

## AGENDA

<b>MEETING:</b>	Schools Program Alliance Board of Directors Meeting	<b>A Action</b>
<b>DATE/TIME:</b>	May 9, 2022 at 10:00 AM PDT	<b>I Information</b>
<b>TELECONFERENCE:</b>	Toll Free <a href="tel:8884754499">(888) 475 4499</a> or <a href="tel:6699006833">(669) 900-6833</a> US Toll	<b>1 Attached</b>
Meeting number (access code):	918 2282 8420	<b>2 Hand Out</b>
	<a href="https://alliantinsurance.zoom.us/j/91822828420?pwd=aXR3dnJ3WGZna1FMOXUvVIZ1NGs4QT09">https://alliantinsurance.zoom.us/j/91822828420?pwd=aXR3dnJ3WGZna1FMOXUvVIZ1NGs4QT09</a>	<b>3 Separate Cover</b>
		<b>4 Verbal</b>

**IMPORTANT NOTICES AND DISCLAIMERS:**

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

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

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

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

<i>PAGE</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>
<i>Pg. 4</i>	1. Minutes of SPA Board Teleconference Meeting April 12, 2022	
	<b>E. FINANCIALS</b>	
<i>Pg. 8</i>	<b>1. Financials as of March 31, 2022</b> <i>The Board will receive and may approve the Financials as of March 31, 2022.</i>	<b>A 1</b>
<i>Pg. 12</i>	<b>2. LAIF Update</b> <i>The Board will receive an update regarding the status of the LAIF account.</i>	<b>I 1</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 April 12, 2022

---

## **SCHOOLS PROGRAM ALLIANCE**

### **April 12, 2022 Teleconference Board Meeting Minutes**

**Members Present:**

<b>Butte Schools Self-Funded Programs (BSSP)</b>	Christy Patterson
<b>Butte Schools Self-Funded Programs (BSSP)</b>	Nicole Strauch
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Janet Selby
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Brandon Schlenker
<b>North Bay Schools Insurance Authority (NBSIA)</b>	Kim Santin
<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 Authority (SIA)</b>	Phil Brown
<b>Schools Insurance Group (SIG)</b>	Cindy Wilkerson

**Consultants & Guests**

Dan Howell, Alliant Insurance Services	James Wilkey, New Front Insurance
Dan Madej, Alliant Insurance Services	Eileen Massa, New Front Insurance
Marcus Beverly, Alliant Insurance Services	Rob Kramer, Sedgwick
Michelle Minnick, Alliant Insurance Services	Ryan Telford, AmWins
Hannah Watkins, BMS	Chris Tambo, AmWins
Emma Balmer BMS	Rhys Thomas, Convex

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

Mr. Martin Brady called the meeting to order at 12:10 p.m. The above-mentioned members were present constituting a quorum.

**B. APPROVAL OF THE AGENDA AS POSTED****C. PUBLIC COMMENT**

There were no public comments.

**D. CONSENT CALENDAR**

1. Minutes of SPA Board of Directors Meeting March 14, 2022

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

**MOTION:** Cindy Wilkerson**SECOND:** Christy Patterson**MOTION CARRIED  
UNANIMOUSLY**

## **E. GENERAL ADMINISTRATION**

### **E.1. 2022 Property (and APD) Renewal Update**

Dan Howell noted that we have Rhys Thomas, Hannah Watkins, Emma Balmer, Ryan Telford and we wanted to provide an opportunity to meet with the Board in person to talk about the SPA program, where the group is going and how we look to the future. Rhys Thomas led the group in a discussion about the status of the market and noted that valuations are the focus of Underwriters at this time due to an increase in severity and frequency of Catastrophic events and secondary perils (winter storms, prevalence of wildfires, tornado and hail storms). Dan Madej mentioned that BSSP has been appraised for buildings \$950K and above and the others locations have been trended 3.5.% real property and 2% contents and noted that all other members will be appraised by the end of the year, and SIA's appraisal will be completed in 2023. Ryan Telford indicated they will explore the cost for additional limits and we will try to bring options to the next meeting but agreed that the market is hard and carriers are less interested in providing coverage.

Martin Brady asked that Alliant provide an update regarding the Form 700's – it was mentioned by Michelle that Form 700's were due on April 1 so if you have not submitted it would be considered late at this time so members were encouraged to submit as soon as possible.

### **E.2. LIABILITY UPDATE**

Jim Wilkey provided the Board with an update regarding the Liability Program (BASIC & SIA) and noted that they have received all the information needed for the renewal of the SPA Liability program and mentioned the market is still hard and capacity has been shrinking. After a discussion, it was noted that the SPA renewal includes several moving parts, the two excess members (SIA and BASIC) and they are working on the placement of those since it is all tied together. At the recent BASIC meeting, it was mentioned that there is continued stress on claims in Public Schools in California.

### **E.3. SELF-INSURANCE OF CYBER EXPOSURE – PORTAL UPDATE**

It was noted that Dennis was not in attendance today but it was mentioned that we are working through the Cyber applications that have been completed & submitted via the Alliant Cyber Portal. Members discussed KYND a vendor that provides application review, penetration testing. Members generally wanted to receive copies of their underlying members' applications so they can provide to vendors (KYND, Lodestone) for application review and penetration testing. It was requested that this item be brought back at the May 9<sup>th</sup> meeting to determine if SPA is interested in launching a Self-Insured Cyber Program for July 1, 2022 as there will need to be an MOC written and Legal Counsel secured to ensure the launch is successful.

### **E.4. ALLIANT DEADLY WEAPONS RESPONSE PROGRAM (ADWRP)**

Dan Howell mentioned that there is some Active Assailant coverage under the current SPA program and we are looking at the enhanced product ADWRP. He went on to mention that SPA would keep purchasing the terrorism coverage on a separate basis and consider separately the more robust coverage in ADWRP. After a discussion, it was generally agreed that this is a real threat that does not exclude schools and members were in favor of purchasing.

---

*A motion was made to accept the quote for the ADWRP for FY 22/23.*

**MOTION:** Cindy Wilkerson

**SECOND:** Janet Selby

**MOTION CARRIED  
UNANIMOUSLY**

#### **E.5. LONG RANGE PLANNING UPDATE**

Marcus Beverly provided the Board with a review of the Long Range Action Plan and noted the items that have been completed and those that are still in progress. He noted that we have sent out a request to the breakdown of employees for the different training requirements and volunteers – some members that have not responded to that request please do so we can provide you folks with an updated number at the next meeting. Maybe adding something about follow up on Risk Control related to the wildfire risk reports.

#### **E.6. PROPOSED MEETING DATES FOR FY 22/23**

Michelle Minnick provided the board with the list of proposed dates for the FY 22/23 and members were encouraged to select the Long Range Planning date in August of 2022. After a brief discussion of other conferences it was generally agreed that the SPA Long Range Planning should be scheduled for September 12-13, 2022 in South Lake Tahoe to coincide with the CAJPA 2022 conference.

*A motion was made to approve the dates for FY 22/23 with the Long Range Planning meeting to take place Sept 12-13, 2022 in South Lake Tahoe.*

**MOTION:** Cindy Wilkerson

**SECOND:** Christy Patterson

**MOTION CARRIED  
UNANIMOUSLY**

#### **F. INFORMATION ITEMS AND DISCUSSION**

There was a question related to Builders Risk (new construction that has completed or is almost complete) and how other members are handling new construction that is coming on to the SPA Property Schedule and after a discussion Program Administration was provided with direction to fully develop the language of the MOC related to Course of Construction at the next meeting.

#### **G. ADJOURNMENT**

*A motion to adjourn was made at 1:49 p.m.*

**MOTION:** Cindy Wilkerson

**SECOND:** Janet Selby

**MOTION CARRIED  
UNANIMOUSLY**

The meeting was adjourned at 1:49 P.M.

**NEXT MEETING DATE: Monday May 9, 2022 via Teleconference**



**Schools Program Alliance**

*c/o Alliant Insurance Services*

*Corporation Insurance License No. 0C36861*

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

---

Respectfully Submitted,

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

\_\_\_\_\_  
Date

DRAFT



Item No: E.1.

**FINANCIALS AS OF MARCH 31, 2022****ACTION ITEM**

**ISSUE:** SPA financial statements & fiscal update 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 program 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 \$2,471,056 as of March 31, 2022. Highlights include:

- Per the January 2022 meeting, we have reclassified the prior fiscal year SIA Admin balances into each members Loss Control account.
- The statements reflect the recognition of revenues and expenses for excess property and liability insurance purchases.

Financial update/other considerations to be reported on include:

- Status of LAIF account
- Fiscal Year 6/30/21 audit update
- Planning for future actuarial analysis

**ATTACHMENTS:**

1. SPA Check Register as of March 31, 2022
2. SPA Financials Bal Sheet 03.31.22
3. SPA Financials Stmt of Income



**SCHOOLS PROGRAM ALLIANCE  
CHECK REGISTER**

DISBURSEMENT TRANSACTIONS THROUGH MARCH 31, 2022

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-004110	9/8/2021	SIG Loss Control
101358	INDUSTRIAL EMER	INDUSTRIAL EMERGENCY COUNCIL	12/3/2021	3,600.00	INV-004190	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>			
<b>3 Qtr</b>							
101675	FIRELINE DEFENS	FIRELINE DEFENSE, LLC	3/21/2022	12,550.00	1005	3/1/2022	NBSIA Loss Control
101688	INDUSTRIAL EMER	INDUSTRIAL EMERGENCY COUNCIL	3/25/2022	4,955.00	INV-004350	2/28/2022	SIG Loss Control
101684	DUFF & PHLEPS	DUFF & PHELPS CORPORATION	3/25/2022	17,020.00	LA0055476	3/16/2022	BUTTE Appraisals
				<u>34,525.00</u>			

**SCHOOLS PROGRAM ALLIANCE  
PROPERTY INSURANCE PROGRAM  
STATEMENT OF FINANCIAL POSITION  
Unaudited - For Management Purposes Only  
AS OF MARCH 31,2022**

DRAFT

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Liability	Total
<b>ASSETS</b>								
Cash	\$ (4,407)	\$ 59,643	\$ 112,603	\$ 1,232,366	\$ 110,617	\$ 4,500,000	\$ -	\$ 6,010,823
Accounts Receivable	-	-	-	-	-	-	-	-
Prepaid Insurance						3,348,082	1,199,589	4,547,671
<b>TOTAL ASSETS</b>	<b>(4,407)</b>	<b>59,643</b>	<b>112,603</b>	<b>1,232,366</b>	<b>110,617</b>	<b>7,848,082</b>	<b>1,199,589</b>	<b>10,558,494</b>
<b>LIABILITIES</b>								
SIA Admin payable	-	-	-	-	-	-	-	-
Loss Control payable	-	-	-	-	-	-	-	-
Appraisal payable	-	-	-	-	-	-	-	-
Deferred Contributions	3,084	11,915	18,633	862,575	18,561	3,723,082	1,199,589	5,837,438
Claims Liabilities	-	-	-	-	-	2,250,000	-	2,250,000
<b>TOTAL LIABILITIES</b>	<b>3,084</b>	<b>11,915</b>	<b>18,633</b>	<b>862,575</b>	<b>18,561</b>	<b>5,973,082</b>	<b>1,199,589</b>	<b>8,087,438</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ (7,491)</b>	<b>\$ 47,729</b>	<b>\$ 93,970</b>	<b>\$ 369,792</b>	<b>\$ 92,057</b>	<b>\$ 1,875,000</b>	<b>\$ -</b>	<b>\$ 2,471,056</b>

**Reconciliation of Equity Balances**

Retained Layer	-	-	-	-	-	1,875,000	-	1,875,000
SIA Admin	-	-	-	-	-	-	-	-
Loss Control	1,702	19,180	56,056	225,927	47,712	-	-	350,576
Appraisals	(9,193)	28,549	37,914	143,865	44,345	-	-	245,480
<b>Total Net Position</b>	<b>\$ (7,491)</b>	<b>\$ 47,729</b>	<b>\$ 93,970</b>	<b>\$ 369,792</b>	<b>\$ 92,057</b>	<b>\$ 1,875,000</b>	<b>\$ -</b>	<b>\$ 2,471,056</b>

**SCHOOLS PROGRAM ALLIANCE  
PROPERTY INSURANCE PROGRAM  
STATEMENT OF COMPREHENSIVE INCOME  
Unaudited - For Management Purposes Only  
MARCH 31,2022**

**DRAFT**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Liability	Total
<b>CONTRIBUTIONS</b>								
SPA Retained Layer Deposit	-	-	-	-	-	\$ 1,125,000		\$ 1,125,000
Member Contributions						\$ 10,044,246	\$ 3,598,766	\$ 13,643,012
<b>TOTAL RETAINED LAYER</b>	-	-	-	-	-	11,169,246	3,598,766	14,768,012
<b>SPA Admin Contributions*</b>								
SIA Admin	1,633	6,308	8,276	30,207	9,826			\$ 56,250
Loss Control	4,354	16,821	22,070	80,552	26,203			\$ 150,000
Appraisal	3,266	12,616	16,553	60,414	19,652			\$ 112,500
<b>TOTAL ADMIN CONTRIBUTIONS</b>	9,253	35,744	46,899	171,173	55,682			318,750
<b>TOTAL CONTRIBUTIONS</b>	9,253	35,744	46,899	171,173	55,682	11,169,246	3,598,766	15,086,762
<b>EXPENSES</b>								
Claims Expenses						2,250,000		\$ 2,250,000
Insurance Premiums						10,044,246	3,598,766	\$ 13,643,012
SIA Admin	1,633	6,307	8,276	30,207	9,827			\$ 56,250.26
Loss Control	9,500	22,050	-	-	10,855			\$ 42,405
Appraisals	17,020	-	-	-	-			\$ 17,020
<b>TOTAL EXPENSES</b>	28,153	28,357	8,276	30,207	20,682	12,294,246	3,598,766	16,008,687
<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 3/31/22</b>	\$ (7,491)	\$ 47,729	\$ 93,970	\$ 369,792	\$ 92,057	\$ 1,875,000	\$ -	\$ 2,471,056

\* SPA Admin Cost Allocation

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

Item No: E.2.

**LAIF UPDATE****INFORMATION ITEM**

**ISSUE:** Members will receive an update on the status of the LAIF account as SPA was recently approved and can begin making investments at this time.

**RECOMMENDATION:** None.

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

**BACKGROUND:** At the January 10, 2022 SPA Board meeting the group approved the establishment of a LAIF account. After submitting the items needed SPA has received confirmation that the LAIF account has been approved and investments can commence.

**ATTACHMENTS:** None.

Item No: E.3.

**FINANCIAL AUDIT UPDATE****INFORMATION ITEM**

**ISSUE:** Members will receive an update regarding the Financial Audit being performed by Gilbert & Associates.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** Gilbert & Associates was selected as the Financial Auditor at the August 2, 2022 SPA Board meeting.

**ATTACHMENTS:** None.

Item No: E.4.

**ACTUARIAL FOR 6/30/2022****ACTION ITEM**

**ISSUE:** SPA's managing member, SIA, would like to engage an actuary to obtain a year-end estimate of outstanding liabilities, as part of the overall financial and audit procedures for SPA.

**RECOMMENDATION:** SPA Board to hear the matter, as well as obtain a proposal from Chris Nahas, Astrus, and vote on next actions

**FISCAL IMPACT:** The actuarial fee will be ~\$2,500 each year to complete the analysis. (To be confirmed with Chris Nahas at this meeting).

**BACKGROUND:** The managing member, SIA, has raised the request of obtaining a year-end estimate regarding outstanding liabilities to include in the financial work. Astrus has worked with SPA each year, beginning with the original Feasibility Study in 2019/2020. Astrus conducts continuing work on behalf of SPA's renewal activities, in evaluating retentions levels, Retained Layer funding, as well as structure and targeted costs, to provide insight and comparison to market outcomes.

**ATTACHMENTS:** None.

Item No: E.5.

**DRAFT FY 22/23 BUDGET****ACTION ITEM**

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

**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, and 2) a Liability Program of excess insurance purchases, for the benefit of the member districts/JPA's. The JPA Board approves insurance purchases and sets policy direction for administrative expenses which are purchased in support of the members.

The Schools Insurance Authority functions as the Managing Member per the JPA agreement. The Managing Member receives and disburses funds, enters into contracts, and otherwise manage the financial operations of SPA. The attached Preliminary Budget is provided for Board Member discussion and Feedback.

**Budget Development Assumptions:**

## Member Contributions

- Retained layer funding – is proposed to fully fund the retained layer of \$3M, contributions allocated based on member TIV
- Reinsurance purchase – “Pending” as we do not have rates indications yet
- Admin Contributions – are proposed equal to last year for most members. BSSFP is proposed to increase by \$1,000 to account for the equity deficit caused by appraisal costs.

## Expenses

- Claims expenses are not anticipated/budgeted for at this time
- Excess insurance premiums are “Pending” as noted above
- SIA Admin is proposed the same as last year
- Appraisals are budgeted for the members expected to incur appraisal costs

**ATTACHMENTS:** SPA Program Proposed Budget FY 22-23



**SCHOOLS PROGRAM ALLIANCE  
PROPERTY INSURANCE PROGRAM  
PROPOSED BUDGET  
FY 2022-23**

MEMBER TIV (as of 12/31/21)                      523,114,581            1,835,170,708            2,381,619,181            8,795,431,850            2,686,360,758            16,221,697,078

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Liability	Total
<b>CONTRIBUTIONS</b>								
SPA Retained Layer Deposit	\$ 96,743	\$ 339,392	\$ 440,451	\$ 1,626,605	\$ 496,809	\$ 3,000,000	\$ -	\$ 3,000,000
Member Contributions						Pending	Pending	Pending
<b>TOTAL RETAINED LAYER</b>	96,743	339,392	440,451	1,626,605	496,809	3,000,000	-	3,000,000
SPA Admin Contributions*								
SIA Admin	2,419	8,485	11,011	40,665	12,420			75,000
Loss Control	6,450	22,626	29,363	108,440	33,121			200,000
Appraisal	5,837	16,970	22,023	81,330	24,840			151,000
<b>TOTAL ADMIN CONTRIBUTIONS</b>	14,705	48,081	62,397	230,436	70,381			426,000
<b>TOTAL CONTRIBUTIONS</b>	111,449	387,472	502,848	1,857,041	567,190	3,000,000	-	3,426,000
<b>EXPENSES</b>								
Claims Expenses						-		-
Insurance Premiums						Pending	Pending	Pending
SIA Admin	2,419	8,485	11,011	40,665	12,420			75,000
Loss Control	-	-	-	-	-			-
Appraisals	-	49,795	71,760	-	70,955			192,510
<b>TOTAL EXPENSES</b>	2,419	58,280	82,771	40,665	83,375	-	-	267,510
<b>NET POSITION, BEGINNING OF YEAR:</b>								
Retained earnings	(4,951)	57,541	106,845	416,780	107,342	2,250,000	-	2,933,556
<b>Balance as of 6/30/23</b>	\$ 104,079	\$ 386,733	\$ 526,921	\$ 2,233,156	\$ 591,157	\$ 5,250,000	\$ -	\$ 6,092,046

Item No: F.1.

**2022 PROPERTY (AND APD) RENEWAL UPDATE****ACTION ITEM**

**ISSUE:** We will discuss the status of the 2022 property/APD renewal process and the various elements that will see us through to the 7/1/22 inception date.

- a. Retained Layer (deductible views, also): We will review information provided by Astrus (Alliant internal actuarial group) regarding the projected Retained Layer funding. We will also see perspective on the current deductible scheme.
- b. Actuarial projection for 6/30: We will discuss the potential for engaging Astrus for the 6/30 loss reserve letter, regarding any outstanding reserves at different confidence levels (to be used in the SPA 6/30 financials).
- c. Renewal Update: AmWINS will join to review the marketing update as well as the “not to exceed” positions. Prospective MOC modifications will be discussed, as well.
- d. CoreLogic: We provided the CoreLogic results prior to the April meeting but did not get an opportunity to review, at a high level. We will plan to do so at this meeting.
- e. Loss Exhibit: We provided the Loss Exhibit prior to the April meeting but did not get an opportunity to review, at a high level. We will plan to do so at this meeting.
- f. London Credit: We will update the group regarding a 1.5% London credit that was included as part of the 2020 and 2021 participation.
- g. New Membership: Pursuant to our obligations under the MOC and the reinsurance structure (COC and Automatic Acquisition), we just want to confirm potential new members.

**RECOMMENDATION:**

- a. Retained Layer (deductible views, also): No specific recommendation.
- b. Actuarial projection for 6/30: Recommendation is to hear the matter and vote on next steps.
- c. Renewal Update: Recommendation is to hear the matter and vote on next steps.

- d. CoreLogic: No specific recommendation.
- e. Loss Exhibit: No specific recommendation.
- f. London Credit: Recommendation is to hear the matter and vote on next steps.
- g. New Membership: Recommendation is for the Alliant team to address, with the markets, any previously unknown new membership potentials, leading up to 7/1/22.

**FISCAL IMPACT:**

- a. Retained Layer (deductible views, also): None noted, but the insight could be used in determining funding level for 2022.
- b. Actuarial projection for 6/30: Hiring an actuary for this work will result in incurred fees for SPA to consider.
- c. Renewal Update: “Not to exceed” figures will be discussed, impacting expected costs of the reinsurance at 7/1/22.
- d. CoreLogic: None noted. This is just a review.
- e. Loss Exhibit: None noted. This is just a review.
- f. London Credit: Potential reduction of the inspection costs SPA paid in 2021.
- g. New Membership: Impact will need to be evaluated if there are previously unreported new members of SPA members during 2021, or any expected at the 7/1/2022.

**BACKGROUND:** We will continue with ongoing dialogue regarding the renewal process. The renewal process is a multifaceted effort involving planning, data collection, data evaluation, submission creation, discussions with reinsurance partners and negotiation with reinsurance partners. Embedded in this process is additional analytical work including CoreLogic Wildfire Risk Scores and catastrophe modeling, as well as funding evaluations regarding deductible and the Retained Layer.

**ATTACHMENTS:** Attachments will be provided during the May 9<sup>th</sup> meeting.

Item No: F.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:** 2022 Timeline

Item No: F.3.

**SELF INSURANCE OF CYBER EXPOSURE****ACTION 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. This effort was completed and marketing has started.

**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.

**ATTACHMENTS:** None

Item No: F.4.

## **COVERAGE FOR COURSE OF CONSTRUCTION**

### **ACTION ITEM**

**ISSUE:** the SPA Memorandum of Coverage includes a \$25,000,000 sublimit for property under the course of construction. This was intended to be a useful solution where a school building was under a remodel, and it would be difficult to separate the work of the remodel from the existing structure. Also, it can serve as a backstop if a contractor's insurance fails or is insufficient. SPA's brokers have seen this sublimit reduced for other programs because frame construction has generated large losses. SPA underwriters view putting new frame construction into the SPA program as a negative factor for SPA.

**RECOMMENDATION:** It is recommended that the SPA Board discuss whether SPA should restrict COC coverage for new construction and direct staff to develop language in the Memorandum of Coverage and Underwriting Policy & Procedures to effect the Board's desired level of coverage.

**FISCAL IMPACT:** Removing coverage for some COC projects will likely increase the cost of insurance for projects that can no longer rely on coverage from SPA and have purchase coverage, likely through their contractors.

**BACKGROUND:** Public entity property insurance programs have generally included some level of automatic course of construction coverage (also known as "Builders Risk" coverage). Normally this was included for minor capital projects, including self-directed work. As time passed the limit was increased during soft market cycles. Some school districts have utilized the automatic coverage as a replacement for contractor procured coverage, seeing a benefit from avoiding the higher cost of coverage procured by contractors. In the current market, frame construction is receiving higher underwriting scrutiny. Since many school projects are frame and since some SPA locations are in higher wildfire risk areas, this has drawn negative attention of SPA's underwriters.

**ATTACHMENTS:** None.

Item No: F.5.

**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:** SPA Long Range Action Plan for FY 21 22 as of 5-4-22



**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	Complete
	2. Prepare and review with BOD comparison matrix of selected potential LMS platforms	PA	Working Group	Dec-21	Complete
	3. SPA BOD direction on whether to proceed to SPA coordinated procurement effort	BOD	MB	Jan-22	Complete
	4. Request Proposal from Public Schools Works for the SPA Board to review.	TBD	MB & Working Group	Apr-22	Update at 5/9 meeting
<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	Complete
	3. Start populating library, send notices to Members as materials are posted	PA	MM & MB	Nov-21	In Process
	4. Library status report to SPA BOD and further direction	PA, BOD	MM & MB	Mar-22	Complete
	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	NF	Feb-22	Complete
	2. Report to BOD on likely renewal options to increase aggregate limits and direction from BOD	NF, BOD	NF	Apr-22	Update at 5/9 meeting
	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	
	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. 2nd 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	Complete
	2. Communicate to Members vehicle garaging project process, timeline and begin data update	AIS	MM	Nov-21	Complete
	3. Complete APD database in OASYS with garaging information	AIS	MM	Feb-22	Complete
	4. Populate OASYS database with accepted appraisal reports, obtain updates from Members	AIS	MM	Mar-22	Complete
	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	Complete 10/11/21

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

GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
	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	MM & MB	Jan-22	Complete 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	Complete
	2. Presentation of renewal options, direction from BOD	AIS, BOD	D.Mul	Apr-22	Complete
	3. Communication of coverage changes to SPA members in format suitable for distribution	PA		May-22	In Process
	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	D.Mul	Jan-22	Completed 1/10 & 2/14 agenda
	3. Identification and engagement of cyber services vendors, service plan and cost	PA	D.Mul	Mar-22	In Process
	4. Final decision to proceed with self-insured cyber program	BOD	D.Mul	Apr-22	In Process
	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	On 1/10 & 2/14 agenda
	3. Communication on SPA BOD coverage position and options for coverage to SPA Members	PA	DM	Jan-22	Complete 2/14 meeting
	4. Effective date of SPA BOD action on coverage intent for School Sponsored Housing for PY 22/23	BOD		Jun-22	In Process
<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	

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

**AIS:** Alliant Ins. Svcs.(Property Program)  
**NF:** Newfront Insurance (Liability Program)  
**GC:** SPA General Counsel

# RESISTIG



Dear School Leaders,

California's Wildfire Preparedness Week is May 1 to 7, and Cal Fire and its partner agencies are spending the week raising awareness on what individuals and communities can do to help protect themselves against the threat of wildfires.

Being proactive and prepared for wildfire is crucial for all Californians in making its communities more resilient to the impacts of wildfire.

Almost half of the state's largest and most damaging wildfires occurred in 2020 and 2021, and more than 6.8 million acres burned during this time.

Lack of rainfall, with above normal temperatures through the spring, will leave fuel moisture levels lower than normal, increasing the potential for wildland fire activity.

In 2022, Cal Fire has already responded to more than 1,400 wildfires, burning more than 6,500 acres on state and federal lands combined.

"California continues to experience longer wildfire seasons as a direct result of climate change," said Joe Tyler, Cal Fire director/chief. "Minimal rainfall is expected throughout the spring, leaving most of the state in moderate to extreme drought conditions prior to summer."

This year, Gov. Gavin Newsom's proposed budget for Cal Fire allocates more than \$3 billion for fire management, fire prevention, mitigation efforts including prescribed fire and fuel breaks, forest health and home hardening.

Californians also have an important role in preparing for and preventing wildfires. Thousands of communities depend on smart planning and prevention tools like protective fuel breaks, defensible space, and home hardening for their safety and survival. These tools work together to build more fire-resilient communities.

By preparing well in advance of a wildfire and taking steps now to reduce wildfire risks, you can dramatically increase your safety, the safety of your community, and the survivability of your home.

To learn more about wildfire safety and preparedness, visit [www.ReadyForWildfire.org](http://www.ReadyForWildfire.org).

Additionally, Cal Fire continues to encourage Californians to access the “Ready for Wildfire” web-based app that includes local alerts, checklists for preparedness, evacuation plans, and other kits.

To download the free app, visit <https://plan.readyforwildfire.org/>.

Stay safe,

Will

Will Davis, CIEC, REP, REPA, EP  
Director of Environmental Risk Services  
*Redwood Empire Schools' Insurance Group (RESIG)*  
5760 Skylane Blvd., Suite 100  
Windsor, CA 95492  
Office: (707) 836-0779 x107  
FAX: (707) 687-1889  
[www.resig.org](http://www.resig.org)