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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education

From Vernon Hal, Senior Business Officer
Ruth Alahydoian, Chief Financial Officer
Rebecca Cingolani, Risk Management Officer

Date June 22, 2016

Subject **Worker's Compensation Coverage and Excess Liability Coverage - Premium Payments- Fiscal Year 2016-2017 - Risk Management**

Action Requested

Approval by the Board of Education of payment of premium, Fiscal Year 2016-2017, for Workers Compensation Coverage, procured from individual insurance carriers, through Alliant Insurance Services, Inc., Newport Beach, CA (Broker), in the amount of \$607,357.00 and for Excess Liability Coverage through NorCAL Relief JPA, managed by Kennan & Associates, Torrance, CA (Broker), in the amount of \$2,066,504.00, respectively..

Background

The District is permissibly self-insured for purposes of California workers' compensation coverage. The ultimate risk of such self-insurance is limited by the purchase of excess workers' compensation coverage above a self-insured retention ("SIR") level of \$500,000 per claim. That coverage is procured from individual insurance carriers through the District's broker of record for those purposes, Alliant Insurance Services ("Alliant").

Additionally, the District self-insures its risk of property and casualty loss through membership in Northern California ReliEF ("NCR"), a JPA comprised primarily of school districts in the greater Bay Area, administered by Keenan & Associates. The District has Member Retained Limits ("MRLs," similar in function to a deductible or SIR) of \$250,000 for both property loss and liability coverage. Some lines of coverage under the JPA agreement carry lower MRLs, as outlined in the attached NCR *proforma*.

Discussion

The proposed cost of workers' compensation excess insurance has decreased; approximately 20% over the expiring policy term (\$760,465 for 2015-16 as compared to \$607,357 for the 2016-17 term year). This decrease is driven primarily by general conditions in the insurance market and improvements in the workers' compensation program.

The proposed JPA member contribution to NorCAL ReLIEF (which would be likened to a deductible) has increased by approximately 12% (from \$1,955,407 for the 2015-16 expiring policy term to \$2,066,504 for 2016-17 term year). This increase is based primarily on liability loss experience (as a whole and not specific to the District or NCR) and a general increase in total property value.



Recommendation

Approval by the Board of Education of payment of premium, Fiscal Year 2016-2017, for Workers Compensation Coverage, procured from individual insurance carriers, through Alliant Insurance Services, Inc., Newport Beach, CA (Broker), in the amount of \$607,357.00 and for Excess Property and Liability Coverage through NorCAL Relief JPA, managed by Kennan & Associates, Torrance, CA (Broker), in the amount of \$2,066,504.00, respectively.

Fiscal Impact

Fund 67, Resource Code 000, not to exceed \$2,673,861

Attachments

The background of the left side of the page is a photograph of a modern building with a glass facade. The image is tinted with a deep blue color. A person is silhouetted against the glass, walking on a balcony or walkway. The text "Oakland Unified School District" is overlaid on this image in a white, sans-serif font.

Oakland Unified School District

Workers' Compensation Insurance Proposal 2016 – 2017

May 31, 2016

Lilian Vanvieldt
Senior Vice President

Alliant Insurance Services, Inc.
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Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
- Employee Benefits
 - Strategy
 - Employee Engagement
 - Procurement
 - Analytics
 - Wellness
 - Compliance
 - Benefits Administration
 - Global Workforce
- Industry Solutions
 - Construction
 - Energy and Marine
 - Healthcare
 - Law Firms
 - Public Entity
 - Real Estate
 - Tribal Nations
 - And many other industries
- Co-Brokered Solutions
 - Automotive Specialty
 - Energy Alliance Program
 - Hospital All Risk Property Program
 - Law Firms
 - Parking/Valet
 - Public Entity Property Insurance Program
 - Restaurants/Lodging
 - Tribal Nations
 - Waste Haulers/Recycling
- Business Services
 - Risk Control Consulting
 - Human Resources Consulting
 - Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States

Alliant Advantage

	Alliant	Competition
1. Satisfying the insurance needs of business for nearly 90 years	✓	
2. Privately owned and operated.	✓	
3. A full-service insurance agency for all your business, life and health, and personal insurance.	✓	
4. Representing over 40 insurance companies to provide the best and most affordable coverage.	✓	
5. State-licensed support staff.	✓	
6. Dedicated Certificate of Insurance personnel.	✓	
7. Risk management services to help identify hazards and present options.	✓	
8. Workers' compensation insurance claims management at no additional charge.	✓	

Your Service Team

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Senior Risk Control Consultant
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Named Insured / Additional Named Insureds

Named Insured(s)

Oakland Unified School District

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.

Workers' Compensation Proposal

INSURANCE COMPANY	<u>CURRENT 2015-2016</u> New York Marine & General Insurance Company	<u>PROPOSED 2016-2017</u> New York Marine & General Insurance Company
A.M. BEST GUIDE RATING:*	A (Excellent); IX (\$250 Million to \$500 Million)	A (Excellent); IX (\$250 Million to \$500 Million)
STANDARD & POOR'S RATING:*	N/A	N/A
COVERAGE TERM:	July 1, 2015 – July 1, 2016	July 1, 2016 – July 1, 2017
LIMITS: Workers' Compensation Employer's Liability	\$2,000,000 \$1,000,000	\$2,000,000 \$1,000,000
ESTIMATED ANNUAL PAYROLL:	\$236,400,000	\$236,400,000
SELF INSURED RETENTION (SIR):	\$500,000	\$500,000
ESTIMATED ANNUAL PREMIUM:	\$571,106	\$429,448
RATE PER \$100 OF PAYROLL:	0.2416	0.1817
LOSS CONTROL FEE:	\$2,130	\$2,500
AUDITABLE:	Yes	Yes
QUOTE VALID UNTIL:	N/A	July 1, 2016
MAJOR & EXCLUSIONS: <i>(Including but not limited to)</i>	See policy for details	See policy for details

**BINDING CONDITIONS/
CONDITIONS:**

No Longer Applicable

- Final Premium will be at least and not less than the minimum premium stated above.
- Require full implementation of safety/loss control program and retention of TPA, approved by New York Marine and General Insurance Company, throughout the policy period.
- The Terrorism Charge is calculated separately and not included in the total rate above. It is subject to adjustment at audit.
- Applicable state endorsements plus other coverage additions/exclusions may apply. All other endorsements desired must be requested prior to binding and are subject to approval.
- Please sign and return the attached Terrorism Disclosure. Same must be received within thirty (30) days of binding.
- New York Marine and General Insurance Company has the right, but not the obligation, to audit the TPA listed above.
- Please provide a copy of the most recent financials or financial budget.

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Excess Workers' Compensation Proposal

INSURANCE COMPANY	<u>PRESENT 2015-2016</u> State National Insurance Company	<u>PROPOSED 2016-2017</u> State National Insurance Company	<u>PROPOSED 2016-2017</u> New York Marine & General Insurance Company	<u>PROPOSED 2016- 2017</u> CSAC EIA
A.M. BEST GUIDE RATING:*	A (Excellent); VIII (\$100 Million to \$250 Million)	A (Excellent); VIII (\$100 Million to \$250 Million)	A (Excellent); IX (\$250 Million to \$500 Million)	Various
STANDARD & POOR'S RATING:*	N/A	N/A	N/A	Various
COVERAGE TERM:	July 1, 2015 – July 1, 2016	July 1, 2016 – July 1, 2017	July 1, 2016 – July 1, 2017	July 1, 2016 – July 1, 2017
LIMITS:				
Workers' Compensation Employer's Liability	Statutory \$1,000,000	Statutory \$1,000,000	Statutory \$1,000,000	Statutory \$5,000,000
ESTIMATED ANNUAL PAYROLL:	\$236,400,000	\$236,400,000	\$236,400,000	\$236,400,000
SELF INSURED RETENTION (SIR):				
Option #1:	N/A	N/A	\$500,000	\$500,000
Option #2:	N/A	N/A	N/A	\$350,000
Option #3:	\$2,500,000	\$2,500,000	N/A	N/A
Option #3:	N/A	N/A	N/A	First Dollar
ANNUAL PREMIUM:				
Option #1 - \$500,000 SIR:	N/A	N/A	\$614,640	\$567,360 (indication)
Option #2 - \$350,000 SIR:	N/A	N/A	N/A	\$780,120 (indication)
Option #3 - \$2,500,000 SIR:	\$187,229	\$175,409	N/A	N/A
Option #4- First Dollar -0- SIR:	N/A	N/A	N/A	\$11,772,720 (indication)
MINIMUM PREMIUM:	90%	90%	90%	90%
RATE PER \$100 OF PAYROLL:				
Option #1 - \$500,000 SIR:	N/A	N/A	0.2600	0.2400
Option #2 - \$350,000 SIR:	N/A	N/A	N/A	0.3300

INSURANCE COMPANY	<u>PRESENT 2015-2016</u> State National Insurance Company	<u>PROPOSED 2016-2017</u> State National Insurance Company	<u>PROPOSED 2016-2017</u> New York Marine & General Insurance Company	<u>PROPOSED 2016-2017</u> CSAC EIA
ALLIANT LOSS CONTROL SERVICES:	\$2,130	\$2,130	\$2,130	\$2,130
ANNUAL PREMIUM including LOSS CONTROL:				
Option #1 - \$500,000 SIR:	N/A	N/A	\$614,640	\$569,860
Option #2 - \$350,000 SIR:	N/A	N/A	N/A	\$782,620
Option #3 - \$2,500,000 SIR:	\$189,359	\$177,909	N/A	N/A
Option #4 – First Dollar -0- SIR:	N/A	N/A	N/A	\$11,775,220
ENDORSEMENTS & EXCLUSIONS: <i>(Including but not limited to)</i>	<ul style="list-style-type: none"> • Terrorism Premium Endorsement • Catastrophe Premium Endorsement • Escalation Exclusion • Communicable Disease • California Changes • Voluntary Compensation 	<ul style="list-style-type: none"> • Terrorism Premium Endorsement • Catastrophe Premium Endorsement • Escalation Exclusion • Communicable Disease • California Changes • Voluntary Compensation 		<ul style="list-style-type: none"> • Punitive or exemplary damages, fines or penalties • Any payments in excess of the benefits regularly provided by the Workers' Compensation law • Labor Code 4850 benefits • Labor Code 4856 benefits • Education Section Codes 44984 and 45192
AUDIBLE:	No longer applicable	Yes	Yes	Yes

QUOTE VALID UNTIL:

**BINDING CONDITIONS/
CONDITIONS:**

No longer applicable	July 1, 2016	July 1, 2016	July 1, 2016 (pending board approval)
No longer applicable	Written request to bind coverage	<ul style="list-style-type: none"> • Final Premium will be at least and not less than the minimum premium stated above. • Require full implementation of safety/loss control program and retention of TPA, approved by New York Marine and General Insurance Company, throughout the policy period. • The Terrorism Charge is calculated separately and not included in the total rate above. It is subject to adjustment at audit. • Applicable state endorsements plus other coverage additions /exclusions may apply. All other endorsements desired must be requested prior to binding and are subject to approval. • Please sign and return the attached Terrorism Disclosure. Same must be received within thirty (30) days of binding. 	<ul style="list-style-type: none"> • Premium is subject to change • Premium includes a \$1,000 annual loss prevention subsidy • Premium includes a \$2,000 actuarial subsidy • Premium includes cost for claim audit requirement (audit to include access to all files handled by TPA) • Written request to bind coverage

- New York Marine and General Insurance Company has the right, but not the obligation, to audit the TPA listed above.
- Please provide a copy of the most recent financials or financial budget.

ACTUARIAL COMPARISON: PLEASE SEE ATTACHED

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Premium Summary

Coverage	Expiring*	Renewal Options
Workers' Compensation Premium including Loss Control Fee	\$500,000 SIR - \$760,465	<p><u>New York Marine/State National</u> \$500,000 SIR - \$607,357</p> <p><u>New York Marine</u> \$500,000 SIR - \$617,140</p> <p><u>CSAC EIA</u> \$500,000 SIR - \$569,860 \$350,000 SIR - \$782,620 \$-0- SIR, \$11,775,220</p> <p><u>State National</u> \$2,500,000 SIR - \$175,409 \$1,000,000 SIR - \$299,182</p>
Total Annual Premium		

Payment Terms

- Premium is due within 30 days of policy inception

Options

- Quotes Include TRIA coverage

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Disclosures - Continued

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Binding Requirements Recap

Below is a recap by Line of Coverage. **All coverages require a written request to bind coverage from the client.**

Excess Workers' Compensation

- Written Request to Bind Coverage

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

Oakland Unified School District - Request to Bind Coverage

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage	Effective Date
Workers' Compensation	July 01, 2016
<u>New York Marine/State National</u>	
\$500,000 SIR \$607,357 <input checked="" type="checkbox"/>	
<u>New York Marine</u>	
\$500,000 SIR \$617,140 <input type="checkbox"/>	
<u>CSAC EIA</u>	
\$500,000 SIR \$569,860 <input type="checkbox"/>	
\$350,000 SIR \$711,700 <input type="checkbox"/>	
\$0 SIR \$11,775,200 <input type="checkbox"/>	
<u>State National</u>	
\$2,500,000 SIR \$175,409 <input type="checkbox"/>	
\$1,000,000 SIR \$299,182 <input type="checkbox"/>	

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*



PROFORMA

JULY 1, 2016 to JULY 1, 2017

ESTIMATED CONTRIBUTION/ PREMIUM SUMMARY

Latest Real Property Appraisal Date	05/31/2013
Next Real Property Appraisal Date	05/31/2018

- PROGRAM COSTS	\$2,046,915
- RISK MANAGEMENT RESERVE*	\$ 19,589
- TOTAL PROGRAM COSTS	\$2,066,504

*RESERVE = .015 x 6,529,596 SQ FT FIVE YEAR CONTRACT

Accepted by: James Harris
 President, Board of Education
 Authorized District Representative

Title: Antwan Wilson
 Secretary, Board of Education
 Authorized District Representative

Witnessed by: _____
 Doug McKibbin

SIGNATURE OF THE AUTHORIZED REPRESENTATIVE WILL BIND COVERAGE.

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 2016 / 2017 program year will not exceed 13.5% 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.

File ID Number: 16-1371
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 Enactment Date: 6-22-16
 Bv:



Run Date: 05/25/2016 02:08 PM
 Report Date: 05/25/2016 02:08 PM



PROFORMA

JULY 1, 2016 to JULY 1, 2017

ESTIMATED CONTRIBUTION /PREMIUM SUMMARY

ReLIEF COVERAGES	MEMBER RETAINED LIMIT/ DEDUCTIBLE	CONTRIBUTION/ PREMIUM
LIABILITY \$10,000,000 Limit Of Liability	\$ 250,000	\$ 934,973
PROPERTY \$250,250,000 Total Insured Values (TIV)	\$ 250,000	\$ 902,244
ELECTRONIC DATA PROCESSING EQUIPMENT \$22,129,692 Total Insured Values (TIV)	\$ 250	\$ 60,038
CRIME \$5,000,000 Employee Dishonesty/Faithful Performance	\$ 2,500	\$ 7,703
CYBER LIABILITY \$5,000,000 SAFER Limit of Liability	\$ 25,000	\$ 5,991
EQUIPMENT BREAKDOWN \$100,000,000 Total Insured Values (TIV)	\$ 1,000	\$ 50,802
SUBTOTAL PROGRAM COSTS		\$ 1,961,751
EXCESS LIABILITY \$25,000,000 Excess Limit of Liability	\$ 10,000,000	\$ 42,368
EXCESS LIABILITY \$50,000,000 Excess Limit of Liability	\$ 25,000,000	\$ 42,796
TOTAL PROGRAM COSTS		\$ 2,046,915

LIABILITY		PROPERTY	
2014/2015 LOTTERY ADA	42,796	TIV:	\$1,843,334,149
EX MOD. - RETAINED	110	EX MOD. - RETAINED	127

Service Team:

Doug McKibbin, Senior Vice President/Strategic Account Sales
Tara Cooper-Salaiz, Senior Account Manager/Team Leader



Run Date: 05/25/2016 02:08 PM
Report Date: 05/25/2016 02:08 PM



**Oakland Unified School District
Estimated Contribution/Premium Summary
July 1, 2016 to July 1, 2017
Member Retained Limit
Liability \$ 250,000 Property \$ 250,000**

Proforma Footnote Report

- 1. 2014/2015 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 \$9 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 + Lottery ADA x Reinsurance 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. Cyber Liability:** Lottery ADA x Cyber Liability Rate
- 10. Equip Brkdn:** Equipment Breakdown (B&M) Property TIV/\$100 x Equipment Breakdown Rate
- 11. Program Total:** Sum of Liability, Excess Liability, Property, EDP, Crime, Cyber Liability and Equipment Breakdown.