





## G. FINANCIAL

- |                                  |   |   |   |
|----------------------------------|---|---|---|
| 20                               | <b>1. Excess Liability Renewal</b><br><i>Staff will present the Excess Liability renewal for the period of July 1, 2023-2024.</i>   | A | 1 |
| 21-75                            | <b>2. Excess Property and Boiler &amp; Machinery Renewal</b><br><i>Staff will present the Excess Property and Boiler and Machinery renewal for period of July 1, 2023-2024.</i> | A | 1 |
| 76-80                            | <b>3. Crime Policy Renewal</b><br><i>Staff will present the Crime insurance renewal for period of July 1, 2023-2024.</i>  | A | 1 |
| 81-87                            | <b>4. Deadly Weapon Response Policy Renewal</b><br><i>Staff will present the renewal of the Deadly Weapon Response Policy for period of July 1, 2023-2024.</i>                  | A | 1 |
| 88                               | <b>5. Revenue and Expense Budget for July 1, 2023-2024</b><br><i>Staff will present the Revenue and Expense Budget for July 1, 2023 –2024.</i>                                  | A | 1 |
| 89-93                            | <b>6. Review and Adoption of Liability Memorandum of Coverage</b><br><i>Staff will present the Liability Memorandum of Coverage for July 1, 2023-2024.</i>                      | A | 1 |
| 94-98                            | <b>7. Review and Adoption of Property Memorandum of Coverage</b><br><i>Staff will present the Property Memorandum of Coverage for July 1, 2023-2024.</i>                        | A | 1 |
| <b>H. GENERAL ADMINISTRATION</b> |   |   |   |
| 99                               | <b>1. SBASIA Election of Officers and Executive Committee</b><br><i>The Executive Committee will present a slate of officers for July 1, 2023-2024.</i>                         | A | 4 |
| 100                              | <b>2. Investment Authority</b><br><i>Per Government Code, the Board will need to approve the delegation of authority to invest or reinvest SBASIA funds.</i>                    | A | 4 |
| 101-106                          | <b>3. Review of Investment Policy</b><br><i>Per Government Code, the Board must review the Investment Policy annually.</i>  | A | 1 |



South Bay Area Schools Insurance Authority  
Board of Directors  
June 15, 2023

- 107-108*      **4. Resolution Establishing Meeting Dates for Fiscal Year 2023-2024**    **A    1**  
*The Board will need to adopt meeting dates for July 1, 2023-2024.*

**I.            COMMENTS FOR THE GOOD OF THE ORDER**

**ADJOURNMENT**  
**NEXT MEETING**

The next Board of Directors Meeting is set for December 7, 2023 at 10:00 a.m.



**Agenda Item E.**

**CONSENT CALENDAR**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the Consent Calendar and pull any items that need discussion. Otherwise, the Board of Directors should adopt the Consent Calendar as presented.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Consent Calendar items as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The following items are placed on the Consent Calendar for adoption by the Board. The Board may accept the Consent Calendar as posted, or pull any item for discussion and separate action while accepting the remaining items.

- 1. Board of Directors Meeting Minutes – December 1, 2022**
- 2. Financial Report for Quarter Ending March 31, 2023**
- 3. Investment Report for Quarter Ending March 31, 2023**

**ATTACHMENTS:** Board of Directors Meeting Minutes – December 1, 2022  
Financial Report for Quarter Ending March 31, 2023  
Investment Report for Quarter Ending March 31, 2023



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
ZOOM MEETING  
December 1, 2022**

**MEMBERS PRESENT**

Mike Mathiesen, President, Mountain View-Los Altos Union High School District  
Mark Schiel, Vice President, Santa Clara Unified School District  
Delores Perley, Treasurer, Los Gatos-Saratoga Joint Union High School District  
Kevin Franklin, Berryessa Union School District  
Nelly Yang, Campbell Union School District  
Erik Walukiewicz, Los Altos School District  
Kelly Ng, Alternate, Milpitas Unified School District

**MEMBERS ABSENT**

Victoria Knutson, Evergreen School District  
Sean Joyce, Lakeside Joint School District  
Dorothy Reconose, Metropolitan Education District  
Rebecca Westover, Mountain View Whisman School District  
Stephanie Gomez, Santa Clara County Office of Education

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
James Marta, James Marta & Company  
Laura Birnbrauer, Carl Warren & Company  
Rich McAbee, Carl Warren & Company  
Joyce Fairley Ray, Carl Warren & Company  
Kelly Ogle, Carl Warren & Company  
Linda Schroeder, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order at 10:03 a.m.

**B. ROLL CALL**

The above-mentioned members were present constituting a quorum.

**C. APPROVAL OF AGENDA**

**A motion was made to approve the agenda.**

<b>MOTION:</b> Mark Schiel	<b>SECOND:</b> Delores Perley	<b>MOTION CARRIED</b>
<b>AYES:</b> 7	<b>NOES:</b> 0	<b>ABSENT:</b> 5
	<b>ABSTAIN:</b> 0	

**AYES:** Mathiesen, Schiel, Perley, Franklin, Yang, Walukiewicz, Ng

**NAYS:** None

**ABSENT:** Knutson, Joyce, Reconose, Westover, Gomez



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
ZOOM MEETING  
December 1, 2022**

**D. PUBLIC COMMENT**

There were no public comments.

**E. CONSENT CALENDAR**

**1. Board of Directors Meeting Minutes – June 9, 2022**

**A motion was made to approve the items on the Consent Calendar as presented.**

**MOTION:** Mark Schiel                      **SECOND:** Erik Walukiewicz                      **MOTION CARRIED**  
**AYES:** 7                      **NOES:** 0                      **ABSTAIN:** 0                      **ABSENT:** 5

**AYES:** Mathiesen, Schiel, Perley, Franklin, Yang, Walukiewicz, Ng

**NAYS:** None

**ABSENT:** Knutson, Joyce, Reconose, Westover, Gomez

**F. FINANCIAL**

**1. Audited Financial Report as of June 30, 2022**

Mr. James Marta of James Marta & Company presented the audited financial report as of June 30, 2022. Mr. Marta advised SBASIA has received an unmodified opinion, which is the best opinion that can be provided. Mr. Marta stated the net position increased by \$1,062,090 from the prior year bringing the net position to \$2,481,674. The JPA's operating revenues increased by 28.3% from the prior year. Total expenses increased by 4.5% and total assets increased by 16.08%.

Mr. Marta advised that claims liabilities increased approximately \$189,000. Mr. Marta noted Liability claims costs continue to increase as well as insurance premiums and this is consistent across the school sector.

**A motion was made to accept the Audited Financial Report as of June 30, 2022.**

**MOTION:** Nelly Yang                      **SECOND:** Delores Perley                      **MOTION CARRIED**  
**AYES:** 7                      **NOES:** 0                      **ABSTAIN:** 0                      **ABSENT:** 5

**AYES:** Mathiesen, Schiel, Perley, Franklin, Yang, Walukiewicz, Ng

**NAYS:** None

**ABSENT:** Knutson, Joyce, Reconose, Westover, Gomez

Mr. Mark Schiel left the meeting at 10:20 a.m.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
ZOOM MEETING  
December 1, 2022**

**G. CLAIMS**

**1. Claims Stewardship Report**

Ms. Joyce Fairley Ray presented a claims stewardship report for the JPA. The report presents an overview of claims for the last ten years. The top cause of loss by severity is sexual assault followed by employment practices liability. The top cause of loss by frequency is miscellaneous student injuries. The closing ratio for claims is 98.8%. The litigation rate is 13% which is average. 51% of claims have \$0 paid.

**H. GENERAL ADMINISTRATION**

**1. Loss Control Update**

Mr. Matt Gowan said the JPA has a five year loss control plan. Since all five years have been completed, the plan re-sets to Year 1 and begins again. Year 1 is Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design. A Request for Proposal (RFP) was issued and the Executive Committee selected ESM Insite to perform the inspections. The inspections will begin in early 2023.

**2. Insurance Market Update**

Mr. Gowan provided a brief overview of the insurance market. Liability, Property and Cyber Liability insurance capacity continues to shrink. Regarding Property insurance, 2021 was the 4<sup>th</sup> worst loss year on record due to increasing hurricanes, typhoons, and wildfires.

Liability losses continue to increase mainly due to social inflation (juries are awarding substantial damages to plaintiffs) and legislation such as AB 218. Liability carriers are now concerned about PFAs (Per- and polyfluoroalkyl substances) and PFA exclusions are being added to policies. Artificial turf contains PFAs and the City of Boston recently banned the use of artificial turf in public parks.

Cyber claims continue to increase in frequency and severity mainly due to ransomware claims. Cyber Liability insurance carriers will exclude coverage for war effective July 1, 2023.

**3. Target Surplus Funding Analysis as of June 30, 2022**

Mr. Gowan stated the JPA established a minimum surplus requirement of \$2.5 million which is five times the JPA's Property SIR of \$500,000. As of June 30, 2022, the JPA's net position is \$2,481,674. The three-year funding plan shows that if the JPA continues funding at its current 90% confidence level, the minimum surplus of \$2.5 million will be met in 2023.

**I. COMMENTS FOR THE GOOD OF THE ORDER**

There were no comments for the good of the order.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING MINUTES  
ZOOM MEETING  
December 1, 2022**

**ADJOURNMENT**

The meeting was adjourned at 11:02 a.m.



**South Bay Area Schools Insurance Authority**  
**Statement of Net Position**  
**As of March 31, 2023 and March 31, 2022**

	<b>March 31, '23</b>	<b>March 31, '22</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
WFB - Santa Clara County	\$ 4,103,993.28	\$ 4,048,614.46
B of A Claims Trust Account	316,225.55	2,697.42
B of A - General Checking	5,749,880.51	4,974,589.68
<b>Total Checking/Savings</b>	<b>10,170,099.34</b>	<b>9,025,901.56</b>
<b>Accounts Receivable</b>		
<b>Accounts Receivable</b>		
Claim Recovery Receivable	221,409.26	55,145.03
Claims Deductibles	465,722.42	423,271.55
<b>Total Accounts Receivable</b>	<b>687,131.68</b>	<b>478,416.58</b>
<b>Total Accounts Receivable</b>	<b>687,131.68</b>	<b>478,416.58</b>
<b>Total Current Assets</b>	<b>10,857,231.02</b>	<b>9,504,318.14</b>
<b>Other Assets</b>		
<b>Prepaid Expenses</b>		
Prepaid Contract Administration	62,173.00	59,500.00
Prepaid Excess Insurance	1,575,190.46	1,365,999.61
<b>Total Prepaid Expenses</b>	<b>1,637,363.46</b>	<b>1,425,499.61</b>
<b>Total Other Assets</b>	<b>1,637,363.46</b>	<b>1,425,499.61</b>
<b>TOTAL ASSETS</b>	<b>\$ 12,494,594.48</b>	<b>\$ 10,929,817.75</b>

Substantially all disclosures required by accounting principles generally accepted in the United States of America are omitted and no assurance is provided.

**South Bay Area Schools Insurance Authority**  
**Statement of Net Position**  
**As of March 31, 2023 and March 31, 2022**

	<b>March 31, '23</b>	<b>March 31, '22</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 2,738.93	\$ 6,750.00
Claims Reserves	2,119,216.65	2,504,274.32
Deferred Revenue	2,295,086.72	2,095,632.76
<b>Total Current Liabilities</b>	<b>4,417,042.30</b>	<b>4,606,657.08</b>
<b>Total Current Liabilities</b>	4,417,042.30	4,606,657.08
<b>Long Term Liabilities</b>		
IBNR	4,263,504.75	4,425,694.53
Unallocated Loss Adjustment	638,000.00	693,000.00
<b>Total Long Term Liabilities</b>	<b>4,901,504.75</b>	<b>5,118,694.53</b>
<b>Total Liabilities</b>	<b>\$ 9,318,547.05</b>	<b>\$ 9,725,351.61</b>
<b>NET POSITION</b>		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	(18,326.32)	(1,080,415.93)
Net Revenue Over Expenditures	694,373.76	(215,117.93)
<b>Total Net Position</b>	<b>\$ 3,176,047.44</b>	<b>\$ 1,204,466.14</b>

Substantially all disclosures required by accounting principles generally accepted in the United States of America are omitted and no assurance is provided.

**South Bay Area Schools Insurance Authority**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Quarter and Year to Date Ended March 31, 2023 and March 31, 2022**

	<u>Jan '23 - Mar '23</u>	<u>Jul '22 - Mar '23</u>	<u>Jul '21 -Mar '22</u>
<b>Revenue</b>			
<b>Member Contributions</b>			
Liability Contributions	\$ 659,034.25	\$ 1,977,102.75	\$ 2,086,010.25
Property Contributions	901,840.75	2,705,522.25	2,365,070.25
Crime Policy	9,478.00	28,434.00	27,080.25
Deadly Weapon Response Program	4,805.00	14,415.00	12,462.00
Administration	117,428.75	352,286.25	384,026.25
Loss Funding	602,500.00	1,807,500.00	1,412,250.00
<b>Total Member Contributions</b>	<u>2,295,086.75</u>	<u>6,885,260.25</u>	<u>6,286,899.00</u>
Interest Income	23,031.50	48,257.36	22,293.99
<b>Total Income</b>	<u>2,318,118.25</u>	<u>6,933,517.61</u>	<u>6,309,192.99</u>
<b>Expense</b>			
<b>General &amp; Administrative</b>			
<b>General Expenses</b>			
Accounting Services	9,320.56	27,196.54	25,876.81
Accreditation Fee	-	-	5,100.00
Actuarial Study	-	-	6,100.00
Audit Expense - Financial	-	14,955.00	14,450.00
Bank Service Charges	-	34.63	191.26
Conference	-	-	-
Contingency	-	-	-
Dues & Membership	-	2,000.00	2,000.00
Legal Expense - JPA	-	-	39,200.84
Injunctive Relief Defense Fund	7,837.50	23,550.00	-
Loss Control	16,334.00	55,909.00	98,057.00
Website	-	-	256.05
<b>Total Administration</b>	<u>33,492.06</u>	<u>123,645.17</u>	<u>191,231.96</u>
<b>Program Administration</b>			
Claims Management Fees	20,973.00	72,413.87	58,500.00
Contract Administration	41,200.00	134,200.70	120,000.00
<b>Total Program Administration</b>	<u>62,173.00</u>	<u>206,614.57</u>	<u>178,500.00</u>
<b>Total General and Administrative Expenses</b>	<u>95,665.06</u>	<u>330,259.74</u>	<u>369,731.96</u>
<b>Insurance Expense</b>			
Excess Liability Policy	315,897.25	947,691.75	710,625.75
SELF Contributions	343,169.39	1,029,508.17	982,760.25
Excess Property Policy	901,840.82	2,705,522.46	2,365,070.61
Crime Policy	9,478.00	28,434.00	27,080.25
Deadly Weapons Response Program	4,805.00	14,415.00	12,462.03
<b>Total Insurance Expense</b>	<u>1,575,190.46</u>	<u>4,725,571.38</u>	<u>4,097,998.89</u>
<b>Claims Expenses</b>			
Claims Payments	248,103.16	780,271.36	843,971.22
Claims Adjustment Account	82,203.53	403,041.37	1,212,608.85
<b>Total Claims Expenses</b>	<u>330,306.69</u>	<u>1,183,312.73</u>	<u>2,056,580.07</u>
Dividends	-	-	-
<b>Total Expenses</b>	<u>2,001,162.21</u>	<u>6,239,143.85</u>	<u>6,524,310.92</u>
<b>Net Revenue Over (Under) Expenses</b>	<u><u>\$ 316,956.04</u></u>	<u><u>\$ 694,373.76</u></u>	<u><u>\$ (215,117.93)</u></u>
<b>Net Postion, Beginning</b>		<u><u>\$ 2,481,673.80</u></u>	<u><u>\$ 1,419,584.07</u></u>
<b>Net Position, Ending</b>		<u><u>\$ 3,176,047.56</u></u>	<u><u>\$ 1,204,466.14</u></u>

Substantially all disclosures required by accounting principles generally accepted in the United States of America are omitted and no assurance is provided.

**South Bay Area Schools Insurance Authority**  
**Statement of Revenues and Expenses - Budget vs. Actual**  
**Year to Date Ended March 31, 2023**

	<u>Jul '22 - Mar '23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Revenue</b>				
<b>Member Contributions</b>				
Liability Contributions	\$ 1,977,102.75	\$ 2,636,137.00	\$ (659,034.25)	75.0%
Property Contributions	2,705,522.25	3,607,363.00	(901,840.75)	75.0%
Crime Policy	28,434.00	37,912.00	(9,478.00)	75.0%
Deadly Weapons Response Program	14,415.00	19,220.00	(4,805.00)	75.0%
Administration	352,286.25	469,715.00	(117,428.75)	75.0%
Loss Funding	1,807,500.00	2,410,000.00	(602,500.00)	75.0%
<b>Total Member Contributions</b>	<u>6,885,260.25</u>	<u>9,180,347.00</u>	<u>(2,295,086.75)</u>	<u>75.0%</u>
Interest Income	48,257.36	-	48,257.36	0.0%
<b>Total Income</b>	<u>6,933,517.61</u>	<u>9,180,347.00</u>	<u>(2,246,829.39)</u>	<u>75.5%</u>
<b>Expense</b>				
<b>General &amp; Administrative</b>				
<b>General Expenses</b>				
Accounting Services	27,196.54	35,740.00	(8,543.46)	76.1%
Actuarial Study	-	6,000.00	(6,000.00)	0.0%
Audit Expense - Financial	14,955.00	14,955.00	-	100.0%
Bank Service Charges	34.63	-	34.63	0.0%
Conference	-	2,500.00	(2,500.00)	0.0%
Contingency	-	5,000.00	(5,000.00)	0.0%
Dues & Membership	2,000.00	2,000.00	-	100.0%
Injunctive Relief Defense Fund	23,550.00	7,100.00	16,450.00	331.7%
Legal Expense - JPA	-	2,000.00	(2,000.00)	0.0%
Loss Control	55,909.00	145,100.00	(89,191.00)	38.5%
Meeting Expense	-	500.00	(500.00)	0.0%
Website	-	128.00	(128.00)	0.0%
<b>Total Administration</b>	<u>123,645.17</u>	<u>221,023.00</u>	<u>(97,377.83)</u>	<u>55.9%</u>
<b>Program Administration</b>				
Claims Management Fees	72,413.87	83,892.00	(11,478.13)	86.3%
Contract Administration	134,200.70	164,800.00	(30,599.30)	81.4%
<b>Total Program Administration</b>	<u>206,614.57</u>	<u>248,692.00</u>	<u>(42,077.43)</u>	<u>83.1%</u>
<b>Total General and Administrative Expenses</b>	<u>330,259.74</u>	<u>469,715.00</u>	<u>(139,455.26)</u>	<u>70.3%</u>
<b>Insurance Expense</b>				
Excess Liability Policy	1,977,199.92	2,636,137.00	(658,937.08)	75.0%
Excess Property Policy	2,705,522.46	3,607,363.00	(901,840.54)	75.0%
Crime Policy	28,434.00	37,912.00	(9,478.00)	75.0%
Deadly Weapons Response Program	14,415.00	19,220.00	(4,805.00)	75.0%
<b>Total Insurance Expense</b>	<u>4,725,571.38</u>	<u>6,300,632.00</u>	<u>(1,575,060.62)</u>	<u>75.0%</u>
<b>Claims Expenses</b>				
Claims Payments	780,271.36	2,410,000.00	(1,629,728.64)	32.4%
Claims Adjustment Account	403,041.37	-	403,041.37	0.0%
<b>Total Claims Expenses</b>	<u>1,183,312.73</u>	<u>2,410,000.00</u>	<u>(1,226,687.27)</u>	<u>49.1%</u>
Dividends	-	-	-	0.0%
<b>Total Expenses</b>	<u>6,239,143.85</u>	<u>9,180,347.00</u>	<u>(2,941,203.15)</u>	<u>68.0%</u>
<b>Net Revenue Over (Under) Expenses</b>	<u>\$ 694,373.76</u>	<u>\$ -</u>	<u>\$ 694,373.76</u>	<u>0.0%</u>

**South Bay Area Schools Insurance Authority**  
**Check Register - Carl Warren Trust Account**  
**Jan 1, 2023 - Mar 31, 2023**

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
20733	J.S. HELD LLC	1/4/2023	12/1/2014	1916921	Payment	1,889.55	-	1,889.55
20734	DAVIS, BENGTON & YOUNG, APLC	1/4/2023	4/6/2022	3032391	Payment	102.55	-	102.55
20735	DAVIS, BENGTON & YOUNG, APLC	1/4/2023	4/6/2022	3032391	Payment	115.00	-	115.00
20736	DAVIS, BENGTON & YOUNG, APLC	1/4/2023	12/1/2014	1916921	Payment	658.00	-	658.00
20737	DAVIS, BENGTON & YOUNG, APLC	1/5/2023	9/3/2021	3030710	Payment	45.00	-	45.00
20738	SAMUELSON & ROE APC	1/5/2023	5/2/2019	1994990	Payment	710.00	-	710.00
20739	SAMUELSON & ROE APC	1/5/2023	5/2/2019	1994990	Payment	565.00	-	565.00
20740	SAMUELSON & ROE APC	1/5/2023	5/2/2019	1994990	Payment	3,837.50	-	3,837.50
20741	DAVIS, BENGTON & YOUNG, APLC	1/5/2023	5/2/2019	1994990	Payment	611.72	-	611.72
20742	DAVIS, BENGTON & YOUNG, APLC	1/5/2023	43424	1988188	Payment	6,598.55	-	6,598.55
20743	DAVIS, BENGTON & YOUNG, APLC	1/5/2023	43424	1988188	Payment	236.50	-	236.50
20744	DAVIS, BENGTON & YOUNG, APLC	1/5/2023	43424	1988188	Payment	610.72	-	610.72
20745	DAVIS, BENGTON & YOUNG, APLC	1/6/2023	43742	2008529	Payment	2,869.00	-	2,869.00
20746	DAVIS, BENGTON & YOUNG, APLC	1/6/2023	10/4/2019	2008529	Payment	580.05	-	580.05
20747	DAVIS, BENGTON & YOUNG, APLC	1/9/2023	12/1/2017	1977073	Payment	6,759.00	-	6,759.00
20748	DAVIS, BENGTON & YOUNG, APLC	1/9/2023	2/9/2022	3031786	Payment	23.50	-	23.50
20749	DAVIS, BENGTON & YOUNG, APLC	1/10/2023	8/20/2021	3029265	Payment	117.50	-	117.50
20750	DAVIS, BENGTON & YOUNG, APLC	1/10/2023	8/20/2021	3029265	Payment	35.00	-	35.00
20751	DAVIS, BENGTON & YOUNG, APLC	1/17/2023	3/15/2018	1985331	Payment	1,072.22	-	1,072.22
20752	Martha Cervantes	1/24/2023	9/1/2022	3038061	Payment	20,000.00	20,000.00	-
20753	DAVIS, BENGTON & YOUNG, APLC	1/24/2023	5/7/2018	1981763	Payment	4,278.50	-	4,278.50
20754	SAMUELSON & ROE APC	1/24/2023	5/7/2018	1981763	Payment	2,070.00	-	2,070.00
20755	DAVIS, BENGTON & YOUNG, APLC	1/24/2023	44453	3030306	Payment	141.00	-	141.00
20756	DAVIS, BENGTON & YOUNG, APLC	1/24/2023	44666	3032780	Payment	2,417.00	-	2,417.00
20757	DAVIS, BENGTON & YOUNG, APLC	1/24/2023	44666	3032780	Payment	517.00	-	517.00
20758	DAVIS, BENGTON & YOUNG, APLC	1/24/2023	2/1/2016	1988097	Payment	651.22	-	651.22
20759	DAVIS, BENGTON & YOUNG, APLC	1/26/2023	5/7/2018	1981763	Payment	9,227.50	-	9,227.50
20760	DAVIS, BENGTON & YOUNG, APLC	1/26/2023	6/6/2019	2004147	Payment	3,860.00	-	3,860.00
20761	BELFOR ENVIRONMENTAL, INC.	1/30/2023	7/18/2022	3034806	Payment	18,743.24	18,743.24	-

**South Bay Area Schools Insurance Authority**  
**Check Register - Carl Warren Trust Account**  
**Jan 1, 2023 - Mar 31, 2023**

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
20762	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	2/24/2021	3010822	Payment	180.00	-	180.00
20763	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	2/24/2021	3010822	Payment	331.50	-	331.50
20764	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	12/1/2014	1916921	Payment	2,806.94	-	2,806.94
20765	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	1/1/2003	1993775	Payment	564.00	-	564.00
20766	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	2/3/2021	3013182	Payment	1,057.50	-	1,057.50
20767	DAVIS, BENGTON & YOUNG, APLC	1/31/2023	44680	3039526	Payment	1,010.50	-	1,010.50
20768	DAVIS, BENGTON & YOUNG, APLC	2/2/2023	44620	3034704	Payment	94.00	-	94.00
20769	DAVIS, BENGTON & YOUNG, APLC	2/2/2023	44428	3029265	Payment	305.50	-	305.50
20770	MICHAEL GURTLER	2/2/2023	42031	1908841	Payment	1,000.00	-	1,000.00
20771	DAVIS, BENGTON & YOUNG, APLC	2/2/2023	1/27/2015	1908841	Payment	3,510.50	-	3,510.50
20772	AUTOCLAIMS DIRECT, INC.	2/3/2023	12/7/2022	3040974	Payment	150.00	-	150.00
20773	SAMUELSON & ROE APC	2/7/2023	5/2/2019	1994990	Payment	1,282.10	-	1,282.10
20774	BELFOR USA GROUP, INC.	2/9/2023	7/18/2022	3034806	Payment	87,800.33	87,800.33	-
20775	AUTOCLAIMS DIRECT, INC.	2/13/2023	11/24/2022	3040665	Payment	180.00	-	180.00
20776	AUTOCLAIMS DIRECT, INC.	2/13/2023	11/24/2022	3040665	Payment	180.00	-	180.00
20777	AUTOCLAIMS DIRECT, INC.	2/13/2023	11/24/2022	3040665	Payment	120.00	-	120.00
20778	VERITEXT LLC	2/13/2023	6/6/2019	2004147	Payment	1,257.15	-	1,257.15
20779	DAVIS, BENGTON & YOUNG, APLC	2/14/2023	8/23/2021	3034205	Payment	188.00	-	188.00
20780	DAVIS, BENGTON & YOUNG, APLC	2/17/2023	37622	1993775	Payment	235.00	-	235.00
20781	DAVIS, BENGTON & YOUNG, APLC	2/17/2023	43742	2008529	Payment	564.00	-	564.00
20782	MIRCH LAW FIRM LLP IN TRUST FOR MARK A	02/23/2023	12/01/2014	1916921	Payment	24.93	-	24.93
20783	DAVIS, BENGTON & YOUNG, APLC	02/23/2023	12/01/2014	1916921	Payment	70.50	-	70.50
20784	DAVIS, BENGTON & YOUNG, APLC	02/28/2023	04/29/2022	3039526	Payment	634.50	-	634.50
20785	DAVIS, BENGTON & YOUNG, APLC	02/28/2023	02/09/2022	3031786	Payment	141.00	-	141.00
20786	DAVIS, BENGTON & YOUNG, APLC	03/01/2023	05/02/2022	3033638	Payment	117.50	-	117.50
20787	DAVIS, BENGTON & YOUNG, APLC	03/01/2023	05/02/2022	3033638	Payment	25.00	-	25.00
20788	DAVIS, BENGTON & YOUNG, APLC	03/02/2023	04/15/2022	3032780	Payment	1,128.00	-	1,128.00
20789	DAVIS, BENGTON & YOUNG, APLC	03/02/2023	04/15/2022	3032780	Payment	446.50	-	446.50
20790	DAVIS, BENGTON & YOUNG, APLC	03/03/2023	01/01/2005	3012119	Payment	3,266.50	-	3,266.50

**South Bay Area Schools Insurance Authority**  
**Check Register - Carl Warren Trust Account**  
**Jan 1, 2023 - Mar 31, 2023**

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
20791	DAVIS, BENGTON & YOUNG, APLC	03/03/2023	01/01/2005	3012119	Payment	2,898.50	-	2,898.50
20792	DAVIS, BENGTON & YOUNG, APLC	03/03/2023	01/01/2005	3012119	Payment	12,904.05	-	12,904.05
20793	DAVIS, BENGTON & YOUNG, APLC	03/03/2023	01/01/2005	3012119	Payment	1,657.94	-	1,657.94
20794	AUTOCLAIMS DIRECT, INC.	03/03/2023	01/24/2022	3029423	Payment	120.00	-	120.00
20795	AUTOCLAIMS DIRECT, INC.	03/03/2023	01/24/2022	3029423	Payment	95.00	-	95.00
20796	DAVIS, BENGTON & YOUNG, APLC	03/06/2023	11/13/2020	3006855	Payment	4,423.00	-	4,423.00
20797	Evergreen School District	03/07/2023	11/24/2022	3040665	Payment	8,400.24	8,400.24	-
20798	Steve Miller as Parent and Legal Guardian of Aish	03/07/2023	11/11/2022	3042358	Payment	1,057.80	1,057.80	-
20799	DAVIS, BENGTON & YOUNG, APLC	03/08/2023	08/20/2021	3029265	Payment	105.50	-	105.50
20800	DAVIS, BENGTON & YOUNG, APLC	03/10/2023	04/06/2022	3032391	Payment	94.00	-	94.00
20801	DAVIS, BENGTON & YOUNG, APLC	03/10/2023	04/06/2022	3032391	Payment	25.00	-	25.00
20802	DAVIS, BENGTON & YOUNG, APLC	03/13/2023	09/14/2021	3030306	Payment	94.00	-	94.00
20803	DAVIS, BENGTON & YOUNG, APLC	03/15/2023	09/21/2021	3040207	Payment	1,198.50	-	1,198.50
20804	DAVIS, BENGTON & YOUNG, APLC	03/15/2023	09/21/2021	3040207	Payment	1,363.00	-	1,363.00
20805	DAVIS, BENGTON & YOUNG, APLC	03/15/2023	09/03/2021	3030710	Payment	94.00	-	94.00
20806	DAVIS, BENGTON & YOUNG, APLC	03/15/2023	09/03/2021	3030710	Payment	47.00	-	47.00
20807	DAVIS, BENGTON & YOUNG, APLC	03/17/2023	12/01/2014	1916921	Payment	235.00	-	235.00
20808	DAVIS, BENGTON & YOUNG, APLC	03/20/2023	03/01/1977	3034042	Payment	1,833.00	-	1,833.00
20809	DAVIS, BENGTON & YOUNG, APLC	03/23/2023	05/07/2018	1981763	Payment	5,471.52	-	5,471.52
20810	SAMUELSON & ROE APC	03/23/2023	05/07/2018	1981763	Payment	2,295.00	-	2,295.00
20811	DAVIS, BENGTON & YOUNG, APLC	03/23/2023	05/07/2018	1981763	Payment	1,184.00	-	1,184.00
20812	SAMUELSON & ROE APC	03/23/2023	05/07/2018	1981763	Payment	327.95	-	327.95
20813	ADVANTAGE REPORTING SERVICES, LLC	03/31/2023	01/27/2015	1908841	Payment	1,598.00	-	1,598.00
20814	DAVIS, BENGTON & YOUNG, APLC	03/31/2023	01/27/2015	1908841	Payment	3,184.72	-	3,184.72
20815	DAVIS, BENGTON & YOUNG, APLC	03/31/2023	01/27/2015	1908841	Payment	3,660.00	-	3,660.00
Total						252,379.99		

**South Bay Area Schools Insurance Authority**  
**Check Register - Carl Warren Trust Account**  
**Jan 1, 2023 - Mar 31, 2023**

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
						59,703.50		
						508,902.04		
						-		
						-		
						(252,379.99)		
						<b>316,225.55</b>		



South Bay Area Schools Insurance Authority  
Transactions - Main Checking  
Jan 1, 2023 - Mar 31, 2023

Date	Transaction Type	Num	Name	Memo/Description	Account	Debit	Credit	Balance
<b>Bank of America - 61312</b>								
	Beginning Balance							6,274,082.57
01/12/2023	Payment	85079172	Milpitas Unified School District		Bank of America - 61312	1,921.91		6,276,004.48
01/17/2023	Bill Payment (Check)		Kynd Limited	Inv #SBA620	Bank of America - 61312		16,334.00	6,259,670.48
01/23/2023	Bill Payment (Check)		Carl Warren & Co - ATF SBASIA	Inv #Replen 1-12-23	Bank of America - 61312		77,910.96	6,181,759.52
01/26/2023	Bill Payment (Check)		Atkinson, Andelson, Loya, Ruud & Romo	Acct #006451-Inv #671297	Bank of America - 61312		137.50	6,181,622.02
02/02/2023	Bill Payment (Check)		Carl Warren & Co - ATF SBASIA	Inv #Prefund 1-30-22	Bank of America - 61312		87,800.33	6,093,821.69
02/02/2023	Bill Payment (Check)		Atkinson, Andelson, Loya, Ruud & Romo	Acct #006451-Inv #671298	Bank of America - 61312		4,097.50	6,089,724.19
02/08/2023	Bill Payment (Check)		Carl Warren & Co - ATF SBASIA	Inv #Prefund 2-3-23	Bank of America - 61312		95,292.26	5,994,431.93
03/03/2023	Bill Payment (Check)		Atkinson, Andelson, Loya, Ruud & Romo	Acct #006451-Inv #674430	Bank of America - 61312		4,317.50	5,990,114.43
03/13/2023	Bill Payment (Check)		Carl Warren & Co - ATF SBASIA	Inv #Replenish 3-3-23	Bank of America - 61312		9,937.18	5,980,177.25
03/16/2023	Bill Payment (Check)		Gilbert CPAs	Inv #341564	Bank of America - 61312		9,320.56	5,970,856.69
03/23/2023	Bill Payment (Check)		Atkinson, Andelson, Loya, Ruud & Romo	Acct #006451-Inv #676068	Bank of America - 61312		412.50	5,970,444.19
03/24/2023	Bill Payment (Check)		Carl Warren & Co - ATF SBASIA	Inv #Prefund 3034806	Bank of America - 61312		237,961.31	5,732,482.88
03/24/2023	Bill Payment (Check)		Atkinson, Andelson, Loya, Ruud & Romo	Acct #006451-Inv #676069	Bank of America - 61312		3,107.50	5,729,375.38
03/27/2023	Payment	88141895	Santa Clara Unified School District		Bank of America - 61312	10,000.00		5,739,375.38
03/30/2023	Payment	88141290	Santa Clara Unified School District		Bank of America - 61312	20,000.00		5,759,375.38
03/31/2023	Bill Payment (Check)		Carl Warren & Company	Inv #CWC-2026562	Bank of America - 61312		7,899.04	5,751,476.34
03/31/2023	Bill Payment (Check)		Carl Warren & Company	Inv #CWC-2027890	Bank of America - 61312		20.83	5,751,455.51
03/31/2023	Bill Payment (Check)		Carl Warren & Company	Inv #CWC-2027889	Bank of America - 61312		1,575.00	5,749,880.51
<b>Total for Bank of America - 61312</b>						<b>\$ 31,921.91</b>	<b>\$ 556,123.97</b>	
<b>TOTAL</b>						<b>\$ 31,921.91</b>	<b>\$ 556,123.97</b>	
<b>TOTAL</b>								

# **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**

## **INVESTMENT REPORT**

**Quarter Ending**

**March 31, 2023**

### **Treasurer's Report**

In accordance with Government Code Section 53646(b), attached is the quarterly investment report for JPA funds invested in the Santa Clara County Treasury Pool for the period ended March 31, 2023.

It is the belief of the Treasurer that the funds held in liquid investments are more than sufficient to meet the JPA's cash flow needs for the following six months and that the investment in Santa Clara County Treasury Pool is in keeping with the investment policy of the JPA as duly authorized by the Board of Directors.

Signed: *Delores L. Riley*  
Delores Perley, Treasurer

Date: May 24, 2023

# County of Santa Clara



## Finance Agency Controller-Treasurer Department

County Government Center  
70 W. Hedding Street, East Wing, 2nd Floor  
San Jose, California 95110-1705  
(408) 299-5200 FAX (408) 288-9237

May 11, 2023

Submitted by: DocuSigned by:  
*Margaret Olaiya*  
88C20EDA14E143D  
Margaret Olaiya, Finance Director

TO: BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS  
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM: MARIA OBERG, CONTROLLER-TREASURER DocuSigned by:  
*Maria Oberg*  
9ABA3FDE7592488...

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

### RECOMMENDATION

Receive and file the March 31, 2023, Detailed Investment Portfolio Listing.

### DISCUSSION

In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of March 31, 2023, is submitted for your review and acceptance.

The attached detailed investment report lists each investment of the County Treasury Pool, as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

	Cost	Market Value	Increase (Decrease)	Percent
Commingled Investments	\$ 11,612,295,649	\$ 11,296,769,684	-\$ 315,525,966	-2.72%

TO: SANTA CLARA COUNTY SCHOOL DISTRICTS AND SPECIAL PURPOSE DISTRICTS  
Page 2

The yield of the Pool on March 31, 2023 was 2.84%. As a comparison, on March 31, 2023, the yield of a 6-month Treasury Bill was 4.86%. A two-year Treasury Note was 4.03%. The State of California Local Agency Investment Fund (LAIF) yield was 2.83%.

Attached with the current investment-economic outlook is a schedule that lists the average weighted maturities and yield for the Commingled Investment Pool. Charts outlining investment concentration and distribution of bond maturities are provided for the Pool. Also included is a chart showing the one-year history of the Pool along with interest rates offered by selected comparable instruments.

Securities are purchased with the expectation that they will generally be held to maturity, hence unrealized gains or losses are not reflected in the yield calculations.

The market values of Pool securities were taken from pricing services provided by Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of maturing securities, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

Attachments:

March 31, 2023, Quarterly Investment Report



South Bay Area Schools Insurance Authority  
Board of Directors  
June 15, 2023

**Agenda Item F.1**

**LIABILITY AND PROPERTY SAFETY INSPECTIONS  
ON EXTERIOR OF BUILDINGS TO INCLUDE CRIME PREVENTION  
THROUGH ENVIRONMENTAL DESIGN**

**INFORMATION ITEM**

**EXPLANATION:** The JPA selected ESM Insite to perform Liability and Property Safety Inspections on the exterior of buildings to include Crime Prevention through Environmental Design (CPTED). Mr. Anthony Poston, CEO of ESM Insite, will provide a summary of the results of the inspections performed.

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Board of Directors  
June 15, 2023

**Agenda Item F.2**

**PRISM LOSS PREVENTION SERVICES**

**INFORMATION ITEM**

**EXPLANATION:** Staff will discuss PRISM loss control services available to the JPA.

**ATTACHMENTS:** None



**Agenda Item G.1**

**EXCESS LIABILITY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Excess Liability insurance for SBASIA for the period of July 1, 2023 – July 1, 2024.

**RECOMMENDATION:** The Executive Committee recommends adoption of the Excess Liability renewal as presented.

**FISCAL IMPACT:** The PRISM premium is \$1,803,000. The SELF premium is \$1,323,226.

**BACKGROUND:** For the 2023-2024 Liability program, the JPA will maintain its self-insured retention (SIR) of \$250,000 and will purchase coverage with PRISM, the current insurer, to a \$5 million limit, than attach to SELF (Schools Excess Liability Fund) from \$5 million to \$55 million limit. The total liability limit is \$55 million.

PRISM (Public Risk Innovation, Solutions, and Management) was formed as a joint powers authority in 1979 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

SELF (Schools Excess Liability Fund) was formed as a joint powers authority in 1986 and is California Association of Joint Powers Authorities (CAJPA) Accredited with Excellence.

**ATTACHMENTS:** None



**Agenda Item G.2**

**EXCESS PROPERTY AND  
BOILER & MACHINERY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Excess Property and Boiler & Machinery insurance for SBASIA for the period July 1, 2023 to July 1, 2024.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board.

**FISCAL IMPACT:** \$5,334,711 for the period of July 1, 2023 to July 1, 2024

**BACKGROUND:** The Excess Property policy, which provides Property coverage and Auto Physical Damage coverage (on premises coverage only), will be expiring on July 1, 2023. APIP (Alliant Property Insurance Program) has quoted the expiring limit of \$500,000,000 excess of \$500,000 deductible on the Excess Property.

On the Boiler & Machinery insurance, APIP has quoted the expiring limit of \$100,000,000 excess of \$25,000 self-insured retention.

APIP also includes Cyber Liability insurance at \$2,000,000 aggregate limit per member with \$750,000 sublimit for Cyber Extortion and \$1,000,000 sublimit for breach response costs (if a Beazley vendor is used; it becomes \$500,000 sublimit if non-Beazley vendor is used).

**ATTACHMENTS:** 2023-2024 APIP Property Proposal



**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)  
PROPERTY PROPOSAL**

**TYPE OF INSURANCE:**     Insurance    Reinsurance

**NAMED INSURED:**        South Bay Area Schools Insurance Authority

**DECLARATION:**            23-Schools 3

**POLICY PERIOD:**         July 1, 2023 to July 1, 2024

**COMPANIES:**              See Attached List of Companies

**TOTAL INSURED  
VALUES:**                    \$ 3,887,483,063 as of June 08, 2023

**ALL RISK  
COVERAGES &  
SUB-LIMITS:**

\$	500,000,000	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.
	Not Covered	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.

**ALL RISK  
COVERAGES &  
SUB-LIMITS:  
(continued)**

Per Bound TIV	\$10,000,000	Miscellaneous Unnamed Locations for Named Insureds with total insurable values greater than or equal to \$250,000,000 at time of binding or \$5,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurable values less than \$250,000,000 at time of binding excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Vacant properties are sub-limited to \$2,500,000.
180 Days	Extended Period of Indemnity	
See Policy Provisions	\$50,000,000, or a Named Insured's Policy Limit of Liability if less than \$50,000,000, Automatic Acquisition for 120 days except:	<ul style="list-style-type: none"> <li>- \$25,000,000 Automatic Acquisition for 90 days for new sub-member and/or entity of an existing Pools, JPA or Group;</li> <li>- \$25,000,000 Automatic Acquisition for 90 days for Vacant properties;</li> <li>- \$10,000,000 Automatic Acquisition for 120 days for Licensed Vehicles;</li> <li>- \$2,500,000 Automatic Acquisition for 60 days for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii;</li> <li>- The peril of Earthquake is excluded for the states of Alaska and California;</li> <li>- If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.</li> </ul>
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	5,000,000	or 120% of the scheduled values, whichever is less, for Scheduled Landfills (as more fully defined in the policy).
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.

<b>ALL RISK COVERAGES &amp; SUB-LIMITS: (continued)</b>	\$	500,000	Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.
	\$	2,500,000	Unscheduled Fine Arts.
	\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
	\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery) except \$2,500,000 for vacant properties.
	\$	25,000,000	Transit - Physical Damage only.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.
		Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..

**ALL RISK  
COVERAGES &  
SUB-LIMITS:  
(continued)**

\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
\$	1,000,000	Claims Preparation Expenses.
\$	50,000,000	Expediting Expenses.
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.
\$	100,000,000	Ingress/Egress Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property by this Policy is prevented.
\$	100,000,000	Interruption By Civil Authority Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority.
\$	10,000,000	Electronic Data Processing Media.
\$	1,000,000	Personal Property Outside of the USA (including associated Business Interruption).

Not Covered Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.

Not Covered for Communicable Disease.

\$ 100,000 Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.

**VALUATION:**

- Repair or Replacement Cost (RCV)
- Actual Loss Sustained for Time Element Coverages
- Contractor’s Equipment /Vehicles either Replacement Cost (RCV) or Actual Cash Value (ACV) as declared by each insured. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS  
(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

**Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).**

**“ALL RISK”  
DEDUCTIBLE:**

\$ 500,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

**DEDUCTIBLES FOR  
SPECIFIC PERILS  
AND COVERAGES:**

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

Not Applicable for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

\$ 1,000 Per Occurrence for Specially Trained Animals.

<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)</b>	\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
		24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
		2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
		24 Hour	Waiting Period for Ingress/Egress
		24 Hour	Waiting Period for Civil Authority
		Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
	\$	500,000	Per Occurrence for Contractor's Equipment.
		Actual Cash Value	Contractor's Equipment Valuation Basis

**SPECIAL TERMS AND CONDITIONS:**

It is understood and agreed that notwithstanding anything contained herein to the contrary the following shall apply to this Policy:

**SPECIAL TERMS 1:** COC Project for Mtn View-Los Altos UHSD for Los Altos High School and Mountain View High School Student Services Buildings

Scheduled Start Date: June 14, 2021  
 Scheduled Completion Date: September 30, 2023

\$	60,000,000	Special Terms Limit
\$	25,000	Special Terms Deductible

**The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. However, the coverage costs are included in the APIP Total Cost noted below. Carriers providing these coverages are included in the Schedule of Carriers.**

\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$	500,000	Per Occurrence Deductible for Primary Terrorism.
\$	600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$	1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;
\$	1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$	500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
	TBD	Per Named Insured, Per occurrence subject to an Annual Aggregate of Declarations 1-14, 18-30 and 32-35 as respects Personal and Real property for Cyber Attack Resultant Damage
	Included	Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage. If, insured purchases such coverage.

**TERMS & CONDITIONS:**

Sub-limits, terms and conditions are subject to change.

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned. If, insured purchases such coverage.

Except Pollution Liability Premium is 100% Earned at Inception. If, insured purchases such coverage.

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	<b>Annual Cost*</b>
<b>Total Property Premium:</b>	\$ 4,928,036.00
<b>Excess Boiler:</b>	\$ 49,879.00
<b>Cyber Liability Premium:</b>	\$ 116,943.00
<b>Pollution Liability Premium:</b>	\$ 33,417.00
<b>ABS Fee:</b>	\$ 43,357.00
<b>SLT&amp;F's (Estimate)</b>	\$ 163,079.14
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 5,334,711.14
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	
† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)	

**PRINT DATE:** June 8, 2023

**PROPOSAL VALID UNTIL:** July 1, 2023

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No.** 0C36861

Matthew Gowan  
Senior Vice President

Joan Crossley  
Assistant Vice President



**NOTES:**

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms. Changes include but are not limited to a \$5M limit for landfills (as defined in the policy), restriction of valuation on vehicles greater than 10 years of age to actual cash value and expanding coverage on personal property outside of the United States to include associated Business Interruption. Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception. Note: In addition to program specific changes noted, there are general restrictions within the market that we will address during the renewal process. Potential market restrictions include but are not limited to Strike, Riot and Civil Commotion and valuation restrictions (i.e. margin clauses and/or occurrence limit of liability endorsements).**
- **For most members the All Risk limit is \$800,000,000 in the proposal. The All Risk limit is estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.**
- **The program expects to continue purchasing Cyber Resultant Physical Damage cover which is provided to members purchasing Terrorism within the program – limits to be determined. See expiring Policy No. B0180PF2209084 and B0180PF2209624 for current coverage details.**
- **This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Each line of coverage is rated separately. Increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc. may increase the insured's average account rate.**
- **The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.**

**APIP SUMMARY OF PROPOSED CHANGES**

**BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2023-2024 POLICY PERIOD AS OF MAY 04, 2023**

Coverage	2022-2023 Sub-limit / Deductible	2023-2024 Sub-limit / Deductible
Scheduled Landfill sub-limit	Not specified	\$5,000,000 Scheduled Landfills (as more fully defined in the policy); or 120% of values on on file with Alliant Insurance Services, Inc. whichever is less.
Personal Property Outside of USA	\$1,000,000 Personal Property Outside of the USA	\$1,000,000 Personal Property Outside of the USA (including associated business interruption)
Cyber Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	
Pollution Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	

Coverage	2022-2023 Master Policy Form	2023-2024 Master Policy Form
Policy Period	July 1, 2022 to July 1,2023	July 1, 2023 to July 1,2024
USA Form No.	18	19
Section I, E. 2 Sub-Limits of Liability		Scheduled Landfills; or 120% of values on file with Alliant Insurance Services, Inc. whichever is less.
Section I, E. 2 Sub-Limits of Liability	Personal Property outside the U.S.A.	Personal Property outside the U.S.A. <u>(including associated business interruption)</u>
Section II, B. 4. Off Premises Services Interruption	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page.	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page. <u>Coverage under this extension is subject to a 24-hour waiting period.</u>
Section II, B. 8. Debris Removal	This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the Insured Location that may be destroyed or damaged by a covered peril(s).	This Policy also covers expenses incurred in the removal of debris <del>of the property covered hereunder</del> from the Insured Location that may be destroyed or damaged by a covered peril(s).
Section II, B. 11. Increased Cost of Construction	See Policy	See Policy for details. Wording has been modified to provide clarity on intent.
Section II, B. 15. Transit	See Policy	See Policy for details. Wording has been modified to exclude Ocean Marine coverages.
Section II, D. 6	Library contents	Library contents value increased per 18.6% inflation value
Section II, D. 7	See Policy	See Policy for details. Wording has been modified for valuation on vehicles greater than 10 years of age to actual cash value.
Section IV, AF. Service of Suit Clause (USA) Applicable to Excess Carriers	See Policy	See Policy for details
Endorsement 1	1. Company means Lexington Insurance Company	1. Company means <u>any Insurance Company offering coverage under this policy.</u>

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)  
BOILER AND MACHINERY PROPOSAL**

<b>NAMED INSURED:</b>	South Bay Area Schools Insurance Authority	
<b>POLICY PERIOD:</b>	July 1, 2023 to July 1, 2024	
<b>COMPANIES:</b>	See Attached List of Companies	
<b>TOTAL INSURED VALUES:</b>	\$ 3,887,483,063 as of June 8, 2023	
<b>STATUS/RATING:</b>	See Attached List of Companies	
<b>COVERAGES &amp; LIMITS:</b>	\$ 100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
	Included	Jurisdictional and Inspections.
	\$ 10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption.
	Included	Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
	\$ 10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration.
	\$ 2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Coverage.
	\$ 10,000,000	Per Occurrence for Hazardous Substances / Pollutants / Decontamination.
	Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.
<b>NEWLY ACQUIRED LOCATIONS:</b>	\$ 25,000,000	Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding

**VALUATION:** Repair or Replacement except Actual Loss sustained for all Time Element coverages

**EXCLUSIONS  
(Including but not limited to):**

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

**OBJECTS EXCLUDED:  
(Including but not limited to):**

- Insulating or refractory material
- Buried Vessels or Piping

**NOTICE OF  
CANCELLATION:**

90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

\$ 25,000	Except as shown for Specific Objects or Perils.
\$ 25,000	Electronic Data Processing Media.
\$ 25,000	Consequential Damage.
\$ 25,000	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
\$ 50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
\$ 100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
\$ 250,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
\$ 350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.
\$ 10 per foot / \$2,500 Minimum	Deep Water Wells.
24 Hour Waiting Period	Utility Interruption.
24 Hours	Business Interruption/Extra Expense Except as noted below.
30 Days	Business Interruption - Revenue Bond.
5 x 100% of Daily Value	Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.
5 x 100% of Daily Value	Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

**Annual Cost**

**COST:** Cost is included on Property Proposal

**PRINT DATE:** June 8, 2023

**PROPOSAL VALID UNTIL:** July 1, 2023

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No.** 0C36861  
Matthew Gowan  
Senior Vice President  
  
Joan Crossley  
Assistant Vice President

**NOTES:**

- ***Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms.***
- ***This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event***
- ***Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception.***
- ***Change in Total Insurable Values will result in adjustment in premium***



**Alliant Property Insurance Program  
2023-2024 Policy Year  
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 03/16/23)	A+ (As of 06/23/22)	Non-Admitted
Associated Industries Insurance Co. Inc. (Cyber)	011693	A-, Excellent; Financial Size Category 15; \$2,000,000,000 to greater (As of 08/31/22)	Not Rated (As of 05/02/23)	Non-Admitted
Chubb Bermuda Insurance Ltd.	086361	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/01/22)	AA (As of 06/24/16)	Non-Admitted
Convex Insurance UK Limited	071499	A-, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 05/19/22)	A- (As of 05/29/20)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 09/16/22)	A+ (As of 04/26/18)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 09/30/22)	A (As of 07/27/17)	Non-Admitted
Fidelis Underwriting Limited	093764	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 02/03/23)	A- (As of 08/03/22)	Non-Admitted
Fortegra Specialty Insurance Company	020936	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 11/17/22)	Not Rated (As of 05/02/23)	Non-Admitted
Harleysville Insurance Co. of New York	012051	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 12/01/22)	A+ (As of 04/23/13)	Non-Admitted
International General Insurance Co.	091476	A, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 11/30/22)	A- (As of 06/08/15)	Non-Admitted
Ironshore Specialty Insurance Company (Pollution)	013866	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/27/22)	A (As of 05/02/17)	Non-Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 12/02/22)	A- (As of 02/28/18)	Non-Admitted
Landmark American Insurance Co.	012619	A++, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 01/10/23)	AA+ (As of 10/19/22)	Non-Admitted



**Alliant Property Insurance Program  
2023-2024 Policy Year  
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/22)	A+ (As of 03/29/22)	Non-Admitted
Liberty Surplus Insurance Corp. (Cyber)	012078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/27/22)	A (As of 07/17/14)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/15/22)	A+ (As of 06/14/19)	Non-Admitted
Munich Reinsurance Company	085770	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/27/22)	AA- (As of 12/22/06)	Non-Admitted
National Fire and Marine Insurance Company (Berkshire)	002428	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 02/03/23)	AA+ (As of 09/26/18)	Non-Admitted
National Union Fire Insurance Co.	002351	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/22)	A+ (As of 03/29/22)	Admitted
PartnerRe Ireland Insurance Ltd.	088621	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/24/22)	A+ (As of 10/29/21)	Non-Admitted
RSUI Indemnity Company	012603	A++, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 01/10/23)	AA+ (As of 10/19/22)	Admitted
StarStone Specialty Insurance Company	011432	A-, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 08/04/22)	Not Rated (As of 05/02/23)	Non-Admitted
Westchester Surplus Lines Insurance Co.	004433	A++, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/01/22)	AA (As of 06/24/16)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 08/18/22)	AA- (As of 05/07/20)	Admitted
XL Insurance America Inc.	002423	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 11/09/22)	AA- (As of 11/19/18)	Admitted

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)  
CYBER INSURANCE SUMMARY PROPOSAL**

**TYPE OF COVERAGE:** Information Security & Privacy Insurance with Electronic Media Liability Coverage

**PROGRAM:** **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

**NAMED INSURED:** Which may include any member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)).

**DECLARATION:** Various Declarations as on file with Insurer

**POLICY PERIOD:** July 1, 2023 to July 1, 2024

**POLICY #:** TBD

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** **APIP/PEPIP**  
*For new members – the retro active date will be the date of addition*

July 1, 2023 For existing members included on the July 1, 2023/24 policy

July 1, 2022 For existing members included on the July 1, 2022/23 policy

July 1, 2021 For existing members included on the July 1, 2021/22 policy

July 1, 2020 For existing members included on the July 1, 2020/21 policy

July 1, 2019 For existing members included on the July 1, 2019/20 policy

July 1, 2018 For existing members included on the July 1, 2018/19 policy

July 1, 2017 For existing members included on the July 1, 2017/18 policy

July 1, 2016 For existing members included on the July 1, 2016/17 policy

July 1, 2015 For existing members included on the July 1, 2015/16 policy

July 1, 2014 For existing members included on the July 1, 2014/15 policy

July 1, 2013 For existing members included on the July 1, 2013/14 policy

July 1, 2012 For existing members included on the July 1, 2012/13 policy

July 1, 2011 For existing members included on the July 1, 2011/12 policy

July 1, 2010 For existing members included on the July 1, 2010/11 policy

July 1, 2010 For existing insured's included on the July 1, 2010/11 policy



**CSU**

July 1, 2008 California State University and CSU Auxiliary Organizations

**INSURER:** Lloyd’s of London - Beazley Syndicate:  
Syndicates 2623 - 623 - 100%

<b>COVERAGES &amp; LIMITS:</b>	Ai.	\$	45,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
	Aii.	\$	40,000,000	<b>JPA/Pool Annual Aggregate Limit of Liability</b> , (subject to policy exclusions) for each JPA/Pool, <b>within</b> the Annual Policy and Program Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted
	Aiii.	\$	2,000,000	<b>Insured/Member Annual Aggregate Limit of Liability</b> (subject to policy exclusions) for each Insured/Member, <b>within</b> the Annual Policy and Program Aggregate Limit of Liability <b>and</b> JPA/Pool Annual Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.

**BREACH RESPONSE**

<b>Breach Response Costs:</b>	\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
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**FIRST PARTY LOSS**

<b>Business Interruption and Dependent Business Interruption Aggregate Sublimit</b>	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
Business Interruption Loss Resulting from Security Breach:	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Business Interruption Loss Resulting from System Failure:	\$	500,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)

Dependent Business Loss Resulting from Security Breach:	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Dependent Business Loss Resulting from System Failure:	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
<b>Cyber Extortion Loss:</b>	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Data Recovery Costs:</b>	\$	750,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Data &amp; Network Liability:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
<b>Regulatory Defense &amp; Penalties:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Payment Card Liabilities &amp; Costs:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Media Liability:</b>	\$	2,000,000	<b>Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses
 <b>eCRIME</b>			
<b>Fraudulent Instruction:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Funds Transfer Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Telephone Fraud:</b>	\$	75,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
 <b>CRIMINAL REWARD</b>			
<b>Criminal Reward:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
 <b>COVERAGE ENDORSEMENT(S)</b>			
<b>Reputation Loss:</b>	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Claims Preparation Costs for Reputation Loss Claims Only:</b>	\$	50,000	<b>Aggregate Limit of Liability</b> for each Insured/Member

<b>Computer Hardware Replacement Costs:</b>	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Invoice Manipulation:</b>	\$	100,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
<b>Cryptojacking:</b>	\$	25,000	<b>Aggregate Limit of Liability</b> for each Insured/Member
 <b>RETENTION:</b>	 \$	 TBD	 CSU Auxiliary Organizations only
	\$	50,000	Per Claim for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss

**NOTICES:** **Policy coverage of this policy provides coverage on a claims made and reported basis; except as otherwise provided, coverage under noted coverage schedule applies only to claims first made against the Insured/Member and reported to underwriters during the policy period.** Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

**This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per claim or incident for each Insured/Member basis, sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not a per Insured/Member maximum limit.**

**EXTENDED REPORTING PERIOD:** For Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE PROVISIONS:**

**A. Breach Response** indemnifies the Insured/Member for Breach Response Costs incurred by the Insured/Member because of an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period.

**B. First Party Loss**

*Business Interruption Loss* indemnifies the Insured/Member for a Business Interruption Loss sustained as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

*Dependent Business Interruption Loss* indemnifies the Insured/Member for a Dependent Business Interruption Loss sustained as a result of a Security Breach or a System Failure that the Insured first discover during the Policy Period.

*Cyber Extortion Loss* indemnifies the Insured/Member for a Cyber Extortion Loss incurred as a result of an Extortion Threat first made against the Insured/Member during the Policy Period.

*Data Recovery Costs* indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

**C. Liability**

*Data & Network Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.

*Regulatory Defense & Penalties* pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.

*Payment Card Liabilities & Costs* indemnifies the Insured/Member for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.

*Media Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for electronic Media Liability.

**D. eCrime** indemnifies the Insured/Member for any direct financial loss sustained resulting from:

- *Fraudulent Instruction*
- *Funds Transfer Fraud*
- *Telephone Fraud*

That the Insured first discovers during the Policy Period.

**E. Criminal Reward** indemnifies the Insured/Member for Criminal Reward Funds.

**Coverage  
Endorsement(s)**

**Reputational Loss** indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period

**Computer Hardware Replacement Costs** is part of the Extra Expense coverage. Extra Expense means reasonable and necessary expenses incurred by the Insured Organization during the Period of Restoration to minimize, reduce or avoid Income Loss, over and above those expenses the Insured Organization would have incurred had no Security Breach, System Failure, Dependent Security Breach or Dependent System Failure occurred; and includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach

**Invoice Manipulation** indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

**Cryptojacking** indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

**EXCLUSIONS:**  
***(Including but not limited to)***

Coverage does not apply to any claim or loss from:

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sale or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident
- Radioactive Contamination
- Sanctions Limitation
- War and Civil War
- Asbestos, Pollution and Contamination
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

**NOTICE OF CLAIM:**

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
  - Beazley Group
  - Attn: TMB Claims Group
  - 1270 Avenue of the Americas
  - New York, NY 10020
  - [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)

**NOTICE OF CANCELLATION:** 10 days for non-payment of premium

**CYBER COST:** Cost is included in Total Property Premium

**OTHER SERVICES** Unlimited Access to Beazley Breach Solutions website

**BROKER:** ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

**NOTES:**

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms. Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception.**
- **This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event.**
- **Change in Total Insurable Values and loss experience will result in adjustment in premium.**

## SUMMARY OF CYBER INSURANCE CHANGES

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2023-2024 POLICY TERM**

Coverage	2022-2023	2023-2024 Proposed Changes	Status
Beazley Breach Response Endorsement	Coverage offered to new and existing Members – Underwriting required	Coverage offered to new and existing Members – Underwriting required	New Underwriting guidelines established, sent to retail team.
Retention Buy Down	Coverage not offered to new members.	Coverage is being offered to new and existing members; underwriting required	New Underwriting guidelines established, sent to retail team.
New members to APIP Cyber Core- Mid Term Transactions	Required underwriting for mid-term transactions	New this year; no underwriting, all members requesting core coverage are eligible.	New Underwriting guidelines established, sent to retail team.
Beazley Core Coverage	War and Civil War Exclusion MANU	New this year: War and Civil War Exclusion with Single Entity Impact Carve Back	
Beazley Core Coverage	First Party Loss Exclusions Amendatory Endorsement MANU	New this year: Expands and clarifies First Party Loss exclusions to include Financial and Digital/Internet Infrastructure	



**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**POLLUTION LIABILITY COVERAGE PROPOSAL**

**TYPE OF INSURANCE:**     Insurance     Reinsurance

**TYPE OF COVERAGE:**    Claims Made and Reported Pollution Liability

**PROGRAM:**                    **Alliant Property Insurance Program (APIP)**

**NAMED INSURED:**        Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

**POLICY PERIOD:**            July 1, 2023 to July 1, 2024

**RETROACTIVE DATE:**      This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:

- July 1, 2023 for Products Pollution and Exposure Liability;
- July 1, 2023 for Contractor’s Pollution
- July 1, 2023 for Mold Matter

**COMPANY:**                    Ironshore Specialty Insurance Company

**A.M. BEST INSURANCE RATING::**    A, Excellent, Financial Size Category XV (\$2 Billion or greater)  
Effective July 27, 2022

**STANDARD & POORS RATING:**    A (Strong) as of May 2, 2017

**ADMITTED STATUS:**        Non-Admitted in all states.

**COVERED PROPERTY:**      Per the following SOVs submitted and on file with carrier:

<ol style="list-style-type: none"> <li>1. PEPiP DEC 1 – SOVs</li> <li>2. PEPiP DEC 2 – SOVs</li> <li>3. PEPiP DEC 3 – SOVs</li> <li>4. PEPiP DEC 4 – SOVs</li> <li>5. PEPiP DEC 5 – SOVs</li> <li>6. PEPiP DEC 11 – SOVs</li> <li>7. PEPiP DEC 12 – SOVs</li> <li>8. PEPiP DEC 14 – SOVs</li> <li>9. PEPiP DEC 19 – SOVs</li> <li>10. PEPiP DEC 23 – SOVs</li> <li>11. PEPiP DEC 24 – SOVs</li> </ol>	<ol style="list-style-type: none"> <li>12. PEPiP DEC 26 – SOVs</li> <li>13. PEPiP DEC 27 – SOVs</li> <li>14. PEPiP DEC 28 – SOVs</li> <li>15. PEPiP DEC 29 – SOVs</li> <li>16. PEPiP DEC 30 – SOVs</li> <li>17. PEPiP DEC 32 – SOVs (Excludes SPIP, except as endorsed)</li> <li>18. PEPiP DEC 33 – SOVs</li> <li>19. PEPiP DEC 34 – SOVs</li> <li>20. PEPiP DEC 35 – SOVs</li> <li>21. PEPiP DEC 97 – SOVs – Excluding HARPP members</li> </ol>
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Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception.

<b>COVERAGES &amp; LIMITS:</b>	<b>\$25,000,000</b> <b>\$ 2,000,000</b> <b>\$ 2,000,000</b> <b>\$ 2,000,000</b>	<b>Policy Program Aggregate (all insureds combined)</b> <b>Per Pollution Incident</b> <b>Per Named Insured Aggregate</b> <b>Per JPA/Pool Aggregate</b>
<b>SUB-LIMITS:</b>	<b>\$ 100,000</b> <b>\$ 100,000</b> <b>\$ 250,000</b> <b>\$ 250,000</b> <b>\$ 1,000,000</b> <b>\$ 1,000,000</b> <b>\$ 1,000,000</b> <b>\$ 1,000,000</b> <b>\$ 250,000</b> <b>\$ 2,000,000</b> <b>\$ 5,000,000</b> <b>\$ 1,000,000</b> <b>\$ 2,000,000</b> <b>\$ 2,000,000</b> <b>\$ 5,000,000</b> <b>\$ 5,000,000</b>	<b>Disinfection Event Expenses Per Pollution Incident*</b> <b>Disinfection Event Expenses Program Aggregate*</b> <b>Image Restoration Expenses Per Pollution Incident*</b> <b>Image Restoration Expenses Program Aggregate*</b> <b>Mold Matter Loss, Business Interruption and Extra Expense Program Aggregate*</b> <b>Legionella Program Aggregate*</b> <b>Sewer Backup and Overcharge Program Aggregate*</b> <b>Lead or Lead Containing Materials Program Aggregate*</b> <b>Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments*</b> <b>Products Pollution and Exposure Liability Per Pollution Incident*</b> <b>Products Pollution and Exposure Liability Program Aggregate*</b> <b>Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*</b> <b>Contractor's Pollution Program Aggregate - Herbicide, Insecticide, Pesticide Applications Only*</b> <b>Contractor's Pollution Per Pollution Incident - All other Operations*</b> <b>Contractors Pollution Program Aggregate* - All other Operations*</b> <b>Wildfire Program Aggregate Sublimit*</b>

\*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

**EXTENDED REPORTING PERIOD:**

**Automatic Extended Reporting Period**

The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.

**SPECIFIC COVERAGE PROVISIONS:**

**CLAIMS MADE AND REPORTED**

Coverage A – Third Party Claims for Bodily Injury, Property Damage or Remediation Expenses:  
 Coverage for loss that the Insured becomes legally obligated to pay as a result of claims for Bodily Injury, Property Damage or Remediation Expenses directly resulting from a Pollution Incident, provided that the claim is first made against the Insured and reported to the Insurer, in writing, during the policy period.

**SPECIFIC COVERAGE  
PROVISIONS -  
CONTINUED:**

**Coverage B – Onsite First Party Remediation Expenses:**

Coverage for Remediation Expenses incurred exclusively for remediation of pollutants that are on, at or under a covered location, provided that the pollution incident is first discovered by the Insured during the policy period, the Insured reports the pollution incident to the Insurer, in writing, during the policy period, and the pollution incident is promptly reported by the Insured to the appropriate governmental authority if and as required by environmental law.

**Coverage C – Emergency Response Expenses:**

To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment resulting from a Pollution Incident on, at, under or migrating from a Covered Property or arising from Transportation that commences, in its entirety, during the policy period. The Emergency Response Expenses must: (i) be incurred within seven (7) days of the commencement of such Pollution Incident; and (ii) be reported to the Insurer within fourteen (14) days of such commencement. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

Coverage for Transportation is included in Emergency Response Expenses above.

**Coverage D – Business Interruption:**

Coverage for the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly result from a Pollution Incident on, at or under a Covered Property.

This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Insurer, in writing, during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident. In the event of a Period of Interruption, it is a condition precedent to Coverage that the Named Insured notifies the Company of the interruption within thirty (30) days of its commencement and that the Named Insured resume normal operation of the business as soon as possible and use all reasonable efforts to mitigate any Business Interruption Expenses and Extra Expenses.

**Coverage E – Coverage for Disinfection Event Expenses**

To pay on behalf of the Insured, Disinfection Expenses that directly result from a Disinfection Event at a Covered Property, provided that the Disinfection Event commences, in its entirety, during the Policy Period; such Disinfection Expenses are incurred within thirty (30) days of the first discovery of such Disinfection Event by a Responsible Insured; and the Insured reports the Disinfection Event to the Insurer, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured's first discovery of such Disinfection Event.

Disinfection Expenses means reasonable fees and costs incurred by the Insured to retain third party qualified vendors to disinfect the actual presence of bacteria or virus at a Covered Property after a Disinfection Event.

**SPECIFIC COVERAGE  
PROVISIONS -  
CONTINUED:**

**Coverage F – Coverage for Image Restoration Expenses**

To pay on behalf of the Insured, Image Restoration Expenses that directly result from an Image Restoration Event, provided that the Pollution Incident giving rise to the Image Restoration Event is on, at, under or migrating from a Covered Property or results from Transportation or Waste Disposal Activities; the Pollution Incident giving rise to the Image Restoration Expenses commenced, in its entirety, during the Policy Period; such Image Restoration Expenses are incurred by the Insured within fourteen (14) days of the first newspaper or magazine publication or television news broadcast associated with the Pollution Incident giving rise to the Image Restoration Event; and the Pollution Incident giving rise to the Image Restoration Expenses is reported to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured's first discovery of such Image Restoration Event.

Image Restoration Expenses are defined as reasonable and necessary public relations expenses to restore public reputation and consumer confidence. Image Restoration Expenses shall include fees and expenses incurred by public relations or crisis management firms and reasonable and necessary printing, mailing of materials and travel by directors, officers, employees or agents of the Named Insured at the direction of such firms. Image Restoration Expenses shall not include the costs to purchase advertising on television, in newspapers or in any other media.

Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after 7/1/2023.

Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2023.

Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.

Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.008596 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.

Illicit Abandonment is included in the definition of pollution condition.

**Other Insurance Condition**

Any Loss covered under any other valid and collectible insurance, whether primary, excess, contingent, self-insurance, deductible or any other basis, including but not limited to any stand-alone policies purchased by a Named Insured, this insurance shall apply in excess of.

Mold matter and Legionella is included in the definition of Pollutant. Mold matter is defined as mold, mildew and fungi, whether or not such microbial matter is living. Legionella means legionella pneumophila.

Wildfire is defined as any hostile fire, wildland fire, forest fire, brush fire, vegetation fire, grass fire, peat fire, bushfire, hill fire, desert fire, veldfire, escaped prescribed fire or escaped wildland fire.

**SPECIFIC COVERAGE PROVISIONS CONTINUED:** -

Blanket Underground Storage Tank coverage included, with a deductible of \$500,000 for storage tanks less than twenty-five years old, and a deductible of \$1,000,000 for storage tanks older than twenty-five years. **Note: Does not meet financial assurance requirements.**

Loss covered pursuant to any state storage tank fund, state administered insurance program or restoration funding for any underground storage tank(s) whose owners qualify for reimbursement, or any self-insurance fund established for the purpose of funding clean-up costs for pollution conditions from any underground storage tank(s), shall be considered primary insurance, to which the coverage afforded pursuant to this policy shall apply in excess.

**EXCLUSIONS (including but not limited to):**

Coverage does not apply to any claim or loss from:

- Aircraft, Auto or Watercraft – does not apply to Transportation
- Asbestos, PCBs and Lead –
  - Any asbestos, asbestos containing materials, lead, lead containing materials, including but not limited to leadbased paint, polychlorinated biphenyls (PCBs) or materials containing PCBs in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to Claims for Bodily Injury or Property Damage, or Remediation Expenses for the remediation of any soil, groundwater body, surface water body or sediment; or
  - Any asbestos, asbestos containing materials, lead or lead-containing materials, other metals, including but not limited to copper, or metal containing materials in, on or applied to any water supply or collection equipment, system or infrastructure, including but not limited to water service lines; this does not apply to third-party claims for bodily injury or property damage, or for remediation expenses of any groundwater body, surface water body or sediment;

Further, this exclusion shall not apply to Remediation Expenses solely incurred for the remediation of asbestos, asbestos containing materials or lead-based paint which has been inadvertently displaced (not including any displacement associated with demolition, renovation or abatement) by an accident which occurs, in its entirety, during the Policy Period and is demonstrable by the Insured as commencing during the Policy Period, provided that such accident is reported to the Company within thirty (30) days of its commencement. However, there shall be no coverage for any costs incurred to: remove, abate, repair, dispose of or otherwise address any asbestos, asbestos containing materials or lead-based paint that has not been displaced by such accident, or to remove or dispose of any building, construction or demolition debris. Asbestos is fully excluded under Products Pollution and Exposure Liability coverage.

**EXCLUSIONS (including but not limited to):**

Coverage does not apply to any claim or loss from:

- Contractual Liability – This exclusion does not apply to liability that the Insured would have had in the absence of the contract or agreement or to liability assumed in an Insured Contract.
- Criminal Punishments
- Divested Property – does not apply to any Covered Property owned by an Insured as of Policy Inception which is leased to a third party, even if the Insured has relinquished operation or management control of such Covered Property, provided that such covered property was disclosed to the Insurer.
- Employer Liability – This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such Bodily Injury.
- Insured’s Internal Expenses
- Insured’s Non-Compliance
- Insured vs. Insured
- Insured’s Professional Services – any professional services performed or rendered on behalf of the Insured, including but not limited to, medical services, recommendations, opinions and strategies rendered for architectural, consulting and engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections site maintenance and equipment selection, and supervisory, inspection or engineering service.
- Material Change In Use – This exclusion shall not apply if the Insured submits prior written notice no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice.
- Non-Disclosure
- Prior Claims (prior to July 1, 2021)
- Nuclear or Radiological Material
- Property Damage to Conveyances
- War
- Workers Compensation, Unemployment, Social Security, Disability and Similar Laws
- Waste Processing, Treatment or Disposal – does not apply to waste disposal activities at a non-owned disposal site.
- Airports – defined as any airport where enplanement occurs and/o cargo is moved for a fee and storage, transportation and the dispensing of fuel and/or de-icing solution operations are conducted. This exclusion shall not apply to passenger airports with less than 2,500 passenger boardings per year.
- Oil and/or Gas Producing and Refining Facilities
- Firing Ranges
- Activity Use Limitation

**EXCLUSIONS (including but not limited to, Cont.):**

- Landfill Closure, Post-Closure and Reclamation Costs
- Combined Sewer Overflow
- Commercial Ports – Any commercial port where ships load and unload cargo.
- Landfill
- Odor - Solely with respect to any Pollution Incident on, at, under or migrating from any location used (in whole or part) at any time (currently or historically) for the collection, treatment, recycling, management, incineration or disposal of waste materials, any Claim, in whole or part, due to or in any way associated with any odor; any Claim for Bodily Injury or Property Damage due to or associated with any gas or emissions that have migrated beyond the boundaries of a Covered Property; or any Claim for public or private nuisance due to or associated with any odor or any gas or emissions migration.
- Impoundments
- Engineering Controls / Operation and Maintenance (O&M) Costs
- Groundwater and Surface Water Monitoring Costs
- COVID-19
- Capital Improvement – Applies to all locations, also applies to removal, replacement, repair or upgrade of an underground storage tank.
- Voluntary Site Investigation – Applies to all locations.
- Waste Processing, Treatment or Disposal – does not apply to waste disposal activities at a Non-Owned Disposal Site.
- Expected or Intended Injury or Damage (Product Pollution and Covered Operations only)
- Known Injury or Damage (Product Pollution and Covered Operations only)
- Product Disposal (Product Pollution Only)
- Products as Waste (Product Pollution Only)
- Transportation (Product Pollution only)
- Damage to Your Product (Product Pollution Only)
- Drinking Water Standards Exceedance (Product Pollution Only)
- Material Change in Potable Water Supply Source (Product Pollution Only)
- Conveyance (Covered Operations only)
- Business Interruption (Covered Operations Only)
- Damage to Property (Covered Operations Only)
- Damage to Your Work (Covered Operations Only)
- Waste Processing, Treatment or Disposal
- Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, “C8”, “ADONA,” perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid or ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. Further, Pollutants shall not include aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation by-products thereof.

<b>DEDUCTIBLE:</b>	\$ 250,000	Each Pollution Incident After July 1, 2021
	\$ 500,000	Each Pollution Incident Prior to July 1, 2021

Any payments for covered loss paid by other insurance shall also be applied against the deductible amount.

<b>SPECIFIC DEDUCTIBLES:</b>	\$ 250,000	Disinfection Event Expenses
	\$ 250,000	Image Restoration Expenses
	\$ 250,000	Products Pollution and Exposure Liability
	\$ 250,000	* Covered Operations
	\$ 250,000	Mold Matter (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space, education, healthcare and hospitality locations only)
	\$ 500,000	Legionella
	\$ 500,000	Sewer Backup and Overcharge deductible
	\$ 500,000	Underground Storage Tanks (less than 25 years old)
	\$ 1,000,000	Underground Storage Tanks (more than 25 years old)
	\$ 1,000,000	Wildfire Deductible

**CLAIMS REPORTING NOTICE**

**PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES.** Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

**THIS IS A CLAIMS MADE POLICY**

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy’s requirements could result in a disclaimer of coverage by the insurer.



**LOSS REPORTING REQUIREMENTS:**

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

1) Ironshore Environmental Claims CSO  
28 Liberty Street, 5th Floor  
New York, NY 10005 Office  
By phone via: 24 Hour Claims Phone Number (888) 292-0249  
FAX to: 646-826-6601  
Email: [USClaims@ironshore.com](mailto:USClaims@ironshore.com)

2) Akbar Sharif  
Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
949 260-5088  
949 756-2713 – fax  
[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

**NOTICE OF CANCELLATION:**

90 days except 10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Not Provided

**POLLUTION LIABILITY COST:**

Cost is included in Total Property Premium  
100% Earned Premium at Inception

**QUOTE VALID UNTIL:**

July 1, 2023

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Coverage	2022-2023	2023-2024 Pending Changes
Pollution Liability Policy Term	July 1, 2022 to July 1, 2023	July 1, 2023 to July 1, 2024
Retroactive Date	<ul style="list-style-type: none"> <li>• July 1, 2011 for Waste Disposal;</li> <li>• July 1, 2022 for Products Pollution and Exposure Liability;</li> <li>• July 1, 2022 for Contractor's Pollution</li> <li>• July 1, 2021 for Mold Matter</li> <li>• July 1, 2011 Disinfection Event</li> </ul> <p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later.</p>	<p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:</p> <ul style="list-style-type: none"> <li>• July 1, 2023 for Products Pollution and Exposure Liability;</li> <li>• July 1, 2023 for Contractor's Pollution</li> <li>• July 1, 2023 for Mold Matter</li> </ul>
A.M. Best Insurance Rating	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective June 29, 2021	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective July 27, 2022
Standard and Poors Rating	A (Strong) as of November 25, 2020	A (Strong) as of May 2, 2017
Covered Property	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered property that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. New form automatically covers sewer and stormwater lines, no need to schedule.
Sub-Limits	\$1,000,000 Restoration Costs, Business Interruption and Extra Expense Program Aggregate (Mold Matter at healthcare and hospitality locations only)*	\$1,000,000 Mold Matter Loss, Business Interruption and Extra Expense Program Aggregate*. Applies to all locations now.
	\$1,000,000 Legionella Per Pollution Incident*	\$1,000,000 Legionella Program Aggregate*
	\$2,000,000 Sewer Backup or Overcharge Per Pollution Incident*	\$1,000,000 Sewer Backup and Overcharge Program Aggregate*

### SUMMARY OF PENDING CHANGES

#### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Coverage	2022-2023	2023-2024 Pending Changes
Sublimits (Continued)	\$2,000,000	Lead or Lead Containing Materials Program Aggregate*
	\$1,000,000	Lead or Lead Containing Materials Program Aggregate*
	\$1,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only
	\$1,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
	\$2,000,000	Contractor's Pollution Program Aggregate - Herbicide, Insecticide, Pesticide Applications Only*
Sublimits (Continued)	\$2,000,000	Contractor's Pollution Per Pollution Incident - All other Operations*
	\$5,000,000	Contractors Pollution Program Aggregate*
	\$5,000,000	Contractors Pollution Program Aggregate - All other Operations*
	\$1,000,000	Wildfire Per Pollution Incident*
		Deleted per pollution incident sublimit and replaced it with a \$1M Wildfire deductible.
Coverages	<p>Coverage A.1 – Onsite Pollution: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are on, at or under a Covered Property, provided such Remediation Expenses are incurred to address Onsite Pollution and directly result from New Conditions.</p>	<p>Coverage A – Third Party Claims for Bodily Injury, Property Damage or Remediation Expenses: To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses directly resulting from a Pollution Incident, provided that the Claim is first made against the Insured and reported to the Company, in writing, during the Policy Period, or during the Extended Reporting Period if applicable</p>
	<p>Coverage A.2 – OffSite Pollution: Coverage for Remediation Expenses incurred exclusively for remediation of Pollutants that are beyond the boundaries of the Covered Property, provided such Remediation Expenses are incurred to address Offsite Pollution and result from New Conditions.</p>	<p>Coverage B – Onsite First Party Remediation Expenses: Coverage for Remediation Expenses incurred exclusively for remediation of pollutants that are on, at or under a covered location, provided that the pollution incident is first discovered by the Insured during the policy period, the Insured reports the pollution incident to the Insurer, in writing, during the policy period, and the pollution incident is promptly reported by the Insured to the appropriate governmental authority if and as required by environmental law.</p>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Coverage	2022-2023	2023-2024 Pending Changes
Coverages (Continued)	<p><b>Coverage B – Emergency Response Expenses</b> To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment resulting from a Pollution Incident on, at , under or migrating from a Covered Property or arising from Transportation that commences, in its entirety, during the policy period. The Emergency Response Expenses must: (i) be incurred within seven (7) days of the commencement of such Pollution Incident; and (ii) be reported to the Insurer within fourteen (14) days of such commencement. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.</p>	<p><b>Coverage C – Emergency Response Expenses</b> To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment resulting from a Pollution Incident on, at , under or migrating from a Covered Property or arising from Transportation that commences, in its entirety, during the policy period. The Emergency Response Expenses must: (i) be incurred within seven (7) days of the commencement of such Pollution Incident; and (ii) be reported to the Insurer within fourteen (14) days of such commencement. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.</p>
	<p><b>Coverage D – Transportation</b> To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses directly resulting from New Conditions, which arise from Transportation, provided such Claims are first made against the Insured and reported to the Company in writing during the Policy Period.</p>	<p><i>Coverage for Transportation is included under Coverage A above.</i></p>
	<p><b>Coverage E – Waste Disposal Activities:</b> To pay on behalf of the Insured, Loss that the Insured becomes legally obligated to pay as a result of Claims for Bodily Injury, Property Damage or Remediation Expenses directly resulting from a Pollution Incident resulting from Waste Disposal Activities. The Waste Disposal Activities must take place on or after the Waste Disposal Retroactive Date set forth in the Declarations, or the date that the Insured first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such Claims are first made against the Insured and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable.</p>	<p><i>Coverage for Waste Disposal Activities at Non-Owned Disposal Sites is included under Coverage A above.</i></p>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Coverages (Continued)	<p><b>Coverage F – Business Interruption:</b> To pay the Insured’s Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly results from Onsite Pollution arising from New Conditions. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company, in writing, during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the Period of Interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident.</p>	<p><b>Coverage D – Business Interruption:</b> Coverage for the Insured’s Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly result from a Pollution Incident on, at or under a Covered Property. This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Company, in writing, during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident. In the event of a Period of Interruption, it is a condition precedent to Coverage that the Named Insured notifies the Company of the interruption within thirty (30) days of its commencement and that the Named Insured resume normal operation of the business as soon as possible and use all reasonable efforts to mitigate any Business Interruption Expenses and Extra Expenses.</p>
	<p><b>Coverage G – Coverage for Disinfection Event Expenses</b> To pay on behalf of the Insured, Disinfection Expenses that directly result from a Disinfection Event at a Covered Property, provided that the Disinfection Event commences, in its entirety, during the Policy Period; such Disinfection Expenses are incurred within thirty (30) days of the first discovery of such Disinfection Event by a Responsible Insured; and the Insured reports the Disinfection Event to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured’s first discovery of such Disinfection Event. Disinfection Expenses means reasonable fees and costs incurred by the Insured to retain third party qualified vendors to disinfect the actual presence of bacteria or virus at a Covered Property after a Disinfection Event.</p>	<p><b>Coverage E – Coverage for Disinfection Event Expenses</b> To pay on behalf of the Insured, Disinfection Expenses that directly result from a Disinfection Event at a Covered Property, provided that the Disinfection Event commences, in its entirety, during the Policy Period; such Disinfection Expenses are incurred within thirty (30) days of the first discovery of such Disinfection Event by a Responsible Insured; and the Insured reports the Disinfection Event to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured’s first discovery of such Disinfection Event. Disinfection Expenses means reasonable fees and costs incurred by the Insured to retain third party qualified vendors to disinfect the actual presence of bacteria or virus at a Covered Property after a Disinfection Event.</p>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

<p>Coverages (Continued)</p>	<p>Coverage H – Coverage for Image Restoration Expenses To pay on behalf of the Insured, Image Restoration Expenses that directly result from an Image Restoration Event, provided that the Pollution Incident giving rise to the Image Restoration Event is on, at, under or migrating from a Covered Property or results from Transportation or Waste Disposal Activities; the Pollution Incident giving rise to the Image Restoration Expenses commenced, in its entirety, during the Policy Period; such Image Restoration Expenses are incurred by the Insured within fourteen (14) days of the first newspaper or magazine publication or television news broadcast associated with the Pollution Incident giving rise to the Image Restoration Event; and the Pollution Incident giving rise to the Image Restoration Expenses is reported to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured’s first discovery of such Image Restoration Event. Image Restoration Expenses are defined as reasonable and necessary public relations expenses to restore public reputation and consumer confidence. Image Restoration Expenses shall include fees and expenses incurred by public relations or crisis management firms and reasonable and necessary printing, mailing of materials and travel by directors, officers, employees or agents of the Named Insured at the direction of such firms. Image Restoration Expenses shall not include the costs to purchase advertising on television, in newspapers or in any other media.</p>	<p>Coverage F – Coverage for Image Restoration Expenses To pay on behalf of the Insured, Image Restoration Expenses that directly result from an Image Restoration Event, provided that the Pollution Incident giving rise to the Image Restoration Event is on, at, under or migrating from a Covered Property or results from Transportation or Waste Disposal Activities; the Pollution Incident giving rise to the Image Restoration Expenses commenced, in its entirety, during the Policy Period; such Image Restoration Expenses are incurred by the Insured within fourteen (14) days of the first newspaper or magazine publication or television news broadcast associated with the Pollution Incident giving rise to the Image Restoration Event; and the Pollution Incident giving rise to the Image Restoration Expenses is reported to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured’s first discovery of such Image Restoration Event. Image Restoration Expenses are defined as reasonable and necessary public relations expenses to restore public reputation and consumer confidence. Image Restoration Expenses shall include fees and expenses incurred by public relations or crisis management firms and reasonable and necessary printing, mailing of materials and travel by directors, officers, employees or agents of the Named Insured at the direction of such firms. Image Restoration Expenses shall not include the costs to purchase advertising on television, in newspapers or in any other media.</p>
	<p>Automatic Acquisition - Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.  Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.007164 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>	<p>Automatic Acquisition - Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.  Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.008596 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Coverages (Continued)	<p>Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of “your work”, provided the claim is first made and reported during the policy period. The Contractor’s Pollution must have commenced on or after 7/1/2022.</p>	<p>Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of “your work”, provided the claim is first made and reported during the policy period. The Contractor’s Pollution must have commenced on or after 7/1/2023.</p>
	<p>Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2022.</p>	<p>Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2023.</p>
	<p><b>Other Insurance Condition</b> Any Loss covered under any other valid and collectible insurance, whether primary, excess, contingent, self-insurance, deductible or any other basis, including but not limited to the policies scheduled below and any renewals or replacements thereof; however, this insurance shall apply in excess of any such other valid and collectible insurance.</p>	<p><b>Other Insurance Condition</b> Any Loss covered under any other valid and collectible insurance, whether primary, excess, contingent, self-insurance, deductible or any other basis, including but not limited to any stand-alone policies purchased by a Named Insured, this insurance shall apply in excess of.</p>
	<p>Mold matter and Legionella is included in the definition of Pollutant. Mold matter is defined as mold, mildew and fungi, whether or not such microbial matter is living.</p>	<p>Mold matter and Legionella is included in the definition of Pollutant. Mold matter is defined as mold, mildew and fungi, whether or not such microbial matter is living. Legionella means legionella pnueumophila.</p>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

<p>Coverages (Continued)</p>	<p>Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</p> <p>The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.</p> <p>Sudden and Accidental Coverage Only (loss must be discovered within 7 days of commencement and reported no later than 21 days following the discovery, and within the policy period) applies for the following locations:</p> <ol style="list-style-type: none"> <li>1. Any location with current or historic use as an airport;</li> <li>2. MAPLE (SOUTH) - 519 ENTRANCE OFF POMONA CORONA CA 92880</li> <li>3. 1018 COTTONWOOD CORONA CA 92879</li> <li>4. 1200 TENTH ST. (WEST) CORONA CA 92882</li> <li>5. 102 LINCOLN (NORTH) CORONA CA 92882</li> <li>6. 1052 QUARRY CORONA CA 92879</li> <li>7. 34 CRESTRIDGE CORONA CA 92880</li> <li>8. 219 GRAND (WEST) CORONA CA 92882</li> <li>9. 25225 MAITRI RD. CORONA CA 92883</li> <li>10. 24650 GLEN IVY RD. CORONA CA 92883</li> <li>11. 405 SIERRA VISTA AVE. CORONA CA 92882</li> <li>12. 315 MERILL ST (SOUTH) CORONA CA 92882</li> <li>13. 310 VICENTIA (SOUTH) CORONA CA 92882</li> <li>14. 710 CORPORATION YARD WAY CORONA CA 92880</li> <li>15. 2581 MANGULAR CORONA CA 92882</li> <li>16. 202 BUENA VISTA AVE. (NORTH) CORONA CA 92882</li> <li>17. 240 BUENA VISTA AVE. CORONA CA 92882</li> <li>18. 211 BUENA VISTA AVE. (SOUTH) CORONA CA 92882</li> <li>19. 9865 GLEN IVY RD. CORONA CA 92883</li> <li>20. 917 CIRCLE CITY DR. CORONA CA 92879</li> <li>21. 219 JOY (SOUTH) CORONA CA 92879</li> <li>22. 505 VICENTIA (SOUTH) CORONA CA 92882</li> </ol> <p>1865 POMONA RD CORONA CA 92880</p>	<p>Blanket Coverage included for Non-Owned Disposal Sites. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned, operated or rented by the Insured, provided that the transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.</p> <p>The BKK Landfill located at 2210 South Azusa Avenue, West Covina, CA is specifically excluded from coverage.</p> <p>Sudden and Accidental Coverage Only (loss must be discovered within 7 days of commencement and reported no later than 21 days following the discovery, and within the policy period) applies for any location with current or historic use as an airport.</p>
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## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

Exclusions	<i>Not Previously Excluded</i>	Aircraft, Auto or Watercraft – does not apply to Transportation
	<p>Asbestos and Lead –</p> <ul style="list-style-type: none"> <li>○ Any asbestos, asbestos containing materials, lead or lead-containing materials, including but not limited to lead-based paint, in, on, at, within or applied to any building, utility, structure or building material; this does not apply to third-party claims for bodily injury or property damage, or for remediation of any soil, groundwater body, surface water body or sediment;</li> <li>○ Any asbestos, asbestos containing materials, lead or lead-containing materials, other metals, including but not limited to copper, or metal containing materials in, on or applied to any water supply or collection equipment, system or infrastructure, including but not limited to water service lines; this does not apply to third-party claims for bodily injury or property damage, or for remediation of any groundwater body, surface water body or sediment;</li> </ul> <p>This exclusion also does not apply to remediation expenses solely incurred for the remediation of asbestos, asbestos-containing materials or lead-based paint which has been inadvertently displaced (not including any displacement associated with demolition, renovation or abatement) by an accident which occurs, in its entirety, during the policy period, and is reported to the Insurer within thirty (30) days of commencement. Asbestos is fully excluded under Products Pollution and Exposure Liability coverage.</p>	<p>Asbestos, PCBs and Lead</p> <ul style="list-style-type: none"> <li>○ Any asbestos, asbestos containing materials, lead, lead containing materials, including but not limited to lead-based paint, polychlorinated biphenyls (PCBs) or materials containing PCBs in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to Claims for Bodily Injury or Property Damage, Remediation Expenses for the remediation of any soil, groundwater body, surface water body or sediment; or</li> <li>○ Any asbestos, asbestos containing materials, lead, lead containing materials, other metals, including but not limited to copper, or metal containing materials in, on or applied to any water supply or collection equipment, system or infrastructure, including but not limited to water service lines, provided that this exclusion does not apply to Claims for Bodily Injury or Property Damage; or Remediation Expenses for the remediation of any groundwater body, surface water body or sediment.</li> </ul> <p>This exclusion also does not apply to remediation expenses solely incurred for the remediation of asbestos, asbestos-containing materials or lead-based paint which has been inadvertently displaced (not including any displacement associated with demolition, renovation or abatement) by an accident which occurs, in its entirety, during the policy period, and is reported to the Insurer within thirty (30) days of commencement. Asbestos is fully excluded under Products Pollution and Exposure Liability coverage.</p>
	Divested Property	Divested Property – does not apply to any Covered Property owned by an Insured as of Policy Inception which is leased to a third party, even if the Insured has relinquished operation or management control of such Covered Property, provided that such covered property was disclosed to the Insurer.
	<i>Not Previously Excluded</i>	Waste Processing, Treatment or Disposal
	<i>Not Previously Excluded</i>	Combined Sewer Overflow
	<i>Not Previously Excluded</i>	Commercial Ports – Any commercial port where ships load or unload cargo.
	Landfill Material	Landfill
	Known Pollution Incidents (known prior to July 1, 2021)	<i>No longer endorsed however still excluded by way of the non-disclosure wording in new policy form.</i>

## SUMMARY OF PENDING CHANGES

### THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

	Capital Improvement – Applies to any auto repair facility, airport, golf course, fuel depot, fuel storage, or removal, replacement, repair or upgrade of an underground storage tank.	Capital Improvement – Applies to all locations, also applies to removal, replacement, repair or upgrade of an underground storage tank.
Exclusions (Continued)	Voluntary Site Investigation (any pollutant discovered during voluntary investigation is excluded at any auto repair facility, airport, golf course, fuel depot, or fuel storage only)	Voluntary Site Investigation – Applies to all locations.
	Waste Products, Treatment or Disposal (Covered Operations Only)	Waste Processing, Treatment or Disposal – does not apply to waste disposal activities at a Non-Owned Disposal Site
	<i>Not Previously excluded however retroactive date of 7/1/2022 applied excluding products pollution claims that occurred prior to this retroactive date.</i>	Drinking Water Standards Exceedance (Product Pollution Only) as of July 1 2023 (any exceedances that occurred prior to July 1 2023 are excluded)
	<i>Not Previously Excluded</i>	Material Change in Potable Water Supply Source (Product Pollution Only)
	Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, C8, ADONA, perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid, ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. This also includes aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation byproducts thereof.	Any perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, “C8”, “ADONA,” perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), fluoropolymers, perfluorononanoic acid or ammonium perfluorooctanoate , or any associated salts, acids, alcohols, precursor chemicals or related higher homologue chemicals. Further, Pollutants shall not include aqueous film forming foam (AFFF) containing PFAS (at any concentration) or any additives or component materials contained therein or degradation by-products thereof.
Specific Deductibles	<i>No Previous Specific Deductible</i>	\$250,000      Image Restoration Expenses
	<i>No Previous Specific Deductible</i>	\$1,000,000      Wildfire Deductible
Quote Valid Until	July 1, 2022	July 1, 2023

## SUMMARY OF PENDING CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2023-2024 POLICY TERM

### NOTES:

- ***Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms.***
- ***This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event.***
- ***Change in Total Insurable Values will result in adjustment in premium.***

## LOSS NOTIFICATION REQUIREMENT ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Sandra Doig. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA  
Senior Vice President,  
Regional Claims Director  
Voice: (415) 403-1445  
Email: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Diana L. Walizada, AIC, CPIW, RPA, AINS  
Vice President, Claims Unit Manager

Voice: (415) 403-1453  
Email: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Address: Alliant Insurance Services, Inc.  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco CA 94105  
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Sandra Doig  
McLaren's Global Claims Services  
Address: 18100 Von Karman Avenue, 10<sup>th</sup> Floor  
Irvine, CA 92612  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com)

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Address: Beazley Group  
1270 Avenue of the America's, Suite 1200  
New York, NY 10020  
Fax: (546) 378-4039  
Email: [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)

Elaine G. Tizon, V.P. CISR, E-mail: [elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com)  
Donna Peterson, E-mail: [donna.peterson@alliant.com](mailto:donna.peterson@alliant.com)  
Address: 560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105  
Voice: (415) 403-1458 Fax: (415) 403-1466

- IV. Pollution Liability Carrier Ironshore Specialty Insurance Company (if purchased):

Address: Ironshore Environmental Claims CSO  
28 Liberty Street, 5th Floor  
New York, NY 10005  
In emergency call: (888) 292-0249  
Fax: (646) 826-6601  
Email: [USClaims@ironshore.com](mailto:USClaims@ironshore.com)

Address: Akbar Sharif  
Claims Advocate  
18100 Von Karman Avenue, 10<sup>th</sup> Floor  
Irvine, CA 92612  
Voice: (949) 260-5088 Fax: (415) 403-1466  
Email: [akbar.sharif@alliant.com](mailto:akbar.sharif@alliant.com)

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

## APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated as attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned e-mail or mail to have it be included in your insurance records.

- APIP Property Claims Reporting
- Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased
- Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

**Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2023 until further notice**

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name: South Bay Area Schools Insurance Authority**

**X**

---

**Signature of Authorized Insured Representative**

---

**Title**

---

**Date**

---

**Print / Type Insured Representative Full Name:**

### **Applicable in Arizona**

For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

### **Applicable in Arkansas, Delaware, District of Columbia, Kentucky, Louisiana, Maine, Michigan, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, South Dakota, Tennessee, Texas, Virginia and West Virginia**

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and [NY: substantial] civil penalties. In DC, LA, ME, TN and VA, insurance benefits may also be denied.

### **Applicable in California**

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

### **Applicable in Colorado**

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

### **Applicable in Florida and Idaho**

Any person who Knowingly and with the intent to injure, Defraud, or Deceive any Insurance Company Files a Statement of Claim Containing any False, Incomplete or Misleading information is Guilty of a Felony.\*

\* In Florida - Third Degree Felony

### **Applicable in Hawaii**

For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

### **Applicable in Indiana**

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

### **Applicable in Minnesota**

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

### **Applicable in Nevada**

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

### **Applicable in New Hampshire**

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

### **Applicable in Ohio**

Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

### **Applicable in Oklahoma**

WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

IN THE EVENT OF A  
**PROPERTY LOSS:**

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to Alliant Insurance Services immediately at:*

**877-725-7695**

**All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to McLarens Global Claims Services AND your Alliant representative*

## PROPERTY FIRST NOTICE OF LOSS FORM

**SEND TO: Alliant Insurance Services, Inc.**  
**BY MAIL: 560 Mission Street, 6<sup>th</sup> Floor, San Francisco, CA 94105**  
**BY FAX: (415) 403-1466**  
**BY EMAIL: [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)**  
**Carbon Copy APIP Claims Administrator: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com) and your Alliant representative**

Today's Date: \_\_\_\_\_

Type of Claim: (check all that apply)

- Real Property                       Vehicles  
 Personal Property                       Other

### Insured's Name & Contact Information

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

### Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims      Point of Contact: Robert A. Frey & Diana L. Walizada

Address: 560 Mission Street, 6<sup>th</sup> Floor, San Francisco, CA 94105

Phone #: 877-725-7695

Fax #: 415-403-1466

### Policy Information

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible: \_\_\_\_\_

### Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_



**Per the Master Policy Wording, Section IV General Conditions;**

**K. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 560 Mission Street, 6<sup>th</sup> Floor, San Francisco, CA 94105. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable after the inception of loss.

IN THE EVENT OF A  
**CYBER LOSS:**

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

**[bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)**

**(866)567-8570**

**All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

***SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:***

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM**

**SEND TO: Beazley Group**

**BY MAIL: 1270 Avenue of the America's, Suite 1200, New York, NY 10020**

**BY FAX: (546) 378-4039**

**BY EMAIL: [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)**

**CC Alliant Claims Department:**

**[elaine.tizon@alliant.com](mailto:elaine.tizon@alliant.com), [Donna.Peterson@alliant.com](mailto:Donna.Peterson@alliant.com) and your Alliant representative**

Today's Date: \_\_\_\_\_

**Insured's Name & Contact Information**

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine Tizon

Address: 560 Mission Street, 6<sup>th</sup> Floor, San Francisco, CA 94105

Phone #: 877-725-7695 Fax #: 415-403-1466

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_

## A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
  - b. the injury or damage which may result or has resulted from the circumstance; and
  - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

## POLLUTION LIABILITY

IN THE EVENT OF AN

# ENVIRONMENTAL EMERGENCY:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident immediately at:*

**888-292-0249**

- 4) *Report the incident to Alliant*

Akbar Sharif  
Claims Advocate  
949-260-5088  
415-403-1466 – fax  
[akbar.sharif@alliant.com](mailto:akbar.sharif@alliant.com)

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away  
  
DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification

**SEND TO: IRONSHORE ENVIRONMENTAL CLAIMS CSO**  
**BY MAIL: 28 Liberty Street, 5th Floor, New York, NY 10005**  
**BY FAX: (646) 826-6601**  
**BY EMAIL: [USClaims@ironshore.com](mailto:USClaims@ironshore.com)**  
**CC Alliant Insurance: [akbar.sharif@alliant.com](mailto:akbar.sharif@alliant.com) and your Alliant Representative**

**Today's Date:** \_\_\_\_\_

**Notice of: (check all that apply)**

- Pollution Incident                       Potential Claim                       Other \_\_\_\_\_  
 Third-Party Claim                       Litigation Initiated

**Insured's Name & Contact Information**

**Company Name:** \_\_\_\_\_ **Point of Contact:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_ **Email Address:** \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

**Company Name:** Alliant Insurance Services - Claims    **Point of Contact:** Akbar Sharif

**Address:** 18100 Von Karman Ave., 10<sup>th</sup> Floor, Irvine, CA 92612

**Phone #:** 949-260-5088

**Policy Information**

**Policy Number:** \_\_\_\_\_ **Policy Period:** \_\_\_\_\_

**Limits of Liability:** \_\_\_\_\_ per \_\_\_\_\_ **agg. Self-Insured Retention/Deductible** \_\_\_\_\_

**Loss Information**

**Date of Incident/Claim:** \_\_\_\_\_ **Location:** \_\_\_\_\_

**Claimant Name/Address:** \_\_\_\_\_

**Description of Loss:** \_\_\_\_\_

\_\_\_\_\_

**Please list all attached or enclosed documentation:**  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

**Name of Person Completing This Form:** \_\_\_\_\_ **Signature:** \_\_\_\_\_



**Agenda Item G.3**

**CRIME POLICY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Crime insurance for SBASIA for the period July 1, 2023 to July 1, 2024.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board.

**FISCAL IMPACT:** \$39,808 for the period of July 1, 2023 to July 1, 2024

**BACKGROUND:** The Crime policy will be expiring on July 1, 2023. The Alliant Crime Insurance Program (ACIP) with National Union Fire Insurance Company of Pittsburgh, PA as the insurance carrier has quoted the expiring limit of \$3,000,000 per occurrence and \$5,000 deductible.

The Crime policy provides coverage for Employee Theft-Per Loss, Forgery or Alteration, Inside the Premises-Theft of Money & Securities, Inside the Premises-Robbery or Safe Burglary of Other Property, Outside the Premises, Computer Fraud, Funds Transfer Fraud and Money Orders & Counterfeit Money

**ATTACHMENTS:** 2023-2024 Crime Proposal

**2023-2024 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
**South Bay Area Schools Insurance Authority**

**Line of Coverage**  
**Government Crime Coverage**

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<b>INSURANCE COMPANY:</b>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	
<b>A.M. BEST RATING:</b>	A (Excellent); Financial Size Category: XV (\$2 Billion or greater) Verified on May 25, 2023	
<b>STANDARD &amp; POOR'S RATING:</b>	A+, Strong Financial Security Verified on May 25, 2023	
<b>STATE STATUS:</b>	Admitted	
<b>PROGRAM POLICY/COVERAGE TERM:</b>	July 1, 2023 – July 1, 2024	
<b>RETROACTIVE DATE:</b>	N/A	
<b>COVERAGE:</b>	Government Crime Policy on Discovery form including the following coverages: <ul style="list-style-type: none"> <li>• Employee Theft – Per Loss Coverage - including Faithful Performance of Duty</li> <li>• Forgery or Alteration - including Credit, Debit, or Charge Card Forgery</li> <li>• Inside the Premises – Theft of Money and Securities</li> <li>• Inside the Premises – Robbery &amp; Safe Burglary of Other Property</li> <li>• Outside the Premises - Money, Securities and Other Property</li> <li>• Computer Fraud</li> <li>• Funds Transfer Fraud</li> <li>• Money Orders &amp; Counterfeit Money</li> </ul>	
	<b><u>2022-2023 CURRENT</u></b>	<b><u>2023-2024 PROPOSED</u></b>
<b>LIMITS:</b>	\$3,000,000	\$3,000,000
<b>DEDUCTIBLE:</b>	\$5,000	\$5,000
<b>ANNUAL PREMIUM:</b>	\$37,912	\$39,808



**2023-2024 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
**South Bay Area Schools Insurance Authority**

**Line of Coverage**

**Government Crime Coverage - Continued**

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<b>MINIMUM EARNED PREMIUM:</b>	None
<b>POLICY AUDITABLE:</b>	No
<b>DESIGNATED AGENTS AS ENDORSED:</b>	<p>None Reported</p> <p>If your entity has a written agreement in place with any person, partnership or corporation to act as your Designated Agent and needs to be included for coverage, please contact Alliant to request approval.</p>
<b>ENDORSEMENTS</b> (including but not limited to):	<ul style="list-style-type: none"> <li>• California Changes</li> <li>• Additional Named Insured – Identifies individual member limit and deductible</li> <li>• Add Faithful Performance of Duty Coverage for Government Employees – Employee Theft Per Loss Limit</li> <li>• Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit, Risk Management Department or other department designated to handle insurance matters for the named insured.</li> <li>• Cancellation of Policy Amended –120 Days</li> <li>• Bonded Employees Exclusion Deleted endorsement</li> <li>• Add Credit, Debit or Charge Card Forgery</li> <li>• Include Specified Non-Compensated Officers as Employees - ALL</li> <li>• Include Chairperson and Members of Specified Committees – ALL</li> <li>• Include Designated Persons or Classes of Persons as Employees – Any Directors or Trustees of any of those named as insured; Any board members of any of those named as insured, Any elected or appointed officials</li> <li>• Include Volunteer Workers as Employees</li> <li>• Include Treasurers or Tax Collectors as Employees</li> <li>• Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit</li> <li>• Employee Post Termination Coverage – 90 Days</li> <li>• Cancellation Amendatory (Return Pro-Rata)</li> <li>• Include Leased Workers as Employees Endorsement</li> <li>• Notice of Claim Reporting by Email</li> <li>• Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)</li> </ul>

**2023-2024 Alliant Crime Insurance Program  
 Government Crime Insurance Proposal  
 South Bay Area Schools Insurance Authority**

**ENDORSEMENTS** (including but not limited to) Cont.:

- Omnibus Named Insured
- Vendor Theft - \$1,000,000 Limit excess of vendor insurance policy limit (\$500,000 minimum) required by contract Coverage not applicable if crime insurance is not required in a written agreement.
- Conditions Amended – Subrogation of Faithful Performance of Duty Claims
- Amended Third Party Coverage– Loss of or damage to ‘Client Property’– Sublimit \$250,000 with a \$25,000 Deductible.- **Updated**
- Impersonation Fraud Endorsement –Sublimit \$250,000 with \$25,000 Retention – Does not apply to any losses prior to 07/01/2015
- Blanket Joint Loss Payable- Where legally permissible

**EXCLUSIONS** (Including but not limited to):

- Cyberextortion (Resulting Directly)- **New**
- Unauthorized disclosure of confidential information
- Governmental Action
- Indirect or Consequential Loss
- Protected Information (Carveback)
- Legal Fees and Expenses
- Nuclear Hazard
- Pollution
- War and Military Action
- Inventory Shortages
- Trading losses
- Accounting or Arithmetical Errors or Omissions
- Exchanges or Purchases
- Fire
- Money Operated Devices
- Motor Vehicles or Equipment and Accessories
- Transfer or Surrender or Property
- Vandalism
- Voluntary Parting of Title to Possession of Property

**PROPOSAL VALID UNTIL:**

June 30, 2023

**2023-2024 Alliant Crime Insurance Program  
Government Crime Insurance Proposal  
South Bay Area Schools Insurance Authority**

**CLAIMS REPORTING PROCEDURE:**

AIG  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225  
Fax: 866-227-1750  
Email: [c-claim@aig.com](mailto:c-claim@aig.com)

Please forward a copy of the loss to the following Alliant Claim Advocates:

Alliant Insurance Services, Inc.  
Attn: Robert Frey, Senior Vice President  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105  
Phone: 415-403-1400  
Fax: 415-403-1466  
E-Mail: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Alliant Insurance Services, Inc.  
Attn: Elaine Tizon, Assistant Vice President  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105  
Phone: 415-403-1400  
Fax: 415-403-1466  
E-Mail: [Elaine.Tizon@alliant.com](mailto:Elaine.Tizon@alliant.com)

**SUBJECTIVITIES:**

- Signed and dated Request to Bind Coverage page
- Payment to Alliant is due within 25 of effective date

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.  
Irvine, CA**

Tom E. Corbett, Senior Vice President  
Mariana C. Salyer, CISR, Account Manager Lead



**Agenda Item G.4**

**DEADLY WEAPON RESPONSE POLICY RENEWAL**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review and approve the renewal of the Deadly Weapon Response insurance for SBASIA for the period July 1, 2023 to July 1, 2024.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board.

**FISCAL IMPACT:** \$25,099.57 for the period of July 1, 2023 to July 1, 2024

**BACKGROUND:** The Deadly Weapon Response policy will be expiring on July 1, 2023. The insurance carrier, Beazley, a Lloyds of London syndicate, has quoted the expiring limit of \$500,000 per claim, \$2,500,000 aggregate and \$10,000 deductible. This is a claims made and reported policy with a retroactive date of 7/1/18.

The Deadly Weapon Response policy provides sublimits of \$250,000 each for Crisis Management Services, Counseling Services, Funeral Expenses, First Party Property Damage, Business Interruption and Demo/Clearance/Memorialization. These sublimits are part of the overall limit and not in addition to the overall limit.

**ATTACHMENTS:** 2023-2024 Deadly Weapon Response Proposal

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

<b>INSURED</b>	South Bay Area Schools Insurance Authority
<b>INSURANCE COMPANY:</b>	Underwriters at Lloyd's of London
<b>LLOYD'S CONSORTIUM:</b>	Deadly Weapon Protection Consortium 9779 Comprising 100%: 50.0000% Lloyd's Syndicate 2623 AFB 10.9800% Lloyd's Syndicate 0623 AFB 12.2000% Lloyd's Syndicate 4472 LIB 12.2000% Lloyd's Syndicate 1969 APL 07.3100% Lloyd's Syndicate 1301 IGO 07.3100% Lloyd's Syndicate 1686 AXS
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2023 – July 1, 2024
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	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.
<b>LIMITS:</b>	
Each and Every Deadly Weapon Event including Claim Expenses	\$ 500,000
Annual Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
<b>DEDUCTIBLE:</b>	\$10,000 Each and every Deadly Weapon Event including Claims Expenses
<b>RETROACTIVE DATE:</b>	7/1/2018

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)

\$ 500,000	1 <sup>st</sup> Party Property Damage – Each and every event depending on option bound
\$ 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
\$ 250,000	Transit Extension – Response Fees for events associated with <b>reported</b> rolling stock exposures
\$ 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

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

### ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

### EXCLUSIONS:

(Including But Not Limited To)

- 90 day grace period for reporting of new locations
- 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
- Transit Extension - \$250,000 sublimit for event response fees associated with **reported** rolling stock values.
- **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

## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

### **EXCLUSIONS - CONTINUED:**

(Including But Not Limited To)

- 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.
- 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



## ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

### **EXCLUSIONS - CONTINUED:**

(Including But Not Limited To)

- Property Damage in care, custody or control of Named Insured or person under contract (except as maybe provided by the 1<sup>st</sup> Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages
- 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.

### **ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:**

(Including But Not Limited To)

- 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

<b>ANNUAL PREMIUM:</b>	\$ 24,326.00 Premium \$ 729.78 Surplus Lines Taxes \$ <u>43.79</u> Surplus Lines Fees <b>\$ 25,099.57 Total Cost</b>
<b>DEFENSE INSIDE/OUTSIDE THE LIMITS:</b>	Inside
<b>MINIMUM EARNED PREMIUM:</b>	25% Minimum Earned Premium
<b>PROPOSAL VALID UNTIL:</b>	No expiry date, however, insurers may withdraw it at any time without notice.
<b>CLIENT SCHEDULE TOTAL:</b>	\$3,884,906,160
<b>SUBJECTIVITIES:</b>	<ul style="list-style-type: none"><li>• Completed and Signed Request to Bind Coverage Form (See last page)</li><li>• Completed and Signed Surplus Lines Document(s) (If applicable)</li><li>• Complete Schedule of Values on file to share with the carrier.<ul style="list-style-type: none"><li>○ If the binding Schedule of Values fluctuates by 20% in either direction than what was quoted the premium may be adjusted.</li></ul></li><li>• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.</li><li>• Note that the above premiums are inclusive of a post-binding telephonic review from Crisis Risk.</li><li>• Payment is required 20 days prior to the settlement due date of 60 days from inception to enable us to pay insurers in a timely manner. If payment is not received by insurers on this date they may issue notice of cancellation of coverage. In the event of cancellation for non payment of premium, the time on risk premium will be due and payable, calculated at pro rata from inception to the date cancellation is effective.</li></ul>

**See Disclaimer Page for Important Notices and Acknowledgement**



**Agenda Item G.5**

**REVENUE AND EXPENSE BUDGET FOR JULY 1, 2023-2024**

**ACTION ITEM**

**ISSUE:** The Board of Directors should adopt a Budget as well as review and approve the member contributions based on the allocation of anticipated expenses for the fiscal year July 1, 2023- June 30, 2024.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board of Directors.

**FISCAL IMPACT:** To be determined. The final effect on SBASIA's financial condition is unknown due primarily to the unforeseen actual costs of claims assumed during the 23-24 fiscal year. Funding of these claims at 90% confidence level is conservative and in accord with general joint powers authority sound funding practices. Using the 90% confidence level, the anticipated loss funding is \$2,500,000. Last year the anticipated loss funding was \$2,410,000.

The administrative expenses are projected to be \$473,345.

**BACKGROUND:** Government Code Section 6508 requires the governing board of a joint powers authority to adopt an annual budget prior to the inception of the fiscal year.

**ATTACHMENTS:** None



**Agenda Item G.6**

**REVIEW AND ADOPTION OF LIABILITY MEMORANDUM OF COVERAGE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2023 to July 1, 2024.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Memorandum of Coverage.

**FISCAL IMPACT:** The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. We have an estimate of the costs of liability claims covered under this Memorandum from the actuarial study. The amount is \$1,688,000 at 90% confidence level. This is reflected in the proposed budget.

**BACKGROUND:** The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached liability memorandum incorporates the excess insurance policy's terms and conditions provided by PRISM for the period July 1, 2023 to July 1, 2024. The memorandum also defines the exceptions to those terms and conditions. These exceptions are only the terms of liability and the self-insured retention.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

**ATTACHMENTS:** Liability Declarations Page  
Liability Memorandum of Coverage

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**

**LIABILITY**

**UNDERLYING MEMORANDUM OF COVERAGE**

**DECLARATIONS**

**MEMORANDUM NO. SBASIALI 001-23**

1. **Member District:** Berryessa Union School District  
1376 Piedmont Road  
San Jose, CA 95132
2. **Coverage Period:** July 1, 2023 through June 30, 2024
3. **Member District Deductible:** \$ 10,000 **Each Occurrence, offense or wrongful act**
4. **Limits of Liability:**
  - a. Liability Coverage \$ 250,000 **Each Occurrence, offense or wrongful act\***
5. **Sub-limits of Liability:**
  - a. Injunctive Relief/Non-Monetary Claims \$50,000 **Each Occurrence, offense or wrongful act\*/\$200,000 SBASIA Aggregate**

\*One limit applies regardless of the number of members involved

**FORMS AND ENDORSEMENTS:** **Form LIAB-1**  
**FORMING PART OF THE POLICY**  
**AT INCEPTION**

\_\_\_\_\_  
President, Mike Mathiesen

\_\_\_\_\_  
Date

*It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.*

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
LIABILITY  
UNDERLYING MEMORANDUM OF COVERAGE  
FORM NO. LIAB-1**

**1. INSURING AGREEMENT**

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay on behalf of the Member District **Loss** resulting from any occurrence, offense or wrongful act covered by the terms, except limits of liability and self-insured retentions, of the **Public Risk Innovation, Solutions, and Management (PRISM) Memorandum of Coverage No. PRISM-PE 23 EL-80** as that Memorandum of Coverage applies to SBASIA, during the Coverage Period as stated on the Declarations.

**2. ADDITIONAL COVERAGE**

In addition to the coverage provided in Section 1, SBASIA provides the following coverage. This coverage is provided by SBASIA only and is not provided on an excess basis by **Public Risk Innovation, Solutions, and Management (PRISM)**.

A. SBASIA will pay up to \$50,000 per claim/\$200,000 SBASIA annual aggregate for defense of an action seeking solely injunctive relief or other nonmonetary recourse from a Member District, if no other defense coverage applies to the action. The inclusion of a demand for claimant's attorney fees and/or costs will not disqualify an action from this coverage, but SBASIA will not pay any such amounts awarded.

**3. MEMBER DISTRICT DEDUCTIBLE**

The Member District deductible stated under Item 3 of the Declarations page applies to each occurrence, offense or wrongful act covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **Public Risk Innovation, Solutions, and Management (PRISM) Memorandum of Coverage No. PRISM-PE 23 EL-80**.

**4. LIMITS OF LIABILITY**

The Limits of Liability stated under Item 4a of the Declarations applies to each occurrence, offense or wrongful act, regardless of the number of Member Districts involved, covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **Public Risk Innovation, Solutions, and Management (PRISM) Memorandum of Coverage No. PRISM-PE 23 EL-80**.

## 5. COVERAGE PERIOD

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

## 6. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

**LOSS** – Means the ultimate net loss as defined in the Definitions section of the **Public Risk Innovation, Solutions, and Management (PRISM) Memorandum of Coverage No. PRISM-PE 23 EL-80**.

**MEMBER DISTRICT OR MEMBER ENTITY** – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

## 7. OTHER INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## 8. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time. If legal proceedings are begun, the Member District shall forward to the SBASIA Claims Adjustor each paper therein, or a copy thereof, received by the Member District or the Member District's representative, together with copies of reports or investigations with respect to such claim proceedings.

## 9. DEFENSE

SBASIA shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member District, which in the opinion of SBASIA may create liability on the part of SBASIA under the terms of this Memorandum of Coverage.

**10. PAYMENT OF LOSS**

Upon final determination of **Loss**, SBASIA will promptly pay on behalf of the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

**11. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

**12. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

**To be valid, this Memorandum must be signed by SBASIA's President or Vice President.**

\_\_\_\_\_  
President, Mike Mathiesen

\_\_\_\_\_  
Date





**Agenda Item G.7**

**REVIEW AND ADOPTION OF PROPERTY MEMORANDUM OF COVERAGE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the proposed Memorandum of Coverage and adopt the Memorandum for the coverage period of July 1, 2023 to July 1, 2024.

**RECOMMENDATION:** The Program Administrator recommends adoption of the Memorandum of Coverage.

**FISCAL IMPACT:** The adoption of the Memorandum better defines the coverage for which the cost is unknown until the claims incurred are closed at some time in the future. We have an estimate of the costs of property claims covered under this Memorandum from the actuarial study. The amount is \$812,000 at 90% confidence level. This is reflected in the proposed budget.

**BACKGROUND:** The Memorandum of Coverage clarifies the losses to be covered by SBASIA and establishes certain procedures. The attached property memorandum incorporates the Excess Property insurance policy's terms and conditions provided for the period July 1, 2023 to July 1, 2024. The memorandum also defines the exceptions to those terms and conditions. These exceptions are the limits of liability, sub-limits of liability, deductible and Auto Physical Damage coverage.

A declarations page will be provided to each member describing the term of coverage, the limits provided, etc. These will be distributed to the members, along with the corresponding Memorandum of Coverage, once adopted by the Board.

**ATTACHMENTS:** Property Declarations Page  
Property Memorandum of Coverage

# SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY

## PROPERTY

### UNDERLYING MEMORANDUM OF COVERAGE

#### DECLARATIONS

##### MEMORANDUM NO. SBASIAPR 001-23

1. **Member District:** Berryessa Union School District  
1376 Piedmont Road  
San Jose, CA 95132
  
2. **Coverage Period:** July 1, 2023 through June 30, 2024
  
3. **Member District Deductible:**
  - a. Property or Auto Physical Damage \$ 10,000 Each Occurrence
  
4. **Limits of Liability:**
  - a. Property \$ 500,000 Each Occurrence
  - b. Auto Physical Damage \$ 500,000 Each Occurrence
  
5. **Sub-limits of Liability:**
  - a. Claim Preparation Expenses \$ 20,000 Each Occurrence

**FORMS AND ENDORSEMENTS:** Form PROP-1  
**FORMING PART OF THE POLICY**  
**AT INCEPTION**

\_\_\_\_\_  
President, Mike Mathiesen

\_\_\_\_\_  
Date

*It is agreed that these Declarations and the Memorandum of Coverage together with any endorsements that may be added thereto constitutes the entire coverage agreement.*

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
PROPERTY  
UNDERLYING MEMORANDUM OF COVERAGE  
FORM NO. PROP-1**

**1. INSURING AGREEMENT**

In consideration of the payment of the required contribution and subject to all the terms of this Memorandum of Coverage, SBASIA agrees to pay the Member District for **Loss** covered by the terms, except limits of liability and deductibles, of the **Alliant Property Insurance Program (APIP) Policy No. 23-24** as that Policy applies to SBASIA, during the Coverage Period as stated on the Declarations.

**2. MEMBER DISTRICT DEDUCTIBLE**

The Member District Deductible stated under Item 3 of the Declarations page applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 23-24**.

**3. LIMITS OF LIABILITY**

The Limits of Liability stated under Item 4 of the Declarations applies to each **Loss** covered by the terms and conditions, except limits of liability and deductibles, incorporated from the **Alliant Property Insurance Program (APIP) Policy No. 23-24**, except those Sub-Limits of Liability stated under Item 5.

**4. COVERAGE PERIOD**

The Coverage Period of this Memorandum is as stated under Item 2 of the Declarations.

**5. AUTO PHYSICAL DAMAGE**

- A. The terms and conditions of the APIP policy are amended to include **Auto Physical Damage Coverage**.
- B. As respects **Auto Physical Damage Coverage**, SBASIA will pay for **Loss** using the valuation, either actual cash value or replacement cost, provided in the **Alliant Property Insurance Program (APIP) Policy No. 23-24**.

- C. As respects **Auto Physical Damage Coverage**, the following are excluded:
- (1) Towing
  - (2) Diminution in Value
  - (3) Wear and tear, freezing, mechanical or electrical breakdown
  - (4) Blowouts, punctures or other road damage to tires
  - (5) Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment

## 6. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definition of words listed below had been included with the word or words each time they appear in this Memorandum of Coverage.

**LOSS** – means direct physical loss or damage to covered property and loss resulting from interruption of business, services or rental value caused by direct physical loss or damage to covered property as defined in the **Alliant Property Insurance Program (APIP) Policy**. As respects **Auto Physical Damage Coverage**, **Loss** means direct and accidental physical loss or damage to an **auto**.

**AUTO** – means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

**AUTO PHYSICAL DAMAGE COVERAGE** – covers **Loss** of an owned or hired **auto** under **Collision** and **Comprehensive Coverage**.

**COLLISION COVERAGE** – covers **Loss** caused by an **auto's** collision with another object or **auto's** overturn.

**COMPREHENSIVE COVERAGE** – covers **Loss** from any cause except **Collision**.

**MEMBER DISTRICT OR MEMBER ENTITY** – means a signatory to the Joint Powers Agreement forming the South Bay Area Schools Insurance Authority. This meaning shall apply to the term Member District or Member Entity notwithstanding any other definition to the contrary in, or any document incorporated into, this Memorandum.

## 7. OTHER INSURANCE

The coverage afforded by this Memorandum of Coverage shall be excess over any other valid and collectible insurance or coverage available to the Member District and applicable to any part of the loss, whether such other insurance or coverage is stated to be primary, excess, contingent or

otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## **8. NOTICE OF LOSS**

Upon the happening of any **Loss** likely to involve SBASIA under this Memorandum of Coverage, the Member District shall give notice, either written or oral, as soon as practicable to the Claims Adjustor of SBASIA. Such notice shall contain particulars sufficient to identify the Member District and fullest information obtainable at the time.

## **9. PAYMENT OF LOSS**

Upon final determination of **Loss**, SBASIA will promptly pay the Member District the amount of **Loss** falling within the terms of this Memorandum of Coverage.

## **10. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, SBASIA will be subrogated to all the Member District's rights of recovery against any person or organization and SBASIA shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the **Loss** to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

## **11. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of SBASIA.

**To be valid, this Memorandum must be signed by SBASIA's President or Vice President.**

\_\_\_\_\_  
President, Mike Mathiesen

\_\_\_\_\_  
Date



**Agenda Item H.1**

**SBASIA ELECTION OF OFFICERS AND EXECUTIVE COMMITTEE**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the slate of Officers and Executive Committee Member at Large presented by the Executive Committee and take nominations from the floor. The Board should elect officers and the Executive Committee Member at Large.

**RECOMMENDATION:** The Executive Committee presents the following slate of officers for consideration by the Board:

President: Mr. Mike Mathiesen, Mountain View-Los Altos Union High School District

Vice President: Mr. Mark Schiel, Santa Clara Unified School District

Treasurer: Ms. Delores Perley, Los Gatos-Saratoga Joint Union High School District

Secretary: Ms. Rebecca Westover, Mountain View Whisman School District

Member at Large: Ms. Wendy Zhang, Milpitas Unified School District

**FISCAL IMPACT:** None

**BACKGROUND:**

**Under the Bylaws – Article III - Officers reads as follows:**

- A. The officers of the Authority shall be elected at a regular meeting of the Board of Directors immediately preceding July 1<sup>st</sup> of each year. The Executive Committee may offer a slate of officers for the Board to adopt, but only after accepting and considering the nominations from the floor for each office.

**Under the Bylaws – Article IV – Executive Committee reads as follows:**

- A. An Executive Committee shall consist of the President, Vice President, Treasurer/Fiscal Agent, Secretary, and one Member at Large elected by and from the Board of Directors at the time of the election of officers.

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Board of Directors  
June 15, 2023

**Agenda Item H.2**

**INVESTMENT AUTHORITY**

**ACTION ITEM**

**ISSUE:** The Board of Directors should renew the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer for the period July 1, 2023 to June 30, 2024.

**RECOMMENDATION:** The Executive Committee will make a recommendation to the Board regarding the delegation of authority to invest funds to the Treasurer.

**FISCAL IMPACT:** None.

**BACKGROUND:** Government Code 53607 provides for the delegation of the authority of the legislative body of a local agency to invest funds to the Treasurer. Such delegation cannot exist beyond one year so the Board will need to authorize the newly elected/appointed treasurer to invest the funds of SBASIA.

**ATTACHMENTS:** None



**Agenda Item H.3**

**REVIEW OF INVESTMENT POLICY**

**ACTION ITEM**

**ISSUE:** The Board of Directors should review the Investment Policy and make any changes, if necessary.

**RECOMMENDATION:** The Program Administrator recommends the Investment Policy as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** The JPA adopted an investment policy in 2003. Government Code 53646 requires annual review of the investment policy by the governing body of a local agency. There are no recommended changes to the Investment Policy.

**ATTACHMENTS:** Investment Policy



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
(SBASIA)**

**INVESTMENT POLICY**

Adopted March 27, 2003

**I. POLICY STATEMENT**

The Policy of the South Bay Area Schools Insurance Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

**II. SCOPE OF POLICY**

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

**III. AUTHORITY**

The Authority's Treasurer is responsible for the investment activities for those funds under his/her control. The Authority may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

**IV. OBJECTIVES**

- A. Safety: The primary objective of this policy is to protect, preserve and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return on the three-month Treasury Bill.
- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

**V. REPORTING**

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

**VI. INVESTMENT INSTRUMENTS AND MATURITIES**

**A. Included Investments:**

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding*
1. U.S. Treasury		5 years	100%	100%
2. Government Agency		5 years	100%	100%
3. California Municipals	AAA	5 years	20%	20%
4. Negotiable Certificates of Deposit	A-1 or P-1/AA	3 years	30%	\$1,000,000
5. Bankers Acceptances	A-1 or P-1	180 days	30%	\$1,000,000
6. Commercial Paper	A-1, P-1, or F-1	270 days	25%	\$1,000,000
7. Local Agency Investment Fund (LAIF)			100%	100%***
8. Santa Clara County Investment Pool			100%	100%
9. Repurchase Agreements		1 year	100%	\$1,000,000
10. Medium Term Notes	AA	5 year	30%	\$1,000,000

\* Excluding U.S. Government, agency securities, LAIF and the County Investment Pool no more than 10% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.

\*\*Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code 53601)

\*\*\* Subject to a deposit limit imposed by LAIF of \$40,000,000.

**B. Excluded Investments:** The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options
4. Guaranteed Small Business Administration (SBA) Notes
5. Government National Mortgage Association (GNMA) Notes
6. Mutual Funds

**C.** The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Agency may invest in U.S. Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Agency obligations.

3. Obligations issued by the State of California or any local agency within the state which are rated "AAA" by Moody's Investors Service, Inc. (Moody's) or Standard & Poor's Corporation (Standard & Poor's). Purchases of California Municipals may not exceed 5 years in maturity or 20% of the Agency's portfolio.

4. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of two years or less, issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's. Maximum maturity is restricted to three years from date of purchase.

Purchases or negotiable certificates of deposit may not exceed three years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's (P-1) or by Standard & Poor's (A-1).

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30 percent of the Authority's investment portfolio. No more than \$1 million or 40 percent of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

6. Commercial Paper rated in the highest short-term rating category, as provided by Moody's Investors Services, Inc. (P-1), Standard & Poor's (A-1), or Fitch Financial Services (F-1). The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by Moody's, Standard & Poor's, or Fitch.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25 percent of the Authority's investment portfolio. No more than \$1 million may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

7. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases or repurchase agreements may not exceed one year in maturity and no more than \$1 million may be invested in any one issuer.

8. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "AA-" or its equivalent or better by a nationally recognized rating service.

Purchases or medium term corporate notes may not exceed five years in maturity or 30 percent of the Agency's investment portfolio. No more than \$1 million may be invested in any one issuer.

9. Local Agency Investment Fund (*L.A.I.F.*) - There are no limits on the dollar amount or percentage that the Agency may invest in LAIF.
10. Santa Clara County Investment Pool – There is no limit on the dollar amount or percentage that the Agency may invest in the County Pool.

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

## **VII. INTERNAL CONTROLS**

The system of internal control shall be established and maintained in written form. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

## **VIII. TRANSFER OF FUNDS**

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations.

## **IX. BANKS AND SECURITIES DEALERS**

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Agency funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

## X. INVESTMENT RISKS

- A. **General Policy:** The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. As needed, the Treasurer shall periodically meet with the Board of Directors to establish guidelines and strategies to control credit risk, market risk, and liquidity.
- B. **Specific Policy:** In addition to these general policy considerations, the following specific policies will be followed:
1. All transactions will be executed on a delivery versus payment basis
  2. A competitive bid process, when practical, will be used to place all investments

## XI. SAFEKEEPING AND CUSTODY

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks will be held in the Authority's name in the bank's Trust Department of the Federal Reserve Bank.

## XII. REVIEW OF INVESTMENT POLICY

The objectives and the performance of the portfolio will be reviewed annually by the Executive Committee, which will submit to the Board of Directors recommendations for changes, if any, to the Investment Policy.



**Agenda Item H.4**

**RESOLUTION ESTABLISHING MEETING DATES  
FOR FISCAL YEAR 2023-2024**

**ACTION ITEM**

**ISSUE:** The Board of Directors should adopt a resolution establishing regular meetings for the 2023-2024 fiscal year as presented in the attachment or as amended.

**RECOMMENDATION:** The Executive Committee will make a recommendation regarding the adoption of the resolution establishing meeting dates.

**FISCAL IMPACT:** None.

**BACKGROUND:** Section 54954(a) of the Government Code states that regular meetings of the governing body of a local agency be established by the bylaws or resolution.

The Bylaws do not establish days or dates for the regular meetings. Although the Bylaws require that the Board hold at least 1 regular meeting a year, it is intended to have more meetings than the minimum to facilitate the business of the JPA.

**ATTACHMENTS:** Resolution Establishing Meeting Dates for the Fiscal Year 2023 – 2024



RESOLUTION NO.: **R23-01**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
ESTABLISHING MEETING DATES  
FOR THE FISCAL YEAR THROUGH JUNE 2024**

BE IT RESOLVED THAT:

The following Board of Directors meeting dates are hereby established for the Fiscal Year through June 2024:

**December 7, 2023 10:00 A.M.**

**June 20, 2024 10:00 A.M.**

**This Resolution of the Board of Directors was adopted this 15th day of June 2023 in Mountain View, California by the following vote:**

Votes In Favor	_____
Votes Against	_____
Votes Abstaining	_____
Votes Absent	_____

Signed:

Attest:

\_\_\_\_\_

\_\_\_\_\_

Mike Mathiesen, President

Rebecca Westover, Secretary