

LIABILITY & PROPERTY DAMAGE INSURANCE

PROVIDED BY



OSS

**ORGANIZATION OF
SELF-INSURED SCHOOLS**



(559) 819-1024 • (559) 819-1025

2133 High Street, Suite E • Selma, CA 93662

www.ossweb.org

JOINT POWERS AUTHORITY (JPA)

The OSS Joint Powers Authority (JPA) was created in 1986 by a group of Central Valley educators to provide quality liability and property damage insurance at reduced rates. OSS is the ideal size because it is large enough to obtain the benefits of a large organization but small enough to deal with the unique needs of each member district.

PHILOSOPHY

The JPA was designed by its board to provide broad insurance coverage at the lowest cost. There are no buildings owned by the JPA and no staff employed. Broker, risk management, and claims administrator services are contracted out. If necessary, other experts may be retained on a short-term basis to provide assistance. This, along with great experience factors, has kept the rates extremely low.

By providing basic services, the JPA has not inundated the districts with a great number of requirements, which are a part of many larger organizations. The preference has been to have fewer guidelines and requirements and encourage district compliance with these policies.

Unique circumstances are going to exist in each district and it is the philosophy of the JPA board to do everything possible to accommodate those needs. The board has wrestled with some difficult issues but ways have been found to accommodate each district's concerns.

ACCREDITATION

As with educational institutions, accreditation by a recognized accrediting organization has been one way of ensuring standards are established and met. Accreditation is a factor taken into consideration when excess insurance rates are

quoted. The JPA has received Accreditation with Excellence status by the California Association of Joint Powers Authorities (CAJPA) and the accreditation is renewed on a regular basis. Only thirty-five out of the hundreds of JPAs in California have received this level of accreditation.

ESTABLISHMENT OF RATES

Member funding for OSS is segregated into two areas, the Loss Fund and the Excess Coverage. The Loss Fund is the pool of funds used to satisfy the Self Insured Retention (SIR), which is the self-insured portion of each claim. Excess coverage pays for that portion of claims that may exceed the SIR. The current SIR is \$50,000 for both property and liability claims. The base rate for Loss Fund contributions is actuarially determined by the actuarial firm of Milliman, Inc. Individual member's Loss Fund rates are also calculated by the actuary by applying either a credit or surcharge to the base rate depending on the member's claim activity within the Loss Fund.

OSS RATE COMPARISON

OSS insures claims in excess of the SIR as a member of Northern California Regional Excess Liability Fund (NCR). NCR is a large JPA whose members include JPAs like OSS and individual school districts throughout northern California. NCR represents nearly 400 public school districts with a combined ADA over 1,000,000. OSS has been a member of NCR since 1996. NCR provides total property limits of \$250 Million per occurrence and liability limits of \$5 Million per occurrence. While specific property and liability rate comparisons are more complicated than Work Comp rate comparisons, NCR rates compare favorably with other school specific programs. The coverage under the

NCR program was developed specifically to address the needs of California public schools and is extremely broad compared to standard property and liability policies.

FINANCIAL CONDITION

The OSS executive committee requires the completion of an independent audit annually. OSS has contracted with Borchardt, Corona, and Faeth Accountancy Corporation to perform the audits. The latest audit (2007) shows net assets in excess of \$3 Million. Because of this surplus, OSS is able to return rebates to the members, reducing the net cost to the members significantly.

BROKER/ADMINISTRATIVE SERVICES

The service responsibilities of the Broker/Administrator for the most part are specified in the Servicing Agent Agreement between OSS and Tucker-Alexander Insurance Associates. Those services include, but are not limited to, review of gross rate calculation and individual member experience factor calculations by the actuary and presentation of rate recommendations to the OSS Board of Directors, keep board advised of policy/coverage changes that may impact OSS, and assist in obtaining and maintaining accreditation from CAJPA. OSS member districts have retained their original insurance brokers who work with the administrative broker.

Responsibilities not included in agreement but performed by the administrative broker include developing procedure policies, assisting in bylaw amendments/rewrites, utilization of outside service providers through the Request for Proposal (RFP) process, visiting members, and meeting with Third Party Administrator (TPA) to review claims, and other responsibilities as the board may see fit.

RISK MANAGEMENT SERVICES

The risk management services for OSS are provided by Brock's Loss Control Services. A full range of assistance is provided to the participating districts. These services include: meet with district staff, when invited, to discuss problems and assist in preparing an action plan; assist with preparation or review of Injury and Illness Prevention Plan (IIPP); assist members in evaluation of loss exposures; inform districts of 'best practices'; assist with hazardous materials storage and disposal; evaluate security of buildings and property; supply model policies on various topics when requested; conduct site inspections; evaluate specific hazard conditions; conduct employee training both online and in person; supply bulletins to member districts; supply an employee training matrix; supply videos when requested in English and Spanish and assist districts with CAL/OSHA compliance.

SUMMARY

OSS has served its member districts well for over twenty years. Districts are encouraged to participate in the decision-making process and because of the JPA's size, unique accommodations can be made when requested by member districts. The rates are very competitive. If you have any questions, please contact the broker, Bill Tucker or the risk manager, Henry Brock.

— Warren Jennings, OSS President