

## AGENDA

<b>MEETING:</b>	Board of Directors Meeting Schools Program Alliance Teleconference Meeting	<b>A Action</b> <b>I Information</b>
<b>DATE/TIME:</b>	May 13, 2024 at 10:00 AM PDT	<b>1 Attached</b>
<b>LOCATION VIA</b>	Toll Free (888) 475 4499 or (669) 900-6833 US Toll	<b>2 Hand Out</b>
<b>TELECONFERENCE:</b>	Meeting number (access code): 966 2494 5837	<b>3 Separate Cover</b>
	<a href="https://alliantinsurance.zoom.us/j/96624945837?pwd=NEcwWmtZUnQxd3ZpMTdKZHpEa3orQT09">https://alliantinsurance.zoom.us/j/96624945837?pwd=NEcwWmtZUnQxd3ZpMTdKZHpEa3orQT09</a>	<b>4 Verbal</b>

### **IMPORTANT NOTICES AND DISCLAIMERS:**

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting. The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

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

**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 Group, 550 High Street, Ste. 201, Auburn, CA 95603
6. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

<b>PAGE</b>	<b>A. CALL TO ORDER, ROLL CALL, QUORUM</b>	<b>A 4</b>
	<b>B. APPROVAL OF AGENDA AS POSTED</b>	<b>A 4</b>
	<b>C. PUBLIC COMMENTS</b>	<b>I 4</b>
	<i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	
	<b>D. CONSENT CALENDAR</b>	<b>A 1</b>
	<i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	
Pg. 5	1. Minutes of SPA Board Teleconference Meeting March 11, 2024 - revised	
Pg. 9	2. Minutes of SPA Board Teleconference Meeting April 8, 2024	
Pg. 12	3. SPA Aggregate Erosion Policy – Wording approved April 8, 2024	
	<b>E. MEMBER PROGRAM AND IDEA SHARING</b>	<b>I 4</b>
	<i>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 the member</i>	

is facing. Please mail a copy of any materials to each member City in advance of the meeting.

## **F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

Pg. 14	<b>1. Financials as of March 31, 2024</b>	<b>A</b>	<b>1</b>
	<i>The Board will receive and may approve the Financials as of March 31, 2024.</i>		
Pg. 18	<b>2. Budget Considerations &amp; Assumptions FY 24/25</b>	<b>A</b>	<b>1</b>
	<i>The SPA Board will receive a copy of the proposed budget for FY 24/25.</i>		
Pg. 20	<b>3. Strategic Planning Update</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update regarding the Strategic Plan.</i>		
Pg. 23	<b>4. Claims Task Force Update</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update from the Claims Task Force.</i>		
Pg. 24	<b>5. Update on Legal Review of Governing Documents</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update from Greg Rolon on legal counsel's review of SPA's JPA documents.</i>		
Pg. 25	<b>6. SPA Loss Control – Task Force Update</b>	<b>I</b>	<b>1</b>
	<i>Members will receive an update related to the use of SPA members Loss Control Funds.</i>		

## **G. LIABILITY PROGRAM**

Pg. 26	<b>1. Excess Liability Program Renewal</b>	<b>I</b>	<b>4</b>
	<i>Jim Wilkey may provide the Board with an update regarding the Liability Renewal.</i>		

## **H. PROPERTY PROGRAM**

Pg. 27	<b>1. 2024 Property (and APD) Renewal – Renewal Status Update</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update for the FY 24/25 renewal.</i>		
	<b>a. Not to exceed number from AmWins and BMS, including APD</b>		
	<b>b. Draft Cost Allocations Property and APD Quote Draft funding allocation</b>		
	<b>c. Retained Layer Analysis</b>		
Pg. 28	<b>2. Coverage Limitation at July 1, 2024 Property Program Renewal – Remote/High Risk Loss Valuation</b>	<b>A</b>	<b>1</b>
	<i>Members to provide update on project of verifying member list provided for Remote and High Risk locations.</i>		
Pg. 33	<b>3. Vacancy Permit Member Update</b>	<b>A</b>	<b>1</b>
	<i>SPA members to provide update on Vacancy Permits and present any Vacancy Permits for approval.</i>		



<b>I.</b>	<b>INFORMATION ITEMS AND DISCUSSION</b>	<b>I</b>	<b>4</b>
	<i>This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.</i>		
<b>J.</b>	<b>ADJOURNMENT</b>	<b>A</b>	<b>4</b>

**Upcoming Teleconference Meeting Date: June 10, 2024**  
**Upcoming Strategic Planning Meeting Date: August 20, 2024**

Item No: D.

## **CONSENT CALENDAR**

### **ACTION ITEM**

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

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

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

**FISCAL IMPACT:** As indicated on any item included.

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

### **ATTACHMENTS:**

1. Minutes of SPA Board Teleconference Meeting March 11, 2024
2. Minutes of SPA Board Teleconference Meeting April 8, 2024
3. SPA Aggregate Erosion Policy – Wording approved April 8, 2024

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## **SCHOOLS PROGRAM ALLIANCE**

### **March 11, 2024 Teleconference Board Meeting Minutes**

**Members Present:**

<b>Butte Schools Self-Funded Programs (BSSP)</b>	Christy Patterson
<b>Butte Schools Self-Funded Programs (BSSP)</b>	Nicole Strauch
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Kim Santin
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Brandon Schlenker
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Cindy Wilkerson
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Sandy Manzoni
<b>Schools Insurance Authority (SIA)</b>	Martin Brady
<b>Schools Insurance Authority (SIA)</b>	Brooks Rice
<b>Schools Insurance Authority (SIA)</b>	Debrah Sherrington
<b>Schools Insurance Authority (SIA)</b>	Phil Brown
<b>Schools Insurance Authority (SIA)</b>	Amy Russell
<b>Schools Insurance Authority (SIA)</b>	Olivia Nelson
<b>Schools Insurance Group (SIG)</b>	Kelli Hanson
<b>Schools Insurance Group (SIG)</b>	Nancy Mosier
<b>Central California Schools Authority (CCSA)</b>	Alan Caeton

**Consultants & Guests**

Dan Madej, Alliant Insurance Services	James Wilkey, New Front Insurance
Marcus Beverly, Alliant Insurance Services	Eileen Massa, New Front Insurance
Michelle Minnick, Alliant Insurance Services	Ryan Telford, AmWins
Jenna Wirkner, Alliant Insurance Services	Chris Tambo, AmWins
Mike Kielty, George Hills	

**A. CALL TO ORDER, ROLL CALL, QUORUM**

Mr. Martin Brady called the meeting to order at 10:02 a.m. The above-mentioned members were present constituting a quorum.

**B. APPROVAL OF THE AGENDA AS POSTED**

*A motion was made to approve the Agenda as posted.*

<b>MOTION:</b> Cindy Wilkerson	<b>SECOND:</b> Kim Santin	<b>MOTION CARRIED UNANIMOUSLY</b>
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**C. PUBLIC COMMENT**

There were no public comments.

**D. CONSENT CALENDAR**

1. Minutes of SPA Board Teleconference Meeting February 12, 2024
2. Vacancy Policy & Procedure

*SPA is a Partnership of California Public Entity Joint Powers Authorities*

Dan Madej provided some comments about the Vacancy Policy and Procedure and noted this is a fillable PDF that can be shared with members.

