



## **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY EXECUTIVE COMMITTEE ZOOM TELECONFERENCE AGENDA**

**DATE / TIME: March 3, 2022 at 9:30 a.m.**

<https://alliantinsurance.zoom.us/j/99684415605?pwd=WTgxc3pxM2NHNC81TnJ3c2txVVgyZz09>

Meeting ID: 996 8441 5605

Passcode: 625939

Or Dial: 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free)

**This meeting agenda shall be posted at the address of the Zoom teleconference locations shown below with access for public via phone.**

**Los Gatos-Saratoga JUHSD**

17421 Farley Rd West  
Los Gatos, CA 95030

**Milpitas Unified School District**

1331 E Calaveras Blvd  
Milpitas, CA 95035

**Mountain View-Los Altos Union HS District**

1299 Bryant Ave  
Mountain View, CA 94040

**Mtn View Whisman School District**

1400 Montecito Ave  
Mountain View, CA 94043

**Santa Clara Unified School District**

1889 Lawrence Rd  
Santa Clara, CA 95051

**Davis, Bengtson & Young**

1960 The Alameda Ste 210  
San Jose, CA 95126

**Alliant Insurance Services**

2180 Harvard St, Suite 460  
Sacramento, CA 95815

**A – Action I – Information 1 – Included 2 - Hand Out 3 – Separate 4 - Verbal**

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

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

	<b>A. CALL TO ORDER</b>		
	<b>B. ROLL CALL</b>	<b>A</b>	<b>4</b>
	<b>C. APPROVAL OF AGENDA</b>	<b>A</b>	<b>1</b>
	<b>D. PUBLIC COMMENT</b> <i>This time is reserved for members of the public to address the Executive Committee on SBASIA business.</i>		
<b>1</b>	<b>E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95</b>	<b>A</b>	<b>4</b>
	<b>1. Goulart v. Santa Clara Unified School District</b>		
	<b>2. Gomez v. Evergreen School District</b>		
	<b>3. Patane and Snow v. Berryessa Union School District</b>		
	<b>4. Doe v. Los Gatos-Saratoga Joint Union High School District</b>		
	<b>F. PRESIDENT’S REPORT ON ACTION FROM CLOSED SESSION</b>		
<b>2</b>	<b>G. CONSENT CALENDAR</b>	<b>A</b>	<b>1</b>
<b>3-6</b>	<b>1. Executive Committee Meeting Minutes – December 2, 2021</b>		
<b>7-13</b>	<b>2. Financial Report for Quarter Ending December 31, 2021</b>		
<b>14-15</b>	<b>3. Investment Report for Quarter Ending December 31, 2021</b>		
	<b>H. GENERAL ADMINISTRATION</b>		
<b>16-26</b>	<b>1. Claims Service Contract with Carl Warren &amp; Company</b> <i>The claims service contract expires on June 30, 2022. Staff will present the renewal contract.</i>	<b>I</b>	<b>1</b>
<b>27-36</b>	<b>2. Administration Contract with Alliant Insurance Services</b> <i>The administration contract includes an option to extend the contract for an additional two years. The Executive Committee will decide whether to exercise the option to extend the administration contact.</i>	<b>I</b>	<b>1</b>
<b>37</b>	<b>3. Cyber Security Audit Request for Proposal-Additional Results</b> <i>Staff will present additional proposals received for Cyber Security Audit.</i>	<b>A</b>	<b>1</b>
<b>38-40</b>	<b>4. Underwriting Policy</b> <i>The Executive Committee must review the underwriting policy every three years to meet CAJPA Accreditation requirements.</i>	<b>A</b>	<b>1</b>



- 41      **5. Slate of Officers for June 9, 2022 Meeting**      **I   1**  
*Staff and the Executive Committee will discuss developing a slate of officers for the June Board meeting.*

**I.      FINANCIAL**

- 42      **1. Preliminary Revenue and Expense Budget for July 1, 2022-2023**      **I   1**  
*Staff will present a preliminary budget for the July 1, 2022-2023 program year.*

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

**ADJOURNMENT**

**NEXT MEETING**

The next Executive Committee Meeting is set for May 12, 2022 at 9:30 a.m.



**Agenda Item E.1.**

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95**

**ACTION ITEM**

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

1. Goulart v. Santa Clara Unified School District
2. Gomez v. Evergreen School District
3. Patane and Snow v. Berryessa Union School District
4. Doe v. Los Gatos-Saratoga Joint Union High School District

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

**FISCAL IMPACT:** To be determined



**Agenda Item G.**

**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 separate action while accepting the remaining items.

- 1. Executive Committee Meeting Minutes – December 2, 2021**
- 2. Financial Report for Quarter Ending December 31, 2021**
- 3. Investment Report for Quarter Ending December 31, 2021**

**ATTACHMENTS:** Executive Committee Meeting Minutes – December 2, 2021  
Financial Report for Quarter Ending December 31, 2021  
Investment Report for Quarter Ending December 31, 2021



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
ZOOM MEETING  
December 2, 2021**

**MEMBERS PRESENT**

Mike Mathiesen, President, Mountain View-Los Altos Union High School District  
Mark Schiel, Vice President, Santa Clara Unified School District  
Delores Perley, Treasurer, Los Gatos-Saratoga Joint Union High School District  
Rebecca Westover, Secretary, Mountain View Whisman School District  
Wendy Zhang, Member at Large, Milpitas Unified School District

**MEMBERS ABSENT**

None

**GUESTS & CONSULTANTS**

Matt Gowan, Alliant Insurance Services  
Joan Crossley, Alliant Insurance Services  
Jaesa Cusimano, Alliant Insurance Services  
Adam Davis, Davis, Bengtson & Young

**A. CALL TO ORDER**

The meeting was called to order at 9:01 a.m.

**B. ROLL CALL**

The above-mentioned members were present constituting a quorum.

**C. APPROVAL OF AGENDA**

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

**MOTION: Delores Perley                      SECOND: Mark Schiel                      MOTION CARRIED**

**AYES: 5                      NOES: 0                      ABSTAIN: 0                      ABSENT: 0**

**AYES:** Mathiesen, Schiel, Perley, Westover, Zhang

**NAYS:** None

**ABSENT:** None

**D. PUBLIC COMMENT**

Mr. Matt Gowan introduced Ms. Jaesa Cusimano, advising Ms. Cusimano recently joined Alliant Insurance Services and would be an addition to staff to support SBASIA alongside Mr. Gowan and Ms. Joan Crossley. Ms. Cusimano provided a brief background of her experience with pool administration and school districts.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
ZOOM MEETING  
December 2, 2021**

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

1. A.M./M.A. v. Berryessa Union School District

The Executive Committee entered closed session at 9:04 a.m. The Executive Committee returned from closed session at 9:13 a.m.

**AYES:** Mathiesen, Schiel, Perley, Westover, Zhang

**NAYS:** None

**ABSENT:** None

**F. PRESIDENT’S REPORT ON ACTION FROM CLOSED SESSION**

Mr. Mike Mathieson reported that the closed session item was discussed and the Executive Committee took action to provide settlement authority.

**G. CONSENT CALENDAR**

1. Executive Committee Meeting Minutes – October 7, 2021

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

**MOTION: Delores Perley      SECOND: Mark Schiel      MOTION CARRIED**

**AYES: 5                      NOES: 0                      ABSTAIN: 0                      ABSENT: 0**

**AYES:** Mathiesen, Schiel, Perley, Westover, Zhang

**NAYS:** None

**ABSENT:** None

**H. GENERAL ADMINISTRATION**

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

Mr. Gowan presented the results of the RFP for cyber security audit services and advised proposals were received by two firms, Kroll and KYND. The other three recipients of the RFP either did not respond or advised they are unable to participate in the RFP at this time.

