

AGENDA

	A Action I Information
MEETING: Schools Program Alliance Special Board of Directors Meeting	1 Attached
DATE/TIME: May 18, 2022 at 2:00 PM PDT	2 Hand Out
TELECONFERENCE: Toll Free (888) 475 4499 or (669) 900-6833 US Toll Meeting number (access code): 942 3851 7988 https://alliantinsurance.zoom.us/j/94238517988?pwd=dFZLVnlHMmNBdWp6eWtTbXZva1NQZz09	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

PAGE	A. CALL TO ORDER, ROLL CALL, QUORUM	A	4
	B. APPROVAL OF AGENDA AS POSTED	A	4
	C. PUBLIC COMMENTS <i>The public is invited at this point to address the Board of Directors on issues of interest</i>	I	4
	D. GENERAL ADMINISTRATION		
Pg. 2	1. Cost Allocation Exercise <i>The Board will receive information related to Cost Allocation for the Property program.</i>	A	1
Pg. 9	2. Liability Update <i>Jim Wilkey may provide the Board with an update regarding the Liability Renewal.</i>	I	4
	G. INFORMATION ITEMS AND DISCUSSION <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>	I	4
	H. ADJOURNMENT	A	4

Item No: D.1

COST ALLOCATION EXERCISE

ACTION ITEM

ISSUE: The SPA Board will review, discuss and determine the framework for the 2022/23 Cost Allocation for the Property Reinsurance Program, including perspective from the Cost Allocation exhibit.

RECOMMENDATION: To review the framework provided by Alliant and determine the SPA Board's preferred approach.

FISCAL IMPACT: This will not impact the overall cost of the program to SPA*. Instead, this will impact the allocation of that cost, per SPA member.

*Caveat being the decision on the New \$50M xs \$100M layer. That will be a new cost to the participating members (all, excluding Butte).

Additionally, allocations set at this meeting will be impacted by the June "true-up" of exposures. Alliant will adjust for any impact prior to the final invoices/billings (same as in 2020 and 2021).

BACKGROUND: Each year, the SPA Board conducts a Cost Allocation exercise and discussion, in order to determine reasonable allocation of the upcoming year's costs.

SPA Members, on the property side, have two main programs which generate costs to SPA Members: (1) the Property Program and (2) the Auto Physical Damage/Mobile Equipment Program. For the Property Program, there are three main categories that make up the overall cost allocated to SPA Members each year (1) Retained Layer (currently \$3M), (2) Administrative Costs (Program administration, Loss Cost and Appraisals) and (3) the reinsurance program costs. For the Retained Layer, the liability of the layer is allocated each year to each member, with the decision on "how much to fund" of that liability being a separate decision by the Board each year (\$3M funded in 2020; \$1.5M funded in 2021, with SIA being the exception). The Administrative Costs and the Retained Layer liability have been allocated historically based on TIV size relative to the group. The reinsurance cost allocation, in theory, is meant to incorporate views on (a) experience, (b) size, (c) catastrophe exposures and (d) judgement, for each SPA Member, in helping to inform the final allocation decision.

The original cost allocation was completed in 2020 and was heavily driven by judgment, ultimately, at that time. A major factor in this was the overall marketplace condition and what SPA was able to achieve in order to launch the program in a very uncompromising marketplace. Another major factor was the concept of a reasonable understanding of what each Member's market position could have/would have been outside of SPA, for cost, limits and coverage. The SPA Board used their best judgment, informed by the Cost Allocation exhibit, in

determining fair outcomes. For example, given SIA's size (and relative experience), they would be treated differently in the marketplace than other SPA Members (i.e., their size gets them certain "credits" from the markets, for example). Butte, who was marketed separately from SPA originally, would find it extremely difficult, if not impossible, to find limits/coverage similar to what SPA was able to offer them (given Butte's size, location and abnormal loss experience/wildfire exposure). SIG had very dramatic news from their incumbent (Lex) leading to the final decision to join SPA (90% cut in capacity, **yet** 2x the expiring premium for the significantly reduced layer). RESIG presented a different historical experience (wildfire), than most of the other members. And North Bay, it was assumed, could likely get the most favorable renewal on their own (experience and cat exposure profile). All of those consideration were used to "set" the first allocation in 2020.

In 2021, SPA was dealing with the Bear Creek wildfire for Butte, as well as a continued hard market conditions. So, the 2020 "set" allocations were used as the starting base, and positions were, again, allocated more heavily based on judgment regarding reasonable outcomes, per member, given those conditions.

Now, in 2022, SPA is facing a more stabilized marketplace, a potential significant deterioration of the Bear Creek wildfire loss outcome (which lead underwriters have expressed concern regarding), as well as some loss activity in the program, though more of an "expected" activity from the lead markets' perspective. Not to mention, our marquee catastrophe exposure, wildfire, remains unfavorably viewed in the marketplace.

The Cost Allocation exhibit is not a rating model. The marketplace "rates" SPA based on our overall experience and exposure as a group. The Cost Allocation exhibit, instead, was created to help inform the decision on how to fairly and equitably allocate the costs of the program between the SPA Members, based on the SPA Board's conceptual preferences, focused on the unique characteristics of each SPA Member and their portfolio of risks. For example, a member with little wildfire exposure (and/or loss experience) should not have the same allocation as a member with heavy wildfire exposure (and/or loss experience) when allocating the costs. It is conceptual preferences, like that, which helped in creating the Cost Allocation exhibit base.

For the Auto Physical Damage/Mobile Equipment Program the allocation is straightforward. It is, simply, each Member's values applied against the AIG rate for APD and Mobile Equipment (including Surplus Lines Taxes and Fees).

ATTACHMENTS: The May 16th email and attachment regarding conceptual options to approach this topic.

Michelle Minnick

From: Dan Madej
Sent: Sunday, May 15, 2022 12:25 PM
To: Janet Selby
Cc: cpatters@bsspjpa.org; ajames@ocesd.net; Brandon Schlenker; Kim Santin; rburcina@resig.org; smanzoni@resig.org; cspencer@resig.org; mbrady@sia-jpa.org; Brice@sia-jpa.org; Dsherrington@sia-jpa.org; cindyw@sigauburn.com; nancym@sigauburn.com; sreed@resig.org; dvieyra@resig.org; Phil Brown; Tuesday Taylor; Daniel Howell; Marcus Beverly; Michelle Minnick; Jenna Wirkner
Subject: RE: SPA: Cost Allocation concepts - Preparation for the May 18th discussion
Attachments: Cost Allocation concepts DRAFT_For May 18th Board Meeting Revised 051522.xlsx

Janet – thanks for catching that!

All, Column AA was referring to the wrong TIV column. Now corrected in the attached.

Thanks.

Dan Madej

Alliant Insurance Services, Inc.

D (312) 837-4735

M (312) 320-8437

www.alliant.com



From: Janet Selby <JanetS@nbsia.org>
Sent: Friday, May 13, 2022 4:11 PM
To: Dan Madej <Dan.Madej@alliant.com>
Subject: RE: SPA: Cost Allocation concepts - Preparation for the May 18th discussion

This message has originated outside the organization.

Hi Dan.

I'm still reviewing in depth, but could you double check the formulas in column AA? I think they should be pointing to the TIV in column C rather than column B.

From: Dan Madej <Dan.Madej@alliant.com>
Sent: Friday, May 13, 2022 11:17 AM
To: cpatters@bsspjpa.org; ajames@ocesd.net; Janet Selby <JanetS@nbsia.org>; Brandon Schlenker <brandons@nbsia.org>; Kim Santin <kims@nbsia.org>; rburcina@resig.org; smanzoni@resig.org; cspencer@resig.org; mbrady@sia-jpa.org; Brice@sia-jpa.org; Dsherrington@sia-jpa.org; cindyw@sigauburn.com; nancym@sigauburn.com; sreed@resig.org; dvieyra@resig.org; Phil Brown <PBrown@sia-jpa.org>; Tuesday Taylor <tuesdayt@sigauburn.com>
Cc: Daniel Howell <dhowell@alliant.com>; Marcus Beverly <Marcus.Beverly@alliant.com>; Michelle Minnick <Michelle.Minnick@alliant.com>; Jenna Wirkner <Jenna.Wirkner@alliant.com>

Subject: SPA: Cost Allocation concepts - Preparation for the May 18th discussion

Importance: High

CAUTION: This email originated from outside of NBSIA. Do not click links or open attachments unless you recognize the sender and know the content is safe.

In preparation for the May 18th discussion on Cost Allocation concepts, please find attached/included the following:

- 1 – An excel-based view of the allocation topic. This includes 3 views currently:
 - a. The output from the Allocation Exhibit. This is the “extreme” view which is prompting further discussion on allocation concepts for 2022 (similar to 2020 and 2021)
 - b. The view showing the concept of applying the 5% rate increase (the “expected”) to each member’s “rate”, as well as the impact of each TIV change. This view also builds out an approach to the “overage” of the expected 5% rate increase (the numbers shown are only for illustration).
 - c. The view is the same as “b”, but builds out a formula for alternative handling of distribution of the “overage” of the expected 5% rate increase (the numbers shown are only for illustration).

Please note, each view also builds in the potential for the New Layer discussed (50M xs 100M). So you will see the Reinsurance and Deposit sections showing a (1) NO new layer outcome and a (2) WITH new layer outcome.

2 – The DRAFT of the agenda item for May 18th (below) with the background of the cost allocation concept in 2020 and 2021. Michelle will be sending the official agenda, but I wanted to include this now, for the background piece. Per Brown Act, please remember to not discuss this together, but I am available to address any questions individually prior to May 18th.

We are releasing this now, so everyone has a chance to review, understand the “flow” of the sheet and digest the concepts and their potential impacts. The sheet is built in a way that you should be able to “play” with it, a bit, if needed.

Again, this is a draft of the concepts only. It is not a recommendation. Also, a reminder, the Cost Allocation is a framework for allocating the SPA costs. It is NOT a rating model, per se. SPA is “rated” in the marketplace by our reinsurers.

Happy to answer any questions you might have.

Thanks and have a great weekend!

Dan Madej

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www.alliant.com



DRAFT ONLY

Cost Allocation Exercise

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DRAFT ONLY, of allocation concepts

Reminder: This is an Allocation Method... NOT a Rates/Pricing Model

If SPA strictly followed the Cost Allocation output (SPA did NOT strictly follow the output in 2020 or 2021)

	TIV			Admin Cost (TIV based)			Retained Layer (TIV based)			Reinsurance Cost (multi-factor based)			SSOM as \$100M Layer (TIV based)			Reinsurance "Rate" Based on Allocation (NO NEW LAYER)			Deposit Cost (NO NEW LAYER)			Deposit "Rate" (NO NEW LAYER)			Reinsurance "Rate" Based on Allocation (WITH NEW LAYER)			Deposit Cost (WITH NEW LAYER)			Deposit "Rate" (WITH NEW LAYER)								
	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change			
	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change			
Butte	466,661,696	539,975,050	15.7%	12,337	13,614	10.4%	87,088	96,097	10.3%	1,550,575	4,702,164	203.25%	-	4,702,164	0.0%	0.33227	0.870811	162.08%	1,650,000	4,811,875	191.6%	0.354	0.891	152.0%	0.33227	0.870811	162.1%	1,650,000	4,811,875	191.6%	0.354	0.891	152.0%	1,650,000	4,811,875	191.6%	0.354	0.891	152.0%
North Bay	1,833,970,708	1,896,288,669	3.4%	47,659	47,809	0.3%	336,414	337,475	0.3%	1,866,082	683,486	-37.7%	61,594	745,080	9.0%	0.101751	0.038043	-64.58%	2,250,155	1,968,770	-52.5%	0.123	0.056	-54.1%	0.101751	0.039291	-61.4%	2,250,155	1,930,364	-49.8%	0.123	0.060	-51.4%	2,250,155	1,930,364	-49.8%	0.123	0.060	-51.4%
RESIG	2,381,619,181	2,491,992,832	4.0%	62,532	62,828	0.5%	441,400	443,490	0.5%	3,393,671	4,471,787	31.77%	80,943	452,730	1.8%	0.142494	0.129446	25.93%	3,897,603	4,978,105	27.7%	0.164	0.200	22.1%	0.142494	0.182694	28.2%	3,897,603	5,059,048	29.8%	0.164	0.203	24.0%	3,897,603	5,059,048	29.8%	0.164	0.203	24.0%
SIA	8,795,431,850	9,154,657,273	4.1%	228,230	230,806	1.1%	1,611,034	1,629,219	1.1%	3,219,897	2,960,315	-8.06%	297,354	3,257,669	10.0%	0.036609	0.032337	-11.67%	5,059,161	4,820,340	-4.7%	0.058	0.053	-8.5%	0.036609	0.035585	-2.8%	5,059,161	5,117,694	1.2%	0.058	0.056	-2.8%	5,059,161	5,117,694	1.2%	0.058	0.056	-2.8%
SIG	2,686,171,187	2,774,227,845	3.3%	74,242	69,943	-5.8%	524,064	493,719	-5.8%	3,476,388	2,324,343	-33.14%	90,110	2,414,453	3.9%	0.129418	0.083783	-35.26%	4,074,694	2,888,005	-29.1%	0.152	0.104	-31.4%	0.129418	0.087032	-32.8%	4,074,694	2,978,115	-26.9%	0.152	0.107	-29.2%	4,074,694	2,978,115	-26.9%	0.152	0.107	-29.2%
Total	16,163,854,622	16,857,141,669	4.3%	425,000	425,000		3,000,000	3,000,000		13,506,613	15,142,095	12.11%	530,000	15,672,095	3.5%	0.083561	0.088826	7.50%	16,931,613	18,567,095	9.7%	0.10475	0.114868	9.66%	0.083561			16,931,613	19,097,095	12.8%	0.1047	0.1133	8.15%	16,931,613	19,097,095	12.8%	0.1047	0.1133	8.15%

100% cost before commission reduction (So won't match 2021 invoice, which is net of reduction)

Original 2021 Cost Allocation Exhibit

Butte	532,345
NB	530,368
RESIG	1,056,521
SIA	2,832,365
SIG	3,763,903
Total	13,506,612

For perspective on the 2022 output above, this is what the Cost Allocation was returning in 2021 (left) originally, prior to "judgment" being applied

Concept: If we divided the cost increase by (a) Expected (TIV +5% rate) and (b) "Overage" of Expected

	TIV			Admin Cost (TIV based)			Retained Layer (TIV based)			Reinsurance Cost (multi-factor based)			SSOM as \$100M Layer (TIV based)			Reinsurance "Rate" Based on Allocation (NO NEW LAYER)			Deposit Cost (NO NEW LAYER)			Deposit "Rate" (NO NEW LAYER)			Reinsurance "Rate" Based on Allocation (WITH NEW LAYER)			Deposit Cost (WITH NEW LAYER)			Deposit "Rate" (WITH NEW LAYER)					
	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change			
	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change			
Butte	466,661,696	539,975,050	15.7%	12,337	13,614	10.4%	87,088	96,097	10.3%	1,550,575	1,883,882	21.5%	214,911	2,098,793	35.4%	-	2,098,793	11.4%	0.33227	0.389	16.89%	1,650,000	2,208,504	33.8%	0.354	0.409	15.7%	0.33227	0.389	17.0%	1,650,000	2,208,504	33.8%	0.354	0.409	15.7%
North Bay	1,833,970,708	1,896,288,669	3.4%	47,659	47,809	0.3%	336,414	337,475	0.3%	1,866,082	2,025,566	8.6%	61,594	2,087,559	3.0%	0.101751	0.107	5.00%	2,250,155	2,411,250	7.2%	0.123	0.127	3.6%	0.101751	0.110	8.2%	2,250,155	2,472,843	9.9%	0.123	0.130	6.3%			
RESIG	2,381,619,181	2,491,992,832	4.6%	62,532	62,828	0.5%	441,400	443,490	0.5%	3,393,671	3,728,494	9.9%	80,943	3,809,437	2.2%	0.142494	0.150	5.00%	3,897,603	4,234,812	8.7%	0.164	0.170	3.8%	0.142494	0.153	7.3%	3,897,603	4,315,755	10.7%	0.164	0.173	5.8%			
SIA	8,795,431,850	9,154,657,273	4.1%	228,230	230,806	1.1%	1,611,034	1,629,219	1.1%	3,219,897	3,518,975	9.3%	297,354	3,816,329	8.5%	0.036609	0.038	5.00%	5,059,161	5,379,000	6.3%	0.058	0.059	2.1%	0.036609	0.042	13.9%	5,059,161	5,676,354	12.2%	0.058	0.062	7.8%			
SIG	2,686,171,187	2,774,227,845	3.3%	74,242	69,943	-5.8%	524,064	493,719	-5.8%	3,476,388	3,769,867	8.4%	90,110	3,859,977	2.4%	0.129418	0.136	5.00%	4,074,694	4,333,529	6.4%	0.152	0.156	3.0%	0.129418	0.139	7.5%	4,074,694	4,423,639	8.6%	0.152	0.159	5.1%			
Total	16,163,854,622	16,857,141,669	4.3%	425,000	425,000		3,000,000	3,000,000		13,506,613	14,927,184	11%	214,911	15,142,095	7.0%	0.0836	0.0886	5.97%	16,931,613	18,567,095	9.7%	0.10475	0.114868	9.66%	0.083561			16,931,613	19,097,095	12.8%	0.105	0.113	8.15%			

RT is allocated liability Not chosen funding of liability

Butte	2021 Rate @ +5%	Check	Reinsurance Cost
North Bay	0.3489	0.05	1,883,881.65
RESIG	0.1068	0.05	2,025,965.65
SIA	0.1496	0.05	3,728,494.49
SIG	0.0384	0.05	3,518,975.16
SIG	0.1359	0.05	3,769,866.59

For illustration purposes only

Alternative Concept: Allocating the "overage" of expected differently

	TIV			Admin Cost (TIV based)			Retained Layer (TIV based)			Reinsurance Cost (multi-factor based)			SSOM as \$100M Layer (TIV based)			Reinsurance "Rate" Based on Allocation (NO NEW LAYER)			Deposit Cost (NO NEW LAYER)			Deposit "Rate" (NO NEW LAYER)			Reinsurance "Rate" Based on Allocation (WITH NEW LAYER)			Deposit Cost (WITH NEW LAYER)			Deposit "Rate" (WITH NEW LAYER)					
	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change	2021	2022	Change			
	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change	Allocation	2022 Revised	Change			
Butte	466,661,696	539,975,050	15.7%	12,337	13,614	10.4%	87,088	96,097	10.3%	1,550,575	1,883,882	21.5%	107,456	1,991,337	28.4%	-	1,991,337	5.7%	0.33227	0.369	10.99%	1,650,000	2,101,048	27.3%	0.354	0.389	10.0%	0.33227	0.369	11.0%	1,650,000	2,101,048	27.3%	0.354	0.389	10.0%
North Bay	1,833,970,708	1,896,288,669	3.4%	47,659	47,809	0.3%	336,414	337,475	0.3%	1,866,082	2,025,566	8.6%	26,864	2,052,830	10.0%	61,594	2,114,423	4.4%	0.101751	0.108	6.99%	2,250,155	2,438,114	8.4%	0.123	0.129	4.8%	0.101751	0.112	9.6%	2,250,155	2,499,707	11.1%	0.123	0.132	7.4%
RESIG	2,381,619,181	2,491,992,832	4.6%	62,532	62,828	0.5%	441,400	443,490	0.5%	3,393,671	3,728,494	9.9%	26,864	3,755,358	10.7%	80,943	3,836,301	2.9%	0.142494	0.151	5.76%	3,897,603	4,261,676	9.3%	0.164	0.171	4.5%	0.142494	0.154	8.0%	3,897,603	4,342,619	11.4%	0.164	0.174	6.5%
SIA	8,795,431,850	9,154,657,273	4.1%	228,230	230,806	1.1%	1,611,034	1,629,219	1.1%	3,219,897	3,518,975	9.3%	26,864	3,545,839	10.1%	297,354	3,843,193	9.2%	0.036609	0.039	8.80%	5,059,161	5,405,864	6.9%	0.058	0.059	2.7%	0.036609	0.042	14.7%	5,059,161	5,703,218	12.7%	0.058	0.062	8.3%
SIG	2,686,171,187	2,774,227,845	3.3%	74,242	69,943	-5.8%	524,064	493,719	-5.8%	3,476,388	3,769,867	8.4%	26,864	3,796,731	9.2%	90,110	3,886,941	3.1%	0.129418	0.137	5.75%	4,074,694	4,360,393	7.0%	0.152	0.157	3.6%	0.129418	0.140	8.3%	4,074,694	4,450,503	9.2%	0.152	0.160	5.8%
Total	16,163,854,622	16,857,141,669	4.3%	425,000	425,000		3,000,000	3,000,000		13,506,613	14,927,184	11%	214,911	15,142,095	7.0%	0.0836	0.0886	5.97%	16,931,613	18,567,095	9.7%	0.10475	0.114868	9.66%	0.083561			16,931,613	19,097,095	12.8%	0.105	0.113	8.15%			

RT is allocated liability Not chosen funding of liability

Butte	2021 Rate @ +5%	Check	Reinsurance Cost	Allocation of "overage"	
North Bay	0.3489	0.05	1,883,881.65	5.0%	107,455.73
RESIG	0.1068	0.05	2,025,965.65	12.50%	26,863.93
SIA	0.1496	0.05	3,728,494.49	12.50%	26,863.93
SIG	0.0384	0.05	3,518,975.16	12.50%	26,863.93
SIG	0.1359	0.05	3,769,866.59	12.50%	26,863.93

RT is "liability" allocated Not "funded" RT amount

RT is "liability" allocated Not "funded" RT amount

Item No: D.2.

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: None.