



## **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY EXECUTIVE COMMITTEE**

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

**A - Action**  
**I - Information**

**DATE / TIME:** May 7, 2015  
9:30 AM

**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 at (916) 643-2708.

Documents and material relating to an open session agenda item that are provided to the SBASIA Executive Committee 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**

**A 4**

### **C. APPROVAL OF AGENDA**

**A 1**

### **D. PUBLIC COMMENT**

*This time is reserved for members of the public to address the Executive Committee on matters of the SBASIA Executive Committee business.*

### **<sup>1</sup> E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**1. Does 1-4 vs. Evergreen School District**

### **<sup>2</sup> F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 - Employee Discipline/Dismissal/Release/Complaint**

### **G. PRESIDENT'S REPORT ON ACTION FROM CLOSED SESSION**



South Bay Area Schools Insurance Authority  
Executive Committee Meeting  
May 7, 2015

**3 H. CONSENT CALENDAR A 1**

- |       |  |
|-------|--|
| 4-7   | 1. <b>Executive Committee Meeting Minutes – March 5, 2015</b>    |
| 8-14  | 2. <b>Financial Report for Quarter Ending March 31, 2015</b>     |
| 15-16 | 3. <b>Investment Report for Quarter Ending December 31, 2014</b> |

**I. FINANCIAL**

- |    |  |
|----|--|
| 17 | <b>1. Excess Liability Insurance Options <span style="float: right;">A 2</span></b><br><i>Staff will present Excess Liability insurance options for the July 1, 2015 renewal.</i>                                |
| 18 | <b>2. Preliminary Revenue and Expense Budget for July 1, 2015-2016 <span style="float: right;">I 2</span></b><br><i>Staff will present an updated preliminary budget for the July 1, 2015-2016 program year.</i> |

**J. GENERAL ADMINISTRATION**

- |       |  |
|-------|--|
| 19-44 | <b>1. Claims Audit <span style="float: right;">I 1</span></b><br><i>Staff will present the claims audit recently performed at Carl Warren &amp; Company.</i>   |
| 45-52 | <b>2. Cyber Liability Optional Coverage Enhancement for Privacy Notification Costs and Higher Limits <span style="float: right;">I 1</span></b><br><i>Staff will present an optional Cyber Liability coverage enhancement.</i> |
| 53-59 | <b>3. CSAC EIA Labor Law/Employment Practices Program <span style="float: right;">I 1</span></b><br><i>Staff will present labor law/employment practices program available to CSAC EIA members.</i>                            |
| 60    | <b>4. Slate of Officers for June 18, 2015 Meeting <span style="float: right;">I 1</span></b><br><i>Staff will review the final slate of officers for the June Board of Directors meeting.</i>                                  |
| 61    | <b>5. Update on Cyber Security Audit <span style="float: right;">I 1</span></b><br><i>Staff will provide an update on the Cyber Security Audit.</i>  |

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

**ADJOURNMENT**

The next Executive Committee Meeting is set for Thursday, June 18, 2015 at 9:00 a.m.  
The Location will be at Campbell Union School District, 155 N. Third Street, Campbell, CA 95008.



**Agenda Item E.1**

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**ACTION ITEM**

**ISSUE:** Pursuant to Government code Section 54956.95, the Executive Committee will hold a Closed Session to discuss the following claim:

**1. Does 1-4 vs. Evergreen School District**

**RECOMMENDATION:** The Program Administrator cannot make a recommendation at this time as the subject matter is confidential.

**FISCAL IMPACT:** To be determined

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Executive Committee Meeting  
May 7, 2015

**Agenda Item F**

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957  
Employee Discipline/Dismissal/Release/Complaint**

**ACTION ITEM**

**ISSUE:** Pursuant to Government code Section 54957, the Executive Committee will hold a Closed Session to discuss Employee Discipline/Dismissal/Release/Complaint.

**RECOMMENDATION:** None

**FISCAL IMPACT:** To be determined

**ATTACHMENTS:** None



**Agenda Item H.1**

**CONSENT CALENDAR**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review the Consent Calendar and pull any items that need discussion. Otherwise, the Executive Committee 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 Executive Committee. The Executive Committee may accept the Consent Calendar as posted, or pull any item for discussion and a separate action will occur while accepting the remaining items.

1. **Executive Committee Meeting Minutes – March 5, 2015**
2. **Financial Report for Quarter Ending March 31, 2015**
3. **Investment Report for Quarter Ending December 31, 2014**

**ATTACHMENTS:** Executive Committee Meeting Minutes – March 5, 2015  
Financial Report for Quarter Ending March 31, 2015  
Investment Report for Quarter Ending December 31, 2014



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
March 5, 2015**

**MEMBERS PRESENT**

James Crawford, President, Campbell Union 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

**MEMBERS ABSENT**

Nelly Yang, Vice President, Evergreen School District

**GUESTS & CONSULTANTS**

Joan Crossley, Alliant Insurance Services  
Kevin Wong, Gilbert Associates, Inc.

**A. CALL TO ORDER**

The meeting was called to order at 9:41 a.m.

**B. ROLL CALL**

The above-mentioned members were present constituting a quorum.

**C. APPROVAL OF AGENDA**

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

<b>MOTION: Barbara Coats</b>	<b>SECOND: Phuong Le</b>	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSENT: 1</b>
	<b>ABSTAIN: 0</b>	

**AYES:** Crawford, Le, Coats, Allgire

**NAYS:** None

**ABSENT:** Yang

**D. PUBLIC COMMENT**

There were no comments from the public.

**E. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – December 4, 2014
2. Financial Report for Quarter Ending December 31, 2014

On the Financial Report for Quarter Ending December 31, 2014, Mr. Kevin Wong stated claims expenses have been below the amount budgeted.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
March 5, 2015**

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

**MOTION: Phuong Le                      SECOND: Mark Allgire                      MOTION CARRIED**  
**AYES: 4                      NOES: 0                      ABSTAIN: 0                      ABSENT: 1**

**AYES:** Crawford, Le, Coats, Allgire  
**NAYS:** None  
**ABSENT:** Yang

**F.        GENERAL ADMINISTRATION**

**1.        Financial Auditor Contract with James Marta & Co.**

Ms. Joan Crossley said the contract with James Marta & Company for the annual financial audit expired on June 30, 2014. James Marta & Company offered a renewal contract for three years; the fee begins at \$12,110 and increases by 2% each year. Mr. Wong commented that his firm sees audit pricing for JPAs and this is a relatively low fee. Ms. Crossley said Mr. Marta had supervised the audit for the last six years so his partner, Mr. David Becker, will supervise the upcoming financial audits.

