



## AGENDA

	A Action
<b>MEETING:</b> Schools Program Alliance	<b>I Information</b>
Board of Directors Meeting	
<b>DATE/TIME:</b> May 12, 2025 at 10:00 AM PDT	<b>1 Attached</b>
<b>TELECONFERENCE:</b> Toll Free (888) 475 4499 or (669) 900-6833 US Toll	<b>2 Hand Out</b>
Meeting number (access code): 964 6786 2551	<b>3 Separate Cover</b>
<a href="https://alliantinsurance.zoom.us/j/96467862551?pwd=84Oj5FOadijwKyOshLWA6revk1dx4b.1">https://alliantinsurance.zoom.us/j/96467862551?pwd=84Oj5FOadijwKyOshLWA6revk1dx4b.1</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. California Risk Management 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 I 4**  
*The public is invited at this point to address the Board of Directors on issues of interest*

**D. CONSENT CALENDAR A 1**  
*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.*

*Pg. 4* 1. Minutes of SPA Board Teleconference Meeting March 31, 2025

*Pg. 9* **E. MEMBER PROGRAM AND IDEA SHARING**

**F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**

*Pg. 10* 1. Actuary Report as of June 30, 2024 A 1

*Pg. 28* 2. Standing Committee and Task Group Updates I 4  
a) Cost Allocation Task Force  
b) Liability Claims Task Force



## Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 380, Sacramento, CA 95815

c) Property Program Loss Control - Ad Hoc Committee

d) Property Claims Committee

e) Property Appraisal Task Force

Pg. 29	<b>3. Strategic Planning Objectives</b>	<b>I 1</b>
	<i>The Board will receive an update regarding progress in completing Objectives from the August Strategic Planning session.</i>	
Pg. 32	<b>4. Draft Governing Documents for Entity JPA</b>	<b>A 1</b>
	<i>Dan Howell will provide a memo regarding the revised governing documents for discussion and approval or direction.</i>	
	<b>a. Joint Exercise of Powers Agreement</b>	
	<b>b. Bylaws</b>	
	<b>c. Participation Agreement – Property</b>	
	<b>d. Participation Agreement - Liability</b>	
Pg. 64	<b>5. SIA Proposal for Managing Member Services</b>	<b>A 1</b>
Pg. 69	<b>6. Financials as of March 31, 2025</b>	<b>A 1</b>
	<i>The Board will receive and may approve the Financials as of March 31, 2025.</i>	
Pg. 73	<b>7. Budget Considerations &amp; Assumptions FY 25/26</b>	<b>A 1</b>
	<i>The SPA Board will receive a copy of the proposed budget for FY 25/26.</i>	
Pg. 75	<b>8. Approve Claims Payment(s) to Member(s)</b>	<b>A 1</b>
	<b>G. LIABILITY PROGRAM</b>	
Pg. 78	<b>1. Renewal Update</b>	<b>A 1</b>
	<i>Jim Wilkey will provide the Board with an update as it relates to the renewal of the Liability Program.</i>	
	<b>H. PROPERTY PROGRAM</b>	
Pg. 79	<b>1. 2025 Property (And APD) Renewal Update</b>	<b>I 4</b>
	<i>Dan Madej will provide the status of the upcoming Property, APD and ADWRP renewal for FY 25/26.</i>	
Pg. 80	<b>2. Property MOC Draft</b>	<b>A 1</b>
	<i>The Board will receive a draft version of the SPA MOC including the Builders Risk (COC).</i>	
Pg. 81	<b>3. Pollution</b>	<b>A 1</b>
	<i>The Board will review potential limits, retention and may consider obtaining a quote for FY 25/26.</i>	
Pg. 82	<b>4. Student Accident Program</b>	<b>A 1</b>



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### **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 the Member is experiencing.*

1. Program Administrator Report
2. Status of BSSP

### **J. ADJOURNMENT**

**A 4**

**Upcoming Teleconference Meeting Dates:  
June 9, 2025**

**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 March 31, 2025

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# **SCHOOLS PROGRAM ALLIANCE**

## **March 31, 2025 Board Of Directors Teleconference 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>	Andrew Obando
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Jan DeGracia
<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>	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>	Gabbi Daniel
<b>Central California Schools Authority (CCSA)</b>	Alan Caeton
<b>Central California Schools Authority (CCSA)</b>	Jeff Pierce

### **Consultants & Guests**

Dan Madej, Alliant Insurance Services	Dennis Mulqueeney, Alliant Insurance Services
Dan Howell, Alliant Insurance Services	Jim Wilkey, Newfront
Marcus Beverly, Alliant Insurance Services	Eileen Massa, Newfront
Michelle Minnick, Alliant Insurance Services	Ryan Telford, AmWins
Jenna Wirkner, Alliant Insurance Services	Mike Kielty, George Hills
Pamela Dominguez, Alliant Insurance Services	Tony Soto, Meyer Stevens

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

Ms. Cindy Wilkerson called the meeting to order at 10:02 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:** Gabi Daniel

**SECOND:** Alan Caeton

**MOTION CARRIED  
UNANIMOUSLY**

### **C. PUBLIC COMMENT**

There were no public comments.

### **D. CONSENT CALENDAR**

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

1. Minutes of SPA Board Teleconference Meeting March 10, 2025
2. Meeting date June 9th change start time to 8am

There was a comment made that the spelling of Kelli Hanson's name was incorrect. It was also noted that Cindy Wilkerson should be named as Chairperson on the Minutes.

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

**MOTION: Brooks Rice**

**SECOND: Christy Patterson**

**MOTION CARRIED  
UNANIMOUSLY**

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

Jan DeGracia noted that they have hired a new Executive Director Noel Waldvogel from ASCIP and additionally hired Karen Shelar from County of Marin. Mike Kielty noted that on the BASIC 4/29/25 agenda we will be presenting the Resolution to join the SPA JPA.

## **F. LIABILITY PROGRAM**

### **F.1. LIABILITY PROGRAM – RENEWAL UPDATE**

Jim Wilkey noted that there are lots of things happening and was pleased to report that they have received a good renewal quote from Great American (SIA and 2-3 options for BASIC) and noted that as they have the underlying quotes secured at 4/1/25 and they are working to secure the Excess layers which will be presented at the May 12, 2025 meeting.

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

### **G.1.A. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION TASK FORCE**

Dan Madej provided the Board with an update and noted that the group is continuing its efforts.

### **G.1.B. STANDING COMMITTEE AND TASK GROUP UPDATES – LIABILITY CLAIMS TASK FORCE**

Olivia Nelson provided the task force met last week and noted the topics of discussion were the property claims reporting, defense counsel, as well as reserving issues. Maintain a list of all claims submitted into the shared liability layer.

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

Sandy Manzoni noted they had a productive meeting and indicated that they discussed the process to submit claims and was an get a poll out to determine the next meeting date. Marcus Beverly noted that he has contacted Mike Crandall indicating he is providing the best price for the wildfire assessments from California Wildfire Training.

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## **G.2. STRATEGIC PLANNING OBJECTIVES**

Marcus Beverly provided a short review of the Strategic Action Plan and noted that we have the JPA documents on the agenda with the hope to have approved at this meeting to transition to an Entity JPA.

## **G.3. DRAFT GOVERNING DOCUMENTS FOR ENTITY JPA**

- 1. Joint Exercise of Powers Agreement**
- 2. Bylaws**
- 3. Participation Agreement – Property**
- 4. Participation Agreement - Liability**

Dan Howell noted that we have provided the JPA Documents that were edited per the last meeting and additionally noted that there were additional comments submitted by NBSIA's counsel. He provided a review of each change suggested by NBSIA's counsel and noted that Program Administration is creating a red-line strikeout comparison which will be shared with the group. After a discussion there were several items noted to be updated and the Board requested the documents be shared with the Ad Hoc group comprised of Cindy Wilkerson, Gabbi Daniel, Phil Brown, Olivia Nelson and Jan DeGracia. It was noted the next meeting is set for May 12, 2025 and the group was asked to share any suggested changes by April 15-18<sup>th</sup> to provide time to review and will be re-presented to the Board at that meeting.

## **G.4. ALLIANT DEADLY WEAPONS RESPONSE PROGRAM UPDATE**

Dennis Mulqueeney provided the Board with new of an enhancement to the program which expanded the definition of an event to include a "business unusual event" 20 hours of consultative services and there is additionally a dollar limit for counselor services.

## **H.1. PROPERTY PROGRAM – 2025 PROPERTY (AND APD) RENEWAL UPDATE**

Dan Madej provided an update as it relates to the data submission and noted that the Program Administration team is still working to reconcile the SIA data for submission to the market. He also noted that we are working to update the CoreLogic scores as part of the renewal submission. Ryan Telford from AmWins provided that we may be seeing some rate reductions based on other April 1 renewals

## **H.2. STUDENT ACCIDENT PROGRAM UPDATE**

Dan Howell introduced Pamela Dominguez and Tony Soto who handle the Student Accident Program. They provided an overview of the coverage and how the group would apply for a quote using pricing on a per student basis. After a discussion it was noted that the Program Administration will request ADA numbers as well as projected enrollment figures for districts and bring back to a future meeting to see if we can get the rates down enough to help offset the cost.

## **I. INFORMATION ITEMS**

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There was nothing discussed during this item.

**J. ADJOURNMENT**

*A motion to adjourn was made.*

**MOTION: Alan Caeton**

**SECOND: Gabbi Daniel**

**MOTION CARRIED  
UNANIMOUSLY**

The meeting was adjourned at 11:48 A.M.

**NEXT MEETING DATE: May 12, 2025 via Teleconference**

Respectfully Submitted,

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Cindy Wilkerson, Chairperson

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Date





**Item E.**

**MEMBER PROGRAM AND IDEA SHARING**

**INFORMATION ITEM**

**Item F.1.**

**ACTUARY REPORT AS OF JUNE 30, 2024**

**ACTION ITEM**

**ISSUE:** Annual Actuarial Study

**RECOMMENDATION:** Review, accept and file the actuarial 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 Alliant Insurance Services 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 2024 Actuarial Reserve Analysis. In summary, the actuarial report provides:

- Outstanding Case Reserves of \$3,409,403 (up \$2.3M from last year)
- Outstanding IBNR of \$685,764 (a decrease of \$998,671 from last year)
- Total unpaid losses of \$4,095,167 (an increase of \$1.3M 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, 2024, to update outstanding claims liabilities.

Chris Nahas, of Alliant, may be available to present the actuarial study to the SPA Board for approval.

**ATTACHMENTS:** Draft report follows

SPA  
Schools Property Alliance  
2024 Actuarial Reserve Analysis  
As of 6/30/2024  
Finalized Date: 4/25/2025

**Lines of Business**

*Property*

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## Overview of Program Analysis

The Schools Property Alliance (SPA) contracted with Alliant Insurance Services, Inc. (Alliant) to perform an actuarial loss reserve analysis for its retained risk for their property coverages as of 6/30/2024.

The objective of the analysis is to **Estimate Ultimate *Unpaid Loss and Allocated Loss Adjustment Expense (ALAE) including Incurred But Not Reported Losses (IBNR)*** that SPA retains within their deductibles for policy years 7/1/2020 through and including 7/1/2023. The entities within SPA each provided loss and exposure experience back to policy year 7/1/2011. This actuarial reserve opinion is only for the years when SPA was formed however, the policy years prior to SPA's formation were used to build a more credible history of loss experience to project the SPA ultimate losses.

SPA retains property losses based on the following retention summary.

### [a] SPA Retention Summary

<b>Retention A</b>	1.) Losses in the \$250,000 excess of \$250,000 layer, capped at \$1,000,000 aggregate
<b>Retention B</b>	2.) Losses in the \$250,000 excess of \$250,000 layer, after the \$1,000,000 aggregate is exhausted
	3.) Losses excess of \$500,000
	4.) Total Retention B: The sum of (2) and (3), capped at \$2,000,000 aggregate
<b>Total SPA Retention</b>	The sum of Retention A and Retention B

\* Given the retention summary shown above, the maximum SPA would retain in losses in a particular policy year is \$3,000,000 (\$1,000,000 from Retention A and \$2,000,000 from Retention B)

\*\* Wildfire losses do not erode the SPA retention layer

The underlying data relied upon in this analysis was provided by each of the five entities within SPA; Schools Insurance Authority (SIA), Schools Risk and Insurance Management Group (SIG), Butte Schools Self-Funded Program (BSSP), Redwood Empire Schools' Insurance Group (RESIG), North Bay Schools Insurance Authority (NBSIA). These loss files represent the losses from these entities to their individual members. To capture the losses associated with payment and case reserves from SPA to their members, a separate SPA loss run was used. This represented the most accurate loss transactions as of 6/30/2024.

The provided underlying data has a valuation date as of 6/30/2024 and included individual loss runs and exposures. Within the scope of this analysis, the information was evaluated for reasonability and consistency however, the data was not audited for accuracy. Any discrepancies in the underlying or assumptions should be reported immediately as they could have a material impact on the results and findings of this analysis.

## Executive Summary

### Underlying Data

As of 6/30/2024

#### I. Underlying Losses

Limited Losses within SPA Retentions [a]

Policy Year	Earned TIV \$000	Reported Claim Counts (Non-Zero)	Open Claim Counts	Paid Losses	Case Reserves	Case Incurred Losses
[1]	[2]	[3]	[4]	[5]	[6]	[7]
7/1/20	16,228,966	0	0	0	0	0
7/1/21	16,715,835	2	2	2,500,000	0	2,500,000
7/1/22	16,857,142	3	2	938,709	1,701,403	2,640,112
7/1/23	17,362,856	3	3	0	1,708,000	1,708,000
Total	67,164,799	8	7	3,438,709	3,409,403	6,848,112

#### II. Selection of Ulitmate Losses

Policy Year	Chain Ladder Paid Method	Chain Ladder Incurred Method	Reserve Method Ultimate Losses	BF Paid Method	BF Incurred Method	Selected
[1]	[2]	[3]	[4]	[5]	[6]	[7]
7/1/20	0	0	0	14,474	8,128	0
7/1/21	2,500,000	2,500,000	2,500,000	2,546,654	2,519,451	2,533,052
7/1/22	2,712,025	2,659,480	3,000,000	2,871,537	2,702,622	2,789,133
7/1/23	1,789,457	1,721,118	2,165,838	2,257,544	1,820,068	2,211,691
Total	7,001,482	6,880,598	7,665,838	7,690,208	7,050,268	7,533,876

#### III. Total Loss Reserve Summary

Policy Year	Paid Losses	Case Reserves	Case Incurred	Ultimate Losses	IBNR	Unpaid Losses
[1]	[2]	[3]	[4]	[5]	[6]	[7]
7/1/20	0	0	0	0	0	0
7/1/21	2,500,000	0	2,500,000	2,533,052	33,052	33,052
7/1/22	938,709	1,701,403	2,640,112	2,789,133	149,021	1,850,424
7/1/23	0	1,708,000	1,708,000	2,211,691	503,691	2,211,691
Total	3,438,709	3,409,403	6,848,112	7,533,876	685,764	4,095,167

## Discussion of Methodology

This reserve analysis employed the following actuarial methodologies to project losses and ALAE to ultimate value.

### 1. Paid Loss Development

This methodology uses historical paid Loss & ALAE development to predict future development of paid losses. This methodology is based on actual paid claims without the impact of claim adjuster judgment in setting loss reserves. It can be volatile in early stages of policy year maturity.

### 2. Incurred Loss Development

This methodology uses historical case incurred Loss & ALAE development to predict future development of incurred losses. This methodology assumes consistency in claims handling practices will continue in the future and will therefore be predictive of future loss development. In early stages of a policy year, it is less volatile than paid loss development.

### 3. Case Reserve Development

This methodology is a combination of both paid and incurred methods applied to outstanding case reserves to determine ultimate losses.

