



SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY BOARD OF DIRECTORS MEETING AGENDA

LOCATION: **Campbell Union School District**
 155 N. Third Street
 Campbell, CA 95008

A - Action
I - Information

DATE/TIME: **June 18, 2015**
 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 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

Page

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA **A 4**

D. PUBLIC COMMENT
This time is reserved for members of the public to address the Board of Directors on SBASIA business. **I 4**

1 **E. CONSENT CALENDAR** **A 1**

- 2-6* **1. Board of Directors Meeting Minutes – December 4, 2014**
- 7-13* **2. Financial Report for Quarter Ending March 31, 2015**
- 14-15* **3. Investment Report for Quarter Ending March 31, 2015**

F. FINANCIAL

- 16* **1. Excess Liability Renewal** **A 1**
 Staff will present the Excess Liability renewal for the period of July 1, 2015-2016.
- 17-18* **2. Resolution to Join Schools Excess Liability Fund (SELF)** **A 1**
 The Board will need to adopt a resolution to join SELF.



- | | | | |
|-------|--|---|---|
| 19-23 | 3. Review and Adoption of Liability Memorandum of Coverage
<i>Staff will present the Liability Memorandum of Coverage for July 1, 2015-2016.</i> | A | 1 |
| 24 | 4. Excess Property Renewal and Boiler & Machinery Renewal
<i>Staff will present the Excess Property and Boiler and Machinery renewal for period of July 1, 2015-2016.</i> | A | 1 |
| 25-37 | 5. Alliant Property Insurance Program Claims Reporting Acknowledgement
<i>Staff will present claims reporting procedures for the Property, Cyber Liability and Pollution coverage.</i> | A | 1 |
| 38 | 6. Crime Policy Renewal
<i>Staff will present the renewal of the Crime Policy for period of July 1, 2015-2016.</i> | A | 1 |
| 39-44 | 7. Review and Adoption of Property Memorandum of Coverage
<i>Staff will present the Property Memorandum of Coverage for July 1, 2015-2016.</i> | A | 1 |
| 45 | 8. Revenue and Expense Budget for July 1, 2015-2016
<i>Staff will present the Revenue and Expense Budget for July 1, 2015 –2016 for Board approval.</i> | A | 1 |
| 46 | 9. Carl Warren & Company Trust Account
<i>The Board should decide whether to increase the replenishment amount for the trust account.</i> | A | 1 |

G. GENERAL ADMINISTRATION

- | | | | |
|-------|--|---|---|
| 47 | 1. SBASIA Election of Officers and Executive Committee
<i>The Executive Committee will present a slate of officers for July 1, 2015-2016.</i> | A | 4 |
| 48 | 2. Investment Authority
<i>Per Government Code, the Board will need to approve the delegation of authority to invest or reinvest SBASIA funds.</i> | A | 4 |
| 49-54 | 3. Review of Investment Policy
<i>Per Government Code, the Board must review the Investment Policy annually.</i> | A | 1 |



- 55-56 **4. Resolution Establishing Meeting Dates for Fiscal Year 2015-2016** **A 1**
The Board will need to adopt meeting dates for July 1, 2015-2016.
- 57-63 **5. CSAC EIA Labor Law/Employment Practices Program** **I 1**
Staff will present labor law/employment practices program available to CSAC EIA members.

H. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING

The next Board of Directors Meeting is set for Thursday, December 3, 2015 at 10:00 A.M. at Campbell Union School District, 155 N. Third Street, Campbell, CA 95008.



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 – December 4, 2014**
- 2. Financial Report for Quarter Ending March 31, 2015**
- 3. Investment Report for Quarter Ending March 31, 2015**

ATTACHMENTS: Board of Directors Meeting Minutes – December 4, 2014
Financial Report for Quarter Ending March 31, 2015
Investment Report for Quarter Ending March 31, 2015



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
CAMPBELL, CALIFORNIA
December 4, 2014**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Nelly Yang, Vice President, Evergreen School District
Phuong Le, Treasurer, Berryessa Union School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Mark Allgire, Member at Large, Santa Clara Unified School District
Randy Kenyon, Los Altos School District
Carolyn Shen, Alternate, Milpitas Unified School District

MEMBERS ABSENT

Eric Bitter, Lakeside Joint School District
Greg Medici, Los Gatos-Saratoga Joint Union High School District
Debbie Fry, Metropolitan Education District
Mike Mathiesen, Mountain View-Los Altos Union High School District
Terese McNamee, Mountain View Whisman School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Tracey Smith-Reed, Gilbert Associates, Inc.
Mark Davis, Davis & Young
Brandon Schlenker, Carl Warren & Company
Vince West, Carl Warren & Company
Jim Marta, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:07 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.

MOTION: Randy Kenyon

SECOND: Mark Allgire

MOTION CARRIED

AYES: 7

NOES: 0

ABSTAIN: 0

ABSENT: 5

AYES: Crawford, Yang, Le, Coats, Allgire, Kenyon, Shen

NAYS: None

ABSENT: Bitter, Medici, Fry, Mathiesen, McNamee



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D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

- 1. Board of Directors Meeting Minutes – June 19, 2014**
- 2. Investment Report for Quarter Ending September 30, 2014**

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

MOTION: Randy Kenyon	SECOND: Phuong Le	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
		ABSENT: 5

AYES: Crawford, Yang, Le, Coats, Allgire, Kenyon, Shen

NAYS: None

ABSENT: Bitter, Medici, Fry, Mathiesen, McNamee

F. FINANCIAL

1. Audited Financial Report as of June 30, 2014

Mr. Matt Gowan introduced Mr. Jim Marta of James Marta & Company, the JPA's Financial Auditor for the year ending June 30, 2014. Mr. Marta stated net position increased by \$448,665 from the prior year. Claims expense decreased by 73.7% from the prior year. Mr. Marta commented that the IBNR (incurred but not reported) was adjusted down by \$1.2 million; the Evergreen School District molestation claims were re-examined as they were reserved as multiple claims, but the insurance carrier is treating as one claim. The JPA's operating revenues increased by 5.5% from the prior year. Total expenses decreased by 20.2% and total assets increased by 3.72%. Total liabilities decreased by 10.6%. Mr. Marta said claims discounting is currently at 0% which is recommended due to claims volatility. Mr. Marta stated the financial position of the JPA is strong and the JPA meets its target equity goal.

Ms. Barbara Coats asked what net position amount would be needed for long term investing. Mr. Marta said the typical amount is \$5 million; the JPA usually has around \$2.5 million. Mr. Marta said the JPA can ask Santa Clara County if there are any long term investment options available.

A motion was made to approve the Audited Financial Report as of June 30, 2014.

MOTION: Mark Allgire	SECOND: Randy Kenyon	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
		ABSENT: 5

AYES: Crawford, Yang, Le, Coats, Allgire, Kenyon, Shen

NAYS: None

ABSENT: Bitter, Medici, Fry, Mathiesen, McNamee



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2. Financial Report for Quarter Ending September 30, 2014

Ms. Tracey Smith-Reed said that over multiple quarters, claims payments continually increased. However, in this quarter of July 1, 2014 – September 30, 2014, claims payments have stabilized. In addition, the adjustment to the IBNR mentioned by Mr. Marta improved the net position.

A motion was made to approve the Financial Report for Quarter Ending September 30, 2014.