**A motion was made to approve the audited financial report contract for the period of June 30, 2015 – June 30, 2017.**

**MOTION: Mark Allgire                      SECOND: Barbara Coats                      MOTION CARRIED**  
**AYES: 4                      NOES: 0                      ABSTAIN: 0                      ABSENT: 1**

**AYES:** Crawford, Le, Coats, Allgire  
**NAYS:** None  
**ABSENT:** Yang

**2.        Cyber Security Audit Request for Proposal Results**

Ms. Crossley stated a Request for Proposal (RFP) for Cyber Security Audit was sent to three firms and two responses were received from McGladrey and Navigant Consulting. A handout summarizing the responses was distributed. Cyber security audit services offered are:

- External Network Vulnerability Testing-tests internet facing systems
- Internal Network Vulnerability Testing-tests internal network and systems
- Security Controls Review-high level assessment of current system and operating procedures
- Social Engineering Testing-assesses security awareness of employees by using emails and phone calls

Ms. Crossley commented that Navigant Consulting didn't offer external network vulnerability testing as they stated more is learned about what a hacker could access from an internal scan. However, they can add it for an additional fee. McGladrey provided a high and low fee for each



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
March 5, 2015**

service. Navigant Consulting can provide the fee once a specific service is selected. They provided hourly rates, but not an estimate of how many project hours are involved. Ms. Crossley said the JPA has \$100,000 for loss control services set aside in the budget to pay for this.

After discussion, the Executive Committee decided the internal network vulnerability testing and security controls review would provide the most information about where networks are vulnerable. It was also noted that McGladrey is the more well known of the firms. The Executive Committee directed staff to obtain security audit procedures and estimated timeline from McGladrey. The Executive Committee will then review those procedures with their IT staff.

**A motion was made to tentatively approve Internal Network Vulnerability Testing and Security Controls Review performed by McGladrey.**

<b>MOTION: Barbara Coats</b>	<b>SECOND: Mark Allgire</b>	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSENT: 1</b>
	<b>ABSTAIN: 0</b>	

**AYES:** Crawford, Le, Coats, Allgire  
**NAYS:** None  
**ABSENT:** Yang

**3. Discount Factor Used in Actuarial Study**

Mr. James Crawford said the JPA reduced the discount factor for loss funding from 3% to 2% last year. The JPA earns approximately .5% interest from Santa Clara County Treasury Pool so the JPA may want to reduce it further. Staff obtained various discount factors from the actuary which are shown in the agenda. For example, if the discount factor is reduced to 1%, it would add \$21,000 in loss funding to the budget; if the discount factor is reduced to 0%, it would add \$40,000 in loss funding to the budget.

**A motion was made to change the discount factor to 1% at the 70% confidence level.**

<b>MOTION: Phuong Le</b>	<b>SECOND: Mark Allgire</b>	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSENT: 1</b>
	<b>ABSTAIN: 0</b>	

**AYES:** Crawford, Le, Coats, Allgire  
**NAYS:** None  
**ABSENT:** Yang

**4. Slate of Officers for June 18, 2015 Meeting**

Every June, the Board of Directors elects the Executive Committee officers and a Member at Large for the annual term of the office beginning July 1. Mr. Mark Allgire agreed to be nominated for Treasurer. After Committee discussion, the officers that will be presented at the June meeting are as follows:





**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MINUTES  
CAMPBELL, CALIFORNIA  
March 5, 2015**

James Crawford – President  
Nelly Yang – Vice President  
Mark Allgire – Treasurer  
Barbara Coats – Secretary  
Phuong Le – Member at Large

**G. FINANCIAL**

**1. Preliminary Revenue and Expense Budget for July 1, 2015-2016**

Mr. Crawford noted there were some large changes in ADA especially for Santa Clara County Office of Education where ADA decreased by approximately 1,300. It's possible that some ADA has been transferred to the districts although the County still teaches the students. Ms. Barbara Coats said she will review the ADA to verify whether it's accurate.

Mr. Crawford said the Liability premium is estimated to increase by 25% due to the Evergreen School District molestation case. Ms. Crossley noted that staff will seek an alternate quote from SELF (Schools Excess Liability Fund) and other markets. Mr. Crawford stated the Property premium is estimated to decrease by about 10%. Ms. Crossley said the Property market is soft and the JPA's Property loss history has greatly improved.

The overall budget is estimated to increase by 1.9% or approximately \$66,395. Ms. Crossley stated the budget numbers are all estimates except for the Liability and Property funding which came from the actuarial study.

**2. Review of Santa Clara County Treasury Pool Investments**

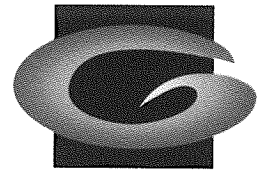
Ms. Crossley said that at the December meeting, there was a brief discussion as to whether the JPA may want to look at any long term investments available in the Santa Clara County Treasury Pool. After discussion, the Executive Committee stated it wouldn't be feasible as the JPA's assets are too small.

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

There were no comments for the good of the order.

