

AGENDA

MEETING:	Schools Program Alliance Board of Directors Meeting	A Action
DATE/TIME:	June 12, 2023 at 10:00 AM PDT	I Information
TELECONFERENCE:	Toll Free (888) 475 4499 or (669) 900-6833 US Toll	1 Attached
	Meeting number (access code): 956 5470 0824	2 Hand Out
	https://alliantinsurance.zoom.us/j/95654700824?pwd=RWZlWWRZKzhqbjZwZVNnNHFrOHlmdz09	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
6. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

PAGE A. CALL TO ORDER, ROLL CALL, QUORUM A 4

B. APPROVAL OF AGENDA AS POSTED A 4

C. PUBLIC COMMENTS I 4

The public is invited at this point to address the Board of Directors on issues of interest

D. CONSENT CALENDAR

The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.

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1. Minutes of SPA Board Meeting May 24, 2023

E. GENERAL RISK MANAGEMENT ISSUES

This is an opportunity for a 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 facing. Please mail a copy of any materials to each member in advance of the meeting.

F. FINANCIAL

Pg. 8

- 1. Proposed Budget 2023-24 A 1**

The Board will receive and may approve the budget for the next fiscal year.

G. GENERAL ADMINISTRATION**1. Liability Update****A 1***Jim Wilkey may provide the Board with an update regarding the Liability Renewal.**Pg. 11***a. Renewal of SPA Excess Liability***Pg. 14***b. Distribution of SPA Excess Liability Premium***Pg. 15***2. Property Program (and APD) Renewal Update****A 1***The Board will receive and may consider increasing the total limit to \$150M.**Pg. 16***3. Alliant Deadly Weapons Response Program FY 2023-2024****A 1***The Board will consider renewing the ADWRP for the 2023-2024 year.***H. INFORMATION ITEMS AND DISCUSSION****I 4***This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.***I. ADJOURNMENT****A 4**

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 May 24, 2023

SCHOOLS PROGRAM ALLIANCE

May 24, 2023 Special Teleconference Board Meeting

Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
Butte Schools Self-Funded Programs (BSSP)	Nicole Strauch
North Bay Schools Insurance Authority (NBSIA)	Kim Santin
North Bay Schools Insurance Authority (NBSIA)	Brandon Schlenker
Redwood Empire Schools Insurance Group (RESIG)	Cindy Wilkerson
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Martin Brady
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Phil Brown
Schools Insurance Authority (SIA)	Amy Russell
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Group (SIG)	Kelli Hanson
Schools Insurance Group (SIG)	Nancy Mosier
Central California Schools Authority (CCSA)	Alan Caeton

Consultants & Guests

Dan Madej, Alliant Insurance Services	Chris Tambo, AmWins
Dan Howell, Alliant Insurance Services	Ryan Telford, AmWins
Marcus Beverly, Alliant Insurance Services	Jim Wilkey, New Front Insurance
Michelle Minnick, Alliant Insurance Services	Eileen Massa, New Front Insurance
Eric Dahlen, Sedgwick	Mark Stokes, New Front Insurance

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 9:03 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 quorum and the Agenda as posted.

MOTION: Kim Santin

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

1. Minutes of SPA Board Teleconference Meeting May 8, 2023

A motion was made to approve the Consent Calendar.

MOTION: Cindy Wilkerson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

E. GENERAL RISK MANAGEMENT ISSUES

There were no comments.

F. GENERAL ADMINISTRATION**F.1. EXCESS LIABILITY PROGRAM UPDATE**

Jim Wilkey provided the Board with an update regarding the Excess Liability placement and indicated that negotiations have not gone as well as expected since the last meeting and noted that some carriers are increasing premiums significantly as compared to last year. He noted that the premium for the \$5M XS \$5M Primary has increased approximately 160% from the prior year. After a general discussion it was noted that there may need to be a change in carriers as the market for per occurrence based SAM coverage is dwindling. Direction was provided to bring back quotes at the \$25M and higher if cost effective.

