

**M E M O R A N D U M** 

**TO:** Risk Management Consultants  
**FROM:** PEGAS  
**RE:** 2025/2026 New Business Applications

\*\*\*\*\*

The materials provided in this packet are included to assist you when soliciting new members.  
(available on the SAIF website <https://www.saifund.com/> “Become A Member”)

To receive a proposal for a new member, complete and submit the following:

1. **New Business Application;**
2. **Workers Compensation - Employee Concentration Worksheet;**
3. **Property Appraisal** (if it has been completed within the last 18 months);
4. **Auto Schedule** with cost new included, the location address where buses are stored when not in use should also be included;
5. **Current Statement of Values with COPE data included;**
6. **Minimum ten (10) years of detailed losses in excel format, fund years 2014-2015 through 2023-2024 valued no earlier than 12/31/2024; and**
7. For a **School Leaders Professional Liability** proposal, please submit the **current carrier’s application or complete the attached SLPL application.**

If a district elects to join the fund, membership documents (indemnity & trust agreement, resolution to join and RMC appointment) and included new business applications are required.

Every attempt to meet your requested proposal deadline will be made. Please note, however, that **we will not quote any new business until after the May 22, 2025 Board of Trustees’ meeting** as this is when the budget for existing SAIF members will be introduced.

SAIF does not accept broker of record letters. For an RMC to have exclusive rights to a new business submission, the included RMC Appointment Resolution (page 2) must be executed by the district’s governing body and submitted with the application. Otherwise, the same assessment proposal will be sent to all applicable RMCs.

If you have any questions, please contact our office.

***Please Note: Incomplete submissions will not be reviewed.***

**RESOLUTION**

**RISK MANAGEMENT CONSULTANT**

**WHEREAS**, the \_\_\_\_\_ (“Educational Facility”) is seeking a proposal from the School Alliance Insurance Fund ("SAIF"); and

**WHEREAS**, the Bylaws of SAIF require that each educational facility designate a Risk Management Consultant to receive a proposal; and

**NOW THEREFORE, BE IT RESOLVED** that the \_\_\_\_\_ does hereby appoint \_\_\_\_\_ as its Risk Management Consultant in accordance with the Fund's Bylaws.

\_\_\_\_\_  
Date

\_\_\_\_\_  
School District Signature



Name of Entity: \_\_\_\_\_

Contact Person: \_\_\_\_\_ FEIN#: \_\_\_\_\_

District website: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Risk Management Consultant: \_\_\_\_\_

Risk Management Consultant Contact/Email: \_\_\_\_\_

Board Counsel: \_\_\_\_\_

Special Education Counsel: \_\_\_\_\_

Total Number of Employees: \_\_\_\_\_ Full Time: \_\_\_\_\_ Part Time: \_\_\_\_\_

Aides \_\_\_\_\_ Drivers \_\_\_\_\_ Custodial/Maintenance \_\_\_\_\_

Food Service \_\_\_\_\_ Other \_\_\_\_\_ Volunteers \_\_\_\_\_

**Workers' Compensation:** Please complete the workers' compensation worksheet included in the new business packet with ten (10) years of detailed loss history in excel format (*fund years 2014/2015 through 2023/2024*) valued no earlier than 12/31/2024.

Applicants for workers' compensation coverage will automatically receive a proposal for supplemental indemnity coverage.

**Package: (Includes Boiler and Machinery, General and Auto Liability, Property/Auto Physical Damage, Environmental Impairment Liability and Crime Coverage):** Include the expiring premiums below and submit ten (10) years of detailed loss history in excel format (*fund years 2014/2015 through 2023/2024*) valued no earlier than 12/31/2024.

Property Deductible: \$2,500 (minimum)

Physical Damage Deductible: \$1,000 (minimum)

**Environmental Liability:** If applicable, submit current policy and ten (10) years of loss history in excel format (*fund years 2014/2015 through 2023/2024*) valued no earlier than 12/31/2024. only applicants that elect the package coverage are eligible for the Environmental Liability Coverage.

**School Leaders Professional Liability:** Submit the current carrier's application or complete the enclosed school leaders professional liability application with ten (10) years of loss history in excel format (*fund years 2014/2015 through 2023/2024*) valued no earlier than 12/31/2024. an original signed school board legal liability application is required to bind coverage.

**Expiring Premiums:**

Workers' Compensation: \_\_\_\_\_ Property: \_\_\_\_\_

Boiler & Machinery: \_\_\_\_\_ Auto Physical Damage: \_\_\_\_\_

Environmental Liability: \_\_\_\_\_ Floater(s): \_\_\_\_\_

Cyber Liability: \_\_\_\_\_ Crime: \_\_\_\_\_

General Liability: \_\_\_\_\_ Auto Liability: \_\_\_\_\_

School Leaders Prof. Liability: \_\_\_\_\_ Excess Liability: \_\_\_\_\_

**Excess Liability:** Expiring Limit: \_\_\_\_\_

AL/GL Excess Limit Requested:  \$5M  \$10M

SLPL Excess Limit Requested:  \$5M  \$10M  \$15M

**General Liability:** Please be advised SAIF utilizes the latest fall enrollment report available from the NJDOE website for rating basis.

Please provide the following (if applicable):

1. Describe any specialized vocational classes (i.e. automotive, nursing, cosmetology, etc.) and number of participants for each

2. Describe driver education courses offered

3. Does school use, have or provide lessons for aircraft or watercraft? \*  Yes  No

\*A supplemental application may be required.

Number of Aircraft and/or Drones: \_\_\_\_\_ Number of Watercraft: \_\_\_\_\_

If yes, explain:

4. Check all athletic programs sponsored by the school system:

|               |            |            |            |               |            |
|---------------|------------|------------|------------|---------------|------------|
|               | <b>Yes</b> |            | <b>Yes</b> |               | <b>Yes</b> |
| Baseball      |            | Football   |            | Soccer        |            |
| Basketball    |            | Golf       |            | Softball      |            |
| Cheerleading  |            | Gymnastics |            | Swimming      |            |
| Crew          |            | Ice Hockey |            | Tennis        |            |
| Cross Country |            | Lacrosse   |            | Track & Field |            |
| Diving        |            | Riflery    |            | Volleyball    |            |
| Fencing       |            | Rugby      |            | Wrestling     |            |
| Field Hockey  |            | Skiing     |            |               |            |

5. Does district utilize Bleachers or Grandstands?  Yes  No  
 If yes, complete below:

|                      | <b>Number</b> | <b>Construction Material</b> | <b>Capacity</b> |
|----------------------|---------------|------------------------------|-----------------|
| Stadium w/Bleachers  |               |                              |                 |
| Additional Bleachers |               |                              |                 |

6. Does the applicant have Swimming Pools?  Yes  No  
 If yes: Number: \_\_\_\_\_ Depth: \_\_\_\_\_ Number of Lifeguards: \_\_\_\_\_  
 Number & Height of Diving Boards: \_\_\_\_\_ Beaches or Lakes: \_\_\_\_\_

7. Are trampolines used?  Yes  No  
 If yes, give number and describe supervision:

8. Are firearms or archery equipment used on premises?  Yes  No  
 If yes, explain:

9. Does the district utilize Security Guards?  Yes  No  
 Contracted?  Yes  No

If yes, Number of contracted guards: \_\_\_\_\_

If District employees:

Armed?  Yes  No

If yes, Number of armed guards: \_\_\_\_\_

If Armed, prior law enforcement experience?  Yes  No

10. Is a Certificate of Insurance required when facilities are used by outside groups? Yes No  
 If yes, state minimum limits required: \_\_\_\_\_  
 If no, explain:
11. Does the entity provide Day Care services? Yes No  
 If yes, number of locations \_\_\_\_\_ Number of children \_\_\_\_\_  
 Number of employees \_\_\_\_\_ Number of supervisors \_\_\_\_\_
12. How many nurses are employed by the school district? \_\_\_\_\_
13. How many athletic training personnel are employed by the district? \_\_\_\_\_
14. Do all underground storage tanks comply with State and Federal law? Yes No  
 If no, explain:
15. Is the applicant in compliance with State and Federal asbestos standards? Yes No  
 Comments:
16. Is there any pending environmental litigation?
17. Is there a confidence (obstacle) course on the applicant's premises? Yes No  
 If yes, explain:
18. Describe measures taken for school security:
19. Does applicant operate a radio station? Yes No
20. Provide a list of publishing activities

## **Property**

Provide the most recent appraisal and a statement of values, including the following (*required*):

- Date Built
- Construction Type (see descriptions provided)
- Number of Stories
- Sprinkler System (see descriptions provided)
- Square Footage
- Alarm System (see descriptions provided)
- For anything built prior to 1979 and valued over \$2,500,000 please provide the following on the Statement of Values: Date last updated for the Electrical, HVAC and Roof.
- Builders' Risk

**Construction Type:** Use one of the six definitions listed below.

### **Frame:**

Buildings where the exterior walls and roof are wood or other combustible materials, including construction where combustible materials are combined with other materials (such as brick veneer, stone veneer, wood iron-clad, stucco on wood).

### **Joisted Masonry:**

Buildings where the exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone tile or similar materials, and where the floors and roof are wood or other combustible materials (disregarding floors resting directly on the ground).

### **Non-Combustible:**

Buildings where the exterior walls and the floors and roof are constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

### **Masonry Non-Combustible:**

Buildings where the exterior walls are constructed of masonry materials, as described in Joisted Masonry above, with the floors and roof of metal or other non-combustible materials.

### **Modified Fire Resistive:**

Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of one hour or more but less than two hours.

### **Fire Resistive:**

Buildings where the exterior walls and floors and roof are constructed of masonry or fire resistive materials having a fire resistance rating of not less than two hours.

**Sprinkler System:** Use one of the three choices listed below.

- Full
- Partial (include %)
- None

**Alarm System:** Use one of the three choices listed below.

- Burglary
- Fire
- High/Low Temperature

Please provide the following if applicable:

21. Has a recent appraisal been completed? Yes No  
Date Completed: \_\_\_\_\_

22. To what extent has the fire protection been improved beyond the existing public protection (i.e. sprinklers, detection)? Explain:

23. If sprinkler system present, list type and latest flow test results:

24. Has the applicant ever been cited for violation of building codes? Yes No  
If yes, explain:

25. Are any school buildings now, or scheduled to be, vacant? Yes No  
If yes, explain:

26. Is there any woodworking or spray painting done on the premises? Yes No  
If yes, explain:

27. Total number of cafeterias operated by the district? \_\_\_\_\_  
What are the total gross receipts? \_\_\_\_\_

**Equipment:** Please attach a schedule of equipment including values.



**Auto Liability**

**Please Note: Include the location address where buses are stored when not in use on the automobile schedule you include with your submission.**

Classifications:

- Group I: private passenger vehicles valued under \$40,000.
- Group II: 1-20 passenger vehicles and/or vehicles valued over \$40,000.
- Group III: 20 + passenger vehicles and/or vehicles valued over \$60,000.

28. Are the driving records (i.e. M.V.R.'s) checked on all persons permitted to drive district vehicles? Yes No

If no, explain:

Questions 29-31 apply only if applicant owns or leases buses.

29. Are buses parked in a secure well-lit area? Yes No  
If no, explain:

30. Are buses used for student trips? Yes No  
If yes, explain:

31. Are buses used for non-student or livery activities? Yes No  
If yes, explain:

32. Are driver education vehicles equipped with dual controls? Yes No



# Sexual Abuse Supplemental Application

**Underwriters will rely on all statements made in this application.**

|                       |  |
|-----------------------|--|
| <b>Applicant Name</b> |  |
|-----------------------|--|

1. Is a sexual abuse prevention program currently in effect and active?  Yes  No
2. Are written policies clearly expressing management’s commitment to sexual abuse prevention currently in place?  Yes  No
3. Are sexual abuse prevention programs actively implemented and enforced throughout the organization?  Yes  No
4. Please provide the name and title of the individual responsible for the coordination of the sexual abuse prevention program:  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_
5. Do your procedures restrict the amount of one-on-one contact with minors, or require that more than one employee or volunteer is present at all times when a client or student is in your care?  Yes  No
6. Do your sexual abuse prevention programs include rules for conduct along with established disciplinary measures for non-compliance applicable to all employees, vendors and volunteers?  Yes  No
7. Are parents/custodians made aware of the child abuse program information and prevention policies and procedures?  Yes  No
8. Please identify which individuals in your organization receive sexual abuse awareness and prevention training:  

|            |                 |       |
|------------|-----------------|-------|
| Management | Times per year: | _____ |
| Staff      | Times per year: | _____ |
| Volunteers | Times per year: | _____ |
9. Please describe the type and extent of the training your new employees, vendors and volunteers receive:
10. What is your assessment of the effectiveness of your training program and what improvements do you believe to be necessary?
11. Are background checks conducted for prospective employees?  Yes  No  
 If so, is documentation maintained in personnel files?  Yes  No
12. Are background checks conducted on vendors and volunteers who may have any contact with minors?  Yes  No  
 If so, is documentation maintained in personnel files?  Yes  No

13. Please indicate if background checks include a review of:
- a. National or state sex offender hotlines  Yes  No
  - b. State Police Records  Yes  No
  - c. FBI Records  Yes  No
  - d. State Department of Social Services Records  Yes  No
  - e. Records on file with other similar public agencies  Yes  No
  - f. Personal References  Yes  No
  - g. Education Verification  Yes  No
  - h. Employment History Verification  Yes  No
14. In the past five years has any officer, employee or volunteer been terminated for cause related to sexually abusive behavior?  Yes  No
- If so, please provide detail on separate sheet.**
15. Over the past five years, has any officer or employee been transferred or placed in a different position due to allegations of sexual abuse?  Yes  No
- If so, please detail:
16. Are clients or students in your care overnight?  Yes  No
17. Do policies and procedures include an incident reporting and follow-up mechanism?  Yes  No
18. Are incident reporting and follow up procedures related to allegations of potential sexual abuse documented and maintained in personnel or other files?  Yes  No
19. Does your organization have a mechanism in place to ensure that any allegations of potential sexual abuse can be reported anonymously and are employees, vendors, volunteers, clients and students instructed to report possible instances of sexual abuse?  Yes  No
20. Are there written procedures for investigating anonymous and confidential allegations; and is the person receiving these reports specifically trained in addressing sensitive claims?  Yes  No
21. Do you report known or suspected incidents of abuse to proper police authorities?  Yes  No

## Fraud Notices

**NOTICE TO ALL APPLICANTS:** Any person who knowingly, or knowingly assists another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Declaration and Certification**

**ALL APPLICANTS MUST COMPLETE THIS SECTION.**

**BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURANCE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION INCLUDING ATTACHMENTS, ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURANCE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT. SUCH AN ACT IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**THE APPLICANT AGREES TO COOPERATE WITH THE COMPANY IN IMPLEMENTING AN ONGOING PROGRAM OF LOSS-CONTROL AND WILL ALLOW THE COMPANY TO REVIEW AND MONITOR SUCH PROGRAMS THAT THE APPLICANT UNDERTAKES IN MANAGING ITS TECHNOLOGY EXPOSURES.**

Signature of Authorized Applicant:

Signature of Broker/Agent:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Signed by Licensed Resident Agent:

\_\_\_\_\_  
(Where Required By Law)

## ARMED EMPLOYEE SUPPLEMENTAL LIABILITY APPLICATION

This application will be attached to and become a part of the policy.

### I. GENERAL INFORMATION

1. Name of entity to be insured: \_\_\_\_\_
2. Physical address: \_\_\_\_\_
3. Mailing address (if different): \_\_\_\_\_
4. City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
5. Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone: \_\_\_\_\_
6. E-mail Address: \_\_\_\_\_ Web Page Address: \_\_\_\_\_
7. Total number of armed employees: Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
8. Are you a party to any Mutual Aid Agreements?  Yes  No; If yes, with whom? \_\_\_\_\_
9. Do you provide contracted services for any other entities?  Yes  No; If yes, with whom? \_\_\_\_\_

### II. INSURANCE INFORMATION

1. Please complete the following chart based on coverage currently in force. Please indicate where coverage is not in force.

|    | Policy Type            | Policy Number | Company Name | Expiration | Limits | Deductible | Premium |
|----|------------------------|---------------|--------------|------------|--------|------------|---------|
| a. | Police Liability       |               |              |            |        |            |         |
| b. | Professional Liability |               |              |            |        |            |         |
| c. | General Liability      |               |              |            |        |            |         |
| d. | GL/LE/PO Package       |               |              |            |        |            |         |

2. What type of Liability coverage do you currently have (if any)?  Occurrence  Claims-Made
3. If your current coverage is on a claims-made basis, what is the retroactive date? \_\_\_\_\_
4. Has your Liability coverage ever been denied, canceled or non-renewed?  Yes  No  
If so, please explain: \_\_\_\_\_

### III. HIRING AND TRAINING

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. What are the minimum educational requirements for applicants? <ul style="list-style-type: none"> <li>High School Diploma or equivalent: <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>30 or more hours of college? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>60 or more hours of college? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>Bachelor's degree? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> </ul> </li> <li>2. Which of the following are included in your selection process prior to employment? <ul style="list-style-type: none"> <li>Written Exam? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>Psychological Exam? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>Professional psychological evaluation? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> <li>Background and employment investigation? <input type="checkbox"/> Yes <input type="checkbox"/> No</li> </ul> </li> </ol> | <ol style="list-style-type: none"> <li>3. Do all armed employees meet State minimum standards for training and receive certification prior to assignment to duty? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/><br/>If yes, how many hours of training? _____</li> <li>4. If the answer to #3 is "No", please explain. _____</li> </ol> |
|---|---|

|  |  |
|--|--|
| <p>5. Do you follow written policies regarding in-service training or continuing education for all armed employees?<br/> <input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p><i>If yes, how many hours per year? _____</i></p>   | <p>6. Is all employee training, both past and present, documented and kept on file?<br/> <input type="checkbox"/> Yes   <input type="checkbox"/> No</p>  |
| <p>7. Does your agency have a Field Training Program for new employees?<br/> <input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p><i>If yes, how many weeks? _____</i></p>  | <p>9. How often are armed employees certified for the following?</p> <p>Personal handgun:<br/> <input type="checkbox"/> annual   <input type="checkbox"/> bi-annual   <input type="checkbox"/> other</p> <p>Other, please describe below:<br/> <input type="checkbox"/> annual   <input type="checkbox"/> bi-annual   <input type="checkbox"/> other</p> |
| <p>8. Are employees required to complete training in the use of:<br/> Baton / PR-24 / ASP?   <input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Not Authorized<br/> Chemical irritants?   <input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Not Authorized<br/> Stun gun or Taser?   <input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Not Authorized</p> |  |

**IV. POLICIES AND PROCEDURES**

- |   |  |
|---|--|
| 1. Do you maintain a formal Policies and Procedures Manual?                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No         |
| 2. Do all employees maintain their own copy?  | <input type="checkbox"/> Yes <input type="checkbox"/> No         |
| 3. Is every employee held accountable for knowing the contents of the manual?               | <input type="checkbox"/> Yes <input type="checkbox"/> No         |
| 4. When was your manual originally assembled?   | / /  |
| 5. When was your manual last updated?   | / /  |
| 6. Is your manual regularly reviewed by competent legal counsel?                            | <input type="checkbox"/> Yes <input type="checkbox"/> No         |
| 7. By whom?   |  |
| 8. Do you have formal written policies and procedures pertaining to the following subjects: | Last Update  |
| Use of deadly force:  | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Use of non-deadly force:  | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Vehicle high-speed pursuit:   | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Domestic Violence:  | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Search and seizure:   | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Intoxicated arrestees:  | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Communicable diseases:  | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |
| Employee moonlighting   | <input type="checkbox"/> Yes <input type="checkbox"/> No   _____ |

**V. LOSS HISTORY**

1. Has any claim been made or suit filed against the entity or any person in their capacity as an official or employee of the entity in the last four years? If yes, please attach a narrative summary with details and status.  Yes  No

2. Does any official or employee have any knowledge of any fact, circumstance or situation which might reasonably be expected to give rise to a claim? If yes, please attach a narrative summary with details.  Yes  No

3. With respect to your Liability coverage, please complete the following table using the total dollars expended for both the settlements of claims and the expenses associated with defending those claims. "Reserves" refers to the estimated future expenses to resolve or dispose of the claims and includes both settlement and defense expenses.

| Year | Premium | Number of Claims | Total Loss Paid Including Deductible | Total Expenses Paid Including Deductible | Total Amount Reserved | Total Incurred Losses + Expenses |
|------|---------|------------------|--------------------------------------|--|-----------------------|----------------------------------|
|      |         |                  |                                      |  |                       |                                  |
|      |         |                  |                                      |  |                       |                                  |
|      |         |                  |                                      |  |                       |                                  |
|      |         |                  |                                      |  |                       |                                  |

**VI. WARRANTY AND ATTESTATION**

**New Jersey: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.**

The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking insurance, has read and understands this Application, and declares that all statements set forth herein are true, complete and accurate. The undersigned further declares and represents that any occurrence or event taking place prior to the inception of the policy applied for, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to the insurer. The undersigned acknowledges and agrees that the applicant's submission and Insurer's receipt of such written report, prior to the inception of the policy applied for, is a condition precedent to coverage.

The signing of this Application does not bind the undersigned to purchase the insurance, nor does review of the Application bind the insurance company to issue a policy. The applicant does hereby agree that this policy, if issued, is issued in reliance upon the truth of this application, including all requested attachments, which will be incorporated into and made a part of this policy.

\_\_\_\_\_  
**Applicant's Authorized Signature**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**





# Public/Educational Entity Pollution Liability Insurance Policy

## Application

### Instructions:

- Please type or print clearly.
- Answer **ALL** questions completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
- Provide any supporting information on a separate sheet using the applicant's letterhead and reference the applicable question number.
- Check Yes or No answers.
- This form must be completed, dated and signed by an authorized representative of the applicant.