### 4. Bornhuetter-Ferguson (BF) Paid Method

This methodology starts with the amount of Loss & ALAE paid to date and adds IBNR based on the Loss & ALAE expected to be outstanding at that point in time. The losses expected to be outstanding is based on the expected loss rate times the exposures times the percentage of outstanding losses at that point in time. The expected loss rate is determined by adjusting the estimated ultimate loss rate on prior years to current rate, benefit and trend levels. This methodology is particularly useful in immature policy periods or volatile lines of business with long tail reporting patterns.

### 5. Bornhuetter-Ferguson Incurred Method

This methodology is the same as the BF Paid Method but is based on incurred Loss & ALAE.

The formulas for each of the above methods utilize loss development factors. Loss development factors quantify how losses will change until they reach their *ultimate losses* and are based on how many months a policy has aged. For example, a policy that is only a few months old will have larger loss development factors than a policy that is a few years old because the younger policy has more time for accident to happen, claims to be reported and ultimately settled.

SPA was not able to provide loss experience at past valuation dates therefore, the loss development factors could not be developed purely on SPA's experience. This is not a concern as many clients use loss development factors based on industry data. In this case, the loss development factors used in this analysis are from the Insurance Services Office (ISO). Using industry development factors is a more credible approach that leads to more smooth age to age

factors. If this client data is thin, the age-to-age factors can be volatile and not be relied on for loss development factor selections.

The paid and incurred loss development methods above were based on developing ground-up claims and then quantifying how those losses pierce into SPA's Retention A and Retention B. As shown in the ISO loss development factors included in this analysis, commercial property claims are reported and paid quickly.

## Conditions and Limitations

Actuarial calculations by their nature are inherently volatile as they are estimates of uncertain future events and occurrences. Standard actuarial methodologies have been employed to reasonably estimate probable outcomes for the ultimate value of losses and ALAE based on information provided at the time the analysis was made. These estimates assume that development on this program will be consistent with historical development patterns, general industry trends, and benefit levels. If future development does not follow these assumed trends and development, the ultimate value of losses may differ, possibly substantially, from these estimates. These projections make no provision for the extraordinary future emergence of losses that are not represented in the historical data, assumed development patterns, or are not yet quantifiable.

## Use and Distribution

This Actuarial Analysis has been prepared for use by SPA for the expressed purpose described in the Program Overview above. Because the Appendix and each section of this report is an integral part of the whole analysis, the study should be reviewed in its entirety prior to use or being relied upon.

It is expected that SPA may distribute this report to auditors and insurance regulators. Any further distribution is restricted without the express written permission of Alliant. When distributed, this Actuarial Analysis should be distributed only in its entirety including this Report, the Appendix, and all supporting exhibits.

## Definitions

**Policy Year:** *The year the policy was written/ became effective*

**Unpaid Loss:** *Future losses that have not yet been paid. Unpaid losses are comprised of the case reserves plus IBNR*

**IBNR:** *IBNR stands for 'Incurred but Not Reported' and contains the following;*

- *The amount estimated to ultimately settle and close all claims that have not yet been reported*
- *The development of losses on known claims. This is also referred to Incurred but Not Enough Reported (IBNER)*



**Ultimate losses:** *The amount of money required to close and settle all claims for a group of policies. In a formula form:  $\text{Ultimate losses} = \text{Paid Losses} + \text{Case Reserves} + \text{IBNR}$*

**Case Reserve:** *An estimate of the future amount of money required to ultimately settle a claim. This is usually determined by a claims adjuster or third-party administrator.*

**Loss Triangle:** *An aggregation of losses where individual claims are grouped by the policy year and age of the policy year (usually in months).*

**Schools Program Alliance  
Actuarial Reserve Analysis**

Line of Business      Property  
Valuation Date      6/30/24

**I. Underlying Losses**

Limited Losses within SPA Retentions [a]

Policy Year	Earned TIV \$000	Reported Claim Counts (Non-Zero)	Open Claim Counts	Paid Losses	Case Reserves	Case Incurred Losses	Prior Year Case Incurred	Emergence
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
7/1/20	16,228,966	0	0	0	0	0	0	0
7/1/21	16,715,835	2	2	2,500,000	0	2,500,000	2,511,141	-11,141
7/1/22	16,857,142	3	2	938,709	1,701,403	2,640,112	855,000	1,785,112
7/1/23	17,362,856	3	3	0	1,708,000	1,708,000		
Total	67,164,799	8	7	3,438,709	3,409,403	6,848,112	3,366,141	1,773,970

Unlimited Losses

Policy Year	Earned TIV \$000	Reported Claim Counts (Non-Zero)	Open Claim Counts	Paid Losses	Case Reserves	Case Incurred Losses	Prior Year Case Incurred	Emergence
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
7/1/20	16,228,966	47	0	15,664,472	0	15,680,834	11,771,057	3,909,777
7/1/21	16,715,835	75	3	8,662,862	6,146,614	14,809,477	7,021,214	7,788,262
7/1/22	16,857,142	113	9	6,955,216	3,197,214	10,152,430	7,312,235	2,840,195
7/1/23	17,362,856	107	72	1,761,143	4,852,446	6,775,347		
Total	67,164,799	342	84	33,043,693	14,196,274	47,418,088	26,104,507	14,538,235

**II. Selection of Ultimate Losses**

Policy Year	Chain Ladder Paid Method	Chain Ladder Incurred Method	Reserve Method Ultimate Losses	BF Paid Method	BF Incurred Method	Selected	Prior Year Ultimate	Change
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
7/1/20	0	0	0	14,474	8,128	0	36,300	-36,300
7/1/21	2,500,000	2,500,000	2,500,000	2,546,654	2,519,451	2,533,052	2,564,276	-31,224
7/1/22	2,712,025	2,659,480	3,000,000	2,871,537	2,702,622	2,789,133	2,450,000	339,133
7/1/23	1,789,457	1,721,118	2,165,838	2,257,544	1,820,068	2,211,691		
Total	7,001,482	6,880,598	7,665,838	7,690,208	7,050,268	7,533,876	5,050,576	271,609

**III. Total Loss Reserve Summary**

Policy Year	Paid Losses	Case Reserves	Case Incurred	Ultimate Losses	IBNR	Unpaid Losses
[1]	[2]	[3]	[4]	[5]	[6]	[7]
7/1/20	0	0	0	0	0	0
7/1/21	2,500,000	0	2,500,000	2,533,052	33,052	33,052
7/1/22	938,709	1,701,403	2,640,112	2,789,133	149,021	1,850,424
7/1/23	0	1,708,000	1,708,000	2,211,691	503,691	2,211,691
Total	3,438,709	3,409,403	6,848,112	7,533,876	685,764	4,095,167

**[a] SPA Retention Summary**

<b>Retention A</b>	1.) Losses in the \$250,000 excess of \$250,000 layer, capped at \$1,000,000 aggregate
<b>Retention B</b>	2.) Losses in the \$250,000 excess of \$250,000 layer, after the \$1,000,000 aggregate is exhausted
	3.) Losses excess of \$500,000
	4.) Total Retention B: The sum of (2) and (3), capped at \$2,000,000 aggregate
<b>Total SPA Retention</b>	The sum of Retention A and Retention B

\* Given the retention summary shown above, the maximum SPA would retain in losses in a particular policy year is \$3,000,000 (\$1,000,000 from Retention A and \$2,000,000 from Retention B)

\*\* Wildfire losses do not erode the SPA retention layer

**Schools Program Alliance**

**All Other Perils Loss Projections**

Excludes catastrophes

Valuation Date 6/30/24

**Case Incurred Losses**

Policy Year	Earned TIV \$000	Member Deductible \$250K	\$250K x \$250K	SPA Retention						Ground-Up		Within SPA Retention	
				Retention A	Retention B				Retention A + B	Reported Claim Counts (Non-Zero)	Open Claim Counts	Reported Claim Counts	Open Claim Counts
[1]	[2]	[3]	[4]	[5] = min([4], \$1M)	[6] = [4] - [5]	[7] = Excess \$500K	[8] = [6] + [7]	[9] = min([8], \$2M)	[10] = [5] + [9]	[11]	[12]	[13]	[14]
7/1/11	12,057,427	249,140	0	0	0	0	0	0	0	33	0	0	0
7/1/12	12,814,003	676,383	250,000	250,000	0	43,909	43,909	43,909	293,909	34	1	1	0
7/1/13	13,470,170	2,039,566	750,000	750,000	0	2,606,467	2,606,467	2,000,000	2,750,000	71	1	3	0
7/1/14	13,808,956	1,446,653	0	0	0	0	0	0	0	81	0	0	0
7/1/15	14,218,078	1,004,848	250,000	250,000	0	688,061	688,061	688,061	938,061	51	0	1	0
7/1/16	14,625,942	3,650,383	1,156,196	1,000,000	156,196	7,506,704	7,662,900	2,000,000	3,000,000	109	0	6	0
7/1/17	14,987,553	5,934,863	1,987,677	1,000,000	987,677	3,210,816	4,198,493	2,000,000	3,000,000	97	0	13	0
7/1/18	15,297,357	3,772,357	894,767	894,767	0	11,918,513	11,918,513	2,000,000	2,894,767	72	0	8	0
7/1/19	15,756,278	2,974,696	551,534	551,534	0	580,414	580,414	580,414	1,131,947	77	2	3	0
7/1/20	16,228,966	1,946,019	0	0	0	0	0	0	0	47	0	0	0
7/1/21	16,715,835	2,892,611	500,000	500,000	0	7,282,866	7,282,866	2,000,000	2,500,000	75	3	2	2
7/1/22	16,857,142	5,274,427	640,112	640,112	0	3,300,000	3,300,000	2,000,000	2,640,112	113	9	3	2
7/1/23	17,362,856	5,067,347	650,000	650,000	0	1,058,000	1,058,000	1,058,000	1,708,000	107	72	3	3
Total	194,200,562	36,929,295	7,630,285	6,486,412	1,143,873	38,195,749	39,339,621	14,370,383	20,856,796	967	88	43	7

**Paid Losses**

Policy Year	Earned TIV \$000	Member Deductible \$250K	\$250K x \$250K	SPA Retention					
				Retention A	Retention B				Retention A + B
[1]	[2]	[3]	[4]	[5] = min([4], \$1M)	[6] = [4] - [5]	[7] = Excess \$500K	[8] = [6] + [7]	[9] = min([8], \$2M)	[10] = [5] + [9]
7/1/11	12,057,427	249,140	0	0	0	0	0	0	0
7/1/12	12,814,003	675,671	250,000	250,000	0	43,909	43,909	43,909	293,909
7/1/13	13,470,170	2,039,502	750,000	750,000	0	2,606,467	2,606,467	2,000,000	2,750,000
7/1/14	13,808,956	1,446,653	0	0	0	0	0	0	0
7/1/15	14,218,078	1,004,848	250,000	250,000	0	688,061	688,061	688,061	938,061
7/1/16	14,625,942	3,650,383	1,156,196	1,000,000	156,196	7,506,704	7,662,900	2,000,000	3,000,000
7/1/17	14,987,553	5,909,863	1,987,677	1,000,000	987,677	3,210,816	4,198,493	2,000,000	3,000,000
7/1/18	15,297,357	3,611,345	894,767	894,767	0	11,918,513	11,918,513	2,000,000	2,894,767
7/1/19	15,756,278	2,880,391	551,534	551,534	0	580,414	580,414	580,414	1,131,947
7/1/20	16,228,966	1,929,657	0	0	0	0	0	0	0
7/1/21	16,715,835	2,892,611	500,000	500,000	0	4,482,866	4,482,866	2,000,000	2,500,000
7/1/22	16,857,142	5,078,616	472,249	472,249	0	466,460	466,460	466,460	938,709
7/1/23	17,362,856	1,761,143	0	0	0	0	0	0	0
Total	194,200,562	33,129,824	6,812,422	5,668,549	1,143,873	31,504,209	32,648,081	11,778,843	17,447,393

Schools Program Alliance

All Other Perils Loss Projections

Excludes catastrophes

Valuation Date 6/30/24

Case Reserves

				SPA Retention					
Policy Year	Earned TIV \$000	Member Deductible \$250K	\$250K x \$250K	Retention A	Retention B				Retention A + B
[1]	[2]	[3]	[4]	[5] = min([4], \$1M)	[6] = [4] - [5]	[7] = Excess \$500K	[8] = [6] + [7]	[9] = min([8], \$2M)	[10] = [5] + [9]
7/1/11	12,057,427	0	0	0	0	0	0	0	0
7/1/12	12,814,003	711	0	0	0	0	0	0	0
7/1/13	13,470,170	64	0	0	0	0	0	0	0
7/1/14	13,808,956	0	0	0	0	0	0	0	0
7/1/15	14,218,078	0	0	0	0	0	0	0	0
7/1/16	14,625,942	0	0	0	0	0	0	0	0
7/1/17	14,987,553	25,000	0	0	0	0	0	0	0
7/1/18	15,297,357	161,012	0	0	0	0	0	0	0
7/1/19	15,756,278	94,305	0	0	0	0	0	0	0
7/1/20	16,228,966	16,363	0	0	0	0	0	0	0
7/1/21	16,715,835	0	0	0	0	2,800,000	2,800,000	0	0
7/1/22	16,857,142	195,812	167,863	167,863	0	2,833,540	2,833,540	1,533,540	1,701,403
7/1/23	17,362,856	3,306,204	650,000	650,000	0	1,058,000	1,058,000	1,058,000	1,708,000
Total	194,200,562	3,799,471	817,863	817,863	0	6,691,540	6,691,540	2,591,540	3,409,403

**Schools Program Alliance**

**All Other Perils Loss Projections**

Excludes catastrophes

Valuation Date 6/30/24

**Ultimate Loss Projections**

**Paid Methods**

Policy Year	Earned TIV \$000	Chain Ladder Paid Method								Paid Bornhuetter-Ferguson Method			
		Member Deductible \$250K	\$250K x \$250K	Retention A	Retention B				Retention A + B	Property Trend	Projected A-Priori Loss Rate	% Paid	BF Paid Method, Limited to \$3M Agg.
[1]	[2]	[3]	[4]	[5] = min([4], \$1M)	[6] = [4] - [5]	[7] = Excess \$500K	[8] = [6] + [7]	[9] = min([8], \$2M)	[10] = [5] + [9]	[11]	[12]	[13]	[14]
7/1/11	12,057,427	249,140	0	0	0	0	0	0	0	2.72	0.042	100.00%	0
7/1/12	12,814,003	676,383	250,000	250,000	0	43,909	43,909	43,909	293,909	2.52	0.045	100.00%	293,909
7/1/13	13,470,170	2,039,566	750,000	750,000	0	2,606,467	2,606,467	2,000,000	2,750,000	2.33	0.049	100.00%	2,750,000
7/1/14	13,808,956	1,446,653	0	0	0	0	0	0	0	2.16	0.053	100.00%	0
7/1/15	14,218,078	1,004,848	250,000	250,000	0	688,061	688,061	688,061	938,061	2.00	0.057	100.00%	938,061
7/1/16	14,625,942	3,650,383	1,156,196	1,000,000	156,196	7,506,704	7,662,900	2,000,000	3,000,000	1.85	0.062	100.00%	3,000,000
7/1/17	14,987,553	5,934,863	1,987,677	1,000,000	987,677	3,210,816	4,198,493	2,000,000	3,000,000	1.71	0.067	100.00%	3,000,000
7/1/18	15,297,357	3,772,357	894,767	894,767	0	11,918,513	11,918,513	2,000,000	2,894,767	1.59	0.072	100.00%	2,894,767
7/1/19	15,756,278	2,974,696	551,534	551,534	0	580,414	580,414	580,414	1,131,947	1.47	0.078	100.00%	1,131,947
7/1/20	16,228,966	1,966,723	0	0	0	0	0	0	0	1.36	0.084	98.94%	14,474
7/1/21	16,715,835	2,968,541	500,000	500,000	0	7,371,180	7,371,180	2,000,000	2,500,000	1.26	0.091	96.92%	2,546,654
7/1/22	16,857,142	5,678,169	712,025	712,025	0	3,322,723	3,322,723	2,000,000	2,712,025	1.17	0.098	90.34%	2,871,537
7/1/23	17,362,856	5,496,272	731,457	731,457	0	1,058,000	1,058,000	1,058,000	1,789,457	1.00	0.114	76.41%	2,257,544
Total	194,200,562	37,858,594	7,783,655	6,639,782	1,143,873	38,306,786	39,450,659	14,370,383	21,010,166				21,698,892

