



**PROPERTY AND LIABILITY
BOARD OF DIRECTORS MEETING
MARCH 20, 2025
10:30 A.M.**

AGENDA

I. Consent Agenda

- | | |
|---|-------------|
| A. Approval of Minutes for February 2025 Board of Directors Meeting | Dave Ostash |
| B. Approval of Payment of Student Insurance Claims in the Amount of \$80,765.50 and Tackle Football Claims in the amount of \$3,100.03 for the Month of February 2025 | Dave Ostash |

Moved _____ 2nd _____

Yes _____ No _____ Abstain _____ Roll Call Vote _____

II. Public Comment

III. Closed Session- Property and Liability Claims

The board may be required to adjourn to closed session for discussion of matters regarding a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability, authorized by Government Code 54956.95.

District	File Number	Claimant
Panama Buena Vista Union School District By Ty Taylor	2024050154	W.A. (a minor) L-SM
Southern Kern Unified School District By Ty Taylor	2023045590	C.N. (a minor) L-BI
Merced County Office of Education By Ryan Bourget	2023045456	Property
Antelope Valley Union High School District By Ryan Bourget	2023047242	Vertis Bayne L-BI
Merced County Office of Education By Ryan Bourget	2024048665	Eva Pruneda-Pruett L-BI
Santa Barbara Unified School District By Ryan Bourget	2023045353	Todd Ryckman L-EP
Panama Buena Vista Unified School District By Hilda Hankins	2024051503	Jeannie Arnett L-BI
Fruitvale School District By Hilda Hankins	2024049787	Natalie Mills L-BI
Lone Pine Unified School District By Hilda Hankins	2025052913	Property
Delano Joint Union High School District By Lisa Pitstick	2024049776	Auto Comp

Bakersfield City School District By Lisa Pitstick	2025053331	Property
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IV. Reconvene To Open Session

- A. Reports from Closed Session, if Required

V. Action Items

- A. Report of Property and Liability Claims in the Amount of \$3,762,989.55
for the Month of February 2025 and Ratification of Payment of this Amount

Robert Kretzmer

Moved _____ 2nd _____

Yes _____ No _____ Abstain _____ Roll Call Vote _____

- B. Financial Report – Presentation of Financial Statements for the Month
of February 2025 Will Be Submitted for Approval

Kim Sloan

Moved _____ 2nd _____

Yes _____ No _____ Abstain _____ Roll Call Vote _____

- C. Request Approval of the 2025-2026 Rates

Dave Ostash

Moved _____ 2nd _____

Yes _____ No _____ Abstain _____ Roll Call Vote _____

VI. Information and Discussion Items

- A. Safety & Loss Advisory Group

Robert Kretzmer

- B. Social Inflation Article

Robert Kretzmer

- C. Comments from the Board of Directors Will Be Heard

Dave Ostash

- D. Next Meeting:

Dave Ostash

Thursday, April 17, 2025

10:30 a.m.

SISC Board Room, 4th Floor – Larry E. Reider Education Center

2000 K Street, Bakersfield, CA 93301

E. Adjournment

Dave Ostash

Moved _____ 2nd _____

Yes _____ No _____ Abstain _____ Roll Call Vote _____

Any materials required by law to be made available to the public prior to a meeting of the Governing Board of the SISC II JPA can be inspected at the following address during normal business hours at:
2000 K Street, Bakersfield, CA. 93301

For more information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation to participate in the public meeting, please contact Kristy Comstock at 661-636-4682 or krcomstock@siscschools.org

*The number of Board Members needed to form a quorum for this meeting is eight

PROPERTY & LIABILITY TERMINOLOGY

1. **AMERICANS WITH DISABILITIES ACT (ADA)** - A federal act designed to set standards to remove the barriers to employment, transportation, public accommodations, public services, and telecommunications that exist for those members of our society who have physical disabilities. The act encompasses aspects of everyday life and generates wide ranging implications for almost every business or service.
2. **CIVIL RIGHTS VIOLATIONS** - The term applied to tort claims involving issues of sexual harassment; wrongful termination; employment, age, gender or race discrimination; ADA; employment harassment. If Plaintiff prevails, even partially, this type of case entitles plaintiff to also collect attorney fees.
3. **CLAIM TYPES** – The internal coding systems for claims includes:

ABI – Auto Bodily Injury	BM – Boiler/Machinery	LPI – Liability Personal Injury
ACL – Auto Collision	CF – Crime/Fidelity	LPD–Liability Property Damage
ACP – Auto Comprehension	EP – Liability Employment Practices	P – Property
AGK – Auto Garage Keepers	LBI – Liability Bodily Injury	SE – Special Education
APD – Auto Property Damage	LEO – Liability Errors & Omission	SM – Liability – Sexual Misconduct
4. **CLASS ACTION** – A lawsuit in which one person or a small group of people represent the interests of an entire class of people in litigation.
5. **COMPARATIVE NEGLIGENCE** - A more modern system of allocating damages between two or more persons than the method of contributory negligence. Under comparative negligence, the damages collectible in relation to another person are diminished in proportion to one's degree of negligence. In most instances, damages cannot be collected at all if the claimant's negligence were greater than that of the other party. Currently, in a few instances, the courts have awarded both parties damages as a percent of the total damages, depending on respective degrees of fault.
6. **CROSS COMPLAINT** – A claim asserted by a defendant against another party to the action. Also termed (in some jurisdictions) *cross petition*. A claim asserted by a defendant against a person not a party to the action for a matter relating to the subject of the action.
7. **DECLARATORY RELIEF ACTION** - Remedy for the determination of a judicial controversy where a plaintiff or defendant is in doubt as to their legal rights. No consequential relief is awarded.
8. **ERRORS AND OMISSIONS (E&O)** - A form of Professional Liability insurance which provides coverage for mistakes made in a profession not involved with the human body (lawyers, architects, engineers) or for mistakes made in a service business (insurance, real estate, and others). Also a form of coverage for financial institutions protecting against loss to lending institutions which fail to effect insurance coverage.
9. **HEARSAY** – Testimony by a witness based not on his or her own observations but on what someone else said, offered in evidence to prove the truth of what was said.
10. **HOLD HARMLESS AGREEMENT** - A contractual arrangement whereby one party assumes the liability inherent in a situation, thereby relieving the other party of responsibility. Such agreements are typically found in leases and easements and construction contract agreements. Agreement or contract in which one party agrees to hold the other without responsibility for damage or other liability arising out of the transaction involved.
11. **INCURRED LOSSES** – The amount equal to paid losses and losses for which the insurer is liable but has not yet paid.
12. **INJUNCTIVE RELIEF ACTION** - Legal action filed for prohibitive or equitable relief. An action filed to forbid an act or to restrain someone from continuing an act which is considered unjust or injurious.
13. **MORAL HAZARD** – A condition that may lead a person to intentionally cause or exaggerate a loss.
14. **MOTION FOR SUMMARY JUDGMENT** - Rule of civil procedure permitting either side in a civil suit to move for dismissal when it is believed that there is no genuine issue of material fact that would allow the other side to prevail as a matter of law. The "motion" may include all or part of a claim.
15. **MOTION IN LIMINE** – A pretrial request that certain inadmissible evidence not be referred to or offered at trial.
16. **PERSONAL INJURY** - Injury, other than bodily injury, results from oral or written communication.
17. **PUNITIVE DAMAGES (Exemplary)** - Damages awarded separately and in addition to compensatory damages, usually on account of malicious or wanton misconduct, to serve as a punishment for the wrongdoer and, possibly, as a deterrent to others. Sometimes referred to as "exemplary damages" when intended to "make an example" of the wrongdoer. By law, government entities are immune from punitive damages.
18. **RESERVATION OF RIGHTS LETTER** – An insurer's letter that specifies coverage issues and informs the insured that the insurer is handling a claim with the understanding that the insurer may later deny coverage should the facts warrant it.
19. **SUBROGATION** - In insurance, the substitution of one party (insurer) for another party (insured) to pursue any rights the insured may have against a third party liable for a loss paid by the insurer.
20. **TORT** - A legal wrong arising from a breach of duty fixed by law, except under contract, causing injury to persons or property and redressible by legal action for damages. Government entities are ruled by the Tort Claims Act.
21. **VENUE** – The locale in which the lawsuit may be brought.



