

ACTION MEMORANDUM

TO: Bibb County School District

FROM: David Gowan, Director Safety and Security

SUBJECT: GSBA Risk Management Fund Business Insurance Renewal

Summary

The Safety and Security Department presents this memorandum to renew the Property, Auto Liability, General Liability, School Leaders Liability, Law Enforcement Liability and Cyber Liability Insurance policies with the GSBA Risk Management Fund for the period 7-1-23 to 7-1-24 (FY 24) in the amount of \$1,154,940.00.

Background

The Bibb County School District, in FY22, initiated an RFP Bid Process for the following school district business insurance coverages: Property, Auto Liability, General Liability, School Leaders Liability, Law Enforcement Liability, and Cyber Liability. The GSBA Risk Management Fund won the bid to provide these insurance policies to the school district in FY 22, FY 23, and FY 24. The Safety and Security Department will initiate the RFP Bid Process for these school district business insurance coverages again in FY 25.

The FY 23 premium for these insurance coverages was \$950,406.00 The FY 24 premium is \$1,154,940.00. This represents a 22% premium increase. This increase is due to a significant increase in property valuations caused by a forty-year high in inflation, significant increases in building material costs and in increased property reinsurance costs.

The deductibles per claim are as follows:

Property - \$50,000.00
Auto Liability - \$25,000.00
General Liability - \$0
School Leaders Liability - \$10,000.00
Law Enforcement Liability - \$10,000.00
Cyber Liability - \$15,000.00

Recommendation

The recommendation is to renew the Property, Auto Liability, General Liability, School Leaders Liability, Law Enforcement Liability and Cyber Liability Insurance policies with the GSBA Risk Management Fund for the period 7-1-23 to 7-1-24 in the amount of \$1,154,940.00. These funds will be paid out of general funds.



ACTION MEMORANDUM

Superintendent's Approval:

Superintendent's Signature	Approve/Disapprove
Dr. Dan A. Sims	Approved

Renewal Terms for Bibb County Schools



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Authorization to Renew

Presented by:
Darrell Evans – Member Advocate
Georgia School Boards Association
5120 Sugarloaf Parkway
Lawrenceville, GA 30043
(800) 226-1856

May 18, 2023

Bibb County Schools
484 Mulberry Street
Macon, GA 31201

Re: GSBA Risk Management Services Renewal

Attn: Dr. Dan Sims

Policy Period: 7/1/2023 to 7/1/2024

Thank you for your continued membership in the GSBA Sponsored Funds. This renewal packet contains the following pieces of information:

- ✓ A summary of your limits and any deductibles where applicable;
- ✓ Breakdown of your renewal contribution by line of coverage;
- ✓ An overview of the coverage and services provided by the Funds;
- ✓ A map showing your fellow Members;
- ✓ A service contact list; and
- ✓ An Authorization to Renew.

On behalf of The Board of Trustees, thank you for your participation and we look forward to meeting the insurance and risk control needs of your District for years to come.

If you have questions, please call your GSBA Member Advocate or me.

Sincerely yours,



Cliff Cole
Director of Risk Management
GSBA Risk Management Services

Advantages of GSBA-RMF and WCF



- Financially Sound and Stable Source of Coverage through two Funds that are Owned & Controlled by the participating Georgia K-12 public schools;
- Personalized Services via five full time Member Advocates and a full time Safety Coordinator;
- Reinsurance Brokerage Services from Marsh to protect the Fund's assets from any catastrophic claim;
- Dedicated Claims Management Services through Charles Taylor, formerly known as Underwriters Safety & Claims (US&C);
- A commitment by GSBA RMS on behalf of the Funds to provide financially sound and stable sources of risk management services;
- Access to a wide array of training tools free of charge through Vector Solutions (formerly Safe Schools) simply by participating;
- Monthly safety webinars combined with the Exchange Newsletter which is published three times per year; and
- Three Member Meetings, including our Annual Meeting, that are open to all participating Members and are filled with various education and risk management topics.

