to any copyright, trade secret or intellectual property of Duff & Phelps is granted by this Agreement ("D&P IP"). SPA shall be the sole owner of the content of the report or other work product produced in the performance of services in this Agreement, excluding any D&P IP.

Engagement Limits – Duff & Phelps' work may only be used for the specific purpose or premise of value stated in this Agreement and the work product. SPA shall not reference Duff & Phelps or its work in any public filing or other materials distributed to actual or prospective shareholders, investors, financing parties, or similar third parties without Duff & Phelps' prior written consent.

Independent Contractor – Duff & Phelps shall perform as an independent contractor, with no authority to bind or obligate SPA in any way.

Information Provided by SPA – Duff & Phelps will not independently verify information provided by SPA, its advisors, or third parties acting at SPA's direction. Duff & Phelps will assume and rely on the accuracy and completeness of all such information.

Retention – All files, documents, and work papers received, created, or developed during the engagement will be retained for professional recordkeeping and legal/regulatory compliance purposes, for at least five (5) years all in accordance with Duff & Phelps' document retention policy. If required by applicable law to disclose any of the documents, Duff & Phelps will, unless legally prohibited, notify SPA so it may seek a protective order at its discretion.

Indemnification – SPA shall indemnify and hold harmless Duff & Phelps and its affiliates, including each of their respective employees, from and against any and all liabilities, losses, costs, and reasonable expenses, including, but not limited to, reasonable legal fees and expenses and billable hours of client service personnel, which are (i) incurred in responding to subpoenas, discovery, or other similar inquiries associated with or arising from the engagement or (ii) arising from or relating to third-party claims based on reliance or purported reliance on Duff & Phelps' work product or other alleged loss or damage caused to or alleged by any nonclient entity arising from unauthorized access to or reliance upon Duff & Phelps' work product. The foregoing indemnification obligations shall not apply in the event that a court of competent

jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct, or fraudulent acts of Duff & Phelps.

Limitation of Liability – In no event shall Duff & Phelps be liable to SPA (or any person claiming through SPA) under this Agreement, under any legal theory, for any amount in excess of the total professional fees paid by SPA to Duff & Phelps in connection with this engagement, except to the extent such liability is directly caused by Duff & Phelps' gross negligence, fraud, or willful misconduct. The foregoing limitation of liability shall not apply to liabilities that arise from personal injury or property damage resulting primarily from Duff & Phelps' negligence or willful misconduct. In no event shall Duff & Phelps be liable to SPA for any consequential, indirect, lost profit, or similar damages relating to or arising from this engagement.

Environmental Policy – Duff & Phelps will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

Governing Law – This Agreement is governed by and construed in accordance with the laws of the State of California

Item No: F.4.

CORELOGIC WILDFIRE RISK SCORING AGREEMENT

ACTION ITEM

ISSUE: Alliant has negotiated with Core Logic to provide SPA members Wildfire Risk Scores for their properties and the findings will be provided at a special meeting of the SPA BOD later in January.

RECOMMENDATION: It is recommended that the SPA board approve the cost proposed not to exceed \$5,000 and establish a date later in January for the Board to meet and review the findings of the study.

FISCAL IMPACT: The cost of this study will be paid from the SPA loss control budget.

BACKGROUND: The Core Logic Wildfire Risk Score has been discussed as an integral part of the appraisal process but also a value-added Loss Control tool offered by SPA to its members. After the webinar with CoreLogic describing mapping services, members agreed to proceed with engaging their services. Alliant is working with Core Logic to complete a master agreement with discounted volume pricing to benefit individual clients.

ATTACHMENTS: None.

Item No: F.5.

PRE-RENEWAL DISCUSSION AND TIMELINE REVIEW

INFORMATION ITEM

ISSUE: Given the hardened market conditions in recent years, which are expected to continue to some degree in the near future, SPA will need to consider strategies for approaching the renewal. The marketplace, initial timeline, and initial recommendations on strategy will be discussed.

Included in the renewal strategy are requested changes to the current MOC. The attached memo outlines the changes and will be part of the pre-renewal discussion.

RECOMMENDATION: Receive and review the market update and draft renewal timeline. Consider and discuss initial objectives for the renewal and provide direction as needed.

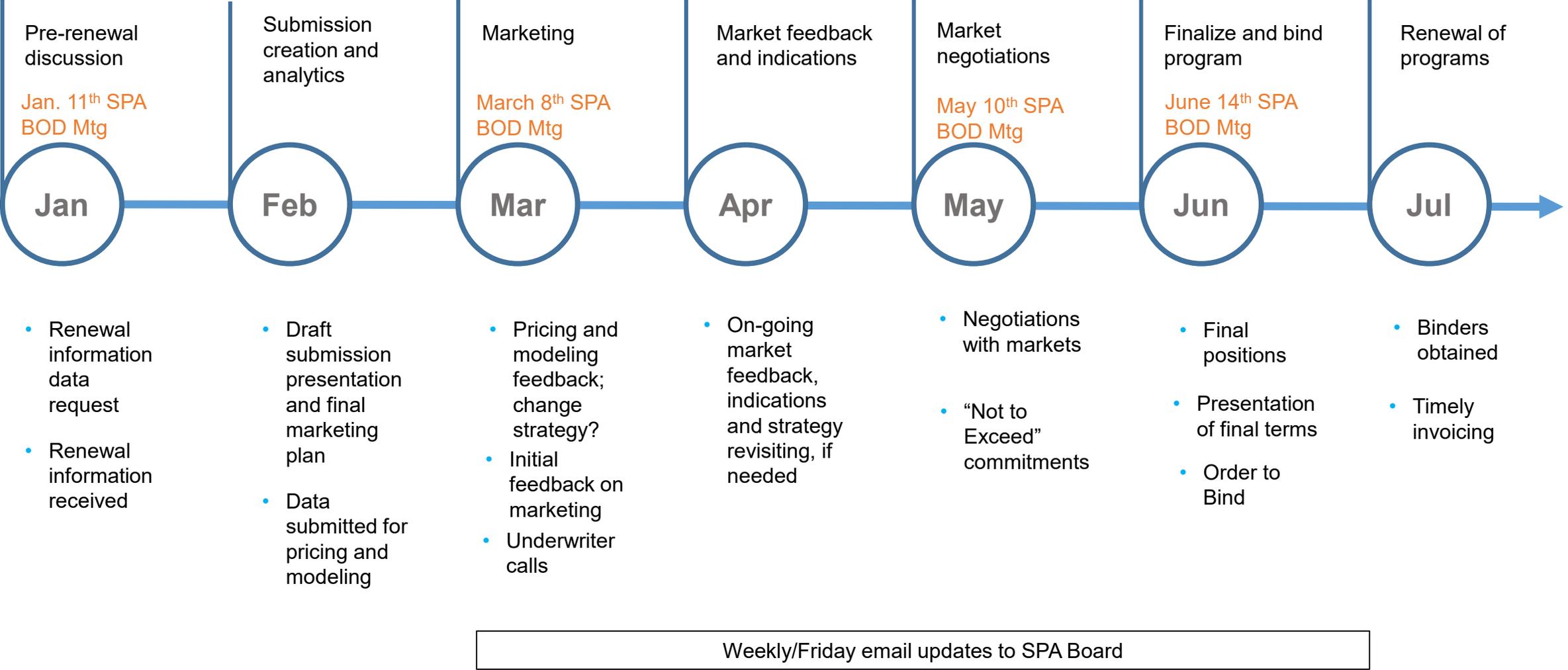
FISCAL IMPACT: TBD.

BACKGROUND: The SPA Property Program will enter its first renewal phase starting in January 2021, with renewal at 7/1/21. The Board, Program Administrator and Reinsurance Broker need to establish the initial strategy for the renewal to be prepared to negotiate the best possible terms in an a still hardening market.

ATTACHMENTS:

1. Renewal Timeline and Milestones (calendar graphic version)
2. SPA Timeline and Milestones (calendar chart version)
3. Memo regarding renewal MOC changes
4. Presentation to review market conditions and expectations (separate cover)

DRAFT SPA Renewal Timeline and Milestones



SCHOOLS PROGRAM ALLIANCE (SPA)
DRAFT MARKETING & RENEWAL TIMELINE
as of DECEMBER 2020

PROJECT/TASK	DATE	COMPLETED BY	STATUS	NOTES:
Renewal Information Data Request	12/28/20	Program Administrator	Pending	SPA Members to receive data request
Preliminary renewal kick-off discussions	1/11/21 SPA BOD Meeting	Program Administrator and Reinsurance Broker	Pending	Alliant and AmWINS to present to board on the marketplace
Renewal Information Data Provided	1/15/21	SPA Members	Pending	SPA Members to provide requested data
Draft submission presentation and final marketing plan	2/3/21	Program Administrator, Managing Member and Reinsurance Broker	Pending	Alliant to present and review draft submission and marketing plan for approval
Submission to marketplace	2/10/21	Program Administrator	Pending	Submission released to marketplace
Data submitted for Pricing and Modeling	2/10/21	Program Administrator	Pending	Date to be provided to actuary and modelers
Underwriter calls	March (dates not set yet)	Program Administrator, Managing Member and Reinsurance Broker	Pending	Calls will be hosted to discuss the SPA Program with Underwriters
Pricing, Modeling and Initial feedback on marketing	3/8/21 SPA BOD Meeting	Program Administrator and Reinsurance Broker	Pending	Discussion on results from modeling and feedback from markets

Modify marketing plan?	3/8/21 SPA BOD Meeting	Program Administrator and Reinsurance Broker	Pending	Based on pricing and modeling work, any change in market guidance for renewal?
Weekly renewal update email	3/12/21	Program Administration	Pending	Weekly email update to SPA
Weekly renewal update email	3/19/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	3/26/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	4/2/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	4/9/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	4/16/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	4/23/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	4/30/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	5/7/21	Program Administrator	Pending	Weekly email update to SPA
Update on renewal; Not to Exceed numbers	5/10/21 SPA BOD Meeting	Program Administrator and Reinsurance Broker	Pending	Discussion of renewal status and Not to Exceed numbers
Weekly renewal update email	5/14/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	5/21/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	5/28/21	Program Administrator	Pending	Weekly email update to SPA
Weekly renewal update email	6/4/21	Program Administrator	Pending	Weekly email update to SPA

Weekly renewal update email	6/11/21	Program Administrator	Pending	Weekly email update to SPA
Final insurance Proposals to Participants	6/14/21 SPA BOD Meeting	Program Administrator and Reinsurance Broker	Pending	Alliant to present final coverage terms, pricing and options to SPA Participants
Binding Instructions to Program Administrator	6/14/21 SPA BOD Meeting	SPA BOD	Pending	Participants to direct binding of selected coverage options
Confirmation of bound program	6/28/21	Program Administrator	Pending	Alliant to send Binders & Invoices
Program Inception	7/1/21	Program Administrator	Pending	Alliant to send confirmation of coverage and invoices prior to program inception.

memo

To: SPA Board
From: Dan Madej
CC: Dan Howell, Michelle Minnick, Marcus Beverly
Date: January 6, 2021
Re: SPA MOC for 2021 renewal

In preparation for the July 2021 renewal, we will be proposing certain modifications to the SPA MOC.

As a quick refresher on the MOC, please recall:

- The SPA MOC was based on the SIA MOC (which was based on an older version of the APIP MOC)
- The lead underwriters made modifications to our proposed MOC in June 2020
- Post-July 1st, we sought to modify some parts of the MOC; not all were accepted by underwriters
- Also Post-July 1st, the Terrorism and Active Assailant would added to the MOC, as reinsured coverages

Some of the 2021 proposed items are “carry overs” from the modifications we attempted to make post-7/1/20 to the MOC. At that time, the underwriters were not comfortable modifying some parts of the MOC given that SPA was incurring wildfire losses. The leads asked that we hold certain requests until the renewal. Other proposed items are more so clean-up and consistency related.

A full version of the tracked MOC will be provided to the SPA Board once it is completed (later in January 2021). In the interim, as part of the pre-renewal discussions being held at the January 11th Board Meeting, I wanted to share with you some of the higher points.

Deductible wording on the AOP SIRs (the retained layer by SPA):

Recall the dual AOP SIRs that SPA retains:

1. Retention A (Excess of \$250,000 Member Retentions): the first \$250,000 above the Basic Deductible of \$250,000, with an Aggregate Cap of \$1,000,000 and
2. Retention B (Excess of Retention A): a \$2,000,000 Occurrence and Aggregate SIR

Together, these two SIRs account for the \$3,000,000 retained layer for which each SPA Member funded for 7/1/20. We are looking to clarify the correct language as follows:

Current wording:

The Company shall be liable for each loss separately occurring for the sum of all losses arising from the same “occurrence” excess of USD250,000, except excess of:

Self Insured Retention being: USD2,000,000 per occurrence and in the annual aggregate Excess of

Additional Self-Insured Retention being: USD250,000 per occurrence and USD1,000,000 in the annual aggregate which in turn Excess of Member Deductible of USD250,000 per occurrence, except as follows:

Suggested wording:

BASIC DEDUCTIBLE: \$250,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

RETENTION A - EXCESS OF THE BASIC DEDUCTIBLE: \$250,000 Additional Self-Insured Retention per occurrence and \$1,000,000 in the annual aggregate which in turn

RETENTION B - EXCESS OF RETENTION A: \$2,000,000 Self Insured Retention per occurrence and in the annual aggregate;

EXCEPT as follows:

We believe the suggested wording to read more clearly and follow the way the retentions were presented during the marketing phase in Spring 2020.

