Schools Program Alliance
c/o Alliant Insurance Services
Corporation Insurance License No. 0C36861
2180 Harvard Street, Suite 380, Sacramento, CA 95815

AGENDA

A **Action**
I **Information**

1 **Attached**
2 **Hand Out**
3 **Separate Cover**
4 **Verbal**

MEETING: Board of Directors Meeting
Schools Program Alliance
Teleconference Meeting
DATE/TIME: February 9, 2026 at 10:00 AM PDT
TELECONFERENCE: Toll Free (888) 475 4499 or (669) 900-6833 US Toll
Meeting number (access code): 925 3031 7631
https://alliantinsurance.zoom.us/j/92530317631?pwd=kTb8MJ5ftlMA5OLHq5jMQ41ppnXnFM.1

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 380, 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.

This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.

1. Butte Schools Self-Funded Programs, 500 Cohasset Road, Suite 24, Chico, CA 95926
2. North Bay Schools Insurance Authority, 380 Chadbourne Rd, Fairfield, CA 94534
3. Redwood Empire Schools' Insurance Group, 5760 Skylane Blvd., Suite 100, Windsor, CA 95492
4. Schools Insurance Authority, 9800 Old Placerville Rd, Sacramento, CA 95827
5. Schools Insurance Authority, 85 Hartnell Suite 200, Redding, CA 96002
6. Schools Insurance Group, 550 High Street, Ste. 201, Auburn, CA 95603
7. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

PAGE				
	A.	**CALL TO ORDER, ROLL CALL, QUORUM**	**A**	**4**
	B.	**APPROVAL OF AGENDA AS POSTED**	**A**	**4**
	C.	**PUBLIC COMMENTS** *The public is invited at this point to address the Board of Directors on issues of interest to them.*	**I**	**4**
	D.	**CONSENT CALENDAR** *The Board of Directors may act on the item(s) below as a group though a Board Member may request an item be removed from the Calendar for separate discussion and action.*	**A**	**1**
Pg. 5		1. Minutes of SPA Board Teleconference Meeting January 12, 2026		
Pg. 10	**E.**	**MEMBER PROGRAM AND IDEA SHARING** *This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure. Please email a copy of any materials to each member in advance of the meeting.*	**I**	**4**

F. LIABILITY PROGRAM

Pg. 11	**1. Excess Liability Update** *The Board will receive a verbal update from Jim Wilkey.*	**I**	**4**

G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

Pg. 12	**1. Standing Committee and Task Group Updates** **a) Liability Claims Task Force** **b) Property Program Loss Control - Ad Hoc Committee** **c) Property Claims Committee** **d) Cyber Working Group** **e) Cost Allocation Working Group** **f) SPA Primary Liability Layer Ad Hoc Committee**	**I**	**4** **1**
Pg. 13	**2. Strategic Planning Objectives** *The Board will review the Strategic Planning Items from the August Strategic Planning session.*	**I**	**1**
Pg. 16	**3. Managing Member Financial Report** *The Board shall receive a financial update from Phil Brown for the quarter ending December 31, 2025.*	**A**	**1**
Pg. 21	**4. Investment Policy** *The Board will receive a draft Investment Policy for review and approval.*	**A**	**1**
Pg. 32	**5. Update on CCSA Request to Consider New Member - Fresno Unified School District** *The Board will receive an update on potential application and next steps for both Liability & Property.*	**I**	**4**
Pg. 37	**6. Strategic Planning Meeting Location** *Location options to be presented for Board approval or direction.*	**A**	**1**
Pg. 38	**7. APPL Quote** *The Board will review the proposal including options for coverage and may provide authority to bind coverage.*	**A**	**1**

H. PROPERTY PROGRAM

Pg. 52	**1. Property Program Actuary Report as of June 30, 2025** *The Board will review the Actuary Report as of June 30, 2025, and may accept and file or provide direction.*	**A**	**1**
Pg. 112	**2. Property Program Update** *Members will receive a verbal update from Alliant Insurance Services.*	**I**	**4**

I. INFORMATION ITEMS AND DISCUSSION **I 4**

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.

Pg. 113 **1. AGRiP Five Myths and Truths About AI in Pooling**

J. ADJOURNMENT **A 4**

Upcoming Teleconference Meeting Dates: March 9, 2026, and April 6, 2026

Board of Directors
Teleconference Meeting
February 9, 2026

Item 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.

PUBLICATION: None.

ATTACHMENTS:

1. Minutes of SPA Board Teleconference Meeting January 12, 2026

SCHOOLS PROGRAM ALLIANCE
January 13, 2026 Board Of Directors Teleconference
Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
North Bay Schools Insurance Authority (NBSIA)	Noel Waldvogel
North Bay Schools Insurance Authority (NBSIA)	Karen Shelar
Redwood Empire Schools Insurance Group (RESIG)	Cindy Wilkerson
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Josh Arnold
Schools Insurance Authority (SIA)	Olivia Nelson
Schools Insurance Authority (SIA)	Phil Brown
Schools Insurance Authority (SIA)	Amy Russell
Schools Insurance Group (SIG)	Kelli Hanson
Schools Insurance Group (SIG)	Gabbi Daniel
Central California Schools Authority (CCSA)	Alan Caeton

Members Absent:

Butte Schools Self-Funded Programs (BSSP)	Nicole Strauch

Consultants & Guests

Dan Madej, Alliant Insurance Services	Jenna Wirkner, Alliant Insurance Services
Dan Howell, Alliant Insurance Services	Jim Wilkey, Newfront
Marcus Beverly, Alliant Insurance Services	Eileen Masa, Newfront

A. CALL TO ORDER, ROLL CALL, QUORUM

Ms. Cindy Wilkerson called the meeting to order at 10:00 a.m. and welcomed the board. The above-mentioned members were present constituting a quorum.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kelli Hanson **SECOND:** Alan Caeton **MOTION CARRIED UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

1. Minutes of SPA Board Teleconference Meeting December 15, 2025

A motion was made to approve the Consent Calendar with the revision to the attendees.

MOTION: Brooks Rice **SECOND:** Alan Caeton **MOTION CARRIED UNANIMOUSLY**

Deb Sherrington joined at 10:06a.m.

E. MEMBER PROGRAM AND IDEA SHARING

This time was reserved for members to share items of interest with the group. Members discussed the collection of renewal documents. Cindy Wilkerson discussed a new product/service utilizing a robotic brush clearing device called "BurnBot." It appears additional creative solutions are being deployed to protect our communities. Lastly, Daniel Howell discussed the Brown Act changes effective 1/1/2026 and 7/1/2026.

F. LIABILITY PROGRAM

F.1. EXCESS LIABILITY PROGRAM

Jim Wilkey provided the Board with an update on the Excess Liability Program. Underwriting updates are due from members on January 12th, 2026. Jim Wilkey encouraged members to send the requested underwriting items by the end of the day. He also mentioned Underwriting meetings are set up for the Wednesday of PARMA.

G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

G.1.A. STANDING COMMITTEE AND TASK GROUP UPDATES – LIABILITY CLAIMS TASK FORCE

Olivia Nelson mentioned that we haven't had a meeting since the last SPA Board meeting. The task force meets every other month.

G.1.B. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY PROGRAM LOSS CONTROL AD HOC COMMITTEE

Sandy Manzoni mentioned that the committee hasn't met since the last meeting. They would like to meet before PARMA to provide an update for the next meeting.

G.1.C. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY CLAIMS COMMITTEE

Josh Arnold discussed the committee has been meeting monthly and have been going well. The Committee has been working with Chris Stafford and McLarens. He noted the meeting next week will include a poll for a SPA panel for remediation companies. We will start working on the second aspect of things, including a subrogation and litigation panel. Finally, he mentioned that the new claim from CCSA might be below the deductible and not hit the retentions.

G.1.D. CYBER WORKING GROUP

The cyber working group hasn't met since the last Board of Directors Meeting.

G.1.E. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION TASK FORCE

Kelli Hanson mentioned that Phil Brown will be sending an email to Mike Harrington at Bickmore Actuary. Once Mike responds the group will move forward. Dan Madej provided the current cost allocation worksheet. It was noted that Program Administration will set up biweekly meetings to be done by April.

G.1.F. SPA PRIMARY LIABILITY LAYER AD HOC COMMITTEE

Olivia Nelson discussed the SPA primary liability layer ad hoc committee and noted they will look at Mike Harringtons data and discuss claims history. There was a discussion as to how we handle claims per the MOC. Used Jim's expertise regarding re-insurance as a group under the $5M layer. Lastly it was mentioned the committee will have more to report at the next SPA meeting.

G.2. STRATEGIC PLANNING OBJECTIVES

Marcus Beverly discussed Strategic Planning Objectives and noted the committee is working on claims reporting for the liability program. Program Administration is working on items for the CAJPA accreditation and it was noted the cyber committee will be meeting again next month. Jim Wilkey discussed meeting with underwriters to discuss a claims made option as part of the tower. There was a discussion regarding new members joining the pool and the differences between claims made and per occurrence coverage.

G.3. PROPERTY APPRAISAL RFP

The Committee noted to the Board their recommendation is CBIZ even though the pricing is a little higher. It was also mentioned that we will have CCSA with the non-high-risk locations go first, followed by BSSP and RESIG, NBSIA, SIA and SIG. Deb Sherrington mentioned CBIZ staff have worked with SPA members before and communicate well regarding the status of the project and noted that communication is an important factor. Pricing is competitive for buildings valued greater than $1M. Sandy Manzoni mentioned her appreciation for the real time dashboard (Origami) and agreed that CBIZ is the overall winner in all the discussions.

Members discussed new project values as compared to insurable value as a lot of the cost for a new building is not included in the insurable value. It was noted that members are seeking flexibility with the appraisal firm to consider appraisal of locations under a certain amount (and being charged for the appraisal). Additionally, it was noted that Program Administration can discuss the rate with the appraisal firm as it relates to a newly constructed sites to determine the valuation. It was noted the JPA would pay the cost for the appraisal for new buildings.

There was a discussion about the timing of appraisals and who would be responsible for the cost of appraisals. It was mentioned that SPA could consider paying for appraisals above $1M and members may consider paying for locations valued under $1M. It was noted, if members want to be appraised for locations valued under $1M, those members will need to work directly with CBIZ. Marcus Beverly indicated we will bring back the agreement on a future agenda and Program Administration will work with CBIZ and CCSA as soon as possible for the non high-risk locations. Lastly, Dan Howell discussed adding the appraisal requirements to the underwriting policy to conduct appraisals every 5 years.

A motion was made to approve CBIZ as the property appraisal firm and have SPA fund the appraisals $1M and above.

MOTION: Noel Waldvogel **SECOND:** Alan Caeton **MOTION CARRIED UNANIMOUSLY**

G.4. SPA MEETING DATES FY 26/27

SPA members discussed meeting dates for FY 26/27 and having the Strategic Planning meeting on August 25th and 26th, 2026.

A motion was made to approval the schedule with the Strategic Planning meeting on August 25th and 26th, 2026.

MOTION: Alan Caeton **SECOND:** Brooks Rice **MOTION CARRIED UNANIMOUSLY**

G.5. POTENTIAL APPLICANT TO CCSA- FRESNO UNIFIED SCHOOL DISTRICT

Alan Caeton discussed the potential applicant to join CCSA, Fresno Unified School District, and noted they will send the Statement of Values and loss runs this week. James Wilkey discussed 10 years ground up losses that include reserves. After a discussion Alan noted that the team will send over the tower and required information.

G.6. CAJPA ACCREDITATION PRE-AUDIT REVIEW

Marcus Beverly discussed the CAJPA Accreditation Pre-Audit Review. The Alliant team and managing members are working on the action items.

G.6.a. FUNDING (TARGET EQUITY) P OLICY

Marcus Beverly discussed the target equity policy and noted the policy has been modified for the SPA property program. Members discussed the cost allocation formula and assessment provisions. After a discussion it was requested that members review the policy and provide and provide comments or revisions to Marcus Beverly, and it was requested that this be brought back to a future meeting.

G.6.b. ACCOUNTING & FINANCE STANDARDS

Marcus Beverly discussed the accounting and finance standards. Phil Brown thanked Alliant for discussing CAJPA accreditation requirements with them and have a task list of items to work on.

Daniel Howell left the meeting at 11:53a.m.

H. PROPERTY PROGRAM
H.1. STATE OF THE MARKET

Dan Madej discussed the State of the Market. The property market conditions are softening. Investment income is at historic high for the marketplace. Dan Madej provided information on the 34 separate markets in APIP for 2025-26.

I. INFORMATION ITEMS

Marcus Beverly discussed items needed for Course of Construction additions. We would need the costs for the project and the approximate end date and would need COPE data for individual buildings.

Members discussed what is needed to send to underwriters, so the process is smooth every time.

J. ADJOURNMENT

The meeting was adjourned at 12:16 P.M.

NEXT MEETING DATE: February 9, 2026 via Teleconference

Respectfully Submitted,

____
Kelli Hanson, Secretary

____
Date

Item E.

MEMBER PROGRAM AND IDEA SHARING

INFORMATION ITEM

Board of Directors
Teleconference Meeting
February 9, 2026

Item F.

EXCESS LIABILITY UPDATE

INFORMATION ITEM

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.1.

GENERAL ADMINISTRATION AND FINANCIAL REPORTS

STANDING COMMITTEE AND TASK GROUP UPDATES

INFORMATION ITEM

a) Liability Claims Task Force
b) Property Program Loss Control - Ad Hoc Committee
c) Property Claims Committee
d) Cyber Working Group
e) Cost Allocation Working Group
f) SPA Primary Liability Layer Ad Hoc Committee

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.2.

STRATEGIC PLANNING OBJECTIVES

INFORMATION ITEM

ISSUE: The SPA Board of Directors held its annual Strategic Planning Meeting on August 19-20, 2025. During the meeting a number of strategic objectives were discussed. The Program Administrator has prepared the attached matrix summarizing the direction given by the Board into eight objectives to be addressed during the current program year.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: Each year the SPA Board of Directors holds a two-day meeting to allow time beyond normal Board business to develop a longer-term vision for strategic objectives. As items are identified, they are organized on the attached matrix to identify major milestones towards addressing the item and assignment of the activities to the parties responsible for development and execution of the item. The Strategic Planning Objectives matrix is included in each SPA Board of Directors regular meeting agenda so that a general progress update can be provided. At the following year's Strategic Planning Meeting, the Board reviews completion and determines if any items need to be carried over or modified in the following year's strategic planning objectives.

PUBLICATION: The FY 2025/26 SPA Strategic Planning Objectives will be included in each SPA Board of Directors regular meeting agenda with a status update.

ATTACHMENTS: FY 2025/26 SPA Strategic Planning Objectives

DRAFT

GOAL		ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
FY 2025/26 SPA STRATEGIC PLANNING OBJECTIVES as of 10/29/2025						
LRP-1		**Develop SPA Liability Program Claims Reporting and SPA Level Loss Tracking**				
	a	Staff to draft Claims Notice for Board consideration & adoption	NF/MM	JW/ON	Nov	
	b	Liability Claims Committee to begin meetings (including tracking claims) and report out to Board	MM	ON	Jan	
LRP-2		**Program Administrator to Establish Plan for CAJPA Accreditation Status**				
	a	Detemine current CAJPA Accredititation requirements	PA	MB/MM	Nov	In Progress
	b	Provide review of SPA existing documents and operations as compared to the CAJPA Accreditation requirements	PA	MB/MM	Jan	On Monthly Agendas
	c	Present results to Board for furture direction or development of items needed	PA	MB/MM	Mar	
LRP-3		**Establish a Cyber Working Group to address impact of AI on SPA including:**				
	a	MOLC Review for AI Issues	NF/MM	JW/ON	Jan	Item on Dec Agenda
	b.	Evaluat MGA/MGU/RPG Agency Management and Underwriting software packages to see if applicaable to SPA and/or members	PA/MM	MB/PB	Feb	Update from 2/3/26 meeting
	c	Evaluate how agentic AI can impact SPA and members	PA/MM	DM/PB	Feb	
	d	Evaluate software tools for contract review and certificate/endorsement management	PA/MM	DH/PB	May	
	e	Evaluate SPA Cyber Program combining esisting SIA (Axa), BASIC (PRISM), CCSA (APIP) and SIG (Tokyo Marine Programs)	PA/MM/NF	DH/ON/JW	Jan	
LRP-4		**Evaluate Retaining more risk in SPA Property Program**				
	a	Create loss report pivot tables that support attachment/retention analysis	PA/PCA	DM/JA	Nov	JA delivering loss data
	b	Report to SPA Board on initial findings	PA/PCA	DM/JA	Dec	*For March*
	c	Actuarial report on retention finding	PA/BA	DM/MH	Mar	
	d	Renewal broking direction from SPA Board	PA	DM	Mar	
	e	SPA Board review of renewal options and binding instructions	PA	DM	Jun	
	f.	Implementation of retention and monitoring	PA/PCA	DM/JA	Jul	
LRP-5		**Property Claims Committee to work on developing a panel of providers with service and fees agreed pre loss**				
	a	Develop best practices and pricing, likely focusing on specific types of vendor providers and working through each type	PA/PCA	MB/JA	Dec	Completed
	b	Gather member comments on items needed to perform vetting process	PA/PCA	MB/JA	Jan	Completed
	c	Select providers and establish appropriate pre-loss agreements/service standards	PCC	PCC	Mar	
	d	Train members on utilization process	PA/PCA	MB/JA	May	
	e	Monitor results and performance and report out annually	PA/PCA	MB/JA	Aug	

GOAL		ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
LRP-6		**Liability Program MOLC Evaluation of impacts and planning for potential move to claims-made coverage**				
	a	Develop white paper on legal and operational affects of changing from occurrence to claims-made coverage	NF/MM/GC	JW/ON/BC	Feb	meet with U?W for claims
	b	Initial discussion at SPA BOD	NF/MM/GC	JW/ON/BC	Mar	
	c	Further development of documents, MOLC, member communications	NF/MM/GC	JW/ON/BC	Jul	
	d	Discussion at SPA BOD Strategic Planning Session	NF/MM/GC	JW/ON/BC	Aug	
	e	Implementation of change in MOLC, if any, no sooner than	NF/MM/GC	JW/ON/BC	Jun-27	
LRP-7		**Liability Program Evaluation of Primary Excess Liability Program and how BASIC and CCSA participate**				
	a.	Discuss conceptual approach to developing a SPA PELP, provide direction	NF/MM	JW/ON	Nov	Verbal Discussion at 11/10/25 Meeting
	b	Development of conceptual approach and transition plan	NF/MM	JW/ON	Feb	Verbal Update
	c	Approve transition to new SPA PELP (note this may be a July 1, 2027 goal)	NF/MM	JW/ON	Mar	
	d	Coverage for PELP commences	NF/MM	JW/ON	Jul	
LRP-8		**SPA HR Hotline Solution**				
	a	This item needs further development by SPA Board	TBD	TBD	TBD	

BOD: SPA Board of Directors
PA: SPA Program Administrator
MM: Managing Member
CFO: SPA Accounting and Finance

AIS: Alliant Ins. Svcs.(Property Program)
NF: Newfront Insurance (Liability Program)
GC: SPA General Counsel
PCA: SPA Property Claims Administrator at SIA

Schools Program Alliance
c/o Alliant Insurance Services
Corporation Insurance License No. 0C36861

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.3.

MANAGING MEMBER FINANCIAL REPORT

ACTION ITEM

ISSUE: Managing Member Financial Report 2ND Quarter 2025/26

RECOMMENDATION: Review, accept and file, or provide direction.

FISCAL IMPACT: None expected from this item.

BACKGROUND: SPA members' annual contributions provide for 1) a Property Program, including a shared retained layer, related administrative costs, and excess insurance purchases, and 2) a Liability Program of excess insurance purchases. The Schools Insurance Authority (SIA) functions as the Managing Member per the JPA agreement. The Managing Member receives and disburses funds, enters into contracts, and otherwise manages the financial operations of SPA. Quarterly GAAP financial reports are prepared to report on these activities.

Managing Member Financial Update:
Financial Reports – Financials for the period ending December 31, 2025 are provided for the Board's review. The financials reflect a combined net position of $6.1M (up $1.5M from June 30, 2025). The financials have been updated for the June 30, 2025 actuarial study and prepared before the completion of the 24/25 audit. Thus, the beginning balance is still an estimate. Summary financial details:

- Total Assets of $31.8M; total liabilities estimated at $25.7M.
- Claims Liabilities outstanding are estimated at $4.9M. This includes the effects of recording actuarial IBNR as of June 30, 2025 (an increase of $364K) as noted earlier.
- Property Program Pool, results:
    - Surplus from claims operations of about $1.1M, plus investment income of $228K yield net position increase of $1.3M.
    - Ending Net Position is about $4.9M (up about $1.3M from June 30, 2025).

Audit – The audit is resumed with the completion of the actuarial study, pending completion.
Program Year Equity – Following is a schedule of retained layer results within the property program. Summarized by program year, total incurred losses are compared to revenues.

