

AGENDA

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

DATE/TIME: May 7, 2026 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): 953 4846 2890

<https://alliantinsurance.zoom.us/j/95348462890?pwd=uWnMaVyrvHhU4zrDOx4CVbXPmmACsH.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 Authority, 85 Hartnell Suite 200, Redding, CA 96002
6. Schools Insurance Group, 550 High Street, Ste. 201, Auburn, CA 95603
7. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

<i>PAGE</i>	A. CALL TO ORDER, ROLL CALL, QUORUM	A 4
	B. APPROVAL OF AGENDA AS POSTED	A 4
	C. PUBLIC COMMENTS <i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	I 4
	D. PROPERTY PROGRAM	
<i>Pg. 2</i>	1. Cost Allocation Update <i>Members will receive a report from Mike Harrington and will consider and may approve the allocation method.</i>	A 3
	E. ADJOURNMENT	A 4

Upcoming Teleconference Meeting Dates: May 11, 2026, and June 8, 2026

Item D.

**PROPERTY PROGRAM
COST ALLOCATION UPDATE**

ACTION ITEM

ISSUE: Bickmore and the Cost Allocation working committee have worked on a revised version of the Cost Allocation method and process, as previously started in late 2024 with a different actuary.

RECOMMENDATION: Assure the Board understands the changes in the methodology and the impact to the Cost Allocation going forward using good faith estimates, followed by approval of the updated methodology from Bickmore for use in the May 11th “Not to Exceed” Board Meeting.

FISCAL IMPACT: Changes in the Cost Allocation can impact annual costs for each SPA Members. The impact will be based on the presentation during the Special Board Meeting on May 7th and May 11th.

BACKGROUND: SPA utilized a Cost Allocation exhibit/approach 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/Managing Member fee), (2) Retained Layer and (3) Reinsurance. Judgement became a meaningful part of the allocation, given unique renewal topics that arose during the launch year 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 raised, again, 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. Substantially, 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 identify 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, given there was not enough time to scenario-test the revamped version. Instead, the direction was to use the 2024 allocation approach as a relative basis for 2025 allocation, as an interim solution.

In 2025, the actuary departed Alliant, necessitating a search for a new actuary. Given the familiarity of Bickmore with many of the individual SPA Member pools, it was decided to engage them for this work. Bickmore, similarly, found that the Cost Allocation approach was largely sound, but had some key insight and observations. These observations included: (1) separating the premium for wildfire vs non-wildfire (2) improving/collecting the credibility approach (3)



Schools Program Alliance

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adding an Experience Modification approach to components of the allocation and (4) adding a Frequency Modification approach to components of the allocation. While updates were given at several Board Meetings, the nearly-complete version was discussed at the April Board Meeting. A Special Board Meeting was suggested for May 7th, to allow a focused and final review of the revised approach, prior to the “Not to Exceed” Board Meeting on May 11th.

ATTACHMENTS: A Report will be provided to the Board once received by Bickmore, prior to the May 7th meeting.