**ADJOURNMENT**

The meeting was adjourned at 10:29 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>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
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
<b>Total Checking/Savings</b>	<u>4,986,042.47</u>	<u>4,912,279.80</u>
<b>Accounts Receivable</b>		
Member Receivable	-	-
Claim Recovery Receivable	546,998.16	-
Claims Deductibles	206,882.71	253,018.43
<b>Total Accounts Receivable</b>	<u>753,880.87</u>	<u>253,018.43</u>
<b>Total Current Assets</b>	5,739,923.34	5,165,298.23
<b>Other Assets</b>		
Interest Receivable	-	3,865.29
<b>Prepaid Expenses</b>		
Prepaid Contract Administration	37,500.00	37,500.00
Prepaid Excess Insurance	603,312.64	508,061.00
<b>Total Prepaid Expenses</b>	<u>640,812.64</u>	<u>545,561.00</u>
<b>Total Other Assets</b>	<u>640,812.64</u>	<u>549,426.29</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 6,380,735.98</b></u>	<u><b>\$ 5,714,724.52</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 7,495.72	\$ 18,172.90
Claims Reserves	650,000.00	600,000.00
Deferred Revenue	862,383.96	784,153.56
<b>Total Current Liabilities</b>	<u>1,519,879.68</u>	<u>1,402,326.46</u>
<b>Long Term Liabilities</b>		
IBNR & Reserves	1,338,114.00	1,755,405.00
Unallocated Loss Adjustment	276,000.00	177,000.00
<b>Total Long Term Liabilities</b>	<u>1,614,114.00</u>	<u>1,932,405.00</u>
<b>TOTAL LIABILITIES</b>	3,133,993.68	3,334,731.46
<b>NET POSITION</b>		
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
<b>TOTAL NET POSITION</b>	<u><b>\$ 3,246,742.30</b></u>	<u><b>\$ 2,379,993.06</b></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>
<b>Revenue</b>			
<b>Member Contributions</b>			
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
<b>Total Member Contributions</b>	<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
<b>Total Income</b>	<u>862,383.95</u>	<u>2,594,984.03</u>	<u>2,364,426.21</u>
<b>Expense</b>			
<b>General &amp; Administrative</b>			
<b>General Expenses</b>			
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	-
<b>Total Administration</b>	<u>8,460.00</u>	<u>32,796.99</u>	<u>127,828.99</u>
<b>Program Administration</b>			
Claims Management Fees	16,319.33	38,438.81	60,749.59
Contract Administration	37,500.00	112,500.00	112,500.00
<b>Total Program Administration</b>	<u>53,819.33</u>	<u>150,938.81</u>	<u>173,249.59</u>
<b>Total General and Administrative Expenses</b>	<u>62,279.33</u>	<u>183,735.80</u>	<u>301,078.58</u>
<b>Insurance Expense</b>			
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
<b>Total Insurance Expense</b>	<u>603,312.66</u>	<u>1,809,937.98</u>	<u>1,524,183.00</u>
<b>Claims Expenses</b>			
Claims Payments	137,446.64	237,421.95	563,330.29
Claims Adjustment Account	(114,626.75)	(138,153.03)	(108,118.65)
<b>Total Claims Expenses</b>	<u>22,819.89</u>	<u>99,268.92</u>	<u>455,211.64</u>
<b>Total Expenses</b>	<u>688,411.88</u>	<u>2,092,942.70</u>	<u>2,280,473.22</u>
<b>Net Revenue Over Expenses</b>	<u>\$ 173,972.07</u>	<u>502,041.33</u>	<u>\$ 83,952.99</u>
<b>Net Position, Beginning</b>		<u>\$ 2,744,700.97</u>	<u>\$ 2,296,040.07</u>
<b>Net Position, Ending</b>		<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>
<b>Revenue</b>				
<b>Member Contributions</b>				
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%
<b>Total Member Contributions</b>	<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%
<b>Total Revenue</b>	<u>2,594,984.03</u>	<u>3,449,536.00</u>	<u>-854,551.97</u>	<u>75.23%</u>
<b>Expense</b>				
<b>General and Administrative Expenses</b>				
<b>General Expenses</b>				
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%
<b>Total General Expenses</b>	<u>32,796.99</u>	<u>148,285.00</u>	<u>-115,488.01</u>	<u>22.12%</u>
<b>Program Administration</b>				
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%
<b>Total Program Administration</b>	<u>150,938.81</u>	<u>205,000.00</u>	<u>-54,061.19</u>	<u>73.63%</u>
<b>Total General and Administrative Expenses</b>	<u>183,735.80</u>	<u>353,285.00</u>	<u>-169,549.20</u>	<u>52.01%</u>
<b>Insurance Expense</b>				
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%
<b>Total Insurance Expense</b>	<u>1,809,937.98</u>	<u>2,413,251.00</u>	<u>-603,313.02</u>	<u>75.0%</u>
<b>Claims Costs</b>				
Claims Payments	237,421.95	783,000.00	-545,578.05	
Claims Adjustment Account	-138,153.03	0.00	-138,153.03	
<b>Total Claims Costs</b>	<u>99,268.92</u>	<u>783,000.00</u>	<u>-683,731.08</u>	<u>12.68%</u>
<b>Total Expense</b>	<u>2,092,942.70</u>	<u>3,549,536.00</u>	<u>-1,456,593.30</u>	<u>58.96%</u>
<b>Net Revenue Over Expenses</b>	<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
<b>Bank of America - 61312</b>								
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

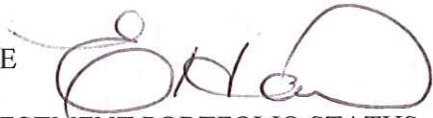
County Government Center  
70 W. Hedding Street, East Wing, 2nd Floor  
San Jose, California 95110-1705  
(408) 299-5200 FAX (408) 288-9237



February 27, 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 December 31, 2014 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 December 31, 2014 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	\$5,639,537,673	\$5,638,798,116	\$(739,557)	-0.01%

The yield of the pool on June 30, 2013 was 0.47%. As a comparison, on June 30, 2013 the yield of a 6-month Treasury Bill was 0.12%. A two-year Treasury Note was .67%. The State of California Local Agency Investment Fund (LAIF) yield was 0.26%.

Attached with the current investment strategy is a schedule that lists the average maturities and yield for the commingled funds over the past six months. A chart of investment concentration and maturity is provided for the Treasury 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.

After comparing securities held in safekeeping with Treasury's custodial bank to the securities listed in the County's investment records, no variances were cited in the attached report prepared by the County's Internal Audit Division. 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 Board member would like further information on this report, please let me know.

Attachments



**Agenda Item I.1**

**EXCESS LIABILITY INSURANCE OPTIONS**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review the Excess Liability indications to determine which indication is the best option for the JPA.

**RECOMMENDATION:** None

**FISCAL IMPACT:** To be determined.

**BACKGROUND:** Staff has received Excess Liability indications from CSAC EIA and SELF for the layer above \$5 million. Staff will present the indications.

**ATTACHMENTS:** To be distributed at the meeting



**Agenda Item I.2**

**PRELIMINARY REVENUE AND EXPENSE BUDGET FOR JULY 1, 2015 - 2016**

**INFORMATION ITEM**

**EXPLANATION:** Staff presented a preliminary revenue and expense budget at the March 5, 2015 meeting showing allocation of premium, loss funding and expenses for the insurance renewals and administrative contracts effective July 1. This document provides preliminary indications of cost to members which will assist them in development of their own District budgets.

The budget has been updated to include the most current estimated rate for the Excess Liability premium.

**ATTACHMENTS:** None



**Agenda Item J.1**

**CLAIMS AUDIT**

**INFORMATION ITEM**

**EXPLANATION:** At the December 4, 2014 Board of Directors meeting, the Board selected Risk Management Services to perform the JPA's claims audit. Mr. Ken Maiolini at Risk Management Services conducted the audit on February 5, 2015 at Carl Warren & Company. Staff will review the audit findings with the Executive Committee.

**ATTACHMENTS:** Claims Audit

## SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY - 2015

An audit was conducted at the Carl Warren office in Walnut Creek, CA on February 5, 2015. Carl Warren serves as the TPA for SBASIA.

A total of 19 open and 11 closed claim files were reviewed. An RMS Audit Review form was completed on each open claim and is provided as a confidential document. Prior to the audit RMS was provided with loss run information and both open and closed claims were selected from the loss run for the audit.

In addition a pre-audit discussion and exit interview was conducted with the Manager of the Carl Warren, Walnut Creek office.

The following observation was made in the course of the audit:

**INVESTIGATION** – The files would indicate that the TPA staff does a complete initial and follow-up investigation. They utilize the member's resources for records and photos, do site visits and obtain all other pertinent documents.