PROPERTY RETAINED LAYER ANALYSIS
By Program Year

	Aggregate Limit	Retained Layer Revenues	Total Incurred Losses as of 12/31/25	IBNR Assigned by Actuary	Retained Layer Claims Equity
20/21 FY	3,000,000	3,000,000	-		3,000,000
21/22 FY	3,000,000	1,500,000	2,500,000	1,000	(1,001,000)
22/23 FY	3,000,000	3,000,000	2,472,249	22,000	505,751
23/24 FY	3,000,000	3,000,000	2,500,000	38,000	462,000
24/25 FY	3,000,000	3,000,000	2,932,597	67,403	-
		13,500,000	10,404,846	128,403	2,966,751

ATTACHMENTS:
1. Check Register
2. Financials for Quarter Ending December 31, 2025

SCHOOLS PROGRAM ALLIANCE
CHECK REGISTER

FY Ended 6/30/26

DISBURSEMENT TRANSACTIONS FISCAL YEAR 2025-26

Check Number	Vendor ID	Vendor Check Name	Check Date	Amount	Inv. #	Date	Description
1st Quarter 25-26							
wire payment	BMS Bermuda Limited	BMS Bermuda Limited	7/29/2025	575,000.00	#10075K25		Wire to BMS Bermuda for excess liab insurance
book xfer	SIA	SIA- Admin	7/30/2025	16,000.00	Various	Various	Reimb SIA for Gilbert - 6/30/24 annual audit for SPA
wire payment	NBSIA	North Bay Schools	7/31/2025	656,374.61			Reimb. claim #24-3941 for Napa Valley Silverado CAT 2419
1003	SIG	Schools Insurance Group	7/23/2025	5,175.70	1220	6/5/2025	SIG for California Safety Training - loss control exp
wire	LAIF	LAIF	9/12/2025	5,000,000.00			Wire to LAIF
1018	Franchise Tax Board	Franchise Tax Board	9/15/2025	7,652.00			2023 California Form 570 Nonadmitted Insurance Tax Return
1016, 1017	Franchise Tax Board	Franchise Tax Board	9/15/2025	7,847.00			2024 California Form 570 Nonadmitted Insurance Tax Return
1007	Franchise Tax Board	Franchise Tax Board	9/15/2025	17,250.00			2025 California Form 570 Nonadmitted Insurance Tax Return
1010	Kroll	Kroll	9/15/2025	4,610.00	TI000032315-2000	8/12/2025	100% SIA properties; 6410 - non-pooled
1012, 1015	Alliant	Alliant	9/15/2025	7,653.00	SPA-LRP2025	8/29/2025	The Lodge at Tiburon-SPA Strategic Planning meals/space 8/19-8,
				6,297,562.31			
2nd Quarter 25-26							
book xfer	SIA	Schools Insurance Authority	10/2/2025	27,340.78			Wire to SIA/Natomas Bannon Creek SPA #25-7136
1005	Alliant	Alliant	11/20/2025	7,650.00	120306	8/26/2025	C. Nahas project, was reprinted from Sept.
1019	SIG	Schools Insurance Group	10/1/2025	6,125.30	1248	9/15/2025	Reimb SIG for Cal Safety Training
1020	SIG	Schools Insurance Group	11/20/2025	6,041.30	1276	11/17/2025	Reimb SIG for Cal Safety Training
1021	Prime Actuarial	Prime Actuarial	12/29/2025	7,500.00	32016	12/12/2025	Actuarial review as of 6/30/25
1022	Gilbert Assoc	Gilbert Assoc	12/29/2025	-	352956	9/30/2025	Progress billing on 6/30/25 annual audit of SPA - Void
1023	SIG	Schools Insurance Group	12/29/2025	5,105.00	1257	10/9/2025	Reimb SIG for Cal Safety Training
				59,762.38			
3rd Quarter 25-26							
				-			
4th Quarter 25-26							
				-			

* SIA check number/activity; advanced by SIA, due from SPA to SIA to reimburse

SCHOOLS PROGRAM ALLIANCE
PROPERTY & LIABILITY INSURANCE PROGRAMS
STATEMENT OF NET POSITION
Unaudited - For Management Purposes Only
AS OF DECEMBER 31, 2025

	BSSFP	CCSA	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
ASSETS										
Cash	39,471	76,905	161,020	120,575	843,661	221,690	12,768,967	14,232,289	(134,014)	14,098,275
Accounts Receivable					1,390			1,390	135,300	136,690
Other Receivables							134,109	134,109	0	134,109
Prepaid Insurance							10,960,272	10,960,272	6,483,172	17,443,444
TOTAL ASSETS	**39,471**	**76,905**	**161,020**	**120,575**	**845,051**	**221,690**	**23,863,349**	**25,328,060**	**6,484,458**	**31,812,517**
LIABILITIES										
Accounts Payable	714	7,215	3,836	5,449	20,181	5,107	154,197	196,697	1,035	197,732
SIA Admin payable								0		0
Loss Control payable								0		0
Appraisal payable								0		0
Deferred Contributions	3,804	38,452	20,442	29,040	107,548	27,212	13,011,272	13,237,770	6,483,172	19,720,941
Advances Payable							863,788	863,788		863,788
Claims Liabilities							4,910,694	4,910,694		4,910,694
TOTAL LIABILITIES	**4,518**	**45,667**	**24,278**	**34,489**	**127,729**	**32,319**	**18,939,951**	**19,208,948**	**6,484,207**	**25,693,154**
NET POSITION	**34,954**	**31,238**	**136,742**	**86,086**	**717,322**	**189,372**	**4,923,398**	**6,119,112**	**251**	**6,119,363**

RECONCILIATION OF MEMBER EQUITY BALANCES

NET POSITION	BSSFP	CCSA	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
Retained Layer	0	0	0	0	0	0	4,912,551	4,912,551	251	4,912,802
SIA Admin	0	0	0	0	0	0	10,847	10,847		10,847
Loss Control	24,155	16,977	97,103	32,064	621,977	136,331	0	928,609		928,609
Appraisals	10,799	14,261	39,638	54,022	95,345	53,040	0	267,105		267,105
NET POSITION	**34,954**	**31,238**	**136,742**	**86,086**	**717,322**	**189,372**	**4,923,398**	**6,119,112**	**251**	**6,119,363**

SCHOOLS PROGRAM ALLIANCE
PROPERTY & LIABILITY INSURANCE PROGRAMS
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION
Unaudited - For Management Purposes Only
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

	BSSFP	CCSA	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
CONTRIBUTION REVENUE										
Retained Layer Deposit							2,000,000	2,000,000		2,000,000
Reinsurance Payments							10,960,271	10,960,271	6,483,172	17,443,443
Total Retained & Reinsurance Contributions	0	0	0	0	0	0	**12,960,271**	**12,960,271**	**6,483,172**	**19,443,443**
SPA Admin Contributions*										
Administrative	714	7,215	3,836	5,449	20,181	5,107	51,000	93,500		93,500
Loss Control	1,679	16,977	9,025	12,821	47,483	12,015	0	100,000		100,000
Appraisal	1,411	14,261	7,581	10,770	39,886	10,093	0	84,000		84,000
Total Admin Contributions	3,803	38,453	20,442	29,040	107,550	27,213	51,000	277,500	0	277,500
TOTAL CONTRIBUTIONS	**3,803**	**38,453**	**20,442**	**29,040**	**107,550**	**27,213**	**13,011,271**	**13,237,771**	**6,483,172**	**19,720,943**
EXPENSES										
Claims Expenses							921,341	921,341		921,341
Insurance Premiums							10,960,271	10,960,271	6,482,921	17,443,192
Professional Services							32,500	32,500		32,500
Board Member Activities							7,652	7,652		7,652
SPA Admin Expenses*								0		0
SIA Administrative	714	7,215	3,836	5,449	20,181	5,107	0	42,500		42,500
Loss Control						22,444	1,214	23,658		23,658
Appraisals					3,220			3,220		3,220
TOTAL EXPENSES	**714**	**7,215**	**3,836**	**5,449**	**23,401**	**27,551**	**11,922,977**	**11,991,141**	**6,482,921**	**18,474,063**
Operating Income	**3,090**	**31,238**	**16,606**	**23,591**	**84,149**	**(338)**	**1,088,294**	**1,246,630**	**251**	**1,246,881**
Non Operating Income - Interest							228,240	228,240		228,240
INCREASE (DECREASE) IN NET POSITION	3,090	31,238	16,606	23,591	84,149	(338)	1,316,533	1,474,869	251	1,475,120
NET POSITION, BEGINNING OF PERIOD - ESTIMATED	31,865	0	120,136	62,495	633,173	189,709	3,606,865	4,644,243	0	4,644,243
NET POSITION, END OF PERIOD	**34,954**	**31,238**	**136,742**	**86,086**	**717,322**	**189,372**	**4,923,398**	**6,119,112**	**251**	**6,119,363**

* SPA Admin contributions & expenses allocated per Admin Cost (TIV based) approved by SPA Board

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.4.

INVESTMENT POLICY

ACTION ITEM

ISSUE: Consider Proposed Investment Policy & Investment Procedures

RECOMMENDATION: The Board consider approval of the attached policy and related procedures.

FISCAL IMPACT: None.

BACKGROUND: The SPA Board has initiated a process to apply for CAJPA accreditation. As part of the accreditation process, Alliant and Managing Member staff are in the process of collecting and/or developing necessary documentation, policy, and procedures to establish best practices and meet CAJPA standards.

SIA, as the Managing Member for SPA, serves the SPA Board by providing financial management services to support SPA programs. In this regard, SIA generally applies the existing SIA internal controls in administration of SPA business, including investments.

One of the CAJPA Accreditation standards is "Investment of Funds". In support of this standard, the following draft documents are submitted for Board Member consideration, feedback and approval.

<u>Schools Program Alliance Investment Policy</u>

- largely modeled after the SIA investment policy and with contributions from another policy submitted by Alliant,
- provides delegation of authority to the SPA Treasurer and Managing Member staff to invest, manage, and report on investments, including reporting to the SPA Chair
- provides the required elements for CAJPA accreditation, and in compliance with applicable government code.

<u>Procedures for Managing Member Investment of Funds</u>

- procedures necessary for CAJPA accreditation,
- modeled after the SIA investment procedures,
- includes procedures for investment of funds beyond LAIF investment.

ATTACHMENTS:

1. Schools Program Alliance Investment Policy
2. Procedures For Managing Member Investment of Funds

SCHOOLS PROGRAM ALLIANCE INVESTMENT POLICY

INTRODUCTION and PURPOSE

The Schools Program Alliance is Joint Powers Authority (Authority) was formed by independent member JPA's joined together to protect member resources by stabilizing risk costs and costs for related services in a reliable, economical, and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

This statement provides guidelines for the prudent investment of the funds of the Authority and outlines the policies and procedures for maximizing the efficiency of SPA's cash management system. The ultimate goal is to enhance the economic standing of the Authority, while protecting its pooled funds.

This investment policy was endorsed and adopted by SPA Board of Directors and is effective as of [Month] [day], 2026, [and replaces any previous versions].

I. POLICY

It shall be the policy of the Authority, to invest public funds in a manner which will (1) preserve principal; (2) meet the Authority's daily cash flow needs; and (3) optimize returns while conforming to all federal, state, and local statutes governing the investment of public funds. The Authority's investment portfolio shall be a suitable blend of investment strategies which achieve the desired objectives of the Authority as stated above.

II. SCOPE

This investment policy applies to all financial assets of the Authority not required for immediate necessities. These funds are accounted for in the Authority's annual financial report and include the following programs/funds:

- Property Program
- Liability Program (once sufficient cash resources are available)
- Other programs as approved by the Board of Directors

Costs of authorized investment-related services specific to one fund shall be allocated to that fund. Costs of authorized investment-related services not allocable to any one fund shall be allocated among all funds in proportion to the relative amounts invested from each fund.

III. GENERAL OBJECTIVES

The primary objectives, in priority order, of the Authority's investment activities shall be:

A. Safety
   Safety of principal is a primary objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
   1. Credit Risk
      The Authority will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
      - Limiting investments to the types of securities listed in Section VII of this Investment Policy

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Authority will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized

2. Interest Rate Risk
   The Authority will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
   - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
   - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see Section VII).

B. Liquidity
The Authority's investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which can be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

C. Return on Investment
The Authority's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
1. A security with declining credit may be sold early to minimize loss of principal
2. Replacing a security would improve the quality, yield, or target duration in the portfolio
3. Liquidity needs of the portfolio require that the security be sold.

IV. STANDARDS OF CARE

A. Prudence

The Authority's governing body or persons authorized to make investment decisions on behalf of the Authority are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this requirement and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The Authority's governing body or persons authorized to make investment decisions on behalf of the Authority, while acting in accordance with written procedures and their investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

B. Ethics and Conflicts of Interest
Officers and employees of the Authority involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the Authority's investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Authority. Officers and employees of the Authority involved in the investment process shall not accept honoraria, gifts and gratuities of more than nominal value from advisors, brokers, dealers, bankers and others with whom the Authority contracts for investment-related services.

C. Delegation of Authority
Authority to manage the Authority's investment program is derived from Government Code Sections 53601 and 53601.1. Government Code Section 53607 allows annual delegation of investment authority to the Authority's Treasurer. Accordingly, and pursuant to Authority Bylaws, responsibility for the operation of the investment program is hereby delegated to the Authority's Managing Member (Chief Financial Officer for Schools Insurance Authority), which shall act as Treasurer and shall comply with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include reference to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions, except as provided under the terms of this policy, and the procedures established by the Authority Board. No person may engage in an investment-transaction except as provided under the terms of this policy and the procedures established by the Authority Board. The Treasurer, in consultation with the Board Chari, Vice Chair, and/or other Board Members, may individually or jointly approve all transactions undertaken and shall establish a system of control to regulate the activities of subordinate officials.

V. SAFEKEEPING AND CUSTODY

A. Delivery vs. Payment
All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

B. Safekeeping
Securities purchased from broker/dealers will be held in a third-party custodian safekeeping account except the collateral for time deposits in banks and savings and loans. Collateral for time deposits shall be held in accordance with California law.

C. Internal Controls
A system of internal controls shall be established and documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, misrepresentation of third parties, or imprudent actions by Authority/Managing Member employees or officers. Such controls shall include annual review of the investments and general activities associated with the investment program by the Authority's outside auditor. This review will provide internal control by assuring compliance with the Investment Policy and the Authority's policies and procedures

VI. AUTHORIZED & SUITABLE INVESTMENTS

Pursuant to Government Code section 56301, the legislative body of the Authority, having moneys in a sinking fund or in its treasury not required for the immediate needs of the local agency, may invest any portion of such moneys that it deems wise or expedient in those investments set forth below:

Allowable Investments Table

Investment Type	Max Maturity	Max % of Portfolio	Min Quality
Local Agency Bonds	30 years	None	None
U.S. Treasury Obligations	30 years	None	None
State Obligations (CA & Others)	30 years	None	None
CA Local Agency Obligations	30 years	None	None
U.S. Agency Obligations	30 years	None	None
Bankers' Acceptances	180 days	40% (30% per bank)	None
Commercial Paper (All Types)	270 days	25–40%	Highest by NRSRO
Negotiable CDs	30 years	30%	None
Non-negotiable CDs	30 years	None	None
Placement Service Deposits/CDs	5 years	30–50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements/Securities Lending	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	"A" or better
Money Market & Mutual Funds	N/A	20% (10% per MF)	Highest ratings
Collateralized Bank Deposits	30 years	None	None
MBS/ABS	5 years	20%	"AA" or better
County Pooled Investment Funds	N/A	None	None
JPA Pools	N/A	None	Advisor requirements apply
LAIF	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" or better
Public Bank Obligations	5 years	None	None

VII. INVESTMENT PARAMETERS

A. Diversification
The investments shall be diversified by:
- limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as LAIF, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

VIII. REPORTING

The Treasurer shall submit a quarterly report to the Board President and Authority Board which complies with the requirements of Government Code Sections 53646 (b) and (c). This report shall be provided to the Authority Board at the next regularly scheduled meeting. Reports will include performance, market sector breakdown, interest earnings, portfolio market value, etc.

A. Performance Standards
The investment portfolio will be designed with the objective of regularly meeting or exceeding a selected performance benchmark. The Authority's investment strategy is passive. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be the 12-month moving average of the 2-year Constant Maturity Treasury (CMT).

B. Marking to Market
The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly.

Since investment authority has been delegated to the Treasurer, the Treasurer shall render a monthly report of investment transactions to the Board which complies with the requirements of Government Code Section 53607.

IX. INVESTMENT POLICY ADOPTION

The investment policy shall be formally approved and adopted by the Board of Directors of the Authority and reviewed annually.

SCHOOLS INSURANCE AUTHORITY

Procedures for Managing Member Investment of SPA Funds

Types of Investments Allowable:

Refer to Schools Program Alliance (Authority) investment policy, section VI.

Safekeeping:

Reference Custodial Agreement [as appropriate – for LIAF (CA government pool) no custody agreement in place] between SIA and U.S. Bank

Delegation of Investment Authority:

Pursuant to the Authority Investment Policy, the Managing Member (SIA Executive Director and/or SPA Treasurer, also the SIA CFO) is delegated responsibility for the operation of the investment program. For efficiency and continuity of operations of both SPA and SIA, whenever possible, the managing member shall apply the internal controls, approvals, practices, etc… already in place for SIA normal business process transactions and investing transactions. The Treasurer shall:

- Review cash flows
- Review the investment model
- Review the Monthly Investment reports
- Direct Authority's broker on the buying and selling of investment instruments
- Obtain authorization from two members of the SPA Board of Directors for purchases with maturities of more than five years
- Provide quarterly financial investment reports to the Executive Director and Authority Board of Directors.
- Treasurer to provide a monthly report on investment transactions to the Board.

The Managing Member is directed to keep liquidity as the first priority, safety as the second priority, and return as the third priority and shall perform his/her duties as a "prudent person" exercising due diligence. The Managing Member shall determine, prior to investing Authority funds, that the Authority is able to meet its financial obligations for the following six months. All documents regarding buy and sell orders shall be kept on file.

Investment Program Internal Procedures – Effective 2025/26

Accounts:

SCHOOLS INSURANCE AUTHORITY

Procedures for Managing Member Investment of SPA Funds

Accounts involved in the investments process include:

- SPA US Bank Account (managed by the Managing Member)
- SPA Local Agency Investment Fund (LAIF) (managed by Managing Member)

Cash balances in excess of the amount needed for daily operations in the US Bank Account (general checking account) will be moved into another interest-bearing account (possible commercial paper Sweep Account) or governmental investment pool account. LAIF is an additional interest earning option for short-term earnings on readily available funds currently in use. If the US Bank Account balance drops below the amount needed for daily operations, money from interest-bearing/LAIF account will be moved back to meet SPA operating needs. The Authority may ultimately designate that sufficient resources have been accumulated to facilitate expanded investment opportunities and necessitate that Custodial Investment Account is used to facilitate investment transactions including buy and sell orders, receiving interest payments and call proceeds. LAIF cannot transfer directly to/from the investment custodial accounts. Transfers must go through the U.S. Bank Account, and are accounted for below.

For efficiency and continuity of operations of both SPA and SIA, the managing member shall apply the internal controls, approvals, practices, etc… already in place for SIA normal business process transactions and investing transactions, as outlined below, and customized to support SPA investments:

Sales and Purchases:

Investments outside of LAIF are not currently made. Should security investments outside LAIF be approved by the Authority Board, following are SIA procedures that will be implemented, with any adjustments deemed necessary to facilitate effective SPA investment operations:

- *Authority may work with an independent investment brokerage firm and/or advisor, to facilitate trading.*
- *The Managing Member staff (Executive Director, SPA Treasurer/SIA Chief Financial Officer) will contact the broker/advisor regarding an interest in buying or selling investments.*
- *The broker presents possible purchasing or selling opportunities to the Managing Member staff.*
- *With the approval of the Managing Member staff the broker/advisor will develop purchase and/or sell orders and deliver those to the Managing Member staff.*
- *The Managing Member staff ensures the funds are available for the trade.*
- *Soft and hard copies confirming the trades are retained in the Managing Member file records consistent with SIA trading activities.*

SCHOOLS INSURANCE AUTHORITY

Procedures for Managing Member Investment of SPA Funds

- *The Managing Member staff (Director of Finance or SPA Treasurer/SIA CFO) will notify the investment custodian of trades: [insert notification instructions]*

Transfers between SPA Bank Account and Custodial Investment Account:

A custodial account is not currently in use. Should a custodial account be approved by the Authority Board, following are SIA procedures that will be implemented, with any adjustments deemed necessary to facilitate effective SPA investment operations:

- *Director of Finance sets up a book transfer/ACH between Operations (to/from) Custodial accounts.*
- *U.S. Bank deposits/ transfers between Operations and Custodial are facilitated via US Bank Singlepoint online service.*
- *The Chief Financial Officer approves Singlepoint book transfers, prints to pdf file (soft copy) of the transaction record.*
- *Confirmation of the ACH or book transfer will be seen in the on-line bank account activity reports the following day.*
- *Staff posts transaction in general ledger.*

Transfers between SPA US Bank Account and LAIF Account:

- SIA Director of Finance requests the transfer of funds between LAIF (to/from) Operations accounts.
- Authority Board Chair and SIA Executive Director are notified of the movement of funds to/from LAIF.
- Authorized person (SPA Treasurer or SIA Executive Director) will initiate LAIF deposit through the online LAIF portal (or as a back-up protocol via telephone LAIF (916) 653-3001).
- Back-up phone call protocols:
  - LAIF will ask for identification and previously assigned personal PIN.
  - State dollar amount ($5,000 minimum, $1,000 increments).
  - Note confirmation number and LAIF contact name.
- LAIF already has the U.S. Bank Operations account number as a valid number for transactions. Select this as the transfer to/from account.
- Treasurer approves transfer and print to pdf file (soft copy) verification of transfer.
- Staff posts transaction in general ledger.

Monthly Reconciliation:

Should SPA accumulate sufficient assets to invest outside the LAIF pool, a custodian of investments shall be identified. Additionally, the Authority may wish to retain the services of an investment advisor or broker to assist in investment practices. The Selected Broker will be required to provide detailed investment reports. The monthly custodial statement (and LAIF statement is also incorporated herein and procedures below) is reconciled to the GL by the Senior Accountant and reviewed by the Director of Finance. A quarterly Treasurers Report is prepared and provided for the Authority Board.

- Download reports from the Custodial/LAIF website. Example procedures are provided for a US Bank Custodian and will need to be refined ultimate upon selection of an investment custodian for investments to be held outside of LAIF.:
  - Comprehensive holdings as of MM-DD-YYYY
  - Month end investment detail with accruals
  - Monthly LAIF statement including interest earnings
- Compare with the schedule from Broker statement sent by email.
- Perform an account reconciliation; identify and explain any material differences and reconciling items noted.
- Documentation for all approved LAIF transfers is provided to the Managing Member accounting staff at the conclusion of each transaction for recording into Great Plains.
- Prepare journal entries for the purchases, sales, interest earnings and market value changes.
- Verify that the general ledger in Great Plains ties with the reconciliation between U.S. Bank/LAIF.
- Digital copies are saved at a confidential location on Managing Member directory
- Quarterly - Prepare the Treasurers Report cover sheet listing the cash and investment balances and the average yields. Digital copies are saved on the a confidential network directory.
- Treasurer reviews the Treasurers Report and signs the report and attaches the corresponding Selected Broker detail report. The Board Chair Executive Director will review the report. The report is emailed to the Executive Secretary for inclusion in the monthly Executive Committee meeting agenda which is emailed to the Board members.

