



Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. OC36861

2180 Harvard Street, Suite 460, Sacramento, CA 95815

**SCHOOLS PROGRAM ALLIANCE
September 12, 2022 Long Range Planning & Board Of
Directors 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) | David Rawe |
| Schools Insurance Group (SIG) | Nancy Mosier |
| Central California Schools Authority (CCSA) | Alan Caeton |

Consultants & Guests

- | | |
|---|-----------------------|
| Dan Madej, Alliant Insurance Services | Jim Wilkey, ABD |
| Dan Howell, Alliant Insurance Services | Mark Stokes, ABD |
| Michelle Minnick, Alliant Insurance Services | Ryan Telford, AmWins |
| Marcus Beverly, Alliant Insurance Services | Chris Tambo, AmWins |
| Dennis Mulqueeney, Alliant Insurance Services | Eric Dahlen, Sedgwick |
| Ben Duffy, Kynd | Rob Kramer, Sedgwick |

A. CALL TO ORDER, ROLL CALL, QUORUM

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

A motion was made to approve the Agenda as posted.

**MOTION: Christy Patterson SECOND: Kim Santin MOTION CARRIED
UNANIMOUSLY**

B. PUBLIC COMMENT

There were no public comments.

C. CONSENT CALENDAR

1. Minutes of SPA Board Meeting June 13, 2022
2. Minutes of SPA BOD Meeting June 26, 2022

A motion was made to approve the Consent Calendar.

MOTION: Christy Patterson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

D. TOPICS FOR DISCUSSION**D.1.A. LIABILITY PROGRAM UPDATE**

Jim Wilkey provided the Board with an update regarding the Excess Liability Program (BASIC & SIA) and provided a side by side of the comparison of underlying members' MOC's. He additionally noted their recommendation was not to create a SPA Excess Liability MOC and noted the efforts to pursue additional aggregates.

D.1.B. PROPERTY, APD & TERRORISM PROGRAM

Dan Howell provided the Board with a reminder that Property, APD and Alliant Deadly Weapons coverages were placed and mentioned that a decision was made to exclude new construction. Dan Madej provided a summary of the coverage offered as well as a review of the limits and deductibles.

D.1.C. ALLIANT CONNECT PROPERTY SCHEDULES & VEHICLE SCHEDULE

Michelle Minnick provided the Board with an update as it relates to the transition away from Kroll and to Alliant Connect for the management of Property and Vehicles Schedules.

D.1.D. NEW MEMBER MARKETING

Dan Howell indicated that SPA Program Administration has reached out to a couple pools who may add value to the SPA group and noted that CCSA has expressed interest in joining the Property Program. Jim Wilkey provided that CCSA was an excellent add based on risk and loss history. Additionally Jim mentioned that the addition of members to the program creates an issue regarding the availability of an additional aggregate.

D.1.E. INTER-FUND BORROWING

The Board was reminded of a prior discussion regarding the concept of SPA to allow inter-fund borrowing. The Board was asked if they wanted to allow a member to borrow from the SPA JPA in the event of a loss if they have not paid the full retained layer amount.

D.1.F. ALLOCATION OF AGGREGATE LIMITS OF COVERAGE

Dan Howell opened a discussion regarding the allocation of aggregate limits as it relates to losses and noted the property losses are less complicated than liability losses. Members discussed the need for an allocation policy as it relates to losses and Marcus Beverly reminded the SPA Board of the Claims Resolution Policy & Procedure. It was suggested that SPA Board review the Claims Resolution Policy & Procedure to determine if it can be refined further to address allocation of the aggregate limits.

D.1.G. LOSS CONTROL BUDGET/IDEAS

Marcus Beverly provided the Board with an update regarding the CoreLogic Wildfire scores and indicated there have been some locations which the score has changed (and gone up in some cases). He additionally noted that we have previously contracted with Wildfire Defense and Fireline Defense for assessment reports and members could consider using them again. It was suggested to have David Shew from Wildfire DefenseWorks speak to the group about Wildfire mitigation. Ryan Telford indicated that he would like to receive copies of the CoreLogic wildfire reports as well as any reports which show work that was recommended and then completed will help to make a case to the carriers. Additionally schools have checklists to ensure that items are addressed in the event of an evacuation and it was recommended maintenance staff should be aware of these items. If members are doing the work this information will be used to help show the Underwriters that we are trying to address the risk exposure.