Claims Reporting Contacts

All Claims Except Cyber Risk

WC Claim Reporting	gsbanewclaims@charlestaylor.com
Auto Claim Reporting	NewPCclaims@charlestaylor.com or (888) 245-4722 Ext 5348
Property Claim Reporting	NewPCclaims@charlestaylor.com or (800) 928-1342

Cyber Risk Claims

For all cyber risk claims, please report immediately to GSBA RMS to the attention of John Shore via the contact information below:

GSBA Risk Management Services

John Shore – GSBA RMS Assistant Director
Phone: (770) 995-4372 or 1 (800) 226-1856
Email: jshore@gsba.com

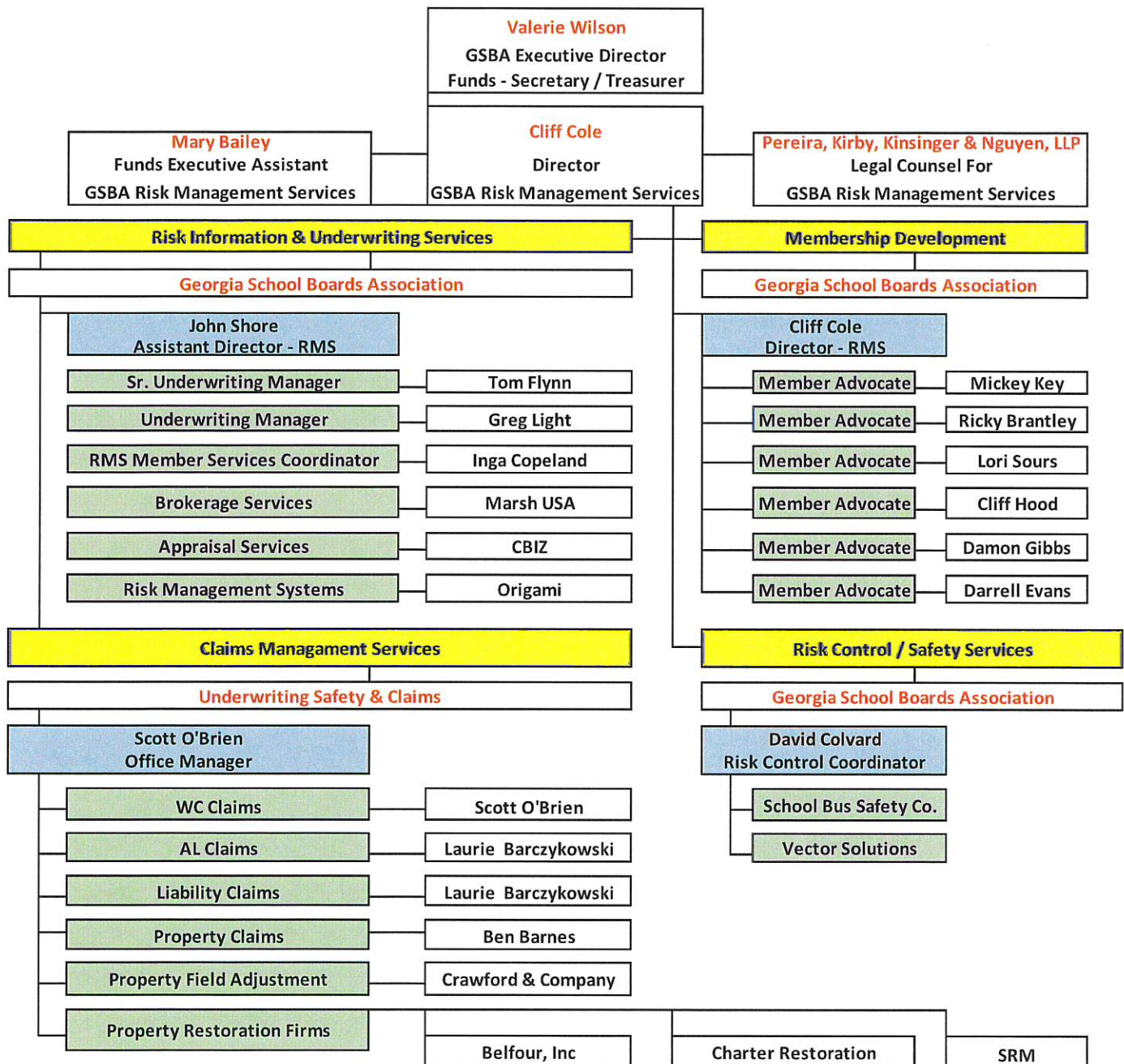
If GSBA is not available, you may also reach out to Brad Moody or Gina Greenwood at Nelson Mullins via the contact points below:

Nelson Mullins

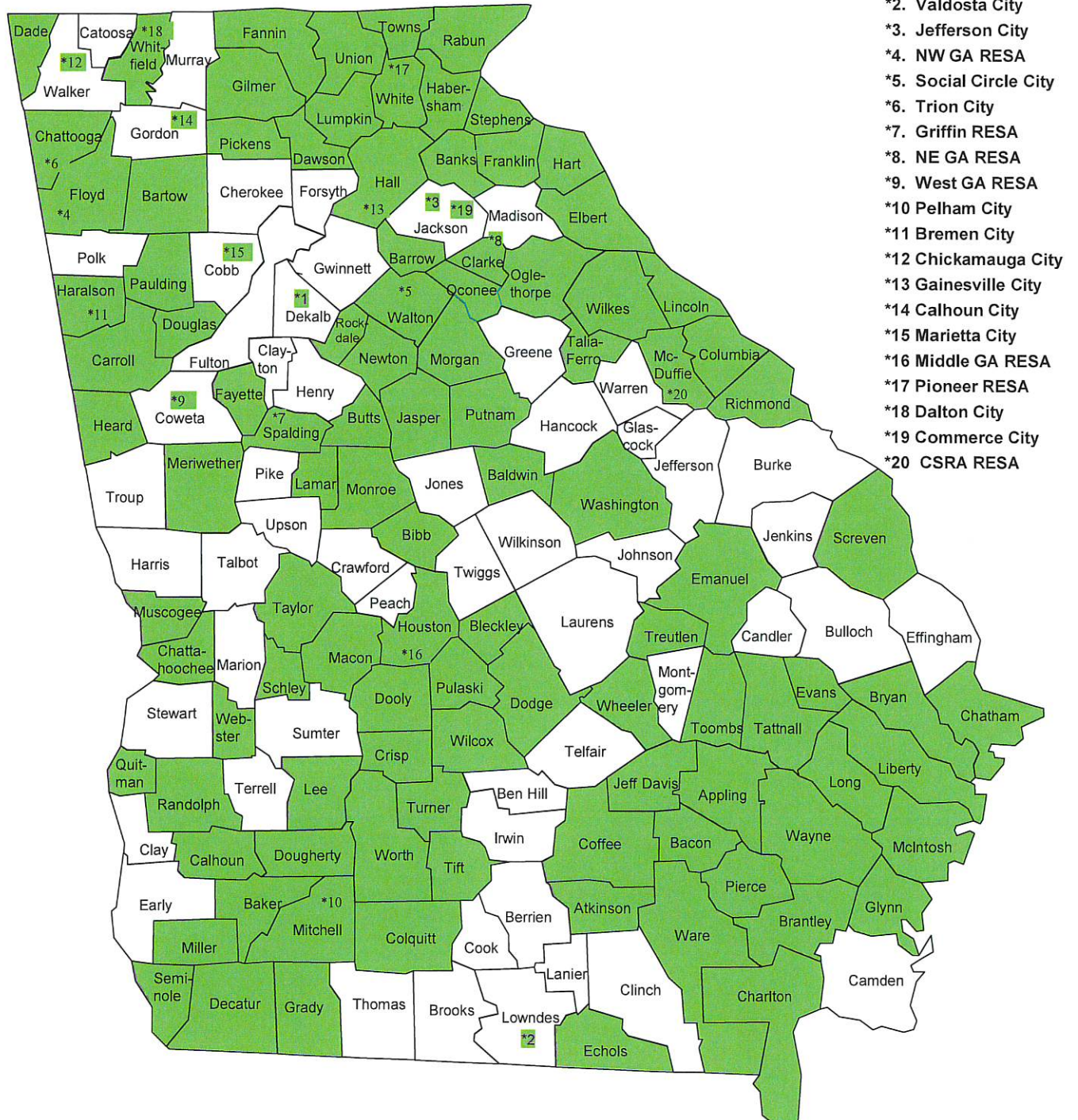
Brad C. Moody, JD, CIPPUS
Partner, Co-Chair – Data Breach Response Practice
Phone: (601) 278-2118 or (404) 322-6792
Email: brad.moody@nelsonmullins.com