GENERAL ACCOUNT INFORMATION

U.S. Bank:

- **Account #:**
  - U.S. Bank Operations XXXXXXXXX000
- **Authorized positions:**
  - Managing Member Executive Director

- Managing Member CFO
- Managing Member Director of Finance

LAIF:

- Account #: XXXX000
- Authorized positions:
  - Board Chair
  - Vice Chair
  - Treasurer
  - Board Member (SIA Executive Director)

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.5.

UPDATE ON CCSA REQUEST TO CONSIDER NEW MEMBER FRESNO UNIFIED SCHOOL DISTRICT

INFORMATION ITEM

ISSUE: At the last meeting CCSA asked to SPA Board to review the process and ability to add Fresno Unified School District to the SPA Property and Liability Programs. FUSD's coverage renews April 1, 2026, and the Board felt that there was no way to underwrite the liability coverage and consider program impacts of adding such a large member in less than 90 days. CCSA was asked to gather a full underwriting submission for a potential start date in the future, but definitely not April 1, 2026. The request to add the property program is not as complex and a full submission has been provided. CCSA and the Property Program Administrator will provide an update at today's meeting.

RECOMMENDATION: It is recommended that the SPA Board review additional information and take action or provide direction at today's meeting.

FISCAL IMPACT: No fiscal impact is expected from any action taken at today's meeting. If SPA does agree to provide coverage to FUSD through CCSA, there will be deposits, reinsurance premiums and administrative charges calculated in accordance with SPA's rating plans and approved by the Board at a future meeting.

BACKGROUND: CCSA's membership includes CRMA and its member school districts located in the central San Joaquin Valley. FUSD has been on a stand-alone program for many years but is interested in a CCSA/SPA coverage program that would likely provide cost and coverage improvements from its current program. Additional information on the FUSD program and exposures will be provided as a part of the SPA underwriting process.

ATTACHMENTS: SPA P&P No. 2-Property – Property Program Underwriting Procedures

Policy & Procedure No. P&P 2-Property

ADOPTED: January 11, 2021

AMMENDED: January 8, 2024

AMMENDED EFFECTIVE: January 8, 2024

SUBJECT: Property Program Underwriting Procedures

Should there be any discrepancy between this documents and the JOINT POWERS AGREEMENT or the Property Program Memorandum of Coverage, the JOINT POWERS AGREEMENT and Property Program Memorandum of Coverage will govern.

PURPOSE:

The Schools Program Alliance (SPA) has developed a **Property Program** for its **Members**. SPA has established rating plans and operating practices 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 locations, members to existing **Members** and prospective new **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;
- Relationship of loss exposure so that rates reflect each **Member's** relative exposure to loss; and
- Growth in membership managed so that addition of new locations or members to existing **Members** and addition of prospective new **Members** supports the overall goals of SPA and mitigates potential negative impacts to SPA **Members**.

PROCEDURE:

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

1. <u>Underwriting guidelines /funding requirements/rating plan</u>

   Rates are established by the **Board** based upon multiple factors including, but not limited to, the following:

- The **Program Administrator** shall gather and analyze information on **Member** exposures including but not limited to the schedule of values, loss history, loss control reports, and exposure modeling.
- 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 a review of the methodology for calculating member contributions and reinsurance premiums.

2. New locations, new members of existing Members and prospective new **Members (**This section does **not** apply to new construction projects applicable to Course of Construction/Builders Risk exposures– see Section 3 for handling of those risks**)**

Existing Members may add additional locations or members to their membership and receive coverage under the SPA Property Program as provided in the automatic acquisition and reporting requirements of the Property Program Memorandum of Coverage. If the additional locations or members exceed the automatic acquisition coverage or trigger reporting requirements of the Memorandum of Coverage, then the Member shall in advance of receiving coverage under the SPA Property Program provide underwriting information and any report or findings of the Member's own underwriting review. The Program Administrator shall then prepare a report for the Board summarizing the new locations or members and the impact on the Property Program considering the policy and procedures of this Policy and Procedure No. 1- Property. The Board may then take action to approve or deny coverage under the Property Program and may direct the Program Administrator to secure approval of the Property Program's insurance and reinsurance underwriters. The Program Administrator will advise the Member and the Board the effective date of coverage if it is approved.

A prospective new Member of SPA 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 considering the policy and procedures of this Policy and Procedure P&P No. 1-Property and may confer with insurance and reinsurance underwriters for additional evaluation. The **Program Administrator** shall prepare a report to the **Board** summarizing the prospective new 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 profiles
- Impact of the prospective new Member on availability of coverage and aggregate limits; and,
- SPA's ability to serve effectively the prospective member.

New Members, new locations and new members of existing Members shall be scheduled to have a property insurance appraisal within 5 years of the most recent appraisal or as soon as practicable after joining if the most recent appraisal has not been within 5 years.

This section does not apply to new construction projects that apply to Course of Construction/Builders Risk exposure – see Section 3 for information related to those risks

3. Construction projects related to Course of Construction/Builders Risk exposure

It is understood that while the SPA Property MOC allows for automatic inclusion of "Course of Construction" (COC) risks up to a stated sublimit of value, the SPA Board has implemented this targeted underwriting policy for these risks. It is recommended that SPA members place COC coverage through the contractor performing the work. If a member prefers not to have the contractor purchase COC coverage, SPA Members may submit construction projects valued at $5,000,000 or less on a per building basis for automatic inclusion into the SPA Property Program. However, COC risks for construction projects valued over $5,000,000 must be placed outside of the SPA Property Program. The SPA MOC and reinsurance agreements have limitations based on COC at a site, so a Member with multiple buildings at a site or as part of a package of construction should consult with the Program Administrator to see whether SPA's Property Program can accommodate such a project.

The rate charged for projects covered in the SPA Property program will be based on the SPA Member's allocated rate set at inception of the current/in-force MOC.

SPA cannot guarantee that COC coverage will be available in succeeding program years, therefore it is recommended that all COC exposure be placed on a separate policy outside of the SPA Property Program.

4. Placement options for buildings $5,000,000 or greater (i.e,. those excluded from SPA coverage, per section 3 above):

There are two options SPA Members can pursue when obtaining coverage for projects/buildings that do NOT qualify for SPA coverage:

A. Contractor: Request and obtain coverage from the Contractor conducting the project. In this case, the Contract will advise on steps and data needs. Or
B. Program Administrator/Alliant: Alliant can obtain an open-market option for COC coverage, subject to prevailing market conditions. Alliant will need 90 days and a completed "New Location Questionnaire" in order to conduct an marketing effort. These requests should be submitted to Michelle Minnick or, if not available, another member of the Alliant SPA team.

5. 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.

Schools Program Alliance
c/o Alliant Insurance Services
Corporation Insurance License No. 0C36861

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.6.

STRATEGIC PLANNING 2026 MEETING LOCATION

INFORMATION ITEM

ISSUE: The Board is asked to consider the location and the date of the annual strategic planning meeting.

Hotel Rooms are $239 per night, plus the discounted $15 resort fee and appliable tax.

Option #1: August 25th and 26th, 2026 at Lodge a Tiburon
Option #2: Request Proposals from other venues

RECOMMENDATION: Provide direction regarding the dates and location for the 2026 Strategic Planning Meeting.

FISCAL IMPACT: $10,000 for meals and the meeting room.

BACKGROUND: Traditionally the SPA Board meets once a month on the second Monday of each month. In 2025 the SPA Board held its annual meeting in Tiburon during the month of August.

ATTACHMENTS: None.

Board of Directors
Teleconference Meeting
February 9, 2026

Item G.7.

APPL QUOTE

ACTION ITEM

ISSUE: The Board is asked to consider coverage for Trustee Errors and Omissions Insurance through the Alliant Public Pool Liability Program (APPL). The coverage provides a $1M limit for claims arising from Wrongful Acts committed by an Insured, including the governing board, officers, and professional liability of the pool.

Typical claims are outlined in the attached and include disputes regarding board decisions such as coverage and membership, board member v. board member actions, and regulatory proceedings.

The policy has 4 deductible options (listed below) for those claims in which the JPA is able to indemnify the insured member and no deductible if the claim is solely against a member and/or it may not be indemnified by the JPA.

APPL JPA Primary Claims Made Trustees Errors and Omissions		
Limit	**Deductible**	**Premium**
$1,000,000	$25,000	$21,849.75
$1,000,000	$100,000	$15,000
$1,000,000	$150,000	$13,250
$1,000,000	$250,000	$11,400

RECOMMENDATION: The Board is asked to consider and select a deductible for the APPL coverage.

FISCAL IMPACT: Depending on selected deductible, pricing ranges from $11,400 to $21,849.75.

BACKGROUND: This coverage comes into play in case of a claim against a Board member, officer, or others acting for or on behalf of the organization. While claims are rare, this coverage protects the group's assets when required to indemnify a member and covers the individual's exposure when the JPA is not involved or can't indemnify the member.

ATTACHMENTS: APPL Quote

Schools Program
Alliance JPA

APPL JPA Primary Claims Made Trustees Errors and Omissions

Insurance Proposal
2026 – 2027

Presented by:
David Evans, Senior Vice President
Candice Solarz, Account Manager Lead

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
O 949 756 0271
F 000 000 0000

CA License No. 0C36861

www.alliant.com

Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
- Employee Benefits
  - Strategy
  - Employee Engagement
  - Procurement
  - Analytics
  - Wellness
  - Compliance
  - Benefits Administration
  - Global Workforce
- Industry Solutions
  - Construction
  - Energy and Marine
  - Healthcare
  - Law Firms
  - Public Entity
  - Real Estate
  - Tribal Nations
  - And many other industries
- Co-Brokered Solutions
  - Automotive Specialty
  - Energy Alliance Program
  - Hospital All Risk Property Program
  - Law Firms
  - Parking/Valet
  - Public Entity Property Insurance Program
  - Restaurants/Lodging
  - Tribal Nations
  - Waste Haulers/Recycling
- Business Services
  - Risk Control Consulting
  - Human Resources Consulting
  - Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States.

Named Insured / Additional Named Insureds

Named Insured(s)
Schools Program Alliance JPA

Additional Named Insured(s)
None Disclosed

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a “Subsidiary” pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter’s acceptance of any proposed amendments to the policy, including expansion of the scope of “Insureds” under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Line of Coverage

Primary Claims Made Trustees Errors and Omissions Coverage

INSURANCE COMPANY:	Lloyds of London Beazley
A.M. BEST RATING:	A (Excellent), Financial Size Category XV ($2 Billion or greater) as of November 3, 2025
STANDARD & POOR'S RATING:	Not Rated
STATE STATUS:	Non- Admitted
POLICY/COVERAGE TERM:	January 1, 2026 to January 1, 2027
RETROACTIVE DATE:	Inception
COVERAGE **COVERAGE LOCATION:**	Primary Claims Made Trustees Errors and Omissions 36-951 Cook St., Suite, 101, Palm Desert, CA 92211
LIMITS:	$1,000,000 Any One Claim Including Claims Expenses $1,000,000 In the Aggregate Including Claims Expenses
SUB-LIMITS: (Including but not limited to)	$ 1,000,000 One Direct Reinstatement 10% of the Limit Additional Defense Limit $100,000 Loss of Documents $1,000,000 Employment Practices Violation Included in Limit Breach of Confidentiality Extension Included in Limit Libel and Slander
DEDUCTIBLES: The Deductibles only apply to Loss incurred by the Organization or for which the Insured Individual is	$25,000 Any One Claim including Claims Expenses

Indemnifiable. For Loss which the Individual Insured is not Indemnifiable by the Organization Nil Deductible(s) shall apply.

Primary Claims Made Trustees Errors and Omissions Coverage - Continued

ENDORSEMENT &EXCLUSIONS: (INCLUDING BUT NOT LIMITED TO)	• Fraud, dishonesty or criminal acts or omissions Exclusion • Actual or alleged failure by any Insured to make an accounting or profit and/or surplus Exclusion • Actual or alleged excessive or unwarranted fees or charges Exclusion • Domestic Partner Coverage Extension • Service of Suit • Innocent Insured – Coverage denials caused by one insured shall not affect coverage for the innocent insureds.
ANNUAL PREMIUM::	$20,750.00 Annual Premium $ 62.25 Stamping Fee (0.3%) $ 1,037.50 Surplus Lines Taxes &Fees (5%) $21,849.75 Total Annual Cost
TERRORISM OPTION:	1% Allocated Premium Included in Premium shown herein **IMPORTANT NOTICE:** THE NONADMITTED & REINSURANCE REFORM ACT (NRRA) GOES INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.
QUOTE VALID UNTIL:	February 20, 2026
CHOICE OF LAW:	California

CLAIMS REPORTING:	Robert Frey Alliant Insurance Services, Inc. 100 Pine St, 11th Floor San Francisco, CA 94111-5101 rfrey@alliant.com Phone: 415-403-1445 Fax: 415-402-0773
TERRITORIAL LIMITS:	Anywhere in the World
BINDING CONDITIONS:	• Signed and currently dated, "Request to Bind" page • Payment is due to Alliant within 20 days of binding An optional extension period is available based on the premium schedule shown here • 1 year for 100% of the total premium paid • 2 years for 150% of the total premium paid • 3 years for 200% of the total premium paid

Name Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Other Disclosures / Disclaimers - Continued

Claims Made Policy (D&O/EPL):

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx
http://www.ambest.com/resource/glossary.html
http://www.irmi.com/online/insurance-glossary/default.aspx

Request to Bind Coverage

Primary Claims Made Trustees Errors and Omissions Coverage

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Primary Claims Made Trustees Errors and Omissions Coverage	☐

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

____ __________________

Signature of Authorized Insurance Representative **Date**

____

Title

____

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. ***The actual terms and conditions of the policy will prevail.***

Item H.1.

PROPERTY PROGRAM ACTUARY REPORT AS OF JUNE 30, 2025

ACTION ITEM

ISSUE: Annual Actuarial Study

RECOMMENDATION: Review, accept and file the actuary report.

FISCAL IMPACT: Accrual of actuarial liabilities as presented.

BACKGROUND: The SPA Property Program includes a self-insured, shared retained layer. The retained layer covers member losses in excess of the $250,000 primary layer deductible for each member (some members subject to different wildfire deductibles). SPA contracts with Bickmore Actuarial to perform actuarial services for the Property Program. The Managing Member coordinates with Alliant to complete the actuarial study and record the actuarially estimated liabilities.

Attached please find the draft Actuarial Review of the Self-Insured Excess Property Program, as of June 30, 2025. In summary, the actuarial report provides:

- Outstanding Case Reserves of $3.623M (up $214K from last year)
- Outstanding IBNR of $1.050M (up $364K from last year)
- Total unpaid losses of $4.673M (an increase of $578K from last year)

The actuarial study has been reconciled with member claim reserves and the consolidated SPA Loss Run. Estimated actuarial liabilities have been recorded including IBNR of $685,764 as of June 30, 2025, to update outstanding claims liabilities.

Mikle Harrington, of Bickmore, may be available to present the actuarial study to the SPA Board for approval.

ATTACHMENTS: Draft Report

Bickmore
Actuarial

Actuarial Review of the Self-Insured Excess Property Program

Outstanding Liabilities as of June 30, 2025

Presented to
Schools Program Alliance

December 18, 2025 - DRAFT

SCOPE AND SIGNATURE

Schools Program Alliance ("SPA") has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2025 for its self-insured excess property program utilizing data valued as of June 30, 2025. As later described in the Background section, SPA's retention is comprised of two categories – "Retention A" for the layer between $250,000 and $500,000 per occurrence and "Retention B" for the layer above $500,000 per occurrence. SPA seeks guidance on the appropriate funding level for claims incurred during prior program year.

The specific objective of the study is to estimate SPA's net liability for outstanding claims as of June 30, 2025. Liabilities net of reinsurance are presented on an undiscounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report

We appreciate the opportunity to be of service to SPA in preparing this report. Please feel free to call Derek Burkhalter at (916) 244-1167 or Mike Harrington at (916) 244-1162 with any questions you may have concerning this report.

Derek Burkhalter and Mike Harrington are members of the American Academy of Actuaries and Casualty Actuarial Society. They meet the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries to render the actuarial opinion contained herein.

DRAFT
Derek Burkhalter, ACAS, MAAA
Partner

DRAFT
Mike Harrington, FCAS, MAAA
President and Principal

DRAFT
Eric Small
Actuarial Consultant

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Net Claim Liabilities

The following table presents our conclusions regarding SPA's net claim liabilities.

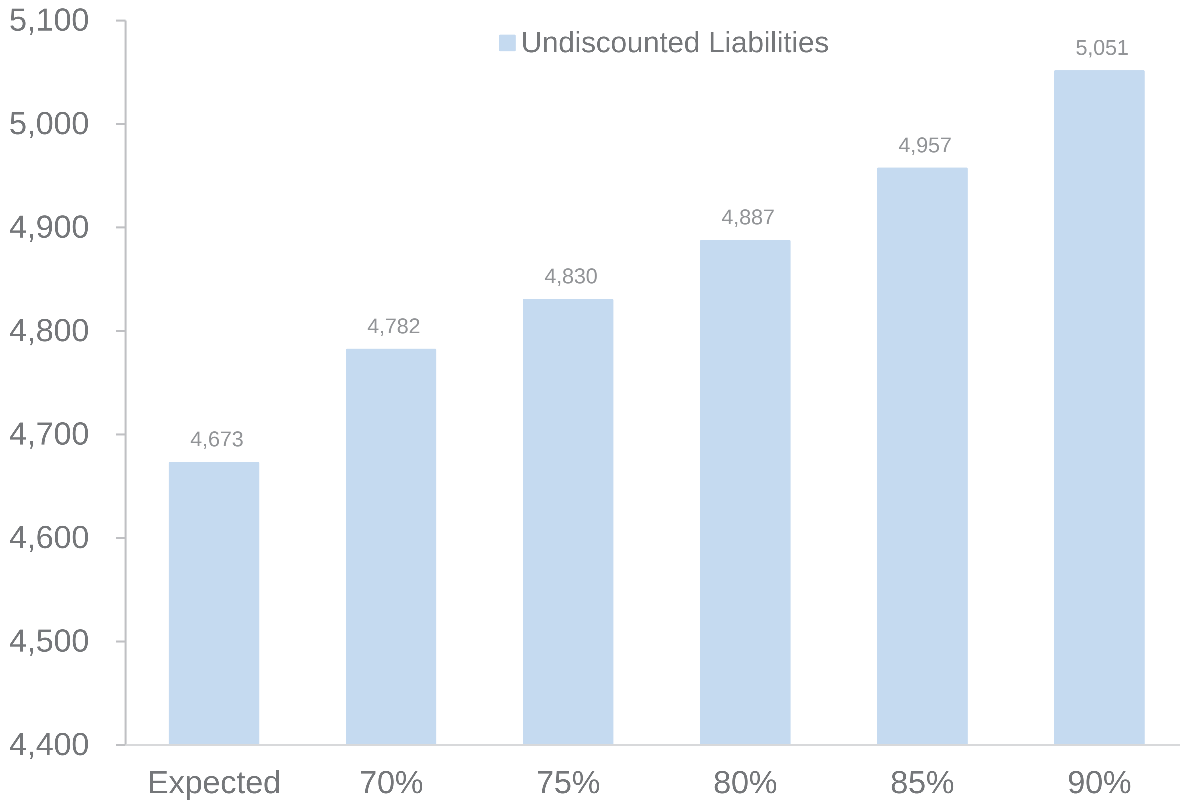
Loss & LAE Claim Liabilities
As of June 30, 2025, Net of Reinsurance

		←	Confidence Level		→
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Retention A	$906	$1,015	$1,063	$1,120	$1,190	$1,284
Retention B	3,767	3,767	3,767	3,767	3,767	3,767
Total Loss & ALAE	$4,673	$4,782	$4,830	$4,887	$4,957	$5,051
Short Term[2]	$3,435	$3,515	$3,550	$3,592	$3,643	$3,713
Long Term[2]	1,238	1,267	1,280	1,295	1,314	1,338

1 Expected values represent the "best actuarial" or "central" estimate.
2 Short-term liabilities are projected to be paid within 12 months of the accounting date. Long-term liabilities are projected to be paid after 12 months.

The following graph displays the program's net claim liabilities as of June 30, 2025 as shown on the prior page.

Loss & LAE Claim Liabilities
As of June 30, 2025, Net of Reinsurance
($000s)



We generally recommend that entities maintain funding at the 75% - 85% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

BACKGROUND

SPA is comprised of three member pools – Schools Insurance Authority (SIA), Bay Area Schools Insurance Cooperative (BASIC) and California Risk Management Authority (CRMA).

The following table shows SPA's self-insured retentions (SIRs) summary.

	Layer	Aggregate
Retention A	$250,000 XS $250,000	$1,000,000
Retention B[1]	XS $500,000	$2,000,000
Total SPA Retention[2]	Sum of Retention A and B	

[1] Includes losses in the layer $250,000 XS of $250,000 that exceed Retention A's aggregate.

[2] Wildfire losses do not erode the SPA retention layer.

Additional background on the program is given in Appendix PR-J.

OBSERVATIONS AND ANALYSIS

In this section, we present a comparison to the prior analysis as well as an overview of claims trends that we have observed. The prior report for SPA, dated April 25, 2025, was performed by Alliant and relied on data evaluated as of June 30, 2024. The current analysis relies on data evaluated as of June 30, 2025.

Comparison of Liabilities: Prior vs. Current Reports

The table below compares the prior report's estimated liability for outstanding claims by component as of June 30, 2024 to our current report's estimated liability for outstanding claims as of June 30, 2025.