**RESERVES** – For the most part, files were reserved at the realistic value of the claim, based on a liability and damage analysis. Reserves are well thought out and anticipate future expense costs.

**NOTE:** Three cases had minor reserve issues and were discussed with the TPA Manager during the exit interview:

1. 1894367 – Suggested a reserve review on this teacher assault on student claim – loss reserve at \$10,000 may be a bit light.
2. 1867378 – Teacher sexual molestation case -- \$10,000 loss and \$6,477 remains in expense. Suggested review of reserves and increase as appropriate.
3. 1860712 – Case settled at \$7,500 loss – reserve in file \$5,000 – request for authority of \$7,500 made in December 2014.

**LITIGATION MANAGEMENT** – The litigated files indicate that there exists a good triangular relationship between Defense Counsel, the member and the TPA. There are good lines of communication between all three parties and legal decisions are made in a coordinated effort.

Defense Counsel is familiar with its member client and provides proactive and effective litigation services.

Overall cost of defense is reasonable and in some cases (civil rights, EPL and molest) costs are below what would be expected for defense in a Northern California venue.

**LIABILITY AND DAMAGE EVALUATION** – The files indicate a well thought out evaluation of liability, much of this is related to the initial investigation conducted. Damages are well documented in that medical records, wage information and all other pertinent documents are obtained and reviewed.

**FILE MANAGEMENT** – The files are well handled and managed. They reflect that:

- An effective diary system is in place and utilized.
- Statutory notices are sent timely and all government code defenses are preserved.
- Files are well organized and documented consistently.
- Excess claims are reported appropriately and the Excess Adjuster is copied on all subsequent correspondence.
- Communication with members and Defense Counsel is well documented.
- Use of the MIS is well handled and Adjusters keep current on electronic notes.
- Reserves and financials are well documented.

**NEGOTIATION PRACTICE** – The Adjusters are proactive in resolving meritorious matters in the claims stage. This results in favorable settlements and avoids litigation costs.

On litigated cases, use of mediators and settlement conferences are considered and evaluated properly.

Overall the approach to resolution is a proactive one and benefits the members.

## **CLOSED CLAIMS**

11 closed files were reviewed (a copy of our Closed Claim list is attached as Exhibit A).

The closed claims were found to be:


- Resolved in a manner that benefits the program and its members.
- Claims appropriate for settlement were handled before large litigation costs were incurred.
- All closed files contained appropriate closing documents and financial reconciliation.
- Closed in a timely manner.

Overall we found the claims to be handled in a manner that best serves the program and its members.

Claims are well investigated, reserved appropriately, cost effectively handled in litigation and resolutions by settlement, motions and dismissals are favorable.

The claims reviewed are handled in a manner that meets or exceeds generally accepted claims handling standards and CAJPA guidelines.

Respectfully submitted,



Kenneth R. Maiolini, ARM-P

Enclosures: Closed Claims List (Exhibit A)  
RMS Audit Review Forms (Confidential Document)



# EXHIBIT

A

**2015 SBASIA  
CLOSED CLAIMS LIST**

<b>CLAIM #</b>	<b>COMMENTS</b>
P039-06-00195	Discrimination/retaliation – loss \$350,000, expense \$339,000 (excess)
1602847	Discrimination/wrongful termination – paid \$10,000 loss – \$22,000 expense
1552328	District EE hit other vehicle – resolved without payment.
1763662	Death on bus – loss \$5,000, expense \$12,500
1860075	Sexual molestation – loss \$1.5 million, expense \$134,000
1763938	Water damage – resolved for member at \$33,790
1813449	Water damage – resolved for member at \$28,990
1813993	Water damage – resolved for member at \$16,062
1851813	Stolen equipment – resolved for member at \$9,568
1856940	Stolen equipment – resolved for member at \$19,397
1567819	Wrongful termination and discrimination case – resolved at \$50,000 loss, \$68,833 expense

# **CONFIDENTIAL DOCUMENT**



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER P039-05-00038	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 2/10/2006	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Mental abuse of student.

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☒ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$15,000.00
EXPENSE \$3,000.00

#### PAID TO DATE

LOSS
EXPENSE \$154,233.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Extensive investigation in file -- PD co-defendent.
RATING 2	<u>RESERVING</u> Appropriate.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> Defense verdict -- on appeal.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated for trial.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster managing well -- long diary for appeal.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER P039-07-00209	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 1/19/2007	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS EPL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Wrongful termination.

### LIABILITY

☐ CLEAR    ☐ PROBABLE    ☐ QUESTIONABLE    ☒ DOUBTFUL    ☐ UNDETERMINED    ☐ N/A

#### CURRENT RESERVES

LOSS \$0.00
EXPENSE \$0.00

#### PAID TO DATE

LOSS
EXPENSE \$49,823.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good investigation in file.
RATING 2	<u>RESERVING</u> Appropriate.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC - Plaintiff appeal failed. Low cost to defend case with appeal.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated.
RATING	<u>FILE MANAGEMENT</u> In process of closing file -- appeal time has run.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

**AUDIT REVIEW FORM**

FILE NAME

FILE NUMBER  
P039-08-00193REVIEW DATE  
2/5/2015REVIEWED BY  
KRMENTITY REVIEWED  
SBASIAFILE STATUS  
OPEN LITIGATIONDATE OF LOSS  
1/2/2008

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS  
EPL

LIMITS(X1000)/POLICY YEAR

**CASE DESCRIPTION**

Wrongful termination.

**LIABILITY**☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☒ DOUBTFUL ☐ UNDETERMINED ☐ N/A**CURRENT RESERVES****PAID TO DATE****RECOMMENDED RESERVES**LOSS  
\$15,000.00

LOSS

LOSS

EXPENSE  
\$50,000.00EXPENSE  
\$3,537.00

EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING  
2 **INVESTIGATION**  
Good investigation in file -- termination was justified.RATING  
2 **RESERVING**  
Appropriate for case lacking merit.RATING  
2 **LITIGATION MANAGEMENT/ATTORNEY HANDLING**  
DC handling, may appeal issues by Plaintiff on rulings -- civil matter stayed.RATING  
2 **LIABILITY/DAMAGE EVALUATION**  
Well evaluated.RATING  
2 **FILE MANAGEMENT**  
Adjuster on top of file.RATING  
N/A **TIMELY NEGOTIATIONS****COMMENTS**



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER P039-08-00219	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 10/25/2008	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Trip and fall injury.

### LIABILITY

☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$0.00
EXPENSE \$18,000.00

#### PAID TO DATE

LOSS \$75,000.00
EXPENSE \$109,760.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Extensive investigation into maintenance and inspection of vault.
RATING 2	<u>RESERVING</u> Appropriate for loss.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC worked up case well.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Plaintiff had high alleged damages.
RATING	<u>FILE MANAGEMENT</u>
RATING 2	<u>TIMELY NEGOTIATIONS</u> Mediation attempted -- settled on first day of trial.