**Incurred Methods**

Policy Year	Earned TIV \$000	Chain Ladder Incurred Method								Incurred Bornhuetter-Ferguson Method			
		Member Deductible \$250K	\$250K x \$250K	Retention A	Retention B				Retention A + B	Property Trend	Projected A-Priori Loss Rate	% Incurred	BF Incurred Method, Limited to \$3M Agg.
[1]	[2]	[3]	[4]	[5] = min([4], \$1M)	[6] = [4] - [5]	[7] = Excess \$500K	[8] = [6] + [7]	[9] = min([8], \$2M)	[10] = [5] + [9]	[11]	[12]	[13]	[14]
7/1/11	12,057,427	249,140	0	0	0	0	0	0	0	2.72	0.042	100.00%	0
7/1/12	12,814,003	676,383	250,000	250,000	0	43,909	43,909	43,909	293,909	2.52	0.045	100.00%	293,909
7/1/13	13,470,170	2,039,566	750,000	750,000	0	2,606,467	2,606,467	2,000,000	2,750,000	2.33	0.049	100.00%	2,750,000
7/1/14	13,808,956	1,446,653	0	0	0	0	0	0	0	2.16	0.053	100.00%	0
7/1/15	14,218,078	1,004,848	250,000	250,000	0	688,061	688,061	688,061	938,061	2.00	0.057	100.00%	938,061
7/1/16	14,625,942	3,650,383	1,156,196	1,000,000	156,196	7,506,704	7,662,900	2,000,000	3,000,000	1.85	0.062	100.00%	3,000,000
7/1/17	14,987,553	5,934,863	1,987,677	1,000,000	987,677	3,210,816	4,198,493	2,000,000	3,000,000	1.71	0.067	100.00%	3,000,000
7/1/18	15,297,357	3,772,357	894,767	894,767	0	11,918,513	11,918,513	2,000,000	2,894,767	1.59	0.072	100.00%	2,894,767
7/1/19	15,756,278	2,974,746	551,541	551,541	0	580,451	580,451	580,451	1,131,991	1.47	0.078	100.00%	1,132,020
7/1/20	16,228,966	1,957,591	0	0	0	0	0	0	0	1.36	0.084	99.40%	8,128
7/1/21	16,715,835	2,923,693	500,000	500,000	0	7,319,017	7,319,017	2,000,000	2,500,000	1.26	0.091	98.72%	2,519,451
7/1/22	16,857,142	5,375,152	659,480	659,480	0	3,300,000	3,300,000	2,000,000	2,659,480	1.17	0.098	97.39%	2,702,622
7/1/23	17,362,856	5,133,995	663,118	663,118	0	1,058,000	1,058,000	1,058,000	1,721,118	1.00	0.114	95.01%	1,820,068
Total	194,200,562	37,139,371	7,662,779	6,518,906	1,143,873	38,231,937	39,375,810	14,370,420	20,889,326				21,059,024

A-Priori Loss Rate 0.114  
Loss Trend 8.0%

**Schools Program Alliance**

**All Other Perils Loss Projections**

Excludes catastrophes

Valuation Date 6/30/24

**Limited Case Reserve Method**

Policy Year	Earned TIV \$000	Limited Paid Losses Retention A + B	Age	Percent Losses Paid	Percent Losses Reported	Percent Losses Reserved	Limited Case Reserves	Ultimate Losses, Limited to \$3M Agg.
[1]	[2]	[3]	[4]	[5]	[6]	[7] = ([6] - [5])/ (1 - [5])	[8]	[9] = [3] + [8]/[7]
7/1/11	12,057,427	0	156	100.00%	100.00%	0.00%	0	0
7/1/12	12,814,003	293,909	144	100.00%	100.00%	0.00%	0	293,909
7/1/13	13,470,170	2,750,000	132	100.00%	100.00%	0.00%	0	2,750,000
7/1/14	13,808,956	0	120	100.00%	100.00%	0.00%	0	0
7/1/15	14,218,078	938,061	108	100.00%	100.00%	0.00%	0	938,061
7/1/16	14,625,942	3,000,000	96	100.00%	100.00%	0.00%	0	3,000,000
7/1/17	14,987,553	3,000,000	84	100.00%	100.00%	0.00%	0	3,000,000
7/1/18	15,297,357	2,894,767	72	100.00%	100.00%	0.00%	0	2,894,767
7/1/19	15,756,278	1,131,947	60	100.00%	100.00%	0.00%	0	1,131,947
7/1/20	16,228,966	0	48	98.94%	99.40%	43.85%	0	0
7/1/21	16,715,835	2,500,000	36	96.92%	98.72%	58.31%	0	2,500,000
7/1/22	16,857,142	938,709	24	90.34%	97.39%	72.95%	1,701,403	3,000,000
7/1/23	17,362,856	0	12	76.41%	95.01%	78.86%	1,708,000	2,165,838
Total	194,200,562	17,447,393					3,409,403	21,674,522

**A-Priori Loss Rate**

Policy Year	Earned TIV \$000	Member Deductible \$250K	\$250K x \$250K	SPA Retention					
				Retention A	Retention B				Retention A + B
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
7/1/11	12,057,427	0.021	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7/1/12	12,814,003	0.053	0.020	0.020	0.000	0.003	0.003	0.003	0.023
7/1/13	13,470,170	0.151	0.056	0.056	0.000	0.193	0.193	0.148	0.204
7/1/14	13,808,956	0.105	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7/1/15	14,218,078	0.071	0.018	0.018	0.000	0.048	0.048	0.048	0.066
7/1/16	14,625,942	0.250	0.079	0.068	0.011	0.513	0.524	0.137	0.205
7/1/17	14,987,553	0.396	0.133	0.067	0.066	0.214	0.280	0.133	0.200
7/1/18	15,297,357	0.247	0.058	0.058	0.000	0.779	0.779	0.131	0.189
7/1/19	15,756,278	0.189	0.035	0.035	0.000	0.037	0.037	0.037	0.072
7/1/20	16,228,966	0.121	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7/1/21	16,715,835	0.178	0.030	0.030	0.000	0.441	0.441	0.120	0.150
7/1/22	16,857,142	0.337	0.042	0.042	0.000	0.197	0.197	0.119	0.161
7/1/23	17,362,856	0.317	0.042	0.042	0.000	0.061	0.061	0.061	0.103
Total	194,200,562	0.195	0.040	0.034	0.006	0.197	0.203	0.074	0.108

	Member Deductible	SPA Retention		
		Retention A	Retention B	Retention A + B
All Yr Avg. x 2023	0.176	0.033	0.073	0.106
All Yr Avg.	0.187	0.034	0.072	0.106
Volume Wtd Avg. x 2023	0.167	0.030	0.069	0.099
5 Yr Avg.	0.214	0.033	0.081	0.114
Excl high/ Low Avg.	0.151	0.033	0.073	0.106
Selection	0.151	<b>0.033</b>	<b>0.081</b>	<b>0.114</b>

# Incurred Losses Excluding Hurricanes

ISO Loss Development Circular AS-CF-2021-005-004

Age	Basic Group I	Basic Group II	Special Cause of Loss	All Sublines Combined	Selected
15	0.949	1.088	1.004	1.003	1.046
27	0.970	1.042	0.999	0.999	1.021
39	0.989	1.020	1.001	1.002	1.011
51	0.997	1.009	1.000	1.002	1.005
6	15	27	1.0460	1.0205	1.0655
7	15	27	1.0460	1.0205	1.0634
8	15	27	1.0460	1.0205	1.0612
9	15	27	1.0460	1.0205	1.0590
10	15	27	1.0460	1.0205	1.0568
11	15	27	1.0460	1.0205	1.0546
12	15	27	1.0460	1.0205	1.0525
13	15	27	1.0460	1.0205	1.0503
14	15	27	1.0460	1.0205	1.0482
15	15	27	1.0460	1.0205	1.0460
16	15	27	1.0460	1.0205	1.0439
17	15	27	1.0460	1.0205	1.0417
18	15	27	1.0460	1.0205	1.0396
19	15	27	1.0460	1.0205	1.0374
20	15	27	1.0460	1.0205	1.0353
21	15	27	1.0460	1.0205	1.0332
22	15	27	1.0460	1.0205	1.0310
23	15	27	1.0460	1.0205	1.0289
24	15	27	1.0460	1.0205	1.0268
25	15	27	1.0460	1.0205	1.0247
26	15	27	1.0460	1.0205	1.0226
27	27	39	1.0205	1.0105	1.0205
28	27	39	1.0205	1.0105	1.0197
29	27	39	1.0205	1.0105	1.0188
30	27	39	1.0205	1.0105	1.0180
31	27	39	1.0205	1.0105	1.0172
32	27	39	1.0205	1.0105	1.0163
33	27	39	1.0205	1.0105	1.0155
34	27	39	1.0205	1.0105	1.0147
35	27	39	1.0205	1.0105	1.0138
36	27	39	1.0205	1.0105	1.0130
37	27	39	1.0205	1.0105	1.0122
38	27	39	1.0205	1.0105	1.0113
39	39	51	1.0105	1.0045	1.0105
40	39	51	1.0105	1.0045	1.0100
41	39	51	1.0105	1.0045	1.0095

# Incurred Losses Excluding Hurricanes

ISO Loss Development Circular AS-CF-2021-005-004

Age	Basic Group I	Basic Group II	Special Cause of Loss	All Sublines Combined	Selected
42	39	51	1.0105	1.0045	1.0090
43	39	51	1.0105	1.0045	1.0085
44	39	51	1.0105	1.0045	1.0080
45	39	51	1.0105	1.0045	1.0075
46	39	51	1.0105	1.0045	1.0070
47	39	51	1.0105	1.0045	1.0065
48	39	51	1.0105	1.0045	1.0060
49	39	51	1.0105	1.0045	1.0055
50	39	51	1.0105	1.0045	1.0050
51	51	63	1.0045		1.0045
52	51	63	1.0045		1.0040
53	51	63	1.0045		1.0035
54	51	63	1.0045		1.0030
55	51	63	1.0045		1.0025
56	51	63	1.0045		1.0020
57	51	63	1.0045		1.0015
58	51	63	1.0045		1.0010
59	51	63	1.0045		1.0005
60	51	63	1.0045		1.0000



# Paid Losses Excluding Hurricanes

ISO Loss Development Circular AS-CF-2021-005-004

Age	Basic Group I	Basic Group II	Special Cause of Loss	All Sublines Combined	Selected
15	1.260	1.338	1.158	1.255	1.255
27	1.034	1.096	1.027	1.053	1.062
39	1.007	1.036	1.008	1.017	1.022
51	0.999	1.012	1.002	1.004	1.007
6	15	27	1.2550	1.0615	1.4229
7	15	27	1.2550	1.0615	1.4032
8	15	27	1.2550	1.0615	1.3838
9	15	27	1.2550	1.0615	1.3646
10	15	27	1.2550	1.0615	1.3457
11	15	27	1.2550	1.0615	1.3270
12	15	27	1.2550	1.0615	1.3087
13	15	27	1.2550	1.0615	1.2905
14	15	27	1.2550	1.0615	1.2726
15	15	27	1.2550	1.0615	1.2550
16	15	27	1.2550	1.0615	1.2376
17	15	27	1.2550	1.0615	1.2205
18	15	27	1.2550	1.0615	1.2035
19	15	27	1.2550	1.0615	1.1869
20	15	27	1.2550	1.0615	1.1704
21	15	27	1.2550	1.0615	1.1542
22	15	27	1.2550	1.0615	1.1382
23	15	27	1.2550	1.0615	1.1224
24	15	27	1.2550	1.0615	1.1069
25	15	27	1.2550	1.0615	1.0915
26	15	27	1.2550	1.0615	1.0764
27	27	39	1.0615	1.0220	1.0615
28	27	39	1.0615	1.0220	1.0582
29	27	39	1.0615	1.0220	1.0548
30	27	39	1.0615	1.0220	1.0515
31	27	39	1.0615	1.0220	1.0482
32	27	39	1.0615	1.0220	1.0449
33	27	39	1.0615	1.0220	1.0416
34	27	39	1.0615	1.0220	1.0383
35	27	39	1.0615	1.0220	1.0350
36	27	39	1.0615	1.0220	1.0317
37	27	39	1.0615	1.0220	1.0285
38	27	39	1.0615	1.0220	1.0252
39	39	51	1.0220	1.0070	1.0220
40	39	51	1.0220	1.0070	1.0207
41	39	51	1.0220	1.0070	1.0195

# **Paid Losses Excluding Hurricanes**

ISO Loss Development Circular AS-CF-2021-005-004

Age	Basic Group I	Basic Group II	Special Cause of Loss	All Sublines Combined	Selected
42	39	51	1.0220	1.0070	1.0182
43	39	51	1.0220	1.0070	1.0170
44	39	51	1.0220	1.0070	1.0157
45	39	51	1.0220	1.0070	1.0145
46	39	51	1.0220	1.0070	1.0132
47	39	51	1.0220	1.0070	1.0120
48	39	51	1.0220	1.0070	1.0107
49	39	51	1.0220	1.0070	1.0095
50	39	51	1.0220	1.0070	1.0082
51	51	63	1.0070		1.0070
52	51	63	1.0070		1.0058
53	51	63	1.0070		1.0045
54	51	63	1.0070		1.0033
55	51	63	1.0070		1.0020
56	51	63	1.0070		1.0008
57	51	63	1.0070		1.0000
58	51	63	1.0070		1.0000
59	51	63	1.0070		1.0000
60	51	63	1.0070		1.0000

\* \* \* \* \*

Christopher Nahas, ACAS, MAAA is a member of the Casualty Actuarial Society and the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the Actuarial Opinion contained in this Report.

This analysis was performed using generally accepted actuarial principles and in accordance with all relevant Actuarial Standards of Practice.

Please contact me with any questions in regard to this report.

Respectfully submitted,

A handwritten signature in black ink, reading "Christopher Nahas". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Christopher Nahas, ACAS, MAAA  
First Vice President, Associate Actuary  
(626) 314-4476  
Christopher.Nahas@alliant.com

**Item F.2.****GENERAL ADMINISTRATION AND FINANCIAL REPORTS****STANDING COMMITTEE AND TASK GROUP UPDATES****INFORMATION ITEM**

- a) Cost Allocation Task Force**
- b) Liability Claims Task Force**
- c) Property Program Loss Control - Ad Hoc Committee**
- d) Property Claims Committee**
- e) Property Appraisal Task Force**

**Item F.3.****STRATEGIC PLANNING OBJECTIVES****INFORMATION ITEM**

**ISSUE:** The Board regularly reviews the Strategic Planning Objectives for the latest updates and provides direction as needed.

A total of ten goals were identified, ranging from establishing a Liability Claims Committee to reviewing innovative programs and services. Four of the goals contain action items that are addressed later in the agenda for this meeting and are highlighted in the attached. Other items due or pending are noted in red in the Deadline column.

Two of the most significant goals are transition to an “Entity” JPA and development of a Property Program Rating and Allocation Plan for FY 25/26. Other upcoming action items are a transition to a new TPA and updates to the MOC.

**RECOMMENDATION:** Review and provide feedback or direction as needed.

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

**BACKGROUND:** SPA held its fourth long range planning meeting on August 20-21, 2024, and developed the attached Plan as a result. Key discussion points centered on SPA’s governing structure, claims management, cost allocation, and new programs and services.

