



AGENDA

BOARD OF DIRECTORS SPECIAL BOARD MEETING

June 22, 2020 5:30 pm

<https://us04web.zoom.us/j/75849357758?pwd=VFU4dGRYZ3R0b2NUQk9PY1hoYnEvZz0>

This meeting will be conducted via web conference. To participate in the live meeting, click on the link above.

QUESTIONS and COMMENTS to address the Board during the meeting may be sent to:

Boardofdirectors@chicocountryday.org

Mission Statement

Chico Country Day School provides a safe, joyful environment where all learners are inspired to achieve their personal best.

2019-20 CCDS Board Members:

Jessika Lawrence, Chair
Chris Constantin, Vice Chair
Michele Mittman, Treasurer
Fawn Ruby, Secretary
Jamie Clyde, Member
Thang Ho, Member
Nicole Plottel, Member

1. CALL TO ORDER & ROLL CALL

2. SPECIAL SESSION

2.1 Property/Liability/Workers Compensation Insurance Proposals 2020-21

3. ADJOURNMENT: Adjourn; Next Regular Meeting is August 12, 2020

Information, Procedures and Conduct of CCDS Board Meetings:

Student Participation:

At the discretion of the Board Chair, students may be given priority to address items to the Board

Public input on specific agenda items and those items not on the agenda:

The CCDS Board of Directors welcomes and encourages public comments. Any person of the public desiring to speak shall be allowed to speak during public comment time and has the option of speaking once on any agenda item when it is being discussed. Speaking time shall generally be limited to three minutes, unless a longer period is permitted by the Board Chair. In the case of numerous requests to address the same item, the Board may select representatives to speak on each side of the item. Each person who addresses the Board must be first recognized by the presiding officer and give his or her name. Comments must be directed to the Board as a whole and not to individual board members or employees. The Board shall not take action or enter into discussion or dialog on any matter that is not on the meeting agenda, except as allowed by law. Items brought forth at this part of the meeting may be referred to the Administration or the Board may take the item under advisement. The matter may be placed on the agenda of a subsequent meeting for discussion or action by the Board.

Special Needs: If you have special needs because of a disability or you require assistance or auxiliary aids to participate in the meeting, please contact the CCDS office at 530.895.2650. CCDS will attempt to accommodate your disability.

Copies of Agendas and Related Materials: Materials are available at the meeting, on the website at www.chicocountryday.org, or in the Main office prior to the meeting @ 102 W. 11th Street, Chico, CA 95928.

CharterSAFE Insurance and Risk Management | 2020-2021 Renewal

Dear CharterSAFE member,

For the last 15+ years, CharterSAFE has been the only nonprofit, membership organization founded by charter leaders with the sole purpose of serving California charter schools. We provide high-quality insurance coverage and risk management services to over 270 member schools representing 180,000+ students and work as partners to ensure member schools are safe and sustainable.

As a nonprofit risk pool, CharterSAFE is designed as a long-term solution that can weather difficult insurance market conditions. Based on our program size, strong financial position, and successful results from ongoing risk management efforts, we have solutions and support services that are not available to schools that purchase a stand-alone policy from a for-profit insurance company. As a member of CharterSAFE, you are not only insured, you are an owner.

Each year, in addition to helping our member schools stay safe, CharterSAFE's team diligently evaluates all of the coverage programs and negotiates with our insurance carrier partners to provide members with the best possible pricing and coverage terms. Joint Power Authorities (JPAs) like CharterSAFE harness the power of group purchasing to obtain competitive pricing. By leveraging our size, we are able to negotiate terms with dozens of leading domestic and international insurance and reinsurance companies, which no individual school or insurance broker could access through the direct market. This ongoing due diligence on member schools' behalf is a valuable benefit of your ownership.

Thank you for your continued membership in the CharterSAFE insurance and risk management program. The 2019-2020 program year is nearing an end, and the renewal process for the upcoming 2020-2021 program year is now well underway. Enclosed for your review is your 2020-2021 renewal proposal.

CharterSAFE's Strategy to Maintain Stable Rates and Superior Coverage

Across the country, and especially in California, extraordinary events like wildfires and floods, increases in litigation, large settlements, and new laws have negatively impacted the cost and availability of coverage for all schools. As a result, the insurance market forecasts a cycle in which premiums and deductibles would, and are, exponentially rising for schools.

Coupled with these rising costs, coverage is becoming more restrictive and many insurers are leaving California altogether (this is known as a “hard market” in technical insurance terms). The current insurance climate for California schools has become increasingly unfavorable as outlined below; all schools, both public and private are experiencing increases in their 2020-2021 insurance-related costs.

As a JPA, CharterSAFE is able to shift between group-purchasing and self-insuring claims. Simply put, that means that when insurance rates and terms are unfavorable, CharterSAFE is able to leverage its assets to protect our members from the full effects of the fickle for-profit insurance industry. **CharterSAFE has been able to negotiate significantly lower increases on your behalf than current industry trends in the direct insurance market.**

That said, while CharterSAFE was able to drastically shield our members from the 300+% increases we are seeing in the direct insurance market, members should still plan for a substantial increase in insurance costs in their 2020-2021 budget. More than ever, schools need to combine their efforts and resources to successfully protect their people and assets.

With that in mind, on May 20, 2020, the CharterSAFE Board of Directors voted to join Schools Excess Liability Fund (SELF). SELF is an excess liability JPA school risk pool created in 1986 in response to an insurance crisis like the one we face today. As one of the largest school pools in California, SELF covers more than 3 million students statewide for excess liability coverage. SELF’s program provides \$50M in per-occurrence excess insurance limits to member schools above an underlying \$5M in coverage. CharterSAFE’s membership in SELF means members will now be afforded \$55M of liability limits at the same cost that members would have to pay for less than \$25M available in the market if not participating in SELF. These generous limits will be provided at a time when other insurance programs are reducing limits and restricting coverage.

The key drivers for insurance costs, their effects on rates and coverage, and CharterSAFE’s strategy to minimize those impacts are outlined below. *Please review your renewal proposal for specific insurance costs to your organization:*

Cost driver	Description	Effect on 2020-2021 Rates	Effect on 2020-2021 Coverage	CharterSAFE Strategy
Property Insurance Claims	Cost and availability of comprehensive property coverage continues to be negatively impacted by multiple consecutive years of catastrophic property losses due to natural disasters. This has caused dramatic increases in premiums and many insurance companies have abandoned long-standing customers, with or without a history of claims. Wildfire threats in California continue to be a grave concern for insurers and water damage claims due to inadequate maintenance and faulty repairs continue to be a problematic and expensive cost driver for schools.	Property program rates will be increasing for the 2020-2021 coverage period.	<p>Terms will remain the same as they were in 2019-2020.</p> <p>Property limits are your individual school's scheduled total insured value, based on the replacement cost of your property, up to \$100M per occurrence in 2020-2021.</p> <p>This is a decrease from a maximum limit of \$150M in 2019-2020.</p> <p>Wildfire claims will be subject to increased deductibles for multiple losses.</p>	<p>Restructured cost-sharing with our insurance company partners.</p> <p>Incentivizing and supporting members to eliminate avoidable losses.</p>
Cost driver	Description	Effect on 2020-2021 Rates	Effect on 2020-2021 Coverage	CharterSAFE Strategy
Employment Practices Liability (EPL) Claims	As the number of employment claims related to workplace discrimination, wage and hour disputes, and wrongful termination have increased, the cost of these claims has also risen. Additionally, COVID-19 has disrupted the workplace in ways that could not have been anticipated. High unemployment, large scale lay-offs, and furloughs have historically and are expected to adversely impact employment-related claims.	Rates for EPL coverage were already increasing; uncertainty created by COVID-19 will likely accelerate those increases. EPL rate increases are reflected in overall liability program rates for the 2020-2021 coverage period.	<p>For the 2020-2021 coverage period, limits will increase to \$55M per occurrence for claims of wrongful termination, discrimination, and sexual harassment. All other employment-practices related claims will have limits of \$5M per occurrence.</p> <p>Members with high claims activity will be subject to higher deductibles.</p>	<p>Restructured cost-sharing with our insurance company partners.</p> <p>HR support, consultation, and training to continue to drive down claim occurrences.</p> <p>CharterSAFE's HR Certification Program provides charter school professionals with custom training to increase competency and reduce claims.</p>

Cost driver	Description	Effect on 2020-2021 Rates	Effect on 2020-2021 Coverage	CharterSAFE Strategy
Sexual Abuse and Molestation (SAM) Claims	Unfortunately, SAM claims and the cost of claims are on the rise nationally in all youth-serving organizations. California's public schools have not been immune to this reality. Furthermore, on January 1, 2020, AB 218 went into effect extending the time limits in which survivors of childhood sexual assault, including abuse and molestation, can bring a civil claim against their perpetrator. If the assault or abuse was covered up, the victims may be entitled to up to triple the awarded damages. In addition to the psychological and reputational damage caused by these claims, California-based schools must deal with the effects of exponentially higher litigation, settlement, and award costs. As a result of these unexpected expenses, insurers are severely limiting or not offering SAM coverage in California.	SAM coverage is the most significant driver of rate increases for the 2020-2021 renewal. The increases are reflected in the overall rate increases for the liability program.	Based on current trends and the passage of AB 218, it is more vital than ever that schools are properly protected for SAM claims. This was a significant factor in the decision for CharterSAFE to join SELF (as described above). Coverage limits will be increased from \$30M to \$55M and broad coverage terms for SAM will continue to be provided. This coverage is secured at a cost that would only purchase \$25M of coverage from the for-profit reinsurance marketplace.	CharterSAFE has developed superior resources and policies with the goal of promoting a zero-tolerance culture at all member schools. Mandatory Sexual Abuse Training for all staff at member schools proactively mitigates exposure to SAM claims. By joining SELF JPA CharterSAFE will provide members with limits of \$55M with no exclusion for SAM claims.
Cost driver	Description	Effect on 2020-2021 Rates	Effect on 2020-2021 Coverage	CharterSAFE Strategy
COVID-19 Pandemic	Like the pandemic itself, how insurance will ultimately respond to COVID-19 is unpredictable. Impacts to the insurance industry will likely be widespread as there is a potential for increased claims against multiple lines of insurance coverage.	N/A for 2020-2021. However, we expect rates for EPL and workers' compensation to increase in 2021-2022 and are continually monitoring potential effects on rates in future years.	Exclusions for communicable diseases will become absolute for most coverage lines. Workers' compensation coverage for certain COVID-19 infections has been mandated by the Governor's Executive Order.	Provide members with comprehensive webinars, resources, and consultations on the Governor's Executive Order & Workers' Compensation, Hiring/Firing Best Practices, Employee Leave Policies, and the Safe Re-opening of School Campuses and Workplaces.