*A motion was made to approve the Consent Calendar.*

**MOTION: Cindy Wilkerson**

**SECOND: Kim Santin**

**MOTION CARRIED  
UNANIMOUSLY**

## **E. MEMBER PROGRAM AND IDEA SHARING**

Cindy Wilkerson provided some comments about the recent AGRIP meeting and indicated there were some great sessions of value. Phil Brown noted discussions with Ben Duffy from Kynd and mentioned that they are working to aggregate the data that is collected through applications to make it easier for members to use for actuarial reporting and actual models. Lastly, there was a discussion regarding continued First Amendment Audits occurring at the members sites.

## **F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

### **F.1. FINANCIALS AS OF DECEMBER 31, 2023**

Phil Brown provided the Board with review of the SPA Financial Statement for the Period Ending December 31, 2023. It was noted that the financials were prepared before the actuarial report.

*A motion was made to approve the financials as presented.*

**MOTION: Kelli Hanson**

**SECOND: Cindy Wilkerson**

**MOTION CARRIED  
UNANIMOUSLY**

### **F.2. STRATEGIC PLANNING UPDATE**

Marcus Beverly provided that we will review this list at each meeting and indicated that we will discuss the vacant structures will be reviewed later today. After a review it was noted that members were interested in joining the Loss Control Task Force (Cindy Wilkerson, Brandon Schlenker, Debrah Sherrington and Jennifer Serran).

### **F.3. CLAIMS TASK FORCE UPDATE**

Marcus Beverly provided the Board with an update related to the Claims Task Force and shared a sample loss run template to report claims by occurrence and indicated that McLarens will be adjusting claims in the SPA retained layer.

### **F.4. SPA MEETING - STRATEGIC PLANNING LOCATION**

Jenna Wirkner provided the Board with a review of the pricing for the potential locations noted at the last meeting. After discussion it was agreed that the Lodge at Tiburon was the best selection.

*A motion was made to select the Lodge at Tiburon for the August 20-21, 2024.*

*SPA is a Partnership of California Public Entity Joint Powers Authorities*

**MOTION: Kim Santin****SECOND: Cindy Wilkerson****MOTION CARRIED  
UNANIMOUSLY****G. LIABILITY PROGRAM****G.1. EXCESS LIABILITY PROGRAM RENEWAL**

Jim Wilkey thanked members for submitting application information so they can begin marketing the coverage as well as continued efforts to explore a 3 year policy. He noted they are in a good spot with marketing and quotes are expected shortly.

**G.2. SPA LIABILITY POLICY & PROCEDURE – AGGREGATE EROSION POLICY**

Cindy Wilkerson noted that there were questions at the last meeting and the group requested this be brought back to the Board for review. Jim Wilkey provided an overview of the scenarios and models that were considered. After a discussion it was requested that the task group meet one more time and this will be brought back to the next SPA Board meeting.

**H. PROPERTY PROGRAM****H.1. 2024 PROPERTY (AND APD) RENEWAL DISCUSSION**

Dan Madej provided the Board that we are in the process of collecting data as some members are still updating data. It was mentioned that the CoreLogic Scores have been run and additionally members data is being prepared to be trended.

**H.2. PROPERTY PROGRAM COVERAGE LIMITATION AT JULY 1, 2024 REMOTE AND HIGH RISK LOCATIONS**

Dan Madej reminded members that the CoreLogic Scores have been run and we have shared those with the members. It was mentioned, that this process in fairness, will be applied to all SPA members and may consist of a margin clause for locations with high wildfire scores. Lastly it was mentioned that after discussions with Underwriters this will be brought back.

**I. INFORMATION ITEMS AND DISCUSSION**

Introduce Oliva Nelson who has started at SIA and came from Beazley to help create a SAM Prevention program.

**J. ADJOURNMENT**

*A motion was made to adjourn the meeting at 11:29 A.M.*

**MOTION: Alan Caeton****SECOND: Kim Santin****MOTION CARRIED  
UNANIMOUSLY****NEXT MEETING DATE: April 8, 2024 via Teleconference**



## Schools Program Alliance

*c/o Alliant Insurance Services*

*Corporation Insurance License No. 0C36861*

*2180 Harvard Street, Suite 460, Sacramento, CA 95815*

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Respectfully Submitted,

\_\_\_\_\_  
Martin Brady, Secretary

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Date



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## **SCHOOLS PROGRAM ALLIANCE**

### **April 8, 2024 Teleconference Board Meeting Minutes**

#### **Members Present:**

<b>Butte Schools Self-Funded Programs (BSSP)</b>	Christy Patterson
<b>Butte Schools Self-Funded Programs (BSSP)</b>	Nicole Strauch
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Kim Santin
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Cindy Wilkerson
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Sandy Manzoni
<b>Schools Insurance Authority (SIA)</b>	Martin Brady
<b>Schools Insurance Authority (SIA)</b>	Brooks Rice
<b>Schools Insurance Authority (SIA)</b>	Debrah Sherrington
<b>Schools Insurance Authority (SIA)</b>	Phil Brown
<b>Schools Insurance Authority (SIA)</b>	Amy Russell
<b>Schools Insurance Authority (SIA)</b>	Olivia Nelson
<b>Schools Insurance Group (SIG)</b>	Kelli Hanson
<b>Schools Insurance Group (SIG)</b>	Nancy Mosier
<b>Central California Schools Authority (CCSA)</b>	Alan Caeton

#### **Consultants & Guests**

Dan Howell, Alliant Insurance Services	Chris Nahas, Alliant Insurance Services
Dan Madej, Alliant Insurance Services	James Wilkey, New Front Insurance
Marcus Beverly, Alliant Insurance Services	Eileen Massa, New Front Insurance
Michelle Minnick, Alliant Insurance Services	Ryan Telford, AmWins
Jenna Wirkner, Alliant Insurance Services	Mike Kielty, George Hills

#### **A. CALL TO ORDER, ROLL CALL, QUORUM**

Mr. Martin Brady called the meeting to order at 10:02 a.m. The above-mentioned members were present constituting a quorum.

#### **B. APPROVAL OF THE AGENDA AS POSTED**

*A motion was made to approve the Agenda as posted.*

**MOTION: Kim Santin**

**SECOND: Kelli Hanson**

**MOTION CARRIED  
UNANIMOUSLY**

#### **C. PUBLIC COMMENT**

There were no public comments.

#### **D. CONSENT CALENDAR**

1. Minutes of SPA Board Teleconference Meeting March 11, 2024

There was a note made that AGRIP was spelled incorrectly and Jennifer's last name is Serran.

*A motion was made to approve the Consent Calendar with the edits noted.*

**MOTION: Alan Caeton**

**SECOND: Cindy Wilkerson**

**MOTION CARRIED  
UNANIMOUSLY**

## **E. MEMBER PROGRAM AND IDEA SHARING**

There was nothing discussed during the meeting.

