

AGENDA

MEETING: Board of Directors Meeting
Schools Program Alliance
Teleconference Meeting

DATE/TIME: November 10, 2025 at 10:00 AM PDT

TELECONFERENCE: Toll Free [\(888\) 475 4499](tel:8884754499) or [\(669\) 900-6833](tel:6699006833) US Toll

Meeting number (access code): 939 2105 5921

<https://alliantinsurance.zoom.us/j/93921055921?pwd=fWBxCFa4kAKyPzHXKbbpNKb4dhToKU.1>

A Action

I Information

1 Attached

2 Hand Out

3 Separate Cover

4 Verbal

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting. The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 380, 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

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B. APPROVAL OF AGENDA AS POSTED

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C. PUBLIC COMMENTS

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

Pg.3 D. CONSENT CALENDAR

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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.

1. Minutes of SPA Board Teleconference Meeting October 13, 2025

Pg. 8 E. MEMBER PROGRAM AND IDEA SHARING

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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 City in advance of the meeting.

Item D.**CONSENT CALENDAR****ACTION ITEM**

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

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

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

FISCAL IMPACT: As indicated on any item included.

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

PUBLICATION: None.

ATTACHMENTS: Minutes of SPA Board Teleconference Meeting October 13, 2025

SCHOOLS PROGRAM ALLIANCE

October 13, 2025 Board Of Directors Teleconference

Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
Butte Schools Self-Funded Programs (BSSP)	Nicole Strauch
North Bay Schools Insurance Authority (NBSIA)	Noel Waldvogel
Redwood Empire Schools Insurance Group (RESIG)	Cindy Wilkerson
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Josh Arnold
Schools Insurance Authority (SIA)	Olivia Nelson
Schools Insurance Group (SIG)	Kelli Hanson

Members Absent:

Central California Schools Authority (CCSA)	Alan Caeton
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Consultants & Guests

Dan Madej, Alliant Insurance Services	Jenna Wirkner, Alliant Insurance Services
Dan Howell, Alliant Insurance Services	Mike Kieilty, George Hills
Marcus Beverly, Alliant Insurance Services	Jim Wilkey, Newfront
Michelle Minnick, Alliant Insurance Services	

A. CALL TO ORDER, ROLL CALL, QUORUM

Ms. Cindy Wilkerson called the meeting to order at 10:03 a.m. and welcomed the board. The above-mentioned members were present constituting a quorum.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Christy Patterson **SECOND:** Kelli Hanson

**MOTION CARRIED
UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

- Minutes of SPA Board Long Range Planning Meeting August 19-20, 2025
- Property Program Claims Payment

SPA is a Partnership of California Public Entity Joint Powers Authorities

A motion was made to approve the Consent Calendar.

MOTION: Kelli Hanson

SECOND: Noel Waldvogel

**MOTION CARRIED
UNANIMOUSLY**

E. MEMBER PROGRAM AND IDEA SHARING

Kelli Hanson noted that it's still been busy, and we are about to get busier. SB848 and now we are all mandatory reporters a discussion was held regarding the requirements and how members are tracking compliance with training. It was asked that the SPA Board discuss the SB848 at the next meeting to determine if additional training is needed at the SPA level to create consistency among the membership.

F. LIABILITY PROGRAM

F.1. LIABILITY PROGRAM

Jim Wilkey provided the Board with a verbal update and noted that the Liability Claims Committee is working to create a SPA Liability Claims log of reported claims. Additionally, he expressed the efforts to get the underlying programs SIR up to \$7.5M (up from \$5M) and there will be further discussions with the carriers. Lastly, Jim reviewed the anticipated timeline for requesting renewal information, which will be sent out after the next SPA Board meeting and noted they will be asking for items to be returned back by January 9, 2026. The goal is to have a complete submission to the market by January 30, 2026 with a target date of April 2, 2026 to have all underlying programs quoted.

G. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

G.1.A. STANDING COMMITTEE AND TASK GROUP UPDATES – LIABILITY CLAIMS TASK FORCE

Olivia Nelson provided that there was not much to report but they are working to compile a list of claims reported to carriers (tracking spreadsheet). It was noted that the committee is working to create consistency in how claims are reported to the carriers.