**PROPERTY AND LIABILITY
BOARD OF DIRECTORS MEETING
FEBRUARY 20, 2025
10:30 A.M.**

MINUTES

The Regular Meeting of the Board of Directors of SISC II Property and Liability Program was called to order by Director Ostash at 10:30 a.m. on Thursday, February 20, 2025 in the SISC Board Room of the Larry E. Reider Building, 2000 K Street, Bakersfield, California 93301. The following individuals were in attendance:

MEMBERS PRESENT:

Dave Ostash
Jennifer Hedge
Rhonda Phinney
S. Aaron Resendez
Christine Cornejo
Katie Russell (arrived at 10:33)
Steve Torres
Brad Pawlowski
Robert Hughes

ALTERNATES PRESENT:

Christian Shannon
Steve Martinez
Ramon Hendrix

OTHERS PRESENT:

Kim Sloan
Megan Hanson
Kristy Comstock
Fred Bayles
Rich Edwards
Robert Kretzmer
Ty Taylor
Ryan Bourget

Consent Agenda

Motion was made by Director Torres, seconded by Director Resendez and by roll call vote of 9-Yes, 0-No, and 0 Abstentions (9-0-0) to approve the Consent Agenda as follows:

Minutes

Approval of Minutes for January 2025 Board of Directors Meeting

Student Insurance and Tackle Football Claims

Approval of payment of Student Insurance Claims in the Amount of \$66,707.48 and Tackle Football Claims in the amount of \$3,818.83 for the month of January 2025.

Public Comment

None

Closed Session – Property & Liability Claims

The Board went into closed session at 10:31 a.m.

Reconvene to Open Session

The Board reconvened into open session at 10:57 a.m.

With respect to the claim filed by G.V. (a minor) against Bakersfield City School District after discussion, motion was made by Director Resendez, seconded by Director Hedge and by roll call vote of 9-0-1 (abstention by Director Cornejo) the board approved the payment of \$500,000.00 for the settlement of this claim with G.V. (a minor).

With respect to the claim filed by Panama Buena Vista Union School District after discussion, motion was made by Director Cornejo, seconded by Director Pawlowski and by roll call vote of 9-0-1 (abstention by Director Russell) the board approved the payment of \$49,072.20 for additional costs to complete repair work.

With respect to the claim filed by General Shafter School District after discussion, motion was made by Director Russell, seconded by Director Resendez and by roll call vote of 10-0-0 the board approved the payment of \$100,229.27 for roof repair due to a fallen oak tree.

With respect to the claim filed by Pioneer Union School District after discussion, motion was made by Director Torres, seconded by Director Pawlowski and by roll call vote of 10-0-0 the board approved the payment of \$245,023.59 for supplemental electrical and other replacements needed to complete repair work.

With respect to the claim filed by Santa Barbara Unified School District after discussion, motion was made by Director Russell, seconded by Director Hughes and by roll call vote of 10-0-0 the board approved the payment of \$747,811.42 for water damage incurred to major components of a building over 12,000 square feet.

With respect to the claim filed by M.W. (a minor) against San Luis Coastal Unified School District after discussion, motion was made by Hedge, seconded by Director Hughes and by roll call vote of 10-0-0 the board approved the payment of an undisclosed amount for the settlement of this claim with M.W. (a minor).

Action Items

Report of Property and Liability Claims – January 2025

Robert Kretzmer presented the Report of Property and Liability Claims. There were 47 new claims, 73 claims were closed and no claims reopened in January, resulting in 524 pending claims. Robert reviewed the check register for January 2025, reporting on two checks that were in excess of \$50,000.00. After discussion, motion was made by Director Resendez, seconded by Director Pawlowski and by roll call vote of 10-0-0, approving payment of Property and Liability Claims in the amount of \$921,187.60 for the month of January 2025.

Financial Report

Kim Sloan reviewed with the Board the Financial Report for the period ending January 31, 2025. Kim reported the LAIF rate for the month of January 2025 dropped to 4.37% from last month at 4.43%. After discussion, motion was made by Director Torres, seconded by Director Russell and by roll call vote of 10-0-0, approving the Financial Reports as submitted.

Information and Discussion Items

Ed Source Article on AB 218

Robert Kretzmer discussed the impact of AB 218 from an article that FCMAT submitted.

Comments from the Board

Dave Ostash informed the Board that nomination ballots will be sent out via email on March 3rd. Also, all nomination ballots are sent to the District Superintendent only.

Adjournment

There being no further business to come before the Board, motion was made by Director Hughes, seconded by Director Pawlowski and by roll call vote of 10-0-0, adjourning the meeting at 11:16 a.m.

Next Meeting

The next meeting of the Board of Directors will be held **Thursday, March 20th at 10:30 a.m.** in the SISC Board Room, 4th Floor – Larry E. Reider Education Center, 2000 K Street, Bakersfield, CA 93301.

