



SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY BOARD OF DIRECTORS MEETING AGENDA

LOCATION: Webex

A - Action
I - Information

DATE/TIME: December 3, 2020
10:00 A.M.

1 - Included
2 - Hand Out
3 - Separate
4 - Verbal

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

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

Page

A. CALL TO ORDER

B. ROLL CALL **A 4**

C. APPROVAL OF AGENDA **A 1**

D. PUBLIC COMMENT

This time is reserved for members of the public to address the Board of Directors on SBASIA business.

¹ **E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95** **A 1**

1. Martinez, et al v. Newsom, et al

F. PRESIDENT'S REPORT ON ACTION FROM CLOSED SESSION

² **G. LEGAL DEFENSE FUND FOR MARTINEZ, ET AL V. NEWSOM, ET AL** **A 1**

The Board should discuss whether to establish a legal defense fund for this lawsuit.



- | | | | |
|-------|---|----------|----------|
| 3 | H. CONSENT CALENDAR | A | 1 |
| 4-9 | 1. Board of Directors Meeting Minutes – June 11, 2020 | | |
| 10-16 | 2. Financial Report for Quarter Ending September 30, 2020 | | |
| 17-18 | 3. Investment Report for Quarter Ending September 30, 2020 | | |

I. FINANCIAL

- | | | | |
|----|---|----------|----------|
| 19 | 1. Audited Financial Report as of June 30, 2020 | A | 3 |
| | <i>A representative from James Marta & Company will present the Audited Financial Report for Year Ending June 30, 2020.</i> | | |

J. CLAIMS

- | | | | |
|-------|--|----------|----------|
| 20-35 | 1. Claims Stewardship Report | I | 1 |
| | <i>A representative from Carl Warren & Company will present a claims Stewardship report.</i> | | |

K. GENERAL ADMINISTRATION

- | | | | |
|-------|--|----------|----------|
| 36-48 | 1. Insurance Market Update | I | 1 |
| | <i>Staff will present an update on the insurance market.</i> | | |
| 49-50 | 2. Target Surplus Funding Analysis as of June 30, 2020 | I | 1 |
| | <i>Staff will present the Target Surplus Funding Analysis as of June 30, 2020.</i> | | |

L. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING

The next Board of Directors Meeting is set for June 10, 2021 at 10:00 a.m.



South Bay Area Schools Insurance Authority
Board of Directors
December 3, 2020

Agenda Item E.1.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Executive Committee will hold a Closed Session to discuss the following claims:

1. Martinez, et al v. Newsom, et al

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

FISCAL IMPACT: To be determined



South Bay Area Schools Insurance Authority
Board of Directors
December 3, 2020

Agenda Item G.

LEGAL DEFENSE FUND FOR MARTINEZ, ET AL V. NEWSOM, ET AL

ACTION ITEM

ISSUE: The Board of Directors should decide whether to establish a legal defense fund and how to allocate the cost by member for the Martinez, et al v. Newsom, et al class action lawsuit against all California school districts.

RECOMMENDATION: The Program Administrator recommends establishing a legal defense fund for this lawsuit.

FISCAL IMPACT: \$50,000 total, to be collected from the members

BACKGROUND: Martinez, et al v. Newsom, et al is a class action lawsuit against all California school districts alleging denial of free appropriate public education (FAPE) for Special Ed students due to the COVID 19 shutdown. This lawsuit is requesting injunctive relief.

ATTACHMENTS: None



Agenda Item H.

CONSENT CALENDAR

ACTION ITEM

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

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

FISCAL IMPACT: None.

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

- 1. Board of Directors Meeting Minutes – June 11, 2020**
- 2. Financial Report for Quarter Ending September 30, 2020**
- 3. Investment Report for Quarter Ending September 30, 2020**

ATTACHMENTS: Board of Directors Meeting Minutes – June 11, 2020
Financial Report for Quarter Ending September 30, 2020
Investment Report for Quarter Ending September 30, 2020



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Eric Dill, Vice President, Santa Clara Unified School District
Mike Mathiesen, Treasurer, Mountain View-Los Altos Union High School District
Ron Lebs, Secretary, Metropolitan Education District
Joshua Quitariano, Berryessa Union School District
Delores Perley, Evergreen School District
Randy Kenyon, Los Altos School District
Rosemarie Pottage, Los Gatos-Saratoga Joint Union High School District
Kelly Ng, Milpitas Unified School District
Rebecca Westover, Mountain View Whisman School District

MEMBERS ABSENT

Sean Joyce, Lakeside Joint School District
James Novak, Santa Clara County Office of Education

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Jenny Zraick, Gilbert Associates, Inc.

A. CALL TO ORDER

The meeting was called to order at 10:00 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 as presented.

MOTION: Mike Mathiesen	SECOND: Ron Lebs	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2
	ABSTAIN: 0	

AYES: Crawford, Dill, Mathiesen, Lebs, Quitariano, Perley, Kenyon, Pottage, Ng, Westover
NAYS: None
ABSENT: Joyce, Novak

D. PUBLIC COMMENT

There were no public comments.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

E. CONSENT CALENDAR

1. Board of Directors Meeting Minutes – December 5, 2019
2. Financial Report for Quarter Ending March 31, 2020
3. Investment Report for Quarter Ending March 31, 2020

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

MOTION: Ron Lebs **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 10 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover
NAYS: None
ABSENT: Joyce, Novak

F. FINANCIAL

Mr. Matt Gowan said he will go through the budget which will address action items F.1., F.3, F.5, F.6, and F.8 of the agenda.

Mr. Gowan stated this is the hardest Liability and Property market that has been seen in 20 years. The Liability funding has increased by 28.5%. The funding amount is determined by the actuary. The Excess Liability coverage with CSAC EIA from \$250,000 to \$5 million is increasing by 20.2%. The Excess Liability coverage with SELF from \$5 million to \$55 million is increasing by 68.5% as SELF is being hard hit by AB 218 claims. The total Liability cost increased by 36.6% compared to last year.

The Property funding has increased by 3.6%. The funding amount is determined by the actuary. The Property rate increased by 22% plus an increase in total insured values caused the Property premium to increase by 26%. The total Property cost increased 20.8% compared to last year.

The Crime premium increased by 5%. The Deadly Weapon Response Program premium increased by 6%. The admin fees decreased by 12.8% because the Executive Committee decided to postpone the scheduled loss control of playground inspections.

The overall budget increased by 25.3% from last year.

A motion was made approve items F.1 Excess Liability Renewal, F.3 Excess Property and Boiler & Machinery Renewal, F.5 Crime Policy Renewal, F.6 Deadly Weapon Response Policy Renewal and F.8 Revenue and Expense Budget for July 1, 2020-2021.

MOTION: Eric Dill **SECOND:** Mike Mathiesen **MOTION CARRIED**
AYES: 10 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover
NAYS: None
ABSENT: Joyce, Novak

Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

2. Review and Adoption of Liability Memorandum of Coverage

Ms. Joan Crossley said annually the Board adopts the Liability Memorandum of Coverage (MOC). There are two changes to the MOC. CSAC EIA is changing its name to Public Risk Innovation, Solutions, and Management (PRISM) so that name change has been made on the MOC. The other change is updating the policy period.

A motion was made to approve the Liability Memorandum of Coverage for the period of July 1, 2020-2021 as presented.

MOTION: Mike Mathiesen	SECOND: Eric Dill	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover
NAYS: None
ABSENT: Joyce, Novak

4. Review and Adoption of Property Memorandum of Coverage

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

A motion was made to approve the Property Memorandum of Coverage for the period of July 1, 2020-2021 as presented.

MOTION: Ron Lebs	SECOND: Mike Mathiesen	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover
NAYS: None
ABSENT: Joyce, Novak

7. CAJPA Tort Liability Data Analysis Project

Ms. Crossley said California Association of Joint Powers Authorities (CAJPA) is conducting a statewide tort liability data analysis project. The data obtained from this project will be used to lobby legislators to reform the tort system for public entities in California. CAJPA is asking for financial support in the amount of \$5,000 for the project.

A motion was made to approve sending \$5,000 to CAJPA in support of the Tort Liability Data Analysis Project.

MOTION: Eric Dill	SECOND: Mike Mathiesen	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover
Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

NAYS: None

ABSENT: Joyce, Novak

9. SELF Assessment for AB 218 Claims Funding

Mr. Gowan said SELF will be hit hard by AB 218 claims. SELF has already received 12 AB 218 claims going back to the 1980's. Every California school district, except for L.A. Unified, has been a member of SELF. SELF needs to charge an assessment to fund for AB 218 claims. SELF expects to collect the AB 218 assessment in three equal annual payments with the first invoice to be mailed in the fall of 2020.

G. GENERAL ADMINISTRATION

1. SBASIA Election of Officers and Executive Committee

Mr. Crawford presented the slate of officers recommended by the Executive Committee for the 2020-2021 program year. They are as follows:

President: Mr. Eric Dill, Santa Clara Unified School District

Vice President: Ms. Delores Perley, Evergreen School District

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

Secretary: Mr. Ron Lebs, Metropolitan Education District

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

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

MOTION: Mike Mathiesen	SECOND: Rosemarie Pottage	MOTION CARRIED
AYES: 10	NOES: 0	ABSTAIN: 0
		ABSENT: 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover

NAYS: None

ABSENT: Joyce, Novak

2. Investment Authority

Mr. Gowan stated that Government Code requires the delegation of the authority to invest or reinvest funds of SBASIA to the Treasurer. The delegation cannot exist beyond one year so the Board will need to authorize the delegation for the period of July 1, 2020 to June 30, 2021.

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

MOTION: Rosemarie Pottage	SECOND: Ron Lebs	MOTION CARRIED
AYES: 10	NOES: 0	ABSTAIN: 0
		ABSENT: 2

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover

NAYS: None

Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

ABSENT: Joyce, Novak

3. Review of Investment Policy

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

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

MOTION: Rosemarie Pottage	SECOND: Eric Dill	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2
	ABSTAIN: 0	

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover

NAYS: None

ABSENT: Joyce, Novak

4. Review of Conflict of Interest Code

Mr. Gowan said that Government Code requires the Conflict of Interest Code to be reviewed and approved every even numbered year. There are no changes to the Conflict of Interest Code.

A motion was made to adopt the Conflict of Interest Code as presented.

MOTION: Mike Mathiesen	SECOND: Rosemarie Pottage	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2
	ABSTAIN: 0	

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover

NAYS: None

ABSENT: Joyce, Novak

5. Resolution Establishing Meeting Dates for Fiscal Year 2020-2021

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

The following dates are proposed as Board meeting dates for the fiscal year 2020-2021:

December 3, 2020, 10:00 a.m.

June 10, 2021, 10:00 a.m.

A motion was made to adopt the 2020-2021 Board meeting dates as presented.

MOTION: Ron Lebs	SECOND: Eric Dill	MOTION CARRIED
AYES: 10	NOES: 0	ABSENT: 2
	ABSTAIN: 0	

AYES: Crawford, Dill, Mathiesen, Lebs, Quitoriano, Perley, Kenyon, Pottage, Ng, Westover

NAYS: None

Draft



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
WEBEX MEETING
June 11, 2020**

ABSENT: Joyce, Novak

I. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 10:49 a.m.