Summary of 2020-21 Specific Coverage Changes

- Under the Core Liability Program:
 - Higher limits of general liability coverage will be afforded to all members. As discussed above, by joining SELF, CharterSAFE's liability limits for the core liability program will be increased from \$30M to \$55M.
 - The Sexual Abuse Prevention Staff Training Mandate that was implemented for the 2019-2020 policy period will be revised. The mandate continues to require that staff at all member schools complete the training once every 2 years. In the 2020-2021 coverage period, members who fulfill the training requirement will maintain \$55M in coverage limits with no deductible. Members who fail to meet the requirement will also maintain \$55M in coverage limits, but each Sexual Abuse and Molestation (SAM) claim will be subject to a \$100K deductible. Proof of meeting the mandate has been revised to require members to prove that at least 90% of their employees have completed the training within 90 days of coverage renewal and a written promise that all new employees of the school will complete the training within 6 weeks of the start of their employment. Upon receiving proof of completion, CharterSAFE will endorse the member's policy certifying the member's deductible. New CharterSAFE members will have 90 days from the date of membership to meet the training requirement. This policy further strengthens CharterSAFE's commitment to keeping students safe and allows CharterSAFE to obtain and maintain broad coverage and appropriate limits to keep our members safe.
 - Employment Practices Liability (EPL) and Director's & Officers (D&O) claims will be subject to a tiered deductible schedule. Based on claims experience beginning five years prior to the inception of the period of coverage up to the date of loss, one or more claims on your loss history will increase the deductible as follows:

0 Prior Claims:	\$15,000 per occurrence
1 Prior Claim:	\$25,000 per occurrence
2 Prior Claims:	\$50,000 per occurrence
3 or more Prior Claims:	\$100,000 per occurrence
- Under the Property Program
 - The maximum limit per occurrence for property damage claims will be \$100,000,000 during the 2020-2021 coverage period. The per-occurrence limit was \$150,000,000 during the expiring coverage period.

- Damage resulting from wildfires will be subject to a tiered deductible schedule. Based on claims experience beginning five years prior to the inception of the period of coverage up to the date of loss, one or more claims on your loss history will increase the deductible as follows:
 - 0 Prior Claims: \$1,000 per occurrence
 - 1 Prior Claim: \$5,000 per occurrence
 - 2 Prior Claims: \$10,000 per occurrence
 - 3 or more Prior Claims: \$20,000 per occurrence
- Under All Coverages:
 - Claims resulting from certain high-risk activities are subject to a \$500 deductible for all lines of coverage and have been outlined in previous years' Memorandum of Coverage (MOC). Beginning with the 2020-2021 coverage period, fireworks, shooting ranges and underwater activities have been added to the list.
 - Claims from the use of trampolines, which are currently on the high-risk activities list will now be limited to \$5M in total coverage limits when the use is not in conjunction with an individualized education plan (IEP).
 - Communicable disease exclusions are being clarified, these exclusions currently exist in the CharterSAFE Memorandum of Coverage (MOC), but, based on COVID-19, the language has been amended to avoid any ambiguity.

2020-2021 Rates Summary

As a nonprofit risk pool, CharterSAFE is designed as a long-term solution that can weather difficult insurance market conditions. Unfortunately, in our current reality, the cost of coverage has increased exponentially, while the need for that coverage has never been greater. However, CharterSAFE's long-standing relationships with our insurance partners have effectively minimized the increases for our members, and we are well below the industry average rate of increase for this year which is commonly between 100%, and 300%!

The CharterSAFE Team and our broker-partner Gallagher Insurance and Risk Management have worked tirelessly and creatively to design a coverage program for the 2020-2021 program year that offers the most stable pricing possible and includes all coverage that is essential to protecting our member schools each and every day.

Expect the average 2020-2021 coverage renewal rate changes below for the CharterSAFE membership:

- Workers' compensation renewal rates, which make up approximately half of member contributions, are largely unchanged.
- The cost for property coverage is expected to increase approximately 25% due to disaster-related property damage including wildfires and hurricanes nationally and internationally as described above. Water damage claims due to faulty construction and inadequate maintenance and repairs continue to add to the cost increases.
- The largest increases will be to liability insurance rates which are expected to increase approximately 65% due primarily to employment practices claims, sexual abuse claims, and the passing of Assembly Bill 218, which lifts the statute of limitations for sexual abuse reporting with retroactive reporting provisions.

The average increase in total the cost of coverage for CharterSAFE members will be approximately 29%. Please review your renewal proposal for specific insurance costs to your organization.

As a member of CharterSAFE, you have access to no-cost resources to help mitigate your school's risk including human resources consulting, claims and risk management support, contract review, site inspections, robust online training, and a dedicated service team. Please continue to tap into these resources; **the safer each of our schools are, the lower our claims and insurance costs will be. It is a fruitful collective effort.** We are here to answer any questions you may have regarding your renewal. Thank you for your membership and partnership.

We look forward to serving you in the 2020-2021 year.

The CharterSAFE Team



2020-2021 Membership Proposal

Prepared for:

Chico Country Day School

Coverage Effective:

July 01, 2020 at 12:01 AM - July 01, 2021 at 12:01 AM

California Charter Schools Joint Powers Authority
P.O. Box 969, Weimar, CA 95736
Phone: 888.901.0004 Fax: 888.901.0004
www.chartersafe.org

Issued: May 28, 2020 at 2:43 pm

DISCLOSURE: This proposal is an outline of the coverages proposed by California Charter Schools Joint Powers Authority (CCSJPA) based on the information provided by the Named Member. It does not include all of the terms, coverages, exclusions, limitation and conditions of the actual contracts. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request to CCSJPA. As set forth in this document, CCSJPA DBA CharterSAFE shall be referred to as CharterSAFE.

Dear Margaret,

CharterSAFE is pleased to present your membership proposal for the 2020-2021 year. Your membership includes the following:



For a more detailed listing of our member services, please contact **Karen Bianchini**, Managing Director, Risk Management, at kbianchini@chartersafe.org or (916) 880-3460.

All of CharterSAFE's coverage placements are with insurance companies that have a financial rating with A.M. Best of A- (Excellent), financial size category VII (\$50M policyholder surplus minimum) or higher or are placed with an approved California scholastic joint powers authority.

REQUIRED SIGNATURES:

To bind coverage, you must complete and sign the following:

1. The proposal acceptance at the end of the "Member Contribution Summary" page

We look forward to working with you in the 2020-2021 year!

Thank you,

The CharterSAFE Team

CharterSAFE

2020-2021 CLAIMS AND INCIDENT REPORTS GUIDELINES

Member schools must notify CharterSAFE by submitting an online report, as soon as practicable, of an occurrence, accident, injury, claim, or suit or of circumstances that may reasonably result in a claim or suit. A delay in reporting could mean lapse in coverage.

For your protection, claims will not be accepted by phone, email, or fax.

CLAIMS FILING PROCESS ON THE WEB PORTAL

- Go to www.chartersafe.org and log in.
- If you need to reset your login credentials, please reach out to your CharterSAFE Representative: Egan Yu at eyu@chartersafe.org.
- Hover over the "Claims" tab, choose "Submit a Claim" and our website will prompt you with a series of questions to help you determine the appropriate claim form to submit.
- Complete the online questions and select the "Submit" icon at the bottom. After submission, you will receive a confirmation email with information regarding next steps.

CLAIMS RESOURCES AND FORMS

- Hover over the "Claims" tab, choose "Resources and Forms" and you will find all supporting documents you might need when filing a claim or incident report, such as:
 - Student Accident Claim Packet (English and Spanish)
 - Volunteer Accident Claim Packet (English and Spanish)
 - Statement of No Insurance
 - Workers' Compensation Claim Form (DWC-1)
 - Employee Fact Sheet
 - Kaiser on the Job Clinics
 - Employee Injury Card

For any claim reporting questions, please contact **Dennis Monahan**, Managing Director, Claims, at (619) 878-6221 or email dmonahan@chartersafe.org.

MEMBER CONTRIBUTION SUMMARY

Chico Country Day School

Coverage Effective: July 01, 2020 at 12:01 AM - July 01, 2021 at 12:01 AM

Your CharterSAFE Insurance Program includes the following coverages:

Liability & Property Package Member Contribution

\$94,618

Core Liability Program

- Directors & Officers Liability
- Employment Practices Liability
- Fiduciary Liability
- General Liability
- Employee Benefits Liability
- Educator's Legal Liability
- Sexual Abuse Liability
- Law Enforcement Liability
- Automobile Liability & Physical Damage

Crime

Property

Student & Volunteer Accident

Additional Program Coverages

- Pollution Liability and First Party Remediation
- Terrorism Liability and Property
- Cyber Liability

Workers' Compensation & Employer's Liability Member Contribution

\$36,371

Total Member Contribution

\$130,989

Choose One Payment Option

☐ **Payment in Full \$130,989**

☐ **Installment Plan**

- Deposit (25%) - Due Now - \$32,747
- 9 Monthly Installments - \$10,916

*Refer to the CharterSAFE Invoice for details and instructions on payment by ACH Debits

Invoices shall become delinquent thirty (30) calendar days from installment due date. CharterSAFE membership, including insurance coverage, is subject to cancellation for any invoice over sixty (60) days past due.