### Required Attachments:

- Tank Inventory Lists (check here if not applicable)
- Locations Schedule

**NOTICE TO APPLICANT: The coverage applied for is solely as stated in the policy and any endorsement thereto. The policy provides liability coverage on a CLAIMS-MADE AND REPORTED basis, which covers only claims first made against an insured and reported to the Insurer, in writing, during the policy period. The policy also provides coverage for remediation costs on a DISCOVERED AND REPORTED basis, which covers only pollution conditions first discovered and reported to the Insurer, in writing, during the policy period.**

1. Name of Applicant: \_\_\_\_\_

Principal Contact: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Principal Contact Regarding Mold, Asbestos and Lead Health & Safety Issues: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Telephone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

### 2. Types of Exposures to be covered under this policy (check all that apply)

- Above Ground Storage Tanks
- Airports
- Bus Depots
- Educational Facilities
- Electric Utility
- Gas Utility
- Golf Courses
- Hazardous Waste Facilities
- Health Clinics
- Hospitals
- Housing Authorities
- Irrigation Districts
- Municipal Garages
- Landfills

- Nursing Homes/Assisted Living Communities
- Reclaimed Water Sales/Use
- Recycling Facilities (non-hazardous)
- Service Work (outside of covered locations)
- Sewage Districts
- Spraying Operation (weed/pesticide)
- Underground Storage Tanks
- Wastewater Treatment Facilities
- Water Districts
- Water Treatment Facilities

List other facility types or operations here (if applicable):

3. Population (Municipalities): \_\_\_\_\_
4. Enrollment (School Districts): \_\_\_\_\_
5. Desired effective date of coverage: \_\_\_\_\_
6. Limits of Liability and Self-Insured Retention requested:

| Limits of Liability:              | Self-Insured Retention:           |
|-----------------------------------|-----------------------------------|
| Per Pollution Condition: \$ _____ | Per Pollution Condition: \$ _____ |
| Aggregate: \$ _____               |                                   |

7. Within the past five (5) years has the applicant or any other party to this insurance purchased this type of insurance coverage?  YES  NO
  - a. *If "Yes" is indicated above, please provide detailed information regarding any such coverage and all available loss information as an attachment to this application.*
8. Within the past five (5) years have any claims been made or legal actions (including any regulatory proceedings) been brought against the applicant or any other party to the proposed insurance?  YES  NO
9. Does the applicant or any other party to the proposed insurance have knowledge of any pollution conditions at any of the proposed covered locations?  YES  NO
10. Does the applicant or any other party to the proposed insurance have knowledge of Injury to people or damage to property during the last five (5) years on or at projects where the applicant performed covered operations?  YES  NO
11. Does the applicant or any other party to the proposed insurance have knowledge of any claims made or pollution conditions during the last five (5) years resulting from the transportation of the applicant's or any other party's waste, goods or products?  YES  NO
12. Does the applicant or any other party to the proposed insurance have knowledge of any claims made with respect to pollution conditions on, at, under or migrating from any disposal sites to which the applicant's or any other party's waste is currently being, or has historically been, taken for recycling or disposal?  YES  NO
13. At the time of signing this application, is the applicant or any other party to the

proposed insurance aware of any circumstances that may reasonably be expected to give rise to a claim against the applicant or any other party to the proposed insurance from the release of pollutants?  YES  NO

*If "Yes" is indicated with respect to questions 8., 9., 10., 11., 12., and/or 13., above, please provide a detailed description of the claim or circumstance (indicate the alleged incident, location, date, type of injury, etc.). Also, please provide a summary of any steps that may have been taken to avoid or mitigate the possibility of a similar loss occurring in the future.*

**\*IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE UNLESS OTHERWISE AFFIRMATIVELY STATED IN THE POLICY.**

**Supplemental Information for Storage Tank Coverage**

**If you are seeking coverage for pollution conditions emanating from storage tanks, please complete the following.**

***If you are not, please confirm that the items below are not applicable by checking here:***

- 14. Are all of the storage tanks to be covered pursuant to this insurance (hereinafter Storage Tanks) compliant with all applicable federal, state and local laws and regulations?  YES  NO
  - a. *If "No" is indicated above, please provide a written explanation of outstanding compliance issues as an attachment to this application.*
- 15. Are any of the Storage Tanks located within the State of Florida?  YES  NO
- 16. If the applicant answered "Yes" to Question 15., above, are any of the Florida-based Storage Tanks single-walled storage tanks (i.e., bare steel tanks, steel tanks with cathodic protection, STIP ¾ tanks or tanks operating under ACT 100), regardless of whether such single-walled storage tanks have any form of tank lining?  YES  NO
- 17. Have any other storage tanks been removed or closed-in-place in the locations where the Storage Tanks are currently situated?  YES  NO
  - a. *If "Yes" is indicated above, please provide detailed information identifying the specific storage tanks to be covered pursuant to this insurance, which are situated at the common location.*
- 16. Will any of the Storage Tanks be removed, closed or upgraded within the next eighteen (18) months?  YES  NO

**Supplemental Information for Lead-Based Paint and Asbestos Coverage**

**If you are seeking coverage for liability arising out of bodily injury or property damage resulting from exposure to Lead-Based Paint and/or Asbestos, complete the following.**

***If you are not, please confirm that the items below are not applicable by checking here:***

- 17. Do any of the buildings located at the proposed covered locations contain lead-based paint?  YES  NO
- 18. If the applicant answered "Yes" to Question 17., above, does the applicant or any other relevant party to the proposed insurance have a lead-based paint management plan in place to address the lead-based paint?  YES  NO
  - a. *If "Yes" is indicated above, please provide a copy of any such plan(s) as an attachment to this application.*
- 19. Do any of the buildings located at the proposed covered locations contain asbestos or asbestos-containing materials (ACM)?  YES  NO
- 20. If the applicant answered "Yes" to Question 19., above, does the applicant or any other relevant party to the proposed insurance have an asbestos management plan in place to address the asbestos?  YES  NO

a. If "Yes" is indicated above, please provide a copy of any such plan(s) as an attachment to this application.

21. Have any health concerns been raised, or any claims been made, with respect to the presence of lead-based paint, asbestos or asbestos containing materials at any of the buildings located at the proposed covered locations?  YES  NO

a. If "Yes" is indicated above, please provide detailed information regarding the health concerns and/or claims as an attachment to this application.

**\*IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE UNLESS OTHERWISE AFFIRMATIVELY STATED IN THE POLICY.**

**Supplemental Information for Mold, Fungi and/or Legionella Pneumophila Coverage**

If you are seeking coverage for Mold, Fungi and/or Legionella Pneumophila, complete the following.

If you are not, please confirm that the items below are not applicable by checking here:

22. Do the applicant and any other parties to the proposed insurance perform due diligence with respect to mold and/or fungi when acquiring or leasing property such as in accordance with ASTM Standard E2418-06 "Standard Guide for Readily Observable Mold and Conditions Conducive to Mold in Commercial Buildings: Baseline Survey Process?"  YES  NO

a. If "Yes" is indicated above, please provide detailed information regarding the scope of that due diligence as an attachment to this application.

23. Have any of the buildings located at the proposed covered locations ever been identified as having mold, fungi, legionella pneumophila or similar bacteria-related problems?  YES  NO

a. If "Yes" is indicated above, please provide detailed information regarding the mold, fungi, legionella pneumophila or similar bacteria related problems as an attachment to this application.

24. Have any of the buildings located at the proposed covered locations experienced any water leaks or flooding within the past five (5) years?  YES

a. If "Yes" is indicated above, please provide detailed information regarding the leaks or flooding as an attachment to this application.

25. Are any of the buildings situated at the proposed covered locations constructed using Exterior Insulation and Finish Systems (EFIS)?  YES  NO

a. If "Yes" is indicated above, please provide detailed information confirming the applicable locations as an attachment to this application.

26. Do the applicant and any other parties to the proposed insurance have any mold management and/or water intrusion plans in place?  YES  NO

a. If "Yes" is indicated above, please provide a copy of any such plan(s) as an attachment to this application.

27. Do employees or members of the applicant and any other parties to the proposed insurance receive any training regarding the handling of mold, fungi or legionella pneumophila or similar bacteria-related issues?  YES  NO

a. If "Yes" is indicated above, please provide detailed information regarding such training as an attachment to this application.

28. Have any health concerns been identified by, or any claims been made against, the applicant or any other parties to the proposed insurance with respect to mold, legionella pneumophila, similar bacteria-related issues or any other indoor air quality-related issues at buildings located on any of the proposed covered locations?  YES  NO

- a. If "Yes" is indicated above, please provide a brief description of the claim or circumstance (indicate the alleged incident, location, date, type of injury, etc.). Also, please provide a summary of any steps that may have been taken to avoid or mitigate the possibility of a similar loss occurring in the future.

**\*IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE UNLESS OTHERWISE AFFIRMATIVELY STATED IN THE POLICY.**

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE WILL STRICTLY FOLLOW ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, INCLUDING ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED DUE DILIGENCE PROCEDURES OR PROTOCOLS FOR THE ACQUISITION, LEASE, OPERATION, MANAGEMENT OR MAINTENANCE OF ANY PROPERTIES, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE MOLD, FUNGI AND/OR LEGIONELLA PNEUMOPHILA COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE WILL STRICTLY FOLLOW ANY LEAD-BASED PAINT OR ASBESTOS OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY SUCH COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE LEAD-BASED PAINT AND/OR ASBESTOS COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT ALL STATEMENTS MADE IN THIS APPLICATION, INCLUDING ANY ATTACHMENTS THERETO, ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURER'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

**NOTICE TO APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND and WEST VIRGINIA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly and willfully presents a false or fraudulent claim for payment for a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

**NOTICE TO OHIO APPLICANTS:** Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: 1) by submitting an application, or 2) by filing a claim containing a false statement as to any material fact may be violating state law.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE, VIRGINIA and WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

---

Signature of Authorized Applicant

---

Signature of Broker/Agent

---

Print Name

---

Print Name

---

Title

---

Date

---

Date

---

Signed by Licensed Resident Agent  
(Where Required By Law)

**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM A: Airports and Former Military Bases / Property**

ENTITY: \_\_\_\_\_

**AIRPORTS**

1. Does the Applicant own or operate any Airports?  YES  NO

If **YES**, please answer the following:

2. Name of Airport: \_\_\_\_\_

3. Address of Airport: \_\_\_\_\_

4. Average Number of Flights Daily: \_\_\_\_\_

5. Length of Longest Runway (feet): \_\_\_\_\_

6. If the Applicant owns or operates any fuel storage tanks, complete **Addendum G: Storage Tank Data Sheet**.

**FORMER MILITARY BASES AND PROPERTY**

7. Does the Applicant own or operate any covered location(s) that were formerly used by the Military?  YES  NO

If **YES**, which location and describe the history of the location.

8. When did the Applicant take custody of the location? \_\_\_\_\_

9. What is the current use of the location?

10. Are there any pollution conditions associated with the history of the location?  YES  NO If **YES**, please explain.

11. Who is responsible for the remediation of any pollutions conditions discovered at the location that were a result of its historical use?

12. Please provide information regarding any mandatory or voluntary environmental assessments or monitoring performed at the location:



**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM B: Educational Facilities**

ENTITY: \_\_\_\_\_

**EDUCATIONAL FACILITIES**

1. Please attach a list of all educational facilities. Please include their physical addresses.

| <b>Type of Facility</b> | <b>Total Number of Schools</b> | <b>Total Average Daily Attendance (ADA)</b> |
|-------------------------|--------------------------------|---|
| Day Care / Pre-School   |                                |   |
| Elementary              |                                |   |
| Middle School           |                                |   |
| High School             |                                |   |
| College / University    |                                |   |
| Medical Schools         |                                |   |
| Vocational Schools      |                                |   |

2. Do you have any science or chemistry laboratories in your district?     YES  NO

If **YES**:

- a. Are written chemical storage and emergency spill procedures provided to employees and students?  
 YES  NO
- b. Are all chemicals kept in a secured area?  
 YES  NO
- c. Do chemical disposal methods meet state and federal standards?  
 YES  NO

3. Do you have any auto shop garages in any of your schools?     YES  NO

If **YES**, please complete **Addendum H: Vehicle Maintenance Facilities** for each location.

4. Do you have any school bus maintenance garages in any of your district?     YES  NO

If **YES**, please complete **Addendum H: Vehicle Maintenance Facilities** for each location.

5. Do you have any swimming pools in your school district?     YES  NO

If **YES**:

- a. How many? \_\_\_\_\_
- b. Are all pool chemicals kept in a secured place?     YES  NO
- c. Are written chemical storage and emergency spill procedures provided to employees?     YES  NO

**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM C: Gas and Electric Utilities**

ENTITY: \_\_\_\_\_

**GENERAL INFORMATION**

| Question   | Gas | Electric | Other: |
|--|-----|----------|--------|
| 1. How many utilities does the Applicant operate?                                      |     |          |        |
| 2. How many households are serviced?   |     |          |        |
| 3. Describe the security systems that are in place for the utility.                    |     |          |        |
| 4. Describe the emergency procedures and emergency shut-off systems for each location. |     |          |        |

**ELECTRIC UTILITIES**

|  |  |  |  |
|--|--|--|--|
| 5. Address for each Electric Utility:  |  |  |  |
| 6. How is the electricity generated (steam, coal, gas, oil, etc)?  |  |  |  |
| 7. Describe fly ash disposal methods.  |  |  |  |
| 8. Does the fly ash disposal methods meet state and federal standards? <input type="checkbox"/> YES <input type="checkbox"/> NO    If <b>NO</b> , please explain.                                  |  |  |  |
| 9. Do your emissions meet federal and state guidelines? <input type="checkbox"/> YES <input type="checkbox"/> NO    If <b>NO</b> , please explain.   |  |  |  |
| 10. Do any of your transformers contain PCB? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If <b>YES</b> , how often are they inspected?   |  |  |  |
| 11. Have you received any Notices of Violations within the last five years? <input type="checkbox"/> YES <input type="checkbox"/> NO    If <b>YES</b> , please explain.                            |  |  |  |
| 12. Are there any fuel storage tanks located at the site? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If <b>YES</b> , please complete <b>Addendum G: Storage Tank Data Sheet</b> . |  |  |  |

**GAS UTILITIES**

|  |  |  |  |
|--|--|--|--|
| 13. Address for each Gas Utility:  |  |  |  |
| 14. Please describe your natural gas distribution system.  |  |  |  |
| 15. How often are gas lines inspected?   |  |  |  |
| 16. Have you received any Notices of Violations within the last five years? <input type="checkbox"/> YES <input type="checkbox"/> NO    If <b>YES</b> , please explain.                            |  |  |  |
| 17. Are there any fuel storage tanks located at the site? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If <b>YES</b> , please complete <b>Addendum G: Storage Tank Data Sheet</b> . |  |  |  |



**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM E: Recreational Facilities / Medical Facilities**

ENTITY: \_\_\_\_\_

**RECREATIONAL FACILITIES**

1. How many parks are owned by the Applicant? \_\_\_\_\_

Total Acreage: \_\_\_\_\_

2. How many playgrounds do you have where the equipment is constructed of treated lumber? \_\_\_\_\_

3. How many playgrounds use recycled rubber chips as a base? \_\_\_\_\_

4. How many swimming pools does the Applicant maintain? \_\_\_\_\_

What type of chemical treatment system is used?

5. How many ponds or lakes does the Applicant maintain? \_\_\_\_\_

How many are used for recreational swimming? \_\_\_\_\_

6. How many golf courses does the Applicant maintain? \_\_\_\_\_

Please describe chemical use and storage.

7. Does the Applicant own any Arenas or Stadiums?  YES  NO

If YES, what is the total capacity? \_\_\_\_\_

**MEDICAL FACILITIES**

| Question                        | Hospitals | Medical Clinics | Nursing Home/Assisted Living |
|---------------------------------|-----------|-----------------|------------------------------|
| Total Number of Facilities?     |           |                 |                              |
| Number of Beds?                 |           |                 |                              |
| Number of patients per year?    |           |                 |                              |
| Number of on-site laboratories? |           |                 |                              |
| Number of employees?            |           |                 |                              |
| Number of on-site incinerators? |           |                 |                              |

Are there any fuel storage tanks located at the site?  YES  NO

If YES, please complete **Addendum G: Storage Tank Data Sheet**.

**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM F: Chemical Storage / Spraying Operations / Service Work**

ENTITY: \_\_\_\_\_

**CHEMICAL STORAGE**

1. Are all chemical storage facilities secured?  YES  NO

2. Are written emergency spill procedures provided to employees who handle chemicals?  YES  NO

**CHEMICAL SPRAYING OPERATIONS**

3. Does the Applicant perform any spraying operations?  YES  NO

4. Does the Applicant perform any aerial spraying operations?  YES  NO

**Please Note: Aerial Spraying operations are excluded from the coverage.**

5. Types of Spraying Operations

|                         |                      |
|-------------------------|----------------------|
| Herbicide: _____        | Days per Year: _____ |
| Pesticide: _____        | Days per Year: _____ |
| Other (describe): _____ | Days per Year: _____ |

6. Describe the methods of application used:

7. Do you require that the person conducting the spraying operations be certified?  YES  NO

8. Percentage of spraying operations performed by Employees? \_\_\_\_\_

9. Percentage of spraying operations performed by Contractors? \_\_\_\_\_

10. Do you required Certificates of Insurance from Spraying Contractors?  YES  NO

11. **Please attach Material Data Safety Sheets (MSDS's) for all chemicals used and list the quantities used for each.**

**OTHER SERVICE WORK**

12. Please list other service work routinely provided by the Applicant:

**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM H: Vehicle Maintenance Facilities**

ENTITY: \_\_\_\_\_

**ONE ADDENDUM MUST BE COMPLETED FOR EACH LOCATION  
LOCATIONS ARE NOT COVERED UNLESS SCHEDULED TO THE POLICY**

| PROPERTY DESCRIPTION  |                   |                                       |
|---|-------------------|---------------------------------------|
| Physical Street Address   | Year First Opened | Number of Vehicles Serviced each year |
|   |                   |                                       |
| 1. Is the facility used for other operations besides vehicle maintenance? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If YES, what operations? _____                      |                   |                                       |
| 2. Does this location have hydraulic lifts? <input type="checkbox"/> YES <input type="checkbox"/> NO  |                   |                                       |
| 3. Have the hydraulic lift oil tanks ever been inspected? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If YES, please provide details: _____                               |                   |                                       |
| 4. Provide a description of adjacent properties:<br>North: _____<br>South: _____<br>East: _____<br>West: _____  |                   |                                       |
| 5. Identify any protected or sensitive environments within one mile of the site (parks, schools, wetlands, etc.):<br>_____  |                   |                                       |
| 6. Is public water and sewer available at the site? <input type="checkbox"/> YES <input type="checkbox"/> NO  |                   |                                       |
| 7. Provide information regarding any mandatory or voluntary monitoring performed at the site:<br>_____  |                   |                                       |
| 8. Identify any past storage or disposal practices at the site, including any on-site disposal:<br>_____  |                   |                                       |
| 9. Please provide information on known prior uses of the maintenance locations:<br>_____  |                   |                                       |
| 10. Are there any fuel storage tanks located at the site? <input type="checkbox"/> YES <input type="checkbox"/> NO<br>If YES, please complete <b>Addendum G: Storage Tank Data Sheet.</b> |                   |                                       |

**PUBLIC ENTITIES / EDUCATIONAL FACILITIES ENVIRONMENTAL INSURANCE APPLICATION**

**ADDENDUM I: Water Treatment Facilities / Wastewater Treatment Facilities**

ENTITY: \_\_\_\_\_

**ONE ADDENDUM MUST BE COMPLETED FOR EACH LOCATION  
LOCATIONS ARE NOT COVERED UNLESS SCHEDULED TO THE POLICY**

Entity: \_\_\_\_\_

Physical Address of Storage Tanks Listed Below: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

EPA I.D. #: \_\_\_\_\_

1. What type of facility is this? (Check one)  
 Water Treatment Facility     Waste Water Treatment Facility

2. When was this facility designed and built? \_\_\_\_\_

3. What is the Total Population served by this facility? \_\_\_\_\_

4. When was this facility first permitted? \_\_\_\_\_

5. Is this site completely fenced and access restricted?     YES  NO

6. Are there any fuel storage tanks located at the site?     YES  NO  
 If YES, please complete **Addendum G: Storage Tank Data Sheet.**

**WATER TREATMENT**

7. How many miles of pipelines is the entity responsible for? \_\_\_\_\_

8. Average amount of water treated per day (gallons)? \_\_\_\_\_

9. Maximum capacity treated water per day (gallons)? \_\_\_\_\_

10. Number of: \_\_\_\_\_ Water Tanks    \_\_\_\_\_ Water Towers

11. Source of Water Supply for this facility: \_\_\_\_\_

**WASTEWATER TREATMENT**

12. How many miles of sewer lines is the entity responsible for? \_\_\_\_\_

13. Average amount of waste treated per day (gallons)? \_\_\_\_\_

14. Maximum capacity treated waste per day (gallons)? \_\_\_\_\_

15. Please complete the following for each permitted effluent discharge:

| POLLUTANT | PERMITTED MAXIMUM AMOUNT | DAILY AVERAGE AMOUNT |
|-----------|--------------------------|----------------------|
|           |                          |                      |
|           |                          |                      |
|           |                          |                      |

16. Where and how is your effluent discharged?  
 \_\_\_\_\_

17. What is done with the residual by-product/sludge?  
 \_\_\_\_\_

**RECLAIMED WATER**

18. Does the facility sell or distribute any Reclaimed Water?     YES  NO

If YES:

a. Average gallons of water reclaimed per day: \_\_\_\_\_

b. Percent Sold: \_\_\_\_\_ Percent reused by the entity: \_\_\_\_\_

19. Are signs posted in the area where reclaimed water is used?     YES  NO

20. On a separate page, describe the use and application of the reclaimed water.  
 \_\_\_\_\_



# Storage Tank Inventory By Location

(Completed as part of the Application for Insurance)

Facility Name \_\_\_\_\_ Facility Address \_\_\_\_\_ Facility ID # \_\_\_\_\_

(Complete schedule with symbols below)

|                                | 1 | 2 | 3 | 4 | 5 | 6 |
|--------------------------------|---|---|---|---|---|---|
| Tank #                         |   |   |   |   |   |   |
| UST/AST                        |   |   |   |   |   |   |
| Install Date Year              |   |   |   |   |   |   |
| Capacity (Gallons)             |   |   |   |   |   |   |
| Contents                       |   |   |   |   |   |   |
| Tank Construction Material     |   |   |   |   |   |   |
| Overfill/Spill Protection      |   |   |   |   |   |   |
| Tank Leak Detection            |   |   |   |   |   |   |
| AST Diking & Base Construction |   |   |   |   |   |   |
| Piping Construction Material   |   |   |   |   |   |   |
| Piping Leak Detection          |   |   |   |   |   |   |

**Contents**

- B.** Unleaded Gasoline
- C.** Gasohol
- D.,F.,G.,H.** Diesel
- K.** Kerosene
- L.** Waste Oil/ Used Oil
- M.** Fuel Oil
- P.** Generic Gasoline
- Q.** Pesticide
- R.** Ammonia compound
- S.** Chlorine compound
- T.** Haz. Substance (CERCLA)
- U.** Mineral Acids
- V.** Grades 5&6 bunker 'C' oils
- W.** Petroleum-base additive
- X.** Misc. petroleum-base
- Z.** Other, Identify

**Tank Construction**

- C.** Steel
- E.** Fiberglass
- F.** FRP Clad Steel
- X.** Concrete
- Y.** Polyethylene
- Z.** Other EPA/DEP Approved
- G.** Cathodic Protection Sacrificial Anode
- H.** Cathodic Protection - Impressed Current
- I.** Double Walled(DW) - Single Material
- R.** Double Walled (DW)- Dual Material
- J.** (DW)Synthetic Liner in Tank Construction
- V.** (DW)Pipeless UST with Secondary Containment
- B.** Internal Lining **STI.** STI-P3

**Overfill/Spill Protection**

- A.** Ball Check Valve
- M.** Spill Containment Bucket
- N.** Flow Shut-off
- O.** Tight Fill
- P.** Level Gauges, High Level Alarms
- Q.** Other EPA/DEP Approved Protection Method
- Piping Construction Material**
- B.** Steel
- C.** Fiberglass
- F.,M.** Double walled
- N.** Approved Synthetic Material
- Z.** Other EPA/DEP Approved Piping Material
- D.** External Protective Coating
- E.** C/P with sacrificial anode or impressed current

**Tank Leak Detection**

- N.** Groundwater Monitoring Wells
- E.** Interstitial Monitoring
- O.** Vapor Monitoring Wells
- Q.** Visual Inspections of AST Systems
- Z.** Other EPA/DEP Approved
- D.** SPCC Plan - AST
- F.** Interstitial Space - Double Walled Tank
- M.** Manual Tank Gauging - UST
- S.** Statistical Inventory Reconciliation (SIR)(USTs)
- L.** Automatic Tank Gauging System (USTs)
- R.** Interstitial Monitoring of AST tank bottom
- T.** Annual Tightness Test with Inventory (USTs)

**AST Diking & Base Construction**

- K.** Concrete, Synthetic Material, clays
- S.** Other EPA/DEP approved secondary containment system
- Z.** Dirt/Earth

**Piping Leak Detection**

- G.** Electronic Line Leak Detector with Flow Shutoff
- J.** Interstitial Monitoring - Piping Filter
- 6.** External Monitoring
- H.** Mechanical Line Leak Detector
- K.** Interstitial Monitoring of double wall piping
- V.** Suction Pump Check Valve





**Application for  
School Leaders Professional Liability Insurance**  
**THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.**

1. Name of Educational Entity: \_\_\_\_\_
2. Address: \_\_\_\_\_  
City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_
3. Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
4. Board Counsel: \_\_\_\_\_ Special Education Counsel: \_\_\_\_\_
5. Were any schools opened or closed within the past 12 months?  Yes  No  
**If yes, attach details.**
6. CURRENT STUDENT ENROLLMENT
  - a. Full-time \_\_\_\_\_ b. Part-time \_\_\_\_\_ c. Last year \_\_\_\_\_ d. Estimated enrollment next year \_\_\_\_\_
  - e. Number of students served in Special Education Programs \_\_\_\_\_

**FISCAL INFORMATION (REQUIRED)**

7. Budget figures for current year.

| Year | Budget Expenditures | Operational Surplus/Deficit<br>(indicate + or -) | Accumulated Fund Balance* |
|------|---------------------|--|---------------------------|
|      | \$                  | \$   | \$                        |

\*If a deficit exists, provide reasons for and steps being taken to remedy it. If Fund Balance is not permitted to accumulate by state or local regulation, please indicate here. \_\_\_\_\_

- a. Total amount of bond authority \$ \_\_\_\_\_
- b. Total amount of outstanding Bonds \$ \_\_\_\_\_
- c. Latest Moody's, Standard and Poor's and/or Fitch's Bond rating: \_\_\_\_\_  
**IF NOT RATED, PLEASE EXPLAIN** \_\_\_\_\_
- d. Has the School District been in default on principal or interest of any Bond?  Yes  No  
If yes, attach a statement of details.