South Bay Area Schools Insurance Authority
Statement of Net Position
As of September 30, 2020 and September 30, 2019

	<u>September 30, '20</u>	<u>September 30, '19</u>
ASSETS		
Current Assets		
Checking/Savings		
WFB - Santa Clara County	\$ 3,989,652.70	\$ 3,912,790.60
WFB - Transfer Account	3,164.36	3,164.36
B of A Claims Trust Account	35,865.97	107,459.44
B of A - General Checking	3,925,988.96	2,436,093.80
Total Checking/Savings	<u>7,954,671.99</u>	<u>6,459,508.20</u>
Accounts Receivable		
Accounts Receivable		
Claim Recovery Receivable	450,665.76	961,877.99
Member Premiums	-	8,013.30
Claims Deductibles	348,221.96	225,617.52
Total Accounts Receivable	<u>798,887.72</u>	<u>1,195,508.81</u>
Total Accounts Receivable	<u>798,887.72</u>	<u>1,195,508.81</u>
Total Current Assets	<u>8,753,559.71</u>	<u>7,655,017.01</u>
Other Assets		
Interest Receivable	-	-
Prepaid Expenses		
Prepaid Contract Administration	178,500.00	178,500.00
Prepaid Excess Insurance	3,223,572.49	2,368,738.03
Total Prepaid Expenses	<u>3,402,072.49</u>	<u>2,547,238.03</u>
Total Other Assets	<u>3,402,072.49</u>	<u>2,547,238.03</u>
TOTAL ASSETS	<u>\$ 12,155,632.20</u>	<u>\$ 10,202,255.04</u>

South Bay Area Schools Insurance Authority
Statement of Net Position
As of September 30, 2020 and September 30, 2019

	<u>September 30, '20</u>	<u>September 30, '19</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Dividends Payable	-	-
Claims Reserves	1,777,394.66	1,402,204.01
Deferred Revenue	4,901,894.66	3,869,009.96
Total Current Liabilities	<u>6,679,289.32</u>	<u>5,271,213.97</u>
Total Current Liabilities	6,679,289.32	5,271,213.97
Long Term Liabilities		
IBNR	3,105,142.79	3,069,257.19
Unallocated Loss Adjustment	488,000.00	447,000.00
Total Long Term Liabilities	<u>3,593,142.79</u>	<u>3,516,257.19</u>
Total Liabilities	<u>\$ 10,272,432.11</u>	<u>\$ 8,787,471.16</u>
NET POSITION		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	(633,205.12)	(1,219,894.78)
Net Revenue Over Expenditures	16,405.21	134,678.66
Total Net Position	<u><u>\$ 1,883,200.09</u></u>	<u><u>\$ 1,414,783.88</u></u>

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year to Date Ended September 30, 2020 and September 30, 2019

	<u>Jul '20 - Sep '20</u>	<u>Jul '19 - Sep '20</u>	<u>Jul '18 -Sep '19</u>
Revenue			
Member Contributions			
Liability Contributions	\$ 575,082.00	\$ 575,082.00	\$ 226,250.00
Property Contributions	486,772.50	486,772.50	372,106.75
Crime Policy	8,597.00	8,597.00	8,187.50
Deadly Weapon Response Program	4,039.00	4,039.00	3,800.86
Administration	111,974.75	111,974.75	128,481.25
Loss Funding	447,500.00	447,500.00	550,843.75
Member Contributions - Other			
Total Member Contributions	<u>1,633,965.25</u>	<u>1,633,965.25</u>	<u>1,289,670.11</u>
Interest Income	<u>16,293.91</u>	<u>16,293.91</u>	<u>21,612.52</u>
Total Income	<u>1,650,259.16</u>	<u>1,650,259.16</u>	<u>1,311,282.63</u>
Expense			
General & Administrative			
General Expenses			
Accounting Services	8,436.40	8,436.40	8,156.37
Accreditation Fee	-	-	-
Actuarial Study	-	-	-
Administrative Consulting	-	-	7,500.00
Audit Expense - Financial	4,000.00	4,000.00	-
Audit Expense - Claims	-	-	-
Bank Service Charges	50.14	50.14	10.26
Conference	-	-	-
Contingency	-	-	-
Dues & Membership	-	-	1,250.00
Miscellaneous	-	-	-
Legal Expense - JPA	-	-	96.00
Loss Control	-	-	17,500.00
Supplies, Postage, Misc Expense	-	-	-
Website	-	-	-
Total Administration	<u>58,986.54</u>	<u>58,986.54</u>	<u>34,512.63</u>
Program Administration			
Claims Management Fees	19,500.00	19,500.00	19,500.00
Contract Administration	40,000.00	40,000.00	40,000.00
Total Program Administration	<u>59,500.00</u>	<u>59,500.00</u>	<u>59,500.00</u>
Total General and Administrative Expenses	<u>118,486.54</u>	<u>118,486.54</u>	<u>94,012.63</u>
Insurance Expense			
Excess Liability Policy	272,033.75	272,033.75	225,640.25
SELF Contributions	303,082.03	303,082.03	179,843.79
Excess Property Policy	486,772.50	486,772.50	372,106.95
Crime Policy	8,597.00	8,597.00	8,187.50
Deadly Weapons Response Program	4,038.88	4,038.88	3,800.86
Total Insurance Expense	<u>1,074,524.16</u>	<u>1,074,524.16</u>	<u>789,579.35</u>
Claims Expenses			
Claims Payments	193,722.28	193,722.28	576,171.07
Claims Adjustment Account	247,120.97	247,120.97	(283,159.08)
Total Claims Expenses	<u>440,843.25</u>	<u>440,843.25</u>	<u>293,011.99</u>
Dividends	-	-	-
Total Expenses	<u>1,633,853.95</u>	<u>1,633,853.95</u>	<u>1,176,603.97</u>
Net Revenue Over (Under) Expenses	<u><u>\$ 16,405.21</u></u>	<u><u>\$ 16,405.21</u></u>	<u><u>\$ 134,678.66</u></u>
 Net Postion, Beginning		<u><u>\$ 1,866,794.88</u></u>	<u><u>\$ 1,280,105.22</u></u>
 Net Position, Ending		<u><u>\$ 1,883,200.09</u></u>	<u><u>\$ 1,414,783.88</u></u>

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual
Year to Date Ended September 30, 2020

	Jul '19 - Sep '20	Budget	\$ Over Budget	% of Budget
Revenue				
Member Contributions				
Liability Contributions	\$ 575,082.00	\$ 2,300,328.00	\$ (1,725,246.00)	25.0%
Property Contributions	486,772.50	1,947,090.00	(1,460,317.50)	25.0%
Crime Policy	8,597.00	34,388.00	(25,791.00)	25.0%
Deadly Weapons Response Program	4,039.00	16,156.00	(12,117.00)	25.0%
Administration	111,974.75	447,899.00	(335,924.25)	25.0%
Loss Funding	447,500.00	1,790,000.00	(1,342,500.00)	25.0%
Total Member Contributions	1,633,965.25	6,535,861.00	(4,901,895.75)	25.0%
Interest Income	16,293.91	-	16,293.91	0.0%
Total Income	1,650,259.16	6,535,861.00	(4,885,601.84)	25.2%
Expense				
General & Administrative				
General Expenses				
Accounting Services	8,436.40	33,516.00	(25,079.60)	25.2%
Actuarial Study	-	-	-	0.0%
Appraisal Services	46,500.00	155,000.00	(108,500.00)	30.0%
Administrative Consulting	-	-	-	0.0%
Audit Expense - Financial	4,000.00	13,965.00	(9,965.00)	28.6%
Audit Expense - Claims	-	4,000.00	(4,000.00)	0.0%
Bank Service Charges	50.14	-	50.14	0.0%
Conference	-	-	-	0.0%
Contingency	-	-	-	0.0%
Dues & Membership	-	1,250.00	(1,250.00)	0.0%
Legal Expense - JPA	-	2,000.00	(2,000.00)	0.0%
Loss Control	-	-	-	0.0%
Meeting Expense	-	-	-	0.0%
Website	-	168.00	(168.00)	0.0%
Total Administration	58,986.54	209,899.00	(150,912.46)	28.1%
Program Administration				
Claims Management Fees	19,500.00	78,000.00	(58,500.00)	25.0%
Contract Administration	40,000.00	160,000.00	(120,000.00)	25.0%
Total Program Administration	59,500.00	238,000.00	(178,500.00)	25.0%
Total General and Administrative Expenses	118,486.54	447,899.00	(329,412.46)	26.5%
Insurance Expense				
Excess Liability Policy	575,115.78	2,300,328.00	(1,725,212.22)	25.0%
Excess Property Policy	486,772.50	1,947,090.00	(1,460,317.50)	25.0%
Crime Policy	8,597.00	34,388.00	(25,791.00)	25.0%
Deadly Weapons Response Program	4,038.88	16,156.00	(12,117.12)	25.0%
Total Insurance Expense	1,074,524.16	4,297,962.00	(3,223,437.84)	25.0%
Claims Expenses				
Claims Payments	193,722.28	1,790,000.00	(1,596,277.72)	10.8%
Claims Adjustment Account	247,120.97	-	247,120.97	0.0%
Total Claims Expenses	440,843.25	1,790,000.00	(1,349,156.75)	24.6%
Dividends	-	-	-	0.0%
Total Expenses	1,633,853.95	6,535,861.00	(4,902,007.05)	25.0%
Net Revenue Over (Under) Expenses	\$ 16,405.21	\$ -	\$ 16,405.21	0.0%

South Bay Area Schools Insurance Authority
Check Register - Carl Warren Trust Account
Jul 1, 2020 - Sep 30, 2020