Mr. Gowan reviewed the proposal from Kroll, noting the proposed fees were significantly outside the budgeted amount for the cyber audit project. Mr. Gowan advised the proposal from KYND would provide external penetration tests for the members of SBASIA for a fee of \$15,557. KYND would follow up with a report to each individual member of the results of the penetration test. The penetration tests are a good starting point to begin to identify areas for members to focus on related to cyber security.



**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
ZOOM MEETING  
December 2, 2021**

Mr. Gowan recommended the Executive Committee consider approving the penetration testing through KYND and provide direction to staff to redistribute the RFP for a broader cyber security audit and include additional recipients.

The Executive Committee requested that staff provide information to the members regarding available resources related to cyber, such as trainings, webinars, and sample policies.

**A motion was made to approve contracting with KYND for external penetration testing for a fee of \$15,557 and to redistribute the RFP for cyber security audits.**

**MOTION: Wendy Zhang      SECOND: Delores Perley      MOTION CARRIED**

**AYES: 5                      NOES: 0                      ABSTAIN: 0                      ABSENT: 0**

**AYES:** Mathiesen, Schiel, Perley, Westover, Zhang

**NAYS:** None

**ABSENT:** None

**2.      Accounting Contract for July 1, 2022 – June 30, 2025**

Mr. Gowan stated the accounting contract with Gilbert Associates expires on June 30, 2022. At the request of the Executive Committee, staff requested a renewal agreement. Gilbert Associates provided a three-year proposed agreement with a 3% fee increase each year, with two years of optional extensions.

A brief discussion ensued, and the Committee agreed the contract should be renewed as presented. Mr. Gowan advised the contract must be approved by the Board and it would be presented at the June Board meeting.

**3.      Review of Board Agenda Items**

Mr. Gowan reviewed the items of the upcoming Board meeting, including presentations by representatives from Safe2Play on playground inspections including sports field impact tests, Carl Warren & Company on the claims stewardship report, and James Marta & Company on the audited financial report as of June 30, 2021.

Mr. Gowan advised staff would also present an amendment to SBASIA's teleconference policy for approval, provide an insurance market update, present the target surplus funding analysis, and discuss insurance options for teacher housing.

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

There were no comments for the good of the order.





**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE MEETING MINUTES  
ZOOM MEETING  
December 2, 2021**

**ADJOURNMENT**

The meeting was adjourned at 9:52 a.m.

**South Bay Area Schools Insurance Authority**  
**Statement of Net Position**  
**As of December 31, 2021 and December 31, 2020**

	<u>December 31, '21</u>	<u>December 31, '20</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
WFB - Santa Clara County	\$ 4,038,278.57	\$ 4,003,661.81
WFB - Transfer Account	3,164.36	3,164.36
B of A Claims Trust Account	58,491.23	79,020.13
B of A - General Checking	4,233,468.30	3,271,186.67
<b>Total Checking/Savings</b>	<u>8,333,402.46</u>	<u>7,357,032.97</u>
<b>Accounts Receivable</b>		
<b>Accounts Receivable</b>		
Claim Recovery Receivable	1,029,449.59	461,873.96
Member Premiums	-	-
Claims Deductibles	463,528.68	382,509.85
<b>Total Accounts Receivable</b>	<u>1,492,978.27</u>	<u>844,383.81</u>
<b>Total Accounts Receivable</b>	<u>1,492,978.27</u>	<u>844,383.81</u>
<b>Total Current Assets</b>	<u>9,826,380.73</u>	<u>8,201,416.78</u>
<b>Other Assets</b>		
Interest Receivable	-	-
<b>Prepaid Expenses</b>		
Prepaid Contract Administration	119,000.00	119,000.00
Prepaid Excess Insurance	2,731,999.24	2,149,048.33
<b>Total Prepaid Expenses</b>	<u>2,850,999.24</u>	<u>2,268,048.33</u>
<b>Total Other Assets</b>	<u>2,850,999.24</u>	<u>2,268,048.33</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,677,379.97</u>	<u>\$ 10,469,465.11</u>

**South Bay Area Schools Insurance Authority**  
**Statement of Net Position**  
**As of December 31, 2021 and December 31, 2020**

	<u>December 31, '21</u>	<u>December 31, '20</u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ -	\$ -
Dividends Payable	-	-
Claims Reserves	2,516,923.51	1,773,840.25
Deferred Revenue	4,191,265.76	3,267,929.41
<b>Total Current Liabilities</b>	<u>6,708,189.27</u>	<u>5,041,769.66</u>
<b>Total Current Liabilities</b>	6,708,189.27	5,041,769.66
 <b>Long Term Liabilities</b>		
IBNR	3,946,040.75	3,086,262.95
Unallocated Loss Adjustment	646,000.00	486,000.00
<b>Total Long Term Liabilities</b>	<u>4,592,040.75</u>	<u>3,572,262.95</u>
<b>Total Liabilities</b>	<u>\$ 11,300,230.02</u>	<u>\$ 8,614,032.61</u>
 <b>NET POSITION</b>		
Reserve for Shock Loss	2,500,000.00	2,500,000.00
Unrestricted Net Position	(1,080,415.93)	(633,205.12)
Net Revenue Over Expenditures	(42,434.12)	(11,362.38)
<b>Total Net Position</b>	<u>\$ 1,377,149.95</u>	<u>\$ 1,855,432.50</u>

**South Bay Area Schools Insurance Authority**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
For the Quarter and Year to Date Ended December 31, 2021 and December 31, 2020

	<u>Oct '21 - Dec '21</u>	<u>Jul '21 - Dec '21</u>	<u>Jul '20 -Dec '20</u>
<b>Revenue</b>			
<b>Member Contributions</b>			
Liability Contributions	\$ 695,336.75	\$ 1,390,673.50	\$ 1,150,164.00
Property Contributions	788,356.75	1,576,713.50	973,545.00
Crime Policy	9,026.75	18,053.50	17,194.00
Deadly Weapon Response Program	4,154.00	8,308.00	8,078.00
Administration	128,008.75	256,017.50	223,949.50
Loss Funding	470,750.00	941,500.00	895,000.00
Member Contributions - Other			
<b>Total Member Contributions</b>	<u>2,095,633.00</u>	<u>4,191,266.00</u>	<u>3,267,930.50</u>
Interest Income	7,902.80	15,122.46	30,303.02
<b>Total Income</b>	<u>2,103,535.80</u>	<u>4,206,388.46</u>	<u>3,298,233.52</u>
<b>Expense</b>			
<b>General &amp; Administrative</b>			
<b>General Expenses</b>			
Accounting Services	8,734.41	17,234.41	16,887.01
Accreditation Fee	5,100.00	5,100.00	-
Actuarial Study	-	-	-
Appraisal Services	-	-	-
Audit Expense - Financial	3,000.00	12,450.00	13,965.00
Audit Expense - Claims	-	-	-
Bank Service Charges	-	158.36	50.14
Conference	-	-	-
Contingency	-	-	174,390.00
Dues & Membership	2,000.00	2,000.00	1,500.00
Miscellaneous	-	-	-
Legal Expense - JPA	16,177.50	21,728.34	20,050.56
Injunctive Relief Definese Fund	-	-	-
Loss Control	17,625.00	37,425.00	-
Supplies, Postage, Misc Expense	-	-	-
Website	-	-	-
<b>Total Administration</b>	<u>52,636.91</u>	<u>96,096.11</u>	<u>226,842.71</u>
<b>Program Administration</b>			
Claims Management Fees	19,500.00	39,000.00	39,000.00
Contract Administration	40,000.00	80,000.00	80,000.00
<b>Total Program Administration</b>	<u>59,500.00</u>	<u>119,000.00</u>	<u>119,000.00</u>
<b>Total General and Administrative Expenses</b>	<u>112,136.91</u>	<u>215,096.11</u>	<u>345,842.71</u>
<b>Insurance Expense</b>			
Excess Liability Policy	236,875.25	473,750.50	544,067.50
SELF Contributions	327,586.75	655,173.50	606,164.06
Excess Property Policy	788,356.87	1,576,713.74	973,545.00
Crime Policy	9,026.75	18,053.50	17,194.00
Deadly Weapons Response Program	4,154.01	8,308.02	8,077.76
<b>Total Insurance Expense</b>	<u>1,365,999.63</u>	<u>2,731,999.26</u>	<u>2,149,048.32</u>
<b>Claims Expenses</b>			
Claims Payments	196,556.50	598,261.61	636,306.04
Claims Adjustment Account	1,380,213.39	703,465.60	178,398.83
<b>Total Claims Expenses</b>	<u>1,576,769.89</u>	<u>1,301,727.21</u>	<u>814,704.87</u>
Dividends	-	-	-
<b>Total Expenses</b>	<u>3,054,906.43</u>	<u>4,248,822.58</u>	<u>3,309,595.90</u>
<b>Net Revenue Over (Under) Expenses</b>	<u>\$ (951,370.63)</u>	<u>\$ (42,434.12)</u>	<u>\$ (11,362.38)</u>
<b>Net Postion, Beginning</b>		<u>\$ 1,419,584.07</u>	<u>\$ 1,866,794.88</u>
<b>Net Position, Ending</b>		<u>\$ 1,377,149.95</u>	<u>\$ 1,855,432.50</u>