Robert Hughes, Secretary



SUMMARY OF ACTIVITY
FEBRUARY 2025

	<u>STUDENT</u>		<u>TACKLE</u>	
	<u>INSURANCE</u>		<u>FOOTBALL</u>	
Opened		98		2
Closed		65		2
Events		48		0
 Total Open & Event claims		 816		 58
 Amount Paid	\$	 80,765.50	\$	 3,100.03
Credit	\$	(1,322.40)	\$	(453.88)
Net Paid Current Month	\$	79,443.10	\$	2,646.15
 Net Paid YTD	\$	 338,815.18	\$	 17,938.21

**SISC - PROPERTY & LIABILITY
CLAIM AND LOSS MANAGEMENT SUMMARY
FEBRUARY 2025**

FILES REOPENED	0
FILES OPENED	48
FILES CLOSED	50
TOTAL PENDING CLAIMS	528
OPEN EVENT FILES	68
PENDING INDEMNITY RESERVES	\$45,084,186.95
PENDING EXPENSE RESERVES	\$11,202,199.75
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<i>TOTAL RESERVES</i>	\$56,286,386.70
INDEMNITY PAID, CURRENT MONTH	\$3,182,200.45
EXPENSES PAID, CURRENT MONTH	\$580,789.10
	<hr/>
<i>SUB-TOTAL</i>	\$3,762,989.55
PRIOR MONTH VOIDS (CREDITS)	(\$1,103.75)
RECOVERY	(\$226,175.45)
REFUNDS	(\$5,331.11)
	<hr/>
<i>NET PAID CURRENT MONTH</i>	\$3,530,379.24
INDEMNITY PAID YEAR-TO-DATE	\$13,642,210.62
EXPENSES PAID YEAR-TO-DATE	\$4,486,614.05
	<hr/>
<i>SUB-TOTAL</i>	\$18,128,824.67
CREDITS YEAR-TO-DATE	(\$257,497.95)
RECOVERY YEAR-TO-DATE	(\$1,176,819.71)
REFUNDS YEAR-TO-DATE	(\$164,140.31)
	<hr/>
<i>SUB-TOTAL</i>	(\$1,598,457.97)
	<hr/>
<i>NET PAID YEAR-TO-DATE</i>	\$16,530,366.70

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607603	02/04/2025	BOSCO LEGAL SERVICES,	2023046181	LSM	Legal-Other	San Luis Coastal	2,700.00
607604	02/04/2025	ERNESTO FRANCISCO	2025053708	LPD	Property	Kern County Supt	2,274.76
607605	02/04/2025	ENTERPRISE RENT-A-CAR	2024051327	APD	Rental Vehicle	Palmdale	1,305.09
607606	02/04/2025	Sonora Union High School	2025053847	P	Water Loss	Sonora Union High	5,001.79
607607	02/04/2025	ALACRITY PARENT LLC,	2025053672	ACL	Adjusting	Wilsona School	1,042.60
607608	02/04/2025	Wasco Union Elementary School	2025052684	ACL	Deductible	Wasco Union	2,500.00
607609	02/04/2025	FUSION COLORS, INC.	2025053596	APD	Property	Santa Ynez Valley	6,779.09
607610	02/04/2025	CARPENTER, ROTHANS &	2022042974	LPI	Attorney Fees	Antelope Valley	112.50
607611	02/04/2025	Wasco Union High School District	2024048590	LPD	Deductible	Wasco Union High	7.00
607612	02/04/2025	HALL, HIEATT, CONNELLY &	2025053137	LBI	Attorney Fees	Lucia Mar Unified	450.00
607613	02/04/2025	DOWNTOWN LA LAW GROUP	2023046314	LBI	Trust Account -	Palmdale	80,000.00
607619	02/06/2025	DEMARIA LAW FIRM, APC	2025053559	LEP	Attorney Fees	Amador County	1,369.00
607620	02/06/2025	DEMARIA LAW FIRM, APC	2022042091	LPI	Attorney Fees	Amador County	314.50
607621	02/06/2025	DEMARIA LAW FIRM, APC	2021039370	LPI	Attorney Fees	Kern County Supt	775.00
607622	02/06/2025	DEMARIA LAW FIRM, APC	2024051133	LPI	Attorney Fees	Mark Twain Union	1,194.32
607623	02/06/2025	DEMARIA LAW FIRM, APC	2024048998	LBI	Attorney Fees	Tuolumne Cnty	12,351.50
607624	02/06/2025	DEMARIA LAW FIRM, APC	2022041736	LBI	Attorney Fees	Mammoth Unified	172.00
607625	02/06/2025	DEMARIA LAW FIRM, APC	2024048766	LPI	Attorney Fees	Maricopa Unified	21,110.50
607626	02/06/2025	HALL, HIEATT, CONNELLY &	2024051277	LEP	Attorney Fees	Paso Robles Joint	1,809.00
607627	02/06/2025	HALL, HIEATT, CONNELLY &	2022043429	LBI	Attorney Fees	Lucia Mar Unified	4,640.50
607628	02/06/2025	HALL, HIEATT, CONNELLY &	2025052120	LPI	Attorney Fees	Lucia Mar Unified	2,137.50
607629	02/06/2025	HALL, HIEATT, CONNELLY &	2022040627	LBI	Attorney Fees	San Luis Coastal	2,302.50
607630	02/06/2025	Kern County Supt of Schools	2025053240	ACL	Collision Loss	Kern County Supt	3,097.91
607631	02/06/2025	Santa Maria Joint Union High	2024048268	APD	Deductible	Santa Maria Joint	13.05
607632	02/06/2025	FIRST LEGAL BUYER INC.	2023045998	LBI	Legal-Other	Antelope Valley	89.75
607633	02/06/2025	TYSON & MENDES LLP	2023045998	LBI	Attorney Fees	Antelope Valley	6,091.55
607634	02/06/2025	TYSON & MENDES LLP	2024049003	LSM	Attorney Fees	Palmdale	15,767.10
607635	02/06/2025	TYSON & MENDES LLP	2023045096	LSM	Attorney Fees	Fruitvale School	2,939.31
607636	02/06/2025	TYSON & MENDES LLP	2023045990	LEP	Attorney Fees	Palmdale	1,173.45