Flood Limit and A/V Sublimit:

There was debate during 2020 regarding the need for this coverage. As such, I believe the intent is to relinquish this coverage in 2021 and seek a premium reduction for such. While we may not remove this just yet in the marketing submission, in order to maintain some leverage in negotiations, let’s get clarity during the January 11th meeting on intent.

Other “clean-up” and “consistency” items:

In Limits/Sublimits section:

1. Automatic Acquisition: Shows \$50M limit, but in actuality, this is an “included” coverage with reporting requirements for values that exceed \$50M.
2. Course of Construction: Same as above, it shows a \$25M limit, but in actuality, this is an “included” coverage with underwriter approval requirements for values exceeding \$25M.
3. Money and Securities: This is currently excluded. We are consulting the reinsurance broker on possibility to obtain some type of sublimit.
4. Utility Interruption Spoilage: Limit shown as 24 hours, but this is an “included” coverage after a 24 hour waiting period.

In body of MOC (Minor items):

1. Extensions of Coverage/Reference to sublimits: This is not handled consistently. Some sublimited coverages end the section with reference to there being a sublimit (Off Premise Services Interruption, Errors and Omissions). Some do not (Fire Fighters Expense, Expediting Expenses, Valuable Papers, etc.). We will make the references consistent and clearer.
2. Removing references to "Underwriters". Again, a "carry over" of our original MOC being modified by underwriters and including insurance policy language.
3. Other references/titles to match. For example, using "unscheduled" consistently instead of "unreported" in some areas.

Once the tracked MOC is available, I will provide it to the group. In the interim, and for purposes of the meeting on January 11th, I wanted to highlight some of these items. All proposed changes will be subject to review by AmWINS and approval by underwriters.



Item No: F.6.

ALLIANT CONNECT PROPERTY SCHEDULES

INFORMATION ITEM

ISSUE: Members will consider the use of Alliant Connect Property Schedules to maintain their Property Schedule and Vehicle Schedules.

RECOMMENDATION: Members should confirm if they would like to use Alliant Connect Property Schedules or Alliant Connect Vehicle Schedules.

FISCAL IMPACT: None. There is no cost associated with use of Alliant Connect Property Schedules or Alliant Connect Vehicle Schedules.

BACKGROUND: Members previously received a demo of the Alliant Connect Property Schedules on December 4, 2020 where members were shown the live website where edits can be made to property schedule as well as the reports that can be generated by users. The website allows for annual trending and there is no cost to use the service.

ATTACHMENTS: None.

Item No: F.7.

UNDERWRITING POLICY

ACTION ITEM

ISSUE: The Program Managers have revised the attached Underwriting Policy based on feedback from the last Board meeting to guide the group in annual rating and funding of the Property Program and for evaluating prospective members.

The Policy establishes the key goals of stability, loss accountability, and relationship of rates to relative exposures. The annual Rating Plan includes loss history, schedule of values, loss control reports and exposure modeling. Major factors in evaluating new members are their risk profiles, commitment to loss control, and SPA's ability to effectively serve their needs.

RECOMMENDATION: Review and approve the draft Policy as presented or revised or provide direction.

FISCAL IMPACT: None

BACKGROUND: SPA's underwriting criteria is a fundamental element of the program's operations and also a key component of the group's marketing efforts. That is reflected in this being the first Policy & Procedure being considered.

ATTACHMENTS: Revised Draft Underwriting Policy

Policy & Procedure No. XX

ADOPTED: January XX, 2021

EFFECTIVE: January XX, 2021

SUBJECT: Property Program Underwriting Procedures

Should there be any discrepancy between this documents and the JOINT POWERS AGREEMENT, the JOINT POWERS AGREEMENT will govern.

PURPOSE:

The Schools Program Alliance (SPA) has developed a **Property Program** for its **Members**. SPA has established rating plans and operating practices conditions for its **Property Program**. This Policy and Procedure describes Underwriting Procedures intended to maintain **Member** confidence in the funding and viability of SPA's **Property Program** as well as guidelines for adding prospective members to the **Property Program**.

POLICY:

It is the policy of the SPA **Board** that the **Property Program** Underwriting Procedures balance and achieve the following underwriting goals

- Rate Stability over time so that **Members** can plan for SPA **Property Program** Costs;
- Loss Accountability so that **Members** are incentivized to prevent and reduce losses; and,
- Relationship of loss exposure, including professional appraisals of insurance to value within every five program years, so that rates reflect each **Member's** relative exposure to loss.

PROCEDURE:

The following underwriting procedures are followed in establishing the **Property Program** funding and rates.

1. Underwriting Guidelines /Funding Requirements/Rating Plan
Rates are established and adopted by the **Board** based upon multiple factors including, but not limited to, the following:
 - The **Program Administrator** shall gather and analyze information on **Member** exposure including but not limited to the schedule of values, loss history, loss control reports, and exposure modelling.
 - The **Program Administrator** shall project funding requirements for retained layers and reinsurance costs. An actuary may be engaged to assist as needed.
 - The **Program Administrator** shall present to the **Board** for each year's renewal a rating plan cost allocation and review the methodology for calculating member contributions and reinsurance premiums.

2. New Members

A prospective member eligible under the joint powers agreement shall engage with the **Program Administrator** in an evaluation of potential participation in the **Property Program**. The **Program Administrator** shall conduct an initial underwriting review including but not limited to the underwriting factors described above and may confer with insurance and reinsurance underwriters for additional evaluation. New Members shall be scheduled to have a property insurance appraisal within 5 years of the new Member's most recent appraisal or as soon as practicable after joining if the most recent appraisal has not been within 5 years. The **Program Administrator** shall prepare a report to the **Board** summarizing the prospective member's application. **Board** considerations may include but are not limited to additional considerations such as:

- Prospective member's risk profile relative to existing **Members'** risk profile.
- SPA's ability to serve effectively the prospective member.

3. Periodic Review

This Policy and Procedure shall be reviewed by the **Board** and amended as needed.

DEFINITIONS:

"Board" means the Board of Directors of the SPA Joint Powers Authority.

"Member" means the signatories to the SPA Joint Powers Authority.

"Program Administrator" means the person or organization designated by the Board to administer the SPA Property Program.

"Property Program" means the program established by the Board to provide a combination of self-insured, insured and reinsured coverages and services designated by the Board as elements of the SPA Joint Powers Authority property program offering.

Item No: F.8.

SPA WEBSITE AND LOGO

ACTION ITEM

ISSUE: SPA Program Administrators have researched potential URL's for a SPA website to enable the group to market itself and serve as a portal for member programs and services. The available candidates most liked are below for review and discussion:

- ✓ schoolsprogramalliance.org; *or* .com
- ✓ spajpa.org; *or* .com; *or* .school
- ✓ spagroups.org; *or* .com, *or* .school
- ✓ spaforschools.org; *or* .com
- ✓ schoolspa.org; *or* .com
- ✓ schoolalliance.org

Along with the site members are asked to consider appropriate use and design for a SPA logo. Attached are samples from similar organizations as well as a few logo ideas created by an online logo generator.

RECOMMENDATION: Review and take action to approve a budget and URL for a SPA website and provide direction regarding the design of a SPA logo.

FISCAL IMPACT: requesting up to \$5,000 to register URL and begin process of site and/or logo creation.

BACKGROUND: SPA members have expressed interest in a logo and website for marketing purposes as well as to serve as a portal for member programs and services.

ATTACHMENT: SPA Logo Design Ideas

SPA Logo Design Ideas



MULTNOMAHESD



outdoor
SCHOOL



TSTSA
The Streetly Teaching School Alliance



National Association
of Independent Schools



COUNCIL FOR ADVANCEMENT
AND SUPPORT OF EDUCATION®



Independent School
Alliance
Great Kids. Great Schools. Great Futures.

SPA
Schools Program Alliance



Schools Program Alliance

SPA
Schools program alliance



SPA
Schools Program Alliance



Item No: F.9.A.

LOSS CONTROL SERVICES – PARAGON PROPOSAL

ACTION ITEM

ISSUE: The Board previously approved a Risk Engineering Client Service Plan offered by AIG, at a cost of \$72,000, to evaluate 18 critical sites over a three-year period. Initially the Plan was thought to be a total of \$24,000, and in the process of negotiating the revised proposal with AIG they suggested using Paragon Risk Engineering Services as an option. Paragon has proposed a cost per visit that is less than half of AIG, enabling SPA members to increase the number of sites and/or save on the overall cost of the surveys, as indicated below:

Risk Control Service Provider	Cost Per Visit	Proposed No. of Visits Per Year	Total Cost Per Year			Total
			Year 1	Year 2	Year 3	
AIG - Lexington	\$ 4,000	6	24,000	24,000	24,000	\$ 72,000
Paragon – Proposal	\$ 1,850	4	7,400	7,400	7,400	\$ 22,200
Paragon – Same # Visits	\$ 1,850	6	11,100	11,100	11,100	\$ 33,300
Paragon – More locations	\$ 1,850	9	16,650	16,650	16,650	\$ 49,950

Attached is the Paragon proposal, a presentation outlining their services, and a sample survey agenda for review and discussion. The Program Administrators recommend using Paragon since they are approved by SPA underwriters and members can obtain more surveys for less money.

Selection of additional sites to be visited would be based on locations deemed to be “rate drivers”, where critical information is missing, or where delivering these services will best be seen as an overall benefit to the program and membership.

RECOMMENDATION: Review and approve Paragon proposal as presented or amended and provide direction on number of engineering surveys.

FISCAL IMPACT: Use or re-allocation of \$72,000 previously approved for the AIG proposal.

BACKGROUND: Members were asked to conduct engineering surveys as part of the underwriting process for this year’s property program. The budget for FY 20/21 includes \$150,000 for appraisals and \$200,000 for general loss control services.

ATTACHMENTS:

1. Paragon Loss Control Service Proposal
2. Paragon Risk Engineering Services Presentation
3. Paragon Survey Agenda

SPA is a Partnership of California Public Entity Joint Powers Authorities

PROPERTY RISK ENGINEERING SERVICE
PROPOSAL



For

Schools Program Alliance

Issue Date

December 24, 2020

Executive Summary:

We will provide Schools Program Alliance, Inc. superior risk engineering services, with numerous benefits, including:

- Proven world class capabilities and resources.
- A highly experienced HPR team.
- An Account Manager as a single point of contact and coordinator of services.
- Customized service to meet your requirements.
- High level of credibility with underwriters.

Introduction:

Working in partnership with Schools Program Alliance, we will provide superior property risk engineering services. Our services will minimize downtime and maximize continuity of operations, all with the goal of enhancing the financial performance of Schools Program Alliance's facilities.

We are a worldwide business resource with over 140 consultants having extensive industry experience and technical expertise. Our consultants average 24-years of industry experience, with none having less than 8 years. Quality and consistency are ensured across all territories by our rigorously applied management controls. Our technical quality and delivery standards are backed by the industry's best service guarantee. Our clients are certain that they will get the information and advice they need, when they need it.

Current and past clients include Dayton City School System, Albuquerque Public Schools, Portland Public Schools, Gwinnett County Public Schools, Texas ISD, Houston ISD, Toledo City School System, Inter-University Council of Ohio Insurance Consortium (IUC-IC, which includes thirteen of the fourteen 4-year state colleges and universities in Ohio), Princeton University, Villanova University, University of Houston, Old Dominion, Slippery Rock, Drexel University, Lafayette College, University of Portland, Cheyney University, Kutztown University, West Chester University, Fordham University, Loyola University Maryland, St. Joseph's University, University of Scranton, University of North Dakota, Spring Hill College, Hollins University, Marymount College, Rollins College, Sweet Briar College, Washington and Lee University, among many others.

Paragon is an approved supplier for many global commercial insurers, including: Swiss Re, AIG, Zurich, Allianz, Sompo, Tokio Marine America, Liberty Mutual, Liberty International, Aviva, Berkshire Hathaway Specialty, Starr Insurance Companies, Allied World Assurance and many others.

What You Can Expect From Us:

➤ Account Management and Team

Coordinated and Controlled Service Approach

A highly qualified Account Manager will be dedicated to coordinating and monitoring all services provided under this proposal. Working closely with Schools Program Alliance, the Account Manager will help to develop the service protocol that will address every facet of our service, customized to suit your needs.

We propose the appointment of Lee Rebodos, P.E., Managing Consultant – Chief Engineer, as the Account Manager for Schools Program Alliance. Mr. Rebodos will ensure that we respond to any requests in a timely and professional manner, as well as to ensure the very best resources of our team are implemented to meet Schools Program Alliance’s risk engineering needs. Mr. Rebodos will also review all reports before distribution to ensure that our high-quality standards are met, and that Schools Program Alliance’s service instructions are strictly followed.