**South Bay Area Schools Insurance Authority**  
**Statement of Revenues and Expenses - Budget vs. Actual**  
**Year to Date Ended December 31, 2021**

	<u>Jul '21 - Dec '21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Revenue</b>				
<b>Member Contributions</b>				
Liability Contributions	\$ 1,390,673.50	\$ 2,781,347.00	\$ (1,390,673.50)	50.0%
Property Contributions	1,576,713.50	3,153,427.00	(1,576,713.50)	50.0%
Crime Policy	18,053.50	36,107.00	(18,053.50)	50.0%
Deadly Weapons Response Program	8,308.00	16,616.00	(8,308.00)	50.0%
Administration	256,017.50	512,035.00	(256,017.50)	50.0%
Loss Funding	941,500.00	1,883,000.00	(941,500.00)	50.0%
<b>Total Member Contributions</b>	<u>4,191,266.00</u>	<u>8,382,532.00</u>	<u>(4,191,266.00)</u>	<u>50.0%</u>
Interest Income	15,122.46	-	15,122.46	0.0%
<b>Total Income</b>	<u>4,206,388.46</u>	<u>8,382,532.00</u>	<u>(4,176,143.54)</u>	<u>50.2%</u>
<b>Expense</b>				
<b>General &amp; Administrative</b>				
<b>General Expenses</b>				
Accounting Services	17,234.41	34,740.00	(17,505.59)	49.6%
Actuarial Study	-	6,000.00	(6,000.00)	0.0%
Appraisal Services	-	-	-	0.0%
Accreditation Fees	5,100.00	5,250.00	(150.00)	97.1%
Audit Expense - Financial	12,450.00	14,450.00	(2,000.00)	86.2%
Audit Expense - Claims	-	-	-	0.0%
Bank Service Charges	158.36	-	158.36	0.0%
Conference	-	2,500.00	(2,500.00)	0.0%
Contingency	-	5,000.00	(5,000.00)	0.0%
Dues & Membership	2,000.00	1,250.00	750.00	160.0%
Injunctive Relief Defense Fund	-	57,077.00	(57,077.00)	0.0%
Legal Expense - JPA	21,728.34	2,000.00	19,728.34	1086.4%
Loss Control	37,425.00	145,100.00	(107,675.00)	25.8%
Meeting Expense	-	500.00	(500.00)	0.0%
Website	-	168.00	(168.00)	0.0%
<b>Total Administration</b>	<u>96,096.11</u>	<u>274,035.00</u>	<u>(177,938.89)</u>	<u>35.1%</u>
<b>Program Administration</b>				
Claims Management Fees	39,000.00	78,000.00	(39,000.00)	50.0%
Contract Administration	80,000.00	160,000.00	(80,000.00)	50.0%
<b>Total Program Administration</b>	<u>119,000.00</u>	<u>238,000.00</u>	<u>(119,000.00)</u>	<u>50.0%</u>
<b>Total General and Administrative Expenses</b>	<u>215,096.11</u>	<u>512,035.00</u>	<u>(296,938.89)</u>	<u>42.0%</u>
<b>Insurance Expense</b>				
Excess Liability Policy	1,128,924.00	2,781,347.00	(1,652,423.00)	40.6%
Excess Property Policy	1,576,713.74	3,153,427.00	(1,576,713.26)	50.0%
Crime Policy	18,053.50	36,107.00	(18,053.50)	50.0%
Deadly Weapons Response Program	8,308.02	16,616.00	(8,307.98)	50.0%
<b>Total Insurance Expense</b>	<u>2,731,999.26</u>	<u>5,987,497.00</u>	<u>(3,255,497.74)</u>	<u>45.6%</u>
<b>Claims Expenses</b>				
Claims Payments	598,261.61	1,883,000.00	(1,284,738.39)	31.8%
Claims Adjustment Account	703,465.60	-	703,465.60	0.0%
<b>Total Claims Expenses</b>	<u>1,301,727.21</u>	<u>1,883,000.00</u>	<u>(581,272.79)</u>	<u>69.1%</u>
Dividends	-	-	-	0.0%
<b>Total Expenses</b>	<u>4,248,822.58</u>	<u>8,382,532.00</u>	<u>(4,133,709.42)</u>	<u>50.7%</u>
<b>Net Revenue Over (Under) Expenses</b>	<u>\$ (42,434.12)</u>	<u>\$ -</u>	<u>\$ (42,434.12)</u>	<u>0.0%</u>

**South Bay Area Schools Insurance Authority**  
**Check Register - Carl Warren Trust Account**  
**Oct 1, 2021 - Dec 31, 2021**