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607637	02/06/2025	TYSON & MENDES LLP	2021039801	LBI	Attorney Fees	Fairfax School	123.70
607638	02/06/2025	DEMARIA LAW FIRM, APC	2023046256	LBI	Attorney Fees	Kern High School	4,032.33
607639	02/06/2025	DEMARIA LAW FIRM, APC	2023045590	LBI	Attorney Fees	Southern Kern	37,104.98
607640	02/06/2025	ABI DOCUMENT SUPPORT	2022041753	ABI	Legal-Other	Eastern Sierra	120.14
607641	02/06/2025	DEMARIA LAW FIRM, APC	2022041753	ABI	Attorney Fees	Eastern Sierra	2,626.50
607642	02/06/2025	DEMARIA LAW FIRM, APC	2021039753	LBI	Attorney Fees	Bakersfield City	37,303.00
607643	02/06/2025	DEMARIA LAW FIRM, APC	2023045988	LBI	Attorney Fees	Tehachapi Unified	469.00
607644	02/06/2025	DEMARIA LAW FIRM, APC	2024050157	LEP	Attorney Fees	Amador County	2,549.50
607645	02/06/2025	DEMARIA LAW FIRM, APC	2024050744	LEO	Attorney Fees	Bakersfield City	325.00
607646	02/06/2025	DEMARIA LAW FIRM, APC	2024051651	LBI	Attorney Fees	Kern High School	7,514.00
607647	02/06/2025	DEMARIA LAW FIRM, APC	2022041639	LBI	Attorney Fees	Merced County	25.00
607648	02/06/2025	DEMARIA LAW FIRM, APC	2022041926	LSM	Attorney Fees	Norris School	6,220.00
607649	02/06/2025	DEMARIA LAW FIRM, APC	2023043663	LBI	Attorney Fees	Greenfield Union	5,153.00
607650	02/06/2025	STENO AGENCY, INC	2023045998	LBI	Legal-Other	Antelope Valley	500.00
607651	02/06/2025	FIRST LEGAL BUYER INC.	2023045998	LBI	Legal-Other	Antelope Valley	124.25
607652	02/06/2025	HALL, HIEATT, CONNELLY &	2025052547	LPI	Attorney Fees	Shandon Joint	360.00
607653	02/06/2025	HALL, HIEATT, CONNELLY &	2023045353	LEP	Attorney Fees	Santa Barbara	5,517.00
607654	02/06/2025	DEMARIA LAW FIRM, APC	2022041780	LBI	Attorney Fees	Winton School	3,032.00
607655	02/06/2025	DEMARIA LAW FIRM, APC	2025052572	LBI	Attorney Fees	Bret Harte Union	119.00
607656	02/06/2025	DEMARIA LAW FIRM, APC	2022043606	LBI	Attorney Fees	Delhi Unified	3,432.50
607657	02/06/2025	DEMARIA LAW FIRM, APC	2023047252	LBI	Attorney Fees	Merced County	232.00
607658	02/06/2025	DEMARIA LAW FIRM, APC	2024047705	LBI	Attorney Fees	Merced County	1,550.00
607659	02/06/2025	DEMARIA LAW FIRM, APC	2024050159	LBI	Attorney Fees	Chowchilla	827.50
607660	02/06/2025	HALL, HIEATT, CONNELLY &	2023047327	LBI	Attorney Fees	Lucia Mar Unified	1,285.00
607661	02/06/2025	HALL, HIEATT, CONNELLY &	2023046181	LSM	Attorney Fees	San Luis Coastal	5,794.72
607662	02/06/2025	MCLARENS, LLC	2023046348	P	Adjusting	Lone Pine Unified	1,049.01
607663	02/06/2025	MCLARENS, LLC	2023046211	P	Adjusting	Standard School	637.29
607664	02/06/2025	MCLARENS, LLC	2023046982	P	Adjusting	Sonora Union High	803.73
607665	02/06/2025	MCLARENS, LLC	2023047160	P	Adjusting	Wasco Union High	14,559.25
607666	02/06/2025	MCLARENS, LLC	2024048018	P	Adjusting	Mammoth Unified	2,117.73
607667	02/06/2025	MCLARENS, LLC	2023045483	P	Adjusting	Merced County	744.60

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607668	02/06/2025	HALL, HIEATT, CONNELLY &	2024049119	LBI	Attorney Fees	Blochman Union	3,159.00
607669	02/06/2025	DEMARIA LAW FIRM, APC	2023044042	LBI	Attorney Fees	Greenfield Union	638.50
607670	02/06/2025	DEMARIA LAW FIRM, APC	2023044042	LBI	Attorney Fees	Greenfield Union	1,245.50
607671	02/06/2025	DEMARIA LAW FIRM, APC	2023044138	LEP	Attorney Fees	Amador County	122.00
607672	02/06/2025	DEMARIA LAW FIRM, APC	2023047512	LEP	Attorney Fees	Brawley	2,833.50
607673	02/06/2025	DEMARIA LAW FIRM, APC	2024050154	LSM	Attorney Fees	Panama-Buena	18,222.00
607674	02/06/2025	DEMARIA LAW FIRM, APC	2021040054	LPI	Attorney Fees	Panama-Buena	175.00
607719	02/12/2025	Merced Union High School	2025052729	ACL	Collision Loss	Merced Union High	4,784.70
607720	02/12/2025	AMERICAN FAMILY CONNECT	2025053324	APD	Property	Greenfield Union	8,884.95
607721	02/12/2025	DAPRA CONSTRUCTION	2025054057	P	Adjusting	Tulare COE (GL)	781.25
607722	02/12/2025	LYNZIE GENEL AND JAMIE	2025053708	LPD	Rental Vehicle	Kern County Supt	1,874.20
607723	02/12/2025	LYNZIE GENEL AND JAMIE	2025053708	LPD	Property	Kern County Supt	334.20
607724	02/12/2025	U-HAUL CO. OF CALIFORNIA	2023045606	LBI	Full and Final	Antelope Valley	10,000.00
607725	02/12/2025	TYSON & MENDES LLP	2023045851	LBI	Attorney Fees	Taft City School	114.00
607726	02/12/2025	MC LAW GROUP, APC	2019034991	LBI	Attorney Fees	Santa Barbara	2,212.50
607727	02/12/2025	MC LAW GROUP, APC	2023047441	LEP	Attorney Fees	Orcutt Union	2,600.50
607728	02/12/2025	MC LAW GROUP, APC	2023045219	LEP	Attorney Fees	Santa Maria Joint	2,890.50
607729	02/12/2025	MC LAW GROUP, APC	2023045353	LEP	Attorney Fees	Santa Barbara	7,308.50
607730	02/12/2025	MC LAW GROUP, APC	2023046181	LSM	Attorney Fees	San Luis Coastal	6,133.50
607731	02/12/2025	MC LAW GROUP, APC	2022043429	LBI	Attorney Fees	Lucia Mar Unified	927.50
607732	02/12/2025	MC LAW GROUP, APC	2022043499	LEP	Attorney Fees	Carpinteria Unified	987.00
607733	02/12/2025	MC LAW GROUP, APC	2023043827	LBI	Attorney Fees	Santa Barbara	1,316.00
607734	02/12/2025	MC LAW GROUP, APC	2023044672	LPI	Attorney Fees	Santa Barbara	940.00
607735	02/12/2025	MC LAW GROUP, APC	2025053792	LPI	Attorney Fees	Santa Barbara	517.00
607736	02/12/2025	MC LAW GROUP, APC	2021040073	LBI	Attorney Fees	Santa Barbara	1,339.50
607737	02/12/2025	HALL, HIEATT, CONNELLY &	2023043948	ABI	Attorney Fees	Paso Robles Joint	315.00
607738	02/12/2025	HALL, HIEATT, CONNELLY &	2025053839	LBI	Attorney Fees	San Luis Coastal	405.00
607739	02/12/2025	HALL, HIEATT, CONNELLY &	2024048645	LBI	Attorney Fees	Lucia Mar Unified	45.00
607740	02/12/2025	HERR PEDERSEN &	2024048665	LBI	Attorney Fees	Merced County	184.65
607741	02/12/2025	HERR PEDERSEN &	2017027208	ABI	Attorney Fees	Delano Union	837.45
607742	02/12/2025	HERR PEDERSEN &	2022041435	LBI	Attorney Fees	Sierra Sands	2,248.00

