



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING AGENDA**

LOCATION:	Mtn. View-Los Altos Union High School District 1299 Bryant Avenue Mountain View, CA 94040	A - Action I - Information
DATE/TIME:	December 7, 2023 10:00 A.M.	1 - Included 2 - Hand Out 3 - Separate 4 - Verbal

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services, in order to participate in the meeting are requested to contact Joan Crossley at Alliant Insurance Services, Inc. at (916) 643-2708.

Documents and material relating to an open session agenda item that are provided to the SBASIA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard St, Suite 460, Sacramento, CA 95815.

Page

- A. CALL TO ORDER**
- B. ROLL CALL** **A 4**
- C. APPROVAL OF AGENDA** **A 1**
- D. PUBLIC COMMENT**
This time is reserved for members of the public to address the Board of Directors on SBASIA business.
- E. CONSENT CALENDAR** **A 1**
 - 1. Board of Directors Meeting Minutes – June 15, 2023**
- F. FINANCIAL**
 - 1. Audited Financial Report as of June 30, 2023** **A 3**
A representative from James Marta & Company will present the Audited Financial Report for Year Ending June 30, 2023.
- G. LOSS CONTROL**
 - 1. Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design** **I 4**
Mr. Anthony Poston of ESM Insite will present a summary of the results of the safety inspections performed for the JPA.



H. CLAIMS

- 9-27 **1. Claims Stewardship Report** **I 1**
A representative from Carl Warren & Company will present a Claims Stewardship report.

I. GENERAL ADMINISTRATION

- 28 **1. JPA Treasurer** **A 1**
The JPA Treasurer retires at the end of December 2023. The Board will elect a new treasurer.
- 29-30 **2. Loss Control Update** **I 1**
Staff will present an update on loss control services to be performed.
- 31 **3. SELF – Molestation Claims to be reported within 60 days** **I 1**
Staff will review molestation claims reporting requirements for SELF (Schools Excess Liability Fund).
- 32-43 **4. Insurance Market Update** **I 1**
Staff will present an update on the insurance market.
- 44-52 **5. Deadly Weapons Response Program** **I 1**
Staff will review the Deadly Weapons Response Program insurance coverage.
- 53-54 **6. Target Surplus Funding Analysis as of June 30, 2023** **I 1**
Staff will present the Target Surplus Funding Analysis as of June 30, 2023.

J. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING

The next Board of Directors Meeting is set for June 20, 2024 at 10:00 a.m. The Location will be at Mountain View-Los Altos Union High School District, 1299 Bryant Ave, Mountain View, CA 94040.



Agenda Item E.1

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 – June 15, 2023

ATTACHMENTS: Board of Directors Meeting Minutes – June 15, 2023



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MOUNTAIN VIEW, CA
June 15, 2023**

MEMBERS PRESENT

Mike Mathiesen, President, Mountain View-Los Altos Union High School District
Kevin Franklin, Berryessa Union School District
Bharathi Lakshmanan, Alternate, Campbell Union School District
Victoria Knutson, Evergreen School District
Erik Walukiewicz, Los Altos School District
Dorothy Reconose, Metropolitan Education District
Stephanie Gomez, Santa Clara County Office of Education
Rebecca Westover, Mountain View Whisman School District

MEMBERS ABSENT

Sean Joyce, Lakeside Joint School District
Delores Perley, Treasurer, Los Gatos-Saratoga Joint Union High School District
Wendy Zhang, Milpitas Unified School District
Mark Schiel, Vice President, Santa Clara Unified School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Anthony Poston, ESM Insite

A. CALL TO ORDER

The meeting was called to order at 10:02 a.m.

B. ROLL CALL

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA

Mr. Mike Mathiesen recommended that items G.1. through G.5. be consolidated and approved as one action item.

A motion was made to approve the agenda as amended.

MOTION: Dorothy Reconose	SECOND: Stephanie Gomez	MOTION CARRIED
AYES: 8	NOES: 0	ABSENT: 4
	ABSTAIN: 0	

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel

D. PUBLIC COMMENT

There were no public comments.

Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MOUNTAIN VIEW, CA
June 15, 2023**

E. CONSENT CALENDAR

- 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**

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

MOTION: Rebecca Westover **SECOND:** Erik Walukiewicz **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover

NAYS: None

ABSENT: Joyce, Perley, Zhang, Schiel

F. LOSS CONTROL

- 1. Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design**

Mr. Anthony Poston of ESM Insite summarized the results of the exterior inspections performed to date and stated that overall the districts are in good shape. Mr. Poston advised that five JPA members remain to be inspected and those inspections will take place this summer and fall. Mr. Poston suggested another loss control project for the future which would be to audit security cameras to make sure they're working and are well positioned.

- 2. PRISM Loss Prevention Services**

Mr. Matt Gowan said PRISM has loss control services available and staff has provided handouts listing the services. Mr. Gowan said the services used most often by schools are the Eyres Law Group which provides free employment practices consultation and Steve Underwood, an attorney who provides free contract review.

G. FINANCIAL

G.1 Excess Liability Renewal, G.2 Excess Property and Boiler & Machinery Renewal, G.3 Crime Policy Renewal, G.4 Deadly Weapon Response Policy Renewal, and G.5 Revenue and Expense Budget for July 1, 2023-2024.

Mr. Gowan said he will go through the budget which will address action items G.1., G.2, G.3, G.4, and G.5 of the agenda.

Mr. Gowan said the Liability and Property market worldwide continues to remain hard. The Liability funding has increased by 4.5%. The funding amount is determined by the actuary. The Excess Liability coverage with PRISM from \$250,000 to \$5 million increased by 42.6%. The Excess



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MOUNTAIN VIEW, CA
June 15, 2023**

Liability coverage with SELF from \$5 million to \$55 million decreased by 3.6%. The total Liability cost increased by 13.2% compared to last year.

The Property funding has increased by 2.1%. The funding amount is determined by the actuary. The Property premium is increasing by 47.8%. The total Property cost increased 39.6% compared to last year.

The Crime premium increased by 5%. The Deadly Weapon Response Program premium increased by 30%. The admin fees increased by .77%.

The overall budget increased by 25.2% from last year.

A motion was made to approve G.1 Excess Liability Renewal, G.2 Excess Property and Boiler & Machinery Renewal, G.3 Crime Policy Renewal, G.4 Deadly Weapon Response Policy Renewal, and G.5 Revenue and Expense Budget for July 1, 2023-2024.

MOTION: Erik Walukiewicz **SECOND:** Stephanie Gomez **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel

6. Review and Adoption of Liability Memorandum of Coverage

Mr. Gowan said annually the Board adopts the Liability Memorandum of Coverage. The only change is updating the policy period.

A motion was made to approve the Liability Memorandum of Coverage for the period of July 1, 2023-2024 as presented.

MOTION: Dorothy Reconose **SECOND:** Erik Walukiewicz **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel

7. Review and Adoption of Property Memorandum of Coverage

Mr. Gowan said annually the Board adopts the Property Memorandum of Coverage. The only change is the policy period.

A motion was made to approve the Property Memorandum of Coverage for the period of July 1, 2023-2024 as presented.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MOUNTAIN VIEW, CA
June 15, 2023**

MOTION: Stephanie Gomez **SECOND:** Dorothy Reconose **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel

H. GENERAL ADMINISTRATION

1. SBASIA Election of Officers and Executive Committee

Mr. Mike Mathiesen presented the slate of officers recommended by the Executive Committee for the 2023-2024 program year. They are as follows:

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

A motion was made to elect the Officers and Executive Committee per the slate presented.

MOTION: Dorothy Reconose **SECOND:** Stephanie Gomez **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel

2. Investment Authority

Mr. Gowan stated that Government Code requires the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer. The delegation cannot exist beyond one year so the Board will need to authorize the delegation for the period of July 1, 2023 to June 30, 2024.

A motion was made to adopt the Investment Authority as presented.

MOTION: Erik Walukiewicz **SECOND:** Rebecca Westover **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover
NAYS: None
ABSENT: Joyce, Perley, Zhang, Schiel



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
MOUNTAIN VIEW, CA
June 15, 2023**

3. Review of Investment Policy

Mr. Gowan said that Government Code requires annual review of the Investment Policy. There have been no changes to the policy since it was adopted in 2003.

A motion was made to adopt the Investment Policy as presented.

MOTION: Rebecca Westover **SECOND:** Stephanie Gomez **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover

NAYS: None

ABSENT: Joyce, Perley, Zhang, Schiel

4. Resolution Establishing Meeting Dates for Fiscal Year 2023-2024

Per Government Code, the Board should adopt a resolution establishing regular meeting dates for the fiscal year.

The following dates are proposed as Board meeting dates for the fiscal year 2023-2024:

December 7, 2023, 10:00 a.m.

June 20, 2024, 10:00 a.m.

A motion was made to adopt the 2023-2024 Board meeting dates as presented.

MOTION: Erik Walukiewicz **SECOND:** Dorothy Reconose **MOTION CARRIED**
AYES: 8 **NOES: 0** **ABSTAIN: 0** **ABSENT: 4**

AYES: Mathiesen, Franklin, Lakshmanan, Knutson, Walukiewicz, Reconose, Gomez, Westover

NAYS: None

ABSENT: Joyce, Perley, Zhang, Schiel

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:39 a.m.



Agenda Item F.1

AUDITED FINANCIAL REPORT AS OF JUNE 30, 2023

ACTION ITEM

ISSUE: The Board of Directors should review and, if appropriate, approve the audited financial report.

RECOMMENDATION: The Program Administrator recommends approval of the audited financial report.

FISCAL IMPACT: None

BACKGROUND: SBASIA is required to have an audit performed each year and to file such audit with the County in which its primary office is located. It must also file the audit with the State Controller. SBASIA had James Marta & Company perform its audited financials for the year ending June 30, 2023

A representative from James Marta & Company will be present to review the report with the Board and answer any questions.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Board of Directors
December 7, 2023

Agenda Item G.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
December 7, 2023

Agenda Item H.1

CLAIMS STEWARDSHIP REPORT

INFORMATION ITEM

EXPLANATION: A representative from Carl Warren & Company will present a claims stewardship report. This will provide an overview of claim frequency and severity, claim count by year, claims by cause and claims by member.