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
20401	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	1/1/2003	1993775	Payment	\$10,034.30	\$0.00	\$10,034.30
20402	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	1/1/2003	1993775	Payment	\$7,887.30	\$0.00	\$7,887.30
20403	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	5/7/2018	1981763	Payment	\$6,632.20	\$0.00	\$6,632.20
20404	J.S. HELD LLC	10/5/2021	12/1/2017	1977073	Payment	\$2,799.90	\$0.00	\$2,799.90
20405	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	5/23/2018	1998764	Payment	\$13,002.45	\$0.00	\$13,002.45
20406	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	6/15/2015	3019007	Payment	\$346.00	\$0.00	\$346.00
20407	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	12/1/2014	1916921	Payment	\$45.00	\$0.00	\$45.00
20408	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	3/15/2018	1985331	Payment	\$904.00	\$0.00	\$904.00
20409	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	6/6/2019	2004147	Payment	\$11.00	\$0.00	\$11.00
20410	DAVIS, BENGTON & YOUNG, APLC	10/5/2021	10/21/2020	3005978	Payment	\$1,718.70	\$0.00	\$1,718.70
20411	DAVIS, BENGTON & YOUNG, APLC	10/7/2021	1/27/2015	1908841	Payment	\$2,624.70	\$0.00	\$2,624.70
20412	DAVIS, BENGTON & YOUNG, APLC	10/12/2021	10/4/2019	2008529	Payment	\$2,313.60	\$0.00	\$2,313.60
20413	BLANE ALLYN SMITH-CROWLEY	10/19/2021	1/27/2015	1908841	Payment	\$360.00	\$0.00	\$360.00
20414	BLANE ALLYN SMITH-CROWLEY	10/19/2021	1/27/2015	1908841	Payment	\$960.00	\$0.00	\$960.00
20415	DAVIS, BENGTON & YOUNG, APLC	10/26/2021	2/1/2016	1988097	Payment	\$5,777.82	\$0.00	\$5,777.82
20416	DAVIS, BENGTON & YOUNG, APLC	10/26/2021	11/20/2018	1988188	Payment	\$5,976.52	\$0.00	\$5,976.52
20417	DAVIS, BENGTON & YOUNG, APLC	10/26/2021	12/1/2017	1977073	Payment	\$8,923.06	\$0.00	\$8,923.06
20418	DAVIS, BENGTON & YOUNG, APLC	10/26/2021	11/13/2020	3006855	Payment	\$9,971.10	\$0.00	\$9,971.10
20419	Edgar Sierra	11/2/2021	10/11/2021	3026174	Payment	\$500.00	\$500.00	\$0.00
20420	BERRYESSA UNION SCHOOL DISTRICT	11/2/2021	6/6/2020	3004052	Payment	\$23,210.71	\$23,210.71	\$0.00
20421	DAVIS, BENGTON & YOUNG, APLC	11/2/2021	12/1/2014	1916921	Payment	\$68.80	\$0.00	\$68.80
20422	DAVIS, BENGTON & YOUNG, APLC	11/2/2021	2/1/2016	1988097	Payment	\$3,777.05	\$0.00	\$3,777.05
20423	Emily Suryan	11/4/2021	10/21/2021	3026192	Payment	\$546.56	\$546.56	\$0.00
20424	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	6/6/2019	2004147	Payment	\$112.80	\$0.00	\$112.80
20425	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	5/2/2019	1994990	Payment	\$695.72	\$0.00	\$695.72
20426	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	8/30/2018	1985104	Payment	\$508.74	\$0.00	\$508.74
20427	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	10/4/2019	2008529	Payment	\$1,129.70	\$0.00	\$1,129.70
20428	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	1/4/2019	3004439	Payment	\$96.87	\$0.00	\$96.87
20429	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	10/28/2019	2003872	Payment	\$4,651.26	\$0.00	\$4,651.26
20430	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	11/13/2020	3006855	Payment	\$3,592.90	\$0.00	\$3,592.90
20431	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	10/3/2018	1995198	Payment	\$135.00	\$0.00	\$135.00
20432	DAVIS, BENGTON & YOUNG, APLC	11/4/2021	3/29/2019	1999110	Payment	\$1,985.10	\$0.00	\$1,985.10
20433	Casey Cissna	11/4/2021	10/20/2021	3026176	Payment	\$1,472.45	\$1,472.45	\$0.00
20434	DAVIS, BENGTON & YOUNG, APLC	11/12/2021	8/9/2021	3019838	Payment	\$2,655.00	\$0.00	\$2,655.00
20435	DAVIS, BENGTON & YOUNG, APLC	11/12/2021	5/7/2018	1981763	Payment	\$11,789.30	\$0.00	\$11,789.30
20436	DAVIS, BENGTON & YOUNG, APLC	11/12/2021	1/1/2003	1993775	Payment	\$6,421.62	\$0.00	\$6,421.62
20437	DAVIS, BENGTON & YOUNG, APLC	11/12/2021	12/1/2017	1977073		\$11,703.00	\$0.00	\$11,703.00
20438	DAVIS, BENGTON & YOUNG, APLC	12/1/2021	1/27/2015	1908841	Payment	\$7,009.75	\$0.00	\$7,009.75

Check	Payee	Check Date	DOL	Claim	Action Code	Amount	Loss	Expense
20439	DAVIS, BENGTON & YOUNG, APLC	12/1/2021	10/21/2020	3005978	Payment	\$214.10	\$0.00	\$214.10
20440	DAVIS, BENGTON & YOUNG, APLC	12/1/2021	1/1/2005	3012119	Payment	\$2,577.20	\$0.00	\$2,577.20
20441	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	6/6/2019	2004147	Payment	\$606.50	\$0.00	\$606.50
20442	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	3/29/2019	1999110	Payment	\$1,997.22	\$0.00	\$1,997.22
20443	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	5/2/2019	1994990	Payment	\$3,286.72	\$0.00	\$3,286.72
20444	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	11/20/2018	1988188	Payment	\$3,273.85	\$0.00	\$3,273.85
20445	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	2/1/2016	1988097	Payment	\$1,504.50	\$0.00	\$1,504.50
20446	DAVIS, BENGTON & YOUNG, APLC	12/14/2021	10/28/2019	2003872	Payment	\$1,560.30	\$0.00	\$1,560.30
20447	Anne Hanneman	12/16/2021	11/16/2021	3027215	Payment	\$50.00	\$50.00	\$0.00
20448	DAVIS, BENGTON & YOUNG, APLC	12/30/2021	11/13/2020	3006855	Payment	\$6,927.50	\$0.00	\$6,927.50
20449	DAVIS, BENGTON & YOUNG, APLC	12/30/2021	11/5/2020	3007491	Payment	\$675.10	\$0.00	\$675.10
20450	DAVIS, BENGTON & YOUNG, APLC	12/30/2021	8/1/2019	2003871	Payment	\$11,623.53	\$0.00	\$11,623.53
20451	DAVIS, BENGTON & YOUNG, APLC	12/30/2021	10/28/2019	2003872	Payment	\$202.50	\$0.00	\$202.50

Total 196,849.00

Balance at beginning of the quarter	73,338.92
Deposits - Transfers from general account	182,001.31
Voided Checks	-
Recoveries	-
Claim Payments	(196,849.00)
<b>Ending Bank Balance</b>	<b>58,491.23</b>

South Bay Area Schools Insurance Authority  
Transactions - Main Checking  
Oct 1, 2021 - Dec 31, 2021