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount	Loss	Expense
20086	TALAS ENGINEERING, INC.	7/7/2020	12/3/2016	1972826	BODILY INJ		1 Payment	\$ 2,665.00	\$ -	\$ 2,665.00
20087	TALAS ENGINEERING, INC.	7/21/2020	12/3/2016	1972826	BODILY INJ		1 Payment	\$ 6,259.37	\$ -	\$ 6,259.37
20088	DAVIS & YOUNG, APLC	7/30/2020	3/5/2018	1986855	BODILY INJ		1 Payment	\$ 722.90	\$ -	\$ 722.90
20089	DAVIS & YOUNG, APLC	7/30/2020	6/6/2019	2004147	LIABILITY PE		1 Payment	\$ 2,418.10	\$ -	\$ 2,418.10
20090	DAVIS & YOUNG, APLC	7/30/2020	10/3/2018	1995198	BODILY INJ		1 Payment	\$ 1,035.00	\$ -	\$ 1,035.00
20091	DAVIS & YOUNG, APLC	7/30/2020	5/2/2019	1994990	EMPLOYMEN		1 Payment	\$ 842.50	\$ -	\$ 842.50
20092	DAVIS & YOUNG, APLC	7/30/2020	4/29/2019	1994906	EMPLOYMEN		1 Payment	\$ 1,362.50	\$ -	\$ 1,362.50
20093	DAVIS & YOUNG, APLC	7/30/2020	11/20/2018	1988188	EMPLOYMEN		1 Payment	\$ 1,636.00	\$ -	\$ 1,636.00
20094	DAVIS & YOUNG, APLC	7/30/2020	2/1/2016	1988097	LIABILITY PE		1 Payment	\$ 925.70	\$ -	\$ 925.70
20095	DAVIS & YOUNG, APLC	7/30/2020	12/3/2016	1972826	BODILY INJ		1 Payment	\$ 19,261.75	\$ -	\$ 19,261.75
20096	MADSEN, KNEPPERS & ASSOCIATES, INC.	7/30/2020	11/30/2017	1973698	ALL RISK CO		1 Payment	\$ 60.00	\$ -	\$ 60.00
20097	DAVIS & YOUNG, APLC	7/31/2020	5/5/2016	1948331	BODILY INJ		1 Payment	\$ 880.25	\$ -	\$ 880.25
20098	DAVIS & YOUNG, APLC	7/31/2020	12/1/2014	1916921	EMPLOYMEN		1 Payment	\$ 8,945.21	\$ -	\$ 8,945.21
20099	GREAT OAKS LAWYERS IOLTA	8/4/2020	5/1/2018	1981380	GENERAL LIA		1 Payment	\$50,000.00	\$50,000.00	\$0.00
20100	MADSEN, KNEPPERS & ASSOCIATES, INC.	8/13/2020	11/30/2017	1973698	PROPERTY		1 Payment	\$60.00	\$0.00	\$60.00
20101	JUNE YU PALTZER, PHD, ABPP	8/13/2020	12/3/2016	1972826	GENERAL LIA		1 Payment	\$1,950.00	\$0.00	\$1,950.00
20102	DAVIS & YOUNG, APLC	8/18/2020	5/5/2016	1948331	GENERAL LIA		1 Payment	\$2,544.20	\$0.00	\$2,544.20
20103	AUTOCLAIMS DIRECT, INC.	8/25/2020	7/29/2020	3003838	GENERAL LIA		1 Payment	\$105.00	\$0.00	\$105.00
20104	JINKIE GALVAN	9/8/2020	7/29/2020	3003838	PROPERTY D	GALVAN, JINKIE	Payment	\$5,315.20	\$5,315.20	\$0.00
20105	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$274.30	\$0.00	\$274.30
20106	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$361.40	\$0.00	\$361.40
20107	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$1,215.00	\$0.00	\$1,215.00
20108	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$1,501.20	\$0.00	\$1,501.20
20109	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$4,323.30	\$0.00	\$4,323.30
20110	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$305.00	\$0.00	\$305.00
20111	DAVIS & YOUNG, APLC	9/15/2020	9/12/2015	1965487	BODILY INJ	DOE, JANE	Payment	\$1,507.50	\$0.00	\$1,507.50
20112	JAMS, INC.	9/15/2020	12/3/2016	1972826	BODILY INJ	GARNICA, JESUS	Payment	\$3,366.66	\$0.00	\$3,366.66
20113	DAVIS & YOUNG, APLC	9/15/2020	5/5/2016	1948331	BODILY INJ	AZARCON, JOMAR	Payment	\$247.50	\$0.00	\$247.50
20114	DAVIS & YOUNG, APLC	9/15/2020	12/1/2014	1916921	EMPLOYMEN	ADAMS, MARK	Payment	\$2,155.00	\$0.00	\$2,155.00
20115	DAVIS & YOUNG, APLC	9/15/2020	5/7/2018	1981763	EMPLOYMEN	CASERTA, DOMINIC	Payment	\$2,716.02	\$0.00	\$2,716.02
20116	DAVIS & YOUNG, APLC	9/15/2020	2/1/2016	1988097	LIABILITY PE	A.M., .	Payment	\$4,908.40	\$0.00	\$4,908.40
20117	DAVIS & YOUNG, APLC	9/15/2020	8/19/2018	1990573	LIABILITY PE	DAVILLA, MONIQUE	Payment	\$279.50	\$0.00	\$279.50
20118	DAVIS & YOUNG, APLC	9/15/2020	5/1/2018	1981380	BODILY INJ	MINHAS, GURMUKH S.	Payment	\$619.00	\$0.00	\$619.00
20119	DAVIS & YOUNG, APLC	9/15/2020	4/29/2019	1994906	EMPLOYMEN	CARDOZO, PAULA	Payment	\$1,180.00	\$0.00	\$1,180.00
20120	DAVIS & YOUNG, APLC	9/15/2020	1/17/2020	3003485	BODILY INJ	MARIA, GARCIA	Payment	\$675.00	\$0.00	\$675.00
20121	DAVIS & YOUNG, APLC	9/15/2020	8/30/2018	1985104	BODILY INJ	GAMBOA, JOSEPHINE	Payment	\$145.00	\$0.00	\$145.00
20122	DAVIS & YOUNG, APLC	9/15/2020	5/23/2018	1998764	EMPLOYMEN	SODER, TRACIE	Payment	\$1,747.50	\$0.00	\$1,747.50
20123	DAVIS & YOUNG, APLC	9/17/2020	9/16/2019	2003521	BODILY INJ	HARRIS, BONNIE	Payment	\$1,173.35	\$0.00	\$1,173.35
20124	COURTCALL, LLC	9/22/2020	5/5/2016	1937203	BODILY INJ	AZARCON, JOMAR	Payment	\$94.00	\$0.00	\$94.00
20125	COURTCALL, LLC	9/22/2020	5/5/2016	1937203	BODILY INJ	AZARCON, JOMAR	Payment	\$94.00	\$0.00	\$94.00
20126	COURTCALL, LLC	9/22/2020	5/5/2016	1937203	BODILY INJ	AZARCON, JOMAR	Payment	\$94.00	\$0.00	\$94.00

Check	Payee	Check Date	DOL	Claim	Cov	Claimant	Action Code	Amount	Loss	Expense
20127	DAVIS & YOUNG, APLC	9/22/2020	12/3/2016	1972826	BODILY INJ	GARNICA, JESUS	Payment	\$10,036.85	\$0.00	\$10,036.85
20128	DAVIS & YOUNG, APLC	9/22/2020	10/3/2018	1995198	BODILY INJ	DOE, JANE	Payment	\$7,150.80	\$0.00	\$7,150.80
20129	DAVIS & YOUNG, APLC	9/22/2020	6/6/2019	2004147	LIABILITY PE	BABAYEVA, AYGULINA A.	Payment	\$891.25	\$0.00	\$891.25
20130	DAVIS & YOUNG, APLC	9/22/2020	10/4/2019	2008529	EMPLOYMEN	REDD-OYEDELE, ANN	Payment	\$910.30	\$0.00	\$910.30
20131	DAVIS & YOUNG, APLC	9/22/2020	4/30/2020	3001957	EMPLOYMEN	SCHIRLE , ELIZABETH	Payment	\$4,590.00	\$0.00	\$4,590.00
20132	DAVIS & YOUNG, APLC	9/22/2020	12/1/2017	1977073	EMPLOYMEN	GOMEZ, KATHERINE	Payment	\$6,257.00	\$0.00	\$6,257.00
Total								\$ 165,807.51		

Claims Checking Account

Balance at beginning of the quarter	\$ 69,724.79
Deposits - Transfers from general account	124,437.27
Voided Checks	-
Recoveries	7,511.42
Claim Payments	(165,807.51)
Ending Bank Balance	\$ 35,865.97

South Bay Area Schools Insurance Authority
Transactions - Main Checking
Jul 1, 2020 - Sep 30, 2020

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit	Balance
									1,097,592.34
Deposit	07/06/2020			Deposit	√	Claim Recovery Receivable	957,993.76		2,055,586.10
General Journal	07/14/2020	Bill.com	Alliant Insurance Services, Inc.	https://app.bill.com/BillPay?id=blp01HPQSHQIYG59v5t		*Accounts Payable		16,155.53	2,039,430.57
		Bill.com	Alliant Insurance Services, Inc.	https://app.bill.com/BillPay?id=blp01PDLZOOLYC59v5t		*Accounts Payable		34,388.00	2,005,042.57
General Journal	07/15/2020	Bill.com	Carl Warren & Co - ATF SBASIA	https://app.bill.com/BillPay?id=blp01OIZHGXRWX5a4w		*Accounts Payable		30,275.21	1,974,767.36
Check	07/15/2020			Service Charge	√	Bank Service Charges		5.54	1,974,761.82
Deposit	07/21/2020			Deposit	√	-SPLIT-	4,758,242.70		6,733,004.52
General Journal	07/21/2020	Bill.com	Schools Excess Liability Fund	https://app.bill.com/BillPay?id=blp01VBJFTVJAC5ayfir		*Accounts Payable		1,212,328.12	5,520,676.40
General Journal	07/27/2020	Bill.com	Alliant Insurance Services, Inc.	https://app.bill.com/BillPay?id=blp01HHQRKEQGC5bm		*Accounts Payable		1,947,090.00	3,573,586.40
		Bill.com	CSAC Excess Insurance Authority	https://app.bill.com/BillPay?id=blp01LYTODLOFY5bm7		*Accounts Payable		1,088,135.00	2,485,451.40
General Journal	07/28/2020	Bill.com	Carl Warren & Co - ATF SBASIA	https://app.bill.com/BillPay?id=blp01SOROHYCW5bw		*Accounts Payable		50,000.00	2,435,451.40
Deposit	07/29/2020			Deposit	√	-SPLIT-	422,790.91		2,858,242.31
General Journal	07/30/2020	Bill.com	Alliant Insurance Services, Inc.	https://app.bill.com/BillPay?id=blp01BKWZCTIAP5c5vy		*Accounts Payable		160,000.00	2,698,242.31
General Journal	08/11/2020	Bill.com	Carl Warren & Co - ATF SBASIA	https://app.bill.com/BillPay?id=blp01VTVYWQRTL5dym		*Accounts Payable		42,721.61	2,655,520.70
Deposit	08/13/2020			Deposit	√	-SPLIT-	465,283.79		3,120,804.49
General Journal	08/14/2020	Bill.com	Carl Warren & Company	https://app.bill.com/BillPay?id=blp01CGWYATPJF5ejjv		*Accounts Payable		78,000.00	3,042,804.49
Check	08/15/2020			Service Charge	√	Bank Service Charges		44.60	3,042,759.89
Deposit	08/26/2020			Deposit	√	-SPLIT-	463,826.58		3,506,586.47
General Journal	08/27/2020	Bill.com	Duff & Phelps	https://app.bill.com/BillPay?id=blp01JLGRKZWZH5ga4		*Accounts Payable		46,500.00	3,460,086.47
Deposit	08/28/2020			Deposit	√	Undeposited Funds	479,779.34		3,939,865.81
General Journal	09/02/2020	Bill.com	James Marta & Company	https://app.bill.com/BillPay?id=blp01MKFFNEKXP5h83t		*Accounts Payable		4,000.00	3,935,865.81
General Journal	09/10/2020	Bill.com	Gilbert Associates, Inc.	https://app.bill.com/BillPay?id=blp01GMAVVCVVN5ibtv		*Accounts Payable		8,436.40	3,927,429.41
General Journal	09/18/2020	Bill.com	Carl Warren & Co - ATF SBASIA	https://app.bill.com/BillPay?id=blp01PWUIZMPRV5jl5sc		*Accounts Payable		1,440.45	3,925,988.96
							<u>7,547,917.08</u>	<u>4,719,520.46</u>	<u>3,925,988.96</u>

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



November 12, 2020

Submitted by: DocuSigned by:
Alan Minato
0F8E7F60DA754BD
Alan Minato, Director of Finance

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

FROM: GEORGE DOORLEY, CONTROLLER-TREASURER DocuSigned by:
[Signature]
6991198CBE39482...

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the September 30, 2020 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 September 30, 2020 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	\$7,767,383,636	\$7,858,137,079	\$90,753,444	1.17%

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

The yield of the Pool on September 30, 2020 was 1.29%. As a comparison, on September 30, 2020 the yield of a 6-month Treasury Bill was .10%. A two-year Treasury Note was .13%. The State of California Local Agency Investment Fund (LAIF) yield was .69%.

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

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

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

A combination of 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.

Attachments:

September 30, 2020 Quarterly Investment Summary



Agenda Item I.1

AUDITED FINANCIAL REPORT AS OF JUNE 30, 2020

ACTION ITEM

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

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

FISCAL IMPACT: None

BACKGROUND: SBASIA is required to have an audit performed each year and to file such audit with the County in which its primary office is located. It must also file the audit with the State Controller. SBASIA had James Marta & Company perform its audited financials for the year ending June 30, 2020.