F.2. 2023 PROPERTY (AND APD) RENEWAL STATUS UPDATE**F.2.A. FUNDING AND PARTICIPATION STATUS UPDATE**

Dan Howell provided the Board with an update that we have received a firm stance from our London lead carriers that we will not receive a renewal for SPA including BSSP as it stands unless the Berry Creek Claim sees movement toward resolution. Due to this SPA will either have to replace the capacity for all of SPA or for BSSP for the first \$25M. Christy Patterson provided the Board with an update regarding the recent BSSP meeting about the claim – the Board is frustrated and upset with the market’s response to the claim and noted that they will be discussing an alternative settlement demand later this evening. Ryan Telford additionally comments as it relates to the BSSP placement and mentioned that the London piece of the primary \$25m is the only market suggesting to not renew BSSP - no other carriers are saying that at this time. Ryan noted that if London plans to exclude BSSP then the AmWins plan is to buy a 35% of a \$25M primary solely for BSSP but the cost for that placement may be high due to the wildfire exposure being marketed by itself. Program Administration should receive the report out of the Pioneer BOD meeting this evening and attempt keeping BSSP in the program at 7/1/23 and simultaneously bring back a plan B that includes a separate capacity for BSSP if we cannot bring London back to the table to include BSSP at renewal.

A motion was made to receive the action and provide direction with the brokers to work with London or separate placement for Butte.

MOTION: Cindy Wilkerson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

Dan Madej additionally provided the Board with an update regarding the not to exceeds and indicated that those projections currently include BSSP. He provided a review of the proposed funding and loss history and how it affects the overall cost allocation. It was also noted that the Loss Control allocation, appraisals and the JPA Administration Cost total to \$105k which would be spread out across the membership based on TIV. It was noted that we will bring this back at the next meeting once we learn more from the meeting later tonight.

F.2.B. EVALUATION OF VACANCY SUBLIMIT PER STRUCTURE

Dan Howell provided that he noted other programs provide a \$500k sublimit for vacant structures and the SPA group is asked to consider the same. It noted that this is for locations that are not utilized and not being actively used or could be a single location where there is no current activity. The Board was asked to consider at this time how to handle vacant locations and suggested if there is a Vacancy Permit on file showing security or monitoring of the vacant location that makes it safer then that location could be underwritten (it would either be Agreed Value or at full replacement value). If the vacant location had a Vacancy Permit on file, was underwritten and had a covered loss then the policy would provide coverage but if no Vacancy Permit on file and not underwritten then the location would be sublimited to \$500k. Direction was provided to bring this back proposed language and a process for dealing with vacancies for further discussion.

F.2.C. EVALUATION OF MEMBER DISTRICTS WITH HIGH CATASTROPHIC RISK MODELING AT REMOTE LOCATIONS

Dan Howell provided that there are single site districts and/or remote districts that the exposure is different as there is only one site so there is additional impact when those sites are affected. The group is asked to consider taking an inventory of single site district and remote districts to determine what we have and if we want to go with agreed value or modified agreed value so we don't have a surprise going forward. Direction was provided to bring this back at the Long Range Planning meeting for further discussion including potential projections and hypotheticals requested.

F.3. CLAIM PAYMENT POLICY

Marcus Beverly provided a review and noted that we are bringing this back to ensure the entire procedure was captured and noted a minor change to the language.

A motion was made to approve the claim policy as presented.

MOTION: Cindy Wilkerson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

F.4. SPA MOU

Marcus Beverly provide that the MOU Serves as the Bylaws for SPA and the board was asked if there were any changes requested and we will bring back at the LRP in September.

H. INFORMATION ITEMS AND DISCUSSION

There were items provided for members to review and share with their membership.

G. ADJOURNMENT

A motion was made to Adjourn.

MOTION: Cindy Wilkerson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 10:38 A.M.

NEXT MEETING DATE: June 12, 2023 via Teleconference

Respectfully Submitted,

Martin Brady, Secretary

Date

DRAFT

Item No: F.1.

PROPOSED BUDGET 2023-24**ACTION ITEM**

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

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

FISCAL IMPACT: The next fiscal year budget will be adopted.