#### COMMENTS

Co-defendant paid \$50,000 for total of \$125,000 settlement.



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME

FILE NUMBER  
1614389

REVIEW DATE  
2/5/2015

REVIEWED BY  
KRM

ENTITY REVIEWED  
SBASIA

FILE STATUS  
OPEN LITIGATION

DATE OF LOSS  
8/9/2010

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS  
GL

LIMITS(X1000)/POLICY YEAR

### CASE DESCRIPTION

Sexual assault of student.

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS

EXPENSE

#### PAID TO DATE

LOSS

EXPENSE

#### RECOMMENDED RESERVES

LOSS

EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING INVESTIGATION

RATING RESERVING

RATING LITIGATION MANAGEMENT/ATTORNEY HANDLING

RATING LIABILITY/DAMAGE EVALUATION

RATING FILE MANAGEMENT

RATING TIMELY NEGOTIATIONS

### COMMENTS

See #1860076.





## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1860076	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 8/9/2010	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Sexual assault of student.
--

### LIABILITY

☐ CLEAR ☒ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS
EXPENSE

#### PAID TO DATE

LOSS
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Extensive investigation.
RATING 2	<u>RESERVING</u> Reserves on all files appropriate.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC on top of case.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Issues of notice, investigation and mandatory reporting all evaluated.
RATING 2	<u>FILE MANAGEMENT</u> Well managed -- all files.
RATING 2	<u>TIMELY NEGOTIATIONS</u> Attempting to mediate early.

#### COMMENTS

Multiple cases related to same teacher -- notice issue and lack of investigation damaging to District. Review all files.



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME  
-

FILE NUMBER  
1865109

REVIEW DATE  
2/5/2015

REVIEWED BY  
KRM

ENTITY REVIEWED  
SBASIA

FILE STATUS  
OPEN LITIGATION

DATE OF LOSS  
8/23/2011

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS  
GL

LIMITS(X1000)/POLICY YEAR

**CASE DESCRIPTION**  
Sexual assault of minor student.

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS

EXPENSE

#### PAID TO DATE

LOSS

EXPENSE

#### RECOMMENDED RESERVES

LOSS

EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING ☐ INVESTIGATION

RATING ☐ RESERVING

RATING ☐ LITIGATION MANAGEMENT/ATTORNEY HANDLING

RATING ☐ LIABILITY/DAMAGE EVALUATION

RATING ☐ FILE MANAGEMENT

RATING ☐ TIMELY NEGOTIATIONS

#### COMMENTS

See #1860076.



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1868927	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 8/24/2011	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

<b>CASE DESCRIPTION</b> Sexual assault of minor student.
---

### LIABILITY

☐ CLEAR    ☐ PROBABLE    ☐ QUESTIONABLE    ☐ DOUBTFUL    ☐ UNDETERMINED    ☐ N/A

#### CURRENT RESERVES

LOSS
EXPENSE

#### PAID TO DATE

LOSS
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING	<u>INVESTIGATION</u>
RATING	<u>RESERVING</u>
RATING	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
RATING	<u>LIABILITY/DAMAGE EVALUATION</u>
RATING	<u>FILE MANAGEMENT</u>
RATING	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS

See #1860076.

**RMS**

RISK MANAGEMENT SERVICES

**AUDIT REVIEW FORM**

FILE NAME	
FILE NUMBER 1851064	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 9/12/2012	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

<b>CASE DESCRIPTION</b> Student suicide resulted from bullying.
--

**LIABILITY**

☐ CLEAR    ☐ PROBABLE    ☐ QUESTIONABLE    ☒ DOUBTFUL    ☐ UNDETERMINED    ☐ N/A

**CURRENT RESERVES**

LOSS \$7,500.00
--------------------

EXPENSE \$4,141.00
-----------------------

**PAID TO DATE**

LOSS
------

EXPENSE \$17,999.00
------------------------

**RECOMMENDED RESERVES**

LOSS
------

EXPENSE
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RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<b>INVESTIGATION</b> Hard to connect District to the party and suicide.
-------------	--

RATING 2	<b>RESERVING</b> Appropriate for defending employees depo and tracking.
-------------	--

RATING 2	<b>LITIGATION MANAGEMENT/ATTORNEY HANDLING</b> DC protecting District -- no suit filed against District.
-------------	---

RATING 2	<b>LIABILITY/DAMAGE EVALUATION</b> Well evaluated.
-------------	---

RATING 2	<b>FILE MANAGEMENT</b> Well managed file.
-------------	--

RATING N/A	<b>TIMELY NEGOTIATIONS</b>
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<b>COMMENTS</b> Individual bullies are sued as co-defendants.
--



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME
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FILE NUMBER 1852921
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REVIEW DATE 2/5/2015	REVIEWED BY KRM
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ENTITY REVIEWED SBASIA
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FILE STATUS OPEN LITIGATION
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DATE OF LOSS 1/1/2013
--------------------------

CLAIM DATE
------------

REJECTION DATE
----------------

LAWSUIT DATE
--------------

CLOSED DATE
-------------

TYPE OF LOSS GL
--------------------

LIMITS(X1000)/POLICY YEAR
---------------------------

<b>CASE DESCRIPTION</b> Student sexually assaulted another student.
--

### LIABILITY

☐ CLEAR    ☐ PROBABLE    ☒ QUESTIONABLE    ☐ DOUBTFUL    ☐ UNDETERMINED    ☐ N/A

#### CURRENT RESERVES

LOSS \$25,000.00
---------------------

EXPENSE \$5,806.00
-----------------------

#### PAID TO DATE

LOSS
------

EXPENSE \$20,416.00
------------------------

#### RECOMMENDED RESERVES

LOSS
------

EXPENSE
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RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<b>INVESTIGATION</b> Investigation to date does not support notice.
-------------	--

RATING 2	<b>RESERVING</b> Appropriate.
-------------	----------------------------------

RATING 2	<b>LITIGATION MANAGEMENT/ATTORNEY HANDLING</b> DC handling case well.
-------------	--

RATING 2	<b>LIABILITY/DAMAGE EVALUATION</b> Evaluation done well.
-------------	---

RATING 2	<b>FILE MANAGEMENT</b> Adjuster on top of file.
-------------	--

RATING 2	<b>TIMELY NEGOTIATIONS</b> Mediation planned for March 2015.
-------------	---

<b>COMMENTS</b>
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# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1858406	
REVIEW DATE	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 12/19/2012	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Student molested another student.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$10,000.00
EXPENSE \$4,905.00

#### PAID TO DATE

LOSS
EXPENSE \$11,335.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Facts do not support allegations.
RATING 2	<u>RESERVING</u> Appropriate -- \$20,000 demand -- rejected.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC plans MSJ.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster on top of file.
RATING 2	<u>TIMELY NEGOTIATIONS</u> Rejected demand and educating PA.

#### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1860712	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 5/2/2013	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

**CASE DESCRIPTION**  
Student fractured arm in fall off slide.

### LIABILITY

☐ CLEAR ☒ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$5,000.00
EXPENSE \$3,461.00

#### PAID TO DATE

LOSS
EXPENSE \$12,009.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good investigation in file.
RATING 1	<u>RESERVING</u> Case just settled -- requested authority in December 2014 for \$7,500.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC handled well -- kept costs down.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated -- fractured humerus.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster managed well.
RATING 2	<u>TIMELY NEGOTIATIONS</u> Good result with \$5,000 in medicals.

### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1867378	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 9/5/2012	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Teacher injured student - sexual molestation.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$10,000.00
---------------------

EXPENSE \$6,477.00
-----------------------

#### PAID TO DATE

LOSS
------

EXPENSE \$25,390.00
------------------------

#### RECOMMENDED RESERVES

LOSS
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EXPENSE
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RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good investigation in file -- PD report.
-------------	--

RATING 2	<u>RESERVING</u> May want to look at increase in both loss/expense.
-------------	--

RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> Attorney on top of case.
-------------	--

RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Recent depositions indicate some notice -- problematic.
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RATING 2	<u>FILE MANAGEMENT</u> Adjuster on top of file.
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RATING N/A	<u>TIMELY NEGOTIATIONS</u>
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#### COMMENTS





# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME Lakeside Elementary	
FILE NUMBER 1878419	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN CLAIM	DATE OF LOSS 12/31/2013	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS Property	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Damaged floors from incorrect stripping/cleaning.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☒ N/A

#### CURRENT RESERVES

LOSS \$107.24
EXPENSE

#### PAID TO DATE

LOSS \$39,892.76
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good investigation into cause and responsible parties.
-------------	--

RATING 2	<u>RESERVING</u> Appropriate.
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RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
---------------	--

RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Good documentation on damages.
-------------	--

RATING 2	<u>FILE MANAGEMENT</u> Subro pursued appropriately.
-------------	--

RATING N/A	<u>TIMELY NEGOTIATIONS</u>
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#### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1885371	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 11/7/2013	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

<b>CASE DESCRIPTION</b> Student struck on head by a board and abused by teacher.
---

### LIABILITY

☐ CLEAR    ☒ PROBABLE    ☐ QUESTIONABLE    ☐ DOUBTFUL    ☐ UNDETERMINED    ☐ N/A

#### CURRENT RESERVES

LOSS \$20,000.00
EXPENSE \$14,060.00

#### PAID TO DATE

LOSS
EXPENSE \$940.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Adjuster conducting investigation and District providing information.
RATING 2	<u>RESERVING</u> Appropriate.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> New litigation -- DC working up case.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> In progress -- question of teacher's actions and coverage.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster on top of file.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS

Case has some bad facts, but damages are low.



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME Wilcox High School	
FILE NUMBER 1885543	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN CLAIM	DATE OF LOSS 4/27/2014	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS Property	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Vandalism of school property.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☒ N/A

#### CURRENT RESERVES

LOSS \$10,000.00
EXPENSE \$500.00

#### PAID TO DATE

LOSS
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good PD and District investigation.
RATING 2	<u>RESERVING</u> Appropriate for loss.
RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Damages being documented and evaluated.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster on top of file.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS

Attempts being made to ID vandals for restitution.



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1894367	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 9/21/2013	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Student physically abused by teacher.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$10,000.00
EXPENSE \$7,305.00

#### PAID TO DATE

LOSS
EXPENSE \$4,537.00

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Many issues being considered in the investigation.
RATING 2	<u>RESERVING</u> May be thin -- would review and consider increasing.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC on top of case -- good advice to District.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> In progress -- many moving parts.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster managing file well.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1894350	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN CLAIM	DATE OF LOSS 8/21/2014	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Student injured while demonstrating wrestling.
--

### LIABILITY

☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A

#### CURRENT RESERVES

LOSS \$10,000.00
EXPENSE \$400.00

#### PAID TO DATE

LOSS
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> Good investigation.
RATING 2	<u>RESERVING</u> Appropriate.
RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster handling -- avoided lit costs.
RATING 2	<u>TIMELY NEGOTIATIONS</u> Adjuster proactive -- attempting to settle for medicals \$2,173.

#### COMMENTS



# RMS

RISK MANAGEMENT SERVICES

## AUDIT REVIEW FORM

FILE NAME Los Altos SD	
FILE NUMBER 1899720	
REVIEW DATE 2/5/2015	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN CLAIM	DATE OF LOSS 11/24/2014	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS Property	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Theft of school property.
---

### LIABILITY

☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☒ N/A

#### CURRENT RESERVES

LOSS \$33,411.02
EXPENSE \$0.00

#### PAID TO DATE

LOSS
EXPENSE

#### RECOMMENDED RESERVES

LOSS
EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING 2	<u>INVESTIGATION</u> PD report obtained and working with District on values.
RATING 2	<u>RESERVING</u> Appropriate.
RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Damages/loss well documented.
RATING 2	<u>FILE MANAGEMENT</u> Adjuster on top of resolving loss for member.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

#### COMMENTS



**Agenda Item J.2**

**CYBER LIABILITY OPTIONAL COVERAGE ENHANCEMENT  
FOR PRIVACY NOTIFICATION COSTS AND HIGHER LIMITS**

**INFORMATION ITEM**

**EXPLANATION:** The JPA's Property policy includes some Cyber Liability coverage. The policy currently includes \$500,000 annual aggregate limit for Privacy Notification costs; this increases to \$1 million limit if a Beazley vendor is used (Beazley administers the Cyber coverage). A Cyber Liability coverage enhancement is available and provides two options:

- Option 1 would replace the monetary limit with a per person limit. The per person limit is outside the policy's current dollar limits so that expensive notification costs do not erode the cyber policy limits. The per person limit provides an unlimited dollar amount for notification services subject to the number of notified individuals that is selected. The additional premium is based on the JPA's annual revenue or operating budget and the number of notified individuals that would be covered.
- Option 2 is available only if Option 1 has been purchased. Option 2 provides Excess Cyber Liability limits up to \$5 million.