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607743	02/12/2025	HERR PEDERSEN &	2023046609	ABI	Attorney Fees	Chowchilla	5,627.27
607744	02/12/2025	HERR PEDERSEN &	2024048228	ABI	Attorney Fees	Kern County Supt	240.25
607745	02/12/2025	HERR PEDERSEN &	2024048981	LBI	Attorney Fees	Bakersfield City	902.89
607746	02/12/2025	ROBINSON & KELLAR	2024048797	LBI	Attorney Fees	Merced Union High	1,358.03
607747	02/12/2025	ROBINSON & KELLAR	2023045038	LBI	Attorney Fees	Lake Elsinore	667.90
607748	02/12/2025	ROBINSON & KELLAR	2024051297	LBI	Attorney Fees	Delano Union	1,842.95
607749	02/12/2025	ROBINSON & KELLAR	2024049171	LBI	Attorney Fees	Greenfield Union	278.20
607750	02/12/2025	ROBINSON & KELLAR	2022042967	LBI	Attorney Fees	Lake Elsinore	393.90
607751	02/12/2025	ROBINSON & KELLAR	2023044381	LBI	Attorney Fees	Lake Elsinore	693.30
607752	02/12/2025	ROBINSON & KELLAR	2023044642	ABI	Attorney Fees	Upland USD (GL)	1,952.52
607753	02/12/2025	ROBINSON & KELLAR	2024050250	LBI	Attorney Fees	Greenfield Union	1,359.90
607754	02/12/2025	ROBINSON & KELLAR	2021040282	ABI	Attorney Fees	Kern County Supt	263.70
607755	02/12/2025	ROBINSON & KELLAR	2022042303	LBI	Attorney Fees	Lakeside Union	392.50
607756	02/12/2025	ROBINSON & KELLAR	2024050301	LSM	Attorney Fees	Bakersfield City	12,996.75
607757	02/12/2025	ROBINSON & KELLAR	2024050597	LSM	Attorney Fees	Beardsley School	1,291.20
607758	02/12/2025	ROBINSON & KELLAR	2023047399	LSM	Attorney Fees	Panama-Buena	1,608.80
607759	02/12/2025	BLUEPRINT SERVICE CO. INC.	2023047399	LSM	Legal-Other	Panama-Buena	994.97
607760	02/12/2025	HERR PEDERSEN &	2025051870	LBI	Attorney Fees	Tulare COE (GL)	183.75
607761	02/12/2025	DAVIS, BENGSTON & YOUNG,	2022043194	LEP	Attorney Fees	Amador County	82.50
607762	02/12/2025	DAVIS, BENGSTON & YOUNG,	2022043187	LEP	Attorney Fees	Amador County	82.50
607763	02/12/2025	DAVIS, BENGSTON & YOUNG,	2022043495	LBI	Attorney Fees	Soulsbyville	55.00
607764	02/12/2025	TRUST ACCOUNT OF GERALD	2019035125	LBI	Trust Account -	Palmdale	17,500.00
607765	02/12/2025	VERITEXT CORP	2023046256	LBI	Legal-Other	Kern High School	518.80
607766	02/12/2025	STENO AGENCY, INC	2021039753	LBI	Legal-Other	Bakersfield City	4,459.90
607767	02/12/2025	Santa Maria Joint Union High	2025053360	APD	Deductible	Santa Maria Joint	234.47
607768	02/12/2025	UNISOURCE DISCOVERY	2023044642	ABI	Legal-Other	Upland USD (GL)	161.90
607769	02/12/2025	UNISOURCE DISCOVERY	2023044642	ABI	Legal-Other	Upland USD (GL)	161.57
607770	02/12/2025	FOZI DWORK & MODAFFERI,	2024047934	LBI	Attorney Fees	Lake Elsinore	16,841.70
607771	02/12/2025	EDDINGS ATTORNEY	2021039753	LBI	Legal-Other	Bakersfield City	154.50
607772	02/12/2025	EDDINGS ATTORNEY	2021039753	LBI	Legal-Other	Bakersfield City	154.50
607773	02/12/2025	FOZI DWORK & MODAFFERI,	2024051303	LSM	Attorney Fees	Upland USD (GL)	100.00

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607774	02/12/2025	FOZI DWORK & MODAFFERI,	2024051111	LEP	Attorney Fees	Kern County Supt	525.00
607775	02/12/2025	FOZI DWORK & MODAFFERI,	2024051213	LPI	Attorney Fees	Kern County Supt	1,725.00
607788	02/14/2025	KUNTHEA HUT AS	2022041639	LBI	Full and Final	Merced County	55,864.72
607789	02/14/2025	VENARDI ZURADA, LLP	2022041639	LBI	Attorney Fees -	Merced County	56,635.28
607790	02/14/2025	CARPENTER, ROTHANS &	2024051274	LEP	Attorney Fees	Antelope Valley	6,232.50
607791	02/14/2025	CARPENTER, ROTHANS &	2024049766	LPI	Attorney Fees	Palmdale	3,291.50
607792	02/14/2025	TYSON & MENDES LLP	2021040073	LBI	Attorney Fees	Santa Barbara	114.00
607793	02/14/2025	COUNSEL PRESS INC.	2024048766	LPI	Legal-Other	Maricopa Unified	1,301.43
607794	02/14/2025	MCDANIEL REPORTING	2024049119	LBI	Legal-Other	Blochman Union	784.00
607795	02/14/2025	ADR SERVICES, INC.	2023045038	LBI	Legal-Other	Lake Elsinore	2,441.67
607843	02/21/2025	Cold Spring School District	2021039925	LPI	Deductible	Cold Spring School	260.00
607844	02/21/2025	STENO AGENCY, INC	2021039753	LBI	Legal-Other	Bakersfield City	2,735.90
607845	02/21/2025	Lake Elsinore Unified School	2024047605	ACL	Deductible	Lake Elsinore	4,450.00
607846	02/21/2025	Santa Maria Joint Union High	2025054136	P	All Physical	Santa Maria Joint	2,680.00
607847	02/21/2025	ALACRITY PARENT LLC,	2025053976	LPD	Adjusting	Santa Barbara	292.85
607848	02/21/2025	ALACRITY PARENT LLC,	2025054237	ACL	Adjusting	Antelope Valley	348.27
607849	02/21/2025	ALACRITY PARENT LLC,	2025054276	ACL	Adjusting	Semitropic School	311.11
607850	02/21/2025	ALACRITY PARENT LLC,	2025054203	LPD	Adjusting	Caruthers Unified	256.33
607851	02/21/2025	ALACRITY PARENT LLC,	2025054179	APD	Adjusting	Orcutt Union	207.47
607852	02/21/2025	MCDANIEL SHORTHAND	2024049119	LBI	Legal-Other	Blochman Union	547.00
607853	02/21/2025	ELLENBERG, LEAH PH.D., INC	2022042589	LBI	Legal-Other	Palmdale	10,000.00
607854	02/21/2025	ROBINSON & KELLAR	2023045569	LBI	Attorney Fees	Antelope Valley	664.70
607855	02/21/2025	WINET PATRICK GAYER	2025054010	LBI	Attorney Fees	Lake Elsinore	118.50
607856	02/21/2025	DAPRA CONSTRUCTION	2025051762	P	Adjusting	Panama-Buena	1,103.75
607857	02/21/2025	Lucia Mar Unified School District	2024051171	P	Water Loss	Lucia Mar Unified	14,835.91
607858	02/21/2025	General Shafter School District	2024048985	P	Adjusting	General Shafter	100,229.27
607859	02/21/2025	Pioneer Union School District	2024051140	P	Water Loss	Pioneer Union	245,023.59
607860	02/21/2025	BD&J, PC CLIENT TRUST	2023043969	ABI	Trust Account -	Lake Elsinore	1,800,000.00
607861	02/21/2025	DEMARIA LAW FIRM, APC	2021040054	LPI	Attorney Fees	Panama-Buena	537.50
607862	02/21/2025	DEMARIA LAW FIRM, APC	2024050154	LSM	Attorney Fees	Panama-Buena	7,558.70
607863	02/21/2025	NETWORK DESPOSITION	2023045590	LBI	Legal-Other	Southern Kern	1,430.30