**ATTACHMENTS:** SPA Strategic Planning Objectives as of 4.30.25

FY 2024/25 SPA STRATEGIC PLANNING OBJECTIVES as of 4.30.25						
GOAL	ACTION / TASK		STAFF	Assigned	DEADLINE	STATUS
LRP-1	Establish a Liability Claims Committee – this committee will be subject to the Brown Act *NOTE: later ammended to a Task Group					
	a.	Staff to draft formation resolution for Board consideration & adoption	PA	MB	Oct	Done
	b.	Liability Claims Committee to begin meetings and report out to Board	PA	JW	Mar	TBD
	c.	Staff to work with Counsel to include establishment of Liability Claims Committee in Entity JPA Documents	PA	DH	Dec	Complete after new JPA docs
LRP-2	Address counsel recommendations in JPA governing documents review					
	a.	Amend Resolution 21-012 to incorporate terms and conditions of the Agreement by reference	PA	MB	Oct	Done
	b.	Add to Annual Service Calendar the nomination and Board designation of the Managing Member for the upcoming fiscal year	PA	MM	Oct	Done
	c.	Amend Property Program Memorandum of Coverage to define Coverage Provider	PA	DM	May	Prep by Submission to Market
	d.	Establish basic contracting standards for SPA	MM	PB	TBD	
	e.	Define "high risk" and "vacant" locations and sublimit for the Property Program Memorandum of Coverage for Board adoption	PA	DM	May	Prep by Submission to Market
	f.	Establish core communications and distribution protocol for relevant documentation such as audits and policies & procedures, etc.	BOD	MB	Mar	
LRP-3	Consider transition to an Entity JPA - Have Counsel and Administrator develop entity joint powers documents for future consideration					
	a.	Counsel and Program Administrator prepare draft entity joint powers agreement, bylaws, program participation agreements and	PA, GC	DH/MB	Dec	Drafts On 12.9.24 Board
	b.	Initial review and comments from SPA Board	BOD	DH/MB	Dec	Choose Counsel
	c.	Revised draft entity JPA governing documents prepared by Counsel and Program Administrator for SPA Board review	PA, GC	DH/MB	Jan	Under Review/On Jan Agenda
	d.	SPA Board takes action to move forward or shelve establishment of entity JPA - appointed ad hoc committee to review	BOD		Feb	Counsel Drafts Presented on 2.10.25 and 3.10.25 and 3.31.25 Agendas
	e.	SPA Members take action to approve participation in SPA as entity JPA going forward	BOD		Mar-Apr	Final approval on April agenda
LRP-4	Property Loss Control – develop and execute a plan addressing the locations listed on the high risk/remote endorsement					
	a.	Have Core Logic present on how their wildfire model works and whether SPA can impact that modeling via some risk control	PA	DM	Oct	Done
	b.	Inventory previous loss control work at these locations to determine out what has been done and outstanding recommendations	PA	MB	Oct	Pending
	c.	Property Program Loss Control Committee to recommend to SPA Board a loss control services plan for the scheduled locations			Mar	Pending
	d.	Execute plan as approved by SPA Board	PA	MB	Start Dec	
LRP-5	Property Claims Handling and Client Service Instructions					
	a.	Develop resolution for October SPA meeting appointing SIA as SPA property claim adjuster	PA/MM	MB	Oct	Done
	b.	Gather member comments on draft CSI's for SPA adjuster and finalize in October	PA/MM	MB	Oct	Done
	c.	Meeting for SPA with Chris Stafford and McLarens about services	AIS	MB	Oct	Done
	d.	Introduce other independent adjuster alternative firms	PA	DH	Sept-Feb	Set up meeting by May
LRP-6	Property Program Cost Allocation Task Force – (Kelli Hanson as chair, Phil Brown, Christi Patterson and ?)					
	a.	Program Administrator to lead review of Property Program rating and cost allocation current status and options	PA	DM	Sept-Dec	Done
	b.	Task Force to review and recommend Property Program Rating and Allocation Plan for FY 2025/26 and beyond	PA		Mar	On 3.10.25 and 3.31.25 BOD Agendas
	c.	SPA Board takes action to establish Property Program Rating and Allocation Plan for FY 2025/26	PA	BOD	Mar	Pending
	d.	Program Administrator communicates Plan to SPA Member Boards	PA		April - June	
	e.	Plan changes effective at July 1, 2025 if approved	PA	DM	Jul	
LRP-7	Identify potential SPA Coverage Counsel firms for Property and Liability					
	a.	Gather names of potential coverage counsel, verify if property or liability focused, confirm whether conflicts with current members	PA	MB/DH	Sep-Dec	Done
	b.	Review candidates with SPA Board or designees	PA	MB/DH	Dec	On 12.9.24 Board Agenda
	c.	Conduct interviews as needed	PA	BOD	Jan-Feb	Completed - Deb Stermer
	d.	Confirm appointment(s) by SPA Board action	PA	BOD	Mar	Byrne Conely for JPA Counsel
LRP-8	Task force for marketing information, videos etc. SIA, North Bay and RESIG					

FY 2024/25 SPA STRATEGIC PLANNING OBJECTIVES as of 4.30.25								
GOAL	ACTION / TASK			STAFF	Assigned	DEADLINE	STATUS	
	a.	This item needs further development by SPA Board			BOD	BOD	Dec	Completed
LRP-9	Developing Program Specific Underwriting Policy & Procedures for Liability & Property							
	a.	Establish separate working groups for Liability and Property Programs and inventory existing P&P			PA	NF/AIS	Dec	Post New JPA Docs
	b.	Working groups to prepare separate drafts for each program			PA	NF/AIS	Dec	
	c.	Review of proposed separate Underwriting P&P and adoption by SPA Board			PA	BOD	Jan	
LRP-10	New Programs & Services							
	a.	Look into MR OCIP partnership with PRISM			PA	AIS/KB	Dec	On Jan 13 agenda
	b.	Student Accident Program exploration			PA	AIS/PD	Feb	On 3.10.25 and 3.31.25 BOD Agendas
	c.	Pollution program evaluation			PA	AIS/DM	Mar	In Progress
	d.	Look into a cyber program that is loss prevention and security based with option for cyber insurance paired			PA	MM/AIS/TJ	Mar	
	e.	Solution for adds and deletes and pending transactions in property program			PA	MM	Mar	
	f.	Long, Long range – how could a SPA sponsored captive benefit the members – possible multi state diversification			PA	MM/DH		
<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 <b>PCA:</b> SPA Property Claims Administrator at SIA			

## Item F.4.

**DRAFT GOVERNING DOCUMENTS FOR ENTITY JPA****ACTION ITEM**

**ISSUE:** Attached please find the final draft “entity” JPA governing documents for SPA as most recently reviewed and revised by an ad hoc committee appointed by the Board, including legal counsel Byrne Conley, and representatives of SIA, RESIG, SIG and NBSIA. Most notably it was agreed to incorporate the current SPA structure into the new one, rather than start a new JPA. Other revisions involved

Given the applicable documents are ready to be approved, the question before the Board includes the decision to proceed to have the documents approved by the governing boards of each of the members.

**RECOMMENDATION:** Review and approve the draft documents as presented, revised, or provide direction, including each member moving forward to approving by their governing boards.

**FISCAL IMPACT:** Estimated legal expense for review under \$5,000.

**BACKGROUND:** The attached draft Joint Exercise of Powers Agreement, Bylaws, Liability Program Participation Agreement and Property Program Participation Agreement are provided for Board review and feedback. The Agreement is designed to transition SPA from a “partnership” JPA to an “entity” JPA. These drafts have been prepared by the Program Administrator for initial discussion and subsequently reviewed and revised by counsel and ad hoc committee.

**ATTACHMENTS:**

1. Joint Exercise of Powers Agreement
2. Bylaws
3. Participation Agreement – Property
4. Participation Agreement – Liability



**DRAFT**

**SPA**

**JOINT EXERCISE OF POWERS AGREEMENT**

**AS OF JULY 1, 2025**

## **JOINT EXERCISE OF POWERS AGREEMENT FOR THE SCHOOLS PROGRAM ALLIANCE (SPA)**

THIS AGREEMENT is made and entered by and between the local government entities who are presently parties to that certain "Schools Program Alliance Joint Powers Agreement," or who subsequently become signatories to this instrument (the "Agreement").

### Recitals

- A. On June 22, 2020, the Schools Program Alliance was formed by a group of California School Joint Powers Authorities who executed a certain "Schools Program Alliance Joint Powers Agreement" (the "JPA"). Other public entities have subsequently become signatories to the JPA and members of the Schools Program Alliance (SPA) and at the present time there are six members of SPA who are parties to the JPA.
- B. In the interval since SPA was founded, SPA has developed and is presently operating risk management and loss prevention programs related to public liability, auto liability, public officials' errors and omissions, crisis management, and property risks in which SPA's local government entity members may and do participate.
- C. With the increase in membership in SPA and the development and operation of multiple programs, the conduct of SPA's business has become significantly more complex, resulting in the need for a restructuring of certain elements of the SPA organization.
- D. In order to implement the required restructuring, make other needed amendments to the provisions of the JPA and incorporate all changes in a single instrument, the parties desire to restate the JPA, in the form of this Agreement.
- E. In order to make the agreement easier to read and understand, all previous endorsements and adjustments have been incorporated into a single instrument.

### Terms and Conditions

In consideration of the foregoing Recitals and the mutual promises of the parties as set forth in the following Terms and Conditions, it is mutually agreed by all of the parties to this Agreement as follows:

#### **SECTION 1: Definitions**

The following definitions shall apply to the provisions of this Agreement:

- (a) "Agreement" shall mean this restated Joint Exercise of Powers Agreement.
- (b) "Authority" shall mean the Schools Program Alliance (sometimes also referred to in this Agreement as "SPA") created by and existing under this Agreement.

- (c) "Board of Directors" shall mean the principal governing body of the Authority sometimes also referred to in this Agreement as "Board").
- (d) "Bylaws" shall mean the adopted Bylaws of the Authority as amended and/or restated in their latest approved form.
- (e) "Insurance" shall mean any program of the Authority providing coverage against losses to Member Agencies who are participants in the program whether the coverage is based upon purchased insurance, reinsurance, self-insurance, pooled self-insurance funding or any other similar mechanism, instrument or facility.
- (f) "Member Agency" shall mean an entity of local government, dedicated primarily to educational purposes such as a school district, county office of education, charter school, community college district or joint powers authority comprised of such entities, which is a party to this Agreement.
- (g) "Program Administrator" shall mean the individual, Member JPA, or firm retained by the Board of Directors to administer the Authority.
- (h) "Managing Member" shall mean the individual, Member JPA, or firm retained by the Board of Directors to provide financial management services for the Authority.

## **SECTION 2: Legal Authority For Agreement**

- (a) This Agreement is entered into pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (beginning with Section 6500) which authorizes two or more local public entities, such as the Member Agencies who are parties to this Agreement, to exercise any power which is common to each of them.
- (b) This Agreement is also based upon applicable provisions of law which empower local public entities, such as the Member Agencies who are parties to this Agreement, to engage in risk pooling, risk management and loss prevention activities. The following state laws, among others, authorize the member entities to enter into this agreement: Labor Code section 3700(b) allowing a local public entity to fund its own workers' compensation claims; Government Code sections 989 and 990, and Education Code sections 17565-17567, 35208, 35214, 72506 and 81601-81603, permitting a local public entity to insure itself against property, liability and other losses; Government Code section 990.4 permitting a local public entity to provide insurance and self-insurance in any desired combination; and Government Code section 990.8 permitting two or more local public entities to enter into an agreement to jointly fund such expenditures under the authority of Government Code sections 6500 – 6515.

## **SECTION 3: Purposes**

The Authority may engage in any lawful purpose supporting the interests of its Members, with the specific purposes of supporting the ability of Members, to the fullest extent allowed by

California law and public policy, with this Agreement understood and believed to be in full compliance with all such laws and public policies, as follows:

- (a) Provide for the continuation and effective governance of the Authority.
- (b) Continue effective operation of cooperative programs of risk management and loss prevention so as to reduce or eliminate losses and loss exposures, decrease the expenses of claims and claims administration, and improve procedures to manage risks commonly experienced by the parties to this Agreement.
- (c) Purchase on a group or multi-member basis insurance or reinsurance against risks and losses agreed to accepted and placed through the Authority, in adopted Programs.
- (d) Implement new Insurance and other programs related to the foregoing purposes and including any Insurance related to property, casualty, accident, health, life and other insurable perils which the Authority deems necessary, advisable, and beneficial to the parties to this Agreement.
- (e) Pool the self-insurance claims of two or more local public entities as referred to in California Government Code sections 990.8 and 6512.2.
- (f) Self-indemnify and/or self-insure risks and losses in any authorized Programs, to the extent the Members wish to retain and share such risks among the participating Members in a Program, and administer claims made under such Programs;
- (g) Provide other services or support to Members or their employees, consistent with purposes of this Agreement and of the Authority.

#### **SECTION 4: Parties to the Agreement**

- (a) Only local public entities of California government which are empowered by law and actually engaged in activities described in Section 1(f) may be considered for membership in the Authority.
- (b) The parties to this Agreement are all local public entities which are, as of the effective date of this Agreement, Member Agencies of the Authority or which are subsequently admitted as Member Agencies in accordance with Section 20 of this Agreement.

#### **SECTION 5: Term of Agreement and Amendment**

This Agreement, and the existence of the Authority, will continue until such time as there are no longer two or more Members. Because this Agreement is entered into by its Member public agencies, any amendment or modification to this Agreement must also be authorized by the

Member public agency through its internal approval processes, after which the modified document may be executed by its Board of Directors representative.

**SECTION 6:** Existence of Authority As Separate Public Entity With Sole Responsibility For Its Obligations

Pursuant to California Government Code Sections 6500 et seq., a public entity of the State of California known as the Schools Program Alliance has been created and does now exist. The Authority exists separately and apart from the Member Agencies. Pursuant to California Government Code Section 6508.1 the debts, liabilities and obligations of the Authority shall be solely its own and they shall not constitute debts, liabilities or obligations of its officers, directors, employees, agents, Board of Directors, Program Administrator or of any Member Agency.

**SECTION 7:** Powers of Authority

- (a) The Authority shall have all of the powers common to the parties to this Agreement and all additional powers afforded under California law to public entities such as Authority, formed for the purpose of jointly exercising powers common to their members. The Authority is also authorized by this Agreement to do all acts necessary for the exercise of its powers. The Authority's powers include, but are not limited to, the following:
- i. To make and enter into contracts supportive of the Purpose and Authority.
  - ii. To incur debts, liabilities, and obligations.
  - iii. Hire and retain employees.
  - iv. To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
  - v. To sue and be sued in its own name, and to settle any claim against it.
  - vi. To receive and use contributions and advances from Member Agencies as provided in California Government Code Section 6505 et seq., including contributions or advances of personnel, equipment or property.
  - vii. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
  - viii. Adopt Bylaws, processes, and procedures to govern its operations, and the rights, duties and obligations of Members, vendors, and others with whom the Authority will transact business, including conflict of interest, contract, and other standards and practices.
  - ix. To carry out all provisions of this Agreement.

Pursuant to California Government Code Section 6509 the Authority's powers shall be exercised in the manner and according to Procedures provided in the laws applicable to the

Schools Insurance Authority; or if that entity should cease to be a Member Agency, then in the alternative any active Member

**SECTION 8: Board of Directors**

The Authority shall be governed by a Board of Directors which shall be composed of one representative of each Member Agency. Each Member Agency shall be entitled at any given time to appoint one member and one or more alternate member(s) of the Board of Directors, each of whom shall be an officer, director, or employee of the appointing Member Agency. Appointments shall be made as specified in the Bylaws. At any meeting of the Board of Directors, each duly appointed member, or in the member's absence, one of the alternate members as determined by the Member Agency, shall have one vote on behalf of his or her Member Agency.

Notwithstanding the above, the Board of Directors is authorized to approve the admission of a Member Agency as a non-voting member, which status shall be reflected in the Member Agency's agreement to join the Authority on a non-voting basis. Such Member Agency shall be entitled to appoint a representative to the Board who may participate in meetings as an *ex officio* Director, but not authorized to vote.