➤ Property Risk Engineering Surveys

Location Level Property Risk Management Assessment

Following the agreed risk engineering philosophy, standards and protocols, locations are evaluated for construction, hazardous processes and storage, fire control systems, supervision, management standards/human element programs, natural catastrophe perils, special hazards and all other traditional exposure elements from fire and explosion perils. In addition to direct property loss, a full assessment of potential business interruption is completed during each site visit. We collect site level business interruption data for account-wide analysis.

Our field survey procedures will be in compliance with Schools Program Alliance’s service instructions.

➤ Report Criteria

Communication of Risk Engineering Information

We provide full disclosure of all risk details in our reports. Report sections include: Summary & Opinion, Changes, Recommendations (including estimated cost to complete, associated loss estimates before and after completion, and comments by facility management), Construction, Occupancy, Process Description, Special Hazards, Utilities & Services, Human Element Programs, Fixed Fire Protection Analysis, Manual Fire Fighting Features, Exposures (including Natural Catastrophe), Business Interruption, and Loss Expectancies – MFL, PML, and NLE – for property damage and business interruption.

Each report has a Natural Hazards Exposure section in which windstorm, earthquake, and flood exposures are evaluated. Depending on the region, additional perils (snow loading, hail, tornado, and lightning) may also be evaluated. For flood, finished floor elevations are compared to the base flood (100 year) elevations to determine loss expectancies based on anticipated water height, susceptibility to water damage, and business impact. For wind, roof designs are compared to wind load maps to determine maximum anticipated wind loads per region, and loss expectancies are developed. Loss expectancies are not developed for earthquake events, however facilities are evaluated for seismic bracing of equipment and sprinkler systems, presence of automatic gas shutoff valves, and any features/upgrades that could exacerbate or reduce damage and business impact associated with an earthquake. For all natural hazard perils, the site's emergency response procedures are also evaluated, and recommendations are developed as needed. Flood maps and digital photos will also be included in the reports.

Our reports can be customized to align with Schools Program Alliance's risk management goals. See attached sample report.

All reports will be electronically submitted to Schools Program Alliance within 30 days following completion of the surveys.

➤ Data Management and Analysis

Risk Management Database System

Our web-based data engine provides you with simple to use tools to market and maintain your Property Risk Management information. Our system is a fully functional relational database that provides ultimate flexibility in capturing,

reporting and analyzing risk management data. The base system includes COPE, Asset Values, Recommendations, Loss Expectancies, Service Tracking and nearly unlimited additional data elements as your informational needs require.

Key System Features:

- 24/7/365 access to critical documents and data.
- Analyze and prioritize risk improvements and clearly identify the greatest return on risk improvement investment.
- Easy access to all risk data on a simple, customizable dashboard.
- Serves as a single source to collect, manage, store, and report critical information, documents, etc.
- Provides status of recommendations and on-line real time update capabilities.
- Streamlines the renewal process.
- SSAE16 compliant.

Schools Program Alliance will have ownership of all reports, documents, and data. We will only share information as directed by Schools Program Alliance.

While this user-friendly tool is available for our customers, Schools Program Alliance can also request summary reports from their Account Manager at any time.

➤ **Project Management and Plan Review**

Managing changes in occupancy and protection

Changes in a business can lead to the alteration of inherent risks and loss control factors. Successful management of such changes prevents adverse effects. The plan review process accesses a diverse range of engineering skills to evaluate new potential risk exposures and recommend subsequent loss control measures.

We consider project review to be the complete cycle of activity from protection specification, to plan and calculation review, to witnessing of installation acceptance tests, as well as any intermediate site verifications that may be required. Our reviews will seek compliance with the applicable NFPA, FM, Schools Program Alliance's best practices, and/or industry standards. All of our staff have full access to all NFPA standards, FM data sheets & approval guides, and UL certifications.

To make the review process successful and efficient, we will work to develop open communication with the architects, engineers, and contractors working on Schools

Program Alliance’s projects. Prompt, knowledgeable responses to inquiries/reviews are crucial in developing trust with these “outside” organizations and to help keep projects on their time schedules. Our target turnaround time for reviews will be three business days, and no reviews will be completed more than ten business days after receiving submissions. Pricing for this service can be developed upon request.

➤ **Impairment Management**

Managing exposures posed by impaired fire protection

Because facilities are vulnerable to large fire losses when fire protection equipment is taken out of service, we provide an impairment notification and follow-up system to help ensure that fire protection equipment is promptly returned to service. We also provide guidance for reducing the extent and duration of impairments, as well as precautions that should be followed to reduce the possibility of loss during these vulnerable periods. Our impairment system utilizes several notification methods including: telephone, fax, email, and/or via our web-based risk management system. Consultation on precautions will be provided for significant impairments, as defined in our service instructions with input from Schools Program Alliance. All notifications will be electronically logged and shared with Schools Program Alliance on a monthly basis or as requested. Pricing for this service can be developed upon request.

➤ **Fee Development**

Our goal is to provide a simple and transparent fee structure.

<i>Component</i>	<i>Annual Fee</i>
Four Risk Engineering Surveys at locations of Schools Program Alliance’s choice. Additional surveys can be added for \$1,850. The pricing is based on Paragon completing a minimum of four surveys per year and having a minimum of three months to complete the surveys from the time we are asked to proceed.	\$7,400
TOTAL	\$7,400

The above pricing includes all associated reports, travel expenses, taxes.

We are committed to the same price per component note above for a three-year period. This commitment will support Schools Program Alliance in their long range budgeting for their property risk engineering services.

To accept, please authorize below:

Name:	
Title:	
Date:	
Signature:	

Paragon Risk Engineering
Contact: Thomas P. Farrell, P.E.
Vice President
Phone: 215-343-8787
TomFarrell@paragonconsults.com



PARAGON

RISK ENGINEERING

SURVEY REPORT

Client: Sample 1, Inc.

Location: Sample 1, Inc.
Sample 1 Avenue
Somewhere, USA
United States

Loc ID Number: 1

Conferred With: J. Smith, Distribution Manager
T. Smith, Plant Engineering Manager
R. Smith, Maintenance Supervisor

Occupancy: Manufacturing of Medical Devices

Activity: Survey - Initial - Property

Date of Visit: 15 May 2014

Consultant: Sample
Senior Consultant
Paragon
Phone No.:

Our comments are not intended to imply, guarantee, ensure or warrant in any way that you are in compliance with any federal, state or local statute, regulation or ordinance. Additionally, our comments do not imply in any way that compliance with these comments or recommendations as stated in this report will eliminate all hazards, risks or exposures or that hazards, risks or exposures not referred to in this report do not exist. Compliance with the comments stated in this report does not relieve you from its obligation to comply with project specifications, design drawings, industry standards or the provisions of any federal, state or local statute, regulation or ordinance.

SUMMARY

Sample 1 is a medical device company that develops, produces and markets instruments, implants and biomaterials for the surgical fixation, correction and regeneration of the human skeleton and its soft tissues. This site has one manufacturing building for the production of a large variety of surgical screws, and nails, which are large bone implants. The attached warehouse building serves as the North American Distribution Center for the company.

The manufacturing operation is essentially a large precision machine shop, with finishing and packaging departments. Steel and titanium bar stock is received and machined using various boring machines, lathes, drills, saws and cutting stations. The plant operations involve some pressurized hydraulic fluids and electropolish processes, making this a moderately hazardous operation. However, hydraulic systems for the machining equipment are relatively small and the cutting coolant is predominantly a water mixture, minimizing the overall fire hazards. Some of the products are finished and anodized in heated plastic wet stations, before being packaged and shipped to customers. These heated stations are properly arranged and have adequate controls, to help minimize the chance of a property loss. The attached warehouse stores both internal company manufactured products, as well as vendor manufactured products, which together, make-up finished surgical kits.

Both buildings have adequate automatic sprinkler protection and the majority of property loss prevention programs are well managed. Risk quality improvements could be made by providing sprinkler protection within the automated retrieval storage unit, by enhancing the self inspection program by adding a sprinkler control valve list to the routine, and by implementing a formal fire protection impairment management program.

As part of this survey, testing of the sprinkler waterflow and valve tamper alarms was witnessed. Two of the waterflow alms failed to transit to the central station. The central station repair service was dispatched, and repairs were made before the end of the survey. The devices tested satisfactorily when re-tested.

Changes

Management is planning to construct a new 1,100-sq. ft. environment controlled room to support the sterile packaging operations, in the Manufacturing Building. It would be constructed in the old Bead Blast Room and would replace the existing modular room.

Management is also considering a new automated storage picking system in the Distribution Center. The system would cover approximately 13,000-sq. ft. and take one year to install. The estimated project cost is in the range of \$3 to 4 million. There are conceptual project drawings, but no established timetables to complete this project.

RECOMMENDATIONS

Recommendation Summary

REC. NO.	DESCRIPTION	LOSS EXPECTANCY (USD NEAREST 1000'S)	ESTIMATED COST (USD)	CATEGORY
14-01	Automatic Protection - Parts Stocker	2,220,640	10,000	2
14-02	Fire Prevention Inspections - Valve List	0	0	H.E.
14-03	Protection Impairment Monitoring Procedures	0	0	H.E.

Loss Expectancy: This is an estimate of the potential Property and Business Interruption loss associated with the recommendation.

Estimated Cost: This column relates only to capital expenditure items and gives an indication of the likely cost of the improvement recommended. Quotations can, however, vary greatly depending on market conditions. Our estimates should be regarded as an indication only and not used for formal budget purposes. Estimates are shown in the account currency (USD/Euro/GBP, etc.) and in bands of up to 1,000 / 10,000 / 100,000 / 250,000 / 500,000 / 750,000 / 1,000,000+.

Category 1: These are capital expenditure recommendations with a loss expectancy greater than 25% of the combined property damage and business interruption loss potential. Whilst funding for these items will normally require corporate approval, completion will significantly improve the risk profile of the site.

Category 2: These are recommendations either with a loss expectancy of less than 25% of the combined property damage and business interruption loss potential or that address important reliability issues. In some cases funding may require corporate approval.

Human Element (H.E.): These recommendations refer to management practice and procedures. Typically they carry no capital cost but address a wide range of local issues including the control of inception risks and training.

Recommendation Details

14-01

Automatic Protection - Parts Stocker

Category

Category 2

Recommendation

Provide a fire protection or fire suppression system for the enclosed 10 x 10 x 15-ft. high automated parts stocker and retrieval unit in the north end of the Manufacturing Building. Protection can be in the form of a wet pipe, or preaction sprinkler system, or an approved automatic total flooding (CO2, FM-200, etc.) fire suppression system.

Contact Paragon for specific design parameters prior to installing new protection. Install the sprinkler systems in accordance with NFPA 13 - *Standard for Installation of Sprinkler Systems*. Install any gaseous fire suppression system in accordance with the appropriate NFPA standard.

Loss Scenario

Currently, this completely enclosed shuttle-type unit has storage of spare parts/components in plastic trays and bins. The value of stock within the unit was not determined, but is estimated to be substantial. A fire in the bottom area of the enclosed unit would grow unchecked and consume much of the product. Because the fire would be completely shielded from the ceiling/roof level sprinklers, the fire would burn intensely resulting in heavy smoke generation. The responding fire department would extinguish the fire using hose streams. The smoke and water damage would require extensive clean up and decontamination efforts. Quick fire control by sprinklers or suppression by an automatic gaseous suppression system would significantly reduce the amount of thermal and nonthermal damage.

Status

Corporate Approval Required

Loss Estimate Before: \$2,220,640

Loss Estimate After: \$100,000

Estimated Cost to Complete

\$10,000

14-02	Fire Prevention Inspections - Valve List		
Category	Human Element		
Recommendation	Enhance the monthly fire prevention self-inspection program by inspecting for the open position of all sprinkler control valves. Complete a monthly recorded valve inspection list and maintain it on file for review by management and visiting Paragon engineers.		
Loss Scenario	This program enhancement will help to ensure valve closures are identified and remedied before a fire occurs.		
Status	Agreed - Completion < 91 Days		
Potential LE	0 USD	Estimated Cost to Complete	0 USD

14-03	Protection Impairment Monitoring Procedures		
Category	Human Element		
Recommendation	Integrate additional procedures into the existing fire impairment notification plan, including “tagging” impaired systems and notification to fire department.		
Loss Scenario	Currently, the client contacts the central alarm company when taking a sprinkler system or fire alarm system out of service. The additional steps of tagging the impaired system and contacting the local fire department will help prevent the condition where a system is left impaired longer than is necessary.		
Status	Agreed - Completion < 91 Days		
Potential LE	0 USD	Estimated Cost to Complete	0 USD

CONSTRUCTION

BUILDING	YEAR BUILT	TOTAL AREA (ft ²)	% SPRINK.	% DEFICIENT	Number of Stories	ISO Construction Class*
Main	1979	325,000	99%	0%	1	4
TOTAL		325,000	99%	0%		

***ISO Classes:**

- Class 1 — Frame
- Class 2 — Joisted Masonry
- Class 3 — Noncombustible
- Class 4 — Masonry Noncombustible
- Class 5 — Modified Fire Resistive
- Class 6 — Fire Resistive

(NOTE: Below verbiage does not match above table in this Sample Report.)

