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Enactment Number	13-1364
Enactment Date	6-26-13 <i>J</i>



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools,
Thriving Students

Memo

To Board of Education

From Tony Smith, Ph.D., Superintendent
Vernon Hal, Deputy Superintendent Business Services and Operations *VH*
Jerry Johnson, Risk Management Officer

Board Meeting Date June 26, 2013

Subject Approval by the Oakland Unified School District Board of Education of Joint Powers Authority Membership Contributions in the 2013-14 Fiscal Year for Excess Property and Liability Self-Insurance Programs

Action Requested Approval by the Board of Education of Joint Powers Authority (“JPA”) membership contributions to Northern California ReLiEF (“NCR”) in the amount of \$1,605,808 for the coverages outlined below, for the policy period of July 1, 2013 through June 30, 2014.

Background The District is self-insured for purposes of property, liability, and commercial automobile coverage, with a Self-Insured Retention (“SIR”) of \$250,000 per occurrence, and smaller SIRs . To mitigate the ultimate risk of loss above those levels, the District currently maintains membership in NCR, a Joint Powers Authority comprised primarily of school districts in the greater Bay Area, and some surrounding regions. The JPA is administered by Keenan & Associates.

Discussion The cost of coverage through this memorandum of coverage is proposed to increase by approximately 7.8% over the current Fiscal Year. This increase is driven primarily by rate increases from NCR’s reinsurers, not the District’s specific experience (which worsened slightly in liability claims, but improved slightly in property claims.) The full effect of this year’s water loss at 1025 2nd Avenue has yet to be reflected in these rates, and it is expected to have a material impact on next year’s renewal rates.

Recommendation Approval by the Board of Education of insurance premium payments and JPA membership contributions in the amount of \$1,605,808 to Northern California ReLiEF and Keenan & Associates, for all of the coverages outlined below, for the policy period of July 1, 2013 through June 30, 2014.

Fiscal Impact Fund 67 Resource Code 0000, not to exceed \$1,605,808.



Oakland Unified School District

Option : 6.00 MRL 250,000 / 250,000 - FINAL

PROFORMA

July 1, 2013 to July 1, 2014

ESTIMATED CONTRIBUTION/ PREMIUM SUMMARY

ReLIEF COVERAGES	MEMBER RETAINED LIMIT/ DEDUCTIBLE	CONTRIBUTION/ PREMIUM
LIABILITY \$5,000,000 Limit Of Liability	\$ 250,000	\$ 489,623
PROPERTY \$250,000,000 Total Insured Values (TIV)	\$ 250,000	\$ 867,978
ELECTRONIC DATA PROCESSING EQUIPMENT \$22,129,692 Total Insured Values (TIV)	\$ 250	\$ 60,038
CRIME \$5,000,000 Employee Dishonesty/Faithful Performance	\$ 2,500	\$ 8,041
EQUIPMENT BREAKDOWN \$100,000,000 Total Insured Values (TIV)	\$ 1,000	\$ 58,039
SUBTOTAL PROGRAM COSTS		\$ 1,483,719
EXCESS LIABILITY \$20,000,000 Excess Limit of Liability	\$ 5,000,000	\$ 104,582
TOTAL PROGRAM COSTS		\$ 1,588,301

LIABILITY

2011/2012 LOTTERY ADA 43,395
EX MOD. - RETAINED 91
EX MOD. - REINSURANCE 100

PROPERTY

TIV: \$1,736,643,444
EX MOD. - RETAINED 98
EX MOD. - REINSURANCE 98

Service Team:
Ron Martin, Vice President
Tara Cooper-Salaiz, Account Manager



Run Date : 06/14/2013 09:54 AM
Report Date:

Manager: Keenan & Associates, 2355 Crenshaw Blvd, Suite 200, Torrance, CA 90501
(310) 212-3344, Fax (310) 212-0300 License No. 0451271





Oakland Unified School District

Option : 6.00 MRL 250,000 / 250,000 - FINAL

PROFORMA

July 1, 2013 to July 1, 2014

ESTIMATED CONTRIBUTION/ PREMIUM SUMMARY

Latest Real Property Appraisal Date	04/30/2013
Next Real Property Appraisal Date	04/30/2018
- PROGRAM COSTS	\$1,588,301
- RISK MANAGEMENT RESERVE*	\$ 17,507
- TOTAL PROGRAM COSTS	\$1,605,808
*RESERVE = .014 x 6,252,561 SQ FT	
FIVE YEAR CONTRACT	
Accepted by:	 <u>David Kakishiba</u> 6/27/13 Authorized District Representative President, Board of Education
Title:	Authorized District Representative
Witnessed by:	<u>Ron Martin</u> Ron Martin  Edgar Rakesiraw, Jr. Secretary 6/27/13 Board of Education
SIGNATURE OF THE AUTHORIZED REPRESENTATIVE WILL BIND COVERAGE. <small>Keenan is compensated for the various services it provides in connection with the management and administration of Northern California ReLIEF ("NCR"), including general administration, financial processing, claims administration, loss control, reporting, marketing, underwriting, brokerage (reinsurance and other coverages) and reinsurance/insurance services. The compensation paid to Keenan is approved by the governing board of NCR and is included in the cost of member contributions. It is anticipated that the total compensation to be received by Keenan for these services for the 2013/2014 program year will not exceed 13% of total member contributions. This compensation does not include amounts payable to Keenan pursuant to separate contracts for services provided directly to individual members, the cost of allocated loss adjustment services provided in connection with individual claims, or reinsurance premium payable to Meritage Insurance Group, a wholly-owned subsidiary of Keenan, pursuant to a reinsurance contract. For additional information concerning Keenan compensation, see www.keenan.com/disclosure.asp.</small>	



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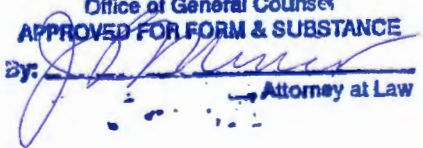
**Oakland Unified School District
 Estimated Contribution/Premium Summary
 July 1, 2013 to July 1, 2014
 Member Retained Limit
 Liability \$250,000 Property \$250,000**

Proforma Footnote Report

- 1. **2011/2012 Lottery ADA:** Average Daily Attendance from the Department of Education with the exception of certain special agencies which use special ADA Exposure data. ADA has been factor updated by 1.04446 in compliance with the Government Code Section 8880.5(m) to compensate for the rate of excused absences.
- 2. **T.I.V. Property:** Total Insurable Values(T.I.V.) based upon Statement of Values as confirmed by the District (TIV for Charter Schools, EDP and COC included, if applicable.)
- 3. **T.I.V. - EDP:** EDP T.I.V. as confirmed by the District.
- 4. **Liability:** Risk Factored ADA x adjusted ReLIEF rate plus ADA x \$4 Mil excess of \$1 Mil rate.Does not consider Special Agency flat fees and Super Pool minimum contributions.
- 5. **Excess Liability:** Lottery ADA x Excess Liability Rate
- 6. **Property** TIV/\$100 x Property Rate
- 7. **EDP:** EDP TIV/\$100 x EDP Rate
- 8. **Crime:** Lottery ADA x Crime Rate
- 9. **Equip Brkdn:** Equipment Breakdown (B&M) Property TIV/\$100 x Equipment Breakdown Rate
- 10. **Program Total:** Sum of Liability, Excess Liability, Property, EDP, Crime and Equipment Breakdown.


 David Kakishiba
 President, Board of Education 6/27/13


 Edgar Rakestraw, Jr., Secretary
 Board of Education 6/27/13

**OAKLAND UNIFIED SCHOOL DISTRICT
 Office of General Counsel
 APPROVED FOR FORM & SUBSTANCE**
 By: 
 Attorney at Law