ATTACHMENTS: Claims Stewardship Report

ANNUAL STEWARDSHIP REPORT

South Bay Area Schools Insurance Authority

December 7, 2023



CARL WARREN & COMPANY

A VENBROOK COMPANY

Your Trusted TPA Partner Since 2009

SBASIA Designated Team

Laura Birnbrauer
Claims Manager

Linda Schroeder
Claims Examiner

Executive Team

Rich McAbee
Chief Marketing
Officer

Angelique King
Executive Vice
President

Kelly Carter
Client Services
Director

Additional Claims Resources

Sheila Neuman
Subrogation Manager

Jessica Kailihiwa-Reid
Director of Claims Support

Data Reports
Reports@carlwarren.com

Client Support
ClientSupport@carlwarren.com



Combined Totals of 10-Year History

- All features occurring in Policy Years 07/01/2013 – 06/30/2023
- General Liability, Auto and Property
- A total of 659 features with a combined Total Incurred of \$10,681,169
- 567 Closed features and 92 Open features



Litigated Only

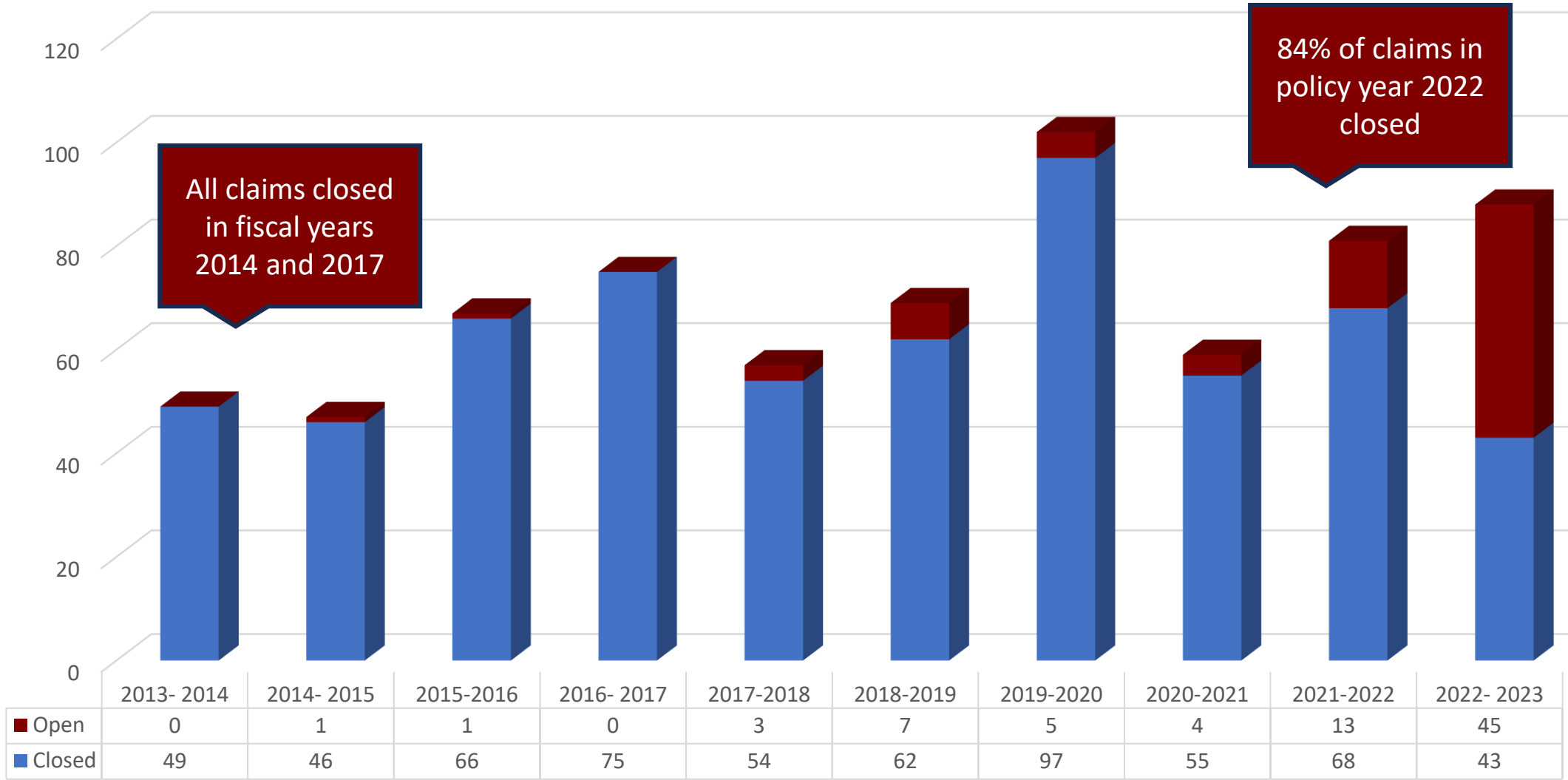
- All features occurring in Policy Years 07/01/2013 – 06/30/2023
- General Liability, Auto and Property
- 72 Litigated claims and 587 Non-litigated claims
- Combined Litigated Total Incurred of \$5,909,720



Subrogation

- All claims occurring in Policy Years 07/01/2013 – 06/30/2023
- General Liability, Auto and Property
- A total of 35 claims with a combined Total Collected of \$120,824
- All 35 claims closed

All data valued as of 06/30/2023



All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company

Feature Count by Policy Year

Open vs Closed



Closed Feature Performance

Closing Ratio



	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Entered	47	64	56	33	66	71	67	50	92	94	80	108
Closed	43	74	81	24	52	65	64	55	85	88	71	108
Closing Ratio	92%	116%	145%	73%	79%	92%	96%	110%	92%	94%	89%	100%

All data valued as of 06/30/2023

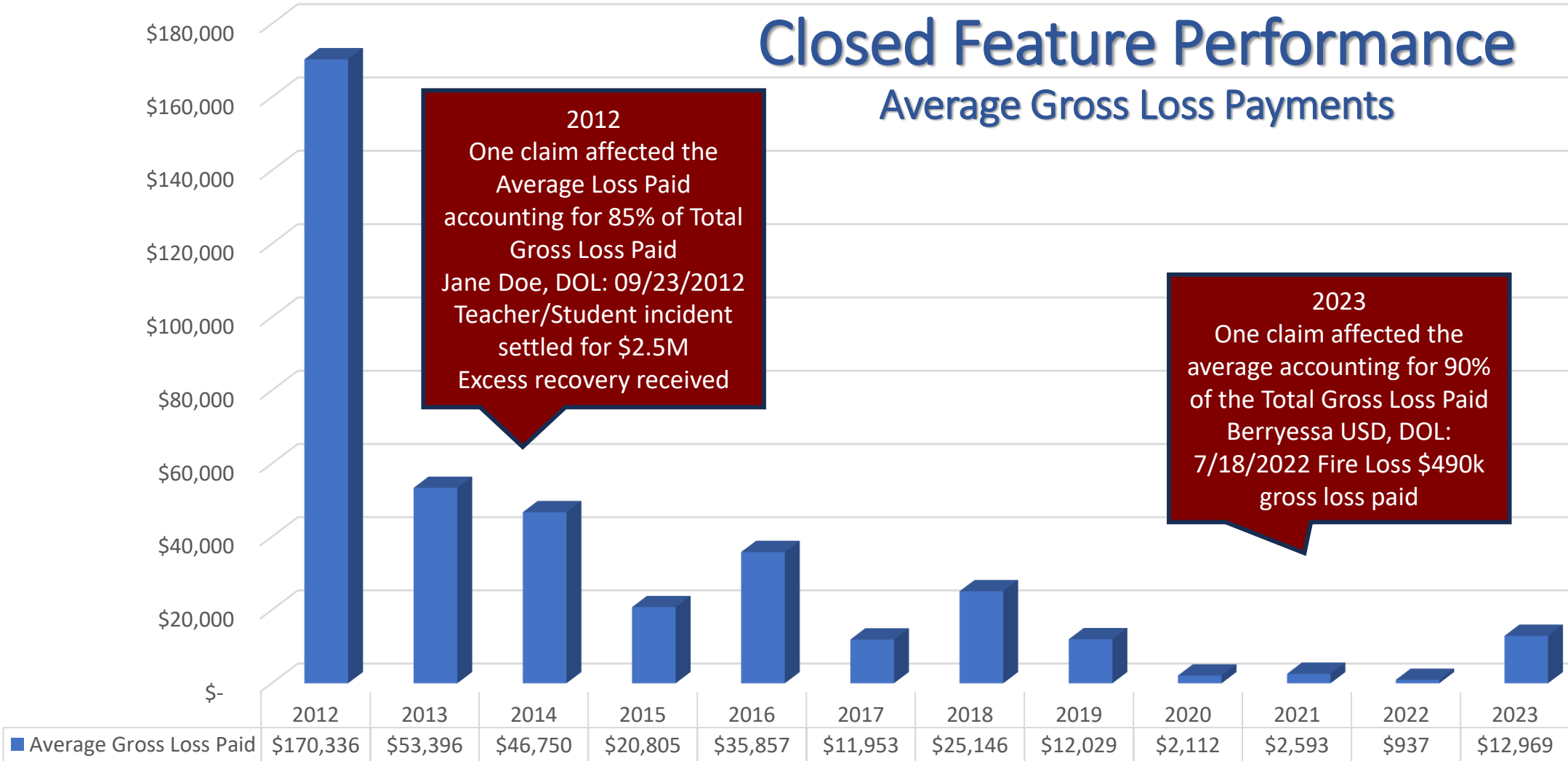
Carl Warren & Company, LLC
A Venbrook Company

Average 10 year closing ratio is 98%



Closed Feature Performance

Average Gross Loss Payments



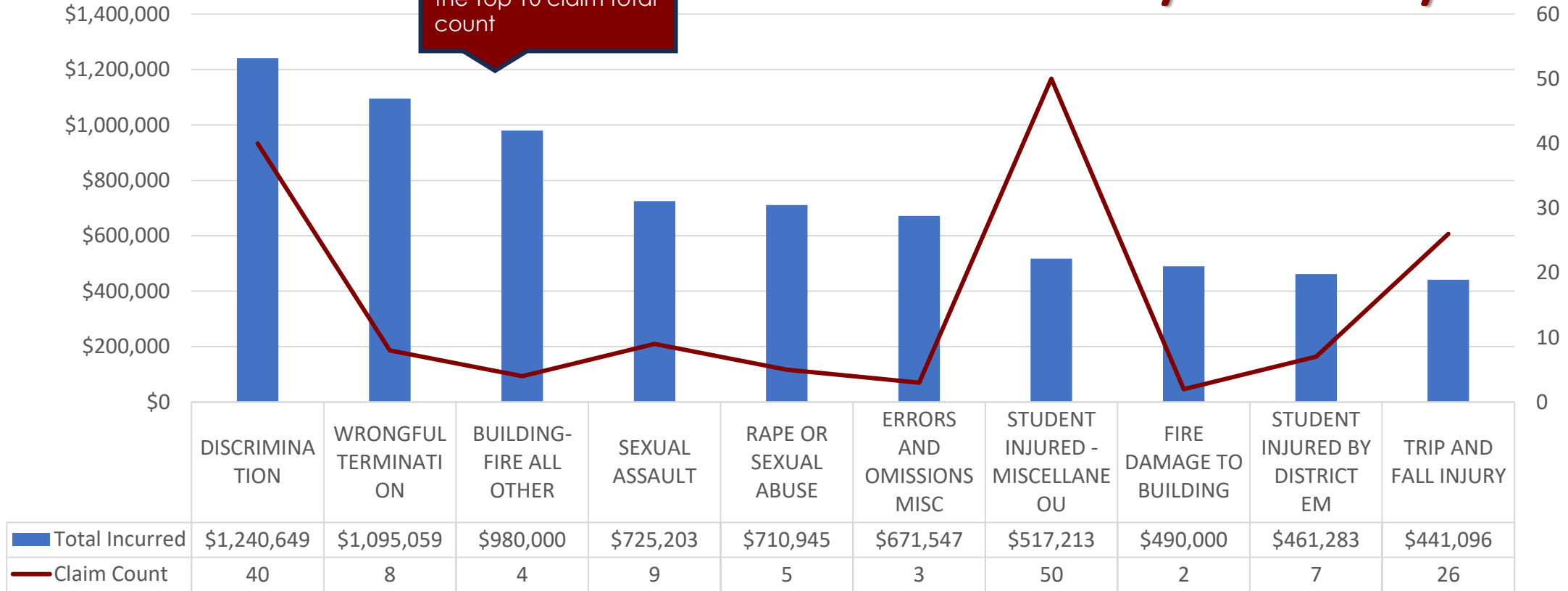
All data valued as of 06/30/2023



Top 10 Causes by Severity

Discrimination: 17% of the Top 10 total incurred and 26% of the Top 10 claim total count

