



AGENDA

MEETING:	Schools Program Alliance Board of Directors Meeting	A Action I Information
DATE/TIME:	February 10, 2025 at 10:00 AM PDT	1 Attached
TELECONFERENCE:	Toll Free (888) 475 4499 or (669) 900-6833 US Toll	2 Hand Out
	Meeting number (access code): 994 8948 3494	3 Separate Cover
	https://alliantinsurance.zoom.us/j/99489483494?pwd=kCxZjBqGbLZTrkYxgmgTjS9WxeVqGJ.1	4 Verbal

IMPORTANT NOTICES AND DISCLAIMERS:

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

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

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

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

PAGE	A. CALL TO ORDER, ROLL CALL, QUORUM	A 4
	B. APPROVAL OF AGENDA AS POSTED	A 4
	C. PUBLIC COMMENTS	I 4
	<i>The public is invited at this point to address the Board of Directors on issues of interest</i>	
	D. CONSENT CALENDAR	A 1
	<i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	
<i>Pg. 5</i>	1. Minutes of SPA Board Teleconference Meeting January 13, 2025	
<i>Pg. 10</i>	2. Byrne Conley Engagement Letter	
<i>Pg. 13</i>	3. Actuary Agreement	
	E. MEMBER PROGRAM AND IDEA SHARING	
<i>Pg. 22</i>	1. Student Accident Insurance	I 3
	F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS	



Pg. 23	1. Standing Committee and Task Group Updates	I 1
	a. Cost Allocation Task Force	
	b. Property Claims Task Force	
	c. Liability Claims Task Force	
	d. Property Appraisal Task Force	
	e. Property Program Loss Control - Ad Hoc Committee	
	f. SPA Reinsurer's Claims TPA - Ad Hoc Committee	
	g. Marketing Work Group	
Pg. 38	2. Strategic Planning Objectives	I 1
	<i>The Board will receive an update regarding progress in completing Objectives from the August Strategic Planning session.</i>	
Pg. 40	3. Draft Governing Documents for Entity JPA	A 1
	<i>Byrne Conley will review the revised governing documents for discussion and approval or direction.</i>	
	a. Joint Exercise of Powers Agreement	
	b. Bylaws	
	c. Participation Agreement – Property	
	d. Participation Agreement - Liability	
Pg. 72	4. Managing Member Financial Update	A 1
	<i>Phil Brown will present SPA's financial statements as of September 30, 2024.</i>	
Pg. 76	5. Pollution	A 1
	<i>The Board will receive an update regarding application information needed for FY 25/26.</i>	
	G. PROPERTY PROGRAM	
Pg. 85	1. 2025 Property (And APD) Renewal Update	I 4
	<i>Dan Madej will provide the status of the upcoming Property, APD and ADWRP renewal for FY 25/26.</i>	
Pg. 86	2. SPA Reinsurer's Claims TPA Ad Hoc Committee Recommendation	A 1
	<i>The Board will review and may approve the committee's recommendation to request Engle Martin as the adjusting firm for SPA reinsured claims.</i>	
Pg. 99	3. Change to Occurrence Definition - Future Deductible Methodology for Multi-Member CAT Losses	A 1
	<i>The Board will consider and may approve a change to the CAT deductible.</i>	
Pg. 100	4. MR OCIP Participation	A 1
	<i>The Board will consider if the SPA JPA would like to join the MR OCIP Program.</i>	
	H. LIABILITY PROGRAM	



Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 380, Sacramento, CA 95815

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- 1. Renewal Update** **I 4**
Jim Wilkey will provide the Board with an update as it relates to the renewal of the Liability Program.

- 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.

- J. ADJOURNMENT** **A 4**

Upcoming Teleconference Meeting Dates:

March 10, 2025

March 31, 2025

May 12, 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 January 13, 2025
2. Byrne Conley Engagement Letter
3. Actuary Agreement

SCHOOLS PROGRAM ALLIANCE

January 13, 2025 Board Of Directors Teleconference

Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
Butte Schools Self-Funded Programs (BSSP)	Nicole Strauch
North Bay Schools Insurance Authority (NBSIA)	Andrew Obando
North Bay Schools Insurance Authority (NBSIA)	Karen Antunes
North Bay Schools Insurance Authority (NBSIA)	Jan DeGracia
Redwood Empire Schools Insurance Group (RESIG)	Cindy Wilkerson
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Phil Brown
Schools Insurance Authority (SIA)	Amy Russell
Schools Insurance Authority (SIA)	Josh Arnold
Schools Insurance Group (SIG)	Kelli Hanson
Schools Insurance Group (SIG)	Gabbi Daniel
Central California Schools Authority (CCSA)	Alan Caeton
Central California Schools Authority (CCSA)	Jeff Pierce

Consultants & Guests

Dan Madej, 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	Chris Tambo, AmWins
Evan Washburn, Alliant Insurance Services	Mike KIELTY, George Hills
Mike Davidson, Alliant Insurance Services	

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: Brooks Rice**SECOND: Alan Caeton****MOTION CARRIED
UNANIMOUSLY****C. PUBLIC COMMENT**

There were no public comments.

D. CONSENT CALENDAR

1. Minutes of SPA Board Teleconference Meeting December 9, 2024

A motion was made to approve the Consent Calendar.

MOTION: Christy Patterson

SECOND: Brooks Rice

**MOTION CARRIED
UNANIMOUSLY**

E. MEMBER PROGRAM AND IDEA SHARING

Evan Washburn and Mike Davidson reviewed the coverage provided by MROCIP and its two towers structure (\$20-\$99M and then the total projects of \$100M and up). They also provided a review of the OCIP insurance concept and additionally, they also reviewed the requirements to join (executed JPA Agreement and MOU). There was a discussion of how SPA and its members would access the program. Additionally, they answered questions from the Board. It was also noted that there have been several bonds approved and underlying members may have projects that are receiving money from Prop 2. It was asked that the Program Administration provide research completed as it relates to members receiving funds from Prop 2 and to bring this item back to the SPA Board at the next meeting. Lastly, Cindy Wilkerson reminded the Board that RESIG has an HR Hotline up and running effective January 1, 2025.

F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

F.1.A. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION WORK GROUP

Dan Madej and Kelli Hanson provided a quick review of the progress made by the working group and indicated they have met twice since the last meeting. It was noted that Program Administration has met with Chris Nahas and are working to bring him up to speed with the Cost Allocation project.

F.1.B. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY CLAIMS TASK FORCE

Marcus Beverly mentioned that we had not received any updates as it relates to the Tahoe Claim and Phil Brown noted that the snow removal is the only remaining item. Josh Arnold indicate that overall things are going well and mentioned he still needs to set up a tour of introductions with the members.

F.1.D. STANDING COMMITTEE AND TASK GROUP UPDATES – LIABILITY CLAIMS COMMITTEE

Olivia Nelson was absent from the meeting and other members of the committee shared comments with the Board regarding the structure of the committee. After a discussion, direction was provided to the Liability Claims Task Force to continue as a task force rather than a committee that is bound by the Brown Act. Participating members Olivia Nelson (Chair), Jan DeGracia, Andrew Obando.

F.1.C. STANDING COMMITTEE AND TASK GROUP UPDATES – MARKETING WORK GROUP

Phil Brown noted that he wasn't on the committee but SIA is working on an evolution of the document that

was initially created. Carrie Green at NBSIA had started with it and SIA is working on that to have it ready for Bermuda. Mo Lopez is also on that committee as well.

F.1.E. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY PROGRAM LOSS CONTROL AD HOC COMMITTEE

Sandy Manzoni noted that the group met and has been productive coming up with ideas on how to use the Loss Control Funds. She provided the tree removal project for coastal districts was successful as well as Mike Crandall who has completed all of the inspections. It was mentioned the group will be meeting again after PARMA. Debrah Sherrington shared that SIA has used their Loss Control Funds to complete a full appraisal of all locations.

F.1.F. STANDING COMMITTEE AND TASK GROUP UPDATES – SPA REINSURER’S CLAIMS TPA – AD HOC COMMITTEE

Marcus Beverly noted that the committee met with the Engle Martin folks to discuss claims handling and the seemed pleased with the interview. After a discussion it was generally agreed that SPA would be in favor of setting up a partnership with Engle Martin. Program Administration was asked to meet with Engle Martin team again and come back to the February meeting with a recommendation as it relates to a transition plan and an agreement with Engle Martin to become the Property Claims TPA effective July 1, 2025.

F.2. STRATEGIC PLANNING OBJECTIVES

Marcus Beverly briefly reviewed the Strategic Action Plan and progress made since the last meeting. He also noted that Byrne Conley has agreed to review the draft JPA documents and members will receive an update at the February meeting.

F.3. BSSP NOTICE OF TENTATIVE WITHDRAWAL FROM SPA PROPERTY PROGRAM

Christy Patterson provided that they have received notice of several members will be leaving the BSSP JPA eff. 7/1/2025. After a discussion it was noted that this would simply be a withdrawal from the Property Program and Christy confirmed that BSSP would still remain a member of the SPA JPA due to its participation in the Excess Liability placement.

A motion was made to accept the tentative withdrawal of BSSP from the Property Program.

MOTION: Brooks Rice

SECOND: Alan Caeton

**MOTION CARRIED
UNANIMOUSLY**

F.4. DRAFT GOVERNING DOCUMENTS FOR ENTIRTY JPA

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

Marcus Beverly noted that we have confirmed that Byrne Conley has agreed to review the draft JPA documents. He indicated this item will be brought to the February meeting along with his engagement letter.

F.5. MANAGING MEMBER FINANCIAL UPDATE

Phil Brown provided a review of the second draft of the SPA Financials as of June 30, 2024. He noted that the statement was updated to reflect the most recent actuarial estimates for IBNR.

A motion was made to accept the Managing Member Financial Report.

MOTION: Kelli Hanson

SECOND: Alan Caeton

**MOTION CARRIED
UNANIMOUSLY**

F.6. CLAIM PAYMENT APPROVAL

Phil Brown noted there are two claim payments that have gone out to members and the Board was asked to consider approval.

A motion was made to approve the payments as noted.

MOTION: Christy Patterson

SECOND: Andrew Obando

**MOTION CARRIED
UNANIMOUSLY**

F.7. APPLICATION OF DEDUCTIBLES FOR CAT LOSS – RECOMMENDATION OF DEDUCTIBLE FOR CAT-2419

Phil Brown presented a recommendation regarding the application of deductibles with respects to multi-member CAT Losses. He reviewed how the deductible has been applied in the past according to the MOC and provided the Managing Member’s recommendation that each SPA member is responsible for \$250k Deductible and the SPA risk pool would retain any extra recoveries as it relates to CAT-2419.

A motion was made to approve the recommendation of the Managing Member and Program Administration.

MOTION: Kelli Hanson

SECOND: Alan Caeton

**MOTION CARRIED
UNANIMOUSLY**

F.8. LOSS CONTROL GRANT FUNDS UPDATE

Phil Brown provided a review of the Loss Control contributions and expenses. Additionally, he reviewed the process for requesting reimbursement.

F.9. SPA MEETING DATES FY 25/26 (INCLUDING STRATEGIC PLANNING LOCATION)

Michelle Minnick provided a review of the meeting dates and mentioned that the Lodge at Tiburon is available for the week of August 18th with meeting dates on Tues. August 19th and Wed. August 20th.

A motion was made to approve the recommended calendar.

MOTION: Alan Caeton

SECOND: Brooks Rice

**MOTION CARRIED
UNANIMOUSLY**

G.1. LIABILITY PROGRAM – UPDATE ON RECEIPT OF RENEWAL INFORMATION

Jim Wilkey provided a review of the renewal data request and offered comments about the upcoming marketing efforts including upcoming trips and scheduled meetings with carriers.

G.2. LIABILITY PROGRAM – PLANS FOR MEETINGS WITH SPA EXCESS LIABILITY PROGRAM UNDERWRITERS AT PARMA CONFERENCE

Additionally, Jim noted that they are in the process of setting up meetings with underwriters who will be attending PARMA on Tuesday the 25th at PARMA. He provided notice they will be meeting at the Westin Anaheim and more information will be shared with the members as things are finalized.

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

Dan Madej provided the Board with the status of the FY 25/26 renewal of the Property and APD policies. He noted a request was sent to members to have their underlying members review their Property and Vehicle schedules. Additionally, it was mentioned that members have been submitting their loss runs monthly. Ryan Telford provided comments related to the state of the insurance market as it relates to the recent LA Wildfires but noted that it's too early to tell if it will impact renewals.

H.2. COST ALLOCATION – REVISITING WITH ACTUARY

Dan Madej noted that when Chris Nahas will be including the Cost Allocation in his and will be presented at the February meeting. He went on to mention the committee has asked Chris to start his work and we will be bringing back the agreement to the February meeting for review by the Board – it was noted that SPA is anticipating an expenditure of approximately \$5,000-\$7000.

H.3. PROPERTY APPRAISAL UPDATE AND SCHEDULE

Marcus Beverly noted that BSSP is up first on the appraisal schedule and it was noted that if they leave effective July 1, then RESIG would be next on the list. The Board discussed options for appraisals with other vendors due to recent communications challenges with the Kroll team. After a discussion, Program Administration was asked to request pricing from a few vendors and form a Property Appraisal Task Force. Participating members are Debrah Sherrington (Chair), Sandy Manzoni, Christy Patterson, Marcus Beverly.

I. INFORMATION ITEMS

Members were reminded that PARMA is happening next month and if any staff will be attending, they are encouraged to reach out the Alliant staff to receive an invite to the Alliant sponsored dinner.

J. ADJOURNMENT

The meeting was adjourned at 12:29 P.M.

NEXT MEETING DATE: February 10, 2025 via Teleconference

Respectfully Submitted,

Cindy Wilkerson, Secretary

Date

**SCHOOLS PROGRAM ALLIANCE JPA
AGREEMENT FOR LEGAL SERVICES**

By this Agreement dated _____, 2025, Schools Program Alliance JPA (“SPA”) and the Law Firm of Gibbons and Conley ("Firm") mutually agree:

1. PURPOSE

SPA is in need of services of Firm for legal advice and counsel.