Gina Greenwood
Partner, Co-Chair – Data Breach Response Practice
Phone: (404) 909-0665
Email: gina.greenwood@nelsonmullins.com

Organizational Chart



GSBA-RMS Membership



Delivering A+ Service through Superior Member Relationships

Renewal Changes and Enhancements

There are a couple of minor changes to the package of coverages offered this year along with one major approach adjustment and they all involve the RMF package:

1. Cyber Risk Coverage:

- ✓ After a frustrating couple of years dealing with the Cyber reinsurance marketplace, the Board of Trustees authorized RMF to assume slightly more risk resulting in more control over the coverage and pricing of the RMF Cyber coverage which are summarized below:
 - The minimum contribution per Member was raised to \$7,500 which, while an increase over last year, still remains well below the marketplace;
 - We engaged the Marsh Cyber Consulting practice to help us develop a layman's interpretation of all the answers requested about each District's Cyber Controls and Exposures providing each Member an assessment of how they scored as well as how they compare to the other Districts in RMF. A copy of each Member's assessment accompanies this renewal document.
 - If a Member scores low on either Multi-Factor Authentication or on the accumulation of controls combined with a high exposure, their ransomware limits have been reduced to \$100,000.
 - If a Member scores well on MFA but scores below an acceptable level on the accumulation of controls combined with a high exposure, they will have the ability to buy their ransomware limits back up to \$250,000.
 - If a Member scores well with MFA and scores high on the controls score, they will be able to purchase additional ransomware limits to raise the standard ransomware limits from \$250,000 to \$500,000.
 - The deductible remains at the current level of \$15,000.

2. Student Vocational Practices Liability

- ✓ The limits for Students Vocational Practices Liability have been increased from \$1,000,000 per occurrence and annual aggregate to \$1,000,000 per occurrence subject to a \$3,000,000 annual aggregate. This additional coverage is being provided at no additional cost to ease certificate of insurance requirements facing Members.

Renewal Changes and Enhancements

3. We have eliminated the Automobile Liability option for a \$300,000 combined single limit and we will provide those few Members a limit of \$350,000 at no additional costs.

4. Property Valuation Changes

- ✓ In the face of forty-year high inflation and soaring costs for building materials, the property reinsurers are requiring significant adjustments across the board for all Members to get valuations in line with the carrier's internal valuation models. After significant discussions with our reinsurance partners and Marsh, our reinsurance broker, we agreed to the following approach for how buildings and structures were adjusted throughout the schedule:

CATEGORY ONE Current Year Appraisal	CATEGORY TWO One Year Old Appraisal	CATEGORY THREE Two Year Old Appraisal
<i>No Adjustment to Current Appraisals</i> <i>Adjusted Contents 6%</i>	<i>Teaching and Admin Buildings - Up 6%</i> <i>Support Buildings - Up 4%</i> <i>Support Structures - Up 2%</i>	<i>Teaching and Admin Buildings - Up 15%</i> <i>Support Buildings - Up 8%</i> <i>Support Structures - Up 4%</i>
<i>Contents Minimums:</i> <i>15% HS, 12% MS, 10% ES & Admin</i>	<i>Contents Minimums:</i> <i>15% HS, 12% MS, 10% ES & Admin</i>	<i>Contents Minimums:</i> <i>15% HS, 12% MS, 10% ES & Admin</i>

- ✓ In effect, we are making annual adjustments as opposed to the traditional impact every three years. The Category Three members are seeing their values increase this year as opposed to the increase hitting all next year when their year for an appraisal would occur.
- ✓ Had the Fund not taken this action, reinsurers would have adjusted values themselves according to their higher valuation models, then applied a more conservative rating approach involving not only a higher rate but also a valuation limitation clause which would limit reimbursement from a loss involving a building that was undervalued at the time of the loss. The Fund has done everything it could do while remaining fiscally prudent in terms of taking on more risk so as to limit the impact of these changes in what is the worse property marketplace in a generation.

Coverages & Limits

Risk Management Fund

A. Property

Limit of Liability

Per Occurrence unless noted \$1,250,000,000

Member Statement of Values \$1,116,451,091

Valuation

Replacement Cost unless noted
otherwise

See attached Statement of Values

Natural Catastrophe Peril Limits

Wind (Named Storm) \$350,000,000

Sublimit Applies to Tier One Districts Only

Earth Movement \$300,000,000
\$400,000,000 Aggregate

Flood \$300,000,000
\$500,000,000 Aggregate

High-Hazard SFHA Flood \$100,000,000
\$150,000,000 Aggregate

Key Sub-Limits

per occurrence unless noted otherwise

Decontamination Costs \$5,000,000

Demolition and Increased Cost of
Construction \$25,000,000

Newly Acquired Locations
Per Date of Acquisition \$200,000,000
Maximum any one location \$100,000,000

Newly Acquired Locations (Tier 1 Wind) \$50,000,000

Coverages & Limits

Risk Management Fund

A. Property

Key Sub-Limits Continued

per occurrence unless noted otherwise

Errors and Omissions	\$50,000,000
Expediting Expense	\$50,000,000
Service Interruption	\$50,000,000
Extra Expense	\$50,000,000
Fine Arts	\$10,000,000
Contingent Business Interruption	\$10,000,000
Debris Removal	Greater of 25% of Loss or \$25,000,000
Miscellaneous Unnamed Locations	\$25,000,000
Course of Construction Per Location	\$50,000,000
Extended Period of Indemnity	Included
Professional Fees	\$2,500,000
Land and Water Contaminant or Pollutant Cleanup, Removal & Disposal	
Limit Per Occurrence	\$1,000,000
Annual Aggregate	\$2,500,000
Transit - Property Damage and Time Element Combined	\$25,000,000

Coverages & Limits

Risk Management Fund

A. Property

Key Sub-Limits Continued

per occurrence unless noted otherwise

Landscape Improvements	
Overall Limit	\$5,000,000
Limit per Tree, Plant or Shrub	\$1,000
Piers, Docks, Pilings and Wharfs	\$1,000,000
Animals and Fish	\$250,000
Sublimit per any one animal or fish	\$5,000
Automobile Physical Damage per vehicle	\$400,000
Unscheduled Tunnels, Bridges, Dams, Catwalks, Roadways, etc.	\$500,000
Growing Crops	\$50,000
Defense Costs	\$500,000
Evacuation Expense	\$10,000,000
Sudden and Accidental Radioactive Contamination	\$10,000,000
Upgrade to Green Endorsement	\$5,000,000

Deductibles

All Other Combined	\$50,000
Auto Physical Damage	N/A
Flood - Zones A & V	\$500,000 building / \$500,000 contents
Flood- Zones A & V Ineligible building structures or valued less than \$100,000	\$250,000

