

SELF-INSURED SCHOOLS OF CALIFORNIA

PROPERTY & LIABILITY UPDATE

OCTOBER 10, 2012

PROPERTY LOSSES

Background

SISC II administers the first \$250,000 of every property loss. This money is paid directly by the pool members. The pool also funds the premium for the commercial excess policies that apply after the \$250,000 threshold has been exceeded. SISC II operates as a true pool—the number of losses and the cost of those losses are borne by the members via premium rates.

In administering claims, we are constantly striving to meet the needs of individual members by making them whole again while protecting the interests of the pool. It is a delicate balance. Adherence to our Memorandum of Coverage (MOC) and industry-standard claims practices is important.

Loss Reporting

Every loss which may be covered under the scope of the MOC should be reported as soon as possible. This is especially applicable where there is physical damage to a building or structure such as in the case of wind, water, fire, or vandalism.

The SISC II adjuster will determine if a physical inspection of the site is warranted and advise the district accordingly. Typically, emergency response personnel can, and should, be dispatched by the district in order to contain the loss and mitigate further damage. This is often the case with water losses. However, contacting the SISC office at the inception of a loss is important in order to establish a detailed and accurate scope of loss from the onset.

The scope of loss is critical in protecting the financial interests of the district as well as the SISC II pool. It is the scope of loss that determines and separates covered repair or restoration work and any additional work the district may choose to include electively. Early clarification and determination of the scope of loss helps expedite repairs and control costs.

Restoration, Repair & Recovery

Restoring the district to pre-loss condition is our goal. However, there is sometimes confusion as to what pre-loss condition entails. In terms of valuation, covered property is valued as follows:

1. Repair or replacement cost shall not exceed the smallest of the following amounts:
 - The repair or replacement cost of the damaged property, or any part thereof, which is identical with property currently on site and intended for the same occupancy and use; or
 - The amount actually and necessarily expended in repairing or replacing said property or any part thereof.
 - Replacement cost is the value of reasonable like kind, quality and utility without deduction for depreciation.
2. Actual cash value may be paid if the District does not intend to repair or replace the damaged or stolen property.
3. The increased cost of repair or reconstruction is limited to the minimum

requirements of applicable laws and only when the loss causes the application of such law.

4. Associated engineer's, architect's, project manager's, inspector's, and professional fees are covered in the event such fees are required by law and/or code.

Other than emergency repairs, SISC strongly recommends that Districts obtain two estimates prior to the commencement of the work. As soon as possible these estimates should be submitted to the SISC adjuster for review.

SISC II is available to assist with procuring contractors and reserves its right to dispatch contractors for assistance with preparing a scope of loss, price verification and/or valuation purposes.



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[HTTP://SISC.KERN.ORG/PL](http://SISC.KERN.ORG/PL)

SCHOOLS HELPING SCHOOLS

Loss Procedure Summary

Please note that District losses can be reported to SISC via our website at sisc.kern.org/pl. Simply go to the Report A Claim link and submit your property loss via the Property loss Notice. A sample form is attached.

In addition losses can be reported via telephone by calling 661-636-4495.

Finally, in the event of an emergency, please note the following emergency contact numbers: Ryan Bourget, 661-912-7927 or Roxann Dailey-Webb 661-428-2035.

By: Property & Liability Adjusters

LOSS REPORTING PROCESS

1. Report the loss to SISC II as soon as possible.
2. If the loss involves loss involves theft, burglary, vandalism, arson, etc. contact the local law enforcement division.
3. Other than for emergency response, do not commit district funds without approval/authorization from the SISC II adjuster.
4. Do not dispose or discard damaged items until inspected by SISC II or its authorized agent, or until approval has been given by the adjuster.
5. Begin a detailed inventory of damaged contents as soon as possible.
6. Follow all rules for purchasing and/or public contracting.
7. Obtain at least two estimates for construction related repairs/reconstruction.
8. Maintain ongoing communication with the SISC II adjuster from the inception of the loss until conclusion.

PROPERTY & LIABILITY

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