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

ATTACHMENTS: None



South Bay Area Schools Insurance Authority
Board of Directors
December 3, 2020

Agenda Item J.1

CLAIMS STEWARDSHIP REPORT

INFORMATION ITEM

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

ATTACHMENTS: Claims Stewardship Report

2020 Stewardship Report for South Bay Area Schools Insurance Authority

December 3, 2020



CARL WARREN & COMPANY

Claims Management and Solutions

A Trusted TPA Partner since 2009



Overview of Program

- Carl Warren has been a proud partner with South Bay Area Schools Insurance Authority (SBASIA) for 11 years.
- Over the past year, our focus has been on innovation, leadership and development through:
 - Program quality, performance, outcomes, analytics
 - Comprehensive quality assurance program
 - Enhanced Client Services
 - Proactive claims management towards resolution
 - Inhouse education program lead by industry experts
 - Implementation of FileHandler Enterprise by JW Software



Streamlined Structure

Executive Team

Gordon Pennington
President

Rich McAbee
Chief Marketing
Officer

Angelique King
Assistant Vice
President
Claims

Suzie Spencer
Client Service
Manager

SBASIA Designated Team

Joyce Fairley-Ray
Claims Supervisor

Donald Chang
Claims Examiner

Karen Lambert
Subrogation Examiner

Additional Claims Resources

Sheila Neuman
Subrogation Supervisor

Jessica Reid
Claims Support
Supervisor

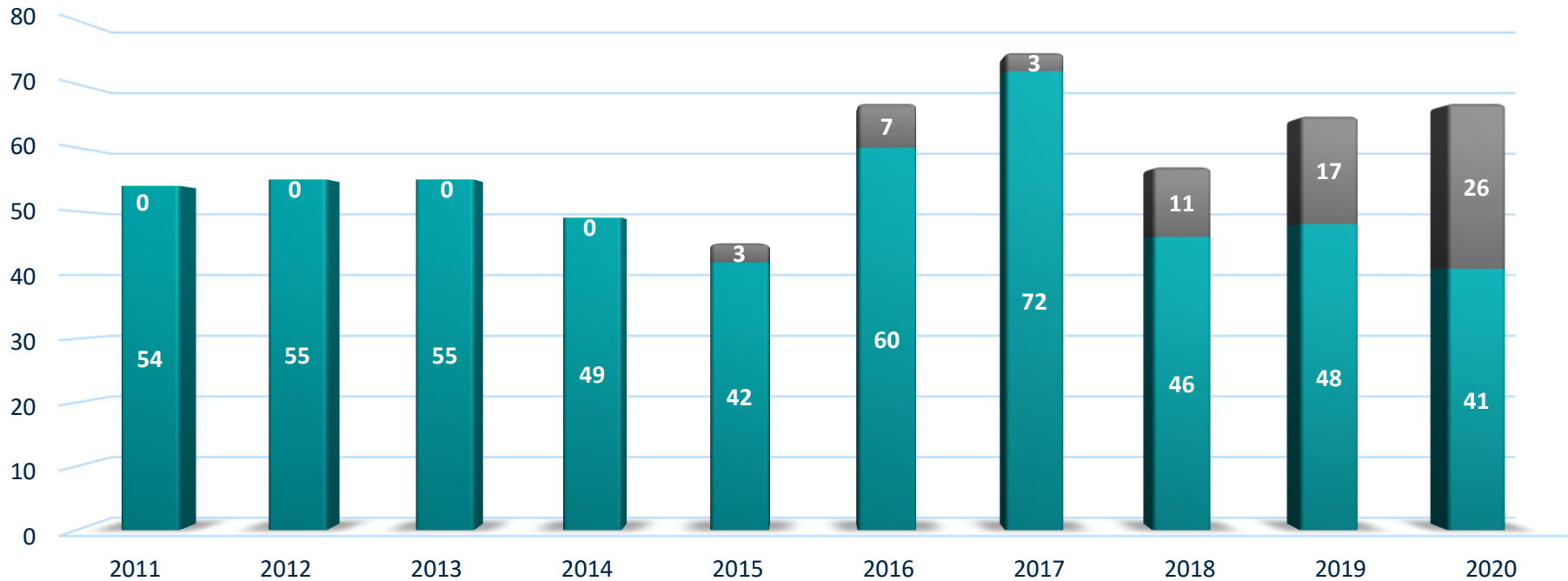
Data Reports
Reports@carlwarren.com

Client Support
ClientSupport@carlwarren.
com



Claim Count by Policy Year

Open vs. Closed



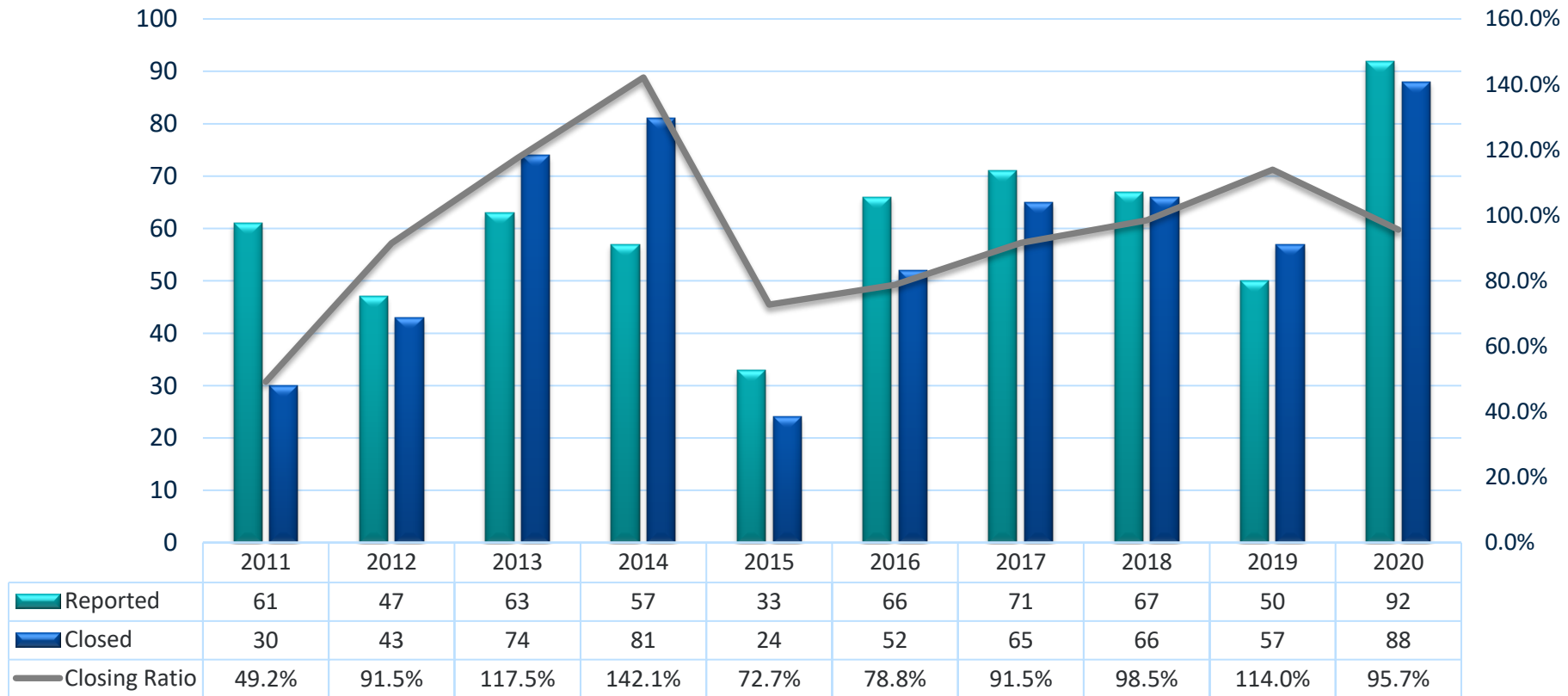
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Open	0	0	0	0	3	7	3	11	17	26
Closed	54	55	55	49	42	60	72	46	48	41

All Claim Data is for Policy Years 07/01/2010 through 06/30/2020, valued as of 06/30/2020