Change in Claims Liabilities
At Expected (without Risk Margin), Net of Reinsurance

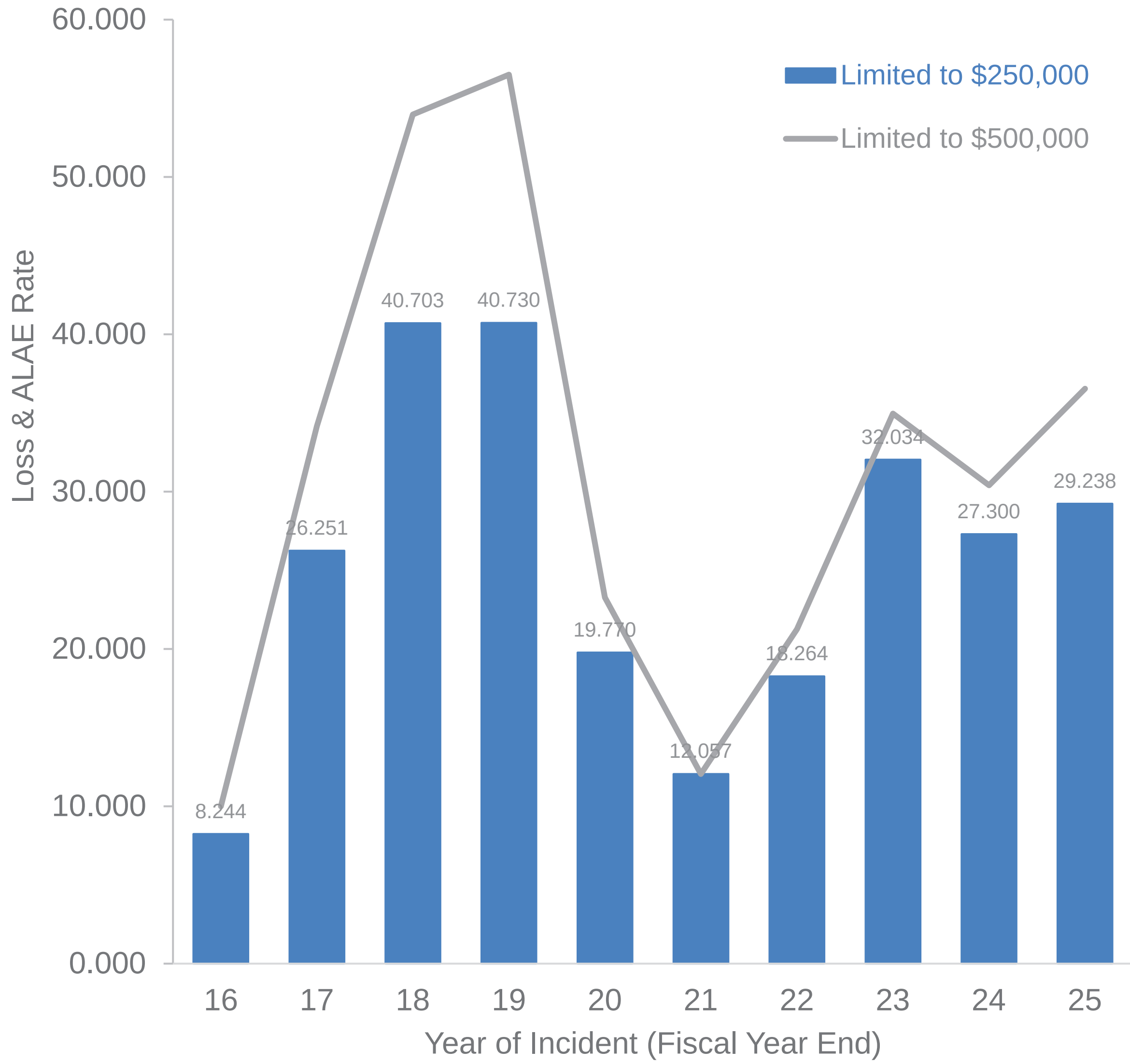
Dollars ($000s)	Prior Report at 6/30/2024	Current Report at 6/30/2025	Dollar Change	Percent Change
Case Reserves[1]	$3,409	$3,623	$214	6.3%
IBNR[2]	686	1,050	364	53.1%
Total (Undiscounted)	**$4,095**	**$4,673**	**$578**	**14.1%**

1 Established by the claims administrator.
2 IBNR: Incurred But Not Reported for development beyond the case reserves.

Loss Rate Trend

We have evaluated the trend in SPA's projected ultimate loss & ALAE rate for its underlying claims. This rate equals projected ultimate loss and ALAE (limited to either $250,000 or $500,000 per occurrence) divided by total insured value in $100,000s, as displayed in the following graph.

Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / Total Insured Value ($100,000s)

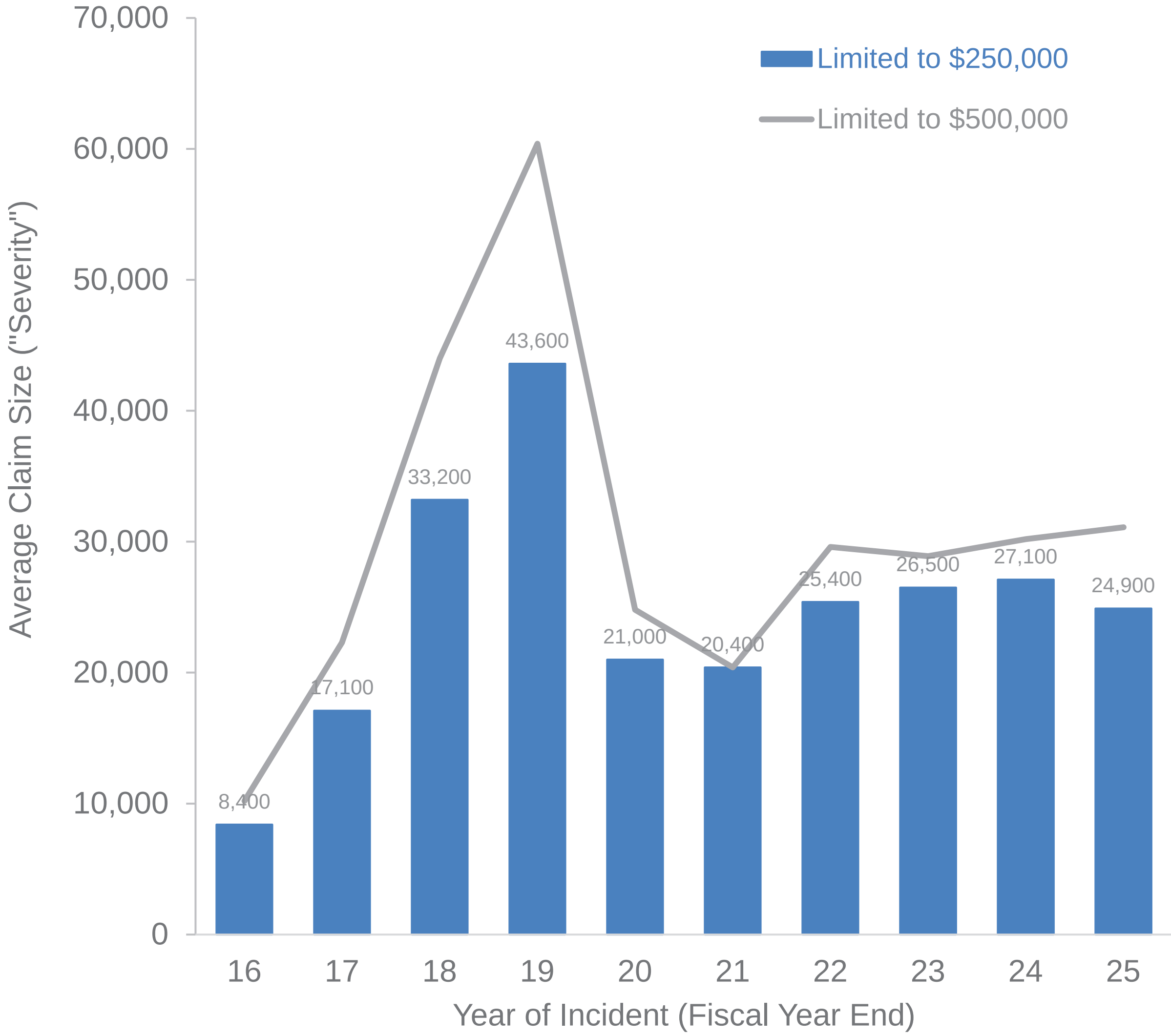


1 Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Average Claim Size (Severity) Trend

We have evaluated the trend in SPA's projected ultimate claim size (or "severity") for its underlying claims. The ultimate claim size equals projected ultimate loss & ALAE (limited to either $250,000 or $500,000 per occurrence) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims

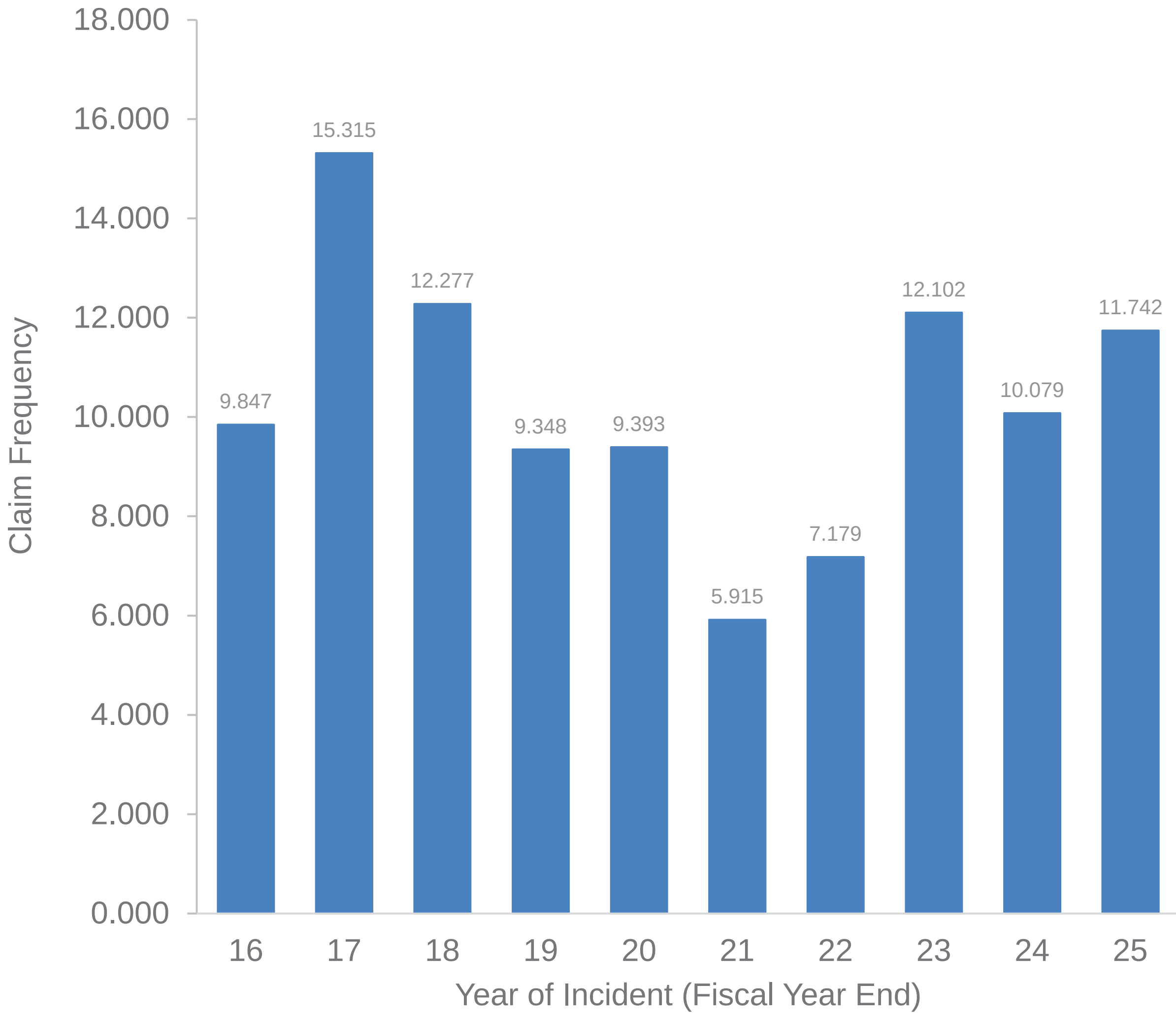


1 Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Claim Frequency Trend

We have evaluated the trend in SPA's underlying claim frequency. The claim frequency equals projected ultimate number of reported claims divided by total insured value in $ billions, as displayed in the following graph.

Claim Frequency Trend
Ultimate Reported Claims / Total Insured Value ($ Billions)



Loss and LAE Liabilities by Category

The following table shows the categories that compose our ultimate loss & LAE liability estimates.

Retention "A" Only
Loss & ALAE Liabilities by Category and Year[1]
As of June 30, 2025, Net of Reinsurance
($000s)

Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
2020-21	$0	$0	$0
2021-22	0	1	1
2022-23	0	22	22
2023-24	250	38	288
2024-25	550	45	595
Total Loss & ALAE	**$800**	**$2,428**	**$906**

Retention "B" Only
Loss & ALAE Liabilities by Category and Year[1]
As of June 30, 2025, Net of Reinsurance
($000s)

Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
2020-21	$0	$0	$0
2021-22	0	0	0
2022-23	323	0	323
2023-24	1,650	0	1,650
2024-25	850	944	1,794
Total Loss & ALAE	**$2,823**	**$944**	**$3,767**

SPA Total
Loss & ALAE Liabilities by Category and Year[1]
As of June 30, 2025, Net of Reinsurance
($000s)

Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
2020-21	$0	$0	$0
2021-22	0	1	1
2022-23	323	22	345
2023-24	1,900	38	1,938
2024-25	1,400	989	2,389
Total Loss & ALAE	**$3,623**	**$1,050**	**$4,673**

[1] Loss & ALAE liabilities are limited to SPA's self-insured retention, at expected (no risk margin), and not discounted to reflect net present value.

METHODOLOGY

Our methodology for this analysis was primarily based on projecting loss & ALAE costs for SPA's membership in total for claims up to $250,000 per occurrence. Increased limits factors (ILFs) were applied to the $250,000 projection in order to generate loss costs at higher layers. The ILFs that are utilized in this analysis consider the large loss distribution of SPA's actual historical excess experience as well as those from a large, excess property pool of comparable entities to SPA.

The methodology that we have used to estimate ultimate Loss & LAE liabilities is in accordance with standard actuarial principles. The 6-step process described below outlines the methods used to calculate the liabilities.

1. Estimate Ultimate Loss & ALAE: The ultimate value of losses associated with a given policy year is usually not known until many years after the policy year has expired. One estimate of future payments for a given policy year is the case reserve. However, to accurately project future payments for a given policy year, we also calculate indicated IBNR reserves that consider the following three factors:

    - The amount that case reserves are redundant or deficient.
    - Losses that occurred during the policy period but have not yet been reported. This is called "Pure IBNR".
    - Future payments on claims which are closed but will reopen in the future.

    Separate ultimate loss & ALAE projections are developed for costs limited to $250,000 and $500,000. Loss development factors are primarily based on SPA's own historical experience supplemented with industry data. The following methods are used to estimate ultimate loss & ALAE:

    - Reported Loss Development: Includes paid losses and case reserves.
    - Paid Loss Development: Based on payments only.
    - Reported Exposure Method: This calculates IBNR based on expected ultimate loss times an IBNR factor. For the first layer of losses, the expected ultimate loss is based on exposure times initial loss rates. These loss rates are based on historical losses in that layer developed to ultimate using loss development factors. The loss rates in the higher layer incorporate increased limits factors based on SPA's historical losses and industry data. Where appropriate, historical data is adjusted for both claims and exposure trend, to reflect issues such as inflation, benefit level changes, and legal changes.

Bickmore Actuarial

- Paid Exposure Method: This calculates unpaid costs based on expected ultimate loss times an unpaid factor. The loss rates are identical to those utilized in the reported exposure method.

- Frequency x Severity: This calculates ultimate costs based on expected ultimate severity and expected ultimate frequency derived from historical experience.

2. Select Ultimate Loss & ALAE: Based on the indicated ultimate loss and ALAE from the various methods described previously, the ultimate losses by year are selected.

3. Calculate Expected Undiscounted Unpaid Loss & ALAE: Unpaid loss & ALAE equals ultimate Loss & ALAE (calculated in step #2, above) minus payments to date.

4. Discounting/Net Present Value: Discounting is not considered in this analysis.

5. Claims Administration: Claims administration is not considered in this analysis.

6. Confidence Levels: The “expected” estimate of unpaid Loss & ALAE is our best estimate given current information. However, there is uncertainty inherent in the claims settlement process. This uncertainty is quantified via confidence levels. For example, we believe that future payments have a 75% chance of being less than the liabilities at the 75% confidence level and have only a 25% chance of exceeding the 75% confidence level estimates. The confidence levels are based on the Heckman Meyers approach.

CONSIDERATIONS AND KEY ASSUMPTIONS

Several considerations should be taken into account when evaluating property/casualty claim liabilities and funding projections for upcoming years. The following is a list of issues that we have considered in this report, along with some key assumptions that we have made.

Data

Data Quality: Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by or on behalf of SPA. While we have not independently audited or verified this information, we have reviewed it for reasonability and internal consistency. We have assumed that the data is accurate and complete. Any material inaccuracy or omission could invalidate the conclusions in this report and should be brought to our attention immediately.

Exposure: The exposure base utilized in this study is total insured value (TIV), which was provided to us by SPA. A list of exposure by year can be found in Appendix PR-L.

Claims: The claims data utilized in this study was provided to us by SPA.

Other Program Information: Key program information, including historical retentions, claims administration costs, other program costs, and program assets, were provided to us by SPA. We relied on this information without audit.

Key Dates

Accounting Date: This study presents liabilities as of an accounting date of June 30, 2025.

Valuation Date: The data underlying this study are valued as of June 30, 2025.

Review Date and Information Date: We have not reflected any actual claims activity subsequent to the valuation date.

Accounting Standard

The accounting standards applicable to this analysis follow the guidance promulgated by the Governmental Accounting Standards Board (GASB).

Other Actuarial Considerations

Discounting to Reflect Net Present Value: Discounting is not considered in this analysis.

Uncertainty & Risk Margin: There is uncertainty regarding the ultimate cost of the reserves and funding amounts that are estimated in this report. Our estimates are presented both at the expected level (also known as the actuarial central estimate) and at higher confidence levels. The projections at higher confidence levels reflect uncertainty by including a risk margin for the potential of costs coming in higher than at the expected level.

External Influences: This analysis contemplates a continuation of current social, economic, judicial, and legislative trends. Historical changes have been reflected through the use of trend factors.

Homogeneity: The accuracy of loss estimates may be improved by subdividing loss experience into groups exhibiting similar characteristics. In evaluating SPA's loss experience, we considered all of the experience together.

Credibility: Credibility is a measure of the predictive value attached to a body of data. The degree to which consideration is given to homogeneity is related to the consideration of credibility. While making more homogeneous groupings may increase the credibility of the data, partitioning into cells too small to be reliable statistically may also decrease it. As discussed above, further subdivision of data (by individual department, for instance) would reduce the statistical credibility too greatly. This aggregation of data assumes that there has been a relatively stable distribution of exposures among various risk characteristics during the years included in this analysis.

Loss Development: The rate at which costs develop to their ultimate level was included in the calculation of loss development factors. The loss development factors are described in the Methodology section of this report.

Claim Emergence Patterns: The delay between the occurrence of claims and the recording of claims was considered in the estimation of loss development factors.

Claim Settlement Patterns: The rate at which claims are closed and the impact upon incurred losses are considered in the calculation of loss development factors.

Reopened Claim Potential: The effect of reopened claims is included in the calculation of loss development factors.

Claim Frequency and Average Claim Size: The average and potential claim frequency and average claim size have been measured and considered in the liability estimates.

Large Losses & Catastrophes: The impact of large losses and catastrophes have the potential to distort the results of actuarial analyses. We have mitigated this risk by separating loss development and loss rates into the lower layer (limited to $250,000 per occurrence) and the excess layer. In addition, our net liability and funding estimates limit loss & ALAE to the appropriate SIR. Lastly, we have utilized industry size of loss curves and increased limits factors where we feel that SPA's experience is not fully credible.

Loss Limitations: Our projections of claim costs are limited to SPA's SIR. We have assumed that all relevant reinsurance purchased by SPA for costs above the SIR is collectible. The retentions used in the study are displayed by year in the Background section of this report.

Recoveries: The data underlying this report are net of salvage, subrogation and other recoveries.

Portfolio Transfers, Commutations, and Structured Settlements: No historical loss portfolio transfers or commutations have been reflected in this analysis. To the extent there are structured settlements, they have been reflected in the claims data utilized in this analysis.

Operational Changes: This analysis has not made special adjustment for any specific operational changes at SPA.

Reasonableness: We have established the reasonability of our results by utilizing standard actuarial techniques and reasonable assumptions.

Claims Administration Costs (Unallocated Loss Adjustment Expense or ULAE): ULAE costs have been

- excluded in our estimate of outstanding liabilities.

Other Program Costs: Our estimate of the funding amounts for future program years

- excludes contributions for excess insurance to cover claims or portions of claims that fall outside the program, and
- excludes costs for loss control, overhead, and other expenses associated with the program.

CONDITIONS AND LIMITATIONS

It is important to recognize that the projections in this report are estimates at one point in time and are subject to future changes. Since the emergence and settlement of claims are subject to uncertainty, actual developments likely will vary, perhaps significantly, from the amounts carried in this report. No warranty is expressed or implied that such variance will not occur. The accuracy of the conclusions in this report depends on many factors, including the following:

Loss Activity since the Evaluation Date: The losses in this study were valued as of June 30, 2025. It is possible that there has been significant loss activity that has occurred since that date which would change the findings of this report.

Data Accuracy: This report relies on unaudited loss and exposure information provided by SPA. The accuracy of our projections relies on the accuracy of this data.

Loss Development: The appropriateness of SPA's historical and industry loss development patterns in projecting future loss development.

Trend Changes: The appropriateness of the trend indices used to adjust historical losses.

Discounting/Net Present Value: Our estimates are not discounted to reflect net present value assume a certain investment return on assets.

Insurance: Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than SPA's excess coverage.

Future Law Changes: We cannot predict, nor have we attempted to predict, the impact of future law changes and court rulings on claims costs.

New Classes of Claims: Our projections make no provision for the extraordinary future emergence of new classes of loss or types of loss not sufficiently represented in SPA's historical data, or which are not yet quantifiable.

DISTRIBUTION AND USE

This report was prepared for the sole use of Schools Program Alliance and its auditors. This report is neither intended nor necessarily suitable for any other use. It may be forwarded to regulatory authorities as required by law. Any other distribution of this report requires the express written consent of Bickmore Actuarial. If such consent is granted, the report should be forwarded in its entirety, including all exhibits and appendices. It should also be understood that Bickmore Actuarial would be available to answer any questions regarding this report and its conclusions.

GLOSSARY OF ACTUARIAL TERMS

Accident Year – Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) – Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, utilization review, bill review, etc.)

Benefit Level Factor – Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve – The amount left to be paid on an open claim, as estimated by the claims administrator.

Claim Count Development Factor – A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency – Number of claims per $1 billion of TIV (Total Insured Values).

Confidence Level – An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor – A factor to adjust estimated loss costs to reflect net present value.

Expected Losses – The best estimate of the full, ultimate value of losses.

Exposure Base – An objective and easily measurable quantity that is correlated with loss. Commonly used exposure bases include payroll, population, revenue, number of employees (FTE), average daily attendance (ADA), number of vehicles and total insured value (TIV).

Incurred but not Reported (IBNR) Losses – This is the ultimate value of losses less any amount that has been paid to date or set up as a case reserve by the claims adjuster. It includes amounts for claims incurred but not yet received by the administrator as well as loss development on already reported claims.

Loss Adjustment Expense – The sum of Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE).

Loss Development Factor – A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled. See the Methodology section.

Loss Rate – Ultimate losses per $100 of TIV.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses – Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses – Losses actually paid on all reported claims.

Program Losses – Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses – The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) – The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity – Average claim cost.

Ultimate Losses – The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims administration expenses, taxes, etc.)

EXHIBITS AND APPENDICES

Schools Program Alliance - Property

Funding Guidelines for Outstanding Liabilities at
June 30, 2025

(A)	Estimated Ultimate Losses Incurred through 6/30/25: (From Appendix PR - F)	$10,533,000
(B)	Estimated Paid Losses through 6/30/25: (From Appendix PR - F)	5,860,437
(C)	Estimated Liability for Claims Outstanding at 6/30/25: (From Appendix PR - F)	$4,672,563
(D)	Estimated Liability for Outstanding Claims Administration Fees at 6/30/25: (Not Applicable)	0
(E)	Total Outstanding Liability for Claims at 6/30/25: ((C) + (D))	$4,672,563
(F)	Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Appendix PR - H, Page 1, (G))	1.000
(G)	Discounted Outstanding Liability for Claims at 6/30/25: ((E) x (F))*	$4,672,563

		Marginally Acceptable	Recommended			Conservative
	Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H)	Confidence Level Factor: (From Appendix PR - I, Limited to Max Retention)	1.023	1.034	1.046	1.061	1.081
(I)	Margin for Adverse Experience: ((G) x [(H) - 1])	109,000	157,000	214,000	284,000	378,000
(J)	Total Required Assets at 6/30/25: ((G) + (I))	$4,782,000	$4,830,000	$4,887,000	$4,957,000	$5,051,000

* May differ from (E) x (F) due to rounding.

Schools Program Alliance - Property

Estimated Ultimate Program Losses by Layer

						Retention A	Retention B	
Accident Year	Selected Estimate of Ultimate Losses Limited to $250,000 (A)	Selected Estimate of Ultimate Losses Limited to $500,000 (B)	Selected Estimate of Ultimate Losses Unlimited (C)	Selected Estimate of Ultimate Losses $250,000 to $500,000 (D)	Selected Estimate of Ultimate Losses Excess of $500,000 (E)	Selected Estimate of Ultimate Losses $250,000 to $500,000 (F)	Selected Estimate of Ultimate Losses $250,000 to $500,000 (G)	Selected Estimate of Ultimate Losses Excess of $500,000 (H)
2020-2021	$1,956,676	$1,956,676	$1,956,676	$0	$0	$0	$0	$0
2021-2022	3,053,000	3,554,000	11,083,000	501,000	7,529,000	501,000	0	2,000,000
2022-2023	5,400,000	5,894,000	9,146,000	494,000	3,252,000	494,000	0	2,000,000
2023-2024	4,740,000	5,278,000	8,995,000	538,000	3,717,000	538,000	0	2,000,000
2024-2025	5,229,000	6,535,000	8,531,000	1,306,000	1,996,000	1,000,000	306,000	1,694,000
Totals	$20,378,676	$23,217,676	$39,711,676	$2,839,000	$16,494,000	$2,533,000	$306,000	$7,694,000

Notes:

(A) From Exhibit PR - 4, Page 2, Column (F).
(B) From Exhibit PR - 4, Page 1, Column (F).
(C) Based on Exhibit PR - 6, Page 2, Column (I) and (B).
(D) (B) - (A).
(E) (B) - (A).
(F) (D) limited to $1,000,000.
(G) (D) excess of $1,000,000.
(H) (E) limited to $2,000,000.

Schools Program Alliance - Property

Paid Program Losses by Layer

Accident Year	Net Paid Losses Limited to $250,000 (A)	Net Paid Losses Limited to $500,000 (B)	Net Paid Losses Unlimited (C)	Net Paid Losses $250,000 to $500,000 (D)	Net Paid Losses Excess of $500,000 (E)	Retention A Net Paid Losses $250,000 to $500,000 (F)	Retention B Net Paid Losses $250,000 to $500,000 (G)	Retention B Net Paid Losses Excess of $500,000 (H)
2020-2021	$1,956,676	$1,956,676	$1,956,676	$0	$0	$0	$0	$0
2021-2022	3,052,421	3,552,421	11,081,380	500,000	7,528,959	500,000	0	2,000,000
2022-2023	5,216,054	5,688,303	7,365,246	472,249	1,676,943	472,249	0	1,676,943
2023-2024	4,038,867	4,288,867	4,638,867	250,000	350,000	250,000	0	350,000
2024-2025	2,174,661	2,579,917	2,785,906	405,256	205,989	405,256	0	205,989
Totals	$16,438,679	$18,066,185	$27,828,075	$1,627,505	$9,761,891	$1,627,505	$0	$4,232,932

Notes:

(A) From Appendix PR - K, Page 2, Column (H).
(B) From Appendix PR - K, Page 2, Column (J).
(C) From Appendix PR - K, Page 2, Column (E).
(D) (B) - (A).
(E) (B) - (A).
(F) (D) limited to $1,000,000.
(G) (D) excess of $1,000,000.
(H) (E) limited to $2,000,000.

Schools Program Alliance - Property

Incurred Program Losses by Layer

						Retention A	Retention B	
Accident Year	Net Incurred Losses Limited to $250,000 (A)	Net Incurred Losses Limited to $500,000 (B)	Net Incurred Losses Unlimited (C)	Net Incurred Losses $250,000 to $500,000 (D)	Net Incurred Losses Excess of $500,000 (E)	Net Incurred Losses $250,000 to $500,000 (F)	Net Incurred Losses $250,000 to $500,000 (G)	Net Incurred Losses Excess of $500,000 (H)
2020-2021	$1,956,676	$1,956,676	$1,956,676	$0	$0	$0	$0	$0
2021-2022	3,052,421	3,552,421	11,081,380	500,000	7,528,959	500,000	0	2,000,000
2022-2023	5,399,576	5,871,825	9,123,739	472,249	3,251,914	472,249	0	2,000,000
2023-2024	4,714,992	5,214,992	8,922,807	500,000	3,707,815	500,000	0	2,000,000
2024-2025	3,972,455	4,927,710	5,983,710	955,256	1,056,000	955,256	0	1,056,000
Totals	$19,096,119	$21,523,625	$37,068,313	$2,427,505	$15,544,688	$2,427,505	$0	$7,056,000

Notes:

(A) From Appendix PR - K, Page 1, Column (H).
(B) From Appendix PR - K, Page 1, Column (J).
(C) From Appendix PR - K, Page 1, Column (E).
(D) (B) - (A).
(E) (B) - (A).
(F) (D) limited to $1,000,000.
(G) (D) excess of $1,000,000.
(H) (E) limited to $2,000,000.

Schools Program Alliance - Property

Retention A Estimated Outstanding Losses as of June 30, 2025

Accident Year	Paid Losses $250,000 to $500,000 (A)	Case Reserves $250,000 to $500,000 (B)	Incurred Losses $250,000 to $500,000 (C)	Estimate of Ultimate Losses $250,000 to $500,000 (D)	Estimated Outstanding Losses $250,000 to $500,000 (E)	IBNR $250,000 to $500,000 (F)
2020-2021	$0	$0	$0	$0	$0	$0
2021-2022	500,000	0	500,000	501,000	1,000	1,000
2022-2023	472,249	0	472,249	494,000	22,000	22,000
2023-2024	250,000	250,000	500,000	538,000	288,000	38,000
2024-2025	405,256	550,000	955,256	1,000,000	595,000	45,000
Totals	$1,627,505	$800,000	$2,427,505	$2,533,000	$906,000	$106,000

Notes:

(A) From Exhibit PR - 2, Page 2, Column (F).
(B) (C) - (A).
(C) From Exhibit PR - 2, Page 3, Column (F).
(D) From Exhibit PR - 2, Page 1, Column (F).
(E) (D) - (A).
(F) (D) - (C).

Schools Program Alliance - Property

Retention B Estimated Outstanding Losses as of June 30, 2025

Accident Year	Paid Losses Excess of Retention A to Unlimited (A)	Case Reserves Excess of Retention A to Unlimited (B)	Incurred Losses Excess of Retention A to Unlimited (C)	Estimate of Ultimate Losses Excess of Retention A to Unlimited (D)	Estimated Outstanding Losses Excess of Retention A to Unlimited (E)	IBNR Excess of Retention A to Unlimited (F)
2020-2021	$0	$0	$0	$0	$0	$0
2021-2022	2,000,000	0	2,000,000	2,000,000	0	0
2022-2023	1,676,943	323,057	2,000,000	2,000,000	323,000	0
2023-2024	350,000	1,650,000	2,000,000	2,000,000	1,650,000	0
2024-2025	205,989	850,011	1,056,000	2,000,000	1,794,000	944,000
Totals	$4,232,932	$2,823,068	$7,056,000	$8,000,000	$3,767,000	$944,000

Notes:

(A) From Exhibit PR - 2, Page 2, Columns (G) and (H).
(B) (C) - (A).
(C) From Exhibit PR - 2, Page 3, Columns (G) and (H).
(D) From Exhibit PR - 2, Page 1, Columns (G) and (H).
(E) (D) - (A).
(F) (D) - (C).

Schools Program Alliance - Property

Total Estimated Outstanding Losses as of June 30, 2025

Accident Year	Total Net Paid Losses (A)	Total Net Case Reserves (B)	Total Net Incurred Losses (C)	Total Estimate of Ultimate Losses (D)	Total Estimated Outstanding Losses (E)	Total IBNR (F)
2020-2021	$0	$0	$0	$0	$0	$0
2021-2022	2,500,000	0	2,500,000	2,501,000	1,000	1,000
2022-2023	2,149,192	323,057	2,472,249	2,494,000	345,000	22,000
2023-2024	600,000	1,900,000	2,500,000	2,538,000	1,938,000	38,000
2024-2025	611,245	1,400,011	2,011,256	3,000,000	2,389,000	989,000
Totals	$5,860,437	$3,623,068	$9,483,505	$10,533,000	$4,673,000	$1,050,000

Notes:

(A) From Exhibit PR - 2, Page 4, Columns (A) and Exhibit PR - 2, Page 5, Columns (A).
(B) From Exhibit PR - 2, Page 4, Columns (B) and Exhibit PR - 2, Page 5, Columns (B).
(C) From Exhibit PR - 2, Page 4, Columns (C) and Exhibit PR - 2, Page 5, Columns (C).
(D) From Exhibit PR - 2, Page 4, Columns (D) and Exhibit PR - 2, Page 5, Columns (D).
(E) (D) - (A).
(F) (D) - (C).

Schools Program Alliance - Property

IBNR as of 6/30/26 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 6/30/25 (B)	Estimated IBNR as of 6/30/25 (C)	Estimated Percent of IBNR Reported Between 7/1/25 and 6/30/26 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/26 (F)
Prior	$1,566,000	$1,565,840	$160	100.0%	$160	$0
2005-2006	262,341	262,341	0	100.0%	0	0
2006-2007	498,469	498,469	0	100.0%	0	0
2007-2008	427,625	427,625	0	100.0%	0	0
2008-2009	443,888	443,888	0	100.0%	0	0
2009-2010	898,355	898,355	0	100.0%	0	0
2010-2011	1,013,487	1,013,487	0	100.0%	0	0
2011-2012	337,334	337,334	0	100.0%	0	0
2012-2013	1,028,000	1,027,388	612	100.0%	612	0
2013-2014	1,216,000	1,215,794	206	100.0%	206	0
2014-2015	1,250,807	1,250,807	0	100.0%	0	0
2015-2016	1,422,107	1,422,107	0	100.0%	0	0
2016-2017	4,995,651	4,995,651	0	100.0%	0	0
2017-2018	8,088,062	8,088,062	0	100.0%	0	0
2018-2019	8,644,281	8,644,281	0	100.0%	0	0
2019-2020	3,666,000	3,665,654	346	100.0%	346	0
2020-2021	1,956,676	1,956,676	0	100.0%	0	0
2021-2022	3,554,000	3,552,421	1,579	100.0%	1,579	0
2022-2023	5,894,000	5,871,825	22,175	100.0%	22,175	0
2023-2024	5,278,000	5,214,992	63,008	100.0%	63,008	0
2024-2025	6,535,000	4,927,710	1,607,290	98.9%	1,590,000	17,290
2025-2026	6,443,000	0	0	64.6%	4,162,000	2,281,000
Totals	$65,419,083	$57,280,707	$1,695,376		$5,840,086	$2,298,290

Notes:

(A) From Exhibit PR - 4, Page 1.
(B) Provided by Schools Program Alliance. These losses exclude amounts incurred above Schools Program Alliance's SIR for each year.
(C) (A) - (B).
(D) Percentage of incurred but not reported (IBNR) expected to be reported between 7/1/25 and 6/30/26. The percentage is based on the development pattern selected in Appendix PR - A.
(E) ((A) - (B)) x (D).
(F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/26. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Schools Program Alliance - Property

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)	Selected Estimate of Ultimate Losses Limited to Aggregate (G)
Prior	$1,565,840	$1,565,840			$1,655,808	$1,566,000	$1,566,000
2005-2006	262,341	262,341	0	0	298,320	262,341	262,341
2006-2007	498,469	498,469	0	0	437,852	498,469	498,469
2007-2008	427,625	427,625	0	0	491,045	427,625	427,625
2008-2009	443,888	443,888	0	0	512,244	443,888	443,888
2009-2010	898,355	898,355	0	0	1,038,492	898,355	898,355
2010-2011	1,013,487	1,013,487	0	0	890,700	1,013,487	1,013,487
2011-2012	337,334	337,334	337,334	337,334	395,424	337,334	337,334
2012-2013	1,027,388	1,026,676	1,027,388	1,026,676	917,358	1,028,000	1,028,000
2013-2014	1,215,794	1,215,730	1,215,794	1,215,730	1,145,871	1,216,000	1,216,000
2014-2015	1,250,807	1,250,807	1,250,807	1,250,807	1,490,713	1,250,807	1,250,807
2015-2016	1,422,107	1,422,107	1,422,107	1,422,107	1,405,040	1,422,107	1,422,107
2016-2017	4,995,651	4,995,651	4,995,651	4,995,651	4,629,408	4,995,651	4,995,651
2017-2018	8,088,062	8,088,062	8,088,062	8,088,062	7,398,456	8,088,062	8,088,062
2018-2019	8,644,281	8,644,281	8,644,281	8,644,281	7,600,021	8,644,281	8,644,281
2019-2020	3,665,654	3,665,654	3,665,654	3,665,654	3,817,068	3,666,000	3,666,000
2020-2021	1,956,676	1,960,589	1,956,676	1,967,152	2,736,384	1,956,676	1,956,676
2021-2022	3,552,421	3,580,840	3,552,421	3,596,904	3,562,800	3,554,000	3,554,000
2022-2023	5,871,825	5,898,770	5,871,825	5,896,594	6,305,028	5,894,000	5,894,000
2023-2024	5,235,852	4,752,065	5,239,572	4,884,929	5,632,200	5,278,000	5,278,000
2024-2025	7,633,023	5,324,949	7,235,922	5,944,429	7,032,690	6,535,000	6,535,000
Totals						$58,976,083	$58,976,083

Projected Losses for the Year 2025-2026 (H)	$6,443,000	$6,443,000
Projected Losses for the Year 2026-2027 (I)	7,013,000	7,013,000
Projected Losses for the Year 2027-2028 (J)	7,636,000	7,636,000
Projected Losses for the Year 2028-2029 (K)	8,310,000	8,310,000

Notes:

(A) From Appendix PR - A, Column (G).
(B) From Appendix PR - B, Column (G).
(C) From Appendix PR - C, Page 1, Column (G).
(D) From Appendix PR - C, Page 2, Column (G).
(E) From Appendix PR - D, Page 1, Column (C).
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) (F) limited to applicable aggregate.
(H) From Exhibit PR - 5, Page 1, Line (K).
(I) From Exhibit PR - 5, Page 1, Line (K).
(J) From Exhibit PR - 5, Page 1, Line (K).
(K) From Exhibit PR - 5, Page 1, Line (K).

This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

Schools Program Alliance - Property

Estimated Ultimate Limited Losses Capped at $250,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
Prior	$1,565,840	$1,565,840			$1,566,048	$1,566,000
2005-2006	262,341	262,341	0	0	262,320	262,341
2006-2007	383,132	383,132	0	0	383,144	383,132
2007-2008	427,625	427,625	0	0	427,604	427,625
2008-2009	443,888	443,888	0	0	443,880	443,888
2009-2010	894,503	894,503	0	0	894,474	894,503
2010-2011	763,487	763,487	0	0	763,500	763,487
2011-2012	337,334	337,334	337,334	337,334	337,320	337,334
2012-2013	777,388	776,676	777,388	776,676	777,972	778,000
2013-2014	965,794	965,730	965,794	965,730	965,979	966,000
2014-2015	1,250,807	1,250,807	1,250,807	1,250,807	1,250,809	1,250,807
2015-2016	1,172,107	1,172,107	1,172,107	1,172,107	1,172,080	1,172,107
2016-2017	3,839,455	3,839,455	3,839,455	3,839,455	3,839,360	3,839,455
2017-2018	6,100,385	6,100,385	6,100,385	6,100,385	6,100,336	6,100,385
2018-2019	6,230,576	6,230,576	6,230,576	6,230,576	6,230,510	6,230,576
2019-2020	3,114,120	3,114,120	3,114,120	3,114,120	3,114,956	3,115,000
2020-2021	1,956,676	1,956,676	1,956,676	1,956,676	2,220,384	1,956,676
2021-2022	3,052,421	3,058,526	3,052,421	3,061,394	2,874,600	3,053,000
2022-2023	5,399,576	5,278,647	5,399,576	5,271,759	5,058,588	5,400,000
2023-2024	4,738,567	4,208,499	4,739,505	4,234,972	4,493,475	4,740,000
2024-2025	6,157,305	4,162,301	5,808,948	4,647,460	5,579,700	5,229,000
Totals						$48,909,316

Projected Losses for the Year 2025-2026 (G)	$5,084,000
Projected Losses for the Year 2026-2027 (H)	5,503,000
Projected Losses for the Year 2027-2028 (I)	5,959,000
Projected Losses for the Year 2028-2029 (J)	6,450,000

Notes:

(A) From Appendix PR - A, Column (D).
(B) From Appendix PR - B, Column (D).
(C) Based on results in Appendix PR - C, Page 1.
(D) Based on results in Appendix PR - C, Page 2.
(E) Based on results in Appendix PR - D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit PR - 5, Page 1, Line (K) / Line (G).
(H) From Exhibit PR - 5, Page 1, Line (K) / Line (G).
(I) From Exhibit PR - 5, Page 1, Line (K) / Line (G).
(J) From Exhibit PR - 5, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

Schools Program Alliance - Property

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ALAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended TIV ($100,000) (D)	Trended Limited Loss Rate (E)
2011-2012	337,334	2.006	676,692	170,371	3.972
2012-2013	778,000	1.909	1,485,202	176,705	8.405
2013-2014	966,000	1.816	1,754,256	181,174	9.683
2014-2015	1,250,807	1.728	2,161,395	181,174	11.930
2015-2016	1,172,107	1.644	1,926,944	181,992	10.588
2016-2017	3,839,455	1.564	6,004,908	182,677	32.872
2017-2018	6,100,385	1.488	9,077,373	182,699	49.685
2018-2019	6,230,576	1.416	8,822,496	181,886	48.506
2019-2020	3,115,000	1.347	4,195,905	182,773	22.957
2020-2021	1,956,676	1.282	2,508,459	183,712	13.654
2021-2022	3,053,000	1.220	3,724,660	184,542	20.183
2022-2023	5,400,000	1.160	6,264,000	181,551	34.503
2023-2024	4,740,000	1.104	5,232,960	182,484	28.676
2024-2025	5,229,000	1.051	5,495,679	183,311	29.980
Totals	$44,168,340		$59,330,927	2,537,051	$23.386
19/20-23/24	18,264,676		21,925,984	915,062	23.961
20/21-24/25	20,378,676		23,225,758	915,600	25.367
				(F) Selected Limited Rate:	$27.595
				Comparative:	$30.000

Program Year:	2025-2026	2026-2027	2027-2028	2028-2029
(G) Factor to SIR:	1.267	1.274	1.281	1.288
(H) Trend Factor:	1.000	1.051	1.105	1.161
(I) Program Rate:	$34.974	$36.961	$39.073	$41.277
(J) Trended TIV ($100,000):	184,210	189,740	195,440	201,311
(K) Projected Program Losses:	6,443,000	7,013,000	7,636,000	8,310,000
(L) Projected ULAE:	0	0	0	0
(M) Projected Loss and ULAE:	$6,443,000	$7,013,000	$7,636,000	$8,310,000

Notes appear on the next page.

Schools Program Alliance - Property

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ALAE

Notes:

(A) From Exhibit PR - 4, Page 2, Column (F).
For purposes of projecting future losses, losses
are capped at $250,000 per occurrence.
(B) From Appendix PR - E, Page 1, Column (B).
(C) (A) x (B).
(D) Appendix PR - L, Column (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Burr distribution, a mathematical model
of claims sizes.
(H) From Appendix PR - E.
(I) (F) x (G) x (H).
(J) Appendix PR - L, Column (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and Schools Program Alliance's
historical claims administration expenses.
(M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss
rates. The projections will be accurate only to the extent that what has
happened in the past is representative of what will happen in the future.