2. FIRM'S OBLIGATIONS

Firm shall perform legal services and legal representation on behalf of SPA on a case-by-case basis and as requested by the SPA designee(s). Firm shall assign to such matters, members of its staff who are qualified and competent to provide professional legal service and legal representation. No major decisions concerning the handling of a case, commitments for substantial expenditures concerning retention of expert witnesses, medical testimony or settlement offers are to be made without prior approval of the SPA designee(s).

A. Byrne Conley is designated as the contact person with the Firm for SPA and will be the person primarily responsible for providing services under this agreement.

3. SPA OBLIGATIONS

In consideration for providing legal services, including all of the time devoted to a lawsuit commencing with the first time received by Firm, SPA shall pay Firm upon receipt of detailed invoice at rate of \$250 per hour for attorney time, and \$110 per hour for paralegal time. Telephone, telephone facsimile, routine copying and auto mileage shall be included as a 2.5% overhead charge. In addition, Firm also shall be paid for actual costs of deposition and court reporter fees, expert witness fees, accident analysis, medical examination, jury fees, and other items as may be necessary in representation. Invoices for aforesaid fees and expenses under normal conditions will be forwarded to SPA's accountant for direct payment at:

SPA
[INSERT ADDRESS]

SPA and its members shall cooperate fully with the Firm by providing at no expense to Firm such reports, investigations, records, maps and other documents as may be reasonably necessary for legal representation.

4. TERM

The term of this Agreement shall be from the date of mutual execution, onward, to be terminated by either party upon written notice. Firm shall be paid for all fees and costs that have accrued up to the time of termination. Firm and SPA each agree to sign any documents reasonably necessary to complete Firm's discharge or withdrawal.

5. INDEPENDENT CONTRACTOR STATUS

In performing the legal services herein agreed upon, Firm shall have the status of an independent contractor and shall not be deemed to be an officer, employee or agent of SPA or its member cities.

6. SUBCONTRACT AND ASSIGNMENT

Firm shall not subcontract any of the work or assign any of the rights or obligations without the prior written consent of the SPA.

7. RECORDS

Firm shall at all times keep a complete and thorough record of the time expended in performing services on behalf of the SPA as herein agreed upon and Firm shall also make available to SPA for audit all of such records so maintained.

8. INSURANCE

During the entire term of this contract and any extension or modification thereof, the Firm shall keep in effect insurance policies providing coverage for commercial general liability, professional liability, and workers' compensation and employers' liability exposure at limits described below, or as acceptable by SPA, and shall provide certificates of insurance evidencing the above-required insurance coverage annually.

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Minimum Limits of Insurance

General and Auto Liability: \$1,000,000 per occurrence combined for bodily injury, property damage and personal injury. \$1,000,000 per occurrence for Business Auto Liability.

Employer's Liability: \$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

Errors and Omissions: \$2,000,000 per occurrence/aggregate on a claims made basis.

9. CONFLICTS OF INTEREST

Firm promises and agrees that it and members of its staff shall avoid any actual or potential conflicts of interest. Firm agrees to immediately notify SPA or its designee, of any matter that may involve an actual or potential conflict of interest.

10. SIGNATURE

THESE SIGNATURES ATTEST THE PARTIES AGREEMENT HERETO:

SPA

By: _____ Date: _____
SPA President or Chief Executive Officer

Gibbons & Conley

By: _____ Date: _____
A. Byrne Conley

CONSULTANT SERVICES AGREEMENT
between
Alliant Insurance Services, Inc.
and
Schools Property Alliance (SPA)

I. PARTIES.

The PARTIES to this CONSULTANT SERVICES AGREEMENT are **Schools Property Alliance (SPA)** (CLIENT) and **Alliant Insurance Services, Inc. (ALLIANT)**.

II. AGREEMENT.

In consideration of the payments and covenants specified in this AGREEMENT, ALLIANT shall perform the SERVICES described herein.

III. DEFINITIONS.

When used throughout this AGREEMENT, capitalized terms, whether in the singular or in the plural form, shall have the meanings ascribed to them at their first occurrence. In addition, the following terms, when capitalized, whether in the singular or in the plural form, shall have the meanings set forth below:

- A. ALLIANT** – Alliant Insurance Services, Inc.
- B. CLIENT** – Schools Property Alliance
- C. AGREEMENT** – This Consultant Services Agreement, its addendums, exhibits, and/or attachments, and any written changes that are agreed upon by the PARTIES.
- D. FEE** – remuneration paid by CLIENT directly to ALLIANT for SERVICES.
- E. PARTY** – CLIENT or ALLIANT.
- F. CONFIDENTIAL INFORMATION** – Information considered by its owner to be confidential, proprietary and/or trade secret including, without limitation, client information, data, recommendations, proposals, reports and similar information, and work product.
- G. DISCLOSING PARTY** – The party disclosing CONFIDENTIAL INFORMATION under this AGREEMENT.

H. **RECIPIENT PARTY** – The party receiving CONFIDENTIAL INFORMATION under this AGREEMENT.

IV. **SCOPE OF SERVICE.**

There are 2 actuarial projects included in this consulting agreement:

1.) **Annual Loss Reserve Analysis**

ALLIANT shall perform and provide actuarial services for CLIENT. The SERVICES will include actuarial review of all outstanding loss reserves for retained obligations for the CLIENT'S property program.

The SERVICES will be performed using data provided by CLIENT evaluated as of 6/30/2024 for the policy periods 7/1/2020 through and including 7/1/2023. Policy years prior to the formation of SPA (7/1/2011 – 7/1/2019) will also be analyzed to determine any long-term loss rates or trends to apply in the SPA policy years.

ALLIANT'S analysis will provide certification and supporting documentation as required by regulators and respond to all questions posed by auditors that relate to these SERVICES.

The SERVICES will be performed using standard actuarial methodologies in accordance with generally accepted actuarial principles and standards of practice.

ALLIANT'S analysis will be delivered no later than 30 to 45 days after the CLIENT delivers all data outlined below in Section V.

2.) **Review of Cost Allocation Model**

The CLIENT has a cost allocation model they use to allocate costs across the SPA members. The CLIENT has requested ALLIANT review this cost allocation model for recommendations on general formula clean-up to the model and introduce more actuarially based methodologies for allocating cost in order to avoid less judgment-based allocation selections. This project will be delivered with a write-up of observations on the current model and will include recommendations. The recommendations may be supported and delivered in an excel format for the CLIENT to understand more efficiently.

CLIENT OBLIGATIONS.

Client acknowledges that the reliability of ALLIANT's SERVICES depends on the accuracy and completeness of the data and information CLIENT provides to ALLIANT. CLIENT shall provide ALLIANT with all data and information that is necessary to enable ALLIANT to properly perform the SERVICES. ALLIANT may rely on this data and information as accurate and complete, and CLIENT shall accept sole and full responsibility for any errors or delays in the provision of SERVICES resulting from any inaccuracies and missing information in such provided data or information. CLIENT acknowledges that it will be responsible for paying ALLIANT for any additional services ALLIANT must perform as a result of CLIENT's provision of inaccurate and/or incomplete data. The data and required information necessary for these SERVICES are Individual claim level data for policy years 7/1/2011 to 7/1/2023 to include data elements:

- Entity
- Accident Date
- Accident description
- Designation if claim is treated as a catastrophe peril loss.
- Claim status (open/ closed)
- Ground-up Losses
 - Paid losses
 - Case reserves
 - Total incurred losses
- Current and historical Total Insured Values by fiscal year (7/1/XX).
- Current deductible, retention and aggregate retention structure for the most recent policy year.

Notwithstanding anything stated to the contrary in this AGREEMENT, CLIENT acknowledges that ALLIANT may collect and use CLIENT data in order to conduct statistical analyses of industry trends, benefit levels, and loss development. ALLIANT may share this information with its affiliates in order to improve its services. ALLIANT shall employ appropriate measures to protect the confidentiality of all such information and to ensure compliance with applicable laws and regulations.

V. COMPENSATION.

The compensation is provided separately for each project outlined in the SCOPE OF SERVICE section.

1.) Annual Loss Reserve Analysis

Alliant's FEE for the annual loss reserve analysis is \$4,000. CLIENT shall pay this FEE in one (1) installments as indicated on the invoice, within 30 days of project completion.

2.) Review of Cost Allocation Model

Alliant's FEE for the review of the cost allocation model is based on an hourly rate of \$340. It is estimated that this review will take between 15-25 hours. This translated to a fee between \$5,100 and \$8,500. There can be check-in points during the process to keep the CLIENT updated with where the fee will ultimately settle on. The CLIENT can also specify the level of detail if they would like to stay near the lower end of the range.

CLIENT shall pay this FEE in one (1) installments as indicated on the invoice, within 30 days of project completion.

If requested by CLIENT, any additional services will be billed at an hourly rate ranging from \$340 per hour for Credentialed Actuarial services to \$135 for Actuarial Analyst services. At the request of the client, estimated total costs can be provided in advance for any additional services requested.

If requested by CLIENT, an extension of two years will be offered at a 3% increase per year.

VI. CONFIDENTIALITY.

A. Confidential Information. The services and work product exchanged by the PARTIES under this AGREEMENT are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The PARTIES acknowledge that during the term of this AGREEMENT, they may each exchange CONFIDENTIAL INFORMATION. Except as otherwise provided herein or as required by applicable law, the PARTIES understand and agree that they will not distribute, use, or rely upon CONFIDENTIAL INFORMATION received from the other without the permission of the DISCLOSING PARTY.

1. Ownership. Except as otherwise provided in this AGREEMENT, CONFIDENTIAL INFORMATION is and remains the absolute and exclusive property of the DISCLOSING PARTY and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this AGREEMENT, no copies of CONFIDENTIAL INFORMATION shall be made without the written permission of the DISCLOSING PARTY. The PARTIES agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's CONFIDENTIAL INFORMATION to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such CONFIDENTIAL INFORMATION to others.

2. Exclusions. The following types of information shall not be considered confidential:

- (a) Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this AGREEMENT;
- (b) Information that is independently developed by either PARTY as demonstrated by the PARTY'S records;
- (c) Any item or data forming part of the CONFIDENTIAL INFORMATION that is lawfully known by the RECIPIENT PARTY, without any obligation of confidentiality or other restriction on use or disclosure, prior to the provision of such information by DISCLOSING PARTY;
- (d) Information that is disclosed by a third party whom the RECIPIENT PARTY has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information; or

B. Legal Process or Compulsion. Either PARTY is entitled to release CONFIDENTIAL INFORMATION as required to prosecute or defend any claim under this AGREEMENT; provided however, that the PARTY seeking to enforce this AGREEMENT shall take all reasonable steps necessary to avoid disclosing CONFIDENTIAL INFORMATION, including filing documents and papers under seal. A RECIPIENT PARTY may disclose CONFIDENTIAL INFORMATION pursuant to a valid order of a court or governmental agency with proper jurisdiction, or if such disclosure is required by law or regulation; provided that the information is disclosed to only the minimum extent necessary, and provided that, to the extent allowed by law, the RECIPIENT PARTY shall give DISCLOSING PARTY sufficient advance notice so that it may seek a protective order or employ other lawful means to avoid or limit disclosure.

C. Reasonable Efforts. The PARTIES agree to employ reasonable and customary business practices to protect and secure CONFIDENTIAL INFORMATION from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who "need to know" in order to provide the products and SERVICES under this AGREEMENT. The PARTIES further agree that those employees, officers, agents, and representatives who are privy to CONFIDENTIAL INFORMATION shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this AGREEMENT.

D. Survival. The PARTIES agree that the obligations contained herein shall survive the termination of this AGREEMENT, for a period of two (2) years, to the extent required by law.

VII. TERM.

The term of this AGREEMENT shall be effective 3/1/2023 unless cancelled, replaced, or modified in writing, executed by both PARTIES.

VIII. INDEMNITY.

A. Indemnity: ALLIANT. In the event that ALLIANT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the AGREEMENT, or any written rule, regulation, policy, procedure or similar instruction related to SERVICES, ALLIANT shall indemnify, defend, and hold CLIENT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by CLIENT in connection with such conduct.

B. Indemnity: CLIENT. In the event that CLIENT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the AGREEMENT, CLIENT shall indemnify, defend, and hold ALLIANT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by ALLIANT in connection with such conduct.

IX. NONASSIGNABLE.

This AGREEMENT is binding upon the PARTIES hereto and their respective successors by merger, sale, consolidation, or reorganization. This AGREEMENT is otherwise personal to the PARTIES and cannot be assigned or delegated without prior written consent of the other PARTY.

X. MATERIAL CHANGE.

In the event that CLIENT operations change substantially by merger, acquisition, expansion, or other material change, thus changing the scope and nature of exposures, losses, and/or insurance program(s), the PARTIES will negotiate in good faith to revise this AGREEMENT's compensation arrangement as appropriate. It is agreed and understood that a material change shall include a change in existing coverage or limits, and/or lines of coverage.

XI. RELATIONSHIP OF THE PARTIES.

At all times and for all purposes, the relationship between the PARTIES is intended to be that of independent contractors and there is no intent to create a joint venture relationship, and any person representing ALLIANT, shall be an independent contractor to CLIENT, and the AGREEMENT shall not in any way be construed as a contract of

employment between CLIENT and ALLIANT'S agents. In addition, the PARTIES agree that, except as otherwise provided herein, CLIENT shall not be obligated for any expense incurred by ALLIANT in rendering SERVICES, or by engaging in any other transaction or conduct arising out of this AGREEMENT.

XII. OWNERSHIP OF BOOKS AND RECORDS.

The PARTIES shall each maintain normal business records related to all business generated under this AGREEMENT. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the PARTIES may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting submissions/applications, and loss data in the other's possession, custody, or control with respect to all business generated under this AGREEMENT.