Wrongful Term: 15% of the Top 10 total incurred and 5% of the Top 10 claim total count



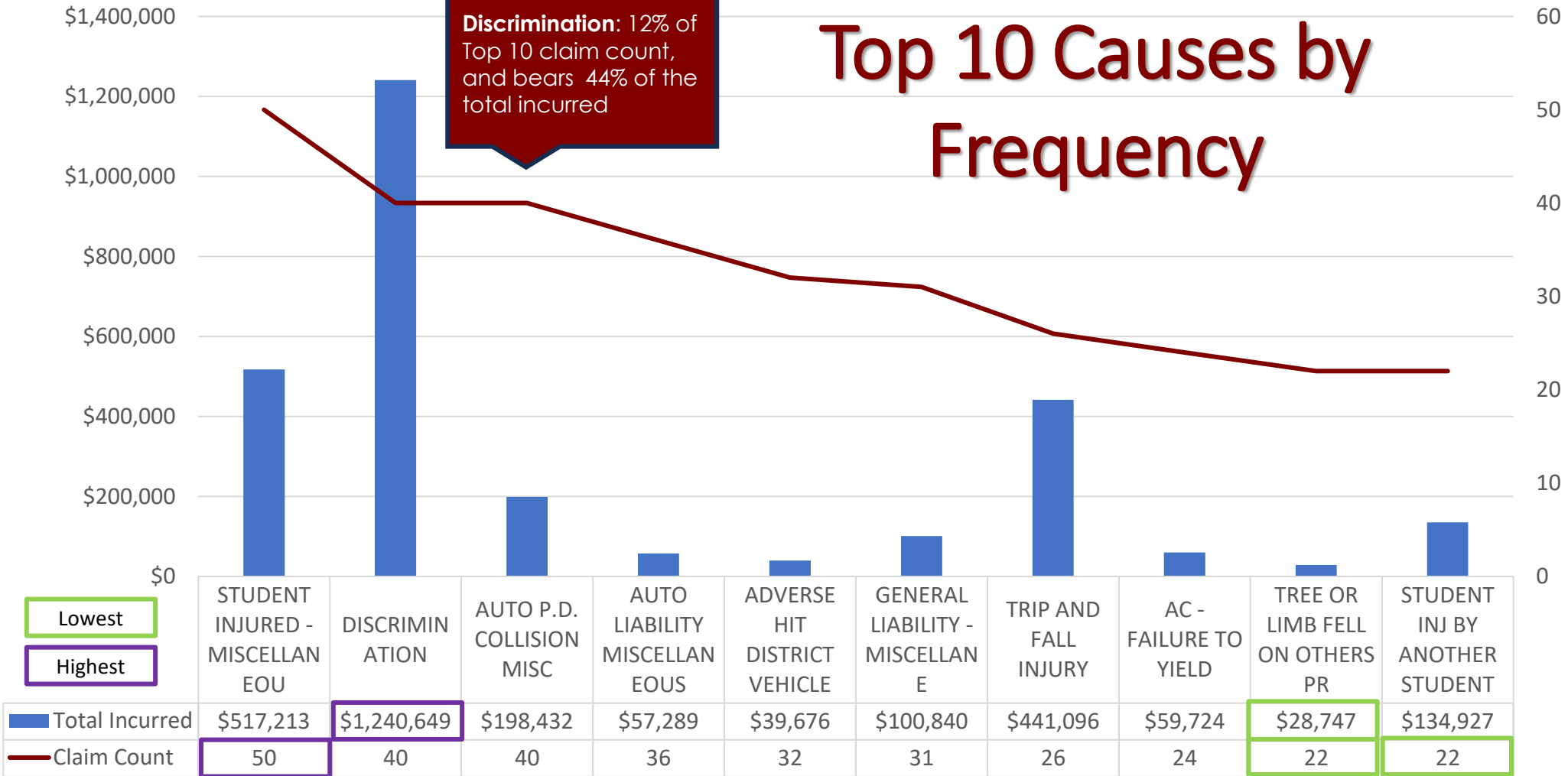
All data valued as of 06/30/2023

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Top 10 Causes by Frequency

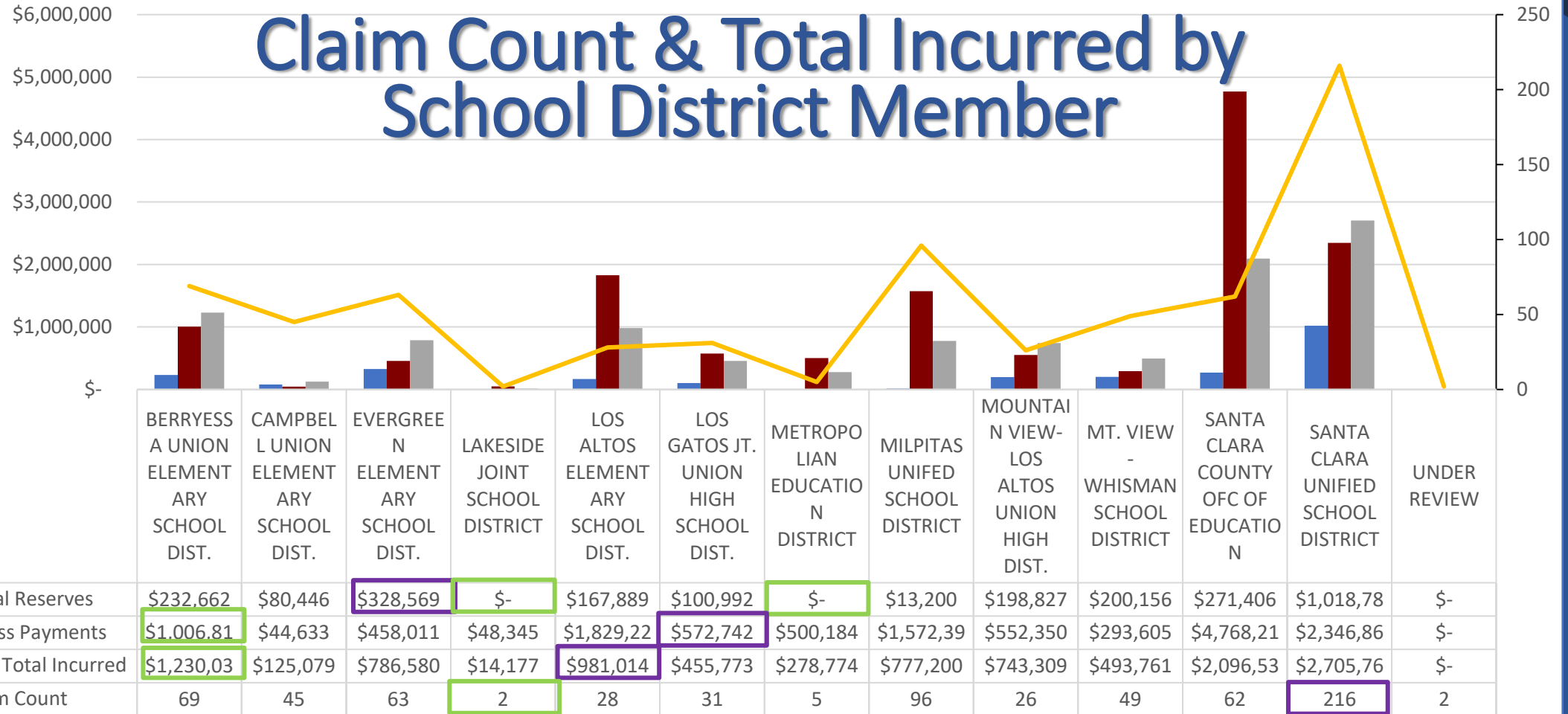
Discrimination: 12% of Top 10 claim count, and bears 44% of the total incurred



All data valued as of 06/30/2023



Claim Count & Total Incurred by School District Member



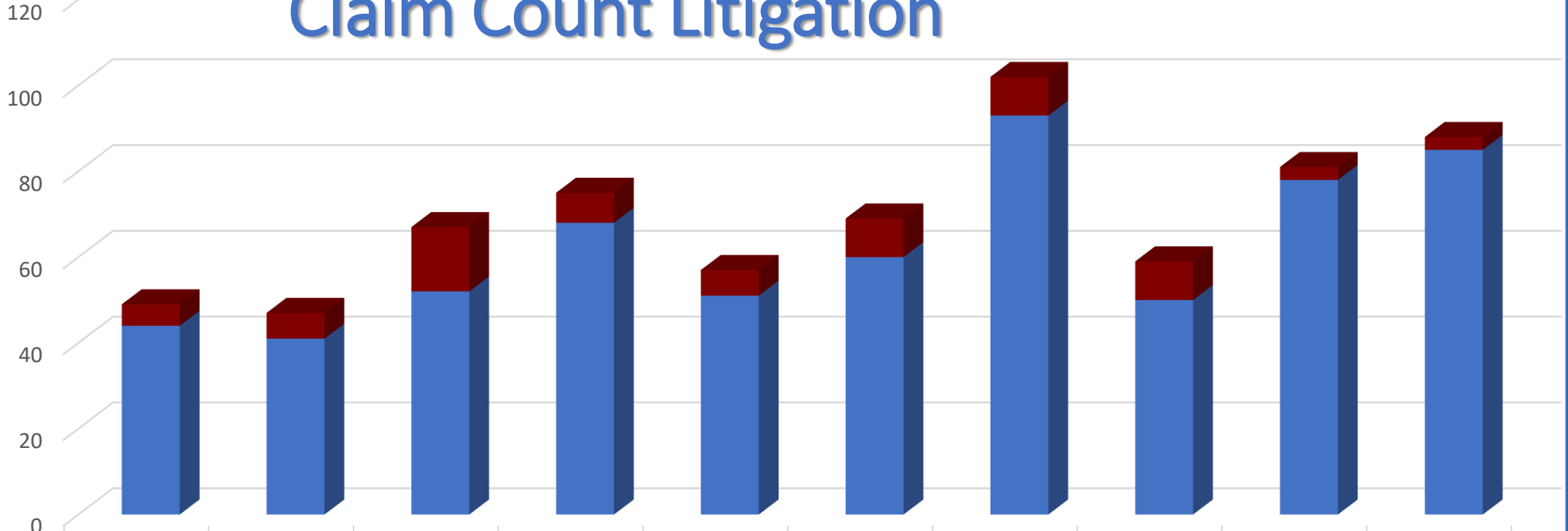
All data valued as of 06/30/2023

Carl Warren & Company, LLC
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Lowest
Highest