Manufacturing Building

This building was constructed in five phases with the original section completed in 1979. Additions were erected, using the same materials of construction, in 1980, 1984, 1992 and 1997. There are no significant divisions between additions. This is a one story, 20-ft. high, steel frame Butler Building structure in Good condition. The exterior building walls are brick, glass in aluminum frame, and metal panel on steel girders. The roof is an MR-24 standing seam roof panel system supported by steel bar joists and columns. There is fiberglass with poly sheet bottom insulation on the underside of the roof panel system. The roof and the building shell are essentially noncombustible. The two-story offices and storage rooms in the north section of the building use a considerable amount of plywood and wood frame construction, which creates concealed combustible spaces. Sprinkler protection is in place to minimize this hazard. The interior walls and ceilings of various offices are present within this building and use combinations of concrete block exterior walls along with metal framing and gypsum interior walls, and mineral tile ceilings, making them noncombustible.

A 3,200-sq. ft. cafeteria addition was completed in 1997 and is attached at the south end of the building near the visitor entrance.

Distribution Center

This building was constructed in two phases with the original section completed in 1996. A ground floor and walkout basement level addition was erected, using the same materials of construction, in 2002. There is a partial wall division between the original section and the new addition section, with two large openings for personnel and forklift trucks to pass. This is a one story with partial basement level, 28-ft. high, steel frame Butler Building structure in Good condition. The exterior building walls are predominantly metal panel on steel girders. The roof is an MR-24 standing seam roof panel system supported by steel bar joists and columns. There is fiberglass with poly sheet bottom insulation on the underside of the roof panel system. The roof and the building shell are essentially noncombustible. The interior walls and ceilings of the

various offices present within this building use combinations of metal framing and gypsum interior walls, along with mineral tile ceilings, making them noncombustible.

A 1,400-sq. ft. cafeteria addition was completed in 2002 and is attached at the south end of the building near the visitor entrance.

The IT Room on the lower level has minimum 1-hour rated walls with all wall penetrations fire-stopped using approved 3M materials. The room has a sunken floor to provide a raised floor for cabling and equipment air conditioning. Leak containment and detection is in place beneath the air-conditioning units. EPO buttons are in place at the room exit door. This room is adequately arranged.

A one-story, 100-ft. long, 10-ft. wide, 10-ft. high, ground level pass connects the Distribution Center to the Manufacturing Building. This is a noncombustible steel frame building with brick and glass panel exterior walls and a standing seam metal panel roof, and is fully sprinklered. There are normally closed doors (3/4-hr. rated) at each end of the pass, and there is typically no storage in the pass.

OCCUPANCY

Process

The Manufacturing Building has steel and titanium machining operations along with electroplating and anodizing processes. The ATC occupancy code is 16.

The machining operations present pressurized hydraulic fluid hazards. Leaks in pressurized hydraulic oil systems are capable of producing atomized oil spray fires. All machines normally have at least two localized manual shut off buttons. Some machines have low oil automatic shut-offs, and all have remote power shut offs. The majority of the machines use less-hazardous hydraulic fluid. Cutting coolant is water-based and is typically a 95% water-to-oil mixture.

The titanium used in machining presents a combustible metal hazard. There are adequate numbers of Class D-Type portable fire extinguishers near all machining operations to minimize the risk of a serious fire.

The electropolish and anodizing operations present heated plastic tank hazards. Under certain conditions, the electric immersion heaters can ignite the polypropylene plastic tanks and spread to the polypropylene exhaust duct. Fire can then spread through the duct to spaces above the drop ceiling system. There are approximately 11 heated tank/stations in the Electropolish Room. Plant personnel have installed redundant high temperature and low liquid level sensors and alarms, interlocked to shut down the tank heaters. Plant electricians conduct monthly testing and calibration of each system. In addition, the combustible exhaust duct has sprinkler protection by way of Flex-Head type sprinklers with corrosion resistant wax coatings. The overall arrangement is satisfactory.

Flammable Liquids

The processes use very few flammable liquids. Flammable liquids are maintained in approved flammable liquid storage cabinets.

The use of combustible hydrocarbon-based hydraulic fluids and some cutting coolant is typical in the Manufacturing Building. The 55-gallon metal drums are maintained in a perimeter room, where the floor slopes away from the building to minimize the hazards of a leak. This situation is acceptable.

Storage

Without packaging, the fabricated steel and titanium screws and nails are all noncombustible and do not themselves present a fire hazard. However, the cardboard box containers, plastic bags, and plastic tray containers in the Distribution Center shelves and storage racks, do present a fire hazard. Other items stored in the Distribution Center include orthopedic parts and tools received from vendors and sister plants. Commodity classification of the storage is a mixture of Class II, III and IV. The Distribution Center is well protected by automatic sprinklers to minimize the chance of a major fire loss. The only storage hazard deficiency involves the parts stocker in the Manufacturing Building -- reference Recommendation 05-01.

The Distribution Center generally stores the smaller, bag packaged, metallic screws, plates and other components in the in the 10 foot high metal shelves, using cardboard and plastic trays. Approximately 40% of the Distribution Center floor area has 10 foot high metal shelving units.

The Distribution Center generally stores the cardboard containers of orthopedic surgical components in the racks. Approximately 20% of the Distribution Center floor area has single and double-row racks with storage to 17 feet high. Racks use metal grated shelving and each rack tier has a level of in-rack sprinkler protection. The racks are anchored to the floor and have adequate collision guards at the base of the frames to minimize vehicular damage. The racks also have adequate rail guards in the longitudinal flue space to minimize the chance of damage to the in-rack sprinklers from storage collision.

Utilities and Services

Boilers -- Heating/Steam

There are no boilers for this facility. The plant does use small commercial water heaters for hot water. Natural gas-fired heaters provide building heat and are well maintained.

Power Supplies/Electrical Installation

Most of the electrical gear is original and is in good condition. Power service to the site is by way of underground power lines, which are well protected. The local electrical service provider has been reliable in the past. Preventive maintenance of the on-site equipment is good and is well managed by plant staff using a computerized (MP2) maintenance schedule.

There is one diesel engine driven emergency generator, which provides power for emergency lighting and other life safety and security systems. It also powers the IT Computer Room equipment, which supports the orders and logistics management system.

Process Water Supplies

Process water supplies have been reliable in the past. The Manufacturing Building has a deionized (DI) water system for several operations. A rental unit could be brought in to support operations if needed.

Gas

Natural gas supplies have been reliable in the past.

Compressed Air

Three compressor units, one rated at 100-hp and two rated at 200-hp, provide plant air. The units are redundant and there is N+1 spare capacity.

Wastewater Treatment

The Manufacturing Building also has a wastewater treatment system. Rental equipment could be brought in to support partial operations if needed. Operations would be severely affected if the system were down for more than 2 days.

PROTECTION

Human Element

Permit to Work Program/Hot Work

There is an adequate Hot Work Permit System in place and the program is satisfactory.

Management of Contractors

There is a formal program to manage and control contractors.

Plant Emergency Organization

Plant Emergency Response Organization plans are in place. There is regular fire extinguisher training for all employees. There is adequate training and evacuation drilling. The program is satisfactory. Mr. Smith heads the Emergency Organization and updates the action plans regularly.

Smoking

Smoking is permitted only in designated outdoor areas of the plant with adequate receptacles, which is satisfactory.

Change Management

There is a satisfactory policy in place for corporate management to review and approve proposed changes to the building or property.

Housekeeping

Housekeeping at this plant is exceptional. There is an excellent cleaning program schedule in place and employees generally take pride in their work areas. The Manufacturing Building main electrical room was somewhat cluttered and management agreed to address the issues immediately. Maintaining clearance (generally 36-in.) around electrical gear is good in most, but not all areas.

Self Inspections

There is a good and nearly satisfactory self inspection program in place, with record keeping taking place. Using the sprinkler control valve list during the self inspection routine would reduce the chance of shut sprinkler valves.

Impairment Handling

There is an informal fire protection impairment program in place.

Plant Maintenance

There are preventative and predictive maintenance programs in place for machining equipment and for the support equipment. The programs are satisfactory.

Arson & Security

General Description

The level of fire security is satisfactory and adequate for the occupancy. The sprinkler control valves have monitored valve tamper alarms. Access doors to the riser rooms are locked. Each sprinkler riser has a monitored waterflow alarm.

Physical Security

Building access is by card keys only. Both buildings are locked when not in use. Exterior lighting is also in place for an acceptable level of physical security.

Intruder Alarms

The plant has an active alarm system consisting of door contacts, as well as motion detection devices. A central station monitors the alarms.

Other Security

Contracted security guards are present from 2:00 p.m. until 6:00 a.m. during the work week and are present 24 hours over the weekends. The guards conduct hourly recorded rounds inside and outside the buildings. Approximately 12 CCTV cameras are in place in and around the Distribution Center for additional security.

Fixed Fire Protection

Automatic Sprinklers

Both buildings have automatic sprinkler protection covering all areas. Sprinklers in the Manufacturing Building are arranged on four 4-in. wet pipe systems and are adequate. There are no sprinklers within the automated retrieval storage system. This enclosed storage unit, by its nature, creates a shielded fire condition from ceiling sprinklers and automatic sprinkler protection is recommended

Sprinklers in the Distribution Center are arranged on three 6-in., one 4-in., and one 2-in. wet-pipe systems and are adequate. The 4-in. system supports in-rack sprinklers for all storage racks with heights exceeding 14 feet, and lengths exceeding 40 feet.

See Appendix 2 for Sprinkler System design information. All systems are adequate.

There are valve tamper supervisory alarms and water flow fire alarms associated with the sprinkler systems, and there is a central station to monitor any fire alarms.

Gaseous Suppression Systems

The Distribution Center IT Room has an adequate FM-200 fire suppression system to supplement the ceiling sprinklers. A licensed contractor services the system, the associated detection system, on a semiannual basis.

Automatic Fire Detection

There are automatic fire detection systems in approximately 25% of the buildings.

Manual Fire Protection

Fire Fighting Equipment

The facility has portable fire extinguishers covering all areas. Security personnel inspect the extinguishers monthly and a licensed contractor services the units annually. Employees and security personnel receive regular training on the proper use of portable fire extinguishers. There are no hose stations in the buildings.

Manual Call Points

There are manual call points covering all areas.

Fire Service/Department

The City of Somewhere Fire Department responds to fires and other emergencies at this facility. It is a paid department and the nearest station is about 4 miles northeast of the site. The station is constantly attended and can normally respond within 5 to 7 minutes, which is acceptable. Responding vehicles must cross an active railway to gain access to the site, which could potentially delay a response. The fire department visits annually for the purpose of pre-fire planning.

Public Water Supply

The City of Somewhere provides fire protection water. The public water supply is adequate for sprinkler system demands and is reliable. There are adequate nearby public fire hydrants on all sides to support manual firefighting efforts.

EXPOSURES

External (Offsite) Exposures

This two building plant site is in a light commercial area in southwest Somewhere, USA. There are no severe nearby external exposures. There are parking lots and open grasslands on all sides. The two neighboring single story commercial buildings on the opposite sides of the street are about 150 and 250 feet away and present a slight exposure, as neither appears to have automatic sprinkler protection. The plant site is in a region moderately susceptible to hail storms.

Natural Catastrophe Exposures

Windstorm

The site is in a region having a moderate windstorm exposure with maximum expected velocities of 90-mph. However, the plant roofs should be capable of withstanding these anticipated windspeeds. The site is also within a region having an elevated exposure to tornado activity and a high risk to hail storms. This region is in the top 33% or areas within the contiguous United States that are likely to have a tornado. The frequency of tornadoes within this region during the last 45 years rates 20, while the national average during this time period is 7.

Earthquake

The site is within Earthquake Zone 5, referring to the U.S. ISO Earthquake Zone Map. The scale used is from 1 to 5, with 5 being minimal seismic activity.

Roof Load

The two buildings have sufficient roof drainage systems to accommodate heavy rains. There is no other unusual roof load exposure at this facility.

Water Damage

According to the Flood Insurance Rate Maps, there is no risk to flood exposure at this facility. The Distribution Center Building may be susceptible to surface water flooding along the south side, based on the slope of the terrain and the obvious swale to carry away rainwater. Drainage systems are in place to deal with this concern and there has been no history of surface flooding to this point.

See Appendix 5 for Swiss Re CatNet and RiskMeter outputs.

BUSINESS INTERRUPTION

Please note: This business interruption information has been gathered at this site only from information provided by site personnel. This information may be over-ridden by divisional or corporate level data. Reference should be made to the corporate offices if more specific information is required for any major risk management or underwriting decision. The information provided is also a snap-shot in time at the date of this report and may change over the policy period.