XIII. NOTICE.

All notices, requests, and other communications given under this AGREEMENT, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); or (c) five (5) business days after being sent by U.S. certified mail (charges prepaid). Except as otherwise provided herein, all notices, requests or communications under this AGREEMENT shall be addressed to the intended recipient as set forth below:

To CLIENT:
Philip Brown
Chief Financial Officer

To ALLIANT:
Christopher Nahas, ACAS, MAAA
Associate Actuary, Assistant Vice President

With a copy to:
Alliant Insurance Services, Inc.
Attn: General Counsel
701 B Street, 6th Floor
San Diego, CA 92101

XIV. WAIVER.

No provision of this AGREEMENT shall be considered waived, unless such waiver is in writing and signed by the PARTY that benefits from the enforcement of such provision. No waiver of any provision in this AGREEMENT, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this AGREEMENT

shall not in any way affect, limit, or waive a PARTY'S right under this AGREEMENT at any time to enforce strict compliance thereafter with every term and condition of this AGREEMENT.

XV. ENTIRE AGREEMENT; MODIFICATION.

This AGREEMENT contains the entire agreement between the PARTIES and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The AGREEMENT can be modified only by a written amendment signed by both PARTIES.

XVI. SEVERABILITY.

If any term, covenant, condition, or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

XVII. APPLICABLE LAW.

This AGREEMENT has been executed and delivered in the State of California and the validity, enforceability, and interpretation of any of its provisions shall be determined and governed by the applicable laws of this state.

XVIII. DISPUTE RESOLUTION.

Any dispute arising under the terms of this AGREEMENT that is not resolved within a reasonable period of time by authorized representatives of the PARTIES shall be brought to the attention of the Chief Executive Officer (or designated representative) of ALLIANT and the Chair (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success and upon the PARTIES' mutual agreement, such dispute may be submitted to final and binding arbitration, or either PARTY may elect to and pursue any rights and remedies by legal action. In any dispute arising out of or under the terms of this AGREEMENT, the prevailing PARTY shall be entitled to recover its legal fees and costs from the other PARTY to the extent allowed by applicable law. Any such arbitration or legal action shall be venued in Los Angeles, California, unless the PARTIES mutually agree in writing to another location. Despite an unresolved dispute, ALLIANT shall continue without delay to perform its responsibilities under this AGREEMENT. ALLIANT shall keep accurate records of its SERVICES in order to document the extent of its SERVICES under this AGREEMENT.

XIX. HEADINGS AND SECTIONS

The PARTIES agree that the headings and sections of this AGREEMENT are used for convenience only and shall not be used to interpret the provisions herein. The PARTIES also agree that the terms of this AGREEMENT were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this AGREEMENT.

SO AGREED.

Schools Property Alliance

ALLIANT INSURANCE SERVICES, INC.

By: _____

By: Christopher Nahas, ACAS, MAAA

Title: _____

Title: Associate Actuary, Assistant Vice President

Date: _____

Date: _____

Item E.1.**STUDENT ACCIDENT INSURANCE****INFORMATION 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.

Item F.1.**GENERAL ADMINISTRATION AND FINANCIAL REPORTS****STANDING COMMITTEE AND TASK GROUP UPDATES****INFORMATION ITEM**

- a. Cost Allocation Task Force**
- b. Property Claims Task Force**
- c. Liability Claims Task Force**
- d. Property Appraisal Task Force**
- e. Property Program Loss Control - Ad Hoc Committee**
- f. SPA Reinsurer's Claims TPA - Ad Hoc Committee**
- g. Marketing Work Group**

2025



Strength, Stability,
and Expertise in
Risk Management



An Easy Introduction to SPA:
Empowering Education, Ensuring Safety,
Driving Success



MISSION

EMPOWER EDUCATIONAL INSTITUTIONS BY PROVIDING COMPREHENSIVE INSURANCE PROGRAMS AND PROACTIVE SAFETY INITIATIVES TO PROTECT RESOURCES, ENHANCE SAFETY, AND SUPPORT THE SUCCESS OF SCHOOLS AND THEIR COMMUNITIES.



OVERVIEW

WHAT IS A JPA?

In the mid-1970s, the California Legislature amended the Government Code to allow two or more public agencies to join together to form a Joint Powers Authority (JPA), also referred to as a “risk retention pool.” This initiative was designed to enhance the effectiveness and efficiency of government services and address service delivery challenges faced by public entities. Public school districts quickly embraced the formation of JPAs to establish risk pools, enabling them to collectively purchase and manage their once-disjointed insurance programs.

Over time, public school JPA risk pools have evolved to offer much more. Today, they provide their member school districts with highly efficient and comprehensive prevention and risk management programs. This collaborative approach has resulted in safer schools and saved millions of dollars—funds that can be reinvested into the classroom to support student success.

ABOUT US

Schools Program Alliance (SPA) is a JPA risk pool established in 2020 to serve as a 'Super Pool,' uniting member JPAs to provide tailored risk management and cost-effective insurance solutions for California’s educational institutions. Built on the principle of collaboration, SPA leverages the collective strength and resources of its members to achieve greater cost efficiency, enhanced coverage, and responsive risk mitigation strategies that would be challenging to achieve independently.

As a trusted partner, SPA delivers a best-in-class property and liability coverage program, complemented by proactive safety initiatives. By pooling resources at a higher level, SPA provides robust solutions to protect assets, ensure safety, and support the educational mission of its members and the communities they serve.





MEMBERS

The Pool of Pools



Butte Schools
Self-Funded
Programs



Central California
Schools Authority



North Bay
Schools Insurance
Authority



Redwood Empire
Schools'
Insurance Group



Schools Insurance
Authority
Managing Member



Schools Insurance
Group

Together, We're Stronger!



\$19B
TIV



509,061
Students



134
School
Districts



632
Elementary
Schools



158
Middle
Schools



165
High Schools

Governance

Managing Member: Schools Insurance Authority

Pool Administrator: Alliant Insurance Services

Board: The SPA Board of Directors includes one representative from each member JPA, ensuring equal representation and collaboration in guiding SPA's strategic direction and programs.



MEMBER OFFERINGS

ALL PROGRAMS & SERVICES



Property

Provides extensive coverage to protect properties and assets from a broad range of risks, tailored to the unique challenges of educational environments



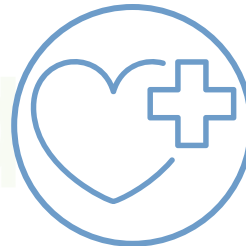
S.A.M. Prevention

Focuses on preventing sexual abuse and misconduct through training, awareness, and proactive safeguards



Liability

Offers industry-leading claims management and extensive liability coverage tailored to the needs of educational institutions, ensuring comprehensive protection against a broad spectrum of risks



Prevention Services

Provides training and resources to reduce risks and create safe environments for students and staff



Workers' Comp

Focuses on employee safety, efficient claims handling, and proactive return-to-work programs to ensure a healthy and productive workforce.



Wildfire Prevention

Assesses wildfire risks and implements mitigation strategies to protect schools in vulnerable areas



Cyber

Delivers protection against cyber threats, including breach response, data recovery, and extortion coverage



Employee Benefits

Offers competitive and tailored benefit solutions to attract and retain top educational talent



LIABILITY



* members of the Bay Area Schools Insurance Cooperative



Best-in-Class Risk Management

Program Structure

Partners & Programs



Brokers:
-ABD Newfront
-AMWINS



Praesidium



HR Legal Hotline



Defense Consortium



STOPit



Public School Works



Community Matters



ADA
2024-25



\$32,500,000

Excess

\$5,000,000

Member





PROPERTY

Services



Industry Leading Claims Management

Program Structure

Partners & Programs



Brokers:
-Alliant
-AMWINS



CoreLogic



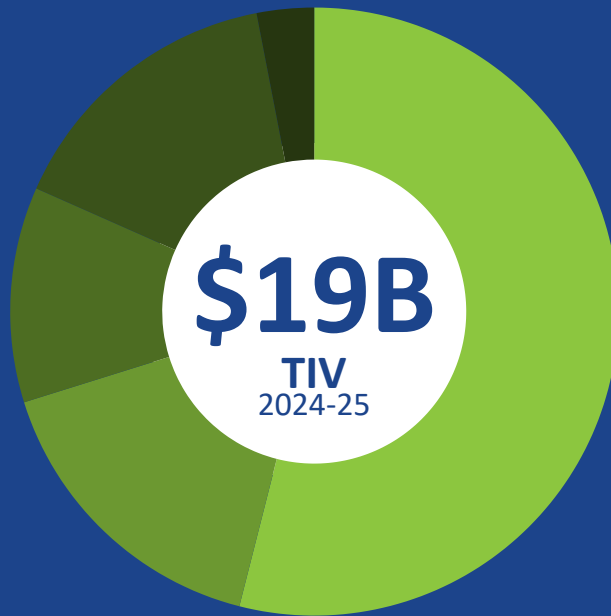
California Safety Training



Kroll



West Coast Fire & Water



	SIA \$10,284,402,449		NBSIA \$2,184,004,779
	RESIG \$3,090,527,936		SIG \$2,920,157,825
	BUTTE \$579,749,588		

\$150,000,000

Excess

\$3,000,000

SPA Retained Layer

\$250,000

Member



WHAT SETS US APART

WHY WORK WITH SPA?

Schools Program Alliance (SPA) stands out as a trusted partner for brokers and insurers, offering a unique combination of stability, collaboration, and innovation. Here's why SPA is the premier choice:



Access to a Well-Managed "Pool of Pools": SPA is a highly efficient and collaborative super JPA, pooling resources across multiple member JPAs to deliver unmatched risk management solutions for educational institutions.



Stable Coverage and Pricing: SPA provides consistent and reliable coverage options, minimizing fluctuations and ensuring long-term cost containment for members and partners.



Commitment to Managing and Reducing Risk: By prioritizing safety and prevention, SPA implements proactive strategies that reduce risks and claims frequency, benefiting all stakeholders.



Partnership-Driven Approach: SPA values transparency, efficiency, and long-term relationships, working closely with brokers to build mutually beneficial partnerships.



Innovative and Effective Solutions: SPA leverages the collective expertise of its members to develop innovative programs, from wildfire prevention to SAM protection, addressing the evolving challenges of risk management.



Proven Results: Member JPAs collaborate to share resources and expertise to help managing even the most complex claims effectively maintaining one of the lowest claim frequency and severity rates among peers.



Dedicated Expertise: SPA's team of experienced professionals brings unparalleled knowledge and personalized service to every partnership, ensuring a collaborative and successful experience.





Partner with SPA: A Trusted Leader in Risk Management



*Visit our
website!*



www.spajpa.org

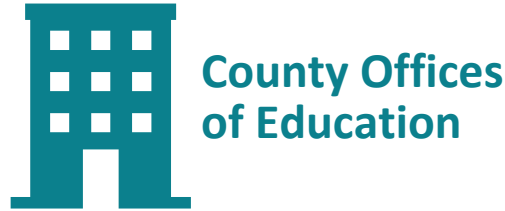
Unique coverage,
designed for our members.

• Who We Are

Schools Program Alliance (SPA) is a JPA risk pool established in 2020 to serve as a 'Super Pool,' uniting member JPAs to provide tailored risk management and cost-effective insurance solutions for California's educational institutions. As a trusted partner, SPA delivers a best-in-class property and liability coverage program, complemented by proactive safety initiatives. *By pooling resources at a higher level, SPA provides robust solutions to support the educational mission of its members.*

50+
years partnering
with educational
institutions

• Who We Serve



• Why We're Unique



Pooled resources for better coverage and rates



Tailored solutions for school safety



Proactive risk management and safety focus



Collaborative approach with member involvement



Property

Comprehensive coverage to protect school properties and assets from diverse risks in educational environments



Liability

Extensive liability coverage tailored to safeguard educational institutions, backed by industry-leading claims management



Cyber

Robust coverage for ransomware and phishing attacks, data recovery, and extortion



Workers' Comp

Effective support for employee safety, efficient claims management, and return-to-work initiatives



Risk Management

Proactive risk management strategies to prevent risks before they become costly challenges

The Pool of Pools



Butte Schools Self-Funded Programs



Central California Schools Authority



North Bay Schools Insurance Authority



Redwood Empire Schools' Insurance Group



Schools Insurance Authority
Managing Member



Schools Insurance Group

Member Programs

- Property
- Liability
- Cyber
- Workers' Compensation
- Risk Management
- HR Legal Hotline
- S.A.M. Prevention
- Wildfire Prevention
- Employee Benefits ✨

Our Mission

Empower educational institutions by providing comprehensive insurance programs and proactive safety initiatives to protect resources, enhance safety, and support the success of schools and their communities.



\$19B
TIV



509,061
Students



134
School
Districts



632
Elementary
Schools



158
Middle
Schools



165
High Schools

Item F.2.

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. Five 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. Members are also asked to recommend a change in the property adjustment firm, and the Marketing Task Force has produced a draft SPA Introductory Guide and Infographic for review.

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 2.2.2025

FY 2024/25 SPA STRATEGIC PLANNING OBJECTIVES

GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
LRP-1	Establish a Liability Claims Committee – this committee will be subject to the Brown Act				
	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	Dec	TBD
	c. Staff to work with Counsel to include establishment of Liability Claims Committee in Entity JPA Documents	PA	DH	Jan	TBD
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	March	Prep by Submission to Market
	d. Establish basic contracting standards for SPA	MM	PB	TBD	
	e. Define "high risk" and "vacant" locations and submit for the Property Program Memorandum of Coverage for Board adoption	PA	DM	March	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 supporting documents	PA, GC	DH/MB	Dec	Drafts On 12.9.24 Board Agenda
	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	BOD		Feb	Counsel Drafts On 2.10.25 Agenda
	e. SPA Members take action to approve participation in SPA as entity JPA going forward			Mar-Apr	
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			Dec	
	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 - status?
	d. Introduce other independent adjuster alternative firms	PA	DH	Sept-Feb	New TPA choice 2.10.25 Agenda
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		Feb	On 2.10.25 BOD Agenda
	c. SPA Board takes action to establish Property Program Rating and Allocation Plan for FY 2025/26	PA	BOD	March	
	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 and reinsurers	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 Coverage
	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				
	a. This item needs further development by SPA Board	BOD	BOD	Dec	Draft SPA Guide on 2.5.25 Agenda
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	
	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 February 10 Agenda
	c. Pollution program evaluation	PA	AIS/DM	Mar	
	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		

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

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

Item F.3.**DRAFT GOVERNING DOCUMENTS FOR ENTITY JPA****ACTION ITEM**

ISSUE: Attached please find the draft “entity” JPA governing documents for SPA as revised by legal counsel Byrne Conley. Most of the revisions are to the JPA Agreement and include more detail to the definition of “Member Agency” and specific references to the Labor, Education, and Governments codes. The Agreement also designates SIA as the applicable agency exercising the law, with other agencies available as alternatives.

Given the applicable documents are ready to be reviewed and 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.

ATTACHMENTS:

- a. Joint Exercise of Powers Agreement
- b. Bylaws
- c. Participation Agreement – Property
- d. Participation Agreement - Liability

DRAFT

SCHOOLS PROGRAM ALLIANCE (SPA)
PA

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.

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- (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 Director" shall mean the individual or firm retained by the Board of Directors to administer 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. ~~Those provisions of law include Chapter 3, Part 6, Division 3.6, Title 1 of the California Government Code (beginning with Section 989) having to do with insurance and self-insurance coverage for local public entities. 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.~~

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SECTION 3: Purposes

The purposes of this Agreement are to:

- (a) Provide for the continuation and effective governance of the Authority.

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- (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) Continue effective operation of existing Insurance programs in the areas of public liability, environmental impairment, auto liability, public officials' errors and omissions, workers compensation and property losses.
- (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](#).

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\(d\)](#) 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 21 of this Agreement.

SECTION 5: Term of Agreement

Subject to the power to terminate any Member Agency's membership in the Authority, as provided for in this Agreement, this Agreement shall continue indefinitely, and it shall not be terminated so long as two or more Member Agencies agree that the Agreement, and the Authority, be continued.

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 Director 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,

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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.
- ii. To incur debts, liabilities, and obligations.
- iii. 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.
- iv. To sue and be sued in its own name, and to settle any claim against it.
- v. 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.
- vi. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- vii. 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 the Butte Schools Self-Funded Programs; or the Central California Schools Authority; or the North Bay Schools Insurance Authority; or the Redwood Empire Schools Insurance Group; or the Schools Insurance Group](#)

SECTION 8: Board of Directors

The Authority shall be governed by a Board of Directors which shall be composed of representatives of those Member Agencies who have exercised their right to participate on the Board of Directors. 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, [or if the Member Agency is itself a joint powers authority, may be an officer, director or employee of a member of the joint powers authority](#). 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.

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 ~~delegated to other persons or bodies of the~~ 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) and 12(d)
 - 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.
 - ~~iv.v.~~ Determination of contributions and, if necessary, assessments.
 - ~~v.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.

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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.

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- (b) The President and Vice President 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 odd-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 Director. The Secretary shall serve at the pleasure of the **Board**. If the designated senior representative of the Program Director 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 Director, 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 13: 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 14: Program Director and Other Staff

- (a) The Board of Directors shall appoint a Program Director 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 Director 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 Director 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 15: Insurance Coverage

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

SECTION 16: 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 17: 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 signed by two persons as designated by the Board; provided, however, that the Board may, by resolution, authorize imprest accounts for expenditures of funds in limited amounts for which only one authorized signatory shall be required on the instrument.
 - 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, the Program Director, 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 18: Responsibilities of the Authority

The Authority shall 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 19: 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 20: 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 shall 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 shall be audited by the Authority. Any deficiency or surplus in the premium paid by a participating Member Agency, as shown by such audit, shall 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 an unusually large number of losses under a program ~~during~~relating to a policy year of coverage ("program year"), such that pooled funds for ~~the~~at program year may be exhausted or depleted ~~excessively before the next annual premiums are due~~, the Board of Directors may, upon consultation with an actuary, impose assessments on all participating Member Agencies, which, in total amount, will assure adequate funds to the Authority for the payment of all incurred losses for the program year(s) in a deficit position.

SECTION 21: New Members

An eligible local public entity that is not a Member Agency may become a party to this Agreement only upon approval of the Board of Directors and by paying an appropriate entry fee or charge as established by the Board. The Board may condition its approval upon the proposed new member's ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any Insurance program in which the proposed new member wishes to participate.

SECTION 22: 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.

SECTION 23: Termination

- (a) Notwithstanding the provisions of Section 22, the Board of Directors may:
 - i. Terminate any Member Agency from this Agreement and membership in the Authority, on a vote of two-thirds 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 of the Board members present and voting.
- (b) The Board of Directors shall give sixty (60) days' advance written notice of the effective date of any termination under the provisions of (a) above. 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 ~~Insurance P~~ programs of the Authority within 1836 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 36-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 24: 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 24.1 below.

SECTION 24.1: 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 25: 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 26: 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.

~~ii(c)~~ Except as provided in Section 26(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 26(a).

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SECTION 27: Agreement Complete

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in this instrument.

SECTION 28: Effective Date of Restated Agreement

The effective date of this Agreement as restated shall be ~~the date that the Board of Directors of the Authority duly and regularly adopts a resolution approving the form of this Agreement in the manner provided by Section 26 of this Agreement July 1, 2025.~~

SECTION 29: Superseding Effect

This Agreement supersedes 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 30: Contract with Each Signatory

Each party to this Agreement, whether by having been a signatory to JPA (referred to in Recital A above) or by having become a signatory to this Agreement, shall be deemed and 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.

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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.

Secretary

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**BYLAWS OF THE
SCHOOLS PROGRAM ALLIANCE**

AS OF JULY 1, 2025

**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 21 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.

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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 26 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 be restricted to those Board members whose Member Agencies are participants in that particular program, and the votes of other Board members shall not 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."

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ARTICLE III - OFFICERS

SECTION 3.1. Principal Officers.

The principal officers of the Authority are the Chair, Vice-Chair, Secretary and Treasurer-Auditor, as provide 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 "Property Program Committee" shall be a standing committee of the Authority. All 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.

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(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.

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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 "Liability Program Committee" shall be a standing committee of the Authority. All 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

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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.

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(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 DIRECTOR

SECTION 5.1. Appointment. The Board shall appoint a Program Director in accordance with Section 14 of the Agreement.

SECTION 5.2. Powers. In accordance with Section 13 of the Agreement, the Program Director shall administer the business and activities of the Authority. The Program Director 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 Director and the Authority or as otherwise delegated to the Program Director by the Board of Directors.

ARTICLE VI - REIMBURSEMENT FOR TRAVEL EXPENSES

SPA shall reimburse a Board of Directors Member or Committee Member 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.

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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 Director, 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 21(b) of the Agreement. A notice of withdrawal may not be rescinded, except upon Member request **submitted at least sixty (60) days prior to the effective date of withdrawal**, 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.

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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.

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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 ~~two~~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; and
- 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.
- Comply with JPA Agreement Section 19, "Responsibilities of Member Agencies."

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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

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 ~~two~~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; and
- 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.
- Comply with JPA Agreement Section 19. "Responsibilities of Member Agencies."

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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

Item F.4.

MANAGING MEMBER FINANCIAL UPDATE**ACTION ITEM**

ISSUE: Managing Member Financial Report 1ST 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 September 30, 2024, are provided for the Board's review. The financials reflect a combined net position of \$5.3M. The financials have been prepared before the finalization of actuarial liabilities and completion of the fiscal year 23/24 audit; the beginning balance is expected to be materially correct, yet is still an estimate. A summary of the financials follows:

- Total Assets of \$36.3 million (up \$3.1M over LY); total liabilities estimated at \$31M (up \$2.3M over LY).
- Claims Liabilities outstanding are estimated at \$3.9 million (up \$2.4M over LY). This includes recording of estimated actuarial IBNR as noted earlier.
- Property Program Net Position is about \$5.3M which is down about \$224,000 from the same time last year.

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

- Claims liabilities related to CAT 2419 have been recorded to reflect individual deductibles within the retained layer as approved at the last SPA meeting on January 13, 2025.
- Initial estimated IBNR from the draft actuarial report of \$508,327 has been accrued, however, this may still be revised with completion of the final actuarial study.

Actuarial Analysis – after resolving the multi-member CAT deductible question, we have updated the SPA loss run and are in the process of reconciling the loss runs with the actuary to finalize the study.

Audit – the audit is tentatively scheduled to begin in February.

ATTACHMENTS: SPA Financials as of September 30, 2024.

SCHOOLS PROGRAM ALLIANCE
PROPERTY & LIABILITY INSURANCE PROGRAMS
STATEMENT OF NET POSITION
Unaudited - For Management Purposes Only
AS OF SEPTEMBER 30, 2024

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
ASSETS									
Cash	\$ 33,734	\$ 127,177	\$ 207,567	\$ 1,012,939	\$ 202,234	\$ 10,478,127	\$ 12,061,777	\$ (231,750)	\$ 11,830,027
Accounts Receivable						865,339	865,339	247,500	1,112,839
Other Receivables						89,890	89,890		89,890
Prepaid Insurance						14,850,770	14,850,770	8,444,786	23,295,556
TOTAL ASSETS	33,734	127,177	207,567	1,012,939	202,234	26,284,125	27,867,775	8,460,536	36,328,311
LIABILITIES									
Accounts Payable				275,540		22,136	297,676	15,750	313,426
SIA Admin Payable	467	1,760	2,491	8,289	2,354	3,390	18,750		18,750
Loss Control Payable							0		0
Appraisal Payable							0		0
Deferred Contributions	10,137	36,111	50,038	166,515	47,281	17,133,438	17,443,519	8,444,786	25,888,305
Advances Payable						863,788	863,788		863,788
Claims Liabilities (1)						3,917,731	3,917,731		3,917,731
TOTAL LIABILITIES	10,604	37,872	52,529	450,343	49,634	21,940,482	22,541,464	8,460,536	31,002,000
NET POSITION	\$ 23,130	\$ 89,305	\$ 155,038	\$ 562,595	\$ 152,600	\$ 4,343,643	\$ 5,326,311	\$ 0	\$ 5,326,311

RECONCILIATION OF MEMBER EQUITY BALANCES

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
NET POSITION									
Retained Layer						\$ 4,343,643	\$ 4,343,643		\$ 4,343,643
SIA Admin									0
Loss Control	\$ 17,913	\$ 70,889	\$ 130,029	\$ 493,552	\$ 126,889		839,273		839,273
Appraisals	5,217	18,416	25,009	69,043	25,711		143,395		143,395
NET POSITION	\$ 23,130	\$ 89,305	\$ 155,038	\$ 562,595	\$ 152,600	\$ 4,343,643	\$ 5,326,311	\$ -	\$ 5,326,311

(1) Pending final actuarial evaluation

SCHOOLS PROGRAM ALLIANCE
PROPERTY & LIABILITY INSURANCE PROGRAMS
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION
Unaudited - For Management Purposes Only
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
CONTRIBUTION REVENUE									
Retained Layer Deposit						\$ 750,000	\$ 750,000		\$ 750,000
Reinsurance Payments						4,950,256	4,950,256	\$ 2,814,929	7,765,185
Total Retained & Reinsurance Contributions	0	0	0	0	0	5,700,256	5,700,256	2,814,929	8,515,185
SPA Admin Contributions*									
Administrative	\$ 467	\$ 1,760	\$ 2,491	\$ 8,289	\$ 2,354	10,890	26,250		26,250
Loss Control	1,521	5,730	8,108	26,981	7,661		50,000		50,000
Appraisal	1,391	4,547	6,081	20,235	5,746		38,000		38,000
Total Admin Contributions	3,379	12,037	16,679	55,505	15,759	10,890	114,250	0	114,250
TOTAL CONTRIBUTIONS	3,379	12,037	16,679	55,505	15,759	5,711,146	5,814,506	2,814,929	8,629,435
Expenses									
Claims Expenses						0	0		0
Insurance Premiums						4,950,256	4,950,256	2,814,929	7,765,185
Professional Services						0	0		0
Board Member Activities						8,137	8,137		8,137
SPA Admin Expenses*									
SIA Admin	467	1,760	2,491	8,289	2,354	3,390	18,750		18,750
Loss Control							0		0
Appraisals				247,135			247,135		247,135
TOTAL EXPENSES	467	1,760	2,491	255,424	2,354	4,961,783	5,224,278	2,814,929	8,039,207
Operating Income	2,912	10,277	14,189	(199,919)	13,406	749,363	590,228	0	590,228
Non Operating Income - Interest						89,890	89,890		89,890
INCREASE (DECREASE) IN NET POSITION	2,912	10,277	14,189	(199,919)	13,406	839,253	680,118	0	680,118
NET POSITION, BEGINNING OF PERIOD - ESTIMATED	20,218	79,028	140,850	762,514	139,194	3,504,390	4,646,193	0	4,646,193
NET POSITION, END OF PERIOD	\$ 23,130	\$ 89,305	\$ 155,038	\$ 562,595	\$ 152,600	\$ 4,343,643	\$ 5,326,311	\$ -	\$ 5,326,311

* 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 Limited	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>			

Item F.5.**POLLUTION****INFORMATION ITEM**

ISSUE: The SPA Board is asked to consider if they would like to obtain a quote for pollution coverage for FY 25/26. If so, application information will be needed by early March 2025 in order to market the coverage.

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.

We have reached out to the market and in order to obtain a quote for coverage, the following items are needed:

- Completed Application – one for each underlying member (see attached)
- SOV
- Member list for Named Insured and Additional Named Insureds
- GL Loss runs – last 5 years
- Phase I and II reports for any locations that have them
- UST Tank inventory list and tank tightness tests

ATTACHMENTS: Ironshore Environmental Spills Application

Ironshore Environmental Site Pollution Incident Legal Liability Select (SPILLS) Application

THIS IS AN APPLICATION FOR A CLAIMS-MADE POLICY. PLEASE REVIEW THE APPROPRIATE POLICY CAREFULLY.

INSTRUCTIONS:

- Please print or type clearly.
- Please answer all questions and those applicable to the coverages requested. If any questions in those sections do not apply, please answer "NA."
- If additional supporting documentation is needed to answer the questions completely, please reference in the application and attach the additional supporting documentation.
- The application must be signed and dated by a duly authorized executive, officer, owner, or principal of the applicant.

GENERAL APPLICANT INFORMATION:

Named Insured: _____
 Mailing Address: _____

 Company Web Address: _____
 Year Established: _____

1. Are there any additional Named Insureds for the Company to evaluate for coverage? YES NO. If Yes, list the entities and their relationship to the First Named Insured and include an organizational chart: _____

2. Are there any additional insureds for the Company to evaluate for coverage? YES NO. If Yes, list the entities and their relationship to the Named Insured: _____

3. Description of all the Named Insured's operations: _____

EXISTING COVERAGE DETAILS:

	Site Pollution Coverage
	Check if none ()
Carrier	
Limits	
Deductible / SIR	
Premium	
Effective dates	
Any retroactive dates	

REQUESTED COVERAGE:

	Site Pollution Coverage
Limits	
Deductible / SIR	
Term	
Any retroactive dates	
Effective dates	

PROPERTY INFORMATION:

1. Property(ies) to be covered:

(If the below space is inadequate to account for all properties to be covered, please attach a statement of values that includes, at a minimum, the street address, city, state, zip code, square footage, the number of units and/or the acreage and year built for each of the properties to be covered and indicate below that an attachment has been provided)

Street address	City	State	Zip Code	Square Footage, Units and/or Property Acreage	Year Built
1.					
2.					
3.					
4.					
5.					

2. Current use of Covered Property(ies):

Industrial
 Warehouse/Light Industrial
 Retail
 Hotel
 Office
 Residential
 Other – Specify _____

3. Prior use of Covered Property(ies):

Industrial
 Warehouse/Light Industrial
 Retail
 Hotel
 Office
 Residential
 Other – Specify _____

4. Have dry cleaning operations ever been conducted at any of the Covered Properties? ____YES ____NO. If yes, provide details including site addresses and the types of dry cleaning solvents historically and currently used: _____

5. Have gas station or auto repair operations ever been conducted at any of the Covered Properties? ____YES ____NO. If yes, provide details, including site addresses and details on the use of any chlorinated solvents: _____

6. Has there ever been or is there currently any remediation, monitoring or sampling to investigate contamination at any of the Covered Properties? ____YES ____NO. If yes, please provide explanation and attach copies of applicable environmental reports. _____

7. Are there any plans for sampling to investigate potential contamination or to commence any remediation projects at any of the Covered Properties? ____YES ____NO. If yes, please provide details. _____

DEVELOPMENT PLANS:

1. Are there any known plans for development, redevelopment, construction or demolition at any of the Covered Properties during the proposed policy period? YES NO. If yes, please describe: _____

2. Are there any known plans for any interior renovations at any of the Covered Properties during the proposed policy period? YES NO. If yes, please describe: _____

INDOOR AIR QUALITY:

1. Have any of the Covered Properties had an indoor air quality incident (including but not limited to the presence of mold matter or legionella or other pollutants) that cost more than or is expected to cost more than \$25,000 to address such incident? YES NO. If yes, what was the total cost of each incident? _____

2. Have any construction defects at a Covered Property been encountered (including but not limited to HVAC system problems, leaks in the building envelope (roof, windows or siding), broken plumbing or other)? YES NO. If yes, please summarize issue and how they were addressed. _____

3. Have any water intrusion or moisture conditions at a Covered Property been encountered (including but not limited to HVAC system problems, leaks in the roof, windows or siding, broken plumbing or sewer backups)? YES NO. If yes, please summarize issue and how they were addressed. _____

4. Are any buildings at the Covered Properties currently vacant, abandoned or unoccupied? YES NO. If yes, how long have they been vacant? _____

5. Do any of the buildings at the Covered Properties currently have broken or missing windows or holes in the roof or building envelope? YES NO. If yes, is there any evidence of water intrusion or moisture conditions. YES NO.
6. Does the applicant have a mold matter operations and maintenance (O&M) plan and/or water intrusion O&M plan? YES NO. If yes, please provide a copy.
7. Does the applicant have employees on-site and dedicated to the management of the Covered Properties proposed for coverage? YES NO. If yes, have the employees undergone specific training with regards to IAQ and/or mold? YES NO.
8. Have any complaints ever been made by a third party relating to indoor air quality, mold or legionella problems at a Covered Property proposed for coverage? YES NO. If yes, please provide details: _____

PER/POLYFLUOROALKYL SUBSTANCES (PFASs)

1. Have any PFASs¹, or any materials or products that may have contained any PFASs, ever been manufactured, used or stored at any Covered Property? YES NO. If yes, please provide details. _____

AQUEOUS FILM FORMING FOAM (AFFF)

1. Do any operations conducted, or any materials stored used or manufactured at any Covered Property have fire suppression requirements other than water? YES NO If yes, please provide details. _____
2. Have any AFFF fire suppressants ever been used or stored at any Covered Property? YES NO. If yes, please provide details. _____
3. Have there been any fires at a Covered Property that used an AFFF based fire suppressant to extinguish the fire? YES NO If yes, please provide details. _____
4. Are there any mutual aid groups or third-party contracts utilized for fire response at any Covered Property? YES NO If yes, please provide details. _____
5. Have there ever been any fire training exercises that used AFFF performed at any Covered Property? YES NO If yes, please provide details. _____

STORAGE TANKS:

1. Are there any underground or aboveground storage tanks (USTs OR ASTs) at any of the Covered Properties? YES NO. If yes, please include details below or provide a schedule that includes age, size, contents, construction material (steel, fiberglass, etc.) construction type (single/double walled), leak detection/monitoring type and copies of recent tank tightness tests.

Covered Property	AST/UST	Installation Date	Size	Construction (material and type)	Contents	Leak Detection	Secondary Containment
1.							
2.							
3.							
4.							
5.							

¹ PFAS means any perfluoroalkyl or polyfluoroalkyl substance, including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, “C8”, “ADONA,” perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid, ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals

2. Is the applicant aware of any storage tanks at the site that have been removed or closed in place? YES NO. If yes, please provide any available closure documentation.
3. Are there any plans to remove or upgrade any of the tanks at any Covered Property proposed for coverage during the Policy Period? YES NO. If yes, please provide details: _____

TRANSPORTATION:

1. Do the applicant's operations require the transportation of cargo? YES NO. If yes, what is being transported? _____

2. Does the applicant have any operations that require the transportation of hazardous materials? YES NO. If yes, what is being transported? _____

3. Does the applicant transport the materials themselves or do they use a third-party transporter? 1st Party 3rd Party
4. What types of conveyances are being used to transport cargo: Auto Rail Watercraft Aircraft?
5. How many of each conveyance does the applicant own, lease or operate: Auto Rail Watercraft Aircraft?

WASTE DISPOSAL ACTIVITIES:

1. Does the applicant require disposal of any hazardous material as part of its operations? YES NO. If yes, please describe materials, estimated quantities generated per month and facility(ies) at which the material is primarily disposed. _____

2. Has the applicant been named as potential responsible party (PRP) in connection with waste disposal activities? YES NO. If yes, please provide details: _____

CLAIMS / WARRANTY STATEMENTS:

CLAIMS:

1. In the last five (5) years, has the applicant had any reportable release or spill of any hazardous substance, hazardous waste or petroleum product, or any other pollutants? YES NO. If yes, please explain: _____

2. In the last five (5) years, has the applicant received any notice of violation, fine, penalty, claim, complaint or other enforcement action due to or associated with compliance with environmental laws or relating to the release or threatened release of a hazardous substance, hazardous waste, petroleum product or other pollutant? YES NO. If yes, please explain: _____

3. Is the applicant aware of any past or present contamination on, at, under or migrating from any Covered Property proposed for coverage? YES NO. If yes, please explain. _____

4. Have any claims been made or legal actions (including regulatory actions) been brought against the applicant in the past 5 years which relate in any way to an actual or alleged release of hazardous substances, hazardous wastes or petroleum products, or any other pollutants (including mold matter and legionella) or water intrusion? ____YES ____NO. If yes, please explain: _____
-
-

WARRANTY:

1. Does the applicant know of any fact, situation or circumstance that could result in a claim(s) in any way related to hazardous substances, wastes, petroleum products, contaminants, or any other pollutants (including mold matter and legionella) or water intrusion being made against your company or any other entity that is requesting coverage? ____NO ____YES. If yes, please explain. _____
-
-
2. Does the applicant know whether any PFASs, or any materials or products that may have contained any PFASs, have ever been manufactured, used or stored at any Covered Property? ____NO ____YES If yes, please explain. _____
-
-
3. Does the applicant know of any fires or fire training exercises during which AFFF based fire suppressants were used at any Covered Property? ____NO ____YES If yes, please explain. _____
-
-

ACCEPTING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE POLICY. IN THE EVENT THERE IS ANY MATERIAL CHANGE IN THE ANSWERS TO THE QUESTIONS OR REPRESENTATIONS OR WARRANTIES HEREIN PRIOR TO THE ISSUANCE DATE OF THE POLICY, WHICH WOULD RENDER THIS APPLICATION FORM INACCURATE OR INCOMPLETE, THE APPLICANT WILL NOTIFY THE INSURER IN WRITING AND, IF NECESSARY, ANY OUTSTANDING QUOTATION MAY BE MODIFIED OR WITHDRAWN.

NOTICE TO ARKANSAS & NEW MEXICO APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON."

NOTICE TO COLORADO APPLICANTS: "IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES."

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

NOTICE TO FLORIDA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR

THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

NOTICE TO LOUISIANA APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON."

NOTICE TO MAINE APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS."

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE AND MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWINGLY THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS – WARNING: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY (365: 15-10, 36 §3613.1)

NOTICE TO PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES A STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT, MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, SUBJECT TO CRIMINAL PROSECUTION AND CIVIL PENALTIES.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

NOTICE TO VERMONT APPLICANT: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATIONS

THE UNDERSIGNED APPLICANT WARRANTS THAT THE STATEMENTS SET FORTH IN THIS APPLICATION AND ITS ATTACHMENTS AND OTHER MATERIALS SUBMITTED TO THE INSURER ARE TRUE AND CORRECT.

THE UNDERSIGNED UNDERSTANDS, AGREES TO, AND ACKNOWLEDGES, THAT THIS POLICY CONTAINS A POLICY AGGREGATE LIMIT OF LIABILITY THAT IS ACCEPTED AND SHARED BY ALL OF THE APPLICANTS AND INSURED'S WHO ARE OR MAY BECOME AN INSURED HEREUNDER. IN VIEW OF THE OPERATION AND NATURE OF THIS SHARED POLICY AGGREGATE LIMIT OF LIABILITY, THE APPLICANT UNDERSTANDS AND AGREES THAT PRIOR TO FILING A CLAIM UNDER THIS POLICY, THE POLICY AGGREGATE LIMIT OF LIABILITY MAY BE EXHAUSTED OR REDUCED BY PRIOR PAYMENTS FOR OTHER CLAIMS UNDER THIS POLICY. AS A RESULT, THERE MAY BE NO AVAILABLE LIMIT TO PAY AN APPLICANT'S OR INSURED'S CLAIM, REGARDLESS OF WHETHER ANY LOSS, BUSINESS INTERRUPTION EXPENSE OR EXTRA EXPENSE HAS BEEN PAID ON SUCH APPLICANT'S OR INSURED'S BEHALF.

Applicant's signature: _____ Date: _____

Applicant's name (please print): _____
Title: _____

Insurance representative: _____
Name of firm: _____
Address: _____
Telephone number: _____
Fax number: _____
E-mail address: _____

Surplus lines agent (SLA): _____
Address: _____
City: _____
State, ZIP code: _____
Surplus lines license number: _____

Item G.1.**PROPERTY PROGRAM****2025 PROPERTY (AND APD) RENEWAL UPDATE****INFORMATION ITEM**

ISSUE: We will continue discussing data collection and renewal topics for the 2025 Property, APD, and Deadly Weapons renewal process, including any updates to the proposed timeline, if any.

RECOMMENDATION: No action required.

FISCAL IMPACT: None.

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.

We are currently in the data collection/submission construction phase and will provide an update as respects these items.

ATTACHMENTS: None.

Item G.2.**PROPERTY PROGRAM****SPA REINSURER'S CLAIMS TPA
AD HOC COMMITTEE RECOMMENDATION****ACTION ITEM**

ISSUE: Attached please find information regarding Engle Martin's services and proposed team as the preferred claims administrator for SPA reinsured property claims.

Members have been considering a change in claims administrators since last year and an ad hoc committee met with Engle Martin representatives to determine if they would be a good fit for SPA. The recommendation from the committee is to make the change as a request in the property marketing specs and make the transition as soon as approved by the underwriters, pending ongoing claim resolutions, but no later than July 1, 2025.

RECOMMENDATION: Approve Engle Martin as designated SPA reinsured claims administrator as presented or revised or provide direction.

FISCAL IMPACT: No fiscal impact expected – cost it paid by reinsurers.

BACKGROUND: SPA members have expressed the desire to explore options other than McClarens for management of reinsured property claims, including approval and tracking of amounts paid within the SPA retention. The SPA reinsurers offer options for claims management including Engle Martin. SPA members met with Engle Martin representatives at the last CAJPA conference, and the Ad Hoc Committee interviewed the proposed team by Zoom in January.

ATTACHMENTS: Engle Martin SPA Presentation

SPA Alliant Presentation

Shannon Dunn
Senior National Account Executive
December 9, 2024

Who is Engle Martin?


For over 25 years, the Engle Martin team has focused on helping companies recover and communities rebuild. We're known for our experience, expertise, innovation, and our deep relationships with our clients. We have expanded from a small shop that only serviced commercial property losses to a national loss adjustment and claims management leader. We have been the trusted provider for more than 1,000,000 commercial claims. Our team has grown to a team of over 800 of the most qualified full-time claims professionals nationwide. We're known for our deep relationships and even deeper expertise.



Privately Held
Owner Operated



800+ Insurance
Professionals



74 US Offices

Loss Adjusting

Engle Martin's Loss adjusting teams manage a variety of claim types in the following areas. Regardless of size, complexity, or locations of loss, our customers rely on our knowledge and expertise.

- Property
- Casualty
- Appraisal & Umpire
- Large Loss
- Inland & Ocean Marine
- Specialty Audit Service
- Subrogation

Claims Management

Engle Martin's Claims Management team provides Third-Party Administration (TPA) services and Carrier Outsourcing services in the following areas. Our team has the knowledge and technical expertise required to serve as your standalone claim's solution or work with you and your existing operations.

- Property
- Casualty
- Inland Marine
- Transportation

*Engle Martin is a Sarbanes-Oxley SSAE 16 (SAS-70) Type II Compliant Vendor

Industries of Specialization & Special Practice Group Verticals

Construction, Builders, Infrastructure



Specialty Practice

Energy, Renewables & Power Gen



Specialty Practice

Public Entities & Governmental



Specialty Practice

Agriculture



Entertainment & Multimedia



Environmental



Financial Institutions



Food & Beverage



Health Care



Hospitality & Leisure



Life Sciences



Manufacturing & Industrial



Mining & Metals



Professional Services



Real Estate



Restaurant & Food Service



Retail & Wholesale



Technology/Media/Communications





Core Clients






Insurance Companies

- Excess and Surplus Lines Markets
- London/Lloyd's Markets
- Standard Markets
Bermuda Companies

Programs

- Program Managers
- MGA's/MGU's
- Self-Insured Retentions
- Single-parent/Pure Captives, Protected Cell Captives, Association/Group Captives, Risk Retention Groups (RRGs), and Risk Pool

Benefits of Partnering with Engle Martin on Property Accounts

 Consistent Adjuster	 Flexible Endorsement	 Tailored Account Management	 Communication & Account Structure
Engle Martin's Specialty Loss Group (SLG) maintains continuity by retaining the same designated adjuster even if a client switches carriers, ensuring a seamless transition and consistent service.	SLG's service offers a simple endorsement process that can be added at any time, not just during renewal periods.	SLG assigns a dedicated account adjuster to address the distinct requirements of programs involving multiple carriers, quota shares, and layered policies.	SLG designates an Executive General Adjuster (EGA) as the sole client contact for loss matters, ensuring efficiency during critical times. This EGA also assists in account structuring for streamlined communications and reporting.
 In-Depth Understanding	 CAT: Preparedness & Priority	 Efficiency Enhancement	 Efficient Estimates & Advance Payments
SLG's methodology focuses on gaining a deep understanding of the client's business and risk management strategies by conducting pre- and post-loss interviews and engagement processes.	The dedicated account adjuster proactively prepares and educates clients about catastrophic event risks. SLG prioritizes its clients when assigning catastrophe-related claims.	SLG's approach accelerates the loss adjustment process, reducing the time it takes to initiate investigations.	The dedicated account adjuster facilitates quicker estimation, scoping of work, and payment processing.



Subrogation & Recovery Services

Real Relationships. Real Results.

High caseloads and staffing constraints combined with the daily demands placed on claims professionals can result in a de-emphasis on subrogation. Maximize your subrogation potential with Engle Martin's Subrogation and Recovery Team. Our team is adept at identifying missed and current subrogation opportunities. The Subrogation and Recovery Team has a track record of success handling losses of all sizes for insurance carriers, managing general agents (MGAs), self-insured entities (SIRs), and program administrators across multiple business sectors.

Chris McCoy
Vice President
Senior Executive General
Adjuster

Phone: 404.213.0247
 cmccoy@englemartin.com

Benefits

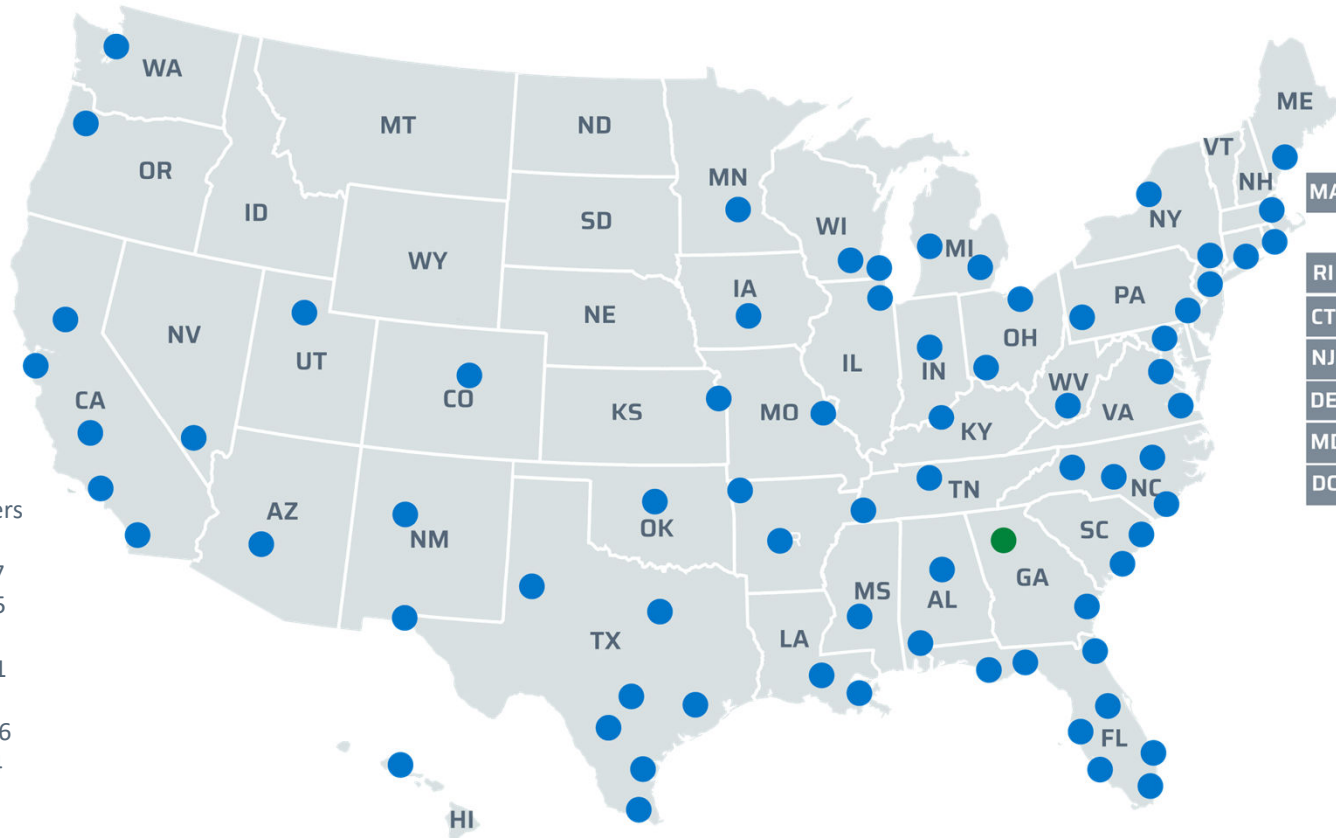
- Superior personal customer service
- Experienced recovery specialists
- Customized benchmark reports
- Proven economic results

Services

- Identification
- Management to Resolution
- Claim Volume Overflow
- Cost-Benefit Analysis
- Arbitration Filing
- Litigation Referral Management

Item	Fee Base	Comments
Subrogation Service Pursuing at Fault Parties = Contingency Fee	20% of gross recovery	Recovery successful by EM; allocated funds dispersed to appropriate parties upon receipt by EM
Expenses or Use of Experts to Pursue Recovery	At Cost Fees	Any expenses or the use of an expert to aid on the recovery of funds, no matter the recovery outcome, will be paid by the client; use of outside expert service vendors for professional services will require client authority prior to engagement
Subrogation Support & Tasks with Counsel = Time & Expense	\$95.00/hour	Subrogation is assigned to counsel by carrier; EM is requested to perform subrogation related task on behalf of attorney or in house counsel to assist with their file towards a gross recovery - contingency fee does not apply if selected

Engle Martin Office Locations



74

office locations
nationwide

CA State
Property Adjusters

San Francisco 7
Sacramento 5

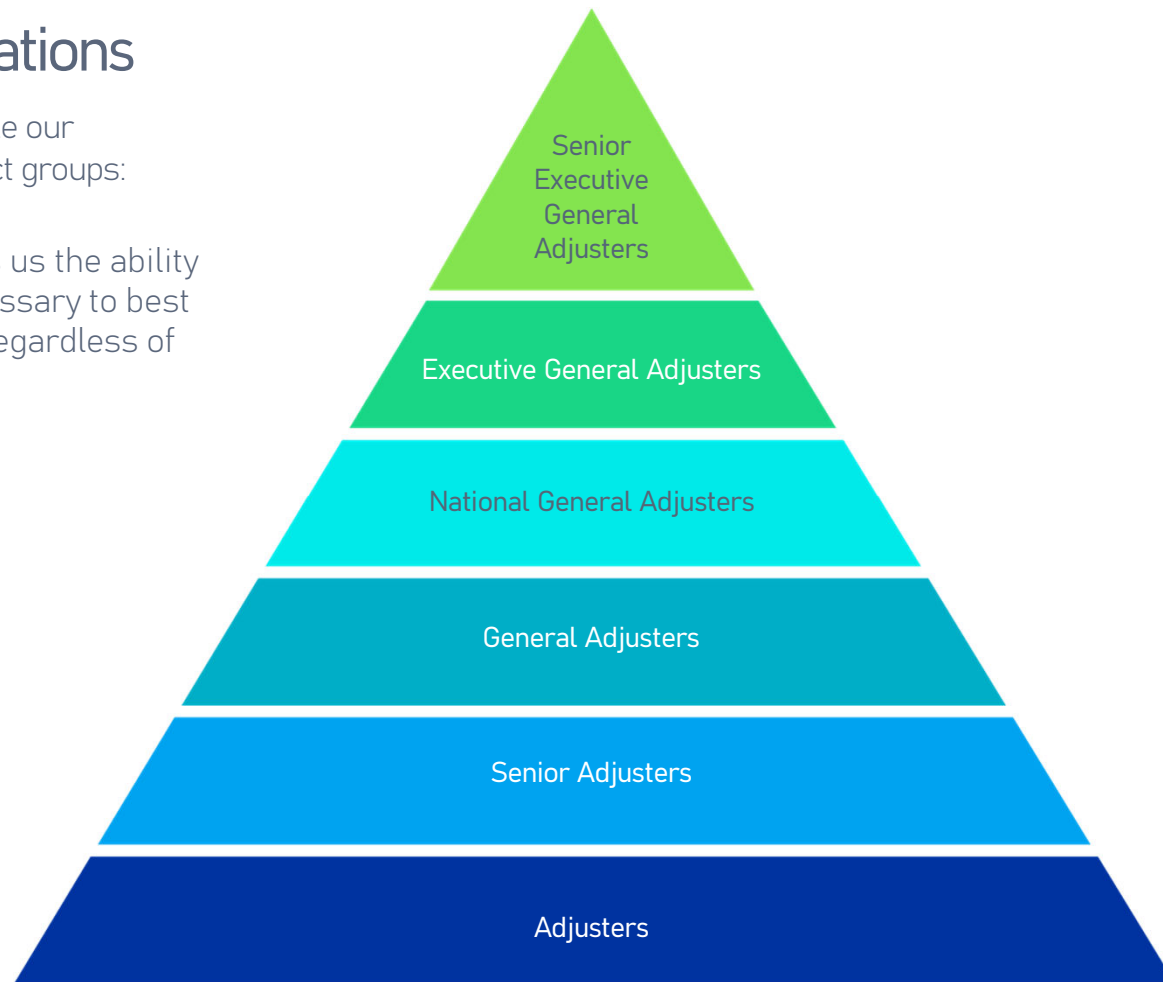
Fresno 1

Los Angeles 16
San Diego 4

Adjuster classifications

At Engle Martin, we categorize our adjusting team into six distinct groups:

Categorizing our team gives us the ability to match the skill level necessary to best satisfy our clients' claims, regardless of complexity, size, or volume.





RUSSELL S. CLARK CPCU, AIC
Senior Executive General Adjuster

- Thirty years experience in property adjusting
- Supervising/management experience
- Significant experience handling large, complex losses in \$10-40 mil range
- Significant experience working with the markets
- Excellent communication with all stakeholders
- Manages large, high volume public entity account



AL RAMIREZ
Executive General Adjuster

- Twenty years experience in property adjusting
- Experience in US military
- Significant experience handling property losses
- Experience with CA public entity claims handling
- Excellent communication skills & insured focused
- Field claims handling in CA

Additional Team:

Steve Koski

National General Adjuster
Northern CA

Significant Experience with complex claims, public entity in CA, builders risk and market losses.

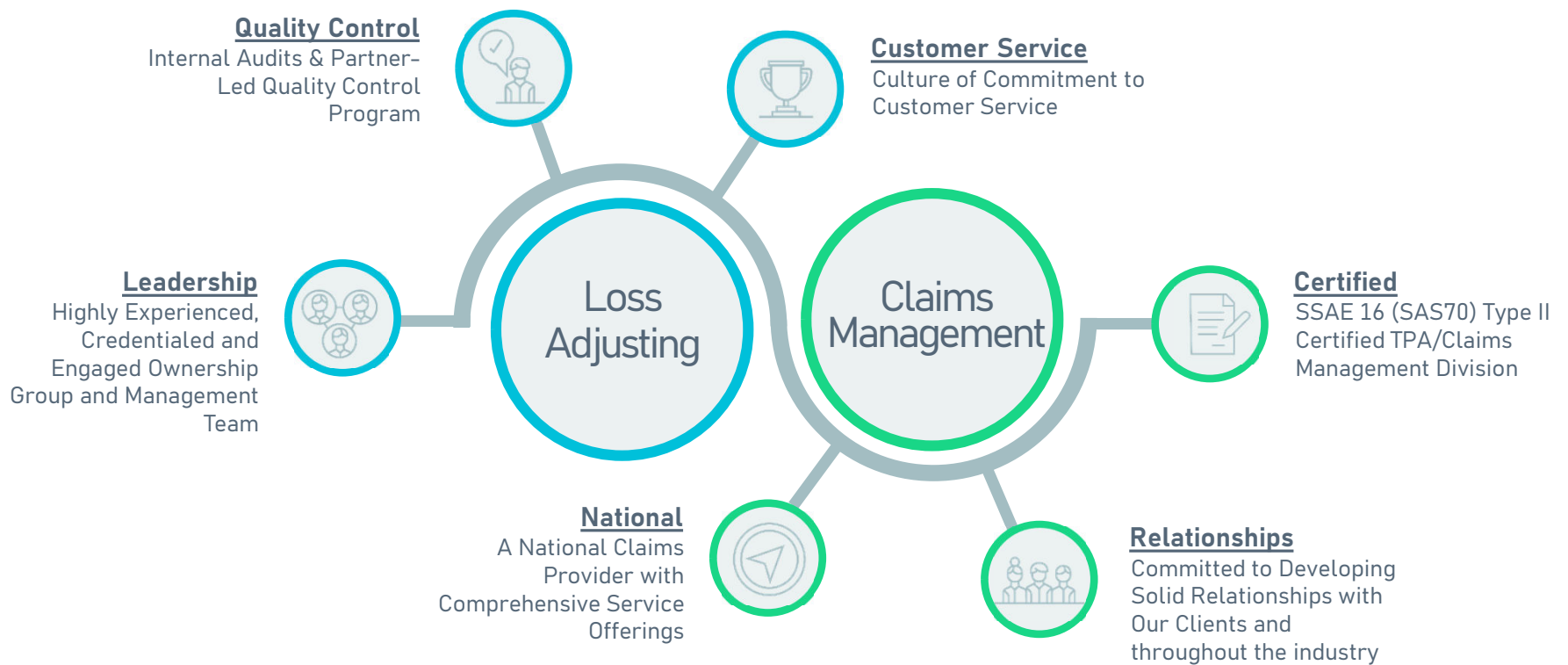
Dan Richardson,

National General Adjuster
Northern CA

Significant experience with property and causality claims handling in CA & has additional experience in construction, excellent with agreements & vendor management.

ADMINS- Assistant to lead EGA who manages loss runs and facilitates reporting and some communications.

Why Partner with Engle Martin?



Core Strengths



Privately Owned

Privately Owned & Owner operated, allowing for fast and flexible decision making



Relationships

Wide Array of Strong Industry Relationships



People-Centric



Reputation

Reputation based on the delivery of consistent and quality service



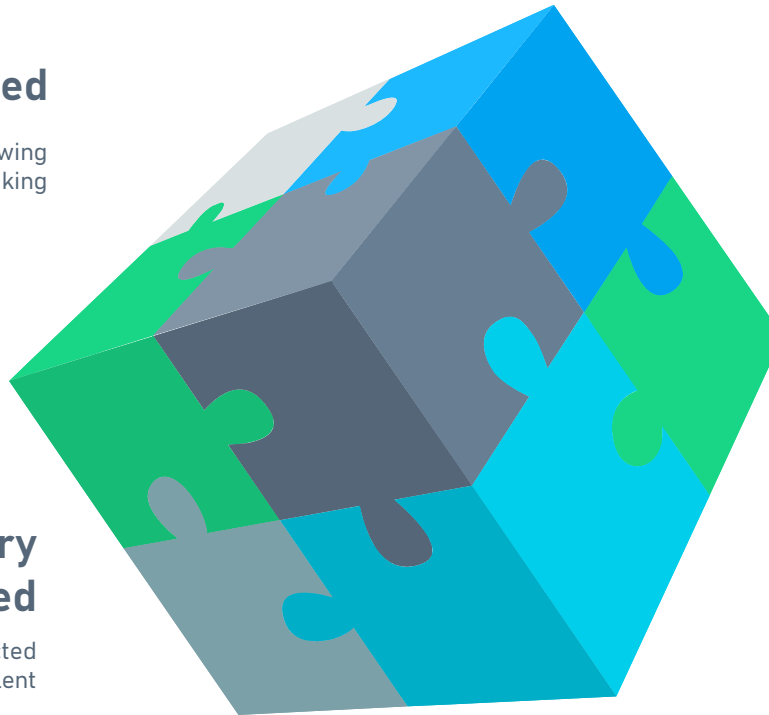
Industry Recognized

Industry Recognized and Respected Front-Line Talent



Quality Control

Proactive, Partner-Led Quality Control Program





Engle Martin



Shannon Dunn, AINS, AIC
Senior National Account Executive
850.450.8203
sdunn@englemartin.com

Item G.3.

**CHANGE TO OCCURRENCE DEFINITION – FUTURE DEDUCTIBLE
METHODOLOGY FOR MULTI-MEMBER CAT LOSSES**

ACTION ITEM

ISSUE: Consider methodology for future application of individual member deductibles for non-wildfire, multi-member CAT losses (MMCATs). Clarification of this issue will assist in updating the SPA MOC and related documents for future application, as well as insurance marketing efforts.

RECOMMENDATION: On a go forward basis after approval of this item (and consistent with the one-time approval for CAT 2419), for non-wildfire MMCATs the Board approves to hold each SPA Member responsible for their individual \$250K deductible; one combined member deductible will be applied for excess insurance erosion per the contract and MOC, with the SPA risk pool retaining extra recoveries.

FISCAL IMPACT: Future multi-member CAT claims will result in each member taking responsibility for their individual member deductible (currently \$250,000) before receiving SPA retained layer or excess insurance reimbursement.

BACKGROUND: The SPA Board discussed this issue at the strategic planning in September 2024 and since deliberated the application of member deductibles for non-wildfire MMCATs. Over the past few years, we have experienced multiple large loss/storm-related instances that could affect multiple members, and it seems prudent to ensure consistent treatment of MMCATs in the future.

At the recent January 13, 2025, SPA meeting, with specific application to CAT 2419, the SPA Board approved the Managing Member’s recommendation to apply individual member deductibles (\$250,000 per member), within the SPA retained layer, when determining how much loss reimbursement to provide to each participating member. This recommendation was a restatement of the SPA Program Administrator’s recommendation at the December 2024 SPA Board Meeting.

Briefly summarized from prior meetings and the applicable insurance policy and SPA MOC, the following is established with respect tomcats and CAT 2419:

- MMCAT losses are consolidated into one claim for excess insurance purposes.
- Generally speaking, unless aggregates are already exhausted, a combined \$2.5M in loss costs are required before losses are ceded to excess insurance for reimbursement to SPA. (One shared member deductible of \$250K, plus SPA Retentions A & B totaling \$2.250M).
- As approved for CAT 2419, SPA will reimburse each participating member for losses after application of individual \$250,000 deductibles per member.

ATTACHMENTS: None.

Item G.4.

MR OCIP PARTICIPATION**ACTION ITEM**

ISSUE: The Board is asked to approve SPA participation in the PRISM MR OCIP program as previously presented or revised or decide not to pursue as a group.

RECOMMENDATION: Approve or provide direction regarding a SPA Master Rolling OCIP Program.

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

BACKGROUND: The SPA Board of Directors previously discussed launching a Master Rolling Owner Controlled Insurance Program (MROCIP) for construction projects undertaken by SPA member districts and requested more information. Alliant representatives provided a presentation with more details regarding the program offered through PRISM at the last Board meeting and answered questions about the program.

OCIP programs allow the owner (school district) to cover the liability and workers' compensation exposure on major construction projects. This provides control over coverage quality, claims, and cost. Public entities with major capital construction programs almost universally utilize OCIPs due to the overall benefits. For individual school districts, there usually isn't enough project volume to support an OCIP. The solution is to gather projects with a construction value (CV) over \$20 million from multiple districts. The challenge for an organization the size of SPA is that launching a master rolling OCIP requires an investment of substantial collateral funding with the lead insurer to get the policy placed, followed by enrollment of at least \$250 million of projects. Also, a robust safety program with loss control engineers sponsored by the program needs to be in place. The Program Administrators believe that the best solution for SPA would be to join PRISM's MROCIP (aka "Mister OCIP"). This would require SPA to join PRISM and then have at least one project enrolled in MROCIP within 6 months.

ATTACHMENTS:

1. PRISM JPA 2020 Final
2. PRISM MR OCI MOC – January 1, 2013



Adopted: October 5, 1979
Amended: May 12, 1980
Amended: January 23, 1987
Amended: October 7, 1988
Amended: March 1993
Amended: November 18, 1996
Amended: October 4, 2005
Amended: February 28, 2006
Amended: June 30, 2020

**JOINT POWERS AGREEMENT
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. Public Risk Innovation, Solutions, and Management (referred to herein as PRISM), formerly known as CSAC Excess Insurance Authority, was formed under the sponsorship of CSAC. California counties, hereinafter called member counties, and public entities, hereinafter called member public entities, (collectively "members") shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

**ARTICLE 1
DEFINITIONS**

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Board of Directors" or **"Board"** shall mean the governing body of PRISM.

"Claim" shall mean a claim made against a member arising out of an occurrence, which is covered by an excess or primary insurance program of PRISM in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of PRISM.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of PRISM.

"Government Code" shall mean the California Government Code.

"Insurance program" or **"program"** shall mean a program which has been designated as a major program of PRISM under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board of Directors. The Board of Directors, the Executive Committee, or a program's governing committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of PRISM in which the member is a participant.

"Member county" shall mean any county in the State of California which has executed this Agreement and become a member of PRISM. "Member County" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity, which is not a California county, which has executed this Agreement, and become a member of PRISM, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Miscellaneous Program" is an insurance program of PRISM that does not involve pooling of self-insured claims or losses and may be made available to members as well as non-member public entities that are not a party to this Agreement.

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member, which is retained as a liability or potential liability of the member and is not subject to payment by PRISM.

"Reinsurance" shall mean insurance purchased by PRISM as part of an insurance program to cover that portion of any loss, which exceeds the joint funding capacity of that program.

**ARTICLE 2
PURPOSES**

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

**ARTICLE 3
PARTIES TO AGREEMENT**

- (a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.
- (b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.
- (c) A member for purposes of providing insurance coverage under any program of PRISM, may contract on behalf of, and shall be deemed to include:
 - Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of PRISM.
 - Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.
- (d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.
- (e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.
- (f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).
- (g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

**ARTICLE 4
TERM**

This Agreement shall continue in effect until terminated as provided herein.

**ARTICLE 5
CREATION OF PRISM**

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as Public Risk Innovation, Solutions, and Management ("PRISM"), with such powers as are hereinafter set forth.

**ARTICLE 6
POWERS OF PRISM**

PRISM shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To incur debts, liabilities, and obligations.
- (c) 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.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To allow non-member public entities and non-member counties to participate in Miscellaneous Programs and for risk management services to be provided to non-member counties and non-member public entities including out-of-state participants in a PRISM program.
- (h) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

**ARTICLE 7
BOARD OF DIRECTORS**

PRISM shall be governed by the Board of Directors, which shall be composed as follows:

- (a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board of Directors.
- (b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public

entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board of Directors.

- (c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board of Directors. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board of Directors consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board of Directors shall constitute a quorum for the transaction of business. Each member of the Board of Directors shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board of Directors shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of PRISM's insurance programs, shall require the affirmative vote of a majority of those Board of Directors members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board of Directors members as a whole shall have a minimum of one vote. The public entity Board of Directors members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board of Directors votes authorized herein be less than the number of public entity Board of Directors members at a duly noticed meeting, the public entity Board of Directors members shall decide among themselves, which Board of Directors member shall vote. Should they be unable to decide, the President of PRISM shall determine which director(s) shall vote.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

- (a) The Board of Directors shall exercise all powers and conduct all business of PRISM, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.
- (b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.
- (c) The Board of Directors shall form an Executive Committee, as provided in Article 11. The Board of Directors may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board of Directors except adoption of PRISM's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.
- (d) The Board of Directors may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of PRISM. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board of Directors.

- (e) The Board of Directors shall elect the officers of PRISM and shall appoint or employ necessary staff in accordance with Article 13.
- (f) The Board of Directors shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of PRISM. Adoption of the budget may not be delegated.
- (g) The Board of Directors shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of PRISM, including all provisions for reinsurance and administrative services necessary to carry out such program.
- (h) The Board of Directors, directly or through the Executive Committee, shall provide for necessary services to PRISM and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.
- (i) The Board of Directors shall provide general supervision and policy direction to the Chief Executive Officer.
- (j) The Board of Directors shall receive and act upon reports of the committees and the Chief Executive Officer.
- (k) The Board of Directors shall act upon each claim involving liability of PRISM, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board of Directors shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board of Directors for approval.
- (l) The Board of Directors may require that PRISM review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of PRISM. The Board of Directors may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.
- (m) The Board of Directors shall receive, review and act upon periodic reports and audits of the funds of PRISM, as required under Articles 15 and 16 of this Agreement.
- (n) The Board of Directors may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities, which have contributed, to such fund.
- (o) The Board of Directors shall have such other powers and duties as are reasonably necessary to carry out the purposes of PRISM.

ARTICLE 9
MEETINGS OF THE BOARD OF DIRECTORS

- (a) The Board of Directors shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.
- (b) The Chief Executive Officer of PRISM shall provide for the keeping of minutes of regular and special meetings of the Board of Directors, and shall provide a copy of the minutes to each member of the Board of Directors at the next scheduled meeting.
- (c) All meetings of the Board of Directors, the Executive Committee and such committees as established by the Board of Directors pursuant to Article 12 herein, shall be called,

noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

ARTICLE 10 OFFICERS

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board of Directors and shall chair the Executive Committee.

ARTICLE 11 EXECUTIVE COMMITTEE

The Board of Directors shall establish an Executive Committee of the Board of Directors, which shall consist of eleven members: the President and Vice President of the Board of Directors, and nine members elected by the Board of Directors from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of PRISM.

The Executive Committee shall conduct the business of PRISM between meetings of the Board of Directors, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

ARTICLE 12 COMMITTEES

The Board of Directors may establish committees, as it deems appropriate to conduct the business of PRISM. Members of the committees shall be appointed by the Board of Directors, to serve two year terms, subject to reappointment by the Board of Directors. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board of Directors, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board of Directors as directed by the Board of Directors.

ARTICLE 13 STAFF

- (a) **Principal Staff.** The **Chief Executive Officer** shall be appointed by and serve at the pleasure of the Board of Directors. The Chief Executive Officer shall serve as the Board Secretary and administer the business and activities of PRISM, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of PRISM and shall perform such other duties as are assigned by the Board and Executive Committee.
- (b) **Treasurer and Auditor.** Pursuant to Government Code Section 6505.6, the Chief Financial Officer shall serve as the Treasurer/Auditor. The duties of the Treasurer are set forth in Article 16 of this Agreement. The Chief Financial Officer shall draw warrants to pay demands against PRISM. The Chief Financial Officer shall comply with the provisions of Government Code Section 6505.5 (a-d) and shall be appointed by and serve at the pleasure of the Chief Executive Officer.
- (c) **Other Staff.** The Board of Directors, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of PRISM.

**ARTICLE 14
DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS**

- (a) **Program Coverage.** Insurance programs of PRISM may provide coverage, including excess insurance coverage for:
- (1) Workers' compensation;
 - (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
 - (3) Comprehensive automobile liability;
 - (4) Hospital malpractice liability;
 - (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board of Directors shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

- (b) **Program and PRISM Funding.** The members 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 PRISM, hereinafter called PRISM general expenses, shall be equitably allocated among the various programs by the Board of Directors, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board of Directors may, in its discretion, allocate a share of such PRISM general expense to those members, which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

- (1) **Annual Premium.** Except as provided in (2) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors or the program's governing committee upon the basis of a cost allocation plan and rating formula developed by PRISM with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board of Directors, program reinsurance costs, and program administrative costs for the year, plus that participant's share of PRISM general expense allocated to the program by the Board of Directors.

(2) **Premium Surcharge**

- (i) If PRISM experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses, the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors or the program's governing committee may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

- (ii) If it is determined by the Board of Directors or the program's governing committee, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses, which have been incurred but not reported, the Board of Directors or the program's governing committee may impose a surcharge on all participating members.
- (iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors or the program's governing committee.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, PRISM notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. PRISM shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

- (iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.
- (c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, PRISM shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.
 - (d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board of Directors members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.
 - (e) **Reentry Into A Program.** Except as otherwise provided in a Program Memorandum of Understanding, any county or public entity that is a member of an insurance program of PRISM who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

**ARTICLE 15
ACCOUNTS AND RECORDS**

- (a) **Annual Budget.** PRISM shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by PRISM.
- (b) **Funds and Accounts.** The Auditor of PRISM shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by PRISM. Books and records of PRISM in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.
- PRISM shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.
- (c) **Auditor's Report.** The Auditor, within one hundred and eighty (180) 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.
- (d) **Annual Audit.** Pursuant to Government Code Section 6505, PRISM shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of PRISM, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of PRISM is located and shall be sent to any public agency or person in California that submits a written request to PRISM. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of PRISM.

**ARTICLE 16
RESPONSIBILITIES FOR FUNDS AND PROPERTY**

- (a) The Treasurer shall have the custody of and disburse PRISM'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 6505.6, the Treasurer shall:
- (1) Receive and acknowledge receipt for all funds of PRISM and place them in the treasury of the Treasurer to the credit of PRISM.
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursements of all PRISM funds so held by him or her.
 - (3) Pay any sums due from PRISM, as approved for payment by the Board of Directors or by any body or person to whom the Board of Directors has delegated approval authority, making such payments from PRISM funds upon warrants drawn by the Auditor.
- (c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of PRISM.
- (d) PRISM shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of PRISM, and all officers and staff who are authorized to have charge of, handle, and have access to property of PRISM.

**ARTICLE 17
RESPONSIBILITIES OF MEMBERS**

Members shall have the following responsibilities under this Agreement.

- (a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.
- (b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and PRISM for all matters relating to risk management.
- (c) Each member shall maintain an active risk control program, and shall consider and act upon all recommendations of PRISM concerning the reduction of unsafe practices.
- (d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of PRISM in which the member is a participant, and shall provide copies of such records to PRISM as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board of Directors or Executive Committee.
- (e) Each member shall pay premiums and premium surcharges due to PRISM as required under Article 14. Penalties for late payment of such premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to PRISM any additional premiums due, as determined and assessed by the Board of Directors under Articles 22 or 23. Any costs incurred by PRISM associated with the collection of such premiums or other charges, shall be recoverable by PRISM.
- (f) Each member shall provide PRISM such other information or assistance as may be necessary for PRISM to develop and implement insurance programs under this Agreement.
- (g) Each member shall cooperate with and assist PRISM, and any insurer of PRISM, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.
- (h) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

**ARTICLE 18
ADMINISTRATION OF CLAIMS**

- (a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.
- (b) PRISM may develop standards for the administration of claims for each insurance program of PRISM so as to permit oversight of the administration of claims by the members.
- (c) Each participating member shall give PRISM timely written notice of claims in accordance with the provisions of the Bylaws and the applicable program Memorandum of Coverage.

- (d) A member shall not enter into any settlement involving liability of PRISM without the advance written consent of PRISM.
- (e) PRISM, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding, which, in the judgment of PRISM, may involve liability of PRISM.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

ARTICLE 20 WITHDRAWAL

- (a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to PRISM if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.
- (b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives PRISM at least sixty (60) days advance written notice of such action.

ARTICLE 21 CANCELLATION

- (a) Notwithstanding the provisions of Article 20, the Board of Directors may:
 - (1) Cancel any member from this Agreement and membership in PRISM, on a majority vote of the Board of Directors members. Such action shall have the effect of canceling the member's participation in all insurance programs of PRISM as of the date that all membership is canceled.
 - (2) Cancel any member's participation in an insurance program of PRISM, without canceling the member's membership in PRISM or participation in other programs, on a vote of two-thirds of the Board of Directors members present and voting who represent participants in the program.

The Board of Directors shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

- (b) Except as otherwise provided in a program Memorandum of Understanding, a member that does not enter one or more of the insurance programs developed and implemented by PRISM within the member's first year as a member of PRISM shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.
- (c) A member which withdraws from all insurance programs of PRISM 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 the Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.

ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION

- (a) If a member's participation in an insurance program of PRISM is canceled under Article 21, with or without cancellation of membership in PRISM, and such cancellation is effective before the end of the policy year for that program, PRISM shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.
- (b) Except as provided in (a) above or as otherwise provided in a program Memorandum of Understanding, a member which withdraws or is canceled from this Agreement and membership in PRISM, or from any program of PRISM, shall not be entitled to the return of any premium or other payment to PRISM, or of any property contributed to PRISM. However, in the event of termination of this Agreement, such member may share in the distribution of assets of PRISM to the extent provided in Article 23 provided; however, that any withdrawn or canceled member, which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.
- (c) Except as provided in (d) below, a member shall pay any premium charges, which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium, which the Board of Directors determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with PRISM's invoice and payment policy.
- (d) Those members that have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of PRISM during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program.

ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS

- (a) A three-fourths vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from the member public entities, is required to terminate this Agreement; provided; however, that this Agreement and PRISM shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of PRISM.
- (b) Upon termination of this Agreement, all assets of PRISM in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.
- (c) Following termination of this Agreement, any member which was a participant in an insurance program of PRISM shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be

necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24
LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS
AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board of Directors or committees of PRISM shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of PRISM funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board of Directors or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of PRISM shall be used to defend, indemnify and hold harmless PRISM and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of PRISM. Nothing herein shall limit the right of PRISM to purchase insurance to provide such coverage, as is hereinabove set forth.

ARTICLE 25
BYLAWS

The Board of Directors may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of PRISM.

ARTICLE 26
NOTICES

PRISM shall address notices, billings and other communications to a member as directed by the member. Each member shall provide PRISM with the address to which communications are to be sent. Members shall address notices and other communications to PRISM to the Chief Executive Officer of PRISM, at the office address of PRISM as set forth in the Bylaws.

ARTICLE 27
AMENDMENT

A two-thirds vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from member public entities, is required to amend this Agreement. However, the Executive Committee is authorized to make non-substantive, clerical amendments to the Agreement and does not need to obtain approval from the Board of Directors to make such amendments.

ARTICLE 28
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board of Directors and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board members must take place no later than 30 days from the effective date specified by the Board of Directors.

**ARTICLE 29
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of PRISM.

**ARTICLE 30
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

**ARTICLE 31
DISPUTE RESOLUTION**

When a dispute arises between PRISM and a member, the following procedures are to be followed:

- (a) Request for Reconsideration. The member will make a written request to PRISM for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.
- (b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider PRISM's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and PRISM.
- (e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32
FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of PRISM shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____
(Print Name of Member)

BY: _____
(Authorized signature of Member)

Seal:



Adopted: 1/1/2013

MEMORANDUM OF UNDERSTANDING MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM

This Memorandum of Understanding (hereinafter "Memorandum") is entered into by and between Public Risk Innovation, Solutions, and Management (hereinafter referred to as "PRISM") and the participating entities (hereinafter "Members") who are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Master Rolling Owner Controlled Insurance Program (OCIP) (hereafter "Program"). The Program is designed to join multiple construction projects from multiple Members to create a risk sharing pool. The Program will create a major program of PRISM.
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating Public Risk Innovation, Solutions, and Management (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
3. **GOVERNING COMMITTEE.** The Executive Committee of the Public Risk Innovation, Solutions, and Management (hereafter "Committee") shall have full authority to determine all matters affecting the Program and its members, including, but not limited to, approval of new members, program structure and premium/rate setting.
4. **MEMBERSHIP.** Membership in the Program consists of either of the following:
 - a. A "Self-Insured Member" is defined as a Member who participates in Tower I of the Program, is issued their own policy and is not part of the self-insured pooled program, or
 - b. A "Pool Member" is defined as a Member who participates in Tower II of the Program and is part of the self-insured pooled program.
5. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee may develop specific criteria for accepting new Members.
6. **PROGRAM PARTICIPATION.** Approval by the Committee as a Member of the Program and adoption of this Memorandum by the Member allows for participation in the Program. Participation in the Program may be in either Tower I or Tower II. A Member shall be entitled to participate in the Program until it has

withdrawn in accordance with the provisions of paragraph 11 of this Memorandum.

7. **PREMIUM.** Annual rates/premiums will be established by the Committee in consultation with the carrier, actuaries and/or other consultants. The Annual rates for a given year will apply to any project that is enrolled in the Program during that year for the duration of the project.
8. **ADMINISTRATION COSTS.** PRISM shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through PRISM's budget process. The source of the funds for the Program will be administrative charges, interest earnings or a combination of both.
9. **DIVIDENDS AND ASSESSMENTS (Applicable to Pool Members Only).** Should the Program not be adequately funded for any reason, pro-rata assessments to the Pool Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
 - a. Any dividends or assessments shall be based upon the percent of contribution for losses for Pool Members only.
 - b. Any assessment shall be spread to all Pool Members who participated in the Program Year being assessed whether or not they are participating in the Program at the time of the assessment.
 - c. Self-Insured Members shall not be eligible for dividends or assessments except for those derived from their own individual project(s), as described in their respective coverage documents.
10. **CLOSURE OF PROGRAM YEARS.** "Program Year" shall mean the calendar year that a particular Member's project incepts. All projects that incept in the same calendar year shall belong to the same Program Year regardless of the length of time to complete each project. For purposes of closing Program Years and determining dividends or assessments, one or more Program Year(s) may be evaluated for closure. The Program may retain a percentage of any declared dividend (retained assets) for purposes of funding future Program Years, or repaying obligations of the Program. The Program may close deficit balance Program Year(s) using retained assets in lieu of assessing members of the closing Program Year(s). Program Year(s) with positive balances may also be combined with Program Year(s) with negative balances to avoid an assessment in the

negative balance year(s). Positive balance Program Years will not be subject to assessment due to the closing of negative balance Program Years.

11. **WITHDRAWAL AND/OR CANCELLATION FROM THE PROGRAM.** Withdrawal and/or cancellation of a Member from the Program shall be in accordance with the provisions of Article 20 or 21 of the Agreement, except that after one (1) year following final completion of all covered projects owned by the Member, the Member shall be deemed to have withdrawn "in good standing" without any action by the Member or by PRISM. Notwithstanding any other provisions, any dividend declared shall be payable to any withdrawn Member in good standing as if that Member was still a participating Member of the Program at the time of the dividend declaration. Article 14(e) of the Agreement, Reentry Into A Program, shall not apply to withdrawn Members in good standing.
12. **COVERAGE DOCUMENTS.** A master coverage document will be issued by the carrier, which will be endorsed for newly enrolled projects into the Program.
13. **CLAIMS ADMINISTRATION.** Claims administration services shall be provided by the insurance carrier(s) and/or their assignee.
14. **LATE PAYMENTS.** Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any Member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.
15. **DISPUTES.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Joint Powers Agreement Article 31, Dispute Resolution.
16. **AMENDMENT.** This Memorandum may be amended by a majority vote of the Executive Committee and signature on the Memorandum by the Member's designated representative who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Executive Committee, the Member will be deemed to have withdrawn as of the final completion of the Member's covered project.
17. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.
18. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

19. **EFFECTIVE DATE.** This Memorandum shall become effective on the effective date of coverage for the Member and upon approval by the Executive Committee of any amendment, whichever is later.
20. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date set forth below.

Dated: _____

Public Risk Innovation, Solutions, and Management

Dated: _____

Signature

Printed Name: _____

Title: _____

Member Entity: _____

Item H.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.