



Schools Program Alliance

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

AGENDA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**

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

DATE/TIME: November 16, 2020 at 10:00 AM PDT

LOCATION VIA TELECONFERENCE: [\(404\) 397-1516](tel:4043971516) US Toll or [\(877\) 309-3457](tel:8773093457) US Toll Free
Meeting number (access code): 171 790 0477

<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. CONSENT CALENDAR <i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i>	A	1
<i>Pg. 3</i>	1. Minutes of SPA Board Meeting October 12, 2020		
<i>Pg. 8</i>	2. SPA MOC Declarations Page		
	E. ADMINISTRATIVE REPORTS		
	1. Alliant Update <i>The Board will receive an update on matters pertinent to SPA.</i>		
	a. Rolling OCIP Reminder		
	b. Form 700		
	c. Financial Update		
	F. GENERAL ADMINISTRATION		
<i>Pg. 14</i>	1. Property Appraisals <i>Members will receive a summary and feedback regarding the proposals and may select a firm and/or provide direction.</i>	A	3
<i>Pg. 15</i>	2. Member Outreach and Marketing <i>The Program Administrators will present new member marketing material.</i>	A	1

Pg. 17	3. Underwriting Policy <i>A draft Underwriting Policy is submitted for review, approval, and/or direction.</i>	A	1
Pg. 20	4. Service Calendar <i>Members will receive a Service Calendar outlining the key program activities throughout the year to accept and file or provide direction.</i>	A	1
Pg. 24	5. Loss Control Services <i>Members will discuss and may provide direction regarding additional loss control services they may recommend or wish to explore for group purchase.</i>	A	1
Pg. 41	6. Property Renewal Data Request <i>The Board will receive an update regarding renewal efforts</i>	A	3
	G. INFORMATION ITEMS AND DISCUSSION <i>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>	I	4
Pg. 42	1. 2020 4th Quarter Marshall Swift Trend Factors		
Pg. 43	2. Hyper Social Inflation		
Pg. 46	3. Business Insider Wildfire Article Nov. 2020		

H. ADJOURNMENT **A 4**

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.

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 Meeting October 12, 2020
2. SPA MOC Declarations Page

SCHOOLS PROGRAM ALLIANCE October 12, 2020 Teleconference Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
North Bay Schools Insurance Authority (NBSIA)	Janet Selby
North Bay Schools Insurance Authority (NBSIA)	Brandon Schlenker
Redwood Empire Schools Insurance Group (RESIG)	Rose Burcina
Redwood Empire Schools Insurance Group (RESIG)	Steven Fields
Redwood Empire Schools Insurance Group (RESIG)	Chris Spenser
Schools Insurance Authority (SIA)	Martin Brady
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Group (SIG)	Cindy Wilkerson

Consultants & Guests

Daniel Howell, Alliant Insurance Services	Dan Madej, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services	Seth Cole, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services	

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 10:03 a.m. 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: Cindy Wilkerson	SECOND: Rose Burcina	MOTION CARRIED UNANIMOUSLY
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C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

A motion was made to accept the Consent Calendar as presented.

MOTION: Janet Selby	SECOND: Cindy Wilkerson	MOTION CARRIED UNANIMOUSLY
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E. ADMINISTRATIVE REPORTS

E.1. Alliant Update

a. Rolling OCIP Follow Up

Members were reminded that in December & January we will focus our efforts on a Rolling OCIP and this was just a placeholder reminder.

b. TIV Trending

Members were provided with the Trend Factors that were released: 3.91% real property .9% for contents.

F. GENERAL ADMINISTRATION

F1. Member Outreach Report

Dan Madej provided the group with a recap of the recent meetings with the individual SPA members with the intent of growing the SPA group to achieve better pricing in the market. After a discussion it was mentioned that a formal Underwriting Policy should be created and be presented for the Board's approval at the November meeting. It was agreed that Program Administration should create a flyer highlighting the benefits of joining the SPA group to be used in marketing efforts to gain membership but members were concerned about the timing for renewal while considering the addition of potential new members.

A motion was made to have Program Administration create a flyer to share with potential new members and for Program Administration to create an Underwriting Policy.

MOTION: Rose Burcina

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

F.2. Property Appraisals

Marcus Beverly provided the Board with a review of the RFP sent and a brief review of the five responses received and requested volunteers to help evaluate the responses received. Debrah Sherrington & Brandon Schlenker volunteered to help evaluate the responses to the RFP.

A motion was made to moving forward with volunteers review of the RFP responses and to present a recommendation at the next meeting.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

F.3. SPA Memorandum of Coverage

Dan Madej presented the SPA members with the revised MOC originally approved on August 3, 2020, which has been updated with the changes requested to clean up the language and to include Terrorism and Active Assailant Coverage as well as the endorsement that clarified the Wildfire deductible.

A motion was made to accept and file the revisions to the MOC initially approved on August 3, 2020 subject to Lexington's review and approval

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

F.4. Flood Coverage

Marcus Beverly mentioned that members were asked to consider Flood Coverage at the member level and were asked for feedback. Dan Howell noted the basic situation for those members that did not have the coverage before are taking action to exclude it from their retained layer and the NFIP Program may be a good placement for primary coverage up to \$500k. After a discussion it was generally agreed that members should be provided a property schedule for all locations, which includes the flood zone for each location, to further research the need for standalone flood policies.

Received staff's report and no action was necessary.

F.5. Loss Control Services

Marcus Beverly noted the CORE Logic is more the direct action item as wildfire is of concern recently and members reviewed a list of potential Loss Control Services that may be of interest to the Board. After a general discussion it was asked that SPA consider hosting a class (or two-day teleconference) for Fire/Smoke Restoration and to consider providing as a Loss Control service or subsidizing the cost for the training.

F.6. Resolution 20-01 Appointing Vice Chairs

Marcus Beverly presented the board with a Resolution which would appoint a First and Second Chair to the SPA Board in the event the Secretary is not present and unable to chair the meetings.

A motion was made to nominate and approve Cindy Wilkerson as the First Chair and Rose Burcina as the Second Chair.

MOTION: Janet Selby

SECOND: Martin Brady

**MOTION CARRIED
UNANIMOUSLY**

ABSENT: Christy Patterson

F.7. Wildfire

Dennis Mulqueeny provided the Board with information about Wildfire and how to capture that information in a way that is helpful for underwriting and CoreLogic has the preferred system. Members expressed interest in setting up a webinar that would review CoreLogic services and to get additional information regarding the fiscal impact to help inform our next steps.

G. INFORMATION ITEMS AND DISCUSSION

The board received information items – there was no discussion of these items.

It was noted that November 9th is an observed holiday and it was requested the next Board meeting be moved to November 16, 2020 at 10:00 am.

H. ADJOURNMENT

A motion was made to adjourn the meeting.

MOTION: Janet Selby

SECOND: Rose Burcina

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 12:21 P.M.

NEXT MEETING DATE: Monday November 16, 2020 10 A.M.

Respectfully Submitted,

Martin Brady, Secretary

Date

DRAFT

**SCHOOLS PROGRAM ALLIANCE
PROPERTY PROGRAM DECLARATIONS**

A. POLICY NUMBER: SPA1-20-21

B. NAMED INSURED: Schools Program Alliance

C. MAILING ADDRESS OF NAMED INSURED

Schools Program Alliance
c/o Schools Insurance Authority
9800 Old Placerville Road
Sacramento, CA 95827

Named Insured shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

NAMED INSURED MEMBER(S):

Schools Insurance Authority
Butte Schools Self-Funded Programs
North Bay Schools Insurance Authority
Redwood Empire Schools' Insurance Group
Schools Insurance Group

D. POLICY PERIOD

From July 1st, 2020 to July 1st, 2021, beginning and ending at 12:01 AM

E. COVERAGE TERRITORY

The United States, its territories and possessions and Puerto Rico, including their respective coastal waters.

F. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of whether one or more of the coverages of this Policy are involved shall not exceed:

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

1. LIMIT OF LIABILITY

\$100,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, Coverages, extensions of coverage, or perils insured, subject to the following per Occurrence and/or aggregate sub-limits as noted below.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown below for that item and does not increase the specific limits of liability. The absence of a sub-limit of liability amount below means that no coverage is provided for that item.

\$50,000,000	Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees)
\$500,000	Contingent Business Interruption
\$30,000,000	Extra Expense
No coverage provided	Per occurrence, as respects Vehicle Damage
\$5,000,000	Per occurrence, as respects Mobile Equipment
\$10,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood, inclusive of
\$5,000,000	Per occurrence, and in the annual aggregate as respects the peril of flood in FEMA designated Special Flood Hazard Areas Zones A or V (SFHA) to be determined at the time of loss
Not covered	Per occurrence, and in the annual aggregate as respects the peril of earthquake shock
Included	Per occurrence, as respects the peril of earthquake sprinkler leakage
\$25,000,000	Debris Removal
\$2,500,000	Decontamination Costs
\$25,000,000	Miscellaneous Unscheduled Property
\$50,000,000	Automatic Acquisition. As per policy provisions
\$2,500,000	Outdoor Property, except \$50,000 max per item for Trees, Shrubs, Plants
Included	Electronic Data Processing Equipment and Hardware (refer to Endorsement No. 4)

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

\$10,000,000	Electronic Data Processing Data and Media – Physical Damage Only (refer to Endorsement No. 4)
Excluded	Cyber Act (refer to Endorsement No. 4)
\$25,000,000	Errors & Omissions
\$25,000,000	Course of Construction
\$500,000	Builders Risk Property at Temporary Storage Location
\$500,000	Builders Risk, Property in Transit
\$1,000,000	Contractor’s Equipment
\$5,000,000	Soft Costs
\$2,500,000	Scheduled and Unscheduled Fine Arts (as more fully defined herein)
\$1,000,000	Accidental Contamination
\$1,000,000	Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a member(s) / entity(ies) schedule of values held on file with this company, excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters
Included	Demolition and Increased Cost of Construction due to the enforcement of building codes / ordinance or law
\$10,000,000	Transit including Free Onboard Shipments
\$2,500,000	Fire Fighting Expenses
\$25,000,000	Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s)
\$1,000,000	Claim Preparation Expenses
Included	Expediting Expense
No coverage Provided	Terrorism
\$1,000,000	Personal Property of Students and Teachers, except \$10,000 any one item
\$10,000,000	Accounts Receivable

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

\$10,000,000	Valuable Papers and Records
\$500,000	Leasehold Interest;
\$2,500,000	Asbestos Cleanup and Removal
\$2,500,000	Mold & Fungus
\$100,000	Reimbursement or Master Key Costs
\$2,500,000	Upgrade to Green
Excluded	Money and Securities
No coverage Provided	Communicable Disease
180 Days	Extended Period of Indemnity
\$2,500,000	Interruption by Civil or Military Authority, not to exceed 30 days (10 mile radius)
\$2,500,000	Ingress or Egress, not to exceed 30 days (10 mile radius)

BOILER AND MACHINERY SUB-LIMITS OF LIABILITY:

\$100,000,000	Boiler Explosion and Machinery Breakdown
Included	Business Income Coverage Extension (BI)
180 Days	Extended Period of Indemnity
Included	Spoilage Damage Coverage Extension including Utility Interruption Spoilage (SD & Refrigerant Contamination)
24 Hours	Utility Interruption Spoilage
\$2,500,000	Off Premises Service Interruption including Service, Utility and Power
\$3,000,000	Dependent Property Coverage Extension – All Direct Suppliers Dependent Property Locations; and Receivers
\$10,000,000	Expediting Expense
\$10,000,000	Hazardous Substances, Pollutants, Decontamination
\$10,000,000	Ordinance or Law including Demolition and Increased Cost of Construction
Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

3. DEDUCTIBLES

BASIC DEDUCTIBLE: \$250,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

RETENTION A - EXCESS OF THE BASIC DEDUCTIBLE: \$250,000 Additional Self-Insured Retention per occurrence and \$1,000,000 in the annual aggregate which in turn

RETENTION B - EXCESS OF RETENTION A: \$2,000,000 Self Insured Retention per occurrence and in the annual aggregate;

EXCEPT as follows:

- Wildfire:

Redwood Empire Schools Insurance Group (RESIG): \$2,500,000 maximum per occurrence

Butte Schools Self-Funded Program (BUTTE): \$2,500,000 maximum per occurrence

North Bay Schools Insurance Authority (NBSIA): \$250,000 maximum per occurrence

Schools Insurance Authority: \$1,150,000 maximum per occurrence

Schools Insurance Group: \$1,150,000 maximum per occurrence

In the event that either BUTTE and/or RESIG and another member / other members are affected by the same Wildfire occurrence, both deductibles will apply to their respective loss.

- High Hazard Flood: \$500,000 per occurrence for locations situated wholly or partially within a Special Flood Hazard Area (SFHA), areas as defined by the Federal Emergency Management Agency (FEMA)

- Boiler Explosion and Machinery Breakdown: \$100,000 per occurrence

- Service Interruption:

- Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours. When the waiting period has expired, insurance will apply excess of the applicable deductible.

- Boiler and Machinery: \$100,000 per occurrence

Service Interruption: Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours. When the waiting period has expired, insurance will apply excess of the applicable deductible.

If two or more deductible amounts apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

4. COVERED LOCATIONS

Locations listed in the schools program alliance statement of values on file with Alliant Insurance Services, Inc. as of 7/1/2020.

5. FORMS AND ENDORSEMENTS

It is understood and agreed the following forms and endorsements are attached to and are a part of this policy:

SPA MEMORANDUM OF COVERAGE (ED. 07 20)
ENDORSEMENT NO. 1 - ACTIVE ASSAILANT EXTENSION
ENDORSEMENT NO. 2 - ACTIVE ASSAILANT EXTENSION
ENDORSEMENT NO. 3 - COVERAGE TERRITORY ENDORSEMENT
ENDORSEMENT NO. 4 - WAR AND TERRORISM EXCLUSION ENDORSEMENT
ENDORSEMENT NO. 5 - COMMUNICABLE DISEASE ENDORSEMENT
ENDORSEMENT NO. 6 - PROPERTY CYBER AND DATA ENDORSEMENT
ENDORSEMENT NO. 7 – AMENDMENTS TO THE PROPERTY MOC WORDING

6. AUTHORIZED SIGNATURE:



Marcus Beverly, Program Manager

Item No: F.1.

PROPERTY APPRAISALS RESPONSES TO SPA RFP

ACTION ITEM

ISSUE: SPA issued a Request for Proposals (RFP) for property insurance appraisal services to six firms, with all providing responses. The Program Administrators and member representatives reviewed them in detail and ranked them in order of responsiveness to the criteria in the RFP. A summary of the proposal reviews will be distributed under separate cover.

The proposals and evaluation factors were also made available to the Board members and alternates to use for context and their own evaluation and feedback during the meeting as the summary of the reviewer's evaluations is presented.

RECOMMENDATION: Review proposals and approve or provide direction to negotiate a proposal for appraisal services with the preferred provider.

FISCAL IMPACT: TBD.

BACKGROUND: SPA members have prioritized implementing a regular appraisal process to maintain accurate values for underwriting and claims purposes. The budget for FY 20/21 includes \$150,000 for appraisals and \$200,000 for general loss control services. The Board has already approved a contract with AIG to appraise eighteen high schools over the next three years at a total cost of \$24,000 *per year*. The subject RFP requests onsite appraisals for the remaining buildings over \$5 million and creative ways to update most if not all buildings between \$1 and \$5 million.

ATTACHMENTS: Summary of Proposal Reviews – *Under Separate Cover*



Item No: F.2.

MEMBER OUTREACH AND MARKETING

ACTION ITEM

ISSUE: The attached New Membership Flyer is provided for review and feedback as part of the group's marketing efforts. Members will also discuss the next steps in these efforts, including the timing of the marketing and renewal process.

RECOMMENDATION: Review and approve flyer as presented or revised per direction.

FISCAL IMPACT: None.

BACKGROUND: While SPA has been launched in a meaningful way, with current membership comprising \$15B in TIV, measured growth is important in increasing SPA's impact and in service of its purpose. This includes adding the right type of membership, increasing SPA's size and clout in the marketplace, as well as increasing the size and scope of the shared services for membership.

ATTACHMENTS: New Membership Flyer

Schools Program Alliance (SPA)

Strength in Numbers

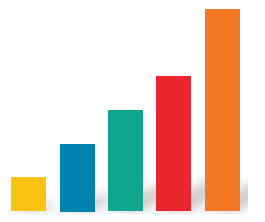
The benefits of pooling for school risks are well established in California. The power of like-minded pool leaders coming together to address their challenges can never be understated. The proof is in what has been created for many decades for school risks.

SPA was borne from ongoing market disruption and turbulence. Leaders in pooling have created and launched a long term solution for school risks. Is SPA a fit for your pool?



Idea Generation

Created by California school pool executives as a long term solution for pools and their members



Size

Program launched with over \$15B in TIV



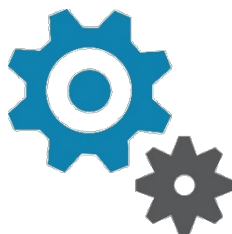
Resources

Gives clout in the market, greater purchasing power, dedicated shared services (loss control, appraisals)



Risk Sharing

Avoids trading dollars with limited Risk Sharing



Additional Tools

Structure and pricing analytics (catastrophe modeling, reinsurance pricing actuarial tools)



Coverage

Broad coverage and sublimits

Membership Inquiries:

Dan Madej dan.madej@alliant.com

Dan Howell dhowell@alliant.com

Member Services:

Marcus Beverly marcus.beverly@alliant.com

Michelle Minnick michelle.minnick@alliant.com

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

Item No: F.3.

UNDERWRITING POLICY

ACTION ITEM

ISSUE: The Program Managers have developed the attached Underwriting Policy to guide the group in annual rating and funding of the Property Program and for evaluating prospective members.

The Policy establishes the key goals of stability, loss accountability, and relationship of rates to relative exposures. The annual Rating Plan includes loss history, schedule of values, loss control reports and exposure modeling. Major factors in evaluating new members are their risk profiles, commitment to loss control, and SPA's ability to effectively serve their needs.

RECOMMENDATION: Review and approve the draft Policy as presented or revised or provide direction.

FISCAL IMPACT: None

BACKGROUND: SPA's underwriting criteria is a fundamental element of the program's operations and also a key component of the group's marketing efforts. That is reflected in this being the first Policy & Procedure being considered.

ATTACHMENTS: Draft Underwriting Policy

Policy & Procedure No. PROP-01

ADOPTED: November XX, 2020

EFFECTIVE: November XX, 2020

SUBJECT: Property Program Underwriting Procedures

Should there be any discrepancy between this documents and the JOINT POWERS AGREEMENT, the JOINT POWERS AGREEMENT will govern.

PURPOSE:

The Schools Program Alliance (SPA) has developed a **Property Program** for its **Members**. SPA has established rating plans and operating practices for its **Property Program**. This Policy and Procedure describes Underwriting Procedures intended to maintain **Member** confidence in the funding and viability of SPA's **Property Program** as well as guidelines for adding prospective members to the **Property Program**.

POLICY:

It is the policy of the SPA **Board** that the **Property Program** Underwriting Procedures balance and achieve the following underwriting goals:

- Rate Stability over time so that **Members** can plan for SPA **Property Program** costs;
- Loss Accountability so that **Members** are incentivized to prevent and reduce losses; and,
- Relationship of loss exposure so that rates reflect each **Member's** relative exposure to loss.

PROCEDURE:

The following underwriting procedures are followed in establishing the **Property Program** funding and rates.

1. Underwriting Guidelines /Funding Requirements/Rating Plan

Rates are established by the **Board** based upon multiple factors including, but not limited to, the following:

- The **Program Administrator** shall gather and analyze information on **Member** exposures including but not limited to the schedule of values, loss history, loss control reports, and exposure modeling.
- The **Program Administrator** shall project funding requirements for retained layers and reinsurance costs. An actuary may be engaged to assist as needed.

- The **Program Administrator** shall present to the **Board** for each year's renewal a rating plan cost allocation and a review of the methodology for calculating member contributions and reinsurance premiums.

2. New Members

The **Program Administrator** shall conduct an initial underwriting review including but not limited to the underwriting factors described above and may confer with insurance and reinsurance underwriters for additional evaluation. The **Program Administrator** shall prepare a report to the **Board** summarizing the prospective member's application. **Board** considerations may include but are not limited to additional factors such as:

- Prospective member's risk profile relative to existing **Members'** risk profiles
- Prospective member's commitment to loss control
- SPA's ability to serve effectively the prospective member.

3. Periodic Review

This Policy and Procedure shall be reviewed by the **Board** and amended as needed.

DEFINITIONS:

“**Board**” means the Board of Directors of the SPA Joint Powers Authority.

“**Member**” means the signatories to the SPA Joint Powers Authority.

“**Program Administrator**” means the person or organization designated by the Board to administer the SPA Property Program.

“**Property Program**” means the program established by the Board to provide a combination of self-insured, insured and reinsured coverages and services designated by the Board as elements of the SPA Joint Powers Authority property program offering.



Item No: F.4.

SERVICE CALENDAR

ACTION ITEM

ISSUE: The attached Service Calendar is a regular reminder of the activities of the JPA. Since this is the first edition of the Calendar the Program Administrators are placing it on the agenda for review and feedback. Once accepted, the Calendar will be a regular addition to the Information Items.

RECOMMENDATION: Review and provide feedback, accept and file

FISCAL IMPACT: None

BACKGROUND: The Service Calendar is used to inform members on the group's activities and is used by the Program Administrators to manage its operations.

ATTACHMENTS: Draft Service Calendar



Schools Program Alliance

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

FY 2020-21 SCORE SERVICE CALENDAR

AS = Alliant Insurance Services Staff

BD = Board of Directors

Green denotes request for information from member	Yellow denotes Conference Dates	Light Blue indicates a SPA Board Meeting Date
Tentative Dates	Activity	Completed by
JULY 2020		
07/01/2020	Prepare all signature items for Board President – Policies, MOCs, Summaries of Coverage, etc. Follow up with President of the Board regarding items needing signatures	AS/BD
07/03/2020	Send Members Binders for all coverages including: Property, APD, Terrorism & Active Assailant etc. via email	AS
07/03/2020	Update Alliant Connect Website to include coverage information	AS
07/20/2020	Follow up on payments for Property, APD, Banking & Admin , etc	AS
AUGUST 2020		
08/03/2020	August Annual Board of Directors Meeting – Teleconference	AS
Mtg	Conflict of Interest Code Revision/Approval (every even year)	AS/BD
SEPTEMBER 2020		
09/15/2020-09/18/2020	2020 CAJPA Fall Conference and Training Seminar – South Lake Tahoe	BD/AS
09/14/2020	SPA Board of Directors Meeting	AS/BD
09/16/2020	Finalize September Board of Directors Draft Minutes for inclusion in October Agenda	AS
09/28/2020	Biennial Notice for JPA & Members-deadline 10/01/2020	AS
OCTOBER 2020		
10/12/2020	SPA Board of Directors Meeting – Teleconference	BD
10/16/2020	Finalize October Board of Directors Draft Minutes for inclusion in November Agenda	AS
NOVEMBER 2020		
11/16/2020	SPA Board of Directors Meeting – Teleconference	BD
11/21/2020	Finalize November Board of Directors Draft Minutes for inclusion in December Agenda	AS
DECEMBER 2020		
12/14/2020	SPA Board of Directors Meeting – Teleconference	BD
12/14/2020	Mail out Christmas Cards to Board Members	AS
12/14/2020	Prepare Statement of Facts – Roster of Public Agencies to be filed with the State and County – DUE 1/1/2021	AS
12/16/2020	Finalize December Board of Directors Draft Minutes for inclusion in January Agenda	AS
12/16/2020	Prepare 2021/22 Service Calendar – Prepare for January 2021 Board mtg.	BD
JANUARY 2021		
01/01/2021	Statement of Facts – Roster of Public Agencies to be filed with the State and County – due today	AS
01/04/2021	Form 700s – FPPC will email BOD Representatives and Alternates to complete online – deadline 04/1/2021	BD/AS

SPA is a Partnership of California Public Entity Joint Powers Authorities



Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 460, Sacramento, CA 95815

FY 2020-21 SCORE SERVICE CALENDAR

AS = Alliant Insurance Services Staff

BD = Board of Directors

Green denotes request for information from member	Yellow denotes Conference Dates	Light Blue indicates a SPA Board Meeting Date
Tentative Dates	Activity	Completed by
01/20/2021	Property Program – <u>Upon notification</u> send out Renewal items & Property Schedules/Vehicle Schedules to members and request update—deadline March 2, 2021 Update Oasys with member updates to property schedule as they come in	AS
01/25/2021	Reminder to member that Property Schedules need to be reviewed and returned – deadline March 2, 2021	AS/BD
01/26/2021	Property Policy Notebooks – when available prepare and send via email to Members and post to the website	AS
01/28/2021	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2021	AS
01/11/2021	SPA Board of Directors Meeting – Teleconference	BD/AS
Mtg	2021/22 Service Calendar - submit for approval	BD
Mtg	2021/22 Meeting Dates Calendar - submit for approval	BD
Mtg	Present Marketing Plan & Renewal Timeline: submit for approval	BD
FEBRUARY 2021		
02/01/2021-02/03/2021	PARMA VIRTUAL Annual Risk Management Conference – Anaheim, California	BD/AS
02/05/2021	Collect Property Renewal information from Members and Submit to AmWins	AS, BD
02/08/2021	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2021	AS
02/15/2021	Reminder to member that Property Schedules need to be reviewed and returned – deadline March 2, 2021	AS/BD
02/22/2021	Reminder – Form 700s to Board and Alternate Members – due 04/01/2021	AS, BD
02/22/2021	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2021 (next week)	AS
MARCH 2021		
03/01/2021	Post BOD Meeting Agenda on SPA Website & email to all members	AS
03/02/2021	Reminder Property Schedules need to be submitted – deadline TODAY	AS
03/08/2021	Board of Directors Meeting – Teleconference	BD
03/08/2021-03/12/2021	Continue working on Draft Budget and Member allocations for next Fiscal Year	AS
03/30/2021	Renewal Certificates List sent to members for review – Deadline 30 days	AS, BD
03/30/2021	Form 700s - receive from Board Members and Alternates – due 04/01/21	AS, BD
APRIL 2021		
04/01/2021	Form 700s - file with FPPC due today – – due 04/01/2021 (TODAY IS LAST DAY TO SUBMIT)	AS
04/05/2021	Service Provider contract signing & submission for approval at June Board Mtg	AS
04/05/2021	Finalize March Board of Directors Draft Minutes for inclusion in June Agenda	AS

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FY 2020-21 SCORE SERVICE CALENDAR

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Green denotes request for information from member	Yellow denotes Conference Dates	Light Blue indicates a SPA Board Meeting Date
Tentative Dates	Activity	Completed by
04/15/2021	Alliant begins contact with various contractors regarding renewal terms	AS
04/23/2021	Banking Layer and Shared Risk Layer Member Allocation Calculations finalized	AS
04/23/2021	Update Draft Budget to include updates from the March BOD meeting	AS
MAY 2021		
05/03/2021	Review Contracts and terms for next FY	AS
05/03/2021	Confirm B&M Contact with members (annually)	AS
05/03/2021	Annual Certificate Renewal reminder to members – all submitted?	AS, BD
05/03/2021	Obtain Property Renewal Proposal	AS
05/03/2021	Post BOD Meeting Agenda on SPA Website & email to all members	AS
05/10/2021	Board of Directors Meeting – Teleconference	BD
05/26/2021	Property Renewal Status Review	AS
JUNE 2021		
06/07/2021	Post BOD Meeting Agenda on SPA Website & email to all members	AS
06/14/2021	Board of Directors Meeting – Teleconference	BD
06/30/2021	Generate Certificate Holder Renewal Insurance Certificates for next year	AS
06/30/2021	Send certificates to Certificate Holders and Members	AS

Item No: F.5.

LOSS CONTROL SERVICES

ACTION ITEM

ISSUE: Members continue to suggest and evaluate loss control services, with current focus on wildfire risk assessment, mitigation, and response. A number of items warrant discussion.

First, the Board previously approved a Risk Engineering Client Service Plan offered by from AIG at a cost of \$24,000 to evaluate 18 critical sites. Given the nature of the SPA risk, and the cost of the insurance program overall, this is an extreme value. Since approval however, it has been learned that there was a typographical error in the proposal and the \$24,000 figure was intended to be an annual cost with the work being scheduled over three years, bringing the total cost to \$72,000. Alliant is currently in negotiation with AIG to rectify, and will provide a verbal update at the meeting.

The Core Logic Wildfire Risk Score was discussed at the last meeting and is an integral part of the appraisal process. After the webinar with CoreLogic describing mapping services, members will determine if they would like to engage their services at this time.

Training for fire and smoke remediation was also discussed at the last meeting, and the attached information about the online training classes is provided for review and discussion. Key is training that meets the standards of the Institute of Inspection Cleaning and Restoration Certification (IICRC), and they have many additional training resources on their site. Members will consider SPA matching funding (50/50) to help pay for Smoke Cleanup training.

A review of various consultant services resulted in the attached information regarding the services provided by XMR Fire. They are notable for being based in SPA territory, with many clients in Marin County, Sonoma, and the Tahoe area. They are also supportive of the county Fire Safe Council, and members are encouraged to support their own county or local efforts to develop fires adapted communities. See reference at <https://cafiresafecouncil.org/> for more information, free educational material, and grant opportunities.

Lastly, the attached series of articles are a good source of examples of the effectiveness of mitigation efforts as well as links to other useful resources:

<https://fireadaptednetwork.org/does-wildfire-mitigation-work-16-examples-and-counting/>

Additional Loss Control Topics for consideration:

- Water Damage Prevention and Response
- Arson Prevention

RECOMMENDATION: Discuss and consider approval of the AIG Risk Engineering proposal at revised budget of \$24,000 per year for three years. Approve funding Smoke Cleanup training on 50/50 allocation. Review, discuss and continue to provide feedback and direction on loss control resources.

FISCAL IMPACT: Total Cost of \$72,000 for the AIG proposal (\$24,000 annually). SPA has budgeted \$200,000 for Loss Control this year.

BACKGROUND: Members continue to provide feedback regarding the potential for shared loss control services, with the focus of the discussion understandably on wildfire risk. The budget for FY 20/21 includes \$150,000 for appraisals and \$200,000 for general loss control services.

ATTACHMENTS:

1. AIG Client Service Plan
2. Fire & Smoke Restoration Technician Training
3. XMR Fire – Wildfire Prevention Consulting - <https://www.xmrfire.com/>



Client Service Plan

Schools Program Alliance



Overview

This Client Service Plan (CSP) is focused on a limited number of objectives designed to meet specific mutual goals. For additional information on other services and solutions available through AIG visit: <http://www.aig.com/landing-pages/client-risk-solutions>

Scope of Work

Janneth Velazquez is your Account Engineer, and is your primary point of contact and will be responsible for developing and executing your customized service plan.

Below are proposed objectives and action items for consideration. Once your CSP is agreed upon, Janneth Velazquez will ensure it is regularly reviewed and adjusted to accommodate changes as necessary.

Objective:

Evaluate, quantify and prioritize Schools Program Alliance risk exposures.

Action Items	Responsible Party	Target Completion Date	Comments
<ul style="list-style-type: none"> # Property Surveys 	Account Risk Engineer (ARE)	<i>Target for this activity should be 4-months before renewal date</i>	The loss control surveys are a comprehensive review of your property and the associated risks, including fire protection, construction and emergency response along with any natural catastrophe and other special hazards. Please refer to Appendix document Property Engineering Service List for list of service sites and the Special Servicing & Distribution Instructions for agreed to details on servicing and reporting details.

<ul style="list-style-type: none"> Perform all state mandated jurisdiction object certifications 	<p>ARE</p>	<p>Target will depend on object due date</p>	<p>Servicing will be performed by our strategic partner s OneCIS/Arise. Any issue or questions should be directed to the ARE.</p>
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Fees and Expenses

The fee for the services as outlined in the Scope of Work is \$24,000, which is inclusive of all travel costs, expenses, taxes and Account Risk Engineering time to manage the needs and requirements of this engineering program.

Additional services requested beyond the defined Scope of Work must be agreed prior to the commencement of these services.

Primary Contact for AIG Program

AIG Account Risk Engineer: Janneth Velazquez-Cano
 T:951-288-7850
 Janneth.VelazquezRosales@aig.com

AIG Underwriter: Cody Elliott
 T: 213-689-3547
 Cody.Elliott@aig.com

Broker Consultant / Engineer:
 T:

We take our commitment to excellence very seriously. Client Risk Solutions is dedicated to responding to our customers by soliciting their feedback. Please provide comments to your CRS Lead or directly to CRS@aig.com

Appendices

Property Engineering Service List – Frequency of site surveys will be reviewed based on risk quality and servicing benefit.

Location Name	2020-2021	2021-2022	2022-2023
American Canyon High School (\$86M)	X		
Santa Rosa High School (\$76M)	X		
Antelope High School (\$71M)	X		
Armijo High School (\$69M)	X		
Rancho Cotate High School (\$92M)	X		
C.K. McClatchy High School (\$54M)	X		
Casa Grande High School (\$52M)		X	
Cordova High School (\$66M)		X	
Cosumnes Oaks High School (\$63M)		X	

Folsom High School (\$74M)		X	
Hiram W. Johnson High School (\$66.8M)		X	
Inderkum High School (\$70M)		X	
John F. Kennedy High School (\$70M)			X
Laguna Creek High School (\$45M)			X
Luther Burbank High School (\$70M)			X
Bella Vista High School (\$42M)			X
Rosemont High School (\$83M)			X
Analy High School (\$52M)			X

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Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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From: [Rosemary R. Burcina](#)
To: [Marcus Beverly](#)
Cc: [Dan Madej](#); [Daniel Howell](#); [Martin Brady](#); [Steven Fields](#)
Subject: Online FSRT class July 23-24
Date: Monday, October 12, 2020 11:35:25 AM
Attachments: [image001.png](#)
[02-FSRT online testing IICRC Live Stream.docx](#)
[JD. Study Guide - Fire - 2020.pdf](#)
[03-zoom sign in FSRT July 23 Zoom sign in.docx](#)
Importance: High

This message has originated outside the organization.

Hi there. Below and attached is information on the FSRT training that we discussed in the SPA meeting. Please let me know if I can provide any additional information about it. Thanks. Rose

Rosemary R. Burcina
Executive Director
CA License # 0B24780
Redwood Empire Schools' Insurance Group (RESIG)
5760 Skylane Blvd., Suite 100
Windsor, CA 95492
Office: (707) 836-0779 x104
FAX: (707) 687-1860
www.resig.org

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From: pam@atinfo.com <pam@atinfo.com>
Sent: Thursday, July 16, 2020 12:45 PM
To: jbuss@bcoe.org; rcastro@roslandsd.org; rcummins@wusd.org; rdigiaino@petk12.org;
jgutierrez@ogusd.org; dharden@srcs.k12.ca.us; bjereb@wrightesd.org; mmoniot@rvusd.org;
jaclynM@nbsia.org; mrodriguez@wusd.org; rsanchez@mwusd.org; dsandoval@sonomaschools.org;
Josh_Savage@crpusd.org; wslubik@twinhillsusd.org; msmith@mwusd.org; rsmith@husd.com;
dvickrey@roslandsd.org; dweidemann@sonomaschools.org; mzastrow@westsideusd.org; Will
Davis <wdavis@resig.org>

CORONA VIRUS ON LINE TRAINING (click here) WRT-IICRC ON LINE CLASS (click here)

FSRT-IICRC ON LINE CLASS (click here)



left of the registration button.

Category: IICRC FSRT-Fire and Smoke Restoration ONLINE

Share:   

DESCRIPTION

Attendance/Refund Policy

DESCRIPTION

FSRT-November-ONLINE (additional instructions will be emailed to registrant)

The Fire & Smoke Restoration Technician course concentrates on technical procedure for successfully completing the restoration of a fire and smoke damaged environment. Students will learn how to combine technical procedures with a practical approach to managing the job site and how that relates to pricing the job, and practical application for cleaning deodorization of fire and smoke damaged structures.

CORONA VIRUS ON LINE TRAINING (click here) WRT-IICRC ON LINE CLASS (click here)

FSRT-IICRC ON LINE CLASS (click here)

- Characteristics and type of smoke
- Conducting the inspection
- Estimating/inspection procedures
- Integral strategy and planning
- Restoration chemicals, supplies and equipment
- Deodorizing and Odor Control:
- Restoration options and the restorer’s responsibility
- Furnace systems and ductwork
- Structural cleaning
- And More!



COMPANY

☎ 800.551.9378

About Us

Class Pictures

Blog

LINKS

Classes/Events

IICRC Certifications

OTHER LINKS

Vendors

Accommodations

Contact

LOCATION

Study Guide – Fire/Smoke Restoration Technician (FSRT)

This study guide is provided to you to complement the lecture and hands-on learning environment of the FSRT courses. Please use this guide to become familiar prior to class with terms and basic information. When combining this pre-course study guide with classroom instruction and homework assignments, your exam should be easier with higher retention.

- **Deodorization principles:**
 - Remove the source, as possible
 - Clean contamination from surfaces
 - Recreate the conditions of penetration with appropriate counteractants
 - Seal (encapsulate), if required
- **General Deodorization:**
 - Detection device – nose (“sniffometer”)
 - Types of odors: - real and heightened awareness (“psychological”)
 - Amplification of odors: - temperature and humidity
 - Particle size – smoke - .1 – 4 micron; nicotine – 0.01 – 1 micron
 - Combination methods – usually, the best process to remove odors
- **Restoration Alternative options:**
 - Clean – least expensive; remove soot (soil) foreign to structural material or personal property
 - Resurface – less expensive than replacement; painting, refinishing, reupholstering
 - Replace – generally, most expensive; replaces unsalvageable items with new or refurbished item
- **Determined values:**
 - Real – value if purchased or replace
 - Appreciated (antique) – value set by market place; requires specific insurance coverage
 - Sentimental – value cannot be replaced by restorer; value from feeling, rather than reason
- **Deodorization equipment:**
 - Wet foggers – water-based agents (tri-jet 20-50 microns) and (ULV – 8-15 microns)
 - Dry solvent fogger (hot fogger; hand-held or gasoline-powered) – solvent-based (.5-2 microns)
 - Vapor diffusers – safe, natural and essential oils (molecular size)
 - Ozone generator – electric-powered creating ozone (molecular size)
 - Hydroxyl (molecular size)
 - Nano-filtration (adsorbent/destroying filter used with AFDs or dehumidifiers)

- **Restoration cleaning agents:**
 - dry cleaning sponge – walls, ceilings; delicate materials; loose soot; not oil-based paint or soot
 - absorbent compound cleaner – books, wallpaper, artwork
 - general purpose cleaner – mild alkaline cleaner, usually less than 10 pH; moderate soot levels – wood furniture and structural materials
 - heavy duty cleaner (degreaser) – higher pH cleaner, usually 10-12 pH; baked-on soot; durable contents and surfaces; presoak for dishes
 - glass cleaners; metal cleaners, polishes; dish detergents; powdered-abrasive cleaners\
 - acid ‘cleaners’ – tile grout; aluminum surfaces; requires air flow, proper PPE
 - textile/upholstery cleaners – preconditioners; rinse agents; acidic agents; low-moisture; solvent
 - chlorine bleach – removes color from nylon; dissolves protein fibers; corrodes metals
- **Deodorization agents:**
 - Masking – pleasant fragrance; “odorizer”; time-release agents; oils, gels, solids, blocks
 - Sorbing – **absorbent** – draws odors “into”; **adsorbent** – draws odors “onto”
 - Pairing – combines with malodor to produce non-odorous substance; combined with masking agents
 - Disinfectant – (bactericides, biocides, germicides) – destroys odors caused by microorganisms
 - “-cide” – suffix meaning to “kill”
 - “-stat” – suffix meaning to “limit or control” growth
 - Digester (enzyme) – digests protein odors (blood, milk, egg, urine, meat, bodily fluid)
 - Oxidizers – (hydrogen peroxide, sodium hypochlorite) – destroys odors
 - Oxidizing gas – (ozone) – destroys odors through ozone O₃ – permanent odor removal
 - Odor diffusion – (e.g., Vaportek) – safe, natural, essentials oils
- **Loss mitigation** – safety hazards; board-up; winterization; corrosion control; soot neutralization; document
- **Safety considerations** – structural; gases; electrical; microbial; BBP;
- **Chemical sensitive** – agreed-upon, customer-approved agents; customers remain out of work area
- **ACM** – Asbestos **CONTAINING** material **PACM** – **PRESUMED** Asbestos Containing Material
- **HAZMAT** - safety hazards; lead paint; asbestos (friable, ACM material; stop work – liability)
- **OSHA 1910.134(a)(1)**; Toxicity of residues and VOCs, (e.g., **HCN, CO, CO2**)
- **Methods of wall and ceiling cleaning** (Clean for aesthetics; Clean to Prepare for Paint)
 - Dry soot removal only (dry sponge; light washing)
 - Dry soot removal; damp clean in small areas (dry sponge; duster; light cleaning)
 - Dry soot removal; damp clean overall (dry sponge; wash materials; inspect to proceed, if needed)
 - Dry soot removal; aggressive damp clean; prepare to seal and paint (salvage cleaning)

- **Ceiling surface concerns:**
 - Painted – flat – dry sponge, light wet cleaning; glossy, oil – more aggressive wet cleaning needs
 - Texture (stipple) – matching concerns; penetration of soot – highly porous
 - Acoustical texture (blown, popcorn) – dissolve in water-based cleaners; age – asbestos/lead paint?
 - Acoustical tiles – porous; dry methods only
 - Suspended (and tracks) – porous stains, odors; track staining; previous staining; bleaching agents?

- **Wall surface concerns:**
 - **Painted** - flat – dry sponge, light wet cleaning; glossy, oil – more aggressive wet cleaning needs
 - **Paneling** – unfinished – staining probable, dry methods; finished – more aggressive wet cleaning; mobile homes – printed pattern surface may remove with cleaning
 - **Wallpaper** – non-coated (cellulose) – dry methods only; vinyl – water-based cleaning available; flocked velvet – no solvents; grasscloth – staining from soot and heat, no water-based cleaning
 - **Wall partitions** – wet cleanable; yellowing probable if residual
 - **Plastic ('fake' tile, backsplash)** – no solvents or powdered-abrasive cleaners used; yellowing
 - **Masonry** – porous; grout staining; pre-existing concerns (Mechanical wall washing techniques):
 - Clean with dry method (sponge, vacuum)
 - Clean with alkaline detergent (low pressure spray; agitate; wait until dry; then inspect)
 - Clean with acid cleaner (phosphoric; muriatic) – ETCH vs. clean surfaces – inspect
 - Media blast (sand; soda; dry-ice; sponge) – Last resort; consider subcontract

- **Fixtures / lighting / flooring / HVAC / exterior:**
 - **Fixtures** – (doors, windows, trim) – usually, easily cleanable; check relation to heat line
 - **Lighting** – turn off power – safety; delicacy; spotting; acid pitting of brass/metals; height/access; ceiling fan concerns – light colored (white), cane (wicker), typically replaced as damage and price
 - **Bath fixtures** – porcelain (easily cleanable); fiberglass (stains, scratches) – non-abrasive cleaners
 - **Cabinetry** – concerns – pre-existing finish damage, blistering, damage; interior – consider light sanding, sealing with stain sealer; rejuvenate with oil-based polish/deodorant

- **Hard flooring** – vinyl – stains; finish loss; wood – light damage – mild water-based cleaning, moderate damage – screen and coat; heavy heat/soot damage – sand, stain, finish, partial or full replacement; laminate – light cleaning or replacement; masonry (stone, marble, concrete)
- **Unfinished areas** – (attic; crawlspace) contents; unfinished wood; temperature extremes; insulation - staining; potential microbial growth; usually, limited heat damage if insulated by drywall/plaster
- **Exterior** – masonry – pressure wash, alkaline detergents; etch with acid cleaner – muriatic acid; media blast; pre-existing damages – rot, mold, stains
- **HVAC** – (puff-back – malfunction of a fuel-oil heating system) – concerns – soot contamination, even if system on or not due to temperature differential and magnetization; available power; type soot residues; clean as close to outset of job as possible; cleaning of ductwork per NADCA guideline
- **Upholstery/fabrics** – responsibility to preserve the surface while removing soot residue and odors; perform proper pre-inspection, dry soil removal, determine cleaning method (dry solvent, low-moisture, hot water extraction, dry-wet-dry, salvage) based upon inspection
- **Soft furnishings** – (lamp shades, mattress/box springs, tapestries, rugs) – proper inspection, delicate fabric construction, relation to heat line; if non-colorfast - dry cleaned; residual odors
- **Window fabrics** – (drapery, sheers, cornice boards, swags, custom, stock size) consider relation to heat line; pre-existing conditions – uneven hanging, weak fabric, heavy soils, sagging; dry clean or washable; in-plant or on-location
- **Blinds** – (vinyl, aluminum, wooden, fabrics, wood, faux wood, shades) determine cleaning cost vs. replacement cost; methods – dry soil removal only; hand-wash bath; ultrasonic bath
- **Wood furniture** – Inspect...Document – (size, complexity, construction, value, use damage, smoke and heat damage, interior damage); Restoration options (clean and polish; light refinish – wood restoring cream; refinishing); Deodorization options (water-based agents; dry solvent-based; ozone; combination)
- **Appliances** – finishes (molded plastic; porcelain; enamel paint); concerns – relation to heat line, yellowing enamel, warped gaskets from heat, melted plastics; was it running at time of fire
- **Electronics** – cleaned by qualified trained technicians; salvable computers, after inspection, cleaned with de-ionized solutions; computer concerns – immediate needs, sensitive data
- **Clothing** – (dry cleaning or laundering) – pressurized soot/odors into closets and drawers; separate into categories (disposables, immediate needs, high-value items, routine cleaning); dispose of coat hangers; deodorization treatment after cleaning; subcontract as needed
- **Toys** – if cost effective, clean with hand wash or ultrasonic bath; dry quickly; sanitize toys

- **High-value items** – thorough inspection and documentation; (jewelry; firearms; artwork; figurines; collectibles); if possible, obtain value in writing; detailed analysis and detailed pictures
- **Kitchen items** – (fine china, crystal ware, dishware, silver, pots/pans) – inspect carefully for hairline cracks (stress cracks, caused by rapid cooling after heating – heavy soot covering cracks); hand cleaning in padded sink – fine china, crystal, painting or metal trim is present; ultrasonic cleaning – expedites job, may require pretreatment with oil-break prior to cleaning in ultrasonic bath; food – dispose of open boxes, exposed food with soot residues, dispose of heat damaged cans – inspect; inventory
- **Books** – options (clean; rebind; replace) – requires heavy deodorization treatment; if wet and sanitary water source - sublimation (freeze-drying) – subcontract, start freezing within 48 hours
- **Pack out services** – “types” (**complete; limited**) – partial damage to structure, high liability items moved out; **selective** pack out – only selective items moved out due to specialized expert, or needing immediate attention, security concerns, primarily on-location cleaning project)
 - **Loading and transport** – do not allow surface-to-surface contact; use adequate amount of moving pads/blankets; “strap” (tie down) items to help eliminate shifting during transport; take out and stack drawers/doors, secure against wall of truck or other furnishings
 - **Storage** – adequate insurance; climate-controlled facility; proper security; easy access to furnishings; protection from resoiling; boxes, crates, bins; pest control services

WILDFIRE PREVENTION CONSULTING

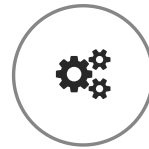
Wildfire Planning, Modeling, Prevention, Vegetation Management, And GIS.



Fire Modeling

Pre and post-fire computer modeling using state-of-the-art tools like FARSITE, FLAMMAP and Wind-Ninja.

[READ MORE](#)



Policy & Planning

Development and wildfire planning policy to mitigate hazards while protect communities and the environment.

[READ MORE](#)



Hazard Mitigation

We develop and execute plans for vegetation management, structural hazard mitigation, and community risk reduction.

[READ MORE](#)

[Wildfire Prevention and Fire Safe Council Consulting](#)

The western United States has a serious and growing problem with fires in the Wildland Urban Interface (WUI). More than 12 million homes are located in 7.8 million acres alone. The WUI fire issue will become even more acute as the population expected to grow from 28 million to 50 million people by 2050. Let **XMR Fire's** forestry and wildfire experts develop your community or agency wildfire prevention plan today.

While public debate often focuses on increased spending for wildfire suppression - more aircraft, more personnel, and more firefighting equipment - time and experience has proven that wildfire prevention planning is more effective and far less costly than suppression.

Wildfire prevention is less expensive and more effective than ever before. Sophisticated technology such as GIS, satellite fuels mapping, geospatial fire behavior modeling, and hazard inspection databases let wildfire experts and urban foresters like **XMR Fire Consulting** analyze the physical nature of a potential fire using detailed data about the fire and fuels environment. A precise plan can be developed that includes environmentally sensitive vegetation thinning techniques to reduce fuel sources while preserving habitat and managing strategies for effectively responding to wildfire emergencies.

Striking the right balance between suppression and prevention offers the best hope for minimizing the wildfire threat. **XMR Fire** employs dedicated wildfire experts, with decades of wildland firefighting, urban forestry, GIS, and fuels management experience who utilize a variety of advanced spatial applications, custom databases, and forestry field analysis tools to develop wildfire hazard assessments, Community Wildfire Protection Plans, and wildfire prevention plans. With extensive experience in wildfire suppression and urban forestry, **XMR Fire** has helped numerous fire agencies, fire safe councils, landowners, and businesses develop wildfire prevention and vegetation management plans across the western US.

Our Services

- Residential and Commercial Vegetation Management Plans
- Wildfire GIS analysis
- Community Wildfire Protection Plans
- Firewise Community assessment, applications, and consultations
- Aerial and drone photography for pre and post fire analysis and mapping
- Forest health analysis, urban forestry
- Defensible Space Planning
- Wildfire Prevention Grant writing
- Wildfire Prevention Grant management
- Fire Safe Council management

Our Services for Fire Safe Council and Fire Agencies

- Public/Guest Speaking



Todd Lando of XMR Fire discusses wildfire policy with Congressma Jared Huffman and Businessman Tom Steyer October 16, 2017 at Coffey Park, Santa Rosa.

- Public Education and PR Programs

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- Grant Management
- Nonprofit Management
- Vegetation Management Planning and Project Review

Wildfire Prevention Clients and Partners

- Kentfield Fire Protection District
- Central Marin Fire Department
- Ross Valley Fire Department
- Sleepy Hollow Fire Protection District
- Southern Marin Fire Protection District
- Bolinas Fire Protection District
- FIRE SAFE San Mateo County
- FIRESafe MARIN
- County of Marin
- Lake Valley Fire Protection District
- Tahoe Douglas Fire Protection District
- Urban Forestry Associates, Inc.
- Sonoma Technology, Inc.
- Fountaingrove II Open Space Management Association
- Private landowners

WILDFIRE MODELING

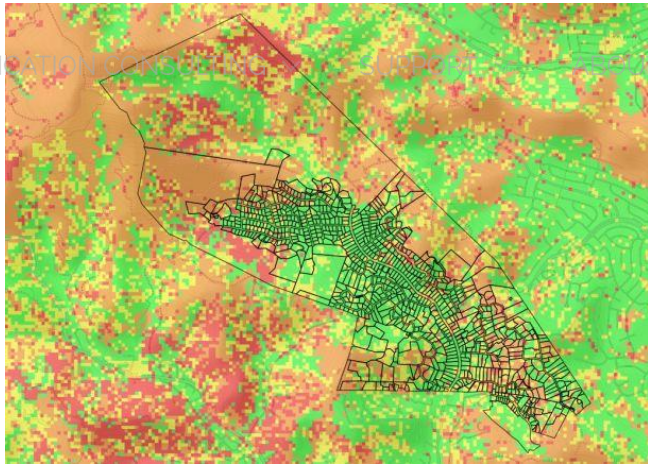
XMR Fire can assist municipalities, landowners, planning agencies, communities, and individuals better understand their risk and identify hazards with state-of-the-art wildfire modeling and mapping. We develop custom fuel models and utilize custom tools based on industry standard wildfire modeling software like FlamMap, FARSITE, BehavePlus, and Wind Ninja to simulate fire across an environment, potentially identifying assets and locations most likely to burn, and determining potential impacts such as heat output, spotting potential, and previously unknown hazards.

Our modeling can assist in pre and post-fire planning, helping determine best locations for fuel breaks, determining travel time for fires under modeling conditions, and comparing scenarios and mitigation measures.

HOME

WILDFIRE PREVENTION

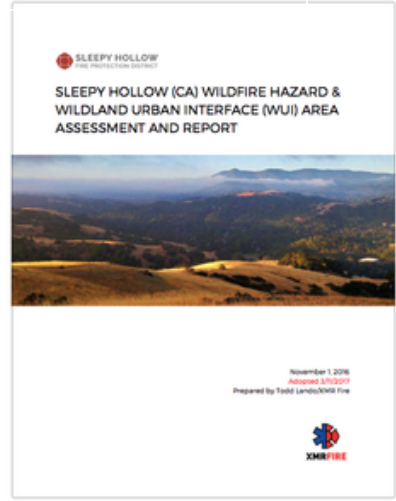
COMMUNITY



g agencies, and communities must adapt to wildfire by developing and implementing policies to address hazards while identifying and acknowledging risk. Land use policy, development and building standards, and design criteria are all addressed through hands-on hazard evaluation and risk assessment, utilizing modeling, expert knowledge of fire behavior and best practices, and a thorough understanding of the fire environment surrounding your community.

We can guide plan development, including Community Wildfire Protection Plans (CWPPs), Hazards and Risk Assessments, and individual property vegetation and fire hazard mitigation plans.

We assist fire agencies in development of wildfire hazard standards and code adoption, municipalities on land use and development practices to minimize risk, and homeowner groups on bylaw and policy adoption to address individual properties and open spaces.



MORE DETAILS

Request A Consultation

We'd be happy to discuss the details and process. Whether developing a wildfire prevention program, or developing your new Fire Department or EMS Agency website XMRFire will help you identify needs while planning and implementing your project from start to finish. Use the form below, or send us an email today!

XMRFire Emergency Services Consulting is based in California, and all services are performed in the United States. No outsourcing. Ever.



Item No: F.6.

PROPERTY RENEWAL

INFORMATION ITEM

ISSUE: Discussion of the upcoming data request for the 7/1/21 renewal process.

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: Alliant will request data, as of December 31, for the upcoming property structure renewal. This will be shared with SPA Members in December 2020, with a proposed due date for data to be provided back to Alliant by January 18, 2021.

ATTACHMENTS: Copy of proposed data request to be emailed before the November 16th meeting, and reviewed during that meeting.

4th QUARTER MARSHALL & SWIFT PROPERTY TREND FACTORS

Region	Real 2019	Real 2020	Personal 2019	Personal 2020	State
Central	0.07%	2.05%	2.04%	0.91%	AL;AR;IA;IL;IN;KS;KY;LA;MI;MN;MO; MS;ND;NE;OH;OK;SD;TN;TX;WI
Eastern	0.22%	2.72%	2.04%	0.91%	CT;DC;DE;FL;GA;MA;MD;ME;NC;NH; NJ;NY;PA;RI;SC;VA;VT;WV
Western	0.50%	3.10%	2.04%	0.91%	AK;AZ;CA;CO;HI;ID;MT;NM;NV;OR;UT ;WA;WY

Up next: hyper social inflation?

Social inflation in the time of COVID—Is the pandemic distracting casualty insurers from the bigger threat?

By Mia Finsness, Managing Executive, Global Casualty Underwriting and Claims



If 2019 was the year of social inflation, then 2020 is undoubtedly the year of COVID-19. Since March, all industry focus has been on the pandemic and the effect it will have on profitability across the insurance industry. Fortunately, we can now say eight months into the pandemic that it does not appear that COVID will be a material event for casualty insurers. What should be more concerning is the possibility that the insurance industry's laser focus on COVID is distracting us from the larger, more menacing threat of social inflation.

In a best-case scenario, COVID has provided a momentary pause from social inflation, and the social inflation trends we saw pre-COVID will continue in the same vein as courts reopen. However, the more likely and troublesome scenario is that COVID will exacerbate the previous iteration of social inflation, leading to a new period of "hyper" social inflation.

Social inflation: a recap

Social inflation is a term used to describe the rising costs of US liability claims as a result of societal trends. The term was first coined in the 1980s during the asbestos litigation crisis. The current iteration is attributable to new factors, including:

- **Rising costs and stagnating wages:** Costs are outpacing inflation and the average household income is falling behind inflation. The median annual household income according to the US Census Bureau was \$61,937 in 2018.
- **Skyrocketing health care costs:** US health care spending grew 4.6% in 2018, reaching \$3.6 trillion, or \$11,172 per person, which is the highest of the OECD countries.
- **Pervasive media influence:** Billion-dollar media headlines are the new normal. Data from jury focus groups indicates that potential jurors now perceive such numbers to be "Monopoly money."
- **Legal advertising:** Plaintiffs' attorneys advertise their large wins through a variety of sources and are setting floors for future cases.

- **Changes in the tort landscape:** Damages caps in many states are being successfully overturned.
- **Reptilian trial tactics:** A new school of instruction for plaintiffs' attorneys teaches them how to trigger the reptilian part of jurors' brains that makes them want to punish commercial defendants and award large verdicts.
- **Litigation funding:** Traditional investors are now investing in civil litigation—a \$9.5 billion industry—as an alternative to the traditional stock market.
- **Polarized political climate:** The media's focus on polarizing topics like the opioid crisis, mass shootings, and sexual abuse scandals has galvanized grassroots movements in favor of victims and against large corporations.

Social inflation is a uniquely American phenomenon because the United States is the only country in the world that routinely uses jury trials for civil cases. Jurors have unconscious biases derived from the culmination of their life experiences. Their constant exposure outside the courtroom to the media's spotlight on growing inequality in particular breeds resentment and a feeling of powerlessness. As jurors in civil cases involving large, corporate defendants, they have an opportunity to engage in an alternative means of wealth redistribution in the form of colossal verdicts that are seemingly uncorrelated with the injuries suffered.

“... jurors' constant exposure outside the courtroom to the media's spotlight on growing inequality in particular breeds resentment and a feeling of powerlessness.”



The following are just a few examples of nuclear verdicts from 2019 that are indicative of the modern social inflation environment:

State	Verdict
Texas	\$80,000,000 Trucking accident injuring one person.
Washington	\$123,000,000 Duck boat accident killing and injuring many.
Georgia	\$280,000,000 Trucking accident killing five people.
Alabama	\$151,791,000 Automobile accident injuring one person.
California	\$2,055,200,000 Pesticide product allegedly harmed two people.
New York	\$55,900,000 Medical accident during surgery injuring one person.
Maryland	\$229,600,000 Medical accident during a delivery injuring one person.
Pennsylvania	\$8,000,000,000 Pharmaceutical product led to unwanted side effects in many persons.
Georgia	\$125,000,000 Living conditions in an apartment building complex resulted in one death.
New York	\$110,200,000 Construction site accident killing one person.

Social inflation post-COVID: a prediction

Unfortunately, the pandemic is likely to exacerbate social inflation. Current social and political issues such as police brutality and riots will increase the potential for larger, more socially inflated verdicts, just as polarizing topics like sexual abuse, mass shootings, and opioids contributed to social inflation before COVID.

In addition, the COVID economy will significantly impact jurors going forward. Fifty-nine million people filed jobless claims between March 2020 and September 2020. Unemployment intensifies the pain of rising costs of necessities such as housing, health care, and education. Indeed, the costs of health care in particular have been laid bare by COVID. In 2018, over 157 million Americans received health insurance through their work. During the pandemic, many of the unemployed lost their health insurance.¹ Not having health insurance amplifies the cost of health care when it's needed and has the potential to bankrupt American households, which have median incomes of \$61,937 a year.

Compounding this reality is the fact that the pandemic has fueled demand for health care services, particularly for lower income and vulnerable populations who are susceptible to COVID. In June, the *New York Post* broke down a whopping \$1.1 million, 181-page hospital bill that a COVID survivor faced.² The article drew into sharp focus the staggering costs of health care in the US and made it clear to readers that the

pandemic will hit the most vulnerable populations hardest in two ways: first through their health and then through their pocketbooks. Indeed the *Post* article, like many others in the media, contributed to the *perception* of extortionate costs among potential jurors.

Health care is a hot-button political issue in the current election cycle, and there is much publicity surrounding the claim that only in America do people declare bankruptcy from health care costs. Moreover, media speculation regarding inevitable inflation (not of the social kind) due to governmental fiscal policies will only strengthen jurors' perceptions that medical costs will continue to increase over time. Indeed, when they are sitting in the jury box, a suggestion by plaintiff's counsel that future medical costs for a baby with brain damage will be \$50 million may not seem so irrational for jurors in light of these influences.

Meanwhile, the US stock market achieved record-breaking highs over the summer. The pandemic has highlighted the disconnect between the stock market, in which only the wealthiest 10% of American households invest, and the rest of the economy. Extensive media coverage related to these events creates the perception among Americans (i.e., potential jurors) that the rich are getting richer while the poor and vulnerable suffer. If there is a chance to engage in some wealth redistribution, it's not unreasonable to believe that jurors will seize the opportunity to "right the ship" and award a large verdict.

Opening of the courts (and the floodgates)

Until recently, most courts were closed and there was an unfamiliar lull in litigation activity as a result. In August, a few civil jury trials began for the first time since the pandemic shutdown and there are already indications that social inflation will not improve post-COVID.

In one of the first trials to resume, a jury awarded \$98 million against a public social services organization for the deaths of two children.³ In addition, several large verdicts were upheld by appellate courts in August, including a \$50 million award in a police brutality case, a \$59 million award in case involving an exploding Bunsen burner and a \$33 million award in an asbestos case.⁴

And what about frequency? Prior to COVID, the consensus was that social inflation was a severity, not frequency, event. In some respects, COVID may result in that trend continuing—at least in the short term. There is evidence to support the notion, for example, that automobile accident frequency is down due to people working from home, but that severity is up due to drivers speeding on empty roads. However, it is questionable whether this trend will endure. New civil case filings in federal court were up 43% as of the end of June—compared to the same time the previous year. The filings were driven by personal injury and product liability cases, which increased nearly fourfold.⁵



Selling insurance during a pandemic

Whether COVID triggered the liability insurance hard market or merely coincided with it is open to debate. Undebatable is the fact that at a time of so much uncertainty, casualty underwriters need to react swiftly to combat social inflation and mitigate long-term exposure to insurers' balance sheets.

Crucially, we will not know for some years whether the premiums we charge today are enough for the policies we sell, because the tail on liability claims is long. It could be anywhere from two to fifteen years depending on the risk class. Fundamentally, the long-tail nature of liability claims reflects the length of time it takes civil cases to churn through the court systems, and this length of time will only increase as a result of pandemic-related court closures.

“... we will not know for some years whether the premiums we charge today are enough for the policies we sell, because the tail on liability claims is long.”

Pricing inadequacy partly explains why some insurers are experiencing social inflation-related pains today. Verdicts rendered in 2020 simply do not reflect underwriters' expectations from years ago when the policies were issued. For example, in 2019 a Maryland jury returned a verdict of \$229 million⁶ for alleged medical malpractice during delivery of an infant. Approximately \$200 million of the award was for future medical expenses, clearly evidencing the jurors' perceptions of skyrocketing medical costs. Notably, the alleged malpractice occurred in October 2014—five years before the jury would ultimately render its verdict. Did insurers in 2014 price for the possibility of such an enormous verdict? The answer is surely “no,” and the industry today needs to start thinking about the cases going to trial tomorrow and the factors that may influence their outcomes.

Many things can happen between an accident that occurs today and a trial that occurs in 2028 that will impact claim valuation. There are too many unknowns to accurately predict what liability claims will be worth in eight years' time, which makes it hard to adequately price policies today. Underwriters who survive this next period of social inflation will be those who not only aggressively push for rate increases, but also meticulously manage their overall portfolios by scaling back limits, diversifying attachment points and risk classes, and tightening up terms and conditions by adding exclusions that mitigate certain “inflammatory” types of exposures like sexual molestation or assault and battery.

“... the industry today needs to start thinking about the cases going to trial tomorrow and the factors that may influence their outcomes.”

Conclusion: Batten down the hatches

As we continue to live with COVID and celebrate the long-awaited return of a hard market, we must keep our eye on the ball and remain vigilant at assessing and addressing the looming threat of a post-COVID superstorm of social inflation. Absent any significant changes in the US tort system, or any meaningful economic and social reform, it is likely that hyper social inflation will become a new reality. We must adapt to the times as an industry and be prepared to face it head on.



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¹ “Employer-Based Health Care, Meet Massive Unemployment,” Jeneen Interlandi, *New York Times* (June 29, 2020).

² “Breaking down ‘miracle’ coronavirus survivor’s \$1.1M hospital bill,” Nicole Lyn Pesce, *New York Post* (June 17, 2020).

³ *Judith Cox et al. v. Washington, Dept. of Social and Health Servs.*

⁴ *Black v. Hicks et al.; Yvonne Yanes et al. v. The City of New York; Ann Finch v. Covil Corp.*

⁵ “Federal Caseload Rises 30%, Fueled By Product Liability Suits,” Dorothy Atkins, *Law360* (August 19, 2020).

⁶ *Zubida Byrom et al. v. Johns Hopkins Bayview Medical Center Inc.*

BUSINESS INSURANCE

Planning, modeling for catastrophic fires take on renewed urgency as losses mount

Posted On: Nov. 2, 2020 12:00 AM CST

Matthew Lerner

Wildfires have become an increasing concern for the insurance industry as losses over the past few years have grown into the tens of billions of dollars annually.

Multiple factors including continued development and past mismanagement of wildfires have fed the growth of fire, sources say, but there are ways to fight back, mitigate exposures and improve the resilience of structures.

Late last month, over 7,000 firefighters continued to battle 22 wildfires across California, 12 of which remained major incidents, according to the California Department of Forestry and Fire Protection, known as Cal Fire, in Sacramento.

In addition, Colorado is seeing a record wildfire season. The Cameron Peak Fire consumed over 200,000 acres late last month, according to the InciWeb Incident Information System of the U.S. Forest Service. The Pine Gulch Fire burned 139,000 acres.

Jeff Amthor, assistant vice president, AIR Worldwide, part of Verisk Analytics Inc. in Boston, cautions that the fire season is not over and that 11 of the 20 most destructive fires in California history started in the last quarter of the year.

While causes run the gamut, lightning ignited many fires this year, according to Mr. Amthor.

It has been only recently that lightning has been a major cause of fires, according to Philip Cunningham, senior scientist at AIR Worldwide. This year, he said, “there were tens of thousands of lightning strikes which caused hundreds of fires.”

Wildfire insurance losses for 2020 have yet to be tallied but may not top the record losses of recent years past, said J. Paul Newsome Jr., Chicago-based managing director at investment brokerage Piper Sandler Cos.

“My sense is the insured wildfire losses will be less than the records we saw in recent years, but that is very hard to accurately predict,” he said. “The wildfires continue to burn so it is entirely possible insured losses will increase greatly.”

Total claims for wildfires in November 2018, the most destructive wildfire month in California history, topped \$12 billion, according to a 2019 statement from the California Department of Insurance.

It can be tough to estimate wildfire insurance losses. “We do not have much history to guide us in allocating the expected losses. Large insured wildfire losses are a fairly recent development,” Mr. Newsome said.

“Wildfire is escalating in terms of losses and the way it impacts insurance companies,” said Michael Young, vice president, model product management at catastrophe modeler Risk Management Solutions Inc. in Newark,



California. “Now that this peril is getting larger, more severe, it needs a higher level of sophistication in terms of insurance modeling.”

“The challenge now is that the losses are going up and the acres burned are increasing,” said Lou Gritzko, vice president, manager of research for FM Global, based in Norwood, Massachusetts. “That’s gotten the attention of businesses because they are now starting to see the losses and business insurers are starting to see the losses as opposed to it being some homes in the mountains.”

After the large wildfire losses of 2017 and 2018, the insurance market started looking for improved catastrophe models to assess the risk, he said

Ground fires, Mr. Gritzko said, burn low and consume dead vegetation on the ground. Surface fires, the most common, burn lighter vegetation in the forest such as shrubs and sometimes the bottoms of trees and lower branches. Crown fires, the most severe, burn the top of vegetative matter.

Crown fires spread the fastest and loft the most embers, which can travel for miles, and are a leading cause of structure ignition and spreading of fires, he said.

“Assume Mother Nature is going to throw burning pieces of wood everywhere, and that anything those burning pieces can ignite probably will,” Mr. Gritzko said.

Risk mitigation

The best way to reduce losses is to focus on reducing the vulnerability of businesses, Mr. Gritzko said.

Some risk mitigation is quite easy and not costly, such as raking and landscape maintenance, and closing vents to combat smoke damage, he said.

If water is available, plants should be watered to make sure they don’t dry out, Mr. Gritzko said.

Inflammable items within the vicinity of a structure should also be disposed of to create a “survivability zone” of roughly five feet, said Mr. Young of AIR. “Cleaning that first five feet is a very important factor.”

Commercial structures often have large parking lots and don’t have a lot of ornamentation, like homes may, providing a built-in clear zone and reducing potential ignitable substances.

Space separation between buildings and avoiding any type of combustible construction is also important, Mr. Gritzko said. “Having a noncombustible envelope of the building” is critical, he said.

Risk mitigation should begin with a structure’s location, said Mr. Amthor of AIR. Too much development continues “the incursion into the wildland where the risk is very high,” he said.

Developers “continue to build in areas where there are wildfires,” Mr. Young said. “The reason why we’re getting more fires occurring in populated areas is related to how close they are to heavy vegetation areas.”

“Urban conflagration” over the past five years has also allowed fires to continue into urbanized areas with burning structures igniting adjacent structures, he said.

Materials are also one of the key determinants, Mr. Young said. For example, California has banned the use of wood shake products and wood shingle for the past 10 years.

Mitigating exposure to fire damage should include “quick and responsive” fire protection systems to capture otherwise damaging fires, said Dave Sapsis, wildland fire scientist, Cal Fire, fire and resource assessment program. “A robust fire protection system can protect key vulnerable assets. Risk is never reduced to zero, but it can be effectively managed.”

“Some 30% to 60% of structures within a fire footprint survive the fire,” Mr. Young said.

California has been “relatively proactive with building code provisions.”

“In terms of hardening against embers and things, as far as we know, with a limited sample size, the new construction codes really are effective,” Mr. Amthor said.

Enforcement of codes, however, varies by location.

Local authorities drive building code enforcement and “there is a lot of variability on how combustible construction is enforced,” Mr. Gritz said. “It literally varies state by state, county by county, town by town,” he said.

Modeling developments

Modeling efforts for wildfires are still catching up to those for other natural catastrophes such as hurricanes and earthquakes.

The models, said Mr. Young, have been “a function of relative priority. Hurricanes and earthquakes have always been solvency-level types of perils. I think it’s only been recently in the past five years we started to see wildfires events get into that \$10 billion range.”

“The wildfire modeling community is still in the early stages of maturity,” Mr. Gritz said. “There had not been a demand. There certainly is a demand now for probabilistic models.”

“We know a lot more about how much hurricanes can cost insurance companies because we have suffered a large number of hurricanes over a long period of time,” Mr. Newsome said.

Data on real-time fire spread and intensity needs improvement, although use of satellite and other means of remotely sensing fire and heat is increasing, Mr. Sapsis said. “While the data environment has improved significantly over the last 20 years, it is still challenging.”

Clients are contacting RMS regarding the timing and availability of its new fire model, Mr. Young said, adding that RMS is working with the National Association of Insurance Commissioners and state regulators to inform them about the models. “To be honest, I think it’s still early days and a lot of insurance companies are still trying to figure out how to manage this risk,” he said.