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607864	02/21/2025	NETWORK DESPOSITION	2023045590	LBI	Legal-Other	Southern Kern	1,042.45
607865	02/21/2025	VERITEXT CORP	2023046256	LBI	Legal-Other	Kern High School	507.10
607866	02/21/2025	DENISON WERNER MACIAS	2023045998	LBI	Attorney Fees	Antelope Valley	817.00
607867	02/21/2025	DENISON WERNER MACIAS	2023045998	LBI	Attorney Fees	Antelope Valley	86.00
607901	02/25/2025	Panama-Buena Vista Unified	2025051762	P	Water Loss	Panama-Buena	49,072.20
607902	02/25/2025	CARPENTER, ROTHANS &	2022043595	LBI	Adjusting	Palmdale	112.50
607903	02/25/2025	CARPENTER, ROTHANS &	2022042589	LBI	Attorney Fees	Palmdale	4,898.35
607904	02/25/2025	Taft Union High School District	2025053325	ACL	Deductible	Taft Union High	2,500.00
607905	02/25/2025	ALACRITY PARENT LLC,	2025054284	APD	Adjusting	Bakersfield City	204.84
607906	02/25/2025	ALACRITY PARENT LLC,	2025054276	ACL	Adjusting	Semitropic School	44.00
607907	02/25/2025	Antelope Valley Union High	2025054237	ACL	Collision Loss	Antelope Valley	32,409.59
607908	02/25/2025	Semitropic School District	2025054276	ACL	Collision Loss	Semitropic School	18,314.14
607909	02/25/2025	ALACRITY PARENT LLC,	2025054276	APD	Adjusting	Semitropic School	241.23
607910	02/25/2025	STEVEN A. ELIG, M.D., A	2024049003	LSM	Legal-Other	Palmdale	25,000.00
607911	02/25/2025	TYSON & MENDES LLP	2023045998	LBI	Attorney Fees	Antelope Valley	13,753.45
607912	02/25/2025	TYSON & MENDES LLP	2023045998	LBI	Attorney Fees	Antelope Valley	1,229.90
607913	02/25/2025	DAVIS BODY SHOP INC	2025054141	APD	Property	Atascadero Unified	4,260.77
607936	02/27/2025	MCCORMICK, BARSTOW,	2025051734	ADM	Attorney Fees	Kern County Supt	1,365.00
607937	02/27/2025	MCCORMICK, BARSTOW,	2025051734	ADM	Attorney Fees	Kern County Supt	5,585.00
607938	02/27/2025	MCCORMICK, BARSTOW,	2025051734	ADM	Attorney Fees	Kern County Supt	6,080.00
607939	02/27/2025	SUSANA M LOPEZ GONZALEZ	2025054284	APD	Property	Bakersfield City	1,896.14
607940	02/27/2025	ENTERPRISE RENT-A-CAR	2025053769	APD	Rental Vehicle	Kern County Supt	1,437.50
607941	02/27/2025	CARPENTER, ROTHANS &	2023047175	LBI	Attorney Fees	Antelope Valley	481.00
607942	02/27/2025	DENISON WERNER MACIAS	2024050458	LBI	Attorney Fees	Norris School	333.25
607943	02/27/2025	DENISON WERNER MACIAS	2024050457	LBI	Attorney Fees	Kern County Supt	333.25
607944	02/27/2025	DENISON WERNER MACIAS	2024050975	LBI	Attorney Fees	Standard School	1,634.00
607945	02/27/2025	DENISON WERNER MACIAS	2023046509	LBI	Attorney Fees	Standard School	1,311.50
607946	02/27/2025	MCCORMICK, BARSTOW,	2025052491	LEP	Attorney Fees	Lake Elsinore	6,240.00
607947	02/27/2025	Panama-Buena Vista Unified	2024051704	P	Property	Panama-Buena	157.98
607948	02/27/2025	Santa Barbara Unified School	2024050853	P	Water Loss	Santa Barbara	747,811.42
607949	02/27/2025	WALKER & KIRKPATRICK	2023044489	LBI	Attorney Fees	Upland USD (GL)	2,204.36

Check Register - Property & Liability

Check Number	Check Date	Payee	Claim Number	Claim Type	Payment Type	Insured	Check Amount
607950	02/27/2025	WALKER & KIRKPATRICK	2024048274	LBI	Attorney Fees	Palmdale	936.00
607951	02/27/2025	WALKER & KIRKPATRICK	2023045981	LBI	Attorney Fees	Antelope Valley	4,704.50
607952	02/27/2025	WALKER & KIRKPATRICK	2024048606	LBI	Attorney Fees	Lake Elsinore	1,092.00
607953	02/27/2025	WALKER & KIRKPATRICK	2023045980	LBI	Attorney Fees	Antelope Valley	9,943.00
607954	02/27/2025	WALKER & KIRKPATRICK	2023044769	LEP	Attorney Fees	Palmdale	8,738.36
Total For 122235821 158300179906							3,762,989.55
Number of Check: 189					First Check Number:	607603	
Number Of Payments: 189					Last Check Number:	607954	
					Check Sequence:		