## **F. LIABILITY PROGRAM**

### **F.1. EXCESS LIABILITY PROGRAM RENEWAL**

Jim Wilkey thanked members for submitting application information so they have begun marketing the coverage as well as continued efforts to explore a 3-year policy. First placement which has been finalized renewal quotations for BASIC and SIA (coverage is placed individually and that is below \$5M). He noted that the SPA tower is a little more complicated given they are exploring an alternative risk financing option. He presented the proposed option for the \$5m excess of \$5M layer for the period 7/1/2024 to 7/1/2027 and indicated that the Board will receive this information again at the next meeting where he will be seeking direction from the Board. Additionally, Jim Wilker provided an update regarding negotiations to increase the aggregate limit.

### **F.2. SPA LIABILITY POLICY & PROCEDURE – AGGREGATE EROSION POLICY**

Cindy Wilkerson noted that there were questions at the last meeting and the group requested this policy be revisited and the group feels comfortable with the language provided. After a discussion it was noted that this would be placed onto the SPA Policy & Procedure letterhead and brought back to the next meeting on the Consent Calendar if approved at this meeting.

*A motion was made to approve the wording.*

**MOTION: Kim Santin**

**SECOND: Alan Caeton**

**MOTION CARRIED  
UNANIMOUSLY**

## **G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

### **G.1. STRATEGIC PLANNING UPDATE**

Marcus Beverly provided a brief review of the Strategic Plan and noted that Greg Rolen has received all the documents and he will have an update at the next meeting.

### **G.2. CLAIMS TASK FORCE UPDATE**

The Board received an update from Marcus Beverly related to the Claims Task Force and shared a sample loss run template and indicated that McLarens will be adjusting claims in the SPA layer. He reminded members to provide the loss runs for the quarter ending March 31, 2024.

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**G.3. ACTUARY REPORT**

Phil Brown introduced Chris Nahas who completed the actuary report and provided the Board with a review of the SPA Actuary report.

*A motion was made to approve the actuary report.*

**MOTION: Cindy Wilkerson**

**SECOND: Kim Santin**

**MOTION CARRIED  
UNANIMOUSLY**

**H. PROPERTY PROGRAM****H.1. 2024 PROPERTY (AND APD.ADWRP) RENEWAL - UPDATE**

Dan Madej provided the Board with a review of the 2024 Property renewal status indicating that the CoreLogic Wildfire scores were shared last month. Dan additionally needed to determine if members would be available to meet with Underwriters in San Diego at the upcoming RIMS conference. It was also noted that the updated trended SOV's will be shared with members after the meeting.

**H.2. COVERAGE LIMITATIONS AT JULY 1, 2024 PROPERTY PROGRAM RENEWAL – REMOTE AND HIGH RISK LOCATIONS**

Dan Howell noted that members have been provided with a list of wildfire scores for their locations, with specific focus on those locations with a wildfire score of 75 or higher. Discussions related to the wildfire scores with members individually, and subsequently with the underlying members to determine if any locations need to be addressed by an agreed value. The Program Administration was provided with direction to continue efforts as noted.

**I. INFORMATION ITEMS AND DISCUSSION**

- 1. CA Insurance Commissioner Ricardo Lara Sustainable Insurance Strategy**
- 2. SPA Board of Directors Meeting Dates FY 2024-2025**

**J. ADJOURNMENT**

*A motion was made to adjourn the meeting.*

**MOTION: Cindy Wilkerson**

**SECOND: Christy Patterson**

**MOTION CARRIED  
UNANIMOUSLY**

The meeting was adjourned at 11:59 A.M.

**NEXT MEETING DATE: May 13, 2024 via Teleconference**

Respectfully Submitted,

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Martin Brady, Secretary

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Date

**Policy & Procedure No. P&P 1-Liability****ADOPTED:** April 8, 2024**SUBJECT:** SPA Aggregate Erosion

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

**PURPOSE:**

The Schools Program Alliance (SPA) has developed an Excess Liability Program for its Members. Members of the Schools Program Alliance (SPA) Excess Liability Program acknowledge that, from time to time and for any program year, insurance market conditions may result in the purchase and placement of reinsurance and/or excess insurance policies which contain annual aggregate limits shared by the members of that program year.

**POLICY:**

If annual aggregate limits for any program year become eroded by payment of claims, the SPA members agree to pursue all available options to purchase reinstatement of limits. The purchase of reinstated or other additional limits for any program year shall be at the sole discretion of the SPA Board of Directors. The SPA members understand that the availability and/or affordability of reinstated or other additional limits may vary from year to year depending upon insurance market conditions and other factors.

Notwithstanding the above, should the erosion of aggregate limits for any program year result in claims which exceed the reinsurance and/or excess insurance funds available for payment of such claims, the SPA members of that program year shall be responsible for the total cost of claims in excess of the annual aggregate limits. Each SPA member shall contribute “Additional Contributions”. Additional Contributions shall be an amount equal to the SPA member’s pro-rata share of the program year’s total contributions (premiums) as applied to the amount of claim(s) in excess of the annual aggregate limits.

**PROCEDURE:**

To request these claims costs, it is the intent of the Board that the requesting member(s) identify the sums needed to adjudicate claims, including indemnity, loss adjustment costs, IBNR, and other necessary and related expenses. It shall be the decision of the SPA Board to review and approve the request for costs. It shall also be the decision of the SPA Board to approve the amount, timing and frequency of “Additional Contributions”.

Under no circumstances shall the SPA program (or by extension any SPA Member) be responsible for any claims in excess of the total limits of coverage (vertical coverage tower) carried for any program year.

**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 Liability Program.

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

Item No: F.1.

**FINANCIALS AS OF MARCH 31, 2024****ACTION ITEM****ISSUE:** Managing Member Financial Report**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 JPA Board approves member contribution rates, insurance purchases, and sets policy direction for administrative expenses purchased in support of the members.

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.

**Financial Statements** – Management financials for the period ended March 31, 2024, and the Check Register are provided. The financials have been prepared before completion of the 6/30/23 year-end audit. Beginning balances are expected to be materially correct but are still estimates. The financials include:

- Total assets of \$17.4 million; total liabilities of \$12.4 million
- Net position has increased by \$1.7 million, yielding a net position of \$5.02 million.
- Claims Liabilities outstanding of \$3.1 million.
- Combined Contribution Revenues recognized were \$24.9 million (\$17.3M Property, \$7.6M liability)
- Combined expenses of \$23.4 million are mostly insurance premiums recognized (\$14.7M property, \$7.6M liability)

Additionally, the following should be considered when reading the financials reports:

- Claims liabilities are accrued per loss runs as reported by the individual members as of December 31, 2023.
- Actuarial estimates from the approved 6/30/23 report have been accrued.