Proposal Acceptance:

By signing below, I, representing the Named Member in this proposal, acknowledge that I have read the complete proposal and agree to the terms outlined within.

Print Name _____ Date _____

Signature _____ Date _____

DISCLOSURE: This proposal is an outline of the coverages proposed by California Charter Schools Joint Powers Authority (CCSJPA) based on the information provided by the Named Member. It does not include all of the terms, coverages, exclusions, limitation and conditions of the actual contracts. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request to CCSJPA. As set forth in this document, CCSJPA DBA CharterSAFE shall be referred to as CharterSAFE.

Mailing Address

102 West 11th Street
Chico, CA 95928

Continuity and Retroactive Dates

Directors & Officers Liability Continuity Date:	07/01/2015
Employment Practices Liability Continuity Date:	07/01/2015
Fiduciary Liability Continuity Date:	07/01/2015

Vehicles

None scheduled.

EXPOSURES & LOCATIONS

Member contributions are calculated based on the following exposures:

Students/Employees/Payroll

Location Address(es)	Students	Employees	Payroll
Chico Country Day School 1054 Broadway Chico, CA 95928	180	13	\$760,000.00
Chico Country Day School 102 W. 11th Street Chico, CA 95928	380	62	\$2,183,792.00
Total:	560	75	\$2,943,792.00

Property Values

Location Address(es)	Building Value	Content Value	Electronic Data Processing (EDP)	Total Insured Value (TIV)
Chico Country Day School 1054 Broadway Chico, CA 95928	\$3,000,000.00	\$350,000.00	\$350,000.00	\$3,700,000.00
Chico Country Day School 102 W. 11th Street Chico, CA 95928	\$9,700,000.00	\$363,000.00	\$363,000.00	\$10,426,000.00
Total:	\$12,700,000.00	\$713,000.00	\$713,000.00	\$14,126,000.00

CORE LIABILITY PROGRAM

Core Liability Program Coverage Limits: **\$5,000,000** Per Member Aggregate

The Core Liability Program Breaks Down As Follows:

Directors & Officers, Employment Practices, and Fiduciary Liability

Coverages	Limits	Deductibles
Directors & Officers and Company Liability	\$5,000,000 per claim and member aggregate	Varies*
Employment Practices Liability	\$5,000,000 per claim and member aggregate	Varies*
Fiduciary Liability	\$1,000,000 per claim and member aggregate	\$0

*Subject to Named Member's claim experience beginning five years prior to the inception of the period of coverage up to the date of loss. One or more claims on your loss history will increase the deductible. Refer to the Memorandum of Coverage (MOC) for the detailed tiered deductibles.

0 Claim: \$15,000.00 per occurrence
1 Claim: \$25,000.00 per occurrence
2 Claims: \$50,000.00 per occurrence
3 or more Claims: \$100,000.00 per occurrence

Reporting: Claims must be reported to CharterSAFE within 60 days after policy expiration. Coverage is provided on a claims-made basis.

General Liability

Coverages	Limits	Deductibles
Bodily Injury Property Damage	\$5,000,000 per occurrence and member aggregate	\$500 per occurrence for bodily injury arising out of participation in a school sponsored <i>High-Risk Activity</i> *
Medical Payments	\$10,000 per person \$50,000 per occurrence	\$0
Products and Completed Operations	\$5,000,000 per occurrence and member aggregate	\$0
Armed Assailant Sublimit	\$100,000 per occurrence and aggregate	\$0

*A list of *High-Risk Activities* is available at www.chartersafe.org or you may contact **Karen Bianchini** (kbianchini@chartersafe.org / (916) 880-3460) of CharterSAFE's Risk Management team.

Employee Benefits Liability

Coverages	Limits	Deductibles
Employee Benefits Liability	\$5,000,000 per occurrence and member aggregate	\$0

Educator's Legal Liability

Coverages	Limits	Deductibles
Educator's Legal Liability	\$5,000,000 per occurrence and member aggregate	\$2,500 per occurrence
IEP (Individualized Education Program) Defense Sublimit	\$50,000 per occurrence and aggregate sublimit	\$7,500 per occurrence

Sexual Abuse Liability

Coverages	Limits	Deductibles
Sexual Abuse Liability	\$5,000,000 per occurrence and member aggregate	\$0 if school completes training requirement
		\$100,000 if school did not complete training requirement
*Training Mandate Sexual Abuse Prevention Training by CharterSAFE is available under the CharterSAFE Learning Center and is REQUIRED to be completed by 90% or more of staff within 90 days of coverage renewal. New employees are required to complete the training within 6 weeks of employment.		

Law Enforcement Activities Liability

Coverages	Limits	Deductibles
Law Enforcement Activities Liability	\$5,000,000 per occurrence and member aggregate	\$0

Automobile

Coverages	Limits	Deductibles
Auto Liability, including autos scheduled with CharterSAFE, non-owned autos, and hired autos	\$5,000,000 per occurrence and member aggregate	\$0
Auto Physical Damage*	\$1,000,000 per occurrence and member aggregate	\$500 per occurrence for Hired Auto Physical Damage
*Auto Physical Damage described herein for hired automobiles is secondary to any/all rental coverage offered by the rental company(ies). CharterSAFE strongly advises our members to purchase auto physical damage when renting vehicles.		

Excess Liability - SELF

Coverage Provided by:	Schools Excess Liability Fund (SELF)
Coverage:	Excess Liability with separate Memorandum of Coverage with separate terms, conditions, and exclusions.
Limits:	\$50,000,000 per occurrence/claim and member aggregate as outlined by the SELF Memorandum of Coverage. This coverage is excess of the \$5M limits above to total a limit of \$55M.

Please note that SELF is a separate entity from CharterSAFE and carries a separate Memorandum of Coverage with different limits, terms, conditions and exclusions. You can access SELF information at www.selfjpa.org.

Employment Practices Liability coverage within the SELF JPA layer includes ONLY these three types: wrongful termination, discrimination, and/or sexual harassment.

CRIME

Coverages	Limits	Deductibles
Money and Securities	\$1,000,000 per occurrence and member aggregate	\$500 per occurrence
Forgery or Alteration	\$1,000,000 per occurrence and member aggregate	\$500 per occurrence
Employee Dishonesty	\$1,000,000 per occurrence and member aggregate	Varies*
Computer and Funds Transfer Fraud	\$1,000,000 per occurrence and member aggregate	\$500 per occurrence

*Subject to Named Member's claim experience beginning five years prior to the inception of the period of coverage up to the date of loss. One or more claims on your loss history will increase the deductible. Refer to the Memorandum of Coverage (MOC) for the detailed tiered deductibles.

- 0 Claim: \$500.00 per occurrence
- 1 Claim: \$5,000.00 per occurrence
- 2 Claims: \$10,000.00 per occurrence
- 3 or more Claims: \$20,000.00 per occurrence

PROPERTY

Perils Include: Direct Physical Loss subject to all the terms, conditions, and exclusions established in the applicable policy(ies)

Valuation: Replacement Cost as scheduled with CharterSAFE, see "Exposures & Locations" section

Coverages	Limits	Deductibles
Property	As scheduled with CharterSAFE subject to the maximum limit of \$100,000,000 per occurrence. See "Exposures & Locations" section for scheduled limits.	\$1,000 per occurrence
Boiler & Machinery / Equipment Breakdown	As scheduled with CharterSAFE subject to the maximum limit of \$100,000,000 per occurrence. See "Exposures & Locations" section for scheduled limits.	\$1,000 per occurrence
Business Interruption	\$10,000,000 per occurrence	\$1,000 per occurrence
Extra Expense	\$10,000,000 per occurrence	\$1,000 per occurrence
Causes of Loss: Water Damage Wildfire	As scheduled with CharterSAFE subject to the maximum limit of \$100,000,000 per occurrence. See "Exposures & Locations" section for scheduled limits.	Varies*

*Subject to Named Member's claim experience beginning five years prior to the inception of the period of coverage up to the date of loss. One or more claims on your loss history will increase the deductible. Refer to the Memorandum of Coverage (MOC) for the detailed tiered deductibles.

0 Claim: \$1,000.00 per occurrence
1 Claim: \$5,000.00 per occurrence
2 Claims: \$10,000.00 per occurrence
3 or more Claims: \$20,000.00 per occurrence

PLEASE NOTE:

If you have a renovation/construction project valued over \$200,000 in hard and soft costs, please contact your CharterSAFE Representative: Egan Yu at eyu@chartersafe.org. CharterSAFE is able to endorse builder's risk coverage for renovation projects up to \$10,000,000 onto your policy. Additional premium would apply.

If you are interested in a separate policy for flood and/or earthquake coverage, please contact Kiki Goldsmith (Kiki_Goldsmith@ajg.com/ 949-349-9842).

STUDENT AND VOLUNTEER ACCIDENT

Coverages	Limits	Deductibles
Student Accident	\$50,000 per injury/accident 104 Week benefit period	\$500 per injury/accident for <i>High-Risk Activities</i> *
Volunteer Accident	\$25,000 per injury/accident 104 Week benefit period	\$500 per injury/accident for <i>High-Risk Activities</i> *
*A list of <i>High-Risk Activities</i> is available at www.chartersafe.org or you may contact Karen Bianchini (kbianchini@chartersafe.org / (916) 880-3460) of CharterSAFE's Risk Management team.		

Terms & Conditions:

- Coverage is provided on an excess basis, but would become primary should the student not have health insurance.
- Claim submission deadline: 90 days after the Covered Accident.

Optional Catastrophic Student Accident Coverage:

If interested in obtaining higher limits with or without sports included, please contact:

Gallagher
18201 Von Karman Avenue, Suite #200
Irvine, CA 92612

Kiki Goldsmith
Client Service Executive
Kiki_Goldsmith@ajg.com
949-349-9842

ADDITIONAL PROGRAM COVERAGES

Pollution Liability And First Party Remediation

Coverages	Limits	Deductibles
Pollution Liability and First Party Remediation	\$1,000,000 per pollution condition or indoor environmental condition \$5,000,000 CharterSAFE Members' Combined Annual Aggregate	\$10,000 per occurrence

Reporting:

Claim must be reported to CharterSAFE within 60 days after policy expiration.
Coverage is provided on a claims-made basis.

Terrorism Liability

Coverages	Limits	Deductibles
Terrorism Liability	\$5,000,000 per occurrence and CharterSAFE Members' Combined Annual Aggregate	\$0

Reporting:

Claim must be reported to CharterSAFE within 60 days after policy expiration.
Coverage is provided on a claims-made basis.

Terrorism Property

Coverages	Limits	Deductibles
Terrorism Property	As scheduled with CharterSAFE subject to the maximum limit of \$20,000,000 per occurrence. See "Exposures & Locations" section for schedule limits.	\$1,000 per occurrence

Cyber Liability

Coverages	Limits	Deductibles
Cyber Liability	\$1,000,000 per claim \$5,000,000 CharterSAFE Members' Combined Annual Aggregate	\$2,500 per claim

Coverage Includes:

- Privacy Notification Costs
- Regulatory Fines and Claim Expenses for Privacy Liability
- Extortion Damages for Extortion Threat
- Crisis Management Expenses
- Business Interruption

Reporting:

Claim must be reported to CharterSAFE within 60 days after policy expiration.
Coverage is provided on a claims-made basis.

Requirement for Coverage to be in effect:

Completed cyber application.

WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

Coverages	Limits	Deductibles
Workers' Compensation	Statutory	\$0
Employer's Liability	\$5,000,000 per Accident \$5,000,000 by Disease per Employee \$5,000,000 by Disease Policy Limit	\$0

Auditable:

The estimated payroll figure will be audited at the end of each coverage period. CharterSAFE will request copies of the 941 Federal Quarterly Reporting Forms on a quarterly basis to verify the payroll figure. If the estimated payroll figure has been overestimated, a refund will be issued. If the estimated payroll figure has been underestimated, an invoice for the additional amount due will be issued.

CharterSAFE

BE SAFE • FEEL SAFE

INVOICE

Invoice Date: May 28, 2020

Account Number: 2097

INSURED: **Chico Country Day School**

CONTACT: Margaret Reece

ADDRESS: 102 West 11th Street
Chico, CA 95928

Member Contribution for Policy Year 2020-2021

(Choose one option)

Amount

Use ACH

Due Date



Payment in Full

\$130,989.00



Due Now



Installment Plan:

Deposit (25%)

\$32,747.00



Due Now

Monthly Installment

\$10,916.00



August 01, 2020

9 installments due the 1st of every month

ACH PAYMENT OPTION!

See attached ACH form if you wish to take advantage of this payment option for Payment in Full, 25% Deposit, Monthly Installment or both 25% Deposit and Monthly Installment payments.

Please Remit All Payments To:

CharterSAFE
P.O. Box 969
Weimar, CA 95736

Questions/Comments:

Whitney Delano
Managing Director of Operations and Insurance
Phone: (888) 901-0004
Email: wdelano@chartersafe.org

Payment in Full or 25% Deposit are due at the time the proposal is accepted by signing and submitting Member Contribution Summary page of this proposal. CharterSAFE membership, including insurance coverage, is subject to cancellation for any invoice over sixty (60) days past due.

CharterSAFE

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EXECUTIVE REPORT

May 2020

WE ARE PROUD TO BE YOUR PARTNER IN SCHOOL SAFETY

With over 15 years of experience in pooled insurance and proactive risk management services specifically tailored for California's charter schools, **CharterSAFE is not just an insurance policy—it's a membership with access to services that increase the capacity of your team to build and maintain a proactive, safe school community.**

CharterSAFE is uniquely positioned as the only nonprofit Joint Powers Authority (JPA) dedicated exclusively to supporting independent California charter schools, thereby limiting risks within the pool to similarly operated entities. In real terms, that means CharterSAFE members are protected because losses are more predictable.

CharterSAFE members are our owners. We conduct due diligence, perform trend analysis, protect shared resources and provide expertise in pooled insurance, safety, risk management and human resources consulting. Our program goes beyond the conventional scope of insurance by protecting both physical and reputational assets, so charter school leaders can focus on what they do best – operating excellent schools.

2019-2020 CALIFORNIA CHARTER SCHOOLS RISK TRENDS & MITIGATION

CharterSAFE's intimate understanding of charter school trends means that we are best situated to develop risk management and insurance services to mitigate, or effectively confront, issues when they arise. Below are some of the current risk trends that CharterSAFE tracked and mitigated on behalf of our members during the 2019-20 school year.

Property Damage

Cost and availability of comprehensive property coverage continues to be negatively impacted by consecutive years of catastrophic property losses due to water damage and natural disasters like wildfire. These losses have caused dramatic increases in premiums and many insurance companies have abandoned long-standing customers, with or without a history of claims. CharterSAFE mitigates the severity of cost increases through restructuring cost-sharing with our insurance company partners, and by incentivizing and supporting members to eliminate avoidable losses such as the reoccurrence of water damage claims.

Employment Practices Liability

As the number of employment claims related to workplace discrimination, wage and hour disputes, and wrongful termination have increased, the cost of these claims has also risen. COVID-19 has disrupted the workplace in ways that were never imagined. High unemployment, large scale layoffs and furloughs have historically adversely impacted employment-related claims. While the ultimate impact will not be felt for years to come, insurance prices tend to react negatively to uncertainty. CharterSAFE works to mitigate the severity of cost increases by providing members with superior human resources support, consultation and training. This commitment is a valuable tool for negotiating terms with our insurance carrier partners.

Employee Injuries

In addition to the expected slips, trips and falls, charter school employees are

experiencing increased head trauma from physical education classes and recess-related activities. CharterSAFE works with all member schools to develop and maintain Cal/OSHA-compliant mandated plans and practices.

CharterSAFE members are also eligible to receive a safety and risk management evaluation that makes note of any compliance programs or plans that have not been adopted or require changes. As schools prepare campuses for reopening in the fall, CharterSAFE will roll out COVID-19 specific guidelines and executive order N-62-20 best practices to help prevent employee injuries and reduce its impact.

Embezzlement

Employee embezzlement is a troubling trend that has generated negative press coverage for the education sector. In response, CharterSAFE has developed resources to aid members in identifying weaknesses in their audit process and day-to-day operations and we promote exemplary internal controls to ensure continuous accountability and reliability of all financial transactions in our member schools.

Sexual Abuse and Molestation (SAM)

Unfortunately, SAM claims and cost of claims are on the rise nationally in all youth-serving organizations. California's public schools have not been immune to this reality. As a result, on January 1, 2020, AB 218 went into effect extending the time limits in which survivors of childhood sexual assault, including abuse and molestation, can bring a civil claim against their perpetrator.

If the assault or abuse was covered up, the victims may be entitled to up to triple the awarded damages. In addition to the psychological and reputational damage caused by these claims, California schools must deal with the effects of exponentially higher litigation, settlement and award costs. As a result of these expenses, insurers are severely limiting or not offering SAM coverage in California.

CharterSAFE already requires mandatory Sexual Abuse Prevention Training for staff. This proactive step means that we can encourage a zero-tolerance culture within our schools and allows us to maintain comprehensive coverage and appropriate coverage limits to protect our member schools. CharterSAFE has further mitigated risks by encouraging our member schools to:

1

Review your record retention policy and all insurance policies since the charter's opening year to gain clarity about what is covered and who to contact if you are to receive a notice of claim.

2

Take advantage of CharterSAFE's staff training on this critical topic and access CharterSAFE resources on effectively identifying potential threats through the hiring process. Reach out to Kim Alonzo, Risk Manager at kalonzo@chartersafe.org or 818.394.6532.

3

Utilize the StopIt anonymous reporting app offered at no cost to all our members.

ON THE HORIZON: 2020-2021 RISKS TO CALIFORNIA CHARTER SCHOOLS

Amidst COVID-19, our team is focused on developing trainings, templates and resources for member schools to proactively address issues unique to the upcoming school year:

School Safety

Ensuring member schools can re-open to a clean and safe place of work and learning.

Workers' Compensation (WC) Claims

Tracking and developing guidance regarding Executive Order N-62-20 which presumes WC benefits to any employee who contracted COVID-19 within 14 days of working for their employer. We highly recommend that if you (the employer) has any employees who experienced COVID-19-like symptoms since March 19, 2020 to reach out to Susan Diamanti, Workers' Compensation Director at sdiamanti@chartersafe.org or 818.394.6549 as soon as possible.

Student Injuries

Developing best practices, policies and proactive communications plans for schools to share with parents regarding student activities that cannot be supervised by the school due to mandatory closures.

Ergonomic Trauma

Developing best practices, policies and proactive communications plans for school leaders to share with their staff regarding ergonomic-related injuries that will likely increase as employees work from home due to the COVID-19 school closures.

Sexual Abuse and Molestation Claims

Developing resources so that member schools can effectively plan for these claims including record retention, trainings and understanding past coverages if providers have not been consistent.

2020-2021 RENEWAL: DUE DILIGENCE AND BIDDING

California charter schools operate in a dynamic political and regulatory environment and carry risks as employers, facilities managers and youth-serving organizations, to name a few. **CharterSAFE acts as a steward of the charter school movement** in the annual bidding process by ensuring that member schools not only obtain the most competitive pricing but also proper coverage. We understand authorizer insurance and indemnity requirements and ensure all members meet the requirements. The CharterSAFE team knows that proper coverage and ongoing preventive measures can mean the difference between using funds to pay for a curricular program or using them to pay for a claim.

We leverage our size and expertise to negotiate terms with a roster of leading insurance companies, which no individual school or broker operating in the direct market could access. Here's a short list of the (re)insurance companies we have negotiated with during the last two renewal cycles (2019-2020):

Affiliated FM	CNA	National Union Ins. Co. of PA
AIG	Fireman's Fund	New York Marine and General
Allianz	FM Global	One Beacon
Allied World National	Gemini Insurance Co.	Princeton E&S
Alterra	Gen/Re (Genesis)	RSUI
Argonaut	Great American	Safety National
Assurance	Hartford Insurance Company	Scottsdale Insurance Co.
AWAC	Hartford Steam Boiler	State National
AXA	Indian Harbor Insurance Co.	Swiss Re
Axis	Liberty Mutual	Travelers
Beazley	Lloyds of London	Westchester Surplus Lines
Berkley	Markel	XL Insurance
Brit	Midwest Employers	Zurich
Chubb Group	Munich Re	and more

Founded in 2004 by leaders of the charter school movement, Charter**SAFE** is...

Led by a California charter school alumna.

An extension of your team and undergoes the annual bidding process on your behalf to ensure comprehensive coverage at the lowest possible rates!

Safeguarding over
850
school sites.

A partner to more than
275
members.

A nonprofit owned by our member schools.

Overseen by a board of directors exclusively comprised of charter school leaders.

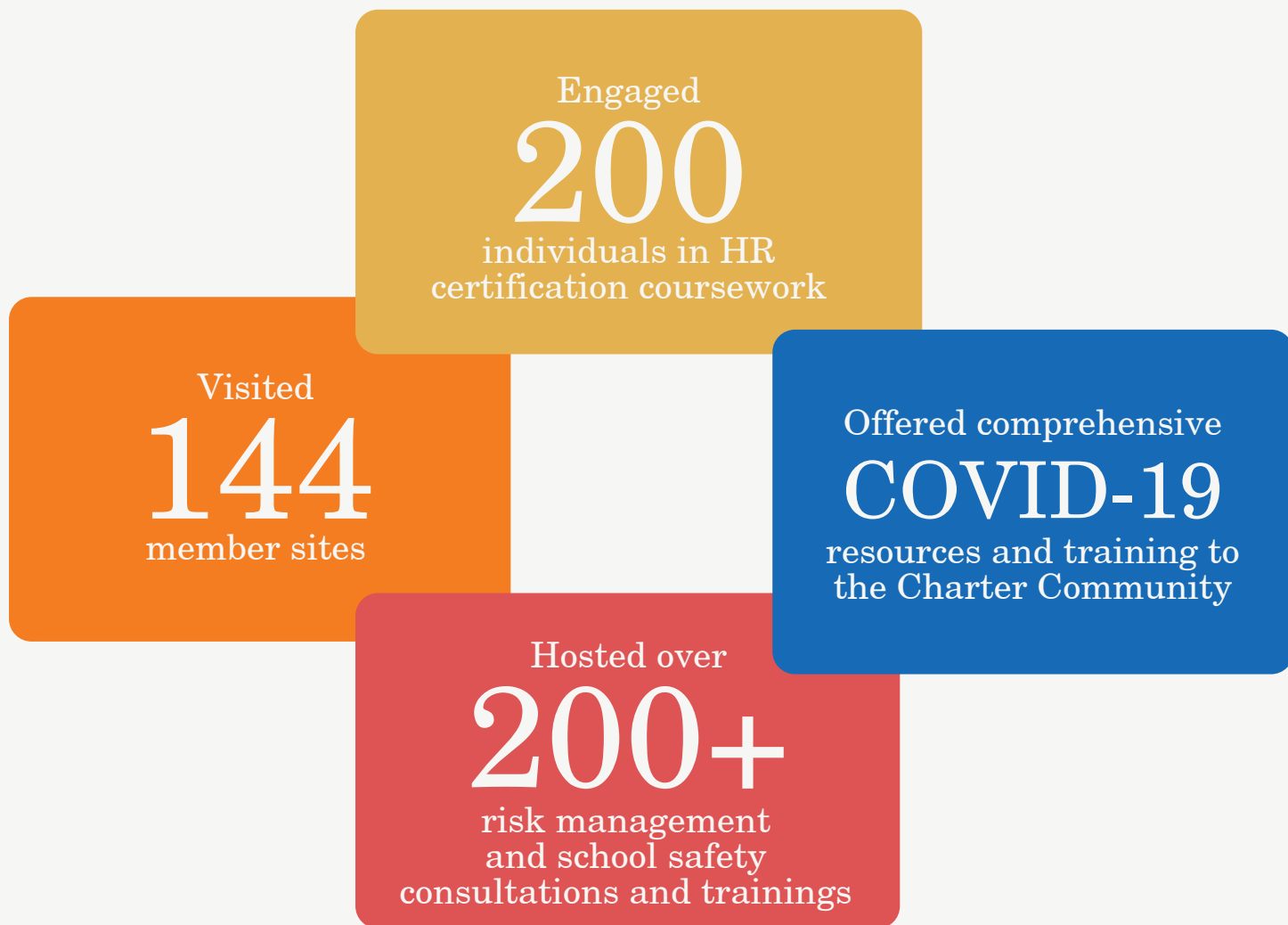
FINANCIAL POSITION

As a member-owned organization, CharterSAFE maintains operational and financial transparency. To ensure we are stable and can weather the impact of changing insurance markets, loss trends and new regulatory demands, CharterSAFE works closely with an actuary—a professional with a deep understanding of statistics and business management—to develop and sustain our reserving practices. These practices have allowed us to build a strong financial position over the last 15 years. We are happy to report that, despite a sudden and drastic 34 percent recommended reserve increase to account for anticipated AB 218 SAM related claims, CharterSAFE remains strong; **we are not concerned about the possibility of assessments or an inability to fund claims during this time.**

The chart below provides our year-over-year financial summary. Stronger and more stable than ever, CharterSAFE is prepared to help our members with proactive risk management services to support you day-to-day and in the event a crisis occurs.

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Member Contributions	\$19,335,289	\$22,049,518	\$23,970,783	\$26,492,300	\$27,085,002
Investment/Misc. Income	\$ 205,166	\$ 45,341	\$ 69,435	\$ 645,539	\$ 496,267
Total Revenue	\$19,540,455	\$22,094,859	\$24,040,218	\$27,137,839	\$27,581,269
Paid Claims - Cash payments relating to claims	\$ 6,089,687	\$ 5,728,815	\$ 7,748,031	\$ 8,691,340	\$ 8,672,883
Change in Claims Reserve - Estimated amounts of future payments relating to existing claims	\$ 1,651	\$ 1,248,964	\$ 415,739	\$ 1,300,690	\$ 1,144,200
Change in Claims IBNR - Estimated amounts of future payments relating to claims incurred but yet reported	\$ 1,814,881	\$ 728,716	\$ 1,349,633	\$ 2,360,085	\$ 2,139,768
Change in Allocated Loss Adjustment Expenses - Estimated expenses attributed to the processing of existing claims	\$ 136,240	\$ 148,325	\$ 132,403	\$ 274,559	\$ 232,840
Total Claims Expense	\$ 8,042,459	\$ 7,854,820	\$ 9,645,806	\$12,626,674	\$12,189,691
Excess Insurance Cost	\$ 7,217,989	\$ 8,058,817	\$ 9,050,206	\$ 9,807,497	\$11,335,703
Total Claims and Excess Insurance Cost	\$15,260,448	\$15,913,637	\$18,696,012	\$22,434,170	\$23,525,394
Total Claims and Excess Insurance as a % of Member Contribution	79%	72%	78%	85%	87%
Total Operating Expense	\$ 3,429,082	\$ 3,729,722	\$ 4,054,633	\$ 4,274,067	\$ 4,055,447
Total Operating Expense as a % of Member Contribution	18%	17%	17%	16%	15%
Cash Balance	\$ 4,850,239	\$ 4,974,366	\$ 5,686,372	\$ 9,509,605	\$ 8,538,991
Investments	\$12,760,557	\$15,977,263	\$17,011,452	\$18,605,688	\$27,171,799
Total Liquid Assets	\$17,610,796	\$20,951,629	\$22,697,824	\$28,115,293	\$35,710,790
<i>Actuarial Estimated Outstanding Losses - 90% Confidence Level</i>	\$16,219,771	\$18,743,784	\$21,304,216	\$26,069,360	\$30,500,000
Surplus in Excess of 90% Confidence Level	\$ 4,337,057	\$ 6,171,217	\$ 6,798,038	\$ 7,245,499	\$ 7,617,844
Net Assets	\$ 3,368,760	\$ 5,820,260	\$ 7,109,833	\$ 7,539,434	\$ 7,539,862

In 2019-2020, CharterSAFE



THANK YOU FOR YOUR MEMBERSHIP!

We're proud to be your hands-on partner, providing sector-wide insurance and risk management expertise particularly during these uncertain times. Your job is to focus on operating excellent schools. Our job is to provide you with insurance and risk management expertise.