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit	Balance
									<b>4,447,469.13</b>
General Journal	10/13/2021	VOID 7/22	Carl Warren & Co - ATF SBASIA	Bill.com 10/28/21 Payables Funding	√	Bill.com Money Out Clearing		26,661.08	4,420,808.05
General Journal	10/14/2021	JLZ Rev Q8	James Marta & Co	Bill.com 10/28/21 Payables Funding	√	Bill.com Money Out Clearing		3,000.00	4,417,808.05
General Journal	10/19/2021	JLZ Rev Q8	CAJPA	Bill.com 10/28/21 Payables Funding	√	Bill.com Money Out Clearing		5,100.00	4,412,708.05
Deposit	10/20/2021			Deposit	√	-SPLIT-	7,110.20		4,419,818.25
Bill Pmt -Check	10/21/2021	JLZ Rev Q10	Atkinson, Andelson, Loya, Ruud & Romo	Bill.com 10/21/21 Payables Funding		Bill.com Money Out Clearing		149.88	4,419,668.37
Bill Pmt -Check	10/21/2021	JLZ Rev Q10	Safe 2 Play	Bill.com 10/21/21 Payables Funding		Bill.com Money Out Clearing		3,975.00	4,415,693.37
General Journal	10/28/2021	JLZ Rev Q8	Carl Warren & Co - ATF SBASIA	Bill.com 10/28/21 Payables Funding	√	Bill.com Money Out Clearing		23,210.71	4,392,482.66
Bill Pmt -Check	10/29/2021	JLZ Rev Q9	Atkinson, Andelson, Loya, Ruud & Romo	https://app01.us.bill.com/BillPay?id=blp01RFPIMCGNK7		Bill.com Money Out Clearing		675.00	4,391,807.66
Bill Pmt -Check	10/29/2021	JLZ Rev Q9	Safe 2 Play	https://app01.us.bill.com/BillPay?id=blp01SKDJIMEIC7a		Bill.com Money Out Clearing		2,100.00	4,389,707.66
General Journal	11/03/2021	JLZ Rev Q6	Safe 2 Play	Bill.com 11/03/21 Payables Funding	√	Bill.com Money Out Clearing		2,175.00	4,387,532.66
General Journal	11/08/2021	JLZ Rev Q7	Carl Warren & Co - ATF SBASIA	Bill.com 11/08/21 Payables Funding	√	Bill.com Money Out Clearing		80,287.65	4,307,245.01
Deposit	11/09/2021			Deposit	√	Undeposited Funds	1,158.06		4,308,403.07
General Journal	11/15/2021	JLZ Rev Q5	CAJPA	Bill.com 11/15/21 Payables Funding	√	Bill.com Money Out Clearing		2,000.00	4,306,403.07
Deposit	11/16/2021			Deposit	√	Undeposited Funds	10,000.00		4,316,403.07
General Journal	11/19/2021	JLZ Rev Q3	Atkinson, Andelson, Loya, Ruud & Romo	Bill.com 11/19/21 Payables Funding	√	Bill.com Money Out Clearing		440.00	4,315,963.07
General Journal	11/24/2021	JLZ Rev Q4	Atkinson, Andelson, Loya, Ruud & Romo	Bill.com 11/24/21 Payables Funding	√	Bill.com Money Out Clearing		6,017.50	4,309,945.57
General Journal	12/02/2021	JLZ Rev Q2	Safe 2 Play	Bill.com 12/02/21 Payables Funding		Bill.com Money Out Clearing		2,475.00	4,307,470.57
Bill Pmt -Check	12/09/2021	JLZ Rev Q15	Carl Warren & Co - ATF SBASIA	https://app01.us.bill.com/BillPay?id=blp01FBFRZPRRZ7		*Accounts Payable		51,841.87	4,255,628.70
Bill Pmt -Check	12/09/2021	JLZ Rev Q15	Gilbert CPAs	https://app01.us.bill.com/BillPay?id=blp01EJJHFQLMS7		*Accounts Payable		8,734.41	4,246,894.29
Deposit	12/17/2021			Deposit		Undeposited Funds	2,519.01		4,249,413.30
General Journal	12/21/2021	JLZ Rev Q14	Safe 2 Play	Bill.com 12/21/21 Payables Funding		Bill.com Money Out Clearing		6,900.00	4,242,513.30
General Journal	12/23/2021	JLZ Rev Q12	Atkinson, Andelson, Loya, Ruud & Romo	Bill.com 12/23/21 Payables Funding		Bill.com Money Out Clearing		1,567.50	4,240,945.80
General Journal	12/30/2021	JLZ Rev Q13	Atkinson, Andelson, Loya, Ruud & Romo	Bill.com 12/30/21 Payables Funding		Bill.com Money Out Clearing		7,477.50	4,233,468.30
							<u>20,787.27</u>	<u>234,788.10</u>	<u>4,233,468.30</u>



# County of Santa Clara



## Finance Agency Controller-Treasurer Department

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

February 10, 2022

Submitted by: DocuSigned by:  
*Margaret Olaiya*  
88C20E0A14E143D...  
Margaret Olaiya, Finance Director

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

FROM: MARK R. RASIAH, CONTROLLER-TREASURER DocuSigned by:  
*Mark R. Rasiah*  
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SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

### RECOMMENDATION

Receive and file the December 31, 2021 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, 2021 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	\$ 11,179,559,958	\$ 11,156,719,785	\$ -22,840,173	-0.20%

TO: SANTA CLARA COUNTY SCHOOL DISTRICTS AND SPECIAL PURPOSE DISTRICTS

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The yield of the Pool on December 31, 2021 was .65%. As a comparison, on December 31, 2021 the yield of a 6-month Treasury Bill was .18%. A two-year Treasury Note was .73%. The State of California Local Agency Investment Fund (LAIF) yield was .22%.

Attached with the current investment-economic outlook is a schedule that lists the average weighted maturities and yield for the Commingled Investment 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 maturing securities, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

Attachments:

December 31, 2021 Quarterly Investment Report



**Agenda Item H.1**

**CLAIMS SERVICE CONTRACT WITH CARL WARREN & COMPANY**

**INFORMATION ITEM**

**EXPLANATION:** SBASIA's contract with Carl Warren & Company expires on June 30, 2022. Carl Warren & Company has been providing claim services since 2009.

Staff 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 proposed annual fee is:

Years 1&2 - \$83,892 for up to 70 new claims annually for period of July 1, 2022 – June 30, 2024

Years 3&4 - \$88,086 for up to 70 new claims annually for period of July 1, 2024 – June 30, 2026

Year 5 - \$92,490 for up to 70 new claims annually for period of July 1, 2026 – June 30, 2027

The expiring fee is \$78,000 for up to 65 new claims annually.

**ATTACHMENTS:** Carl Warren & Company Contract for Period of July 1, 2022 – June 30, 2027.



**CARL WARREN & COMPANY**  
Claims Management and Solutions

A  **VENBROOK** Company

## **THIRD PARTY CLAIMS ADMINISTRATION CONTRACT**

THIS AGREEMENT, entered into effective **JULY 1, 2022** by and between **SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY**, hereinafter called the "PRINCIPAL," and **CARL WARREN & COMPANY, LLC**, 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 administer the entitled matters and is in need of a qualified third party to whom to delegate the responsibilities and duties of administering said partially or totally funded 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 shall promptly provide PRINCIPAL written notice of any claim which CONTRACTOR reasonably expects to result in a total settlement payment exceeding the settlement authority limit agreed upon by the Parties (the "Authority Limit"), excluding PRINCIPAL's payments to CONTRACTOR for CONTRACTOR's scope of services, and other costs and expenses agreed by the Parties to be reasonably related to CONTRACTOR's services to PRINCIPAL. The Payment Guidelines incorporated into this Agreement are binding once this Agreement is executed by the Parties. The Payment Guidelines may be adjusted during the Term by mutual agreement of the Parties. Each mutually agreed upon revision of the Payment Guidelines, when executed by both Parties, shall be binding, and incorporated into this Agreement, superseding any antecedent versions of the Payment Guidelines.

Contractor Settlement Authority: \$0 per suffix.

### **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, 2022** and continue until **JUNE 30, 2027**, 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:

CLAIMS ADMINISTRATION SERVICES	FIXED ANNUAL PRICING				
	YEAR 1 (JULY 2022 – JUNE 2023)	YEAR 2 (JULY 2023 – JUNE 2024)	YEAR 3 (JULY 2024 – JUNE 2025)	YEAR 4 (JULY 2025 – JUNE 2026)	YEAR 5 (JULY 2026 – JUNE 2027)
<b>Fixed Annual Rate*</b> (NTE 70 new claims per year)	\$83,892 *	\$83,892 *	\$88,086 *	\$88,086 *	\$92,490 *
<b>Notes:</b> *Not-To-Exceed X claims each year. Should the SBASIA exceed the NTE cap of 70 in a given year, the claims will be charged at a flat rate per claim designated below.					
<b>Flat Rate per Claim</b> (Above NTE of 70 new claims per year)	\$1,260 per claim	\$1,260 per claim	\$1,280 per claim	\$1,280 per claim	\$1,330 per claim
<b>Incident Report/Record Only</b>	Included	Included	Included	Included	Included
<b>Telephone</b>	Included	Included	Included	Included	Included
<b>Copy Work</b>					
<b>Stenographs</b>					
<b>Postage</b>					
<b>Office Expense</b>					
<b>Claims Set-Up Fee</b>					
<b>Data Processing</b>	Included	Included	Included	Included	Included
<b>Index Bureau</b> (ISO Claims Search & OFAC)					
<b>MMSEA Filing Fee</b> (liability claims)					
<b>Misc./ Allocated Loss Adjustment Expenses</b> (i.e., police reports, medical records, etc.)					
<b>Field Work Services</b>					
<b>Mileage</b>					
<b>Photographs/Duplicate Photographs</b>	Included	Included	Included	Included	Included
<b>Ancillary Services</b>					
<b>Subrogation</b> (if utilized)	21% of net recovery				
<b>Outside Investigations</b>	At Cost	At Cost	At Cost	At Cost	At Cost
<b>Auto/Property Damage Appraisals</b>					
<b>Surveillance/Fraud Unit</b>					
<b>Annual Administration Services</b>					
<ul style="list-style-type: none"> <li>• Data Management</li> <li>• Account Management</li> <li>• Annual Stewardship</li> <li>• Claims Review</li> </ul>	Included	Included	Included	Included	Included
<b>Risk Management Information System Services</b>					
• <b>Setup</b> (First Year)	Included	Included	Included	Included	Included

<ul style="list-style-type: none"> <li>• <b>Training/ Technical Support</b></li> <li>• <b>Data Conversion(s)</b></li> <li>• <b>3 Users Ongoing RMIS Access</b></li> <li>• <b>Standard Loss Runs</b></li> <li>• <b>Report Programming</b></li> <li>• <b>Carrier TPA Oversight</b> (Data Extract, Feeds, Audits, Compliance &amp; Reporting)</li> </ul>						
<b>Additional Users</b> (over first 3 users)	\$250/user per year	\$250/user per year	\$250/user per year	\$250/user per year	\$250/user per year	\$250/user per year
<b>Custom Report Development</b> (2+ hours)	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour
<b>Other IT Services</b> (Exit, Final Termination etc.)	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour	\$250 per hour
<b>Banking/Trust Account Services</b>						
<b>Trust Account Maintenance</b>	Included	Included	Included	Included	Included	Included
<b>Check Issuance &amp; Reconciliations</b>						
<b>1099 Reporting, including IRS File</b> (if requested)						

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 these services provided pursuant to this Agreement - claims data electronically for up to three recipients and access to FileHandler Enterprise for up to three users. For security purposes, access to FileHandler Enterprise 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.

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, LLC

SOUTH BAY AREA SCHOOLS INSURANCE  
AUTHORITY

**Company Name**

**Client Name**

**Signature**

**Signature**

Richard McAbee

**Print Name**

**Print Name**

Chief Marketing Officer

**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.**



**Agenda Item H.2**

**ADMINISTRATION CONTRACT WITH ALLIANT INSURANCE SERVICES**

**INFORMATION ITEM**

**EXPLANATION:** SBASIA's current administration contract with Alliant Insurance Services expires on June 30, 2022. The contract contains an option to extend the administration services for an additional two years.

Staff will present the contract option to be reviewed by the Executive Committee prior to being presented to the Board of Directors for approval.

The proposed annual fee is:

\$164,800 for period of July 1, 2022 – June 30, 2023

\$164,800 for period of July 1, 2023 – June 30, 2024

The expiring fee is \$160,000.

**ATTACHMENTS:** Alliant Insurance Services Administration Contract for Period of July 1, 2019 – June 30, 2022

**BROKERAGE, RISK MANAGEMENT AND  
PROGRAM ADMINISTRATION CONTRACT**

This Agreement, made and entered into effective July 1, 2019, between South Bay Area Schools Insurance Authority, a Joint Powers Authority, hereinafter referred to as SBASIA, and Alliant Insurance Services, Inc. hereinafter referred to as "Program Administrator."

WITNESSETH

WHEREAS, this Agreement supersedes all previous agreements between SBASIA, prior Brokers, Administrators, and the Program Administrator, and

WHEREAS, SBASIA requires insurance brokerage, risk management and Joint Powers Authority (JPA) program administration services, and

WHEREAS, the Program Administrator specializes in public entity risk management and program administration services, and

WHEREAS, SBASIA desires to engage the Program Administrator to administer SBASIA's programs.

NOW THEREFORE, the parties hereto, for and in consideration of the promises and covenants hereinafter contained to be kept and performed do agree as follows:

- A. PROGRAM ADMINISTRATION SERVICES: Program Administrator agrees to provide the following services to the satisfaction of the Board of Directors of SBASIA:
1. Act as "key contact" for all SBASIA Members. Act upon request as a liaison for communications among or between all parties involved in the Programs including SBASIA, its participating Members, insurance carriers and others;
  2. Provide to the Members ongoing review of coverages provided by SBASIA programs, insurance carriers or other joint powers authorities;
  3. Meet with Members as requested and necessary;
  4. Issue, modify as directed, and maintain memorandum of coverage forms and policy forms;
  5. Develop, issue and maintain certificates of coverage/insurance on behalf of SBASIA. Deliver binders and other evidences of insurance within ten (10) calendar days after the placement of any insurance under the Programs to be effective until such time as the policy or policies for the placement are received by SBASIA from the insurance carriers and coverage providers. Such binders shall be signed by an authorized agent or employee of the insurance carrier. The Program Administrator shall use best efforts to secure a correct policy or policies within ninety (90) days of placement of any insurance under the Programs. The Program Administrator shall not be responsible for the failure of Members of

SBASIA to make premium payments. Negotiate broad coverages, utilizing special forms and endorsements where required. Provide SBASIA with renewal premium information at least sixty (60) days prior to expiration (given that the insurers have provided that information to the Program Administrator);

6. Provide ongoing information on the status of the insurance industry and other public entity risk management providers;
7. Provide advice on appropriate risk retention versus risk transfer. Advise SBASIA regarding current property appraisals and inventory;
8. Prepare and distribute Executive Committee and Board of Directors agendas, arrange for meetings facilities and other general administration functions;
9. Attend Board of Director and Committee meetings;
10. Record and distribute minutes of Board or Committee meetings to Members of the Board or Committee;
11. Maintain the SBASIA Website;
12. Act as a central "clearing house" for dissemination of information. Answer the Members' questions and explain the various clauses in policy contracts. Counsel SBASIA regarding its contractual relationships and legislation, ordinances, or filing affecting its interests as they relate to risk and insurance matters;
13. Request, when appropriate, and maintain copies of, Conflict of Interest Form No. 700 from the Directors and Alternates of SBASIA and any other consultants required to file such forms;
14. Assist Members in use of insurance requirements in contracts. Assist districts in developing and implementing appropriate risk management programs for identified exposures;
15. Coordinate claims administration with SBASIA and third party administrators. Assist SBASIA and, where applicable, SBASIA's third party administrator in settlement issues with excess pools or insurance carriers. However, it is understood and agreed that the Program Administrator is not providing claims management services under this Agreement;
16. Assist, as may be required, with annual financial audits conducted by SBASIA's auditors;
17. Monitor loss runs of SBASIA programs and advise SBASIA of apparent trends;
18. Provide assistance in arranging an independent actuarial study as directed by SBASIA. The actuarial study will assist in providing loss and funding estimates.



19. Coordinate matters of safety/loss control and in the development of loss prevention materials. Identify, review and comment on loss-control activities. At Members' expense, provide Loss Control spot checks and inspections for Member Districts;
20. Assist in development of new programs, but limited to Program Administrator's expertise and resources;
21. Perform underwriting evaluations and recommendations on Districts/Agencies applying for membership to SBASIA. Assist in solicitation of new Member Districts/Agencies;
22. Maintain a suitable back-up and recovery system for data and implement processes for the protection of electronic data including a written policy with respect to:
  - a. Disaster recovery
  - b. Physical and electronic data security
  - c. Electronic data retention

**B. DESIGNATION OF BROKER AND BROKERAGE SERVICES:** SBASIA hereby engages and designates Program Administrator to act as SBASIA's insurance broker and fiduciary and perform all customary duties of an insurance broker for SBASIA's Programs including without limitation:

1. Develop marketing specifications based upon an evaluation of SBASIA's loss exposures and which address such exposures;
2. Evaluate quotations as to the adequacy of coverages, appropriate retention levels and restrictions in coverage, the existence of warranties, concurrency of coverage, and suitability of forms;
3. Evaluate the financial status and service capabilities of insurers making quotations of coverage under the Programs, based upon available data. SBASIA recognizes and agrees that Program Administrator is not responsible for any change in the financial condition of any insurance carrier or Joint Powers Authority after an insurance placement is made;

**C. COMPENSATION:**

SBASIA shall pay annual compensation to Program Administrator for services rendered under Sections A and B of this Agreement. Except as otherwise expressly provided in this Section C, the compensation payable during this Agreement shall be in accordance with the provisions of Addendum A to this Agreement.