G.1.B. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY PROGRAM LOSS CONTROL AD HOC COMMITTEE

Sandy Manzoni noted they met 9/23 and mentioned some items that members wanted to use funds Mike Crandall who is providing a report and providing resources to help address concerns identified in the reports. Phil provided the Loss Control Balances and there will be another discussion about how the fund can be used.

G.1.C. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY CLAIMS COMMITTEE

Josh Arnold provided a review of the task force's efforts and noted that there are 10 open claims and the next meeting is next week. There have been no new claims that have been submitted in the

current fiscal year. They have been addressing the remediation (RMC) and Dry Creek will be vetted (Elk Grove) and have a meeting with CCSA.

G.1.D. STANDING COMMITTEE AND TASK GROUP UPDATES – PROPERTY APPRAISAL TASK FORCE

Marcus Beverly provided the Board with a review of the current status of the RFP for Property Appraisals and noted that CentruRisk, ITV, Kroll, and CBIZ provided a response (HCA declined). It was noted that we are seeking another member to join the task force to help provide some feedback. The goal will be to present the Board with a recommendation at the next meeting.

G.1.E. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION TASK FORCE

Kelli Hanson noted that the group has not yet met during this fiscal year. Dan Madej noted that work on this was paused in May due to the departure of Chris Nahas but there is still some work to be done. It was noted that SPA may be considering use of Bickmore Actuary in place of Astrus.

G.1.F. STANDING COMMITTEE AND TASK GROUP UPDATES – CYBER WORKING GROUP

Michelle Minnick provided the Board with notice that calendar meeting dates have been sent out to the participating members of the Cyber Working Group but the group has not met yet. Members were encouraged to join the working group if interested.

G.2. ADOPTION OF STRATEGIC PLANNING OBJECTIVES

Marcus Beverly provided a review of the Strategic Planning Objectives from the August meeting and noted that there were a lot of items related to the Liability. Specifically the work requested from the Liability Claims Committee as well as the Liability MOC with a potential change from occurrence-based coverage to claims-made coverage.

A motion was made to adopt the Strategic Planning Objectives.

MOTION: Brooks Rice

SECOND: Noel Waldvogel

**MOTION CARRIED
UNANIMOUSLY**

G.3. LAIF RESOLUTION

Brooks Rice noted that this was being presented simply to capture the titles that have changed and this captures those changes. It was requested that Program Administration send for signature using DocuSign.

A motion was made to accept.

MOTION: Christy Patterson

SECOND: Kelli Hanson

**MOTION CARRIED
UNANIMOUSLY**

G.4. RESCHEDULE DECEMBER 8, 2025 TELECONFERENCE MEETING

Cindy Wilkerson noted that our SPA Meeting date conflicts with the CAJPA meeting date, and it was requested to move the meeting to December 15, 2025.

A motion was made to approve the change of meeting date from December 8, 2025 to December 15, 2025.

MOTION: Kelli Hanson

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

H. PROPERTY PROGRAM

Dan Madej noted that the market seems to be holding true and provided a rough timeline for the Property Renewal. Additionally, there was a discussion about the renewal process for APIP.

I. INFORMATION ITEMS

1. MR OCIP White Paper

J. ADJOURNMENT

The meeting was adjourned at 11:03 A.M.

NEXT MEETING DATE: November 10, 2025 via Teleconference

Respectfully Submitted,

Kelli Hanson, Secretary

Date



Item E.

MEMBER PROGRAM AND IDEA SHARING

INFORMATION ITEM

Item F. 1.**LIABILITY PROGRAM – RENEWAL TIMELINE****INFORMATION ITEM**

ISSUE: Jim Wilkey will provide the Board with a verbal update regarding the Excess Liability Program.