Coverages & Limits

Risk Management Fund

A. Property

Deductibles

Named Storm - Tier 1 Counties

Deductible

2% of the actual value
per unit of insurance

Minimum

\$250,000

Time Element

Interruption by Civil Authority within 10 miles

45 Day Period

Ingress / Egress within 10 miles

45 Day Period

Extended Period of Liability

180 Day Period

B. Equipment Breakdown

Property Damage / Time Element Combined

\$100,000,000

Valuation

Replacement Cost

Limit of Liability - Per Occurrence unless noted
otherwise

Extra Expense

\$25,000,000

Spoilage

\$2,500,000

Electronic Data or Media

\$2,500,000

Expediting Expense

\$2,500,000

Hazardous Substance

\$2,500,000

Deductible

Property Damage / Time Element Coverage

\$50,000

Coverages & Limits

Risk Management Fund

C. Terrorism for Property

Limits of Liability

Total Limits	\$750,000,000
Time Element Coverages	\$50,000,000
Automatic Coverage	\$100,000,000

Deductible

Property Damage / Time Element Coverage	\$50,000
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D. General Liability

Limits of Liability

General Aggregate	\$3,000,000
Products Completed Operations Aggregate	\$1,000,000
Each Occurrence	\$1,000,000
Personal Injury & Advertising Injury Liability	\$1,000,000
Fire, Water, Lightning & Explosion Damage Legal Liability	\$1,000,000
Medical Payments	Not Applicable

Deductible

Per Occurrence	\$0
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Coverage Type

Occurrence

Coverages & Limits

Risk Management Fund

D. General Liability

Key Enhancements

Mold and Fungus with Carve back	
Carve back Coverage per occurrence	\$50,000
Carve back Coverage annual aggregate	\$200,000
Fund Overall Shared Limit	\$200,000
Corporal Punishment covering the School System, employees and volunteers	
Include Athletic Participation	
Include Incidental Medical Malpractice for employees including school nurses	
Broad Coverage for Drones	

E. Employee Benefits Liability

Limit of Liability

Each Negligent Act	\$1,000,000
Aggregate	\$3,000,000
Deductible	\$1,000

Coverage Type - Claims-Made

Retroactive Date if Applicable	7/1/2016
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F. School Leaders Liability

Limit of Liability - Coverage A - Errors & Omissions

Each Wrongful Act	\$1,000,000
Sublimit for Back Pay / Wages	\$30,000
Deductible	N/A
Coverage Type - Claims-Made	
Retroactive Date	N/A

Coverages & Limits

Risk Management Fund

F. School Leaders Liability

Limit of Liability - Coverage B - Sexual Abuse

Each Wrongful Act	\$1,000,000
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Deductible	\$10,000
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Coverage Type - Claims-Made	
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Retroactive Date	7/1/2021
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Limit of Liability - Coverage C - Defense Cost Only

Each Wrongful Act	\$100,000
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Aggregate Each Agreement Period	\$300,000
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Deductible	N/A
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Coverage Type - Claims-Made	
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Retroactive Date	N/A
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Program Limit of Liability - Coverage D - Defense Cost in Special Education Cases

Coverage Part 1 - Defense for Named Member

Each Wrongful Act	\$100,000
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Aggregate Each Agreement Period	\$300,000
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Coverage Type - Claims-Made	
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Retroactive Date	N/A
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Coverage Part 2 - Defense & Ancillary Costs Other Than to Named Member

Each Wrongful Act	\$250,000
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Aggregate Each Agreement Period	\$250,000
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Coverage Type - Claims-Made	
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Retroactive Date	N/A
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Coverages & Limits