SISC II
INCOME STATEMENT
FEBRUARY 2025

		BUDGET	YEAR-TO-DATE	CURRENT MONTH
<u>REVENUES</u>				
8660.00	Interest-County Treasurer	\$2,095,238.00	\$310,171.19	\$68,402.95
8660.03	LAIF	\$309.00	\$153.51	\$0.00
8660.04	Investments	\$4,764,648.00	\$2,203,252.37	\$0.00
8660.05	Bank	\$12,800.00	\$76,337.42	\$11,332.83
8674.02	Premiums-Prop & Liab	\$56,933,716.00	\$38,081,699.88	\$4,519,457.92
8674.12	Student Ins	\$1,144,929.00	\$763,284.49	\$95,411.00
8674.13	Tackle Football	\$25,500.00	\$20,760.00	\$0.00
8674.14	Special Ed Defense	\$492,530.00	\$495,875.00	\$12,602.00
8699.06	Administrative Fees	\$100.00	\$0.00	\$0.00
TOTAL REVENUES		\$65,469,770.00	\$41,951,533.86	\$4,707,206.70
<u>EXPENSES</u>				
4300.00	Supplies	\$500.00	\$4,820.75	\$136.21
5200.00	Travel/Conference	\$5,000.00	\$7,987.54	\$0.00
5300.00	Dues and Memberships	\$134,650.00	\$62,449.38	\$34.74
5450.01	Insurance-Property & Fire	\$13,169,853.00	\$7,574,503.05	\$880,707.00
5450.02	Boiler & Machinery	\$282,095.00	\$152,315.00	\$19,040.00
5450.04	Crime	\$72,834.00	\$48,554.00	\$6,070.00
5450.06	Excess Liability	\$10,967,031.00	\$7,246,042.18	\$852,637.00
5450.17	Data Compromise	\$261,252.00	\$196,098.00	\$24,512.00
5450.18	Concussion Coverage	\$27,000.00	\$18,000.00	\$2,250.00
5450.19	Terrorism	\$41,170.00	\$26,140.40	\$3,267.00
5800.00	Miscellaneous	\$500.00	\$0.00	\$0.00
5800.02	Audit	\$14,085.00	\$13,835.00	\$0.00
5800.10	Consulting	\$165,590.00	\$115,203.49	\$23,120.00
5800.15	Property Appraisals	\$174,365.00	\$172,026.00	\$0.00
5800.32	Bank Fees	\$8,000.00	\$1,623.69	\$0.00
5800.50	Administration - KCSOS	\$4,072,845.00	\$2,420,898.32	\$301,345.03
5800.55	Student Ins Claims	\$780,000.00	\$438,858.19	\$79,443.10
5800.56	Tackle FB Claims	\$25,000.00	\$17,938.21	\$2,646.15
5800.58	Spec Ed VCP	\$492,530.00	\$0.00	\$0.00
5800.66	Property Claims	\$4,223,033.00	\$5,476,911.67	\$1,107,842.98
5800.67	Liability Claims	\$13,956,835.00	\$8,119,415.49	\$566,694.45
5800.69	Auto Claims	\$2,398,878.00	\$2,430,431.34	\$1,844,081.33
5800.90	Bill Review	\$7,200.00	\$4,107.26	(\$248.58)
5800.94	Other Distributions	\$0.00	\$0.00	\$0.00
5800.95	Unpaid Claims Liab Adj	\$9,442,000.00	\$6,294,666.68	\$786,833.33
TOTAL EXPENSES		\$60,722,246.00	\$40,842,825.64	\$6,500,411.74
CHANGE IN NET ASSETS		\$4,747,524.00	\$1,108,708.22	(\$1,793,205.04)
NET ASSETS - BEGINNING		\$11,572,917.85	\$11,572,917.85	\$14,474,831.11
NET ASSETS - ENDING		\$16,320,441.85	\$12,681,626.07	\$12,681,626.07

SISC II
BALANCE SHEET
February 28, 2025

	July 1, 2024 BALANCE	February 28, 2025 BALANCE
<u>ASSETS</u>		
9110.00 Cash in County Treasury	\$16,447,014.19	\$34,566,147.10
9120.02 Bank Account-Claims Fund	\$1,411,199.66	\$1,508,094.63
9130.00 Revolving Fund	\$1,500.00	\$0.00
9150.01 Local Agency Investment Fund	\$6,424.38	\$6,650.38
9150.03 Investments	\$83,353,981.92	\$85,557,234.29
9200.00 Accounts Receivable	\$414,887.60	\$6,320.00
9330.00 Prepaid Insurance	\$5,831,838.00	\$12,460,026.00
TOTAL ASSETS	\$107,466,845.75	\$134,104,472.40
<u>LIABILITIES</u>		
9500.00 Current Liabilities	\$756,803.90	\$301,345.03
9650.00 Deferred Income	\$0.00	\$19,689,710.62
9668.00 Unpd Clms Liab (90% Conf Lvl)	\$95,137,124.00	\$101,431,790.68
TOTAL LIABILITIES	\$95,893,927.90	\$121,422,846.33
NET ASSETS - Funding Stabilization Reserves	\$11,572,917.85	\$12,681,626.07
TOTAL LIABILITIES AND NET ASSETS	\$107,466,845.75	\$134,104,472.40

AUTHORIZED SIGNATURE

PREPARED BY: Nancy Russo

SISC II
Investments
February 28, 2025

24-HOUR LIQUID FUNDS

SISC II maintains much of its cash in the Kern County Treasury and Local Agency Investment Fund. Both agencies pool these funds with those of other entities in the state. These pooled funds are carried at cost which approximates market value.

AGENCY	BALANCE	RETURN	PERIOD	DATES
COUNTY OF KERN	\$34,566,147.10	3.56%	LAST QUARTER	OCT-DEC 2024
		2.03%	5 YEAR AVERAGE	JAN 2020-DEC 2024
LOCAL AGENCY INVESTMENT FUND	\$6,650.38	4.33%	CURRENT MONTH	February, 2025
		4.62%	LAST QUARTER	OCT-DEC 2024
		2.13%	5 YEAR AVERAGE	JAN 2020-DEC 2024

INVESTMENT MANAGEMENT ACCOUNTS

The investment securities portfolio is comprised of securities carried at fair market value.

The fair market value of the investment securities available for sale at December 31, 2024 was:

INVESTMENT FIRM	MARKET VALUE	QUARTERLY RETURN	ANNUALIZED RETURN	PERIOD	DATES
MADISON INVESTMENTS (SISC INVESTMENT POOL)	\$26,607,193.00	-0.19%	-0.76%	LAST QUARTER	OCT-DEC 2024
			1.48%	5 YEAR AVERAGE	JAN 2020-DEC 2024
			4.31%	YIELD TO MATURITY	AS OF DEC 31, 2024
WELLS FARGO ADVISORS (RICH EDWARDS)	\$58,950,041.29	0.58%	2.29%	LAST QUARTER	OCT-DEC 2024
			1.20%	5 YEAR AVERAGE	JAN 2020-DEC 2024
			2.15%	YIELD TO MATURITY	AS OF DEC 31, 2024
	<u>\$85,557,234.29</u>				