**SECTION 9: Powers of the Board of Directors**

- (a) The Member Agencies, acting through the Board of Directors, shall retain overall responsibility for governance of the Authority, including the right to exercise all powers of the Authority not reserved to the Member Agencies of the Authority.
- (b) The Board of Directors shall have the following express powers, duties and responsibilities:
  - i. Election of certain Authority officers , except that vacancies occurring in those offices during their term shall be filled pursuant to Section 11(f).
  - ii. Approval of the annual budget of the Authority.
  - iii. Approval of amendments to this Agreement and the Bylaws.
  - iv. Approval of new Insurance programs of the Authority.
  - v. Determination of contributions and, if necessary, assessments.
  - vi. The exercise of powers of the Authority, including promulgation of policies, procedures, and rules, with respect to all matters reserved to the Board of Directors by this Agreement, the Bylaws or otherwise.

**SECTION 10: Meetings of the Board of Directors**

- (a) The Bylaws of the Authority shall make provision for calling and holding meetings of the Board of Directors which shall include, in any event, at least one regular meeting annually.

- (b) Meetings of the Board of Directors shall be conducted in accordance with this Section, the Bylaws and applicable provisions of law governing the meetings of legislative bodies and governing boards of local public entities of the State of California including the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).
- (c) The presence in person (or by telephone in the case of a noticed telephonic meeting) of a majority of the then duly appointed members (including alternate(s) in the case of absence of the member) of the Board of Directors shall constitute a quorum for the conduct of business of the Board except as otherwise provided by this Agreement, the Bylaws or other applicable provisions of law.

**SECTION 11: Officers of the Authority**

- (a) The officers of the Authority shall be a Chair, Vice-Chair, Secretary and Treasurer-Auditor whose duties shall be as set forth in this Agreement, the Bylaws or as prescribed by applicable provisions of law.
- (b) The Chair and Vice-Chair shall be elected by the Board of Directors and shall serve two-year terms. Neither officer shall serve for more than two complete consecutive terms in his or her respective office, although these term limits may be extended by action of the Board. The terms of each office will ordinarily commence on July 1 of each even-numbered fiscal year except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held.
- (c) Unless the Board of Directors determines otherwise, the Secretary shall be an individual who is the designated senior representative of the Program Administrator. The Secretary shall serve at the pleasure of the Board. If the designated senior representative of the Program Administrator is unable to serve for any reason, including his or her removal from office by the Board, the Board shall appoint a replacement who may be another senior representative of the Program Administrator, a senior staff member of the Authority, a member of the Board or an officer, or employee of a Member Agency.
- (d) Unless the Board of Directors determines otherwise, the Treasurer-Auditor shall be appointed by the Board and shall serve at the Board's pleasure. The Treasurer-Auditor shall be an officer or employee of a Member Agency.
- (e) The Authority may have such other officers as provided in the Bylaws.
- (f) If a vacancy occurs mid-term in the office of the Chair, the Vice Chair shall automatically succeed to the office of Chair to serve out the balance of the term of his/her predecessor. If a vacancy occurs mid-term in the office of Vice Chair, a successor shall be appointed by the Board to serve out the balance of the term.

**SECTION 12: Committees**

The Authority shall have standing and other committees as may be provided for in the Bylaws or which are created by the Board of Directors or the President. Committees of the Authority shall have powers, duties, and responsibilities as provided in the Bylaws or as delegated and directed by the appointing person.

**SECTION 13: Program Administrator and Other Staff**

- (a) The Board of Directors shall appoint a Program Administrator who shall be responsible for the general administration of the business and activities of the Authority as directed by the Board.
- (b) The Board of Directors shall appoint an attorney at law who shall serve as general Legal Counsel to the Authority.
- (c) The Board of Directors shall provide for the appointment of such other staff of the Authority as may be necessary for the administration of the Authority.
- (d) As determined by the Board, staff functions may be performed by employees of the Authority, by officers, directors, and employees of Member Agencies and by agents, advisors and consultants retained under contract by Authority.
- (e) The Program Administrator and other staff of the Authority shall have such powers, duties and obligations as are established by this Agreement, the Bylaws, the policies, procedures and rules promulgated by the Authority and any contractual arrangements which may exist between the Authority and the respective entity or person.
- (f) Subject to any applicable contractual arrangements which may take precedence, the Program Administrator and Legal Counsel shall serve at the will and pleasure of the Board of Directors and all other staff shall serve at the will and pleasure of the Board.

**SECTION 14: Insurance Coverage**

The Authority shall maintain insurance coverage on its activities as determined by the Board of Directors to be necessary and adequate.

**SECTION 15: Accounts and Records**

- (a) Annual Budget. The Authority shall adopt an annual budget, which shall include a separate budget for each Insurance program under development or adopted and implemented by the Authority. The Board shall cause to be prepared, shall review and approve and shall recommend a proposed annual budget to the Board of Directors for its consideration. In the event a proposed budget is not approved, the Authority shall continue to operate using the budget figures from the previous fiscal year.
- (b) Funds and Accounts. As directed by the Board, the Treasurer-Auditor of the Authority shall establish and maintain such funds and accounts as may be required by law and good



accounting practices. Separate accounts shall be established and maintained for each Insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Treasurer-Auditor shall be open to inspection at all reasonable times by authorized representatives of Member Agencies. A quarterly unaudited financial statement will be produced and distributed to all Member Agencies. The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

- (c) Treasurer-Auditor's Report. The Treasurer-Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member Agency .
- (d) Annual Audit. Pursuant to Government Code Section 6505, the Authority shall contract with an independent certified public accountant to make an annual fiscal year audit of all accounts and financial statements of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with the County Auditor of each Member Agency within six months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

**SECTION 16: Responsibilities for Funds and Property**

- (a) The Treasurer-Auditor shall have custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.
- (b) Pursuant to Government Code Section 6505.5, the Treasurer-Auditor shall:
  - i. Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer-Auditor to the credit of the Authority.
  - ii. Be responsible upon his or her official bond for the safekeeping and disbursement of all Authority funds so held by him or her.
  - iii. Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Treasurer-Auditor. All warrants of the Authority shall be processed under the internal controls and processes of the assigned "Managing Member", subject to additional procedures as may be adopted by the Board Directors.
  - iv. Verify and report in writing to the Authority and to Member Agencies, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.
- (c) Pursuant to Government Code Section 6505.1, Managing Member, the Treasurer-Auditor and such other persons as the Board of Directors may designate shall have charge of, handle and have access to the property of the Authority.

- (d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board of Directors, covering the Treasurer-Auditor and all other officers and staff of the Authority who are authorized to hold or disburse funds of the Authority, and all other officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

**SECTION 17: Responsibilities of the Authority**

The Authority may perform the following functions in discharging its responsibilities under this Agreement:

- (a) Assist each Member Agency's designated risk manager with the risk management function;
- (b) Provide loss prevention and safety services to the Member Agencies;
- (c) Provide claims adjusting and claims management services as required;
- (d) Provide statistical reports to the Member Agencies;
- (e) Recommend standard contract clauses relating to indemnity, hold harmless, insurance and other similar matters affecting Member Agencies; and,
- (f) Provide other services consistent with purposes of the Authority as may be deemed necessary, advisable and beneficial to the Member Agencies.

**SECTION 18: Responsibilities of the Member Agencies**

- (a) Each Member Agency shall appoint one employee or other representative to be responsible for the Member Agency's risk management functions and to serve as liaison between Member Agency and the Authority as respects risk management.
- (b) Each Member Agency shall maintain for itself and its members an active risk management program as described in any Insurance programs or policies, procedures and rules promulgated by the Authority.
- (c) Each Member Agency shall timely pay all premiums, fees, charges and assessments imposed or levied by the Authority.
- (d) Each Member Agency shall provide the Authority with requested information and assistance in order to fulfill the programs under this Agreement.
- (e) Each Member Agency shall in all ways cooperate with and assist the Authority in all matters relating to this Agreement and comply with the Bylaws and the policies, procedures, and rules promulgated by the Authority.
- (f) Each Member Agency shall cooperate fully with the Authority in determining the causes of losses and in the settlement of losses covered under the Authority's Insurance programs.

**SECTION 19: Development, Implementation and Funding of Insurance Programs**

- (a) Program Coverage. The Authority may develop and implement programs of Insurance, which the Authority deems necessary, advisable and beneficial to Member Agencies. Subject to any Insurance program's applicable underwriting rules and other qualifying conditions, each Member Agency shall be eligible to apply for membership and participation in any program conducted by the Authority.
- (b) Program and Authority Funding. The Member Agencies developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs and shall be funded by the Member Agencies developing or participating in such programs in accordance with such allocations, as hereinafter provided.
  - i. Development Charge. Development costs of an Insurance program may be funded by a development charge as fixed by the Board of Directors. The development charge shall be paid by each Member Agency which wishes to join in development of the program, after receipt of information as estimated on the cost and scope of the program, and thereby reserve the option to participate in the program following its adoption by the Board. Development costs are those costs incurred by the Authority in developing a program for review and adoption by the Board, including but not limited to: research, feasibility studies, information and liaison work among Member Agencies, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include an equitable share of Authority general expense incurred in the development function. Upon the conclusion of program development: any deficiency in development funds shall be billed to all Member Agencies which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; and any surplus in such funds shall be transferred into the loss reserve fund for the program, or, if the program is not implemented, into the Authority's general fund.
  - ii. Annual Premium. Except as provided in iii. below, all post-development costs of an Insurance program shall be funded by annual premiums charged to the Member Agencies participating in the program each policy year, and by investment income on the fund so accumulated. Premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of an actuary, risk management consultant or other qualified person. The premium for each participating Member Agency shall include that Member Agency's share of expected program losses, program reinsurance costs, and program administrative costs for the year plus that Member Agency's share of Authority general expense allocated to the program. Annual premiums shall be billed by the Authority at the beginning of each policy year and shall be payable within thirty (30) days of the billing date. At the end of each policy year, program costs may be audited by the Authority. Any deficiency or surplus in the premium paid by a participating Member Agency, as shown by such audit, may be adjusted by a corresponding increase or decrease in the premium charge to that Member Agency for the next succeeding year,

or held by the Authority to pay future expenses of the program unless the Member Agency withdraws or is canceled from the program.

- iii. Assessment. If the Authority experiences losses under a program relating to a policy year of coverage (“program year”), such that pooled funds collected for that program year may be exhausted or depleted, the Board of Directors may, upon consultation with an actuary and other professionals, impose assessments on all past or present Member Agencies that participated in those program year(s) of coverage, which, in total amount, will assure adequate funds to the Authority for the payment of all incurred losses for the program years(s) in a deficit position. Adequate funding may include a provision for expenses including, in the Board’s discretion, for Allocated and Unallocated Loss Adjusting Expenses, Incurred But Not Reported reserves as identified through actuarial practices, at appropriate confidence level funding for the program years involved.

#### **SECTION 20: New Members**

- (a) New Members may be admitted upon a two-thirds (2/3rds) vote of the Board of Directors, after submitting sufficient information to the Program Administrator(s) to confirm eligibility and proper risk and operational risk management, and the payment of an application review fee as established by the Board of Directors.
- (b) New Members must apply for Membership in the Authority, and participation in at least one approved Program. If the Board of Directors determines that the proposed new Member would not qualify for participation in at least one approved Program, the application for Membership will be denied.

#### **SECTION 21: Withdrawal**

- (a) A Member Agency may withdraw as a party to this Agreement upon thirty (30) days' advance written notice to the Authority if it has never become a participant in any Insurance program, or if it has withdrawn from all insurance programs in which it was a participant, pursuant to (b) below.
- (b) After becoming a participant in an Insurance program, a Member Agency may withdraw from that program only at the end of a policy year for the program, and, unless the Insurance program's policies, procedures and rules otherwise provide, only if the Member Agency has given the Authority at least six (6) months' advance written notice of such action executed by the chief executive officer of the Member Agency. Provided, however that the Board of Directors may, in its sole discretion, permit a Member Agency that has given notice of withdrawal to rescind such notice upon good cause shown, if requested at least four (4) months prior to the end of the policy year.

#### **SECTION 22: Termination**

- (a) Notwithstanding the provisions of Section 21, the Board of Directors may:

- i. Terminate any Member Agency from this Agreement and membership in the Authority, on a vote of two-thirds (2/3rds) of the Board members present and voting. Such action shall have the effect of terminating the Member Agency's participation in all Insurance programs of the Authority as of the date that membership is terminated.
  - ii. Terminate any Member Agency's participation in an Insurance program of the Authority without terminating the Member Agency's membership in the Authority or participation in other programs on a vote of two-thirds (2/3rds) of the Board members present and voting.
- (b) The Board of Directors shall give at least sixty (60) days advance written notice of the effective date of any termination under the provisions of (a) above, unless determined otherwise by the Board. Upon the effective date, the Member Agency shall be treated the same as if it had voluntarily withdrawn from this Agreement or from the program, as the case may be. A termination procedure will be set forth in the Bylaws of the Authority.
- (c) A Member Agency which does not enter one or more of the Programs of the Authority within 18 months after the Member Agency becomes a party to this Agreement shall be considered to have withdrawn as a party to this Agreement at the expiration of the 18-month period, and its membership in the Authority shall be automatically canceled as of that time without action of the Board of Directors.
- (d) A Member Agency which withdraws from all Insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to this Agreement at the end of that period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

### **SECTION 23: Effect of Withdrawal or Termination**

The withdrawal or termination of any Member Agency from this Agreement shall not terminate the responsibility of the Member Agency to continue to contribute its share of assessments or other financial obligations incurred by reason of its prior participation, nor shall a Member Agency's withdrawal or termination require the Authority to repay or return to the Member Agency all or any part of any contributions, payments or advances made by the Member Agency except as provided in Section 23.1 below. However, the withdrawn Member may be entitled to participate in the distribution of any dividends issued, to the extent attributable to Program Years in which the former Member participated.

#### **SECTION 23.1: Disposition of Property and Funds**

- (a) Upon the dissolution of the Authority or other final termination of the Agreement, any properties of the Authority shall be liquidated, and the funds received, together with other funds on hand, shall be used first to discharge all obligations of the Authority. These obligations shall include all claims for which the Authority may have financial responsibility including claims which have been incurred but not reported and shall be determined by independent accountants and actuaries selected by the Board of Directors.

Any surplus funds remaining after payment of or providing for the Authority's obligations shall be applied in accordance with Subsection (b) below.

- (b) Surplus money on hand in a self-insurance pool operated by the Authority shall be returned to present and former Member Agencies who participated in the pool in proportion to contributions made and claims or losses paid as specified in California Government Code Section 6512.2. Any other surplus money remaining on hand shall be returned in proportion to contributions made as specified in California Government Code Section 6512.

#### **SECTION 24: Provision for Bylaws**

The Authority shall develop, adopt, amend and promulgate Bylaws and other executive directives to govern the operations of the Authority. Each Member Agency will be provided with copies of all such materials.

#### **SECTION 25: Amendment of Agreement**

This Agreement may be amended at any time by a two-thirds vote of the entire Board of Directors, provided, however, that:

- (a) Any meeting at which an amendment is to be acted upon shall require thirty (30) days' prior notice of the proposal, with the specifics of the proposed amendment to be set forth in the notice; and
- (b) No amendment which increases the liability or financial obligation of a Member Agency shall be approved without:
  - i. That Member Agency's consent; or
  - ii. That Member Agency being given the specific option to withdraw from the Authority.
- (c ) Except as provided in Section 25(b) above, each Member agency agrees to be bound by and to comply with all of the terms and conditions of this Agreement as it now exists or may hereinafter be amended as provided in Section 25(a).

#### **SECTION 25.1: Dispute Resolution Process**

In the case of dispute as to any issue arising from the formation, interpretation, or operation of this Agreement, or of any right, benefit, duty, or obligation in any manner arising from this Agreement or any Program, any Member may seek review of the dispute first with the Board of Directors at their next regularly scheduled meeting. The disputing Member must participate in the meeting and present a reasonable and good faith basis for any requested action or inaction, which is a condition precedent to any other potential proceeding. If the disputing Member is unsatisfied with the Board of Directors' decision, it may file for binding arbitration pursuant to the terms of the California Arbitration Act, Code of Civil Procedure sections 1280 and following, with a jointly agreed arbitrator, which shall otherwise be appointed by a court of competent jurisdiction. The arbitrator shall expeditiously and cost effectively resolve the dispute. Such resolution may, upon

agreement by the parties, be issued without discovery, live testimony, or a formal transcript of proceedings, as long as minimum standards of due process are maintained. Each party shall bear its own attorneys' fees, costs, and expenses unless the arbitrator finds that a party's position was frivolous, in which case the arbitrator shall award reasonable attorneys' fees and costs to the prevailing party. Compliance with these dispute resolution procedures, coupled with the Member's compliance with all other obligations under this Agreement, are a condition precedent to any right to monetary or nonmonetary relief as to the disputed matter.