MOTION: Phuong Le	SECOND: Mark Allgire	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Yang, Le, Coats, Allgire, Kenyon, Shen

NAYS: None

ABSENT: Bitter, Medici, Fry, Mathiesen, McNamee

G. CLAIMS

1. Closed Session Pursuant to Government Code Section 54956.95

- a. Parreno, Margarita vs. Berryessa Union School District
- b. Armanini, Jack vs. Mountain View Whisman School District
- c. McElroy, George vs. Santa Clara County Office of Education
- d. Perrizo, Kayden vs. Santa Clara County Office of Education
- e. Petito, Ariel vs. Santa Clara Unified School District
- f. Doe, Jane vs. Santa Clara Unified School District

The Board of Directors went into closed session at 10:35 a.m.

The Board of Directors returned from closed session at 11:10 a.m.

2. Claims by Class Code

Staff presented graphs for each member district showing the frequency and severity of claims paid by class codes such as trip and fall, fire damage to building, etc. Mr. Brandon Schlenker said there is a cause code called “All Other” that exists from the prior claims adjuster. Mr. Schlenker said the adjusters will look at those claims to better categorize them. Mr. Gowan commented there is also a handout that shows the top cause for frequency and severity for each member district. Mr. Schlenker said the members can contact him if there are any questions.

H. GENERAL ADMINISTRATION

1. Claims Auditor Proposal

Mr. Gowan said CAJPA (California Association of Joint Powers Authorities) recommends a claims audit every two years. Two years ago the JPA issued a Request for Proposal (RFP) for claims auditor and only received two responses. Risk Management Services quoted a price

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significantly lower than the other auditor. At its October meeting, the Executive Committee directed staff to obtain a quote from Risk Management Services. The quote received is for \$3,210 which is 7% higher than the \$3,000 fee from two years ago. Mr. Gowan stated that to date Risk Management Services had performed just one claims audit for the JPA.

A motion was made to approve Risk Management Services to perform the claims audit.

MOTION: Randy Kenyon	SECOND: Barbara Coats	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 5
	ABSTAIN: 0	

AYES: Crawford, Yang, Le, Coats, Allgire, Kenyon, Shen

NAYS: None

ABSENT: Bitter, Medici, Fry, Mathiesen, McNamee

2. Target Surplus Funding Analysis as of June 30, 2014

Mr. Gowan said the target surplus funding analysis shows the surplus at a specific point in time. The JPA funds at a 70% confidence level and has established a minimum surplus requirement of \$2.5 million which is five times the JPA's SIR of \$500,000. As of June 30, 2014, the JPA is above the minimum surplus target by \$244,701. Mr. James Crawford commented that the Executive Committee does not think dividends should be issued at this time.

3. Cyber Liability Insurance and Cyber Security Audits

Mr. Gowan said Cyber Liability coverage was added to the JPA's PEPiP (Public Entity Property Insurance Program) policy a few years ago. The limits are not very high and the JPA is sharing the risk with other PEPiP members. Mr. Gowan went through a PowerPoint presentation on Cyber Liability that included examples of Cyber claims experienced by schools, Cyber Liability costs such as attorney fees and breach expenses and Cyber Liability limits in the PEPiP policy. The limits are \$2 million annual aggregate for each JPA member subject to \$25 million annual aggregate for all PEPiP members. There is \$500,000 limit for Privacy Notification costs which is increased to \$1 million if a Beazley vendor is used. Beazley is the Cyber Liability carrier and they are considered a premier Cyber Liability insurer. Mr. Gowan noted that Beazley has vendors who are experts and can do the work of notifying employees of a breach and setting up credit monitoring services which saves the district staff time and expense. Ms. Coats commented that Santa Clara County Office of Education has the potential to generate losses for most school districts in the county as they handle the financial systems for the school districts. Mr. Gowan said that staff had sent an application to Santa Clara County Office of Education so that a quote for a standalone Cyber Liability policy can be obtained as they have the greatest cyber exposure of any JPA member.

Mr. Gowan said the Executive Committee suggested spending some of the JPA's loss control fund on a cyber audit. Beazley highly recommended a firm called McGladrey to perform a cyber audit. Mr. Randy Kenyon noted that he works with an IT consulting firm that can probably perform an audit. The Board of Directors gave direction to staff to issue a RFP for a cyber audit and send to several firms.

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4. Alcohol Allowed on School Grounds for Special Events –New Law Effective January 1, 2015

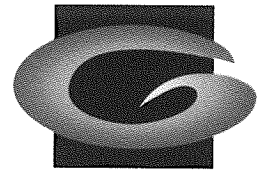
Mr. Gowan said JPA members never had to worry about alcohol in the past as it was not permitted on school campus. A new law becomes effective January 1, 2015 that allows the possession of alcohol on school campus for special events; however a license or permit from the CA Department of Alcoholic Beverage Control is required. Mr. Gowan said the JPA's Liability insurance with CSAC EIA has no liquor exclusion so JPA members have coverage for liquor related claims. Mr. Gowan stated any person or organization that wants to serve alcohol while renting school property must have minimum Liquor Liability limits of \$1 million per occurrence. Mr. Gowan noted that if members want to discourage events with alcohol, they can require higher Liquor Liability limits.

I. COMMENTS FOR THE GOOD OF THE ORDER

Mr. Schlenker said there is a new backup claims adjuster for the JPA; her name is Joyce Fairley Ray.

ADJOURNMENT

The meeting was adjourned at 11:50 a.m.



Gilbert Associates, Inc.
CPAs and Advisors

Relax. We got this.

Accountant's Compilation Report

To the Board and Management of
South Bay Area Schools Insurance Authority

We have compiled the accompanying statement of position of South Bay Area Schools Insurance Authority (SBASIA) as of March 31, 2015 and 2014, and the related statement of revenues, expenses, and changes in net position for the nine months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of SBASIA is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted statement of cash flows and the disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary statement of revenues and expenses –budget to actual is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted Management's Discussion and Analysis, Schedule of Funding Progress of Other Postemployment Benefits, Reconciliations of Claims Liabilities by Type of Contract, and Claims Development Information, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to SBASIA.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
April 29, 2015

South Bay Area Schools Insurance Authority
Statement of Net Position
As of March 31, 2015 and March 31, 2014

	<u>Mar 31, '15</u>	<u>Mar 31, '14</u>
ASSETS		
Current Assets		
Checking/Savings		
B of A - Santa Clara County	3,707,122.52	3,691,800.68
B of A - Transfer Account	10,000.00	10,000.00
B of A Claims Trust Account	50,000.00	98,003.80
B of A - General Checking	1,218,919.95	1,112,475.32
Total Checking/Savings	<u>4,986,042.47</u>	<u>4,912,279.80</u>
Accounts Receivable		
Member Receivable	-	-
Claim Recovery Receivable	546,998.16	-
Claims Deductibles	206,882.71	253,018.43
Total Accounts Receivable	<u>753,880.87</u>	<u>253,018.43</u>
Total Current Assets	5,739,923.34	5,165,298.23
Other Assets		
Interest Receivable	-	3,865.29
Prepaid Expenses		
Prepaid Contract Administration	37,500.00	37,500.00
Prepaid Excess Insurance	603,312.64	508,061.00
Total Prepaid Expenses	<u>640,812.64</u>	<u>545,561.00</u>
Total Other Assets	<u>640,812.64</u>	<u>549,426.29</u>
TOTAL ASSETS	<u>\$ 6,380,735.98</u>	<u>\$ 5,714,724.52</u>
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	\$ 7,495.72	\$ 18,172.90
Claims Reserves	650,000.00	600,000.00
Deferred Revenue	862,383.96	784,153.56
Total Current Liabilities	<u>1,519,879.68</u>	<u>1,402,326.46</u>
Long Term Liabilities		
IBNR & Reserves	1,338,114.00	1,755,405.00
Unallocated Loss Adjustment	276,000.00	177,000.00
Total Long Term Liabilities	<u>1,614,114.00</u>	<u>1,932,405.00</u>
TOTAL LIABILITIES	3,133,993.68	3,334,731.46
NET POSITION		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	244,700.97	(203,959.93)
Net Revenue Over Expenditures	502,041.33	83,952.99
TOTAL NET POSITION	<u>\$ 3,246,742.30</u>	<u>\$ 2,379,993.06</u>

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Nine Months Ended March 31, 2015 and March 31, 2014

	<u>Jan '14 - Mar '15</u>	<u>Jul '14 - Mar '15</u>	<u>Jul '13 - Mar '14</u>
Revenue			
Member Contributions			
Liability Contributions	\$ 177,331.50	\$ 531,994.50	\$ 412,449.75
Property Contributions	422,751.25	1,268,253.75	1,102,043.25
Crime Policy	3,230.00	9,690.00	9,690.09
Administration	63,321.24	189,963.72	191,527.50
Loss Funding	195,749.96	587,249.91	636,750.09
Total Member Contributions	<u>862,383.95</u>	<u>2,587,151.88</u>	<u>2,352,460.68</u>
Interest Income	-	7,832.15	11,965.53
Total Income	<u>862,383.95</u>	<u>2,594,984.03</u>	<u>2,364,426.21</u>
Expense			
General & Administrative			
General Expenses			
Accounting Services	5,250.00	15,750.00	15,750.00
Actuarial Study	-	-	5,000.00
Appraisal Services	-	-	94,740.00
Audit Expense - Claims	3,210.00	3,210.00	-
Audit Expense - Financial	-	11,870.00	11,470.00
Bank Service Charges	-	-	465.58
Conference	-	1,476.59	403.41
Dues & Membership	-	450.00	-
Supplies, Postage, Misc Expense	-	40.40	-
Total Administration	<u>8,460.00</u>	<u>32,796.99</u>	<u>127,828.99</u>
Program Administration			
Claims Management Fees	16,319.33	38,438.81	60,749.59
Contract Administration	37,500.00	112,500.00	112,500.00
Total Program Administration	<u>53,819.33</u>	<u>150,938.81</u>	<u>173,249.59</u>
Total General and Administrative Expenses	<u>62,279.33</u>	<u>183,735.80</u>	<u>301,078.58</u>
Insurance Expense			
Excess Liability Policy	177,331.50	531,994.50	412,449.75
Excess Property Policy	422,751.16	1,268,253.48	1,102,043.25
Crime Policy	3,230.00	9,690.00	9,690.00
Total Insurance Expense	<u>603,312.66</u>	<u>1,809,937.98</u>	<u>1,524,183.00</u>
Claims Expenses			
Claims Payments	137,446.64	237,421.95	563,330.29
Claims Adjustment Account	(114,626.75)	(138,153.03)	(108,118.65)
Total Claims Expenses	<u>22,819.89</u>	<u>99,268.92</u>	<u>455,211.64</u>
Total Expenses	<u>688,411.88</u>	<u>2,092,942.70</u>	<u>2,280,473.22</u>
Net Revenue Over Expenses	<u>\$ 173,972.07</u>	<u>502,041.33</u>	<u>\$ 83,952.99</u>
Net Position, Beginning		<u>\$ 2,744,700.97</u>	<u>\$ 2,296,040.07</u>
Net Position, Ending		<u>\$ 3,246,742.30</u>	<u>\$ 2,379,993.06</u>

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual
For the Quarter and Nine Months Ended March 31, 2015

	<u>Jul '14 - Mar '15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Revenue				
Member Contributions				
Liability Contributions	\$ 531,994.50	\$ 709,326.00	-177,331.50	75.0%
Property Contributions	1,268,253.75	1,691,005.00	-422,751.25	75.0%
Crime Policy	9,690.00	12,920.00	-3,230.00	75.0%
Administration	189,963.72	253,285.00	-63,321.28	75.0%
Loss Funding	587,249.91	783,000.00	-195,750.09	75.0%
Total Member Contributions	<u>2,587,151.88</u>	<u>3,449,536.00</u>	<u>-862,384.12</u>	<u>75.0%</u>
Interest Income	7,832.15	0.00	7,832.15	100.0%
Total Revenue	<u>2,594,984.03</u>	<u>3,449,536.00</u>	<u>-854,551.97</u>	<u>75.23%</u>
Expense				
General and Administrative Expenses				
General Expenses				
Accounting Services	15,750.00	22,000.00	-6,250.00	71.59%
Audit Expense - Claims	3,210.00	3,500.00	-290.00	91.71%
Audit Expense - Financial	11,870.00	12,285.00	-415.00	96.62%
Conference	1,476.59	2,500.00	-1,023.41	59.06%
Contingency	0.00	5,000.00	-5,000.00	0.0%
Dues & Membership	450.00	500.00	-50.00	90.0%
Legal Expense - JPA	0.00	2,000.00	-2,000.00	0.0%
Loss Control	0.00	100,000.00	-100,000.00	0.0%
Meeting Expense	0.00	500.00	-500.00	0.0%
Supplies, Postage, Misc Expense	40.40	0.00	40.40	100.0%
Total General Expenses	<u>32,796.99</u>	<u>148,285.00</u>	<u>-115,488.01</u>	<u>22.12%</u>
Program Administration				
Claims Management Fees	38,438.81	55,000.00	-16,561.19	69.89%
Contract Administration	112,500.00	150,000.00	-37,500.00	75.0%
Total Program Administration	<u>150,938.81</u>	<u>205,000.00</u>	<u>-54,061.19</u>	<u>73.63%</u>
Total General and Administrative Expenses	<u>183,735.80</u>	<u>353,285.00</u>	<u>-169,549.20</u>	<u>52.01%</u>
Insurance Expense				
Excess Liability Policy	531,994.50	709,326.00	-177,331.50	75.0%
Excess Property Policy	1,268,253.48	1,691,005.00	-422,751.52	75.0%
Crime Policy	9,690.00	12,920.00	-3,230.00	75.0%
Total Insurance Expense	<u>1,809,937.98</u>	<u>2,413,251.00</u>	<u>-603,313.02</u>	<u>75.0%</u>
Claims Costs				
Claims Payments	237,421.95	783,000.00	-545,578.05	
Claims Adjustment Account	-138,153.03	0.00	-138,153.03	
Total Claims Costs	<u>99,268.92</u>	<u>783,000.00</u>	<u>-683,731.08</u>	<u>12.68%</u>
Total Expense	<u>2,092,942.70</u>	<u>3,549,536.00</u>	<u>-1,456,593.30</u>	<u>58.96%</u>
Net Revenue Over Expenses	<u><u>\$ 502,041.33</u></u>	<u><u>\$ (100,000.00)</u></u>	<u><u>\$ 602,041.33</u></u>	<u><u>-502.04%</u></u>