Schools Program Alliance - Property

Estimated Ultimate Unlimited Losses

Accident Year (A)	Unlimited Incurred (B)	Unlimited Paid (C)	Unlimited Case (D)	Incurred LDF (E)	Paid LDF (F)	Case LDF (G)	Unlimited ILF (H)	Indicated Unlimited Incurred Ultimate (I)	Indicated Unlimited Paid Ultimate (J)	Indicated Unlimited Case Ultimate (K)	Indicated Incurred Exposure Ultimate (L)	Indicated Paid Exposure Ultimate (M)
Prior	1,565,840	1,565,840	0	1.000	1.000	1.000	1.105	1,565,840	1,565,840	1,565,840	0	0
2005-2006	262,341	262,341	0	1.000	1.000	1.000	1.286	262,341	262,341	262,341	0	0
2006-2007	498,469	498,469	0	1.000	1.000	1.000	1.302	498,469	498,469	498,469	0	0
2007-2008	427,625	427,625	0	1.000	1.000	1.000	1.319	427,625	427,625	427,625	0	0
2008-2009	443,888	443,888	0	1.000	1.000	1.000	1.337	443,888	443,888	443,888	0	0
2009-2010	898,355	898,355	0	1.000	1.000	1.000	1.356	898,355	898,355	898,355	0	0
2010-2011	1,655,927	1,655,927	0	1.000	1.000	1.000	1.377	1,655,927	1,655,927	1,655,927	0	0
2011-2012	337,334	337,334	0	1.000	1.000	1.000	1.398	337,334	337,334	337,334	337,334	337,334
2012-2013	1,071,297	1,070,585	712	1.000	1.000	1.000	1.420	1,071,297	1,070,585	1,071,297	1,071,297	1,070,585
2013-2014	2,498,975	2,498,911	64	1.000	1.000	1.000	1.443	2,498,975	2,498,911	2,498,975	2,498,975	2,498,911
2014-2015	1,250,807	1,250,807	0	1.000	1.000	1.000	1.467	1,250,807	1,250,807	1,250,807	1,250,807	1,250,807
2015-2016	2,110,168	2,110,168	0	1.000	1.000	1.000	1.493	2,110,168	2,110,168	2,110,168	2,110,168	2,110,168
2016-2017	12,502,355	12,502,355	0	1.000	1.000	1.000	1.519	12,502,355	12,502,355	12,502,355	12,502,355	12,502,355
2017-2018	11,298,878	11,298,878	0	1.000	1.000	1.000	1.547	11,298,878	11,298,878	11,298,878	11,298,878	11,298,878
2018-2019	44,535,591	42,907,946	1,627,645	1.000	1.000	1.000	1.576	44,535,591	42,907,946	44,535,591	44,535,591	42,907,946
2019-2020	4,246,068	4,246,068	0	1.000	1.001	1.000	1.606	4,246,068	4,250,314	4,246,068	4,246,068	4,246,068
2020-2021	1,956,676	1,956,676	0	1.000	1.004	1.000	1.637	1,956,676	1,964,503	1,956,676	1,956,676	1,970,589
2021-2022	11,081,380	11,081,380	0	1.000	1.015	1.000	1.669	11,081,380	11,247,601	11,081,380	11,081,380	11,141,281
2022-2023	9,123,739	7,365,246	1,758,493	1.000	1.065	1.000	1.702	9,123,739	7,843,987	9,123,739	9,123,739	7,649,754
2023-2024	8,922,807	4,638,867	4,283,940	1.003	1.191	1.019	1.737	8,949,575	5,524,891	9,004,202	8,956,876	5,465,040
2024-2025	5,983,710	2,785,906	3,197,804	1.548	2.262	2.736	1.773	9,262,783	6,301,719	11,535,098	9,231,541	7,520,033
Total	122,672,230	111,803,572	10,868,658					125,978,071	116,862,444	128,305,013	120,201,685	111,969,749

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance.
(C) Provided by Schools Program Alliance.
(D) (B) - (C).
(E) Based upon Comparative Loss Development Factors.
(F) Based upon Comparative Loss Development Factors.
(G) Based on the development of similar programs.
(H) Based on the development of similar programs.
(I) (B) x (E).
(J) (C) x (F).
(K) (C) + (D) x (G).
(L) Appendix PR - C, Page 1, Column (A) x Appendix PR - C, Page 1, Column (D) x Appendix PR - C, Page 3, Column (F) x (H) + (B).
(M) Appendix PR - C, Page 2, Column (A) x Appendix PR - C, Page 2, Column (D) x Appendix PR - C, Page 3, Column (F) x (H) + (C).

Schools Program Alliance - Property

Estimated Excess Losses over SIR as of 06/30/2025

Accident Year (A)	XS of SIR Incurred as of 6/30/25 (B)	XS of SIR Paid as of 6/30/25 (C)	Indicated XS of SIR Incurred Ultimate (D)	Indicated XS of SIR Paid Ultimate (E)	Indicated XS of SIR Case Ultimate (F)	Indicated XS of SIR Incurred Exposure (G)	Indicated XS of SIR Paid Exposure (H)	XS of SIR Selected Ultimate (I)	XS of SIR IBNR Reserves as of 6/30/25 (J)	XS of SIR Case Reserves as of 6/30/25 (K)	XS of SIR Total Reserves as of 6/30/25 (L)
Prior	0	0	0	0	0	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0	0
2009-2010	0	0	0	0	0	0	0	0	0	0	0
2010-2011	642,440	642,440	642,440	642,440	642,440	0	0	642,440	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0	0
2012-2013	43,909	43,909	43,909	43,909	43,909	43,909	43,909	44,000	91	0	91
2013-2014	1,283,181	1,283,181	1,283,181	1,283,181	1,283,181	1,283,181	1,283,181	1,283,000	(181)	0	(181)
2014-2015	0	0	0	0	0	0	0	0	0	0	0
2015-2016	688,061	688,061	688,061	688,061	688,061	688,061	688,061	688,000	(61)	0	(61)
2016-2017	7,506,704	7,506,704	7,506,704	7,506,704	7,506,704	7,506,704	7,506,704	7,507,000	296	0	296
2017-2018	3,210,816	3,210,816	3,210,816	3,210,816	3,210,816	3,210,816	3,210,816	3,211,000	184	0	184
2018-2019	35,891,310	34,263,665	35,891,310	34,263,665	35,891,310	35,891,310	34,263,665	35,891,000	(310)	1,627,645	1,627,335
2019-2020	580,414	580,414	580,414	584,660	580,414	580,414	580,414	580,000	(414)	0	(414)
2020-2021	0	0	0	3,914	0	0	3,437	0	0	0	0
2021-2022	7,528,959	7,528,959	7,528,959	7,666,761	7,528,959	7,528,959	7,544,377	7,529,000	41	0	41
2022-2023	3,251,914	1,676,943	3,251,914	1,945,217	3,251,914	3,251,914	1,753,160	3,252,000	86	1,574,971	1,575,057
2023-2024	3,707,815	350,000	3,713,723	772,826	3,749,387	3,717,304	580,111	3,717,000	9,185	3,357,815	3,367,000
2024-2025	1,056,000	205,989	1,629,760	976,770	1,442,243	1,995,619	1,575,604	1,996,000	940,000	850,011	1,790,011
Total	65,391,523	57,981,081	65,971,191	59,588,924	65,819,338	65,698,191	59,033,439	66,340,440	948,917	7,410,442	8,359,359
										Short-Term:	5,707,081
										Long-Term:	2,652,278

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by Schools Program Alliance.
- (C) Provided by Schools Program Alliance.
- (D) Exhibit PR - 6, Page 1, Column (I) - Appendix PR - A, Column (G).
- (E) Exhibit PR - 6, Page 1, Column (J) - Appendix PR - B, Column (G).
- (F) Exhibit PR - 6, Page 1, Column (K) - (Appendix PR - B, Column (E) + Exhibit PR - 4, Page 3, Column (C)).
- (G) Exhibit PR - 6, Page 1, Column (L) - Appendix PR - C, Page 1, Column (G).
- (H) Exhibit PR - 6, Page 1, Column (M) - Appendix PR - C, Page 2, Column (G).
- (I) Selected based on Columns (D) through (H).
- (J) (I) - (B).
- (K) (B) - (C).
- (L) (J) + (K).

Schools Program Alliance - Property

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 6/30/25 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 6/30/25 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	$1,565,840	1.000	$1,565,840	$1,565,840	1.000	$1,565,840
2005-2006	262,341	1.000	262,341	262,341	1.000	262,341
2006-2007	383,132	1.000	383,132	498,469	1.000	498,469
2007-2008	427,625	1.000	427,625	427,625	1.000	427,625
2008-2009	443,888	1.000	443,888	443,888	1.000	443,888
2009-2010	894,503	1.000	894,503	898,355	1.000	898,355
2010-2011	763,487	1.000	763,487	1,013,487	1.000	1,013,487
2011-2012	337,334	1.000	337,334	337,334	1.000	337,334
2012-2013	777,388	1.000	777,388	1,027,388	1.000	1,027,388
2013-2014	965,794	1.000	965,794	1,215,794	1.000	1,215,794
2014-2015	1,250,807	1.000	1,250,807	1,250,807	1.000	1,250,807
2015-2016	1,172,107	1.000	1,172,107	1,422,107	1.000	1,422,107
2016-2017	3,839,455	1.000	3,839,455	4,995,651	1.000	4,995,651
2017-2018	6,100,385	1.000	6,100,385	8,088,062	1.000	8,088,062
2018-2019	6,230,576	1.000	6,230,576	8,644,281	1.000	8,644,281
2019-2020	3,114,120	1.000	3,114,120	3,665,654	1.000	3,665,654
2020-2021	1,956,676	1.000	1,956,676	1,956,676	1.000	1,956,676
2021-2022	3,052,421	1.000	3,052,421	3,552,421	1.000	3,552,421
2022-2023	5,399,576	1.000	5,399,576	5,871,825	1.000	5,871,825
2023-2024	4,714,992	1.005	4,738,567	5,214,992	1.004	5,235,852
2024-2025	3,972,455	1.550	6,157,305	4,927,710	1.549	7,633,023
Totals	$47,624,902		$49,833,327	$57,280,707		$60,006,880

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance. These losses exclude amounts over $250,000 per occurrence.
(C) Based upon Comparative Loss Development Factors.
(D) (B) x (C). These estimated losses exclude amounts over $250,000 per occurrence.
(E) Losses capped at Schools Program Alliance's SIR. Amounts are provided by Schools Program Allianc
(F) Based upon Comparative Loss Development Factors.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

Schools Program Alliance - Property

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 6/30/25 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 6/30/25 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	$1,565,840	1.000	$1,565,840	$1,565,840	1.000	$1,565,840
2005-2006	262,341	1.000	262,341	262,341	1.000	262,341
2006-2007	383,132	1.000	383,132	498,469	1.000	498,469
2007-2008	427,625	1.000	427,625	427,625	1.000	427,625
2008-2009	443,888	1.000	443,888	443,888	1.000	443,888
2009-2010	894,503	1.000	894,503	898,355	1.000	898,355
2010-2011	763,487	1.000	763,487	1,013,487	1.000	1,013,487
2011-2012	337,334	1.000	337,334	337,334	1.000	337,334
2012-2013	776,676	1.000	776,676	1,026,676	1.000	1,026,676
2013-2014	965,730	1.000	965,730	1,215,730	1.000	1,215,730
2014-2015	1,250,807	1.000	1,250,807	1,250,807	1.000	1,250,807
2015-2016	1,172,107	1.000	1,172,107	1,422,107	1.000	1,422,107
2016-2017	3,839,455	1.000	3,839,455	4,995,651	1.000	4,995,651
2017-2018	6,100,385	1.000	6,100,385	8,088,062	1.000	8,088,062
2018-2019	6,230,576	1.000	6,230,576	8,644,281	1.000	8,644,281
2019-2020	3,114,120	1.000	3,114,120	3,665,654	1.000	3,665,654
2020-2021	1,956,676	1.000	1,956,676	1,956,676	1.002	1,960,589
2021-2022	3,052,421	1.002	3,058,526	3,552,421	1.008	3,580,840
2022-2023	5,216,054	1.012	5,278,647	5,688,303	1.037	5,898,770
2023-2024	4,038,867	1.042	4,208,499	4,288,867	1.108	4,752,065
2024-2025	2,174,661	1.914	4,162,301	2,579,917	2.064	5,324,949
Totals	$44,966,685		$47,192,655	$53,822,491		$57,273,520

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance. These losses exclude amounts over $250,000 per occurrence.
(C) Based upon Comparative Loss Development Factors.
(D) (B) x (C). These estimated losses exclude amounts over $250,000 per occurrence.
ce. (E) Losses capped at Schools Program Alliance's SIR. Amounts are provided by Schools Program Allianc
(F) Based upon Comparative Loss Development Factors.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Schools Program Alliance - Property

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended TIV ($100,000) (A)	Reported Losses as of 6/30/25 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2011-2012	170,371	337,334	1.000	0.000	2.321	0	337,334
2012-2013	176,705	1,027,388	1.000	0.000	5.192	0	1,027,388
2013-2014	181,174	1,215,794	1.000	0.000	6.325	0	1,215,794
2014-2015	181,174	1,250,807	1.000	0.000	8.228	0	1,250,807
2015-2016	181,992	1,422,107	1.000	0.000	7.720	0	1,422,107
2016-2017	182,677	4,995,651	1.000	0.000	25.344	0	4,995,651
2017-2018	182,699	8,088,062	1.000	0.000	40.495	0	8,088,062
2018-2019	181,886	8,644,281	1.000	0.000	41.784	0	8,644,281
2019-2020	182,773	3,665,654	1.000	0.000	20.884	0	3,665,654
2020-2021	183,712	1,956,676	1.000	0.000	28.513	0	1,956,676
2021-2022	184,542	3,552,421	1.000	0.000	30.131	0	3,552,421
2022-2023	181,551	5,871,825	1.000	0.000	31.869	0	5,871,825
2023-2024	182,484	5,214,992	1.004	0.004	33.674	24,580	5,239,572
2024-2025	183,311	4,927,710	1.549	0.354	35.570	2,308,212	7,235,922
Totals	2,537,051	$52,170,702				$2,332,792	$54,503,494

Notes:

(A) Appendix PR - L, Column (C).
(B) Provided by Schools Program Alliance. These losses exclude amounts incurred above Schools Program Alliance's SIR for each year.
(C) From Appendix PR - A, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix PR - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Schools Program Alliance - Property

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended TIV ($100,000) (A)	Paid Losses as of 6/30/25 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2011-2012	170,371	337,334	1.000	0.000	2.321	0	337,334
2012-2013	176,705	1,026,676	1.000	0.000	5.192	0	1,026,676
2013-2014	181,174	1,215,730	1.000	0.000	6.325	0	1,215,730
2014-2015	181,174	1,250,807	1.000	0.000	8.228	0	1,250,807
2015-2016	181,992	1,422,107	1.000	0.000	7.720	0	1,422,107
2016-2017	182,677	4,995,651	1.000	0.000	25.344	0	4,995,651
2017-2018	182,699	8,088,062	1.000	0.000	40.495	0	8,088,062
2018-2019	181,886	8,644,281	1.000	0.000	41.784	0	8,644,281
2019-2020	182,773	3,665,654	1.000	0.000	20.884	0	3,665,654
2020-2021	183,712	1,956,676	1.002	0.002	28.513	10,476	1,967,152
2021-2022	184,542	3,552,421	1.008	0.008	30.131	44,483	3,596,904
2022-2023	181,551	5,688,303	1.037	0.036	31.869	208,291	5,896,594
2023-2024	182,484	4,288,867	1.108	0.097	33.674	596,062	4,884,929
2024-2025	183,311	2,579,917	2.064	0.516	35.570	3,364,512	5,944,429
Totals	2,537,051	$48,712,486				$4,223,824	$52,936,310

Notes:

(A) Appendix PR - L, Column (C).
(B) Provided by Schools Program Alliance. These losses exclude amounts paid above Schools Program Alliance's SIR for each year.
(C) From Appendix PR - B, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix PR - C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

Schools Program Alliance - Property

Exposure and Development Method

Accident Year	Trended TIV ($100,000) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2011-2012	170,371	337,334	2.006	676,692	3.972	1.980	1.172	2.321
2012-2013	176,705	778,000	1.909	1,485,202	8.405	4.403	1.179	5.192
2013-2014	181,174	966,000	1.816	1,754,256	9.683	5.332	1.186	6.325
2014-2015	181,174	1,250,807	1.728	2,161,395	11.930	6.904	1.192	8.228
2015-2016	181,992	1,172,107	1.644	1,926,944	10.588	6.440	1.199	7.720
2016-2017	182,677	3,839,455	1.564	6,004,908	32.872	21.018	1.206	25.344
2017-2018	182,699	6,100,385	1.488	9,077,373	49.685	33.390	1.213	40.495
2018-2019	181,886	6,230,576	1.416	8,822,496	48.506	34.255	1.220	41.784
2019-2020	182,773	3,115,000	1.347	4,195,905	22.957	17.043	1.225	20.884
2020-2021	183,712	1,956,676	1.282	2,508,459	13.654	23.136	1.232	28.513
2021-2022	184,542	3,053,000	1.220	3,724,660	20.183	24.311	1.239	30.131
2022-2023	181,551	5,400,000	1.160	6,264,000	34.503	25.569	1.246	31.869
2023-2024	182,484	4,739,000	1.104	5,231,856	28.670	26.866	1.253	33.674
2024-2025	183,311	6,158,000	1.051	6,472,058	35.306	28.221	1.260	35.570
Total/Avg	2,537,051	$45,096,340		$60,306,202	$23.770			
19/20-23/24	915,062	18,263,676		21,924,880	23.960			
20/21-24/25	915,600	21,306,676		24,201,033	26.432			
				Selected Limited Rate:	$29.660			
				Comparative:	$29.500			

Notes:

(A) Appendix PR - L, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix PR - E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2019-2020 and prior (B) / (A).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

Schools Program Alliance - Property

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
Prior	$4,704	352	$1,655,808
2005-2006	6,215	48	298,320
2006-2007	9,316	47	437,852
2007-2008	9,265	53	491,045
2008-2009	9,486	54	512,244
2009-2010	16,484	63	1,038,492
2010-2011	14,845	60	890,700
2011-2012	5,492	72	395,424
2012-2013	11,761	78	917,358
2013-2014	20,103	57	1,145,871
2014-2015	12,527	119	1,490,713
2015-2016	10,036	140	1,405,040
2016-2017	20,667	224	4,629,408
2017-2018	40,209	184	7,398,456
2018-2019	53,147	143	7,600,021
2019-2020	25,791	148	3,817,068
2020-2021	28,504	96	2,736,384
2021-2022	29,690	120	3,562,800
2022-2023	30,907	204	6,305,028
2023-2024	32,184	175	5,632,200
2024-2025	33,489	210	7,032,690
Total		2,647	$59,392,922

Notes:

(A) From Appendix PR - D, Page 2, Column (H).
(B) From Appendix PR - D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

Schools Program Alliance - Property

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
Prior	$1,566,000	352	$4,449	2.062	$9,174	$4,449	1.057	$4,704
2005-2006	262,341	48	5,465	1.993	10,892	5,465	1.137	6,215
2006-2007	383,132	47	8,152	1.925	15,693	8,152	1.143	9,316
2007-2008	427,625	53	8,068	1.860	15,006	8,068	1.148	9,265
2008-2009	443,888	54	8,220	1.797	14,771	8,220	1.154	9,486
2009-2010	894,503	63	14,198	1.736	24,648	14,198	1.161	16,484
2010-2011	763,487	60	12,725	1.678	21,353	12,725	1.167	14,845
2011-2012	337,334	72	4,685	1.621	7,594	4,685	1.172	5,492
2012-2013	778,000	78	9,974	1.566	15,619	9,974	1.179	11,761
2013-2014	966,000	57	16,947	1.513	25,641	16,947	1.186	20,103
2014-2015	1,250,807	119	10,511	1.461	15,357	10,511	1.192	12,527
2015-2016	1,172,107	140	8,372	1.412	11,821	8,372	1.199	10,036
2016-2017	3,839,455	224	17,140	1.364	23,379	17,140	1.206	20,667
2017-2018	6,100,385	184	33,154	1.318	43,697	33,154	1.213	40,209
2018-2019	6,230,576	143	43,570	1.273	55,465	43,570	1.220	53,147
2019-2020	3,115,000	148	21,047	1.230	25,888	21,047	1.225	25,791
2020-2021	1,956,676	96	20,382	1.189	24,234	23,129	1.232	28,504
2021-2022	3,053,000	120	25,442	1.148	29,207	23,955	1.239	29,690
2022-2023	5,400,000	204	26,471	1.109	29,356	24,797	1.246	30,907
2023-2024	4,740,000	175	27,086	1.071	29,009	25,677	1.253	32,184
2024-2025	5,229,000	210	24,900	1.035	25,772	26,570	1.260	33,489

Average Limited Severity:	$22,551
Average 19/20-23/24 Limited Severity:	27,539
Average 20/21-24/25 Limited Severity:	27,516
Selected Limited Severity:	$27,500
Comparative:	$69,000

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix PR - D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix PR - E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

Schools Program Alliance - Property

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended TIV ($Billions) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
Prior	352	351	352			1.367	
2005-2006	48	48	48			1.346	
2006-2007	47	47	47			1.326	
2007-2008	53	53	53			1.307	
2008-2009	54	54	54			1.288	
2009-2010	63	63	63			1.269	
2010-2011	60	60	60			1.250	
2011-2012	72	72	72	17.0	4.226	1.232	5.206
2012-2013	78	77	78	17.7	4.414	1.213	5.354
2013-2014	57	56	57	18.1	3.146	1.195	3.759
2014-2015	119	119	119	18.1	6.568	1.178	7.737
2015-2016	140	140	140	18.2	7.693	1.161	8.932
2016-2017	224	224	224	18.3	12.262	1.144	14.028
2017-2018	184	184	184	18.3	10.071	1.126	11.340
2018-2019	143	142	143	18.2	7.862	1.110	8.727
2019-2020	148	147	148	18.3	8.097	1.094	8.858
2020-2021	96	96	96	18.4	5.226	1.078	5.634
2021-2022	120	121	120	18.5	6.503	1.061	6.900
2022-2023	204	215	204	18.2	11.237	1.046	11.754
2023-2024	175	221	175	18.2	9.590	1.031	9.887
2024-2025	196	223	210	18.3	11.456	1.015	11.628
Total	2,633	2,713	2,647	253.7			8.577
19/20-23/24	743	800	743	91.5			8.595

(H) Selected Frequency:	10.100
Comparative:	4.100

		2025-2026	2026-2027	2027-2028	2028-2029
	Program Year:	2025-2026	2026-2027	2027-2028	2028-2029
(I)	Trend Factor:	1.000	1.015	1.030	1.045
(J)	Selected Frequency:	10.100	10.252	10.403	10.555
(K)	Est. TIV ($Billions):	18.4	19.0	19.5	20.1
(L)	Ultimate Claims:	186	195	203	212

Notes:

(A) Appendix PR - D, Page 4, (C).
(B) Appendix PR - D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix PR - L, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix PR - E, Page 1, Column (F).
(G) (E) x (F).
(H) The selected frequency of 10.100 is based on (G).
(I) Appendix PR - E, Page 1, Column (F).
(J) (H) x (I).
(K) Appendix PR - L, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,Billions of trended tiv.