**SECTION 25.2: Interpretation of Agreement**

This Agreement is a fully integrated document, and is not subject to interpretation, supplementation, or claimed understanding by any actual or alleged oral or separately existing written document, and shall be construed in a manner ensuring compliance with all governing laws and the Purposes of the Agreement stated herein. It shall be considered as jointly drafted, such that no provision of this Agreement shall be construed against any Member based on the claim or contention that it was a drafter of any disputed clause or provision. Any actual or alleged provision found inconsistent with governing law shall be deemed automatically removed, and the Agreement reformed so as to enforce all other remaining provisions.

**SECTION 26: Effective Date of Restated Agreement**

The effective date of this Agreement as restated shall be July 1, 2025.

**SECTION 27: Superseding Effect**

This Agreement supersedes the JPA (referred to in Recital A above) and shall govern the rights and obligations of the parties as to all matters covered by this Agreement after its effective date.

**SECTION 28: Contract with Each Signatory**

Each party to this Agreement, whether by having been a signatory to the JPA (referred to in Recital A above) or by having become a signatory to this Agreement, shall be deemed, and thus is, a contracting party with each and all of the other parties to this Agreement without regard to the time that a party became a party to the Agreement. The deletion of one or more parties from this Agreement shall not affect the validity, term or continuing effectiveness of this Agreement.

\* \* \* \* \*

**Certificate of Secretary**

The undersigned Secretary of Member Agency certifies that the foregoing Joint Exercise of Powers Agreement was adopted by Resolution No. TBD(BD) of the Board of Directors of Member Agency at a meeting of the Board duly and regularly called and conducted on TBD, 2025.

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Secretary





**BYLAWS  
of the  
SCHOOLS PROGRAM ALLIANCE**

PREAMBLE

These Bylaws are adopted effective July 1, 2025, pursuant to the "Joint Exercise of Powers Agreement for the Schools Program Alliance (SPA)" (the "Agreement").

ARTICLE I - THE AUTHORITY

SECTION 1.1. Name of Authority. The name of the Authority created by the Agreement shall be the Schools Program Alliance (the "Authority").

SECTION 2.1. Office of Authority. The principal office of the Authority shall be at the address listed in Attachment A to these Bylaws, or at such other location as the Board of Directors may designate by resolution.

SECTION 3.1. Fiscal Year. The fiscal year for the Authority shall commence July 1 of each calendar year and end June 30 of the following calendar year.

ARTICLE II - BOARD OF DIRECTORS

SECTION 2.1. Membership. The Authority shall be governed by a Board of Directors. Each of the parties to the Agreement as set forth in Sections 4 and 20 of the Agreement (the "Member Agencies") shall be entitled to participate and be represented by a representative on the Board of Directors. If a Member Agency elects to exercise its right to representation on the Board of Directors, it shall promptly notify the Authority in writing of the names of the Board member and alternates who have been selected to represent the Member Agency, and subsequently of any successors to them. The Member Agency shall also comply with any other procedures which may be established by resolution of the Board of Directors to identify Member Agencies who have chosen to participate and be represented on the Board of Directors and to authenticate Member Agencies' representatives. All designated Board members and alternates shall comply with the provisions of California law which require certain public officials to file Statements of Economic Interests. Any Member Agency which is not then exercising its right to participate on the Board of Directors may change its status at any time by written notice to the Authority of that decision, by designation of its representative Board member and alternates and by compliance with any other procedures established by the Board of Directors.

SECTION 2.2. Powers. The powers of the Board shall be as set forth in Section 9 of the Agreement.

SECTION 2.3. Meetings.

(a) Regular Meetings. Regular meetings of the Board shall be held at least once a year at a time and place to be set by the Board. Except as otherwise provided in Section 25 of the Agreement, the agenda for each regular meeting of the Board shall be posted at the principal office of the Authority and delivered to each Member Agency in accordance with the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956.

(c) Public Meeting. All meetings of the Board shall be open to the public, except as provided by law.

(d) Quorum. The presence of a majority of the members of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in the Agreement, the Bylaws or by law, no action may be taken by the Board except by affirmative vote of not less than a majority of those members of the Board present. A smaller number may adjourn a meeting.

(e) Order of Business. At the regular meetings of the Board, the following shall be the order of business:

- i. Roll Call.
- ii. Approval of Minutes of the previous meeting.
- iii. Agenda Items.
- iv. Adjournment

(f) Manner of Voting. With respect to matters of business affecting only a particular insurance program, voting on such matters shall not be restricted to those Board members whose Member Agencies are participants in that particular program, however in case of a tie, only the votes of Member Agencies participating in the program shall be counted.

(g) Action by the Board. All resolutions of the Board shall be in writing, signed by the President and attested to by the Secretary. All other actions of the Board shall be by motion recorded in written minutes.

(h) Rule of Order. All rules of order not otherwise provided for shall be determined, to the extent practicable, in accordance with "Robert's Rules of Order;" provided, however, that no action of the Board shall be invalidated, or its legality otherwise affected, by the failure or omission to observe or follow "Robert's Rules of Order."

ARTICLE III - OFFICERS

SECTION 3.1. Principal Officers.

The principal officers of the Authority are the Chair, Vice-Chair, Secretary and Treasurer-Auditor, as provided in Section 11 of the Agreement.

SECTION 3.2. Other Officers.

The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable. Officers so appointed shall serve at the pleasure of the Board and shall exercise such powers, perform such duties and assume such responsibilities as set forth in a resolution duly adopted by the Board for that purpose.

ARTICLE IV - COMMITTEES

SECTION 4.1. Establishment of Committees.

Pursuant to Section 12 of the Agreement, the Authority shall have the standing committees specified in this Article and such other committees as may be appointed from time-to-time by the Board of Directors or the Chair.

SECTION 4.2: Property Program Committee.

(a) The Authority may create a "Property Program Committee". This Committee may be a standing committee of the Authority. Upon establishment, members of the committee shall be: (1) affiliated with Member Agencies who are participants in the Authority's Property Program; (2) knowledgeable about the operation of the program; and (3) selected by the Board Chair. Committee members other than the Committee Chair shall serve two, two-year terms with the terms of two or three members beginning in even-numbered calendar years and the other members' terms beginning in odd-numbered calendar years. The term of the Chair shall be indefinite and at the pleasure of the Board Chair.

(b) The purpose of the Property Program Committee shall be to advise the Board of Directors of all operational aspects of the Property Program and to execute and implement the directions of the Board with regard to matters within the committee's powers, duties and responsibilities, which shall be as follows:

(c) Underwriting

i. Solicit information necessary to evaluate membership applications. Determine adequacy of information provided by prospective members.

ii. Advise and report to the Board on matters relating to prospective new members to the program.

(d) Coverage Issues

i. Review coverage issues as they arise and make a recommendation to the Board.

(e) Claims Administration

i. Advise and report to the Board of Directors as to the status of the Program.

ii. Solicit proposals, select, and recommend to the Board qualified candidates to serve as the program's Claims Administrator.

iii. Administer the contract for claims services and review invoices.

iv. Provide supervision and direction to the Authority's claims administrator.

v. Review procedures for claim processing and recommend changes if appropriate.

vi. Review claims frequency and severity reported by participants.

vii. Oversee the preparation of a quarterly claims report to all participants.

viii. Identify needs of participants and recommend training.

ix. Review disputed claims and settle claims within authority granted by the Board pursuant to the Property Claims Management Policy & Procedure.

(f) Loss Control

i. Develop programs, policies and resources that will enable participants to reduce property losses.

ii. Provide for inspections of participants' facilities to assist in reducing losses and improving safety.

iii. Administer contract for loss control services and recommend approval of payments.

iv. Provide supervision and direction to the Authority's loss control consultant.

v. Prepare and coordinate an annual safety program.

vi. Coordinate safety program with the Liability Program Committee.

(g) Budget

i. Recommend Program budget.

(h) Delegation of Duties

i.– Delegate any of these duties and responsibilities as it deems appropriate.

SECTION 4.3. Liability Program Committee.

(a) The Authority may create a "Liability Program Committee". This Committee may be a standing committee of the Authority. Upon establishment, members of the committee shall be: (1) affiliated with Member Agencies who are participants in the Authority's Liability Program; (2) knowledgeable about the operation of the program; and (3) selected by the Board Chair. Committee members other than the Committee Chair shall serve two, two-year terms with the terms of two or three members beginning in even-numbered calendar years and the other two members' terms beginning in odd-numbered calendar years. The term of the Chair shall be indefinite and at the pleasure of the Board Chair.

(b) The purpose of the Liability Program Committee shall be to advise the Board of Directors of all operational aspects of the Liability Program and to execute and implement the directions of the Board with regard to matters within the committee's powers, duties and responsibilities, which shall be as follows:

(c) Underwriting

i. Advise and report to the Board on matters relating to prospective new members to the Program.

ii. Solicit information necessary to evaluate membership applications.

iii. Determine adequacy of information provided by prospective members.

(d) Coverage Issues

i. Review and advise on Memorandum of Coverage matters.

ii. Make recommendations to the Board concerning coverage issues.

(e) Claims Administration

- i. Advise and report to the Board as to the nature and extent of claims adjusting and legal defense services necessary to protect the funds of the Authority, and as to the settlement of those claims which involved liability of the Authority.
- ii. Recommend policies and procedures for claim processing.
- iii. Review all claims reported by Member Agencies.
- iv. Approve settlement of claims within a range of authority as determined by the Claims Management Policy & Procedure.
- v. Make recommendations on settlement of claims greater than the limit of authority established in the Claims Management Policy & Procedure.
- vi. Oversee the preparation of a quarterly claims report to all members.
- vii. Administer contract for claims services and recommend approval of payments.
- viii. Make recommendation on the selection of a claims administrator.

(f) Loss Control

- i. Develop programs, policies and resources that will enable Member Agencies to reduce liability and property damage losses.
- ii. Provide for inspections of facilities to assist members in reducing losses and improving safety and to determine compliance with SPA standards.
- iii. Administer contract for loss control services and recommend approval of payments.
- iv. Provide supervision and direction to the Authority's loss control consultation service provider.
- v. Prepare an annual loss control program and budget.
- vi. Coordinate safety programming with the Property Program Committee.
- vii. Make recommendation on the selection of a Loss Control service provider.

(g) General

- i. Advise on structure and funding of the Pool layer.
- ii. Develop budget recommendation.
- iii. Oversee projects of consultants.
- iv. Report annually on the program and on the performance of contractors.

(h) Delegation of Duties

- i. – Delegate any of these duties and responsibilities as it deems appropriate.

SECTION 4.4. Meetings of Standing Committees. Standing committees shall meet on the call of their respective committee chairs. Minutes of committee meetings shall be recorded and upon approval shall be distributed to the Board of Directors. Meetings of committees shall be conducted in accordance with the Ralph M. Brown Act (California Government Code sections 54950 et seq.) including, as applicable, the provisions of sections 54952.2 and 54952.3.

ARTICLE V - PROGRAM ADMINISTRATOR

SECTION 5.1. Appointment. The Board shall appoint a Program Administrator in accordance with Section 13 of the Agreement.

SECTION 5.2. Powers. In accordance with Section 13 of the Agreement, the Program Administrator shall administer the organizational and administrative business and activities of the Authority. The Program Administrator shall have such powers, duties and responsibilities as set forth in the Agreement, these Bylaws and as may be provided by agreement between the Program Administrator and the Authority or as otherwise delegated to the Program Administrator by the Board of Directors.

ARTICLE VI - REIMBURSEMENT FOR TRAVEL EXPENSES

SPA may reimburse a Board of Directors Member, Committee Member, or other appointed employee or representative of their Member Agency, as approved by the SPA Board, any reasonable and necessary travel expenses incurred for the member to attend a SPA meeting.

***Reasonable and Necessary** is defined as those expenses which the member would not have incurred in performing the normal business of its agency.*

Article VII - TERMINATION OF A MEMBER AGENCY MEMBERSHIP

A Member Agency may be terminated from membership in the Authority or from participation in a program of the Authority, in accordance with Section 22 of the Agreement. The procedures for terminating a Member Agency are as follows:

SECTION 7.1. Initiation. Proceedings for termination of a Member Agency as a participant in a program of the Authority or as a member of the Authority may be initiated by the Program Administrator, by any officer, director, or standing committee of the Authority or by any Member Agency. The person initiating termination proceedings shall do so by a written report and recommendation to the Board of Directors, setting forth in detail the grounds upon which the recommendation is made.

SECTION 7.2. Hearing and Determination of the Board of Directors. The Board of Directors shall hold a hearing on the recommendation at its next meeting, which may be a regular or a special meeting; provided, however, that the affected Member Agency shall have received a copy of the recommendation and such notice of the meeting as is given to all Board members. At the hearing the affected Member Agency shall have the right to offer written and oral testimony. At the close of the hearing, the Board of Directors shall decide whether or not to terminate the Member Agency. If the Board votes to terminate the Member Agency, the reasons for such decision shall be given in writing to the Member Agency. Termination shall be effective as specified in the notice, but not less than sixty (60) days after the date of mailing of such written reasons to the Member Agency.

SECTION 7.3. Withdrawal. A Member may withdraw from the Authority or a program by providing notice as required in Section 22 of the Agreement. A notice of withdrawal may not be rescinded, except upon Member request and subsequent approval by the Board, for good cause shown and upon a finding by the Board in its sole discretion that rescission of the notice of withdrawal will not prejudice the Authority or other Members.

ARTICLE VIII - AMENDMENT

These Bylaws may be amended from time to time by resolution of the Board of Directors duly adopted upon a two-thirds vote of the entire Board of Directors at a regular or special meeting of the Board; provided, however, that no such amendment shall be adopted unless at least thirty (30) days written notice thereof has previously been given to all Member Agencies and members of the Board of Directors. Such notice shall identify the section or sections of the Bylaws proposed to be amended.



## ARTICLE IX - COVERAGE DOCUMENTS

Each Member Agency participating in a program of the Authority shall be provided with either a memorandum of coverage or an insurance policy, as the case may be, which shall describe in detail the nature of the applicable coverage, including dollar amounts, together with any deductibles, exclusions, limitations, or other provisions of the coverage.

## ARTICLE X - RECORDS RETENTION

All records and documents of the Authority shall be retained in accordance with a records retention policy and procedure adopted by the Board of Directors.

## ARTICLE XI - LIABILITY AND INDEMNIFICATION

SECTION 11.1 - INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES - The Authority shall defend and indemnify its directors, officers and employees to the same extent as any public agency of the State of California is obliged to defend and indemnify its public employees pursuant to California Government Code Section 825 et seq. or other applicable provisions of law.

SECTION 11.2 - INSURANCE - The Authority may insure itself to the extent deemed necessary by the Board of Directors against loss, liability and claims arising out of or connected to the conduct of the Authority's activities.

SECTION 11.3 - INDEMNIFICATION BY MEMBER AGENCIES - To the extent any Member Agency's negligent or wrongful act or omission is the cause of an injury for which other Member Agencies may be, or are sought to be, held liable pursuant to California Government Code e 895 et seq., the Member Agency which is legally responsible for the injury shall, at its own expenses, defend, indemnify and hold harmless all of such other Member Agencies from any and all legal consequences of the negligent or wrongful conduct or omission. Nothing in this Section shall be deemed to preclude a Member Agency having the duty to defend, indemnify and hold harmless, from resorting to any insurance or other form of coverage for losses available to the Member Agency, including insurance or coverage for losses procured through the Authority.