**ATTACHMENTS:** Unaudited management financials and check register follows

**SCHOOLS PROGRAM ALLIANCE**  
**PROPERTY & LIABILITY INSURANCE PROGRAMS**  
**STATEMENT OF NET POSITION**  
**Unaudited - For Management Purposes Only**  
**AS OF MARCH 31, 2024**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
<b>ASSETS</b>									
Cash	21,917	84,682	150,164	818,066	148,099	8,652,171	9,875,098		9,875,098
Accounts Receivable						6,517	6,517		6,517
Other Receivables						69,056	69,056		69,056
Prepaid Insurance						4,889,558	4,889,558	2,541,744	7,431,302
<b>TOTAL ASSETS</b>	<b>21,917</b>	<b>84,682</b>	<b>150,164</b>	<b>818,066</b>	<b>148,099</b>	<b>13,617,302</b>	<b>14,840,229</b>	<b>2,541,744</b>	<b>17,381,973</b>
<b>LIABILITIES</b>									
Accounts Payable							0		0
SIA Admin payable	641	2,133	3,135	9,860	2,981		18,750		18,750
Loss Control payable							0		0
Appraisal payable							0		0
Deferred Contributions	4,298	13,723	20,810	63,302	19,837	5,631,837	5,753,808	2,541,744	8,295,552
Advances Payable						937,041	937,041		937,041
Claims Liabilities						3,107,298	3,107,298		3,107,298
<b>TOTAL LIABILITIES</b>	<b>4,938</b>	<b>15,856</b>	<b>23,946</b>	<b>73,163</b>	<b>22,818</b>	<b>9,676,176</b>	<b>9,816,897</b>	<b>2,541,744</b>	<b>12,358,641</b>
<b>NET POSITION</b>	<b>16,978</b>	<b>68,826</b>	<b>126,218</b>	<b>744,904</b>	<b>125,282</b>	<b>3,941,126</b>	<b>5,023,334</b>	<b>0</b>	<b>5,023,334</b>

**RECONCILIATION OF MEMBER EQUITY BALANCES**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Property Pool	Liability	Total
<b>NET POSITION</b>									
Retained Layer						3,941,126	3,941,126		3,941,126
Loss Control	14,684	59,473	113,561	440,277	111,279		739,273		739,273
Appraisals	2,295	9,353	12,657	304,627	14,003		342,935		342,935
<b>NET POSITION</b>	<b>16,978</b>	<b>68,826</b>	<b>126,218</b>	<b>744,904</b>	<b>125,282</b>	<b>3,941,126</b>	<b>5,023,334</b>	<b>0</b>	<b>5,023,334</b>

**SCHOOLS PROGRAM ALLIANCE**  
**PROPERTY & LIABILITY INSURANCE PROGRAMS**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION**  
**Unaudited - For Management Purposes Only**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
<b>CONTRIBUTION REVENUE</b>									
Retained Layer Deposit						2,250,000	2,250,000		2,250,000
Reinsurance Payments						14,668,674	14,668,674	7,625,232	22,293,905
<b>Total Retained &amp; Reinsurance Contributions</b>	0	0	0	0	0	16,918,674	16,918,674	7,625,232	24,543,905
SPA Admin Contributions*									
Administrative	1,922	6,398	9,406	29,581	8,943	22,500	78,750		78,750
Loss Control	5,125	17,061	25,082	78,883	23,848		150,000		150,000
Appraisal	4,594	13,545	18,812	59,163	17,886		114,000		114,000
<b>Total Admin Contributions</b>	11,641	37,004	53,300	167,627	50,677	22,500	342,750		342,750
<b>TOTAL CONTRIBUTIONS</b>	11,641	37,004	53,300	167,627	50,677	16,941,174	17,261,424	7,625,232	24,886,655
<b>EXPENSES</b>									
Claims Expenses						1,023,182	1,023,182		1,023,182
Insurance Premiums						14,668,674	14,668,674	7,625,232	22,293,905
Professional Services							0		0
Board Member Activities						6,153	6,153		6,153
SPA Admin Expenses*									
Administrative	1,922	6,398	9,406	29,581	8,943		56,250		56,250
Loss Control							0		0
Appraisals							0		0
<b>TOTAL EXPENSES</b>	1,922	6,398	9,406	29,581	8,943	15,698,009	15,754,259	7,625,232	23,379,490
<b>Operating Income</b>	9,719	30,606	43,894	138,046	41,734	1,243,165	1,507,165	0	1,507,165
<b>Non Operating Income - Interest</b>						175,264	175,264		175,264
<b>INCREASE (DECREASE) IN NET POSITION</b>	9,719	30,606	43,894	138,046	41,734	1,418,429	1,682,429	0	1,682,429
<b>NET POSITION, BEGINNING OF PERIOD - ESTIMATED</b>	7,259	38,220	82,324	606,858	83,548	2,522,697	3,340,905	0	3,340,905
<b>NET POSITION, END OF PERIOD</b>	16,978	68,826	126,218	744,904	125,282	3,941,126	5,023,334	0	5,023,334

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



**SCHOOLS PROGRAM ALLIANCE  
CHECK REGISTER**

**FY Ended 6/30/24**

**DISBURSEMENT TRANSACTIONS FISCAL YEAR 2023-24**

Check Number	Vendor ID	Vendor Check Name	Check Date	Amount	Inv. #	Date	Description
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**1st Quarter 23-24**

*No disbursements 1st quarter*

**2nd Quarter 23-24**

103505	Redwood Empire Schools Insurance Group		9/11/2023	10,900.00	AR23-00015	8/21/2023	Refund for appraisals
103517	Alliant Insurance Services, Inc.		9/25/2023	6,153.17	SPA-LRP2023	9/20/2023	SPA planning meeting
book xfer	SIA	SIA- Admin	12/21/2023	18,750.00	SPA 24ADMIN-1	12/21/2023	SIA - Reimburse Q1 SIA admin & expenses
book xfer	SIA	SIA- Admin	12/21/2023	18,750.00	SPA 24ADMIN-2	12/21/2023	SIA - Reimburse Q2 SIA admin & expenses
				<u>54,553.17</u>			

**3rd Quarter 23-24**

book xfer	SIA	SIA- Admin	1/18/2024	115,171.35		1/17/2024	SIA - Mosquito Wildfire
book xfer	SIA	SIA- Admin	1/18/2024	716,460.00		1/17/2024	SIA - CAT2323 Snowstorm
book xfer	SIA	SIA- Admin	7/21/2023	4,500.00	INV-004854	6/30/2023	SIA - Industrial Emergency Council
book xfer	SIA	SIA- Admin	7/21/2023	4,875.00	INV-004967	6/30/2023	SIA - Industrial Emergency Council
LAIF xfer	LAIF	LAIF	3/14/2024	<u>4,100,000.00</u>		3/13/2024	Transfer funds to LAIF
				<u>4,941,006.35</u>			

**4th Quarter 23-24**

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

Item No: F.2.

**BUDGET CONSIDERATIONS & ASSUMPTIONS FY 24/25****ACTION ITEM**

**ISSUE:** SPA Proposed Budget assumptions are provided for consideration and feedback.

**RECOMMENDATION:** Approve the Budget Recommendations, pending final Excess/Re-insurance quotes and the Contribution Allocation Exhibit to be finalized by Alliant and approved by the Board.

**FISCAL IMPACT:** Creation of a spending plan.

**BACKGROUND:** SPA members' annual contributions provide for 1) a Property Program, and 2) a Liability Program of excess insurance purchases, for the benefit of the member districts/JPA's. The JPA Board approves insurance purchases and sets policy direction for administrative expenses which are purchased in support of the members. The Schools Insurance Authority functions as the Managing Member per the JPA agreement. The Managing Member receives and disburses funds, signs contracts, and otherwise manages the financial operations of SPA.

