



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 4, 2017
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 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 Executive Committee on matters of the SBASIA Executive Committee business.

1 E. CONSENT CALENDAR

A 1

- 2-4* **1. Executive Committee Meeting Minutes – March 2, 2017**
- 5-11* **2. Financial Report for Quarter Ending December 31, 2016**
- 12-17* **3. Financial Report for Quarter Ending March 31, 2017**
- 18-19* **4. Investment Report for Quarter Ending December 31, 2016**



F. GENERAL ADMINISTRATION

- | | | |
|-------|---|------------|
| 20-30 | 1. Claims Service Contract with Carl Warren & Company
<i>The claims service contract expires on June 30, 2017. Mr. Brandon Schlenker of Carl Warren & Company will present a draft contract for July 1, 2017-June 30, 2022.</i> | I 1 |
| 31-63 | 2. Claims Audit
<i>Staff will present the claims audit recently performed at Carl Warren & Company.</i> | I 1 |
| 64 | 3. Loss Control-Liability and Property Safety Inspections on Exterior of Buildings to include Crime Prevention through Environmental Design
<i>Staff will present the proposals received to perform the inspections.</i> | A 2 |
| 65 | 4. Slate of Officers for June 15, 2017 Meeting
<i>Staff will review the final slate of officers for the June Board of Directors meeting.</i> | I 1 |

G. FINANCIAL

- | | | |
|----|---|------------|
| 66 | 1. Excess Cyber Liability
<i>Staff will present an optional Excess Cyber Liability quote.</i> | A 2 |
| 67 | 2. Preliminary Revenue and Expense Budget for July 1, 2017-2018
<i>Staff will present an updated preliminary budget for the July 1, 2017-2018 program year.</i> | I 2 |

H. COMMENTS FOR THE GOOD OF THE ORDER

ADJOURNMENT

The next Executive Committee Meeting is set for Thursday, June 15, 2017 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

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 2, 2017**
2. **Financial Report for Quarter Ending December 31, 2016**
3. **Financial Report for Quarter Ending March 31, 2017**
4. **Investment Report for Quarter Ending December 31, 2016**

ATTACHMENTS: Executive Committee Meeting Minutes – March 2, 2017
Financial Report for Quarter Ending December 31, 2016
Financial Report for Quarter Ending March 31, 2017
Investment Report for Quarter Ending December 31, 2016



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 2, 2017**

MEMBERS PRESENT

James Crawford, President, Campbell Union School District
Nelly Yang, Vice President, Evergreen School District
Barbara Coats, Secretary, Santa Clara County Office of Education
Mark Allgire, Treasurer, Santa Clara Unified School District

MEMBERS ABSENT

Phuong Le, Member at Large, Berryessa Union School District

GUESTS & CONSULTANTS

Matt Gowan, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Brandon Schlenker, Carl Warren & Company

A. CALL TO ORDER

The meeting was called to order at 9:34 a.m.

B. ROLL CALL

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA

Mr. Matt Gowan explained the financial report is not ready because Ms. Cindy Conklin unexpectedly left employment at Gilbert Associates, the JPA's vendor for accounting services. Mr. Kevin Wong at Gilbert Associates will work on the JPA's accounting until further notice.

A motion was made to amend the agenda by pulling item F.1. Financial Report for Quarter Ending December 31, 2016.

MOTION: Nelly Yang	SECOND: Mark Allgire	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
	ABSTAIN: 0	

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

D. PUBLIC COMMENT

There were no comments from the public.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 2, 2017**

E. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – December 1, 2016
2. Executive Committee Teleconference Minutes – January 13, 2017
3. Investment Report for Quarter Ending September 30, 2016

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

MOTION: Nelly Yang SECOND: Barbara Coats MOTION CARRIED
AYES: 3 NOES: 0 ABSTAIN: 1 ABSENT: 1

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

Mr. Mark Allgire abstained as he did not participate in the teleconference on January 13, 2017.

F. GENERAL ADMINISTRATION

2. Claims Service Contract with Carl Warren & Company

Mr. Brandon Schlenker of Carl Warren & Company presented a renewal proposal for claims services because the JPA's current contract expires on June 30, 2017. There are two options: a time and expense option and a flat annual fee option for up to 65 claims per year. Over the last five years, the JPA has an average of 57 claims per year. There would be a per claim fee for more than 65 claims per year. There is no charge for incident only reports. The Executive Committee stated they would like the flat fee option and would like to review a draft contract at their next meeting.

3. ADA Used for Liability Policy Underwriting and Budget

Ms. Joan Crossley said the Executive Committee had previously discussed possible methods to count preschool and Adult Ed ADA, but had not yet reached a conclusion. The State of California no longer requires the reporting of Adult Ed ADA. After discussion, the Executive Committee said they will continue to use the ADA as provided by Santa Clara County without preschool and Adult Ed ADA as there is no methodology for tracking that ADA.

4. Five Year Loss Control Plan

Ms. Crossley referred the Executive Committee to the handout on Loss Control Inspections. The loss control ideas have been consolidated into years one through five so that the JPA has five loss control items that will take place over the next five years. The Executive Committee asked staff to issue a RFP for loss control and present the proposals at the May meeting.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MINUTES
CAMPBELL, CALIFORNIA
March 2, 2017**

5. Slate of Officers for June 15, 2017 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. James Crawford said he will remain as President for one more year. Mr. Crawford also said Mike Mathiesen from Mountain View-Los Altos Union High School District is interested in joining the Executive Committee. After discussion, the Executive Committee stated that they would present a slate of officers in which Mr. Mark Allgire becomes Vice President, Mr. Mathiesen becomes Treasurer and Ms. Nelly Yang becomes Member at Large. Ms. Barbara Coats will remain as Secretary.

G. FINANCIAL

1. Preliminary Revenue and Expense Budget for July 1, 2017 - 2018

Mr. Gowan presented the Preliminary Revenue and Expense budget for July 1, 2017-2018. The CSAC EIA Liability premium is estimated to increase by 41%. Mr. Gowan said the Liability market is extremely hard especially for schools. In addition, the JPA has a high Liability loss ratio. Staff distributed a handout showing the JPA's loss ratio is 480% in the \$25 million Liability insurance layer using claims for the last six years. Mr. Gowan said he has marketed the Liability to various insurance carriers and they have either declined to quote or quoted higher than CSAC EIA. Mr. Gowan said he is also requesting higher Liability SIR options from CSAC EIA.

The Property market has been soft for the last several years. The Property rate is estimated to remain flat; there may be a chance it will decrease. Ms. Crossley asked if the JPA is interested in an optional Flood quote; the Executive Committee said it is not necessary.

The overall budget is estimated to increase by 10.13% or approximately \$352,876.

Mr. Allgire asked if his district can increase its deductible from \$10,000 to \$25,000 and get a premium credit. Mr. Gowan said he will ask the actuary to calculate the difference in loss funding from \$10,000 to \$25,000.

H. COMMENTS FOR THE GOOD OF THE ORDER

There were no comments for the good of the order.

ADJOURNMENT

The meeting was adjourned at 11:13 a.m.

South Bay Area Schools Insurance Authority
Statement of Net Position (Draft)
As of December 31, 2016 and December 31, 2015

	<u>Dec 31,'16</u>	<u>Dec 31, '15</u>
ASSETS		
Current Assets		
Checking/Savings		
WFB - Santa Clara County	3,751,546.81	3,722,269.07
WFB - Transfer Account	3,164.36	3,164.36
B of A - 87345		10,000.00
B of A Claims Trust Account	97,240.53	103,395.77
B of A - General Checking	1,804,180.49	1,022,159.34
Total Checking/Savings	<u>5,656,132.19</u>	<u>4,860,988.54</u>
Accounts Receivable		
Accounts Receivable		
Claim Recovery Receivable	-	1,147,039.32
Claims Deductibles	490,414.10	220,769.07
Total Accounts Receivable	<u>490,414.10</u>	<u>1,367,808.39</u>
Total Accounts Receivable	<u>490,414.10</u>	<u>1,367,808.39</u>
Total Current Assets	6,146,546.29	6,228,796.93
Other Assets		
Interest Receivable	8,761.57	6,112.19
Prepaid Expenses		
Prepaid Contract Administration	79,999.99	75,000.00
Prepaid Excess Insurance	1,125,960.98	1,136,658.28
Total Prepaid Expenses	<u>1,205,960.97</u>	<u>1,211,658.28</u>
Total Other Assets	<u>1,214,722.54</u>	<u>1,217,770.47</u>
TOTAL ASSETS	<u><u>\$ 7,361,268.83</u></u>	<u><u>\$ 7,446,567.40</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 12,443.26	\$ 19,638.95
Claims Reserves	1,635,628.00	633,574.00
Total Claims Reserves	<u>1,648,071.26</u>	<u>633,574.00</u>
Deferred Revenue	1,741,084.49	1,683,290.90
Total Current Liabilities	<u>3,389,155.75</u>	<u>2,316,864.90</u>
Total Current Liabilities	3,389,155.75	2,336,503.85
Long Term Liabilities		
IBNR	1,250,185.00	2,160,750.93
Total IBNR	<u>1,250,185.00</u>	<u>2,160,750.93</u>
Unallocated Loss Adjustment	289,000.00	267,000.00
Total Long Term Liabilities	<u>1,539,185.00</u>	<u>2,427,750.93</u>

South Bay Area Schools Insurance Authority
Statement of Net Position (Draft)
As of December 31, 2016 and December 31, 2015

	<u>Dec 31,'16</u>	<u>Dec 31, '15</u>
Total Liabilities	4,928,340.75	4,764,254.78
NET POSITION		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	254,734.21	82,691.75
Net Revenue Over Expenditures	(321,806.13)	99,620.87
Total Net Position	<u>\$ 2,432,928.08</u>	<u>\$ 2,682,312.62</u>

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position (Draft)
For the Quarter and Year to Date Ended December 31, 2016 and December 31, 2015