Schools Program Alliance - Property

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 6/30/2025 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	352	1.000	352	
2005-2006	48	1.000	48	
2006-2007	47	1.000	47	
2007-2008	53	1.000	53	
2008-2009	54	1.000	54	
2009-2010	63	1.000	63	
2010-2011	60	1.000	60	
2011-2012	72	1.000	72	5.207
2012-2013	78	1.000	78	5.354
2013-2014	57	1.000	57	3.760
2014-2015	119	1.000	119	7.737
2015-2016	140	1.000	140	8.931
2016-2017	224	1.000	224	14.028
2017-2018	184	1.000	184	11.340
2018-2019	143	1.000	143	8.727
2019-2020	148	1.000	148	8.859
2020-2021	96	1.000	96	5.633
2021-2022	120	1.000	120	6.899
2022-2023	204	1.000	204	11.753
2023-2024	173	1.012	175	9.887
2024-2025	130	1.510	196	10.853
Total	2,565		2,633	8.521

Notes:

(A) Provided by Schools Program Alliance.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix PR - D, Page 3, (D)] x
[Appendix PR - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by Schools Program Alliance. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

Schools Program Alliance - Property

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 6/30/2025 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	351	1.000	351	
2005-2006	48	1.000	48	
2006-2007	47	1.000	47	
2007-2008	53	1.000	53	
2008-2009	54	1.000	54	
2009-2010	63	1.000	63	
2010-2011	60	1.000	60	
2011-2012	72	1.000	72	5.207
2012-2013	77	1.000	77	5.286
2013-2014	56	1.000	56	3.694
2014-2015	119	1.000	119	7.737
2015-2016	140	1.000	140	8.931
2016-2017	224	1.000	224	14.028
2017-2018	184	1.000	184	11.340
2018-2019	142	1.000	142	8.666
2019-2020	147	1.000	147	8.799
2020-2021	96	1.000	96	5.633
2021-2022	119	1.013	121	6.957
2022-2023	199	1.082	215	12.387
2023-2024	160	1.383	221	12.486
2024-2025	77	2.898	223	12.348
Total	2,488		2,713	8.847

Notes:

(A) Provided by Schools Program Alliance.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix PR - D, Page 3, (D)] x
[Appendix PR - D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by Schools Program Alliance. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

Schools Program Alliance - Property

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2025-2026 Loss Rate Level (B)	Factor to 2026-2027 Loss Rate Level (C)	Factor to 2027-2028 Loss Rate Level (D)	Factor to 2028-2029 Loss Rate Level (E)	Factor to 2025-2026 Frequency Level (F)	Factor to 2026-2027 Frequency Level (G)	Factor to 2027-2028 Frequency Level (H)	Factor to 2028-2029 Frequency Level (I)	Factor to 2025-2026 Severity Level (J)
	1.000	2.842	2.986	3.139	3.299	1.367	1.386	1.407	1.428	2.062
2005-2006	1.000	2.704	2.841	2.987	3.139	1.346	1.366	1.386	1.407	1.993
2006-2007	1.000	2.573	2.703	2.842	2.987	1.326	1.346	1.366	1.386	1.925
2007-2008	1.000	2.448	2.572	2.704	2.842	1.307	1.326	1.346	1.366	1.860
2008-2009	1.000	2.329	2.447	2.573	2.704	1.288	1.307	1.326	1.346	1.797
2009-2010	1.000	2.216	2.329	2.448	2.573	1.269	1.287	1.306	1.326	1.736
2010-2011	1.000	2.109	2.215	2.329	2.448	1.250	1.268	1.287	1.306	1.678
2011-2012	1.000	2.006	2.108	2.216	2.329	1.232	1.250	1.268	1.287	1.621
2012-2013	1.000	1.909	2.005	2.108	2.216	1.213	1.231	1.249	1.268	1.566
2013-2014	1.000	1.816	1.908	2.006	2.108	1.195	1.213	1.231	1.249	1.513
2014-2015	1.000	1.728	1.815	1.909	2.006	1.178	1.195	1.213	1.231	1.461
2015-2016	1.000	1.644	1.728	1.816	1.909	1.161	1.178	1.195	1.213	1.412
2016-2017	1.000	1.564	1.643	1.728	1.816	1.144	1.160	1.177	1.195	1.364
2017-2018	1.000	1.488	1.564	1.644	1.728	1.126	1.143	1.160	1.177	1.318
2018-2019	1.000	1.416	1.488	1.564	1.644	1.110	1.126	1.143	1.160	1.273
2019-2020	1.000	1.347	1.415	1.488	1.564	1.094	1.110	1.126	1.143	1.230
2020-2021	1.000	1.282	1.347	1.416	1.488	1.078	1.093	1.109	1.126	1.189
2021-2022	1.000	1.220	1.281	1.347	1.416	1.061	1.077	1.093	1.109	1.148
2022-2023	1.000	1.160	1.219	1.282	1.347	1.046	1.061	1.077	1.093	1.109
2023-2024	1.000	1.104	1.160	1.220	1.282	1.031	1.046	1.061	1.077	1.071
2024-2025	1.000	1.051	1.104	1.161	1.220	1.015	1.030	1.045	1.061	1.035
2025-2026	1.000	1.000	1.051	1.105	1.161	1.000	1.015	1.030	1.045	1.000
2026-2027	1.000	--	1.000	1.051	1.105	--	1.000	1.015	1.030	--
2027-2028	1.000	--	--	1.000	1.051	--	--	1.000	1.015	--
2028-2029	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	No benefit level adjustment applied.
(B) - (E)	(A) adjusted for a 5.1% annual loss rate trend.
(F) - (I)	(A) adjusted for a 1.5% annual frequency trend.
(J)	(A) adjusted for a 3.5% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

Schools Program Alliance - Property

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended TIV ($100,000) (E)	Ultimate Frequency (F)
2005-2006	262,341	48	1.000	5,465		
2006-2007	383,132	47	1.000	8,152		
2007-2008	427,625	53	1.000	8,068		
2008-2009	443,888	54	1.000	8,220		
2009-2010	894,503	63	1.000	14,198		
2010-2011	763,487	60	1.000	12,725		
2011-2012	337,334	72	1.000	4,685	170,371	4.226
2012-2013	778,000	78	1.000	9,974	176,705	4.414
2013-2014	966,000	57	1.000	16,947	181,174	3.146
2014-2015	1,250,807	119	1.000	10,511	181,174	6.568
2015-2016	1,172,107	140	1.000	8,372	181,992	7.693
2016-2017	3,839,455	224	1.000	17,140	182,677	12.262
2017-2018	6,100,385	184	1.000	33,154	182,699	10.071
2018-2019	6,230,576	143	1.000	43,570	181,886	7.862
2019-2020	3,115,000	148	1.000	21,047	182,773	8.097
2020-2021	1,956,676	96	1.000	20,382	183,712	5.226
2021-2022	3,053,000	120	1.000	25,442	184,542	6.503
2022-2023	5,400,000	204	1.000	26,471	181,551	11.237
2023-2024	4,739,000	175	1.000	27,080	182,484	9.590
2024-2025	6,158,000	210	1.000	29,324	183,311	11.456

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2024-2025	1.104	1.006
Mvg 5-Yr Wtd Latest 10 x 2024-2025	1.131	1.044
Latest 5 x 2024-2025	1.080	1.117
Mvg 5-Yr Wtd Latest 5 x 2024-2025	1.006	0.964
Prior	1.035	1.015
Default	1.030	0.975
Selected Residual Trend	1.035	1.015

Notes:

(A) Selected average of results from PR - Appendices A and B.
(B) Appendix PR - D, Page 3, Column (C).
(C) Appendix PR - E, Page 1, Column (A).
(D) (A) x (C) / (B).
(E) Appendix PR - L, Column (C).
(F) (B) / (E) x 10,000.

Schools Program Alliance - Property

Payment and Reserve Forecast

Accident Year	As of 6/30/2025	7/1/2026 to 6/30/2027	7/1/2027 to 6/30/2028	7/1/2028 to 6/30/2029
		Calendar Period		
2020-2021				
Ultimate Loss				
Paid in Calendar Period	-			
Paid to Date				
Outstanding Liability				
2021-2022				
Ultimate Loss	$2,501,000	$2,501,000	$2,501,000	$2,501,000
Paid in Calendar Period	-	251		
Paid to Date	2,500,000	2,501,000	2,501,000	2,501,000
Outstanding Liability	1,000			
2022-2023				
Ultimate Loss	$2,494,000	$2,494,000	$2,494,000	$2,494,000
Paid in Calendar Period	-	57,334	19,214	
Paid to Date	2,149,192	2,474,786	2,494,000	2,494,000
Outstanding Liability	344,808	19,214	(0)	(0)
2023-2024				
Ultimate Loss	$2,538,000	$2,538,000	$2,538,000	$2,538,000
Paid in Calendar Period	-	551,842	117,942	39,524
Paid to Date	600,000	2,380,534	2,498,476	2,538,000
Outstanding Liability	1,938,000	157,466	39,524	
2024-2025				
Ultimate Loss	$3,000,000	$3,000,000	$3,000,000	$3,000,000
Paid in Calendar Period	-	286,235	128,556	27,476
Paid to Date	611,245	2,834,761	2,963,317	2,990,793
Outstanding Liability	2,388,755	165,239	36,683	9,207
2027-2028				
Ultimate Loss	-	-	$7,636,000	$7,636,000
Paid in Calendar Period	-	-	3,695,824	3,195,483
Paid to Date	-	-	3,695,824	6,891,307
Outstanding Liability	-	-	3,940,176	744,693
2028-2029				
Ultimate Loss	-	-	-	$8,310,000
Paid in Calendar Period	-	-	-	4,022,040
Paid to Date	-	-	-	4,022,040
Outstanding Liability	-	-	-	4,287,960
Totals				
Ultimate Loss	$10,533,000	$23,989,000	$31,625,000	$39,935,000
Paid in Calendar Period	-	6,986,195	7,294,680	7,897,059
Paid to Date	5,860,437	19,400,026	26,694,706	34,591,765
Outstanding Liability	4,672,563	4,588,974	4,930,294	5,343,235
Total Outstanding ULAE	0	0	0	0
Outstanding Liability plus ULAE	4,672,563	4,588,974	4,930,294	5,343,235

Notes appear on the next page.

Schools Program Alliance - Property

Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2023-2024, $1,228,692 is expected to be paid between 7/1/25 and 6/30/26, $1,828,692 will have been paid by 6/30/26, and the reserve for remaining payments on these claims should be $709,308.

- Ultimate Losses for each accident year are from Exhibit PR - 2, Page 6.

- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, $551,842 = $709,308 x 77.8%.

- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $2,380,534 = $551,842 + $1,828,692.

- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $709,308 = $2,538,000 - $1,828,692.

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

Schools Program Alliance - Property

Short- and Long-Term Liabilities

			Expected	Discounted
Liabilities as of 6/30/25:				
	Current (Short Term)	Loss and ALAE:	$3,434,982	$3,434,982
		ULAE:	0	0
		Short-Term Loss and LAE:	$3,434,982	$3,434,982
	Non-Current (Long Term)	Loss and ALAE:	$1,237,581	$1,237,741
		ULAE:	0	(160)
		Long-Term Loss and LAE:	$1,237,581	$1,237,581
	Total Liability	Loss and ALAE:	$4,672,563	$4,672,723
		ULAE:	0	(160)
		Total Loss and LAE:	$4,672,563	$4,672,563
Liabilities as of 6/30/26:				
	Current (Short Term)	Loss and ALAE:	$3,591,903	$3,591,903
		ULAE:	0	0
		Short-Term Loss and LAE:	$3,591,903	$3,591,903
	Non-Current (Long Term)	Loss and ALAE:	$970,266	$970,266
		ULAE:	0	0
		Long-Term Loss and LAE:	$970,266	$970,266
	Total Liability	Loss and ALAE:	$4,562,169	$4,562,169
		ULAE:	0	0
		Total Loss and LAE:	$4,562,169	$4,562,169

			Discounted with a Margin for Contingencies				
			70% Confidence	75% Confidence	80% Confidence	85% Confidence	90% Confidence
Liabilities as of 6/30/25:							
	Current (Short Term)	Loss and ALAE:	$3,514,949	$3,550,246	$3,592,202	$3,643,482	$3,712,743
		ULAE:	0	0	0	0	0
		Short-Term Loss and LAE:	$3,514,949	$3,550,246	$3,592,202	$3,643,482	$3,712,743
	Non-Current (Long Term)	Loss and ALAE:	$1,266,556	$1,279,274	$1,294,393	$1,312,870	$1,337,828
		ULAE:	(164)	(165)	(168)	(169)	(173)
		Long-Term Loss and LAE:	$1,266,392	$1,279,109	$1,294,225	$1,312,701	$1,337,655
	Total Liability	Loss and ALAE:	$4,781,505	$4,829,520	$4,886,595	$4,956,352	$5,050,571
		ULAE:	(164)	(165)	(168)	(169)	(173)
		Total Loss and LAE:	$4,781,341	$4,829,355	$4,886,427	$4,956,183	$5,050,398
Liabilities as of 6/30/26:							
	Current (Short Term)	Loss and ALAE:	$3,675,523	$3,712,432	$3,756,305	$3,809,928	$3,882,353
		ULAE:	0	0	0	0	0
		Short-Term Loss and LAE:	$3,675,523	$3,712,432	$3,756,305	$3,809,928	$3,882,353
	Non-Current (Long Term)	Loss and ALAE:	$992,854	$1,002,824	$1,014,676	$1,029,160	$1,048,724
		ULAE:	0	0	0	0	0
		Long-Term Loss and LAE:	$992,854	$1,002,824	$1,014,676	$1,029,160	$1,048,724
	Total Liability	Loss and ALAE:	$4,668,377	$4,715,256	$4,770,981	$4,839,088	$4,931,077
		ULAE:	0	0	0	0	0
		Total Loss and LAE:	$4,668,377	$4,715,256	$4,770,981	$4,839,088	$4,931,077

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix PR - F that is expected to be paid out within the coming year. Totals may vary from Exhibit PR - 1, due to rounding.

Schools Program Alliance - Property

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 6/30/25 (A)	Discount Factor (B)	Discounted Reserve at 6/30/25 (C)	Full Value of Reserve at 6/30/26 (D)	Discount Factor (E)	Discounted Reserve at 6/30/26 (F)
Prior	$160	1.000	$160	$0	1.000	$0
2005-2006	0	1.000	0	0	1.000	0
2006-2007	0	1.000	0	0	1.000	0
2007-2008	0	1.000	0	0	1.000	0
2008-2009	0	1.000	0	0	1.000	0
2009-2010	0	1.000	0	0	1.000	0
2010-2011	0	1.000	0	0	1.000	0
2011-2012	0	1.000	0	0	1.000	0
2012-2013	0	1.000	0	0	1.000	0
2013-2014	0	1.000	0	0	1.000	0
2014-2015	0	1.000	0	0	1.000	0
2015-2016	0	1.000	0	0	1.000	0
2016-2017	0	1.000	0	0	1.000	0
2017-2018	0	1.000	0	0	1.000	0
2018-2019	0	1.000	0	0	1.000	0
2019-2020	0	1.000	0	0	1.000	0
2020-2021	0	1.000	0	0	1.000	0
2021-2022	1,000	1.000	1,000	251	1.000	251
2022-2023	344,808	1.000	344,808	76,548	1.000	76,548
2023-2024	1,938,000	1.000	1,938,000	709,308	1.000	709,308
2024-2025	2,388,755	1.000	2,388,755	451,474	1.000	451,474
2025-2026				3,324,588	1.000	3,324,588
Totals	$4,672,723		$4,672,723	$4,562,169		$4,562,169

(G) Discount Factor at 6/30/25 for Overall Reserve: 1.000
(H) Discount Factor at 6/30/26 for Overall Reserve: 1.000

Notes:

(A) From Appendix PR - F, Outstanding Liability at 6/30/25.
(B) Based on Appendix PR - H, Page 2, Column (F).
(C) (A) x (B).
(D) From Appendix PR - F, Outstanding Liability at 6/30/26.
(E) Based on Appendix PR - H, Page 2, Column (F).
(F) (D) x (E).
(G) Total of (C) / Total of (A).
(H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 1.000, the discounted liability for outstanding claims is 100.0% of the full value.

Schools Program Alliance - Property

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.0%	0.00%	0.000	0.000	1.000
21	0.0%	0.00%	0.000	0.000	1.000
20	0.0%	0.00%	0.000	0.000	1.000
19	0.0%	0.00%	0.000	0.000	1.000
18	0.0%	0.00%	0.000	0.000	1.000
17	0.0%	0.00%	0.000	0.000	1.000
16	0.0%	0.00%	0.000	0.000	1.000
15	0.0%	0.00%	0.000	0.000	1.000
14	0.0%	0.00%	0.000	0.000	1.000
13	0.0%	0.00%	0.000	0.000	1.000
12	0.0%	0.00%	0.000	0.000	1.000
11	0.0%	0.00%	0.000	0.000	1.000
10	0.0%	0.00%	0.000	0.000	1.000
9	0.0%	0.00%	0.000	0.000	1.000
8	0.0%	0.00%	0.000	0.000	1.000
7	0.0%	0.00%	0.000	0.000	1.000
6	0.2%	0.00%	0.002	0.002	1.000
5	0.7%	0.00%	0.009	0.009	1.000
4	2.9%	0.00%	0.038	0.038	1.000
3	6.4%	0.00%	0.102	0.102	1.000
2	41.6%	0.00%	0.517	0.517	1.000
1	48.3%	0.00%	1.000	1.000	1.000

(G) Discount Factor for Future Funding:	2025-2026	1.000
	2026-2027	1.000
	2027-2028	1.000
	2028-2029	1.000

Notes:

(A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.

(B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix PR - B, Page 2.

(C) Assumed Investment Income Rates.

(D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 51.7% = [10.2% / 1.000] + [41.6% / (1.000)].

(E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.

(F) (D) / (E).

(G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 1.00, on a discounted basis, $1.00 must be budgeted for every $1 that will actually be paid on claims that will be incurred in the next fiscal year.

Schools Program Alliance - Property

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.813	1.588
90%	1.571	1.417
85%	1.426	1.313
80%	1.317	1.236
75%	1.230	1.173
70%	1.157	1.120
65%	1.092	1.073
60%	1.033	1.030
55%	0.979	0.991
50%	0.928	0.953
45%	0.880	0.918
40%	0.832	0.883
35%	0.786	0.848
30%	0.738	0.812
25%	0.689	0.775

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.571 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

Schools Program Alliance - Property

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention Per Occurrence	Self-Insured Retention Aggregate
7/1/1973	6/30/2005	Prior	$500,000	(none)
7/1/2005	6/30/2006	2005-2006	500,000	(none)
7/1/2006	6/30/2007	2006-2007	500,000	(none)
7/1/2007	6/30/2008	2007-2008	500,000	(none)
7/1/2008	6/30/2009	2008-2009	500,000	(none)
7/1/2009	6/30/2010	2009-2010	500,000	(none)
7/1/2010	6/30/2011	2010-2011	500,000	(none)
7/1/2011	6/30/2012	2011-2012	500,000	(none)
7/1/2012	6/30/2013	2012-2013	500,000	(none)
7/1/2013	6/30/2014	2013-2014	500,000	(none)
7/1/2014	6/30/2015	2014-2015	500,000	(none)
7/1/2015	6/30/2016	2015-2016	500,000	(none)
7/1/2016	6/30/2017	2016-2017	500,000	(none)
7/1/2017	6/30/2018	2017-2018	500,000	(none)
7/1/2018	6/30/2019	2018-2019	500,000	(none)
7/1/2019	6/30/2020	2019-2020	500,000	(none)
7/1/2020	6/30/2021	2020-2021	500,000	(none)
7/1/2021	6/30/2022	2021-2022	500,000	(none)
7/1/2022	6/30/2023	2022-2023	500,000	(none)
7/1/2023	6/30/2024	2023-2024	500,000	(none)
7/1/2024	6/30/2025	2024-2025	500,000	(none)
7/1/2025	6/30/2026	2025-2026	500,000	(none)
7/1/2026	6/30/2027	2026-2027	500,000	(none)

This exhibit summarizes some of the key facts about the history of the program.