BACKGROUND: SPA members' annual contributions provide for excess pooled Property and Liability coverage programs for the benefit of the member JPAs and underlying districts. The JPA Board approves member contribution amounts, insurance purchases, and sets policy direction for administrative expenses in support of common member interests.

SIA functions as the Managing Member per the JPA agreement. The Managing Member receives and disburses funds, signs contracts, and manages the financial operations of SPA.

The Proposed Budget is drafted following Board Member feedback from the May 8, and May 24, 2023, Board Meetings. On May 8, the budget assumptions were recommended for the budget. On May 24 the Board recommended including CCSA in the admin costs allocation following the existing TIV model.

Budget Development Assumptions:**Contributions**

- Retained layer funding is proposed to fully fund the retained layer of \$3M; pending allocation*.
- Property Reinsurance is estimated at \$19.6million; pending final quotes and allocation*.
- Liability Reinsurance is estimated at \$9.4 million for coverage to \$25M; pending final quotes, coverage limit determination, and final premium allocation*.
- Admin Contributions are proposed to increase by \$31,000, including professional fees & strategic planning costs (\$30K), and NBSIA appraisal increase of \$1K to restore the equity deficit.

Expenses

- Claims expenses are not anticipated/budgeted for 23/24 at this time
- Excess insurance premiums are projected equal to the revenues estimated, pending allocation*
- SIA Admin is proposed equal to last year, plus the increase of \$30K additional admin costs.
- Appraisals are budgeted for the member (SIA) expected to incur appraisal costs.



Schools Program Alliance

*c/o Alliant Insurance Services
Corporation Insurance License No. 0C36861
2180 Harvard Street, Suite 460, Sacramento, CA 95815*

Board of Directors Teleconference Meeting
June 12, 2023

Beginning Balance (6/30/22 ending balance), includes claims reported through December 31, 2022 recognized as expenses; potential losses in January 2023 and later are not known or included at this time.

*Pending Board approval of allocation methodology, and TIV “true-up” (property).

ATTACHMENTS: See Proposed Budget attached

**SCHOOLS PROGRAM ALLIANCE
PROPERTY & LIABILITY INSURANCE PROGRAMS
PROPOSED BUDGET - Does not Include Allocations by Member*
FISCAL YEAR 2023/24**

	BSSFP	NBSIA	RESIG	SIA	SIG	Property Pool	Combined Property	Liability	Total
CONTRIBUTION REVENUE									
Retained Layer Deposit						3,000,000	3,000,000		3,000,000
Reinsurance Payments**						19,559,925	19,559,925	9,415,253	28,975,178
Total Retained & Reinsurance Contributions	0	0	0	0	0	22,559,925	22,559,925	9,415,253	31,975,178
SPA Admin Contributions*									
SIA Admin						75,000	75,000		75,000
General Admin						30,000	30,000		30,000
Loss Control						200,000	200,000		200,000
Appraisal						152,000	152,000		152,000
Total Admin Contributions	0	0	0	0	0	457,000	457,000		457,000
TOTAL CONTRIBUTIONS	0	0	0	0	0	23,016,925	23,016,925	9,415,253	32,432,178
EXPENSES									
Claims Expenses							0		0
Insurance Premiums**						19,559,925	19,559,925	9,415,253	28,975,178
Professional Services						26,000	26,000		26,000
Board Member Activities						4,000	4,000		4,000
SPA Admin Expenses*									
SIA Admin						75,000	75,000		75,000
Loss Control							0		0
Appraisals				390,000		0	390,000		390,000
TOTAL EXPENSES	0	0	0	390,000	0	19,664,925	20,054,925	9,415,253	29,470,178
INCREASE (DECREASE) IN NET POSITION	0	0	0	(390,000)	0	3,352,000	2,962,000	0	2,962,000
NET POSITION, BEGINNING OF PERIOD - ESTIMATED	7,259	43,094	158,585	606,856	114,712	5,004,680	5,935,185	0	5,935,185
NET POSITION, END OF PERIOD	7,259	43,094	158,585	216,856	114,712	8,356,680	8,897,185	0	8,897,185

* SPA Admin contributions & expenses traditionally allocated per TIV based approach as approved by the Board. Allocations not available pending final quotes, allocation methodology approval and TIV updates.

** Reinsurance premiums & expenses are provided based on most recently available Broker provided quotes/indications. These are not final and subject to change.

Item No: G.1.a.

RENEWAL OF SPA EXCESS LIABILITY PROGRAM**ACTION ITEM****ISSUE:** Renewal of SPA Excess Liability Program for 7/1/2023 to 7/1/2024**RECOMMENDATION:** Renew SPA Excess Liability Program**FISCAL IMPACT:** Approximate premium increase of 37% for limit of \$20m XS \$5m
Approximate premium increase of 45% for limit of \$24.5m XS \$5m**BACKGROUND:** Newfront Insurance has negotiated rates and premiums in the insurance market for renewal of the SPA Excess Liability Program and presents two options for consideration. One option provides a limit of \$20m XS the members' primary limit of \$5m resulting in total member limits of \$25m. The second option provides a limit of \$24.5m XS the members' primary limit of \$5M resulting in total member limits of \$29.5m.

Jim Wilkey of Newfront will be present to provide further details about both options and is seeking Board approval to bind one of the options for renewal.

ATTACHMENTS: One spreadsheet showing carriers, terms, conditions, rates and premiums for the \$20m XS \$5m option, and a second spreadsheet providing the same information for the \$24.5m XS \$5m option.

Item No: G.1.b.

DISTRIBUTION OF SPA EXCESS LIABILITY PREMIUM**ACTION ITEM****ISSUE:** Distribution of SPA Excess Liability Premium**RECOMMENDATION:** Provide direction to Newfront Insurance regarding premium distribution.**FISCAL IMPACT:** Does not impact the overall SPA Excess Liability Program premium but could impact the distribution of the premium among SPA members.**BACKGROUND:** The Central California Schools Authority (CCSA) became a new member of the SPA Excess Liability Program on 7/1/2022. Due, in part, to the acceptance of CCSA as a new member the SPA Board felt compelled to purchase additional aggregate limit in its \$5m XS \$5m layer. The SPA Board and CCSA agreed that CCSA would partially “subsidize” the premium paid by SPA to purchase this additional aggregate last year. CCSA, as a result, paid an additional \$281,259 subsidy into the program last year.

At that time the Board made no decision regarding how any future subsidy would be handled. In order to finalize invoicing of the SPA Excess Liability premiums for the upcoming renewal, Newfront Insurance is seeking SPA Board direction on whether there will be any subsidy required of CCSA this year and, if so, how much the subsidy will be.

ATTACHMENTS: One spreadsheet showing carriers, terms, conditions, rates and premiums for the \$20m XS \$5m option, and a second spreadsheet providing the same information for the \$24.5m XS \$5m option.

Item No: G.2.

2023 PROPERTY AND APD RENEWAL**ACTION ITEM**

ISSUE: We will discuss the status of the 2023 renewals for the Property and APD programs, including not-to-exceed positions. We have been engaged in ongoing renewal negotiations and will report at the meeting.

RECOMMENDATION: It is recommended that the Board review and approve the cost allocation methodology and delegate authority to the Chair to bind the quoted and indicated renewal terms within the not-to-exceed costs approved by the Board.

FISCAL IMPACT: Impact determined by Board action.

BACKGROUND: As we enter our final phase of the 2023 renewal, we will discuss our rating positions and not-to-exceed rating positions. As part of this discussion, we will discuss any other program or term changes expected.

ATTACHMENTS: Relevant exhibits will be shared at the meeting.

Item No. G.3.

ALLIANT DEADLY WEAPONS PROGRAM FY 23/24**ACTION ITEM**

ISSUE: Deadly Weapons Coverage was offered to members for the first time in FY 20/21 and continues to be offered for FY 23/24. The coverage provides a \$500,000 per claim limit with a \$2,500,000 pool aggregate and sublimits for property damage and business interruption, crisis management services, funeral services and counseling services, per the attached summary. The deductible is \$10,000 Each Event including Claims Expenses. *The event must occur at a location on a member's Schedule of Values.*

The Deadly Weapons Response insurance is primary for property and business interruption, coverages also provided by APIP, but it extends coverage to include benefits to those impacted by an event, including crisis counseling, medical and funeral expenses, and Accidental Death and Dismemberment coverage. The premium for SPA members is \$140,922.21

RECOMMENDATION: Review and discuss option and decide on participation.

FISCAL IMPACT: SPA's premium is \$140,992.21

BACKGROUND: This type of insurance, often labeled "Active Shooter" Coverage, is the result of the need for specific coverage and services in the aftermath of a covered event or attack.

ATTACHMENT(S):

1. Deadly Weapons Coverage Option Summary



Schools Program Alliance

2023 – 2024

Alliant Deadly Weapon Response Program (ADWRP) Proposal

Issued on May 22, 2023

Alliant Insurance Services, Inc
18100 Von Karman Avenue 10th Floor
Irvine, CA 92612
O (949) 756-0271
CA License No. 0C36861

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

INSURED	Schools Program Alliance
INSURANCE COMPANY:	Underwriters at Lloyd's of London
LLOYD'S CONSORTIUM:	Deadly Weapon Protection Consortium 9779 Comprising 100%: 50.0000% Lloyd's Syndicate 2623 AFB 10.9800% Lloyd's Syndicate 0623 AFB 12.2000% Lloyd's Syndicate 4472 LIB 12.2000% Lloyd's Syndicate 1969 APL 07.3100% Lloyd's Syndicate 1301 IGO 07.3100% Lloyd's Syndicate 1686 AXS
A.M. BEST RATING:	A (Excellent) XV; Greater than \$2,000,000,000
STANDARD AND POOR'S RATING:	A+, Strong Financial Security
STATE LICENSE STATUS:	Non-Admitted
POLICY TERM:	July 1, 2023 – July 1, 2024
COVERAGE FORM:	Claims Made & Reported
COVERAGE TYPE:	Third Party Bodily Injury Liability, First Party Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
LIMITS:	
Each and Every Deadly Weapon Event including Claim Expenses	\$ 500,000
Annual Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
DEDUCTIBLE:	\$10,000 Each and every Deadly Weapon Event including Claims Expenses
RETROACTIVE DATE:	7/1/2022

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

SUB-LIMITS:

(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)

\$ 500,000	1 st Party Property Damage – Each and every event depending on option bound
\$ 250,000	Crisis Management Services - specified in endorsement
\$ 250,000	Crisis Management Services – unspecified
\$ 250,000	Counseling Services (\$15,000 per person maximum)
\$ 250,000	Funeral Expenses (\$1M Aggregate; \$15,000 per person maximum)
\$ 250,000	Business Interruption
\$ 250,000	Demo/Clearance/Memorialization
\$ 250,000	Extra Expense
\$ 250,000	Threat
\$ 250,000	Transit Extension – Response Fees for events associated with reported rolling stock exposures
\$ 25,000	Per Person for Medical Expenses with a \$500,000 annual aggregate
\$ 50,000	Per Person Accidental Death and Dismemberment with a \$500,000 annual aggregate
Included	Circumstantial Costs for Prevention Services (\$0 Deductible)

ENDORSEMENTS:

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability Post Underwriting Review
- Deadly Weapon Safety Action Plan Webinar
- Crisis Management Services
- Circumstance Extension
- Property Damage Extension
- Counselling Services
- Funeral Expenses
- Short Rate Cancellation Table
- Premium Payment Clause
- Reinsurers Liability Clause
- Lloyd’s Privacy Policy
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption (*if applicable*)
- Automatic Acquisitions limit – locations up to \$25,000,000

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

EXCLUSIONS:

(Including But Not Limited To)