Risk Management Fund

F. School Leaders Liability Continued

Deductible for Coverage Parts 1 and 2 Combined N/A

Program Limit of Liability - Coverage A and B Combined

Aggregate Each Agreement Period for Coverage A and B Combined \$3,000,000

G. Student Vocational Practices Liability

Limits of Liability

Per Occurrence \$1,000,000

Annual Aggregate \$3,000,000

Deductible None

Coverage Type - Occurrence

Retroactive Date Not Applicable

H. Law Enforcement Liability

Limits of Liability

Minimum Limit, each Claimant \$1,000,000

Maximum Limit, each Occurrence \$1,000,000

Maximum Aggregate Limit \$3,000,000

Deductible \$10,000

Coverage Type - Occurrence

Retroactive Date Not Applicable

I. Automobile Liability

Limits of Liability

Per Person - Bodily Injury \$350,000

Per Accident - Bodily Injury and Property Damage \$350,000

Uninsured / Underinsured Motorists - per Accident \$100,000

Medical Payments - per Person \$5,000

Deductible \$25,000

Coverage Type - Occurrence

Retroactive Date Not Applicable

Coverages & Limits

Risk Management Fund

J. Crisis Management

Limits of Liability

Each Crisis Event - per Occurrence	\$300,000
Subject to following sublimits:	
Crisis Management Loss Expense - each Occurrence	\$50,000
Crisis Management Loss Expense - Annual Aggregate	\$100,000
Crisis Response Costs - Annual Aggregate	\$250,000
Deductible	Not Applicable

Coverage Type - Occurrence

Retroactive Date	Not Applicable
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K. Surety Bonds

Limits of Liability

Superintendent Bond	N/A
Drivers Education Bond	N/A

Coverage Type - Occurrence

Retroactive Date	Not Applicable
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L. Crime

Primary Limits of Liability

Money & Securities - Coverage Within Premises	\$250,000
Money & Securities - Coverage Outside Premises	\$250,000
Employee Dishonesty / Faithful Performance Coverage	\$250,000
Depositor's Forgery	\$250,000
Computer Fraud	\$250,000
Social Engineering	\$250,000
Deductible	N/A

Coverages & Limits

Risk Management Fund

L. Crime

Excess Limit of Liability

Master excess policy \$1,000,000

Master excess policy for members purchasing Money & Securities, Employee Dishonesty, Depositor's Forgery and Computer Fraud Coverages and applies excess of the program limits of liability shown above

Sub-Limits

Social Engineering – This limit is excess of primary limit \$250,000

Coverage Type - Occurrence

Retroactive Date Not Applicable

M. Optional Coverages for Risk Management Fund

1. Cyber Risk Liability

Included

Limits of Liability

Insuring Agreements A, B, C and D

Limit per Incident \$1,000,000

Fund Overall Aggregate Limit of Liability \$10,000,000

Sub-Limits

Ransomware - All Insuring Agreements Combined \$250,000

Deductible

Insuring Agreements A, B, C and D \$15,000

Optional Extension Period

Premium for Optional Extension Period

Length of Optional Extension Period 12 Months

Coverage Type

Insuring Agreements A & D - Occurrence

Retroactive Date Not Applicable

Insuring Agreements C & B - Claims-Made

Retroactive Date 7/1/2021

Coverages & Limits

Risk Management Fund

M. Optional Coverages for Risk Management Fund

2. Excess Limits ABOVE Primary Limits Shown Above in Coverage Sections:

Applicable Underlying Coverages

- D. General Liability
- E. Employers Liability
- F. School Leaders Liability
(applies to coverages A and B only)
- H. Law Enforcement Liability

Option One

Included	
Additional Per Occurrence Limits	\$1,000,000
Additional Annual Aggregate Limits	\$1,000,000

Option Two

Additional Per Occurrence Limits	\$2,000,000
Additional Annual Aggregate Limits	\$3,000,000

Note:

Limits shown are additional limits *in addition to* primary limits above for the identified coverages

3. Automobile Limits for Losses OUTSIDE Georgia where Sovereign Immunity may not apply

Applicable Underlying Coverages

- I. Automobile Liability
(Only for losses occurring outside of Georgia)
Member must purchase primary limits of \$1,000,000 to qualify for options