5-YEAR HISTORY OF RETURNS - ANNUALIZED

Quarter Ending:	Co of Kern	LAIF	INVESTMENT POOL	RICH WELLS FARGO	COMBINED WEIGHTED AVERAGE RETURN
12/31/2024	3.56%	4.62%	-0.76%	2.29%	2.13%
9/30/2024	3.53%	4.71%	11.61%	8.04%	7.16%
6/30/2024	3.46%	4.55%	3.67%	4.51%	4.12%
3/31/2024	3.37%	4.30%	1.19%	3.24%	2.76%
12/31/2023	3.15%	4.00%	10.98%	8.28%	7.37%
9/30/2023	2.91%	3.93%	2.14%	2.59%	2.60%
6/30/2023	2.65%	3.15%	-0.66%	-0.50%	0.42%
3/31/2023	2.42%	2.74%	6.06%	5.65%	4.63%
12/31/2022	2.16%	2.07%	3.47%	3.48%	2.89%
9/30/2022	1.06%	1.35%	-4.79%	-7.15%	-2.24%
6/30/2022	1.00%	0.75%	-2.22%	-2.88%	-1.35%
3/31/2022	0.95%	0.32%	-9.06%	-9.18%	-5.11%
12/31/2021	0.84%	0.23%	-2.39%	-2.02%	-0.55%
9/30/2021	1.24%	0.24%	-0.20%	0.26%	0.69%
6/30/2021	1.00%	0.33%	0.80%	0.00%	0.65%
3/31/2021	1.07%	0.44%	-1.86%	-0.90%	-0.47%
12/31/2020	1.16%	0.63%	0.18%	0.55%	0.72%
9/30/2020	1.30%	0.84%	0.43%	0.40%	0.83%
6/30/2020	1.70%	1.47%	2.89%	4.28%	3.23%
3/31/2020	2.10%	2.03%	8.05%	3.01%	5.13%
5-Yr Average	2.03%	2.13%	1.48%	1.20%	1.78%



March 11, 2025

TO: District Superintendents
Chief Business Officials
SISC II Member Districts

FROM: Robert J. Kretzmer, Director
Property & Liability

SUBJECT: **SISC Property & Liability's Safety & Loss Advisory Group**

SISC Property & Liability has formed a Safety & Loss Advisory Group that will convene quarterly to receive presentations and discuss relevant topics. The group aims to develop strategies and initiatives that help members foster the safest possible campus environments.

How to Participate If you are interested in joining these quarterly meetings, please complete the online form (link below) by **March 28, 2025**.
<https://wl.sisc.kern.org/Forms/S2LAG>

If you are unable to participate personally, you are welcome to designate a representative on your behalf to ensure your district's needs are addressed.

Superintendents and Chief Business Officials seeking additional information or clarification are encouraged to contact Lilia Morentin at **661-636-4495** or via email at limorentin@siscschools.org. She will be happy to assist with any inquiries you may have.

Next Steps Once your online submission is complete, you will receive a notification regarding our initial webinar, which is expected to take place in **early April 2025**.

Thank you for your interest! We're thrilled about your involvement and look forward to your active participation.

RJK:lm



Property & Liability

Registration Form

Fill out the online registration form to join the quarterly meetings by 03/28/2025.

Partner with the Safety & Loss Advisory Group to develop strategies and resources that empower school districts to achieve and maintain the highest standards of campus safety.

District
Name
Title
E-mail
Office phone number
Topics of interest

Thank you for your interest! We're thrilled to have you join us and look forward to your active participation in shaping this exciting initiative. Your involvement is vital to its success, and we encourage you to bring your ideas and enthusiasm to the table!

For any questions regarding your online submission, feel free to reach out to Lilia Morentin at **661-636-4495**.

Your attention to this matter is greatly appreciated.

Social Inflation: How Today's Rising Claim Costs Affect Tomorrow's Insurance Premiums

Today's insurance premiums aim to reflect tomorrow's predicted costs. Actuaries and underwriters continuously assess risk to forecast future costs. But what happens when claim costs grow at an exponential rate? What happens when jury verdicts frequently shatter even the highest expected outcomes?

Social inflation generally describes the rising costs of insurance claims that result from changing societal perceptions and trends. While the concept of social inflation may seem straight forward, factors contributing to the phenomenon vary widely and are difficult to identify and quantify.

Some of the most notable factors contributing to social inflation include:

Growing wealth gap

Millions of people remain jobless while the U.S. stock market achieves record-breaking highs. Media coverage of this creates juror perception that corporate executives amass wealth while low-income families suffer. This perception of income inequality may increase both the number of lawsuits and the average verdict value.

Increasing health care costs

Health care costs continue to outpace inflation. This may lead to higher compensatory awards and jurors accepting future medical costs suggested by plaintiff counsel.

"Monopoly money" effect

People hear about massive jury verdicts, such as the \$4.69 billion verdict awarded against Johnson & Johnson in Missouri in 2018, as well as billion-dollar fines and penalties assessed against corporations. Legal advertisements show large plaintiff settlements and verdicts. Frequent exposure to excessive sums can normalize the idea of high-payout verdicts.

Litigation funding

Investors are pouring billions of dollars into civil litigation investments as an alternative to the stock market. The third-party funding litigation industry is a growing, multi-billion dollar industry changing the economics of the legal profession. This funding provides capital to plaintiff law firms, often makes settlement more difficult, drives cases toward trial and increases the overall cost of litigation defense.

The perceived growing inequality between “ordinary people” and large corporations leads to resentment. Political turmoil and economic struggles also make people angry. American Tort Reform Association estimates the number of legal ads increased by 30% since 2017, with 14 million ads hitting the airwaves, billboards and websites in 2019. Matching up this massive advertising effort with people’s frustrations may create a subconscious desire for wealth redistribution that manifests in the form of massive verdicts often uncorrelated to the injuries suffered. Many experts predict that jury awards will continue to grow as income inequality increases.

History has shown an increase in litigation following recessions. In the wake of the 2008 financial crisis, the stock market bounced back while hourly wages remained stagnant. Some authorities believe the stigma of frivolous lawsuits waned while the longing to punish corporations grew.

How This Affects Insurance Policy Pricing and Coverage

Insurance carriers and defense counsel work hard to combat social inflation in the courtroom. Unfortunately, increased litigation expenses and colossal verdicts continue to exceed projected costs. Social inflation forces property and casualty insurers nationwide to increase premium rates. Additionally, certain high-risk exposures, such as punitive damages and sexual abuse, may be excluded or sublimited.

The insurance industry must account for social inflation if it is to meet its customers’ needs. Actuaries and underwriters must constantly assess the threat posed by aggressive social inflation in a post-pandemic era. Until potential jurors understand that nuclear verdicts primarily harm policyholders or until legal reform addresses the problem, social inflation is here to stay.

What Can Agents and Policyholders Do

A sound risk management program can help a policyholder mitigate or prevent losses. Great American and our agents can help a policyholder better manage its risks to help combat social inflation and other exposures.

Great American Insurance Group/Public Sector Division/March 4, 2025