



**Schools Program Alliance**

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 460, Sacramento, CA 95815

**SCHOOLS PROGRAM ALLIANCE**

**May 9, 2022 Teleconference Board Meeting Minutes**

**Members Present:**

- |   |                    |
|---|--------------------|
| <b>Butte Schools Self-Funded Programs (BSSP)</b>      | Christy Patterson  |
| <b>Butte Schools Self-Funded Programs (BSSP)</b>      | Nicole Strauch     |
| <b>North Bay Schools Insurance Authority (NBSIA)</b>  | Janet Selby        |
| <b>North Bay Schools Insurance Authority (NBSIA)</b>  | Brandon Schlenker  |
| <b>North Bay Schools Insurance Authority (NBSIA)</b>  | Kim Santin         |
| <b>Redwood Empire Schools Insurance Group (RESIG)</b> | Rose Burcina       |
| <b>Redwood Empire Schools Insurance Group (RESIG)</b> | Sandy Manzoni      |
| <b>Schools Insurance Authority (SIA)</b>              | Martin Brady       |
| <b>Schools Insurance Authority (SIA)</b>              | Brooks Rice        |
| <b>Schools Insurance Authority (SIA)</b>              | Debrah Sherrington |
| <b>Schools Insurance Authority (SIA)</b>              | Phil Brown         |
| <b>Schools Insurance Group (SIG)</b>                  | Cindy Wilkerson    |
| <b>Schools Insurance Group (SIG)</b>                  | Nancy Mosier       |

**Consultants & Guests**

- |  |                                   |
|--|-----------------------------------|
| Dan Howell, Alliant Insurance Services       | James Wilkey, New Front Insurance |
| Dan Madej, Alliant Insurance Services        | Eileen Massa, New Front Insurance |
| Marcus Beverly, Alliant Insurance Services   | Rob Kramer, Sedgwick              |
| Michelle Minnick, Alliant Insurance Services | Ryan Telford, AmWins              |
| Hannah Watkins, BMS                          | Chris Tambo, AmWins               |
| Tim West, BMS                                | Chris Nahas, Astrus               |

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

Mr. Martin Brady called the meeting to order at 10:01 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 Agenda as posted and confirm the quorum.*

<b>MOTION:</b> Cindy Wilkerson	<b>SECOND:</b> Janet Selby	<b>MOTION CARRIED</b>
		<b>UNANIMOUSLY</b>

**C. PUBLIC COMMENT**

There were no public comments.

**D. CONSENT CALENDAR**

1. Minutes of SPA Board of Directors Meeting April 12, 2022

*A motion was made to approve the Consent Calendar.*

**MOTION: Janet Selby**

**SECOND: Cindy Wilkerson**

**MOTION CARRIED  
UNANIMOUSLY**

**E. FINANCIALS****E.1. FINANCIALS AS OF MARCH 31, 2022**

Phil Brown presented the Board with a review of the Financials as of March 31, 2022. He noted that as a follow up to the January meeting the expense he noted that the SIA Admin balance was re-classified into each members Loss Control accounts. It was also mentioned that the statement looks different to include more information regarding revenues and expenses to help with the audit. Jim Wilkey noted that the plan is to directly bill the members for their excess placement for Liability – it was generally agreed that would work as long as the numbers are shared.

*A motion was made to approve the Financials as of March 31, 2022.*

**MOTION: Janet Selby**

**SECOND: Rose Burcina**

**MOTION CARRIED  
UNANIMOUSLY**

**E.2. LAIF UPDATE**

Phil Brown provided the Board with notice that the LAIF account has been approved the online account has been set up and the goal is to get some money transferred into LAIF by the end of the week to start earning some returns.

**E.3. FINANCIAL AUDIT UPDATE**

It was noted that Kevin Wong will be in attendance at the June meeting to discuss the audit.

**E.4. ACTUARIAL FOR 6/30/22**

Phil Brown had mentioned that a desire to have an actuarial number for June 30, 2022 (at close of the last fiscal year at 6-30-21 there were no claims) but now as the program develops we are working on obtaining an actuarial. Chris Nahas provided a review of the services and noted his hourly rate is \$285/hr and would consider charging an hourly rate or a not to exceed \$2,500.

*A motion was made to approve contract at the hourly rate of study at \$285/hr with a cost not to exceed \$2,500.*

**MOTION: Cindy Wilkerson**

**SECOND: Christy Patterson**

**MOTION CARRIED  
UNANIMOUSLY**

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**E.5. DRAFT FY 22/23 BUDGET**

Phil Brown noted the Draft Budget for FY 22/23 for review and discussion and mentioned that we are proposing continuing to fully fund the \$3M retained layer. He noted that Admin contributions are equal to last year's allocation and we are asking for an increase in BSSP's contribution based on their experience specific to the appraisals to collect the deficit and will be addressed over the next 5 years. After a general discussion it was generally agreed that members will continue to contribute towards appraisals annually with the intent to have appraisals completed on buildings valued at \$950k or more which payment will be processed through the SPA Allocation, as well as buildings valued at less than \$950k to be paid by the underlying SPA members.

There was a discussion regarding the funding of the retained layer and if members were interested in continuing to fund at the full \$3M amount. It was mentioned that Chris Nahas will speak to the retained layer in the next item.

*A motion was made to accept the draft budget pending finalization of the retained layer and the re-insurance layer.*

**MOTION:** Cindy Wilkerson

**SECOND:** Rose Burcina

**MOTION CARRIED  
UNANIMOUSLY**

**F. GENERAL ADMINISTRATION****F.1. 2022 PROPERTY (AND APD) RENEWAL UPDATE**

- a. Chris Nahas – Retained Layer
- b. CoreLogic Wildfire
- c. Loss Exhibit
- d. London Additional Credit
- e. Expectation of New Membership at 7/1/2022

Dan Madej introduced Chris Nahas with Astrus who provided some direction and comments on the retained layer. It was mentioned that last year the Board approved funding at \$1.5M without loss history or actuarial to support that number. From a liability perspective it was noted that members are still responsible for the full allocation of the retained risk sharing layer whether or not they choose to fund the full allocated amount up front. After a discussion of the loss history and the total insured values it was recommended to continue funding the retained risk sharing layer at the \$3M.

Dan Madej provided the Board with a review of the APD quote for all members with the exception of SIA that does not participate in the coverage and noted that we have received a flat rate renewal for both vehicle physical damage and contractor's equipment and reminded members of the valuation (based on age of the vehicle) and indicated there are no terms or conditions have changed. It was also noted that we will be requesting a true-up of the values in June.

Ryan Telford provided the board with the not to exceed numbers for the SPA Property Program and noted what is presented is a mixture of real quotes, indications, and estimates. He mentioned that the numbers presented are a conservative not to exceed at this time the year over year rate is

8.13% and the overall rate for program costs is 12.77% - additionally he highlighted they have new markets as they are looking to add some new capacity in the primary layer. Hannah Watkins provided some additional comments regarding the Convex Primary placement and noted that as BSSP has recently been appraised there will be a valuation limitation of 110% for BSSP specifically. It was additionally noted that BSSP will be excluded from the offer of \$50M excess of the \$100M layer that is being explored but it was noted that BSSP will have the capacity to erode the primary layer up to \$100M. After a general discussion it was mentioned the final numbers will be presented to the Board at the June meeting for finalization but the concept of binding earlier was encouraged from both the domestic carriers and excess markets.

*A motion to give SIA the authority to bind the lead markets as we get to optimal pricing and also to explore the \$50M excess \$100M not to exceed the pricing provided.*

**MOTION: Janet Selby**

**SECOND: Cindy Wilkerson**

**MOTION CARRIED  
UNANIMOUSLY**

## **F.2. LIABILITY UPDATE**

Jim Wilkey provided the Board with an update regarding the Liability Program (BASIC & SIA) and noted that this is a seller's market at this time for liability. He mentioned that he would like to participate at the next meeting on 5/18/2022 so that he can provide a better update to the Board regarding not to exceed numbers.

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

Dan Howell noted that we are currently working with SIA to develop an MOC for a retained layer of a self-insured cyber program (for if SIA starts a program or not) and at this time Program Administration wanted to confirm that the other members are renewing with PRISM and to see if there is interest to launch a program with a SPA retained layer they should reach out to the Program Administration. Marcus Beverly noted that Dennis was not in attendance today but he provided some items for consideration with launching a new program and if SIA will trail blaze to determine all the items that are needed to launch. Program Administration will continue to work with SIA to start a Self-Insured Cyber program that member can potentially join later.

## **F.4. COVERAGE FOR COURSE OF CONSTRUCTION**

Dan Howell opened the discussion regarding the concept if SPA is the place where members can put new construction as COC is really intended for remodels but direction is needed from the Board related to the intent of coverage as it relates to Course of Construction (COC). It was recommended that we transfer the risk back to the contractors associated, rather than assume the risk.

*A motion was made to Staff to develop language to affect the intent that it is not primary for new construction (Course of Construction or COC).*

**MOTION: Rose Burcina**

**SECOND: Cindy Wilkerson**

**MOTION CARRIED  
UNANIMOUSLY**



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

Marcus Beverly provided the Board with a review of the Long Range Action Plan and noted that we are waiting to hear back from the Learning Management System.

**G. INFORMATION ITEMS AND DISCUSSION**

It was noted that RESIG was kind to share a notice of California Wildfire Preparedness Week – May 1-7. Additionally it was requested that Program Administration send out a save the date for Sept 12-13<sup>th</sup> for the Long Range Planning session.

**H. ADJOURNMENT**

*A motion to adjourn was made at 12:49 p.m.*

**MOTION: Janet Selby**

**SECOND: Rose Burcina**

**MOTION CARRIED  
UNANIMOUSLY**

The meeting was adjourned at 12:49 P.M.

**NEXT MEETING DATE: Wednesday May 18, 2022 via Teleconference**

Respectfully Submitted,

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Martin Brady, Secretary  
10/21/2022

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Date