South Bay Area Schools Insurance Authority

General Checking Account Register

January 1, 2015 - March 31, 2015

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America - 61312								
Deposit	01/09/2015				AccountsReceivable			1,373,330.31
Check	01/15/2015	10141	Carl Warren & Company	Deposit	B of A Claims Trust Account	20,000.00	4,334.89	1,393,330.31
Check	01/15/2015	10142	James Marta & Company	Replenishment Inv # 8374 - Final	Audit Expense - Financial		7,870.00	1,388,995.42
Deposit	01/23/2015			Deposit	Undeposited Funds	5,000.00		1,381,125.42
Check	01/28/2015	10143	Carl Warren & Company	November & December 2014	Claims Management Fees		7,225.22	1,386,125.42
Check	01/28/2015	10144	Carl Warren & Company	Replenishment	B of A Claims Trust Account		42,646.19	1,378,900.20
Check	01/28/2015	10145	Gilbert Associates, Inc.	4th Qtr 2014 - Inv # 307555	Accounting Services		5,250.00	1,336,254.01
Check	02/16/2015	10146	Carl Warren & Company	Replenishment	B of A Claims Trust Account		5,403.18	1,331,004.01
Check	03/10/2015	10147	Carl Warren & Company	January - Inv # 1655897 - 1655927	Claims Management Fees		5,342.73	1,325,600.83
Check	03/10/2015	10148	Carl Warren & Company	Replenishment	B of A Claims Trust Account		39,944.24	1,320,258.10
Check	03/10/2015	10149	Rick Management Services		Audit Expense - Claims		3,210.00	1,280,313.86
Check	03/10/2015	10150	Gilbert Associates, Inc.		Accounting Services		5,250.00	1,277,103.86
Check	03/27/2015	10151	Carl Warren & Company	Replenishment	B of A Claims Trust Account		49,453.03	1,271,853.86
Check	03/27/2015	10152	Carl Warren & Company	Inv # 1666176 - 1666827	Claims Management Fees		3,480.88	1,222,400.83
Total Bank of America - 61312						25,000.00	179,410.36	1,218,919.95

South Bay Area Schools Insurance Authority
Claim Payments - Carl Warren Claims Trust Account
January 1, 2015 - March 31, 2015

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount
10558	Daniel Strong, a minor	01/06/2015	9/11/2013	1878237	LBI	STRONG, DANIEL	Payment	\$1,000.00
10559	Daniel Strong, a minor	01/06/2015	10/16/2013	1878239	LBI	STRONG, DANIEL	Payment	\$1,500.00
10560	DAVIS & YOUNG, APLC	01/06/2015	9/3/2013	1882132	LBI	WIGGEN, LINDA	Payment	\$966.98
10561	DAVIS & YOUNG, APLC	01/06/2015	5/2/2013	1860712	LBI	PACHECO, FREDERIC	Payment	\$2,538.83
10562	DAVIS & YOUNG, APLC	01/06/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$7,839.19
10563	DAVIS & YOUNG, APLC	01/06/2015	7/31/2012	1859899	LPI	MCELROY, GEORGE	Payment	\$1,442.50
10564	DAVIS & YOUNG, APLC	01/06/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$2,290.25
10565	DAVIS & YOUNG, APLC	01/06/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$4,394.43
10566	DAVIS & YOUNG, APLC	01/06/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$5,224.91
10567	DAVIS & YOUNG, APLC	01/06/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$1,165.20
10568	DAVIS & YOUNG, APLC	01/12/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$2,743.34
10569	DAVIS & YOUNG, APLC	01/12/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$1,608.66
10570	DAVIS & YOUNG, APLC	01/15/2015	11/10/2013	1886281	LPI	GRANDALL, CRAIG	Payment	\$1,145.00
10571	DAVIS & YOUNG, APLC	01/15/2015	11/7/2013	1885371	LBI	PERRY, AUSTIN	Payment	\$940.00
10572	DAVIS & YOUNG, APLC	01/15/2015	12/19/2012	1858406	LBI	PETITO, ARIEL	Payment	\$2,164.00
10573	DAVIS & YOUNG, APLC	01/15/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$5,682.90
10574	DAVIS & YOUNG, APLC	01/26/2015	9/12/2012	1851064	LBI	Pott, Audrie	Payment	\$3,358.89
10575	DAVIS & YOUNG, APLC	01/26/2015	1/1/2013	1852921	LBI	SHENE, HARLEY	Payment	\$2,044.29
10576	DECISION ANALYSIS, INC.	02/04/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$7,500.00
10577	DECISION ANALYSIS, INC.	02/04/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$7,500.00
10578	DECISION ANALYSIS, INC.	02/04/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$7,500.00
10579	DECISION ANALYSIS, INC.	02/04/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$7,500.00
10580	DAVIS & YOUNG, APLC	02/05/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$3,575.85
10581	DAVIS & YOUNG, APLC	02/05/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$897.19
10582	GLOBAL OPTIONS SERVICES, INC.	02/05/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$6.00
10583	ROBERSON APPRAISAL ASSOC	02/11/2015	1/26/2015	1901713	ACL	MILPITAS USD, .	Payment	\$135.00
10584	DAVIS & YOUNG, APLC	02/17/2015	11/7/2013	1885371	LBI	PERRY, AUSTIN	Payment	\$1,385.20
10585	DAVIS & YOUNG, APLC	02/17/2015	11/10/2013	1886281	LPI	CRANDALL, CRAIG	Payment	\$1,840.00
10586	DAVIS & YOUNG, APLC	02/17/2015	9/21/2013	1894367	LPI	PERRIZO, KAYDEN	Payment	\$2,105.00
10587	DAVIS & YOUNG, APLC	03/03/2015	8/24/2011	1868927	LBI	VILLARREAL, ISABEL (MINOR)	Payment	\$5,115.13
10588	DAVIS & YOUNG, APLC	03/03/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$4,547.13
10589	DAVIS & YOUNG, APLC	03/17/2015	9/5/2012	1867378	LBI	DOE, JANE	Payment	\$2,448.94
10590	DAVIS & YOUNG, APLC	03/17/2015	7/31/2012	1859899	LPI	MCELROY, GEORGE	Payment	\$6,803.86

South Bay Area Schools Insurance Authority
Claim Payments - Carl Warren Claims Trust Account
January 1, 2015 - March 31, 2015

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount
10591	DAVIS & YOUNG, APLC	03/17/2015	9/12/2012	1851064	LBI	Pott, Audrie	Payment	\$1,680.00
10592	DAVIS & YOUNG, APLC	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$7,348.30
10593	DAVIS & YOUNG, APLC	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$3,259.67
10594	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$5,000.00
10595	DOUGLAS E. TUCKER MD	03/17/2015	8/9/2010	1614389	LBI	Pham, Wendy	Payment	\$1,625.00
10596	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$5,000.00
10597	DOUGLAS E. TUCKER MD	03/17/2015	8/9/2010	1860076	LBI	LEON, ARLETH	Payment	\$1,625.00
10598	PARK DIETZ & ASSOCIATES, INC.	03/17/2015	8/23/2011	1865109	LBI	DUONG, BECKY (MINOR)	Payment	\$5,000.00
								\$137,446.64

Claims Checking Account

Beginning Balance @ 12/31/14	\$	45,665.11
Deposits	\$	141,781.53
Claim Payments		-\$137,446.64
Ending Balance @ 3/31/15	\$	50,000.00

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 12, 2015

Submitted by: Alan Minato
Alan Minato, Controller-Treasurer

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

FROM: EMILY HARRISON, DIRECTOR OF FINANCE 

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the March 31, 2015 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, 2015 is submitted for your review and acceptance.