At the inception of the SPA JPA, budgets for SIA Admin, Loss Control and Appraisals were developed. Budgeted revenues and matching expenses for SIA Admin and Loss Control were based on a TIV allocation as approved by the Board on the Contribution Allocation Exhibit schedule developed by Alliant. Appraisal budgets are based on projected appraisal costs unique to each member.

For the 2023/24 year, we started budgeting for administrative costs to cover professional services costs, including audits, actuary, legal, etc... and board member activities, such as the annual strategic planning meeting. These administrative costs are budgeted and expended from the retained layer fund.

The attached Budget Assumptions are provided for Board Member discussion and feedback. We will prepare a formal draft budget upon approval of the budget assumptions and receipt of estimates of reinsurance purchase costs.

**Primary Budget Consideration:**

- We recommend re-authorizing the current year's administrative budgets for the upcoming budget year.

**ATTACHMENTS:** SPA Budget Assumptions 2024-25

## SPA Budget Assumptions 2024-25

Budget Item		Amount	Comments & Recommendations
Revenues	Retained Layer Deposit	\$ 3,000,000	Continue to fully fund the retained layer. Allocation consistent with funding model/allocation to be approved**.
	Excess/Re-insurance Contributions	unknown	Pending quotes. Budget proposal per final quotes/binding. Allocation consistent with funding allocation to be approved.
	Admin Contribution - SIA Admin	\$ 75,000	Roll forward, no change. Allocation pending.**
	Admin Contribution - Loss Control	\$ 200,000	Consider budget amount and usage. Suggest fund again @\$200K with allocation consistent and pending**.
	Admin Contribution - Appraisal	\$ 152,000	Roll forward current year budget. Individual allocation consistent with prior.
	Admin Contribution - Prof & Board	\$ 30,000	Roll forward current year budget. Allocation pending.**
Expenses	Claims Expense	\$ -	Projection too speculative to make.
	Insurance Premiums	unknown	Pending quotes. Budget per final quotes/binding.
	Professional Services*	\$ 26,000	Roll forward current year budget. Allocation pending**.
	Board Member Activities*	\$ 4,000	Roll forward current year budget. Allocation pending**.
	SIA Admin Expense	\$ 75,000	Roll forward current year budget. Allocation pending**.
	Loss Control	\$ -	Will be recorded as determined by JPA & member decisions.
	Appraisals	\$ 390,000	SIA only
Equity	Net Position 6/30/24	\$ 5,850,000	Considering claim reserves/loss run through 12/31/2024 and projecting revenues & expenses through 6/30/24.

Item No: F.3.

## **STRATEGIC PLANNING UPDATE**

### **INFORMATION ITEM**

**ISSUE:** The Action Plan developed at SPA's recent Long Range Planning Meeting is attached for further review and approval by the Board.

A total of eight goals were identified, ranging from identifying and sharing resources to evaluating coverage for school sponsored housing. Six of the goals contain action items that are addressed later in the agenda for this meeting.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None expected from this item. Several of the goals have potential fiscal impacts that will be evaluated when addressed with the members.

**BACKGROUND:** SPA held its third long range planning meeting on September 11-12, 2023 and developed the attached Plan as a result. Key discussion points centered on the nature and extent of risk sharing among the members, growth of membership and coverage options, and identifying resources for sharing or group purchase.

**ATTACHMENTS:** FY 23/24 SPA Long Range Action Plan

FY 2023/24 SPA LONG RANGE ACTION PLAN						
GOAL	ACTION / TASK		STAFF	Assigned	DEADLINE	STATUS
LRP-1	Implementation of Coverage Limitation for Vacant Structures and Process to Approve Exceptions					
	1.	Develop MOC edits and P&P with new sublimit, definition of vacant building, process to obtain a permit	DM	PA	Dec-23	Completed
	2.	Develop Visual Aid on how to add and identify in Alliant Connect	MM	PA	Dec-23	Completed
	3.	Memorandum on initial information to Members reviewed and approved for distribution	DM	BOD	Jan-24	Completed
	4.	SPA BOD adopts final draft and approves member communication	DM	BOD	Feb-24	In Progress
	5.	Notice to members	MM	PA	Mar-24	In Progress
	6.	Coverage change effective at renewal	MM	PA	Jul-24	
LRP-2	Process Improvement to Expedite Property Loss Valuations and Claims Resolution Process - Property Claims SWAT Team					
	1.	Task Group to identify bottlenecks in claims process and potential solutions	MB, BF	PA, SM, BS, PB	Oct-23	In Progress
	2.	Discussion presentation to SPA Board of potential process changes	MB, BF	SM, BS, PB	Jan-24	In Progress
	3.	Execute next steps agreed upon to improve process, including MOC, P&P, vendor assignments, etc.	PA	BOD	Apr-24	In Progress
	4.	Communicate changes to the Membership	MM	PA	Jun-24	
LRP-3	Adoption of Policy and Procedure to Submit and Approve Course of Construction (Builder's Risk) Coverage					
	1.	Develop P&P with process and definitions	DM	PA	Nov-23	Completed
	2.	Discussion draft of P&P to BOD for review and discussion with members	DM	BOD	Dec-23	Completed
	3.	Comments and suggested changes sent to PA for review and incorporation in final draft	MM, DM	BOD	Feb-24	Completed
	4.	Presentation and approval of revised and proposed final P&P to SPA BOD	DM	BOD	Mar-24	Completed
	5.	Communicate SPA COC P&P to the Membership	MM	PA	Apr-24	
LRP-4	Property Program MOC Definition of Catastrophic Loss Occurrence for Additional Perils					
	1.	Develop Definition of occurrence that addresses extended occurrence perils more broadly	DM	PA	Nov-23	In Progress
	2.	Presentation and approval of revised and proposed final MOC changes SPA BOD	DM	BOD	Dec-23	AmWins Monitoring
	3.	Communication of revisions to MOC and effective date	MM	PA	Dec-23	
LRP-5	Business Continuity Planning Single Site Districts - Master Mutual Aid Policy Template					
	1.	Gather sample continuity planning documents and mutual aid agreements, assign task group	JW	BOD/PA	Jan-24	In Progress
	2.	Evaluate examples develop sample BCP and Mutual Aid templates	JW	Task Group	Mar-24	
	3.	Presentation of proposed sample BCP and Mutual Aid templates to BOD for review/comment/approval	JW	BOD	Apr-24	
	4.	Communication of recommended sample BCP and Mutual Aid templates to members	JW	PA	May-24	
LRP-6	Retained Layer Analysis to Evaluate Retaining More Risk in Property Program					
	1.	Gather updated loss information for preliminary renewal submission and actuarial report	MM/DM	PA	Jan-24	In Progress
	2.	Appointment of Ad Hoc Committee to develop P&P for BOD review	NF	NF, Ad Hoc	Jan-24	Completed
	3.	Actuarial report preparation and presentation to SPA Board	DM	PA/Alliant Actuarial	Mar-24	In Progress
	4.	Board evaluation and direction on long term retained layer direction	DM	BOD	Mar-24	In Progress
	5.	Renewal Marketing and Underwriter Meetings	DM	PA	Feb-24 to Mar-24	In Progress
	6.	Preliminary renewal options and NTE's and Board decision on retained layer for PY 24/25	DM	PA/BOD	May-24	In Progress
	7	Final renewal options and Board final action on retained layer for PY 24/25	DM	BOD	Jun-24	
LRP-7	Loss Control Budget Ideas					
	1.	Appointment of Task Group to gather Loss Control ideas/initiatives and proposed budget	MM	BOD	Oct-23	Completed
	2.	Task Group to identify opportunities and long term strategies	MM, MB	PA, Task Group	Jan-24	Completed
	3.	Report to SPA Board of identified opportunities and Direction given by Board	MM, MB	Task Group, BOD	Feb-24	In Progress
	4.	Final report on long term strategy developed along with budget projections	MM, MB	Task Group	Mar-24	
	5.	Presentation to SPA Board of Directors for action and inclusion on FY 24/25 budget	MM, MB	Task Group, BOD	Apr-24	
LRP-8	Review of SPA Joint Powers Agreement					
	1.	Identification of potential general counsel, direction from BOD	MM, DH	PA, MM	Nov-23	Completed
	2.	Review of SPA governing documents and risk financing and contracting activities	DH	GC	Dec-23	In Progress
	3.	Report to SPA Board by General Counsel initial direction from SPA Board	DH	GC, BOD	Jan-24	In Progress
	4.	Development of amendments and/or replacement governing documents	DH	GC	Feb-24	
	5.	Presentation of proposed changes in governing documents, direction from BOD	DH	GC, BOD	Mar-24	