Closed Claim Performance

Closing Ratio

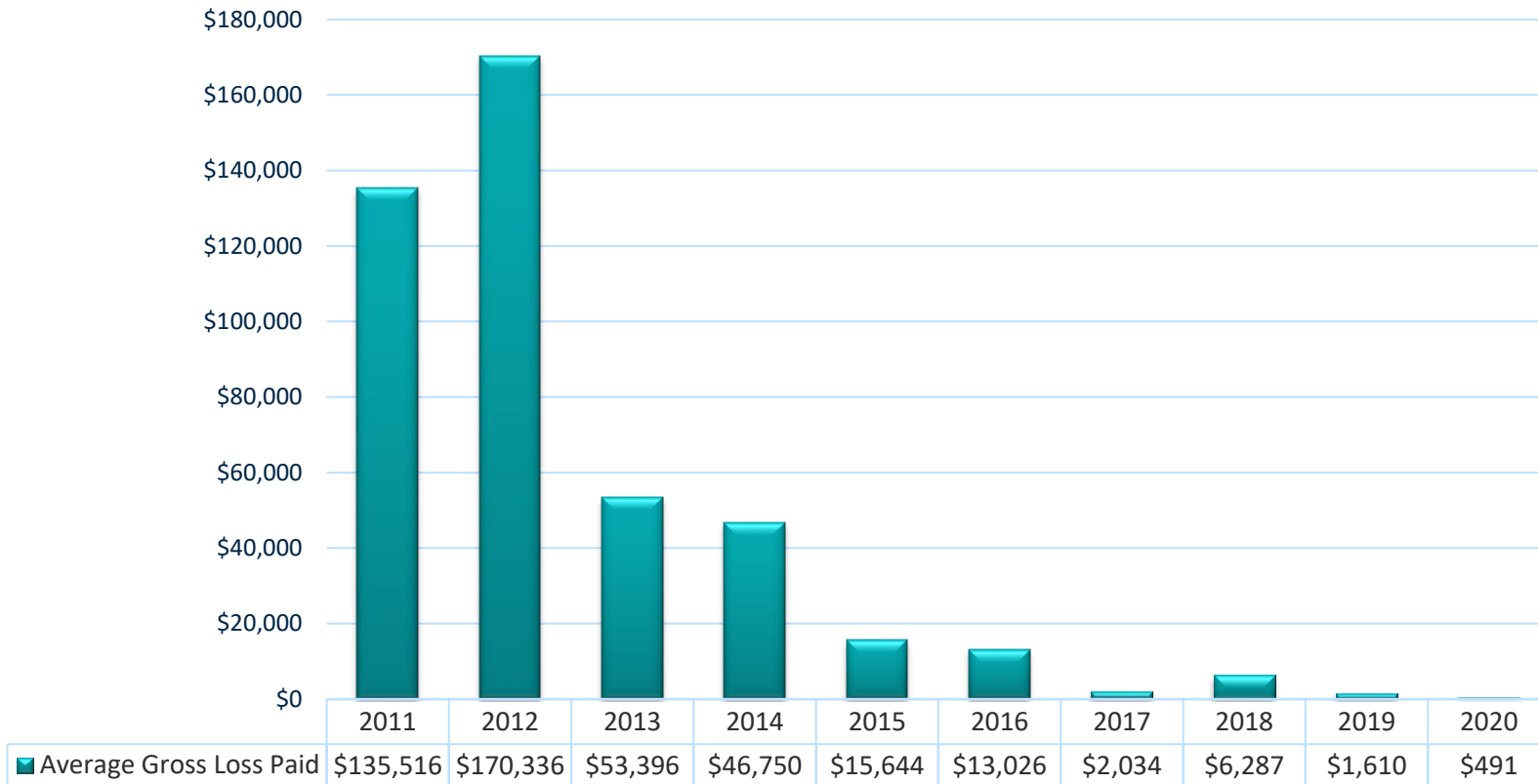


Average 10-year closing ratio is 95.5%



Closed Claim Performance

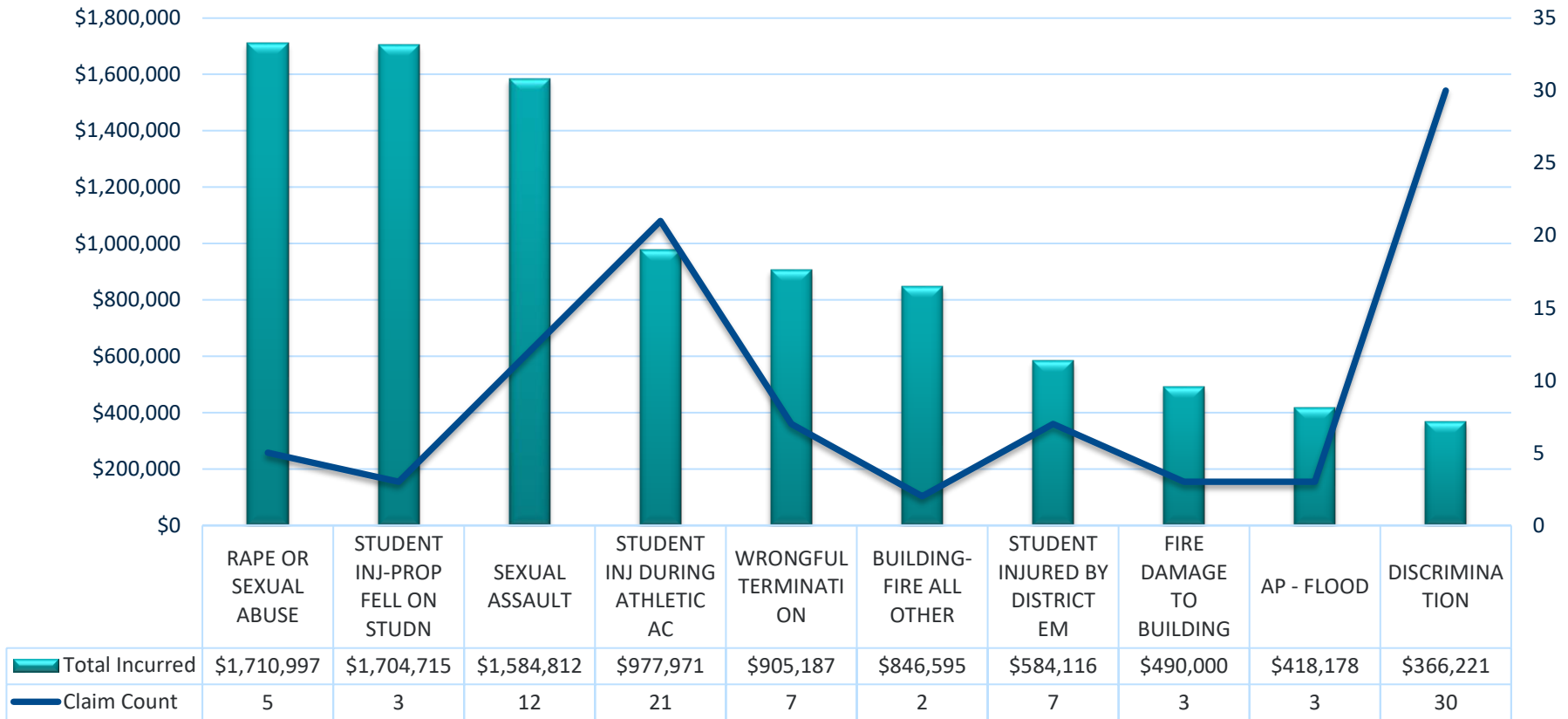
Average Gross Loss Payments



- Average loss paid per claim decreased by 69% in 2013 and has continued to decrease year over year.
- In 2011/2012 there are 3 sexual assault claims driving the average, with total combined loss paid of \$3.1M



Top 10 Causes by Severity

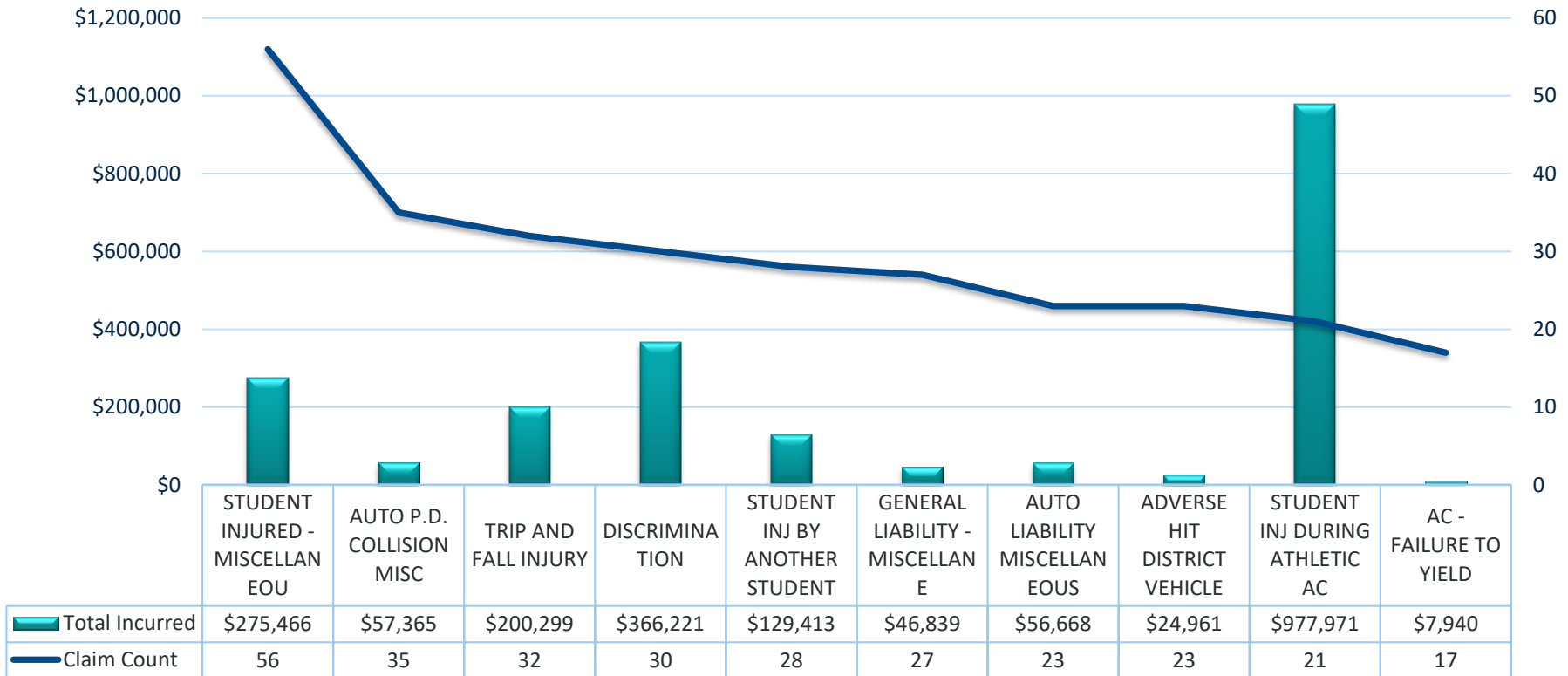


- Of the top 10 causes of loss for severity, rape and sexual assault claims account for 34% of the total incurred and 18% of the total claim count.
- Losses caused by athletic injuries account for 10% of the total incurred and 23% of the total claim count.

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Top 10 Causes by Frequency



- Of the top 10 causes of loss by frequency, student injuries account for 36% of the claim volume and 65% of the total incurred.



Claims & Incurred

By Coverage – Property & Liability

First Party Coverage		Claim Count	Total Reserves	Gross Payments	Net Total Incurred
AUTO LIABILITY	ALL RISK BUILDINGS	1	\$0	\$24,997	\$24,997
AUTO LIABILITY	FIRST PARTY PROPERTY T/E	1	\$0	\$0	\$0
PROPERTY	ALL RISK BUILDINGS	11	\$25,500	\$563,035	\$577,864
PROPERTY	ALL RISK CONTENTS	9	\$45,460	\$34,353	\$79,813
PROPERTY	FIRST PARTY PROPERTY T/E	34	\$630,034	\$785,546	\$1,358,050
PROPERTY	VANDALISM, MAL MISCHIEF	3	\$0	\$19,412	\$19,412
Grand Total		59	\$700,994	\$1,427,343	\$2,060,136

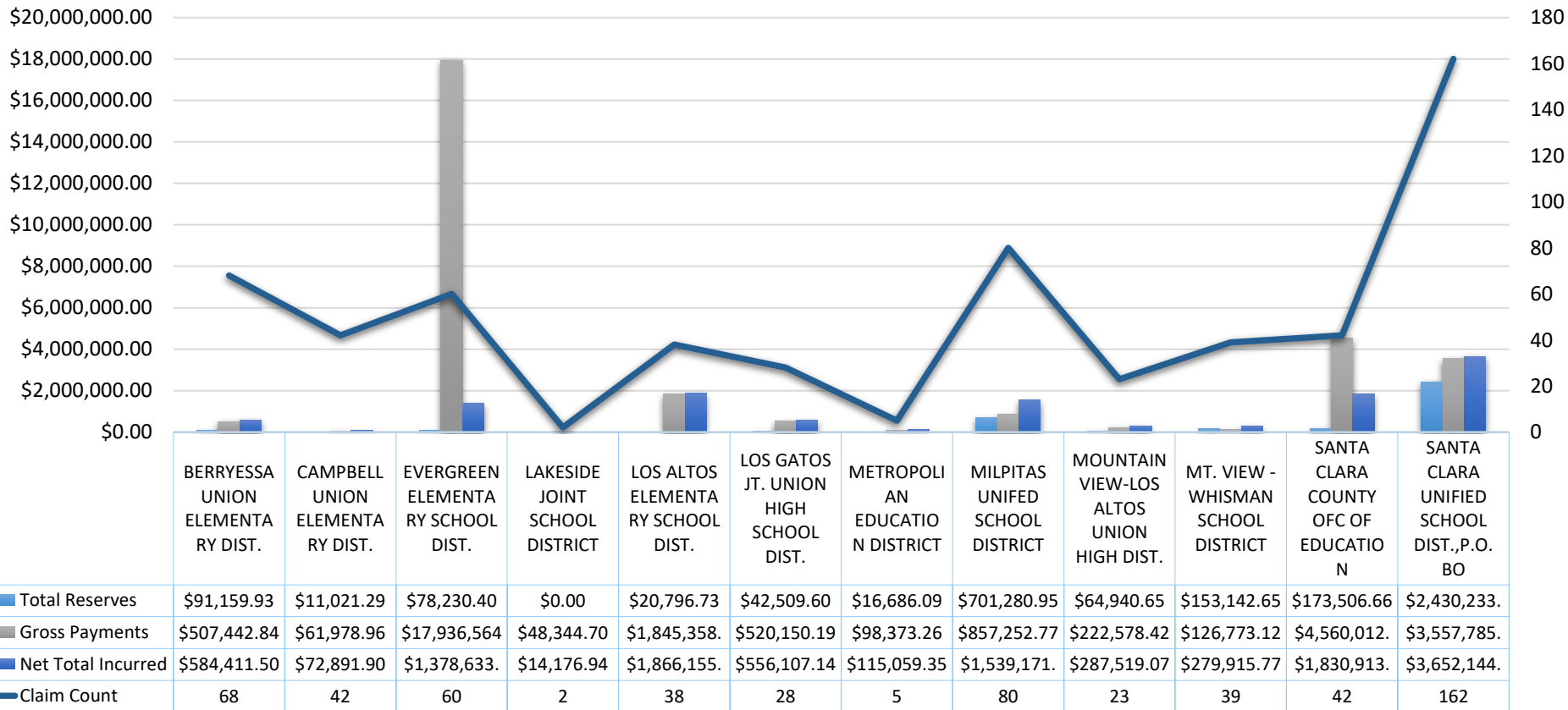
Liability Coverage		Claim Count	Total Reserves	Gross Payments	Net Total Incurred
AUTO LIABILITY	AUTO COLLISION	1	\$2,500	\$0	\$2,500
AUTO LIABILITY	BODILY INJURY	26	\$5,000	\$58,094	\$63,094
AUTO LIABILITY	PROPERTY DAMAGE	127	\$9,021	\$190,304	\$198,776
AUTO LIABILITY	SUBROGATION	13	\$250	\$91,195	\$75,089
GENERAL LIABILITY	BODILY INJURY	197	\$2,421,988	\$26,148,548	\$7,416,033
GENERAL LIABILITY	EMPLOYMENT PRACTICES	26	\$556,867	\$1,629,988	\$1,483,244
GENERAL LIABILITY	LIABILITY PERSONAL INJURY	39	\$81,089	\$549,731	\$628,272
GENERAL LIABILITY	PROPERTY DAMAGE	59	\$5,800	\$237,371	\$243,117
PROPERTY	AUTO COLLISION	1	\$0	\$0	\$0
PROPERTY	DISTRICT/SUBROGABLE	1	\$0	\$0	\$0
PROPERTY	PROPERTY DAMAGE	3	\$0	\$0	\$0
PROPERTY	SUBROGATION	2	\$0	\$0	\$0
Subrogation	SUBROGATION	35	\$0	\$10,040	\$6,839
Grand Total		530	\$3,082,515	\$28,915,272	\$10,116,964