Schools Program Alliance - Property

Incurred Losses as of 6/30/25

Accident Year (A)	Unlimited Incurred (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $250,000 (G)	Incurred Capped at $250,000 (H)	Incurred $250,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
Prior	$1,565,840	$0	$0	$1,565,840	$0	$0	$1,565,840	$0	$1,565,840	$1,565,840
2005-2006	262,341	0	0	262,341	0	0	262,341	0	262,341	262,341
2006-2007	498,469	0	0	498,469	0	115,337	383,132	115,337	498,469	498,469
2007-2008	427,625	0	0	427,625	0	0	427,625	0	427,625	427,625
2008-2009	443,888	0	0	443,888	0	0	443,888	0	443,888	443,888
2009-2010	898,355	0	0	898,355	0	3,852	894,503	3,852	898,355	898,355
2010-2011	1,655,927	0	0	1,655,927	642,440	892,440	763,487	250,000	1,013,487	1,013,487
2011-2012	337,334	0	0	337,334	0	0	337,334	0	337,334	337,334
2012-2013	1,071,297	0	0	1,071,297	43,909	293,909	777,388	250,000	1,027,388	1,027,388
2013-2014	2,498,975	0	0	2,498,975	1,283,181	1,533,181	965,794	250,000	1,215,794	1,215,794
2014-2015	1,250,807	0	0	1,250,807	0	0	1,250,807	0	1,250,807	1,250,807
2015-2016	2,110,168	0	0	2,110,168	688,061	938,061	1,172,107	250,000	1,422,107	1,422,107
2016-2017	12,502,355	0	0	12,502,355	7,506,704	8,662,900	3,839,455	1,156,196	4,995,651	4,995,651
2017-2018	11,298,878	0	0	11,298,878	3,210,816	5,198,493	6,100,385	1,987,677	8,088,062	8,088,062
2018-2019	44,535,591	0	0	44,535,591	35,891,310	38,305,015	6,230,576	2,413,705	8,644,281	8,644,281
2019-2020	4,246,068	0	0	4,246,068	580,414	1,131,947	3,114,120	551,534	3,665,654	3,665,654
2020-2021	18,191,491	16,234,815	0	1,956,676	0	0	1,956,676	0	1,956,676	1,956,676
2021-2022	15,215,077	4,133,696	0	11,081,380	7,528,959	8,028,959	3,052,421	500,000	3,552,421	3,552,421
2022-2023	10,105,656	937,891	44,026	9,123,739	3,251,914	3,724,163	5,399,576	472,249	5,871,825	5,871,825
2023-2024	8,976,324	0	53,517	8,922,807	3,707,815	4,207,815	4,714,992	500,000	5,214,992	5,214,992
2024-2025	5,983,710	0	0	5,983,710	1,056,000	2,011,256	3,972,455	955,256	4,927,710	4,927,710
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	$144,076,173	$21,306,402	$97,543	$122,672,228	$65,391,522	$75,047,327	$47,624,901	$9,655,805	$57,280,706	$57,280,706

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance.
(C) Wildfire Claims
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $250,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix PR - J.

Schools Program Alliance - Property

Paid Losses as of 6/30/25

Accident Year (A)	Unlimited Paid (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $250,000 (G)	Paid Capped at $250,000 (H)	Paid $250,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
Prior	$1,565,840	$0	$0	$1,565,840	$0	$0	$1,565,840	$0	$1,565,840	$1,565,840
2005-2006	262,341	0	0	262,341	0	0	262,341	0	262,341	262,341
2006-2007	498,469	0	0	498,469	0	115,337	383,132	115,337	498,469	498,469
2007-2008	427,625	0	0	427,625	0	0	427,625	0	427,625	427,625
2008-2009	443,888	0	0	443,888	0	0	443,888	0	443,888	443,888
2009-2010	898,355	0	0	898,355	0	3,852	894,503	3,852	898,355	898,355
2010-2011	1,655,927	0	0	1,655,927	642,440	892,440	763,487	250,000	1,013,487	1,013,487
2011-2012	337,334	0	0	337,334	0	0	337,334	0	337,334	337,334
2012-2013	1,070,585	0	0	1,070,585	43,909	293,909	776,676	250,000	1,026,676	1,026,676
2013-2014	2,498,911	0	0	2,498,911	1,283,181	1,533,181	965,730	250,000	1,215,730	1,215,730
2014-2015	1,250,807	0	0	1,250,807	0	0	1,250,807	0	1,250,807	1,250,807
2015-2016	2,110,168	0	0	2,110,168	688,061	938,061	1,172,107	250,000	1,422,107	1,422,107
2016-2017	12,502,355	0	0	12,502,355	7,506,704	8,662,900	3,839,455	1,156,196	4,995,651	4,995,651
2017-2018	11,298,878	0	0	11,298,878	3,210,816	5,198,493	6,100,385	1,987,677	8,088,062	8,088,062
2018-2019	42,907,946	0	0	42,907,946	34,263,665	36,677,370	6,230,576	2,413,705	8,644,281	8,644,281
2019-2020	4,246,068	0	0	4,246,068	580,414	1,131,947	3,114,120	551,534	3,665,654	3,665,654
2020-2021	18,191,491	16,234,815	0	1,956,676	0	0	1,956,676	0	1,956,676	1,956,676
2021-2022	15,215,077	4,133,696	0	11,081,380	7,528,959	8,028,959	3,052,421	500,000	3,552,421	3,552,421
2022-2023	8,347,163	937,891	44,026	7,365,246	1,676,943	2,149,192	5,216,054	472,249	5,688,303	5,688,303
2023-2024	4,692,384	0	53,517	4,638,867	350,000	600,000	4,038,867	250,000	4,288,867	4,288,867
2024-2025	2,785,906	0	0	2,785,906	205,989	611,245	2,174,661	405,256	2,579,917	2,579,917
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	$133,207,515	$21,306,402	$97,543	$111,803,570	$57,981,080	$66,836,885	$44,966,685	$8,855,805	$53,822,491	$53,822,491

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance.
(C) Wildfire Claims
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $250,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix PR - J.

Schools Program Alliance - Property

Case Reserves as of 6/30/25

Accident Year (A)	Unlimited Reserves (B)	Subtractions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $250,000 (G)	Reserves Capped at $250,000 (H)	Reserves $250,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
Prior	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0
2009-2010	0	0	0	0	0	0	0	0	0	0
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	711	0	0	711	0	0	711	0	711	711
2013-2014	64	0	0	64	0	0	64	0	64	64
2014-2015	0	0	0	0	0	0	0	0	0	0
2015-2016	0	0	0	0	0	0	0	0	0	0
2016-2017	0	0	0	0	0	0	0	0	0	0
2017-2018	0	0	0	0	0	0	0	0	0	0
2018-2019	1,627,645	0	0	1,627,645	1,627,645	1,627,645	0	0	0	0
2019-2020	0	0	0	0	0	0	0	0	0	0
2020-2021	0	0	0	0	0	0	0	0	0	0
2021-2022	0	0	0	0	0	0	0	0	0	0
2022-2023	1,758,493	0	0	1,758,493	1,574,971	1,574,971	183,522	0	183,522	183,522
2023-2024	4,283,940	0	0	4,283,940	3,357,815	3,607,815	676,125	250,000	926,125	926,125
2024-2025	3,197,804	0	0	3,197,804	850,011	1,400,011	1,797,793	550,000	2,347,793	2,347,793
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	$10,868,658	$0	$0	$10,868,658	$7,410,442	$8,210,442	$2,658,216	$800,000	$3,458,216	$3,458,216

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix PR - K, Page 1, Column (B) - Appendix PR - K, Page 2, Column (B).
(C) Appendix PR - K, Page 1, Column (C) - Appendix PR - K, Page 2, Column (C).
(D) Appendix PR - K, Page 1, Column (D) - Appendix PR - K, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $250,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix PR - J.

Schools Program Alliance - Property

Claim Counts as of 6/30/25

Accident Year (A)	Reported Claims (B)	Subtractions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Subtractions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
Prior	352	0	0	352	351	0	0	351	1	1
2005-2006	48	0	0	48	48	0	0	48	0	0
2006-2007	47	0	0	47	47	0	0	47	0	0
2007-2008	53	0	0	53	53	0	0	53	0	0
2008-2009	54	0	0	54	54	0	0	54	0	0
2009-2010	63	0	0	63	63	0	0	63	0	0
2010-2011	60	0	0	60	60	0	0	60	0	0
2011-2012	72	0	0	72	72	0	0	72	0	0
2012-2013	78	0	0	78	77	0	0	77	1	1
2013-2014	57	0	0	57	56	0	0	56	1	1
2014-2015	119	0	0	119	119	0	0	119	0	0
2015-2016	140	0	0	140	140	0	0	140	0	0
2016-2017	224	0	0	224	224	0	0	224	0	0
2017-2018	184	0	0	184	184	0	0	184	0	0
2018-2019	143	0	0	143	142	0	0	142	1	1
2019-2020	148	0	0	148	147	0	0	147	1	1
2020-2021	98	2	0	96	98	2	0	96	0	0
2021-2022	122	2	0	120	121	2	0	119	1	1
2022-2023	205	1	0	204	200	1	0	199	5	5
2023-2024	173	0	0	173	160	0	0	160	13	13
2024-2025	130	0	0	130	77	0	0	77	53	53
2025-2026	0	0	0	0	0	0	0	0	0	0
Total	2,570	5	0	2,565	2,493	5	0	2,488	77	77

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by Schools Program Alliance.
(C) Wildfire Claims
(D)
(E) (B) + (C) - (D).
(F) Provided by Schools Program Alliance.
(G) Wildfire Claims
(H)
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

Schools Program Alliance - Property

Exposure Measures

Accident Year	Total TIV ($100,000) (A)	Inflation Trend Factor (B)	Trended TIV ($100,000) (C)
2005-2006	0		0
2006-2007	0		0
2007-2008	0		0
2008-2009	0		0
2009-2010	0		0
2010-2011	0		0
2011-2012	120,574	1.413	170,371
2012-2013	128,140	1.379	176,705
2013-2014	134,702	1.345	181,174
2014-2015	138,090	1.312	181,174
2015-2016	142,181	1.280	181,992
2016-2017	146,259	1.249	182,677
2017-2018	149,876	1.219	182,699
2018-2019	152,974	1.189	181,886
2019-2020	157,563	1.160	182,773
2020-2021	162,290	1.132	183,712
2021-2022	167,158	1.104	184,542
2022-2023	168,571	1.077	181,551
2023-2024	173,629	1.051	182,484
2024-2025	178,840	1.025	183,311
2025-2026	184,210	1.000	184,210
2026-2027	189,740	1.000	189,740
2027-2028	195,440	1.000	195,440
2028-2029	201,311	1.000	201,311

Notes:

(A) Provided by Schools Program Alliance.
(B) Based on industry factors.
(C) (A) x (B).

Board of Directors
Teleconference Meeting
February 9, 2026

Item H.2.

PROPERTY PROGRAM UPDATE

INFORMATION ITEM

Issue No. 29 | January 2026

INTELLIGENCE

Association of Governmental Risk Pools

Five Myths and Truths About AI in Pooling

Ann Gergen

Artificial intelligence raises big questions and even bigger expectations for how pools operate, make decisions and manage risks. As with any emerging technology, separating real potential from overpromised results is essential. Pools thrive when they adopt tools with care, clarity and purpose — and AI is no exception.

Here are five common myths about AI in pooling and the truths that give a clearer picture of what AI can do for your pool, your members and your mission.

MYTH: AI is a plug-and-play solution.

TRUTH: AI tools require careful implementation, ongoing oversight and refinement.

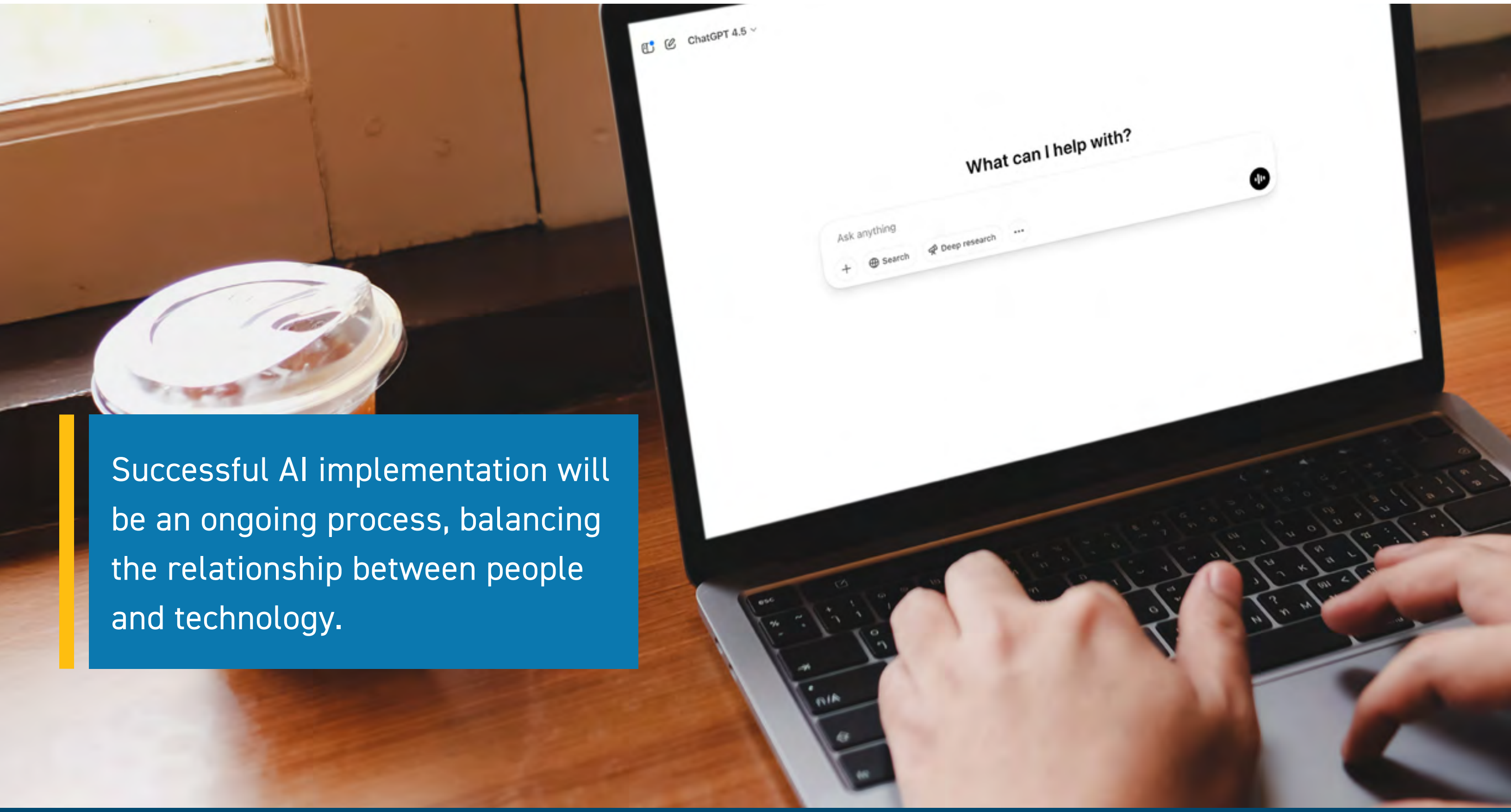
AI success depends on insightful implementation rather than quick installation. Effective AI efforts begin with understanding where AI can add value, selecting tools that align with those needs, and guiding utilization to support pool actions and decisions.

Technology alone is rarely a complete solution to any problem, and AI is no exception. Pools cannot expect meaningful AI results without considering and preparing data, defining objectives and shaping workflows to match AI goals.

Beyond initial implementation, AI systems require ongoing evaluation and adjustment. The evolution of AI tools is fast-paced, and six months can bring significant changes to an AI-enabled output, including, in some cases, a degradation of results that happens before a major leap in AI learning.

Through careful and ongoing oversight, pools can fine-tune AI models, improve outcomes and avoid unintended consequences. This work demands both technical knowledge and a strong commitment to responsible use for the stated, specific purpose of any AI tool.

In practice, successful AI integration is a long-term collaboration between people and technology. This approach helps AI become fully embedded in operations, useful and matched to the realities of pooling.



Successful AI implementation will be an ongoing process, balancing the relationship between people and technology.

MYTH: AI will replace people.

TRUTH: AI will support people by enhancing human expertise, not eliminating it.

Human judgment remains essential in pooling, even with advanced AI tools.

AI excels at identifying patterns, flagging anomalies and producing forecasts, but people bring context, professional experience, empathy and an insightful lens that shapes AI findings into meaningful strategies. Staff members will interpret AI outputs, consider unique member circumstances and needs, and weigh alternatives to make the best possible decisions.

When pools adopt AI as a support tool, staff gain new ways to focus their expertise. AI can handle time-consuming tasks such as data analysis or document summarization, freeing professionals to concentrate on long-term planning, member relationships and creative problem-solving. This partnership between people and technology strengthens the pool's ability to manage complex risks while maintaining a personal, service-focused approach.

It is possible (and probable) that some roles could dramatically change or even become obsolete when AI is fully embedded within pool work. But that doesn't mean the pool's headcount will necessarily be reduced. Teams that learn to use AI effectively can adjust their skills, improve and expand service delivery to members, and respond more quickly to emerging challenges in ways they weren't able to before AI supports.

AI tools can work alongside staff, not in place of them.

MYTH: AI adoption is only for large pools with robust resources.

TRUTH: Pools of all sizes benefit from AI when they scale tools to meet their needs.

AI solutions come in many forms, from simple automations to more sophisticated predictive models. Pools don't need a massive technology budget or an in-house data science team to start using AI in practical ways.

Pools of all sizes use accessible AI-enabled tools in their day-to-day work, such as meeting transcription services, support for member communications and chatbots that make it easier for members to find answers to frequent questions.

Existing technology products like Microsoft and Zoom have embedded AI functionality to help with day-to-day pool work. These increasingly familiar and available tools offer a manageable starting point for any pool to experiment with and learn about AI opportunities.

AI initiatives often start with someone at the pool who is willing to learn and be a champion for others to adopt AI practices. Find the person at your pool who is enthusiastic about AI technology and ask them to lead the way for others.

Another accessible AI resource is available through contracted service providers. Service providers are making considerable investments into AI supports for their clients, including pools. Ask your business partners about available AI functionality within claims and policy systems, actuarial analyses, investment advice, asset management, payroll auditing, reinsurance reviews, medical bill processing, enrollment and other pool activities. Firms doing business across industries and with multiple pool clients are in an ideal position to help guide pool use of AI systems.

Pools with in-house technology resources and larger budgets may be looking to implement custom AI solutions — but with so many possibilities, it can be challenging to decide where to start.

Begin with an AI initiative your team can accomplish in three to 12 months, demonstrate early value (even if small), and build staff confidence as they incorporate AI tools into everyday work.

No matter the size of your pool or the scope of your AI implementation, the time for learning and experimentation is now, so your team's AI skills develop at the same pace as the technology.

> By starting with readily available AI resources and building internal knowledge, any pool can use AI in pragmatic, meaningful ways.

MYTH: AI poses too many risks to use right now.

TRUTH: With the right governance, AI can be used responsibly and securely.

Concerns about AI privacy, transparency and bias deserve serious attention. Pools manage sensitive data and uphold public entity trust, so must approach AI use with strong policies and clear accountabilities. Responsible AI begins with defining how the technology will be used, establishing guidelines for data management, and assigning oversight roles to ensure accountability.

AI governance frameworks help pools anticipate challenges and respond proactively. As you seek to use AI tools and build AI capacity at your pool, be sure to:

- **Adopt an AI use policy applicable to all staff.** An effective AI use policy will define acceptable AI uses as well as when and how AI may not be used for pool purposes. Your pool needs an AI use policy even if you do not currently have approved AI use cases. Because AI resources are so readily available and easy to use, it's important to outline impermissible uses to avoid unknowing or unintended consequences.
- **Review service provider contracts for AI use.** Your pool's data, resources and decision factors may be shared with service providers using AI. It's crucial to understand where and how your pool's information is stored or used in AI-enabled processes, as well as how AI influences recommendations for pool decisions.
- **Establish clear parameters for human oversight in AI-assisted decision-making, particularly in underwriting and claims management functions.** In addition, if AI assists in underwriting and claims functions, create processes for managing AI transparency, reporting errors, biases and concerning outputs.
- **Update data security and business continuity practices to reflect AI operational risks.** Data security procedures should address risks resulting from AI systems implemented by a pool or its service providers and require cybersecurity training that includes emerging threats. Pools should also be creating cyber incident response plans for threats presented by AI systems or through AI means.
- **Determine appropriate methods and timing for communicating AI use to members.** Pools operate in an environment where maintaining member trust is critical, so it's a good idea to be open about where and how your pool is using AI to support decisions.

Rather than avoiding AI altogether, pools can lean into risk-aware practices that align with the very foundation of pooling. By treating AI as a suite of tools to be governed and refined, pools strengthen their capacity to innovate while upholding their commitment to fairness, transparency and public service.

> Responsible AI use is risk-aware, aligning with the very foundation of pooling.

MYTH: AI is a passing trend.

TRUTH: AI is an evolving tool that will continue to shape pools and pooling.

AI represents a long-term shift in how all organizations will gather, analyze and act on information. Just as pools embraced digital claim files, policy systems and online member portals, we can expect AI to become an integral part of operations.

Choosing to ignore AI leaves a pool vulnerable. Early adopters learn alongside AI's evolution, building institutional knowledge, developing best practices and positioning to adapt as technology matures.

By engaging early, asking tough questions and experimenting responsibly, pools will define how AI serves their mission and membership. This ensures AI adoption aligns with pooling values and secures the long-term sustainability of the pooling model.

Pools that engage with AI early, learn the language and experiment thoughtfully will be better positioned to adapt and lead.

Where to Go from Here

AI offers pools the chance to work smarter and explore new ways to support members. Moving forward successfully starts with small, intentional steps:

- **Start with one practical use case.** Identify a single task that routinely consumes staff time, such as summarizing long documents, preparing meeting materials, sorting routine information or reviewing basic data. Focus on something low-risk and contained so you can experiment without disrupting existing processes or workflows.
- **Educate staff.** Provide introductory opportunities for the entire pool team to understand what AI can and cannot do, how tools support their work and where guardrails apply. Building shared awareness reduces uncertainty and strengthens responsible, confident use. Plus, AI skills are going to be necessary in the future for every pool role.
- **Establish simple guidelines for responsible use.** Clarify when AI can be used, what types of information it can access and who reviews its outputs. These guardrails protect your pool and support accuracy, fairness and transparency — principles that reflect the core values of pooling.
- **Keep human judgment at the center.** Treat AI's outputs as inputs to your decision-making process, not final answers. Staff expertise, context and member-focused insight remain essential for interpreting results and ensuring they align with your mission.
- **Review outcomes and refine your approach.** Evaluate whether AI tools deliver the insights or efficiencies you hope for. Note what works, where adjustments are needed and any surprises that surface. This reflection helps prevent missteps and strengthens future efforts.
- **Document what you learn and apply it gradually.** Capture small lessons as you go — about data quality, workflow improvements or needed policies — and use them to guide your next AI project. Incremental learning builds internal capacity and helps ensure AI is used in ways that are sustainable and mission aligned.

About the Author

Ann Gergen oversees operations, governance functions and member service delivery for the Association of Governmental Risk Pools. She routinely communicates and collaborates with the more than 200 pools that participate in AGRiP and their service providers. Ann has more than 30 years of direct public sector experience in local government management, emergency services, risk management, primary and reinsurance claims and pooled insurance services. She is a recognized resource in strategic management and operations of public entity pools.