	<u>Oct '16 - Dec '16</u>	<u>Jul '16 - Dec '16</u>	<u>Jul '15 - Dec '15</u>
Revenue			
Member Contributions			
Liability Contributions	\$ 207,645.75	\$ 415,291.50	\$ 371,491.49
Property Contributions	341,746.50	683,493.00	758,685.50
Crime Policy	7,450.00	14,900.00	6,478.86
Administration	82,450.00	164,900.00	136,135.02
Loss Funding	231,250.01	462,500.02	410,500.04
Total Member Contributions	<u>870,542.26</u>	<u>1,741,084.52</u>	<u>1,683,290.91</u>
Interest Income	<u>17,343.87</u>	<u>17,343.87</u>	<u>11,880.79</u>
Total Income	<u>887,886.13</u>	<u>1,758,428.39</u>	<u>1,695,171.70</u>
Expense			
General & Administrative			
General Expenses			
Accounting Services	5,875.00	11,750.00	11,500.00
Accreditation Fee	-	-	4,500.00
Actuarial Study	-	-	-
Appraisal Services	-	-	-
Audit Expense - Claims	-	-	-
Audit Expense - Financial	12,350.00	12,350.00	12,110.00
Bank Service Charges	18.05	119.44	141.91
Conference	-	-	-
Dues & Membership	-	450.00	450.00
Legal Expense - JPA	-	-	18,366.90
Loss Control	-	-	32,500.00
Supplies, Postage, Misc Expense	-	-	-
Total Administration	<u>18,243.05</u>	<u>24,669.44</u>	<u>79,568.81</u>
Program Administration			
Claims Management Fees	5,921.27	34,868.78	38,136.77
Contract Administration	40,000.02	80,000.01	75,000.00
Total Program Administration	<u>45,921.29</u>	<u>114,868.79</u>	<u>113,136.77</u>
Total General and Administrative Expenses	<u>64,164.34</u>	<u>139,538.23</u>	<u>192,705.58</u>
Insurance Expense			
Excess Liability Policy	102,358.50	204,717.00	199,749.00
SELF Contributions	111,425.40	222,850.80	171,744.68
Excess Property Policy	341,746.56	683,493.12	758,685.60
Crime Policy	7,450.02	14,900.04	6,479.00
Total Insurance Expense	<u>562,980.48</u>	<u>1,125,960.96</u>	<u>1,136,658.28</u>
Claims Expenses			
Claims Payments	626,007.77	3,413,588.18	656,996.78
Billed Claim Deductible Offset	(26,981.26)	(71,426.80)	(11,206.21)
Res & Outstanding Claim Ded Adj		(172,958.71)	(21,413.82)
Claims Adjustment Account	(153,830.34)	(2,354,467.34)	(358,189.78)
Total Claims Expenses	<u>445,196.17</u>	<u>814,735.33</u>	<u>266,186.97</u>
Dividends	-	-	-
Total Expenses	<u>1,072,340.99</u>	<u>2,080,234.52</u>	<u>1,595,550.83</u>
Net Revenue Over (Under) Expenses	<u><u>\$ (184,454.86)</u></u>	<u><u>\$ (321,806.13)</u></u>	<u><u>\$ 99,620.87</u></u>
Net Postion, Beginning		<u><u>\$ 2,754,734.21</u></u>	<u><u>\$ 2,582,691.75</u></u>
Net Position, Ending		<u><u>\$ 2,432,928.08</u></u>	<u><u>\$ 2,682,312.62</u></u>

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual (Draft)
For the Quarter Ended December 31, 2016

	Jul '16 -Dec '16	Budget	\$ Over Budget	% of Budget
Revenue				
Member Contributions				
Liability Contributions	\$ 415,291.50	\$ 830,583.00	-415,291.50	50.0%
Property Contributions	683,493.00	1,366,986.00	-683,493.00	50.0%
Crime Policy	14,900.00	29,800.00	-14,900.00	50.0%
Administration	164,900.00	329,800.00	-164,900.00	50.0%
Loss Funding	462,500.02	925,000.00	-462,499.98	50.0%
Total Member Contributions	1,741,084.52	3,482,169.00	-1,741,084.48	50.0%
Interest Income	17,343.87	0.00	17,343.87	100.0%
Total Revenue	1,758,428.39	3,482,169.00	-1,723,740.61	50.5%
Expense				
General and Administrative Expenses				
General Expenses				
Accounting Services	11,750.00	23,500.00	-11,750.00	50.0%
Accreditation Fees	0.00	0.00	0.00	0.0%
Audit Expense - Claims	0.00	3,500.00	-3,500.00	0.0%
Audit Expense - Financial	12,350.00	12,350.00	0.00	100.0%
Bank Service Charges	119.44	0.00	119.44	100.0%
Conference	0.00	2,500.00	-2,500.00	0.0%
Contingency	0.00	5,000.00	-5,000.00	0.0%
Dues & Membership	450.00	450.00	0.00	100.0%
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%
Total General Expenses	24,669.44	149,800.00	-125,130.56	16.47%
Program Administration				
Claims Management Fees	34,868.78	65,000.00	-30,131.22	53.64%
Contract Administration	80,000.01	160,000.00	-79,999.99	50.0%
Total Program Administration	114,868.79	225,000.00	-110,131.21	51.05%
Total General and Administrative Expenses	139,538.23	374,800.00	-235,261.77	37.23%
Insurance Expense				
Excess Liability Policy	204,717.00	830,583.00	-625,866.00	24.65%
SELF Contributions	222,850.80			
Excess Property Policy	683,493.12	1,366,986.00	-683,492.88	50.0%
Crime Policy	14,900.04	29,800.00	-14,899.96	50.0%
Total Insurance Expense	1,125,960.96	2,227,369.00	-1,101,408.04	50.55%
Claims Costs				
Claims Payments	3,413,588.18	925,000.00	2,488,588.18	
Billed Claim Deductible Offset	-71,426.80			
Res & Outstanding Claim Ded Adj	-172,958.71			
Claims Adjustment Account	-2,354,467.34	0.00	-2,354,467.34	
Total Claims Costs	814,735.33	925,000.00	-110,264.67	88.08%
Total Expense	2,080,234.52	3,527,169.00	-1,446,934.48	58.98%
Net Revenue Over Expenses	\$ (321,806.13)	\$ (45,000.00)	\$ (276,806.13)	715.13%

South Bay Area Schools Insurance Authority

Transactions by Account

As of December 31, 2016

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Bank of America - 61312										
Check	10/05/2016	10224		James Marta & Co...	Invoice # 100...	X	Audit Expense...		4,135.00	1,031,652.34
Check	10/05/2016	10225		Gilbert Associates, I...	Invoice # 314...	X	Accounting Se...		5,875.00	1,027,517.34
Check	10/12/2016	10226		Carl Warren & Com...	Replenishme...	X	B of A Claims ...		156,153.82	1,021,642.34
Deposit	10/21/2016				Deposit	X	Undeposited F...	647.50		865,488.52
Check	10/26/2016	10227		Carl Warren & Com...	Replenishme...	X	B of A Claims ...		57,506.66	866,136.02
Check	10/26/2016	10228		Carl Warren & Com...	Replenishme...	X	B of A Claims ...		76,843.51	808,629.36
Check	11/15/2016				Service Charge	X	Bank Service ...	6.51		731,779.34
Deposit	12/07/2016				Deposit	X	Claim Recover...	1,162,839.22		731,779.34
Deposit	12/07/2016				Deposit	X	Undeposited F...	655.73		1,894,618.56
Check	12/14/2016	10228		Carl Warren & Com...	December Re...	X	B of A Claims ...		70,255.08	1,895,274.29
Check	12/14/2016	10229		Gilbert Associates, I...	Invoice #3155...	X	Accounting Se...		5,875.00	1,819,144.21
Bill Pmt -Check	12/14/2016	10230		Carl Warren & Com...		X	*Accounts Pay...		30,640.52	1,788,503.69
Check	12/15/2016				Service Charge	X	Bank Service ...	689.45	11.54	1,788,492.15
Deposit	12/22/2016				Deposit	X	-SPLIT-			1,789,181.60
Deposit	12/27/2016				Deposit	X	Undeposited F...	14,998.89		1,804,180.49
Total Bank of America - 61312								1,179,830.79	407,302.64	1,804,180.49
TOTAL								1,179,830.79	407,302.64	1,804,180.49

South Bay Area Schools Insurance Authority

Transactions by Account

As of December 31, 2016

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
B of A Claims Trust Account										
Check	10/04/2016	10863		Carl Warren & Com...	Claim# 19413...	X	Claims Payme...		530.46	208,658.89
Check	10/04/2016	10864		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		4,934.90	208,128.43
Check	10/06/2016	10865		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		13,271.22	203,193.53
Check	10/06/2016	10866		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		1,078.85	189,922.31
Check	10/07/2016	10867		Carl Warren & Com...	Claim# 19313...	X	Claims Payme...		1,800.00	188,843.46
Check	10/07/2016	10868		Carl Warren & Com...	Claim# 19356...	X	Claims Payme...		1,595.90	187,043.46
Check	10/07/2016	10869		Carl Warren & Com...	Claim# 19088...	X	Claims Payme...		2,644.42	185,447.56
Check	10/07/2016	10870		Carl Warren & Com...	Claim# 19052...	X	Claims Payme...		2,747.50	182,803.14
Check	10/07/2016	10871		Carl Warren & Com...	Claim# 19010...	X	Claims Payme...		5,120.77	180,055.64
Check	10/07/2016	10872		Carl Warren & Com...	Claim# 18853...	X	Claims Payme...		4,024.33	174,934.87
Check	10/07/2016	10873		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		25,232.32	170,910.54
Check	10/11/2016	10874		Carl Warren & Com...	Claim# 19278...	X	Claims Payme...		3,912.50	145,678.22
Check	10/12/2016	10226		Carl Warren & Com...	Replenishme...	X	Claims Payme...	156,153.82		141,765.72
Check	10/19/2016	10875		Carl Warren & Com...	Claim# 19471...	X	Bank of Ameri...		1,417.93	297,919.54
Check	10/21/2016	10876		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		21,478.00	296,501.61
Check	10/21/2016	10877		Carl Warren & Com...	Claim# 19343...	X	Claims Payme...		5,810.37	275,023.61
Check	10/21/2016	10878		Carl Warren & Com...	Claim# 19088...	X	Claims Payme...		60,428.50	269,213.24
Check	10/21/2016	10879		Carl Warren & Com...	Claim# 19088...	X	Claims Payme...		179,571.50	208,784.74
Check	10/25/2016	10880		Carl Warren & Com...	Claim# 19375...	X	Claims Payme...		655.73	29,213.24
Check	10/26/2016	10227		Carl Warren & Com...	Replenishme...	X	Claims Payme...	57,506.66		28,557.51
Check	10/26/2016	10228		Carl Warren & Com...	Replenishme...	X	Bank of Ameri...	76,843.51		86,064.17
Check	10/26/2016	10881		Carl Warren & Com...	Claim# 18853...	X	Claims Payme...		530.00	162,907.68
Check	10/26/2016	10882		Carl Warren & Com...	Claim# 19356...	X	Claims Payme...		7,220.32	162,377.68
Check	10/26/2016	10883		Carl Warren & Com...	Claim# 19278...	X	Claims Payme...		5,490.48	155,157.36
Check	10/26/2016	10884		Carl Warren & Com...	Claim# 19470...	X	Claims Payme...		710.00	149,666.88
Check	11/01/2016	10885		Carl Warren & Com...	Claim# 19010...	X	Claims Payme...		15,534.74	148,956.88
Check	11/01/2016	10886		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		19,689.86	133,422.14
Check	11/01/2016	10887		Carl Warren & Com...	Claim# 19052...	X	Claims Payme...		2,290.40	113,732.28
Check	11/01/2016	10888		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		2,774.90	111,441.88
Check	11/01/2016	10889		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		19,520.00	108,666.98
Check	11/02/2016	10890		Carl Warren & Com...	Claim# 19343...	X	Claims Payme...		25,656.09	89,146.98
Check	11/17/2016	10891		Carl Warren & Com...	VOID: Claim#...	X	Claims Payme...	0.00		63,490.89
Check	11/22/2016	10892		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		736.50	63,490.89
Check	11/22/2016	10893		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		1,802.65	62,754.39
Check	11/22/2016	10894		Carl Warren & Com...	Claim# 18784...	X	Claims Payme...		8,451.94	60,951.74
Check	11/22/2016	10895		Carl Warren & Com...	Claim# 19313...	X	Claims Payme...		2,265.80	52,499.80
Check	11/22/2016	10896		Carl Warren & Com...	Claim# 19278...	X	Claims Payme...		2,290.40	50,234.00
Check	11/22/2016	10897		Carl Warren & Com...	Claim# 19356...	X	Claims Payme...		1,756.09	47,943.60
Check	11/22/2016	10898		Carl Warren & Com...	Claim# 19088...	X	Claims Payme...		860.00	46,187.51
Check	11/22/2016	10899		Carl Warren & Com...	Claim# 19088...	X	Claims Payme...		858.00	45,327.51
Check	11/22/2016	10900		Carl Warren & Com...	Claim# 19010...	X	Claims Payme...		2,260.00	44,469.51
Check	11/22/2016	10901		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		28,377.89	42,209.51
Deposit	11/29/2016			Carl Warren & Com...	Deposit	X	Recoveries	34,167.76		13,831.62
Check	12/06/2016	10902		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		1,800.00	47,999.38
Check	12/06/2016	10903		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		774.00	46,199.38
Check	12/06/2016	10904		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		1,178.70	45,425.38
Check	12/06/2016	10905		Carl Warren & Com...	Claim# 19477 ...	X	Claims Payme...		6,500.00	44,246.68
Deposit	12/07/2016				Deposit	X	Recoveries	119,662.58		37,746.68
										157,409.26