**ATTACHMENTS:** Cyber Coverage Enhancement  
Cyber Application

# APIP CEO Coverage – Option #1

## Two Towers of Coverage

### LIABILITY SUITS, FINES & PENALTIES

<p><u>\$2,000,000</u></p> <ul style="list-style-type: none"> <li>Regulatory Defense &amp; Penalties</li> <li><del>Privacy Notification</del></li> <li>Website Media Content Liability</li> <li>Cyber Extortion</li> <li>Data Protection / BI</li> </ul>	
<p><u>\$100,000 (sublimit)</u></p> <ul style="list-style-type: none"> <li>PCI Fines and Penalties</li> </ul>	
<p><u>Deductibles</u></p> <ol style="list-style-type: none"> <li>TIV up to \$500M <ul style="list-style-type: none"> <li>\$50,000</li> </ul> </li> <li>TIV greater than \$500M <ul style="list-style-type: none"> <li>\$100,000</li> </ul> </li> </ol>	

+

### BREACH RESPONSE

<p><u>Limits based on Notified Individuals</u></p> <ul style="list-style-type: none"> <li>Notification – dependent upon Notified Individual's declared <ul style="list-style-type: none"> <li>50K, 100K, 250K, 500K, 1M, 2M+</li> </ul> </li> <li>Credit/Identity Monitoring &amp; Call Center Services per N.I.'s</li> </ul>	<p><u>\$250,000 - \$1M*</u></p> <ul style="list-style-type: none"> <li>Legal, Computer Forensics, Crisis Management/PR firm</li> </ul>	<p><u>Deductibles</u></p> <ol style="list-style-type: none"> <li>Computer Forensics, Crisis Management/PR <ul style="list-style-type: none"> <li>*\$10,000 - \$40,000</li> <li>Legal - \$5,000</li> </ul> </li> <li>Notified Individuals – From 50 to 250 (sliding scale)</li> </ol>
---	--	--

### TOWER I

Current APIP Coverage  
 \$2,000,000 Per Member Limit  
 \$25,000,000 Program Aggregate

### TOWER II – dedicated limits Cyber Enhancement Option

\* Depending on annual revenue or operating budget



# CEO Estimated Premium Matrix

## Option #1

**STEP #1**

**STEP #2**

APIP Member Level	Annual Revenue/ Operating Budget	Legal/Forensic/ CM/PR Aggregate Limit	50K Notified Individuals	100K Notified Individuals	250K Notified Individuals	500K Notified Individuals	1M Notified Individuals	2M Notified Individuals	3M Notified Individuals
Level I \$0-\$15M	\$15,000,000	\$250,000	\$968	\$1,452	\$2,323	\$3,484	\$5,226	\$25,806	Subject to Underwriting
Level II \$0-\$35M	\$35,000,000	\$250,000	\$1,468	\$2,202	\$3,523	\$5,284	\$7,926	\$25,806	
Level III \$35M-\$50M	\$50,000,000	\$250,000	\$2,516	\$3,774	\$6,039	\$9,058	\$13,587	\$25,806	
Level IV \$50M-\$100M	\$100,000,000	\$250,000	\$3,742	\$5,613	\$8,981	\$13,471	\$20,206	\$30,310	
Level V \$100M-\$250M	\$250,000,000	\$500,000	\$6,129	\$9,194	\$14,710	\$22,065	\$33,097	\$49,645	
Level VI \$250M-\$500M	\$500,000,000	\$500,000	\$9,677	\$14,516	\$23,226	\$34,839	\$48,387	\$70,968	
Level VII \$500M-\$750M	\$750,000,000	\$500,000	\$13,548	\$20,323	\$32,516	\$48,774	\$61,290	\$93,548	
Level VIII \$750M-\$1B	\$1,000,000,000	\$1,000,000	\$16,774	\$25,161	\$40,258	\$60,387	\$80,645	\$116,129	
Greater than \$1B									
Terms available subject to underwriting review									

“APIP Member Level” based on Annual Revenue or Operating Budget



## BEAZLEY BREACH RESPONSE

### INFORMATION SECURITY & PRIVACY INSURANCE WITH BREACH RESPONSE SERVICES

#### SHORT FORM APPLICATION

**NOTICE: INSURING AGREEMENTS I.A., I.C., I.D. AND I.F. OF THIS POLICY PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD OR AS OTHERWISE PROVIDED IN CLAUSE X. OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.**

**INSURING AGREEMENT I.B. OF THE POLICY PROVIDES COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS; COVERAGE UNDER SUCH INSURING AGREEMENT APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD.**

**PLEASE READ THIS POLICY CAREFULLY.**

Please fully answer all questions and submit all requested information.

Full Name:			
Mailing Address:		State of Incorporation:	
City:		State & Zip:	
# of Employees:		Date Established:	
Website URL's:			
Authorized Officer <sup>1</sup> :		Telephone:	
		E-mail:	
Breach Response Contact <sup>2</sup> :		Telephone:	
		E-mail:	
<b>Applicant Business Activities:</b>			
1. Business Description:			
2. Does the Applicant provide data processing, data storage, or data hosting services to third parties?			<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the Applicant distribute any products on a wholesale basis?			<input type="checkbox"/> Yes <input type="checkbox"/> No
4. If yes, please confirm the percentage of revenue generated by wholesale distribution:			%
<b>Revenue Information:</b>			
<b>*For Applicants in Healthcare: Net Patient Services Revenue plus Other Operating Revenue</b>			
<b>*For all other Applicants, please provide Gross Revenue information</b>			
	Most Recent Twelve (12) months: (ending: ____/____)	Previous Year	Next Year (estimate)
US Revenue:	USD	USD	USD
Non-US Revenue:	USD	USD	USD
Total:	USD	USD	USD
<b>Please attach a copy of your most recently audited annual financial statement.</b>			
Are significant changes in the nature or size of the Applicant's business anticipated over the next twelve (12) months? Or have there been any such changes within the past twelve (12) months?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, please explain:			

<sup>1</sup> The officer of the Applicant that is designated to receive any and all notices from the Insurer or its authorized representative(s) concerning this insurance.

<sup>2</sup> The employee of the Applicant that is designated to manage a response, including consumer notification, in response to a data breach event.

Has the Applicant within the past twelve (12) months completed or agreed to, or does it contemplate entering into within the next twelve (12) months, a merger, acquisition, consolidation, whether or not such transactions were or will be completed?

☐ Yes ☐ No

If yes, please explain:

## I. Information Security & Privacy Controls

1. Does the Applicant have and require employees to follow written computer and information systems policies and procedures? ☐ Yes ☐ No

2. Does the Applicant use the following controls:

A. Commercially available Firewall protection:

☐ Yes ☐ No

B. Commercially available Anti-Virus protection:

☐ Yes ☐ No

If No, Please describe the alternative controls implemented to prevent unauthorized access or intrusion to Computer Systems:

3. Does the Applicant terminate all computer access and user accounts as part of the regular exit process when an employee leaves the company or when a third party contractor no longer provides the contracted services? ☐ Yes ☐ No

4. Does the Applicant accept credit cards for goods sold or services rendered? ☐ Yes ☐ No

If yes:

A. Please state the Applicant's approximate percentage of revenues from credit card transactions within the past twelve (12) months:

%

B. Is the Applicant compliant with applicable data security standards issued by financial institutions with which the Applicant transacts business (e.g. PCI standards)?