Option One

Additional Per Occurrence Limits	\$1,000,000
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Option Two

Additional Per Occurrence Limits	\$2,000,000
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Coverages & Limits

Workers Compensation Fund

Limits of Liability

Workers' Compensation	Statutory
Employer's Liability	
Each Accident	\$2,000,000
Each Employee - Disease	\$2,000,000
Annual Aggregate - Disease	\$2,000,000
Deductible	N/A

Key Enhancements

Broad Form All States For Employee Travel
 Voluntary Compensation Endorsement - Premium Delineation
 Foreign Voluntary Workers' Compensation and Employers'
 Liability

Contribution Summary and ATR

Summary of Contributions and Options

Policy Period: 7/1/2023 – 7/1/2024

Bibb County Schools

Risk Management Fund Primary Package Coverages

Primary Package Coverage Lines	Renewal Contribution
A. Property	\$785,309
B. Equipment Breakdown	Included
C. Terrorism for Property	Included
D. General Liability	\$51,268
E. Employee Benefits Liability	Included
F. School Leaders Liability	\$48,722
G. Student Vocational Practices Liability	\$1,465
H. Law Enforcement Liability	Included
I. Automobile Liability	\$177,722
J. Crisis Management	\$879
K. Surety Bonds	N/A
L. Crime	N/A
M. Auto Physical Damage	N/A

Coverages, Limits and ATR

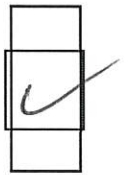
Summary of Contributions and Options

Policy Period: 7/1/2023 – 7/1/2024

Bibb County Schools

Sub - Renewal Total

1,065,365



Expiring Total

853,630

Percentage Change

24.8

Increased Cyber Liability
Coverage Limit From \$100,000
to \$250,000

- \$50,000

Increased Coverage Limits
For General Liability, School
Leaders Liability, Law

- \$39,575

Enforcement Liability to 3,000,000 per
occurrence
and \$5,000,000 Aggregate.

New Renewal Total - \$1,154,940.00

Coverages, Limits and ATR

Summary of Contributions and Options Policy Period: 7/1/2023 – 7/1/2024

Bibb County Schools

Risk Management Fund Optional Coverages

Please check box to right of any Optional Coverage desired by District

1. Cyber Risk Liability **\$50,000**

A. Additional cost to buy Ransomware Limits
up from \$100,000 to \$250,000

N/A

B. Additional cost to buy Ransomware Limits
up from \$250,000 to \$500,000

\$25,000

2. Excess Limits Options

A. Increase Primary Limits from \$1,000,000 /
\$3,000,000 to \$2,000,000 / \$4,000,000

Applies to Coverages D., E., F., and H. above

\$22,462

**B. Increase Primary Limits from \$1,000,000 /
\$3,000,000 to \$3,000,000 / \$5,000,000**

Applies to Coverages D., E., F., and H. above

\$39,575

**3. A. Provide \$1,000,000 of Additional Limits* for
Automobile Liability losses that occur
OUTSIDE of Georgia**

44,378

**B. Provide \$2,000,000 of Additional Limits* for
Automobile Liability losses that occur
OUTSIDE of Georgia**

45,033

**Note: Member must purchase primary AL limits of \$1,000,000 in order to also purchase either Options 3.A. or 3. B. above.*

Coverages, Limits and ATR

Summary of Contributions and Options

Policy Period: 7/1/2023 – 7/1/2024

Bibb County Schools

Workers Compensation Fund Summary of Costs

Workers Compensation Coverage Line

A. Workers Compensation	\$0
B. Employers Liability	Included

Renewal Total	\$0	☐
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Expiring Total	\$0	
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Percentage Change

Authorization to Renew

Please check the appropriate boxes for the coverages desired, sign and date on the lines below, scan all pages from this section and return via email to RMSAdmin@gsba.com

Member Signature:

Date:
