

**Orange County Educational Arts Academy**  
A California Public Charter School

**BOARD OF DIRECTORS**  
**MEETING MINUTES**

**Special Meeting**

June 23, 2020

5:30 p.m. – Open Session

Teleconference

Zoom Meeting: <https://zoom.us/j/96928065746?pwd=dmpRaXhoVSt3ckUxc2FicjliNzBzQT09>

**MINUTES**

**I. Call to Order 5:30**

A. Roll Call

**Board Members**

Dr. Alfonso Bustamante  
Valerie Sullivan  
Scott Overpeck, Chair  
Ben Stanphill, Secretary  
Boris Molina

**Present**

**Absent**

	X	
X		
X		
X		
X		
		X

Carmen Aparicio

**Staff/Other**

Kristin Collins, School Director  
Janine McFarlin, Treasurer  
Mike Limon, President/Executive Director

		X
X		
X		

B. Approval of Agenda

**II. Public Comment**

No public comment

**III. Approve Property & Liability Insurance Coverage**

Action: Approve Contract with Bolton	Motion: SO Second: BS
	Vote: BM, SO, BS for VS abstained

**IV. Items for Future Meetings**

The next regularly scheduled meeting is on July 8, 2020.

**V. Adjournment**

The meeting was adjourned at 5:56 PM.

*A Revised Proposal for*

# Orange County Educational Arts Academy

Effective: July 1, 2020

**Jonathan Schreter, MBA, CIC**  
*Executive Vice President*

Prepared: June 16, 2020



## Orange County Educational Arts Academy

### Service Team

<b>Broker</b>	<b>Jonathan Schreter, Executive Vice President</b> E-mail: jschreter@boltonco.com	Direct: (626) 535-1408 Fax: (626) 405-2010
	<b>Debra Rosas, Senior Client Executive</b> E-mail: drosas@boltonco.com	Direct: (626) 535-1829 Fax: (626) 405-2044
<b>Service Team</b>	<b>Julio Lopez, Client Executive</b> E-mail: jlopez@boltonco.com	Direct: (626) 535-1441 Fax: (626) 405-2090
	<b>Abigail Dankwah, Client Analyst</b> E-mail: adankwah@boltonco.com	Direct: (626) 535-1443 Fax: (626) 507-1056

### Property & Casualty Resources

	Standard - Receipt in 24 Hours	Rush - Receipt in 3 Hours
<b>Certificates Evidences</b>	Fax: (626) 405-3808 Email: certrequest@boltonco.com	Fax: (626) 405-3809 Email: rushcertrequest@boltonco.com
<b>Property &amp; Casualty Claims</b>	<b>Carly Alba, Esq., Claims Manager</b> E-mail: calba@boltonco.com	Direct: (626) 535-1466 Fax: (626) 405-2093
<b>Workers' Comp Claims</b>	<b>Kevin Mui, Workers' Compensation Manager</b> E-mail: kmui@boltonco.com	Direct: (626) 535-1463 Fax: (626) 585-5817
<b>Safety &amp; Health Professional</b>	<b>Stefanie Nobriga, Safety &amp; Health Manager</b> E-mail: snobriga@boltonco.com	Direct: (626) 535-1436 Fax: (626) 405-2089
<b>Bonds</b>	<b>Mary Smith, Associate Producer Surety</b> E-mail: msmith@boltonco.com	Direct: (626) 535-1473 Fax: (626) 583-2124

### Department Leads

<b>Property &amp; Casualty</b>	<b>Erin Powell, Vice President, Property &amp; Casualty</b> E-mail: epowell@boltonco.com	Direct: (626) 535-1439 Fax: (626) 405-2076
<b>Employee Benefits</b>	<b>Jacqueline Roth, Director of Employee Benefits</b> E-mail: jroth@boltonco.com	Direct: (626) 535-1968 Fax: (626) 405-2031
<b>Personal Risk Management</b>	<b>Jessica Gunnar, Vice President</b> E-mail: jgunnar@boltonco.com	Direct: (626) 535-1817 Fax: (626) 405-2078



# Premium Comparison

## Orange County Educational Arts Academy

	2020-2021 CharterSAFE Premium	2020-2021 Option Premium	\$ Difference	% Difference
Liability & Property Program	\$ 81,873	\$ 81,437	\$ (436)	-1%
Workers' Compensation including State Fees	\$ 40,872	\$ 42,543	\$ 1,671	4%
<b>TOTAL</b>	<b>\$ 122,745</b>	<b>\$ 123,980</b>	<b>\$ 1,235</b>	<b>1%</b>

This proposal is a summary of terms and conditions proposed by the insurers based on the information obtained from you. The policy must be reviewed for all of the coverages, terms, conditions, and exclusions. Policy forms will be made available at your request.

The issued policy will supersede this proposal.

Higher Limits May be Available for All Coverages

# Subjectivities

## WORKERS COMPENSATION

### Independent Contractors and Subcontractors:

In the event that an Insured utilizes subcontracted labor, the insured must furnish satisfactory evidence that the subcontractor has workers compensation insurance in force, covering the work performed for the insured. The following documents may be used to provide satisfactory evidence:

- Certificate of Insurance for the subcontractor's workers compensation policy
- Certificate of exemption (if available in their state - not available in CA)
- Copy of the Subcontractor's workers compensation policy

In the event any form of this documentation is not available for review or deemed otherwise insufficient, amounts paid to these subcontractors or independent contractors will be included as payroll and utilized in the calculation of final audit premium

### Excess Liability Subject to:

Signed TRIA Form

### Workers' Compensation Subject to:

- \*Copy of Volunteer Accident policy
- \*OCEAA's Kaiser group number must be provided as a condition for issuing the policy with Kaiser credit

### Academic Security Risk Subject to:

\*Signed/Dated Application - including # of employees and details of foreign travel/confirmation of none.

### Philadelphia Package Subject to:

- \*Philadelphia has agreed to remove the Communicable Disease exclusion with confirmation of OCEAA's
- \*Communicable Disease policy/prevention program. Please provide a copy at binding.

### Philadelphia Fiduciary Subject to:

- \*Fully completed Philadelphia application signed and dated by the President, Chairman or Executive Director. Application has to be signed no earlier than 30 days prior to effective date requested and no later than 10 days after the effective date.
- \*Copy of prior carriers dec page/endorsement evidencing Prior & Pending Date request.
- \*Currently valued (within 30 days of effective date) loss runs (5 years minimum).
- \*Name, Phone Number and Email Address at the insured's location.
- \*Quote assumes no claims and terms as well as premium are subject to change upon receipt, review and acceptance of the above.

# Named Insureds

Orange County Educational Arts Academy

## Schedule of Locations

- 1 825 N. Broadway Ave., Santa Ana, CA 92701
- 2 822-826 N. Broadway Ave., Santa Ana, CA 92701

**Renewal Proposal of Insurance  
2020-2021**

**Orange County Educational Arts Academy**

	2020-2021 Renewal	2020-2021 Option	Remarks
<b>Property</b>	<b>CharterSAFE</b>	<b>Philadelphia A++ XV Admitted</b>	
Building Scheduled Limit of \$5,000,000 (CharterSAFE)	\$100,000,000	\$5,300,000	Loc #1
Ordinance or Law	Included	\$1,000,000	
Blanket Business Personal Property Scheduled Limit of \$150,000 (CharterSAFE)	Included above	\$1,500,000	
Electronic Data Processing (EDP)	\$150,000	See Inland Marine	
Blanket Business Income	\$10,000,000	\$3,000,000	
Extra Expense	\$10,000,000	Included	
Property Deductible	\$1,000 0 Claim \$5,000 1 Claim \$10,000 2 Claims \$20,000 3 or more Claims	\$5,000	
Business Income Waiting Period	\$1,000	24 Hours	
Earthquake Sprinkler Leakage		\$1,000,000	
Earthquake Sprinkler Leakage Deductible		\$25,000	
Equipment Breakdown	Included	Included	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 11,706</b>	
<u>Locations:</u> See Statement of Values			
<u>CONDITIONS:</u> Special Form; Replacement Cost; Agreed Value; 100% Co-Insurance; Includes Extended Period of Indemnity 360 Days and Increased Period of Restoration; Includes Protective Safeguard Endorsement - sprinkler and alarm system must be operable. Includes Philadelphia Bell Endorsement, Workplace Violence Loss of Income Endorsement, Crisis Management Endorsement and Elite Property Enhancement: Academic Schools Endorsements; Communicable Disease Exclusion Endorsement			
<u>EXCLUSIONS:</u> Including, but not limited to Earthquake and Flood			
<b>Inland Marine</b>			
Computer Coverage		\$500,000	
Deductible		\$1,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 715</b>	
<u>EXCLUSIONS:</u> Including, but not limited to Governmental Action; Nuclear Hazard; Off-Premises Services; War and Military Action			
<b>Crime</b>			
Employee Dishonesty	\$1,000,000	\$500,000	
Forgery or Alteration	\$1,000,000	\$500,000	
Computer and Funds Transfer Fraud	\$1,000,000	\$500,000	
Funds Transfer Fraud	Included above	Included above	
Deductible	\$500 0 Claim \$5,000 1 Claim \$10,000 2 Claims \$20,000 3 or more Claims	\$5,000	
Money & Securities - Outside	\$1,000,000	\$250,000	
Inside Premises-Robbery/Safe Burglary-M&S		\$250,000	
Deductible		\$2,500	
<b>PREMIUM</b>	<b>Included</b>	<b>Included</b>	
<u>CONDITIONS:</u> Loss Sustained Form			