FY 2023/24 SPA LONG RANGE ACTION PLAN								
GOAL	ACTION / TASK			STAFF	Assigned	DEADLINE	STATUS	
	6.	Review of proposed changes with SPA member organizations			DH	PA	Apr-24	
	7.	Final approval of proposed changes by SPA Board			DH	BOD	May-24	
	8.	Final Approval of proposed changes by member boards			BOD	Membership	Jun-24	
<b>BOD:</b> SPA Board of Directors <b>PA:</b> SPA Program Administrator <b>MM:</b> Managing Member <b>CFO:</b> SPA Accounting and Finance				<b>AIS:</b> Alliant Ins. Svcs.(Property Program) <b>NF:</b> Newfront Insurance (Liability Program) <b>GC:</b> SPA General Counsel				

Item No: F.4.

## **CLAIMS TASK FORCE UPDATE**

### **INFORMATION ITEM**

**ISSUE:** The Task Force met by Zoom on April 23, 2024, with SPA members, Chris Stafford of McClarens, and Dan Madej of Alliant in attendance.

Loss runs were previously received from all members except SIA and were reviewed for potential exposure into the SPA layer. SIA is reviewing their losses to determine if they should combine some claims as one occurrence. Members received confirmation we need the loss runs to cover the last ten full policy years and up to the current date.

Butte has no open claims reportable to SPA. North Bay has two fairly recent claims that will likely hit the SPA layer, one of which involves an electrical fire and potential for subrogation. McClarens is still trying to connect with the Tahoe district to review their claims for snow removal and determine coverage. SIA is sending a letter to the district regarding the Pioneer fire that references the Education Code and the ability to rebuild after a wildfire and not apply standards for new construction.

Discussion was also held regarding the new vacancy clause and requirements for a vacancy permit, including the nature and extent of the required security. This is ultimately a decision of the Board and members agreed to take up the discussion at the Board's next meeting.

Note – the Task Force lost a regular member, so if a member is interested in serving on the committee please let SPA staff know. The Task Force will continue to focus on open claims that are or could be in the SPA layer and look for ways to improve efficiency.

**RECOMMENDATION:** Review and provide feedback regarding the Task Force summary.

**FISCAL IMPACT:** None expected from this item.

**BACKGROUND:** Members have formed a task force to identify and provide suggestions to resolve bottlenecks in the claims adjustment process, including achieving consensus on replacement cost and timely processing of proofs of loss and payments.

**ATTACHMENTS:** None

Item No: F.5.

## **UPDATE ON LEGAL REVIEW OF GOVERNING DOCUMENTS**

### **INFORMATION ITEM**

**ISSUE:** Greg Rolen will provide a verbal update regarding his review of SPA's governing documents in preparation for a written review to be provided at the August Board meeting.

**RECOMMENDATION:** Discuss and provide feedback to Greg for consideration in preparing his written review.

**FISCAL IMPACT:** None expected from this item.

**BACKGROUND:** SPA members chose Greg Rolen as JPA counsel earlier this year to have someone not affiliated with a member JPA to provide legal advice. Greg was asked to review the current structure of SPA, its governing documents, and previous legal correspondence to provide his opinion regarding the utility of SPA's governing structure and policies.

**ATTACHMENTS:** None.



Item No: F.6.

**SPA LOSS CONTROL – TASK FORCE UPDATE****ACTION ITEM**

**ISSUE:** SPA members formed a Task Force to review suggestions for loss control related to SPA exposures. The following are the committee's suggestions for resources that may be reimbursable with SPA Loss Control funds:

- Wildfire inspections (in place now)
- Wildfire Prevention Grants for those sites with CoreLogic scores >75 (tree trimming, tree/brush removal, non-combustible ground cover, etc.)
- Weatherization Training
- Wildfire Cleanup Training
- Cameras/Security
- Tree health/arborist for urban forests
- Drone program for roof/gutter inspections
- Support for member safety grant programs already in place
- New construction consulting (avoid locations with higher risk or risk mitigation pre-construction)

**RECOMMENDATION:** Review and provide feedback regarding the above or other suggestions for use of SPA loss control funds.

**FISCAL IMPACT:** None expected from this item. Each member's annual funding includes a portion for loss control measures.

**BACKGROUND:** Members have formed a Task Force to generate suggestions for uses of SPA loss control funds. Other than an initial round of inspections members have not used the funds for other loss control measures.

**ATTACHMENTS:** None

Item No: G.1.

**EXCESS LIABILITY PROGRAM RENEWAL****INFORMATION ITEM****ISSUE:** The Board will receive information regarding the Excess Liability Program.**RECOMMENDATION:** None.**FISCAL IMPACT:** None.**BACKGROUND:** Newfront is currently exploring options to purchase additional supplemental (or sideways) aggregate to shore up existing aggregate limits quoted and will present those as soon as possible.**ATTACHMENTS:** None.

Item No: H.1.

**2024 PROPERTY (AND APD/ADWP) RENEWAL - UPDATE****INFORMATION ITEM****ISSUE:** The topics to be covered include:

1. Not-to-exceed positions on the SPA reinsurance renewal (AmWINS and BMS): The Board will receive the not-to-exceed positions from the marketing efforts. Includes review of APD quote.
2. Draft Cost Allocation (Madej) – The Board will receive the draft Cost Allocation based on TIV, Loss History, Modeling and “Not-to-Exceed” figures
3. Draft Retained Layer analysis (Madej) – The Board will receive analysis regarding the Retained Layer and ideas on risk/reward trade-offs for the renewal.