D.1.H. DISCUSSION OF LEVERAGING MEMBER RESOURCES

Dan Howell led the discussion of potential services that could be shared among the SPA group. It was noted that a Human Resources Hotline (similar to the service that Patty Aryes provides) would be beneficial and members were encouraged to use 34th Street Consulting. Additionally, members requested a “Show and Tell” be added to each SPA agenda to allow members to share information that may be beneficial to all.

D.3. FINANCIAL REPORT

D.3.A. FINANCIALS AS OF JUNE 30, 2022

Phil Brown provided the SPA Board with an update regarding the SPA Financials as of 6/30/22 and mentioned that these have been generated before the audit and actuary reports were issued. He noted we have a pending of \$51k of returned premium related to loss control assessments that were completed and provided a review the net position for all members.

A motion was made to approve the financials June 2022.

MOTION: Kim Santin

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

D.3.B. ACTUARY REPORT AS OF JUNE 30, 2022

Phil Brown thanked the Alliant folks and indicated that that outstanding claim liabilities – on page 31 of the report he identifies the retention as it applies to losses. He additionally noted the loss runs provided to the actuary and after a brief discussion members generally agreed.

A motion was made to accept and file the Actuary report as presented.

MOTION: Christy Patterson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

D.3.C. CLAIMS MANAGEMENT AND REPORTING ACTIVITIES

Phil Brown noted that this issue came up during the audit as there was a lack of clarity in reporting claims to the retained layer and provided the loss run that Alliant has created which combines all members loss runs into a SPA Loss Run which is shared with the market. It was also mentioned that members will need to supply ground up loss runs (which includes recoveries) for the member set reserves annually which will be combined with the McLarens loss run for the SPA layer. After a discussion it was Program Administration was asked to create a Working Group to define the claim payment process and address how loss runs will be collected in the future as this information is shared with carriers annually.

D.3.D. EVALUATION OF SPA COST ALLOCATION PROCESS

Dan Madej provided the Cost Allocation that was put together in 2020 and its three main components – Admin cost, Retained layer, and the Re-insurance cost. He reminded the board that we want to be fair and adequate as it relates to exposure and experience as this is not a rating model, this is an allocation model. After a discussion Program Administration was provided with direction to create a strategy/philosophy for balancing the exposure of risk and allocation of cost to create cost stability for members over time.

D.4. GENERAL ADMINISTRATION**D.4.A. SPA FY 22/23 BOARD MEETING SCHEDULE**

Michelle Minnick provided the Board with an update regarding the FY 22/23 SPA Board Meeting Schedule and after a discussion it was asked if the proposed dates would be acceptable, and if the Board would consider less meeting dates now that the group is established. Program Administration was provided with direction to remove the October and December meeting dates, and keep the six meetings in 2023 (and the Board can decide if they want to cancel the February meeting if need be).

D.4.B. CONFLICT OF INTEREST CODE

It was noted that annually SPA reviews its Conflict of Interest Code for any potential changes – it was noted there are not changes recommended at this time.

A motion was made to approve the Conflict of Interest Code.

MOTION: Christy Patterson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

D.4.C. JPA AGREEMENT

Dan Howell provided the Board with a review of the SPA JPA agreement and Marcus Beverly provided an update from Rob Cutbirth with regard to voting rights on the Liability Program. It was noted that the three members of BASIC joined the SPA JPA but the BASIC JPA did not join SPA as a member. It was noted that BASIC should pass a resolution to join the SPA JPA. After a discussion it was asked that this item be brought back to a SPA meeting in the future.

D.4.D. SPA MEMORANDUM OF UNDERSTANDING

Marcus Beverly provided the Board with a quick review of the SPA MOU and noted that the purpose was intended as a group purchase arrangement and noted that SPA has now started to share risk in the Property Program. Program Administration were provided with direction at the June meeting to bring this back to the LRP meeting with the language cleaned up to match our other SPA documents.

D.4.E. PROPERTY PROGRAM POLICY & PROCEDURE FOR PAYMENT ADVANCES & CLAIM PAYMENTS

Phil Brown suggested the Board create a policy for the claims payment process. After a brief discussion the Board requested that this item be brought back at a future meeting with a Policy & Procedure which specifies the process for how claims will be paid out.

D.4.F. PROPERTY PROGRAM VALUATION AND TREND FACTORS FOR FY 22/23

Dan Howell noted that we have a unique situation as 3 of the 5 SPA members will have been appraised but it may not include all locations. It was mentioned that BSSP was just appraised and then SIA will be the only member who will not have been appraised this year (they will be appraised in 2023). It was mentioned that BSSP, SIA and SIG locations that have not been appraised, will be trended. Closer to the renewal the Board will be asked to review potential trend factors or provide direction on what trend factors to use with support from the market.