South Bay Area Schools Insurance Authority
Transactions by Account
As of December 31, 2016

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Check	12/14/2016	10228		Carl Warren & Com...	December Re...	X	Bank of Ameri...			227,664.34
Check	12/16/2016	10906		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...	70,255.08	1,800.00	225,864.34
Check	12/16/2016	10907		Carl Warren & Com...	Claim# 19410...	X	Claims Payme...		10,000.00	215,864.34
Check	12/16/2016	10908		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		38,622.88	177,241.46
Check	12/21/2016	10909		Carl Warren & Com...	Claim# 18943...	X	Claims Payme...		67,387.69	109,853.77
Check	12/21/2016	10910		Carl Warren & Com...	Claim# 18853...	X	Claims Payme...		1,188.00	108,665.77
Check	12/21/2016	10911		Carl Warren & Com...	Claim# 19010...	X	Claims Payme...		2,761.20	105,904.57
Check	12/21/2016	10912		Carl Warren & Com...	Claim# 19278...	X	Claims Payme...		2,301.80	103,602.77
Check	12/21/2016	10913		Carl Warren & Com...	Claim# 19356...	X	Claims Payme...		1,016.64	102,586.13
Check	12/21/2016	10914		Carl Warren & Com...	Claim# 19313...	X	Claims Payme...		1,779.60	100,806.53
Check	12/21/2016	10915		Carl Warren & Com...	Claim# 19531...	X	Claims Payme...		1,128.50	99,678.03
Check	12/27/2016	10916		Carl Warren & Com...	Claim# 19483...	X	Claims Payme...		2,437.50	97,240.53
Total B of A Claims Trust Account								514,589.41	626,007.77	97,240.53
TOTAL								514,589.41	626,007.77	97,240.53

South Bay Area Schools Insurance Authority
Statement of Net Position (Draft)
As of March 31, 2017 and March 31, 2016

	<u>Mar 31,'17</u>	<u>Mar 31, '16</u>
ASSETS		
Current Assets		
Checking/Savings		
WFB - Santa Clara County	3,760,308.38	3,728,381.26
WFB - Transfer Account	3,164.36	3,164.36
B of A 87345		10,000.00
B of A Claims Trust Account	42,343.46	104,211.53
B of A - General Checking	1,159,063.24	927,263.89
Total Checking/Savings	<u>4,964,879.44</u>	<u>4,773,021.04</u>
Accounts Receivable		
Accounts Receivable		
Claim Recovery Receivable	493,094.39	1,162,348.44
Claims Deductibles	178,508.67	249,951.04
Total Accounts Receivable	<u>671,603.06</u>	<u>1,412,299.48</u>
Total Accounts Receivable	<u>671,603.06</u>	<u>1,412,299.48</u>
Total Current Assets	5,636,482.50	6,185,320.52
Other Assets		
Interest Receivable	-	7,015.93
Prepaid Expenses		
Prepaid Contract Administration	39,999.97	37,500.00
Prepaid Excess Insurance	595,825.47	548,622.14
Total Prepaid Expenses	<u>635,825.44</u>	<u>586,122.14</u>
Total Other Assets	<u>635,825.44</u>	<u>593,138.07</u>
TOTAL ASSETS	<u><u>\$ 6,272,307.94</u></u>	<u><u>\$ 6,778,458.59</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 13,657.96	\$ 9,943.14
Dividends Payable	-	-
Claims Reserves	1,777,239.30	633,574.00
Deferred Revenue	870,542.23	841,645.44
Total Current Liabilities	<u>2,661,439.49</u>	<u>1,485,162.58</u>
Long Term Liabilities		
IBNR	1,250,185.00	2,160,750.93
Total IBNR	<u>1,250,185.00</u>	<u>2,160,750.93</u>
Unallocated Loss Adjustment	289,000.00	267,000.00
Total Long Term Liabilities	<u>1,539,185.00</u>	<u>2,427,750.93</u>
Total Liabilities	4,200,624.49	3,912,913.51

South Bay Area Schools Insurance Authority
Statement of Net Position (Draft)
As of March 31, 2017 and March 31, 2016

	<u>Mar 31,'17</u>	<u>Mar 31, '16</u>
NET POSITION		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Retained Earnings		
Unrestricted Net Position	254,734.21	82,691.75
Net Revenue Over Expenditures	(683,050.76)	276,978.33
Total Net Position	<u>\$ 2,071,683.45</u>	<u>\$ 2,859,670.08</u>

South Bay Area Schools Insurance Authority
Statement of Revenue, Expenses, and Changes in Net Position (Draft)
For the Quarter and Year to Date Ended March 31, 2017 and March 31, 2016

	Jan '17 - Mar '17	Jul '16 - Mar '17	Jul '15 - Mar '16
Revenue			
Member Contributions			
Liability Contributions	\$ 207,645.75	\$ 622,937.25	\$ 557,237.24
Property Contributions	341,746.50	1,025,239.50	1,138,028.25
Crime Policy	7,450.00	22,350.00	9,718.29
Administration	82,450.00	247,350.00	204,202.53
Loss Funding	231,250.01	693,750.03	615,750.06
Total Member Contributions	870,542.26	2,611,626.78	2,524,936.37
Interest Income	8,761.57	17,343.87	18,896.72
Total Income	879,303.83	2,628,970.65	2,543,833.09
Expense			
General & Administrative			
General Expenses			
Accounting Services	11,750.00	23,500.00	23,125.00
Accreditation Fee	-	-	4,500.00
Actuarial Study	-	-	5,200.00
Appraisal Services	-	-	-
Audit Expense - Claims	-	-	-
Audit Expense - Financial	-	12,350.00	12,110.00
Bank Service Charges	-	119.44	172.15
Conference	-	-	740.46
Dues & Membership	-	450.00	450.00
Legal Expense - JPA	-	-	18,366.90
Loss Control	-	-	32,500.00
Supplies, Postage, Misc Expense	-	-	-
Website	155.00	155.00	-
Total Administration	11,905.00	36,574.44	97,164.51
Program Administration			
Claims Management Fees	39,655.16	74,523.94	52,198.25
Contract Administration	40,000.02	120,000.03	112,500.00
Total Program Administration	79,655.18	194,523.97	164,698.25
Total General and Administrative Expenses	91,560.18	231,098.41	261,862.76
Insurance Expense			
Excess Liability Policy	102,358.50	307,075.50	299,623.50
SELF Contributions	78,580.40	301,431.20	277,324.02
Excess Property Policy	341,746.59	1,025,239.71	1,138,028.40
Crime Policy	7,450.02	22,350.06	9,718.50
Total Insurance Expense	530,135.51	1,656,096.47	1,724,694.42
Claims Expenses			
Recoveries	(461,672.49)	(2,816,139.83)	(373,498.90)
Claims Payments	628,246.96	4,041,835.14	725,598.48
Billed Claim Deductible Offset	301,905.43	230,478.63	(39,600.60)
Change in Reserves And IBNR	320,986.13	320,986.13	-
Res & Outstanding Claim Ded Adj	(179,374.83)	(352,333.54)	(32,201.40)
Total Claims Expenses	610,091.20	1,424,826.53	280,297.58
Dividends	-	-	-
Total Expenses	1,231,786.89	3,312,021.41	2,266,854.76
Net Revenue Over (Under) Expenses	\$ (352,483.06)	\$ (683,050.76)	\$ 276,978.33
Net Postion, Beginning		\$ 2,754,734.21	\$ 2,582,691.75
Net Position, Ending		\$ 2,071,683.45	\$ 2,859,670.08

South Bay Area Schools Insurance Authority
Statement of Revenues and Expenses - Budget vs. Actual (Draft)
For the Quarter Ended March 31, 2017

	<u>Jul '16 -Mar '17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Revenue				
Member Contributions				
Liability Contributions	\$ 622,937.25	\$ 830,583.00	-207,645.75	75.0%
Property Contributions	1,025,239.50	1,366,986.00	-341,746.50	75.0%
Crime Policy	22,350.00	29,800.00	-7,450.00	75.0%
Administration	247,350.00	329,800.00	-82,450.00	75.0%
Loss Funding	693,750.03	925,000.00	-231,249.97	75.0%
Total Member Contributions	<u>2,611,626.78</u>	<u>3,482,169.00</u>	<u>-870,542.22</u>	<u>75.0%</u>
Interest Income	17,343.87	0.00	17,343.87	100.0%
Total Revenue	<u>2,628,970.65</u>	<u>3,482,169.00</u>	<u>-853,198.35</u>	<u>75.5%</u>
Expense				
General and Administrative Expenses				
General Expenses				
Accounting Services	23,500.00	23,500.00	0.00	100.0%
Accreditation Fees	0.00	0.00	0.00	0.0%
Audit Expense - Claims	0.00	3,500.00	-3,500.00	0.0%
Audit Expense - Financial	12,350.00	12,350.00	0.00	100.0%
Bank Service Charges	119.44	0.00	119.44	100.0%
Conference	0.00	2,500.00	-2,500.00	0.0%
Contingency	0.00	5,000.00	-5,000.00	0.0%
Dues & Membership	450.00	450.00	0.00	100.0%
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	0.00	0.00	0.00	0.0%
Website	155.00	0.00	155.00	100.0%
Total General Expenses	<u>36,574.44</u>	<u>149,800.00</u>	<u>-113,225.56</u>	<u>24.42%</u>
Program Administration				
Claims Management Fees	74,523.94	65,000.00	9,523.94	114.65%
Contract Administration	120,000.03	160,000.00	-39,999.97	75.0%
Total Program Administration	<u>194,523.97</u>	<u>225,000.00</u>	<u>-30,476.03</u>	<u>86.46%</u>
Total General and Administrative Expenses	<u>231,098.41</u>	<u>374,800.00</u>	<u>-143,701.59</u>	<u>61.66%</u>
Insurance Expense				
Excess Liability Policy	307,075.50	830,583.00	-523,507.50	36.97%
SELF Contributions	301,431.20			
Excess Property Policy	1,025,239.71	1,366,986.00	-341,746.29	75.0%
Crime Policy	22,350.06	29,800.00	-7,449.94	75.0%
Total Insurance Expense	<u>1,656,096.47</u>	<u>2,227,369.00</u>	<u>-571,272.53</u>	<u>74.35%</u>
Claims Costs				
Recoveries	-2,816,139.83			
Claims Payments	4,041,835.14	925,000.00	3,116,835.14	
Billed Claim Deductible Offset	230,478.63			
Change in Reserves & IBNR	320,986.13			
Res & Outstanding Claim Ded Adj	-352,333.54			
Total Claims Costs	<u>1,424,826.53</u>	<u>925,000.00</u>	<u>499,826.53</u>	<u>154.04%</u>
Dividends				<u>0.0%</u>
Total Expense	<u>3,312,021.41</u>	<u>3,527,169.00</u>	<u>-215,147.59</u>	<u>93.9%</u>
Net Revenue Over Expenses	<u><u>\$ (683,050.76)</u></u>	<u><u>\$ (45,000.00)</u></u>	<u><u>\$ (638,050.76)</u></u>	<u><u>1,517.89%</u></u>

9:28 AM

04/25/17

Accrual Basis

South Bay Area Schools Insurance Authority
Transactions by Account
As of March 31, 2017

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
B of A Claims Trust Account								
Check	01/19/2017	10231	Carl Warren & Co...	Replenishment	Bank of Ameri...			97,240.53
Check	01/19/2017	10232	Carl Warren & Co...	Prefund Request, Susan Milne & Elizabet...	Bank of Ameri...	18,252.73		115,493.26
Check	01/20/2017	10917	Carl Warren & Co...	Claim 1934380 Cooper J	Claims Paym...	169,975.00		285,468.26
Check	01/27/2017	10918	Carl Warren & Co...	Claim # 1917970 Milne, Susan	Claims Paym...		44,765.54	240,702.72
Check	01/27/2017	10919	Carl Warren & Co...	Claim # 1917970 Peck, Elizabeth	Claims Paym...		102,975.00	137,727.72
Check	02/07/2017	10920	Carl Warren & Co...	Claim # 1934380 DOL 4/4/16	Claims Paym...		67,000.00	70,727.72
Check	02/07/2017	10921	Carl Warren & Co...	Claim # 1934380 DOL 4/4/16	Claims Paym...		3,535.21	67,192.51
Check	02/07/2017	10922	Carl Warren & Co...	Claim # 1934380 DOL 4/4/16	Claims Paym...		9,973.20	57,219.31
Check	02/07/2017	10924	Carl Warren & Co...	Claim # 1934380 DOL 4/4/16	Claims Paym...		4,510.68	52,708.63
Check	02/14/2017	10923	Carl Warren & Co...	Claim # 1948331 DOL 5/5/16	Claims Paym...		979.90	51,728.73
Check	02/22/2017	10925	Carl Warren & Co...	Claim # 1938013 DOL 6/3/16	Claims Paym...		1,222.50	50,506.23
Check	02/22/2017	10926	Carl Warren & Co...	Claim # 1908841 DOL 1/27/15	Claims Paym...		788.90	49,717.33
Check	02/22/2017	10927	Carl Warren & Co...	Claim # 1894367 DOL 921/13	Claims Paym...		12,054.90	37,662.43
Check	02/22/2017	10928	Carl Warren & Co...	Claim # 1901060 DOL 5/1/14	Claims Paym...		3,034.90	34,627.53
Check	02/22/2017	10929	Carl Warren & Co...	Claim # 1905223 DOL 3/4/15	Claims Paym...		1,177.40	33,450.13
Check	02/22/2017	10930	Carl Warren & Co...	Claim # 1905223 DOL 3/4/15	Claims Paym...		356.00	33,094.13
Check	02/22/2017	10931	Carl Warren & Co...	Claim # 1894367 DOL 9/21/13	Claims Paym...		1,077.15	32,016.98
Check	02/22/2017	10932	Carl Warren & Co...	Claim # 1927820 DOL 8/1/15	Claims Paym...		4,355.85	27,661.13
Check	02/22/2017	10933	Carl Warren & Co...	Claim # 1932786 DOL 5/1/15	Claims Paym...		223.25	27,437.88
Check	02/22/2017	10934	Carl Warren & Co...	Claim # 1867378 DOL 9/23/12	Claims Paym...		101.68	27,336.20
Check	02/24/2017	10234	Carl Warren & Co...	Claim # 1901060 DOL 5/1/14	Claims Paym...		2,452.40	24,883.80
Check	02/24/2017	10235	Carl Warren & Co...	Prefund, Claim #1894367, Kayden Perizzo	Bank of Ameri...	300,000.00		324,883.80
Deposit	02/27/2017			Replenishment 02/10/17	Bank of Ameri...	44,765.54		369,649.34
Deposit	03/01/2017			Deposit	Claims Paym...	1,000,000.00		1,369,649.34
Check	03/09/2017	10935	Carl Warren & Co...	Claim # 1894367 DOL 9/21/13	Claims Paym...	700,000.00		2,069,649.34
Check	03/09/2017	10936	Carl Warren & Co...	Claim # 1894367 DOL 9/21/13	Claims Paym...		1,124,967.32	944,682.02
Check	03/10/2017	10937	Carl Warren & Co...	Claim # 1901713 DOL 1/26/15	Claims Paym...		875,032.68	69,649.34
Check	03/14/2017	10938	Carl Warren & Co...	Claim # 1901060 DOL 5/1/14	Claims Paym...		10,162.50	59,486.84
Check	03/21/2017	10939	Carl Warren & Co...	Claim # 1905223 DOL 3/4/15	Claims Paym...		50,000.00	9,486.84
Check	03/29/2017	10242	Carl Warren & Co...	replenishment 3/7/17	Claims Paym...	40,356.62	7,500.00	1,986.84
Total B of A Claims Trust Account						2,273,349.89	2,328,246.96	42,343.46
TOTAL						2,273,349.89	2,328,246.96	42,343.46

9:29 AM

04/25/17

Accrual Basis

South Bay Area Schools Insurance Authority

Transactions by Account

As of March 31, 2017

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Bank of America - 61312										
Check	01/19/2017	10231		Carl Warren & Com...	December Re...	X	B of A Claims ...		18,252.73	1,804,180.49
Check	01/19/2017	10232		Carl Warren & Com...	Prefund Requi...	X	B of A Claims ...		169,975.00	1,785,927.76
Check	01/19/2017	10233		Carl Warren & Com...	for dec claims...	X	Claims Manag...		4,228.26	1,615,952.76
Check	02/24/2017	10234		Carl Warren & Com...	Prefund, Clai...	X	B of A Claims ...		300,000.00	1,611,724.50
Check	02/24/2017	10235		Carl Warren & Com...	Replenishme...	X	B of A Claims ...		44,765.54	1,311,724.50
Check	02/24/2017	10236		James Marta & Co...	Invoice # 102...	X	Audit Expense...		8,215.00	1,266,958.96
Check	02/24/2017	10237		Carl Warren & Com...	Jan claims nv...	X	Claims Manag...		607.27	1,258,743.96
Bill Pmt -Check	03/16/2017	10238		Carl Warren & Com...	VOID: reimbu...	X	*Accounts Pay...	0.00	31,264.93	1,226,871.76
Bill Pmt -Check	03/16/2017	10239		Joan Crossley	Accounting S...	X	*Accounts Pay...		5,875.00	1,226,871.76
Bill Pmt -Check	03/16/2017	10240		Gilbert Associates, I...	reimbursement...	X	*Accounts Pay...		155.00	1,220,996.76
Bill Pmt -Check	03/16/2017	10241		Joan Crossley	Deposit	X	Undeposited F...	10,000.00		1,230,841.76
Deposit	03/20/2017				replenishmen...		B of A Claims ...		40,356.62	1,190,485.14
Check	03/29/2017	10242		Carl Warren & Com...	refund of exp ...		Recoveries		31,421.90	1,159,063.24
Check	03/29/2017	10243		CSAC Excess Insur...						
Total Bank of America - 61312								10,000.00	655,117.25	1,159,063.24
TOTAL								10,000.00	655,117.25	1,159,063.24

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

April 14, 2017

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 EH

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the December 31, 2016 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, 2016 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	\$7,081,500,486	\$7,064,473,900	(\$17,026,586)	(-0.24%)

The yield of the pool on December 31, 2016 was 0.96%. As a comparison, on December 31, 2016 the yield of a 6-month Treasury Bill was 0.61%. A two-year Treasury Note was 1.19%. The State of California Local Agency Investment Fund (LAIF) yield was 0.72%.

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.

Please note that this report has not been received by the Santa Clara County Board of Supervisors as of the date of this memorandum. If any Board member would like further information on this report, please let me know.

Attachments:

December 2016 Quarterly Investment Summary



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 4, 2017

Agenda Item F.1

CLAIMS SERVICE CONTRACT WITH CARL WARREN & COMPANY

INFORMATION ITEM

EXPLANATION: SBASIA's claims service contract with Carl Warren & Company expires on June 30, 2017. Mr. Brandon Schlenker of Carl Warren & Company will present a new contract with a five year term to be reviewed by the Executive Committee prior to being presented to the Board of Directors for approval.

The annual fee for the first two years is \$75,000 for up to 65 claims per year and for the last three years is \$78,000 for up to 65 claims per year.

ATTACHMENTS: Carl Warren & Co. Draft Contract for July 1, 2017 – June 30, 2022



CARL WARREN & COMPANY

THIRD PARTY CLAIMS ADMINISTRATION CONTRACT

THIS AGREEMENT, entered into effective July 1, 2017 by and between SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY hereinafter called "PRINCIPAL," and CARL WARREN & COMPANY, hereinafter called "CONTRACTOR," is for certain services as outlined in connection with the duties and responsibilities of administering a program of self-insurance.

WITNESSETH

WHEREAS, PRINCIPAL has undertaken to self-insure and is in need of a qualified third party to whom to delegate the responsibilities and duties of administering said partially self-insured commercial general liability insurance program (the "Self Insurance program"), and

WHEREAS, CONTRACTOR is engaged in the supervision and administration of programs for commercial general liability self-insurance,

NOW, THEREFORE, PRINCIPAL and CONTRACTOR mutually understand and agree as follows:

1. GENERAL

CONTRACTOR shall: (a) supervise and administer the Self-Insurance program for PRINCIPAL; (b) represent the PRINCIPAL in all matters related to the investigation, adjustment, processing, supervision and resolution of liability claims for money damages asserted by third parties against the PRINCIPAL (and other participants in the program as specified); and (c) provide to PRINCIPAL during the Term (as defined below) all the services more particularly set forth hereinafter.

2. INVESTIGATIVE SERVICES

CONTRACTOR shall provide complete investigative and analytical services including, but not limited to: (a) receipt and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of such claims reported by PRINCIPAL to CONTRACTOR; and (b) the investigation of such accidents, incidents, claims or cases where examination warrants such investigation or when requested by PRINCIPAL, such investigation to include on-site investigation, photographs, interviewing of witnesses, determination of losses and other such investigative services necessary to determine liability and loss.

3. SETTLEMENT AUTHORITY

CONTRACTOR will promptly notify PRINCIPAL in writing of any claim which, excluding administration, adjusting, defense, all amounts payable to CONTRACTOR hereunder, and other costs and expenses, is reasonably expected in CONTRACTOR'S opinion to result in total settlement payments in excess of the settlement authority limit that is agreed upon by PRINCIPAL and CONTRACTOR (the "Authority Limit"). Such Authority Limit shall be set forth in an addendum



to this Agreement, substantially in the form attached hereto as Exhibit A, and which is referred to herein as the "Payment Guidelines". Such Payment Guidelines will be binding on the parties, and incorporated into this Agreement, when executed by both parties. From time to time during the Term, the Payment Guidelines may be adjusted by mutual agreement of the parties, with each revised Payment Guidelines superseding any previously adopted Payment Guidelines and becoming binding on the parties, and incorporated into this Agreement, when executed by both parties.

4. CLAIMS ADJUSTMENT SERVICES

CONTRACTOR shall provide complete claims adjustment services on each accident or incident that may be the subject of a claim against the PRINCIPAL which is reported to CONTRACTOR by the PRINCIPAL. Such services shall include, but not be limited to (a) the maintenance of a claim file on each potential or actual claim reported to CONTRACTOR; (b) whenever its investigation results in a determination that PRINCIPAL has sustained a liability to a third party, CONTRACTOR shall process any such claim or potential claim for settlement in accordance with the PRINCIPAL'S instructions for settlement of such claims, as set forth in the Payment Guidelines; and (c) obtaining all release agreements or proofs of loss on settlement of any claim or potential claim. If subrogation is pursued, the rates in Section 9 will apply unless a separate contingency fee agreement is agreed to by PRINCIPAL and CONTRACTOR.

5. ADMINISTRATIVE SERVICES

CONTRACTOR shall provide the following administrative services: (a) assignment of a Principal Account Adjuster to the PRINCIPAL; (b) providing PRINCIPAL with electronic access to all reported claims during the term of this Agreement, indicating the status of each reported open claim assigned to CONTRACTOR, the details of each such claim, the outstanding reserves for each claim and details of all claim payments; and (c) periodic review and adjusting of reserves on all open claims. Account specific reports and attendance at meetings (including round trip travel) shall be provided by CONTRACTOR at the rates provided in Section 9 under ancillary services.

6. LEGAL SUPPORT SERVICES

CONTRACTOR shall provide the following legal support services on each claim wherein the claimant has commenced litigation: (a) Upon notification by PRINCIPAL that litigation has been filed on an open claim, CONTRACTOR shall notify PRINCIPAL and, in accordance with PRINCIPAL'S instructions, the PRINCIPAL'S excess insurance carrier and/or excess reporting authority, pool or group (the "excess entity") and/or trial attorney assigned by PRINCIPAL to handle the case and provide such excess entity and/or trial attorney with all information and files concerning claim; (b) maintain liaison with PRINCIPAL'S excess entity and/or trial attorney and provide such investigation services as are required by such attorney during pre-trial and trial stages; and (c) assist PRINCIPAL'S excess entity and/or trial attorney with discovery and other legal processes.

7. SUBROGATION SERVICES

If the Fee Schedule in Section 9 shows that CONTRACTOR will be providing subrogation services, CONTRACTOR shall: Supervise and administer the subrogation program for PRINCIPAL, represent PRINCIPAL in all matters related to the investigation, collecting processing, supervision



and resolution of subrogation claims, against third parties, for damage to PRINCIPAL'S property. This Agreement does not include recovery of damages or cost relating to Workers Compensation Claims, presented by PRINCIPAL'S employees.

CONTRACTOR shall provide complete collection services to PRINCIPAL, including receipt and examination of all reports of accident, incidents, claims or cases which are or may be the subject of a subrogation claim. The investigation of such accidents, incidents, claims or cases will include determining responsibility, establishing damage amount, pursuing collection, negotiating settlements and processing of monetary recovery.

8. TERM OF AGREEMENT

The term of the Agreement (the "Term") shall commence on **July 1, 2017** and continue until **June 30, 2022**, unless terminated earlier as provided in Section 13 herein.

9. PRICING

PRINCIPAL agrees to pay the following claim handling and service fees for CONTRACTOR'S services:

Liability & Property Claims Administration Services

SERVICE	Year 1&2	Year 3-5
Liability Adjusting Services	\$75,000/yr	\$78,000/yr
Property Adjusting Services	Up to 65 claims/yr	Up to 65 claims/yr
Claims over 65 (Flat fee per claim)	\$1,155/claim	\$1,200/claim
Data Processing	Included	
Index - Per Submission (ISO Claims Search and OFAC)	\$18	\$20
MMSEA (liability claims)	\$4.85	\$5
Adjuster Mileage	IRS Rate	
Photographs	Included	
Office Expenses	Included	
Telephone/Fax	Included	
Set up fee	Included	
Photocopies/per page	Included	
ANCILLARY SERVICES	FEES	
Subrogation (when utilized)	21% of recovery	
Miscellaneous/Allocated (i.e. police reports, medical records)	At Cost	
Surveillance/Fraud Unit		
Outside Investigations		



ADMINISTRATION FEE	FEES
Annual Administration fee includes: <ul style="list-style-type: none">➤ Data Management➤ Account Management➤ Quarterly Claim Review➤ Annual Stewardship Reportt	Included
RISK MANAGEMENT INFORMATION SYSTEM	FEES
<ul style="list-style-type: none">➤ RMIS Training➤ Ongoing access (up to 3 users)➤ Data Extract to Carriers➤ Standard Monthly Loss Run	Included
<ul style="list-style-type: none">➤ Additional Users	\$250 each
BANKING/TRUST ACCOUNT	FEES
<ul style="list-style-type: none">➤ Check Issuance	Included
<ul style="list-style-type: none">➤ 1099 Reporting, including IRS File	

CONTRACTOR has the right to revise this fee schedule at no more frequently than one (1) year intervals. CONTRACTOR will provide a minimum of thirty (30) days prior notice of any such revision to the fee schedule to PRINCIPAL, which notice shall state the effective date of the revised fee schedule. Unless PRINCIPAL exercises its right to terminate this Agreement pursuant to Section 13(a) prior to the effective date of the revised fee schedule, such revised fee schedule shall govern for the remainder of the Term (or until further adjusted pursuant to this Section 9). If PRINCIPAL does exercise its right to terminate this Agreement pursuant to Section 9 during the period between receipt of any such revised fee schedule and the effective date of such revised fee schedule, the existing fee schedule (and not the revised schedule) shall govern for the remainder of the Term.

The above fee schedule for the services does not include “Allocated Expenses”, defined to mean customary and usual costs and expenses incurred and/or paid by CONTRACTOR on PRINCIPAL'S behalf in connection with the investigation, adjustment, settlement or defense of a claim. Such costs and expenses include, but are not limited to, professional photography, police reports, independent medical examinations, professional engineering services, laboratory services, bulk copy jobs, private investigators, legal costs and fees and work performed by accountants. CONTRACTOR shall charge PRINCIPAL for non-staff investigators or adjusters when, in the opinion of CONTRACTOR, such assistance is necessary and reasonably related to the monetary exposure. Allocated Expenses do not include the fees payable to CONTRACTOR pursuant to the fee schedule in this Section 9, nor the salaries, wages or benefits paid to CONTRACTOR'S employees or office and other overhead expenses associated with the performance of the services hereunder by CONTRACTOR. PRINCIPAL agrees to pay for the cost of all reasonable and supportable Allocated Expenses incurred in connection with the services under this Agreement.

Charges for non-file-related professional services performed at the specific request of PRINCIPAL will be billed on an as quoted basis.



10. DATA PROCESSING

- a. The following standard services are included in this services provided pursuant to this Agreement - claims data electronically for up to three recipients and access to mycarlwarren.com for up to three users. For security purposes, access to mycarlwarren and any subscriptions will automatically terminate at the end of twelve (12) months. PRINCIPAL shall be responsible for notifying CONTRACTOR to renew user subscriptions and access or to substitute users.
- b. Additional users or recipients shall be charged on a per person basis at an annual fee of \$250.
- c. Special reports, new reports and data feeds can also be requested. They are subject to a cost per quote at a rate per project or per hour once the scope has been agreed upon. CONTRACTOR does not possess any interest, title, lien or right to any client data or records. Therefore, upon termination of the contract, CONTRACTOR is relieved of all obligations to provide data processing services to PRINCIPAL and will deliver to PRINCIPAL all data and records in a readily available excel or PDF format. If a different format is desired by PRINCIPAL, CONTRACTOR will provide it to PRINCIPAL at an agreed upon and reasonable cost and timeline.

11. PRINCIPAL'S RESPONSIBILITIES

PRINCIPAL shall provide CONTRACTOR with copies of all relevant documents upon request and without charge and shall make available any PRINCIPAL employee for interviews by CONTRACTOR at reasonable times concerning any investigation of a claim or incident pursuant to this Agreement.

CONTRACTOR shall bill PRINCIPAL and furnish PRINCIPAL with invoices for services rendered in accordance with the fee schedule set forth in the Agreement. Each invoice will include the claim or other matters for which a fee is being charged and the amount of the associated fee for that claim or matter. All sums due hereunder shall be paid by delivery of PRINCIPAL'S check, or wire transfer to CONTRACTOR'S offices located at the address set forth herein, within thirty (30) days following the invoice date. If any amount invoiced is in dispute, PRINCIPAL shall pay the undisputed amount and notify CONTRACTOR within thirty (30) days after the invoice date of the disputed portion; failure by PRINCIPAL to deliver written notice to CONTRACTOR of dispute with regard to any portion of an invoice within such time frame shall be deemed acceptance of the entire invoice by PRINCIPAL. Fees not paid in full within thirty (30) days of the invoice date (excluding any good faith disputed amount for which PRINCIPAL has delivered a written notice of dispute in accordance with this Section 11), at CONTRACTOR'S option, will be subject to per annum interest at the lower of (i) 18% or (ii) the maximum interest rate permitted by applicable law, calculated from the due date to the date payment is received by CONTRACTOR. For invoices not paid in full within thirty (30) days of the invoice date, CONTRACTOR will notify PRINCIPAL of such failure to pay and if PRINCIPAL does not cure such failure in full (excluding any good faith disputed amount for which PRINCIPAL has delivered a written notice of dispute in accordance with this Section 11) within ten (10) business days after the date of such notice (the "cure period"), CONTRACTOR may, without waiving any other rights or remedies to which it may be entitled, as of the first business day following the cure period, immediately limit access to data,



suspend and/or terminate this Agreement, and/or seek collection of all amounts due, including by sending outstanding invoices to a collection agency. PRINCIPAL will reimburse any costs and expenses (including, but not limited to, the fees of a collection service and reasonable attorneys' fees) incurred by CONTRACTOR to collect any amount that is not paid when due.

12. CONFLICT OF INTEREST

In the event a claim or incident is reported to CONTRACTOR by PRINCIPAL and it is determined that the actual or potential claimants therein are also clients of CONTRACTOR, then CONTRACTOR shall immediately notify PRINCIPAL of such potential conflict of interest so PRINCIPAL may have the option to choose an independent investigator and adjuster.

13. CANCELLATION OF AGREEMENT

- a. Voluntary Termination. This Agreement may be terminated at any time by either party, without cause, by giving the other party not less than sixty (60) days prior written notice of such termination.
- b. Termination for Cause. This Agreement shall terminate at the election of PRINCIPAL or CONTRACTOR if the other party breaches any material provision of this Agreement and fails to cure such breach within ten (10) business days after written notice thereof is given to the party, or in the event the breach is not capable of being cured within such ten (10) business day period, the breaching party has not commenced good faith efforts to cure such default within ten (10) business days and continued thereafter in good faith to diligently pursue the completion of such cure. Failure of PRINCIPAL to comply with Section 11 PRINCIPAL'S RESPONSIBILITIES shall qualify as cause under this Section.
- c. Termination by CONTRACTOR. CONTRACTOR may terminate this Agreement pursuant to Section 17(f).

14. DISPOSITION OF FILES ON TERMINATION OF AGREEMENT

- a. All files on each claim shall be property of the PRINCIPAL.
- b. In the event of expiration of the Agreement, non-renewal thereof, or cancellation, CONTRACTOR shall bill the PRINCIPAL, subject to the rates quoted in Section 9 herein above, for work completed by CONTRACTOR on each claim. Upon receipt of payment of outstanding invoices (including those in Section 14(c) below), CONTRACTOR shall promptly forward all completed and pending claim files to the PRINCIPAL unless PRINCIPAL requests CONTRACTOR to continue to process any files on a time and expense basis as provided for in the CONTRACTOR'S Rate Manual at the time such services are rendered.
- c. PRINCIPAL agrees to pay CONTRACTOR for the internal and/or external cost of retaining, storing, retrieving, logging, packing and shipping files which are stored on or off premises by CONTRACTOR.



15. HOLD HARMLESS

- a. PRINCIPAL'S Indemnification Obligation. PRINCIPAL agrees it will indemnify, defend and hold harmless CONTRACTOR and its affiliates, and their respective officers, directors, employees, agents, attorneys, shareholders, and their successors and assigns (collectively "CONTRACTOR Indemnity"), from and against any loss, claim, damage, cost or expense, including but not limited to reasonable attorney's fees and costs, that such CONTRACTOR Indemnity may incur arising out of, in connection with, or in any way related to the performance of CONTRACTOR'S duties and obligations under this Agreement except claims solely resulting from or arising out of:
- (i) acts of CONTRACTOR performed in bad faith or failures to act occurring as a result of CONTRACTOR'S negligence resulting in a breach of CONTRACTOR'S duties and obligations under this Agreement; or
 - (ii) acts of CONTRACTOR which exceed the authority granted to it by PRINCIPAL under this Agreement; or
 - (iii) acts or failures to act of CONTRACTOR which are not in compliance with lawful written instructions issued by PRINCIPAL to CONTRACTOR provided such instructions are consistent with the scope, objectives and terms of this Agreement.
- b. CONTRACTOR'S INDEMNIFICATION OBLIGATION. CONTRACTOR agrees it will indemnify, defend and hold harmless PRINCIPAL and its respective affiliates, and their respective officers, directors, employees, agents, attorneys, shareholders, and their successors and assigns (collectively "PRINCIPAL Indemnity"), from and against any loss, claim, damage, cost or expense, including but not limited to reasonable attorney's fees and costs, that such PRINCIPAL Indemnity may incur solely resulting from or arising out of:
- (i) acts of CONTRACTOR performed in bad faith or failures to act occurring as a result of CONTRACTOR'S negligence resulting in a breach of CONTRACTOR'S duties and obligations under this Agreement; or
 - (ii) acts of CONTRACTOR which exceed the authority granted to it by PRINCIPAL under this Agreement; or
 - (iii) acts or failures to act of CONTRACTOR which are not in compliance with lawful written instructions issued by PRINCIPAL to CONTRACTOR provided such instructions are consistent with the scope, objectives and terms of this Agreement.
- c. Limitations on CONTRACTOR's Indemnity Obligations. CONTRACTOR'S indemnification obligations set forth in this Agreement shall apply only to the extent such obligations solely relate to or solely arise in connection with claims serviced by CONTRACTOR during the Term and under the scope of this Agreement.
- d. Survival of Obligations. The obligations of the parties set forth in this Section 15 shall survive termination of this Agreement.



16. AUDITS

The CONTRACTOR'S files shall be made available for audits at any time upon reasonable notice. Reasonable notice shall be defined as thirty (30) days or as otherwise agreed by the parties. If special retrieval or shipment of the requested files is necessary, PRINCIPAL shall reimburse CONTRACTOR at cost. The CONTRACTOR reserves the right to reject an auditor proposed by PRINCIPAL if the proposed auditor may gain an unfair competitive advantage over CONTRACTOR by conducting such an audit.

17. MISCELLANEOUS

- a. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of California.
- b. Amendments, etc. Neither this Agreement nor any of the terms hereof may be amended, changed, waived, discharged or terminated except by an instrument in writing signed by both of the parties hereto.
- c. No Waiver. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of any party hereto of any such right, power or privilege, or any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other right, power or privilege.
- d. Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under, any applicable law of any jurisdiction, then such provision shall, as to such jurisdiction, be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, without invalidating the remainder hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
- e. Independent Contractor. At all times during the term of this Agreement, CONTRACTOR shall be deemed to be an independent contractor to PRINCIPAL acting in the capacity as PRINCIPAL'S agent subject to the limited authority granted herein. Nothing contained in this Agreement shall be deemed to create the relationship of employer and employee, partners, or joint ventures between PRINCIPAL and CONTRACTOR. CONTRACTOR shall not act as an insurer, nor shall it be ultimately financially responsible for payment or satisfaction of Claims or causes of action against PRINCIPAL.
- f. Current Law & Regulation. This Agreement is entered into with the understanding that existing Federal, State or other jurisdictional regulations will remain in effect for the duration of this Agreement. PRINCIPAL agrees that should administrative or other costs of service provided hereunder be substantially increased as a result of modifications in existing law, enactment of new legislation, or promulgation of new administrative guidelines, CONTRACTOR service fees may be renegotiated during the Agreement term. If revised fee agreements cannot be reached, CONTRACTOR may terminate this Agreement, at its option, after thirty (30) days written notice to PRINCIPAL.



- g. Counterparts. This Agreement may be executed simultaneously in two counterparts, each of which when so executed and delivered shall be deemed an original, but both of which together shall constitute one and the same instrument, and all signatures need not appear on any one counterpart. A facsimile, telecopy or other reproduction of this Agreement may be executed by any party and delivered by such party by facsimile or other electronic transmission (including e-mail), and such execution and delivery shall be considered valid, binding and effective for all purposes.

18. INSURANCE

CONTRACTOR shall maintain Commercial General Liability on an occurrence basis with limits no less than \$1,000,000 per occurrence and general aggregate limit no less than \$2,000,000; Auto Liability with limit no less than \$1,000,000 per accident; Workers' Compensation with Statutory limits and Employers Liability with limits of no less than \$1,000,000 per accident for bodily injury or disease; Professional Liability insurance with limit no less than \$1,000,000 per occurrence or claim and aggregate no less than \$2,000,000

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives as of the day and year first written above.

(CONTRACTOR)

(PRINCIPAL)

CARL WARREN & COMPANY

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

ANY ALTERATIONS TO THIS CONTRACT WILL RENDER THE CONTRACT NULL AND VOID. THE PRICING QUOTED IN THIS CONTRACT WILL REMAIN EFFECTIVE FOR THIRTY (30) DAYS FROM THE INCEPTION DATE LISTED ON THIS CONTRACT AFTER WHICH TIME THE CONTRACT WILL BE RECINDED.



EXHIBIT A

FORM OF PAYMENT GUIDELINES

These Payment Guidelines are entered into between **CARL WARREN & COMPANY** (the “Contractor”) and **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY** (the “Principal”) pursuant to that certain Third Party Claims Administration Contract (the “Agreement”), dated as of **July 1, 2017** between Contractor and Principal, and is incorporated in, and subject to, the Agreement.

Authority Limit: \$0

Other Payment Procedures:

None

These Payment Guidelines will become binding on Contractor and Principal on the date that they have been executed by each such party as set forth below.

(CONTRACTOR)

(PRINCIPAL)

CARL WARREN & COMPANY

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____



South Bay Area Schools Insurance Authority
Executive Committee Meeting
May 4, 2017

Agenda Item F.2

CLAIMS AUDIT

INFORMATION ITEM

EXPLANATION: At its October 6, 2016 meeting, the Executive Committee selected Risk Management Services to perform the JPA's claims audit. Mr. Ken Maiolini at Risk Management Services conducted the audit on February 25, 2017 at Carl Warren & Company. Staff will review the audit findings with the Executive Committee.

ATTACHMENTS: Claims Audit

CSAC-EIA GENERAL LIABILITY AUDIT**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY****(SBASIA) – 2017**

An audit of the SBASIA claims handling was conducted electronically utilizing the MyCarlWarren MIS. After a discussion with the Carl Warren Claims Manager, and review of the loss run, 27 claims were selected for the review. An RMS Claims Audit Review form was completed on each file audited and is included as a confidential document.

There is one main Adjustor assigned to the SBASIA account, who has appropriate backup when needed. He does a very competent and professional job in the handling of the SBASIA claims.

The audit indicated that:

INVESTIGATION – The Adjustor conducts a thorough and timely investigation. He utilizes USD resources, police reports, witness statements and site visits. The claims MIS is well documented as to investigation findings.

RESERVING – Reserves were found to be appropriate based on liability issues and future handling. The Adjustor sets reserves at a reasonable ultimate exposure value. There was no evidence of step or retroactive reserving practices.

LITIGATION MANAGEMENT – This aspect of claims handling is conducted in a collaborative manner that includes the USD, EIA and excess partners. The Pool has had several high profile/exposure sexual molest cases. While these matters prove to be expensive, they were handled well from a litigation standpoint. Overall, litigation management is handled appropriately.

LIABILITY/DAMAGE EVALUATION – The MyCarlWarren MIS has detailed information and discussion documented on evaluation of both liability and damages. The Adjustor analyzes information, discusses with Defense Counsel and reports timely to the USD. The issues of liability and damages are well evaluated and documented.

FILE MANAGEMENT – The Adjustor is proactive and timely in his management of the SBASIA files.

The files reflect that:

- Statutory notices are sent timely and appropriately.
- Diary is well managed.
- Financials are accurate and reconciled appropriately.
- Reporting and cooperation with the EIA is timely and appropriate.
- Adjustor notes in MyCarlWarren MIS are up-to-date and detailed.
- Member communication is consistent and timely.

The files are managed in a competent and professional manner.

NEGOTIATION PRACTICES – The Adjustor documents all rationale for negotiation of both claims and litigated matters. Negotiation is conducted at the opportune time in the life of the claim, which results in favorable settlements and savings on litigation costs.

Overall, the claims handling for SBASIA is done in a manner that meets or exceeds industry standards, CSAC-EIA Claims Handling Guidelines and CAJPA criteria.

There are no recommendations at this time.

Respectfully submitted,



Kenneth R. Maiolini, ARM-P

Attachments: RMS Audit Review Forms (Confidential Document)
RMS Audit Matrix
RMS Audit Checklist

RMS Audit Matrix

Entity Reviewed South Bay Area SIA Program GL I
Date of Review 2/25/2017 # of Claims Reviewed 27
Average Case Loads appropriate for staffing
TPA (If Applicable) Carl Warren Company

Claims Handling Compliance by % and/or 1-10 Rating

Government Code / Statutory Notices	<u>10</u>	<u>/</u>
File Documentation	<u>10</u>	<u>/</u>
Liability Determination	<u>10</u>	<u>/</u>
Damage Evaluation	<u>10</u>	<u>/</u>
Litigation Management	<u>10</u>	<u>/</u>
Subrogation	<u>N/A</u>	<u>/</u>
Risk Transfer	<u>10</u>	<u>/</u>
Excess Reporting	<u>10</u>	<u>/</u>
Reserving	<u>10</u>	<u>/</u>
Negotiation Practices	<u>10</u>	<u>/</u>
Supervision Oversight	<u>10</u>	<u>/</u>
Averages	<u>10</u>	<u></u>

Auditor: Kenneth Maiolini

RMS Audit Checklist

Entity Reviewed: South Bay Area SIA Program: GL I
Member Contact: Joan Crossley, Allaint TPA Contact: Brandon Schienker
Carl Warren

Auditor Tasks during Audit:

	<u>Date Completed</u>
Pre-audit interview with member	<u>10/20/16</u>
Pre-audit interview with TPA	<u>1/16/17</u>
Exit Interview with Member	<u>2/28/17</u>
Exit Interview with TPA	<u>2/28/17</u>

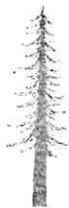
What type of filing system does the Entity/TPA operate with? (paperless, paper files, combination of paperless and paper)

Paperless – MyCarlWarren MIS.

If paper files exist, were they reviewed? If no, please explain why.

N/A

CONFIDENTIAL DOCUMENT

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER P039-08-00193	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 1/2/2008	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS EPL	LIMITS(X1000)/POLICY YEAR 250

CASE DESCRIPTION
Wrongful termination.

LIABILITY

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

CURRENT RESERVES

LOSS \$15,000.00

EXPENSE \$50,000.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$3,536.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Good admin USD investigation.
-------------	---

RATING 2	RESERVING Appropriate.
-------------	----------------------------------

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC moving case along -- Plaintiff no show at CMC.
-------------	---

RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
-------------	---

RATING 2	FILE MANAGEMENT Managed well -- Adjustor working with DC.
-------------	---

RATING N/A	TIMELY NEGOTIATIONS
---------------	----------------------------

COMMENTS



RMS

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1614389	
REVIEW DATE 2/25/2017	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
\$0.00

EXPENSE
\$2,631.00

PAID TO DATE

LOSS
\$3,375,000.00

EXPENSE
\$401,780.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Extensive investigation -- PD, USD.
-------------	---

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

RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> Extensive, complex.
-------------	---

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

RATING 2	<u>FILE MANAGEMENT</u> Well handled -- extensive reconciliation.
-------------	---

RATING 2	<u>TIMELY NEGOTIATIONS</u> Multiple mediations.
-------------	--

COMMENTS

In process of reconciling with EIA.

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1860076			
REVIEW DATE 2/25/2017	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 \$0.00

EXPENSE \$3,752.00

PAID TO DATE

LOSS \$3,875,000.00

EXPENSE \$224,044.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Extensive -- PD, USD.
-------------	---

RATING 2	RESERVING Appropriate.
-------------	----------------------------------

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING Well handled complex case.
-------------	--

RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
-------------	---

RATING 2	FILE MANAGEMENT Managed file well -- extensive reconciliation.
-------------	--

RATING 2	TIMELY NEGOTIATIONS Multiple mediations.
-------------	--

COMMENTS

EIA reported.



RMS

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1860075	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 10/1/2011	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR 250

CASE DESCRIPTION Student sexually assaulted.

LIABILITY

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

CURRENT RESERVES

LOSS \$0.00
EXPENSE \$250.00

PAID TO DATE

LOSS \$1,500,000.00
EXPENSE \$134,607.00

RECOMMENDED RESERVES

LOSS
EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Extensive investigation by USD.
RATING 2	<u>RESERVING</u> Appropriate.
RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> Handled well to conclusion.
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated.
RATING 2	<u>FILE MANAGEMENT</u> Managed well -- EIA reconciliation.
RATING 2	<u>TIMELY NEGOTIATIONS</u> Mediated resolution.

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1865109	
REVIEW DATE 2/25/2017	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 250

CASE DESCRIPTION Sexual assault of student.

LIABILITY

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

CURRENT RESERVES

LOSS \$0.00

EXPENSE \$742.00

PAID TO DATE

LOSS \$3,875,000.00

EXPENSE \$199,257.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Extensive investigation -- USD, PD.
--------------------	---

RATING 2	RESERVING Appropriate.
--------------------	----------------------------------

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC worked up case well.
--------------------	---

RATING 2	LIABILITY/DAMAGE EVALUATION Evaluations well done.
--------------------	--

RATING 2	FILE MANAGEMENT Managed file well -- reconciliation with EIA.
--------------------	---

RATING 2	TIMELY NEGOTIATIONS Mediation used to resolve case.
--------------------	---

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1868927	
REVIEW DATE 2/25/2017	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 250

CASE DESCRIPTION Sexual assault of student.

LIABILITY

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

CURRENT RESERVES

LOSS \$0.00

EXPENSE \$26,956.00

PAID TO DATE

LOSS \$3,875,000.00

EXPENSE \$204,404.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Extensive investigation by USD.
-------------	---

RATING 2	RESERVING Appropriate.
-------------	----------------------------------

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC worked up case well.
-------------	---

RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
-------------	---

RATING 2	FILE MANAGEMENT Adjustor on top of file -- reconciling with EIA.
-------------	--

RATING 2	TIMELY NEGOTIATIONS Mediated resolution.
-------------	--

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1867378	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 9/23/2012	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR 250

CASE DESCRIPTION Teacher/student incident.
--

LIABILITY

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

CURRENT RESERVES

LOSS \$500,000.00

EXPENSE \$4,291.00

PAID TO DATE

LOSS \$2,500,000.00

EXPENSE \$119,662.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Extensive USD investigation, PD, text, laptop.
--------------------	--

RATING 2	RESERVING Appropriate.
--------------------	----------------------------------

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING Well handled case by DC.
--------------------	--

RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
--------------------	---

RATING 2	FILE MANAGEMENT Extensive reconciliation -- well handled file.
--------------------	--

RATING 2	TIMELY NEGOTIATIONS Mediated resolution.
--------------------	--

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1885371	
REVIEW DATE 2/25/2011	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 250

CASE DESCRIPTION
Claimant struck in head by a board.

LIABILITY

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

CURRENT RESERVES

LOSS
\$75,000.00

EXPENSE
\$10,855.00

PAID TO DATE

LOSS
\$0.00

EXPENSE
\$19,035.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING
2 **INVESTIGATION**
Good investigation into accident and treatment.

RATING
2 **RESERVING**
Appropriate.

RATING
2 **LITIGATION MANAGEMENT/ATTORNEY HANDLING**
DC working up case well.

RATING
2 **LIABILITY/DAMAGE EVALUATION**
Well evaluated.

RATING
2 **FILE MANAGEMENT**
Adjustor on top of file.

RATING
2 **TIMELY NEGOTIATIONS**
Attempts made.

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1894367			
REVIEW DATE 2/25/2017	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 250

CASE DESCRIPTION Physical and emotional abuse of Special Ed student.
--

LIABILITY

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

CURRENT RESERVES

LOSS \$1,000,000.00

EXPENSE \$77,705.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$333,597.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Good investigation by USD and witness statements.
-------------	---

RATING 2	RESERVING Appropriate given facts.
-------------	--

RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC has challenging caes -- working up well.
-------------	---

RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated for motions.
-------------	---

RATING 2	FILE MANAGEMENT Adjustor working well with USD and DC.
-------------	--

RATING 2	TIMELY NEGOTIATIONS Attempts made.
-------------	--

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME

FILE NUMBER
1901060REVIEW DATE
2/25/2017REVIEWED BY
KRMENTITY REVIEWED
SBASIAFILE STATUS
OPEN LITIGATIONDATE OF LOSS
5/1/2014

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS
GL

LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION

School did not report child abuse.

LIABILITY☐ CLEAR ☐ PROBABLE ☒ QUESTIONABLE ☐ DOUBTFUL ☐ UNDETERMINED ☐ N/A**CURRENT RESERVES**LOSS
\$200,000.00EXPENSE
\$29,344.00**PAID TO DATE**LOSS
\$0.00EXPENSE
\$23,195.00**RECOMMENDED RESERVES**

LOSS

EXPENSE

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

RATING
2 **INVESTIGATION**
Good investigation and interviews.RATING
2 **RESERVING**
Appropriate for facts.RATING
2 **LITIGATION MANAGEMENT/ATTORNEY HANDLING**
DC working up case well and economically.RATING
2 **LIABILITY/DAMAGE EVALUATION**
Well evaluated.RATING
2 **FILE MANAGEMENT**
Adjustor on top of file.RATING
N/A **TIMELY NEGOTIATIONS****COMMENTS**

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1935207	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN CLAIM	DATE OF LOSS 12/7/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR 250

CASE DESCRIPTION Social and emotional distress and loss of academic opportunities.
--

LIABILITY

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

CURRENT RESERVES

LOSS \$5,000.00

EXPENSE \$4,605.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$395.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Good investigation with USD.
-------------	--

RATING 2	RESERVING Appropriate for facts.
-------------	--

RATING N/A	LITIGATION MANAGEMENT/ATTORNEY HANDLING
---------------	--

RATING 2	LIABILITY/DAMAGE EVALUATION Liability well evaluated, damages (if any) in progress.
-------------	---

RATING 2	FILE MANAGEMENT Adjustor handling well.
-------------	---

RATING N/A	TIMELY NEGOTIATIONS
---------------	----------------------------

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1935909			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 4/9/2016	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Discrimination of student (disability).

LIABILITY

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

CURRENT RESERVES

LOSS
\$10,000.00

EXPENSE
\$0.00

PAID TO DATE

LOSS
\$0.00

EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Investigation in progress.
RATING 2	RESERVING Appropriate, precautionary.
RATING N/A	LITIGATION MANAGEMENT/ATTORNEY HANDLING
RATING 2	LIABILITY/DAMAGE EVALUATION In progress.
RATING 2	FILE MANAGEMENT Adjustor proactive on file.
RATING N/A	TIMELY NEGOTIATIONS

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME

FILE NUMBER

1937203

REVIEW DATE

2/25/2017

REVIEWED BY

KRM

ENTITY REVIEWED

SBASIA

FILE STATUS

OPEN CLAIM

DATE OF LOSS

5/5/2016

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS

GL

LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION

Claimant hit in head with 12 lb. shot.

LIABILITY☐ CLEAR☐ PROBABLE☒ QUESTIONABLE☐ DOUBTFUL☐ UNDETERMINED☐ N/A**CURRENT RESERVES**

LOSS

\$200,000.00

EXPENSE

\$50,000.00

PAID TO DATE

LOSS

\$0.00

EXPENSE

\$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING
2**INVESTIGATION**

Investigation into immunities, consent and witnesses.

RATING
2**RESERVING**

Appropriate.

RATING
N/A**LITIGATION MANAGEMENT/ATTORNEY HANDLING**RATING
2**LIABILITY/DAMAGE EVALUATION**

In progress.

RATING
2**FILE MANAGEMENT**

Adjustor handled file well.

RATING
N/A**TIMELY NEGOTIATIONS****COMMENTS**



RMS

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME Milpitas USD			
FILE NUMBER 1901713			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 1/26/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS Auto	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION School bus struck.

LIABILITY

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

CURRENT RESERVES

LOSS \$15,000.00

EXPENSE \$0.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$135.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Good investigation into MVA.
-------------	--

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

RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
---------------	--

RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Damages well evaluated.
-------------	---

RATING 2	<u>FILE MANAGEMENT</u> Adjustor on top of file.
-------------	--

RATING N/A	<u>TIMELY NEGOTIATIONS</u>
---------------	----------------------------

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1905223			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN LITIGATION	DATE OF LOSS 3/4/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR 250

CASE DESCRIPTION
Harassment and discrimination of disabled student.

LIABILITY

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

CURRENT RESERVES

LOSS \$10,000.00
EXPENSE \$4,962.00

PAID TO DATE

LOSS \$0.00
EXPENSE \$8,746.00

RECOMMENDED RESERVES

LOSS
EXPENSE

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

RATING 2	INVESTIGATION Good investigation into facts and teacher statements.
RATING 2	RESERVING Appropriate given issues.
RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC handling well.
RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
RATING 2	FILE MANAGEMENT File being handled appropriately.
RATING N/A	TIMELY NEGOTIATIONS

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1908841			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN LITIGATION	DATE OF LOSS 1/27/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION Sexual abuse.
--

LIABILITY

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

CURRENT RESERVES

LOSS \$0.00
EXPENSE \$39,000.00

PAID TO DATE

LOSS \$240,000.00
EXPENSE \$33,000.00

RECOMMENDED RESERVES

LOSS
EXPENSE

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

RATING 2	INVESTIGATION Extensive investigation with USD, PD and witnesses.
RATING 2	RESERVING Appropriate combined reserves.
RATING 2	LITIGATION MANAGEMENT/ATTORNEY HANDLING DC handling well to resolve and keep costs low.
RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated through extensive investigation.
RATING 2	FILE MANAGEMENT Well managed, working well with USD, EIA and excess partners.
RATING 2	TIMELY NEGOTIATIONS One matter resolved.

COMMENTS

3 claimants handled under this file.
EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1917970			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS	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
\$130,000.00LOSS
\$0.00

LOSS

EXPENSE
\$75,000.00EXPENSE
\$0.00

EXPENSE

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

RATING 2	INVESTIGATION Investigation ongoing with USD.
-------------	---

RATING 2	RESERVING Appropriate at this juncture.
-------------	---

RATING N/A	LITIGATION MANAGEMENT/ATTORNEY HANDLING
---------------	--

RATING 2	LIABILITY/DAMAGE EVALUATION In progress.
-------------	--

RATING 2	FILE MANAGEMENT Adjustor working well with USD on claim and coverage.
-------------	---

RATING N/A	TIMELY NEGOTIATIONS
---------------	----------------------------

COMMENTS

Reported to EIA.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME

FILE NUMBER
1935623REVIEW DATE
2/25/2017REVIEWED BY
KRMENTITY REVIEWED
SBASIAFILE STATUS
OPEN LITIGATIONDATE OF LOSS
8/4/2014

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS
EPL

LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION

Disability discrimination and retaliation.

LIABILITY☐ CLEAR ☐ PROBABLE ☐ QUESTIONABLE ☒ DOUBTFUL ☐ UNDETERMINED ☐ N/A**CURRENT RESERVES**LOSS
\$15,000.00EXPENSE
\$15,670.00**PAID TO DATE**LOSS
\$0.00EXPENSE
\$9,329.00**RECOMMENDED RESERVES**

LOSS

EXPENSE

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

RATING
2 **INVESTIGATION**
Good investigation with USD and by DC.RATING
2 **RESERVING**
Appropriate given matter with low merit.RATING
2 **LITIGATION MANAGEMENT/ATTORNEY HANDLING**
DC working up case well.RATING
2 **LIABILITY/DAMAGE EVALUATION**
Liability well evaluated -- damages questionable.RATING
2 **FILE MANAGEMENT**
Adjustor working well with USD and DC.RATING
N/A **TIMELY NEGOTIATIONS****COMMENTS**



RMS

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1918976			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 8/25/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Student injured while weightlifting.

LIABILITY

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

CURRENT RESERVES

LOSS
\$10,000.00
EXPENSE
\$500.00

PAID TO DATE

LOSS
\$0.00
EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS
EXPENSE

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

RATING 2	INVESTIGATION Investigation into accident, immunity and coach version.
RATING 2	RESERVING Appropriate for facts.
RATING N/A	LITIGATION MANAGEMENT/ATTORNEY HANDLING
RATING 2	LIABILITY/DAMAGE EVALUATION Well evaluated.
RATING 2	FILE MANAGEMENT Adjustor handling appropriately.
RATING N/A	TIMELY NEGOTIATIONS

COMMENTS



RMS

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1924030	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	

FILE STATUS OPEN LITIGATION	DATE OF LOSS 9/15/2015	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Sexual molestation.

LIABILITY

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

CURRENT RESERVES

LOSS \$10,000.00

EXPENSE \$3,665.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$5,355.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Good investigation, reveals little merit to allegation.
-------------	---

RATING 2	<u>RESERVING</u> Appropriate for facts.
-------------	--

RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC attempting to mitigate case well.
-------------	--

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

RATING 2	<u>FILE MANAGEMENT</u> Adjustor managing file well.
-------------	--

RATING N/A	<u>TIMELY NEGOTIATIONS</u>
---------------	----------------------------

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1927820			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN LITIGATION	DATE OF LOSS 8/1/2015	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
\$50,000.00LOSS
\$0.00

LOSS

EXPENSE
\$10,637.00EXPENSE
\$14,362.00

EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Good admin USD investigation.
-------------	--

RATING 2	<u>RESERVING</u> Appropriate for the facts in claim.
-------------	--

RATING 2	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u> DC working up case well -- will attempt MJD/MSJ.
-------------	---

RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Well evaluated for potential motions.
-------------	--

RATING 2	<u>FILE MANAGEMENT</u> Adjustor handling file well.
-------------	---

RATING N/A	<u>TIMELY NEGOTIATIONS</u>
---------------	-----------------------------------

COMMENTS

Coverage issues addressed with USD.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1928671			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 8/2/2015	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
\$50,000.00

EXPENSE
\$25,000.00

PAID TO DATE

LOSS
\$0.00

EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2 **INVESTIGATION**
Good USD investigation -- admin and employment records.

RATING 2 **RESERVING**
Appropriate for known issues.

RATING N/A **LITIGATION MANAGEMENT/ATTORNEY HANDLING**

RATING 2 **LIABILITY/DAMAGE EVALUATION**
Liability well evaluated -- damages on hold.

RATING 2 **FILE MANAGEMENT**
Adjustor handling file well -- addressing coverage issues.

RATING N/A **TIMELY NEGOTIATIONS**

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1941048			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 1/5/2016	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Student pushed student -- injury -- fractured knee.

LIABILITY

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

CURRENT RESERVES

LOSS
\$12,000.00
EXPENSE
\$750.00

PAID TO DATE

LOSS
\$0.00
EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS
EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Investigation into notice and supervision.
RATING 2	<u>RESERVING</u> Appropriate.
RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Liability evaluated well -- damages in progress.
RATING 2	<u>FILE MANAGEMENT</u> Adjustor on top of file.
RATING N/A	<u>TIMELY NEGOTIATIONS</u>

COMMENTS

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1941513			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 1/26/2016	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Student sexually molested by 2 students.

LIABILITY

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

CURRENT RESERVES

LOSS
\$250,000.00

EXPENSE
\$25,000.00

PAID TO DATE

LOSS
\$0.00

EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	INVESTIGATION Investigation with USD and witness -- supervision/notice issues.
-------------	--

RATING 2	RESERVING Appropriate at this point.
-------------	--

RATING N/A	LITIGATION MANAGEMENT/ATTORNEY HANDLING
---------------	--

RATING 2	LIABILITY/DAMAGE EVALUATION In progress.
-------------	--

RATING 2	FILE MANAGEMENT Adjustor proactively handling.
-------------	--

RATING N/A	TIMELY NEGOTIATIONS
---------------	----------------------------

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME	
FILE NUMBER 1948331	
REVIEW DATE 2/25/2017	REVIEWED BY KRM
ENTITY REVIEWED SBASIA	
CLAIM DATE	REJECTION DATE
TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

FILE STATUS OPEN CLAIM

DATE OF LOSS 5/5/2016

LAWSUIT DATE

CLOSED DATE

CLAIM DATE

TYPE OF LOSS GL

REJECTION DATE

LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION

Student hit in head by shot at track meet.

LIABILITY

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

CURRENT RESERVES

LOSS \$250,000.00

EXPENSE \$75,000.00

PAID TO DATE

LOSS \$0.00

EXPENSE \$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2	<u>INVESTIGATION</u> Investigation into supervision, immunity.
-------------	--

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

RATING N/A	<u>LITIGATION MANAGEMENT/ATTORNEY HANDLING</u>
---------------	---

RATING 2	<u>LIABILITY/DAMAGE EVALUATION</u> Liability being evaluated -- damages in progress.
-------------	--

RATING 2	<u>FILE MANAGEMENT</u> Adjustor on top of file.
-------------	---

RATING N/A	<u>TIMELY NEGOTIATIONS</u>
---------------	-----------------------------------

COMMENTS

EIA reported.

**RMS**

RISK MANAGEMENT SERVICES

AUDIT REVIEW FORM

FILE NAME			
FILE NUMBER 1947956			
REVIEW DATE 2/25/2017	REVIEWED BY KRM		
ENTITY REVIEWED SBASIA			
FILE STATUS OPEN CLAIM	DATE OF LOSS 8/25/2016	CLAIM DATE	REJECTION DATE
LAWSUIT DATE	CLOSED DATE	TYPE OF LOSS GL	LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION
Student fell from play structure.

LIABILITY

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

CURRENT RESERVES

LOSS
\$10,000.00

EXPENSE
\$5,000.00

PAID TO DATE

LOSS
\$0.00

EXPENSE
\$0.00

RECOMMENDED RESERVES

LOSS

EXPENSE

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

RATING 2
INVESTIGATION
Investigation into supervision and mechanics of fall.

RATING 2
RESERVING
Appropriate -- precautionary.

RATING N/A
LITIGATION MANAGEMENT/ATTORNEY HANDLING

RATING 2
LIABILITY/DAMAGE EVALUATION
In progress.

RATING 2
FILE MANAGEMENT
Adjustor working with USD and teacher witnesses.

RATING N/A
TIMELY NEGOTIATIONS

COMMENTS



Agenda Item F.3

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

ACTION ITEM

ISSUE: The Executive Committee should review the responses to the Request for Proposal (RFP) for Liability and Property Safety Inspections and select a loss control firm to perform the inspections on the exterior of buildings including Crime Prevention through Environmental Design.

RECOMMENDATION: None

FISCAL IMPACT: The JPA budget has \$100,000 set aside for loss control for the 2017-2018 fiscal year.

BACKGROUND: At its March 2, 2017 meeting, the Executive Committee discussed loss control and asked staff to issue a RFP for Liability and Property Safety Inspections on exterior of buildings to include Crime Prevention through Environmental Design.

ATTACHMENTS: None



Agenda Item F.4

SLATE OF OFFICERS FOR JUNE 15, 2017 MEETING

INFORMATION ITEM

EXPLANATION: The Executive Committee should review the slate of officers to present to the Board of Directors at their June 15, 2017 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: Mr. Mark Allgire, Santa Clara Unified School District
Treasurer: Mr. Mike Mathiesen, Mountain View-Los Altos Union High School District
Secretary: Ms. Barbara Coats, Santa Clara County Office of Education
Member at Large: Ms. Nelly Yang, Evergreen School District

ATTACHMENTS: None



Agenda Item G.1

EXCESS CYBER LIABILITY

ACTION ITEM

ISSUE: The Executive Committee should decide whether to purchase Excess Cyber Liability coverage.

RECOMMENDATION: None.

FISCAL IMPACT: To be determined.

BACKGROUND: The JPA's Property policy includes Cyber Liability coverage. Currently, the policy has a \$2 million annual aggregate limit for each JPA member with a sublimit of \$500,000 annual aggregate for Privacy Notification costs; this increases to \$1 million limit if a Beazley vendor is used (Beazley administers the Cyber coverage). Staff will present an optional quote for Excess Cyber Liability coverage.

ATTACHMENTS: None



Agenda Item G.2

PRELIMINARY REVENUE AND EXPENSE BUDGET FOR JULY 1, 2017 - 2018

INFORMATION ITEM

EXPLANATION: Staff presented a preliminary revenue and expense budget at the March 2, 2017 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