There are 640 employees working 3 shifts, 5 days per week, 51 weeks per year. The plant is currently operating at about 75% of capacity. There is generally good redundancy between machining units, and the single bender could represent a bottleneck in the operation. There is good variety of external suppliers and a large customer base. There are business continuity plans. Several weeks' supply of surgical kits is on site to fill orders. A major fire would result in an estimated 100% damage to the plant equipment and buildings. The business interruption impact from such an event is estimated at 6 months equivalent downtime after considering make-up capacity.

Key Products

The Manufacturing Building receives steel and titanium bar stock to manufacture two main products, including screws and nails (bone implants), which are used in human and animal orthopedic surgery. This is the only nail manufacturing facility for Sample 1.

The Distribution Center serves as the Sample 1 North American DC for all company manufactured and vendor purchased orthopedic equipment, components and tools. The basement level of the Distribution Center houses various departments including, customer service and ordering, medical training, IT support, IT programmers, Logistics and the Regulatory Group. On average 2,500 orders are filled and shipped per day.

If a major loss occurred, limited screw production make-up capacity could be available from sister facilities in Europe. There is no production make-up capacity for nail manufacturing and there are no other North American warehousing or distribution facilities. Exact production capacity and annual production sales are not known.

Critical Processes & Machinery

There is generally good redundancy between production equipment, with the exception of the single bender, which is made in Italy. There is also redundant capacity from support equipment, with the exception of the wastewater treatment plant and the DI water plant. However, rental equipment could be brought in to make-up these two support operations at nearly full capacity.

There are approximately 100 machining units, which are all critical to production. The four gun drills used in nail production, would be the most difficult to replace, and their lead-time for a replacement is estimated at 8-months. The Italian bender would be difficult to replace as well. Spare parts and service for all units are available from U.S. vendors.

Several operations have been outsourced to regional vendors in the past, and could be outsourced as needed.

Special Interruption Features

Production machinery is dependent upon electrical power and compressed air for normal operations. A loss of either of these services would result in a production stoppage. The mechanical exhaust systems for the electropolish and anodizing operations are also critical to maintain production.

The electrical feed to the plant from the public utility has proven to be reliable in the past. There is one on-site emergency generator for back-up power, but this supports the IT Room and the product ordering and logistics operations associated with the Distribution Center only. The water supply from the local water department and the natural gas supply from the local utility have also been reliable.

Internal & External Dependence

Raw materials, such as bar stock are available from common external vendors. However, raw materials are ordered and managed by the corporate offices in Any State. Vendor products and tools, which are sold and shipped as part of a complete surgical package, come from both internal and external sources. For example, a sister plant in Germany manufactures surgical tools. A sister plant in Other State manufactures surgical plates. Some of those plates come to this site, however, for finishing and packaging. Another sister plant in Germany produces screws, and the somewhere plant supplies the Sample 2 plant with blanks to produce some of the screws. Two other products made at subsidiary sister plants include bone cement and resorbable materials. Sample 3 produces craniofacial bone cement, and Sample 4 produces a resorbable surgical product, which can be left in place after surgery and is absorbed by live bone tissue. In the end, all sister plant manufactured products come to the Sample 1 North American Distribution Center for customer distribution.

There are three main customers and all three are divisions of Sample 1. These include Samples 5, 6, and 7. These divisions are responsible for sales, and for ultimately getting the products to the end users, which includes hospitals and orthopedic surgeons. There is generally 2 to 4 weeks supply of finished goods on hand for distribution.

A Business Continuity Plan was reported to be available at the corporate level but was not available for review prior to this report being written.

APPENDIX 1: VALUES & LOSS EXPECTANCIES

This report describes only the loss estimates from direct property damage and business interruption for this location. The business interruption periods indicated are the 'Equivalent Days' -- i.e. the proportion of production lost over the reinstatement period.

Sums Insured

Buildings	USD	13,711,152
M&E	USD	80,176,789
S&S	USD	205,294,370
BI	USD	300,371,000
Reporting Period		12 months

Maximum Foreseeable Loss

This is an event that occurs when there is an "Extremely Adverse Condition". That would be one where no protective features operate and no FD response occurs. This is essentially a free burn until construction features or separation allows for the fire to burn out. Required fire separation distances are calculated in accordance with NFPA 80. If the distance between the buildings is less than that required by NFPA, we assume that the fire will leap the separation and continue.

MFL US Dollars		
Property Damage		
Building	100.0 %	13,711,152
Stocks & Supply	100.0 %	205,294,370
Machinery & Equipment	100.0 %	80,176,789
Business Interruption	213 days	175,000,000
TOTAL		474,182,311

The MFL scenario would be a fire starting in the storage racks at the north end of the Distribution Center, which goes unnoticed initially. Overall, the site is considered a moderate hazard occupancy, with heavy and moderate combustible loading in the Distribution Center and Manufacturing Building, respectively. Without any automatic fire protection in service, the fire will continue to spread throughout the Distribution Center due to the continuity of combustible storage. With 17-ft. high rack storage, the fire will burn intensely and the roof will eventually collapse. The fire will radiate through the exposed metal panel wall of the Manufacturing Building, which is only 60 ft away. Also, in this MFL scenario, consider storage is present in the connector building. Fire would spread throughout the majority of the Manufacturing Building due to the continuity of combustible oils and packaging materials.

In this scenario, any fire department notification would be seriously delayed. By the time the fire department is notified and responds, fire will have already spread into the Manufacturing Building and their efforts would focus on preventing fire spread to the other neighboring buildings. The MFL fire would result in a total loss of the Distribution Center and Manufacturing Building. Operations would be interrupted for a minimum of 9 months, while equipment is replaced and reconditioned and production is shifted to other company facilities, or outsourced to a competitor. With screw production make-up capacity offered by a sister company, the equivalent downtime is estimated at 7 months (213 days).

Probable Maximum Loss

This event is one that occurs when there is a "Reasonably Adverse Condition". That would be one protective system impaired. Other things like construction have a big part in the calculation of an MFL. Collapse potentials must be considered as a collapse might impair the remainder of the protective systems and allow for a total loss. FD response is taken into account with respect to final extinguishment and cleanup.

PML US Dollars		
Property Damage		
Building	55.0 %	7,541,000
Stocks & Supply	100.0 %	205,294,370
Machinery & Equipment	10.0 %	8,177,000
Business Interruption	30	24,700,000
TOTAL		245,712,370

With a single sprinkler system impaired in the warehouse, a fire would grow rapidly due to the 17 ft high rack storage. The roof over the fire origin would collapse, bringing the remainder of this Butler Building with it. With fire department response, the fire would not spread through the 100 ft long connector to the Manufacturing Building, however the entire warehouse and all stock would be destroyed. Although the Manufacturing Building would not be involved, production in that building would likely be halted for one month to allow decontamination from smoke and water.

Normal Loss Expectancy

This event assumes all protection features in place are operational and perform to their design. First response by a plant emergency organization (if present) is effective. If a protection deficiency exists, this must be taken into account.

Normal Loss Expectancy		US Dollars
Property Damage		
Building	0.5 %	68,600
Stocks & Supply	0.05 %	100,000
Machinery & Equipment	0.5 %	400,000
Business Interruption	2 days	1,652,040
TOTAL		2,220,640

The NLE contemplates a fire in the automated parts stocker and retrieval unit in the north end of the Manufacturing Building. Currently, this completely enclosed shuttle-type unit has storage of spare parts/components in plastic trays and bins. A fire in the bottom area of the enclosed unit would grow unchecked and consume much of the product. Because the fire would be completely shielded from the ceiling/roof level sprinklers, the fire would burn intensely resulting in heavy smoke generation. The responding fire department would extinguish the fire using hose streams. The smoke and water damage would require clean up and decontamination efforts.

APPENDIX 2: SPRINKLER SYSTEM & WATER SUPPLY DESIGN & TEST INFORMATION

Sprinkler Systems Table

System # / Type	Building / Area	Code	Design (gpm/ft ² /ft ²)	Demand (gpm @ psi)	Sprinkler Heads (inch, °F)	Spacing (sq. ft.)	Req'd. Density (gpm/ft ² /ft ²)	Avail. Density (gpm/ft ² /ft ²)	Assmnt.
1 / W	MFG / 92 Add	NFPA	0.19 / 1500	296 @ 44	1/2, 165	100	0.15 / 2500	0.15 / 2500	Adequate
2 / W	MFG / 79,80,84 Add	NFPA	O.H.	375 @ 55	1/2, 165	100	0.15 / 2500	0.15 / 2500	Adequate
3 / W	MFG / DC Hallway	NFPA	O.H.	200 @ 45	1/2, 165	100	0.15 / 2000	0.15 / 2000	Adequate
4 / W	MFG / North Add	NFPA	0.19 / 1560	572 @ 43	1/2, 165	100	0.15 / 2500	0.15 / 2500	Adequate
5&6 / W	DC / N. Bldg.	NFPA	0.30 / 2000	634 @ 32	17/32, 286	100	0.30 / 2000	0.30 / 2000	Adequate
7 / W	DC / Bsmt.	NFPA	0.15 / 900	183 @ 90	1/2, 165	100	0.10 / 1500	0.10 / 1500	Adequate
8 / W	DC / In-Racks	NFPA	10 hds/30 gpm@15	322 @ 27	1/2, 165	10	5 hds.	10 hds.	Adequate
9 / W	DC / S. Bldg.	NFPA	0.30 / 2000	632 @ 26	17/32, 286	100	0.30 / 2000	0.30 / 2000	Adequate

Type: W = Wet PR = Preaction
 DR = Dry DI = Double Interlock
 DE = Deluge FO = Foam

Sprinkler System Test Results

Date	By	No. of Risers		Test Data			Alarms Rec'd		Valves	
		# On Site	# Tested	Init. Static (psi)	Resid. (psi)	Final Static (psi)	Local	Central	# On Site	# Tested
08/2004	WSFP	9	9	130	90	120	Y	Y	14	Unk.

Fire Hydrant Test Results

Date	By	Source Tested	Flow Location	Pressure Location	Test Data		
					Flow (gpm)	Static (psi)	Resid. (psi)
08/2004	WSFP	Public Water Supply	Distribution Center Hydrant	Adjacent Hydrant	969	118	95
Grid improvements were made this past year. The results of a more favorable test conducted Feb. 2005 were requested.							

APPENDIX 3: LOSS HISTORY

A fire occurred in one of the heated plastic wet stations in the Electropolish Room within the last two years. The electric immersion tank heater ignited the polypropylene tank. Fire spread to the plastic exhaust duct but was quickly extinguished when an alert operator used a portable fire extinguisher. A faulty relay in the heater safety interlock system was likely the cause of the fire. Plant personnel have made modifications to all tank heating systems since then to minimize the chance of a similar incident.

APPENDIX 4: PHOTOS

Photos removed for confidentiality.

APPENDIX 5: CatNet Results



CatNet®

NatCat Risk Assessment Report

Location Name Willis PA
Location ID
Latitude/Longitude 40.04742691 / -75.35783172
Date Nov 03, 2014 6:31 PM CET
Comments

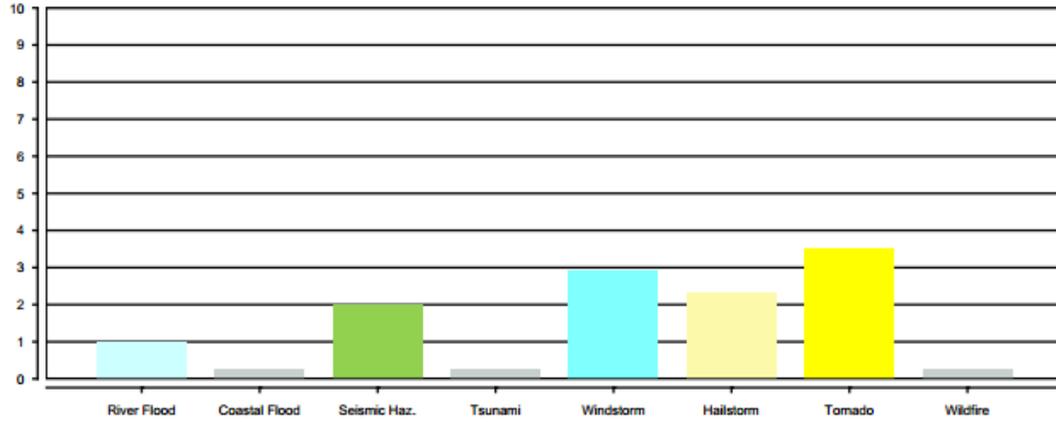


River Flood	Return Period	> 500 Year	Postal Code	19087
Coastal Flood	Risk Zone	No data	County	Delaware
Seismic Hazard	475y Intensity	MMI VI	Province	Pennsylvania
Tsunami	Risk Zone	No data	Country	United States (USA)
Windstorm	50 Year Peak Gust Range [m/s]	30-35	CRESTA_ID HighRes	USA_19087
Hailstorm	Hail days (>2cm) per 2500 km2 and year	Low	CRESTA_DESCRIPTION	Wayne
Tornado	F2-F5 Tomadoes/Year	3	CRESTA_ID LowRes	USA_PA
Wildfire	Number of Fires > 600MW (2000-2011)	No data	CRESTA_DESCRIPTION	Pennsylvania
			Population 1 km	2226 inhabitants
			Population 5 km	56516 inhabitants
			Population 40 km	2643800 inhabitants
			Population 100 km	7231800 inhabitants