D.4.G. GOVERNANCE – NOMINATIONS OF MANAGING MEMBER & CHAIRPERSONS

It was noted that due to a recent change in personnel at the underlying SPA members level the Board was asked to select and nominate the Managing Member as well as the First and Second Chairperson for the SPA JPA. After a brief discussion nominations were made.

A motion was made to Martin Brady was nominated as Chairperson, SIA is the managing member, Cindy Wilkerson as First Chairperson, and Kim Santin as the Second Chairperson.

MOTION: Cindy Wilkerson**SECOND: Christy Patterson****MOTION CARRIED
UNANIMOUSLY****D.4.H. NEWFRONT BROKERAGE SERVICE AGREEMENT**

Jim Wilkey noted that there is no compensation as the first year we are being compensated with SIA and BASIC so that is the same in the proposed renewal agreement. It was also noted that CCSA placement was done at no cost but in the future there will be a change to the agreement for FY 23/24 – considering a Commission basis so in case there are additional members that join SPA in the future.

A motion was made to approve the Newfront brokerage agreement as presented.

MOTION: Kim Santin**SECOND: Cindy Wilkerson****MOTION CARRIED
UNANIMOUSLY**

At 2:10pm on September 12, 2022 the meeting was called to recess until September 13, 2022.

At 9:35am on September 13, 2022 the meeting was called to order.

Jim Wilkey introduced Brian from AmWins who provided an update as it relates to the Excess Liability program as well as condition of the market. He indicated what reinsurers are looking for from a Risk Management perspective – claims administration, litigation management guidelines, the efficiency and effectiveness of your protocols.

D.4.J. EMERGING RISKS AND POTENTIAL TO SUPPORT MEMBERS

As a follow up to a prior Board Direction members have been transitioning to Public School Works (LMS) and will continue to do so over the coming months.

D.4.K. KYND CYBER

Ben Duffy from KYND Cyber provided the Board with a review of the services provided by Kynd as it relates to Cyber exposure. It was noted that they helped with the application review for SIG and SIA which are both in the Kynd Ready program which includes penetration tests. Members were encouraged to reach out for more information related to Kynd services.

E. SPA COMMITTEE AND STAFFING**E.1. SPA PROGRAM STAFF**

Dan Howell noted that the organizational chart was provided as a reference for members and mentioned that it will also be posted to the website.

F. NEW PROGRAMS AND/OR SERVICES**F.1. IDEAS FOR CREATION OR MODIFICATION OF SPA PROGRAM AND/OR SERVICES**

Dan Howell noted that we are continue our efforts to launch a Self-Insured Cyber program and Kynd Cyber may play a part in that effort. Additionally members indicated a need for Human Resources services, similar to what Patty Ayres has provided in the past.

G. REVIEW OF MEETING DISCUSSIONS AND IDENTIFICATION OF ITEMS FOR SPA LONG RANGE ACTION PLAN

Dan Howell led the group in a discussion about the discussions over the course of the meeting and asked the Board to provide feedback and items of opportunity. Program Administration was provided with direction as follows:

1. Property Rating Plan Allocation Guidelines/Philosophy
2. Sharing of resources associated with SAM Prevention
3. Add member show and tell to each agenda with dedicated time
4. Collaboration efforts
 - a. LMS joint resources document Jennifer Serran
 - b. Future of HR/Legal consulting
5. Property & Liability Claims Payment Process and Loss Reporting
6. Schedule of value maintenance
 - a. Additions and deletions process and data standards
 - b. Appraisal process documentation
 - c. Alliant Connect Property Schedule Transition and Training
7. Vacant or underutilized properties and coverage limitations
8. Guidelines on leased properties as lessor and lessee
9. Self-Funding of Cyber program
10. Joint Powers Agreement/Bylaws review and Tune up
11. SPA Retained layer for Liability?
12. Prefunding of Labilities?
13. SPA Assistance with Transition of Claims Made Liabilities
 - a. White Paper on Claims-made coverage
14. Kynd – potential shared services for all SPA members

H. ADJOURNMENT

The meeting was adjourned at 1:13 P.M.

NEXT MEETING DATE: November 7, 2022 in Teleconference

Respectfully Submitted,



Martin Brady, Secretary
3/1/2023

Date