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CharterSAFE

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Risk Analysis Report

Evaluation of charter schools in operation for more than five years with fewer than 1,800 students

CharterSAFE is committed to providing our members with a strong understanding of school hazards and approach to risk management to keep our member schools safe. As a result, we believe a safe and secure learning environment allows member schools to focus on and dedicate resources toward empowering students through education.

CharterSAFE is in a unique position to have a bird's eye view on charter school risks throughout California. This Risk Analysis Report provides information on loss data captured within a five-year period. Data was captured on schools similar in size and was benchmarked against the entire membership of CharterSAFE. We hope this information will allow you to make informed decisions for the safety of your school.

CharterSAFE provides many member services, going above and beyond any broker to be a true partner and advocate for our member schools. In this report, we will provide you with suggestions on reducing your school risk that includes services we offer, free of charge, to our members. We hope to work with you in the 2020-2021 year to implement safety measures that fit the needs and culture of your school to prevent and reduce your risks, keeping your students, staff and organization safe and sustainable.



CharterSAFE is committed to providing our members with a strong understanding of school hazards and approach to risk management.



Protecting Schools. Promoting Safety. Customizing Insurance.

Liability and Property

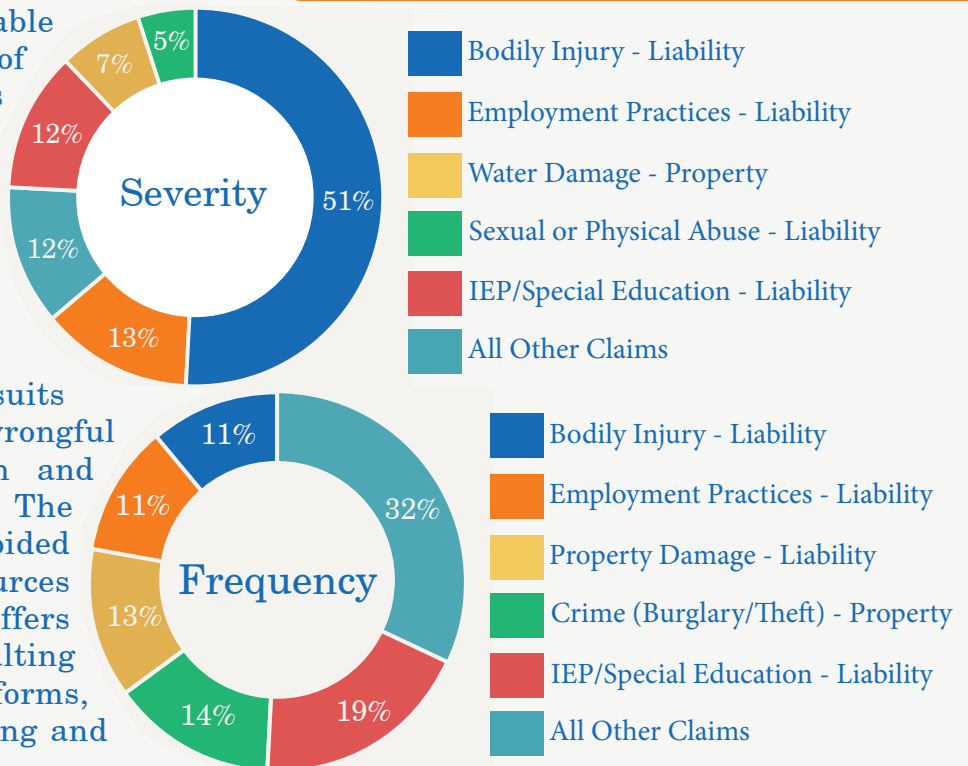
An Analysis

Bodily injuries are avoidable with frequent inspections of school grounds, use of signs and repair of any hazardous conditions identified. CharterSAFE offers site inspections, free of charge, approximately every four years.

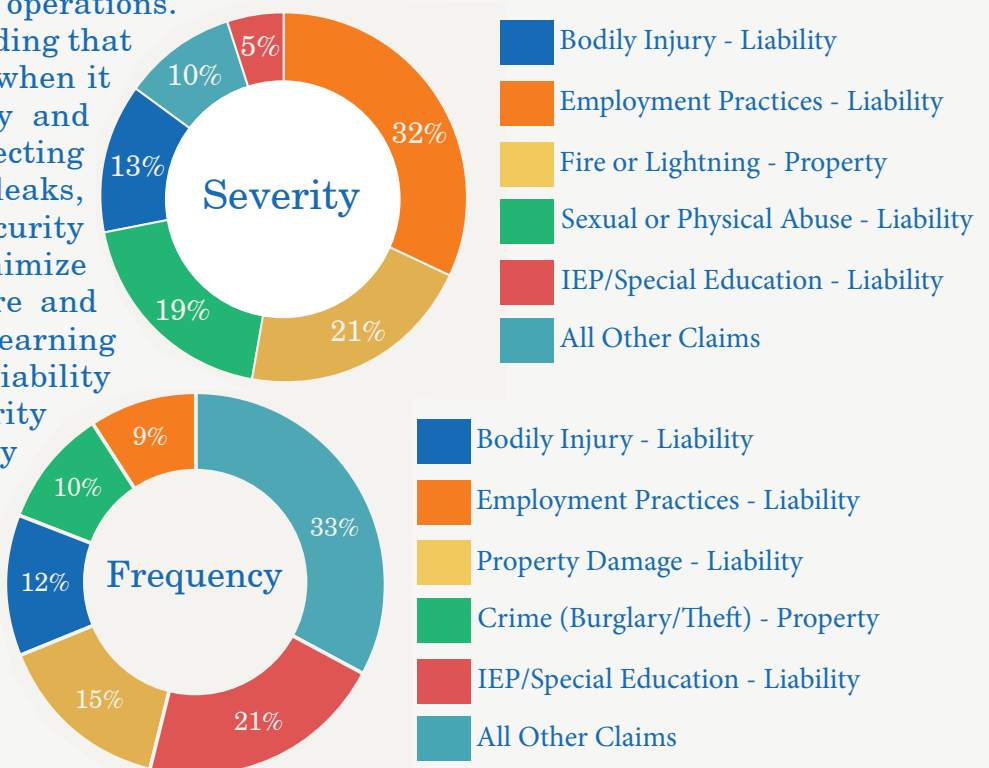
Employment practice lawsuits are generated by wrongful termination, discrimination and wage and hour violations. The types of claims can be avoided with good human resources practices. CharterSAFE offers free human resources consulting which includes templates, forms, virtual and in-person training and human resources audits.

The coming school year will be a challenge due to COVID-19 and the impact on school operations. CharterSAFE is recommending that our members be proactive when it comes to possible property and liability exposure. Inspecting closed schools for water leaks, equipment and proper security of buildings will minimize exposure due to water, fire and theft losses. Distance learning and teleworking create liability exposure to computer security breaches and boundary policy violations. Review, train and enforce all procedures and policies with staff for transparency and mitigation of these exposures.

Charter Schools In Operation for More Than Five Years With Fewer Than 1,800 Students

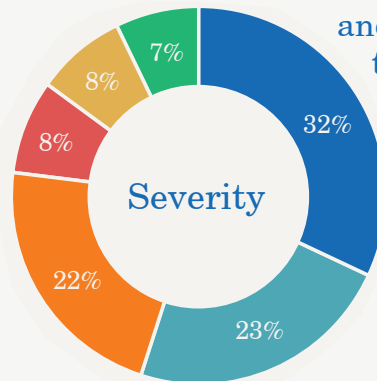
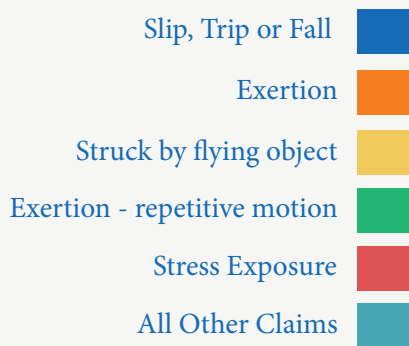


All Members

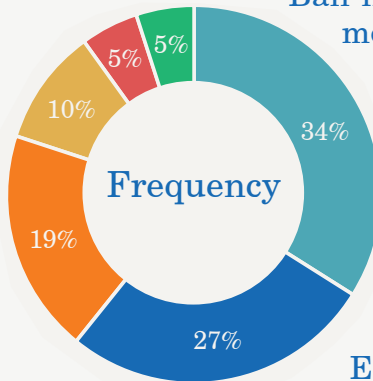
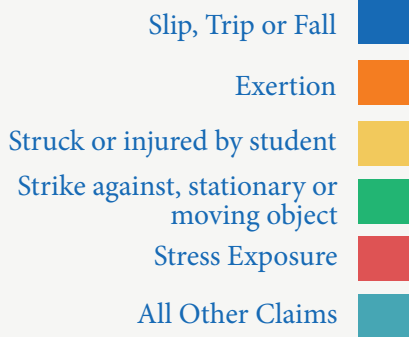


Workers' Compensation An Analysis

Charter Schools In Operation for More Than Five Years With Fewer Than 1,800 Students



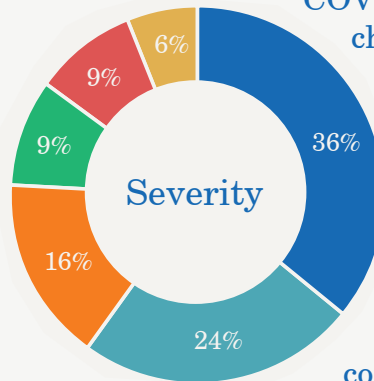
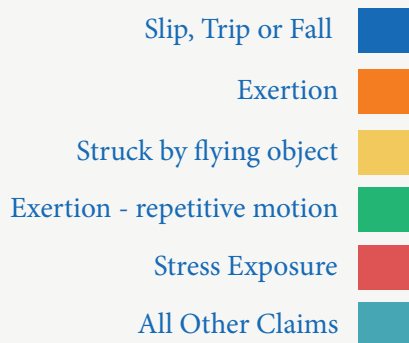
Ensure that school grounds, classrooms and common areas are free from trip hazards such as debris, tree roots, raised sidewalks, cracked pavements, book bags, cords, etc. Proper attire, especially shoes, will reduce the number of slip and falls. Make sure that any hazards are identified and clearly marked if not quickly repairable.



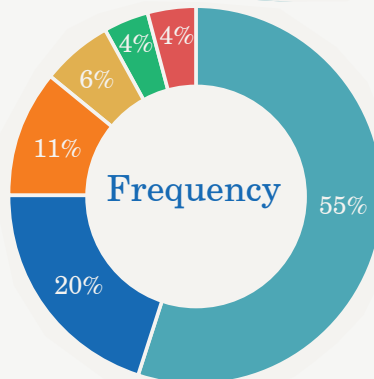
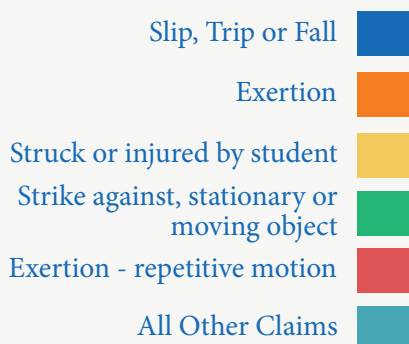
Ball injuries are on the rise. Consider moving to smaller softer type of balls and restricting to a specified play area. All employees should always be reminded to pay attention to their surroundings.

Implementation of an Employee Assistance Program (EAP) or an Employee Wellness Program to assist with management of employee stress.

All Members



COVID-19 will create unique challenges in the coming school year as it relates to workers' compensation, especially with the Governor signing Executive Order N-62-20, the Workers' Compensation Presumption. CharterSAFE will continue to provide current resources so our members can continue to be proactive.



CharterSAFE has free resources related to proper ergonomics including written ergonomic plans, ergonomic evaluations and training.

CharterSAFE

offers no cost school safety tools including...

unlimited online training through SafeSchools.

ergonomic evaluations and advice.

risk management consulting.

human resources consulting.

sample forms and templates.

contract review.

claims and litigation management.

on-demand HR courses geared specifically for charter schools.

CharterSAFE

BE SAFE • FEEL SAFE

Thank you for your membership!

We're proud to be your hands-on partner, providing sector-wide insurance and risk management expertise particularly during these uncertain times. Your job is to focus on operating excellent schools. Our job is to provide you with insurance and risk management expertise.

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Protecting Schools. Promoting Safety. Customizing Insurance.



BE SAFE • FEEL SAFE

888.901.0004 // chartersafe.org

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS (ACH Debits)

I (we) hereby authorize **CharterSAFE** to instruct my financial institution to make my **(circle all that apply)**

Paid In Full Premium Invoice

25% Deposit Premium Invoice

Monthly Premium Invoices

on the dates due from the account listed below. The authority remains in effect until *CharterSAFE* has received written notification from me of termination in time to allow reasonable opportunity to act on it, or until *CharterSAFE* has sent me written notice of termination of this agreement.

School Information

School:	Acct #:	
Contact:	Title:	
Email:		
Daytime Phone Number: ()		
Street Address:		
City:	State:	Zip:
Signature:	Date:	

Required Financial Institution Information

Name of Institution:
Account Type (<i>select one</i>): Checking Savings
Account Number:
Transit Routing Number:
(<i>see lower-left corner of your checks or call your Financial Institution</i>)

CharterSAFE

P.O. Box 969

Weimar, CA 95736

PH: (888) 901-0004/Fax: (530) 637-5701

CHICO COUNTRY DAY SCHOOL

PROPOSAL FOR INSURANCE SERVICES

EFFECTIVE: JULY 1, 2020 TO JUNE 30, 2021

DATE: 06/18/2020

CONTENTS

INTRODUCTION:

Directory	
Premium and Exposure Comparison	

SPECIFICATIONS:

Named Insured.....	
Property Insurance	
General Liability	
Automobile	
Umbrella	
Blanket Accident Policy	
Directors & Officers Liability with Employment Practices Liability	
Workers' Compensation	
Payment Plans	
Other Coverages for Discussion	
Compensation Disclosure	

ADDENDUM

A.M. Best Rating Classifications

DIRECTORY

PRINCIPAL:

Kathy Vanderslice
(858) 587-7496
kathy.vanderslice@MarshMMA.com

CLIENT EXECUTIVE:

Pedro Reyes
(858) 587-7161
pedro.reyes@MarshMMA.com

CLIENT MANAGER:

Shannon Shilling
(858) 875-5411
shannon.shilling@MarshMMA.com

PROPERTY & CASUALTY CLAIMS:

Michele Keys
(858) 587-7167
michelek@MarshMMA.com

BONDS:

Aidan Smock
(858) 550-4973
aidans@MarshMMA.com

EMPLOYEE BENEFITS:

Pedro Reyes
(858) 587-7161
pedror@MarshMMA.com

LIFE AND DISABILITY:

Sharon Healey
(858) 587-9545
sharonh@MarshMMA.com

PERSONAL INSURANCE:

Peter M. Holmes
(858) 587-7592
peterh@MarshMMA.com

CONTROLLER:

Dane Bustrum
(858) 587-7493
dane.bustrum@MarshMMA.com

HEADQUARTERS:

San Diego Office
Post Office Box 85638
San Diego, California 92186-5638
9171 Towne Centre Drive, Suite 500
San Diego, California 92122
Phone: (858) 457-3414/(800) 321-4696
Fax (858) 452-7530
www.MarshMMA.com

PREMIUM & EXPOSURE COMPARISON

EXPOSURE COMPARISON

EXPOSURE	2020 – 2021 PROPOSED PROGRAM
Property Total Insured Value	\$ 14,126,000
# of Student	560
# of Employees	75
Payrolls	\$ 3,199,421

PREMIUM COMPARISON

COVERAGE	2020-2021 CURRENT PROGRAM W/ CHARTERSAFE	2020 – 2021 PROPOSED PROGRAM W/ MARSH
Package	\$ 94,618	\$ 37,085
Umbrella	\$ Included	\$ 6,524
Directors & Officers	\$ Included	\$ Included
SELF JPA \$50 Million Umbrella	\$ Included	\$ \$9,000
Business Auto	\$ Included	\$ 373
Student Accident (AD&D)	\$ Included	\$ 1,724
Workers' Compensation	\$ 39,528*	\$ 37,405
Total	\$ 134,146	\$ 92,111

*Workers comp payroll between CharterSafe & Budget did not match, CharterSafe had payroll at \$2,943,792

NAMED INSURED

- Chico Country Day School

MAILING ADDRESS

7270 Lisbon Street
San Diego, CA 92114

SCHEDULE OF LOCATIONS

1. 7270 Lisbon St, San Diego, CA 92114

PROPERTY INSURANCE

CARRIER

GuideOne
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

LIMITS OF INSURANCE & PROPERTY COVERED

Building Coverage	\$	12,700,000
Personal Property	\$	713,000
Electronic Data	\$	713,000
Business Income/Extra Expense	\$	Actual Loss
Computer Data	\$	Included
Computer Equipment Extra Expense	\$	Included

DEDUCTIBLE

Each Loss	\$	1,000
Business Interruption		72 Hours

PROPERTY INSURANCE (CONTINUED)

COVERAGE TERMS & CONDITIONS

- Special Form Coverage including theft
- Replacement Cost Coverage
- Coinsurance 80%

COVERAGE EXTENSIONS

Newly Acquired or Constructed Building (90 days)	\$	2,000,000
Pollution Cleanup	\$	50,000
Property in Transit	\$	50,000
Ordinance or Law – Demolition Cost/Increased Cost	\$	500,000

EXCLUSIONS

- Per Policy Form; Including But Not Limited To:
 - Date Recognition
 - Mold & Mildew
 - Earthquake
 - Flood

GENERAL LIABILITY

CARRIER

GuideOne
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

POLICY FORM

- Occurrence

LIMITS OF INSURANCE

General Liability		
General Aggregate	\$	2,000,000
Products – Completed Operations Aggregate	\$	2,000,000
Personal & Advertising Injury	\$	1,000,000
Each Occurrence	\$	1,000,000
Fire Damage – Any One Fire	\$	1,000,000
Medical Expenses – Any One Person	\$	5,000
Employee Benefit Administration Liability		
Each Claim Limit	\$	1,000,000
Aggregate Limit	\$	2,000,000
Deductible	\$	1,000
Abuse & Molestation		
Each Claim Limit	\$	1,000,000
Aggregate Limit	\$	2,000,000

GENERAL LIABILITY (CONTINUED)

COVERAGE EXTENSIONS

- Educational Institution Enhancement Endorsement:
 - Additional Insureds – Manager or Lessors of Premises; Funding Sources; Contractual Obligations
 - Additional Insureds – Groups, Board members, trustees, student teachers
 - Blanket Waiver of Subrogation
 - Broadened Advertising Injury
 - Broadened Personal Injury

EXCLUSIONS

- Per Policy Form; Including But Not Limited To:
 - Fungi or Bacterial Exclusion
 - Liability arising out of Lead
 - Violation of Statutes
 - Nuclear Energy Liability
 - Asbestos

AUTOMOBILE

CARRIER

GuideOne
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

LIMITS OF INSURANCE

VEHICLES COVERED

LIMITS

Hired & Non-owned Auto

\$ 1,000,000

EXCLUSIONS

- Per Policy Form; Including But Not Limited To:
 - Contractual Liability
 - Pollution
 - Uninsured Motorists Punitive Damages

UMBRELLA

CARRIER

GuideOne
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

POLICY FORM

- Occurrence

LIMITS OF INSURANCE

General Aggregate	\$	5,000,000
Each Occurrence	\$	5,000,000
Product/ Completed Operations Aggregate	\$	5,000,000

SELF-INSURED RETENTION

Per Occurrence	\$	2,500
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EXCESS OF PRIMARY

- Commercial General Liability
- Auto Limit/Hired-auto/Non-owned auto
- Worker Compensation

UMBRELLA (CONTINUED)

EXCLUSIONS

- Per Policy Form; Including But Not Limited To:
 - Aircraft Products
 - Asbestos
 - Pollution – Hostile Fire Exception
 - Punitive Damages
 - Corporal punishment

BLANKET ACCIDENT POLICY (AD&D)

CARRIER

Philadelphia Insurance Company
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

EXCLUSIONS

- Per Policy Form

BENEFITS

Accidental Death Benefit	Principal Sum	\$	25,000
Accidental Dismemberment Benefit	Principal Sum	\$	50,000
Accidental Medical Expense Benefit	Maximum Benefit	\$	50,000
	Deductible	\$	0
	Maximum Dental	\$	Included

DIRECTORS & OFFICERS LIABILITY, EDUCATORS LEGAL LIABILITY WITH EMPLOYMENT PRACTICES LIABILITY

CARRIER

GuideOne
A.M. Best Rating: A, XV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

POLICY FORM

- Claims Made
 - All claims must be reported in writing as soon as practicable, but in no event later than ninety (90) days after such claim is first made against you. Timely reporting is required to avoid a claim denial for late notice.
 - Circumstances that may lead to a claim may be reported under this policy period and must be reported prior to policy expiration.
- Defense Costs Within Policy Limit
- Retroactive Date: Follows Expiring Policy

LIMIT

Each Claim	\$	1,000,000
Aggregate	\$	1,000,000

RETENTIONS (PER LOSS)

Insured Organization Liability	\$	5,000
Employment Practices	\$	10,000

DIRECTORS & OFFICERS LIABILITY, EDUCATORS LEGAL LIABILITY WITH EMPLOYMENT PRACTICES LIABILITY (CONTINUED)

EXCLUSIONS

- Per Policy Form; Including But Not Limited To:
 - Prior Knowledge
 - Prior Notice
 - Pending and Prior Litigation, Proceedings Demands
 - Dishonest/Fraudulent Acts
 - Illegal Personal Profit
 - Breach of Contract
 - Insured vs. Insured
 - ERISA
 - Bodily Injury/Property Damage
 - Pollution
 - Professional Services/Errors and Omissions
 - Initial Public Offering

ENTITY EXCLUSIONS

- Intellectual Property
- Product Liability

EPL-RELATED EXCLUSIONS

- Violations of Wage and Hour Laws
- Violations of COBRA/OSHA/WARN/NLRA/FLSA
- Benefits Due

CLAIMS MADE NOTIFICATION

Claims under this policy must be submitted by you to the Insurer during the policy period, or within a specific number of days as stated in the policy, after the expiration of the policy, for coverage to apply.

WORKERS' COMPENSATION

CARRIER

Nova Casualty Company
A.M. Best Rating: A, XIV

POLICY NUMBER

TBD

POLICY PERIOD

July 1, 2020 to June 30, 2021

LIMITS OF INSURANCE

Bodily Injury by Accident	\$1,000,000 accident
Bodily Injury by disease	\$1,000,000 employee
Bodily Injury by disease	\$1,000,000 policy limit

PAYROLL

Class 8875 (Public schools)	\$ 3,199,421
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Payment Plans

GUIDEONE (DIRECT BILL)

- Full Pay
- 50% Deposit (+taxes & fees), 1 Equal payment
- 25% Deposit (+taxes & fees), 3 Equal payments
- 25% Deposit (+taxes & fees), 9 Equal payments
- \$3 Per Installment Fee

NOVA CASUALTY (AGENCY BILL)

- Full Pay
- 25% Deposit (+taxes & fees), 9 Equal payments

other Coverages for Discussion

This information has been prepared using an insurance coverage checklist. These items represent some of the possible gaps or deficiencies in the coverage currently provided.

We recommend careful review of this list. We will be pleased to provide a detailed analysis of items of interest.

PROPERTY:

Unnamed Locations Coverage- Locations not scheduled on the policy, where property coverage may be necessary.

Earthquake/Flood/Wind- Perils typically excluded from Property policy.

INLAND MARINE:

Rented Equipment- Sublimit of insurance designed to cover temporarily rented equipment.

MISCELLANEOUS LIABILITY:

Watercraft/Aircraft- Owned watercraft and aircraft typically excluded from the General Liability policy.

Pollution Legal Liability- Damage and costs of pollution clean-up are typically excluded or covered on a very limited basis on the General Liability policy.

Foreign Difference in Conditions- Coverage for foreign exposures including Property, GL, Auto, Workers' Compensation.

Privacy Liability Network Security- First and Third party coverage for theft of personal information and/or security breaches.

AUTOMOBILE:

Driver Other Car Coverage- Extends coverage to specifically named drivers who rely solely on the Business Auto policy for coverage when they are driving vehicles not scheduled in the policy.

Hired Auto Physical Damage- Physical Damage for a hired/rented vehicles. (Verify carrier's coverage grant when vehicles are rented by someone other than "insured," such as an employee)

Loss of Use- Coverage pays for Rental company's loss of use of a vehicle rented by you if damaged.

OTHER COVERAGES FOR DISCUSSION (CONTINUED)

WORKERS' COMPENSATION:

Foreign Voluntary Compensation- Supplemental WC coverage when employees are outside the policy coverage territory. See Foreign DIC.

Defense Base Act- Federal Act requires employers to provide WC coverage with enhanced benefits to those employees working on military bases as defined by the Act.

US Longshoremen & HarborWorkers'- Federal Act requires employers to provide WC coverage with enhanced benefits to those employees working on or about US navigable waterways as defined by the Act.

Jones Act- Federal Act requires employers to provide WC coverage with enhanced benefits to those employees working on or about vessels as defined by the Act.

Business Travel Accident- Supplemental coverage for employees while on business travel

Officers Included?

Volunteers Included?

EXECUTIVE RISK:

Fiduciary Liability- Liability for those accused of wrongdoing in their capacity as a fiduciary, related to ERISA plans.

Kidnap/Ransom- Coverage provided in the event of kidnapping, extortion and various threats against the company and its employees.

CRIME:

Third Party Coverage- Coverage for theft from a Client/Third Party by your Employee.

Forgery/Alteration- Additional coverage grant in the Crime policy affording coverage specifically relating to forgery or alteration.

Money & Securities-Inside & Outside Premises- Additional coverage grant in the Crime policy affording coverage specifically relating to money and securities whether on premises or in transit.

Electronic Funds Transfer- An electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a Financial Institution.

Computer Fraud- Coverage for loss from damage to Money, Securities and Other Property fraudulently transferred from inside the Premises or Bank to another person or place outside the Premises or Bank.

OTHER COVERAGES FOR DISCUSSION (CONTINUED)

EXCESS LIABILITY:

Explore additional limits

COMPENSATION DISCLOSURE

Marsh & McLennan Agency LLC dba Marsh & McLennan Insurance Agency LLC ("MMA") prides itself on being an industry leader including in the area of transparency and compensation disclosure. We believe you should understand how we are paid and also understand the services we are providing for the compensation we receive. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance services provider, MMA facilitates the placement of insurance coverage on behalf of our clients. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail commission rates can vary from transaction to transaction.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to brokers who meet set goals for all or some of the policies the brokers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on a broker's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker for certain transactions. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, from time to time, insurers may sponsor certain MMA training programs and/or events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at http://res.cloudinary.com/mma/image/upload/v1473800190/MMA_Compensation_Guide_for_Clients_rev_9.6.16_wqhfv.pdf

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

We appreciate your business and look forward to your instructions regarding the placement of your coverage on the terms outlined in this proposal.

ADDENDUM

A.M. BEST RATING CLASSIFICATIONS

SECURE RATINGS:

A++	Superior
A+	Superior
A	Excellent
A-	Excellent
B++	Very Good
B+	Very Good
B	Fair
B-	Fair
C++	Marginal
C+	Marginal
C	Weak
C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

FPR 9	Very Strong
FPR 8 and 7	Strong
FPR 6 and 5	Good
FPR 4	Fair
FPR 3	Marginal
FPR 2	Weak
FPR 1	Poor
NR-1	Insufficient Data
NR-2	Insufficient Size and/or Operating Experience
NR-3	Rating Procedure Inapplicable
NR-4	Company Request
NR-5	Not Formally Followed

AFFILIATION CODES:

G	Group
P	Pooled
R	Reinstated

RATING MODIFIERS:

U	Under Review
Q	Qualified

In addition, the A.M. Best Company classifies insurers on the basis of financial size categories ranging from I (smallest) to XV (largest). In \$Millions of Reported Policyholders Surplus and Conditional Reserve Funds

Class I	Up to 1
Class II	1 to 2
Class III	2 to 5
Class IV	5 to 10
Class V	10 to 25
Class VI	25 to 50
Class VII	50 to 100
Class VIII	100 to 250

Class IX	250 to 500
Class X	500 to 750
Class XI	750 to 1,000
Class XII	1,000 to 1,250
Class XIII	1,250 to 1,500
Class XIV	1,500 to 2,000
Class XV	2,000 or greater