If at any time during this Agreement, a new member joins SBASIA, Program Administrator's compensation shall be adjusted at a rate to be determined based on the Average Daily Attendance (ADA) of the new member and the effective date the member joins SBASIA.

If at any time during this Agreement, new programs are developed and implemented or new services provided, Program Administrator's compensation shall be adjusted as negotiated between the parties.

With respect to insurance and other coverage placed by the Program Administrator acting as SBASIA's insurance broker under Section B above, and as a part of Program Administrator's compensation under this Agreement, Program Administrator shall, to the extent it is legally entitled to do so, endeavor to collect commissions and placing fees from insurers and other coverage providers with whom Program Administrator places SBASIA's insurance and/or other forms of coverage.

For the purposes of this Agreement, the term "commissions and placing fees" refers to monetary consideration paid to Program Administrator by an insurer or coverage provider with respect to a specific placement of insurance and/or other forms of coverage with the insurer/coverage provider. The term does not include:

1. Payments made to Program Administrator or its affiliates with respect to the indirect consequences of the placement of insurance and/or other coverage on behalf of SBASIA such as, for example, contingent payments or allowances based on the overall levels of premiums for insurance/other coverage placed by Program Administrator with an insurer/coverage provider.

- D. TAXES AND FEES, INDIRECT INCOME AND USE OF INTERMEDIARIES:  
Surplus Lines Fees and Taxes: In certain cases, placements made by the Program Administrator on behalf of SBASIA may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards or associations. Such assessments, taxes and/or fees will be charges to SBASIA and identified separately on invoices covering these placements. The Program Administrator shall not be responsible for the payment of any such fees, taxes or assessments except to the extent such taxes or fees have been collected by the Program Administrator from SBASIA.

During the time of this Agreement, Program Administrator will annually disclose all Compensation received by Program Administrator in connection with any insurance placements on behalf of SBASIA under the Program Administrator's Transparency and Disclosure policy:

“Transparency and Disclosure – Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of our brokerage clients. We adhere to an established conflict of interest code that rejects any form of broker incentives that would result in business being placed with carriers in conflict with our clients’ interests. We operate with full transparency and disclosure and regard all aspects of our broker services and compensation arrangements to be appropriate topics for discussion. Clients are encouraged to contact us with any questions regarding our policies and practices.”

In addition to the Compensation that Program Administrator receives, its related entity, Alliant Underwriting Services (“AUS”) may receive compensation from Program Administrator and/or a carrier for providing underwriting services. The financial impact of the compensation received by AUS is a cost included in the premium. Additionally, the related entities of Alliant Business Services and/or Strategic HR may receive compensation from Program Administrator and/or a carrier for providing designated, value-added services. Services contracted for by SBASIA directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Program Administrator and/or the carrier.

- E. TERM: The term of this Agreement shall commence on July 1, 2019 and terminate on June 30, 2022. SBASIA shall have an option to extend this Agreement for up to two additional annual periods, exercisable by SBASIA by notifying Program Administrator of such request for an extension 60 days prior to the anniversary date. This Agreement shall then have an anniversary date each July 1<sup>st</sup>, for the purpose of renewing compensation, services and extensions.
- F. OBLIGATIONS OF SBASIA: The Board of Directors of SBASIA are responsible for directing the operations of SBASIA to assure proper management and financial solvency, including the establishment of underwriting and rating guidelines. SBASIA is responsible for its compliance with all-applicable statutes and regulations. SBASIA should consult its own professionals regarding legal, financial auditing, tax and investment matters that may arise in the formation and operation of SBASIA. SBASIA will reasonably cooperate with the Program Administrator in the performance of the Program Administrator’s brokerage, risk management and program administration duties by providing the Program Administrator, where available, reasonably complete and accurate information as to SBASIA’s loss experience risk exposures and any other pertinent information that the Program Administrator requests. SBASIA shall promptly review coverage documents concerning the Programs delivered by the Program Administrator for consistency with SBASIA’s specifications. SBASIA shall designate one or more officers or committees of SBASIA or an outside consultant to receive and provide significant intervening substantive review, and independently evaluate any and all recommendations or proposals made to SBASIA by the Program Administrator which are significant, substantive in nature and under which any benefit shall accrue to the

Program Administrator or the Program Administrator's affiliates. Such committees and/or outside consultants shall then provide their own recommendations concerning such matters to the Board of Directors of SBASIA, having ultimate decision making authority on such matters.

Notwithstanding any other provision herein, SBASIA shall be entitled to rely upon any information or representations made by the Program Administrator in the performance of any of its obligations.

- G. NON-ASSIGNABILITY: Both parties hereto recognize that this Agreement is one for personal services and cannot be assigned in whole or in part by either party without the prior written consent of the other party. Prior to a change in Account Officers, assigned to provide service to SBASIA in program administration, the Program Administrator shall endeavor to provide 45 days written notice. SBASIA shall retain the right to reject the assignment of new account officers.
  
- H. NOTICES: All notices hereunder shall be given in writing and mailed, postage prepaid, be certified mail, addressed as follows:

TO SBASIA:	The Then Current President of SBASIA at the address on file with SBASIA
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TO PROGRAM ADMINISTRATOR:	Mr. Matthew Gowan Senior Vice President Alliant Insurance Services, Inc. 2180 Harvard St, Suite 460 Sacramento, CA 95815
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- I. ENTIRE AGREEMENT; MODIFICATION; INTERPRETATION: This Agreement sets forth the full and final understanding of the parties as respects the matters described herein, and supersedes any and all prior Agreements and understandings between them, whether written or oral with respect to the subject matter hereof. This Agreement may be amended but then only in a written addendum to this Agreement executed by the parties. This Agreement shall be governed by the law of the State of California. If any term of this Agreement is rendered invalid or unenforceable by judicial, legislative or administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Nothing in this Agreement is intended or shall be construed to confer upon or to give any person, firm or corporation other than the parties hereto their parents, subsidiaries, successors and assigns, any rights or remedies by reason of this Agreement.

- J. TERMINATION OF CONTRACT: SBASIA or the Program Administrator can terminate this Agreement at any time by giving the other party 90 days written notice. Should this Agreement be terminated pursuant to this Section prior to the end of this Agreement's term, the Program Administrator shall be entitled to retain as earned compensation for its program services, a prorated portion of the fees paid pursuant to Section C by SBASIA. Fees and commissions charged by the Program Administrator for all other compensation shall be considered fully earned upon termination of the Agreement.

In the event of termination, Program Administrator shall promptly deliver to SBASIA all products, files, records, computations, quotations, studies, minutes, and other data and records, prepared or obtained in connection with this Agreement, which is the permanent property of SBASIA.

K. INDEMNIFICATION AND INSURANCE:

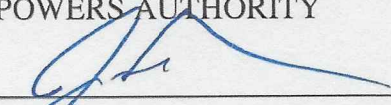
1. Program Administrator agrees to indemnify, hold harmless, reimburse and defend SBASIA, its officers, directors, employees and volunteers at all times against any claim, costs, expense, liability, obligation, loss or damage (including reasonable legal fees) of any nature incurred by or imposed upon SBASIA, and based upon any error or omission of Program Administrator, its agents or employees, with respect to the services provided by Program Administrator under this Agreement, provided that Program Administrator shall not be required to indemnify, hold harmless, reimburse and defend to the extent that the error or omission arises from Alliant Insurance Services' reliance on information provided by SBASIA or from Alliant Insurance Services' following instructions from SBASIA. In the event that SBASIA tenders its defense in any such claim, etc., to Program Administrator, and Program Administrator accepts such tender, the defense of SBASIA shall be conducted by counsel selected and paid by Program Administrator.
2. Program Administrator shall maintain Professional Liability insurance coverage sufficient to fulfill its obligations.
3. Program Administrator shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the performance of the work by the Program Administrators.
4. The Program Administrator shall maintain limits no less than:
  - a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be twice the required occurrence limit.
  - b. Workers' Compensation as required by the State of California.
  - c. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

d. Errors and Omissions Liability: \$1,000,000 per occurrence or claim.