**PERSONNEL INFORMATION**

8. NUMBER OF PERSONNEL
  - a. Administrative \_\_\_\_\_ b. Teachers : Certified \_\_\_\_\_ Non-Certified \_\_\_\_\_ c. Support Service \_\_\_\_\_
  - d. Volunteers \_\_\_\_\_ e. Special Education Director(s) \_\_\_\_\_ f. Law enforcement \_\_\_\_\_
9. Does applicant anticipate a reduction in personnel within the next 12 months?  Yes  No  
**If yes, attach an explanation.**
10. Has any employee been suspended, demoted, dismissed, transferred or had an employment contract non renewed within the last 12 months?  Yes  No  
**If yes, attach details.**

**CURRICULUM INFORMATION**

**If any of the following are answered yes, attach a detailed explanation for each.**

- 11. During the past policy period has there been a change in the following:
  - a. Actual or anticipated expansions or reductions in study courses or programs?  Yes  No
  - b. Special education programs and related services?  Yes  No
  - c. Other school districts' access to the applicant's special education programs or facilities?  Yes  No

**OPERATIONS INFORMATION**

**If any of the following are answered yes, attach a detailed explanation for each.**

- 12. During the past policy period has the school district:
  - a. Borrowed any monies for other than capital improvements against anticipated future revenues?  Yes  No
  - b. Added or changed operations related to boarding facilities?  Yes  No
  - c. Added or changed operations related to preschool/daycare facilities?  Yes  No
  - d. Been involved in any dispute with contractors or suppliers which resulted in a demand for money or service?  Yes  No
- 13. Are any school openings or closings anticipated within the next 12 months?  Yes  No
- 14. Does the applicant carry General Liability (GL) insurance?  Yes  No  
 Name of carrier: \_\_\_\_\_ Policy limit: \_\_\_\_\_ Is this insurance self-funded?  Yes  No  
 Does this insurance specifically exclude claims arising out of abuse or molestation or impose a sub limit?  Yes  No

**PROCEDURES INFORMATION**

**If any of the following are answered yes, attach a detailed explanation for each.**

- 15. During the past policy period has there been any change in:
  - a. Policy for suspension, dismissal or non-renewal of staff or detention/suspension of students?  Yes  No
  - b. Written procedures for the development of an Individualized Education Plan (IEP) for each special needs student?  Yes  No
  - c. Procedures for hiring practices or pay scale?  Yes  No
  - d. Statement of policy outlining procedures for reporting and investigating allegations of physical abuse and sexual harassment?  Yes  No
  - e. Procedures for identifying and handling potential violent behavior?  Yes  No
  - f. Internet Use Policy?  Yes  No

**LOSS INFORMATION**

**If any of the following are answered yes, attach a detailed explanation for each.**

- 16. During the past policy period has there been any of the following which **have not** been reported:
  - a. A demand for money or services or a proceeding, event or development which may result in a claim being made against the Insured?  Yes  No
  - b. A federal, state or local legal proceeding; administrative action, including EEOC; due process hearing, including IDEA, against the insured?  Yes  No
  - c. Is there pending litigation involving any federal law, state law or constitutional violation?  Yes  No

Person designated to receive all notices from the insurers or their authorized representative concerning the insurance:

Name \_\_\_\_\_ Title \_\_\_\_\_

The Applicant hereby represents that the statements and answers to questions made above and attachments hereto are true, to the best of his/her knowledge, and applicant has not omitted or misrepresented any information. It is agreed that claims will be excluded that result from any facts, circumstances or situations known prior to the retroactive date that could have been reasonably expected to result in a claim. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the desired effective date of coverage, the applicant will notify the company, and at the sole discretion of the company, any outstanding quotation may be modified or withdrawn.

Any person who knowingly files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and also punishable by civil penalties in certain jurisdictions.

This application is attached to and becomes a part of the Policy if issued.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print or type)

\_\_\_\_\_  
Title

**CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED**

Please submit this application and documentation to:

School Alliance Insurance Fund  
51 Everett Drive, Suite B-40  
West Windsor, NJ 08550-5374



## BEAZLEY BREACH RESPONSE

## APPLICATION

**NOTICE: THIS POLICY'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE TERMS THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.**

**PLEASE READ THIS POLICY CAREFULLY.**

Please fully answer all questions and submit all requested information.

### GENERAL INFORMATION:

|   |  |                              |                             |
|---|--|------------------------------|-----------------------------|
| Full Name:  |  |                              |                             |
| Mailing Address:  |  | State of Incorporation:      |                             |
| City:   |  | State & Zip:                 |                             |
| # of Employees:   |  | Date Established:            |                             |
| Website URL's:  |  |                              |                             |
| Authorized Officer <sup>1</sup> :   |  | Telephone:                   |                             |
|   |  | E-mail:                      |                             |
| Breach Response Contact <sup>2</sup> :  |  | Telephone:                   |                             |
|   |  | E-mail:                      |                             |
| Business Description:   |  |                              |                             |
| Does the Applicant provide data processing, storage or hosting services to third parties? |  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

### REVENUE INFORMATION:

\*For Applicants in Healthcare: Net Patient Services Revenue plus Other Operating Revenue

\*For all other Applicants, please provide Gross Revenue information

|                 | Most Recent Twelve (12) months: ending: _____ | Previous Year | Next Year (estimate) |
|-----------------|---|---------------|----------------------|
| US Revenue:     | USD   | USD           | USD                  |
| Non-US Revenue: | USD   | USD           | USD                  |
| Total:          | USD   | USD           | USD                  |

**Please attach a copy of your most recently audited annual financial statement.**

<sup>1</sup> This is the officer of the Applicant that is authorized make statements to the Underwriters on the Applicant's behalf and to receive notices from the Insurer or its authorized representative(s).

<sup>2</sup> This is the employee of the Applicant that is designated to work with the insurer in response to a data breach event.

|   |  |
|---|--|
| What percentage of the Applicant's revenues is business to business? _____%      Direct to consumer? _____%   |  |
| Are significant changes in the nature or size of the Applicant's business anticipated over the next twelve (12) months? Or have there been any such changes within the past twelve (12) months?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'Yes', please explain:   |  |
| Has the Applicant within the past twelve (12) months completed or agreed to, or does it contemplate entering into within the next twelve (12) months, a merger, acquisition, consolidation, whether or not such transactions were or will be completed? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'Yes', please explain:   |  |

**PRIVACY**

Please identify the types of personal information of individuals that you collect, process or store (check all that apply) along with an estimate of the number of records held for each type of information:

| Type of Information                                     | Number of Records (Estimated)  |
|---|--|
| <input type="checkbox"/> Social Security Numbers        | <input type="checkbox"/> <100K; <input type="checkbox"/> 100K-500K; <input type="checkbox"/> 500K-1M; <input type="checkbox"/> 1M-2M; <input type="checkbox"/> 2M-5M; <input type="checkbox"/> >5M |
| <input type="checkbox"/> Consumer Financial Information | <input type="checkbox"/> <100K; <input type="checkbox"/> 100K-500K; <input type="checkbox"/> 500K-1M; <input type="checkbox"/> 1M-2M; <input type="checkbox"/> 2M-5M; <input type="checkbox"/> >5M |
| <input type="checkbox"/> Payment Card Information       | <input type="checkbox"/> <100K; <input type="checkbox"/> 100K-500K; <input type="checkbox"/> 500K-1M; <input type="checkbox"/> 1M-2M; <input type="checkbox"/> 2M-5M; <input type="checkbox"/> >5M |
| <input type="checkbox"/> Protected Health Information   | <input type="checkbox"/> <100K; <input type="checkbox"/> 100K-500K; <input type="checkbox"/> 500K-1M; <input type="checkbox"/> 1M-2M; <input type="checkbox"/> 2M-5M; <input type="checkbox"/> >5M |
| <input type="checkbox"/> Biometric Information          | <input type="checkbox"/> <100K; <input type="checkbox"/> 100K-500K; <input type="checkbox"/> 500K-1M; <input type="checkbox"/> 1M-2M; <input type="checkbox"/> 2M-5M; <input type="checkbox"/> >5M |

Other (please describe):

Has the Applicant designated a Chief Privacy Officer?  Yes     No

If 'No' please indicate what position(s) (if any) are responsible for privacy issues:

Does the Applicant require third parties with which it shares personally identifiable or confidential information to indemnify the Applicant for legal liability arising out of the release of such information due to the fault or negligence of the third party?  Yes     No

**PAYMENT CARDS**

Does the Applicant accept payment cards for goods sold or services rendered?  Yes     No

If 'Yes': How many payment card transactions does the Applicant transact per year?

Is the Applicant compliant with applicable data security standards issued by financial institutions the Applicant transacts business with (e.g. PCI standards)?  Yes     No

Is payment card data encrypted at the point of sale (e.g., payment card reader or e-commerce payment portal) through transmission to the payment processor?  Yes     No

If the Applicant is not compliant with applicable data security standards, please describe the current status of any compliance work and the estimated date of completion: \_\_\_\_\_

**COMPUTER & NETWORK SECURITY**

Has the Applicant designated a Chief Information Security Officer as respects computer systems and data security?  Yes     No

If 'No', please indicate what position is responsible for computer and data security: \_\_\_\_\_

|   |   |
|---|---|
| Does the Applicant publish and distribute written policies and procedures regarding computer and information security to its employees?   | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| Does the Applicant conduct computer and information security training for every employee that has access to computer systems or sensitive data?   | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| Does the Applicant enforce a process for the timely installation of software updates/patches?   | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| If 'Yes', are critical updates/patches installed within thirty (30) days of release?  | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| Does the Applicant restrict user rights on computer systems such that individuals (including third party service providers) have access only to those areas of the network or information that is necessary for them to perform their duties? | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| Where does the Applicant have a firewall? (check all that apply)  |   |
| <input type="checkbox"/> At network perimeter <input type="checkbox"/> Internally within the network to protect sensitive resources   |   |
| Which of the following procedures does the Applicant employ to test computer security controls?   |   |
| <b>Testing</b>  | <b>Frequency of Testing</b>   |
| <input type="checkbox"/> Internal Vulnerability Scanning  | <input type="checkbox"/> Continuously <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly   |
| <input type="checkbox"/> External Vulnerability Scanning against internet-facing IP addresses   | <input type="checkbox"/> Continuously <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly   |
| <input type="checkbox"/> Penetration Testing  | <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually |
| <input type="checkbox"/> Other (please describe):   |   |
| Does the Applicant have network intrusion detection systems that provide actionable alerts if an unauthorized computer system intrusion occurs?   | <input type="checkbox"/> Yes <input type="checkbox"/> No  |
| If 'Yes', please describe:  |   |
| Does the Applicant store data in any of the following environments, and is such stored data encrypted? (check all that apply)   |   |
| <input type="checkbox"/> Laptops  | <input type="checkbox"/> Encrypted <input type="checkbox"/> Not Encrypted                                   |
| <input type="checkbox"/> Portable Media   | <input type="checkbox"/> Encrypted <input type="checkbox"/> Not Encrypted                                   |
| <input type="checkbox"/> Back-up Tapes  | <input type="checkbox"/> Encrypted <input type="checkbox"/> Not Encrypted                                   |
| <input type="checkbox"/> "at rest" within computer databases  | <input type="checkbox"/> Encrypted <input type="checkbox"/> Not Encrypted                                   |
| Does the Applicant outsource any of the following? (Check all that apply and please identify the vendor(s))   |   |
| <input type="checkbox"/> Data Center Hosting:   | <input type="checkbox"/> Managed Security:  |
|   | <input type="checkbox"/> Alert Log Monitoring:  |

**BUSINESS CONTINUITY**

|   |  |
|---|--|
| Does the Applicant have :   |  |
| A. a disaster recovery plan?  | <input type="checkbox"/> Yes <input type="checkbox"/> No Date last tested: |
| B. a business continuity plan?  | <input type="checkbox"/> Yes <input type="checkbox"/> No Date last tested: |
| C. an incident response plan for network intrusions and virus incidents?  | <input type="checkbox"/> Yes <input type="checkbox"/> No Date last tested: |
| If the Applicant has a business continuity plan, does the plan contain recovery time objectives for the amount of time within which business processes and continuity must be restored? | <input type="checkbox"/> Yes <input type="checkbox"/> No                   |
| If 'Yes', what are the current stated and tested recovery time objectives?  |  |

Does the Applicant have centralized log collection and management that allows for review of all access and activity on the network?

Yes  No

For how long are logs maintained? \_\_\_\_\_

What is Applicant's process for backing up data? (check all that apply)

Full backup  Incremental  Differential  Mirror  Other:

How often is Applicant's data backed up? \_\_\_\_\_

Where are data backups stored? (check all that apply)  Secure offsite  Secondary Data Center  Other:

If necessary, how quickly can backed up data be accessed and restored? \_\_\_\_\_

### MEDIA LIABILITY

Please describe the media activities of the Applicant or by others on behalf of the Applicant

Television  Radio  Print  Applicant's Website(s)  Internet Advertising  Social Media  Marketing Materials  Audio or Video Streaming

Other (please describe: \_\_\_\_\_)

Does the Applicant have a formal review process in place to screen any published or broadcast material (including digital content), for intellectual property and privacy compliance prior to any publication, broadcast, distribution or use?

Yes  No  N/A

Are such reviews conducted by, or under the supervision, of a qualified attorney?

Yes  No  N/A

Does the Applicant allow user generated content to be displayed on its website(s)?

Yes  No  N/A

### E-CRIME

Are all employees that are responsible for disbursing or transmitting funds provided anti-fraud training, including detection of social engineering, phishing, business email compromise, and other scams on at least an annual basis?

Yes  No

Before processing fund transfer requests from internal sources, does the Applicant confirm the instructions via a method other than the original means of the instruction?

Yes  No

Do the Applicant's procedures require review of all requests by a supervisor or next-level approver before processing fund transfer instructions?

Yes  No

When a vendor/supplier requests any change to its account details (including routing numbers, account numbers, telephone numbers and contact information) and prior to making any changes:

Yes  No

Does the Applicant first confirm all requested changes requested by the vendor/supplier with a person other than the requestor prior to making any changes?

Yes  No

Does the Applicant confirm requested changes via a method other than the original means of request?

Yes  No

Do the Applicant's processes and procedures require review of all requests by a supervisor or next-level approver?

Yes  No

Please identify your telecommunications carrier:

Have you established strong alphanumeric passwords for administrative controls of your telecommunications system?

Yes  No

Have you configured your telecommunications system to disable (check all that apply):

Remote system administration and Internet Protocol (IP) access  Dialing via remote system access (DISA)

### PRIOR CLAIMS AND CIRCUMSTANCES

Does the Applicant or other proposed insured (including any director, officer or employee) have knowledge of or information regarding any fact, circumstance, situation, event or transaction which may give rise to a claim, loss or obligation to provide breach notification under the proposed insurance?

Yes  No

If yes, please provide details:

During the past five (5) years has the Applicant:

a. received any claims or complaints with respect to privacy, breach of information or network security, or, unauthorized disclosure of information?

Yes  No

b. been subject to any government action, investigation or subpoena regarding any alleged violation of a privacy law or regulation?

Yes  No

c. received a complaint or cease and desist demand alleging trademark, copyright, invasion of privacy, or defamation with regard to any content published, displayed or distributed by or on behalf of the Applicant?

Yes  No

d. notified consumers or any other third party of a data breach incident involving the Applicant?

Yes  No

e. experienced an actual or attempted extortion demand with respect to its computer systems?

Yes  No

f. experienced an unexpected outage of a computer network, application or system lasting greater than four (4) hours?

Yes  No

If 'Yes' to any of the above, please provide details regarding such incident(s) or event(s):

THE UNDERSIGNED IS AUTHORIZED BY THE APPLICANT TO SIGN THIS APPLICATION ON THE APPLICANT'S BEHALF AND DECLARES THAT THE STATEMENTS CONTAINED IN THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION AND THE UNDEWRITING OF THIS INSURANCE ARE TRUE, ACCURATE AND NOT MISLEADING. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION AND ANY OTHER INFORMATION AND MATERIALS SUBMITTED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING OF THIS INSURANCE ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY.

THIS APPLICATION AND ALL INFORMATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER AND SHALL BE DEEMED ATTACHED TO AND BECOME PART OF THE POLICY IF ISSUED. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY AS IT DEEMS NECESSARY REGARDING THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING AND ISSUANCE OF THE POLICY.

THE APPLICANT AGREES THAT IF THE INFORMATION PROVIDED IN THIS APPLICATION OR IN CONNECTION WITH THE UNDERWRITING OF THE POLICY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE



EFFECTIVE DATE OF THE INSURANCE, THE APPLICANT WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

I HAVE READ THE FOREGOING APPLICATION FOR INSURANCE AND REPRESENT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

**FRAUD WARNING DISCLOSURE**

**ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.**

**NOTICE TO ALABAMA, ARKANSAS, LOUISIANA, NEW MEXICO AND RHODE ISLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

**NOTICE TO KANSAS APPLICANTS:** ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR AGENT THEREOF, ANY WRITTEN, ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

**NOTICE TO KENTUCKY, NEW JERSEY, NEW YORK, OHIO AND PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES. (IN NEW YORK, THE CIVIL PENALTY IS NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.)

**NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**SIGNATURE SECTION**

THE UNDERSIGNED AUTHORIZED EMPLOYEE OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED EMPLOYEE AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE UNDERWRITER OF SUCH CHANGES, AND THE UNDERWRITER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE. FOR NEW HAMPSHIRE APPLICANTS, THE FOREGOING STATEMENT IS LIMITED TO THE BEST OF THE UNDERSIGNED'S KNOWLEDGE, AFTER REASONABLE INQUIRY. IN MAINE, THE UNDERWRITERS MAY MODIFY BUT MAY NOT WITHDRAW ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

NOTHING CONTAINED HEREIN OR INCORPORATED HEREIN BY REFERENCE SHALL CONSTITUTE NOTICE OF A CLAIM OR POTENTIAL CLAIM SO AS TO TRIGGER COVERAGE UNDER ANY CONTRACT OF INSURANCE. NO COVERAGE SHALL BE AFFORDED FOR ANY CLAIMS ARISING OUT OF A CIRCUMSTANCE NOT DISCLOSED IN THIS APPLICATION.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF. FOR NORTH CAROLINA, UTAH, AND WISCONSIN APPLICANTS, SUCH APPLICATION MATERIALS ARE PART OF THE POLICY, IF ISSUED, ONLY IF ATTACHED AT ISSUANCE.

Signed\*: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

If this **Application** is completed in Florida, please provide the Insurance Agent's name and license number. If this **Application** is completed in Iowa or New Hampshire, please provide the Insurance Agent's name and signature only.

Agent's Signature\*: \_\_\_\_\_

Agent's Printed Name: \_\_\_\_\_ Florida Agent's License Number: \_\_\_\_\_

# Ransomware Supplemental Application

Please provide responses below concerning the Information Technology (IT) environment of your organization and any subsidiaries for which the insurance is being sought.

**Responses to this application should be accurate as of the date that the application is signed and dated below.** If your organization plans to make changes to its IT environment prior to inception of the policy, or during the policy period, please describe those plans in the “Other Cybersecurity Controls & Preventative Measures” section, below.

## Budgets & Personnel

1. a. Annual IT budget \_\_\_\_\_ b. Percentage of IT budget spent on cybersecurity \_\_\_\_\_%
2. a. Full-time IT employees \_\_\_\_\_ b. Full-time IT cybersecurity employees \_\_\_\_\_
3. Cybersecurity point of contact (CISO or equivalent role):

|      |       |       |           |
|------|-------|-------|-----------|
| Name | Title | Email | Telephone |
|------|-------|-------|-----------|

## Email Security

4. What security controls do you have in place for incoming email? Choose all that apply.
 

|   |   |
|---|---|
| a. <input type="checkbox"/> Screening for malicious attachments<br>b. <input type="checkbox"/> Screening for malicious links<br>c. <input type="checkbox"/> Quarantine service<br>d. <input type="checkbox"/> Detonation and evaluation of attachments in a sandbox | e. <input type="checkbox"/> Tagging external emails<br>f. <input type="checkbox"/> DomainKeys Identified Mail (DKIM)<br>g. <input type="checkbox"/> Sender Policy Framework (SPF) strictly enforced<br>h. <input type="checkbox"/> Domain Based Message Authentication, Reporting and Conformance (DMARC) |
|---|---|

5. How frequently do you conduct the following training for all employees?

| Type of training                 | Never/not regularly      | Annually                 | ≥2x per year             |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| a. Interactive phishing training | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Phishing email simulations    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6. Do you require additional training for employees who fail phishing email simulations?  No  Yes
7. a. What Microsoft 365 license (or equivalent license) do you use for all, or substantially all, of your users?  E1  E3  E5  Other  None
- b. If you use Microsoft 365, do you use the Microsoft 365 Defender (formerly known as Advanced Threat Protection) add-on or an equivalent cybersecurity product with advanced threat hunting? (Leave blank if you do not use Microsoft 365.)  No  Yes
8. a. Do you disable macros in your office productivity software by default? (E.g., Microsoft Office, Google Workspace)  No  Yes
- b. If “Yes” to a., are users allowed to enable macros?  No  Yes
9. Have you disabled legacy email protocols that use basic authentication (a username and password only), such as IMAP, POP3, and SMTP?  No  Yes

## Identity & Access Management

10. Do you enforce multi-factor authentication (MFA) for all user accounts (other than Domain Administrator accounts) when accessing your network remotely? Please note any exceptions in the “Other Cybersecurity Controls & Preventative Measures” section, below.