NatCat Risk Assessment Report

Hazard Overview

Global intensity per peril according to Swiss Re scale 1 - 10 (0: no data)



Peril Legend

River Flood

- Return Period
- 10 years
 - 20 years
 - 30 years
 - 50 years
 - 100 years
 - 200 years
 - 250 years
 - 500 years
 - >200 years
 - >500 years

Coastal Flood

- Risk Zone
- Very High Risk
 - High Risk
 - Moderate Risk
 - Low Risk

Seismic Hazard

- 475y Intensity
- Very high (MMI X)
 - Very high (MMI IX)
 - Very high (MMI IX-)
 - High (MMI VIII+)
 - High (MMI VIII)
 - Significant (MMI VIII-)
 - Moderate (MMI VII+)
 - Moderate (MMI VII-)
 - Low (MMI VI)
 - Very low (MMI V)

Tsunami

- Risk Zone
- Very High
 - Very High
 - High
 - High
 - Significant
 - Significant
 - Moderate
 - Moderate
 - Low
 - Outside

Windstorm

- 50 Year Peak Gust Range [m/s]
- Extreme (>70 m/s)
 - Very High (60-70 m/s)
 - High (50-60 m/s)
 - Significant (40-50 m/s)
 - Moderate (35-40 m/s)
 - Moderate (30-35 m/s)
 - Low (25-30 m/s)
 - Low (20-25 m/s)
 - Very Low (<20 m/s)

Hailstorm

- Hail days (>2cm) per 2500 km2 and year
- Extreme
 - Very High
 - High
 - Significant
 - Moderate
 - Low
 - Very Low

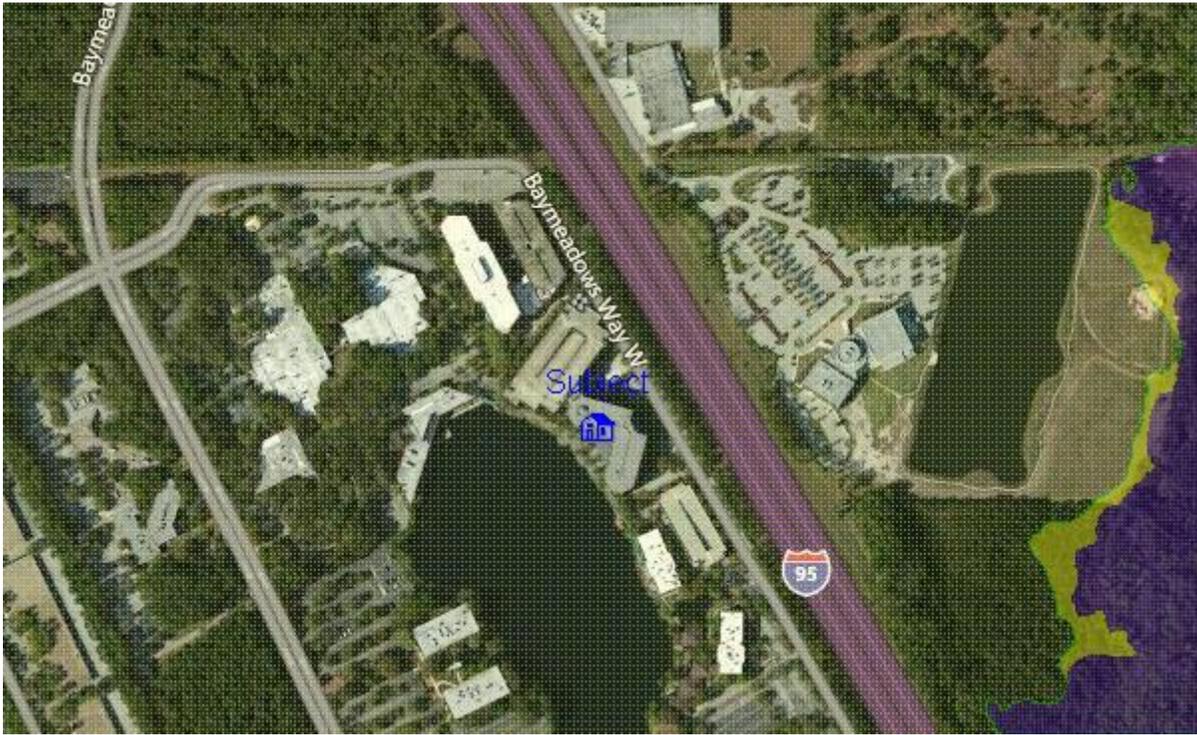
Tornado

- F2-F5 Tornadoes/Year
- Extreme (0.5-0.6)
 - Very High (0.4-0.49)
 - High (0.3-0.39)
 - Significant (0.2-0.29)
 - Moderate (0.1-0.19)
 - Low (0.05-0.09)
 - Very Low (0-0.049)

Wildfire

- Number of Fires > 600MW (2000-2011)
- Extreme (200-500)
 - Very high (100-200)
 - Very high (50-100)
 - High (25-50)
 - Significant (10-25)
 - Moderate (5-10)
 - Low (2-5)
 - Very low (1-2)
 - Very low (0-1)

RiskMeter Results



Location Report

Distance to Intracoastal

Report Description

Distance to Coast	More Than 10 Miles From the Coast
--------------------------	-----------------------------------

Distance to Shore

Report Description

Distance to Coast	More Than 10 Miles From the Coast
--------------------------	-----------------------------------

Flood Elevation

Report Description

SFHA	Out
-------------	-----

Elevation	24
------------------	----

Flood Elevation

Report Description

Distance to Edge of Flood Zone	1800 - 1900 ft
Estimated Height Above BFE	9
BFE	15
BFE Source	<i>FEMA</i>
BFE VDatum	NAVD88
Estimated Flooded Water Depth	DNA*
Zone	X
Community	XXXXXX
Community Name	Sample CITY
Panel	XXX
Panel Date	June 03, 2013
Cobra	OUT
<i>(*) Does Not Apply</i>	

Flood Zone Determinations

Report Description

SFHA (Flood Zone)	Out
Within 250 feet of multiple flood zones?	No

Flood Zone Determinations

Report Description

Zone	X
Community	120077
Community Name	Sample CITY
Panel	XXXX
Panel Date	June 03, 2013
Cobra	OUT
Map Number	XXXXXXXX
FIPS Code	XXXX
Census Tract	XXXXX

Storm Surge

Report Description

Min. Hurricane Cat	0
Surge_Score	0-Very Low/No Risk
Cat 1	N/A
Cat 2	N/A
Cat 3	N/A
Cat 4	N/A

Cat 5	N/A
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PROPERTY RISK ENGINEERING SERVICE PRESENTATION

2020



AGENDA

- Paragon Background
- Our Team
- The Paragon Approach
- Product Profile
- Paragon Risk System Overview
- Transition and Implementation Plan
- Why Paragon



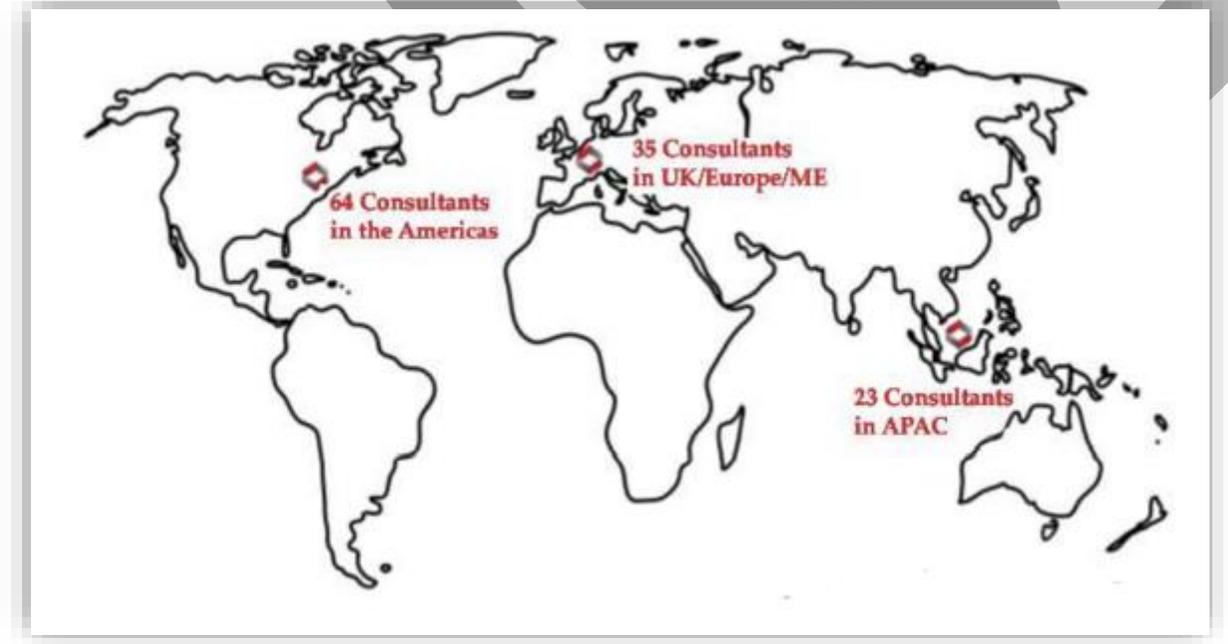
CORPORATE BACKGROUND

- Dedicated loss control and engineering services company serving the insurance industry
- Fully independently owned – no corporate equity
- Insurance / risk management / industry backgrounds
- Strong expertise in high value / high complexity risks
- Focused on Operational Property and Construction
- Focused on all land-based industry sectors

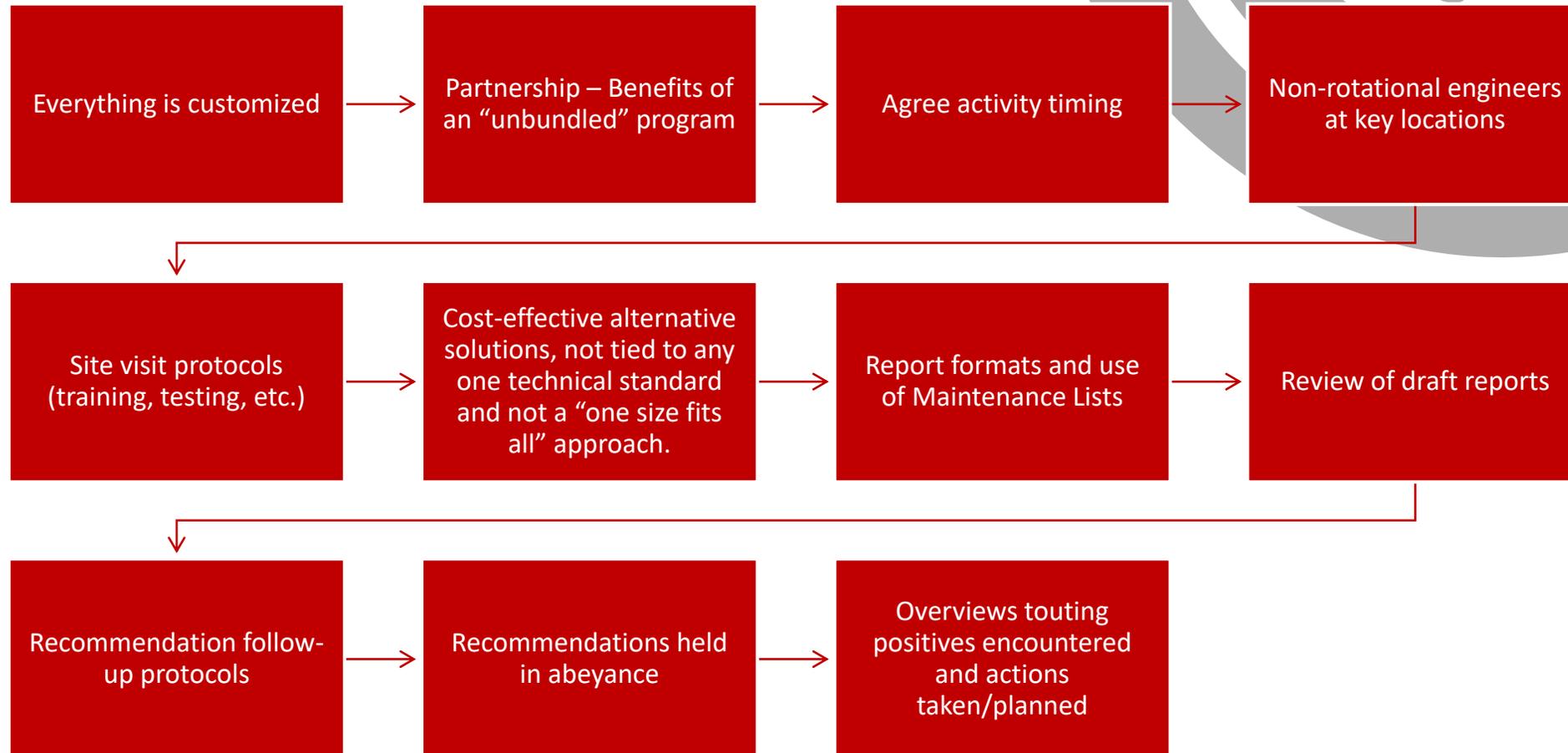


OUR TEAM

- HPR background (FM/IRI)
- Greater than 25 years average experience
- Worldwide Deployment of 130+ Engineers
- Your Account Manager
 - Single Point of Contact
 - Focused on Your Risk Management Needs
 - Implementation of Service Plans
 - Monitor Service Delivery
 - Overview & Summary Reports
- Dedicated Service Team

