



## **RISK MANAGEMENT**

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**TITLE:** OUSD Self Insurance - Board Finance Committee Discussion

**FROM:** Rebecca Littlejohn, Risk Management Officer

**TO:** Board Finance Committee

**DATE:** October 16, 2017

### **PURPOSE: Self Insurance Overview**

#### **Property & Liability:**

The Oakland Unified School District has been a member of the Northern California Regional Liability Excess Fund (NCR) Joint Powers Authority since July 1, 2008.

#### **NCR:**

- Member owned and operated.
- The largest Regional Property & Liability Program for schools in Northern California comprised of 366 districts with over 1 Million Average Daily Attendance and \$31 Billion in Total Insured Values.
- Self funds Property to \$250,000 per occurrence and Liability to \$1 Million per Occurrence
- There are 18 other local Districts in Alameda County that are also participants in this program.

#### **OUSD/NCR Program:**

- OUSD has a \$250,000 retention (MRL) for each Property & Liability occurrence.
- Oakland does not make any contributions to NCR for Property losses. The Property premium is for reinsurance through the SAFER Program. The Liability premium includes participation in NCR for \$750,000 per occurrence as well as the Excess Liability that is
- Both lines of coverage are underwritten under the terms and Conditions of the NCR Memorandum of Coverage (MOC).
- NCR has full control of claims and settlements up to the full limit of exposure which is \$250 Million per occurrence for Property and \$50 Million per occurrence for Liability.
- Risk Manager & Deputy General Counsel are active participant on the Board of Directors and Operating Committees, including Claims & Coverage
- At each renewal OUSD has the opportunity to choose their MRL option ranging from \$5K to \$250K (current)... the lower the MRL the more premium the district will pay into NCR. The reason there is a higher premium is that with the lower MRL the more exposure NCR has for claims above the MRL.
- Keenan SafeSchools, the on line risk management resources and training platform, is an additional program benefit which provides and helps manage our mandatory training requirements..

#### **SAFER**

- Reinsured through Schools Association for Excess Risk (SAFER).
- SAFER is comprised of 2.6 Million ADA/FTE's 493 Districts and Community Colleges participating.



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- SAFER is the largest excess JPA for schools in California with Property Limits up to \$250.25 Million per Occurrence and Liability Limits up to \$50 Million per occurrence.
- As part of the NCR/SAFER program, OUSD also receives broad coverage to include:
  - Equipment Breakdown,
  - Crime
  - Cyber coverage
  - sub limited coverage for Injunctive Relief and Breach of Contract.

### **OUSD/NCR Program for 2018-19 FY:**

- Risk Management has already requested quotes on different options during renewal to evaluate the premiums for those various MRL's.
- We will be looking at Loss Stratification reports to determine where claims are falling within the MRL layer as well as the reinsurance layer. This will help facilitate the decision making on a change of MRL for 18/19 fiscal year.

### **Workers' Compensation:**

- OUSD is Self Insured for Workers' Compensation claims up to \$500,000 per claim.
- OUSD purchases excess coverage from New York Marine & State National Insurance.
  - As a requirement for purchasing this excess coverage OUSD must retain a TPA and a Safety/Loss control officer (our Environmental Health & Safety Manager).

### **OUSD WC Program for 2018-19 FY:**

- For FY 2017-18, Risk Management asked to receive a quote on different levels of SIR (Self Insured Retention) and, in addition, dollar one coverage.
- Risk Management is exploring the option of joining a JPA for Work Comp (as it currently is with Property & Liability).

### **Dental:**

- Self Funded Dental Plan run through Self-Insured Schools of California (SISC III)
- administer the claims that are generated by its permissibly self-insured dental program
- SISC III will provide a full service program in conjunction with Delta Dental. Those services include, but are not limited to, supervising initial and subsequent enrollment of District's eligible employees, furnishing Delta Dental with a monthly eligibility tape containing names of all eligible members, the District will continue to be responsible for collecting funds for payment of dental benefits and the Delta Dental administration fees.