No  Yes  Remote access not permitted

MFA includes but is not limited to the following: a call, SMS, push notification, time-based one-time password, OATH token, hardware token, device pinning, authenticator apps, biometrics, or a FIDO2 key (e.g., YubiKey, RSA SecurID).

“User accounts” include employees and (where applicable) students, volunteers, interns, third-party contractors, and any other persons with a user account on your network; “user accounts” does not include service accounts, which are addressed in a separate section below.

11. a. Do you permit users remote access to web-based email (e.g., Outlook Web Access (OWA))?  No  Yes

b. If “Yes” to a., do you enforce MFA for access to web-based email?  No  Yes

12. Do you provide your employees with password management software?  No  Yes

13. Do you enforce MFA for all Domain Administrator accounts? Please note any exceptions in the “Other Cybersecurity Controls & Preventative Measures” section, below. “Domain Administrator accounts” does not include service accounts, which are addressed in a separate section below.  No  Yes

14. Do you permit ordinary users local administrator rights to their devices (e.g., laptops)?  No  Yes

15. a. Do you use a Privileged Access Management (PAM) tool?  No  Yes

b. If “Yes” to a., are all privileged accounts managed with a PAM tool?  No  Yes

## Unsupported & End of Life Software

16. Do you use an asset discovery tool that continuously maps devices on your internal network?  No  Yes

17. Do you have an up-to-date asset database?  No  Yes

18. Do you have an up-to-date configuration management database (CMDB)?  No  Yes

19. a. Do you have any end-of-life or end-of-support software on your network?  No  Don't know  Yes

b. If “Yes” to a., is the software segregated from the rest of the network?  
 No  Some is, some isn't  Yes

c. If “Yes” to a., do you purchase additional support for the software, where available?  No  Yes

## Service Accounts

20. How many service accounts with domain administrator privileges are in your IT environment? “Service accounts” are non-human privileged accounts used to execute applications, access local and network resources, and run automated services, virtual machine instances, and other processes.

>10  6-10  1-5  0

*Please answer the remaining questions in this section only with respect to service accounts with domain administrator privileges. If you do not have any service accounts with domain administrator privileges, please skip the remaining questions in this section.*

- 21. Do you configure service accounts using the principle of least privilege? (I.e., have you removed domain administrator privileges from those service accounts that don't require such privileges to function?)  No  Yes
- 22. Do you have specific monitoring rules in place for service accounts to alert your Security Operations Center (SOC) of any abnormal behavior?  No  Yes
- 23. Have you configured service accounts to deny interactive logins?  No  Yes
- 24. Do you require service account passwords to be ≥25 characters or to be randomly generated?  No  Yes
- 25. Do you rotate passwords for service accounts on a regular basis?  No  Yes
- 26. Do you manage passwords for service accounts with a PAM solution or password vault?  No  Yes

## Security Products & Solutions

27. What security solutions do you use to prevent or detect malicious activity on your network?

| Security solution                                   | Vendor |
|---|--------|
| a. Endpoint Protection Platform (EPP)               |        |
| b. Endpoint Detection and Response (EDR)            |        |
| c. Managed Detection and Response (MDR)             |        |
| d. Network Detection and Response (NDR)             |        |
| e. Security Information and Event Management (SIEM) |        |
| f. Application Isolation and Containment            |        |

- 28. a. Do you have a Security Operations Center (SOC)?  No  Yes, working hours only  Yes, 24/7
- b. If "Yes" to a., is your SOC internal or managed by a third party?  Internal  Third party  Both
- c. If "Yes" to a., does your SOC have the authority and ability to remediate security events (for example, by isolating and containing endpoints remotely)?  No  Yes
- 29. Do you use a protective DNS service (e.g., Quad9, OpenDNS or the public sector PDNS)?  No  Yes
- 30. Are host-based and network firewalls configured to disallow inbound connections by default?  No  Yes
- 31. a. Do you use Remote Desktop Protocol (RDP), Virtual Network Computing (VNC), AnyDesk, TeamViewer, or other remote desktop software?  Yes  Yes, but internally only and not exposed to the internet  No
- b. If "Yes" to a., does access require MFA?  No  Yes
- 32. Do you deny all Server Message Block (SMB) (i.e., Windows file sharing) inbound communications to servers (except where there is an identified business need)?  No  Yes

## Vulnerabilities & Scanning

- 33. Do you use a hardened baseline configuration across all (or substantially all) of your devices?  No  Yes
- 34. What percentage of the enterprise is covered by scheduled vulnerability scans? \_\_\_\_\_%
- 35. In the past two years, how often have you conducted vulnerability scanning of the devices on your network?  Never/not regularly  Annually  2-3 times per year  Quarterly or more often

36. In the past two years, what is the average time that your organization has taken to remediate Critical Common Vulnerabilities and Exposures (Critical CVEs) (CVSS version 3.1 Base Score 9.0-10.0) on your network?

- Unknown    >2 weeks    <2 weeks    <1 week    <48 hours

37. How often do you (or a third party on your behalf) conduct penetration testing on your network?

- Never/not regularly    Annually    2-3 times per year    Quarterly or more often

## Backups & Resilience

38. Do you rely on a backup solution that is located on your corporate network?  No    Yes

39. a. Do you rely on a cloud-based service as your backup location?  No    Yes

b. If “Yes” to a., is your cloud-based backup service a “syncing service”? (E.g., DropBox, OneDrive, SharePoint, Google Drive)  No    Yes

c. If “Yes” to a., have you determined how long it would take to restore all of your data from the cloud?  
 No    Yes, >1 week    Yes, >48 hours but <1 week    Yes, <48 hours

40. Do you maintain any offline backups?  No    Yes, partial backups    Yes, full backups

41. a. Are all of your backups encrypted?  No    Some backups are encrypted, some aren't    Yes

b. For your encrypted backups, do you maintain an offline backup of your decryption key(s)?  No    Yes  
 (Skip this question if you do not have any encrypted backups.)

42. Are any of your backup solutions “immutable”? (Immutable backups cannot be altered or deleted.)  No    Yes

43. How frequently do you perform a test restoration from backups?  
 Never/not regularly    Annually    2-3 times per year    Quarterly or more often

44. Do you have the ability to test the integrity of backups prior to restoration to be confident that your backups are free from malware?  No    Yes

## Business Continuity & Planning

45. a. Do you have a business continuity or disaster recovery plan, that includes responding to cybersecurity threats, that was created or updated within the past two years?  No    Yes

b. If “Yes” to a., have you engaged in any exercises to run through the plan (from start to finish) with your incident response team?  No    Yes

46. a. Have you conducted, within the past two years, a cybersecurity incident tabletop exercise?  No    Yes

b. If “Yes” to a., did that tabletop exercise include the threat from ransomware?  No    Yes

## Other Cybersecurity Controls & Preventative Measures

Please use the space below to clarify any answers above that may be incomplete or require additional detail. Please also describe any additional steps your organization takes to detect, prevent, and recover from ransomware attacks (e.g., segmentation of your network, additional software security controls, external security services, etc.).



THE UNDERSIGNED IS AUTHORIZED BY THE APPLICANT TO SIGN THIS APPLICATION ON THE APPLICANT'S BEHALF AND DECLARES THAT THE STATEMENTS CONTAINED IN THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION AND THE UNDEWRITING OF THIS INSURANCE ARE TRUE, ACCURATE AND NOT MISLEADING. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THE STATEMENTS CONTAINED IN THIS APPLICATION AND ANY OTHER INFORMATION AND MATERIALS SUBMITTED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING OF THIS INSURANCE ARE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND HAVE BEEN RELIED UPON BY THE INSURER IN ISSUING ANY POLICY.

THIS APPLICATION AND ALL INFORMATION AND MATERIALS SUBMITTED WITH IT SHALL BE RETAINED ON FILE WITH THE INSURER AND SHALL BE DEEMED ATTACHED TO AND BECOME PART OF THE POLICY IF ISSUED. THE INSURER IS AUTHORIZED TO MAKE ANY INVESTIGATION AND INQUIRY AS IT DEEMS NECESSARY REGARDING THE INFORMATION AND MATERIALS PROVIDED TO THE INSURER IN CONNECTION WITH THE UNDERWRITING AND ISSUANCE OF THE POLICY.

THE APPLICANT AGREES THAT IF THE INFORMATION PROVIDED IN THIS APPLICATION OR IN CONNECTION WITH THE UNDERWRITING OF THE POLICY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE APPLICANT WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

I HAVE READ THE FOREGOING APPLICATION FOR INSURANCE AND REPRESENT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

***Digital signature required below [click the red tab to create a digital ID or import an existing digital ID]:***

Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_

**<date>**

**<underwriting entity>**  
**<address>**

Re: Proposal for **<product>**  
Proposed Effective Dates: **<date 1>** to **<date 2>**

To Whom It May Concern:

The Applicant declares that none of the Applicant's or any of its subsidiaries' principals, partners, officers, directors, general counsels (including any staff attorneys) or risk managers (or any person in a substantially similar position as those referenced above, or with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual, and any individual who previously held any of the above referenced positions) is aware of any acts, errors, omissions, circumstances or incidents or suspected incidents that reasonably might give rise to a claim or loss under the proposed insurance.

By: \_\_\_\_\_  
Must be signed by corporate officer with  
authority to sign on Applicant's behalf



# CONSTRUCTION PROJECT QUESTIONNAIRE

---

|  |  |
|--|--|
| Member Name:                               | _____  |
| Project Address or Location No.:           | _____  |
| (Include Zip Code)                         | _____  |
| Description of Project:                    | _____  |
| Occupancy:                                 | _____  |
| Start Date:                                | _____ Estimated completion date: _____                   |
| Contract Amount: \$                        | _____ Estimated completion value: \$ _____               |
| Name & Address of General Contractor:      | _____  |
|  | _____  |
|  | _____  |
| Type of Construction:                      | _____  |
| Wall Construction:                         | _____  |
| Roof Construction:                         | _____  |
| Number of Stories:                         | _____  |
| Square Footage:                            | _____  |
| Automatic Sprinklers:                      | _____  |
| Perimeter Protection of Construction Site: | _____  |
| Is Earthquake Coverage Desired?            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Copy of the Contract:                      | Required if requesting coverage through the Fund         |

# CONSTRUCTION PROJECT QUESTIONNAIRE

Questions below are for four optional coverages due to delayed opening. These coverages may be purchased separately or all together for additional premium. Answer these questions only for the type of delayed opening coverage you would like to include in your quote.

1. Loss of Rents due to Delayed Opening:

|   |
|---|
| Anticipated Annual Dollar amount of Rents: \$ _____             |
| Anticipated Sources of Rent (i.e., medical office suites) _____ |

2. Additional Start-Up Expenses due to Delayed Opening:

|  |
|--|
| Anticipated estimated real estate taxes: \$ _____                    |
| Additional estimated advertising and promotional material: \$ _____  |
| Additional estimated commissions due to regenerating leases \$ _____ |
| Additional Permits:  |
| Additional Management Fees: \$ _____                                 |
| Additional architects fees if any: \$ _____                          |
| Additional insurance: \$ _____                                       |
| Other (please describe): \$ _____                                    |

# CONSTRUCTION PROJECT QUESTIONNAIRE

3. Loss of Gross Earnings due to Delayed Opening:

|  |
|--|
| Anticipated Annual<br>Gross Earnings upon<br>normal completion of<br>project: \$ _____ |
| Description of<br>Anticipated Gross<br>Earnings: _____<br>_____<br>_____               |

4. Additional Finance Costs due to Delayed Opening:

|   |
|---|
| Amount to be Financed: \$ _____   |
| Anticipated Annual<br>Finance Charge: Finance Rate _____ %      Dollar Amount: \$ _____ |
| Lender: _____<br>_____  |

Please include a copy of the contract with your general contractor or project manager.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Your Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

**School Alliance Insurance Fund  
(SAIF)**

**RISK MANAGEMENT PLAN  
FUND YEAR 2024/2025**

**Effective July 1, 2024**

## TABLE OF CONTENTS

| SECTION   | PAGE |
|---|------|
| <b>I. INTRODUCTION</b> .....  | 1    |
| <b>II. COVERAGES PROVIDED, LIMITS OF LIABILITY, SELF-INSURED RETENTIONS AND DEDUCTIBLES</b> ..... | 1    |
| A. GENERAL.....   | 1    |
| B. PROPERTY .....   | 2    |
| C. BOILER AND MACHINERY .....   | 4    |
| D. CYBER LIABILITY .....  | 4    |
| E. CRIME AND FIDELITY .....   | 4    |
| F. COMPREHENSIVE GENERAL LIABILITY & AUTOMOBILE LIABILITY .....                                   | 5    |
| G. WORKERS' COMPENSATION.....   | 5    |
| H. SUPPLEMENTAL INDEMNITY .....   | 6    |
| I. FOREIGN TRAVEL LIABILITY.....  | 6    |
| J. ENVIRONMENTAL IMPAIRMENT LIABILITY.....  | 6    |
| K. STUDENT ACCIDENT .....   | 7    |
| L. SCHOOL LEADERS PROFESSIONAL LIABILITY .....  | 7    |
| M. EXCESS LIABILITY.....  | 7    |
| N. REINSURANCE.....   | 8    |
| O. FUND AGGREGATE COVERAGE .....  | 8    |
| <b>III. OPERATIONAL PHILOSOPHY</b> .....  | 9    |
| A. GENERAL.....   | 9    |
| B. ASSESSMENT PROCEDURES .....  | 9    |
| C. FUND COMMISSIONERS AND TRUSTEES .....  | 10   |
| D. FUND PROFESSIONALS .....   | 10   |
| E. RISK MANAGEMENT CONSULTANTS.....   | 10   |
| F. CLAIMS RESPONSE AND RESERVING .....  | 10   |
| G. FINANCIAL MANAGEMENT .....   | 11   |
| H. SAFETY AND LOSS PREVENTION.....  | 11   |
| I. PROCEDURES FOR THE CLOSURE OF FUND YEARS.....  | 11   |
| J. PROCEDURES GOVERNING LOSS ADJUSTMENT,<br>LITIGATION MANAGEMENT AND LEGAL FEES.....             | 12   |
| K. CLAIMS AUDIT .....   | 14   |

The purpose of this document is to highlight major coverages, limits, and sublimits afforded through SAIF. This document is not a policy of insurance and in no way modifies, restricts, expands or in any other way changes the coverages afforded through SAIF. For actual coverage determination, reference must be made to applicable insuring documents and/or insurance policies. All terms and conditions of coverage are as stated in the applicable insuring documents and/or insurance policies.

## I. INTRODUCTION

The School Alliance Insurance Fund (herein referred to as SAIF or the Fund) is a Joint Insurance Fund formed under the provisions of *N.J.S.A. 18A:18B-1 et. seq.* As indicated by the Fund's name, the SAIF's membership is comprised of educational facilities.

The SAIF commenced operations on July 1, 1996 with 69 member districts.

The Fund's objectives include the following:

1. Providing qualified educational facilities with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures;
2. Maintaining a pro-active posture of safety and loss prevention programs specific to issues inherent in modern educational facility operations;
3. Aggressively evaluating, defending and/or settling claims made against members which fall within the coverages afforded through the Fund.
4. Maintaining a conservative funding posture in an effort to ensure long term financial security and stability for the Fund and, by extension, the membership thereof.

Inevitably, any management technique selected by today's educational institutions must be evaluated against a common measure: the extent to which the employment of the technique is successful in supporting the role of our educational facilities as the educators of tomorrow's leaders.

The SAIF too will be evaluated against this measure and its success will hinge on the Fund's success in achieving each of the goals outlined above.

## II. COVERAGES PROVIDED, LIMITS OF LIABILITY, SELF INSURED RETENTIONS AND DEDUCTIBLES

**Please note, other coverages, limits, sublimits, deductibles, SIRs, terms and conditions may apply.**

### A. GENERAL

The SAIF may offer coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles:

- Excess Insurance
- Reinsurance
- Excess Property and Casualty Joint Insurance Fund
- Joint Purchase Agreement
- Individual Contracts

The SAIF offers its members the following coverages:

- Property damage (includes boiler and machinery, cyber liability and automobile physical damage)
- Comprehensive General and Automobile Liability (including employee benefits liability, sexual abuse and molestation)
- Crime and Fidelity
- Environmental Impairment Liability
- Foreign Travel Liability (including general liability, automobile liability, foreign workers' compensation/employers liability)
- School Leaders Professional Liability (including employment practices liability)
- Student Accident
- Security Guard Liability
- Workers' Compensation and Employers' Liability
- Supplemental Indemnity
- Excess Liability (applicable only to members that have SAIF primary underlying coverages):
  1. Underlying insurance (General Liability, Automobile Liability, School Leaders Professional Liability and/or Employment Practices Liability) must be written by the Fund.
  2. Any school with properties within 5 miles of ocean or bay must be approved by the Fund's reinsurer.
  3. Any school with a detention center must be approved by the Fund's reinsurer.
  4. All buildings must be in compliance with State and Federal asbestos standards.
  5. The applicant cannot be involved in any pending pollution litigation.
  6. The applicant's enrollment shall not exceed 5,000, if so it must be approved by Fund's reinsurer.
  7. The applicant shall not have any dormitory facilities; if so it must be approved by the Fund's reinsurer.

The specific limits of liability of the various coverages afforded by the Fund incorporates individual member deductibles, funded self-insured retentions, and various jointly purchased conventional and excess/reinsurance policies. Unless specifically stated to the contrary, limits shown in the following sections shall be considered to be inclusive of applicable pooled self-insured retentions.

The specific structure of the Fund includes elements of risk retention and risk transfer, which reflects what is believed to be optimal limits of risk retention and transfer. The structure capitalizes on the collective financial and purchasing strength of the districts comprising the Fund's membership.

**B. PROPERTY**

- |                                       |  |
|---------------------------------------|--|
| 1. Limit of Liability:                | \$500,000,000 Per Occurrence   |
| 2. SAIF Self Insured Retention (SIR): | \$100,000 Per Occurrence   |
| 3. Fund Aggregate Retention:          | Agreed upon annually based on membership (exposures and loss analysis) |

|    |  |  |
|----|--|--|
| 4. | Member Retention:                                | \$2,500 Per Occurrence (\$1,000 for APD) <sup>1</sup>  |
| 5. | Perils Included:                                 | Coverage written on an “All Risk” basis, including flood and earthquake (see footnotes 3,4 and 5)  |
| 6. | Property Included in Coverage Limits/Sub-Limits  |  |
|    | <u>Property Included</u>                         | <u>Occurrence<sup>2</sup><br/>Limit/Sub-Limit</u>  |
| a. | Buildings, Contents, Valuable Papers             | \$500,000,000/Per Occurrence <sup>3</sup>  |
| b. | Extra Expense                                    | \$50,000,000   |
| c. | Newly Acquired Property                          | \$25,000,000   |
| d. | Builders Risk (new construction)                 | \$25,000,000 <sup>4</sup>  |
| e. | Property In Transit                              | \$25,000,000   |
| f. | Automobile Physical Damage                       | Included <sup>5</sup>  |
| g. | Unnamed Locations                                | \$10,000,000   |
| h. | Demolition and Increased<br>Cost of Construction | \$50,000,000   |
| i. | Earthquake                                       | \$25,000,000 Per Occurrence/Per<br>Member/Annual Aggregate <sup>6</sup>  |
| j. | Flood  | \$10,000,000 Per Occurrence/Per<br>Member (Excluding Zones A&V)<br>\$25,000,000 Per Occurrence/Per<br>Member (Zones A&V)/\$100,000,000<br>Fund Annual Aggregate sublimited to<br>\$25,000,000 Annual Aggregate for<br>Flood Zones A&V <sup>7</sup> |
| k. | Accounts Receivable                              | \$2,500,000  |
| l. | Fine Arts  | \$2,500,000  |
| m. | Loss of Rents                                    | \$500,000/\$2,500,000 Aggregate  |

<sup>1</sup>This retention is expressed as a standard amount. Each member’s retention will be predicated on the underwriter’s evaluation of the member’s application.

<sup>2</sup>Losses under this section shall be paid up to the limits shown. Members shall report values annually by a Statement of Values as required by the Fund.

<sup>3</sup>Named Windstorm Tier 1 & 2 Sublimit \$85,000,000.

<sup>4</sup>Builders’ risk exposure or newly acquired property, members are required to report all such exposures immediately to the SAIF administrator in order for coverage to be afforded.

<sup>5</sup> The Fund has an additional \$100,000 SIR for auto physical damage and named storm coverage that does not accrue to the aggregate.

<sup>6</sup>Earthquake coverages apply excess of 5% of the values at each location shown on each Members’ Statement of Values.

<sup>7</sup>Flood coverages for locations within Federal Flood Zone “A” and “V” shall apply, per member, excess of limits available by the National Flood Insurance Program, or the equivalent of said limits.



|  |   |
|--|---|
| n. Terrorism   | \$100,000,000 Per Occurrence/\$200,000,000 Annual Aggregate |
| <br>   |   |
| <b>C. BOILER AND MACHINERY</b>   |   |
| 1. Limit of Liability:   | \$100,000,000 Per Occurrence                                |
| 2. SAIF Self Insured Retention (SIR):  | \$50,000 Per Occurrence                                     |
| 3. Member Retention:   | \$2,500 Per Occurrence                                      |
| <br>   |   |
| <b>D. CYBER LIABILITY</b>  |   |
| 1. Limit of Liability  | \$2,000,000 Per Occurrence/Aggregate                        |
| Sublimated to:   |   |
| a. Third Party Liability   |   |
| (1) Privacy Notification Costs   | \$500,000 Per Occurrence/Aggregate                          |
| (2) Penalties for Regulatory Defense   | \$2,000,000 Per Occurrence/Aggregate                        |
| (3) Website Media Content Liability  | \$2,000,000 Per Occurrence/Aggregate                        |
| (4) Cyber Extortion Loss   | \$2,000,000 Per Occurrence/Aggregate                        |
| b. First Party Computer Security   |   |
| (1) Cyber Extortion Loss   | \$750,000 Per Occurrence/Aggregate                          |
| (2) Data Protection and Business Interruption  | \$750,000 Per Occurrence/Aggregate                          |
| 2. SAIF Self Insured Retention   | \$50,000 or \$100,000 Per Occurrence based on member TIV    |
| 3. Member Retention  | \$10,000 Per Occurrence                                     |
| <br>   |   |
| <b>E. CRIME AND FIDELITY</b>   |   |
| 1. Limits of Liability:  |   |
| a. Money and Securities  |   |
| (1) Loss Inside  | \$50,000 each loss  |
| (2) Loss Outside   | \$50,000 each loss  |
| b. Blanket Dishonesty Bond including Faithful Performance for elected officials <sup>8</sup> | \$500,000 per loss  |
| 2. SAIF Self Insured Retention:  | NIL   |
| 3. Member Retention:   | \$1,000 each loss   |

---

<sup>8</sup>Statutory bond positions are excluded.

