



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 Meeting
Schools Program Alliance
Teleconference Meeting

DATE/TIME: June 7, 2021 at 9:00 AM PDT

LOCATION VIA TELECONFERENCE: Toll Free (888) 475 4499 or (669) 900-6833 US Toll Meeting number (access code): 996 6200 7445
<https://alliantinsurance.zoom.us/j/95680850789?pwd=azUxQVh3bkILd0R6eDdRRU9NL1JzUT09>
<https://alliantinsurance.zoom.us/j/99662007445?pwd=SDAzcHhPeTZ1MmhvbHJxWjYwTDFKZz09>

- PAGE* **A. CALL TO ORDER, ROLL CALL, QUORUM** **A 4**
- B. APPROVAL OF AGENDA AS POSTED** **A 4**
- C. PUBLIC COMMENTS**
The public is invited at this point to address the Board of Directors on issues of interest to them. **I 4**
- D. CONSENT CALENDAR**
The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action. **A 1**
- Pg. 4* 1. Minutes of SPA Board Meeting May 24, 2021
- E. ADMINISTRATIVE REPORTS**
1. **Alliant Update**
The Board will receive an update on matters pertinent to SPA.
- F. GENERAL ADMINISTRATION**
- Pg. 7* 1. **Excess Liability Program**
- a) **ABD Brokerage Services Agreement**
Members will receive and may approve an Agreement with ABD for Liability Program Brokerage Services **A 1**
- Pg. 15* b) **Excess Liability Limit Options**
ABD will present options for excess coverage above the currently bound excess limits for Board review and possible action.
- Pg. 17* 2. **Property Program Renewal – Funding Allocation**
The Board will receive the funding allocations for FY 21/22 for review and approval. **A 1**
- Pg. 20* 3. **Alliant Deadly Weapons Response Program**
The Board will consider coverage provided by the Alliant Deadly Weapon Response Program and may take action to approve. **A 1**
- SPA is a Partnership of California Public Entity Joint Powers Authorities*

4. Long Range Planning Date

Members will consider a date for a Long Range Planning meeting.

A 1

G. INFORMATION ITEMS AND DISCUSSION

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 4

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 May 24, 2021



SCHOOLS PROGRAM ALLIANCE
May 24, 2021 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 |
| Schools Insurance Group (SIG) | Nancy Mosier |

Consultants & Guests

- | | |
|--|---|
| Dan Madej, Alliant Insurance Services | Seth Cole, Alliant Insurance Services |
| Michelle Minnick, Alliant Insurance Services | Dennis Mulqueeney, Alliant Insurance Services |
| Marcus Beverly, Alliant Insurance Services | Jaesa McCulligan, Sedgwick |
| Jim Wilkey, ABD | Daria Hoffman, Sedgwick |
| Mark Stokes, ABD | |

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 1:02 p.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: Rose Burcina	SECOND: Janet Selby	MOTION CARRIED UNANIMOUSLY
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C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

A motion was made to approve the Consent Calendar as posted.

MOTION: Rose Burcina	SECOND: Christy Patterson	MOTION CARRIED UNANIMOUSLY
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E. ADMINISTRATIVE REPORTS

1. Alliant Update

F. GENERAL ADMINISTRATION

F.1. Excess Liability Program Update

James Wilkey provided the Board with an update as it relates to the Excess Liability Program for the participating members which includes SIA and BASIC (not including SIG).

A motion was made to bind coverage as presented and approve the MOC as presented and to delegate authority to the chair to sign documents as needed to execute.

MOTION: Janet Selby

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

F.2. Property Program Update

Dan Madej provided the Board with a summary of recent events related to the renewal of the property program. George Maggay provided a review of the structure of the coverage and noted the same terms and conditions with the exception of the Wildfire Deductible. After a discussion it was generally agreed that the Board would like to bind coverage but needs to determine the amount of funding for the retained layer. Members expressed interest in funding the retained layer but wanted further discussion to determine the retained layer's purpose.

A motion was made to bind coverage for the property program as presented.

MOTION: Janet Selby

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

G. INFORMATION ITEMS AND DISCUSSION

1. Yuba II Forest Resilience Bond

There was no discussion about this item.

H. ADJOURNMENT

A motion to adjourn was made at 1:56 P.M.

MOTION: Rose Burcina

SECOND: Cindy Wilkerson

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 1:56 P.M.

NEXT MEETING DATE: Monday June 14, 2021 10 A.M.

Respectfully Submitted,



Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 460, Sacramento, CA 95815

Martin Brady, Secretary

Date

DRAFT



Item No: F.1.a.

**EXCESS LIABILITY PROGRAM
BROKERAGE SERVICE AGREEMENT**

ACTION ITEM

ISSUE: ABD Insurance & Financial Services has provided the attached Brokerage Service Agreement for SPA's Liability Program.

The Agreement describes the Scope of Services, Responsibilities of the Parties, Compensation, Term, Indemnification and Insurance, and Miscellaneous terms including choice of law and resolution of disputes.

RECOMMENDATION: Review and approved the Agreement as presented or revised or provide direction.

FISCAL IMPACT: None from today's agenda item, compensation has already been arranged via separate Agreements with BASIC and SIA.

BACKGROUND: SPA members agreed to form a Liability Program to group purchase coverage. ABD insurance brokers are placing the coverage for FY 21/22 on behalf of all SPA members except SIG.

ATTACHMENTS: ABD Insurance and Financial Services, Inc. Brokerage Services Agreement.



ABD INSURANCE & FINANCIAL SERVICES, INC.
BROKERAGE SERVICE AGREEMENT

This Agreement is entered into this 1st day of July, 2021 (Effective Date") by and among ABD Insurance & Financial Services, Inc. (ABD) located at 1435 North McDowell Blvd. Suite #320, Petaluma, CA 94954 and Schools Program Alliance (SPA) ("Client"), located care of Schools Insurance Authority at 9800 Old Placerville Rd., Sacramento, CA 95827.

WHEREAS, Client has appointed ABD as its broker of record for Client's Excess Liability Insurance Program,

SECTION 1. INSURANCE BROKERAGE SERVICES

SCOPE OF SERVICES

On behalf of SPA, ABD agrees to perform the following services:

1. Meet and confer with SPA's Board of Directors to review and update the Excess Liability Program from a standpoint of claims, administration and excess coverage.
2. Meet with SPA's Board of Directors and its members to discuss coverage, rates and other matters that arise from its Excess Liability program.
3. Develop and recommend policies and procedures in such areas as necessary to provide for the efficient operation of SPA's Excess Liability program.
4. Issue Certificates of Insurance for all SPA members as requested annually and on demand.
5. Assist in the preparation of reports required by actuaries and underwriters relating to SPA's Excess Liability program.
6. Represent SPA to insurance carriers and/or other risk sharing or risk transfer alternatives to market and negotiate contracts, rates, coverage and fees as directed by SPA.
7. Act as an advocate for SPA in various areas including, but not limited to, coverage issues, damage valuation, loss negotiations, and attendance at meetings, as needed.
8. Monitor the financial strength of the insurer(s) providing Client's coverages and inform Client if the A.M. Best rating of such insurer(s) is reduced below 'A-".
9. Provide periodic forecasts & updates to the State of the Market.

The above-referenced services shall be rendered by ABD to SPA pursuant to the terms of this Agreement. Any additional services requested by SPA shall be negotiated by the parties under separate written agreement.

SECTION 2. RESPONSIBILITIES OF THE PARTIES

- 2.1 Both parties hereto acknowledge and agree that ABD, in performing its obligations herein, will act solely in a consultative capacity for Client. ABD shall undertake its obligations hereunder as directed by Client and shall at no time exercise any discretionary authority or control respecting the management of the insurance benefits or monitoring of the accounts. On all matters involving the exercise of discretion, ABD shall seek direction from Client.
- 2.2 The Client has the responsibility for providing ABD with appropriate and accurate information as well as complying with all governmental and other requirements. ABD's Services are not intended to provide tax, legal or accounting advice.
- 2.3 ABD can be relied upon to disclose errors, irregularities or illegal acts, including fraud or falsifications that may exist in the administration of the insurance benefits. ABD is not liable for any actions taken or not taken, as directed by or caused by actions of the Client except to the extent losses or damages arise from ABD's negligence, willful misconduct or breach of this Agreement.
- 2.4 The Client will be responsible for any late fees charged by the insurance carrier, unless it is due to willful misconduct or negligence on the part of ABD.
- 2.5 ABD may request information from Client such as general questions related to claims activity. Client acknowledges that the timeliness of information provided to ABD for the purpose of evaluating and/or placing coverage is critical to the successful outcome of ABD consulting services.

SECTION 3. COMPENSATION

During this first year of the SPA Excess Liability Program, ABD will not be compensated directly by SPA. ABD will be compensated, rather, via its separate Brokerage Service Agreements with Schools Insurance Authority (SIA) and the Bay Area Schools Insurance cooperative (BASIC).

Contingent, supplemental, or bonus commissions

In its normal course of business some of the insurance companies ABD represents may pay it additional incentive commission, sometimes referred to as contingent, supplemental or bonus commissions. ABD hereby agrees that it will not accept any such contingent or bonus commission on the lines of insurance coverage subject to this Agreement.

Miscellaneous sources of compensation

In addition to the foregoing, ABD may also receive income from the following sources: Interest earned on premiums received from you and forwarded to the insurance company through ABD's bank account. Payments from insurance companies to defray the cost of services provided for them, including advertising, training, certain employee compensation, and other expenses Vendors and/or services providers.

In the event there is a significant change in Client operations which affects the nature and scope of its insurance requirements, the parties agree to renegotiate ABD's compensation as appropriate.

SECTION 4. TERM

The term of this agreement shall be for one (1) year from the Effective Date and shall terminate on June 30th, 2022. Thereafter, the term may be extended by mutual written agreement of the parties. In the event of termination, ABD will assist Client in arranging a smooth transition process. However, ABD's obligation and the obligation of its affiliates to provide services to Client will cease upon the effective date of termination, unless otherwise agreed in writing.

Notwithstanding the terms of this Agreement, either party shall have the right to terminate this Agreement upon 60 days' prior notice to the other. In the event of termination by the Client prior to expiration, ABD's annual compensation will be deemed earned according to the following schedule:

- a) If this Agreement is terminated within the first 4 months of each annual term, ABD shall receive 60% of the annual fees as outlined in section 4.
- b) If this Agreement is terminated within the 4-7 months of each annual term, ABD shall receive 75% of the annual fees as outlined in section 4.
- c) If this Agreement is terminated within the first 7 months of each annual term, ABD shall receive 100% of the annual fees as outlined in section 4.

SECTION 5. INDEMNIFICATION AND INSURANCE

ABD agrees to defend, indemnify and hold harmless Client from and against any and all losses, judgments, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and costs of settlement) which directly result from or arise out of any breach by ABD of any of its representations, warranties, covenants or obligations in this Agreement or its negligent acts or omissions in carrying out this Agreement.

Client shall notify ABD by registered mail of the existence of any such action, claim or demand giving rise to a claim for indemnity under this paragraph in writing of the same within thirty (30) days of receipt of such written assertion of a claim or liability; provided, however, the failure to give such notice shall affect ABD's obligations hereunder only to the extent that ABD is materially prejudiced by such failure. ABD shall not, without the

prior written consent of Client, settle or compromise any claim or consent to the entry of any judgment without the consent of Client.

All indemnifications made by the parties shall survive the termination of this Agreement.

ABD agrees to use its reasonable best efforts to cooperate in the investigation, mitigation, defense, and settlement of any third-party claim subject to this Section 5 and to permit the cooperation and participation of the Client in any such claim or action, including the sharing of legal counsel where practicable. ABD agrees to promptly notify the Client of the occurrence of any indemnified event or material developments or amounts due respecting any indemnified event.

Insurance: ABD shall procure and maintain (to the extent available on reasonable terms) the following minimum insurance coverages at all times due the term of this Agreement. Upon request, ABD shall provide certificates of insurance to SPA.

Workers' Compensation: ABD shall procure and maintain at all times during the performance of this Agreement Workers' Compensation Insurance in conformance with the laws of the State of California and federal laws where applicable.

Bodily Injury, Death and Property Damage Liability Insurance. ABD shall procure and maintain at all times during the performance of this Agreement General Liability Insurance in the amount of no less than Two Million Dollars (\$2,000,000) per occurrence and shall also include SPA as an additional insured as respects its operations and Automobile Liability in the amount of no less than Two Million Dollars (\$2,000,000) each occurrence.

Fidelity Insurance. ABD shall procure and maintain at all times during the performance of this Agreement Fidelity Insurance in an amount no less than One Million Dollars (\$1,000,000) combined single limits per occurrence.

Professional Liability Insurance. ABD shall procure and maintain at all times during the performance of this Agreement Professional Liability Insurance with a limit of liability of no less than One Million Dollars (\$1,000,000) for any one claim.

SECTION 6. MISCELLANEOUS

6.1 **Notice.** All written notices, demands and requests of any kind which either party may be required or may desire to serve upon the other party hereto in connection with this Agreement shall be delivered only by courier or other means of personal service which provides written verification of receipt or by registered or certified mail return receipt requested (each, a 'Notice'). Neither party will be bound by any Notice unless and until it is received in writing at its mailing address:

ABD Insurance & Financial Services, Inc.
777 Mariners Island Blvd., Suite #250

San Mateo, CA 94404

Client shall not be bound by any notice, directive or request unless and until it is received in writing at its primary place of business located at:

Company Name	Schools Program Alliance
Company Address	C/O Schools Insurance Authority 9800 Old Placerville Rd., Sacramento, CA 95827
Phone Number	916-364-1281
Mobile Number	
Email Address	mbrady@sia-jpa.org
Attn:	Martin Brady
Title	SPA Board Chairman

- 6.2 California Law. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of laws rules.
- 6.3 Mediation. In the event a dispute shall arise between the parties to this Agreement, the parties agree to participate in good faith mediation proceedings with a mediator selected by agreement of the parties. The parties agree to share equally in the costs of the mediation. The mediation shall be administered by a licensed member, in good standing of the State Bar of California.
- 6.4 Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in Sutter County, California in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. There shall be a single arbitrator selected by agreement of the parties, or if they fail to agree on the selection of the arbitrator within 10 days of notice of intent to arbitrate from one party, then by the American Arbitration Association.
- 6.5 Integration: Amendment This Agreement and the related Exhibits constitutes the entire understanding of the parties with respect to all subject matters covered by this Agreement. This Agreement supersedes and replaces all prior agreements, whether written or oral, regarding such matters. This Agreement cannot be modified except by a written agreement signed by both parties.
- 6.6 Severability. If one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect by any court of competent jurisdiction, such holding will not impair the validity, legality, or enforceability of the remaining provisions herein.
- 6.7 Headings. The headings in this Agreement are used for convenience of reference only and shall not affect the interpretation of the provisions.

- 6.8 Non -Waiver. Failure or delay on the part of any party to exercise any right, remedy, power or privilege hereunder will not operate as a waiver thereof. No waiver will be effective unless it is in writing and signed by the party granting such waiver and shall not operate to waive any subsequent breach or default.
- 6.9 Force Majeure. No party shall be considered in breach of its obligations hereunder, including, but not limited to, delivery delays due to any failure of its performance of this Agreement, should such failure arise out of causes beyond the reasonable control of and without the fault or negligence of that party. Delays in delivery due to events beyond a party's reasonable control shall automatically extend the delivery date for a period equal to the duration of such events.
- 6.10 Hiring of Personnel. Client and ABD agree not to solicit, hire for employment, retain or use the services of, either directly or indirectly, any person employed by the other party at any time during the term of this Agreement, for the term of this Agreement and a twelve (12) month period following its expiration or termination without prior written consent of the other party.
- 6.11 Assignment. Client may not assign either this Agreement or any of its rights, interests, or obligations hereunder, or any of its rights, interests or obligations under any document delivered pursuant to this Agreement (except as may be specifically provided for in any such document), without the prior written approval of ABD.
- 6.12 Confidentiality. Both parties will maintain the confidence of any information received or produced pursuant to this Agreement. In the event either party is served with legal process requiring disclosure of such information, the receiving party will immediately notify the other party prior to release of any information to determine the response to be made to such legal process. ABD and SPA shall maintain the confidentiality of data and information gathered, delivered and/or exchanged. Upon the termination or expiration of the agreement, ABD agrees to return the Proprietary information.

Books and Records – Ownership of Records:

- A) Records related to the services provided under this Agreement shall be the property of Client. However, ABD shall be entitled to keep a copy of such files and documents as may be necessary to demonstrate its performance under this Agreement.
- B) In the event of the expiration or termination of this Agreement, ABD shall return all files to Client except as may otherwise be agreed to, in writing, between ABD and Client.

CLIENT NAME: Schools Program Alliance (SPA)

Signature and Date Required

X _____
Martin Brady
SPA Board Chairman

ABD Insurance & Financial Services, Inc.

Signature and Date Required

X _____
Mark Stokes
Executive Vice President

Item No: F.1.b.

EXCESS LIABILITY PROGRAM OPTION FOR ADDITIONAL LIMITS

ACTION ITEM

ISSUE: ABD Insurance & Financial Services has continued to market the SPA Liability Program coverage to provide an option for limits above the \$20M xs \$5M that has already been bound.


Attached is a chart illustrating the coverages bound and the proposed additional \$5M xs \$25M layer of coverage. ABD will present the results of their marketing efforts to determine if there is interest in purchasing additional limits.

RECOMMENDATION: Review and consider delegating authority to the Chair to purchase additional excess liability coverage within the parameters established by the Board at today's meeting.

FISCAL IMPACT: None from today's agenda item, members will be billed for any additional premium directly from ABD.

BACKGROUND: SPA members agreed to form a Liability Program to group purchase coverage. ABD insurance brokers are placing the coverage for FY 21/22 on behalf of all SPA members except SIG. The coverage for the \$20M xs \$5M layer has been bound and ABD had been able to garner interest in additional limits of \$5M xs \$25M for consideration.

ATTACHMENTS: SPA Excess Liability Program FY 21/22 by Layers

Schools Program Alliance				
Excess Liability Program				
7/1/2021 to 7/1/2022				
Average Daily Attendance				
457,085				
				
Carrier	Coverage Layers/Conditions	Rate/ADA	Layer Premium	Status
Everest Re	\$3.25m XS \$5m Primary \$13m (4 X Layer) SPA Pool Aggregate Limit Aggregate Does Not Apply to Auto Liability	5.443431747	\$ 2,488,111	Confirmed
Upland Specialty	\$1.75m XS \$8.25m \$7m (4 X Layer) SPA Pool Aggregate Aggregate Does Not Apply to Auto Liability	1.615084722	\$ 738,231	Confirmed
\$10m Sub-Total	\$5m XS \$5m Primary	7.058516468	\$ 3,226,342	
Allied World (AWAC)	\$10m XS \$10m \$40m (4 X Layer) SPA Pool Aggregate Limit Aggregate Does Not Apply to Auto Liability	2.051870002	\$ 937,879	Confirmed
\$20m Sub-Total	\$15m XS \$5m Primary	9.110386471	\$ 4,164,221	
Hallmark	\$5m XS \$20m \$10m (2 X Layer) SPA Pool Aggregate Aggregate Does Not Apply to Auto Liability	0.700913397	\$ 320,377	Confirmed
\$25m Sub-Total	\$20m XS \$5m Primary	9.811299868	\$ 4,484,598	
Great American/Applied Underwriters	\$5m XS \$25m \$10m (2 X Layer) SPA Pool Aggregate Aggregate Does Not Apply to Auto Liability	0.6563331	\$ 300,000	Pending
\$30m Total	\$25m XS \$5m Primary	10.46763293	\$ 4,784,598	

PROPERTY PROGRAM RENEWAL FUNDING ALLOCATION ACTION ITEM

ISSUE: The Board will receive an update on the property and APD renewals from Alliant and AmWINS. This will include final rate and “not to exceed” (if still relevant) information.

RECOMMENDATION: The Board will review and discuss updated renewal positions and approve funding of the Retained Layer. Additionally, the Board will be asked to delegate authority to the Managing Member for binding of positions, similar to the 2020 process.

FISCAL IMPACT: For the property program, the “blended” primary layer was settling at an ~13% rate increase, driven by the 2020 wildfire losses to the program in SPA’s first year of operation. Excess costs were not fully known at the last board meeting but expected to be near a 15% rate increase. Authority to bind was granted to the reinsurance broker on May 24th. Final and outstanding positions will be updated to the board on June 7th. Limits up to \$150M appear too expensive but will be discussed for final action on June 7th. The APD rate is anticipated to be flat, with potential improvement in rate if LAUSD joins as a member. Offsetting measures for rate increases will continue from the last two Board meetings.

London’s position on wildfire deductibles are confirmed as: Butte/\$5,000,000, RESIG/\$2,500,000, SIG/\$500,000, SIA/\$500,000 and NBSIA/\$250,000. Domestic positions for wildfire deductibles are unchanged from expiring, other than Butte/\$5,000,000. This changes the “blended” wildfire deductible in an occurrence (accounting for 40% London and 60% Domestic share of the primary) for SIG, SIA and Butte, at renewal.

Cost Allocations, including the overall change in each member’s SPA rate on the property program from 2020 were released on May 28th to each SPA Member via email. APD remained, and still remains, unofficial from AIG, but targeting flat. That allocation included options asked for at the May 24th Board Meeting regarding different funding levels of the Retained Layer for 2021. This is a Board decision. Beyond the Board decision, each member maintains their individual decision regarding what level to actually fund their allocated portion of the Retained Layer. In 2020, for example, one SPA Member funded their allocation by 50% (withholding the other 50%).

BACKGROUND: For a property program the size of SPA’s, and with its exposure characteristics, it takes a global effort to obtain the capacity and support needed. SPA’s program is supported both domestically and in London currently. The program is being marketed to incumbents as well as a variety of new markets. The final outcome of the renewal is generally impacted by SPA’s experience, SPA’s exposures, terms/conditions of the prospective program and the market conditions in the global marketplace.

ATTACHMENTS: SPA Rate Chart released on May 28th, including Retained Layer options
SPA is a Partnership of California Public Entity Joint Powers Authorities

Temporary Tab
 For Retained Layer impact to SPA Allocation (individual RL funding assumed at 100%)

\$3,000,000

Property Program

Member	2020 TIV	2021 TIV	% Change	<u>2020 Property</u>	<u>2021 Property</u>	% Change	<u>2020 SPA</u>	<u>2021 SPA</u>	<u>2021 SPA</u>	% Change
				<u>Program Rate</u>	<u>Program Rate</u>		<u>Program Deposit</u>	<u>Program Deposit</u>	<u>Program Deposit</u>	
				Deposit/(TIV/100)	Deposit/(TIV/100)			Assumes Fully Funded Retained Layer	Based on Selected Retained Layer Funding level	
BSSP	474,882,468	470,625,136	-0.9%	0.284	0.351	23%	1,350,000	1,650,000	1,650,000	22%
NBSIA	1,658,923,325	1,817,995,502	9.6%	0.118	0.124	5%	1,950,000	2,250,155	2,250,155	15%
SIA	8,688,568,740	8,706,103,579	0.2%	0.053	0.058	9%	4,645,000	5,059,161	5,059,161	9%
SIG	2,570,927,031	2,832,067,096	10.2%	0.132	0.144	9%	3,400,000	4,074,694	4,074,694	20%
RESIG	2,223,997,606	2,385,346,255	7.3%	0.150	0.163	9%	3,330,000	3,897,603	3,897,603	17%
	15,617,299,170	16,212,137,568	3.8%	0.094	0.104	11%	14,675,000	16,931,613	16,931,613	15%

\$1,500,000

Property Program

Member	2020 TIV	2021 TIV	% Change	<u>2020 Property</u>	<u>2021 Property</u>	% Change	<u>2020 SPA</u>	<u>2021 SPA</u>	<u>2021 SPA</u>	% Change
				Program Rate	Program Rate		Program Deposit	Program Deposit	Program Deposit	
				Deposit/(TIV/100)	Deposit/(TIV/100)			Assumes Fully Funded Retained Layer	Based on Selected Retained Layer Funding level	
BSSP	474,882,468	470,625,136	-0.9%	0.284	0.328	15%	1,350,000	1,544,965	1,544,965	14%
NBSIA	1,658,923,325	1,817,995,502	9.6%	0.118	0.103	-12%	1,950,000	1,872,817	1,872,817	-4%
SIA	8,688,568,740	8,706,103,579	0.2%	0.053	0.057	6%	4,645,000	4,921,605	4,921,605	6%
SIG	2,570,927,031	2,832,067,096	10.2%	0.132	0.127	-4%	3,400,000	3,583,305	3,583,305	5%
RESIG	2,223,997,606	2,385,346,255	7.3%	0.150	0.147	-2%	3,330,000	3,508,922	3,508,922	5%
	15,617,299,170	16,212,137,568	3.8%	0.094	0.095	1%	14,675,000	15,431,613	15,431,613	5%

\$750,000

Property Program

Member	2020 TIV	2021 TIV	% Change	<u>2020 Property</u>	<u>2021 Property</u>	% Change	<u>2020 SPA</u>	<u>2021 SPA</u>	<u>2021 SPA</u>	% Change
				Program Rate	Program Rate		Program Deposit	Program Deposit	Program Deposit	
				Deposit/(TIV/100)	Deposit/(TIV/100)			Assumes Fully Funded Retained Layer	Based on Selected Retained Layer Funding level	
BSSP	474,882,468	470,625,136	-0.9%	0.284	0.313	10%	1,350,000	1,474,091	1,474,091	9%
NBSIA	1,658,923,325	1,817,995,502	9.6%	0.118	0.098	-17%	1,950,000	1,777,581	1,777,581	-9%
SIA	8,688,568,740	8,706,103,579	0.2%	0.053	0.054	1%	4,645,000	4,682,407	4,682,407	1%
SIG	2,570,927,031	2,832,067,096	10.2%	0.132	0.120	-9%	3,400,000	3,409,151	3,409,151	0%
RESIG	2,223,997,606	2,385,346,255	7.3%	0.150	0.140	-7%	3,330,000	3,338,383	3,338,383	0%
	15,617,299,170	16,212,137,568	3.8%	0.094	0.091	-4%	14,675,000	14,681,613	14,681,613	0%

Item No: F.3.

ALLIANT DEADLY WEAPONS RESPONSE PROGRAM

ACTION ITEM

ISSUE: The SPA Property Insurance Program includes “active shooter” coverage as part of its coverage offering. The cover is contained within the Terrorism section of the coverage, and is focused on risks traditionally associated with damage to Property and resultant impact from such events. Other products existing on the market that have different terms and conditions, which broaden the coverage to include elements of third party liability protection. There is no standard coverage form for this exposure as it is a new and quickly evolving risk.

RECOMMENDATION: Staff recommends that the Board review the coverage provided currently, and a separate offering from the Alliant Deadly Weapons Response Program (ADWRP) to familiarize themselves with coverage features in two separate offerings.

FISCAL IMPACT: The cost for the current coverage is roughly \$60,000. The total cost (including Taxes and Fees) for ADWRP for the 2021-22 term is \$111,099.

BACKGROUND: The prevalence of gun violence in the U.S. continues to be a national tragedy with risk managers across the country needing to understand and address this risk to their organizations. Over the past several years, brokers and insurers have developed new products to address this risk. Insurers generally will view the exposure through a property lens, or a general liability lens, and there are pros and cons to both approaches, but any choice about cover or the format for it is a decision that is bespoke for the particular organization purchasing. The Alliant Deadly Weapons Response Program was developed to provide a broad based cover that includes both 1st party and 3rd party coverage elements. It is available for single entities, or pools, and the base coverage and limits can be tailored to specific customer needs.

The attachments to this item summarize the offerings and concepts that are most usually asked about by risk managers who are interested in this topic.

ATTACHMENTS:

1. Summary of Current Active Assailant Coverage
2. Alliant Deadly Weapons Response Brochures
3. Alliant Deadly Weapons Response Program Proposal

Schedule

This **Policy** incorporates the schedule, sections, definitions, conditions, exclusions, endorsements, memoranda and warranties (if any) and any other terms herein contained which are to be read together as one document.

1. **Policy Number:**
2. **Insured's Name:**
3. **Insured's Mailing Address:**
4. **Business:**
5. **Territorial Limits:** This insurance shall apply to **Active Assailant Events** occurring only in the following territories / at the following locations:
6. **Policy Period:**

From: 01 July 2020	12:01 apm local time
To: 01 July 2021	12:01 am local time
7. **Declared Values:**

Property Insured:	USD
Business Interruption Loss:	USD
Total:	USD
8. **Excess:** USD 10,000 any one **Occurrence**, except for **Ingress/Egress**, which is 12 hours.
9. **Overall Limit of Liability (Property Damage, Business Interruption and Additional Special Coverages combined):** USD 1,000,000 any one **Occurrence** and in the aggregate during the **Policy Period**.
10. **Monetary Sub-limits:**

Ingress/Egress:	25% of the Overall Limit of Liability subject to a maximum limit of USD 250,000 in the aggregate for the Policy Period
Public Relations Consultancy Costs	USD 100,000
Counselling Costs:	USD 10,000 per person
Medical Expenses:	USD 10,000 per person
Employee Retraining Costs:	USD 10,000 per person
Security Costs:	USD 25,000
Funeral Services	USD 250,000 but not to exceed USD 25,000 per person
Cost of Demolition/ Clearance Memorialisation	USD 250,000

Loss of Governmental Grants USD 250,000

Each Sub-limit is part of the Overall Limit of Liability and not in addition to it

11. Indemnity Period: 180 days

**12. Governing Law and
Jurisdiction:**

13. Premium:

**14. Taxes payable by the
Insured and
administered by
Insurers:**

**15. Taxes payable by
Insurer:**



Deadly Weapons in the Workplace

In the modern world, threats come from many sources. One of the most difficult to defend against is the incursion of an armed individual intent on inflicting harm. Your organization may have a “duty of care” to maintain a secure environment for your staff, students, patients, visitors and the general public. In the event of a deadly attack, you could be liable for regulatory or civil actions.

There are significant challenges to securing places of business, particularly ones where visitors come and go frequently.

In addition to the tragic human costs associated with a deadly weapons attack, many organizations are also concerned about the financial impact associated with such events. While general liability, property and workers’ compensation policies can respond meaningfully to such events, not all anticipated costs will be covered in every situation. These costs can be significant, and for this reason, the **Alliant Deadly Weapons Response Program** is designed to address uncovered expenses

How and when does my General Liability policy respond?

General liability insurance is designed to cover financial loss when the insured is deemed negligent in causing or contributing to the injuries of a third party. It is not always immediately clear in a deadly weapons event if an employer or property owner was negligent in such situations. Further, general liability insurance is not designed to cover first-party expenses such as funeral costs, crisis management consultants, public relations expenses or immediate counseling of victims and their families, which can all arise from such an event.

What about my property policy?

If your operations need to cease temporarily, or even permanently because of an event, your building must sustain direct physical damage in order for your commercial property policy to compensate you for lost revenue. Without physical damage, there still can be stigma associated with an event site which not only is hard to quantify, but also creates difficulty in continuing on as before, which a property policy is not designed to address.

INDUSTRIES EXPOSED

Municipalities: Counties, Cities, Townships

Education: Elementary Schools, High Schools, Universities

Healthcare: Hospitals, Nursing Homes, Clinics

Hospitality: Hotels, Resorts, Nightclubs

Special events including: Sports, Parades, Graduations, Rodeos, Concerts

Retail: Malls, Shopping Centers

Religious: Churches, Synagogues

Amusement Parks and Attractions

Condominium Associations, Public Works



Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

How would Workers’ Compensation apply?

While workplace injuries sustained in the course and scope of employment are covered, there can be delays in assisting employees with trauma when no obvious physical injury has been sustained. Employers will want crisis counseling services provided immediately.

Won’t Terrorism cover us?

Insureds may also believe that deadly weapon incidents are covered by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) or a stand-alone terrorism insurance policy. However, not all violent actions fall neatly into the definition of Terrorism which normally requires some ideological motivation on the part of the perpetrator. TRIPRA requires significant financial thresholds to be breached before this coverage can be made available and events must be declared a “Certified Terrorist Attack” by the heads of three federal agencies to qualify. Since 2002, no incident has been declared as a “Certified Terrorist Attack.”

How can Alliant help me?

As the nation’s premier specialty retail insurance brokerage company, Alliant Insurance Services has developed the **Alliant Deadly Weapon Response Program**. Deadly weapons protection insurance aims to address an entity’s needs after a violent incident.

Why purchase Deadly Weapons Protection?

The coverage offered is a three-fold product providing Third Party Liability (inclusive of Defense and Settlements), Physical Damage to your assets (including Business Interruption whether or not there is physical damage sustained) and Crisis Management Services component before and after an incident.

ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is one of the nation’s leading and fastest growing distributors of diversified insurance products and services. In the face of increasing complexity, our approach is simple: bring on the best people and invest more deeply in the industries and clients we serve. We operate through a network of specialized national platforms and regional offices to offer a comprehensive portfolio of services to our clients. Our goal is to ensure that they get the most innovative products—and the most innovative thinking—in the industry. www.alliant.com

COVERAGE

Standard Offering

Policy Limit of \$500,000 per claim/aggregate (Pool aggregate \$2,500,000)

Sublimits for:

- \$250,000 1st Party Property Damage;
- \$250,000 Business Interruption;
- \$250,000 Crisis Management;
- \$250,000 Counseling Services;\$250,000 Funeral Expenses;
- \$250,000 Demo/Clearance and Memorialization;
- \$250,000 Threat;
- \$25,000 Medical Expense per person, \$500,000 annual aggregate;
- \$50,000 Accidental Death and Dismemberment per person, \$500,000 annual aggregate

Policy Deductible is \$10,000.

CONTACT

Courtney Ramirez

Vice President
 cramirez@alliant.com
 949-660-8133

Anne Shackelford

Vice President
 Anne.Shackelford@alliant.com
 206-454-8021



Deadly Weapons Response Program:

Triggers, Limits, Deductibles and Other Coverage Features for Governmental Pools

Coverage Trigger

An event occurring at a location appearing on your Schedule of Values on file with Alliant where a weapon has been used or brandished. A weapon is broadly defined as any portable or handheld device, instrument or substance which is used by the Assailant(s) in a manner to deliberately cause death or bodily injury.

“Weapon” can also include any road vehicles (private or commercial land-based vehicle) intended for use on public roads. Some weapons are excluded by the policy such as military vehicles, nuclear weapons and drones.

ABOUT ALLIANT INSURANCE SERVICES

Alliant Insurance Services is one of the nation’s leading and fastest growing distributors of diversified insurance products and services. In the face of increasing complexity, our approach is simple: bring on the best people and invest more deeply in the industries and clients we serve. We operate through a network of specialized national platforms and regional offices to offer a comprehensive portfolio of services to our clients. Our goal is to ensure that they get the most innovative products—and the most innovative thinking—in the industry. www.alliant.com

Coverage Limits

- ▶ Self-Insured Governmental Pools: \$500,000 per claim with a \$2,500,000 aggregate shared amongst your pool members
- ▶ Sub-limits Included within Coverage Limit:
 - 1st Party Property Damage: \$250,000 per event
 - Business Interruption: \$250,000 per event
 - Crisis Management: \$250,000 per event
 - Funeral Expenses: \$250,000 per event
 - Counselling Services: \$250,000 per event
 - Demo/Clearance/Memorialization: \$250,000 per event
 - Threat: \$250,000 each and every Deadly Weapon Event
 - Medical Expense: \$25,000 per person and \$500,000 in the annual aggregate
 - Accidental Death and Dismemberment: \$50,000 each person and \$500,000 in the annual aggregate
 - Crisis Services Provided by CrisisRisk: <https://www.crisisrisk.com/>

Deductible: \$10,000

Other Coverage Features

- ▶ Automatic coverage for new locations added mid-term, no reporting necessary if value is under \$25,000,000
- ▶ Temporary Locations/Venues can be added if sufficient underwriting information is provided

Please note: Actual terms and conditions are governed by the policy.

CONTACT

Courtney Ramirez

Vice President
cramirez@alliant.com
 949-660-8133

Anne Shackelford

Vice President
Anne.Shackelford@alliant.com
 206-454-8021

A photograph of a modern glass building facade with a blue-tinted sky. A person is walking on a balcony or walkway visible through the glass. The text "Schools Program Alliance" is overlaid in white.

Schools Program Alliance

2021 – 2022

Alliant Deadly Weapon Response Program (ADWRP) Proposal

Issued on June 4, 2021

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

INSURED	Schools Program Alliance
INSURANCE COMPANY:	Underwriters at Lloyd's of London
A.M. BEST RATING:	A (Excellent) XV; Greater than \$2,000,000,000
STANDARD AND POOR'S RATING:	A+, Strong Financial Security
STATE LICENSE STATUS:	Non-Admitted
POLICY TERM:	July 1, 2021 – July 1, 2022
COVERAGE FORM:	Claims Made & Reported
COVERAGE TYPE:	Third Party Bodily Injury Liability, First Party Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
LIMITS:	
Per Occurrence	\$ 500,000
Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
DEDUCTIBLE:	\$10,000 Each Event including Claims Expenses
RETROACTIVE DATE:	To be determined

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

SUB-LIMITS:

(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)

\$ 250,000	Crisis Management Services - specified in endorsement
\$ 250,000	Crisis Management Services – unspecified
\$ 250,000	Counseling Services (\$15,000 per person maximum)
\$ 250,000	Funeral Expenses (\$1M Aggregate; \$15,000 per person maximum)
\$ 250,000	Business Interruption
\$ 250,000	Demo/Clearance/Memorialization
\$ 250,000	Extra Expense
\$ 250,000	Threat
\$ 25,000	Per Person for Medical Expenses with a \$500,000 annual aggregate
\$ 50,000	Per Person Accidental Death and Dismemberment with a \$500,000 annual aggregate
Included	Circumstantial Costs for Prevention Services (\$0 Deductible)

ENDORSEMENTS:

(Including But Not Limited To)

- Deadly Weapon & Security Vulnerability Post Underwriting Review
- Deadly Weapon Safety Action Plan Webinar
- Crisis Management Services
- Circumstance Extension
- Property Damage Extension
- Counselling Services
- Funeral Expenses
- Short Rate Cancellation Table
- Premium Payment Clause
- Reinsurers Liability Clause
- Lloyd’s Privacy Policy
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption (*if applicable*)
- Automatic Acquisitions limit – locations up to \$25,000,000
- 90 day grace period for reporting of new locations

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

EXCLUSIONS:

(Including But Not Limited To)

- Offsite events coverage for K-12 School insureds (Field Trips) only – No Liability coverage applies.
- E&O clause – to cover locations not exceeding \$10,000,000 in value unintentionally not included in SOV provided to insurer
- **Crisis Management/Event Responder Fees** *do not erode policy limits*
- **Crisis Services Provided by CrisisRisk:**
<https://www.crisisrisk.com/>
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Any explosive devices unless used in conjunction with a Deadly Weapon Event.
- Euthanasia
- Fraudulent Claims
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Any claim or claims made by or on behalf of an Assailant.

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED: (Including But Not Limited To)

- Use or operation as a means to inflict harm of any computer, computer system, computer software, malicious code, computer virus or any other electronic system.
- Workers Compensation
- Employment Practices
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Mercy Killing(s)
- Cross Suits
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Chemical, biological, bio-chemical or electromagnetic weapon
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- Property Damage in care, custody or control of Named Insured or person under contract (except as maybe provided by the 1st Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:

(Including But Not Limited To)

- COVID19
- Any Deadly Weapon Event that occurs at a Location(s) which has been specifically leased or loaned by the Named Insured to any other entity or individual to host a permitted event planned and ticketed for more than 500 attendees over the duration of the event, except with the prior written agreement of the Underwriters. Agreement to add any event as covered may incur additional premium.
- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ANNUAL PREMIUM:	\$107,602.00 Premium \$ 3,228.06 Surplus Lines Taxes \$ <u>269.01</u> Surplus Lines Fees \$111,099.07 Total Cost
DEFENSE INSIDE/OUTSIDE THE LIMITS:	Inside
MINIMUM EARNED PREMIUM:	25% Minimum Earned Premium
PROPOSAL VALID UNTIL:	30 Days From Date Issued
SUBJECTIVITIES:	<ul style="list-style-type: none">• Completed and Signed Request to Bind Coverage Form (See last page)• Completed and Signed Surplus Lines Document(s) (If applicable)• Complete Schedule of Values on file to share with the carrier.• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

Other Disclosures / Disclaimers - Continued

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Other Disclosures / Disclaimers - Continued

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Other Disclosures / Disclaimers - Continued

Commercial Property Coverage

***Property Co-insurance:** Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information. Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Request to Bind Coverage

Schools Program Alliance

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Annual Premium	Bind	Decline
DEADLY WEAPON RESPONSE PROGRAM Limit \$500,000 Aggregate (Shared by Members of Pool/JPA) \$2,500,000 <i>Premium will be prorated based on join date</i>	\$111,099.07	<input type="checkbox"/>	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative	Date
Title	
Printed / Typed Name	

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*



Item No: F.4.

LONG RANGE PLANNING DATE

ACTION ITEM

ISSUE: Now that we have one year in the rear view mirror it is appropriate to get together to talk about long range planning items such as:

- New Members
- New Programs
- Rating Plans and Funding Levels

RECOMMENDATION: Members will select a date for a Long Range Planning meeting.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: None.