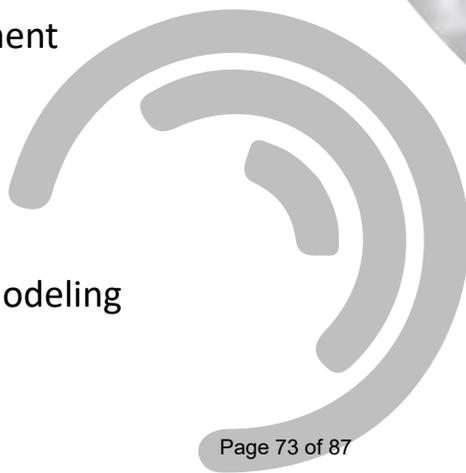


THE PARAGON APPROACH



PRODUCT PROFILE

- HPR Engineering Surveys & Reports
- B&M (Mechanical Breakdown) Surveys & Reports
- Project Management/Plan Review (Fire protection, combustion controls, etc.)
- Fire Protection Equipment Impairment Management
- Risk Rating/Scoring/Benchmarking
- Loss Prevention Management & Standards Program Development
- CAD Insurance Diagrams
- Building Valuations
- Jurisdictional Boiler Inspections
- Infrared (thermographic) scans of electrical equipment
- Post Loss Investigations
- Training (On and Off Site)
- BI Analysis (Location & Corporate Level)
- Nat CAT On-Site Analyses and Data Gathering for Modeling
- Aerial Infra-red Imaging



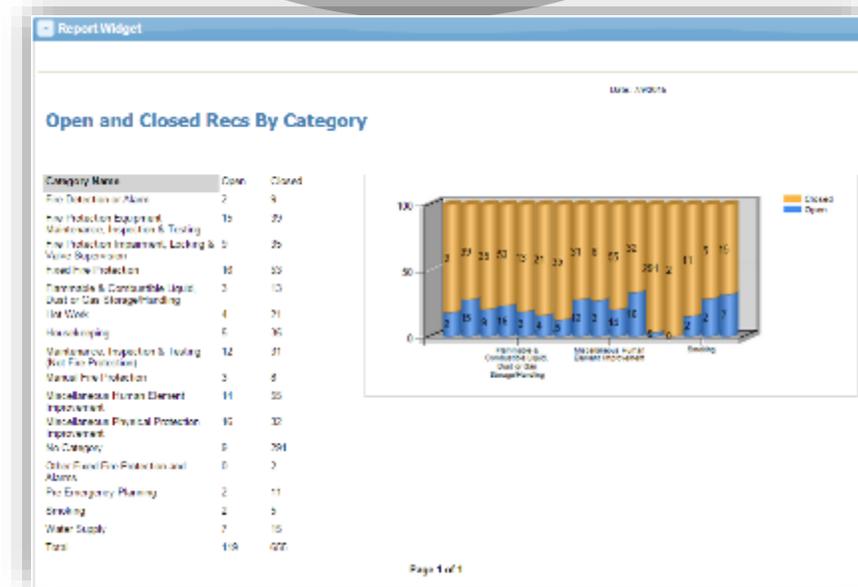
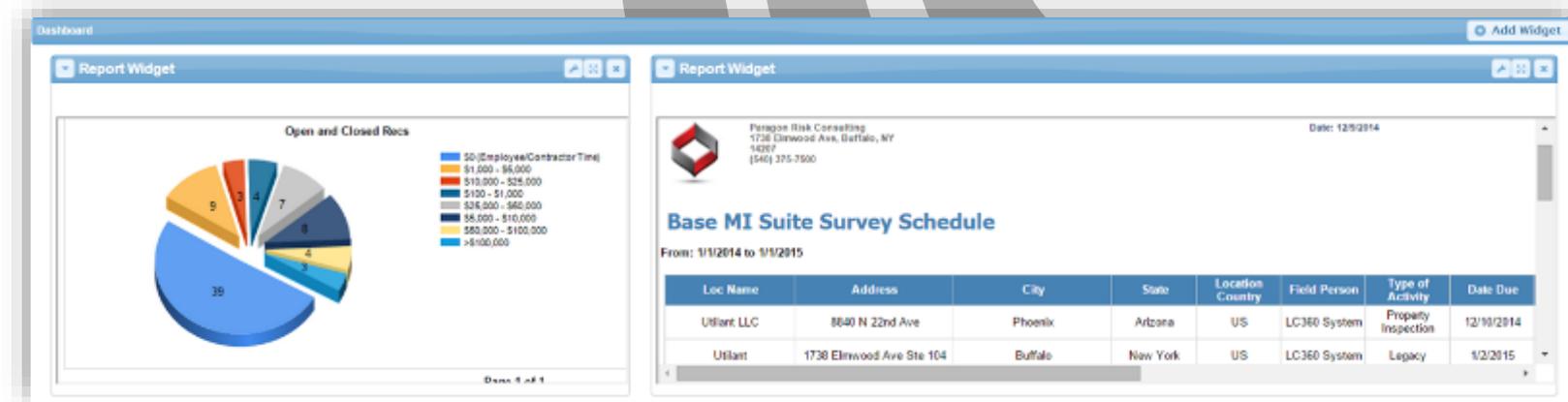
NATURAL CATASTROPHE ANALYSES

- On-site analyses
 - Flood – Base Flood Elevation (BFE) vs. Finished Floor Elevation (FFE)
 - Flood Loss Estimates if $FFE < BFE$
 - Wind – Anticipated maximum speed vs. roof & window/frame designs
 - Wind Loss Estimates including storm surge at all designated locations
 - Earthquake – Review of bracing of equipment, sprinkler systems, and presence of seismic gas shutoff valves
 - Separate earthquake risk assessments with loss estimates also available
 - RiskMeter and Swiss Re CatNet

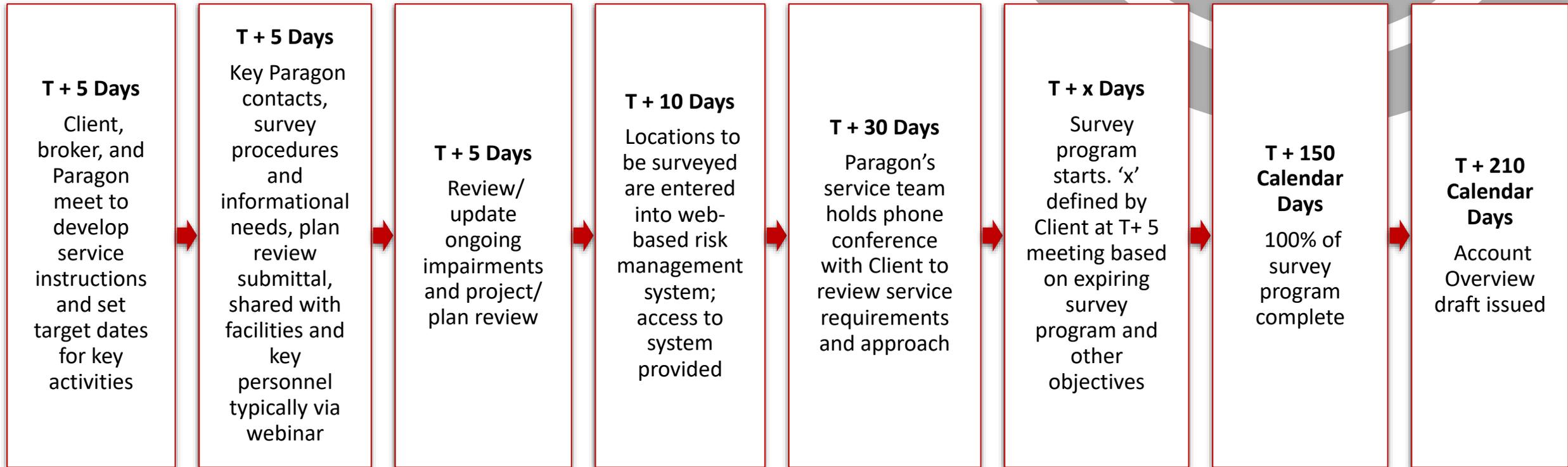


PARAGON RISK SYSTEM

- 24/7/365 access to critical documents and data.
- Analyze and prioritize risk improvements and clearly identify the greatest return on risk improvement investment.
- Easy access to all risk data on a simple, customizable dashboard.
- Single source to collect, manage, store, & report critical info, documents, etc.
- Provides status of recommendations and on-line real time updates.
- Impairment reporting and management.
- Streamlines renewal process.
- SSAE16 compliant.



POSSIBLE TRANSITION PLAN – ACTIVITY TIMELINE



WHY CHOOSE PARAGON

Philosophy

- Single Paragon Contact
- Dedicated Service Team
- Transparent Pricing
- Use the Right Consultant
- First Time/On Time/Every Time
- Automate That Which is Possible
- Delivery Excellence

Advantages

- Consistent Service/Delivery
- No Surprises/Easy to Budget
- Segment Expertise
- Timely, Accurate Information
- Significant Time Savings
- Timeliness and Quality – Guaranteed



THANK YOU

WWW.PARAGONCONSULTS.COM





Paragon Risk Engineering is committed to protecting the assets of our customers and nurturing a beneficial business relationship. Our goal is to help you maintain your ability to deliver your products and services to your customers. To that end, Paragon Risk Engineering visits properties to identify and assess potential property exposures that could result in subsequent damage and business interruption. Our risk engineering services are directed to help you prevent and mitigate loss through an understanding of key exposures. As such, our engineering provides a sound basis for property risk management decisions that assist in reducing potential negative impacts to its bottom line.

AGENDA

- 1. Opening conference to discuss structures, etc.*
- 2. Review of management loss prevention programs including fire protection equipment inspection & maintenance, hot work programs, smoking policy, impairment handling procedures, housekeeping, emergency response procedures, management of change, etc.*
- 3. Tour of roof(s) - as applicable and per safety procedures.*
- 4. General facility tour with an emphasis on identifying potential hazards that could result in property loss and subsequent loss of production.*
- 5. Closing conference to review findings and establish action plan for addressing any exposure.*

To ensure that we utilize our time efficiently, would it be possible to make the following information available at the time of the survey?

- Site/floor plan (perhaps previous insurance sketch).
- Sprinkler system inspection reports (if applicable).
- Self-inspection reports.
- Copies of most recent fire pump test results, if applicable.
- Preventive maintenance records on electrical equipment, including infrared scans..
- Information on any losses that may have occurred during the last five years.
- Finished floor elevations

Item No: F.9.B.

ADDITIONAL LOSS CONTROL SERVICES

ACTION ITEM

ISSUE: Members continue to suggest and evaluate loss control services, with current focus on wildfire risk assessment, mitigation, and response. Members have also suggested sharing loss control resources among themselves, including SIA's Arson Prevention DVD. Members are encouraged to share topics and resources, with a copy to the Program Administrators, to develop a menu of available resources to share. The Program Administrators have attached a draft announcement regarding the availability of shared resources and grants for feedback.

Members are also asked to confirm if the matching grant funds made available for fire and water damage cleanup will be extended to other topics, and if so, members are asked to set a cap for each training grant and/or the program as a whole.

The Program Administrators previously provided information regarding wildfire risk assessment services provided by XMRFire and would like direction on the need for a presentation and/or proposal from them for services including assessments, management plans, or grant writing/management.

Another resource members are encouraged to review is the Wildland Urban Interface (WUI) toolkit offered through FEMA by the U.S. Fire Administration:
https://www.usfa.fema.gov/wui_toolkit/wui_tools.html. The site has a number of useful tools for assessing and mitigating the risks in communities and individual properties.

RECOMMENDATION: Review, discuss and continue to provide feedback and direction on loss control resources.

FISCAL IMPACT: Budget for matching grant funds, if approved.

BACKGROUND: Members continue to provide feedback regarding the potential for shared loss control services, with the focus of the discussion understandably on wildfire risk. The budget for FY 20/21 includes \$150,000 for appraisals and \$200,000 for general loss control services.

ATTACHMENTS:

1. Draft Loss Control & Shared Services Flyer
2. XMRFire Services Overview

Strength in Numbers – Loss Control

SPA MEMBERS HAVE LOSS CONTROL RESOURCES TO ACCESS & SHARE!

SPA Members have come together to obtain levels of coverage and service they can't obtain on their own, and in that spirit members have a wide variety of risk management and safety topics to share.

The SPA Board of Directors is also actively seeking suggestions for training opportunities and risk management resources related to preventing and reducing the impact of property losses among their members.

SPA is offering grants for up to 50% of the cost of training or other risk management services or products.

Resources Accessible Through SPA

- SIA Arson Prevention Video
- Wildfire Risk Assessment
- Infrared Testing of Electric Panels
- Roof Maintenance Program
- Fire & Life Safety Assessment and Audit Training
- Kitchen Hazards and Fire Suppression Systems Training
- Industrial Hygiene
- *Your suggestions and resources here*

Please contact your SPA representative or the Program Managers listed below for more information, to submit a grant request, or suggest an idea.

SPA Member Services

Marcus Beverly marcus.beverly@alliant.com
Michelle Minnick michelle.minnick@alliant.com

WILDFIRE PREVENTION CONSULTING

Wildfire Planning, Modeling, Prevention, Vegetation Management, And GIS.



Fire Modeling

Pre and post-fire computer modeling using state-of-the-art tools like FARSITE, FLAMMAP and Wind-Ninja.

[READ MORE](#)



Policy & Planning

Development and wildfire planning policy to mitigate hazards while protect communities and the environment.

[READ MORE](#)



Hazard Mitigation

We develop and execute plans for vegetation management, structural hazard mitigation, and community risk reduction.

[READ MORE](#)

[Wildfire Prevention and Fire Safe Council Consulting](#)

The western United States has a serious and growing problem with fires in the Wildland Urban Interface (WUI). More than 12 million homes are located in 7.8 million acres alone. The WUI fire issue will become even more acute as the population expected to grow from 28 million to 50 million people by 2050. Let **XMR Fire's** forestry and wildfire experts develop your community or agency wildfire prevention plan today.

While public debate often focuses on increased spending for wildfire suppression - more aircraft, more personnel, and more firefighting equipment - time and experience has proven that wildfire prevention planning is more effective and far less costly than suppression.

Wildfire prevention is less expensive and more effective than ever before. Sophisticated technology such as GIS, satellite fuels mapping, geospatial fire behavior modeling, and hazard inspection databases let wildfire experts and urban foresters like **XMR Fire Consulting** analyze the physical nature of a potential fire using detailed data about the fire and fuels environment. A precise plan can be developed that includes environmentally sensitive vegetation thinning techniques to reduce fuel sources while preserving habitat and managing strategies for effectively responding to wildfire emergencies.

Striking the right balance between suppression and prevention offers the best hope for minimizing the wildfire threat. **XMR Fire** employs dedicated wildfire experts, with decades of wildland firefighting, urban forestry, GIS, and fuels management experience who utilize a variety of advanced spatial applications, custom databases, and forestry field analysis tools to develop wildfire hazard assessments, Community Wildfire Protection Plans, and wildfire prevention plans. With extensive experience in wildfire suppression and urban forestry, **XMR Fire** has helped numerous fire agencies, fire safe councils, landowners, and businesses develop wildfire prevention and vegetation management plans across the western US.

Our Services

- Residential and Commercial Vegetation Management Plans
- Wildfire GIS analysis
- Community Wildfire Protection Plans
- Firewise Community assessment, applications, and consultations
- Aerial and drone photography for pre and post fire analysis and mapping
- Forest health analysis, urban forestry
- Defensible Space Planning
- Wildfire Prevention Grant writing
- Wildfire Prevention Grant management
- Fire Safe Council management

Our Services for Fire Safe Council and Fire Agencies

- Public/Guest Speaking



Todd Lando of XMR Fire discusses wildfire policy with Congressmen Jared Huffman and Businessman Tom Steyer October 16, 2017 at Coffey Park, Santa Rosa.

- Public Education and PR Programs

[HOME](#)[WILDFIRE PREVENTION](#)[COMMUNICATION CONSULTING](#) ▾[SUPPORT](#) ▾[ABOUT](#)

- Grant Management
- Nonprofit Management
- Vegetation Management Planning and Project Review

Wildfire Prevention Clients and Partners

- Kentfield Fire Protection District
- Central Marin Fire Department
- Ross Valley Fire Department
- Sleepy Hollow Fire Protection District
- Southern Marin Fire Protection District
- Bolinas Fire Protection District
- FIRE SAFE San Mateo County
- FIRESafe MARIN
- County of Marin
- Lake Valley Fire Protection District
- Tahoe Douglas Fire Protection District
- Urban Forestry Associates, Inc.
- Sonoma Technology, Inc.
- Fountaingrove II Open Space Management Association
- Private landowners

WILDFIRE MODELING

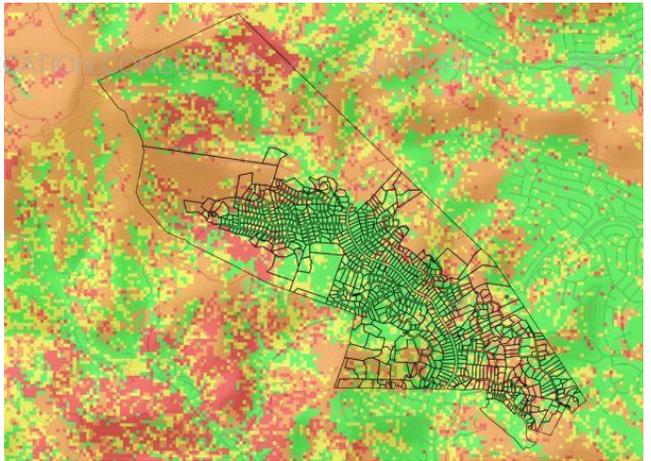
XMR Fire can assist municipalities, landowners, planning agencies, communities, and individuals better understand their risk and identify hazards with state-of-the-art wildfire modeling and mapping. We develop custom fuel models and utilize custom tools based on industry standard wildfire modeling software like FlamMap, FARSITE, BehavePlus, and Wind Ninja to simulate fire across an environment, potentially identifying assets and locations most likely to burn, and determining potential impacts such as heat output, spotting potential, and previously unknown hazards.

Our modeling can assist in pre and post-fire planning, helping determine best locations for fuel breaks, determining travel time for fires under modeling conditions, and comparing scenarios and mitigation measures.

HOME

WILDFIRE PREVENTION

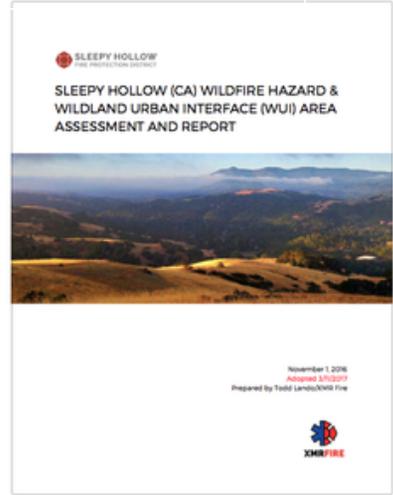
COMMUNITY



g agencies, and communities must adapt to wildfire by developing and implementing policies to address hazards while identifying and acknowledging risk. Land use policy, development and building standards, and design criteria are all addressed through hands-on hazard evaluation and risk assessment, utilizing modeling, expert knowledge of fire behavior and best practices, and a thorough understanding of the fire environment surrounding your community.

We can guide plan development, including Community Wildfire Protection Plans (CWPPs), Hazards and Risk Assessments, and individual property vegetation and fire hazard mitigation plans.

We assist fire agencies in development of wildfire hazard standards and code adoption, municipalities on land use and development practices to minimize risk, and homeowner groups on bylaw and policy adoption to address individual properties and open spaces.



MORE DETAILS

Request A Consultation

We'd be happy to discuss the details and process. Whether developing a wildfire prevention program, or developing your new Fire Department or EMS Agency website XMRFire will help you identify needs while planning and implementing your project from start to finish. Use the form below, or send us an email today!

XMRFire Emergency Services Consulting is based in California, and all services are performed in the United States. No outsourcing. Ever.

Item No. G.2.

PROGRAM ADMINISTRATION SERVICE TEAM UPDATE

INFORMATION ITEM

ISSUE: During the SPA feasibility study and quoting process, the core Alliant service team of Dan Howell, Dan Madej and Michelle Minnick performed most of the activities needed. Now that SPA is operational Alliant is adding the following core team members:

- **Robert Frey** – will lead the loss event response and claims advocacy efforts with his team based in San Francisco.
- **Marcus Beverly** – will lead program administration and compliance efforts related to SPA meetings and operations, working from the Alliant Sacramento office with Michelle Minnick.
- **Jenna Wirkner** – will support program administration and brokerage activities with Michelle Minnick from the Alliant Sacramento office.

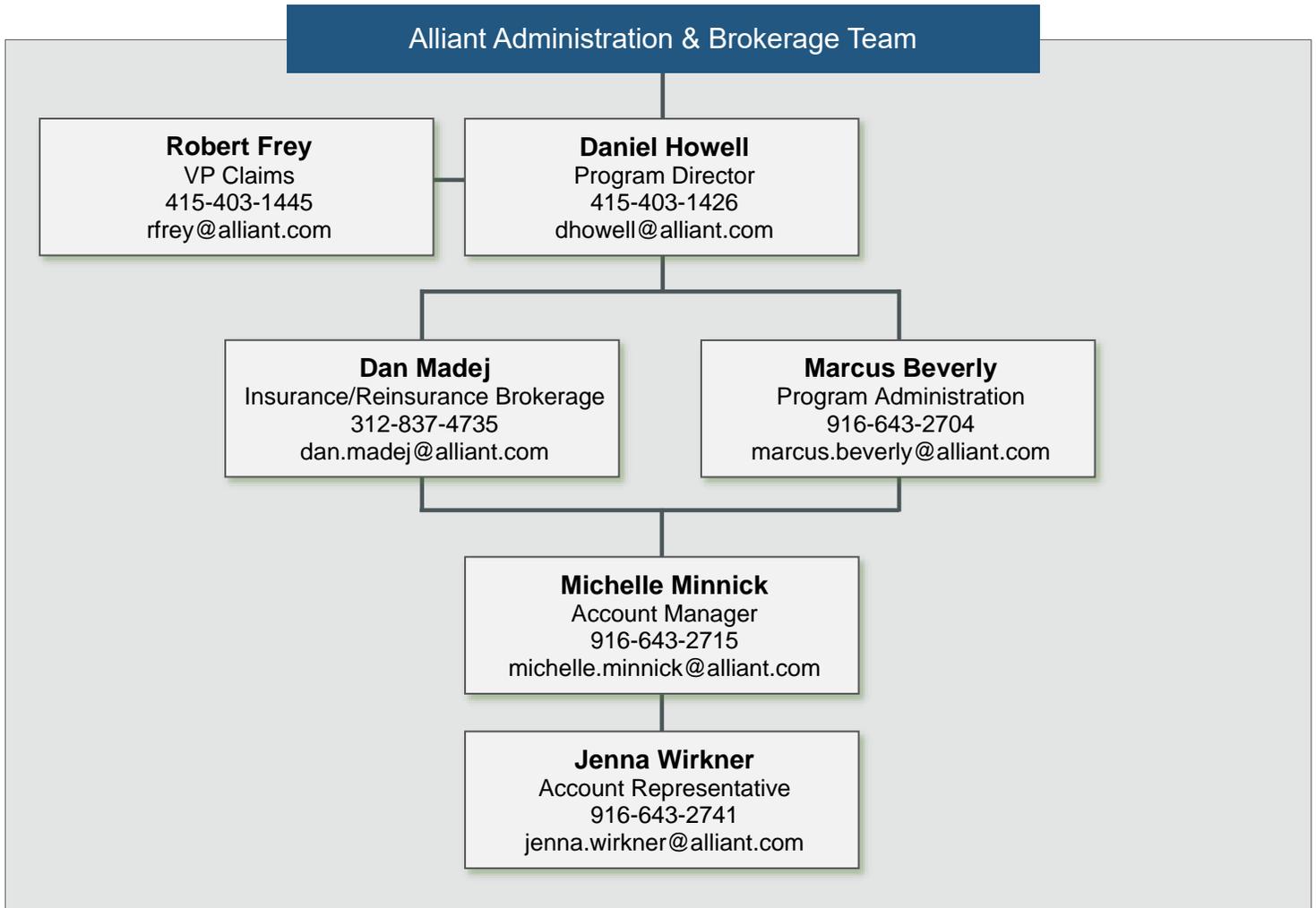
Daniel Howell will review at the meeting the team assignments in the attached organization chart.

RECOMMENDATION: No action is on this item at today's meeting, it is for information only.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: SPA - Alliant Staff Organization Chart



SPA Key Contacts:

- Program Administration – Agendas, compliance, documents: Marcus Beverly, Michelle Minnick, Dan Howell
- Insurance/Reinsurance – Rating allocations, technical Coverage discussions: Dan Madej, Dan Howell
- Certificates, Invoices, Coverage Documents – Michelle Minnick, Jenna Wirkner
- Claims – Discussion after following reporting process: Bob Frey, Dan Howell