**F. COMPREHENSIVE GENERAL LIABILITY AND AUTOMOBILE LIABILITY  
including Employee Benefits Liability**

- |    |   |  |
|----|---|--|
| 1. | Limit of Liability:                                       | \$5,000,000 Per Occurrence<br>Per Member   |
| 2. | SAIF Self Insured Retention (SIR):                        | \$100,000 Per Occurrence   |
| 3. | Fund Aggregate Retention:                                 | Agreed upon annually based on<br>membership (exposures and loss<br>analysis)   |
| 4. | Member Retention:   | None   |
| 5. | Insuring Agreement:                                       | Provides coverage for a civil claim<br>action for bodily injury, property<br>damage and personal injury liability to<br>the extent to which this insurance<br>applies arising out of the business<br>activities of any member. |
| 6. | Sub - Limit applicable to<br>Sexual Molestation Coverage: | \$10,000,000 Per Occurrence/Per<br>Member Aggregate<br>\$28,500,000 Fund Aggregate   |

**G. WORKERS' COMPENSATION<sup>9</sup>**

- |    |                                       |  |
|----|---------------------------------------|--|
| 1. | Limits of Liability:                  |  |
|    | a. Workers' Compensation              | Statutory benefits as required by the<br>State of New Jersey |
|    | b. Employers' Liability               | \$5,000,000 Per Occurrence/Aggregate                         |
| 2. | SAIF Specific Self Insured Retention: |  |
|    | - Workers' Compensation               | \$100,000 Per Occurrence                                     |
|    | - Employers' Liability                | \$100,000 Per Occurrence                                     |
| 3. | Member Retention:                     | NIL  |

As respects any one loss and/or accident (not including communicable disease) and/or claim(s) and/or occurrence(s), including suit(s) brought in connection therewith, the SAIF's Loss Fund shall not be charged with any amount in excess of \$100,000 as respects any one loss and/or accident (not including communicable disease) and/or claim(s) and/or occurrence(s), including suit(s) brought in connection therewith.

---

<sup>9</sup>All Workers' Compensation Claims shall be subject to managed care.

**H. SUPPLEMENTAL INDEMNITY**

- |                                 |  |
|---------------------------------|--|
| 1. Limit of Liability:          | Maximum Weekly Benefit:<br>\$2,500/week<br>Maximum Benefit: \$130,000<br>Benefit Waiting Period: 7 days<br>Maximum Benefit Period: 104 weeks<br>Time Period for Loss: 180 days |
| 2. SAIF Self Insured Retention: | NIL  |
| 3. Member Retention:            | NIL  |

**I. FOREIGN TRAVEL LIABILITY COVERAGE including General Liability, Automobile Liability, Foreign Workers' Compensation/Employers Liability.**

- |                                 |   |
|---------------------------------|---|
| 1. Limit of Liability:          | \$1,000,000 Per Incident / \$1,000,000<br>Annual Aggregate              |
| 2. SAIF Self Insured Retention: | NIL   |
| 3. Member Deductible:           | None  |
| 4. Insuring Agreement:          | Provides coverage for all foreign travel activity during policy period. |

**J. ENVIRONMENTAL IMPAIRMENT LIABILITY**

- |                                 |   |
|---------------------------------|---|
| 1. Limit of Liability:          | \$1,000,000 Per Incident / \$10,000,000<br>Fund Annual Aggregate  |
| Sublimited to:                  |   |
| a. Sewage Backup Liability:     | \$1,000,000 Per Incident/\$5,000,000<br>Aggregate   |
| 2. Fund Self Insured Retention: | \$100,000 per incident  |
| 3. Member Deductible:           | \$50,000 Per Incident   |
| Sublimited to:                  |   |
| a. Sewage Backup Liability:     | \$50,000 Per Incident   |
| 4. Insuring Agreement:          | Provides coverage for on site clean-up costs and third party claims for bodily injury, property damage and clean-up costs resulting from environmental impairment conditions. |

**K. STUDENT ACCIDENT INSURANCE<sup>10</sup>**

1. Limit of Liability
  - a. Compulsory/Full Excess: \$1,000,000 per accident/3 year benefit
2. SAIF Self Insured Retention: NIL
3. Member Deductible: NIL

**L. SCHOOL LEADERS PROFESSIONAL LIABILITY**

1. Limits of Liability: \$5,000,000 Per Claim/Aggregate Per Member  
\$10,000,000 Aggregate Per Occurrence<sup>11</sup>  
Claims Made form, Full Prior Acts
2. SAIF Self Insured Retention: \$300,000 per Claim
3. Member Retention: \$5,000 per Claim<sup>12</sup>
4. Insuring Agreement: Provide coverage for a civil claim to the extent to which this insurance applies because of a wrongful act arising out of the business activities of any member.

**M. EXCESS LIABILITY**

1. Limits of Liability: Optional \$5<sup>13</sup>, \$10 or \$15 million per occurrence/aggregate per member.
2. SAIF Self Insured Retention: NIL
3. Member Retention:  
Maintenance of: \$5,000,000 auto & general liability combined single limit.  
\$5,000,000 per claim / annual aggregate school leaders professional liability.
4. Insuring Agreement: Provides excess coverage pursuant to F5 and L4.

---

<sup>10</sup>Basic coverage. Members may elect optional coverages and higher limits.

<sup>11</sup> Applicable to claims involving multiple members.

<sup>12</sup>This retention is expressed as a standard amount. Each member's retention will be predicated on the underwriter's evaluation of the member's application.

<sup>13</sup>\$5,000,000 Excess general liability and auto liability is automatically included for all members with package coverage.

**N. REINSURANCE**

The SAIF may purchase reinsurance subject to the terms and conditions of the reinsurer. In no circumstance shall the terms and conditions of such reinsurance be contrary to the provisions set forth in *N.J.A.C. 11:15-4.23*. The SAIF purchases reinsurance for the following:

1. Property: The SAIF cedes 100% of net loss and allocated loss adjustment in excess of the SAIF's per occurrence and annual aggregate retention.
2. Crime and Fidelity: The SAIF retains NIL and cedes 100% net loss and allocated loss adjustment per loss excess of the member district deductible.
3. Comprehensive General Liability and Automobile Liability, including Employee Benefits Liability and Sexual Abuse and Molestation: The SAIF cedes 100% of net loss and allocated loss adjustment in excess of the SAIF's per occurrence and annual aggregate retention.
4. Workers' Compensation: The SAIF cedes specific statutory limits of liability and employers' liability in excess of the specific per occurrence retention.
5. Supplemental Indemnity: The SAIF retains NIL and cedes 100% net loss per occurrence excess of the member district deductible.
6. Excess Liability: The SAIF retains NIL and cedes 100% net loss and allocated loss adjustment per occurrence of approved underlying comprehensive general and auto liability and school leaders' professional liability claims.

**O. FUND AGGREGATE COVERAGE<sup>14</sup>**

As is consistent with the Fund's objective of providing cost effective, long term financial stability, the insurance program includes Aggregate Coverage subject to the provisions set forth in *N.J.A.C. 11:15-4.23*. Aggregate Coverage (frequently referred to as "Assessment Insurance") serves to limit the dollar value the Fund might require its members to pay as additional assessments. Additional assessments can result when the actual sums needed to pay for claims activity within the Fund's retention exceeds, or is projected to exceed, the Fund's claim reserve balances. Without aggregate coverage, this risk is unlimited.

Aggregate coverage provides for the assumption of the Fund's retention by an insurance carrier when the accumulation of dollars spent, including allocated loss expenses and/or financial loss elements, within the Fund's retention reaches a predetermined value known as the attachment point.

The attachment point is negotiated each year with the Fund's insurance carriers and is predicated upon the Fund's actuarial loss funding projections, loss experience, and membership at a point in time. Should the Fund's membership change during the term of the aggregate excess contract (Fund Year), the attachment point may increase or decrease relative to the change in overall loss funds and specific to themember(s) loss history. Any line of

---

<sup>14</sup> Applicable to property, comprehensive general and auto liability.

coverage corridor and/or aggregate attachment point is per the final policy for the applicable fund year.

### **III. OPERATIONAL PHILOSOPHY**

#### **A. GENERAL**

As is the case with any organization, an established operating philosophy, formalized in a document such as this, is a necessary precursor to success. This section of the Risk Management Plan is developed to provide general instruction for key areas and providers of service to the Fund. Also included here are sections which restate (and amplify) the roles and responsibilities of important parties and stress the importance of activities upon which the long term success of the Fund will hinge in whole or in part.

#### **B. ASSESSMENT PROCEDURES**

1. By March 15 of each year, the Actuary shall compute the probable net cost for the upcoming Fund year by line of coverage.
2. The annual assessment of each member shall be its pro-rata share of the probable net cost for the upcoming year for each line of coverage as computed.
3. The calculation of pro-rata shares for each educational facility shall be based on the overall Fund year budget. Pro-rata shares may be modified by the Trustees to reflect the Loss History or other pertinent data of individual members.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Trustees to the governing body of each member at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment shall be paid to the Fund in two (2) installments, to be determined or as modified by the Trustees provided, however, that the full assessment shall be paid by each member no later than February 1.
6. In the event the final budget passed in June necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.
7. The Treasurer shall deposit each member's assessment into the appropriate accounts including the administrative account, and the claim or loss retention Trust Fund account by Fund year for each type of coverage.
8. If an educational institution becomes a member of the Fund after the start of the Fund year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year, which has elapsed.

**C. FUND COMMISSIONERS AND TRUSTEES**

Fund Commissioners, each a professional board secretary and/or business official, are the backbone of the Fund. These individuals will in large measure control the success of the Fund by actively participating in the safety and loss control programs developed by the Fund for all members, and by implementing these programs in their respective districts. Fund Commissioners are encouraged to attend all meetings of the Fund, to serve on committees studying current issues, to enhance their knowledge of risk management, and to encourage consistent, safe practices.

**D. FUND PROFESSIONALS**

Providers of professional services to the Fund and individual members are strongly encouraged to participate in and promote Fund activities. The success of the SAIF will, in part, be a reflection of the professionalism of those providers whose services are integral components of the Fund. Support of the concept of self-insurance, the Fund in general, and the risk management activities of the members in particular are necessary elements of success.

**E. RISK MANAGEMENT CONSULTANTS**

Risk Management Consultants appointed by the Fund shall participate in and promote Fund Activities. The success of the SAIF will be a reflection of the services provided by the Risk Management Consultants. Risk Management, among other things is an essential element of the Fund's success.

The Fund shall provide for the services of an individual or firm to serve as a Risk Management Consultant to each member. The Risk Management Consultant shall not be a Fund Commissioner or Trustee. The Risk Management Consultant shall advise the member on matters relating to the Fund's operation and coverages. The Risk Management Consultant shall be governed by the Producer Arrangement Plan and the Risk Management Consultant's contract.

**F. CLAIMS RESPONSE AND RESERVING**

Were the philosophy of the Fund in these areas to be encapsulated into two sentences, they would read as follows:

1. "The Fund will thoroughly review and respond to each claim presented so as to pay only that amount (if any) which it is legally bound and obligated to pay"; and
2. "Reserves shall be established on each claim presented in a manner which accurately reflects the full, known liability of the Fund at any given point in time."

In reviewing each claim presented, the Fund (operating through its claims administrator and legal counsel) shall review such claims for coverage, deny those not falling within the purview of coverages offered, aggressively defend those in dispute, pursue to the fullest extent of the law those presented in bad faith, and settle as expeditiously as possible those for which the Fund is legally liable.

The claims administrator must submit to the Board of Trustees or designees a notice of recommended settlement except for claims under \$25,000. The notice shall be on forms approved by the Trustees and shall provide information about the claim, a summary of investigative work concerning the merits of the claim, and the reasons underlying the recommended settlement.

Case reserves, including all types of applicable allocated loss adjusting expenses, will be established with an eye toward identifying the full exposure of the Fund and its excess insurance carriers at the earliest possible date. Reserves shall be periodically reviewed for accuracy and adjusted as needed. For claims aged eighteen (18) months or more, it is expected that reserves will be not less than 90% accurate. For claims aged thirty (30) months or more 95% accuracy is expected.

#### **G. FINANCIAL MANAGEMENT**

Consistent with the objective of serving as a long term vehicle through which to stabilize the costs associated with insurance coverages, the underlying premise of the Fund's financial base shall be one of conservative up-front funding, prudent investment of idle funds, and maintenance of stringent paper and audit trails. As is the case with all other aspects of the Fund, the financial assets of the Fund can well be considered as monies held in public trust. Treatment and handling of these funds must be accomplished in a manner which reflects the stewardship obligation of those whose hands through which they pass. All investment, treasury and banking functions of the Fund are to be accomplished in a manner consistent with the enabling statutes then in effect.

#### **H. SAFETY AND LOSS PREVENTION**

Every dollar spent to compensate for an avoidable loss, whether it be for property, workers' compensation or any other coverage afforded through the SAIF, is a dollar which might better have been used to educate a student in a member district. In an effort to avoid preventable loss and the financial and human hardships which result therefrom, the SAIF (operating through the Fund's Safety Committee) will implement safety and loss control programs and procedures, directed at reducing or eliminating conditions or practices which lead to loss. These programs, implemented in progressive steps, will include items such as:

1. Member district facility inspections.
2. Seminars or other training programs directed at specific areas of district operations from which losses are likely to occur;
3. Promotional programs stressing safety in all district operations and offering incentives for active participation by all Fund members.

#### **I. PROCEDURES FOR THE CLOSURE OF FUND YEARS**

The Fund shall, not less than sixty (60) months after the end of a fiscal year, evaluate and determine its retained outstanding ultimate net losses up to the attachment points of the specific excess and aggregate excess insurance. The Fund will close a Fund year only if:



1. A portfolio transfer of retained outstanding ultimate net losses and residual risk has been effected; or
2. Upon closure of all losses following an independent determination that the residual risk has been extinguished to the highest level of certitude.

A Fund year may only be closed by resolution adopted after a public hearing.

1. All participants must receive at least one (1) month prior notice of the public hearing.
2. The resolution shall provide for the maintenance of all records in accordance with the requirements of the Commissioner of Banking and Insurance and other regulations and statutes then in effect.
3. The resolution shall provide for written notice to the Commissioner of Banking and Insurance at least ninety (90) days before the resolution becomes effective.

**J. PROCEDURES GOVERNING LOSS ADJUSTMENT, LITIGATION  
MANAGEMENT AND LEGAL FEES**

1. Loss Adjustment

The SAIF contracts with a claims servicing organization to receive incident reports, notices of claims, and other related information.

The claims servicing organization will, under contract to SAIF, perform the following:

- a. Review each claim and loss report submitted by the participants during the term of this contract.
- b. Conduct an investigation of each qualified claim or loss to the extent deemed necessary.
- c. Maintain a file for each qualified claim or loss which shall be available for review by the SAIF.
- d. Adjust, settle, or resist all qualified claims or losses:
  - (1) within the stated discretionary settlement authority limit;
  - (2) with specific approval of the SAIF, if outside the stated authority limit.
- e. Perform necessary and customary administrative and clerical work in connection with each qualified claim or loss, including the preparation of checks or vouchers, releases, agreements, and other documents needed to finalize a claim.
- f. Establish and update claim reserves as needed.

- g. Notify the SAIF and the SAIF reinsurer as designated by the SAIF, of all qualified claims or losses which may exceed the SAIF's retention or limit and, if requested provide information on the status of those claims or losses.
  - h. Coordinate investigations on litigated claims with attorneys representing the SAIF and with representatives of the reinsurer, as required. This includes the negotiation of settlements and preparation of subrogation and contribution actions.
  - i. Review large and unusual claims.
  - j. Maintain an automated loss and information system, and provide the SAIF with reports.
  - k. Provide forms needed to administer the SAIF claim program.
  - l. Assist the SAIF in selecting appropriate experts or specialists, as the claims may require.
  - m. Provide personnel needed to perform the services agreed to herein.
  - n. Maintain 24-hour emergency telephone service for claims reporting.
  - o. Acknowledge receipt of each claim.
  - p. Assist the SAIF in the filing of periodic reports required by state or administrative regulation.
2. Litigation Management and Legal Fees

The SAIF realizes that every claim will not reach an amicable solution. Careful selection and control of claims and claims defense is very important.

The SAIF has established procedures to provide quality defense of claims and monitor the defense procedures and costs. These procedures include:

- a. A list of approved defense attorneys.  
The list will include attorneys with previous experience with workers' compensation and/or Title 59, and a fee structure considered to be reasonable shall be approved by the Commissioners or the Board of Trustees.
- b. Monitoring the activities of the defense attorneys.

The claims servicing organization in conjunction with the Fund Attorney, will supervise all legal defense activity and experts.

The SAIF attorney may direct the amount of legal discovery in an effort to control costs.

**K. CLAIMS AUDIT**

The performance of the claims servicing organization is routinely monitored by the administrator's office.

The Fund may periodically engage the services of an independent claims auditor to evaluate the management and reserving practices of the claims servicing organization.

# **School Alliance Insurance Fund**

## **Bylaws**

## Table of Contents

|                     |   |          |
|---------------------|---|----------|
| <b>Article I.</b>   | <b>Name.....</b>                                      | <b>1</b> |
| <b>Article II.</b>  | <b>Purpose.....</b>                                   | <b>1</b> |
| <b>Article III.</b> | <b>Definitions.....</b>                               | <b>1</b> |
| <b>Article IV.</b>  | <b>Membership.....</b>                                | <b>4</b> |
|                     | A. Agreement to Join the Fund.....                    | 4        |
|                     | B. Initial Membership.....                            | 5        |
|                     | C. Subsequent Membership.....                         | 5        |
|                     | D. Conditions of Membership.....                      | 6        |
|                     | E. Membership Renewals.....                           | 6        |
|                     | F. Termination and/or withdrawal of Fund Members..... | 6        |
| <b>Article V.</b>   | <b>Organization.....</b>                              | <b>8</b> |
|                     | A. Fund Commissioners.....                            | 8        |
|                     | 1. Appointment.....                                   | 8        |
|                     | 2. Terms of Office and Vacancy.....                   | 8        |
|                     | 3. Responsibilities.....                              | 9        |
|                     | B. Officers.....                                      | 9        |
|                     | C. Trustees.....                                      | 10       |
|                     | D. Alternate Trustees.....                            | 11       |
|                     | E. Regions.....                                       | 11       |
|                     | F. Retained Professionals.....                        | 11       |
|                     | 1. Treasurer.....                                     | 11       |
|                     | 2. Administrator.....                                 | 12       |
|                     | 3. Auditor.....                                       | 13       |
|                     | 4. Attorney.....                                      | 13       |
|                     | 5. Risk Management Consultant.....                    | 13       |
|                     | 6. Actuary.....                                       | 15       |
|                     | 7. Service Agent.....                                 | 15       |
|                     | 8. Vacancy of Retained Professionals.....             | 15       |

|                      |  |           |
|----------------------|--|-----------|
| <b>Article VI.</b>   | <b>Indemnification of Officers and Employees .....</b>   | <b>15</b> |
| <b>Article VII.</b>  | <b>Safety Committee .....</b>                            | <b>16</b> |
| A.                   | Membership .....   | 16        |
| B.                   | Organization.....  | 17        |
| C.                   | Duties .....   | 17        |
| <b>Article VIII.</b> | <b>Operation of the Fund .....</b>                       | <b>17</b> |
| A.                   | General Operation.....                                   | 17        |
| B.                   | Risk Management Plan .....                               | 18        |
| C.                   | Servicing Organizations.....                             | 18        |
| D.                   | Financial Statement and Reports .....                    | 19        |
| E.                   | Coverages.....   | 20        |
| <b>Article IX.</b>   | <b>Meetings and Rules of Order .....</b>                 | <b>21</b> |
| A.                   | Meetings.....  | 21        |
| B.                   | Conduct of Meetings.....                                 | 22        |
| C.                   | Amendments to the Bylaws .....                           | 22        |
| <b>Article X.</b>    | <b>Budgets.....</b>                                      | <b>22</b> |
| A.                   | Budget Preparation.....                                  | 22        |
| B.                   | Budget Adoption.....                                     | 23        |
| <b>Article XI.</b>   | <b>Assessments .....</b>                                 | <b>23</b> |
| A.                   | Annual Assessment.....                                   | 23        |
| B.                   | Supplemental Assessments .....                           | 24        |
| C.                   | Failure or Refusal to Provide Required Assessments ..... | 24        |
| D.                   | Insolvency and/or Bankruptcy of Fund Members .....       | 25        |

|                       |  |           |
|-----------------------|--|-----------|
| <b>Article XII.</b>   | <b>Refunds .....</b>   | <b>25</b> |
| <b>Article XIII.</b>  | <b>Excess Insurance .....</b>                                  | <b>26</b> |
| <b>Article XIV.</b>   | <b>Trust Fund Accounts, Investments and Disbursements.....</b> | <b>27</b> |
|                       | A. Establishment of Trust Fund Accounts.....                   | 27        |
|                       | B. Investments .....   | 27        |
|                       | C. Disbursements.....  | 28        |
| <b>Article XV.</b>    | <b>Conflict of Interest .....</b>                              | <b>29</b> |
| <b>Article XVI.</b>   | <b>Voluntary Dissolution of the Fund .....</b>                 | <b>29</b> |
| <b>Article XVII.</b>  | <b>Claims Handling Procedure.....</b>                          | <b>30</b> |
|                       | A. Registration of Claims .....                                | 30        |
|                       | B. Claims Response.....  | 30        |
|                       | C. Claims Acknowledgment and Initial Evaluation .....          | 30        |
|                       | D. Periodic Review of Claim Status .....                       | 30        |
|                       | E. Notice of Settled Claims .....                              | 31        |
|                       | F. Notice of Intended Settlement .....                         | 31        |
|                       | G. Approval of Payments and Settlements .....                  | 31        |
| <b>Article XVIII.</b> | <b>Complaint Handling Procedure.....</b>                       | <b>31</b> |
| <b>Article XIX.</b>   | <b>Arbitration.....</b>  | <b>31</b> |
| <b>Article XX.</b>    | <b>Other Conditions.....</b>                                   | <b>32</b> |
|                       | A. Inspection and Audit .....                                  | 32        |
|                       | B. Notice of Injury.....                                       | 32        |
|                       | C. Notice of Claim or Suit.....                                | 32        |
|                       | D. Assistance and Cooperation of the Member .....              | 33        |

|    |   |    |
|----|---|----|
| E. | Action Against Fund .....                 | 33 |
| F. | Subrogation .....                         | 33 |
| G. | Conformance with Statute/Regulation ..... | 33 |
| H. | Severability .....                        | 33 |



## **ARTICLE I. NAME**

The name of this group shall be the SCHOOL ALLIANCE INSURANCE FUND, hereinafter called the "**FUND**", which was formed effective July 1, 1996, with 69 initial members (see attached Appendix for names and addresses of the Fund's initial members) and with the Fund's principal office located at c/o PEGAS 51 Everett Drive, Lawrenceville, New Jersey 08648.

## **ARTICLE II. PURPOSE**

The purposes of the **FUND** are:

1. To permit the Boards of Education and educational facilities joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and
2. To provide a procedure for the development, administration, and provision of Risk Management Programs, a Joint Self-Insurance Fund or Funds, Joint Insurance Purchases and related services for members and their employees for the types of coverages permitted by *N.J.S.A. 18A:18B-1 et. seq.* and the regulations promulgated pursuant thereto.

## **ARTICLE III. DEFINITIONS**

For the purposes of these Bylaws, unless the context requires otherwise, the following words and phrases shall have the meanings indicated. It is the intent of these Bylaws to include herein the definitions set forth in *N.J.S.A. 18A:18B-1 et. seq.* and *N.J.A.C. 11:15-4.1 et. seq.* and to have the definitions set forth herein be identical to and consistent with these statutory and regulatory definitions. To the extent that a definition for a word is changed or altered by subsequent legislation or regulation and is therefore inconsistent with the definitions set forth herein, it is the intent of these Bylaws that the statutory and/or regulatory definition take precedence over the definitions set forth herein.

**"ACTUARY"** means a person who is a fellow in good standing of the Casualty Actuarial Society with at least three years recent experience in loss reserving or an associate in good standing of the Casualty Actuarial Society with five years recent experience in loss reserving.

**"ADMINISTRATOR"** means a person, partnership, corporation or other legal entity engaged by the **FUND** to act as Executive Director, to carry out the policies established by the Trustees and to otherwise administer and provide day-to-day management of the **FUND**.

**"ALLOCATED CLAIMS EXPENSE"** means attorneys' fees, expert witness fees (*i.e.* engineering, physicians, etc.), medical reports, professional photographers' fees, police reports and other similar expenses. The exact definition of "ALLOCATED CLAIMS EXPENSE" or similar terms for any line of insurance coverage shall be the definition in the excess insurance policy purchased by the **FUND**.

**"AUTOMOBILE AND EQUIPMENT LIABILITY"** means liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the member. The exact definition of "AUTOMOBILE AND EQUIPMENT LIABILITY" shall be the definition used in the excess insurance policy purchased by the **FUND**.

**"EMPLOYERS' LIABILITY"** means the legal liability of an employer to pay damages because of bodily injury or death by accident or disease at any time resulting therefrom sustained by an employee arising out of and in the course of his employment by the employer, which is not covered by a workers' compensation law. The exact definition of "EMPLOYERS' LIABILITY" or similar terms shall be the definition used in the excess insurance policy purchased by the **FUND**.

**"EXCESS INSURANCE"** means insurance purchased from an insurance company authorized or admitted in the State of New Jersey or deemed eligible by the Commissioner of Banking & Insurance as a surplus lines insurer, covering losses in excess of an amount established between the **FUND** and the insurer up to the limits of coverage set forth in the insurance contract on a specific occurrence, or per accident and/or annual aggregate basis.

**"FUND"** means the School Alliance Insurance Fund.

**"FUND COMMISSIONER"** means an individual appointed by a member having the qualifications, powers, and duties outlined in these Bylaws.

**"FUND YEAR"** means the **FUND**'s fiscal year of July 1<sup>st</sup> through June 30<sup>th</sup>.

**"GENERAL LIABILITY"** means any and all liability which may be insured under the laws of the State of New Jersey, excluding workers' compensation, employers' liability, motor vehicular and equipment liability. The exact definition of "GENERAL LIABILITY" or similar terms is the definition used in the excess insurance policy purchased by the **FUND**.

**"HAZARDOUS FINANCIAL CONDITION"** means that, based on its present or reasonably anticipated financial condition, a Fund, although not yet financially impaired or insolvent is unlikely to be able to meet its claim or other obligations incurred in the normal course of business.

**"INCURRED CLAIMS"** means claims which occur during a **FUND** year including claims reported or paid during a later period. The exact definition of "INCURRED CLAIMS" or any similar term is the definition used in the excess insurance policy purchased by the **FUND**.

**"INDEMNITY AND TRUST AGREEMENT"** means a written contract signed by and duly adopted by the members of the **FUND** under which each agrees to jointly and severally assume and discharge the liability of each and every party to such agreement arising from their membership in the **FUND**.

**"INTER TRUST FUND TRANSFER"** means an actual transfer of funds from one Claim or Loss Retention Fund Account in a fiscal year to another account within the same fiscal year.

**"INTER YEAR FUND TRANSFER"** means the transfer of funds from a Claim or Loss Retention Account for a fiscal year to a Claim or Loss Retention Account of similar risk or liability for a different fiscal year.

**"MANUAL PREMIUM"** means the premium computed by the Excess Insurance Carrier, by line of coverage as modified by the Trustees to reflect the experience or other applicable item of consideration for the **FUND** as a whole or any individual member or members.

**"MEMBER"** or **"MEMBER DISTRICT"** means a school district within the meaning of *N.J.S.A. 18A:18B-1 et. seq.* and any other educational facility permitted by the statutes and regulations governing joint insurance funds.

**"NET CURRENT SURPLUS"** or **"SURPLUS"** means the amount of monies in a trust account that is in excess of all costs, earned investment income, returned surplus, incurred losses and loss adjustment expenses and incurred but not reported reserves, including the associated loss adjustment expenses attributed to the **FUND** net of any recoverable per occurrence or aggregate excess insurance or reinsurance for a particular year.

**"OCCURRENCE"** means a single event. The exact definition of "OCCURRENCE" or any similar terms shall be the definition used in the excess insurance policy purchased by the **FUND**.

**"OFFICIAL"** or **"EMPLOYEE"** of the **FUND** means such individuals, Officers, Fund Commissioners, or Trustees of the **FUND** for whom the **FUND** is obligated by law or contract to provide indemnification or reimbursement of legal or other expense for such claims or demands as may from time to time be made or arise from such individuals', Officers', Fund Commissioners', or Trustees' actions pertaining to the operation of the **FUND**.

**"PROBABLE NET COST"** means the estimated ultimate cost of claims incurred during a Fund year plus the cost of allocated claims expense and other costs of operating the **FUND** until all claims incurred during the Fund year are settled. For purposes of computing the probable net cost, losses within the deductible of members and future investment income on outstanding loss reserves held by the **FUND** shall not be taken into consideration.

**"PROBABLE TOTAL COST"** means the probable net cost plus the estimated ultimate cost of losses incurred within the deductible of members.

**"PROPERTY DAMAGE"** means any loss or damage, however caused, to property, motor vehicles, equipment, or apparatus owned by or under the control of the member or any of its departments. The exact definition of "PROPERTY DAMAGE" or similar terms shall be the definition in the excess insurance policy purchased by the **FUND**.

**"RISK MANAGEMENT PLAN"** means the Plan of Risk Management required under the provisions of these Bylaws.

**"SERVICING ORGANIZATION"** means an individual, partnership, association or corporation, other than the administrator, that has contracted with the **FUND** to provide, on the

**FUND's** behalf, any function as designated by the Trustees including, but not limited to, actuarial services, claims administration, cost containment services, loss prevention/safety engineering services, legal services, auditing services, financial services, compilation and maintenance of the **FUND's** underwriting file, coordination and preparation of coverage documents, risk selection and pricing, excess insurance or reinsurance producer services, which include producer negotiations on behalf of the **FUND** for excess insurance or reinsurance from an insurer, member assessment and fee development, report preparation pursuant to *N.J.S.A. 18A:18B-1 et. seq.* and such other duties as designated by the **FUND**.

**"TRUSTEES"** means the governing body for the **FUND** as provided for by *N.J.S.A. 18A:18B-5* and these Bylaws.

**"UNPAID CLAIMS"** means case reserves and reserves for Incurred But Not Reported (IBNR) claims attributed to the **FUND** net of any per occurrence or aggregate excess insurance or reinsurance for a particular coverage or Fund year.

**"WORKERS' COMPENSATION"** means the provisions of *N.J.S.A. 34:15-7 et. seq.* The exact definition of **"WORKERS' COMPENSATION"** or similar terms shall be the definition in the excess insurance policy purchased by the **FUND**.

#### **ARTICLE IV. MEMBERSHIP**

##### **A. AGREEMENT TO JOIN THE FUND**

1. Membership in the **FUND** shall be open to all qualified New Jersey educational facilities as determined by the **FUND's** Board of Trustees. The facilities may apply for membership by resolution of their respective governing bodies.
2. The resolution shall provide for execution of a written agreement specifically providing for acceptance of the **FUND's** Bylaws as approved, adopted and/or amended by the Trustees of the **FUND**.
3. Initial and subsequent membership in the **FUND** shall be for a period of three (3) years.
4. All applicants to the **FUND** must also include a letter certifying that the facility has never defaulted on a claim, and has not been canceled for non-payment of insurance premiums for a period of at least two (2) years prior to the date of application.
5. All costs associated with preparing and submitting the application and all other necessary documents to the Commissioner of Banking & Insurance shall be paid by the applicant.

## **B. INITIAL MEMBERSHIP**

Any educational facility may be a part of the **FUND's** initial application for approval by the Commissioner of Banking & Insurance.

## **C. SUBSEQUENT MEMBERSHIP**

1. Any educational facility seeking membership after the **FUND's** initial approval by the Commissioner of Banking & Insurance shall submit an application for membership to the **FUND**. The application shall include an executed Indemnity and Trust Agreement and other documentation required under Section A above.
2. The Trustees may approve the application by majority vote based on the following criteria:
  - a) The applicant's five (5) year claims history shows safety performance consistent with the **FUND's** objectives and the applicant's physical location and makeup indicates a prospective likelihood of satisfactory future claim performance.
  - b) A safety inspection and evaluation conducted by the **FUND's** safety consultant at the expense of the applicant shows the applicant meets the **FUND's** safety standards.
  - c) The **FUND** has the administrative capability to absorb additional memberships without undue inconvenience or strain.
3. If the application is approved by the **FUND**, it shall be filed within fifteen (15) days of approval with the Department of Banking & Insurance and shall be accompanied by a revised budget with assessment detail, an actuarial statement, if required, and such amendments to the **FUND's** Bylaws and Plan of Risk Management as may be required by the Department of Banking & Insurance. If the application is denied, the Fund shall set forth in writing the basis for denial and shall forward such to the applicant, retaining a copy of the application for five (5) years.
4. The **FUND** shall within fifteen (15) days after approval of a new member file with the Department of Banking & Insurance the name and address of the new member, the effective date and lines of coverage, the name of the new member's Risk Manager, Fund Commissioner and alternates and the amount of the new member's assessment.
5. Upon approval of a new member, the **FUND** shall submit to the Department an affirmative statement that in accepting the new member an application has been filed, the **FUND** has adhered to its Bylaws and Plan of Risk Management and the Agreement to Join and Indemnity & Trust Agreement have been filed with the **FUND**.

6. No new membership in the **FUND** shall become effective until the application and accompanying amendments to the **FUND's** Bylaws and Plan of Risk Management are approved as required by these Bylaws and, where applicable, state law or regulation.

**D. CONDITIONS OF MEMBERSHIP**

As a condition of membership, each educational facility shall:

1. Form a safety committee and actively participate in all **FUND** sponsored safety programs, if required by the Fund Commissioners or Board of Trustees.
2. Promptly pay all assessments, supplemental assessments, fees, charges or other obligations arising out of or related to the members' participation in the **FUND**.
3. Actively participate in all **FUND** sponsored or directed meetings, programs or activities so as to ensure successful operation of the **FUND**.
4. Designate a Risk Management Consultant.

**E. MEMBERSHIP RENEWALS**

1. Members may renew their participation by execution of a new agreement to join the **FUND** as provided for in Section A above ninety (90) days prior to the expiration of the term period.
2. The Trustees must act upon any renewal application no later than forty-five (45) days prior to the expiration of the term period. Otherwise, the renewal application is automatically approved.
3. In order to deny a renewal application the **FUND** shall find, by majority vote of the **FUND** or Board of Trustees, that the applicant has failed to fulfill its responsibilities as a member or no longer meets the **FUND's** written safety standards or other objective criteria duly adopted.
4. If a member's renewal application is rejected, the **FUND** shall comply with subsection F.2, 3, and 4 below.
5. Non-renewal of a **FUND** member does not relieve the member of responsibility for claims incurred during its period of membership.

**F. TERMINATION AND/OR WITHDRAWAL OF FUND MEMBERS**

1. A member must remain in the **FUND** for the full term of membership unless earlier terminated by a two-thirds vote of the Trustees for nonpayment of assessments or continued noncompliance after written notice to comply with the **FUND's** Bylaws,

Risk Management standards, or other reason(s) acceptable to the Commissioner of Banking & Insurance. However, such member shall not be deemed terminated until:

- a) The **FUND** gives by registered or certified mail, return receipt requested to the member a written notice of its intention to terminate the member in thirty (30) days; and
  - b) Like notice shall be filed with the Department of Banking & Insurance, together with a certified statement that the notice provided for above has been given; and
  - c) Thirty (30) days have elapsed after the filing required by "b" above.
2. A member of the **FUND** that does not desire to continue as a member after the expiration of its membership term shall give written notice of its intent ninety (90) days before the expiration of the term period. The **FUND** shall immediately notify the Department of Banking & Insurance that the member has given notice to leave the **FUND**.
  3. A member of the **FUND** that did not approve any amendment of the **FUND** Bylaws approved pursuant to *N.J.S.A. 18A:18B-4*, and desiring to withdraw from the **FUND** pursuant to *N.J.S.A. 18A:18B-4b(8)(d)*, shall provide written notice of its intent to withdraw ninety (90) days prior to its withdrawal. The **FUND** shall immediately notify the Department of all members that have given notice of withdrawal from the **FUND**.
  4. A member that has been terminated or does not continue as a member of the **FUND** shall remain jointly and severally liable for claims incurred by the **FUND** and its members during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments.
  5. The **FUND** shall immediately notify the Department of Banking & Insurance if the termination or withdrawal of a member causes the **FUND** to fail to meet any of the requirements of the laws governing joint insurance funds or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the **FUND** shall advise the Department of Banking & Insurance of its plan to bring the **FUND** into compliance.
  6. A **FUND** member is not relieved of the claims incurred during its period of membership except through payment by the **FUND** or member of those claims.

## ARTICLE V. ORGANIZATION

### A. FUND COMMISSIONERS

#### 1. Appointment

- a) **Fund Commissioners:** In the manner generally prescribed by law, each member shall appoint one (1) Fund Commissioner to the **FUND**. The Fund Commissioner appointed by a member must be either a member or employee of the member.
- b) **Special Fund Commissioner:** In the event that the number of members is an even number, one (1) additional Fund Commissioner shall be appointed annually by a member on a rotating basis determined alphabetically.

The member's privilege to appoint the Special Fund Commissioner shall remain with that member for one entire fund year and the subsequent admission to the **FUND** of a member with a preceding alphabetical prefix shall not deprive any facility already a member of the **FUND** of its prerogative to appoint a Special Fund Commissioner during a current **FUND** year.

#### 2. Terms of Office and Vacancy

- a) All terms of office shall expire on June 30<sup>th</sup> or until a successor is duly appointed and qualified.
- b) A Fund Commissioner, other than the Special Fund Commissioner, shall hold office for the remainder of his/her employment with the member. Provided however, that in those cases wherein a vacancy is created by reason of separation of the Fund Commissioner from employment, such Fund Commissioner may serve for a period not to exceed ninety (90) days from the effective date of separation from employment. The decision as to whether a Fund Commissioner who has separated from employment shall continue in their capacity as provided herein shall remain with the member.
- c) Fund Commissioners shall hold office at the pleasure of the facility and can be removed by the facility's governing body at any time without cause provided, however, that any replacement Fund Commissioner subsequently appointed by the member meet all of the qualifications for Fund Commissioners as established by these Bylaws.
- d) The Special Fund Commissioner, if any, shall serve until June 30<sup>th</sup> of the year following provided, however, that the Special Fund Commissioner may be removed by the appointing member at any time without cause.



- e) The unexpired term of a Fund Commissioner other than the Special Fund Commissioner, shall be filled by the appointing member in the manner generally prescribed by law and these Bylaws.
- f) In the event of a vacancy of the Special Fund Commissioner caused by reason other than the expiration of the term of office, the member which appointed the Fund Commissioner shall appoint the replacement for the unexpired term.
- g) Any Fund Commissioner can be removed from office for cause by two-thirds vote of the full membership of the Board of Trustees. Upon such a vote, it shall be incumbent upon the member to replace the Fund Commissioner.
- h) Fund Commissioners shall serve without compensation from the **FUND** unless otherwise determined by the Fund Commissioners and/or Board of Trustees at the **FUND's** organizational meeting.

### **3. Responsibilities**

- a) The Fund Commissioners shall, as soon as possible after the beginning of the **FUND** year, meet to elect a Board of Trustees who shall be charged with operating the **FUND** in accordance with these Bylaws and applicable State Law and Regulation.
- b) Each Fund Commissioner shall have one vote provided, however that the Special Fund Commissioner, if any, shall only vote in the event of a tie.

## **B. OFFICERS**

1. As soon as possible after the beginning of each **FUND** year, the Fund Commissioners shall meet to elect the Officers of the **FUND** from their own membership. Officers shall serve until a successor is duly elected and qualified.
  - a) **Chairperson:** The Chairperson shall preside at all meetings of the Trustees and shall perform such other duties provided for in these Bylaws and the laws and regulations of the State of New Jersey.
  - b) **Vice Chairperson:** The Vice Chairperson shall exercise the responsibilities of the Chairperson in such persons absence.
  - c) **Secretary:** The Secretary shall preside over the meetings of the Trustees in the absence of the Chairperson and Vice Chairperson. Unless such responsibility is delegated to the Fund Administrator by the Trustees, the Secretary shall have the responsibility to maintain written minutes of the **FUND's** meetings and retain all books, records, files and other documents of the **FUND**, and shall perform such other duties as provided for in these Bylaws and the laws and regulations of the State of New Jersey. The Secretary shall maintain the books and records of the

**FUND** at the office of the **FUND** as from time to time designated by the Fund Trustees. When record keeping responsibility has been delegated to the Fund Administrator, the Administrator shall maintain said records at a location known to and approved by the **FUND** and the Secretary shall, at all reasonable times, have access to the records.

2. In the event of a vacancy in any of the Officer positions caused by other than the expiration of the term of office, the Trustee shall by majority of vote fill the vacancy for the unexpired term.
3. Any Officer can be removed without cause at any time by a two-thirds vote of the full membership of the Fund Commissioners. In this event, the full membership of the Fund Commissioners shall fill the vacancy for the unexpired term.
4. The Officers shall serve without compensation from the **FUND** except as provided by State Law.
5. The Officers are hereby authorized and empowered to operate the **FUND** in accordance with these Bylaws and applicable State Law and Regulation.

### **C. TRUSTEES**

1. As soon as possible after the beginning of each **FUND** year, the Fund Commissioners shall meet to elect the Trustees of the **FUND** from their own membership ensuring that a minimum of one (1) Trustee is elected for each region. Trustees shall serve until a successor is duly elected and qualified.
2. If the total number of Fund Commissioners exceeds nine (9), the Fund Commissioners shall, for its first year of operation, at the same time as they elect the Chairperson, Vice Chairperson, and Secretary elect six (6) additional Trustees from among the membership of the Fund Commissioners. For all subsequent years of operation, if the total number of Fund Commissioners exceeds nine (9), the Fund Commissioners shall elect six (6) additional Trustees from among the membership of the Fund Commissioners, three (3) of the Trustees shall serve for a two (2) year period of time and three (3) shall serve for a one (1) year period of time unless re-elected. These six (6) Trustees shall serve with the Chairperson, Vice Chairperson, and Secretary as the Board of Trustees for the **FUND**.
3. In the event of a vacancy in any of the Trustee positions caused by other than the expiration of the term of office, the Trustees shall by majority of vote fill the vacancy for the unexpired term.
4. Any Trustee can be removed without cause at any time by a two-thirds vote of the full membership of the Fund Commissioners. In this event, the full membership of the Fund Commissioners shall fill the vacancy for the unexpired term.

5. The Trustees shall serve without compensation from the **FUND** except as provided by State Law.
6. The Trustees are hereby authorized and empowered to operate the **FUND** in accordance with these Bylaws and applicable State Law and Regulation.

**D. ALTERNATE TRUSTEES**

1. The Trustees shall, immediately upon assuming their responsibilities each **FUND** year, designate three (3) Alternate Trustees from among the Fund Commissioners. The Alternate Trustees shall retain their status as Alternate Trustees until June 30<sup>th</sup> of the following year according to the same terms and conditions established for Trustees.
2. Alternate Trustees shall serve in the absence of a Trustee or Trustees during any meeting of the **FUND** during which such absence causes the number of Trustees present to fall below that which constitutes a quorum as provided by these Bylaws.
3. Alternate Trustees shall, during any meeting of the **FUND** at which their services are required, exercise the full authority granted to a Trustee by these Bylaws.

**E. REGIONS**

In order to ensure that all members' concerns are properly considered, the **FUND** may maintain two (2) or more regions. The regions shall be established by the Fund Commissioners.

The Fund Commissioners for each region may hold meetings at which the regional Fund Commissioners shall not conduct the business of the **FUND** but shall discuss issues of concern within the region. Any recommendations for action, change, etc., which are approved by the regional Fund Commissioners shall be presented by a minimum of one (1) Trustee representing that region to the Board of Trustees at its regularly scheduled meetings.

**F. RETAINED PROFESSIONALS**

As soon as possible after the beginning of each **FUND** year, the Trustees shall meet and select, in conformance with Public Schools Contracts Law, by majority vote, individuals or firms to serve in the following retained positions. These individuals shall serve until June 30<sup>th</sup> of the following year, or until a successor is duly retained.

**1. Treasurer**

The Treasurer shall not be a Trustee or Fund Commissioner. The Treasurer shall have the following duties and responsibilities:

- a) The Treasurer shall be the custodian of the **FUND's** assets and shall maintain the various trust funds.
- b) The Treasurer shall maintain on a daily basis all receipts, payments and financial records including a comprehensive general ledger, unless delegated to the Administrator by the **FUND**.
- c) The Treasurer shall prepare the **FUND's** Cash Management Plan and shall invest all balances.
- d) The Treasurer shall perform such other duties as provided for by the Trustees, these Bylaws and in the laws and regulations of the State of New Jersey.
- e) The Treasurer shall provide a fidelity bond protecting the **FUND's** assets in a form and amount acceptable to the Commissioner of Banking & Insurance.