RECOMMENDATION: Direction may be given by the Board following Newfront's report.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: SPA - BASIC - CCSA Timeline

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

TO: SPA Board of Directors

FROM: Jim Wilkey & Eileen Massa – Newfront

RE: Excess Liability Program Renewal Timeline for 2025 Marketing

DATE: October 6, 2025

Proposed Renewal Timeline for 7/1/2026-2027	Request Date	Due Date
Newfront Request to SPA:		
• Updated liability program named insured list	11/14/2025	1/9/2026
• Current bylaws	11/14/2025	1/9/2026
• SPA Audited Financial Reports as of June 30, 2025	11/14/2025	1/9/2026
• SPA Actuarial report	11/14/2025	1/9/2026

Newfront Request to SPA JPA Members (CCSA, SIA, BASIC):		
• Copy of draft MOC's for 2025, including Member listing	11/14/2025	1/9/2026
• Most Recent Actuarial Reports	11/14/2025	1/9/2026
• Audited Financial Report as of June 30, 2025	11/14/2025	1/9/2026
• Current bylaws	11/14/2025	1/9/2026
• 10-years ground up loss runs in excel format v. 12/31/2025	11/14/2025	1/9/2026
• Liability underwriting data	11/14/2025	1/9/2026

Newfront Underwriting Submissions to Market	1/30/2026
Primary \$5M Layers for all Members quoted	4/2/2026
Renewal Options Presented at SPA Board Meeting	5/8/2026
Renewal Options Finalized at SPA Board Meeting	6/5/2026
Renewal Binders, Invoices, and Certificates Issued by Newfront	6/18/2026

Item F. 2.**LIABILITY PROGRAM – LIABILITY PROGRAM EVALUATION OF
PRIMARY EXCESS LAYER****INFORMATION ITEM**

ISSUE: Jim Wilkey will provide the Board with a verbal update regarding the Excess Liability Program.

RECOMMENDATION: Direction may be given by the Board following Newfront's report.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: Hypothetical SPA Structure with SPA Pooled Layer

Hypothetical SPA Structure with SPA Pooled Layer



\$7.5M to \$40M
Schools Program Alliance (SPA)
Reinsurance and Excess Insurance Layers

\$2.5M to \$7.5M
SPA Primary Reinsurance Layer
(Safety National?)

\$500k to \$2.5M
SPA SIR Pooled Layer
SPA Members SIA, BASIC, CCSA

0 - \$500k
Individual SPA Member SIR (SIA, BASIC, CCSA)

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

- a) Liability Claims Task Force**
- b) Property Program Loss Control - Ad Hoc Committee**
- c) Property Claims Committee**
- d) Cyber Working Group**
- e) Cost Allocation Working Group**

Item G.2.**STRATEGIC PLANNING OBJECTIVES****INFORMATION ITEM**

ISSUE: The SPA Board of Directors held its annual Strategic Planning Meeting on August 19-20, 2025. During the meeting a number of strategic objectives were discussed. The Program Administrator has prepared the attached matrix summarizing the direction given by the Board into eight objectives to be addressed during the current program year.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: Each year the SPA Board of Directors holds a two day meeting to allow time beyond normal Board business to develop a longer term vision for strategic objectives. As items are identified, they are organized on the attached matrix to identify major milestones towards addressing the item and assignment of the activities to the parties responsible for development and execution of the item. The Strategic Planning Objectives matrix is included in each SPA Board of Directors regular meeting agenda so that a general progress update can be provided. At the following year's Strategic Planning Meeting, the Board reviews completion and determines if any items need to be carried over or modified in the following year's strategic planning objectives.

PUBLICATION: The FY 2025/26 SPA Strategic Planning Objectives will be included in each SPA Board of Directors regular meeting agenda with a status update.

ATTACHMENTS: FY 2025/26 SPA Strategic Planning Objectives

FY 2025/26 SPA STRATEGIC PLANNING OBJECTIVES as of 10/29/2025							
GOAL	ACTION / TASK			STAFF	Assigned	DEADLINE	STATUS
LRP-1	Develop SPA Liability Program Claims Reporting and SPA Level Loss Tracking						
	a.	Staff to draft Claims Notice for Board consideration & adoption	NF/MM	JW/ON	Nov		
	b.	Liability Claims Committee to begin meetings (including tracking claims) and report out to Board	MM	ON	Jan		
LRP-2	Program Administrator to Establish Plan for CAJPA Accreditation Status						
	a.	Detemine current CAJPA Accreditation requirements	PA	MB/MM	Nov	In Progress	
	b.	Provide review of SPA existing documents and operations as compared to the CAJPA Accreditation requirements	PA	MB/MM	Jan		
	c.	Present results to Board for furture direction or development of items needed	PA	MB/MM	Mar		
LRP-3	Establish a Cyber Working Group to address impact of AI on SPA including:						
	a.	MOLC Review for AI Issues	NF/MM	JW/ON	Jan		
	b.	Evaluat MGA/MGU/RPG Agency Management and Underwriting software packages to see if applicaable to SPA and/or members	PA/MM	MB/PB	Feb		
	c.	Evaluate how agentic AI can impact SPA and members	PA/MM	DM/PB	Feb		
	d.	Evaluate software tools for contract review and certificate/endorsement management	PA/MM	DH/PB	May		
	e.	Evaluate SPA Cyber Program combining esisting SIA (Axa), BASIC (PRISM), CCSA (APIP) and SIG (Tokyo Marine Programs)	PA/MM/NF	DH/ON/JW	Jan		
LRP-4	Evaluate Retaining more risk in SPA Property Program						
	a.	Create loss report pivot tables that support attachment/retention analysis	PA/PCA	DM/JA	Nov	JA delivering loss data	
	b.	Report to SPA Board on initial findings	PA/PCA	DM/JA	Dec		
	c.	Actuarial report on retention finding	PA/BA	DM/MH	Mar		
	d.	Renewal broking direction from SPA Board	PA	DM	Mar		
	e.	SPA Board review of renewal options and binding instructions	PA	DM	Jun		
	f.	Implementation of retention and monitoring	PA/PCA	DM/JA	Jul		
LRP-5	Property Claims Committee to work on developing a panel of providers with service and fees agreed pre loss						
	a.	Develop best practices and pricing, likely focusing on specific types of vendor providers and working through each type over time	PA/PCA	MB/JA	Dec		
	b.	Gather member comments on items needed to perform vetting process	PA/PCA	MB/JA	Jan		
	c.	Select providers and establish appropriate pre-loss agreements/service standards	PCC	PCC	Mar		
	d.	Train members on utilization process	PA/PCA	MB/JA	May		
	e.	Monitor results and performance and report out annually	PA/PCA	MB/JA	Aug		
LRP-6	Liability Program MOLC Evaluation of impacts and planning for potential move to claims-made coverage						
	a.	Develop white paper on legal and operational affects of changing from occurrence to claims-made coverage	NF/MM/GC	JW/ON/BC	Feb		
	b.	Initial discussion at SPA BOD	NF/MM/GC	JW/ON/BC	Mar		
	c.	Further development of documents, MOLC, member communications	NF/MM/GC	JW/ON/BC	Jul		

	d.	Discussion at SPA BOD Strategic Planning Session	NF/MM/GC	JW/ON/BC	Aug	
	e.	Implementation of change in MOLC, if any, no sooner than	NF/MM/GC	JW/ON/BC	Jun-27	
LRP-7	Liability Program Evaluation of Primary Excess Liability Program and how BASIC and CCSA participate					
	a.	Discuss conceptual approach to developing a SPA PELP, provide direction	NF/MM	JW/ON	Nov	Verbal Discussion at 11/10/25 Meeting
	b.	Development of conceptual approach and transition plan	NF/MM	JW/ON	Feb	
	c.	Approve transition to new SPA PELP (note this may be a July 1, 2027 goal)	NF/MM	JW/ON	Mar	
	d.	Coverage for PELP commences	NF/MM	JW/ON	Jul	
LRP-8	SPA HR Hotline Solution					
	a.	This item needs further development by SPA Board	TBD	TBD	TBD	
BOD: SPA Board of Directors PA: SPA Program Administrator MM: Managing Member CFO: SPA Accounting and Finance AIS: Alliant Ins. Svcs.(Property Program) NF: Newfront Insurance (Liability Program) GC: SPA General Counsel PCA: SPA Property Claims Administrator at SIA						

Item G.3.**RESCHEDULE APRIL 13, 2026, TELECONFERENCE MEETING****ACTION ITEM**

ISSUE: A conflict has been identified with the April 13, 2026, meeting date.

RECOMMENDATION: The Board is asked to consider moving the meeting date from Monday April 13, 2026, to Monday April 6, 2026.

FISCAL IMPACT: None.

BACKGROUND: The Board set the FY 25/26 meeting dates at the January 13, 2025, SPA Board meeting and a conflict has been identified.

ATTACHMENTS: None.

Item G.4.**PROPERTY APPRAISAL RFP****ACTION ITEM**

ISSUE: The SPA Board is asked to consider the recommendation of the Property Appraisal Task Force and select a vendor to complete the SPA Property Appraisals.

RECOMMENDATION: The Board is asked to consider the options and will select a vendor.

FISCAL IMPACT: Depending on firm selected pricing ranges from \$2,342,340 and \$1,610,690.

BACKGROUND: The SPA Board requested to complete a Request for Proposal from Property Appraisal Firms and there were 4 vendors who provided a proposal: Centrurisk, ITV, Kroll and CBIZ. HCA also responded but indicated they would not submit a proposal. The Property Appraisal Task Force reviewed all submissions and met on Tuesday October 28, 2025 to discuss.

ATTACHMENTS: Property Appraisal RFP Response Price Comparison

		Centurisk	Kroll	Cbiz	ITV
SPA Member	# Locations > \$5M	\$360	\$320	\$495	\$250
California Risk Management Authority (CRMA)	140	\$ 50,400	\$ 44,800	\$69,300	\$35,000
North Bay Schools Insurance Authority	78	\$ 28,080	\$ 24,960	\$38,610	\$19,500
Redwood Empire Schools' Insurance Group	92	\$ 33,120	\$ 29,440	\$45,540	\$23,000
Schools Insurance Authority	352	\$ 126,720	\$ 112,640	\$174,240	\$88,000
Schools Insurance Group	74	\$ 26,640	\$ 23,680	\$36,630	\$18,500
Grand Total	736	\$ 264,960	\$ 235,520	\$364,320	\$184,000
SPA Member	# Locations > \$1M to \$5M	\$225.00	\$200	\$185	\$175
California Risk Management Authority (CRMA)	867	\$ 195,075	\$173,400	\$160,395	\$151,725
North Bay Schools Insurance Authority	526	\$ 118,350	\$105,200	\$97,310	\$92,050
Redwood Empire Schools' Insurance Group	832	\$ 187,200	\$166,400	\$153,920	\$145,600
Schools Insurance Authority	2657	\$ 597,825	\$531,400	\$491,545	\$464,975
Schools Insurance Group	611	\$ 137,475	\$122,200	\$113,035	\$106,925
Grand Total	5494	\$ 1,236,150	\$1,098,800	\$1,016,390	\$961,450
SPA Member	Locations > \$5k to \$1M	\$35	\$65	\$50	\$30
California Risk Management Authority (CRMA)	2,710	\$ 94,850	\$176,150	\$135,500	\$81,300
North Bay Schools Insurance Authority	1,814	\$ 63,490	\$117,910	\$90,700	\$54,420
Redwood Empire Schools' Insurance Group	2,380	\$ 83,300	\$154,700	\$119,000	\$71,400
Schools Insurance Authority	7,297	\$ 255,395	\$474,305	\$364,850	\$218,910
Schools Insurance Group	1,309	\$ 45,815	\$85,085	\$65,450	\$39,270
Grand Total	15,508	\$ 542,780	\$1,008,020	\$775,400	\$465,240
Total all Values	21,738	\$ 2,043,890	\$ 2,342,340	\$ 2,156,110	\$ 1,610,690

Item G.5.