# **SCHOOLS PROGRAM ALLIANCE (SPA)**

## **PARTICIPATION AGREEMENT FOR THE PROPERTY PROGRAM**

We, \_\_\_\_\_, signatory to the Schools Program Alliance(SPA) Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on \_\_\_\_\_, 20\_\_\_\_, to participate in the SPA Property Program, hereinafter referred to as "Property Program." As evidenced by the authorized signatures on page 3 of this document, we agree to become a participant in the Property Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Property Program and not to any other program operated by SPA.

We understand that provided the following requirements are met, Property Program coverage shall begin on \_\_\_\_\_ :

- 1) We have paid the Property Program Fee;
- 2) We have executed this Property Program Participation Agreement; and
- 3) We are a member of the Joint Powers Authority. This means we:
  - a) have been approved for Joint Powers Authority membership by the SPA Board;
  - b) have executed the Joint Exercise of Powers Agreement;
  - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
  - d) have paid the initial membership fee.

### **MINIMUM PARTICIPATION PERIOD:**

It is understood that the SPA Property Program requires an initial full program year commitment in order to participate in the program. Withdrawal from the Property Program cannot occur until a full year of participation has occurred, that is, from the coverage inception date until the end of the first full program year in which the entity has participated, and only then if a six-month prior notice is provided.

Our initial commitment to the Property Program will expire on July 1, 20\_\_\_\_, unless the program anniversary date is modified by the Property Program Participants. After the initial participation commitment has been met, withdrawal can occur at the end of a program year provided a six-month prior notice of intent to withdraw is provided the Authority, as noted above.

## RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- Take such action, including providing the Property Program staff with such statistical and loss experience data and other information, as is necessary to carry out the SPA Property Program as required by the SPA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Board of Directors;
- Pay the Property Program when due any and all Premiums for each Program Year. Withdrawal does not relieve a Program Participant from liability for owed premiums;
- Fully cooperate with the Property Program staff and/or representatives in determining the cause of losses and in the investigation, adjudication, and settlement of claims; and.
- Comply with JPA Agreement Section 18, "Responsibilities of Member Agencies."

## RESPONSIBILITY FOR PROPERTY PROGRAM EXPENSES:

It is understood that Property Program Participants are responsible for their share of all Property Program expenses. A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Program Fee, which is based upon the Property Program's budgetary needs, and any other expenses deemed necessary by the Board of Directors.

It is also understood that Property Program Participants are responsible for their share of all Property Program expenses, including:

projected losses; margin for contingency; claims adjusting and legal fees, loss control services, general administration, excess or reinsurance premium cost, and costs for any other services as identified by the Board of Directors per authority vested by the SPA Joint Exercise of Powers Agreement and/or Bylaws;

A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Deposit Premium which is based upon the Property Program's budgetary needs, prior claims experience, actuarial projections for future years' losses and any other expenses deemed necessary by the Board of Directors. The cost allocation formula may be subject to change by the Board of Directors.

The withdrawal or termination of any Program Participant from the Property Program shall not terminate the responsibility to continue to contribute to its share of assessment on prior Program Years or other financial obligations incurred by reason of its previous participation.

\* \* \* \* \*

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the SPA Joint Exercise of Powers Agreement or Bylaws, which affect the

conditions of participation in the Property Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Property Program Participants.

In recognition of the above, this Participation Agreement is executed on \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Program Participant

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

# **SCHOOLS PROGRAM ALLIANCE (SPA)**

## **PARTICIPATION AGREEMENT FOR THE LIABILITY PROGRAM**

We, \_\_\_\_\_, signatory to the Schools Program Alliance(SPA) Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on \_\_\_\_\_, 20\_\_\_\_, to participate in the SPA Liability Program, hereinafter referred to as "Liability Program." As evidenced by the authorized signatures on page 3 of this document, we agree to become a participant in the Liability Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Liability Program and not to any other program operated by SPA.

We understand that provided the following requirements are met, Liability Program coverage shall begin on \_\_\_\_\_ :

- 1) We have paid the Liability Program Fee;
- 2) We have executed this Liability Program Participation Agreement; and
- 3) We are a member of the Joint Powers Authority. This means we:
  - a) have been approved for Joint Powers Authority membership by the SPA Board;
  - b) have executed the Joint Exercise of Powers Agreement;
  - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
  - d) have paid the initial membership fee.

### **MINIMUM PARTICIPATION PERIOD:**

It is understood that the SPA Liability Program requires an initial full program year commitment in order to participate in the program. Withdrawal from the Liability Program cannot occur until a full year of participation has occurred, that is, from the coverage inception date until the end of the first full program year in which the entity has participated, and only then if a six-month prior notice is provided.

Our initial commitment to the Liability Program will expire on July 1, 20\_\_\_\_, unless the program anniversary date is modified by the Liability Program Participants. After the initial participation commitment has been met, withdrawal can occur at the end of a program year provided a six-month prior notice of intent to withdraw is provided the Authority, as noted above.

## RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- Take such action, including providing the Liability Program staff with such statistical and loss experience data and other information, as is necessary to carry out the SPA Liability Program as required by the SPA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Board of Directors;
- Pay the Liability Program when due any and all Premiums for each Program Year. Withdrawal does not relieve a Program Participant from liability for owed premiums;
- Fully cooperate with the Liability Program staff and/or representatives in determining the cause of losses and in the investigation, adjudication, and settlement of claims; and
- Comply with JPA Agreement Section 18, "Responsibilities of Member Agencies."

## RESPONSIBILITY FOR LIABILITY PROGRAM EXPENSES:

It is understood that Liability Program Participants are responsible for their share of all Liability Program expenses. A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Program Fee, which is based upon the Liability Program's budgetary needs, and any other expenses deemed necessary by the Board of Directors.

It is also understood that Liability Program Participants are responsible for their share of all Liability Program expenses, including:

projected losses; margin for contingency; claims adjusting and legal fees, loss control services, general administration, excess or reinsurance premium cost, and costs for any other services as identified by the Board of Directors per authority vested by the SPA Joint Exercise of Powers Agreement and/or Bylaws;

A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Deposit Premium which is based upon the Liability Program's budgetary needs, prior claims experience, actuarial projections for future years' losses and any other expenses deemed necessary by the Board of Directors. The cost allocation formula may be subject to change by the Board of Directors.

The withdrawal or termination of any Program Participant from the Liability Program shall not terminate the responsibility to continue to contribute to its share of assessment on prior Program Years or other financial obligations incurred by reason of its previous participation.

\* \* \* \* \*

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the SPA Joint Exercise of Powers Agreement or Bylaws, which affect the

conditions of participation in the Liability Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Liability Program Participants.

In recognition of the above, this Participation Agreement is executed on \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Program Participant

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Item F.5.****SIA PROPOSAL FOR MANAGING MEMBER SERVICES****ACTION ITEM**

**ISSUE:** Consider for Approval - SIA MOU for Managing Member Services.

**RECOMMENDATION:** The Board consider approval of SIA's MOU for Managing Member Services.

**FISCAL IMPACT:** \$85,000 annual contract.

**BACKGROUND:** When SPA was started in the 2020/21 fiscal year Schools Insurance Authority (SIA) was designated to serve as the Managing Member per the JPA agreement. The Board agreed to reimburse the Managing Member for costs to perform these services at a rate of \$75,000. There is currently no MOU or contractual agreement to memorialize this arrangement.

In supporting the SPA JPA, SIA has performed Managing Member services which have included receiving and disbursing funds, entering into contracts, budget development, periodic financial reporting, loss run development and monitoring, processing expense and claims payments & related reconciliations for the excess and retained layers, audit coordination, otherwise managing the financial operations of SPA.

To formally memorialize the arrangement, SIA proposes the attached MOU. This proposal:

- Effective 7/1/25; 24-month term
- \$85,000 annual cost; a \$10,000 increase (last 5 years have been flat at \$75,000)
- Summarized service expectations (Attachment A) on with reference to the Claims Service Instructions.
- Annually renews with SPA budget approval

**ATTACHMENTS:** MOU for JPA MANAGING MEMBER SERVICES



**MEMORANDUM OF UNDERSTANDING (MOU)  
FOR JPA MANAGING MEMBER SERVICES  
BETWEEN SCHOOLS PROGRAM ALLIANCE AND SCHOOLS INSURANCE AUTHORITY**

THIS MOU agreement is made as of July 1, 2025, by and between Schools Program Alliance (SPA) and Schools Insurance Authority (SIA); and

WHEREAS, SPA has a need for Managing Member Services for the SPA JPA and desires SIA to provide the Services; and

WHEREAS, SIA is willing to perform the Services pursuant to the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of mutual agreement set forth herein and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. **Services.** SIA shall assign qualified and competent personnel of SIA staff to SPA in order to provide the Services as described herein.

**1. SIA staff shall perform Managing Member Services as set forth in Attachment A.**

B. **Reimbursement.** SIA shall be the employer of assigned staff, and will pay the salary and benefits during the Term of this Agreement. SIA shall provide sufficient staffing hours to complete the assigned activities (expected to include services of SIA CFO, Accounting Manager, Senior Accountant) for the duration of the agreement. SPA shall reimburse SIA for costs to provide the services, including a portion of SIA staff salary, benefits, and indirect costs in the amount of Eighty-Five Thousand Dollars (\$85,000) per year, (to be prorated (divided by 12) for fiscal years less than 12 months if applicable). Payments shall be invoiced once a year after Board approval of the contract and/or annual budget and/or any other agreed upon changes approved by the Board of SPA. SIA shall provide an office, equipment, accounting system, and other materials as required to perform the work.

C. **Term.** The initial term of this agreement shall commence on July 1, 2025 and shall continue through June 30, 2026 ("Term"). Following this period, the Agreement is intended to be renewable for additional 24 months terms upon mutual agreement between the SPA Board and SIA's authorized representative.

D. **Annual Review & Renewal.** During the Term of this Agreement, SPA and SIA shall meet at least annually to discuss issues regarding the Services and whether the Services are meeting SPA's needs. The Managing Member may propose a budget item for renewal of the agreement within the development of the annual SPA Budget. The SPA Board's approval of the budget shall be deemed affirmative approval to renew this agreement. Successive renewals, including term and compensation will be documented as attachments to this agreement.

E. **Termination of Agreement.** This agreement may be terminated with a Sixty (60) day written notice of either party any time upon the resignation or refusal or inability to perform the essential function of the position, with or without reasonable accommodation as defined by applicable law, of any Employee.

F. **Hold Harmless.** To the fullest extent permitted by law, each party shall defend, indemnify, and hold the other party, its Governing Board, members of its Governing Board, officers, agents, and employees harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or

claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, or claims for injury or damages are caused by or result from the willful or intentional misconduct or negligent acts or omissions of the indemnified party, its officers, employees, volunteers, or agents.

**G. No Employment Rights.** Each party's employees shall be under the exclusive management control of that party and shall not be employees of the other party for any purposes whatsoever. No relationship of employer and employee is created by this Agreement.

**H. Discrimination.** The parties and its employees shall not discriminate because of sex, sexual orientation, gender, ethnic group identification, race, ancestry, national origin, religion, color or mental, physical disability, or any other basis prohibited by law against any person by refusing to furnish such persons any service or privilege offered by the parties under this Agreement.

**I. Compliance with Law.** In the performance of their respective obligations contemplated by this Agreement, each party agrees to comply with all applicable local, state and federal laws and regulations, as those laws and regulations may change from time-to-time.

**J. No Third-Party Rights.** Nothing in this Agreement is intended to make any person or entity who is not signatory to the Agreement a third-party beneficiary of any right created by this Agreement or by operation of law.

**K. Amendments.** The parties agree to make appropriate amendments to this Agreement from time to time, to comply with state and federal legislation or rules and regulations issued by state or federal agencies, if such amendments are required, provided, however, that in the event the changes required, or the legislation, or the rules and regulations, materially change the contract or affect the validity thereof either whole or in part, then in that event, the Agreement may be terminated at the option of either party.

**L. Entire Agreement.** This Agreement contains the entire Agreement and understanding between the parties and supersedes all prior written or oral Agreements with respect to the subject matter herein. Any modification to this Agreement must be made in writing, signed by the authorized representatives of the SPA and SIA.

**M. Execution in Counterparts.** This Agreement may be executed in counterparts such that the signatures may appear on separate pages. A copy, or an original, with all signatures appended together shall be deemed a fully executed agreement. Signatures transmitted by facsimile shall be deemed original signatures.

**N. Interpretation.** The language of all parts of this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against either party.

**O. Governing Law.** This agreement shall be governed by and interpreted under laws of the State of California, with venue for the judicial resolution of any dispute to be Sacramento County, California and no other place.

**SCHOOLS PROGRAM ALLIANCE**

**SCHOOLS INSURANCE AUTHORITY**

By: \_\_\_\_\_  
(Signature)

Name: Cindy Wilkerson  
(Print or Type)

Title: SPA Board Chair

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Name: Brooks Rice  
(Print or Type)

Title: Executive Director, SIA

Date: \_\_\_\_\_

## **ATTACHMENT A**

Managing Member services are generally described by the SPA Joint Exercise of Powers Agreement as financial management services for the Authority. SIA will provide these services as follows:

1. Develop budgets and allocating costs for general administration and contracting activities for Board Approval
2. Enter into contracts on behalf of the Board
3. General accounting responsibilities, including provision of accounting system and internal controls & processes, receive and disburse funds, invoicing, producing periodic financial reports and supporting member financial inquiries
4. Serve as a point of contact for vendors and contractors
5. Audit coordination and facilitation
6. Collaboration with actuary, insurance brokers, experts, and other related professionals and contractors
7. Other related services as reasonably related and requested by the SPA Board of Directors

**Item F.6.**

## FINANCIALS AS OF MARCH 31, 2025

### ACTION ITEM

**ISSUE:** Managing Member Financial Report 3<sup>rd</sup> Quarter 2024/25

**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.

**Managing Member Financial Update:**

Financial reports for the period ending March 30, 2025 are provided for the Board's review. The financials reflect a combined net position of \$3.4M, which is a decrease of \$1.8M from December 31, 2024. A summary of the financials follows:

- Total Assets of \$18.6M (up \$1.2M over same time last year); total liabilities estimated at \$15.2M (up \$2.8M over same time last year).
- Claims Liabilities outstanding (Property Program) are estimated at \$5.7M (up \$2.6M over LY). This reflects development on 23/24 and 24/25 program years in this third quarter.
- Property Program Net Position is about \$3.4M which is down about 1.6M from the same time last year.

The financials have been prepared after reconciliation of the SPA loss run with the actuary and recording of actuary estimated liabilities for the prior fiscal year. The 23/24 audit is currently in process; the beginning balance is still an estimate, yet, expected to be materially correct.

Following up on recent inquiries, the following history of Retained Layer incurred retentions is provided:

<b>Fiscal Period</b>	<b>Retention A Incurred</b>	<b>Retention B Incurred</b>	<b>Total Retentions Spent</b>
2020/21	\$ -	\$ -	\$ -
2021/22	500,000	2,000,000	2,500,000
2022/23	472,249	2,000,000	2,472,249
2023/24	1,000,000	2,000,000	3,000,000
7/1/24-3/31/25	910,000	1,350,000	2,260,000
	<u>\$ 2,882,249</u>	<u>\$ 7,350,000</u>	<u>\$ 10,232,249</u>

**ATTACHMENTS:** 3.31.25 SPA Financial Report & Check Register

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

	BSSF	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
<b>ASSETS</b>									
Cash	32,332	121,896	66,221	641,462	195,174	9,732,752	10,789,837	(87,347)	10,702,489
Accounts Receivable						(97,633)	(97,633)	103,097	5,465
Other Receivables						81,754	81,754		81,754
Prepaid Insurance						4,950,256	4,950,256	2,814,929	7,765,185
<b>TOTAL ASSETS</b>	<b>32,332</b>	<b>121,896</b>	<b>66,221</b>	<b>641,462</b>	<b>195,174</b>	<b>14,667,130</b>	<b>15,724,213</b>	<b>2,830,679</b>	<b>18,554,892</b>
<b>LIABILITIES</b>									
Accounts Payable							0	15,750	15,750
SIA Admin payable							0		0
Loss Control payable							0		0
Appraisal payable							0		0
Deferred Contributions	3,379	12,037	16,679	55,505	15,760	5,711,148	5,814,507	2,814,929	8,629,436
Advances Payable						863,788	863,788		863,788
Claims Liabilities						5,668,821	5,668,821		5,668,821
<b>TOTAL LIABILITIES</b>	<b>3,379</b>	<b>12,037</b>	<b>16,679</b>	<b>55,505</b>	<b>15,760</b>	<b>12,243,756</b>	<b>12,347,116</b>	<b>2,830,679</b>	<b>15,177,795</b>
<b>NET POSITION</b>	<b>28,953</b>	<b>109,859</b>	<b>49,542</b>	<b>585,957</b>	<b>179,413</b>	<b>2,423,374</b>	<b>3,377,097</b>	<b>0</b>	<b>3,377,097</b>

**RECONCILIATION OF MEMBER EQUITY BALANCES**

	BSSF	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
<b>NET POSITION</b>									
Retained Layer						2,423,374	2,423,374		2,423,374
SIA Admin							0		0
Loss Control	20,954	82,349	12,371	547,513	142,211		805,397		805,397
Appraisals	7,999	27,510	37,170	38,444	37,202		148,326		148,326
<b>NET POSITION</b>	<b>28,953</b>	<b>109,859</b>	<b>49,542</b>	<b>585,957</b>	<b>179,413</b>	<b>2,423,374</b>	<b>3,377,097</b>	<b>0</b>	<b>3,377,097</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, 2025**

	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						14,850,769	14,850,769	8,444,786	23,295,555
<b>Total Retained &amp; Reinsurance Contributions</b>	0	0	0	0	0	17,100,769	17,100,769	8,444,786	25,545,555
SPA Admin Contributions*									
Administrative	1,402	5,281	7,472	24,866	7,061	32,668	78,750		78,750
Loss Control	4,563	17,189	24,323	80,942	22,983		150,000		150,000
Appraisal	4,172	13,642	18,243	60,706	17,237		114,000		114,000
<b>Total Admin Contributions</b>	10,137	36,111	50,038	166,515	47,280	32,668	342,750	0	342,750
<b>TOTAL CONTRIBUTIONS</b>	10,137	36,111	50,038	166,515	47,280	17,133,437	17,443,517	8,444,786	25,888,304
<b>EXPENSES</b>									
Claims Expenses						3,384,137	3,384,137		3,384,137
Insurance Premiums						14,850,769	14,850,769	8,444,786	23,295,555
Professional Services						14,065	14,065		14,065
Board Member Activities						8,136	8,136		8,136
SPA Admin Expenses*									
SIA Administrative	1,402	5,281	7,472	24,866	7,061	36,835	82,917		82,917
Loss Control			133,874				133,874		133,874
Appraisals				318,205			318,205		318,205
<b>TOTAL EXPENSES</b>	1,402	5,281	141,346	343,071	7,061	18,293,942	18,792,102	8,444,786	27,236,888
<b>Operating Income</b>	8,735	30,831	(91,308)	(176,557)	40,219	(1,160,506)	(1,348,585)	0	(1,348,584)
<b>Non Operating Income - Interest</b>						256,927	256,927		256,927
<b>INCREASE (DECREASE) IN NET POSITION</b>	8,735	30,831	(91,308)	(176,557)	40,219	(903,578)	(1,091,658)	0	(1,091,658)
<b>NET POSITION, BEGINNING OF PERIOD - ESTIMATED</b>	20,218	79,028	140,850	762,514	139,194	3,326,952	4,468,755	0	4,468,755
<b>NET POSITION, END OF PERIOD</b>	28,953	109,859	49,542	585,957	179,413	2,423,374	3,377,097	0	3,377,097

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

**SCHOOLS PROGRAM ALLIANCE  
CHECK REGISTER**

**FY Ended 6/30/25**

**DISBURSEMENT TRANSACTIONS FISCAL YEAR 2024-25**

Check Number	Vendor ID	Vendor Check Name	Check Date	Amount	Inv. #	Date	Description
1st Quarter 24-25							
book xfer	SIA	SIA- Admin/RESIG	7/18/2024	2,085,056.66			RESIG for Piner Claim
wire payment	BMS Bermuda	BMS Bermuda Limited	7/26/2024	247,500.00	10075K24	7/25/2024	BMS Bermuda Ins
book xfer	SIA	SIA- Admin/SIA	8/1/2024	3,351,310.59			Caldor Fire, Claim # 21-5244 Pioneer Union
				<u>5,683,867.25</u>			
2nd Quarter 24-25							
xfer	NBSIA	NBSIA	12/18/2024	(600,000.00)			Claim SPA 24-3941, St. Helena for CAT 2419 multi-member event
book xfer	SIA	SIA- Admin	12/20/2024	(1,210,483.00)			SPA claim 24-3936 SIG CAT 2323 Snowstorm
book xfer	SIA	SIA- Admin	12/20/2024	(61,155.00)			Q1 SIA Admin Expenses
book xfer	SIA	SIA- Admin	12/20/2024	(441,644.58)			Q2 SIA Admin Expenses
				<u>(2,313,282.58)</u>			
3rd Quarter 24-25							
book xfer	SIA	SIA- Admin	2/13/2025	(71,070.00)	SPA-Apprai	1/7/2025	Alliant - Appraisal Costs greater than 950K
book xfer	SIA	SIA- Admin	3/27/2025	(25,733.51)			Q3 SIA Admin Expenses & Other Expenses
				<u>(96,803.51)</u>			

**4th Quarter 24-25**



**Item F.7.**

**BUDGET CONSIDERATIONS & ASSUMPTIONS FY 25/26**

**ACTION ITEM**

**ISSUE:** Budget assumptions are provided for consideration.

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

**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 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 are 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. Starting with the 2023/24 year, SPA began budgeting for other administrative costs (professional services costs, including audits, actuary, legal, and board member activities, such as the annual strategic planning meeting). These revenues and related costs are budgeted and expended to/from the retained layer fund.

The attached Budget Assumptions are provided for Board Member consideration.

**Primary Budget Consideration:**

- Funding allocations for retained layer, excess insurance costs, and admin costs is pending quote receipt, Board review and approval.
- Retained layer funding renewed equal to last year (\$3 million accumulated aggregate, including the aggregates A & B scheme).
- Increased Admin Contributions and related budgeted expenses of \$82,060.
  - Claims Coordination services of \$40,000 budget per recently approved MOU with SIA.
  - Managing Member services increased by \$10,000.
  - Other Admin increased to include expected legal costs, other professional services increases and travel for the Board Chair per the draft Bylaws.
- Appraisal contributions are rolled forward from last year.
- No appraisal expenses are scheduled for this fiscal year. (21/22 was the first year paid, next projected is 26/27)

**Item F.7. Continued**
**SPA Budget Assumptions 2025-26**

Budget Item		25/26 Budget Proposal	24/25 Approved Budget	Change	Comments & Recommendations
<b>Revenues</b>	Retained Layer Deposit	\$ 3,000,000	\$ 3,000,000	\$ -	Continue to fully fund the retained layer. Allocation consistent with funding model/allocation to be approved.
	Excess/Re-insurance Contributions	unknown	unknown	\$ -	Pending quotes. Budget proposal per final quotes/binding. Allocation consistent with funding allocation to be approved.
	Other Admin Contribution - Prof Services & Board Activities	\$ 62,060	\$ 30,000	\$ 32,060	Increases in audit, actuarial & legal costs plus increase Board travel. New Claims Coordination Services. Allocation pending.
	Admin Contribution - Managing Member	\$ 85,000	\$ 75,000	\$ 10,000	Increased cost (first time). Allocation pending.
	Admin Contribution - Claims Coordination	\$ 40,000	\$ -	\$ 40,000	Per new MOU with SIA. To be allocated same as SIA Admin Expense. Allocation Pending.
	Admin Contribution - Loss Control	\$ 200,000	\$ 200,000	\$ -	Consider budget amount and usage. Suggest fund again @\$200K with allocation consistent and pending.
	Admin Contribution - Appraisal	\$ 152,000	\$ 152,000	\$ -	Roll forward current year budget. Individual allocation consistent with prior.
	<b>Total</b>	<b>\$ 3,539,060</b>	<b>\$ 3,457,000</b>	<b>\$ 82,060</b>	
<b>Expenses</b>	Claims Expense	\$ -	\$ -	\$ -	Projection too speculative to make.
	Insurance Premiums	unknown	unknown	\$ -	Pending quotes. Budget per final quotes/binding.
	Other Admin/Professional Services				
	Audit, Actuary, Legal, other...	\$ 46,060	\$ 26,000	\$ 20,060	Increased based on CY expenses & expected increases. Retained layer funded.
	Board Member Activities	\$ 16,000	\$ 4,000	\$ 12,000	Increased based on CY expenses, expected increases Board Chair travel per draft Bylaws. Retained layer funded.
	SIA Admin Expense (Managing Member)	\$ 85,000	\$ 75,000	\$ 10,000	Per proposed MOU included in Board Packet. Allocation Pending.
	Claims Coordination Expense	\$ 40,000	\$ -	\$ 40,000	Per new MOU with SIA. To be allocated same as SIA Admin Expense. Allocation Pending.
	Loss Control	\$ -		\$ -	Will be recorded as approved by JPA & member decisions.
	Appraisals	\$ -	\$ 390,000	\$ (390,000)	No appraisals are scheduled for this fiscal year.
	<b>Total</b>	<b>\$ 187,060</b>	<b>\$ 495,000</b>	<b>\$ (307,940)</b>	No appraisals are scheduled for this fiscal year.

We will prepare the draft budget upon approval of the budget assumptions and receipt of estimates of reinsurance purchase costs.

**RECOMMENDATION:**

- Consider the Budget Recommendations and provide feedback for final budget presentation at the next SPA Board Meeting
- Final excess/re-insurance quotes approved by the Board will be incorporated into the budget
- Individual member allocations of excess/re-insurance costs, admin revenues/costs, exposure values, and the Contribution Allocation Exhibit will be finalized by Alliant and Newfront, approved by the Board, and incorporated into the final budget.

**ATTACHMENTS:** None.

**Item F.8.**

**APPROVE CLAIMS PAYMENT(S) TO MEMBER(S)**

**ACTION ITEM**

**ISSUE:** Claim payment is due to a SPA member.

**RECOMMENDATION:** Approve payments as presented.

**FISCAL IMPACT:** Payment totaling \$455,988.73 will reduce cash balance and outstanding liabilities.

**BACKGROUND:** The SPA Claims Payment Policy (approved February 13, 2023) and the SPA Property Program Claims Service Instructions (approved October 21, 2024) provide direction for reimbursing members for claim costs, including Board approval and the participation of a Loss Adjustment Service Firm (McLarens) and SPA Property Claims Representative (SPA PCR) and Managing Member financial services (both provided by SIA).

Claim payments have been made to SPA member(s) per reported costs incurred by the member. These were submitted and reviewed by the SPA PCR, including coordination with McLarens. The payments were reviewed according to the due diligence accounting and reconciliation requirements, including review of deductibles and retentions, expenses reported, reimbursements, excess insurance participation, and final payments.

Schedule of payments

Member	Claim	Description	Amount	Notes
SIG	Tahoe Truckee USD	SPA Retained layer	\$455,988.73	Rainstorm damage

**ATTACHMENTS:** See attached SPA Claim Reconciliation forms for additional details.

## SPA CLAIM RECONCILIATION

**Member: SIG**

**Claim: 24-4299**

**Occurrence Date: 07/15/2024**

**Claim Type: Rain water damage**

**Claim Status: Open**

**Date Prepared: 4/11/25**

### **Member Reconciliation**

3/28/25 Partial Proof of Loss	705,988.73
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Member Deductible	(250,000.00)
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<b>Amount due to Member</b>	<b>455,988.73</b>
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### **Excess Carrier Reconciliation**

3/28/25 Partial Proof of Loss	705,988.73
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Member Deductible	(250,000.00)
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SPA Retention A	(250,000.00)
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SPA Retention B	(205,988.73)
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<b>Amount due from Excess Carrier</b>	<b>-</b>
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**SWORN STATEMENT IN PROOF OF LOSS**  
(Partial/Advance)

DATE EXPIRES

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**Item G. 1.****LIABILITY PROGRAM****RENEWAL UPDATE****INFORMATION ITEM**

**ISSUE:** The Board will receive information regarding the Excess Liability Program.

**RECOMMENDATION:** None.

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

**BACKGROUND:** Newfront is currently exploring options to purchase additional supplemental (or sideways) aggregate to shore up existing aggregate limits quoted and will provide a verbal update of marketing efforts to date.

**ATTACHMENTS:** None.

**Item H.1.****PROPERTY PROGRAM****2025 PROPERTY (AND APD) RENEWAL UPDATE****INFORMATION ITEM****ISSUE:** We will cover

- 1- An update on the marketing process
  - a. Property, including feedback from London trip in April
  - b. APD with AIG
  - c. Other programs
- 2- SOV Status and recent CoreLogic Wildfire Score information provided
- 3- “Not To Exceed” and Cost Allocation positions will be presented
- 4- Timeline/Next steps in the process
  - a. Obtaining the FINAL SOV
  - b. Modeling the FINAL SOV
  - c. CCSA option approach

**RECOMMENDATION:** Confirmation of NTE positions by Board**FISCAL IMPACT:** NTE positions will give guidance on rating expectations

**BACKGROUND:** We continuously review renewal topics with the SPA Board beginning at the data collection phase (December) through the binding phase (June). These discussions are meant to share updates on data collection, submission construction/release, modeling outputs/insights, market discussions/indications/quotes updates and any other program knowledge during the program placement phase starting in December 2024. This, of course, will include any topics expected to impact the renewal.

Up to this point, we have completed:

- 1- Data Collection, including SIA appraisals for the FINAL SOV
- 2- CoreLogic Wildfire Risk Scores

**ATTACHMENTS:** Cost Allocation presentation will be shared during the meeting.

**Item H.2.****PROPERTY MOC DRAFT****ACTION ITEM**

**ISSUE:** Needed updates for the prospective 2025/26 MOC.

**RECOMMENDATION:** Approval is sought to finalize the recommendations.

**FISCAL IMPACT:** None.

**BACKGROUND:** The SPA Property MOC was created in 2019/2020, during the formation of the program. Since that time, modifications have been made to (1) improve the wording (typos, clean up), (2) address market driver coverage terms and/or (3) address SPA coverage and underwriting appetite topic.

This is year, we have recommendations to (1) tighten up of the language from counsel review for the long-term planning meeting, (2) clarification needed on Builder's Risk vs COC references, (3) general improvement items (clean up and typos) and (4) standard date changes to advance the language for the 2025/26 term.

**ATTACHMENTS:** A copy of the prospective MOC (with changes) will be provided shortly after the agenda is released, but several days in advance of the May 12<sup>th</sup> meeting, to allow time for review.



**Item H.3.****POLLUTION****ACTION ITEM**

**ISSUE:** The SPA Board is asked to consider pollution coverage for FY 25/26.

**RECOMMENDATION:** The Board shall consider and provide direction to the Program Administration.

**FISCAL IMPACT:** Unknown at this time.

**BACKGROUND:** One of the Strategic Planning items was to explore the potential to add Pollution coverage to the list of policies under the SPA JPA.

**ATTACHMENTS:** None.

**Item H.4.****STUDENT ACCIDENT PROGRAM****ACTION ITEM**

**ISSUE:** Members will receive an overview of student accident insurance coverage and benefits for review and discussion.

**RECOMMENDATION:** Provide feedback and direction as needed – information only.

**FISCAL IMPACT:** No fiscal impact expected from this item.

**BACKGROUND:** Members have requested presentation of a number of coverage and service options as part of the most recent strategic plan, including MROCIP, Student Accident Insurance, and pollution coverage.

**ATTACHMENTS:** None.