- 90 day grace period for reporting of new locations
- Offsite events coverage for K-12 School insureds (Field Trips) only – No Liability coverage applies.
- E&O clause – to cover locations not exceeding \$10,000,000 in value unintentionally not included in SOV provided to insurer
- Transit Extension - \$250,000 sublimit for event response fees associated with **reported** rolling stock values.
- **Crisis Management/Event Responder Fees** *do not erode policy limits*
- **Crisis Services Provided by CrisisRisk:**
<https://www.crisisrisk.com/>
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Any explosive devices unless used in conjunction with a Deadly Weapon Event.
- Euthanasia
- Fraudulent Claims
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Any claim or claims made by or on behalf of an Assailant.
- Use or operation as a means to inflict harm of any computer, computer system, computer software, malicious code, computer virus or any other electronic system.
- Workers Compensation
- Employment Practices
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Mercy Killing(s)
- Cross Suits
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Chemical, biological, bio-chemical or electromagnetic weapon
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

- Property Damage in care, custody or control of Named Insured or person under contract (except as maybe provided by the 1st Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages
- COVID19
- Any Deadly Weapon Event that occurs at a Location(s) which has been specifically leased or loaned by the Named Insured to any other entity or individual to host a permitted event planned and ticketed for more than 500 attendees over the duration of the event, except with the prior written agreement of the Underwriters. Agreement to add any event as covered may incur additional premium.

ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:

(Including But Not Limited To)

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ANNUAL PREMIUM:	\$136,579.00 Premium \$ 4,097.37 Surplus Lines Taxes \$ <u>245.84</u> Surplus Lines Fees \$140,922.21 Total Cost
DEFENSE INSIDE/OUTSIDE THE LIMITS:	Inside
MINIMUM EARNED PREMIUM:	25% Minimum Earned Premium
PROPOSAL VALID UNTIL:	No expiry date, however, insurers may withdraw it at any time without notice.
CLIENT SCHEDULE TOTAL:	\$18,171,058,279
SUBJECTIVITIES:	<ul style="list-style-type: none">• Completed and Signed Request to Bind Coverage Form (See last page)• Completed and Signed Surplus Lines Document(s) (If applicable)• Complete Schedule of Values on file to share with the carrier.<ul style="list-style-type: none">○ If the binding Schedule of Values fluctuates by 20% in either direction than what was quoted the premium may be adjusted.• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.• Note that the above premiums are inclusive of a post-binding telephonic review from Crisis Risk.• Payment is required 20 days prior to the settlement due date of 60 days from inception to enable us to pay insurers in a timely manner. If payment is not received by insurers on this date they may issue notice of cancellation of coverage. In the event of cancellation for non payment of premium, the time on risk premium will be due and payable, calculated at pro rata from inception to the date cancellation is effective.

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures / Disclaimers - Continued

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Servicer - Remove any coverage lines that are currently insured.

Target Coverages

	Yes	No
CRIME		
Employee Dishonesty	<input type="checkbox"/>	<input type="checkbox"/>
Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>
Social Engineering	<input type="checkbox"/>	<input type="checkbox"/>
Increased Limits	<input type="checkbox"/>	<input type="checkbox"/>
CYBER RISK	<input type="checkbox"/>	<input type="checkbox"/>
FLOOD INSURANCE	Refer to Flood Disclosure	
MANAGEMENT LIABILITY		
Directors & Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>
UMBRELLA / EXCESS LIABILITY (Increased Liability Limits)	<input type="checkbox"/>	<input type="checkbox"/>
Selecting the "Reject All or Accept All" option will override any selections you have made above	<input type="checkbox"/> Reject All <input type="checkbox"/> Accept All for Consideration	

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

Glossary of Insurance Terms

Below are links to assist you in understanding the insurance terms you may find within your insurance policies:

<http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Request to Bind Coverage

Schools Program Alliance

We have reviewed the proposal and agree to the terms and conditions of the coverages presented.
We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Annual Premium	Bind	Decline
DEADLY WEAPON RESPONSE PROGRAM			
Limit \$500,000 Annual Aggregate (Shared by Members of Pool/JPA) \$2,500,000	\$140,922.21	<input type="checkbox"/>	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

_____	_____
Signature of Authorized Insurance Representative	Date

Title	

Printed / Typed Name	

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

IMPORTANT NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC’s International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.

7. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

Date: _____

Insured: _____

D-1 (Effective January 1, 2020)

IMPORTANT NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

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Date: _____

Insured: _____

D-1 (Effective January 1, 2020)