The attached detailed investment reports list 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	\$5,503,422,027	\$5,511,305,637	\$7,883,610	0.14%

The yield of the pool on March 31, 2015 was 0.54%. As a comparison, on March 31, 2015 the yield of a 6-month Treasury Bill was 0.14%. A two-year Treasury Note was .56%. The State of California Local Agency Investment Fund (LAIF) yield was 0.27%.

Attached with the current investment strategy is a schedule that lists the average maturities and yield for the Commingled Treasury Pool. A chart of investment concentration and of distribution of bond maturities is provided for the Pool. Also included is a chart showing the one-year history of the pool and selected interest rates.

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

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

A combination of securities maturing, 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.

If any Commingled Pool participant would like further information on this report, please let me know.

Attachments



Agenda Item F.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, 2015 – July 1, 2016.

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

FISCAL IMPACT: \$742,983 for the period of July 1, 2015 – July 1, 2016. This is the CSAC EIA premium of \$399,498 plus the SELF premium of \$343,485.

BACKGROUND: For the 2015-2016 Liability program, the JPA will maintain its self-insured retention (SIR) of \$250,000 and will purchase coverage with CSAC-EIA, the current insurer, to a \$5 million limit, then attach to SELF (Schools Excess Liability Fund) from \$5 million to \$55 million limit. The total liability limit will increase to \$55 million.

CSAC-EIA (California State Association of Counties-Excess Insurance Authority) 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 F.2

RESOLUTION TO JOIN SCHOOLS EXCESS LIABILITY FUND (SELF)

ACTION ITEM

ISSUE: The Board of Directors should adopt a resolution to join Schools Excess Liability Fund (SELF) effective July 1, 2015.

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

FISCAL IMPACT: Savings of \$140,515 on the Excess Liability premium.

BACKGROUND: The JPA currently has Excess Liability coverage with CSAC EIA at \$35 million limit. The renewal premium from CSAC EIA was 25% increase so other options were looked at. The Executive Committee decided to remain with CSAC EIA from \$250,000 to \$5 million limit then attach to SELF from \$5 million to \$55 million limit.

ATTACHMENTS: Resolution to join SELF



RESOLUTION NO.: **R15-01**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
TO JOIN SCHOOLS EXCESS LIABILITY FUND (SELF)
EFFECTIVE JULY 1, 2015**

WHEREAS, the Board of South Bay Area Schools Insurance Authority, along with other school districts of the State of California, have been studying self-funding of excess liability; and

WHEREAS, these districts and public charter schools have determined there is a need for a self-funding system for excess liability coverage by combining their respective efforts to establish, operate and maintain a Joint Powers Agency for self-funding of excess liability; and

WHEREAS, Title I, Division 7, Chapter 5, Article I (Section 6500 et seq.) of the Government Code of the State of California, authorizes joint exercise by two or more public agencies of any power common to them,

WHEREAS, California law authorizes school district to establish Self-funded Programs.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board of Directors of South Bay Area Schools Insurance Authority hereby declares its membership in the Schools Excess Liability Fund (SELF) effective July 1, 2015 and instructs its duly authorized agent to execute on behalf of the JPA, district and/or charter school, the attached Joint Powers Agreement
2. The Board authorizes South Bay Area Schools Insurance Authority to purchase the Optional Excess Liability coverage for all its members.
3. The Board instructs staff to take all necessary steps to implement this resolution.

This Resolution of the Board of Directors was adopted this 18th day of June 2015 in Campbell, California by the following vote:

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

Signed:

Attest:

James Crawford, President

Barbara Coats, Secretary



Agenda Item F.3

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, 2015 to July 1, 2016.

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. However, we have an estimate of the costs of liability claims covered under this Memorandum from the actuarial study. The amount is \$435,000 at a 70% 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 policies' terms and conditions provided by CSAC EIA for the period July 1, 2015 to July 1, 2016. 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 001-15

- 1. Member District:** Berryessa Union School District
1376 Piedmont Road
San Jose, CA 95132
- 2. Coverage Period:** July 1, 2015 through June 30, 2016
- 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*

*One limit applies regardless of the number of members involved

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

President, James Crawford

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 **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 15 EL-80** as that Memorandum of Coverage 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 occurrence, offense or wrongful act covered by the terms and conditions, except limits of liability and self-insured retentions, incorporated from the **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 15 EL-80**.

3. 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 **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 15 EL-80**.

4. COVERAGE PERIOD

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

5. 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 **CSAC Excess Insurance Authority Memorandum of Coverage No. EIA-PE 15 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.

6. 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.

7. 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.

8. 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.

9. 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.

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, James Crawford

Date



Agenda Item F.4

**EXCESS PROPERTY RENEWAL AND
BOILER & MACHINERY RENEWAL**

ACTION ITEM

ISSUE: The Board of Directors should review and approve the renewal of the Excess Property insurance as well as the Boiler & Machinery insurance for SBASIA for the period July 1, 2015 to July 1, 2016.

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

FISCAL IMPACT: \$1,517,371 for the period of July 1, 2015 to July 1, 2016.

BACKGROUND: The Excess Property policy, which provides Property coverage and Auto Physical Damage coverage on premises only, will be expiring on July 1, 2015. PEPiP (Public Entity Property Insurance Program) has quoted the expiring limit of \$1,000,000,000 excess of \$500,000 deductible on the Excess Property.

On the Boiler & Machinery insurance, PEPiP has quoted the expiring limit of \$100,000,000 excess of \$10,000 self insured retention.

Primary coverage in PEPiP is provided by Lexington Insurance which is rated A (Excellent); Financial Size Category XV (\$2 billion or greater) by A.M. Best as of 2/27/15 and A+ (Strong) by Standard & Poors pulled as of 6/5/15.

ATTACHMENTS: None



Agenda Item F.5

**ALLIANT PROPERTY INSURANCE PROGRAM CLAIMS REPORTING
ACKNOWLEDGEMENT**

ACTION ITEM

ISSUE: Alliant Property Insurance Program (APIP) has developed Claims Reporting Procedures for Property, Cyber Liability and Pollution claims. APIP requires its members to sign an acknowledgement form which outlines the steps that should be taken at the time Property, Cyber Liability and Pollution losses occur.

RECOMMENDATION: The Program Administrator recommends authorizing the Board President, Mr. James Crawford, to sign the acknowledgement form on behalf of SBASIA.

FISCAL IMPACT: None

BACKGROUND: The Alliant Property Insurance Program (APIP) includes Property coverage, Cyber Liability coverage and Pollution coverage.

ATTACHMENT(S): APIP Claims Reporting Acknowledgement(s) Receipt Form

ALLIANT INSURANCE SERVICES

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 attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email 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, 2015 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

Authorized Signature: _____

Print Name

Date

Title

ALLIANT INSURANCE SERVICES, INC.
PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Cathryn O'Meara. 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 Cell: (415) 518-8490
Email: rfrey@alliant.com

Address:

Diana L. Walizada, AIC, CPIW, RPA, AINS
Vice President, Claims Unit Manager
Voice: (415) 403-1453
Email: dwalizada@alliant.com
Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

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

Cathryn O'Meara
McLaren's
Address: 1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mclarens.com

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

Beth Diamond
Beazley Group
Address: 1270 Avenue of the America's, Suite 1200
New York, NY 10020
Telephone: (646) 943-5900 Fax: (546) 378-4039
Email: tmbclaims@beazley.com

Elaine G. Kim, CISR
Assistant Vice President, Claims Advocate
Address: 100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1458 Fax: (415) 403-1466
Email: ekim@alliant.com

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (for those who have coverage):

ACE USA Claims
Address: PO Box 5103
Scranton, PA 18505-0510
Environmental Emergency: (888) 310-9553
Fax: (800) 951-4119
Email: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

Martin Fox-Foster
Claims Advocate
Address: 100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: martin.fox-foster@alliant.com

Please include the Member /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

IN THE EVENT OF A

PROPERTY LOSS:

- 1) Follow your company 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 AND your Alliant representative*

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com

Carbon Copy PEPIC Claims Administrator: cathryn.omeara@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> Real Property | <input type="checkbox"/> Vehicles |
| <input type="checkbox"/> Personal Property | <input type="checkbox"/> Other |

Insured's Name & Contact Information

Company Name: _____
Point of Contact: _____
Phone #: _____
Address: _____

Broker/Agent's Name & Contact Information

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

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: 07/01/2015 to 07/01/2016

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 PEPiP USA Form Master Policy Wording, Section IV General Conditions;

J. 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., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A
CYBER LOSS:

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

646-943-5900

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: tmbclaims@beazley.com

CC Alliant Claims Department: rfrey@alliant.com AND dwalizada@alliant.com
And your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

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

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

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

Policy Information

Policy Number: _____ Policy Period: 7/1/15 to 7/1/16

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.



Environmental Risk

IN THE EVENT OF AN **ENVIRONMENTAL EMERGENCY:**

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

888-310-9553 or use ACE Alert app

- 4) *Report the incident to Alliant*

Martin Fox-Foster
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@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. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your company'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



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager

BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

BY FAX: (800) 951-4119

BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

CC Alliant Insurance: martin.fox-foster@alliant.com
And your Alliant representative

Today's Date: _____

Notice of: (check all that apply)

- ☐ Pollution Incident
☐ Third-Party Claim

- ☐ Potential Claim
☐ Litigation Initiated

☐ Other _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Policy Information

Policy Number: _____ Policy Period: 7/1/15 to 7/1/16

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:** _____

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

APIP Pollution: Claim Reporting Fact Sheet

This page outline the steps that should be taken BY YOU, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through PEPiP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the ***Emergency Response*** issue and the reporting provisions:

III. DEFENSE AND SETTLEMENT C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

V. DEFINITIONS

F. “Emergency response” means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

T. “Pollution condition” means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. “Remediation costs” means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

B. The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is; if you have a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.



Agenda Item F.6

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, 2015 to July 1, 2016.

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

FISCAL IMPACT: \$12,958 for the period of July 1, 2015 to July 1, 2016

BACKGROUND: The Crime policy will be expiring on July 1, 2015. The Alliant Crime Insurance Program (ACIP) with National Union Fire Insurance Company of Pittsburgh, PA as the insurance carrier has quoted a limit of \$1,000,000 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

National Union Fire Insurance Company of Pittsburgh, PA is rated A (Excellent); Financial Size Category XV (\$2 billion or greater) by A.M. Best as of 2/27/15 and A+ (Strong) by Standard & Poors pulled as of 6/5/15.

ATTACHMENTS: None



Agenda Item F.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, 2015 to July 1, 2016.

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. However, we have an estimate of the costs of property claims covered under this Memorandum from the actuarial study. The amount is \$386,000 at a 70% 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 insurance policies' terms and conditions provided by PEPiP for the period July 1, 2015 to July 1, 2016. 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 001-15

- 1. Member District:** Berryessa Union School District
1376 Piedmont Road
San Jose, CA 95132
- 2. Coverage Period:** July 1, 2015 through June 30, 2016
- 3. Member District Deductible:**
 - a. Property or Auto Physical Damage \$ 10,000 **Each Occurrence**
 - b. Crime \$ 1,000 **Each Occurrence**
- 4. Limits of Liability:**
 - a. Property \$ 500,000 **Each Occurrence**
 - b. Auto Physical Damage \$ 500,000 **Each Occurrence**
 - c. Crime \$ 5,000 **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, James Crawford

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 **Public Entity Property Insurance Program (PEPIP) Policy No. 15-16** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 02-211-26-48**, as those Policies apply 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 **Public Entity Property Insurance Program (PEPIP) Policy No. 15-16** and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 02-211-26-48**.

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 **Public Entity Property Insurance Program (PEPIP) Policy No. 15-16**, except those Sub-Limits of Liability stated under Item 5, and the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 02-211-26-48**.

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 PEPIP policy are amended to include **Auto Physical Damage Coverage**.
- B. As respects **Auto Physical Damage Coverage**, the most SBASIA will pay for **Loss** is the lesser of the actual cash value of the damaged **auto** or the cost of repairing or replacing the damaged **auto** with other property of like kind and quality.

- 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 **Public Entity Property Insurance Program (PEPIP) Policy**. As respects **Auto Physical Damage Coverage**, **Loss** means direct and accidental physical loss or damage to an **auto**. As respects **Crime**, **Loss** means loss or damage to money, securities and **other property** which results directly from theft by an employee, forgery or alteration of checks, theft, disappearance or destruction inside the premises or outside the premises in the care of a messenger, robbery or safe burglary inside the premises; loss directly related to the use of any computer to fraudulently cause a transfer; fraudulent instruction to a financial institution; money orders and counterfeit money.

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**.

OTHER PROPERTY – as respects **Crime**, means any tangible property other than money or securities that has intrinsic value but does not include any property excluded under the **National Union Fire Insurance Company of Pittsburgh, PA Crime Policy No. 02-211-26-48**.

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, James Crawford

Date



Agenda Item F.8

REVENUE AND EXPENSE BUDGET FOR JULY 1, 2015-2016

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, 2015-June 30, 2016.

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 15-16 fiscal year. However, funding of these claims at a 70 percent confidence level is conservative and in accord with general joint powers authority sound funding practices. Using the 70% confidence level, the anticipated loss funding is \$821,000. Last year the anticipated loss funding was \$783,000 with a 70% confidence level.

The administrative expenses are projected to be \$272,270.

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 F.9

CARL WARREN & COMPANY TRUST ACCOUNT

ACTION ITEM

ISSUE: The Board of Directors should decide whether to increase the replenishment amount for the Carl Warren & Company trust account from \$50,000 to \$100,000.

RECOMMENDATION: None.

FISCAL IMPACT: To be determined.

BACKGROUND: Carl Warren & Company provides third party claims administration for the JPA. Currently the accountant receives 2-3 requests per month from Carl Warren & Company to replenish the trust account.

ATTACHMENTS: None



Agenda Item G.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. James Crawford, Campbell Union School District
Vice President: Ms. Nelly Yang, Evergreen School District
Treasurer: Mr. Mark Allgire, Santa Clara Unified School District
Secretary: Ms. Barbara Coats, Santa Clara County Office of Education
Member at Large: Ms. Phuong Le, Berryessa Union 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 1st 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



Agenda Item G.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, 2015 to June 30, 2016.

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. However, such delegation cannot exist beyond one year. Thus, the Board will need to authorize the newly elected/appointed treasurer to invest the funds of SBASIA.

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Board of Directors
June 18, 2015

Agenda Item G.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 G.4

**RESOLUTION ESTABLISHING MEETING DATES
FOR FISCAL YEAR 2015-2016**

ACTION ITEM

ISSUE: The Board of Directors should adopt a resolution establishing regular meetings for the 2015-2016 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 as required to facilitate the business of the JPA. Thus, the Board should adopt the attached Resolution establishing the 2 meeting dates as proposed or as amended.

ATTACHMENTS: Resolution Establishing Meeting Dates for the Fiscal Year 2015 – 2016



RESOLUTION NO.: **R15-02**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
ESTABLISHING MEETING DATES
FOR THE FISCAL YEAR THROUGH JUNE 2016**

BE IT RESOLVED THAT:

The following Board of Directors meeting dates are hereby established for the Fiscal Year through June 2016:

December 3, 2015 10:00 A.M.

Campbell Union School District
155 N. Third Street
Campbell, CA 95008

June 16, 2016 10:00 A.M.

Campbell Union School District
155 N. Third Street
Campbell, CA 95008

This Resolution of the Board of Directors was adopted this 18th day of June 2015 in Campbell, California by the following vote:

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

Signed:

Attest:

James Crawford, President

Barbara Coats, Secretary



Agenda Item G.5

CSAC EIA LABOR LAW/EMPLOYMENT PRACTICES PROGRAM

INFORMATION ITEM

EXPLANATION: As a member of CSAC EIA's General Liability program, the JPA has access to a new Labor Law/Employment Practices program. CSAC EIA has partnered with Eyres Law Group to provide this program. The program includes:

- Legal advice/services Hotline – unlimited access;
- Real time, step-by-step guidance and support;
- Monthly newsletter customized for public entities;
- Two monthly webinars -- up to the moment information;
- Periodic updates on “breaking news” items;
- Quarterly bulletins with policy and process updates;
- Interactive Process Manual, 3rd Edition; and
- Periodic special alerts and program updates

There is no charge for these services.

ATTACHMENTS: Introduction to Labor Law/Employment Practices program



Welcome to the Monthly Labor Law/Employment Practices Services Program For CSAC EIA Member Groups (PWC and GI)

This document is designed to provide CSAC EIA pool members with an overview of the valuable new program that is available for immediate access. An introductory webinar was delivered live and recorded on January 7, 2015. The webcast is available on the MyChannel Platform, with handout materials addressing the substantive areas and variety of services available on the Hotline.

1. What is the CSAC EIA Labor Law / Employment Practices Program?

The monthly program sponsored by CSAC EIA and administered by EIA's Loss Prevention Department provides PWC and GLI members with access to confidential legal advice, process guidance, and documentation support, for the range of labor law and employment practices issues facing public entities. The comprehensive program also provides an array of additional informational resources to help our pool members stay abreast of rapidly changing legal and policy requirements for your personnel practices.

Program Objectives:

- Help participating CSAC EIA participating pool entities to manage personnel decisions and actions during increasingly challenging times;
- Reinforce knowledge for HR and risk management staff;
- Provide concrete legal advice, guidance and on personnel matters, including documentation management;
- Assist with advice and guidance to department heads, administrators and front-line supervisors to enhance policy enforcement and compliance; and
- Provide regular updates on legislative and regulatory changes and case law that affect public agencies.

Program Components

- Legal advice/services Hotline – unlimited access;
- Real time, step-by-step guidance and support;
- Monthly newsletter customized for public entities;
- Two monthly webinars -- up to the moment information;
- Periodic updates on “breaking news” items;
- Quarterly bulletins with policy and process updates;
- Interactive Process Manual, 3rd Edition; and
- Periodic special alerts and program updates.

2. What is “the Hotline” and how does it work?

The Hotline is much more than simply a help line for Q&A. Eyres Law Group’s seasoned California attorneys, provide advice, guidance, counseling, coaching and legal drafting or editing necessary to handle the particular issue appropriately. The Hotline is not a general “help line,” where members could speak with many different legal professionals and be provided limited or general direction on your specific concerns.

The ELG-CSAC EIA Hotline program is entirely relationship-driven. Through the Hotline, our members and sub members may obtain real time assistance with daily personnel and HR decisions and actions. This includes:

- Answers to general questions by email or phone.
- In depth assistance with specific matters, with as much follow up as necessary.
- Follow up help with documentation. Initial request may be by email or phone.

Many issues may be resolved with a single call or email exchange. Others require several email exchanges to obtain additional information, review relevant records, or conduct conference calls that include front line leaders.

All Hotline communications are covered by attorney-client privilege and participating members’ communications and records are held to the highest standard of confidentiality. Each entity will have a designated attorney and a secondary attorney to contact directly. All Each attorney will be well-versed with their assigned entities, to ensure responsiveness and consistency.

The introductory webinar that was delivered and recorded on January 7, 2015 is available on the MyChannel Platform, along with handout materials that provide an overview of the substantive areas and variety of services available on the Hotline. A brief summary of examples include:

- Preparing talking points for interactive process or disciplinary meetings;
 - Crafting or reviewing outlines for internal investigations;
 - Review and editing of disciplinary actions or notices;
 - Help with directing front-line leaders on legal compliance;
 - Guidance to keep performance management and evaluations are legally defensible;
 - Writing and editing correspondence to employees or physicians;
 - Crafting or reviewing documentation;
 - Assistance with managing concurrent and consecutive leaves of absence;
 - Help with customized LOA designation letters, templates and forms.
-
- Assistance with the range of personnel decisions made throughout pool members’ organization on a regular basis.

3. Who manages the program?

Eyres Law Group LLP manages the program, in conjunction with the CSAC EIA Loss Prevention Department.

You will never get a “bill” for legal services obtained through the Hotline, as CSAC EIA has contracted with Eyres Law Group to sponsor and administer this monthly retainer program.

4. Who may access the Hotline?

- The CSAC EIA member entities eligible to access this program include and are limited to those participating in CSAC EIA's Primary Workers' Compensation (PWC) and General Liability I (GLI) programs.
- Sub member entities affiliated with a JPA member within the PWC and GLI pools may have full access to all services and the Hotline. ELG will work with the JPA member to identify and contact sub members who will be provided direct access to the Hotline access and all other program resources.
- Each participating CSAC EIA member and CSAC EIA Pool Member will designate a primary and secondary contact person authorized to communicate directly with ELG for requests for services under this Agreement.
- Additional individuals within each entity will be involved in conference calls and other communications, working through the designated contacts.

5. What monthly services are available to PWC &GLI members?

- Unlimited telephone calls, email communications and/or faxes from each entity's designated contacts, for answers to employment law questions as they arise; including return to work issues, modified duty and reasonable accommodations, leave of absence management and tracking, harassment and retaliation prevention, performance management, discipline, policy enforcement, or related employment law/practices issues.
- Step-by step-coaching and advice in a privileged context to specified member entity designees for employment law decisions and subsequent actions; including review and analysis of documentation, writing or editing documentation and other assistance or legal counseling and/or advice, developing talking points for return to work and stay at work processes, and reasonable accommodation decisions, as appropriate. Each participating entity will have a separate engagement letter to assure all applicable privileges apply.
- Introductory Webinar Recorded on 01-07-15 and available on MyChannel:
- Two Monthly Webinars customized exclusively for CSAC-EIA members. One monthly 90-minute webinar will focus on timely issues affecting specific issues within the **PWC** member group. The second 90-minute webinar will cover a topic with broader employment/labor law issues relevant to the GLI member group. Members of each group may attend either or both webinars each month. Webinars will include preparation of materials relevant to each topic. On a quarterly basis, a compilation of webinar handouts will be electronically distributed to all participating entities. All webinars will be delivered via the CSAC-EIA "On/24" Platform, and will be recorded for 24/7 access via password protected site administered by CSAC-EIA.
- Interactive Process Manual: ELG will provide one hard copy of the Interactive Process Manual, 3rd Edition, for each participating entity and will make the Interactive Process Manual available in PDF format for each entity to provide to additional internal staff, as deemed necessary, by the participating entity.

- [Monthly Newsletter](#). ELG will provide a monthly publication on timely issues that directly affect California public entities. Eyres Law Group LLP will also provide, from time to time, special bulletins and memoranda on employment law cases that are relevant to California public entities, including their compliance requirements, employment policies and procedures, and unique work environments. The newsletter will be published mid-month.
- [Periodic Breaking News and Updates on Legislation, Regulation and Litigation](#)
- [Quarterly Case Law and Regulatory Updates, Summary of FAQs and Webinar Materials](#)
- [Coordination with Entity Counsel](#): ELG will communicate, as necessary, with County Counsel, City Attorney or other legal departments of participating entities to implement this program. Most matters handled on the Hotline do not require participation of your entity's counsel. However, if a matter is identified as reasonably foreseeable litigation, we will alert the primary and secondary contact and will coordinate with your designated outside counsel. This assures effective pre-litigation strategies and litigation hold/evidence preservation compliance. ELG will also communicate, as necessary, with County Counsel, City Attorney or other legal departments of participating entities to implement this program. Legal counsel may participate in all webinars and may request to be included on the subscription list for newsletters and updates.

6. **Contact Information Form for primary and secondary contact for each entity (members and sub members).**

Each PWC and GLI member (and sub members, as determined by their JPA member) receive a Contact Information Form to complete and return to Patricia S. Eyres, Managing Partner of Eyres Law Group. The information requested will identify contacts and other key information about each member's HR policies/procedures to help facilitate ELG's attorneys and members to begin working together effectively. Through ongoing Hotline communications with each entity, additional information may be requested. The Contact Information Form is a starting point.

7. **What are the roles of primary and secondary contacts?**

Primary and secondary contacts are those authorized to contact the Hotline to obtain legal and practical advice, guidance, support and related legal services. The purpose of designating two contacts is to assure that attorney-client privilege is maintained, where applicable. It also allows participating entities to effectively manage the issues and specific personnel matters for which the Hotline is accessed. We anticipate that many questions and discussions will also involve administrators, department heads and front-line supervisors through conference calls and emails. The objective is for primary or secondary contacts, working with ELG's attorneys, to identify those situations and initially manage those contacts. ELG's extensive Hotline experience with public entities and school districts is that as we work together, additional contacts may be designated and customized communication protocols refined for maximum benefit to participating entities.

Primary and secondary contacts will automatically receive all communications from Eyres Law Group and EIA's Loss Prevention Department about this program. This includes the regular updates and program announcements, the monthly newsletters. Pool members may identify an unlimited number of additional individuals throughout the organization to receive newsletters, webinar invitations and updates to be delivered directly to their in boxes.

8. How do administrators, department heads, administrators and managers access the Hotline?

Initially, the contacts will be through the primary and secondary contacts. Once we determine the issues involved, conference calls or email exchange will follow. The specific communication protocols for handling an individual matter will be determined based on the nature of the issue, any applicable time constraints, and other relevant factors. Particular administrators or department heads may also be authorized to contact the Hotline directly with general questions, follow up on matters previously handled, or specific requests for advice and guidance.

9. How is entity confidential information accessed, managed and stored?

All Hotline communications with ELG will be housed on secure, password protected platforms. Hard copy documents are stored in locked files, with access limited to those legal professionals directly working on the participating entity's matters. Electronic communications are stored on secure, password protected platforms and back-up systems, with access to privileged communications limited to legal professionals.

ELG is currently building a customized website exclusively for participating CSAC EIA pool members to access for newsletters, breaking news items and other program-specific information. We will notify all primary and secondary contacts when that website is launched.

10. How is attorney client privilege protected?

Members authorized CSAC EIA to engage ELG through a Master agreement covering all services provided under the program and to administer the program. Each participating entity will receive and sign a separate "engagement letter" to assure that attorney client privilege applies to Hotline communications involving legal advice and guidance, where appropriate.

Strict confidentiality is maintained for all communications and in the access and management of participating members' records and documentation.

11. What are the communication protocols and procedures for reaching the Hotline?

The regular business hours for contacting ELG are from **8:00 a.m. to 5:30 p.m. PST Monday through Friday**. Accessibility may be available outside of these hours, as necessary to assure responsiveness and timely completion of services. Each participating member or sub member will be provided with designated communication channels for contacting ELG, including telephone numbers, fax numbers, and email addresses, as well as directions on how to access the program and the confidential communication portal that will be established for this CSAC EIA program.

Initially, all contacts will be with Patricia S. Eyres, Managing Partner. This approach will allow us to assess the potential volume of hotline communications, and the anticipated range of communications with each entity. Other attorneys will be assigned to entities, as necessary, and to assure participating members' confidence in the program and responsiveness to each entity's individual needs.

- The best approach: begin with email to peyres@eyreslaw.com You may submit a general question or provide some brief specific information on your individual matter. Or, you may simply request a return call. As we work begin to work together regularly, we will develop further approaches that will allow you to access the Hotline most effectively.
- All initial contacts will be with Patricia Eyres. Email is the best starting point: peyres@eyreslaw.com . As the program develops, entities may be assigned specific email addresses for your individual communications. Patti will be your primary attorney contact. You may also be provided with a secondary attorney contact, after we assess the best approach for your entity.
- You may call Patricia Eyres (Patti) directly. The best phone number initially is 602-448-4051. As the program develops and we work together, you may be assigned a specific primary and secondary phone number

12. What can you expect in anticipated turnaround time on Hotline communications?

Your call or email may be answered immediately When your attorney contact is not immediately available, every Hotline contact will receive a same day acknowledgement for messages or requests for information by voice mail, email or fax. General questions may be answered by email on the same day, often without hours. If a matter requires a more in-depth discussion or exchange of information necessary for your counsel to provide concrete legal advice, a conference call appointment will be scheduled. The objective is to provide concrete advice and support in a timely and responsive manner and to minimize “telephone tag.” **Bottom line: The ELG-CSAC EIA Hotline program is entirely relationship-driven.**

- You will develop a trusting and professional relationship with seasoned attorneys who will counsel, guide, support and respond to all of your entity’s needs within the scope of this program.
- You will work with your designated contacts as often as your individual needs dictate, on matters that are general or specific.
- All contacts are personalized, privileged, and responsive and will assure that you can trust the Hotline and ELG to guide you through the challenging areas of labor law and employment practices.
- No question is too “basic.” There are no limits on how often you may contact the Hotline, or how many follow ups you may have to assure that your matter is handled and resolved promptly and completely.
- The substantive scope of the Hotline comprehensively covers legal and policy matters involving labor and employment law. There may be some issues beyond the scope of the Hotline, and your ELG contacts will provide you with guidance on where to obtain answers in those situations. **Never hesitate to contact the Hotline first** to determine if your question, issue or matter may be addressed through this program.
- When a particular matter will result in foreseeable litigation, your ELG legal professional will work with your entity’s primary or secondary contact and your entity’s designated legal counsel to assure that pre-litigation strategies are addressed and necessary evidence preservation (including litigation holds on email and other entity records).