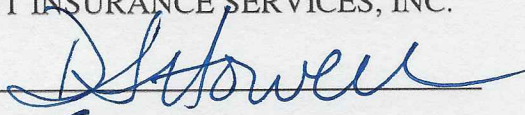
Any deductible or self-insured retention must be declared to and approved by SBASIA.

IN WITNESS WHEREOF, SBASIA has caused this contract to be executed by its President, and Program Administrator has caused the same to be executed by its duly authorized officer, all as of the day and year first above written.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY,  
A JOINT POWERS AUTHORITY

By:   
Title: President  
Date: 6/13/19

ALLIANT INSURANCE SERVICES, INC.

By:   
Title: Sk EVP  
Date: 7-19-19

**ADDENDUM A - COMPENSATION FOR SERVICES**

**COMPENSATION FOR SERVICES UNDER SECTION A AND B OF THE RISK  
MANAGEMENT AND PROGRAM ADMINISTRATION CONTRACT**

Pursuant to Section C of this Agreement, effective July 1, 2019 through June 30, 2022, as annual compensation to the Program Administrator for the services rendered hereunder, the Program Administrator may collect the compensation set forth below.

The Program Administrator shall be paid a fee of \$160,000 annually.

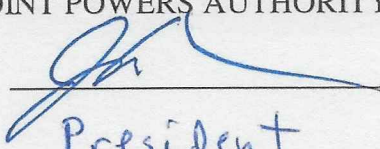
Program Administrator compensation will be adjusted proportionally for any additions in membership or additional services.

If this Agreement is extended (see Section E. Term), the annual fee will be as follows:

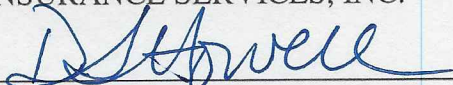
2022-2023	\$164,800
2023-2024	\$164,800

IN WITNESS WHEREOF, SBASIA has caused this contract to be executed by its President, and Program Administrator has caused the same to be executed by its duly authorized officer, all as of the day and year first above written.

SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY,  
A JOINT POWERS AUTHORITY

By:   
Title: President  
Date: 6/13/19

ALLIANT INSURANCE SERVICES, INC.

By:   
Title: SR EVP  
Date: 7-19-19



**Agenda Item H.3**

**CYBER SECURITY AUDIT REQUEST FOR PROPOSAL - ADDITIONAL RESULTS**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review the additional proposals received for Cyber Security Audit and decide if any additional audit services should be selected.

**RECOMMENDATION:** None

**FISCAL IMPACT:** To be determined

**BACKGROUND:** The next item on the JPA's loss control plan is a Cyber Security Audit. At its December 2, 2021 meeting, the Executive Committee selected KYND to perform external vulnerability scans. Staff contacted two additional cyber firms to see if they could perform a Cyber audit at a reasonable cost. The last Cyber audit was performed in 2016.

**ATTACHMENTS:** None





**Agenda Item H.4**

**UNDERWRITING POLICY**

**ACTION ITEM**

**ISSUE:** The Executive Committee should review the Underwriting Policy and make any changes, if necessary.

**RECOMMENDATION:** The Program Administrator recommends the Underwriting Policy as presented.

**FISCAL IMPACT:** None.

**BACKGROUND:** CAJPA established a requirement for an Underwriting Policy. The Executive Committee adopted one in 2016. CAJPA requires a review of the Underwriting Policy every three years to ensure the underwriting process adequately measures risks and adequately allocates costs.

**ATTACHMENTS:** Underwriting Policy

**SOUTH BAY AREA SCHOOLS INSURANCE AUTHORITY  
UNDERWRITING POLICY  
ADOPTED MAY 5, 2016**

**I. PURPOSE**

Establishing underwriting criteria ensures that South Bay Area Schools Insurance Authority programs are analyzed for risk exposures, funding requirements and compatibility between members.

The purpose of the underwriting process is to provide the most accurate evaluation of a potential new member, existing members and overall program. This process is used to assess if a new member is a good risk and fit with existing membership. In addition, the underwriting process is used for existing members to determine member contributions.

**II. UNDERWRITING CRITERIA**

Potential new members are required to submit the following information for evaluation:

- Liability Questionnaire
- Average Daily Attendance (ADA)
- Property Schedule
- Liability and Property loss runs for the last five years
- Premium history for the last five years
- Safety and loss control program information

The Executive Committee will evaluate the underwriting information and make a recommendation to the Board of Directors as to whether the prospective member should be accepted into the JPA.

**III. POST APPROVAL PROCESS**

Should approval be granted by the Board of Directors, the new member will execute the Joint Powers Agreement thereby agreeing to the minimum three year participation period and agreeing to abide by all JPA governing documents and program documents.

**IV. CONTRIBUTION ALLOCATION**

In accordance with the JPA's Program Document, an annual contribution for each member and any potential new member will be calculated utilizing:

- (1) Deposit for the shared risk layer using actuarially determined loss rate

The shared risk layer includes Liability and Property coverage. The deposit for the shared risk layer will be calculated as follows:

- (a) Liability deposit- calculated for each member in the same proportion as their ADA is to the total ADA for all members
- (b) Property deposit- calculated for each member in the same proportion as their property values are to the total property values for all members

This amount is then multiplied by an Experience Modification Factor for each member.

(2) Charge for excess insurance coverage

- (a) Liability premium- calculated for each member in the same proportion as their ADA is to the total ADA for all members
- (b) Property premium- calculated for each member in the same proportion as their property values are to the total property values for all members

(3) Charge for administrative expenses of the program

The administrative expenses for each member will be the same percentage of total administrative expenses as the member's Liability and Property premiums for excess coverage are to the total Liability and Property premiums for all members.

## V. REVIEW OF UNDERWRITING POLICY

The underwriting policy will be reviewed by the Executive Committee at least once every three years. It shall be reviewed to ensure it adequately measures risks and adequately allocates costs by using the JPA's Program Document guidelines for actuarially sound program years, dividends, assessments and target surplus funding policy.



**Agenda Item H.5**

**SLATE OF OFFICERS FOR JUNE 9, 2022 MEETING**

**INFORMATION ITEM**

**EXPLANATION:** 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.

Staff and the Executive Committee will discuss developing a slate of officers to present to the Board of Directors at the June 9, 2022 meeting.

The current officers are:

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

Vice President: Mr. Mark Schiel, Santa Clara Unified School District

Treasurer: Ms. Delores Perley, Los Gatos-Saratoga Joint Union High School District

Secretary: Ms. Rebecca Westover, Mountain View Whisman School District

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

**ATTACHMENTS:** None



South Bay Area Schools Insurance Authority  
Executive Committee Meeting  
March 3, 2022

## **Agenda Item I.1**

### **PRELIMINARY REVENUE AND EXPENSE BUDGET FOR JULY 1, 2022 - 2023**

#### **INFORMATION ITEM**

**EXPLANATION:** Staff will present a preliminary revenue and expense budget showing allocation of premium, loss funding and expenses for the insurance renewals and administrative contracts effective July 1. This document will provide preliminary indications of cost to members. This preliminary budget will be distributed to members as soon as possible to assist them in development of their own district budgets.

**ATTACHMENTS:** None