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- First Party Coverage: Property/First Party Property are 58% of claims and 66% of total incurred
- Liability Coverage: GL/Bodily Injury are 37% of claims and 73% of total incurred



Claims & Incurred by School District Member

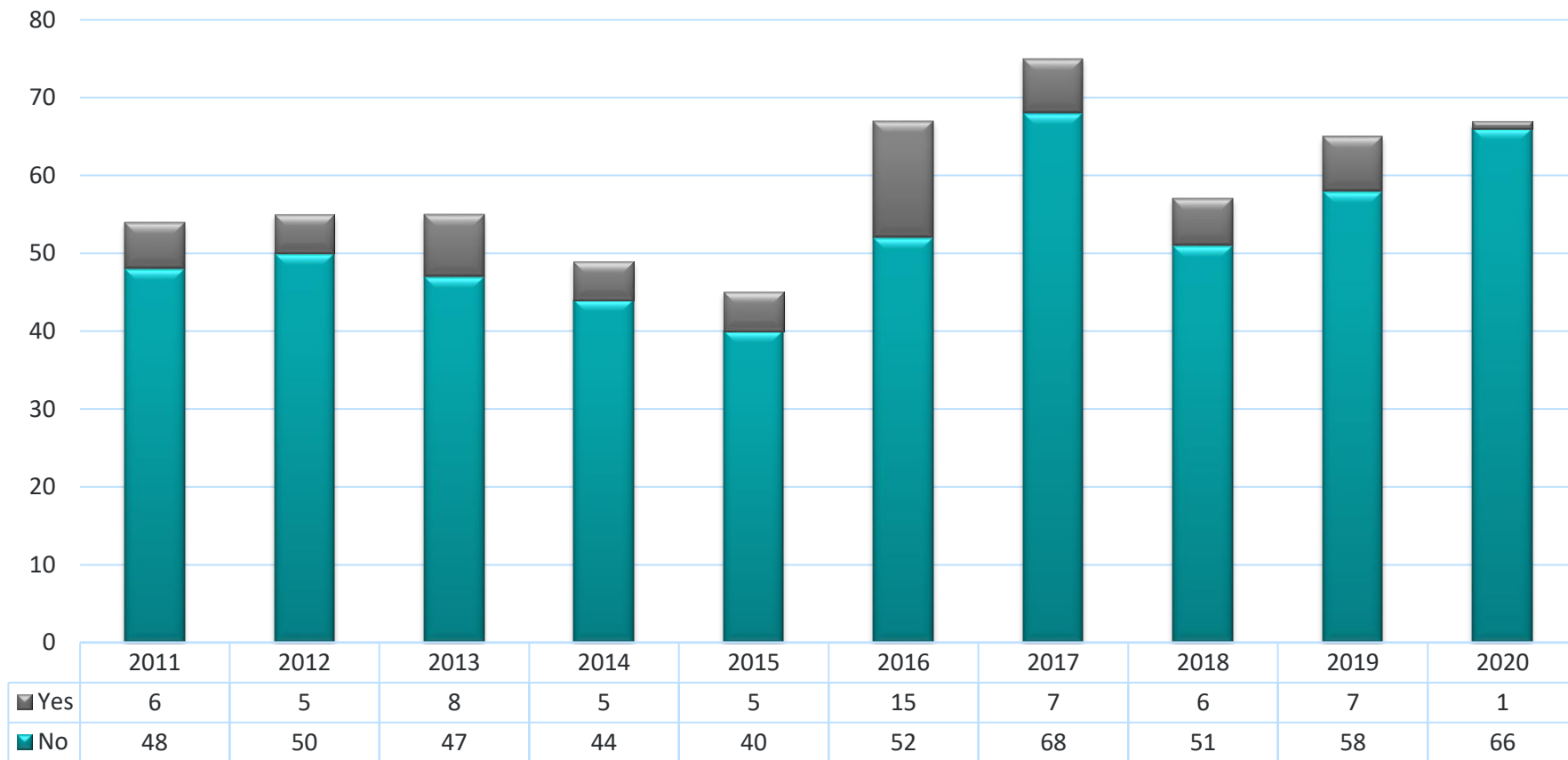


- Net Total Incurred is reflective of all Loss and Expense recoveries posted.



Claim Count by Litigation

Litigated vs. Non-Litigated



- Litigation increased by 200% in 2014/2015, and represents 29% of the losses for that year
- Overall litigation average litigation rate is 11%



Financial Summary

Litigation v. Non-Litigation

Not Litigated				
Policy Year End	Claim Count	Total Reserves	Gross Payments	Net Total Incurred
2011	48	\$0	\$80,445	\$80,445
2012	50	\$0	\$88,787	\$76,534
2013	47	\$0	\$382,229	\$377,099
2014	44	\$0	\$170,172	\$124,933
2015	40	\$0	\$487,766	\$469,082
2016	52	\$630,034	\$282,964	\$912,997
2017	68	\$0	\$109,401	\$109,401
2018	51	\$139,556	\$807,257	\$946,404
2019	58	\$584,337	\$187,366	\$763,094
2020	66	\$169,439	\$34,236	\$203,674
Grand Total	524	\$1,523,365	\$2,630,622	\$4,063,662
Litigated				
Policy Year End	Claim Count	Total Reserves	Gross Payments	Net Total Incurred
2011	6	\$0	\$7,892,657	\$446,525
2012	5	\$0	\$9,839,790	\$649,760
2013	8	\$0	\$2,890,988	\$571,217
2014	5	\$0	\$2,711,782	\$513,372
2015	5	\$35,271	\$408,546	\$443,816
2016	15	\$85,880	\$3,560,518	\$2,942,628
2017	7	\$1,642,829	\$157,126	\$1,799,955
2018	6	\$261,397	\$212,853	\$473,665
2019	7	\$227,296	\$35,204	\$262,500
2020	1	\$7,470	\$2,530	\$10,000
Grand Total	65	\$2,260,143	\$27,711,993	\$8,113,438

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- Litigated losses represent 91% of the total Gross Payments for all losses



Stratification Report

Count and NET Total Incurred by Policy Year

Policy Year		\$0	\$1-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$250,000	\$250,000-\$500,000	\$500,000 or Greater
		Claim Count						
07/01/2010	06/30/2011	38	13	1	0	2	0	0
07/01/2011	06/30/2012	25	26	1	0	3	0	0
07/01/2012	06/30/2013	28	18	5	2	1	1	0
07/01/2013	06/30/2014	22	22	2	2	0	1	0
07/01/2014	06/30/2015	17	23	0	2	2	1	0
07/01/2015	06/30/2016	28	30	2	0	3	1	3
07/01/2016	06/30/2017	50	21	1	2	0	0	1
07/01/2017	06/30/2018	29	19	3	1	4	1	0
07/01/2018	06/30/2019	28	30	4	1	1	0	1
07/01/2019	06/30/2020	31	35	0	1	0	0	0
Total		295	237	19	11	16	5	5

51% of the losses have \$0.00 paid

Policy Year		\$0	\$1-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$250,000	\$250,000-\$500,000	\$500,000 or Greater
		Total Incurred						
07/01/2010	06/30/2011	\$0.00	\$58,889.90	\$37,522.02	\$0.00	\$430,558.12	\$0.00	\$0.00
07/01/2011	06/30/2012	\$0.00	\$87,389.77	\$39,784.48	\$0.00	\$599,119.28	\$0.00	\$0.00
07/01/2012	06/30/2013	\$0.00	\$156,861.98	\$172,588.94	\$168,278.19	\$150,485.10	\$300,101.68	\$0.00
07/01/2013	06/30/2014	\$0.00	\$98,531.68	\$59,353.28	\$180,419.82	\$0.00	\$300,000.00	\$0.00
07/01/2014	06/30/2015	\$0.00	\$146,890.33	\$0.00	\$139,932.15	\$372,191.82	\$253,884.23	\$0.00
07/01/2015	06/30/2016	\$0.00	\$114,341.31	\$94,317.46	\$0.00	\$650,000.00	\$262,000.00	\$2,734,966.23
07/01/2016	06/30/2017	\$0.00	\$111,040.28	\$47,174.59	\$140,141.10	\$0.00	\$0.00	\$1,611,000.00
07/01/2017	06/30/2018	\$0.00	\$102,912.25	\$135,000.00	\$52,500.00	\$639,655.91	\$490,000.00	\$0.00
07/01/2018	06/30/2019	\$0.00	\$160,190.92	\$141,930.85	\$60,000.00	\$120,000.00	\$0.00	\$550,000.00
07/01/2019	06/30/2020	\$0.00	\$133,674.43	\$0.00	\$80,000.00	\$0.00	\$0.00	\$0.00
Total		\$0.00	\$1,170,722.85	\$727,671.62	\$821,271.26	\$2,962,010.23	\$1,605,985.91	\$4,895,966.23



Claims Handling Protocols

- ❖ Ensure coding accuracy
- ❖ Client contact
- ❖ Contact the claimant within 24 hours and secure a recorded statement, if appropriate.
- ❖ Index claimant if BI claim is being pursued
- ❖ Acknowledge coverage and address with JPA
- ❖ Set up a scene investigation, if appropriate
- ❖ Contact all witnesses and secure appropriate statements
- ❖ Explore tender possibilities based on the facts/allegations
- ❖ Review contracts and vendor agreements for possible tenders
- ❖ Medical Authorizations sent to the claimant, if and only if liability established
- ❖ Manage litigation and review all legal bills and expense invoices
- ❖ Complete and accurate file notes allowing notes to “speak for themselves”
- ❖ Files audited by Account Supervisor for compliance with protocol



**“If we contribute to our clients’ success, then we
achieve our goal”**



Thank You from YOUR Carl Warren Team



South Bay Area Schools Insurance Authority
Board of Directors
December 3, 2020

Agenda Item K.1

INSURANCE MARKET UPDATE

INFORMATION ITEM

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

ATTACHMENTS: State of the Insurance Market



State of the Public Entity Insurance Market

December 2020

(THIS INFORMATION HAS BEEN CONSOLIDATED FROM VARIOUS INDUSTRY SOURCES)



Highlights

Global insured property losses from disasters were \$31 billion in the first half of 2020, up from \$23 billion a year earlier, according to Swiss Re. Severe convective storms in North America accounted for insured losses of over \$21 billion.