☐ Yes ☐ No

5. Does the Applicant have and enforce policies concerning the encryption of internal and external communication? ☐ Yes ☐ No

A. Are users able to store data to the hard drive of portable computers or portable media devices such as USB drives?

☐ Yes ☐ No

B. Does the Applicant encrypt data stored on laptop computers and portable media?

☐ Yes ☐ No

C. Please describe any additional controls the Applicant has implemented to protect data stored on portable devices:

6. What format does the Applicant utilize for backing up and storage of computer system data?

☐ Tape or other media ☐ Online backup service ☐ Other:

A. Are tapes or other portable media containing backup materials encrypted?

☐ Yes ☐ No

B. Are tapes or other portable media stored offsite using secured transportation and secured storage facilities?

☐ Yes ☐ No

1) If stored offsite, are transportation logs maintained?

☐ Yes ☐ No

2) If stored onsite, please describe physical security controls:

## II. WEBSITE CONTENT CONTROLS

1. Please check all descriptions of website content posted by the Applicant:

☐ No Website

☐ Information created by the Applicant

☐ Content under license from a third party

☐ Streaming video or music content

☐ Unlicensed third party content (e.g. – Blog/Message Boards/ Customer Reviews)

2. Does the Applicant have a procedure for responding to allegations that content created, displayed or published by the Applicant is libelous, infringing, or in violation of a third party's privacy rights?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the Applicant have a process to review all content prior to posting on the Insured's internet site(s) to avoid the posting of improper or infringing content?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Has the Applicant screened all trademarks and service marks used by the Applicant for infringement of existing marks prior to first use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
A. Has the Applicant acquired any trademarks or service marks from others within the past three (3) years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, were acquired trademarks and service marks screened for infringement?	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>III. PRIOR CLAIMS AND CIRCUMSTANCES</b>	
1. Does the Applicant or other proposed insured, or any director, officer or employee of the Applicant or other proposed insured have knowledge of or information regarding any fact, circumstance, situation, event or transaction which may give rise to a claim or loss or obligation to provide breach notification under the proposed insurance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please provide details:	
2. During the past 5 years has the Applicant:	
A. received any claims or complaints with respect to privacy, breach of information or network security, unauthorized disclosure of information, or defamation or content infringement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B. been subject to any government action, investigation or subpoena regarding any alleged violation of a privacy law or regulation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C. notified consumers or any other third party of a data breach incident involving the Applicant?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D. Experienced an actual or attempted extortion demand with respect to its computer systems?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please provide details of any such action, notification, investigation or subpoena:	

THE UNDERSIGNED IS AUTHORIZED BY THE APPLICANT TO SIGN THIS APPLICATION ON THE APPLICANT'S BEHALF AND DECLARES THAT THE STATEMENTS SET FORTH HEREIN AND ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE TRUE. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION, ANY SUPPLEMENTAL APPLICATIONS, AND THE MATERIALS SUBMITTED HERewith ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY.

THIS APPLICATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER AND SHALL BE DEEMED ATTACHED TO AND BECOME PART OF THE POLICY IF ISSUED. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY IN CONNECTION WITH THIS APPLICATION AS IT DEEMS NECESSARY.

THE APPLICANT AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE APPLICANT WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

I HAVE READ THE FOREGOING APPLICATION FOR INSURANCE INCLUDING ATTACHMENT 'A' AND REPRESENT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

## **FRAUD WARNING DISCLOSURE**

**ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.**

**NOTICE TO ALABAMA, ARKANSAS, LOUISIANA, NEW MEXICO AND RHODE ISLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

**NOTICE TO KANSAS APPLICANTS:** ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

**NOTICE TO KENTUCKY, NEW JERSEY, NEW YORK, OHIO AND PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES. (IN NEW YORK, THE CIVIL PENALTY IS NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.)

**NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**SIGNATURE SECTION**

THE UNDERSIGNED AUTHORIZED EMPLOYEE OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED EMPLOYEE AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE UNDERWRITER OF SUCH CHANGES, AND THE UNDERWRITER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE. FOR NEW HAMPSHIRE APPLICANTS, THE FOREGOING STATEMENT IS LIMITED TO THE BEST OF THE UNDERSIGNED'S KNOWLEDGE, AFTER REASONABLE INQUIRY. IN MAINE, THE UNDERWRITERS MAY MODIFY BUT MAY NOT WITHDRAW ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

NOTHING CONTAINED HEREIN OR INCORPORATED HEREIN BY REFERENCE SHALL CONSTITUTE NOTICE OF A CLAIM OR POTENTIAL CLAIM SO AS TO TRIGGER COVERAGE UNDER ANY CONTRACT OF INSURANCE. NO COVERAGE SHALL BE AFFORDED FOR ANY CLAIMS ARISING OUT OF A CIRCUMSTANCE NOT DISCLOSED IN THIS APPLICATION.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF. FOR NORTH CAROLINA, UTAH, AND WISCONSIN APPLICANTS, SUCH APPLICATION MATERIALS ARE PART OF THE POLICY, IF ISSUED, ONLY IF ATTACHED AT ISSUANCE.

Signed\*:\_\_\_\_\_

Date:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title: \_\_\_\_\_

(Owner, Partner, Authorized Officer)

If this **Application** is completed in Florida, please provide the Insurance Agent's name and license number. If this **Application** is completed in Iowa or New Hampshire, please provide the Insurance Agent's name and signature only.

Agent's Printed Name:\_\_\_\_\_

Florida Agent's License Number:\_\_\_\_\_

Agent's Signature\*:\_\_\_\_\_



**Agenda Item J.3**

**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, 3<sup>rd</sup> 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, 3<sup>rd</sup> 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](mailto: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](mailto: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).



**Agenda Item J.4**

**SLATE OF OFFICERS FOR JUNE 18, 2015 MEETING**

**INFORMATION ITEM**

**EXPLANATION:** The Executive Committee should review the slate of officers to present to the Board of Directors at their June 18, 2015 meeting. Each June, the Board of Directors elects the Executive Committee officers and a Member at Large for the annual term of office beginning July 1. At the March meeting, the Executive Committee decided to present the following slate of officers:

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

**ATTACHMENTS:** None



**Agenda Item J.5**

**UPDATE ON CYBER SECURITY AUDIT**

**INFORMATION ITEM**

**EXPLANATION:** At its March 5, 2015 meeting, the Executive Committee reviewed proposals received for the Cyber Security Audit and tentatively approved McGladrey to perform internal network vulnerability testing and security controls review. Staff will provide an update on the status of the Cyber Security audit.

**ATTACHMENTS:** None