**Renewal Proposal of Insurance  
2020-2021**

**Orange County Educational Arts Academy**

	2020-2021 Renewal	2020-2021 Option	Remarks
<b>Business Auto</b>		<b>CharterSAFE</b>	<b>Philadelphia A++ XV Admitted</b>
Auto Liability - Non-Owned & Hired	\$5,000,000	\$1,000,000	
Hired Auto Physical Damage	\$1,000,000	Actual Cash Value	
Hired Auto Physical Damage Deductibles	\$500	\$100/\$1,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 928</b>	
<u>CONDITIONS</u> : Employees and Volunteers as Insureds; Employees as Insureds for Hired Autos.			
<i>We are not aware of any excluded drivers at the time of quoting. The carrier may review driving records and exclude any drivers that do not meet their guidelines of acceptability.</i>			
<b>General Liability</b>			
General Aggregate Limit	Included	\$3,000,000	
Products-Completed Operations Aggregate	Included	\$3,000,000	
Personal & Advertising Injury Limit	Included	\$1,000,000	
Each Occurrence Limit	\$5,000,000	\$1,000,000	
Deductible	\$500 per Occurrence for bodily injury arising out of participation in a school sponsored High Risk Activity		
Damage to Premises Rented to You Limit - Any One Premises	\$300,000	\$300,000	
Medical Payments Limit - Any One Person	\$10,000 per person \$50,000 per occurrence	\$15,000	
Sexual Abuse & Molestation/Aggregate	\$5,000,000	\$1,000,000/\$1,000,000	
Sexual Abuse Deductible	\$0 if school completes training \$100,000 if school did not complete training	\$0	
Employee Benefits Liability/Aggregate	\$5,000,000	\$1,000,000/\$1,000,000	
Law Enforcement Liability	\$5,000,000	Included in Educators Professional Liability	Coverage for unarmed guards
Student Count	600	600	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 8,558</b>	
<u>CONDITIONS</u> : Employee Benefits Liability is a Claims-Made & Reported Form. Retroactive Date: TBD Includes Employee Defense Coverage; Volunteers and Employees as Insureds; Fund Raising Events Endorsement; General Liability Deluxe: Schools Endorsement			
The wording adding additional insured status for vendors, landlords, contractors or owners on your Commercial General Liability Policy applies only when there is a written contract between you and one of these entities requiring they be added to your policy as an additional insured. Please make sure to advise us if there is no contract at the time these are requested so special arrangements can be made with your insurance carrier. An unaltered purchase order is not considered a contract. Requests from these entities for additional insured status with no contract in force should be resisted as you have no legal obligation to provide this and claims against your policy in this situation could reduce the liability limits on your policy.			
<u>EXCLUSIONS</u> : Including, but not limited to Pollution; Punitive Damages; Nuclear Energy; Mold; Asbestos; Property in your Care, Custody or Control; Employment Related Practices; Fungi or Bacteria; Lead; Electronic Chat Rooms; Violations of Statutes; War; Employers Liability; Drones or Unmanned Aircraft; Aircraft or Watercraft; Trampolines or Rebounding Devices; Communicable Disease			

**Renewal Proposal of Insurance  
2020-2021**

**Orange County Educational Arts Academy**

	2020-2021 Renewal	2020-2021 Option	Remarks
<b>Umbrella</b>	<b>Schools Excess Liability Fund (SELF)</b>	<b>Philadelphia A++ XV Admitted</b>	
Per Occurrence	\$50,000,000	\$10,000,000	
Aggregate Limit	\$50,000,000	\$10,000,000	
Retention		\$10,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 7,408</b>	
<i>CONDITIONS</i> : Limits are excess of Primary General Liability, Sexual Abuse & Molestation, Employee Benefits Liability, Non-Owned & Hired Auto Liability, Employers Liability.			
<i>EXCLUSIONS</i> : Including, but not limited to Pollution; Fungi or Bacteria; Lead; Punitive Damages; Nuclear; Mold; Asbestos; Property in your Care, Custody or Control; Directors and Officers Liability; Employment Related Practices; Educators Professional Liability; Violent Event Response; Silica; Subsidence; Liquor Liability; Communicable Disease			
<b>Educators Professional Select</b>	<b>CharterSAFE</b>	<b>Philadelphia A++ XV Admitted</b>	
Educators Legal Liability - Each Claim/Aggregate	\$5,000,000	\$10,000,000	
Deductible	\$2,500	\$10,000	
IEP Defense Sublimit	\$50,000	Included	
Deductible	\$7,500		
Directors & Officers Liability	\$5,000,000	Included above	
	\$15,000 0 Claims \$25,000 1 Claim \$50,000 2 Claims		
Retention-Per Claim	\$100,000 3 or more Claims	\$10,000	
Employment Practices Liability - Each Claim/Aggregate	\$5,000,000	\$10,000,000	
	\$15,000 0 Claims \$25,000 1 Claim \$50,000 2 Claims		
Retention-Per Claim	\$100,000 3 or more Claims	\$25,000	
Non-Monetary Defense - Occurrence/Aggregate		\$100,000/\$300,000	
Retention-Per Claim		\$1,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 10,870</b>	
<i>CONDITIONS</i> : Claims-Made & Reported Form; Retroactive Date: 10/5/2009 Directors & Officers/Employment Practices Liability. Includes Wrongful Acts arising out of Education, Employment Practices, Directors, Officers and Trustees; Defense costs paid in addition to the policy limit; Includes Third Party Coverage in respects to Employment Practices Liability; Shared Limits; 12 Month Extended Reporting Period; Includes Crisis Management Enhancement Endorsement			
<i>EXCLUSIONS</i> : Including, but not limited to Pollution; Asbestos; Bodily Injury or Property Damage; Fraudulent, Dishonest, Malicious, Criminal or Intentional Wrongful Acts or Omissions; Fungi, Bacteria or Organic Pathogens; Intellectual Property; Lead; Personal and Advertising Injury; Radioactive/Nuclear Materials; Sexual Abuse & Molestation; War; Failure to Maintain Insurance; Securities; Access or Disclosure of Confidential or Personal Information; Wage and Hour Violations; Communicable Disease			

**Renewal Proposal of Insurance  
2020-2021**

**Orange County Educational Arts Academy**

	2020-2021 Renewal	2020-2021 Option	Remarks
<b>Excess Liability - 2nd Layer</b>	<b>CharterSAFE</b>	<b>Fireman's Fund A+ XV Admitted</b>	
Per Occurrence	See above	\$15,000,000	
Aggregate Limit		\$15,000,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 23,200</b>	
<i><u>CONDITIONS</u></i> : Limits are in excess of Philadelphia Umbrella Policy.			
<i><u>EXCLUSIONS</u></i> : Including, but not limited to Owned Auto; War Liability; Silica Particles; Pollution; Fungi or Bacteria; Lead; Punitive Damages; Nuclear; Mold; Asbestos; Property in your Care, Custody or Control; Subsidence; Liquor Liability; Violation of Statutes			

	CharterSAFE	Evanston A XV Non-Admitted	Remarks
<b>Excess Liability- 3rd Layer</b>			
Per Occurrence	See above	\$5,000,000	
Aggregate Limit		\$5,000,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 5,721</b>	
<i><u>CONDITIONS</u></i> : \$5M xs \$25M			
<i><u>EXCLUSIONS</u></i> : Including, but not limited to Owned Auto; War Liability; Silica Particles; Pollution; Fungi or Bacteria; Lead; Punitive Damages; Nuclear; Mold; Asbestos; Property in your Care, Custody or Control; Subsidence; Liquor Liability; Communicable Disease; Violation of Statutes			

**Coverage Re-Cap  
2020-2021**

**Orange County Educational Arts Academy**

<b>Evanston Excess Liability \$5,000,000</b>			
<b>Fireman's Fund Excess Liability \$15,000,000</b>			
<b>Philadelphia Indemnity Umbrella \$10,000,000</b>			<b>Philadelphia Indemnity Educators Professional Select Professional Liability/ Directors &amp; Officers Liability/ Employment Practices Liability \$10,000,000</b>
<b>Republic Indemnity Employer's Liability \$1,000,000</b>	<b>Philadelphia Indemnity General Liability/ Employee Benefits Liability/ Sexual Abuse &amp; Molestation \$1,000,000</b>	<b>Philadelphia Indemnity Auto Liability \$1,000,000</b>	

# Renewal Proposal of Insurance 2020-2021

## Orange County Educational Arts Academy

	2020-2020 Renewal	2020-2021 Option	Remarks
<b>Philadelphia</b>			
<b>Fiduciary Liability</b>	<b>CharterSAFE</b>	<b>A++ XV Admitted</b>	
Limit of Liability	\$1,000,000	\$1,000,000	Pending Quote
Retention			
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 671</b>	
<u>CONDITIONS</u> : Prior & Pending: TBD; Continuity: TBD; Includes Duty to Defend and Extended Reporting Periods			
<u>EXCLUSIONS</u> : Including, but not limited to Property Damage or Bodily Injury; Pollution; Violation of Law; Workplace Misconduct			
<b>Houston Casualty</b>			
<b>Cyber Liability</b>	<b>CharterSAFE</b>	<b>A++ XV Non-Admitted</b>	
Per Occurrence Limit	\$1,000,000	\$1,000,000	
Annual Aggregate - CharterSAFE	\$5,000,000	\$1,000,000	
Members' Combined			
Deductible	\$2,500	\$1,000	
<b>PREMIUM</b>	<b>Included</b>	<b>\$ 3,614</b>	
<u>CONDITIONS</u> : BrandGuard (2 week Waiting period; 12 months Period of Indemnity), System Failure (8 hour waiting period 6 months Period of Indemnity), Dependent System Failure (12 hour waiting period; 4 months Period of Indemnity), Cyber Crime Sublimit \$250,000 (includes: Financial Fraud, Telecommunications Fraud, \$50,000 Phishing Fraud), Court Attendance Costs Sublimit (No deductible);			
<u>EXCLUSIONS</u> : Including, but not limited to Nuclear Incident; Prior Knowledge; Cyber-bullying			

## Renewal Proposal of Insurance 2020-2021

### Orange County Educational Arts Academy

2020-2020 Renewal		2020-2021 Option		Remarks
		<b>National Union Fire</b>		
<b>Student / Volunteer Accident</b>		<b>CharterSAFE</b>		<b>A XV Admitted</b>
Students - Basic Medical Expense Limit	\$50,000		\$50,000	
Deductible	\$500 per injury/accident for school sponsored High Risk Activities		\$0	
Benefit Period	104 Weeks		104 Weeks	
Accidental Death/Accidental Dismemberment			\$10,000	
Volunteers - Basic Medical Expense Limit	\$25,000		\$25,000	
Deductible	\$500 per injury/accident for school sponsored High Risk Activities		\$0	
Benefit Period	104 Weeks		104 Weeks	
<b>PREMIUM</b>	<b>Included</b>	<b>\$</b>	<b>3,700</b>	
<i>CONDITIONS</i> : This policy is excess over primary health insurance if available. Incurred Period is 90 Days for Medical Expenses and 365 days for AD&D.				
		<b>Great American Ins. Co.</b>		
<b>Academic Security Risk Management</b>		<b>CharterSAFE</b>		<b>A+ XIV Admitted</b>
Limit of Liability			\$1,000,000	
Personal Accident Limit - per Person			\$250,000	
Personal Accident Limit - per Event			\$1,250,000	
<b>PREMIUM</b>		<b>\$</b>	<b>2,379</b>	
Covered Losses include Ransom, Ransom in Transit, Consultant Fees, Additional Expenses, Legal Liability and Personal Accident; Each loss has its own separate limit and coverage is per occurrence.				
		<b>Oak River Insurance</b>		
<b>Workers' Compensation</b>		<b>CharterSAFE</b>		<b>A++ XV</b>
Employers Liability Limits	\$5,000,000		\$1,000,000	
Annual Payroll	\$3,403,151		\$3,403,151	
Ex-Mod	N/A		N/A	
<b>PREMIUM</b>	<b>\$</b>	<b>40,872</b>	<b>\$</b>	<b>42,543</b>
Quote is contingent upon the insured's participation in the Medical Provider Network (MPN); Subject to Final Audit; Volunteer Coverage Not Included. USL&H Not included.				

# Renewal Proposal of Insurance 2020-2021

## Orange County Educational Arts Academy

2020-2020 Renewal		2020-2021 Option		Remarks
		<b>Markel International</b>		
<b>Active Assailant/Workplace Violence</b>		<b>CharterSAFE</b>		<b>A+ XV</b>
Aggregate	\$100,000 Armed Assailant Sublimit		\$1,000,000	Higher Limits Available
Limit			\$1,000,000	
Property Damage			Included	
Deductible			Nil	
Demolition and Rebuild			Included	
Deductible			10% Coinsurance	
Memorial Erection			Included	
Deductible			10% Coinsurance	
Business Income & Extra Expense			Included	
Deductible			5% Franchise for reduction in student count	
Third Party Liability			Included	
Deductible			Nil	
Ancillary Support			Included	
Deductible			Nil	
Funeral Cost Sublimit			\$10,000 Per Person \$150,000 Per Event	
Crisis Management Response Service			\$100,000 Per Event	
Employee Retaining Costs			\$10,000 Per Person	
Clean-Up Costs			\$100,000 Per Event	
Rest and Rehabilitation Costs			\$50,000 Per Event	
Informant Reward			\$10,000 Per Event	
<b>PREMIUM</b>		<b>\$</b>	<b>1,967</b>	
<b><u>CONDITIONS:</u></b> Active Assailant Event: An attack by an Active Assailant located at an Insured Location causing property damage and / or Bodily Injury to one (1) or more person(s), excluding the Active Assailant, at or within six hundred and one-thousand (1,000) feet of an Insured Location, including a threat or hoax of an attack.				
Business Income - 12 Month Period of Indemnity; Deductible - The franchise for reduction in student numbers means that when the affected school campus sees more than a 5% reduction in their tuition fee income, the coverage will kick in from dollar one. If insured suffers less than a 5% downturn there will be no coverage for Business Income.				
Incurral Period - Medical and Dental Expenses - within 30 days and for up to 24 months after event; Counselling Services - within 24 months of event; Crisis Management Response Services - within 12 months of event; Employee Retraining Costs - within 120 days of event; Replacement Employee Recruitment Costs - within 120 days of event; Rest and rehabilitation costs - within 12 months of event.				
<b><u>EXCLUSIONS:</u></b> Including, but not limited to war, invasion or warlike operations; hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising; caused by or arising out of burglary, house – breaking, looting, theft, armed robbery and / or larceny; caused by or arising out of road rage; caused by or arising out of arson; caused by vandals or by way of protest or strikes, labor unrest, riots or civil commotion; caused by or arising out of electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting; nuclear; radiation; seepage or discharge of pollutants; chemical or biological; asbestos; ordinance or law occasioned by any public or government or local or civil authority; fungus; mold; mildew; spores; sexual misconduct; medical or dental expenses, counselling costs or funeral expenses for the active assailant or hostage taker; money or securities; punitive or exemplary .				
<b>TOTAL PREMIUM</b>		<b>\$</b>	<b>110,153</b>	<b>\$</b>
			<b>110,880</b>	

# Workers' Compensation Comparison

## Orange County Educational Arts Academy

Workers' Compensation	2020-2021 Renewal	2020-2021 Option	Remarks
			Republic Indemnity
	CharterSAFE	A X, Admitted	
Employers Liability Limits	\$ 5,000,000	\$ 1,000,000	
Quote is contingent upon the insured's participation in the Medical Provider Network (MPN); Subject to Final Audit; Volunteer Coverage Not Included. USL&H Not included.			

Coverage Description	2020-2021 Premium*	2020-2021 Premium	\$ Difference	% Difference
Workers' Compensation	\$ 40,872	\$ 41,135	\$ 263	1%
Taxes & Fees	\$ -	\$ 1,408	\$ 1,408	
<b>Total Premium</b>	<b>\$ 40,872</b>	<b>\$ 42,543</b>	<b>\$ 1,671</b>	<b>4%</b>

Classifications	2020-2021 Payroll	2020-2021 Payroll	\$ Difference	% Difference
Class Code 8875 – Public Colleges/Schools	\$ 3,403,151	\$ 3,403,151	\$ -	0%
<b>Total Payroll</b>	<b>\$ 3,403,151</b>	<b>\$ 3,403,151</b>	<b>\$ -</b>	<b>0%</b>

Classifications	2020-2021 Net Rate	2020-2021 Net Rate	# Difference	% Difference
Class Code 8875 – Public Colleges/Schools	1.20	1.17	-0.03	-3%
Experience Modification	N/A	N/A		
Net Rates do not include Expense Constant, Terrorism, or CA Assessments & Fees.				



## Workers' Compensation Comparison

### Excluded Officers:

Please note that portions of the requirements below were as a result of a change in law effective **July 1, 2018:**

- For Corporations (Other Than Professional or Cooperative Corporations) and Trusts – An Officer or Director who owns a minimum of 10% of the stock or an Officer or Director who is covered by health insurance and owns at least 1% of the stock with a parent, grandparent, sibling, spouse, or child owning at least 10% of the stock, or a Trustee of a Trust may elect exclusion from their workers' compensation insurance policy. Each qualifying Officer, Director, or Trustee must sign a Waiver of Coverage form stating, under penalty of perjury, that s/he is eligible for exclusion.
- Professional Corporations – Owners covered by health insurance may elect exclusion from their workers' compensation insurance policy, regardless of their ownership percentage. Each Owner electing exclusion must sign and date a Waiver of Coverage form stating, under penalty of perjury, that s/he is eligible for exclusion and provide a copy of the Waiver to all other owners of the professional corporation. The professional corporation shall keep a copy of the waiver on file.
- Cooperative Corporations – An Officer or Director covered by health insurance and a disability policy may elect exclusion from their workers' compensation insurance policy, regardless of their ownership percentage. Each qualifying Officer or Director must sign a Waiver of Coverage form stating, under penalty of perjury, that s/he is eligible for exclusion and provide a copy of the Waiver to all other owners of the cooperative corporation. The cooperative corporation shall keep a copy of the waiver on file.
- For Partnerships and Limited Liability Companies – General Partners or Managing Members of LLC's may elect exclusion from their workers' compensation insurance policy. Each qualifying General Partner or Managing Member must sign a Waiver of Coverage form stating, under penalty of perjury, that s/he is eligible for exclusion.

# Insurance Coverage Checklist

Below is a list of usually available, but not all inclusive, coverages. Those items checked represent the coverages proposed. If the item is not checked, the coverage is not included. If you are interested in an explanation of and/or quotation for any of these coverages, please let us know.

<input checked="" type="checkbox"/>	Property (Building and Contents, Including Property of Others)	<input checked="" type="checkbox"/>	Crime/ERISA
<input checked="" type="checkbox"/>	Building Ordinance	<input checked="" type="checkbox"/>	Employee Dishonesty
<input checked="" type="checkbox"/>	Equipment Breakdown	<input checked="" type="checkbox"/>	Money and Securities
<input checked="" type="checkbox"/>	Business Income	<input checked="" type="checkbox"/>	Forgery and Alteration
<input checked="" type="checkbox"/>	Extra Expense	<input checked="" type="checkbox"/>	Computer Fraud
<input type="checkbox"/>	Loss of Rents	<input checked="" type="checkbox"/>	General Liability
<input type="checkbox"/>	Flood	<input checked="" type="checkbox"/>	Employee Benefits Liability
<input type="checkbox"/>	Earthquake	<input type="checkbox"/>	Aircraft Liability/Drone
<input checked="" type="checkbox"/>	Earthquake Sprinkler Leakage	<input checked="" type="checkbox"/>	Automobile
<input checked="" type="checkbox"/>	Electronic Data Processing	<input type="checkbox"/>	Foreign Property/Liability/WC
<input type="checkbox"/>	Signs	<input checked="" type="checkbox"/>	Umbrella/Excess Liability
<input type="checkbox"/>	Motor Truck Cargo Liability	<input checked="" type="checkbox"/>	Workers' Compensation Employers Liability
<input type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>	Directors and Officers Liability
<input type="checkbox"/>	Ocean Cargo	<input checked="" type="checkbox"/>	Employment Practices Liability
<input type="checkbox"/>	Employee's Tool Floater	<input type="checkbox"/>	Fiduciary Liability
<input type="checkbox"/>	Equipment Floater	<input checked="" type="checkbox"/>	Kidnap & Ransom
<input type="checkbox"/>	Installation Floater	<input checked="" type="checkbox"/>	Cyber/Privacy Liability/Internet Exposure
<input checked="" type="checkbox"/>	Valuable Papers	<input checked="" type="checkbox"/>	Educators Legal Liability
<input checked="" type="checkbox"/>	Accounts Receivable	<input type="checkbox"/>	Pollution Liability
<input type="checkbox"/>	Mold	<input checked="" type="checkbox"/>	Miscellaneous Professional Liability
<input type="checkbox"/>	Terrorism	<input checked="" type="checkbox"/>	Law Enforcement Liability
<input checked="" type="checkbox"/>	Funds Transfer Fraud	<input checked="" type="checkbox"/>	Student Accident
		<input checked="" type="checkbox"/>	Active Assailant/Workplace Violence
		<input checked="" type="checkbox"/>	Volunteer Accident

# Proposal Acceptance

## Orange County Educational Arts Academy

<u>Yes</u>	<u>No</u>	<u>Quote Option</u>
_____	_____	Property/Crime, Liability, Auto Program - Philadelphia
_____	_____	2nd Layer Excess \$15M x \$10M - Fireman's Fund
_____	_____	3rd Layer Excess \$5M x \$25M - Pending
_____	_____	Fiduciary Liability - Philadelphia
_____	_____	Cyber Liability - Houston Casualty
_____	_____	Student/Volunteer Accident - National Union
_____	_____	Academic Security Risk/K&R - Great American
_____	_____	Workers' Compensation - Republic Indemnity
_____	_____	Active Assailant - Markel
_____	_____	Insurance Coverage Checklist – Would you like a quote for any of the coverages listed on the insurance coverage checklist section of our proposal?

(NOTES:)

This proposal is a summary of terms and conditions proposed by the insurers based on information obtained from you. The policy must be reviewed for all of the coverages, terms, conditions, and exclusions. Policy forms will be made available at your request. The issued policy will supersede this proposal.

Higher limits may be available for all coverages.

I have reviewed and accept the coverages and disclosures as summarized in this proposal with any changes indicated above.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



# Proposal Acceptance

# BEST FINANCIAL STRENGTH RATING GUIDE - (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

## Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A+	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	D-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.

## Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by forced liquidation; an impaired insurer.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies of insurance companies that have never been rated by A.M. Best

## Rating Disclosure - Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

BCRs are distributed via the AM Best website at [www.ambest.com](http://www.ambest.com). For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

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# Types of Insurance Carriers

## Non-Admitted

This is an insurance carrier that is not licensed by the State of California, but is domiciled and admitted in other states and approved for use in California by the Department of Insurance. It is published on the List of Approved Surplus Lines Insurers (LASLI).

Carriers are strictly regulated by their state of domicile and must meet strict surplus lines laws and regulations in order to provide insurance in California.

These carriers are not backed by the California Insurance Guarantee Association (CIGA). They are used when coverage is not available from an admitted company either because domestic carriers feel it is too risky or because broader coverage may be available from a non-admitted carrier.

## Admitted

This is an insurance carrier that is licensed to do business in California and regulated by the Department of Insurance. Carriers are strictly regulated. Rates and policy forms must be filed with the Department of Insurance and approved before they can be offered to the insurance consumer.

The carrier is backed by the Insurance Guarantee Association (CIGA), which provides insurance against carriers which become insolvent. It assumes limited responsibility for all claims up to \$500,000, with the exception of Worker's Compensation, which has no limitation. Ocean Cargo and Crime coverages are not insured through the Association.

# Claims-Made and Reported Liability Policy

A Claims-Made and Reported Liability Policy provides third party liability coverage when a claim for damages is first made during the policy period. The incident causing the claim must occur during the policy period between the **retroactive (or continuity date) and the expiration date**, whichever is later. The claim must be reported to the carrier prior to the policy expiration date or **extended reporting period**.

## Retroactive Date

The **retroactive date** is important in determining if a Claims-Made and Reported Policy will respond to a claim. This date is usually the same as the first date this coverage was first carried. For coverage to apply, the claim must fall between the **retroactive (or continuity) date** and the expiration date of the policy or **extended reporting period**.

## Extended Reporting Period

As mentioned above, the claim must occur and be reported prior to the end of the expiration date or **extended reporting period**. An extension of time to report claims following the end of the expiration date may be purchased for claims made during the specified term purchased. This extension or **extended reporting period** is needed when a policy is cancelled or non-renewed and not placed with another carrier, renewed with an advanced **retroactive date** or changed to an “occurrence” form policy. Please note the **extended reporting period** does not extend the coverage period, only the time to report. The **extended reporting period** is usually available for a period of 12, 24, or 36 months, in some cases, longer.

## Continuity Date

This is the first date that a policy or particular limit is carried. It may act as a **retroactive date**. Some policies may have a **retroactive date and a continuity date**, especially if limits have been changed over the years.

It is very important that careful consideration be given to all of the above issues when moving coverage provided by a claims-made and reported policy.

# **CERTIFIED TERRORISM Terrorism Risk Insurance Act – “TRIA” and Terrorism Risk Insurance Program Reauthorization Act of 2015 – “TRIPRA”)**

"Certified Terrorism" is coverage offered by insurance carriers that have the financial backing of the U. S. government under the Terrorism Act of 2002, the Terrorism Risk Insurance Extension Act of 2005, the Reauthorization Act of 2007 and the Reauthorization Act of 2015. The Act is known as “TRIA.”

"Certified Terrorism" is defined under the act as: Any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, to be an act of terrorism. Criteria include:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property of infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States

Missions or certain air carriers or vessels.

- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

- e. The act must cause at least \$5,000,000 in overall insured losses attributable to all types of insurance subject to the Act.

- f. The Federal Government will pay based on formula established by law; 85% through 2015, 84% 2016; 83% 2017; 82% 2018; 81% 2019 and 80% 2020, but no more than 100 billion dollars. The carrier's maximum payment is 100 billion dollars in total for all losses.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for Workers' Compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



# IMPORTANT DECLARATION AND DISCLOSURE INFORMATION

This document and the information contained herein is designed in a format that is easy to understand and compare against previous insurance programs. As such, it is necessary to use generalized terminology. This document does not in any way confirm that coverage is, or will be, in effect. Coverage can only commence after your request for coverage is accepted by the insurance company, and a deposit premium has been received. This proposal does not in any way infer or suggest that coverage as proposed will be broader than the standard forms provided by the quoted insurance company unless the broadening features are specifically mentioned in writing in this format. The presenter of this proposal has no authority to broaden or infer coverages beyond those that are stated in writing. This proposal is only valid for 30 days.

This proposal is a summary of terms and conditions proposed by the insurers based on the information obtained from you. Therefore, you are solely responsible for the accuracy of the information furnished to the insurance carriers. We are not responsible for verifying any of this information which you have provided, nor shall we have any liability that arises from the inaccuracy of the information which you provided. All changes in your exposures to loss should be reported to us immediately so that proper coverage may be affected.

The policy must be reviewed for all of the coverages, terms, conditions, and exclusions. Policy forms will be made available at your request. The issued policy will supersede this proposal.

Upon acceptance of this proposal, it is necessary to effect insurance with proper values. Reviewing each of the coverages proposed and making changes and updates in accordance with current information and conditions is recommended. Higher limits may be available upon request.

It is important to note that any requests that you make, regarding this proposal or into the future, to change or bind your insurance coverage through email, voicemail or verbally with our staff will not take effect until written notice is received from us.

Any advice or guidance provided by any of our staff shall not be construed or relied upon as legal, accounting or actuarial advice. We encourage you to work with other professionals in those specific areas and for those specific matters.

Please also note that many insurance carriers have very strict claim reporting terms and conditions and can include wording that restricts or negates coverage should the carrier not be immediately notified of a potential claim. It is important that you refer to your actual policies for these requirements and follow them closely.

## **Compensation**

For the placement and service of your insurance program, we will receive commission-based compensation from selected insurance companies and/or wholesale intermediaries. The compensation received by us may differ depending on the product and the insurance company. We may receive additional contingent compensation from these insurance companies based upon other aggregate factors, such as claims experience, growth in new business, retention of the business, total premium volume placed, etc. We may also be reimbursed for services rendered under contract with selected premium finance companies that agree to finance your insurance premiums. Any additional fees in lieu of commissions or for services such as claims, loss control and general risk management, will be outlined in the proposal.

## **Data Protection and Use**

We are committed to protecting the privacy of your personal data. In our role as an insurance broker, we may use the data you provided us in the process of securing quotes or coverage, claims management, typical policy servicing, etc. and that data may be provided to various insurance carriers or intermediaries. If you have any specific questions about the use or access to this data, please let us know and we would be happy to discuss it with you.

## IMPORTANT DECLARATION AND DISCLOSURE INFORMATION

With respect to your logo(s) and unless otherwise instructed by you, we may, without notice or consent, use your logo(s) and other publicly available information in our marketing efforts and materials with the intent of adding additional clients and growing our business.

### **Insurance Carrier Rating**

If we have provided information in the proposal as to the current rating of an insurance carrier through the AM Best Company, which is an independent rating company, please understand that to the best of our ability we are providing their current rating as of the date of the proposal. However, these ratings are subject to change at any time. Therefore, if the rating of the carrier is important to you or your business, we advise that you check the current rating by accessing their website directly at [ambest.com](http://ambest.com) for the most current status and rating of your insurance carrier.