U.S. Wildfires, Storms, Civil Disorders and 'Social Inflation' have created intense pressure on insurers in North America, causing insured losses in the billions, and while COVID - 19 has of course added new types of losses to the mix, more so it has created additional uncertainty which is adding to an already difficult insurance marketplace.

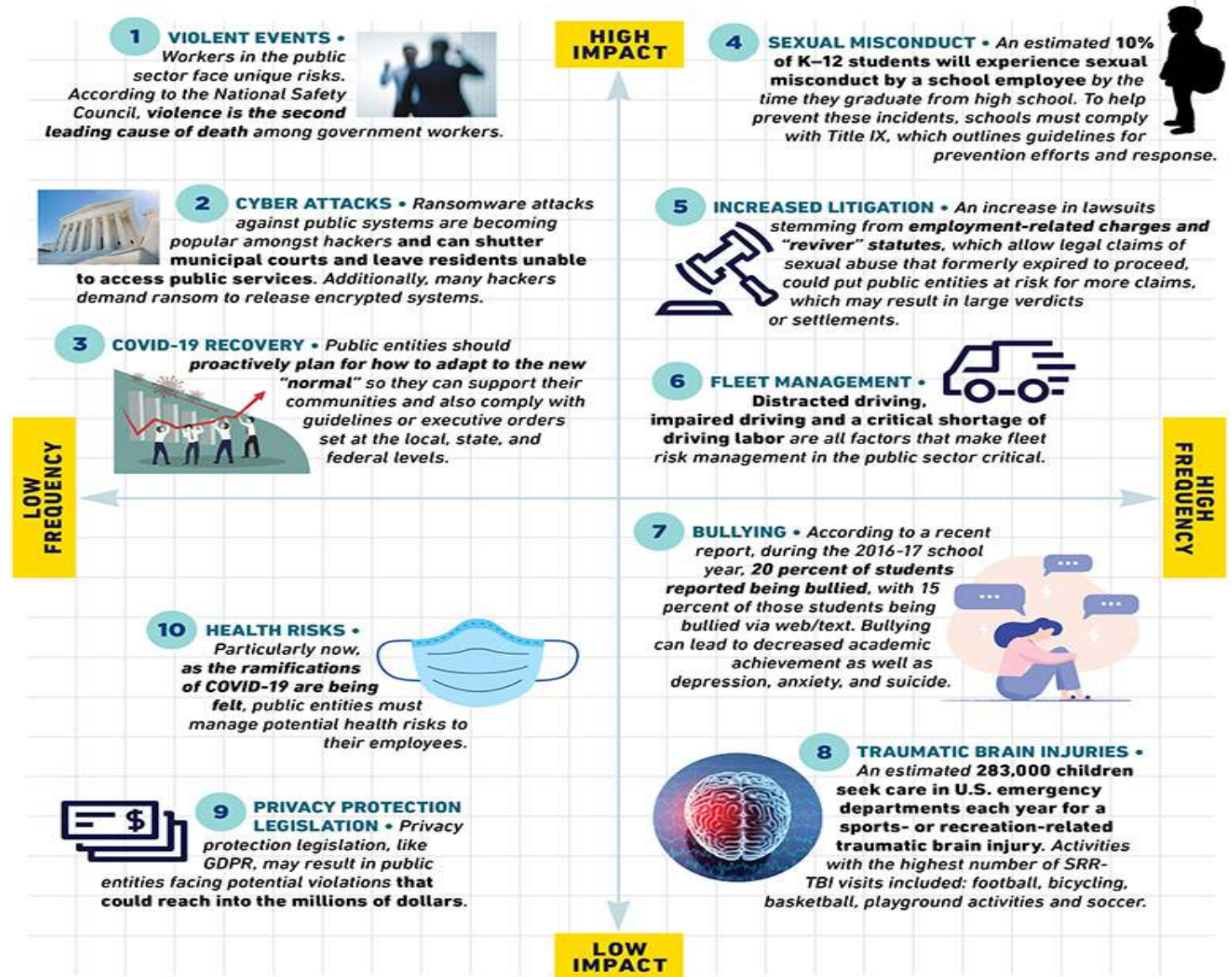
Social inflation, years of high losses, aggressive litigation trends, and adverse results are driving the higher prices and tighter capacity in the excess casualty insurance space.

Source: A.M. Best, ISO, Verisk, Property Casualty Insurers Association of America (PCI)

Large Public Entity Verdicts/Settlements

Loss Year	Description	Total Paid
2018	Sexual Abuse (Class Action)	\$500,000,000
2017	Sexual Abuse (Class Action)	\$215,000,000
2015	Methane Gas Leak	\$120,000,000
2015	Bus Shelter Collapse (Single Plaintiff)	\$115,000,000
2014	Child Abuse/Foster Care	\$113,400,000
2011	Police Shooting/Wrongful Death	\$97,000,000
2014	Dangerous Condition/Landslide	\$71,500,000
2016	Vehicle Accident/Fire Ambulance	\$65,750,000
2016	Wrongful Death	\$60,000,000
2015	Strip Search (Class Action)	\$53,000,000
2012	Dangerous Condition/Bridge Fire	\$50,000,000
2017	Vehicle Accident/Motorcycle vs Auto	\$46,000,000
2015	Vehicle Accident/Sherriff Vehicle	\$42,000,000
2011	Wrongful Conviction	\$40,000,000
2014	Dangerous Condition/Vehicle Accident	\$32,500,000
2015	Sexual Abuse	\$31,000,000
2016	Dangerous Condition/Vehicle Accident	\$30,000,000

10 Critical Risks Shaping The Liability Landscape Today



Note: The Risk Matrix is produced by the Risk and Insurance® editorial team. Liberty Mutual Insurance is the presenting sponsor and has no responsibility for the content.

Viral Outbreaks Are Not An Insurable Risk

Economic Losses from Pandemics

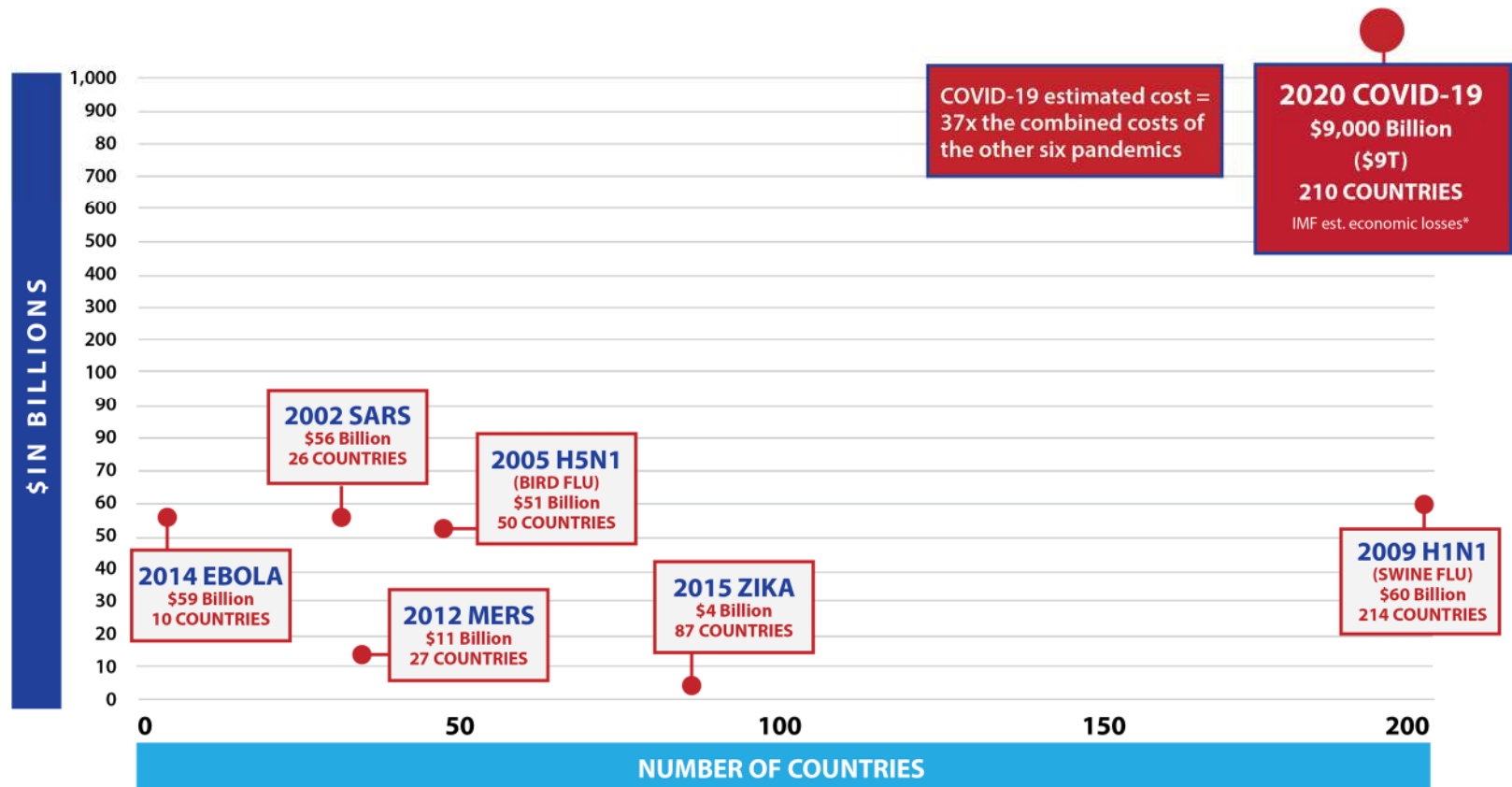
Pandemics are frequent, severe, and widespread (7 pandemics with multi-billion\$ economic losses in just the last 18 years)

For Reference

2005 Katrina
\$58 Billion

2001 9/11
\$48 Billion

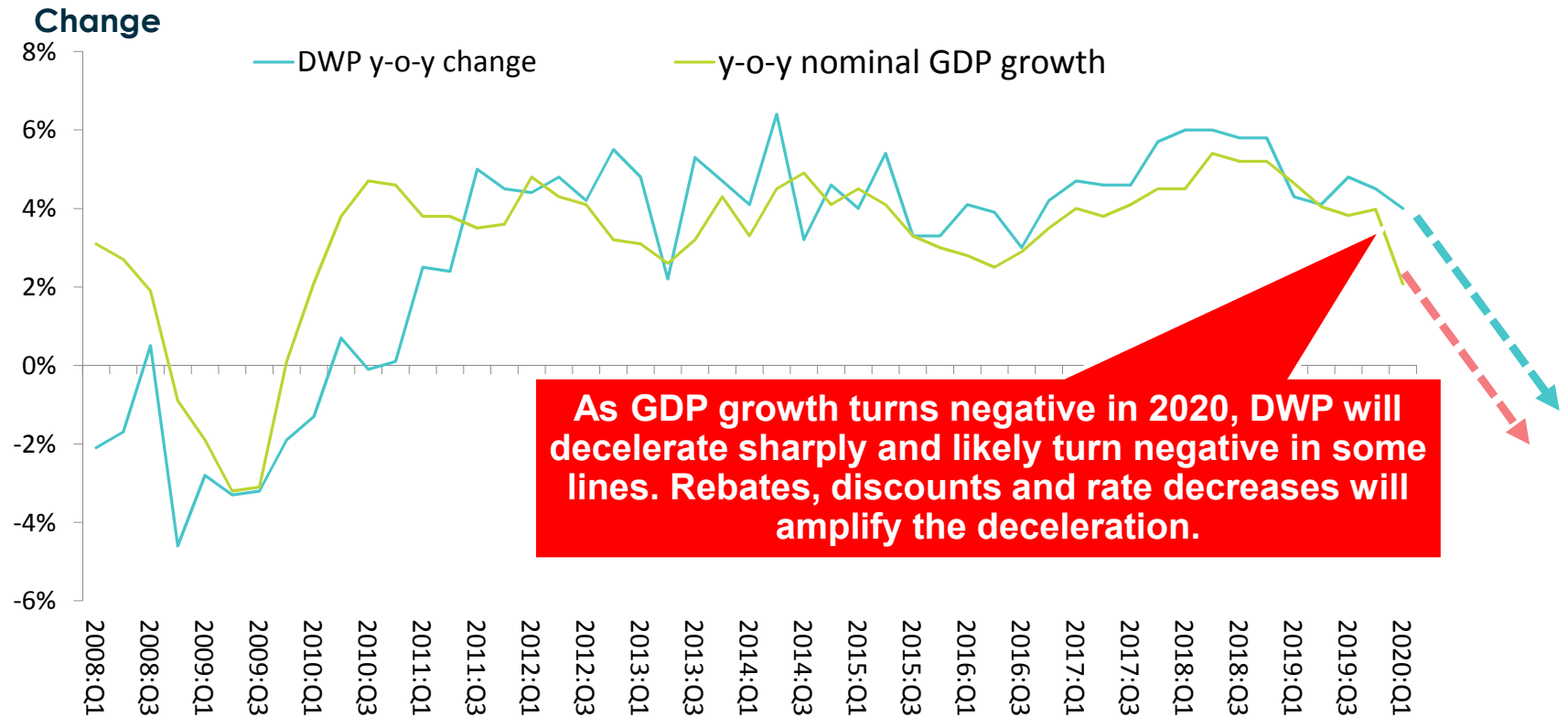
(insured losses)



*Sources: APCIA using published reports, including IMF, World Bank, Learnbonds.com; APCIA adjustment to 2020 USD

The Economy Drives P/C Insurance Industry Premiums: 2008:Q1–2020:Q1*

Direct Written Premium (DWP) Growth (All P/C Lines) vs. Nominal GDP: Quarterly Y-o-Y Pct.



Direct written premiums track nominal GDP fairly tightly over time, suggesting the P/C insurance industry's growth prospects inextricably linked to economic performance.

*2020:Q1 GDP figure is actual. DWP is estimate from Risk and Uncertainty Management Center, University of South Carolina.
Sources: SNL Financial; U.S. Commerce Dept., Bureau of Economic Analysis; ISO; I.I.I.; Risk and Uncertainty Management Center, University of South Carolina.



Wildfires



On average, more than 100,000 wildfires, also called wildland fires or forest fires, clear 4 million to 5 million acres of land (about the size of New Jersey) in the U.S. every year. In recent years, wildfires have burned up to 9 million acres of land (two New Jerseys).

2020 aggregated data is still being processed, and fire season is not completed, but it will be one of the worst of all time and continue a very troubling trend.

World Natural Catastrophes, 2020 1st Half

Losses from natural disasters
in the first half of 2020

US\$ **68** bn



Some 40% of the losses insured

US\$ **27** bn

Many severe thunderstorms
in North America

US\$ **27** bn
(thereof insured: US\$ 20bn)



Cyclone Amphan in India - One of the
most expensive cyclones in the region

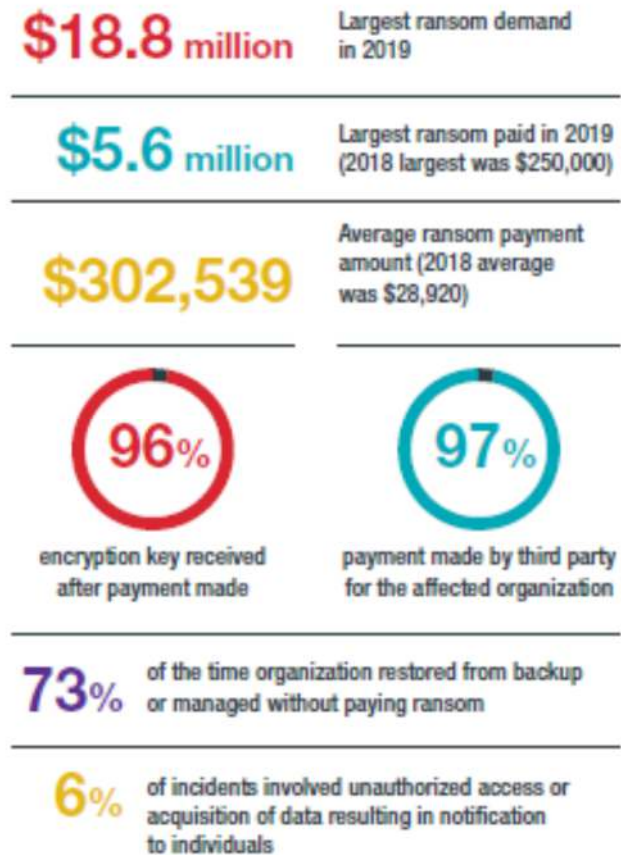
US\$ **11.5** bn



© Munich Re NatCatSERVICE

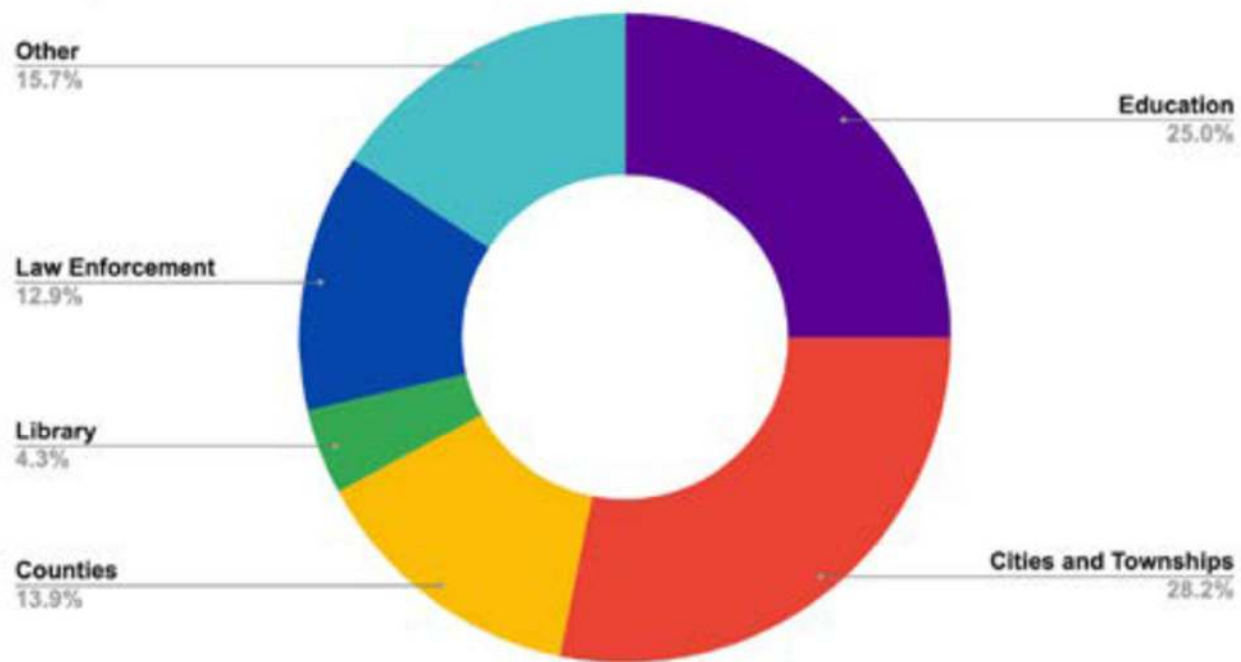
The Ransomware Epidemic

Ransomware surged in 2019, and there is no foreseeable slowdown. All industry segments were impacted. Manufacturing and professional services were particularly hard hit, followed closely by healthcare, education, and **government entities**.



Cyber Attacks on Municipalities

Target Area of Attacks





Take Aways

- While COVID-19 impacts not fully developed, they are hitting all sectors and will clearly adversely impact insurance markets.
- Policyholder surplus deteriorated, but remains strong.
- California's exposure to large property losses from wildfire has upended the property market and has led to increased underwriting scrutiny.
- Cyber Security: "Not if, but When" your entity will suffer a hack.
- ***Due to market pressures and underwriting concerns, P&L insurance market likely to remain difficult.***

Looking Ahead – The Market

Liability & Property Market:

- Increasing reserves for Law Enforcement Liability claims.
- Expect upward pressure on Liability & Property rates.
- SAM claims continue to come forward, high values and potential coverage issues (occurrences, date of loss, coverage exclusions/caps) – Insureds' Policies and Procedures increasing focus of underwriting.
- Public agencies with a history of or exposure to large verdicts and liability settlements will continue to see increases and the marketplace for coverage will continue to retract.
- Increased scrutiny of client data (SOV, loss runs, COPE, etc.).
- Increased retentions and caps, decreased limits, coverage loss.

Additional Coverage Lines:

- WC: COVID-19 claims could still impact market, but WC remains relatively stable.
- Crime: Program remains stable
- Cyber: Growth of market and introduction of new carriers continues to keep pricing stable, despite increasing losses.



South Bay Area Schools Insurance Authority
Board of Directors
December 3, 2020

Agenda Item K.2

TARGET SURPLUS FUNDING ANALYSIS AS OF JUNE 30, 2020

INFORMATION ITEM

EXPLANATION: The Board of Directors annually reviews the Target Surplus Funding Analysis. The Target Surplus Funding Analysis indicates at what confidence level claims liabilities are being funded and how many full limit losses SBASIA can absorb. The ratios shown are similar to those used by the insurance companies to evaluate their financial strength, but altered to more appropriately reflect the strength of a self-insured pool. SBASIA established the Target Surplus goal to be the actuarially determined 70% confidence level, discounted for investment, subject to a minimum surplus of \$2.5 million.

ATTACHMENTS: Target Surplus Funding Analysis as of June 30, 2020

South Bay Area Schools Insurance Authority

Target Surplus Funding Analysis at Current SIR as of June 30, 2020

Net Contribution 2019/20:	\$2,000,363
Maximum Retention:	\$500,000
O/S Reserves at 6/30/20:	\$5,096,301
Surplus at 6/30/20:	\$1,866,795

Ratio	Target	Indicated Minimum Surplus	Projected Ratio
Net Contribution:Surplus	≤1.5:1	\$1,333,575	1.07
Surplus:Retention	≥5:1	\$2,500,000	3.73
O/S Reserve:Surplus	≤1.5:1	\$3,397,534	2.73

Target Surplus Funding	
Minimum Surplus Requirement	\$2,500,000
Surplus Available for Dividend	-\$633,205

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

2020/21 Pool Funding Options

Confidence levels	Factor	Pool Premium	Surplus
Expected	1.000	1,524,000	-
70%	1.193	1,818,000	294,000
75%	1.299	1,979,000	455,000
80%	1.425	2,171,000	647,000

Three Year Funding Plan

	Amount to Add To Surplus	Max Available Dividend	Est. Surplus Balance
Estimated Balance at 6/30/20	N/A	0	\$1,866,795
2020/21 - Collection @ 80% CL	647,000	647,000	\$2,513,795
2021/22 - Collection @ 80% CL	647,000	1,294,000	\$3,160,795
2022/23- Collection @ 80% CL	647,000	1,941,000	\$3,807,795