## **2. Administrator**

- a) The Administrator shall be experienced in risk management matters and shall not be a Trustee or Fund Commissioner of the **FUND**.
- b) The Administrator, its employees, officers or directors shall not be an employee, officer or director of or have either a direct or indirect financial interest in a servicing organization unless notice of such interest has been provided to the Fund Commissioners and members.
- c) The Administrator shall have the following duties and responsibilities:
  - 1) The Administrator shall act as the Executive Director to carry out the policies established by the Trustees and to otherwise administer and provide for the day-to-day management of the **FUND**.
  - 2) The Administrator shall advise the Trustees on risk management matters and shall prepare a draft Risk Management Plan.
  - 3) The Administrator shall maintain underwriting data and assist the **FUND** in the purchase of insurance or excess insurance.
  - 4) The Administrator shall prepare draft bid specifications for services including but not limited to claims administration, safety engineering and actuarial projections.
  - 5) The Administrator shall monitor the performance of the service companies.
  - 6) The Administrator shall write a draft budget for review by the Trustees.

- 7) The Administrator shall, on not less than a quarterly basis, provide the Trustees with a **FUND** status report including but not limited to the minutes of **FUND** meetings, and a summation of **FUND** activity.
  - 8) The Administrator shall perform such other duties as provided for by the **FUND** Trustees, these Bylaws, and the laws and regulations of the State of New Jersey.
- d) The Administrator shall provide evidence of by Errors & Omissions insurance coverage.

### **3. Auditor**

The Auditor shall be an independent Certified Public Accountant (CPA) or Registered Municipal Accountant (RMA) who shall hold an uncanceled registration license as a Public School Accountant for New Jersey as described under *N.J.S.A. 18A:23-8 thru 11*, but shall not be a Trustee or Fund Commissioner of the **FUND**. The Auditor shall conduct the annual and semi-annual audits of the **FUND** and shall perform such other duties as provided for by the Trustees, these Bylaws and the laws and regulations of the State of New Jersey.

### **4. Attorney**

- a) The Attorney shall be admitted to the New Jersey Bar but shall not be a Trustee or Fund Commissioner of the **FUND**.
- b) The Attorney shall have the following responsibilities:
  - 1) The Attorney shall advise the Trustees on legal matters and the appropriateness of claim settlements recommended by the claims administrator.
  - 2) The Attorney shall advise the Trustees on the selection of counsel to represent the **FUND** in the defense of claims. However, the Attorney or any member of the Attorney's law firm shall not defend any claim which is the responsibility of the **FUND**.
  - 3) The Attorney shall perform such other duties as provided for by the Trustees, these Bylaws, and the laws regulations of the State of New Jersey.

### **5. Risk Management Consultant**

- a. The **FUND** shall provide for the services of an individual or firm to serve as a Risk Management Consultant to each member. The Risk Management Consultant shall not be a Fund Commissioner or Trustee.

The Risk Management Consultant shall advise the member on matters relating to the **FUND's** operation and coverages. The Risk Management Consultant shall, in addition to such items as may be included in its contract or agreement with the **FUND**, be governed by the following:

- (1) The Risk Management Consultant designated by the member shall be retained by the School Alliance Insurance Fund in conformance with applicable state law or regulation.
- (2) The Risk Management Consultants will be assigned one or more members.
- (3) The Risk Management Consultant's specific responsibilities shall include, but not be limited to:
  - (a) The evaluation of the member's exposures.
  - (b) The explanation of the various coverages available from the **FUND**.
  - (c) The preparation of reports, applications, statements of values, etc., required by the **FUND**.
  - (d) The review of the member's assessment and assisting in the preparation of the member's insurance budget.
  - (e) The review of losses and engineering reports and providing assistance to the member's safety committee.
  - (f) Assisting in the claims settlement process.
  - (g) Attendance at the meetings of the Fund Commissioners or Board of Trustees and the performance of such other services as required by the member or the **FUND**.
  - (h) Adhere to the educational requirements as required by the **FUND**.
  - (i) Assist Fund Commissioners in the administration of their duties.
- (4) The Risk Management Consultant shall be a New Jersey licensed Property/Casualty Insurance Producer who has demonstrated prior experience in the management of public insurance risks.

**6. Actuary**

The Actuary shall certify the actuarial soundness of the loss funds and shall report to the Fund Trustees in a manner and at such times established by them, and shall provide such actuarial certifications as required by the Department of Banking & Insurance and the **FUND**.

**7. Service Agent**

The **FUND** shall designate and appoint an agent in New Jersey to receive service and process on behalf of the **FUND**. The Service Agent shall not be a Trustee or a **FUND** Commissioner of the **FUND**.

**8. Vacancy of Retained Professionals**

a) In the event of a vacancy in any one of the retained positions caused by other than the expiration of the term of office, the Trustees shall by majority vote fill the vacancy for a period not-to-exceed the unexpired term of the professional's contract period. In the event that any of the retained professionals are incapacitated, the Trustees shall by majority vote appoint an acting professional in accordance with Public Schools Contracts Law for a period not-to-exceed the remainder of the retained professional's contract period.

**ARTICLE VI. INDEMNIFICATION OF OFFICERS AND EMPLOYEES**

1. The Servicing Organizations and Administrator shall provide insurance coverage(s)/bond(s) as required by the **FUND** and/or the statutes and regulations governing school board joint insurance funds.
2. Except to the extent covered by Errors & Omissions insurance as may be required, as set forth above, the **FUND** shall indemnify any past, present or future Fund Commissioner, Trustee, official or employee of the **FUND** for claims arising from an act or omission of such Fund Commissioner, Trustee, official or employee within the scope of the performance of such individuals' duties as Fund Commissioner, Trustee, official or employee. Such indemnification shall include reasonable cost and expenses incurred in defending such claims. Nothing contained herein shall require the **FUND** to pay punitive damages or exemplary damages or damages arising from the commission of a crime by such an individual and the **FUND** shall not be required to provide for the defense or indemnification of such an individual when the act or omission which caused the injury was the result of actual fraud, actual malice, gross negligence or willful misconduct by such individual or in the event of a claim against such an individual by the State of New Jersey or if such **FUND** Commissioner, Trustee, official or employee is either covered, or required to be covered by Errors & Omissions liability insurance. The determination as to whether an individual's conduct falls within any of the above exceptions shall be made by a majority vote of

the Trustees. Nothing herein contained is intended to shield any employee or appointed official from liability for any act, omission or wrongdoing which would not customarily be covered by Errors & Omissions insurance if same had been required of said employee or appointed official.

3. A present, past or future Fund Commissioner, Trustee, official or employee of the **FUND** shall not be entitled to a defense or indemnification from the **FUND** unless:
  - a) Within ten (10) calendar days of the time he or she is served with the summons, complaint, process, notice or pleading, he or she delivers the original or exact copy to the Fund attorney together with a request that the **FUND** provide for his or her defense.
  - b) He or she cooperates in the preparation and presentation of the defense with the attorney selected to defend the case.
  - c) Except in those instances where a conflict of interest exists, as determined by an attorney selected by the **FUND** to handle such matters, the past, present or future Fund Commissioner, Trustees, official or employee shall agree that the **FUND** and its counsel shall have exclusive control over the handling of the litigation.
4. The foregoing right of indemnification shall not be exclusive of any other rights to which any Fund Commissioner, Trustee, official or employee may be entitled as a matter of law or which may be lawfully granted to him or her; and the right to indemnification hereby granted by this **FUND** shall be in addition to and not in restriction or limitation of any other privilege or power which the **FUND** may lawfully exercise with respect to the indemnification or reimbursement of a Fund Commissioner, Trustee, official or employee; except that in no event shall a Fund Commissioner, Trustee, official or employee receive compensation in excess of the full amount of a claim and reasonable costs and expense incurred in defending such claim.
5. Expenses incurred by any Fund Commissioner, Trustee, official or employee in defending an action, suit or proceeding may be paid by the **FUND** in advance of final determination of such action, suit or proceeding as authorized by the **FUND** in a specific case upon receipt of an undertaking by or on behalf of such member or officer to repay such amount in the event of an ultimate determination that his or her conduct was such as to fall outside the scope of coverage under this indemnification provision.

## **ARTICLE VII. SAFETY COMMITTEE**

### **A. MEMBERSHIP**

If required by the Fund Commissioners or Board of Trustees, each member's Fund Commissioner shall appoint an employee to serve on the **FUND's** Safety Committee.



Each member's Fund Commissioner shall also select an alternate, and each member and alternate on the Safety Committee shall serve at the pleasure of the appointing Fund Commissioner. The Committee may also request additional members as well as Risk Management Consultants to join the Committee.

**B. ORGANIZATION**

At the beginning of each year, the Safety Committee shall select a Chairperson.

**C. DUTIES**

The Safety Committee shall meet according to the schedule established by the Chairperson and shall have the following duties or responsibilities:

1. Work with the safety engineering service organization to develop a comprehensive safety and loss control program.
2. Review all accident reports and monitor accident trends and frequencies.
3. Coordinate the annual safety inspections and identify locations requiring more frequent inspections.
4. Conduct safety education programs.
5. Review the activities of each member's Safety Committee and notify the Trustees if any member is not conducting an active safety program.
6. Perform such other duties that are requested by the Trustees, or are provided for by State regulation or law.

**ARTICLE VIII. OPERATION OF THE FUND**

**A. GENERAL OPERATION**

1. The **FUND** shall be subject to and operate in compliance with the provisions of the "Schools Fiscal Affairs Law" (*N.J.S.A. 18A:4-14 and N.J.A.C. 6:20-2.1 et. seq.*), and the "Public Schools Contracts Law" (*N.J.S.A. 18A:18A-1 et. seq.*).
2. The **FUND** shall be considered a local unit for purposes of the "Public Schools Contracts Law" (*N.J.S.A. 18A:18A-1 et. seq.*) and shall be governed by the provisions of that law in the purchase of any goods, materials, supplies and service.

3. The **FUND** shall be operated with sufficient aggregate financial strength and liquidity to assure that all obligations will be promptly met. The **FUND** shall prepare a financial statement of a form acceptable to the Commissioner of Banking & Insurance showing the financial ability of the **FUND** to meet its obligations. The Trustees may, upon majority vote, request the Commissioner of Banking & Insurance to order an examination of any **FUND** member which the Trustees, in good faith believes may be in a financial condition detrimental to other **FUND** members or to the public.
4. The **FUND's** fiscal year shall be July 1<sup>st</sup> through June 30<sup>th</sup>.

## **B. RISK MANAGEMENT PLAN**

1. The Trustees shall prepare or cause to be prepared a Risk Management Plan for the **FUND**. The Plan shall include, but not be limited to:
  - a) The perils or liability to be insured against.
  - b) Limits of coverage, whether self-insurance, direct insurance purchased from a commercial carrier or reinsurance.
  - c) The amount of risk to be retained by the **FUND**.
  - d) The proposed method of assessing contributions to be paid by each member of the **FUND**.
  - e) Such other items required by state law, regulation, or the Fund Trustees.
2. The Risk Management Plan and all amendments thereto must be approved by the Trustees before it takes effect.
3. The Risk Management Plan and all amendments thereto must be approved by the Commissioner of Banking & Insurance before the Plan or amendments become effective.

## **C. SERVICING ORGANIZATIONS**

1. The **FUND** shall contract to have services performed including but not limited to the following:
  - a) Claims Administration.
  - b) Safety Engineering.
  - c) Compilation of statistics and the preparation of assessments, loss and expense reports.

- d) Preparation of reports required pursuant to the law governing joint insurance funds or any regulations and/or rules of the New Jersey Department of Banking & Insurance.
  - e) Development of members assessments and fees.
  - f) Actuarial Services.
  - g) Risk Management.
2. No Servicing Organizations or its employees, officers or directors shall have either a direct or indirect financial interest in an administrator or be an employee, officer or director of an administrator, unless notice of such interest has been provided to the Trustees and members.
  3. Each service contract shall include a clause stating "unless the Trustees otherwise permit, the servicing organization shall handle to their conclusion all claims and other obligations incurred during the contract period."
  4. The Claims Administrator and each Servicing Organization shall provide a Surety Bond as deemed necessary by the Commissioner in a form and amount acceptable to the Commissioner and a surety bond for any other Servicing Organization as deemed appropriate by the Trustees in a form and amount acceptable to the Trustees.
  5. Each Servicing Organization shall provide evidence of Errors & Omissions insurance coverage.

#### **D. FINANCIAL STATEMENT AND REPORTS**

1. The **FUND** shall provide its members with periodic reports concerning the activities and status of the **FUND** for the reporting period. Such reports shall be made at least quarterly and may be made more frequently at the discretion of the Trustees.
2. A sworn annual report in a form prescribed by the Commissioner of Banking & Insurance shall be prepared by the **FUND**, filed with the Department of Banking & Insurance, and made available to each **FUND** member on or before December 31<sup>st</sup> of each year. The report shall be accompanied by:
  - a) An annual audited statement of the financial condition of the **FUND** prepared by an independent certified public account and performed in accordance with generally accepted accounting principles, which shall include a statement of the organization of the **FUND** indicating the persons who perform each function for the **FUND** and the relationship and interdependency of each function, and including its balance sheet and receipts and disbursements for the preceding year.

- b) Reports of outstanding liabilities by line of coverage showing the number of claims, amounts paid to date and current reserves for unpaid losses, claims and unearned assessments as certified by an actuary.
  - c) A certification by the presiding officer of the Board of Trustees that periodic reports were made to **FUND** members in the form and manner required by *N.J.A.C. 11:15-4.4(h)*.
  - d) Any material changes in information from that previously submitted.
  - e) Such other information as may be requested by the Department from a particular **FUND**.
3. In addition to the reports required pursuant to (1) above, for the initial two (2) fiscal years of a **FUND**, a **FUND** shall file with the Department quarterly unaudited statements of the financial condition of the **FUND** in a form prescribed by the Commissioner within 45 days after the end of each calendar quarter. After the initial two years, a **FUND** shall file with the Department semi-annual unaudited statements of the financial condition of the **FUND** in a term prescribed by the Commissioner within 45 days after the end of each six (6) month period. The semi-annual report covering the six (6) month period ending December 31<sup>st</sup> immediately proceeding. All statements filed pursuant to this subsection shall include the information set forth in (a) above, except that certification by a certified public accountant or the actuarial opinion statement shall not be required.

## **E. COVERAGES<sup>1</sup>**

The **FUND** shall offer the following coverages to the members:

1. Workers' Compensation and Employers' Liability.
2. Motor Vehicle Liability and Liability other than Motor Vehicles.
3. Property Damage (including Buildings and Contents, Inland Marine, and Automobile Physical Damage).
4. School Board Legal Liability.
5. Boiler and Machinery.

In addition, the **FUND** may offer any coverage permitted by statute and/or regulation governing joint insurance funds. Members are not required to participate in all coverages

---

<sup>1</sup> The exact terms and conditions of coverage shall be stated in the coverage documents provided by the **FUND**.

offered by the **FUND**. Members shall participate, at a minimum, in one line of coverage and/or as stated in their Resolution to Join.

## **ARTICLE IX. MEETINGS AND RULES OF ORDER**

### **A. MEETINGS**

1. **Annual Organization Meeting** – as soon as possible after the beginning of the year, the Fund Commissioners shall meet to elect a Board of Trustees comprised of a Chairperson, Vice Chairperson, Secretary, and (if applicable) six (6) additional Trustees to appoint officials and conduct such other business as is necessary. The time and place for the meeting shall be established by the Chairperson, and the Secretary shall send written notice to the Fund Commissioners of member school districts at least two (2) weeks in advance.
2. **Business Meetings** – the Trustees shall establish a schedule of meetings to conduct the business of the **FUND**. All Fund Commissioners may attend open or closed sessions of the Trustees.
3. **Special Meetings** – the Chairperson or three (3) Trustees may call a special meeting by notifying the Secretary at least three (3) days in advance. The Secretary shall notify the Trustees by telephone. If the Secretary is unable to reach a Trustee or Trustees forty-eight (48) hours before the meeting, the secretary shall telephone one or more Alternate Trustees as may be required to achieve a quorum as defined by these Bylaws. The Alternate Trustees shall be called in alphabetical order.
4. **Regional Meetings** – the Fund Commissioners of each region as established in Article V.E. may establish a schedule of meetings to discuss the concerns of each region.
5. **Quorum**
  - a) Quorum for a full meeting of the Trustees shall be a simple majority of the Trustees.
  - b) The quorum for a full meeting of the Fund Commissioners shall be as follows:
    - i) a majority of the total commissioner unless the total number of members exceeds 25;
    - ii) if the total membership exceeds 25 in number, then a quorum shall be 13 plus the sum equal to 20% of the number of members in excess of 25 rounded to the next lowest number.

**B. CONDUCT OF MEETINGS**

1. All meetings of the **FUND** shall be subject to the rules and regulations of the Open Public Meetings Act.
2. Unless otherwise provided in these Bylaws, or in the laws or regulations of the State of New Jersey, "Robert's Rules of Order" shall govern the conduct of all meetings.

**C. AMENDMENTS TO THE BYLAWS**

1. Any **FUND** Commissioner may propose an amendment to the Bylaws by filing the proposed amendment in writing with the Secretary.
2. Upon receipt of a proposed amendment, the Secretary shall notify the Chairperson who shall schedule a hearing to be held not more than forty-five (45) days from the date the amendment was filed. The Secretary shall notify in writing all Trustees and Fund Commissioners of the hearing date and shall send a copy of the proposed amendment to each Fund Commissioner and Trustee.
3. The amendment is adopted by the **FUND** when the governing bodies of a majority of the members approve the amendment within ninety (90) days of the hearing on the amendment. If after ninety (90) days the Secretary has not received written notice of approval from sufficient members, the Secretary shall notify the Trustees and Fund Commissioners that time has expired for the adoption of the amendment.
4. If adopted, the amendment shall not take effect until approved by the Commissioner of Banking & Insurance.
5. A member of the **FUND** that did not approve any amendment of the **FUND** Bylaws approved pursuant to *N.J.S.A. 18A:18B-4*, and desiring to withdraw from the **FUND** pursuant to *N.J.S.A. 18A:18B-4b(8)(d)*, shall provide written notice of its intent to withdraw ninety (90) days prior to its withdrawal. The **FUND** shall immediately notify the Department of all members that have given notice of withdrawal from the **FUND**.

**ARTICLE X. BUDGETS**

**A. BUDGET PREPARATION**

1. In May of each year, the Trustees shall prepare the budget for the upcoming fiscal year. The budget shall identify the proposed items and amounts of expenditure for its operations, the anticipated amounts and sources of assessments and other income to be received during the fiscal year and the status of the self-insurance or loss retention accounts.

2. The loss/claim retention **FUND** accounts of the budget shall be reviewed by an Actuary who shall comment on its adequacy and shall recommend changes as appropriate by May 15<sup>th</sup>.

## **B. BUDGET ADOPTION**

1. Not later than June 30<sup>th</sup> of each year the Trustees shall adopt by majority vote the budget for the **FUND**'s operation for the coming fiscal year.
2. A copy of the **FUND**'s proposed budget (as changed to reflect the Actuary's report) shall be sent to each member at least two (2) weeks prior to the time scheduled for its adoption. No budget or amendment shall be adopted until a hearing has been held giving all members the opportunity to present comments or objections.
3. An adopted budget may be amended by majority vote of the Trustees after giving the members two (2) weeks advance written notice and conducting a hearing on the proposed amendment.
4. A copy of the adopted budget and any amendment shall be filed within thirty (30) days of its adoption with the governing body of each member and the Commissioner of Banking & Insurance. The submission shall include a certification by an actuary that the budget is actuarially sound regarding its funding for the claim or loss retention(s) **FUND** account(s).

## **ARTICLE XI. ASSESSMENTS**

### **A. ANNUAL ASSESSMENT**

1. By May 15<sup>th</sup> of each year, the Actuary shall compute the probable net cost for the upcoming Fund year by line of coverage.
2. The annual assessment of each member shall be its pro-rata share of the probable net cost for the upcoming year for each line of coverage as computed.
3. The calculation of pro-rata shares for each member shall be based on the overall Fund year budget. Pro-rata shares may be modified by the Trustees to reflect the Loss History or other pertinent data of individual members.
4. The total amount of each member's annual assessment shall be certified by majority vote of the Trustees to the governing body of each member at least one (1) month prior to the beginning of the next fiscal year.
5. The annual assessment for the **FUND**'s first year of operation shall be paid to the **FUND** in two (2) installments, to be paid not later than July 15<sup>th</sup> and November 15<sup>th</sup> of each Fund year as determined by the Trustees. The annual assessment for subsequent **FUND** years shall be paid in no less than two (2) installments and no

more than four (4) installments, the number of installments and said dates to be determined by the Trustees, provided, however, that the full assessment shall be paid by each member no later than February 1<sup>st</sup>.

6. In the event the final budget passed in June necessitates changes in the annual assessment, the second installment shall be adjusted to reflect this difference.
7. The Treasurer shall deposit each member's assessment into the appropriate accounts including the administrative account, and the claim or loss retention Trust **FUND** account by **FUND** year for each type of coverage.
8. If a facility becomes a member of the **FUND** after the start of the **FUND** year, such member's assessments and supplemental assessments shall be reduced in proportion to that part of the year which has elapsed.

## **B. SUPPLEMENTAL ASSESSMENTS**

1. The Trustees shall by majority vote levy upon the members additional assessments wherever needed or so ordered by the Trustees or the Commissioner of Banking & Insurance to supplement the **FUND**'s claim, loss retention or administrative accounts to assure the payment of the **FUND**'s obligations.
  - a) All supplemental assessments shall be charged to the member by applicable **FUND** year, and shall be apportioned by that year's excess premium for that line of coverage.
  - b) All members shall be given thirty (30) days advance written notice of the **FUND**'s intention to charge an additional assessment, and the **FUND** shall conduct a hearing before adopting the supplemental assessment.
  - c) Members shall have thirty (30) days to pay the **FUND** from the date any supplemental assessment is adopted.
2. The **FUND** shall submit to the Commissioner of Banking & Insurance a report of the causes of the **FUND**'s insufficiency, if any, the assessments necessary to replenish it and the steps taken to prevent a reoccurrence of such circumstances.

## **C. FAILURE OR REFUSAL TO PROVIDE REQUIRED ASSESSMENTS**

Should any member fail or refuse to pay its assessments or supplemental assessments, or should the **FUND** fail to assess funds required to meet its obligations, the Chairperson or in the event of his or her failure to do so, the custodian of the **FUND**'s assets, shall notify the Commissioner of Banking & Insurance. Past due assessments shall bear interest at the rate of interest to be established annually by the Trustees. The **FUND** attorney or other attorney selected by the Board of Trustees shall endeavor to collect past due



assessments and any accrued interest in any action in Superior Court , State of New Jersey including the costs incurred in the collection of such.

#### **D.      INSOLVENCY AND/OR BANKRUPTCY OF FUND MEMBERS**

The insolvency or bankruptcy of a member does not release the **FUND**, or any other member, of joint and several liability for the payment of any claim incurred by the member during the period of its membership, including, but not limited to, being subject to and liable for supplemental assessments.

#### **ARTICLE XII.      REFUNDS**

- A.      Any monies for a **FUND** year in excess of the amount necessary to fund all obligations for that fiscal year as certified by an actuary may be declared to be refundable by the **FUND** not less than twenty-four (24) months after the end of the fiscal year.
  
- B.      The **FUND** may seek approval from the Commissioner to make initial refund payments from a claims or loss retention fund account remaining from any year which has been completed at least twenty-four (24) months by submitting a written notification to the Department with accompanying documentation as set forth in this subsection, at least thirty (30) days prior to the proposed refund. If the Commissioner does not disapprove, in writing, the request to make a refund within the thirty (30) day period, the request shall be deemed approved. The Commissioner may also affirmatively approve the request prior to the expiration of the thirty (30) day period. The written notification shall be accompanied by appropriate documentation including, but not limited to, assessment, claims and expense detail; actuarial certification that the loss and loss expense reserves are adequate for the **FUND** to have an overall surplus for the fiscal year; and such other information that the Commissioner may require. The initial and any subsequent refund for any year from a claim or loss retention trust account may be in any amount subject to the limitation that after the refund, the remaining net current surplus in the account from which the refund is made must equal or exceed the surplus retention requirement to be calculated as follows:
  - 1. Fund year paid losses shall be multiplied by the appropriate paid loss factor for the line of coverage and duration of maturity set forth in the regulation governing such.
  - 2. Fund year unpaid claim reserves, excluding reserves for incurred but not reported claims, shall be multiplied by the appropriate unpaid claim factor for the line of coverage and duration of maturity set forth in the regulation governing such. Unpaid claim reserves, excluding reserves for incurred but not reported claims, shall be established at full value and not discounted.
  - 3. The greater of the results from the calculation set forth in B.1 and 2 above shall then be reduced by the amount of outstanding losses reported, including incurred but not reported claims, as certified by an actuary. The result of this calculation, but not less than zero, shall be the surplus retention requirement for that Fund year.

- C. A full and final refund of net current surplus will not be allowed until all case reserves and all unpaid claim reserves are closed.
- D. A refund for any fiscal year shall be paid only in proportion to the member's participation in the **FUND** for such year. Payment of a refund on a previous year shall not be contingent on the member's continued membership in the **FUND** after that year.
- E. At the option of the member the refund may be retained by the **FUND** and applied towards the member's next annual assessment.
- F. A **FUND** may seek approval from the Commissioner to make interyear fund transfers from a claims or loss retention trust account from any year not sooner than twenty-four (24) months after the end of that year by submitting a written notification to the Department with appropriate documentation as set forth in "B" above at least thirty (30) days prior to the proposed transfer. If the Commissioner does not disapprove, in writing, the request within the thirty (30) day period, the request shall be deemed approved. The Commissioner may also affirmatively approve the request prior to the expiration of the thirty (30) day period. The interyear **FUND** transfer may be in any amount subject to the limitation that after the transfer, the remaining net current surplus in the account from which the transfer is made must equal or exceed the surplus retention requirement determined pursuant to "B" above for that account for the fiscal year. The membership for each fiscal year involving interyear fund transfers must be identical between fiscal years. The Commissioner shall waive the identical membership requirement provided the **FUND** demonstrates to the Department that it maintains records of each member's pro rata share of each claim or loss retention fund account, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the year receiving the transfer.

### **ARTICLE XIII. EXCESS INSURANCE**

- A. The **FUND** shall maintain a contract or contracts of specific and aggregate excess insurance or reinsurance, unless otherwise provided by regulation.
- B. No later than forty-five (45) days before the beginning of the fiscal year, the **FUND** shall notify all members of changes in the coming year's excess insurance policies. The **FUND** shall also notify the members of any changes in the policies which occur during the year.
- C. Certificates of excess insurance/reinsurance showing policy limits and other information shall be available for inspection by each member and shall be filed with the Commissioner of Banking & Insurance. Copies of all coverage documents shall be provided to the members.

**ARTICLE XIV. TRUST FUND ACCOUNTS, INVESTMENTS AND DISBURSEMENTS**

**A. ESTABLISHMENT OF TRUST FUND ACCOUNTS**

1. By resolution of the Trustees, the **FUND** shall designate a public depository or depositories for its monies from a list approved by the State of New Jersey.
2. The **FUND** shall establish a separate Trust Fund Account for the purposes of the payment of claims, allocated claim expenses and excess insurance premiums for each line of coverage by **FUND** year. Such accounts shall be designated as Claims or Loss Retention Fund Accounts. In lieu of establishing separate trust accounts, the **FUND** may provide for the recording and accounting of all transactions by Fund year for each risk or liability.
3. Other than for the payment of claims, allocated claim expenses or excess/reinsurance premiums, no withdrawal may be effected from a claim or loss retention fund without the prior written approval of the Commissioner, except for intertrust fund transfers. Intertrust fund transfers, within a Fund's fiscal year, may be conducted by the **FUND** at any time, by providing thirty (30) days prior written notification to the Commissioner. If the Commissioner does not disapprove of the transfer, in writing, within thirty (30) days after receiving such written notification, the request for intertrust fund transfer(s) shall be deemed approved. Any intertrust fund transfer request must be supported by appropriate assessment and claim and expense documentation, and be accompanied by a certification signed by an actuary that the amount remaining in the trust fund account after the intertrust fund transfer will be at a level which is reasonable in relation to that account's unpaid losses, along with all documentation in support of such certification. Intertrust fund transfers may be conducted only where each member participates in each and every claim or loss retention fund account during that fund year. The Commissioner shall waive the full participation requirement provided the **FUND** demonstrates to the Department that it maintains records of each member's pro-rata share of each claim or loss retention fund account for that year, and that the transfer shall be made so that any potential dividend shall not be reduced for a member that did not participate in the account receiving the transfer.
4. The **FUND** may also establish an administrative account which shall be utilized for payment of the **FUND**'s general operating expenses, loss prevention activities, data processing services, and general legal expenses provided that the recording and accounting of such is done by fund year.

**B. INVESTMENTS**

1. The balance of any account shall be invested to obtain the maximum interest return practical. All investments shall be in accordance with the **FUND**'s Cash Management

Plan and consistent with the statutes and regulations governing the investment of surplus public funds as issued by the State Investment Council.

2. The investment and interest income earned by the investment of the assets of each claim or loss retention account shall be credited to each account.
3. The investment and interest income earned by investment of the assets of the administrative account shall be credited to that account.

### **C. DISBURSEMENTS**

1. Prior to any commitment or agreement requiring the expenditure of funds, the custodian of the **FUND's** assets shall certify as to the availability of sufficient unencumbered funds to fully pay all charges or commitments to be accepted.
2. All disbursements, payments of claims or expenditure of funds must be approved by a majority vote of the Trustees.
3. Notwithstanding numbers 1 and 2 above, the **FUND** may provide for the expeditious resolution of certain claims by designating the **FUND's** Administrator or service organization as a "certifying and approving officer" pursuant to *N.J.S.A. 18A:19-1*. The **FUND** may authorize the "certifying and approving officer" to approve for payment any or all specified claims in an amount not to exceed an amount approved by the Commissioner in the Risk Management Program. The **FUND** shall establish such other procedures and restrictions on the exercise of this authority as the **FUND** deems appropriate. The authority of the certifying and approving officer may be revoked or modified at any time.
4. Upon approval, the certifying and approving officer shall certify the amount and particulars of such approved claims to the custodian of the **FUND's** assets directing that a check for payment be prepared.
5. Each month the certifying and approving officer shall prepare a report of all claims approved since the last report, detailing the nature of and the amount of the claim, the payee, the reasons supporting payment and any other pertinent information. This report shall be reviewed and approved or rejected by vote of the Trustees at their next regularly scheduled meeting. If any payment is not approved, appropriate action shall be taken.
6. All requests for payments must be accompanied by a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the party claiming payment that it is correct, and must carry the certification of some officer or duly designated agent or employee of the **FUND** having knowledge of the fact that the goods have been received by, or the services rendered to the **FUND**. In the case of claims or losses to be charged against any loss fund, the **FUND's** Claims Administrator shall certify as to the claim's correctness and validity.

7. All claims shall be paid by check. The checks shall be signed by two persons designated by the Trustees.
8. All claims or other disbursements approved for payment by the **FUND** shall be recorded in a claims register maintained by the custodian of the **FUND's** assets.

#### **ARTICLE XV. CONFLICT OF INTEREST**

- A. No official or employee of a member, of any member(s) of the family of such officials or employees, or any businesses in which such officials, employees or family members have a beneficial interest shall seek to obtain or participate in any contract to be entered into by the **FUND** for administration, loss control, investment or depository services, insurance coverage or any other service, commodity or material without first fully disclosing in writing the nature and extent of such interest, financial or otherwise, to the Joint Insurance Fund Trustees. It shall be the responsibility of the Trustees to determine if the interest so disclosed is such as to constitute an actual or potential conflict of such degree as to impair the ability of the officer, employee, family member or business from fully and impartially performing the duties required by the **FUND**. If so, the officer, employee, family member or business shall be prohibited from entering into such contract until the cause of such conflict is removed.
- B. Any contract entered into between the **FUND** and any individual, firm, corporation or agency which fails to disclose an actual or potential conflict situation shall be void.
- C. There shall be no collusion or evidence or appearance of collusion between any official or employee of the members or employees of the **FUND** and any official or employee of any contractor, vendor, insurance company, bank, consultant, brokerage firm or any other profit making or nonprofit firm attempting to solicit a contract with the **FUND** or awarded a contract by the **FUND**.
- D. All school officials and members of their immediate families shall comply with *N.J.S.A. 18A:12-21 et. seq.* (the "School Ethics Act") and any other applicable law governing the conduct of members, officers or employees of school boards.

#### **ARTICLE XVI. VOLUNTARY DISSOLUTION OF THE FUND**

- A. If the Trustees deem it in the best interest of the members to dissolve the **FUND** they shall, by majority vote, direct that a written plan of dissolution be prepared.
- B. The plan of dissolution must provide for the payment of all incurred losses of the **FUND** and its members, including all incurred but not reported losses, as certified by an Actuary, before any assets of the **FUND** or the trust fund accounts may be used for any other purpose.
- C. Upon completion of the plan, the Chairperson shall call a general meeting of all **FUND** Trustees who shall review the plan and make any appropriate amendments. By majority

vote, the Trustees may recommend that the **FUND** be dissolved in accordance with the plan of dissolution.

- D. A majority of the governing bodies of the members must by resolution vote to accept the plan of dissolution in order to dissolve the **FUND**.
- E. The plan of dissolution and other such information as may be required, must be filed with and approved in writing by the Commissioner of Banking & Insurance before the dissolution of the **FUND** is effective.
- F. The plan of dissolution shall contain a statement of the **FUND**'s current financial condition computed both a statutory basis and according to generally accepted accounting principles as attested to by an independent certified public accountant.

## **ARTICLE XVII. CLAIMS HANDLING PROCEDURE**

### **A. REGISTRATION OF CLAIMS**

Upon receipt of initial notice of claim, whether by service of process, notice of claim, petition or otherwise, the Claims Administrator shall cause each claim to be numbered and to be included on a report which shall set forth the name of the claimant, the nature of the claim, the type of insurance coverage claimed against and, to the extent known, an approximate estimate of the magnitude of the potential loss.

### **B. CLAIMS RESPONSE**

Upon receipt of the initial notice of claim described above, the involved member shall immediately forward the notice of claim and any other information available to the claims service agency and, where appropriate, to the **FUND**'s defense attorneys for initial contact, investigation, court action or other appropriate response.

### **C. CLAIMS ACKNOWLEDGMENT AND INITIAL EVALUATION**

Upon receipt of an assignment of claim for defense, the defense attorneys shall acknowledge receipt of the claim and within thirty (30) days of receipt, submit a report indicating their initial assessment of the merits and exposure represented by the claim and a summary of the actions taken to date in response to said claim.

### **D. PERIODIC REVIEW OF CLAIM STATUS**

Each claim shall be reviewed by the Claims Administrator at intervals of not greater than ninety (90) days as to their status.

**E. NOTICE OF SETTLED CLAIMS**

Upon request of the Trustees, the Claims Administrator shall provide a complete report of the **FUND**'s settled claims.

**F. NOTICE OF INTENDED SETTLEMENT**

Whenever an investigation discloses that the prompt, fair and equitable settlement of a claim is appropriate and possible, the Claims Administrator shall submit to the Administrator for review at a meeting of the Trustees or their designees a notice of recommended settlement. This notice shall be on forms approved by the Trustees and shall set forth identifying information concerning the claims recommendation, the legal liability of the **FUND**, a summary of investigative work concerning the merits of the claim and the reasons underlying the recommended settlement.

**G. APPROVAL OF PAYMENTS AND SETTLEMENTS**

Whenever the **FUND** shall make any payment or settlement of any claim which exceeds the Claims Administrator's authority, a notation thereof identifying the claim, the amount paid and the reasons underlying the payment shall be approved by the Trustees and entered upon a ledger of claims paid.

**ARTICLE XVIII. COMPLAINT HANDLING PROCEDURE**

- A. Whenever any interested party shall submit a complaint in writing to the **FUND**, the **FUND** Administrator, or any member of the **FUND**, a copy thereof shall be forthwith communicated to the Trustees for consideration at its next regularly scheduled meeting.
- B. At said meeting, the Trustees shall consider the complaint, and by recorded vote take such action as might be appropriate.
- C. The complaining party, and the Trustee or Fund Commissioner from the member wherein the complaining party resides (if the complaining party is a resident of a member) as well as the Commissioner of Banking & Insurance (upon request) shall receive written notice of the Trustees' findings. The written notice to the complaining party, may where appropriate, include an opportunity for the complaining party to have a hearing concerning their complaint before the full Trustees.
- D. The **FUND** shall keep a separate record of all complaints received and the disposition of same.

**ARTICLE XIX. ARBITRATION**

Every controversy, dispute, difference, or claim between the **FUND** and a member of the **FUND** shall be submitted to and settled by arbitration. This includes any dispute concerning whether insurance coverage may be owed by the **FUND** to any employee, official, etc., of any member.

Either the member or the **FUND** must request arbitration for a given controversy within the applicable statute of limitations for such controversy. Such arbitration shall be conducted by a panel of three (3) arbitrators, which shall consist of a Fund Commissioner designated by the affected member(s) (which could include that member's Fund Commissioner), a Fund Commissioner designated by the Board of Trustees, and an individual, independent from and not affiliated with the **FUND**, who shall be chosen by the aforesaid arbitrators from a list of individuals determined by the Board of Trustees. The arbitration shall be conducted in accordance with procedures established by the Board of Trustees. The arbitrator selected by the two (2) Fund Commissioner arbitrators shall be compensated for services in an amount mutually agreed to between the arbitrator and the Board of Trustees. The member(s) and the **FUND** shall bear their own costs in prosecuting/defending the arbitration and shall split the costs for the arbitrator(s) and the arbitration. Judgment upon the award rendered by majority vote of the panel may be entered in any court having jurisdiction thereof.

## **ARTICLE XX. OTHER CONDITIONS**

### **A. INSPECTION AND AUDIT**

The **FUND** shall be permitted but not obligated to inspect, at any reasonable time, the workplaces and operations of each member covered by this Agreement. Neither the right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the member or others to determine or warrant that such workplaces, operations, are safe or healthful, or are in compliance with any law, rule or regulation.

The **FUND** shall be permitted to examine and audit the member's payroll records, general ledger, disbursements, vouchers, contracts, tax reports and all other books, documents and records at any reasonable time as far as they show or tend to show or verify the amount of remuneration or other premium basis, or relate to the subject matter of this Agreement.

### **B. NOTICE OF INJURY**

When an injury occurs, written notice shall be given by or on behalf of the members to the **FUND** or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the member district and also reasonably obtainable information respecting the time, place and circumstances of the injury, the names and addresses of the injured and of available witnesses.

### **C. NOTICE OF CLAIM OR SUIT**

If claim is made or formal petition or a suit or other proceedings is brought against the member, the member shall immediately forward to **FUND** every demand, notice, summons or other process received by him or his representative.



**D. ASSISTANCE AND COOPERATION OF THE MEMBER**

The member shall cooperate with the **FUND**, and upon the **FUND**'s request shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits or proceedings. The member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and other services at the time of injury as are required by the law.

**E. ACTION AGAINST FUND**

No action shall lie against the **FUND** unless, as a condition precedent thereto, the member shall have fully complied with all the terms of this Agreement, not until the amount of the member's obligation to pay shall have been finally determined either by judgment against the member after actual trial or by written agreement of the member, the claimant and the fund. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Agreement to the extent of the protection afforded by this Agreement. Nothing contained in this Agreement shall give any person or organization any right to join the **FUND** as a codefendant in any action against the member to determine the member district's liability.

**F. SUBROGATION**

In the event of any payment under the Agreement, the **FUND** shall be subrogated to all rights of recovery therefore of the member and any person entitled to the benefits of this Agreement against any person or organization and the member shall execute the deliver instruments and papers and do whatever else is necessary to secure such rights. The member shall do nothing after loss to prejudice such rights.

**G. CONFORMANCE WITH STATUTE/REGULATION**

In the event any portion of these Bylaws conflict with any statute or administrative regulation covering Joint Insurance Funds, the provision of any such statute or regulation shall control to the extent it conflicts. If the regulations governing joint insurance funds are amended, such amendments are deemed incorporated herein.

**H. SEVERABILITY**

The **FUND** intends these Bylaws to be applied according to, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. In the event that any term or provision contained in these Bylaws, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be found to be invalid or unenforceable, the remaining portions of these Bylaws, or the application of such term or provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the fullest extent permitted by law.

**School Alliance Insurance Fund  
Resolution to Join**

**WHEREAS**, a number of educational entities have joined together to form a Joint Insurance Fund as permitted by Chapter 108 Laws of 1983 (18A:18B *et. seq.*); and

**WHEREAS**, the statutes governing the creation and operation of a Joint Insurance Fund contain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a Fund; and

**WHEREAS**, the \_\_\_\_\_ hereafter referred to as "**Educational Facility**" has determined that membership in the School Alliance Insurance Fund hereafter referred to as "**Fund**" is in the best interest of the **Educational Facility**; and

**WHEREAS**, the **Educational Facility** agrees to be a member of the **Fund** for a period of three (3) years, effective July 1, 2025, said membership to terminate on July 1, 2028 at 12:01 a.m. standard time; and

**WHEREAS**, the **Educational Facility** has never defaulted on claims if self-insured and has never been canceled for non-payment of insurance premiums for two (2) years prior to execution of this Resolution; **NOW THEREFORE, BE IT RESOLVED** that the **Educational Facility** does hereby agree to join the **Fund** and is/are afforded the following coverages:

- Workers' Compensation
- Supplemental Indemnity - Workers' Compensation
- Package - Property, Boiler & Machinery, General and Auto Liability, Environmental Impairment Liability (Includes \$5M Excess General and Auto Liability)
- Excess Liability (AL/GL)
- School Leaders Professional Liability
- Excess Liability (SLPL)
- Student Accident

**BE IT FURTHER RESOLVED** that the **Educational Facility's** Business Official \_\_\_\_\_, is hereby appointed as the **Educational Facility's** Fund Commissioner; and

**BE IT FURTHER RESOLVED** that the **Educational Facility's** Fund Commissioner is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying membership of the **Fund** as are required by the **Fund's** bylaws and to deliver same to the Administrator of the **Fund** with the express reservation that said documents shall become effective only upon the **Educational Facility's** admission to the **Fund**.

This Resolution agreed to the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by a vote of:

|                   |               |
|-------------------|---------------|
| _____ Affirmative | _____ Abstain |
| _____ Negative    | _____ Absent  |

By: \_\_\_\_\_

**School Alliance Insurance Fund  
Indemnity and Trust Agreement**

**THIS AGREEMENT**, made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, in the County of \_\_\_\_\_ State of New Jersey, by and between the School Alliance Insurance Fund, hereinafter referred to as "**Fund**", and the Governing Body of the \_\_\_\_\_, hereinafter referred to as "**Educational Facility**";

**WHEREAS**, the **Fund** seeks to provide its members with insurance coverage; and

**WHEREAS**, two or more educational facilities have collectively formed a Joint Insurance Fund as is authorized and described in N.J.S.A. 18A:18B-1 *et. seq.*; and

**WHEREAS**, the **Educational Facility** has agreed to become a member of said **Fund** in accordance with and to the extent provided for in the bylaws of the **Fund** and in consideration of such obligations and benefits to be shared by the membership of the **Fund**;

**NOW, THEREFORE**, it is agreed as follows:

1. The **Educational Facility** hereby agrees to become a member of the **Fund** for an initial period of three (3) years, the commencement of which shall coincide with the effective date of the **Educational Facility's** membership of the **Fund**.
2. The **Educational Facility** hereby ratifies and affirms the bylaws and other organizational and operational documents of the **Fund** as from time to time amended and altered by the Department of Banking and Insurance in accordance with the applicable statutes and regulations as if each and every one of said documents were executed contemporaneously herewith.
3. The **Educational Facility** agrees to be a participating member of the **Fund** for the period herein provided for and to comply with all of the rules and regulations and obligations associated with said membership.
4. The **Educational Facility** certifies that it has never defaulted on any claim if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two (2) years prior to the date hereof.
5. In consideration of membership in the **Fund**, the **Educational Facility** agrees that for those types of insurance in which it participates, the **Educational Facility** shall jointly and severally assume and discharge the liability of each and every member of the **Fund** all of whom, as a condition of membership in the **Fund**, shall execute a verbatim counterpart to this Agreement. By execution hereof the full faith and credit of the **Educational Facility** is pledged to the punctual payment of any sums which shall become due to the **Fund** in accordance with the bylaws thereof, this Agreement or any applicable statute or regulation.
6. If the **Fund**, in the enforcement of any part of this Agreement, shall incur necessary expense or become obligated to pay attorney's fees and/or court costs, the **Educational Facility** agrees to reimburse the **Fund** for all such reasonable expenses, fees and costs on demand.

7. The **Educational Facility** and the **Fund** agree that the **Fund** shall hold all monies paid by the **Educational Facility** to the **Fund** as fiduciaries for the benefit of **Fund** claimants all in accordance with applicable statutes and/or regulations.
8. The **Fund** shall establish and maintain Trust Accounts in accordance with N.J.S.A. 18A:18B-1 *et. seq.* and such other statutes and regulations as may be applicable.
9. Each Educational Facility who shall become a member of the Fund shall be obligated to execute this Agreement.
10. The **Educational Facility's** Business Official designated in the Resolution to Join shall be and is hereby authorized to execute the Agreement for membership.

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Chairperson, School Alliance Insurance Fund

# School Alliance Insurance Fund

## Resolution Appointing a Risk Management Consultant

**WHEREAS**, the \_\_\_\_\_, (“Educational Facility”) has resolved to join the School Alliance Insurance Fund ("SAIF") following a detailed analysis; and

**WHEREAS**, the Bylaws of SAIF require that each entity designate a Risk Management Consultant to perform various professional services as detailed in the Bylaws and Risk Management Plan; and

**WHEREAS**, the Bylaws indicate that SAIF shall pay each Risk Management Consultant a fee to be established annually by the Executive Committee;

**NOW THEREFORE, BE IT RESOLVED** that the \_\_\_\_\_ does hereby appoint \_\_\_\_\_ as its Risk Management Consultant in accordance with the Fund's Bylaws.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Entity