**RECOMMENDATION:** No action required.**FISCAL IMPACT:** These items will impact the cost of reinsurance, the allocation to SPA Members and the potential “trade off” of retention vs premium.

**BACKGROUND:** This item remains on the agenda from January – June each year, touching on the progression of topics related to the renewal and marketing phase of the SPA Property, APD and ADW programs. We begin this item with pre-renewal discussions (and presentation) regarding topics of importance as we lead into the renewal season. We discuss and review, as needed, the data request for the submission each year. As the data is collected and the submission is created, we use this time to review key updates on the submission, in particular, how we are being represented in the market (what our losses show, what our exposures and changes show, etc.). This item is also used to update the board on market “happenings” and feedback from the marketplace on our program throughout the marketing phase. Additionally, as the modeling and/or any actuarial structuring and pricing initiatives are completed, these are presented and discussed with the board (AIR and CoreLogic results). As quotes and terms are received from the markets, these are presented and discussed with the to the board. And finally, the discussion of “not to exceed”, as well as binding intentions and orders are presented to and sought from the board as this item rounds out in May and June. A true-up will be performed in late June, in order to bind the markets with the most recent exposure base (final cost allocations could be impacted once the true-up is known, based on exposure changes).

**ATTACHMENT(S):**

1. Not-to-Exceed Positions – *Under separate cover*
2. Draft Cost Allocation – *Under separate cover*
3. Draft Retained Layer Analysis – *Under separate cover*

Item No: H.2.

## **COVERAGE LIMITATION AT JULY 1, 2024 PROPERTY PROGRAM RENEWAL – REMOTE AND HIGH RISK LOCATIONS**

### **INFORMATION ITEM**

**ISSUE:** SPA Members to update Program Administrator on their review and analysis of the target locations presented April 19, 2024. Additionally, SPA Board to review and confirm the proposed MOC changes for this topic.

**RECOMMENDATION:** It is recommended that the Board discuss the proposed list of locations to be subject to the coverage limitation and provide direction on next steps for approval of the schedule of locations and the proposed Memorandum of Coverage.

**FISCAL IMPACT:** The proposed changes would likely reduce the cost of some property losses in the future and thereby reduce insurance costs.

**BACKGROUND:** SPA is underwritten as a program consisting mostly of highly protected property risks. Unexpectedly large losses happen at undervalued locations cause significant impact to SPA's ability to secure coverage and the cost of coverage. The cost of such losses is shared among all the members and remain in the loss rating calculus for 5 years.

SPA has seen over \$15 million of reported losses at locations that are exposed to wildfire. These tend to be single site districts as well which exacerbates the cost of the loss. The Program Administrator is recommending a plan along the following lines:

- Modify the existing margin clause for valuation of properties that applies currently only to all BSSFP property. Instead, apply a margin clause for all SPA member locations deemed high risk based on modeling. The margin clause would apply only to scheduled locations and limit Real and Personal Property loss to no more than 125% of reported value.
- Add an ordinance and law/increased cost of construction (ICC) limitation for these scheduled locations that limits the total amount of ICC to 100% of the reported value or the policy ICC sublimit of \$10 million – whichever is lower. This limitation would apply to requirements of the Department of the State Architect (DSA) and any other requirements, such as those in the California Education Code or regulations.

Note – while wildfire loss modeling along with remote locations or single site districts with high loss characteristics would be the point of initiating and underwriting review for scheduling a location for this coverage limitation, **the limitation would apply for all causes of loss, not just wildfire.**

SPA has experienced significant losses due to wildfire at locations significantly undervalued for replacement cost and that incurred substantial increased cost of construction due to increased costs of reconstruction due to code and ordinance and requirements of the Department of the State Architect or California Education Code or regulations. Losses from wildfire that include near or total loss of a location have been shown to incur higher cost than would normally be anticipated. Rather than exclude these locations entirely, the Program Administrator recommends limiting coverage to preserve some level of insurability.

Under the Program Administrator's proposal, a school location that is specifically scheduled by endorsement for this coverage location would be subject to a recovery that may be below full replacement value. The following example shows how the coverage limitation would be applied:

- Reported Total Insured Value for scheduled location = \$4 million
- Maximum recovery at 125% of reported Value = \$5 million
- Maximum additional recovery for increased cost of construction, extra expense, etc. at 100% of reported value = \$4 million
- Total insurance proceeds for loss at scheduled location = \$9 million.

**ATTACHMENTS:**    Select MOC pages



## SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

\$250,000 per occurrence for all other members.

In the event that either BUTTE and/or RESIG and another member / other members are affected by the same Wildfire occurrence, both deductibles will apply to their respective loss.

### High Hazard Flood

\$500,000 per occurrence in respect of locations situated wholly or partially within a Special Flood Hazard Area (SFHA), areas as defined by the Federal Emergency Management Agency (FEMA).

- Service Interruption:

Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours. When the waiting period has expired, insurance will apply excess of the applicable deductible.

- Boiler and Machinery Breakdown: USD100,000 per occurrence
- Boiler & Machinery, Flood and Wildfire losses do not contribute to the erosion of SPA's Self-Named Insured Retentions.
- Terrorism (Including Sabotage): \$10,000 per occurrence. Ingress/Egress 12 hours

Other than Wildfire, If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

### 4. COVERED LOCATIONS

Locations listed in the schools program alliance statement of values on file with Alliant Insurance Services, Inc. as of July 2024.

### 5. FORMS AND ENDORSEMENTS

It is understood and agreed the following forms and endorsements are attached to and are a part of this policy:

SPA MEMORANDUM OF COVERAGE (ED. 07 21)

SECTION IX - ENDORSEMENT NO. 1 - TERRORISM (INCLUDING SABOTAGE) SUB-LIMITS OF LIABILITY

ENDORSEMENT NO. 1 - COVERAGE TERRITORY ENDORSEMENT

ENDORSEMENT NO. 2 - WAR AND TERRORISM EXCLUSION ENDORSEMENT

ENDORSEMENT NO. 3 - COMMUNICABLE DISEASE ENDORSEMENT

**ENDORSEMENT NO. 4 - VALUES LIMITATION CLAUSE**

ENDORSEMENT NO. 5 - AMENDMENTS TO THE MOC WORDING (London only)

ENDORSEMENT NO. 6 - PROPERTY CYBER AND DATA ENDORSEMENT (London only)



## SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

In the event of physical damage to property insured by a covered peril, this MOC is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this MOC and resulting from enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

### 10. INCREASED COST OF CONSTRUCTION

In the event of physical damage to property insured by a covered peril, this MOC is extended to cover the increased cost of repair or replacement occasioned by the enforcement of any local or state ordinance, law or regulator having control over construction plans/approvals including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law. This also includes the Department of State Architect.

### 11. DECONTAMINATION COSTS

Notwithstanding the provisions of any exclusion contained herein or any provision respecting pollution and/or contamination, if property insured is contaminated as a result of direct physical loss, damage or destruction by a peril insured by this MOC and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollutants or contaminants, this MOC insures, as a result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated property insured in a manner to satisfy such law or ordinance. This provision applies only to that part of insured property contaminated as a result of insured direct physical loss, damage or destruction by a peril insured by this MOC.

