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Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Chief Business Officer
Rebecca Littlejohn, Risk Management Officer

Meeting Date Jun 25, 2025

Subject Approval by the Oakland Unified School District Board of Education for Insurance Premium Payments for the 2025-2026 Fiscal Year

Ask of the Board Approval by the Board of Education for membership contributions, Fiscal Year 2025-2026, for Excess Workers' Compensation, procured from PRISM a Joint Powers Authority (JPA), in the amount of \$904,000 and Excess General Liability and Property Coverage through Northern California ReLiEF ("NCR") JPA in the amount of \$4,178.073.

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 the self-insured retention ("SIR") level, which currently is \$500,000 per claim. The District joined PRISM (formally CSAC Excess Insurance Authority) in 2018 (retroactive Enactment Number 19-1022) for the purpose of Excess Workers' Compensation coverage. Limits are statutory.

Additionally, the District self-insures its risk of property & general liability coverage through membership in Northern California ReLiEF ("NCR"), which is a Joint Power Authority ("JPA") composed of school districts and administered by Keenan & Associates. The District currently has a Member Retained Limit ("MRL") of \$250,000 for both property and liability with other lines of coverage (Equipment Breakdown, Crime, Cyber Liability, Electronic Data Processing, and Active Assailant) all which have lower MRLs as outlined in the attached *pro forma*. The limits for liability coverage is \$75 Million and the limits for property coverage is \$500 Million.

Discussion Renewal for the PRISM excess Workers' Compensation program has slightly increased in comparison to the prior year. The increase is due to an increase in payroll, which is being seen in many public agencies. The District's experience modification factor (ExMod) has decreased by over 15%, which is a positive result of a decrease in open claims as well as both claim frequency and severity were lower. This shows our program is performing better every year.

The proposed JPA membership contribution to NCR (which functions similarly to an insurance premium) has increased approximately six (6) percent. The increase is a result of both Average Daily Attendance (a portion of how our District Member Retained Limit is calculated) and Total Insured Value of our property. Additionally, overall insurance rates for California K-12 schools have gone up as a result of a hard market that is being affected by social inflation and nuclear verdicts related to AB218 cases.

Fiscal Impact

Funding for the excess insurance is covered under Fund 67 (Self Insurance Fund), Resource Code 9030 (Workers' Compensation), not to exceed \$904,000 and Fund 67, Resource Code 9031 (Property & Liability), not to exceed \$4,178,073.

Attachment(s)

- Public Risk Innovation, Solutions, and Management (PRISM) 2025/26 Early Budget Estimates
- Northern California ReLiEF ProForma July 1, 2025 to July 1, 2026



Public Risk Innovation, Solutions, and Management (PRISM)

2025/26 Budget Estimates, February 2025

Oakland Unified School District

This second round of estimates have been prepared to further aid you in budgeting for the 2025/26 fiscal year. Since the initial version provided in October, we have updated the budget estimates to reflect the estimated 2025/26 exposure information submitted via the renewal applications and losses evaluated as of 6/30/2024. At the direction of the Board of Directors, the estimates provided are intended to be conservative; however, final premiums may be in excess of these estimates. PRISM has contemplated surcharge debits into these estimates. Surcharge credits from the prior year are not included. Pool rates and reinsurance/excess premiums are still estimated and pending Board approval in March therefore, we recommend you budget towards the high end of the range.

If you are aware that you have had any substantial changes over the past 12 months, please contact Sarah Bishop and a better estimate will be developed for you.

Excess Workers' Compensation Program

Premium

23/24 Premium:	\$765,669	2023/24 Estimated Payroll:	\$365,686,081
24/25 Premium:	\$829,008	2024/25 Estimated Payroll:	\$395,692,722
25/26 Estimated Premium:	\$869,000 to \$904,000	2025/26 Estimated Payroll:	\$426,321,063

PRISM pool rates are updated in this round of budget estimates, but are pending PRISM's Board approval in March of 2025. We have updated the budget estimates to reflect the estimated 2025/26 exposure information submitted via the renewal applications and losses evaluated as of 6/30/2024. Reinsurance/Excess Premiums are estimated with assumptions applied at this time. Administrative costs and fees are also estimated. Members who reported payroll exposure increases greater than 5% over last year, may see premium increases that are higher than the range provided in October. If your agency has directed us to apply the 2023/24 payroll audit to your 2025/26 premium, it has been included in the total collection shown. If you have decided to handle the payroll audit outside of the renewal premium, the estimated premium shown is the estimated total collection. As noted in the introduction, these estimates also do not contemplate any premium credits based on loss experience.



PROFORMA

JULY 1, 2025 to JULY 1, 2026

ESTIMATED CONTRIBUTION /PREMIUM SUMMARY

ReLIEF COVERAGES		MEMBER RETAINED LIMIT/ DEDUCTIBLE	CONTRIBUTION/ PREMIUM
LIABILITY	\$10,000,000 Limit Of Liability	\$250,000	\$1,730,465
PROPERTY	\$500,250,000 Total Insured Values (TIV)	\$250,000	\$1,668,853
ACTIVE ASSAILANT	\$1,000,000 per Event/\$3,000,000 Annual Aggregate	\$25,000	\$5,637
CRIME	\$5,000,000 Employee Dishonesty/Faithful Performance	\$2,500	\$8,633
CYBER LIABILITY	\$4,000,000 First Party Limit MRL is subject to terms and conditions per policy. See policy for member limit.	\$35,000	\$72,806
ELECTRONIC DATA PROCESSING EQUIPMENT	\$22,129,692 Total Insured Values (TIV)	\$250	\$60,923
EQUIPMENT BREAKDOWN	\$100,000,000 Total Insured Values (TIV)	\$1,000	\$66,953
SUBTOTAL PROGRAM COSTS			\$3,614,270
EXCESS LIABILITY	\$25,000,000 Excess Limit of Liability	\$10,000,000	\$357,044
EXCESS LIABILITY	\$50,000,000 Excess Limit of Liability	\$25,000,000	\$87,211
EXCESS LIABILITY	\$75,000,000 Excess Limit of Liability	\$50,000,000	\$52,516
TOTAL PROGRAM COSTS			\$4,111,041

LIABILITY

2023/2024 LOTTERY ADA	31,541
EX MOD. - RETAINED	142.29 %
EX MOD. - REINSURANCE	108.29 %

PROPERTY

TIV:	\$2,771,248,217
EX MOD. - RETAINED	129.68 %
EX MOD. - REINSURANCE	91.23 %

Service Team:

Account Executive: Kyle McKibbin

Account Manager: David Burnside



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Manager: Keenan & Associates, 2355 Crenshaw Blvd, Suite 200, Torrance, CA 90501

Phone: (310) 212-3344, Fax (310) 212-0300 License No. 0451271

Run By: David Burnside



PROFORMA

JULY 1, 2025 to JULY 1, 2026

ESTIMATED CONTRIBUTION/ PREMIUM SUMMARY

- PROGRAM COSTS	\$ 4,111,041
*RISK MANAGEMENT RESERVE	\$ 15,390
DEDICATED EXCESS CYBER (Optional)	\$ 51,642
TOTAL PROGRAM COSTS	\$4,178,073
*RM RESERVE = (\$0.01138 x 6,761,854 SF)	FIVE YEAR CONTRACT

Service Team:
Account Executive: Kyle McKibbin
Account Manager: David Burnside



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PROFORMA

JULY 1, 2025 to JULY 1, 2026

ESTIMATED CONTRIBUTION/ PREMIUM SUMMARY

Accepted by:

Authorized District Representative

Title:

Authorized District Representative

Witnessed by:

Kyle 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 2024/2025 program year will not exceed 14.50% 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/compensation.



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Oakland Unified School District
Estimated Contribution/Premium Summary
July 1, 2025 to July 1, 2026
Member Retained Limit
Liability \$ 250,000 Property \$ 250,000

Proforma Footnote Report

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|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. 2023/2024 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 + 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. EQB: | Equipment Breakdown (B&M) Property TIV/\$100 x Equipment Breakdown Rate |
| 11. Active Assailant: | Lottery ADA x Active Assailant Rate |
| 12. Program Total: | Sum of Liability, Excess Liability, Property, EDP, Crime, Cyber Liability, EQB and Active Assailant. |