Claim Count Litigation



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Yes	5	6	15	7	6	9	9	9	3	3
No	44	41	52	68	51	60	93	50	78	85

All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company



Policy Year		\$0	\$1-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$250,000	\$250,000-\$500,000	\$500,000 or Greater
		Claim Count						
07/01/2013	06/30/2014	22	22	2	2	0	1	0
07/01/2014	06/30/2015	17	24	0	1	4	1	0
07/01/2015	06/30/2016	28	30	2	0	5	2	0
07/01/2016	06/30/2017	50	22	1	1	1	0	0
07/01/2017	06/30/2018	29	18	0	2	5	2	1
07/01/2018	06/30/2019	32	29	3	2	3	0	0
07/01/2019	06/30/2020	72	25	0	3	2	0	0
07/01/2020	07/01/2021	35	22	1	0	1	0	0
07/01/2021	07/01/2022	53	22	3	3	0	0	0
07/01/2022	07/01/2023	31	54	1	1	0	1	0
Total		369	268	13	15	21	7	1

Policy Year		\$0	\$1-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$250,000	\$250,000-\$500,000	\$500,000 or Greater
		Total Incurred						
7/1/2013	6/30/2014	\$0	\$98,532	\$59,353	\$180,420	\$0	\$300,000	\$0
7/1/2014	6/30/2015	\$0	\$130,265	\$0	\$54,932	\$797,192	\$253,884	\$0
7/1/2015	6/30/2016	\$0	\$114,341	\$97,867	\$0	\$1,098,913	\$745,000	\$0
7/1/2016	6/30/2017	\$0	\$118,726	\$47,175	\$50,141	\$250,000	\$0	\$0
7/1/2017	6/30/2018	\$0	\$64,113	\$0	\$160,178	\$885,451	\$939,374	\$584,842
7/1/2018	6/30/2019	\$0	\$168,194	\$107,950	\$170,237	\$570,000	\$0	\$0
7/1/2019	6/30/2020	\$0	\$136,380	\$0	\$288,455	\$350,174	\$0	\$0
7/1/2020	7/1/2021	\$0	\$161,951	\$38,554	\$0	\$240,000	\$0	\$0
7/1/2021	7/1/2022	\$0	\$113,327	\$112,748	\$240,492	\$0	\$0	\$0
7/1/2022	7/1/2023	\$0	\$386,197	\$27,652	\$55,000	\$0	\$490,000	\$0
Total		\$0	\$1,492,025	\$491,299	\$1,199,854	\$4,191,729	\$2,728,258	\$584,842

All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company

Stratification Report

Count and NET Total Incurred by Policy Year



Non Litigated				
Policy Year End	Claim Count	Total Reserves	Gross Payments	Net Total Incurred
2014	44	\$0	\$170,172	\$124,933
2015	41	\$0	\$489,079	\$470,396
2016	52	\$0	\$556,402	\$556,402
2017	68	\$0	\$109,401	\$109,401
2018	51	\$269,839	\$1,364,613	\$1,568,063
2019	59	\$63,170	\$281,821	\$253,363
2020	93	\$0	\$104,808	\$104,808
2021	50	\$12,000	\$163,043	\$134,563
2022	78	\$246,094	\$106,838	\$343,512
2023	85	\$297,689	\$565,160	\$862,848
Grand Total	622	\$888,791	\$4,411,336	\$4,778,288
Litigated				
Policy Year End	Claim Count	Total Reserves	Gross Payments	Net Total Incurred
2014	5	\$0	\$2,711,782	\$513,372
2015	6	\$33,493	\$953,793	\$765,877
2016	15	\$168,093	\$3,658,892	\$1,499,720
2017	7	\$0	\$1,002,809	\$356,641
2018	6	\$520,115	\$546,365	\$1,065,895
2019	10	\$207,072	\$805,946	\$763,018
2020	9	\$411,427	\$261,405	\$670,201
2021	9	\$200,223	\$105,719	\$305,942
2022	3	\$91,383	\$31,672	\$123,055
2023	3	\$92,334	\$3,667	\$96,000
Grand Total	72	\$1,724,141	\$9,582,048	\$5,909,720

All data valued as of 06/30/2023

Highest

Lowest

Carl Warren & Company, LLC
A Venbrook Company

Financial Summary

Litigated vs. Non-Litigated



2018-2019, Jane Doe v Milpitas High School

Claim Description: Sexual Assault by Student

Gross Loss Paid: \$500,000, Gross Expense Paid: \$84,000

Total Incurred less Reimbursement: \$250,000

2019-2020, Timothy Goulart v Santa Clara USD

Claim Description: District vehicle struck motorcyclist

Gross Loss Paid: \$125,000, Gross Expense Paid: \$25,000

Total Incurred: \$150,000

2022-2023, Berryessa USD

Claim Description: Maintenance Yard Fire

Gross Loss Paid: \$490,000

Three claims paid
over \$100k in last 5
years

All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company

Previous 5 Years
Higher Value Claims



First Party Coverage		Claim Count	Total Reserves	Gross Payments	Net Total Incurred
AUTO LIABILITY	ALL RISK BUILDINGS	2	\$0	\$24,997	\$24,997
AUTO LIABILITY	ALL RISK CONTENTS	1	\$0	\$0	\$0
AUTO LIABILITY	FIRST PARTY PROPERTY T/E	2	\$0	\$0	\$0
PROPERTY	ALL RISK BUILDINGS	40	\$52,500	\$1,239,187	\$1,182,425
PROPERTY	ALL RISK CONTENTS	25	\$10,000	\$149,017	\$159,017
PROPERTY	FIRST PARTY PROPERTY T/E	16	\$0	\$816,196	\$775,501
PROPERTY	VANDALISM, MAL MISCHIEF	4	\$0	\$19,412	\$19,412
	Grand Total	90	\$62,500	\$2,248,809	\$2,161,352
Liability Coverage		Claim Count	Total Reserves	Gross Payments	Net Total Incurred
AUTO LIABILITY	AUTO COLLISION	16	\$4,250	\$34,815	\$39,065
AUTO LIABILITY	AUTO COMPREHENSIVE	16	\$39,500	\$48,320	\$87,820
AUTO LIABILITY	BODILY INJURY	31	\$58,900	\$195,144	\$251,412
AUTO LIABILITY	PERSONAL INJURY PROTECTION	9	\$0	\$0	\$0
AUTO LIABILITY	PROPERTY DAMAGE	124	\$67,916	\$163,065	\$230,981
AUTO LIABILITY	SUBROGATION	14	\$0	\$31,088	\$14,732
GENERAL LIABILITY	BODILY INJURY	173	\$940,475	\$7,353,393	\$3,492,616
GENERAL LIABILITY	EMPLOYMENT PRACTICES	45	\$1,004,733	\$3,041,020	\$3,112,866
GENERAL LIABILITY	INCIDENT	1	\$0	\$0	\$0
GENERAL LIABILITY	LIABILITY PERSONAL INJURY	48	\$431,859	\$606,877	\$1,036,189
GENERAL LIABILITY	PROPERTY DAMAGE	65	\$2,800	\$251,392	\$254,137
PROPERTY	AUTO COLLISION	1	\$0	\$0	\$0
PROPERTY	AUTO COMPREHENSIVE	1	\$0	\$0	\$0
PROPERTY	BODILY INJURY	1	\$0	\$0	\$0
PROPERTY	PROPERTY DAMAGE	14	\$0	\$0	\$0
PROPERTY	SUBROGATION	10	\$0	\$9,420	\$0
Subrogation	AUTO COLLISION	1	\$0	\$0	\$0
Subrogation	INCIDENT	1	\$0	\$0	\$0
Subrogation	SUBROGATION	33	\$0	\$10,040	\$6,839
	Grand Total	604	\$2,550,432	\$11,744,575	\$8,526,656

All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company

Feature Count & Financials By Coverage



Percentage of Features & Total Incurred By Line of Business

Auto Liability:

33% of features and 6% of total incurred
215 features, \$649,007

General Liability:

50% of features and 74% of total incurred
332 features, \$7,895,807

Property:

17% of features and 20% of total incurred
112 features, \$2,136,355

All data valued as of 06/30/2023

Carl Warren & Company, LLC
A Venbrook Company



Our Contribution to the Partnership

Partnership Philosophy

“An arrangement where parties agree to cooperate to advance their mutual interests, achieve their mission and to amplify their reach. Our partnership, while governed by a contract, if handled correctly and professionally, saves time and money.”



- **Communication:** Open and transparent communication is the key to building and maintaining our strong relationships.
- **Goals:** We identify your goals, objectives, and concerns, and work together to succeed.
- **Consistency:** SBASIA can expect the same high level of service and support every time you engage with us.
- **Flexibility:** We are flexible and adaptable to changes in your needs and circumstances.
- **Quality:** Our external client and carrier audit scores averaged over 98% in 2022 and averaged 97% over the past three years.
- **Dedicated Claims Staff:** We remain committed to raising the bar for superior claims handling by building our bench, and talent level.
- **Carl Warren Campus:** Continuing education program for internal development opportunities and career advancement.
- **Stability:** 79 years in business with 49 years of public entity claims handling for 440 clients throughout the nation and growing!

Our Promise To You

As a member of the Carl Warren family for 14 years, we promise to continue to be a true partner with SBASIA and represent your values and interests through quality and innovative services that exceeds SBASIA and its members' expectations.

**THANK YOU FOR YOUR
PARTNERSHIP!**




CARL WARREN & COMPANY

A VENBROOK COMPANY

THANK YOU

*When we work together, we grow together,
and ultimately succeed together.*

 Kelly Ogle Carter, Client Services Director

 T: (818) 265-6712

 kogle@carlwarren.com

 www.carlwarren.com



Agenda Item I.1

JPA TREASURER

ACTION ITEM

ISSUE: The JPA Treasurer, Delores Perley, retires on December 30, 2023. The Board will need to elect a new Treasurer.

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

FISCAL IMPACT: None

BACKGROUND: Delores Perley has served as Treasurer since July 1, 2021. She has decided to retire.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Board of Directors
December 7, 2023

Agenda Item I.2

LOSS CONTROL UPDATE

INFORMATION ITEM

EXPLANATION: The Executive Committee developed a five year loss control plan in 2017. Year 2 of the plan is Liability and Property Safety Inspections on Interior of Buildings (all rooms) to include a chemical inspection. At its meeting this morning which preceded the Board meeting, the Executive Committee selected a vendor to perform the inspections.

ATTACHMENTS: Five Year Loss Control Plan



SBASIA RISK CONTROL PLANNING

Loss Control Inspections

-) Year 1 - Exterior of buildings including crime prevention through environmental design
-) Year 2 - Interior of buildings (all rooms) including chemical inspection
-) Year 3 - Fire/Electrical inspection including infrared testing for hot spots
-) Year 4 - Playground inspection including sports fields
-) Year 5 - Cyber audit



South Bay Area Schools Insurance Authority
Board of Directors
December 7, 2023

Agenda Item I.3

SELF – MOLESTATION CLAIMS TO BE REPORTED WITHIN 60 DAYS

INFORMATION ITEM

EXPLANATION: Staff will review molestation claims reporting requirements for SELF (Schools Excess Liability Fund). As stated in the SELF Memorandum of Coverage, molestation claims must be reported to SELF within 60 days upon receipt of notice of a claim.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Board of Directors
December 7, 2023

Agenda Item I.4

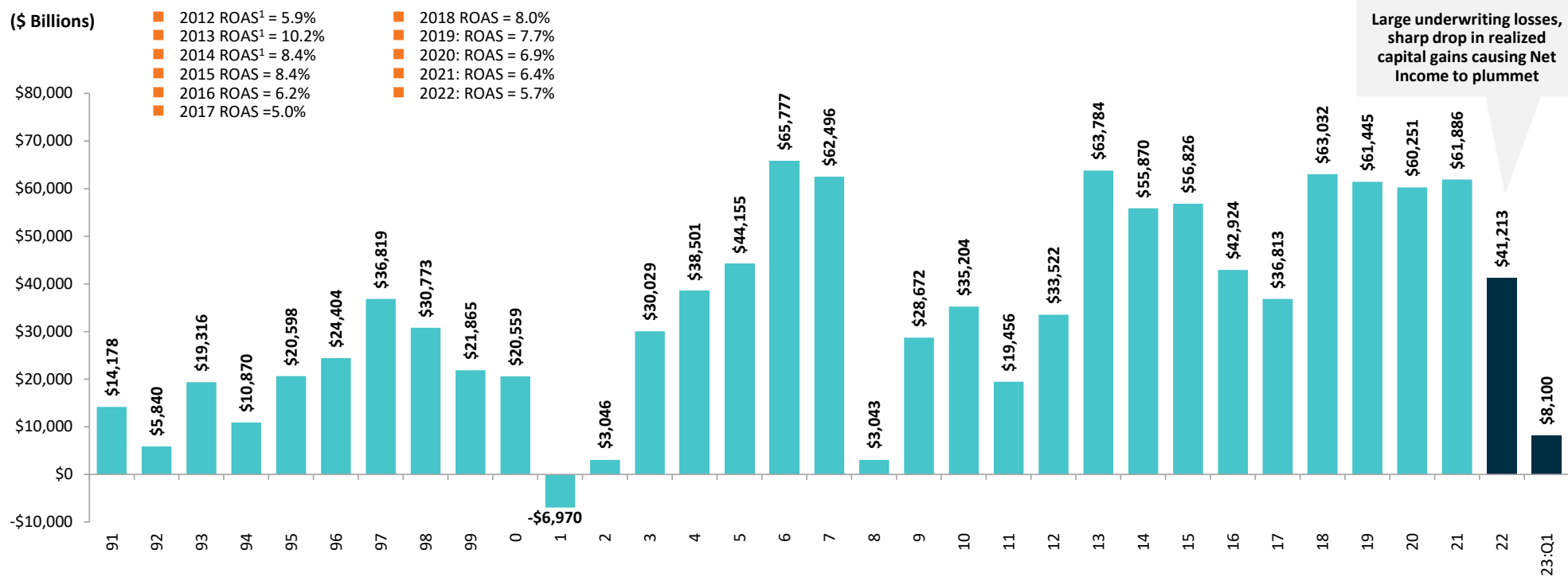
INSURANCE MARKET UPDATE

INFORMATION ITEM

EXPLANATION: Staff will update the Board of Directors on insurance market conditions.

ATTACHMENTS: State of the Insurance Market

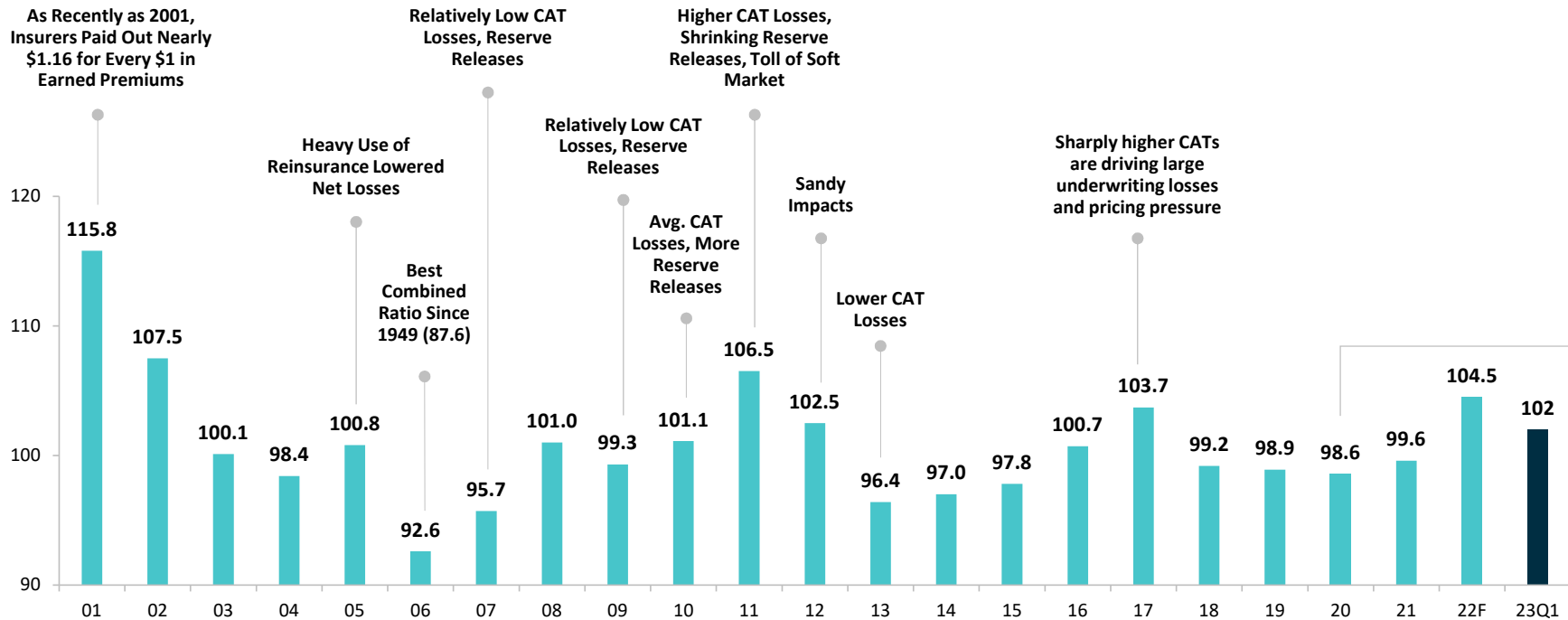
P/C Industry Net Income After Taxes, 1991–2023: Q1*



*ROE figures are GAAP; ¹Return on avg. surplus. Excludes Mortgage & Financial Guaranty insurers for years (2009-2014).
Sources: A.M. Best, ISO, APCA.



P/C Insurance Industry Combined Ratio, 2001–2023 Q1**



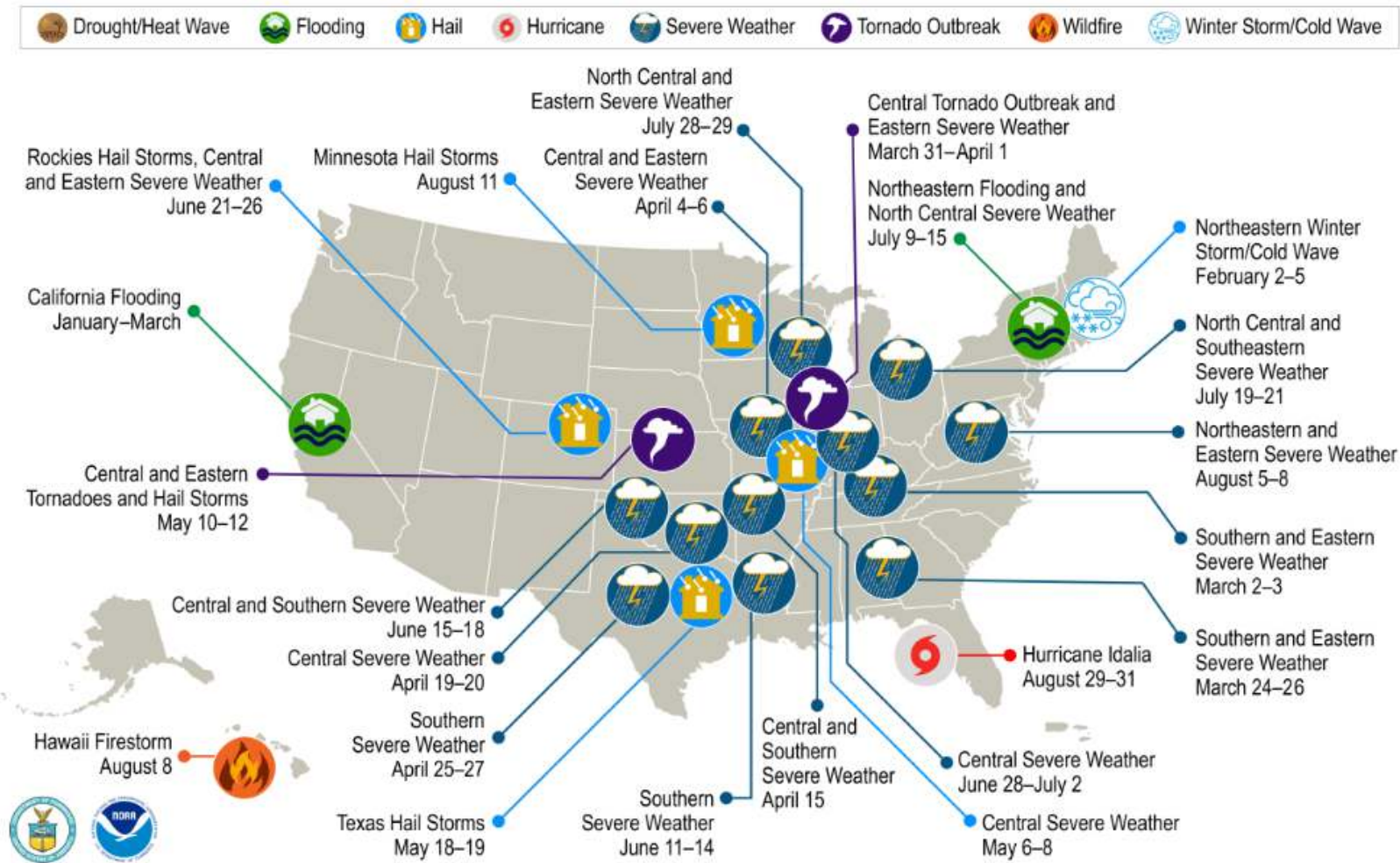
Pre-COVID 2020 Combined Ratio Est. 99.1 (A.M. Best)

Actual = 98

*Excludes Mortgage & Financial Guaranty insurers 2008–2014.
 **2022 figure is forecast. A.M. Best Review and Preview (Feb. 2021).
 Sources: A.M. Best, ISO (2014–2022F).



U.S. 2023 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 23 separate billion-dollar weather and climate disasters that impacted the United States through August 2023.

Average # of Billion Dollar Disasters

Time Period	Billion-Dollar Disasters	Events/Year	Cost	Percent of Total Cost	Cost/Year
1980s (1980-1989)	33	3.3	\$212.7B	8.1%	\$21.3B
1990s (1990-1999)	57	5.7	\$324.6B	12.4%	\$32.5B
2000s (2000-2009)	67	6.7	\$602.5B	23.0%	\$60.3B
2010s (2010-2019)	131	13.1	\$964.4B	36.9%	\$96.4B
Last 5 Years (2018-2022)	90	18.0	\$620.6B	23.7%	\$124.1B
Last 3 Years (2020-2022)	60	20.0	\$454.3B	17.4%	\$151.4B
Last Year (2022)	18	18.0	\$177.6B	6.8%	\$177.6B
All Years (1980-2023)*	371	8.4	\$2,616.1B[‡]	100.0%[‡]	\$59.5B[‡]

The distribution of damage from U.S. Billion-dollar disaster events from 1980 to 2023 is dominated by tropical cyclone losses. Tropical cyclones have caused the most damage (\$1,367.6 billion, CPI-adjusted) and have the highest average event cost (\$22.8 billion per event, CPI-adjusted). Drought (\$337.1 billion, CPI-adjusted), severe storms (\$442.2 billion, CPI-adjusted) and inland flooding (\$193.4 billion, CPI-adjusted) have also caused considerable damage based on the list of billion-dollar events.

NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2023).
<https://www.ncei.noaa.gov/access/billions/>, DOI: [10.25921/stkw-7w73](https://doi.org/10.25921/stkw-7w73)

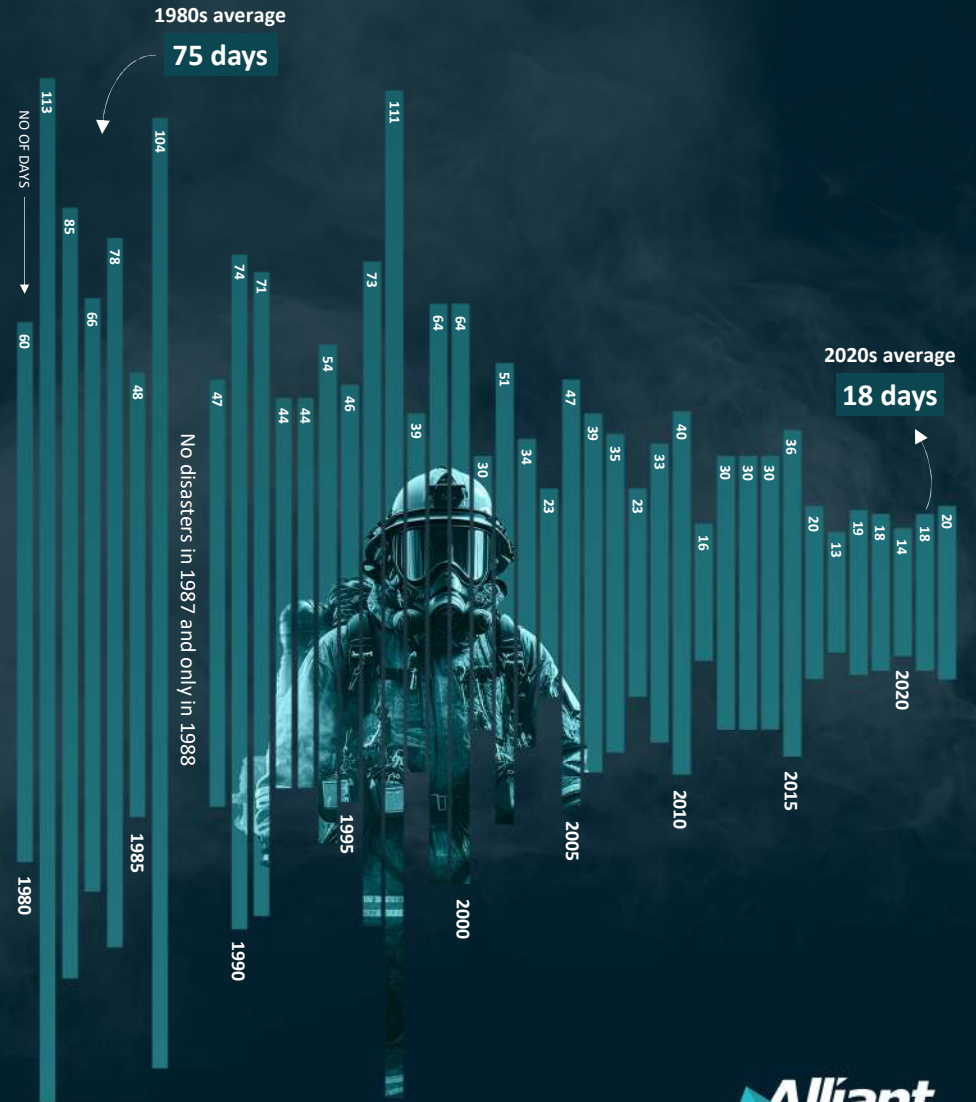


Days between billion-dollar disasters



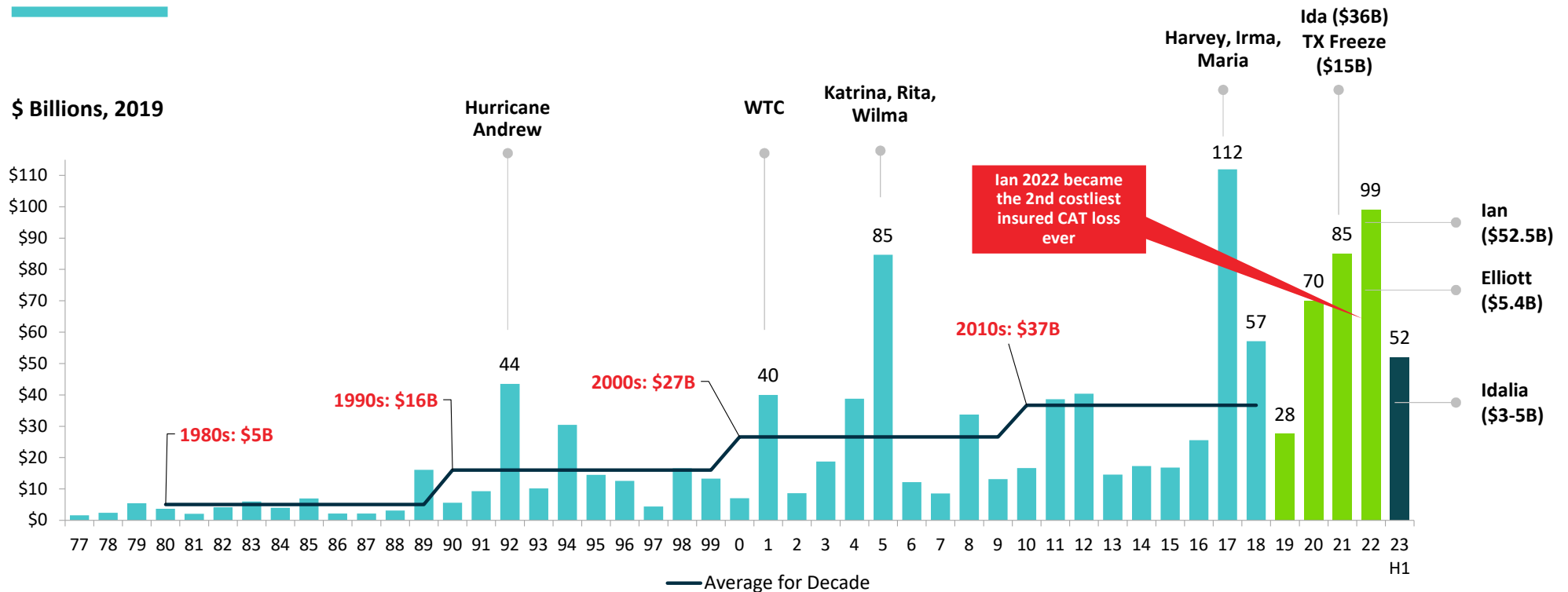
Since the 1980s, the U.S. has faced more frequent climate disasters with every passing decade. Between 2020 to 2022, the average number of days between billion-dollar disaster events within one year dropped to just 18.

Billion-dollar disasters are events where overall damages/costs reached or exceeded \$1 billion (including CPI adjustment to 2023).



Source: NOAA | PLANET ANOMALY

U.S. Inflation-Adjusted Insured CAT Losses: 1977 – 2023:H1



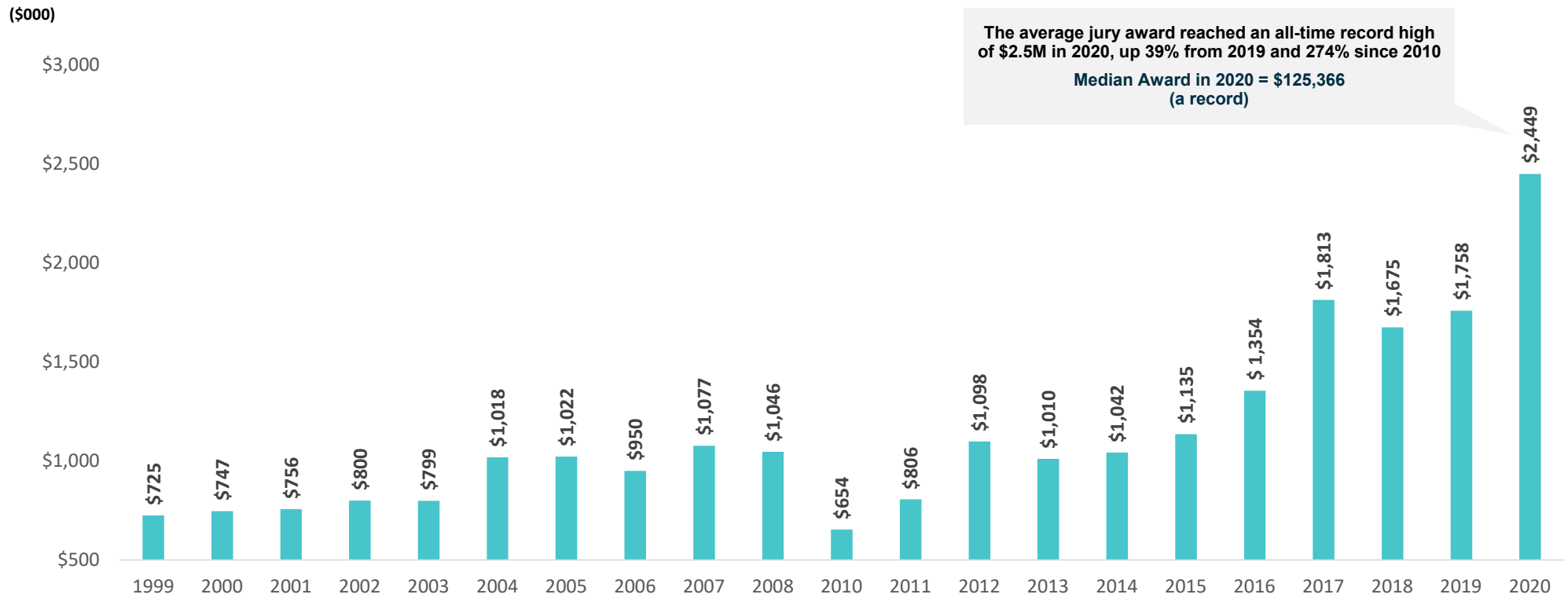
The 2020s are off to an ominous start with \$85B in average annual insured losses (2020-22)

Insured Cat Losses Are Increasing At An Alarming Rate – Nearly 700% Since 80's
Average Insured Loss per Year* | 1980-2021: \$23.8 Billion | 2012-2021: \$44.1 Billion

Sources: NAIC data sourced through S&P Global Intelligence; Insurance Information Institute.

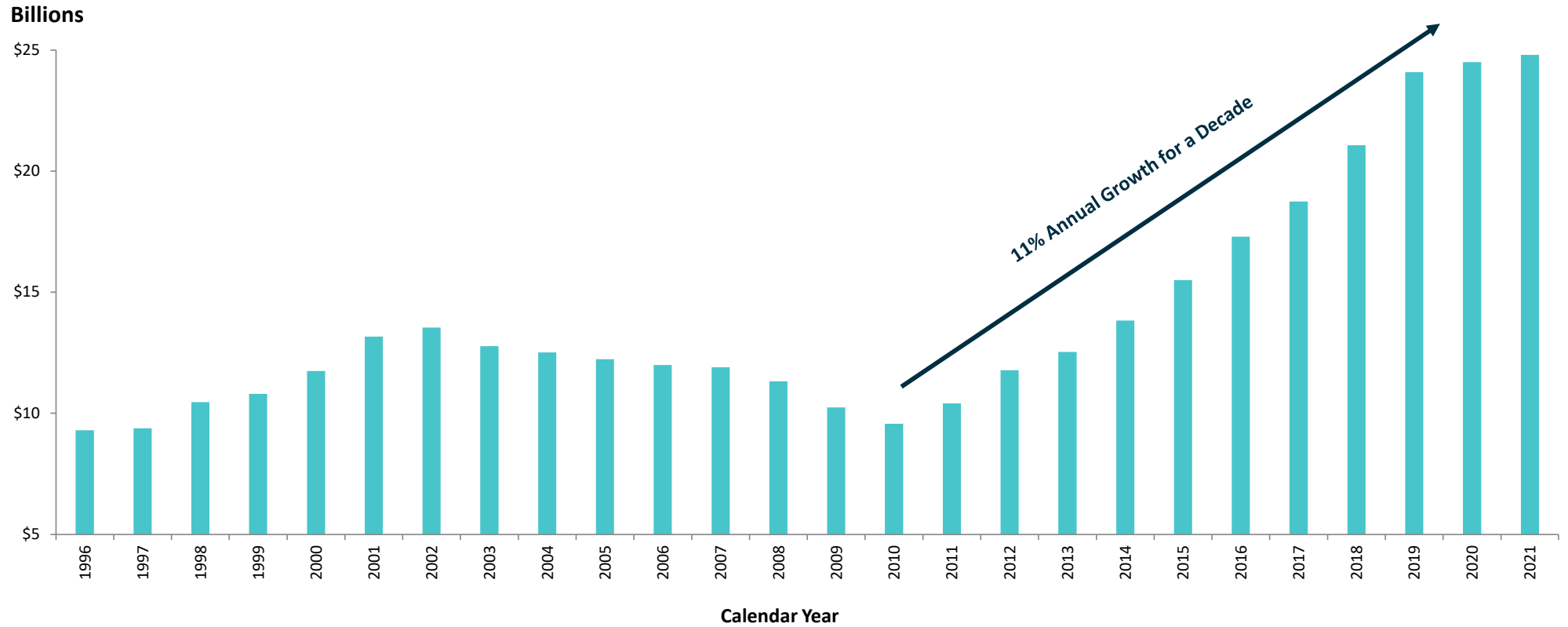


Average Jury Awards, 1999 – 2020 (latest available)



Source: Jury Verdict Research; *Current Award Trends in Personal Injury* (61st Edition), Thomson Reuters; Risk and Uncertainty Management Center, Univ. of South Carolina.

Upward Trend in Liability Claims



Sources: NAIC data sourced from S&P Market Intelligence; Insurance Information Institute.



The Big Four 2023



Iranian Escalation

Mandiant expects that Iranian cyber espionage groups will continue to conduct widespread intelligence collection activity, particularly against government and Middle Eastern targets, as well as telecommunications, transportation and other entities. We anticipate Iranian threat actors' continued willingness to use disruptive and destructive cyber attacks to remain elevated, absent a significant change to Iran's current international isolation.



Chinese Cyber Assertiveness

Chinese cyber espionage poses a high-frequency and high-magnitude threat to organizations globally, both in the public and private sectors. Key drivers of Chinese cyber threat activity will include territorial integrity and internal stability, regional hegemony, and expanding global political and economic influence. Cyber espionage and information operations activity in support of China's national security and economic interests will continue to escalate. In 2022, a pro-People's Republic of China (PRC) information operations campaign directly targeted commercial entities in an industry of strategic significance to Beijing.³ We consider this broader targeting of private sector entities to be notable, and we may see global competitors to Chinese firms in other industries targeted by such information operations.



North Korea Desires Revenue and Intelligence

We assess with high confidence that North Korea will continue to pursue operations that support the regime with both revenue streams and strategic intelligence. International political and economic isolation along with public health challenges will likely inform North Korean cyber espionage against diplomatic, military, financial and pharmaceutical targets. We expect activity to be focused primarily on South Korea, Japan and the United States, with operations also noted in Europe, the Middle East and North Africa, and South Asia.



Russia Cyber and Invasion of Ukraine

Russia's invasion of Ukraine created unprecedented circumstances for cyber threat activity. This likely is the first instance in which a major cyber power has conducted disruptive attacks, cyber espionage and information operations concurrently with widespread, kinetic military operations. Mandiant anticipates future disruptive attacks in Ukraine and suggests that they are likely to be accompanied by concurrent information operations. We expect that Russia's willingness to use disruptive tactics as well as false or coopted hacktivist fronts—to claim credit for data leaks and data destruction—to increasingly expand outside of Ukraine and its immediate neighbors.

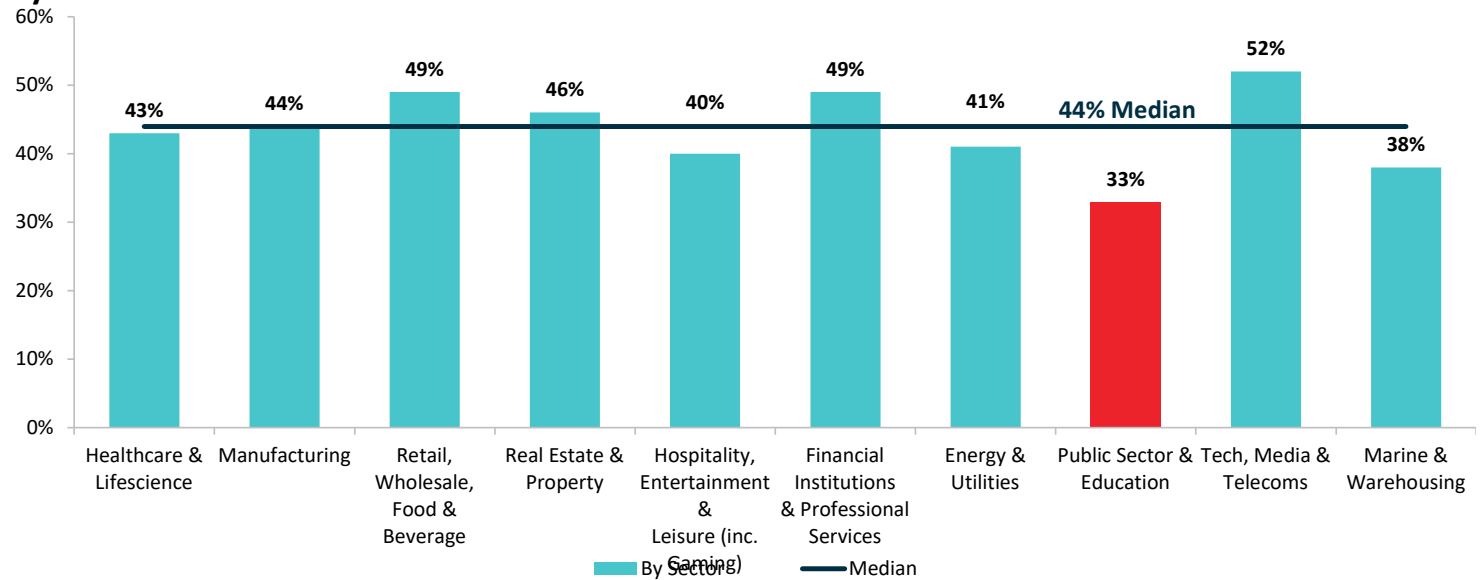
Source: Mandiant Cyber Security Forecast Report 2023

Targeting Public Entities

Security standards across the marketplace:

- Multi-factor authentication
- Well managed end point detection
- Well managed RDP connections – VPN, MFA, etc.
- Back Ups
- Planning and Training (and Frequency)
- Reasonable patching schedule/plan
- Plan or adequate measures in place to protect end of life software
- IT Security Budgets
- Email Security
- Identity Access Management
- Service Account Management

Sector view on resilience to cyber risk



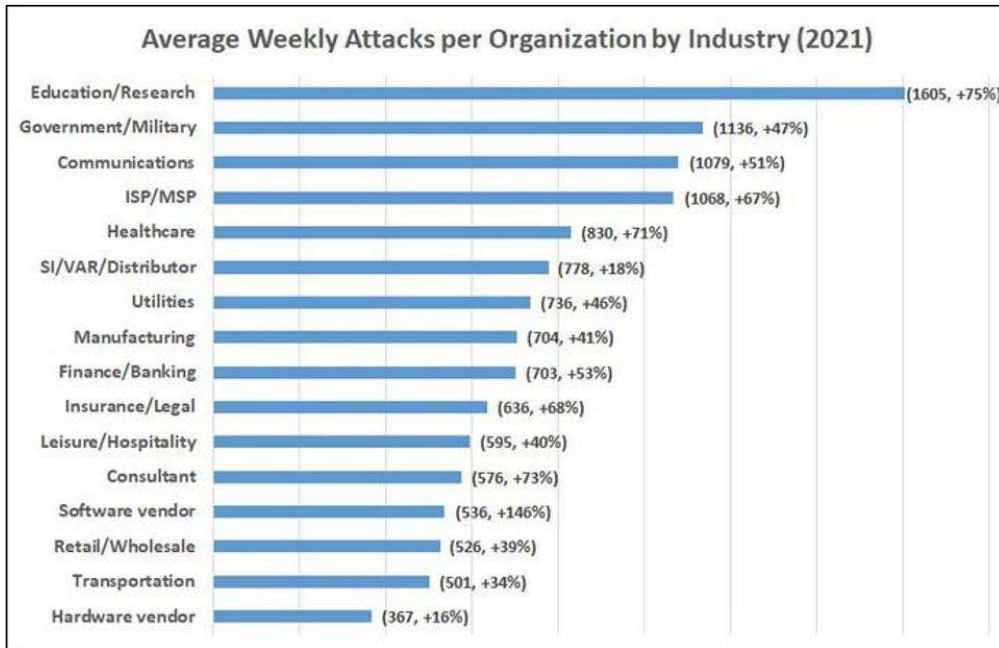
Percentage of US and UK companies feeling 'very prepared' to anticipate and respond to cyber risk in 2021. Median line indicates the mid-point of the data set across all industries surveyed.

As a result, many markets are revisiting their appetite for new Public Entity cyber

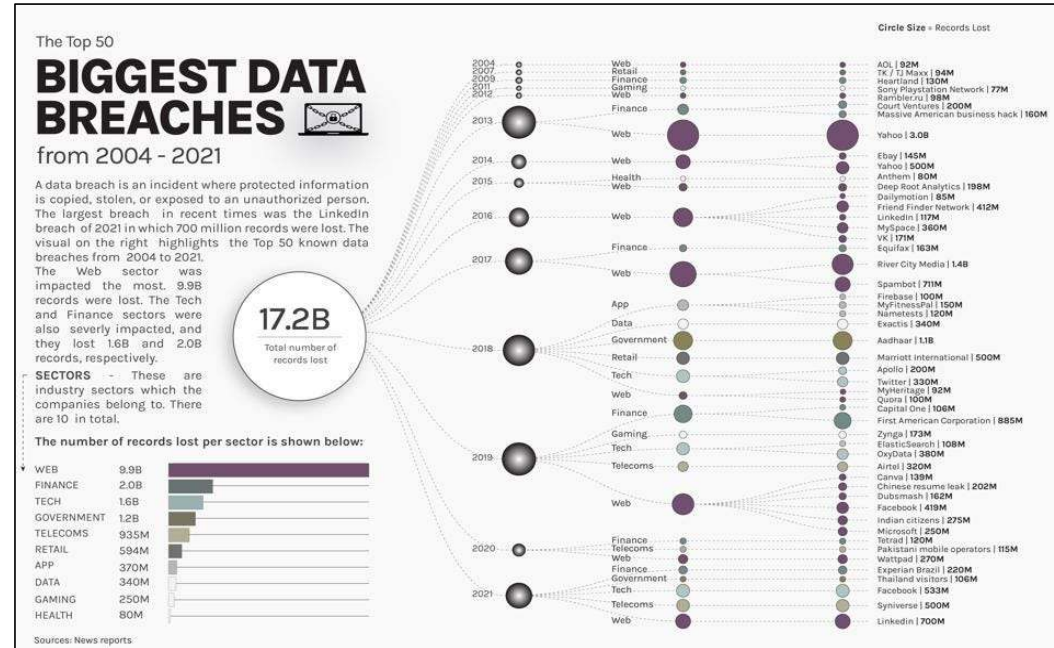


Cyber Trends in the News

Average Weekly Attacks by Industry



Largest Data Breach 2004-2021



** Information below provided by Forbes www.forbes.com



South Bay Area Schools Insurance Authority
Board of Directors
December 7, 2023

Agenda Item I.5

DEADLY WEAPONS RESPONSE PROGRAM

INFORMATION ITEM

EXPLANATION: Staff will review the Deadly Weapons Response Program insurance coverage.

ATTACHMENTS: Deadly Weapons Response Program Presentation

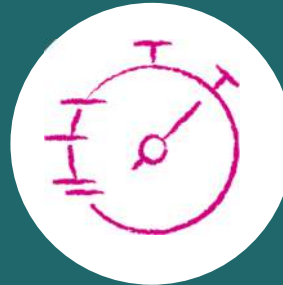
ADWRP: Coverage Overview

3 Prong Approach



Prevention

Total immunity from risk is impossible, but effective risk management can reduce it, while reinforcing commitment to the highest standards of safety.



Response

The nature and speed of the response is everything. If handled well, the response can limit the distress caused, as well as the risk of serious reputational and financial damage.



Insurance

Coverage to include Third Party Liability Insurance and Crisis Management Services, including First Party Business Interruption and Property Damage

Beazley Stand-Alone Cover

- **Third Party Liability & Defense Costs**
 - Indemnification of monetary judgments awarded following legal liability imposed by a court of law due to the *negligence* of the Insured following a DWP event. Inclusive of costs to defend all suits brought against the Insured
- **Physical Damage including Business Interruption – Sub-limits Apply**
 - Physical Damage to Insured location including demolition, clearance and memorialization costs
 - Gross Earnings
 - Ingress/Egress & Prevention of Access by Civil/Military Authorities
 - Extra Expense to resume operations
- **Crisis Management Services (pre and post event) – Sub-limits Apply**
 - CrisisRisk Crisis Management Services including but not limited to: crisis response investigation, crisis management support, public relations, media management and site security
 - Counselling Services
 - Funeral expenses
 - Response Services for Off-Site K-12 Field Trips: Event Responder Fees, Counselling Services, AD&D, Funeral Expenses and Medical Expenses only (if events not previously reported to Beazley)

Deadly Weapons Protection Coverage

What policy offers

- **Primary coverage** for liability when harm is caused by attacks using deadly weapons. This is in addition to business interruption and property damage costs.
- No restrictions on **who** the assailant is: No gang exclusions
 - However – Any claims from assailant, family of assailant, estate of assailant not covered.
- **Cover for a wide variety of weapons. Including:**
 - Any portable firearm (whether loaded or unloaded)
 - Explosive device
 - Knife
 - Syringe
 - Medical instrument
 - Corrosive substance
 - Any other handheld device or instrument which is used to deliberately cause death or bodily injury
 - Any road vehicle that is occupied and used by an assailant to deliberately cause death or bodily injury.



Deadly Weapons Protection Response Services

At the moment, policy is triggered by either a threat, a circumstance or a DWP event – at which point the insured has access to crisis response. For the purposes of our product, a DWP event is one that is defined as any event involving an assailant where a weapon has been used or **brandished** at any of your locations.

Response Services can include (but are not limited to):

- Crisis Management Services
- Public Relations
- Security Enhancement
- Counselling Services
- Legal Services
- Forensic Investigation
- Reputation / Brand Protection
- Media Management
- At our sole and entire discretion, we will consider other expense costs not listed above

Circumstance Endorsement

Definition

- **Circumstance** means a situation, action, event, behaviour, or information received, which indicates that a deadly weapon event is reasonably likely to occur.

What does the policy cover

- Will pay on your behalf for event responder fees associated with the provision of Prevention Services and Crisis Response by the event responder following any specific circumstance. No deductible applies to event responder fees.

What does this mean in practice

- This means that a client can call CrisisRisk *as soon as they are aware* of a circumstance that they are worried could escalate into something more serious and CrisisRisk will help them.

Alliant Deadly Weapon Response Program* (23/24)

Limits and Deductible:

- Joint Power Authority (JPA)/Pools:

\$500,000 each and every Deadly Weapon event and \$2,500,000 in the annual aggregate

Deductible

- \$10,000 each and every Deadly Weapon event

Sub-Limits *(Sub-Limits do not increase as main limits increase)*

- Counseling Services – \$250,000 per event
- Crisis Services Provided by CrisisRisk
- Funeral Expenses – \$15,000 per person / \$250,000 per event
- 1st Party Business Interruption – \$250,000 per event
- Demolition, Clearance and Memorialization - \$250,000 per event
- Extra Expense - \$250,000 per event
- Threat - \$250,000 per event

**Increased
limits available*

Alliant Deadly Weapon Response Program

Sub-Limits: (continued)

- Medical Expenses – \$25,000 per person / \$500,000 in the annual aggregate
- Accidental Death & Dismemberment – \$50,000 per person / \$500,000 in the annual aggregate
- Transit Coverage Extension - \$250,000 per event/ \$500,000 annual aggregate - if buses, coaches, or trains are owned, leased or provided to the insured.

The above sub-limits erode the overall Sum Insured Limit

Insured Locations

- Coverage provided for incidents occurring at a ***scheduled*** location, meaning a location that appears on your Schedule of Values (SOV) reported to Alliant.

Benefits

- Very competitive pricing due to inherent economies of scale in the offering
- No need for members to declare in depth security and footfall information for each individual location which Beazley normally require.
- More sustainable – less likely to hike pricing post losses

Alliant Deadly Weapon Response Program

Contact Information if Deadly Weapon Event Occurs

Call CrisisRisk at 24 Hour Hotline 860-677-3790

Email CrisisRisk at DWP@crisisrisk.com



Agenda Item I.6

TARGET SURPLUS FUNDING ANALYSIS AS OF JUNE 30, 2023

INFORMATION ITEM

EXPLANATION: The Board of Directors annually reviews the Target Surplus Funding Analysis. The Target Surplus Funding Analysis indicates at what confidence level claims liabilities are being funded and how many full limit losses SBASIA can absorb. The ratios shown are similar to those used by the insurance companies to evaluate their financial strength, but altered to more appropriately reflect the strength of a self-insured pool. SBASIA established the Target Surplus goal to be the actuarially determined 80% confidence level, discounted for investment, subject to a minimum surplus of \$2.5 million.

ATTACHMENTS: Target Surplus Funding Analysis as of June 30, 2023

South Bay Area Schools Insurance Authority

Target Surplus Funding Analysis at Current SIR as of June 30, 2023

Net Contribution 2022/23:	\$2,879,585
Maximum Retention:	\$500,000
O/S Reserves at 6/30/23:	\$7,153,711
Surplus at 6/30/23:	\$3,316,377

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Net Contribution:Surplus	≤1.5:1	\$1,919,723	0.87
Surplus:Retention	≥5:1	\$2,500,000	6.63
O/S Reserve:Surplus	≤1.5:1	\$4,769,141	2.16

Target Surplus Funding	
Minimum Surplus Requirement	\$2,500,000
Surplus Available for Dividend	\$816,377

History of Surplus Available for Dividend	Dividend Declared
6/30/2008 - \$798,141	\$783,579
6/30/2009 - \$652,067 projected	\$400,000
3/31/2011 - \$704,950 projected	\$150,000
3/31/2012 - \$500,000 projected	\$250,000

2023/24 Pool Funding Options

Confidence levels	Factor	Pool Funding	Surplus
Expected	1.000	1,674,000	-
70%	1.195	2,000,000	326,000
75%	1.299	2,174,000	500,000
80%	1.420	2,377,000	703,000
90%	1.777	2,975,000	1,301,000

Three Year Funding Plan

	Amount to Add To Surplus	Max Available Dividend	Est. Surplus Balance
Estimated Balance at 6/30/23	N/A	816,377	\$3,316,377
2023/24 - Collection @ 90% CL	1,301,000	1,301,000	\$3,801,000
2024/25 - Collection @ 90% CL	1,301,000	2,602,000	\$5,102,000
2025/26- Collection @ 90% CL	1,301,000	3,903,000	\$6,403,000