CAJPA ACCREDITATION PREPERATION

ACTION ITEM

ISSUE: In its Strategic Plan, the SPA Board has set a goal of having SPA become an accredited risk pooling JPA under CAJPA's accreditation program. The Program Administrator is compiling a matrix of the accreditation items check list and where SPA needs to implement measures meeting CAJPA's accreditation standards. One item for discussion at today's meeting is liability and crime coverage for SPA.

RECOMMENDATION: It is recommended that the SPA Board discuss this item and provide direction to staff, possibly including delegation of authority to the Managing Member to bind coverage, if appropriate.

FISCAL IMPACT: Action on this item may result an insurance premium cost to be applied to SPA's administrative expense budget.

BACKGROUND: CAJPA's accreditation standards include numerous items for consideration and review. The Program Administrator is preparing a matrix addressing each item with comments on what is needed to achieve compliance and estimated timing. The Program Administrator believes SPA should be ready by the fall of 2026 to join CAJPA and submit a request for an pre-accreditation review. It is expected that the accreditation review could be performed during the fall and if the review accreditation process within three months. If that is done, the cost of the pre-accreditation review is applied to discount the accreditation process. The Program Administrator anticipates presentation of the draft accreditation report to the SPA Board at the 2027 SPA Strategic Planning meeting.

The initial review performed by the Program Administrator pointed out that SPA needs to have a fidelity bond for its financial officer. Also, the SPA Board should consider whether SPA ought to have its own liability policy including trustee's errors and omissions coverage in place. As it stands, it could be argued that each board member is covered under their own member JPA's public officials liability coverage because the board member's work on SPA is an assigned duty of their JPA. But, there is residual liability since SPA exists as a separate legal entity. SPA could be endorsed onto one of the members' own policies, but if the member is self-insured for its liability coverage, that member would be retaining the risk of other JPA's with a potential high severity for very little premium contribution from SPA. The Program Administrator recommends that the SPA Board direct staff to obtain quotes for crime insurance including fidelity bond coverage for the SPA Treasurer and also a separate trustees E&O quote for SPA. The Program Administrator believes quotes can be obtained by the December SPA Board meeting. The cost of crime insurance is estimated not to exceed \$1,500 annual premium and the cost of Trustees E&O coverage is estimated not to exceed \$10,000 annual premium.

ATTACHMENTS: None.

Item H.1.**PROPERTY PROGRAM COST ALLOCATION****ACTION ITEM**

ISSUE: Discuss the Property Program cost allocation model/approach.

RECOMMENDATION: Board to provide guidance on go-forward plan.

FISCAL IMPACT: Changes in the Cost Allocation can impact annual costs for SPA Members. Also, if an actuary is engaged in the process, there will be additional costs involved for SPA (Est. 5,000-10,000).

BACKGROUND: SPA utilized a Property Program Cost Allocation exhibit based on experience, exposure and judgement factors since its launch in 2020. This allocation exhibit would be used to allocate the 3 categories of cost for SPA (1) Administration (including Appraisal/Loss Control), (2) Retained Layer and (3) Reinsurance. Judgement became a meaningful part of the allocation, given renewal topics that arose at launch and thereafter.

At the 2022 Long Term Planning session, the question was raised about periodically revisiting the allocation exhibit in order to determine if changes or modifications would be needed. This was raised, also, in the November 2022 Board Meeting agenda. At the 2024 Long Term Planning session, the topic was revisited, and a working group was put into place. Between that time and Spring 2025, the working group reviewed, discussed and recommended parts of the allocation exhibit/methodology to revisit. For the most part, the allocation exhibit was to remain “as is”, but with the goal of putting more weight on the mechanics of the methodology vs judgement. The working group, then, engaged an actuary to opine/assist on our allocation exhibit and our identified areas of possible improvement. The actuary felt the general structure of the allocation was sound. However, he recommended some formulaic/automation of certain parts (ground up losses) and a couple corrections on formulas (collars). As the 2025 renewal approached, it was decided by the working group to postpone the work until after the July 1st renewal, and to use the relative 2024 approach for 2025. This was because any modified allocation exhibit would need time for testing and running scenarios prior to recommending a final version to the Board.

ATTACHMENTS: None.