### 12. ERRORS & OMISSIONS

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Named Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E of this form. This extension does not increase any more specific limit stated elsewhere in this MOC or Declaration.

### 13. VALUABLE PAPERS

This MOC is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this MOC.

### 14. TRANSIT



## SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

### ENDORSEMENT NO. 4 VALUES LIMITATION CLAUSE

The cost allocation for this MOC is based upon the schedule of values reported to and on file with SPA and its reinsurance underwriters. In the event of any covered loss under this MOC, the liability of SPA (and the reinsurance underwriters) relative to property damage and time element loss, as covered by this MOC, shall, notwithstanding anything contained herein to the contrary, be limited to the least of the following:

- (a) The actual adjusted amount of the loss within the coverage of the MOC, less applicable deductible(s).
- (b)
  - (1) for property damage loss, 125% of the total property values for each location
  - (2) for time element loss, as insured by this MOC, 125% of the time element values for each location
  - (3) for Increased Cost of Construction, 100% of the total property values for each location

Sections (1) - (3) above are based on the most current reported schedule of values for each location, less applicable deductible(s).

- (c) The MOC limit of liability or applicable sub-limit(s) of liability, less applicable deductible(s).

The above provisions will apply to the listed locations in the table below:

#### **ADD TABLE**

All other terms and conditions remain unchanged.



Item No: H.3.

**VACANCY PERMIT MEMBER UPDATE****ACTION ITEM**

**ISSUE:** Two SPA Vacancy Permit Request have been received for review and consideration by the Board. SPA Members to also update Program Administrator of Vacant Property initiative with members.

**RECOMMENDATION:** SPA Board to review Vacancy Permits and determine approval or rejection.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** SPA is underwritten as a program consisting mostly of highly protected property risks. Unexpectedly large losses happen at vacant locations cause significant impact to SPA's ability to secure coverage and the cost of coverage. The cost of such losses is shared among all the members and remain in the loss rating calculus for 5 years.

Vacant or unoccupied structures face a higher risk of loss. The Board has previously agreed to limit coverage on vacant structures to \$500,000 which should be sufficient for minor repairs or demolition/debris removal to secure a vacant structure impacted by a covered loss. A member district that can show a vacant location is adequately protected will be eligible for an increased limit subject to the SPA Board of Directors approval.

**ATTACHMENT(S):**

1. BSSP – Paradise Brakebill – SPA Vacancy Permit Request
2. RESIG – Windsor – SPA Vacancy Permit Request



## SPA VACANCY PERMIT REQUEST

The SPA Property Program, effective July 1, 2024, containing a Vacant Property sublimit for any properties falling under that definition in the Memorandum of Coverage (MOC).

For properties that are able to mitigate the higher risk associated with a Vacant Property, via security and risk management measures, SPA will issue a Vacancy Permit confirming the sublimit has been removed.

### **Criteria to apply for a Vacancy Permit:**

The criteria a property must demonstrate and confirm is as follows:

a. Confirmation that regular and routine maintenance is being performed;

Answer: Maintenance is performed on a needed basis.

b. Confirmation that documented site inspections no less than once a month;

Answer: Yes

c. Confirmation that minimum protective safeguards, such as sprinkler systems and burglar alarm systems are maintained in full service;

Answer: Burglar alarm and Cameras interior and exterior

d. Confirmation that perimeter doors and windows are locked and secured;

Answer: Yes

e. Confirmation that security guards patrol the property 24-hours per day;

Answer: Cameras monitor the property 24 hours a day

f. Confirmation that hazardous or combustible material are removed.

Answer: Yes

G. Confirmation that the measures above will be kept in place until the time the property does not fall under the Vacant Property definition in the MOC.

Answer: Yes

**Timing:**

A completed Request should be submitted 30 days prior to the property being considered a Vacant Property.

SPA will have 10 business days to respond, including asking additional questions.

If a Vacancy Permit is issued, SPA will release it within 5 business days of the approval notification.

**Additional Information needed to submit this request:**

Address of Property(ies) for which a Vacancy Permit is being requested:

7881 Gypsum Street  
Stirling City, CA 95978

Person and role of submitter of this request:

Jake Timm, PUSD Director of Facilities, Maintenance and Operations

Signature:



**SPA VACANCY PERMIT REQUEST**

**Effective July 1, 2024**, the SPA Program will apply a \$500,000.00 **Vacant Property sublimit** for any properties meeting that definition in the SPA Memorandum of Coverage (MOC). Following is the definition in the MOC:

*Real Property, whose construction code calls for occupancy, that is not occupied by the member of the Named Insured and does not contain Business Personal Property in a sufficient amount to conduct normal operations. A property will be considered a vacant property if not occupied for 90 consecutive calendar days.*

*Vacant Property does not include a structure that is intended for future use on an occupied, active site.*

For properties that are able to mitigate the higher risk associated with a Vacant Property, via security and risk management measures, SPA will issue a Vacancy Permit confirming the sublimit has been removed. The Vacancy Permit will be an endorsement to the SPA MOC and designate the amount of coverage for the structure. **Coverage will only apply if the identified security and risk management measures are maintained up to and through the time of loss.**

**Criteria to qualify for a Vacancy Permit:**

Please answer yes or no to the following questions:

- a. Is regular and routine maintenance is being performed?

Answer:    Yes                      No

- b. Are documented site inspections conducted no less than once a month?

Answer:    Yes                      No

- c. Minimum protective safeguards, such as sprinkler systems and burglar alarms are maintained in full service? – describe \_\_\_\_\_

Answer:    Yes                      No

- d. Perimeter doors and windows are locked and secured?

Answer:    Yes                      No

- e. Security guards patrol the property, not necessarily always on site but periodically during a 24-hour period, each day?

Answer:    Yes                      No

- f. All hazardous or combustible material has been removed?

Answer:    Yes                      No

- g. Confirmation your organization's understanding and acceptance that the measures above will be kept in place until the property no longer falls under the Vacant Property definition in the MOC or the limit is \$500,000?

Answer:    Yes                      No

**Notice and Timing:**

A completed Request should be submitted 30 days prior to the property needing a Vacancy Permit. SPA will respond within 10 business days of receiving a completed Request. If a Vacancy Permit is issued, SPA will release it within 5 business days of the approval notification.

Send requests and notices of any changes to: [michelle.minnick@alliant.com](mailto:michelle.minnick@alliant.com) and [jenna.wirkner@alliant.com](mailto:jenna.wirkner@alliant.com)

**Additional Information needed to submit this request:**

Address of Property(ies) for which a Vacancy Permit is being requested:

The undersigned authorized officer/manager of the applicant declares that the statements set forth herein are true. The undersigned authorized officer/manager agrees that if the information supplied on this application changes after completion, they (undersigned) will notify SPA as soon as practicable of such changes, and SPA may withdraw or modify any outstanding quotations and/or authorizations or agreements to provide coverage.

Signing of this application does not bind the applicant or SPA to complete the coverage, but it is agreed that this application shall be the basis of the contract should a vacancy permit be issued.

All written statements and materials furnished to SPA in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Person and role of submitter of this request:

Signature:

*Austin Matzaganian*

Date: