

## AGENDA

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

**DATE/TIME:** February 14, 2022 at 10:00 AM PDT

**LOCATION VIA TELECONFERENCE:** Toll Free [\(888\) 475 4499](tel:8884754499) or [\(669\) 900-6833](tel:6699006833) US Toll Meeting number (access code): 992 4986 3443  
<https://alliantinsurance.zoom.us/j/99249863443?pwd=dk04UVNxBkFpS2I5bVFKRDZTSEVjQT09>

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

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

<i>Pg. 4</i>	<b>A. CALL TO ORDER, ROLL CALL, QUORUM</b>	<b>A 4</b>
	<b>B. APPROVAL OF AGENDA AS POSTED</b>	<b>A 4</b>
	<b>C. PUBLIC COMMENTS</b> <i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	<b>I 4</b>
	<b>D. CONSENT CALENDAR</b> <i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	<b>A 1</b>
	1. Minutes of SPA Board Teleconference Meeting January 10, 2022	
<i>Pg. 8</i>	<b>E. GENERAL ADMINISTRATION</b>  <b>1. School Sponsored Housing Property Program Coverage</b> <i>The Board will consider the coverage related to school sponsored housing projects.</i>	<b>A 1</b>

<i>Pg. 23</i>	<b>2. Financial as of December 31, 2021</b> <i>Phil Brown will present SPA’s financial statements as of December 31, 2021.</i>	<b>I 1</b>
<i>Pg. 27</i>	<b>3. 2022 Property (and APD) Renewal – Data Request Update</b> <i>The Board will receive information on the renewal of the Property Program and will receive information on loss ratios.</i> <b>a. Quarterly Loss Run Request</b>	<b>I 1</b>
<i>Pg. 29</i>	<b>4. Liability Update</b> <i>Jim Wilkey may provide the Board with an update regarding the Liability Renewal.</i>	<b>I 4</b>
<i>Pg. 31</i>	<b>5. Self-Insurance of Cyber Exposure – Portal Update</b> <i>The Board will receive an update regarding the online portal used to complete applications.</i>	<b>I 1</b>
<i>Pg. 32</i>	<b>6. Property Valuation Strategy</b> <i>Members will receive additional trend factors and will provide direction on the strategy for application of trend factors.</i>	<b>A 1</b>
<i>Pg. 48</i>	<b>7. Learning Management System Ad Hoc Risk Management Sub-Committee Report</b> <i>The Board will receive an update from the Ad Hoc committee.</i>	<b>A 2</b>
<i>Pg. 49</i>	<b>8. Website Updates</b> <i>The Board will receive information about Loss Control Items listed on the website.</i>	<b>I 1</b>
<i>Pg. 50</i>	<b>9. Long Range Planning Update</b> <i>The Board will receive an update on the Long Range Planning objectives.</i>	<b>I 1</b>
	<b>F. INFORMATION ITEMS AND DISCUSSION</b> <i>This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.</i>	<b>I 4</b>
	<b>G. ADJOURNMENT</b>	<b>A 4</b>

Item No: D.

**CONSENT CALENDAR****ACTION ITEM**

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

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

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

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

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

**ATTACHMENTS:**

1. Minutes of SPA Board Teleconference Meeting January 10, 2022

# **SCHOOLS PROGRAM ALLIANCE**

## **January 10, 2022 Teleconference Board Meeting Minutes**

### **Members Present:**

<b>Butte Schools Self-Funded Programs (BSSP)</b>	Christy Patterson
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Janet Selby
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Brandon Schlenker
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Rose Burcina
<b>Redwood Empire Schools Insurance Group (RESIG)</b>	Sandy Manzoni
<b>Schools Insurance Authority (SIA)</b>	Martin Brady
<b>Schools Insurance Authority (SIA)</b>	Debrah Sherrington
<b>Schools Insurance Authority (SIA)</b>	Brooks Rice
<b>Schools Insurance Group (SIG)</b>	Cindy Wilkerson
<b>Schools Insurance Group (SIG)</b>	Nancy Mosier

### **Consultants & Guests**

Dan Howell, Alliant Insurance Services	Michelle Minnick, Alliant Insurance Services
Dan Madej, Alliant Insurance Services	James Wilkey, New Front Insurance
Marcus Beverly, Alliant Insurance Services	Rob Kramer, Sedgwick
Dennis Mulqueeney, Alliant Insurance Services	

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

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

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

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

**MOTION: Cindy Wilkerson      SECOND: Janet Selby      MOTION CARRIED UNANIMOUSLY**

### **C. PUBLIC COMMENT**

There were no public comments.

### **D. CONSENT CALENDAR**

1. Minutes of SPA Board of Directors Meeting December 13, 2021

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

**MOTION: Janet Selby      SECOND: Rose Burcina      MOTION CARRIED UNANIMOUSLY**

**E. GENERAL ADMINISTRATION**

**E.1. SCHOOL SPONSORED HOUSING PROPERTY PROGRAM COVERAGE**

Dan Madej provided the Board with an update regarding the MOC coverage and how to address the issue of potential teacher housing projects as the MOC will be used to market the submission. Dan Howell noted that from a property standpoint we are recommending that the Board consider exclude coverage for habitational risk while in the course of construction but could be considered for coverage subject to underwriting referral at completion of construction. It was noted that either the contractor could purchase course of construction or the district can purchase course of construction coverage and then 90 days before the site went operational we would add to the SPA schedule (subject to underwriter approval). Jim Wilkey noted they are also exploring the Liability markets to determine the appetite for this type of habitational risk on school property. After a general discussion Program Administration was directed to develop revisions to the underwriting guidelines and MOC for review at the next meeting for habitational exposed projects and require referral for COC projects. It was noted we should consider a claim and or dispute process.

**E.2. ESTABLISHMENT OF LAIF ACCOUNT**

The Board was presented with a resolution and was asked to consider the establishment of a LAIF account for SPA funds.

*A motion was made to approve the establishment of a LAIF account.*

**MOTION: Cindy Wilkerson**

**SECOND: Rose Burcina**

**MOTION CARRIED  
UNANIMOUSLY**

After the motion it was noted that the Resolution should say Chair, Managing Member CFO and staff was directed to correct before signatures.

**E.3. ACTIVE SHOOTER COVERAGE/ALLIANT DEADLY WEAPONS RESPONSE PROGRAM**

Dennis Mulqueeny provided the Board with a review of the Active Shooter coverage and Alliant Deadly Weapons Response program to understand what the Board is seeking as related to this coverage. He reviewed the costs associated with the current coverage and what the potential cost may be if all members participated. He noted that while the programs are not comparable he did mention that the ADWRP provides a liability element of coverage and the counseling services are more robust as compared to the current program. After a discussion Program Administration was provided with direction to obtain a quote for ADWRP coverage effective July 1, 2022.

*A motion was made obtain a quote for ADWRP coverage effective July 1, 2022 to be presented at a future meeting.*

**MOTION: Cindy Wilkerson**

**SECOND: Rose Burcina**

**MOTION CARRIED  
UNANIMOUSLY**

#### **E.4. ADMINISTRATION EQUITY RECLASSIFICATION**

Marcus Beverly noted that the Board is asked to consider the reclassification of the \$75,000 in SIA Admin fee as noted in the agenda item (percentage based on TIV). Martin Brady noted that the practice that SIA has used in past years and the best strategy for use of the \$75,000 would be toward a loss control effort that the SPA group can benefit from.

*A motion was made to approve the reclassification of SPA funds as recommended with thanks to SIA.*

**MOTION: Janet Selby**

**SECOND: Rose Burcina**

**MOTION CARRIED  
UNANIMOUSLY**

#### **E.5. 2022 PROPERTY (AND APD) RENEWAL DISCUSSION**

Dan Madej noted that the pre-renewal review is in process and members were provided with an opportunity to provide feedback. Additionally members were asked to consider the desire of the Board to re-run the CoreLogic wildfire risk scores for 2022. After a discussion members generally agreed that updated reports. Program Administration was provided with direction to re-run the CoreLogic wildfire scores.

#### **E.6. LEARNING MANAGEMENT SYSTEM**

This item was referred to a working committee and has brought forward this matrix but they did not provide a full recommendation. It was noted that the committee will bring back a recommendation at a future meeting.

#### **E.7. SELF-INSURANCE OF CYBER EXPOSURE – PORTAL UPDATE**

Dan Howell noted that the portal is almost up and running and that each member of each pool would need to submit the information via the portal – any one that you want to be named as an additional insured will need to complete an application. Members were encouraged to reach out to Dennis Mulqueeny with any questions about the application process. The application will be the same as last year but will include some additional free-form responses. If members completed an application then you can pull forward last year's responses and update with current data if needed.

#### **E.8. SPA & BASIC ADMINISTRATION**

Christy Patterson wanted to introduce a discussion regarding Program Administration and if there was some way to consolidate administration as there is some duplication of efforts (Sedgwick and SIA) and wanted to know if there were any other members who had similar thoughts. After a general discussion it was noted that members wanted to keep SPA as a separate entity and consolidation of efforts may be possible in the future members generally agreed not at this time. It was noted that the economies of scale and knowledge sharing is also key to the success of SPA. Program Administration was asked to bring back at the next Long Range Planning meeting in August 2022.

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**E.9. PROPERTY VALUATION STRATEGY**

Marcus Beverly provided notice that APIP did provide their trend factors – which is different from the past where they have used Marshall & Swift factors. Dan Howell noted that we are attempting to secure a lower trend factor for SPA than what APIP is using at this time due to the fact that SPA is in the process of completing an appraisal on all members by the end of 2022 (and SIA and BSSP have completed recent appraisals). More information will be shared at the next Board meeting.

**F. INFORMATION ITEMS AND DISCUSSION**

Jim Wilkey provided the Board with an update regarding the Liability Program (BASIC & SIA) and they provided a reminder to submit items needed for the renewal of the SPA Liability program.

**G. ADJOURNMENT**

*A motion to adjourn was made at 11:48 A.M.*

**MOTION: Cindy Wilkerson**

**SECOND: Janet Selby**

**MOTION CARRIED  
UNANIMOUSLY**

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

**NEXT MEETING DATE: Monday February 14, 2022 10:00 A.M.**

Respectfully Submitted,

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

\_\_\_\_\_  
Date

Item No: E.1.

**SCHOOL SPONSORED HOUSING PROPERTY PROGRAM COVERAGE****ACTION ITEM**

**ISSUE:** The SPA Property Memorandum of Coverage (MOC) is silent regarding coverage for potential teacher housing projects (which are habitational risks, in general). While members continue to evaluate options for this coverage, the question raised is whether the MOC should be amended to exclude or limit coverage. The consensus so far is the Course of Construction risk is not desirable while the finished structure may be acceptable depending on the design and construction.

The direction given at the last Board meeting was to provide sample language in both the MOC and the Underwriting Guidelines regarding this exposure. Attached please find sample language in the MOC regarding habitational risks for both Course of Construction and newly acquired property. The Underwriting Guidelines have also been updated to include the following language:

It is understood, however, that the above provision does not apply to any new habitational risk, including teacher housing. All habitational risks must be submitted for review and approval, regardless of the size thresholds as shown in the Course of Construction or Automatic Acquisition sections of the Memorandum of Coverage (i.e., no automatic coverage applies to new habitational risks, regardless of size).

**RECOMMENDATION:** Review exposure and take action or provide direction. Options:

- Revise Property MOC to exclude or limit coverage
- Revise underwriting guidelines to restrict or limit exposure
- Maintain current Property MOC and continue to review other options for coverage

**FISCAL IMPACT:** Unknown

**BACKGROUND:** California Housing costs have outpaced teacher salaries. In order to recruit and retain teachers, School Districts and Offices of Education are increasingly building or researching entity-owned housing. RESIG member, Sonoma County Office of Education, has a teacher housing project under consideration. Evaluation of coverage for school sponsored housing is LRP-11 on the list of SPA's Long-Range Action Plan.

Coverage under the JPA's current insurance structure may not be available. The JPA's self-insured layer may also not want to take on a new risk where not all members have the exposure. RESIG



has worked with Matt Gowan to explore alternative ways to cover the teacher housing risk and will likely have other options to consider. This issue is not going away so at some point SPA members will need to take a definitive stand on covering the exposure.

**ATTACHMENTS:**

1. Draft MOC with changes
2. Draft Underwriting Guidelines, with changes

**Schools Program Alliance**  
A California Joint Powers Authority

**Memorandum of Coverage (MOC)**  
July 1, 2021 to July 1, 2022

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.

\$100,000,000	Limit of Liability
\$50,000,000	Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees)
\$500,000	Contingent Business Interruption
\$30,000,000	Extra Expense
No coverage provided	Per occurrence, as respects Vehicle Damage
\$5,000,000	Per occurrence, as respects Mobile Equipment
\$10,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood, inclusive of
\$5,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood in FEMA designated Special Flood Hazard Areas Zones A or V (SFHA) to be determined at the time of loss
No Coverage provided	Per occurrence, and in the annual aggregate as respects the peril of earthquake shock
Included	Per occurrence, as respects the peril of earthquake sprinkler leakage
\$25,000,000	Debris Removal
\$2,500,000	Decontamination Costs
\$25,000,000	Miscellaneous Unscheduled Property
Included	Automatic Acquisition, <u>not including habitational risks</u> , -subject to the values of such additional property and/or interests not exceeding \$25,000,000
\$2,500,000	Outdoor Property, except \$50,000 max per item for Trees, Shrubs, Plants
Included	Electronic Data Processing Equipment and Hardware (refer to LMA5400)
\$10,000,000	Electronic Data Processing Data and Media – Physical Damage Only (refer to LMA5400)

No Coverage Provided	Cyber Act (refer to LMA5400)
\$25,000,000	Errors & Omissions
Included	Course of Construction, <u>not including habitational risks</u> , projects which exceed \$25,000,000 are subject to underwriting approval, prior to binding.
<u>No Coverage Provided</u>	<u>New habitational risks, including teacher housing (must be submitted for review and approval)</u>
\$500,000	Builders Risk Property at Temporary Storage Location
\$500,000	Builders Risk, Property in Transit
\$1,000,000	Contractor's Equipment
\$5,000,000	Soft Costs
\$2,500,000	Scheduled and Unscheduled Fine Arts (as more fully defined herein)
\$1,000,000	Accidental Contamination
\$1,000,000	Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a member(s) / entity(ies) schedule of values held on file with this company, excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters
Included	Demolition and Increased Cost of Construction due to the enforcement of building codes / ordinance or law
\$10,000,000	Transit including Free Onboard Shipments
\$2,500,000	Fire Fighting Expenses
\$25,000,000	Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s)
\$1,000,000	Claim Preparation Expenses
Included	Expediting Expense
\$1,000,000	Personal Property of Students and Teachers, except \$10,000 any one item
\$10,000,000	Accounts Receivable
\$10,000,000	Valuable Papers and Records
\$500,000	Leasehold Interest;

## SECTION II - PROPERTY DAMAGE

### A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this MOC insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Named Insured, or property of others in the care, custody or control of the Named Insured, for which the Named Insured is liable, or under the obligation to insure.

### B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the MOC except insofar as they are explicitly providing additional coverage.

#### 1. PERSONAL EFFECTS

This MOC is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Named Insured named in this MOC for which the Named Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Named Insured.

#### 2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this MOC will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

Additional Expenses - Soft Costs: This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Named Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this MOC. The Company will pay covered expenses when they are incurred.

- a. Additional Interest Coverage – The Company will pay the additional interest on money the Named Insured borrows to finance construction or repair.
- b. Rent or Rental Value Coverage – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Named Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Named Insured incurs as a result of a delay in the completion of the project.

[However, all new habitational risks, including teacher housing, must be submitted for review and approval by the Company, regardless of value size \(i.e., automatic coverage does not apply\).](#)

### **3. FIRE FIGHTING EXPENSES**

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this MOC.

### **4. OFF PREMISES SERVICES INTERRUPTION**

It is understood and agreed that coverage under this MOC is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the MOC period of any suppliers furnishing heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) of this form.

### **5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES**

This MOC also insures as a direct result of physical loss or damage insured hereunder, any of the following:

- a. Architects and engineers fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

### **6. EXPEDITING EXPENSES**

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this MOC includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Named Insured, including overtime and the extra costs of express or other rapid means of transportation. This coverage provided by this clause is sub-limited to USD as per the Declaration Page.

## **7. DEBRIS REMOVAL**

This MOC also covers expenses incurred in the removal of debris of the property covered hereunder from the premises of the Named Insured that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

## **8. BUILDING LAWS**

This MOC is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the MOC period and occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).

The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this MOC damaged by a covered peril.

The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this MOC.

## **9. DEMOLITION COST**

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

## **10. INCREASED COST OF CONSTRUCTION**

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

## **11. DECONTAMINATION COSTS**

Notwithstanding the provisions of any exclusion contained herein or any provision respecting pollution and/or contamination, if property insured is contaminated as a result of direct physical

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

## **12. ERRORS & OMISSIONS**

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

## **13. VALUABLE PAPERS**

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

## **14. TRANSIT**

This MOC is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this MOC to the property insured occurring during the period of this MOC. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.

## **15. VEHICLES WHILE ON INSURED PREMISES**

This MOC is extended to cover vehicles while on premises of the Insured against physical loss or damage by a peril insured against during the term of this MOC.

## **16. ASBESTOS CLEAN UP AND REMOVAL**

This MOC specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this MOC, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this MOC.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Named Insured's property must be removed or modified, or;

- a) any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;
- b) any loss or expense normally provided by demolition, increased cost or building ordinance.



The Named Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this MOC does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this MOC.

#### **17. PROTECTION AND PRESERVATION OF PROPERTY**

In the event of loss likely to be covered by this MOC, the Named Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Company.

In case of actual or imminent physical loss or damage of the type insured against by this MOC, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property Named Insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the MOC and be subject to the applicable deductible and without increase in the limit provisions contained in this MOC.

Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.

#### **18. LEASEHOLD INTEREST**

In the event of physical loss or damage of the type insured against by this MOC to real property of the type insured this MOC, which is leased by the Named Insured, this MOC is extended to cover:

- (1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the actual rent payable for the unexpired term of the lease; or
- (2) If as a result of such loss or damage the property becomes partially un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the proportion of the rent applicable thereto; or
- (3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Named Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Named Insured's lease.

(2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

#### **19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS**

This MOC is automatically extended to insure additional property and/or interests as described in the MOC, which may be acquired or otherwise become at the risk of the Named Insured, during the Policy term, within the United States of America, subject to the values of such additional property and/or interests not exceeding \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one acquisition excluding licensed vehicles, for which a limit of \$10,000,000 applies or the member's Policy Limit of Liability of less than \$10,000,000.

In the event of coverage being required for additional property and/or interest where the value exceeds \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one acquisition, details of said property and/or interest are to be provided to the Company for its agreement not later than (120) days from the date of the said additional property and/or interest having become at the risk of the Named Insured, this MOC providing coverage automatically for such period of time up to a maximum limit of \$100,000,000 or the member's Policy Limit of Liability if less than \$100,000,000. The Company retains the right to determine the acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition.

In the event that the Named Insured fails to comply with the above reporting provision, then coverage hereunder is sublimited to \$25,000,000 or the member's Policy Limit of Liability if less than \$25,000,000 any one occurrence.

Additional, or return premium due for endorsements issued during the policy term, such as those for additions or deletions of values within or greater than that which is provided in any "Automatic Acquisition sublimit" will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

The addition of new members must be reported at the time of binding. [Furthermore, all new habitational risks, including teacher housing, must be submitted for review and approval by the Company, regardless of value size \(i.e., automatic coverage does not apply\).](#)

#### **20. MISCELLANEOUS UNNAMED LOCATIONS**

Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain coverage) located within the territorial limitations set by this MOC. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this MOC form. This coverage extension does not apply to the peril of Earthquake in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

#### **21. ACCIDENTAL CONTAMINATION**

- (d) The **Insured** will take all reasonable steps to mitigate its losses, such as by using alternative premises if possible and/or resuming normal business operations as soon as possible.

### 3.9 Declared Values – Additions, Deletions and Changes

- a. The following are applicable in the context of a claim under this **MOC**.

3.9.1 If the Declared Value for **Damage to Property Insured** stated in the Schedule is less than the actual cost of reinstating the **Property Insured** (including expert fees as covered by clause 3.12 below), the amount payable in respect of **Damage to Property Insured** will be proportionately reduced.

3.9.2 If the Declared Value for **Business Interruption Loss** stated in the Schedule is less than the sum produced by applying the rate of **Gross Earnings** earned during the financial year immediately before (or its proportionately reduced where the **Period of Restoration** is less than twelve (12) months), the amount payable in respect of **Business Interruption Loss** will be proportionately reduced.

- b. The following is applicable throughout the **Coverage Period**.

3.9.3 Automatic coverage shall also apply, for no additional/return premium, to any:

- (a) increases or reductions to insured values at following a revaluation of **Property Insured** at the **Premises** and/or due to any construction and/or renovation work at the **Premises**;
- (b) additional property and/or interests of the type already insured by this **MOC** which may be acquired or otherwise become at the risk of the **Insured** during the **Coverage Period**;

- (c) unintentional error in the valuation of **Property Insured**;

provided always that:

1. the total of any increase in insured values during the **Coverage Period** in respect of (a), (b) and (c) above does not exceed fifteen per cent (15%) of the total declared values at inception; and
2. additional property and/or interests stated in (b) above shall not include any property located within a **Referral Area** or within countries not already covered on the schedule of locations declared at inception; and
3. any increase in value and/or unintentional error in valuation of **Property Insured** at any individual location within a **Referral Area** does not exceed fifteen per cent (15%) of that individual declared location value; and
4. any unintentional error in the valuation of the **Property Insured** must be reported by the **Insured** to the **Company's** as soon as possible on discovery and corrected.

### 3.10 Dispute Resolution and Governing Law

Any dispute, controversy or claim arising out of or relating to this **MOC**, including the formation, interpretation, breach or termination thereof, including whether the claims asserted are arbitrable, will be referred to and finally determined by arbitration in accordance with the JAMS International Arbitration Rules.

The tribunal will consist of a sole arbitrator. The place of the arbitration will be New York. The language to be used in the arbitral proceedings will be English. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

The proper law of this contract, and of the arbitration agreement, shall be the law of the country or state specified in the Schedule.

### 3.11 Due Diligence

The **Insured** (and all of the **Insured's** agents, sub- or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the **Property Insured**, to avoid or diminish any loss, damage cost or expense of any nature herein insured and to secure compensation for any such loss, damage, cost or expense including taking or preserving action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

**Policy & Procedure No. P&P 1-Property****ADOPTED:** January 11, 2021**AMMENDED:** November 8, 2021**EFFECTIVE:** November 8, 2021**SUBJECT:** Property Program Underwriting Procedures

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

**PURPOSE:**

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

**POLICY:**

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

- Rate Stability over time so that **Members** can plan for SPA **Property Program** costs;
- Loss Accountability so that **Members** are incentivized to prevent and reduce losses;
- Relationship of loss exposure, including professional appraisals of insurance to value within every five program years, so that rates reflect each **Member's** relative exposure to loss; and,
- Growth in membership managed so that addition of new locations or members to existing **Members** and addition of prospective new **Members** supports the overall goals of SPA and mitigates potential negative impacts to SPA **Members**.

**PROCEDURE:**

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

1. Underwriting guidelines /funding requirements/rating plan

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

- The **Program Administrator** shall gather and analyze information on **Member**

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

exposure including but not limited to the schedule of values, loss history, loss control reports, and exposure modelling.

- The **Program Administrator** shall project funding requirements for retained layers and reinsurance costs. An actuary may be engaged to assist as needed.
2. The **Program Administrator** shall present to the **Board** for each year's renewal a rating plan cost allocation and review the methodology for calculating member contributions and reinsurance premiums. New locations, new members of existing **Members** and prospective new **Members**

Existing **Members** may add additional locations or members to their membership and receive coverage under the SPA **Property Program** as provided in the automatic acquisition and reporting requirements of the **Property Program** Memorandum of Coverage. If the additional locations or members exceed the automatic acquisition coverage or trigger reporting requirements of the Memorandum of Coverage, then the **Member** shall in advance of receiving coverage under the SPA **Property Program** provide underwriting information and any report or findings of the **Member's** own underwriting review. The **Program Administrator** shall then prepare a report for the **Board** summarizing the new locations or members and the impact on the **Property Program** considering the policy and procedures of this Policy and Procedure No. 1-Property. The **Board** may then take action to approve or deny coverage under the **Property Program** and may direct the **Program Administrator** to secure approval of the **Property Program's** insurance and reinsurance underwriters. The **Program Administrator** will advise the **Member** and the **Board** the effective date of coverage if it is approved. **It is understood, however, that the above provision does not apply to any new habitational risk, including teacher housing. All habitational risks must be submitted for review and approval, regardless of the size thresholds as shown in the Course of Construction or Automatic Acquisition sections of the Memorandum of Coverage (i.e., no automatic coverage applies to new habitational risks, regardless of size).**

A prospective new **Member** of SPA eligible under the joint powers agreement shall engage with the **Program Administrator** in an evaluation of potential participation in the **Property Program**. The **Program Administrator** shall conduct an initial underwriting review considering the policy and procedures of this Policy and Procedure P&P No. 1-Property and may confer with insurance and reinsurance underwriters for additional evaluation. The **Program Administrator** shall prepare a report to the **Board** summarizing the prospective new **Member's** application. **Board** considerations may include but are not limited to additional considerations such as:

- Prospective member's risk profile relative to existing **Members'** risk profile;
- Impact of the prospective new **Member** on availability of coverage and aggregate limits; and,
- SPA's ability to serve effectively the prospective member.

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

3. Periodic review

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

**DEFINITIONS:**

“**Board**” means the Board of Directors of the SPA Joint Powers Authority.

“**Member**” means the signatories to the SPA Joint Powers Authority.

“**Program Administrator**” means the person or organization designated by the **Board** to administer the SPA Property Program.

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

Item No: E.2.

**FINANCIAL AS OF DECEMBER 31, 2021****INFORMATION ITEM**

**ISSUE:** SPA financial statements for the quarter ending December 31, 2021, are presented for approval.

**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 (self-insured), excess insurance purchases and certain administrative expenses (loss control, appraisals, and administrative costs), and 2) a Liability Program of excess insurance purchases, for the benefit of the member districts/JPAs. The JPA Board approves insurance purchases and sets policy direction for administrative expenses which are purchased in support of the members.

The Schools Insurance Authority functions as the Managing Member per the JPA agreement. The Managing Member receives and disburses funds, enters into contracts, and otherwise manage the financial operations of SPA. Quarterly GAAP financial reports are prepared to report these activities.

SPA Financials reflect a net position of \$2,043,081 as of December 31, 2021. Highlights of the financials include:

- Per the October 2021 meeting, the shared risk retained layer is reported separately in a "Property Pool" column of the financials.
- The statements reflect the accrual of a claim liability (and expense) for a member fire of \$2.25M.
- The statements reflect SIA payment of the full share of retained layer contributions for the current year as a deferred revenue.

Financial considerations for the future include:

- The recently approved reclassification of 2020-21 SIA admin fees to Loss Control accounts will be updated for the March financials.
- For the current and prior fiscal years, we are working with Gilbert CPAs regarding the appropriate treatment of SPA members' reinsurance billings. This will be updated in the March financials and 6/30/21 financials as appropriate.
- We have scheduled the 6/30/2021 financial audit with Gilbert CPAs for the week of 4/18/2021.

**ATTACHMENTS:** SPA Program Financials as of 12/31/21

**SCHOOLS PROGRAM ALLIANCE  
PROPERTY INSURANCE PROGRAM  
STATEMENT OF FINANCIAL POSITION  
Unaudited - For Management Purposes Only  
AS OF DECEMBER 31,2021**

DRAFT

	0.2%	1.3%	0.8%	21.5%	2.2%		
	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Total
<b>ASSETS</b>							
Cash	\$ 13,105.31	\$ 74,517.38	\$ 44,107.26	\$ 1,241,710.69	\$ 125,125.85	\$ 4,279,300	\$ 5,777,866
Accounts Receivable	-	-	62,532	-	-	220,700	283,232
<b>TOTAL ASSETS</b>	<b>13,105</b>	<b>74,517</b>	<b>106,639</b>	<b>1,241,711</b>	<b>125,126</b>	<b>4,500,000</b>	<b>6,061,098</b>
<b>LIABILITIES</b>							
SIA Admin payable	-	-	-	-	-	-	-
Loss Control payable	-	-	-	-	-	-	-
Appraisal payable	-	-	-	-	-	-	-
Deferred Contributions	6,169	23,830	31,266	919,632	37,121	750,000	1,768,017
Claims Liabilities	-	-	-	-	-	2,250,000	2,250,000
<b>TOTAL LIABILITIES</b>	<b>6,169</b>	<b>23,830</b>	<b>31,266</b>	<b>919,632</b>	<b>37,121</b>	<b>3,000,000</b>	<b>4,018,017</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,937</b>	<b>\$ 50,688</b>	<b>\$ 75,373</b>	<b>\$ 322,079</b>	<b>\$ 88,005</b>	<b>\$ 1,500,000</b>	<b>\$ 2,043,081</b>

**Reconciliation of Equity Balances**

Retained Layer	-	-	-	-	-	1,500,000	1,500,000
SIA Admin	2,281	7,967	10,681	41,726	12,347	-	75,000
Loss Control	(2,030)	18,156.51	32,119	157,351	37,486	-	243,081
Appraisals	6,739	24,343.41	32,397	123,727	37,795	-	225,000
<b>Total Net Position</b>	<b>\$ 6,989</b>	<b>\$ 50,466</b>	<b>\$ 75,196</b>	<b>\$ 322,803</b>	<b>\$ 87,627</b>	<b>\$ 1,500,000</b>	<b>\$ 2,043,081</b>



**SCHOOLS PROGRAM ALLIANCE  
PROPERTY INSURANCE PROGRAM  
STATEMENT OF COMPREHENSIVE INCOME  
Unaudited - For Management Purposes Only  
DECEMBER 31,2021**

**DRAFT**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Total
<b>CONTRIBUTIONS</b>							
SPA Retained Layer Deposit	-	-	-	-	-	\$ 750,000	\$ 750,000
Additional Retained Layer Deposit							-
<b>TOTAL RETAINED LAYER</b>	-	-	-	-	-	750,000	750,000
SPA Admin Contributions*							
SIA Admin	1,089	4,205	5,518	20,138	6,551		37,500
Loss Control	2,903	11,214	14,713	53,701	17,469		100,000
Appraisal	2,177	8,410	11,035	40,276	13,102		75,000
<b>TOTAL ADMIN CONTRIBUTIONS</b>	6,169	23,830	31,266	114,115	37,121		212,500
<b>TOTAL CONTRIBUTIONS</b>	6,169	23,830	31,266	114,115	37,121	750,000	962,500
<b>EXPENSES</b>							
Claims Expenses						2,250,000	2,250,000
SIA Admin	1,140	3,983	5,340	20,863	6,173		37,500
Loss Control	9,500	9,500	5,900	-	-		24,900
Appraisals	-	-	-	-	-		-
<b>TOTAL EXPENSES</b>	10,640	13,483	11,240	20,863	6,173	2,250,000	2,312,400
<b>NET POSITION, BEGINNING OF YEAR:</b>							
Retained earnings	11,409	40,342	55,348	228,826	57,057	3,000,000	3,392,981
<b>Balance as of 12/31/21</b>	\$ 6,937	\$ 50,688	\$ 75,373	\$ 322,079	\$ 88,005	\$ 1,500,000	\$ 2,043,081

* SPA Admin Cost Allocation	
SIA Admin Charge	\$ 75,000
Loss Control	\$ 200,000
Appraisal	\$ 150,000
<b>Total</b>	<b>\$ 425,000</b>

**SCHOOLS PROGRAM ALLIANCE  
CHECK REGISTER**

DISBURSEMENT TRANSACTIONS THROUGH DECEMBER 31, 2021

Check Number	Vendor ID	Vendor Check Name	Check Date	Amount	Inv. #	Date	Description
<b>FY 2020-2021</b>							
100760	ALLIANT	ALLIANT INSURANCE SERVICES	6/15/2021	7,500.00			
100615	DRIVER	Alliant Insurance Services, Inc.	4/21/2021	2,868.75			
100816	XMR FIRE EMERGE	XMR FIRE CONSULTING	6/23/2021	7,500.00			
100873	INDUSTRIAL EMER	INDUSTRIAL EMERGENCY COUNCIL	7/9/2021	1,200.00			
101001	PARAGON RISK	PARAGON RISK ENGINEERING	8/20/2021	12,950.00			
				<u>32,018.75</u>			
<b>FY 2021-2022</b>							
101358	INDUSTRIAL EMER	INDUSTRIAL EMERGENCY COUNCIL	12/3/2021	2,300.00	INV-00411	9/8/2021	SIG Loss Control
101358	INDUSTRIAL EMER	INDUSTRIAL EMERGENCY COUNCIL	12/3/2021	3,600.00	INV-00419	10/31/2021	SIG Loss Control
101357	XMR FIRE EMERGE	XMR FIRE CONSULTING (Todd Lando)	12/3/2021	9,500.00	2019-070	11/19/2021	North Bay Loss Control
101357	XMR FIRE EMERGE	XMR FIRE CONSULTING (Todd Lando)	12/3/2021	9,500.00	2019-071	11/19/2021	BSSP Loss Control
				<u>24,900.00</u>			

Item No: E.3.

**2022 PROPERTY (AND APD) RENEWAL DISCUSSION****INFORMATION ITEM**

**ISSUE:** We will discuss the status of the data request that was released for the 2022 property/APD renewal process.

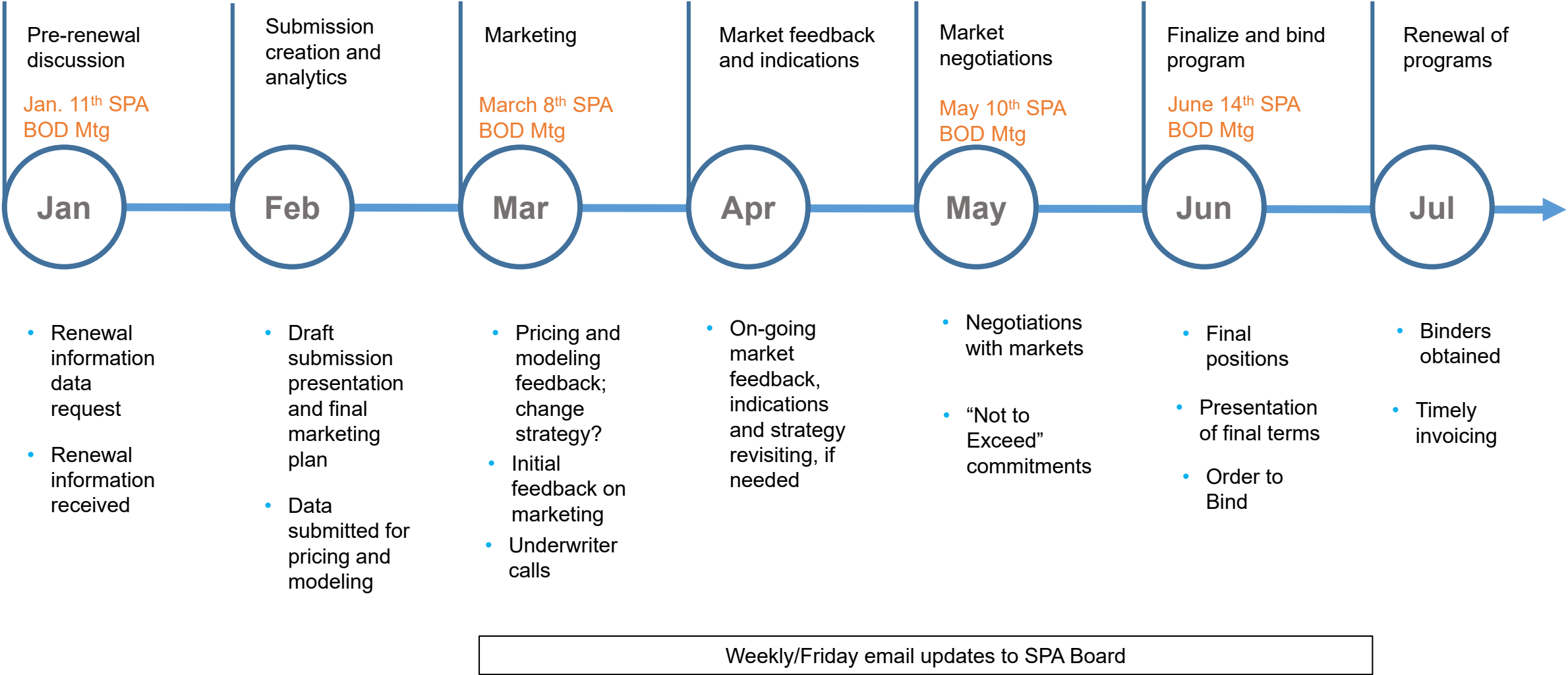
**RECOMMENDATION:** No action on the data request discussion.

**FISCAL IMPACT:** No impact on the data request discussion.

**BACKGROUND:** Now that this has been released to members for the 2022 renewal, we would like to continue with ongoing dialogue regarding the collection and evaluation of the renewal data. Timely collection of the data will assist in a timely review, evaluation, reconciliation and release of the data to the markets to begin the marketing process, as well as the additional analytics work (modeling, etc.).

**ATTACHMENTS:** 2022 Timeline

# WORKING SPA Renewal Timeline and Milestones



Item No: E.4.

**LIABILITY UPDATE****INFORMATION ITEM**

**ISSUE:** Jim Wilkey from New Front Insurance will provide an update on the liability program as respects SPA members.

**RECOMMENDATION:** None – information only.

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

**BACKGROUND:** The SPA liability program consists of the three members of BASIC, Butte, North Bay and RESIG, and SIA. The coverage is placed through New Front Insurance, also the broker for SIG.

**ATTACHMENTS:** 2022 Timeline

Newfront (formerly ABD Insurance)  
 1435 N. McDowell Blvd., #320  
 Petaluma, CA 94954  
 Main Phone: (650) 488-8565

**TO:** SPA Board of Directors  
**FROM:** Jim Wilkey & Eileen Massa – Newfront  
**RE:** Excess Liability Program Renewal Timeline  
**DATE:** November 2, 2021

Proposed Renewal Timeline for 7/1/2022-2023	Request Date	Due Date
<b>Newfront Request to SIA and BASIC for:</b>		
• Liability Renewal Underwriting Information	11/12/2021	12/10/2021
• Consolidated Loss Runs valued October 31, 2021	11/12/2021	12/10/2021
• Most Recent Actuarial Reports from SIA & BASIC	11/12/2021	01/07/2022
• Audited Financial Reports as of June 30, 2020	11/12/2021	01/07/2022
• MOLC Updates	11/12/2021	01/07/2022
• Updated Certificate of Insurance Schedules	04/08/2022	05/20/2022

<b>Newfront Request to BASIC JPA Members for:</b>		
• MOLC Updates	12/03/2021	01/07/2022
• Most Recent Actuarial Reports	12/03/2021	01/07/2022
• Audited Financial Report as of June 30, 2020	12/03/2021	01/07/2022

Newfront Underwriting Submissions to Market	01/14/2022
Renewal Options for Primary \$5M Layers Presented to SIA and BASIC	04/08/2022
Renewal Options for SPA Excess Liability Program	05/13/2022
Renewal Binders, Invoices, and Certificates Issued By ABD	06/10/2022

Item No: E.5.

**SELF INSURANCE OF CYBER EXPOSURE – PORTAL UPDATE****INFORMATION ITEM**

**ISSUE:** At the last Board Meeting, Alliant staff was directed to work with each SPA member to collect necessary application information to build a SPA option for Cyber cover. Since then, this work has been accomplished and each SPA member and their constituent members now have an identity in the Portal, and where applications were completed last year, these have been uploaded such that they can be utilized as a basis for competing applications for the 2022-23 period.

The project has been delayed somewhat by the complexity of the process, and necessary IT issues that needed to be resolved before activating users. However, as of this writing, all technical issues have been resolved, and a webinar to explain how to utilize the Portal is scheduled for Tuesday February 15<sup>th</sup> for all SPA members. We remain optimistic that most members will be able to complete applications by March 15<sup>th</sup>.

**RECOMMENDATION:** None at this time.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** Regardless of how to best structure a new cyber offering to SPA members, critical is the collection of underwriting data as this will be key to obtaining market support. Alliant has developed the *Cyber PE Application Portal* to ease in the collection and management of the many cyber applications that insureds are now being asked to complete. The rollout to clients is on a timeframe tied to the 2022 renewal process and we are now at that juncture in time where it is appropriate to begin seeking completion of applications. With the portal, insureds will be able to complete a standard cyber liability application electronically, which will be useful in marketing cyber liability cover. SIA is already engaged in this process, and it is likely that if PRISM will also soon ask its members to attempt to complete applications.

**For JPA's**, the portal has been constructed to allow *each insured* of a JPA to have its own unique identity and therefore unique application to complete, as carriers require applications at the “system” or insured level to properly underwrite.

For clients who **do not wish** to use the portal to complete an application, while this is not ideal as it precludes the ability to easily aggregate data, a soft copy of the application can be downloaded from the portal to be used instead. In the attachment section of this item is a *sample* announcement e-mail, the gist of which contains an explanation of the need and process for creating a client identity in the Portal.

**ATTACHMENTS:** None

Item No: E.6.

## **PROPERTY VALUATION STRATEGY**

### **ACTION ITEM**

**ISSUE:** The Program Administrators continue to monitor the property value trend factors used by underwriters to keep pace with inflation. The industry is seeing ranges of 5% up to 19%.

The question is still before SPA Board regarding the best approach to trending for the upcoming renewal given what is occurring in the marketplace and SPA's current appraisal penetration/completion. Alliant/AmWins has consulted with markets and our London representative, to give the SPA Board better perspective and have concluded the following could be acceptable to our partners for 2022:

1. Use Butte's appraisals with average increases of @ +16%.
2. Use **3.5%** for Real Property and **2%** for Personal Property for all other members.
3. For the remaining members to be appraised by calendar year end 2022, those values will be presented to market for the July 1, 2023, renewal. In other words, those appraisals do not need to be reported mid-term, assuming 1&2 are acceptable to the participating markets for renewal values.

The consensus is that carriers are expecting to see values be bumped by **3-7.5%**, so we think that the above falls into the low end of that scale.

**RECOMMENDATION:** The Board to review and confirm the valuation/trending strategy and approach for 2022. Upon confirmation, Alliant will move forward with trending the SPA combined statement of values for the 2022 renewal submission.

**FISCAL IMPACT:** Trending the values of insured property will increase the premium, all other things being equal (i.e., rates). Interplay with the reinsurance rate, however, will further modify the ultimate fiscal impact, which will not be known until later in the renewal process, when we receive "not to exceed" positions and/or indications/quotes.

**BACKGROUND:** Trending of values has become a hot topic for this renewal cycle. Members have requested an overview of the trend factors used to update the property values and an update on how those factors may impact the FY 22/23 property renewal.

Historically, trending of values from year to year closely follows the trending factors supplied by Marshall and Swift (M&S), as they are the leading provider of trend factors. Leading into 2022,



Item No: E.6., *continued*

M&S have recommended a year over year 19% real property increase as of 2021 Q4. Other providers have published differing trend factors. Duff and Phelps uses the M&S factors and trends the values at the end of the calendar year based on 4<sup>th</sup> quarter factors, as does the Alliant property program, APIP. With such high trending recommendations programs like SPA are having discussions with their broker and carrier (reinsurance) partners regarding a more palatable trend for 2022.

**ATTACHMENTS:**

1. CIBZ Cost Trend Update – January 2022
2. FM Global Industrial Cost Trends 2022



# Cost Trend Update

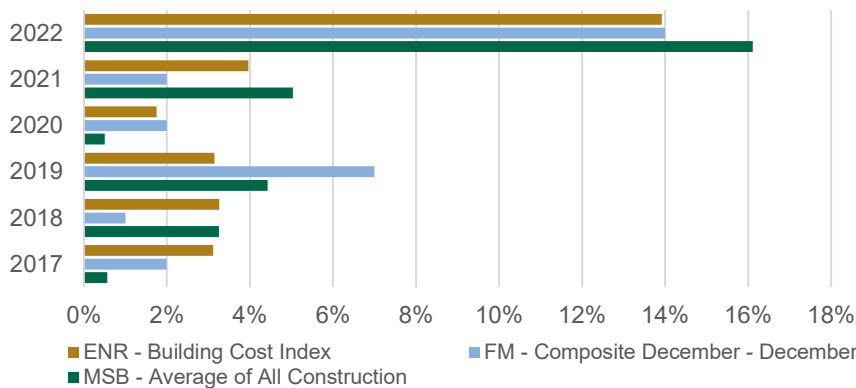
## January 2022

### CONSTRUCTION COST TRENDS

While construction costs remain high, recent data is revealing that prices for materials have started to flatten for the first time since September 2020. The data shows costs did not increase in November last year and the price of steel and timber, two of the materials to see the largest increases in 2021, decreased. The price of imported wood decreased by 7.6%; however, imported wood still remains 52.4% more expensive than it was a year ago. The price of steel, on the other hand, decreased by 0.3% month over month and currently remains 66% more expensive than it was in November 2020.

Observations made by building materials' suppliers reveal manufacturers are continuing to hike prices due to 'unprecedented global demand', increased transportation costs, and increased costs of operational procedures.

#### Construction Cost Trends January Yearly



#### 2022 Construction Cost Trends

**13.9%** ENR: Building Cost Index

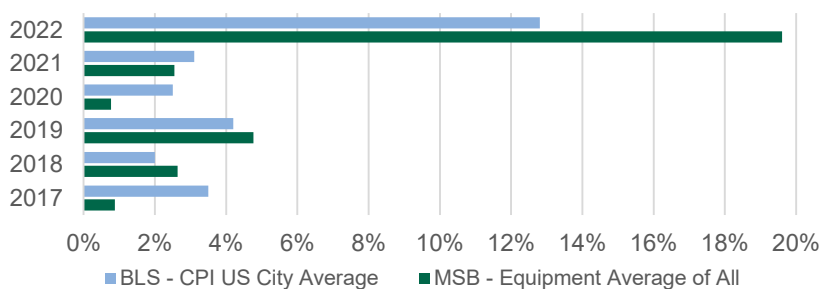
**14.0%** FM: Composite December - December

**16.1%** MSB: Average of all Construction

### EQUIPMENT COST TRENDS

Equipment pricing increases have hit one of the largest increases in decades, equipment cost trends have experienced an average rise of 18% over the last 12 months.

#### Equipment Cost Trends January Yearly



#### 2022 Equipment Cost Trends

**12.8%** BLS: CPI US City Average

**19.6%** MSB: Equipment Average of All



[www.cbiz.com/valuation](http://www.cbiz.com/valuation)

Sources  
 Marshall & Swift/CoreLogic- Quarterly Cost Indexes  
 FM Global - Cost Trends - Industrial Buildings  
 US Bureau of Labor Statistics - Consumer Price Index  
 Engineering News-Record  
 Risk Management Solutions

USA and CANADA (excl. PUERTO RICO) COST TRENDS

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**Buildings**

The FM Global Building Cost Index is based on published labor rates for the primary building trades and published material costs found in six typical industrial and commercial buildings of the type, size and complexity that are typically insured by FM Global. The changes in these costs are considered for 164 locations in the United States and 47 locations in Canada.

FM Global industrial building costs indices are designed to reflect the impact of changes made in union wage rates and published material prices on final construction costs, not selling prices, in the nonresidential construction field.

The average cost of completed building prices in the Continental U.S. indicates a 18.4% increase since January 2021.

**Machinery and Equipment**

The FM Global machinery and equipment indexes are based on a representative schedule of machinery and equipment items in a typical plant of the types shown and are compiled from information furnished by more than 250 machinery builders. The base of 100 is January 1980, and the increases represent inflationary trends in equipment costs. Costs for a plant may vary somewhat from these trends because of the mix of machinery contained at that specific location.

The Composite index for prices of industrial equipment indicates a 6.7% increase for the one-year period ending January 2022.

**Index Use**

Each US or Canadian cost trend table contains three data columns,

1. The calculated FM Global index number.
2. The effective month and year of the index.
3. A numeric multiplier indicating the percent change of all previous index numbers to the latest index number.

The multiplier is the numeric factor that must be multiplied by an earlier building or equipment cost to adjust that earlier cost to the most recent date shown in the table.

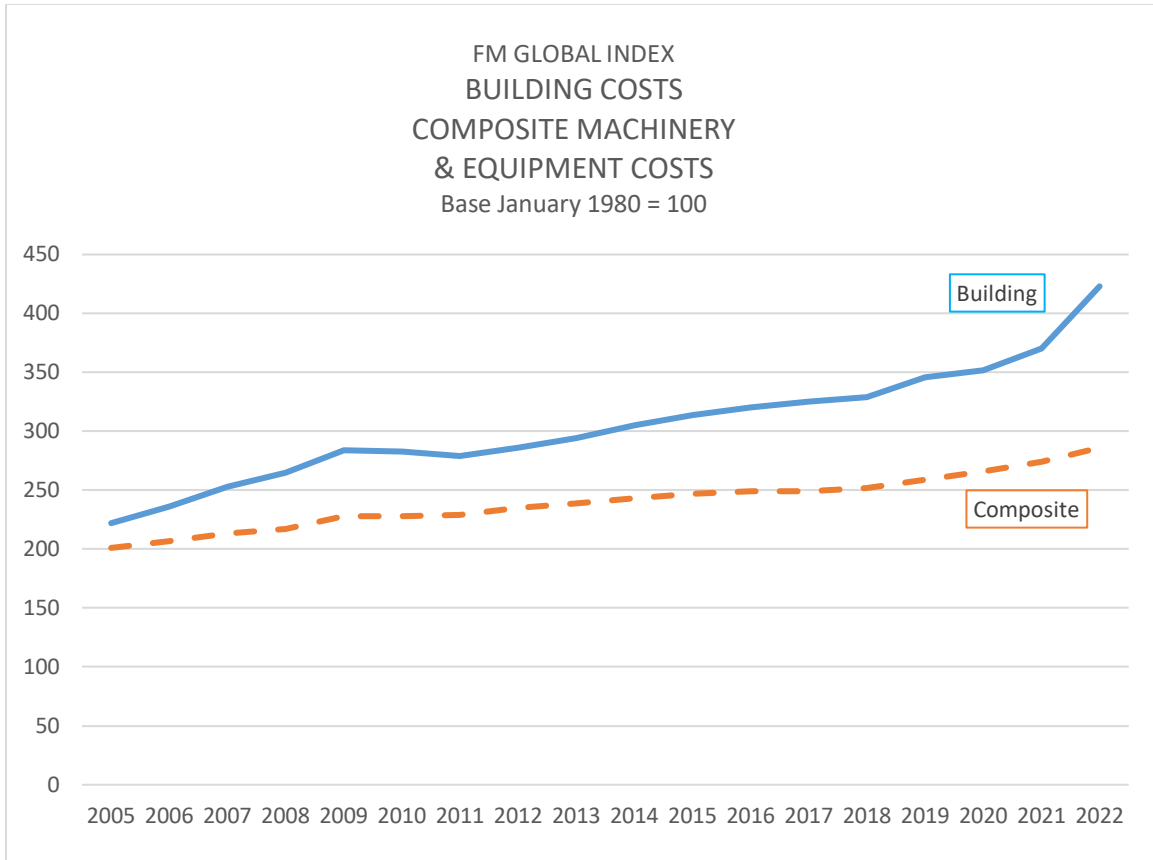
To adjust costs from an earlier date to a date other than the most recent date a different multiplier must be calculated. To do so divide the index number of the later date by the index number of the earlier date. Then multiply the result by the earlier building or equipment cost.

For Example: Estimate the cost of a building in Denver (Rocky Mountain geographic area) in January 2008 that was built in January 2004 for \$1,000,000:

Original 2004 cost in US\$ x (January 08 index / January 2004 index) = January 2008 cost in US\$.  
 $\$1,000,000 \times 1.29 (252 / 195) = \$1,290,000$   
 An increase of 29%

**Table Clarification:**

The Special Engineered Equipment Index (Table 12) is made up of four components that go into the weighted average calculations for each update. These include Finished Steel Products (steel pipe, steel tubing, structural shapes) comprising 33% of the weighted average, Special Machinery (chemical equipment, plastic mfg. equipment, semi-conductor mfg. equipment) comprising 17.5%, Mining Machinery comprising 17.5% and Labor comprising 33%. This index table should be used for those occupancies that comprise a large amount of their equipment values in these components, such as mines, chemical plants, steel mills or semi-conductor plants.



**UNITED STATES**  
**COST TRENDS – INDUSTRIAL BUILDINGS**  
1/80 = 100

	New England	Middle Atlantic	Middle West	South	South West	Rocky Mountain	Pacific Coast	Continental U.S. AVERAGE		
	CT, ME, MA, NH, RI, VT	DE, DC, MD, NJ, NY, PA	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI	AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV	AZ, AR, NM, OK, TX	CO, ID, MT, NV, UT, WY	CA, OR, WA		AK	HI
Date	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.	Ind. Mult.
1/95	179 2.59	174 2.61	162 2.59	151 2.69	155 2.57	158 2.52	165 2.54	163 2.60	161 2.19	193 2.37
1/96	182 2.54	179 2.54	165 2.54	155 2.62	159 2.51	163 2.44	167 2.51	167 2.53	164 2.15	198 2.31
1/97	185 2.50	183 2.48	168 2.49	158 2.57	162 2.46	165 2.41	170 2.46	170 2.49	167 2.11	204 2.24
1/98	190 2.44	186 2.44	173 2.42	162 2.51	166 2.40	170 2.34	174 2.41	174 2.43	170 2.08	210 2.18
1/99	194 2.39	190 2.39	178 2.35	166 2.45	170 2.35	174 2.29	178 2.35	179 2.36	171 2.06	213 2.15
1/00	197 2.35	194 2.34	182 2.30	169 2.40	173 2.31	178 2.24	181 2.31	182 2.32	172 2.05	216 2.12
1/01	206 2.25	204 2.23	192 2.18	175 2.32	180 2.22	185 2.15	188 2.23	189 2.24	174 2.03	216 2.12
1/02	212 2.18	207 2.19	196 2.14	178 2.28	182 2.19	187 2.13	192 2.18	193 2.19	178 1.98	223 2.05
1/03	217 2.13	211 2.15	200 2.10	181 2.24	184 2.17	191 2.08	195 2.15	197 2.15	184 1.92	227 2.01
1/04	223 2.08	219 2.07	205 2.04	186 2.18	188 2.12	195 2.04	201 2.08	202 2.09	190 1.86	232 1.97
1/05	248 1.87	239 1.90	224 1.87	206 1.97	207 1.93	212 1.88	217 1.93	222 1.91	208 1.70	256 1.79
1/06	263 1.76	254 1.79	239 1.75	221 1.84	220 1.81	226 1.76	232 1.81	236 1.79	221 1.60	270 1.69
1/07	283 1.64	272 1.67	252 1.66	242 1.68	237 1.68	241 1.65	246 1.70	253 1.67	234 1.51	286 1.60
1/08	294 1.57	284 1.60	265 1.58	252 1.61	247 1.62	252 1.58	257 1.63	265 1.60	241 1.46	297 1.54
1/09	316 1.47	304 1.49	283 1.48	273 1.49	266 1.50	271 1.47	274 1.53	284 1.49	257 1.37	312 1.46
1/10	316 1.47	305 1.49	284 1.48	268 1.51	264 1.51	271 1.47	273 1.53	283 1.49	251 1.41	310 1.47
1/11	314 1.47	301 1.51	282 1.49	263 1.54	259 1.54	265 1.50	270 1.55	279 1.52	249 1.42	307 1.49
1/12	324 1.43	307 1.48	289 1.45	271 1.50	266 1.50	271 1.47	274 1.53	286 1.48	250 1.41	312 1.46
1/13	335 1.38	316 1.44	297 1.41	278 1.46	273 1.46	279 1.43	282 1.49	294 1.44	257 1.37	321 1.42
1/14	343 1.35	329 1.38	308 1.36	290 1.40	284 1.40	289 1.38	292 1.43	305 1.39	267 1.32	331 1.38
1/15	356 1.30	336 1.35	315 1.33	301 1.35	297 1.34	296 1.34	298 1.41	314 1.35	269 1.31	347 1.32
1/16	361 1.28	343 1.32	321 1.31	307 1.32	304 1.31	302 1.32	305 1.37	320 1.32	282 1.25	359 1.27
1/17	357 1.30	351 1.29	325 1.29	309 1.31	308 1.30	305 1.30	320 1.31	325 1.30	282 1.25	352 1.30
7/17	360 1.29	352 1.29	327 1.28	310 1.31	308 1.30	306 1.30	321 1.31	326 1.30	281 1.26	357 1.28
1/18	363 1.28	355 1.28	330 1.27	313 1.30	310 1.29	309 1.29	326 1.29	329 1.29	283 1.25	362 1.26
7/18	368 1.26	360 1.26	335 1.25	318 1.28	315 1.27	314 1.27	331 1.27	334 1.27	287 1.23	369 1.24
1/19	379 1.22	372 1.22	346 1.21	330 1.23	327 1.22	325 1.22	340 1.23	346 1.22	294 1.20	379 1.21
7/19	382 1.21	373 1.22	345 1.21	331 1.23	327 1.22	328 1.21	343 1.22	347 1.22	293 1.20	380 1.20
1/20	388 1.19	377 1.20	351 1.19	336 1.21	331 1.21	331 1.20	347 1.21	352 1.20	298 1.18	383 1.19
7/20	390 1.19	378 1.20	351 1.19	336 1.21	332 1.20	331 1.20	349 1.20	352 1.20	298 1.18	384 1.19
1/21	396 1.17	384 1.18	355 1.18	340 1.19	336 1.19	335 1.19	354 1.18	357 1.18	301 1.17	389 1.17
7/21	409 1.13	399 1.14	369 1.14	352 1.15	348 1.15	347 1.15	367 1.14	370 1.14	309 1.14	400 1.14
1/22	463 1.00	454 1.00	419 1.00	406 1.00	399 1.00	398 1.00	419 1.00	423 1.00	353 1.00	457 1.00

UNITED STATES  
COST TRENDS – RESIDENTIAL BUILDINGS

1/80 = 100

	New England		Middle Atlantic		Middle West		South		South West		Rocky Mountain		Pacific Coast		Continental U.S. AVERAGE		AK		HI	
	CT, ME, MA, NH, RI, VT		DE, DC, MD, NJ, NY, PA		IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI		AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV		AZ, AR, NM, OK, TX		CO, ID, MT, NV, UT, WY		CA, OR, WA							
Date	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.
1/96	204	2.31	200	2.29	181	2.42	172	2.37	160	2.38	172	2.37	190	2.56	183	2.38	166	2.03	254	2.21
1/97	206	2.29	203	2.26	184	2.38	173	2.35	162	2.35	175	2.33	193	2.52	185	2.36	170	1.98	260	2.16
1/98	211	2.24	208	2.20	193	2.27	180	2.26	166	2.29	181	2.25	198	2.46	191	2.28	174	1.94	269	2.09
1/99	212	2.23	211	2.17	196	2.23	182	2.24	169	2.25	181	2.25	201	2.42	193	2.26	174	1.94	271	2.07
1/00	220	2.15	219	2.09	205	2.14	192	2.12	178	2.13	191	2.14	210	2.32	202	2.16	179	1.88	278	2.02
1/01	225	2.10	224	2.04	211	2.08	196	2.08	182	2.09	193	2.11	214	2.28	206	2.12	182	1.85	280	2.00
1/02	227	2.08	225	2.04	213	2.06	199	2.05	185	2.05	196	2.08	217	2.24	209	2.09	184	1.83	286	1.96
1/03	230	2.05	228	2.01	216	2.03	201	2.02	187	2.03	197	2.07	219	2.22	211	2.07	186	1.81	291	1.93
1/04	245	1.93	242	1.89	230	1.90	211	1.93	196	1.94	211	1.93	233	2.09	224	1.95	192	1.76	306	1.83
1/05	263	1.79	262	1.75	245	1.79	226	1.80	208	1.83	224	1.82	250	1.95	240	1.82	201	1.68	323	1.74
1/06	278	1.70	277	1.65	256	1.71	238	1.71	216	1.76	231	1.77	264	1.84	251	1.74	209	1.61	336	1.67
1/07	302	1.56	299	1.53	275	1.59	261	1.56	238	1.60	250	1.63	288	1.69	273	1.60	223	1.51	358	1.57
1/08	307	1.54	304	1.51	281	1.56	265	1.54	243	1.56	256	1.59	295	1.65	279	1.56	231	1.46	367	1.53
1/09	316	1.49	312	1.47	293	1.49	275	1.48	251	1.51	264	1.55	304	1.60	288	1.51	235	1.43	371	1.51
1/10	305	1.55	298	1.54	280	1.56	259	1.57	235	1.62	254	1.61	294	1.66	275	1.59	233	1.45	369	1.52
1/11	313	1.51	306	1.50	286	1.53	264	1.54	242	1.57	262	1.56	302	1.61	282	1.55	239	1.41	376	1.49
1/12	316	1.49	308	1.49	291	1.51	265	1.54	245	1.55	265	1.54	308	1.58	285	1.53	245	1.38	387	1.45
1/13	333	1.42	324	1.41	300	1.46	280	1.45	256	1.48	277	1.47	320	1.52	299	1.46	251	1.34	397	1.41
1/14	341	1.38	332	1.38	313	1.40	293	1.39	267	1.42	293	1.39	334	1.46	310	1.41	266	1.27	420	1.34
1/15	353	1.34	342	1.34	318	1.38	297	1.37	270	1.41	295	1.38	340	1.43	316	1.38	276	1.22	438	1.28
1/16	359	1.31	347	1.32	321	1.36	299	1.36	272	1.40	298	1.37	344	1.42	320	1.36	273	1.23	437	1.28
7/16	359	1.31	348	1.32	319	1.37	297	1.37	269	1.41	296	1.38	344	1.42	319	1.37	274	1.23	448	1.25
1/17	358	1.32	350	1.31	319	1.37	298	1.37	269	1.41	297	1.37	347	1.40	320	1.36	274	1.23	430	1.30
7/17	360	1.31	353	1.30	324	1.35	301	1.35	272	1.40	300	1.36	352	1.38	323	1.35	279	1.21	433	1.30
1/18	365	1.29	360	1.27	330	1.33	307	1.33	278	1.37	305	1.34	361	1.35	329	1.33	282	1.20	438	1.28
7/18	370	1.28	366	1.25	339	1.29	313	1.30	282	1.35	311	1.31	368	1.32	335	1.30	288	1.17	445	1.26
1/19	378	1.25	375	1.22	346	1.27	322	1.26	290	1.31	321	1.27	378	1.29	344	1.27	289	1.17	458	1.22
7/19	380	1.24	376	1.22	347	1.26	320	1.27	292	1.30	320	1.28	383	1.27	345	1.26	290	1.16	458	1.22
1/20	382	1.24	376	1.22	347	1.26	318	1.28	293	1.30	319	1.28	382	1.27	345	1.26	284	1.19	462	1.21
7/20	384	1.23	377	1.21	349	1.26	321	1.27	297	1.28	323	1.26	388	1.26	348	1.25	285	1.18	463	1.21
1/21	393	1.20	384	1.19	352	1.24	327	1.24	301	1.26	331	1.23	392	1.24	354	1.23	288	1.17	473	1.19
7/21	415	1.14	404	1.13	375	1.17	344	1.18	317	1.20	350	1.17	413	1.18	374	1.17	298	1.13	485	1.16
1/22	472	1.00	458	1.00	438	1.00	407	1.00	380	1.00	408	1.00	487	1.00	436	1.00	337	1.00	561	1.00

**CANADA  
COST TRENDS – INDUSTRIAL BUILDINGS**

1/80 = 100

Date	Newfoundland		New Brunswick Nova Scotia		Quebec		Ontario		Alberta Manitoba Saskatchewan		British Columbia		CANADIAN AVERAGE	
	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.	Ind.	Mult.
1/95	196	2.61	193	2.67	183	2.55	183	2.77	184	2.71	176	2.59	186	2.65
1/96	192	2.67	188	2.74	186	2.51	186	2.73	184	2.71	178	2.56	186	2.65
1/97	195	2.63	191	2.70	188	2.48	190	2.67	187	2.66	185	2.46	189	2.60
1/98	202	2.53	198	2.61	189	2.47	194	2.61	190	2.62	188	2.42	194	2.54
1/99	204	2.51	203	2.54	195	2.39	198	2.56	192	2.59	192	2.37	197	2.50
1/00	213	2.40	209	2.47	197	2.37	204	2.49	194	2.57	193	2.36	202	2.44
1/01	223	2.30	219	2.36	205	2.27	213	2.38	202	2.47	199	2.29	210	2.34
1/02	223	2.30	219	2.36	205	2.27	212	2.39	201	2.48	197	2.31	210	2.34
1/03	234	2.19	228	2.26	217	2.15	218	2.33	209	2.38	203	2.24	218	2.26
1/04	250	2.05	241	2.14	226	2.06	225	2.25	217	2.29	209	2.18	228	2.16
1/05	272	1.88	266	1.94	243	1.92	246	2.06	240	2.08	231	1.97	250	1.97
1/06	294	1.74	284	1.82	263	1.77	264	1.92	253	1.97	245	1.86	267	1.84
1/07	327	1.57	322	1.60	298	1.56	300	1.69	291	1.71	280	1.63	303	1.62
1/08	339	1.51	335	1.54	310	1.50	318	1.59	307	1.62	292	1.56	317	1.55
1/09	354	1.45	358	1.44	334	1.40	342	1.48	327	1.52	306	1.49	337	1.46
1/10	347	1.48	350	1.47	323	1.44	338	1.50	324	1.54	301	1.51	331	1.49
1/11	365	1.40	366	1.41	334	1.40	347	1.46	334	1.49	311	1.46	343	1.43
1/12	372	1.38	367	1.41	339	1.37	352	1.44	335	1.49	319	1.43	347	1.42
1/13	380	1.35	376	1.37	350	1.33	361	1.40	340	1.46	321	1.42	355	1.39
7/14	399	1.28	392	1.32	370	1.26	386	1.31	361	1.38	335	1.36	374	1.32
1/15	414	1.24	403	1.28	369	1.26	385	1.32	384	1.30	349	1.30	383	1.28
7/15	418	1.22	405	1.27	369	1.26	384	1.32	385	1.29	349	1.30	385	1.28
1/16	420	1.22	400	1.29	368	1.27	380	1.33	383	1.30	345	1.32	383	1.28
7/16	427	1.20	403	1.28	371	1.26	383	1.32	389	1.28	347	1.31	387	1.27
1/17	413	1.24	403	1.28	369	1.26	387	1.31	387	1.29	344	1.32	384	1.28
7/17	415	1.23	407	1.27	375	1.24	398	1.27	398	1.25	354	1.29	391	1.26
1/18	419	1.22	414	1.25	385	1.21	403	1.26	403	1.24	360	1.26	397	1.24
7/18	421	1.22	417	1.24	385	1.21	407	1.25	411	1.21	364	1.25	401	1.23
1/19	433	1.18	433	1.19	394	1.18	420	1.21	422	1.18	377	1.21	413	1.19
7/19	437	1.17	439	1.18	400	1.17	428	1.18	428	1.16	383	1.19	419	1.17
1/20	433	1.18	433	1.19	395	1.18	429	1.18	428	1.16	387	1.18	418	1.18
7/20	439	1.17	442	1.17	400	1.17	432	1.17	434	1.15	393	1.16	423	1.16
1/21	441	1.16	441	1.17	400	1.17	432	1.17	433	1.15	393	1.16	423	1.16
7/21	464	1.10	471	1.10	418	1.11	453	1.12	455	1.09	418	1.09	446	1.10
1/22	512	1.00	516	1.00	466	1.00	507	1.00	498	1.00	455	1.00	492	1.00



**UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT**

1/80 = 100

**Table 1  
COMPOSITE**

Date	Ind.	Mult.
1/91	162	1.77
1/92	166	1.72
1/93	169	1.69
1/94	172	1.66
1/95	175	1.63
1/96	181	1.58
1/97	184	1.55
1/98	187	1.53
1/99	189	1.51
1/00	189	1.51
1/01	192	1.49
1/02	193	1.48
1/03	194	1.47
1/04	196	1.46
1/05	201	1.42
1/06	207	1.38
1/07	213	1.34
1/08	217	1.32
1/09	228	1.25
1/10	228	1.25
1/11	229	1.25
1/12	235	1.22
1/13	239	1.20
7/13	241	1.19
1/14	243	1.18
7/14	245	1.17
1/15	247	1.16
7/15	249	1.15
1/16	249	1.15
7/16	250	1.14
1/17	249	1.15
7/17	251	1.14
1/18	252	1.13
7/18	256	1.12
1/19	259	1.10
7/19	263	1.09
1/20	264	1.08
7/20	266	1.08
1/21	268	1.07
7/21	274	1.04
1/22	286	1.00

**Table 2  
MACHINE SHOP**

Date	Ind.	Mult.
1/91	160	1.76
1/92	168	1.68
1/93	175	1.61
1/94	175	1.61
1/95	178	1.58
1/96	187	1.51
1/97	191	1.48
1/98	195	1.45
1/99	197	1.43
1/00	198	1.42
1/01	201	1.40
1/02	201	1.40
1/03	200	1.41
1/04	194	1.45
1/05	200	1.41
1/06	205	1.38
1/07	217	1.30
1/08	219	1.29
1/09	231	1.22
1/10	229	1.23
1/11	229	1.23
1/12	236	1.19
7/12	240	1.18
1/13	242	1.17
7/13	245	1.15
1/14	247	1.14
7/14	249	1.13
1/15	251	1.12
7/15	253	1.11
1/16	253	1.11
7/16	254	1.11
1/17	253	1.11
7/17	256	1.10
1/18	256	1.10
7/18	259	1.09
1/19	260	1.08
7/19	265	1.06
1/20	266	1.06
7/20	269	1.05
1/21	272	1.04
7/21	275	1.03
1/22	282	1.00

**Table 3  
SHEET METAL SHOP**

Date	Ind.	Mult.
1/91	161	1.94
1/92	164	1.91
1/93	166	1.89
1/94	171	1.83
1/95	178	1.76
1/96	187	1.67
1/97	191	1.64
1/98	196	1.60
1/99	200	1.57
1/00	202	1.55
1/01	206	1.52
1/02	206	1.52
1/03	207	1.51
1/04	207	1.51
1/05	214	1.46
1/06	225	1.39
1/07	230	1.36
1/08	232	1.35
1/09	251	1.25
1/10	248	1.26
1/11	250	1.25
1/12	257	1.22
7/12	261	1.20
1/13	264	1.19
7/13	266	1.18
1/14	269	1.16
7/14	270	1.16
1/15	274	1.14
7/15	277	1.13
1/16	275	1.14
7/16	276	1.13
1/17	275	1.14
7/17	278	1.13
1/18	279	1.12
7/18	283	1.11
1/19	284	1.10
7/19	292	1.07
1/20	293	1.07
7/20	296	1.06
1/21	305	1.03
7/21	302	1.04
1/22	313	1.00

UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT

1/80 = 100

**Table 4  
FOUNDRY**

Date	Ind.	Mult.
1/91	161	1.76
1/92	165	1.72
1/93	166	1.70
1/94	170	1.66
1/95	171	1.65
1/96	178	1.59
1/97	183	1.55
1/98	185	1.53
1/99	190	1.49
1/00	192	1.47
1/01	195	1.45
1/02	194	1.46
1/03	194	1.46
1/04	195	1.45
1/05	198	1.43
1/06	205	1.38
1/07	212	1.33
1/08	216	1.31
1/09	227	1.25
1/10	225	1.26
1/11	225	1.26
1/12	231	1.23
7/12	233	1.21
1/13	234	1.21
7/13	236	1.20
1/14	236	1.20
7/14	238	1.19
1/15	239	1.18
7/15	241	1.17
1/16	241	1.17
7/16	241	1.17
1/17	241	1.17
7/17	243	1.16
1/18	243	1.16
7/18	246	1.15
1/19	249	1.14
7/19	252	1.12
1/20	254	1.11
7/20	256	1.11
1/21	257	1.10
7/21	268	1.06
1/22	283	1.00

**Table 5  
FORGE SHOP**

Date	Ind.	Mult.
1/91	195	1.87
1/92	200	1.82
1/93	206	1.77
1/94	210	1.73
1/95	216	1.69
1/96	222	1.64
1/97	228	1.60
1/98	232	1.57
1/99	238	1.53
1/00	241	1.51
1/01	245	1.49
1/02	244	1.49
1/03	244	1.49
1/04	243	1.50
1/05	249	1.46
1/06	259	1.41
1/07	266	1.37
1/08	268	1.36
1/09	287	1.27
1/10	286	1.27
1/11	286	1.27
1/12	293	1.24
7/12	297	1.23
1/13	300	1.21
7/13	304	1.20
1/14	308	1.18
7/14	310	1.17
1/15	314	1.16
7/15	317	1.15
1/16	315	1.16
7/16	316	1.15
1/17	315	1.16
7/17	318	1.14
1/18	319	1.14
7/18	323	1.13
1/19	325	1.12
7/19	333	1.09
1/20	336	1.08
7/20	340	1.07
1/21	345	1.06
7/21	349	1.04
1/22	364	1.00

**Table 6A  
CLOTH WORKING**

Date	Ind.	Mult.
1/91	167	1.47
1/92	174	1.41
1/93	177	1.38
1/94	177	1.38
1/95	180	1.36
1/96	183	1.34
1/97	187	1.31
1/98	188	1.30
1/99	188	1.30
1/00	188	1.30
1/01	189	1.30
1/02	188	1.30
1/03	192	1.28
1/04	195	1.26
1/05	198	1.24
1/06	203	1.21
1/07	204	1.20
1/08	206	1.19
1/09	214	1.14
1/10	214	1.14
1/11	216	1.13
1/12	220	1.11
1/13	224	1.09
7/13	226	1.08
1/14	227	1.08
7/14	228	1.07
1/15	230	1.07
7/15	230	1.07
1/16	231	1.06
7/16	232	1.06
1/17	229	1.07
7/17	228	1.07
1/18	228	1.07
7/18	231	1.06
1/19	233	1.05
7/19	235	1.04
1/20	235	1.04
7/20	238	1.03
1/21	238	1.03
7/21	240	1.02
1/22	245	1.00

UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT

1/80 = 100

**Table 6B**  
**\*COTTON & WOOLEN MILL**  
**OPENING THRU WEAVING**

Date	Ind.	Mult.
1/91	175	1.40
1/92	185	1.32
1/93	190	1.29
1/94	187	1.31
1/95	196	1.25
1/96	206	1.19
1/97	200	1.23
1/98	195	1.26
1/99	196	1.25
1/00	191	1.28
1/01	189	1.30
1/02	188	1.30
1/03	193	1.27
1/04	196	1.25
1/05	200	1.23
1/06	204	1.20
1/07	208	1.18
1/08	210	1.17
1/09	215	1.14
1/10	216	1.13
1/11	219	1.12
1/12	223	1.10
7/12	225	1.09
1/13	226	1.08
7/13	227	1.08
1/14	228	1.07
7/14	230	1.07
1/15	230	1.07
7/15	232	1.06
1/16	231	1.06
7/16	232	1.06
1/17	230	1.07
7/17	228	1.07
1/18	230	1.07
7/18	230	1.07
1/19	231	1.06
7/19	232	1.06
1/20	232	1.06
7/20	233	1.05
1/21	233	1.05
7/21	237	1.03
1/22	245	1.00

\*Formerly COTTON MILL  
(Opening Through Weaving)

**Table 6C**  
**BLEACHERY & FINISHING**

Date	Ind.	Mult.
1/92	179	1.45
1/93	182	1.43
1/94	182	1.43
1/95	187	1.39
1/96	192	1.35
1/97	192	1.35
1/98	192	1.35
1/99	192	1.35
1/00	190	1.37
1/01	193	1.35
1/02	192	1.35
1/03	200	1.30
1/04	202	1.29
1/05	208	1.25
1/06	213	1.22
1/07	216	1.20
1/08	218	1.19
1/09	227	1.15
1/10	225	1.16
1/11	229	1.14
7/11	232	1.12
1/12	233	1.12
7/12	236	1.10
1/13	237	1.10
7/13	238	1.09
1/14	240	1.08
7/14	241	1.08
1/15	242	1.07
7/15	243	1.07
1/16	243	1.07
7/16	244	1.07
1/17	240	1.08
7/17	239	1.09
1/18	239	1.09
7/18	243	1.07
1/19	245	1.06
7/19	246	1.06
1/20	246	1.06
7/20	248	1.05
1/21	248	1.05
7/21	252	1.03
1/22	260	1.00

**Table 7**  
**PAPER MILL**

Date	Ind.	Mult.
1/91	164	1.99
1/92	169	1.93
1/93	171	1.91
1/94	172	1.90
1/95	174	1.88
1/96	179	1.83
1/97	182	1.80
1/98	186	1.76
1/99	189	1.73
1/00	192	1.70
1/01	194	1.69
1/02	194	1.69
1/03	196	1.67
1/04	197	1.66
1/05	208	1.57
1/06	222	1.47
1/07	229	1.43
1/08	239	1.37
1/09	255	1.28
1/10	254	1.29
1/11	262	1.25
1/12	271	1.21
7/12	273	1.20
1/13	275	1.19
7/13	276	1.18
1/14	276	1.18
7/14	278	1.18
1/15	281	1.16
7/15	282	1.16
1/16	282	1.16
7/16	283	1.16
1/17	284	1.15
7/17	286	1.14
1/18	285	1.15
7/18	290	1.13
1/19	291	1.12
7/19	301	1.09
1/20	303	1.08
7/20	304	1.08
1/21	305	1.07
7/21	318	1.03
1/22	327	1.00

UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT

1/80 = 100

**Table 8  
PRINTING &  
PAPER CONVERTING**

Date	Ind.	Mult.
1/91	168	1.52
1/92	170	1.51
1/93	172	1.49
1/94	178	1.44
1/95	181	1.41
1/96	186	1.38
1/97	193	1.33
1/98	196	1.31
1/99	202	1.27
1/00	202	1.27
1/01	206	1.24
1/02	207	1.24
1/03	208	1.23
1/04	209	1.22
1/05	210	1.22
1/06	213	1.20
1/07	218	1.17
1/08	222	1.15
1/09	229	1.12
1/10	230	1.11
1/11	227	1.13
1/12	230	1.11
7/12	232	1.10
1/13	234	1.09
7/13	236	1.08
1/14	237	1.08
7/14	236	1.08
1/15	238	1.08
7/15	239	1.07
1/16	240	1.07
7/16	243	1.05
1/17	242	1.06
7/17	242	1.06
1/18	242	1.06
7/18	243	1.05
1/19	246	1.04
7/19	245	1.04
1/20	247	1.04
7/20	248	1.03
1/21	249	1.03
7/21	249	1.03
1/22	256	1.00

**Table 9  
WOODWORKING**

Date	Ind.	Mult.
1/91	149	2.15
1/92	150	2.14
1/93	153	2.10
1/94	156	2.06
1/95	159	2.02
1/96	164	1.96
1/97	168	1.91
1/98	170	1.89
1/99	172	1.87
1/00	173	1.86
1/01	175	1.83
1/02	179	1.79
1/03	179	1.79
1/04	180	1.78
1/05	187	1.72
1/06	194	1.65
1/07	202	1.59
1/08	206	1.56
1/09	219	1.47
1/10	218	1.47
1/11	220	1.46
1/12	225	1.43
7/12	228	1.41
1/13	230	1.40
7/13	233	1.38
1/14	234	1.37
7/14	239	1.34
1/15	244	1.32
7/15	243	1.32
1/16	247	1.30
7/16	248	1.29
1/17	253	1.27
7/17	256	1.25
1/18	257	1.25
7/18	274	1.17
1/19	282	1.14
7/19	285	1.13
1/20	285	1.13
7/20	287	1.12
1/21	291	1.10
7/21	299	1.07
1/22	321	1.00

**Table 10  
RUBBER MILL**

Date	Ind.	Mult.
1/91	167	2.11
1/92	172	2.05
1/93	175	2.02
1/94	180	1.96
1/95	182	1.94
1/96	187	1.89
1/97	191	1.85
1/98	199	1.77
1/99	201	1.76
1/00	200	1.77
1/01	211	1.67
1/02	211	1.67
1/03	211	1.67
1/04	216	1.63
1/05	218	1.62
1/06	226	1.56
1/07	231	1.53
1/08	232	1.52
1/09	245	1.44
1/10	251	1.41
1/11	247	1.43
1/12	259	1.36
7/12	257	1.37
1/13	259	1.36
7/13	265	1.33
1/14	266	1.33
7/14	267	1.32
1/15	268	1.32
7/15	279	1.27
1/16	278	1.27
7/16	279	1.27
1/17	279	1.27
7/17	282	1.25
1/18	284	1.24
7/18	287	1.23
1/19	295	1.20
7/19	301	1.17
1/20	304	1.16
7/20	305	1.16
1/21	307	1.15
7/21	318	1.11
1/22	353	1.00

UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT

1/80 = 100

Table 11  
FOOD

Date	Ind.	Mult.
1/91	158	2.02
1/92	161	1.98
1/93	161	1.98
1/94	165	1.93
1/95	169	1.89
1/96	174	1.83
1/97	175	1.82
1/98	178	1.79
1/99	179	1.78
1/00	179	1.78
1/01	183	1.74
1/02	185	1.72
1/03	187	1.71
1/04	189	1.69
1/05	198	1.61
1/06	205	1.56
1/07	219	1.46
1/08	226	1.41
1/09	238	1.34
1/10	237	1.35
1/11	241	1.32
1/12	247	1.29
7/12	252	1.27
1/13	253	1.26
7/13	257	1.24
1/14	259	1.23
7/14	263	1.21
1/15	266	1.20
7/15	269	1.19
1/16	268	1.19
7/16	273	1.17
1/17	271	1.18
7/17	275	1.16
1/18	277	1.15
7/18	286	1.12
1/19	288	1.11
7/19	292	1.09
1/20	295	1.08
7/20	298	1.07
1/21	297	1.07
7/21	305	1.05
1/22	319	1.00

Table 12  
SPECIAL ENGINEERED  
EQUIPMENT

Date	Ind.	Mult.
1/91	158	2.83
1/92	159	2.81
1/93	161	2.78
1/94	164	2.73
1/95	169	2.64
1/96	174	2.57
1/97	175	2.55
1/98	178	2.51
1/99	178	2.51
1/00	178	2.51
1/01	178	2.51
1/02	182	2.46
1/03	190	2.35
1/04	196	2.28
1/05	224	2.00
1/06	228	1.96
1/07	247	1.81
1/08	249	1.80
1/09	283	1.58
1/10	258	1.73
1/11	272	1.64
1/12	289	1.55
7/12	291	1.54
1/13	285	1.57
7/13	286	1.56
1/14	287	1.56
7/14	291	1.54
1/15	294	1.52
7/15	287	1.56
1/16	283	1.58
7/16	283	1.58
1/17	290	1.54
7/17	298	1.50
1/18	300	1.49
7/18	308	1.45
1/19	318	1.41
7/19	321	1.39
1/20	317	1.41
7/20	319	1.40
1/21	318	1.41
7/21	384	1.16
1/22	447	1.00

Table 13  
ELECTRONICS

Date	Ind.	Mult.
1/92	165	1.60
1/93	170	1.55
1/94	173	1.53
1/95	176	1.50
1/96	180	1.47
1/97	184	1.43
1/98	186	1.42
1/99	186	1.42
1/00	187	1.41
1/01	191	1.38
1/02	190	1.39
1/03	190	1.39
1/04	194	1.36
1/05	198	1.33
1/06	201	1.31
1/07	204	1.29
1/08	207	1.28
1/09	216	1.22
1/10	216	1.22
1/11	215	1.23
1/12	219	1.21
7/12	222	1.19
1/13	222	1.19
7/13	222	1.19
1/14	223	1.18
7/14	225	1.17
1/15	226	1.17
7/15	226	1.17
1/16	226	1.17
7/16	226	1.17
1/17	226	1.17
7/17	230	1.15
1/18	229	1.15
7/18	232	1.14
1/19	234	1.13
7/19	236	1.12
1/20	237	1.11
7/20	239	1.10
1/21	240	1.10
7/21	250	1.06
1/22	264	1.00

**UNITED STATES**  
**COST TRENDS – INDUSTRIAL EQUIPMENT**

1/80 = 100

**Table 14**  
**PLASTICS, MOLDING**  
**& EXTRUDING**  
**(Annual as of July)**

Date	Ind.	Mult.
7/00	184	1.27
7/01	187	1.25
7/02	184	1.27
7/03	<b>184</b>	<b>1.27</b>
7/04	187	1.25
7/05	193	1.21
7/06	195	1.19
7/07	200	1.17
7/08	203	1.15
7/09	210	1.11
7/10	209	1.11
7/11	212	1.10
7/12	213	1.09
7/13	216	1.08
7/14	218	1.07
7/15	221	1.05
7/16	222	1.05
7/17	223	1.04
7/18	224	1.04
7/19	228	1.02
7/20	230	1.01
7/21	233	1.00

**Table 15**  
**TOBACCO**  
**(Annual as of January)**

Date	Ind.	Mult.
1/00	280	1.75
1/01	284	1.72
1/02	285	1.72
1/03	287	1.70
1/04	289	1.69
1/05	289	1.69
1/06	306	1.60
1/07	308	1.59
1/08	328	1.49
1/09	341	1.43
1/10	354	1.38
1/11	365	1.34
1/12	388	1.26
1/13	392	1.25
1/14	395	1.24
1/15	403	1.21
1/16	411	1.19
1/17	415	1.18
1/18	419	1.17
1/19	429	1.14
1/20	438	1.12
1/21	443	1.10
1/22	489	1.00

**Table 16**  
**BREWERY**  
**(Annual as of July)**

Date	Ind.	Mult.
7/00	162	1.67
7/01	165	1.64
7/02	165	1.64
7/03	168	1.61
7/04	173	1.57
7/05	184	1.47
7/06	189	1.43
7/07	199	1.36
7/08	209	1.30
7/09	215	1.26
7/10	215	1.26
7/11	218	1.24
7/12	225	1.20
7/13	226	1.20
7/14	230	1.18
7/15	234	1.16
7/16	234	1.16
7/17	238	1.14
7/18	244	1.11
7/19	251	1.08
7/20	254	1.07
7/21	271	1.00

**UNITED STATES  
COST TRENDS – INDUSTRIAL EQUIPMENT**

1/80 = 100

**Table 17  
HYDROELECTRIC PLANTS  
(U.S. Average)**

Date	Ind.	Mult.
7/98	320	1.85
7/99	325	1.82
7/00	334	1.77
7/01	340	1.74
7/02	346	1.71
7/03	349	1.70
7/04	367	1.61
7/05	384	1.54
7/06	398	1.49
7/07	423	1.40
7/08	450	1.32
7/09	438	1.35
7/10	456	1.30
7/11	468	1.26
7/12	476	1.24
7/13	492	1.20
7/14	489	1.21
7/15	509	1.16
7/16	510	1.16
7/17	528	1.12
7/18	528	1.12
7/19	551	1.07
7/20	562	1.05
7/21	592	1.00

Item No: E.7.

**LEARNING MANAGEMENT SYSTEMS  
AD HOC RISK MANAGEMENT SUB-COMMITTEE REPORT****INFORMATION ITEM**

**ISSUE:** The ad hoc committee assigned to review options for Learning Management Systems will provide an update on their review and recommendations.

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

**FISCAL IMPACT:** None expected from this item. Possible group purchase cost savings.

**BACKGROUND:** SPA MEMBERS have formed a sub committee to review their current practices and availability of Learning Management Systems for their members in order to better understand their options and consider a group purchase for improved efficiency and cost savings.

**ATTACHMENTS:** Handout at the meeting.



Item No: E.8.

**WEBSITE UPDATES****INFORMATION ITEM**

**ISSUE:** Members will receive an update on new resources added to the SPA website and are encouraged to provide additional content ideas and material.

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

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

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**BACKGROUND:** Staff continues to update the website with agendas, minutes, governing documents, and risk management resources.

**ATTACHMENTS:** None

Item No: E.9.

**LONG RANGE PLANNING UPDATE****INFORMATION ITEM**

**ISSUE:** Members are provided the attached updated long range planning objectives and action plan, with updates and a new item for administrative review.

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

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

**BACKGROUND:** This is the updated plan from the Board's meeting in 2021.

**ATTACHMENTS:** Long Range Planning Objectives and Action Plan as of 2/9/22

FY 2021/22 SPA LONG RANGE ACTION PLAN					
GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
<b>LRP-1</b>	<b>Learning Management System Evaluation of Systems and Potential Joint Procurement</b>				
	1. Identify leading LMS platforms suitable for SPA Member use	PA, BOD	MB	Oct-21	In Process
	2. Prepare and review with BOD comparison matrix of selected potential LMS platforms	PA	Working Group	Dec-21	In Process
	3. SPA BOD direction on whether to proceed to SPA coordinated procurement effort	BOD		Jan-22	Update at 2/14 meeting
	4. Additional steps as identified in step 3	TBD		TBD	
<b>LRP-2</b>	<b>Library of Shared Resources via SPA Web Site</b>				
	1. Establish landing page at SPA web site	PA	MM & MB	Sep-21	Site is live 11/29/21
	2. Develop and approve scope of library content	PA, BOD	MM & MB	Oct-21	In Process
	3. Start populating library, send notices to Members as materials are posted	PA		Nov-21	In Process
	4. Library status report to SPA BOD and further direction	PA, BOD		Mar-22	Update at 2/14 meeting
	5. Library status report to SPA BOD at Long Range Planning meeting and further direction for PY 22/23	PA, BOD		Aug-22	
<b>LRP-3</b>	<b>Analysis of Liability Program Aggregate Limits and Options to Increase and Manage Aggregate Limits</b>				
	1. Analysis of current program aggregate limits and renewal expectations	NF		Feb-22	
	2. Report to BOD on likely renewal options to increase aggregate limits and direction from BOD	NF, BOD		Apr-22	
	3. Status report on marketing efforts	NF		May-22	
	4. Final marketing results report and direction from BOD on binding of renewals	NF		Jun-22	
<b>LRP-4</b>	<b>Policy and Procedure to Address Adding Members to SPA and Adding Members to Members of SPA</b>				
	1. Gather and review SPA Member approach to adding new members	PA	Marcus and DM	Sep-21	Complete
	2. Evaluate impact of adding new members to SPA members as well as new Members to SPA	AIS, NF	DH	Oct-21	Complete
	3. Proposed SPA P&P approach to adding new members to Members of SPA and new Members to SPA	PA	DH	Nov-21	Complete
	4. Monitor SPA approach to new members of Members and new Members to SPA, action as needed	BOD		Apr-22	Dig up item
	5. Review SPA P&P approach to adding new members to Members of SPA and new Members to SPA	PA, BOD		Aug-22	
<b>LRP-5</b>	<b>Development of Unified SPA Liability Program Memorandum of Coverage</b>				
	1. Create side by side MOC comparison document for initial discussion with SPA BOD	NF		Aug-22	Ready for August LRP
	2. SPA BOD follow-up discussion and agreement on next steps, selection of counsel, etc.	BOD		Sep-22	
	3. Review of counsel's recommendations and comment draft at SPA LRP, direction to counsel & NF	BOD		Oct-22	
	4. Presentation of first draft proposed SPA Liability MOC for PY 23/24	GC, NF		Nov-22	
	5. Comment draft of proposed SPA Liability MOC for PY 23/24 sent to members response due Jan 2023	NF		Oct-22	
	6. Review of SPA Member comments and SPA counsel response in second draft MOC	GC, NF		Mar-23	
	7. 2cd Comment draft of proposed SPA Liability MOC for PY 23/24 sent to members response due May 2023	NF		Mar-23	
	8. Review of SPA Member comments and SPA counsel response in second draft MOC	GC, NF		May-23	
	9. Adoption of final draft SPA MOC effective PY 23/34	BOD		Jun-23	
<b>LRP-6</b>	<b>Unify Property and Vehicle Schedule Database in Alliant OASYS Database and Vehicle Garaging Location Project</b>				
	1. Define project process and timing for BOD approval	AIS	MM	Oct-21	Completed
	2. Communicate to Members vehicle garaging project process, timeline and begin data update	AIS	MM	Nov-21	BSSP, NBSIA and SIG completed, questions outstanding for RESIG
	3. Complete APD database in OASYS with garaging information	AIS	MM	Feb-22	In Process
	4. Populate OASYS database with accepted appraisal reports, obtain updates from Members	AIS		Mar-22	

FY 2021/22 SPA LONG RANGE ACTION PLAN					
GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
	5. Review property and APD database status with Board at LRP	AIS, BOD		Aug-22	
	6. Final transition of all members to OASYS as SPA property and APD database system	AIS		Dec-22	
<b>LRP-7</b>	<b>Develop and Execute Property Valuation Strategy for PY 22/23 and Beyond</b>				
	1. Report to Board on 10 year Marshall & Swift factors, potential appraisal strategy, BOD direction	AIS, BOD	MM & MB	Oct-21	Completed 10/11/21
	2. Update on M&S Trend factors, appraisal progress and underwriter discussions	AIS	MM & MB	Dec-21	On 12/13 & 1/10 agenda
	3. Adopt short and long term valuation plan and renewal approach	BOD		Jan-22	Decision at 2/14 meeting
	4. Review of report on valuation plan, provide direction to staff for PY 23/24 and beyond	AIS, BOD		Aug-22	
<b>LRP-8</b>	<b>Deadly Weapons Product Evaluation</b>				
	1. Review product offerings with SPA Board, and BOD direction on marketing plan	AIS	D.Mul	Jan-22	Direction to provide quote
	2. Presentation of renewal options, direction from BOD	AIS, BOD		Apr-22	
	3. Communication of coverage changes to SPA members in format suitable for distribution	PA		May-22	
	4. Implementation of new product if appropriate	PA		Jul-22	
<b>LRP-9</b>	<b>Document Nature of Shared Risk Layer of SPA Property Program</b>				
	1. Preparation of SPA BOD resolution, communication with member Finance Directors	PA, GC	DH	Sep-21	Completed
	2. Adoption of SPA BOD resolution	BOD	DH	Oct-21	Completed 10/11/21
	3. Review of SPA joint powers agreement, potential action to amend and restate	PA, GC, BOD		Aug-22	
<b>LRP-10</b>	<b>Evaluate Self-Insurance of Cyber Exposure</b>				
	1. Gather and consolidate SPA member cyber program structures and underwriting information	PA	D.Mul & DM	Nov-21	On 12/13 agenda
	2. Review of information, development of program structure, report to BOD	AIS, NF		Jan-22	
	3. Identification and engagement of cyber services vendors, service plan and cost	PA		Mar-22	
	4. Final decision to proceed with self-insured cyber program	BOD		Apr-22	
	5. Evaluation and direction to bind any excess/reinsurance coverage	AIS, NF, BOD		May-22	
	6. Communication of program, vendors and services to SPA members in format suitable for distribution	PA		Jun-22	
<b>LRP-11</b>	<b>Evaluate Coverage of School Sponsored Housing</b>				
	1. Initial evaluation of coverage status and options for School Sponsored Housing	AIS, NF	MG	Nov-21	On 12/13 & 1/10 agenda
	2. SPA BOD direction on coverage intent for School Sponsored Housing for PY 22/23 and beyond	BOD	DM	Jan-22	
	3. Communication on SPA BOD coverage position and options for coverage to SPA Members	PA		Jan-22	
	4. Effective date of SPA BOD action on coverage intent for School Sponsored Housing for PY 22/23	BOD		Jun-22	
<b>LRP-12</b>	<b>Evaluation of SPA and BASIC Program Administration</b>				
	1. Initial evaluation of options for Program Administration	AIS, NF	MG	Aug-22	
<b>BOD:</b> SPA Board of Directors		<b>AIS:</b> Alliant Ins. Svcs.(Property Program)			
<b>PA:</b> SPA Program Administrator		<b>NF:</b> Newfront Insurance (Liability Program)			
<b>MM:</b> Managing Member		<b>GC:</b> SPA General Counsel			
<b>CFO:</b> SPA Accounting and Finance					
<b>Not included on LRP. Separate Staff projects.</b>					

**FY 2021/22 SPA LONG RANGE ACTION PLAN**

<b>GOAL</b>	<b>ACTION / TASK</b>	<b>STAFF</b>	<b>Assigned</b>	<b>DEADLINE</b>	<b>STATUS</b>
	Technology driven loss control device/system summary (i.e. leak detection, gas shutoff, air quality, etc.)	MB		add to site	
	Wildfire Planning, Response and Reopen checklist (i.e. pre fire, during fire and after fire)	MB		completed	
	Document strategy for wildfire inspections and obtaining reports timely	MB		completed	
	Allocate general LC expense on TIV, member specific utilization expenses tracked by member	MB		completed	
	Re-calculate 5 year appraisal charge based on current SOV and appraisal contract, true up for 22/23	MB/Dmad		Jul-22	